

**BANCO DAYCOVAL S.A.**  
Publicly-held Company  
CNPJ/MF n.º 62.232.889/0001-90  
NIRE 35.300.524.110

**MATERIAL FACT**

**São Paulo, August 11, 2016** - Banco Daycoval S.A. (BM&FBOVESPA: DAYC4), a financial institution headquartered at Avenida Paulista, No. 1.793, in the city of São Paulo, State of São Paulo, enrolled with the CNPJ/MF under No. 62.232.889/0001-90 and NIRE 35300524110 ("**Banco Daycoval**" or "**Company**"), in compliance with the conditions contained in Article 157, Paragraph 4, of Law No. 6.404 of December 15, 1976, as amended, and Instruction no. 358 of the Securities Exchange Commission ("**CVM**") of January 3, 2002, as altered, hereby informs its shareholders and the market of the successful realization, on this date, of the auction ( "**Auction**") for the unified public offering for the acquisition of up to all of the preferred shares issued by the Company and held by its non-controlling shareholders and by its officers for purposes of (i) the Company's registration cancellation for trading shares on the market as an issuer of category "A" securities and conversion to category "B", pursuant to CVM Instruction 480, of December 7, 2009, as amended ( "**CVM Instruction 480**" and "**Conversion of Registration,**" respectively) and (ii) for the purpose of the withdrawal of the Company's from the special segment of the BM&FBOVESPA S.A. 2016 Bolsa de Valores Mercadorias e Futuros ("**BM&FBOVESPA**"), known as Corporate Governance Level 2 (respectively, "**Level 2**" and "**Offer,**" respectively) in accordance with the Offer instrument published on July 1, 2016 ("**Notice**").

As a result of the auction, the current shareholders of the Company ("**Controlling Shareholders**"), together with the Company ("**Offerors**"), acquired 58,394,941 of the Company's preferred shares, representing 23.80% of its share capital, in the proportion and within the limits set in the Notice. The shares were acquired for the unit price of R\$ 9.08 (nine reais and eight centavos), as reported in the Public Notice ("**Price per Share**"), in the total amount of R\$ 530,226,064.28.

Therefore, after the settlement of the acquisitions made through the auction, which will take place August 16, 2016 ("**Settlement Date**") (i) the Selling Shareholders, together with their Related Persons (as defined in CVM Instruction 361, March 5, 2002, as amended or "**CVM Instruction 361**"), will own 85.22% of the total Company's share capital, representing 209,095,824 shares, considering that 160,869,792 are common shares issued by the Company and 48,226,032 preferred shares issued by the Company; and (ii) the Company will hold in Treasury 32,368,667 of its preferred shares, representing 13.19% of its share capital.

Considering that the number of preferred shares issued by the Company acquired by Offerors at the Auction exceeds the minimum amount of 2/3 (two-thirds) of the Company's outstanding shares, as foreseen in article 16, item II of CVM Instruction 361 and the Notice, the Company will proceed to carry out the actions required for the Conversion of Registration, in the manner and within the deadline pursuant to CVM Instruction 480, with its subsequent withdrawal from Level 2.

Consequently, the Company's preferred shares will cease to be traded on Level 2 on the day immediately following the end of the Auction, to be traded on the traditional segment of the BM&FBOVESPA until a statement has been issued by CVM as to the acceptance of Conversion of Registration.

Considering that, as of the Settlement Date, there will be in circulation less than 5% of the Company's total preferred shares, under the terms of article 4, §5 of the Corporations Law and article 20, paragraph III, of CVM Instruction 361, an Extraordinary Shareholders Meeting of the Company will be convened to approve the redemption of the remaining shares that have not been acquired by the Offerors on the day of the Auction or during the Put period ("**General House Squeeze-Out Meeting**"). The redemption price will be equivalent to the price per share, in national currency, adjusted by the reference rate of the Special System for Settlement and Custody — accumulated SELIC, *pro rata temporis*, as of the Settlement Date until the date of effective payment, pursuant to article 25-A of CVM Instruction 361, whose payment must occur within 15 (fifteen) days after the date of the Extraordinary Shareholders Meeting at which such approval is obtained.

Once the redemption in the General House Squeeze-Out Meeting is approved, the Company shall inform the shareholders and the market in general about all other details regarding the procedures applicable to the acquisition and payment of the Company's remaining preferred shares.

Nevertheless, in accordance with applicable laws and regulations and item 8.9 of the Notice, starting today and throughout the period of three (3) months, that is from August 12, 2016 and up to and including November 9, 2016, or up to the General House Squeeze-Out Meeting, whichever comes first ("**Put Period**"), any remaining shareholder wishing to sell the Company's preferred shares they still own can follow the procedure outlined in the Notice and that also will be made available on the Company's website for this purpose.

Due to the Company has reached the Company's acquisition limit in the context of the Offer, The Offerors, in proportion and within the limits set out in the Notice, will acquire such shares and will pay to the respective holders the price per share, in national currency, adjusted by the Wide IPCA - National Consumer Price Index as of the Settlement Date until the date of effective payment, and such payment must occur within 15 (fifteen) days from the date on which the request is made to the shareholder to sell his shares, pursuant to the terms disclosed in the Notice.

**Ricardo Gelbaum**

Investor Relations Officer

Investor Relations

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