

BANCO DAYCOVAL S.A.
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NOTICE TO THE MARKET

IFC Provides US\$ 100 Mi to Daycoval to Support SMEs Face the Impacts of the COVID-19 Pandemic

São Paulo, Brazil, July 15, 2020 — IFC, a member of the World Bank Group, is providing a US\$ 100 million loan to support Banco Daycoval, a leading mid-sized Brazilian bank, expand access to finance for small and medium enterprises (SMEs), including women-owned businesses. IFC's investment will allow Daycoval to support SMEs preserve jobs and face the impacts of the COVID-19 pandemic. This is especially critical to help Brazil combat the negative shocks caused by the COVID-19 pandemic on the economy, as SMEs are a key sector for employment and economic growth in the country.

This loan to Daycoval is being granted as part of IFC's global response to combat the economic impacts of the COVID-19 pandemic. IFC has implemented a US\$ 8 billion package of fast-track financing to its clients worldwide to help sustain economies, support businesses and protect jobs.

IFC's investment consists of a one-year senior loan facility, renewable for up to one additional year, to support Daycoval's working capital and trade-related lending program to SMEs that have been affected by the COVID-19 pandemic. At least 20% of the working capital line will be earmarked for women-owned SMEs, with blended finance funding provided by the Women Entrepreneurs Opportunity Facility (WEOF), a global facility dedicated to expanding access to capital for women entrepreneurs.

"This investment will allow Daycoval to continue to support SMEs, including those owned by women, helping them face the negative economic shocks caused by the pandemic," said **Rogério Santos, IFC's head of Financial Institutions for Brazil and the Southern Cone**. "In addition to supporting our clients face the challenges of the pandemic, IFC is helping preserve jobs and supporting economies to accelerate its recovery process," he adds.

SMEs play a critical role in Brazil's economy as they generate jobs and provide essential goods and services, fostering economic growth and contributing to a dynamic private sector. According to IFC MSME Finance Gap Database, SMEs face unmet financing needs of over US\$ 437 billion, which inhibits the increase in productivity and limits their growth. Granting SMEs access to financial services is vital to closing that gap and promoting the sector's growth, and even more important amid the economic turmoil caused by the pandemic.

“Daycoval is very pleased with this new investment from IFC as it will allow us to expand the scope and improve the efficiency of our work with SMEs, including those owned by women, which play such a relevant role in the Brazilian economy,” says **Ricardo Gelbaum, Daycoval's Investor Relations Officer**. “We want to support the business continuity of our clients during the economic crisis caused by the pandemic,” he adds.

Daycoval is a leading mid-sized Bank in Brazil, specialized in corporate credit, payroll-deductible loan, foreign exchange, and investments. IFC's investment will strengthen the long-standing partnership with Daycoval, which has been a key partner in reaching IFC's strategic objectives in Brazil over the last 13 years, through eight projects including long-term finance, trade lines and an equity investment.

Over the last five fiscal years, IFC invested over US\$ 2.5 billion in the Brazil's financial sector, in long-term investments, including mobilization from third parties. In the fiscal year 2019, IFC's long-term investments in Brazil, across all sectors, totaled US\$ 2.5 billion, including US\$ 1.9 billion mobilized from other investors. IFC has been investing in Brazil's private sector since 1957 to address the country's most critical development challenges, including those of the urbanization, social inclusion, competitiveness and productivity, and management of natural resources.

Charlotte Keenan, Global Head of Goldman Sachs 10,000 Women, said, “WEOF is committed to building the capacity of local banks to mitigate against the disproportionately adverse impact of COVID-19 on women-led businesses. This innovative partnership allows us to support scale of working capital finance for WSMEs in emerging markets to ensure resources for their continued growth through challenging economic times.” WEOF was launched in 2014 by IFC, through its Banking on Women program, and Goldman Sachs 10,000 Women. To date, WEOF has supported 55 financial intermediaries in 33 countries. The cumulative investment amount stands at US\$ 1.83 billion. The facility has already reached 73,000 women entrepreneurs through its investments and is on track to reach 100,000 women globally.

About Daycoval

Daycoval is a leading diversified mid-sized Brazilian bank, specialized both in lending to companies and to individuals in the retail segment (payroll and auto loans), and with significant foreign currency exchange operations. Daycoval offers a wide range of credit products to companies including working capital loans, receivables purchases, bank guarantees, trade finance and leasing, being most of its lending secured by high quality collaterals. It is a low leveraged bank, with solid financial performance. We service our corporate client base through our network of 45 branches and 194 FX service points located in 29 cities across 21 Brazilian states and the Federal District (Brasília), and through a branch in the Cayman Islands.

About IFC

IFC—a sister organization of the World Bank and member of the World Bank Group—is the largest global development institution focused on the private sector in emerging markets. We work in more than 100 countries, using our capital, expertise, and influence to create markets and opportunities in developing countries. In fiscal year 2019, we invested more than US\$19 billion in private companies

and financial institutions in developing countries, leveraging the power of the private sector to end extreme poverty and boost shared prosperity. For more information, visit www.ifc.org.

About Goldman Sachs 10,000 Women

Goldman Sachs 10,000 Women is an initiative to foster economic growth by providing women entrepreneurs around the world with a business and management education and access to capital. The initiative has reached women from over 100 countries through a network of over academic, nonprofit, and bank partners. In partnership with the International Finance Corporation (IFC), Goldman Sachs 10,000 Women launched the first of its kind global finance facility in 2014 to enable access to capital to more women entrepreneurs. And now, by leveraging technology the 10,000 Women curriculum is available online through Coursera, creating access to a business education in more corners of the world. For more information on Goldman Sachs' investment in female entrepreneurs, visit <https://www.goldmansachs.com/citizenship/10000women/>.

Ricardo Gelbaum

Investor Relations Officer

Investor Relations

Phone.: (55 11) 3138-1025

ri@daycoval.com.br

www.daycoval.com.br/ri