



## **BANCO INDUSVAL S.A.**

Public Company with Authorized Capital  
Corporate Taxpayer Registry (CNPJ/ME) No. 61.024.352/0001-71  
State Board of Trade (NIRE) No. 353.000.242-90  
Brazilian Securities and Exchange Commission (CVM) Code: 20885

## **MATERIAL FACT**

### **Incorporation of Shares**

Banco Indusval S.A. ("Voiter" or "Company"), in compliance with the provisions of Article 157, paragraph 4 of Law No. 6.404/76 ("Brazilian Corporate Law"), in CVM Instruction No. 358/2002 and in article 3 of CVM Instruction No. 565/2015 ("ICVM 565"), hereby informs its shareholders and the market in general that, on this date, the Board of Directors approved, among others, the following matters:

(i) The structure of the corporate restructuring described in the Material Fact dated June 8, 2020; and

(ii) The approval of the following items regarding the proposal for the incorporation of all shares issued by the Company by NK 031 Empreendimentos e Participações S.A., a privately held company wholly owned by Roberto de Rezende Barbosa, headquartered in the city and state of São Paulo, at Alameda Santos, nº 1.293, 6º andar, conj. 63, ZIP Code (CEP) 01419-002, registered under the Corporate Taxpayer Registry (CNPJ/ME) No. 30.613.290/0001-00 ("Holding"), such that the Company becomes a wholly owned subsidiary of the Holding ("Incorporation of Shares") and as to the proposal to amend the Company's bylaws: (a) approval, *ad referendum* by the general meeting, of the Incorporation of Shares proposal, (b) approval, *ad referendum* by the general meeting, of the draft of the "Protocol and Justification for the Incorporation of Shares of Banco Indusval S.A. by NK 031 Empreendimentos e Participações S.A.", to be entered into by and between the Company's administration bodies and the Holding ("Protocol and Justification"); (c) ratification, *ad referendum* by the general meeting of the appointment of PricewaterhouseCoopers Auditores Independentes, located in the city and state of São Paulo, at Avenida Francisco Matarazzo, nº 1400, 9º, 10º, 13º, 14º, 15º, 16º e 17º andares, Torre Torino, Água Branca, registered under the Corporate Taxpayer Registry (CNPJ/ME) No. 61.562.112/0001-20 ("Evaluating Company"), as the evaluating company responsible for preparing the appraisal report the Company's shares at book value on March 31, 2020, for the purposes of the Incorporation of Shares ("Appraisal Report"); (d) approval, *ad referendum* by the general meeting, of the Appraisal Report; (e) approval, *ad referendum* by the general meeting, of the balance sheet contained in the Company's financial statements for first quarter of 2020 as a basis for calculating the amount of reimbursement in case of the Company's shareholders exercising their right to withdraw due to the Incorporation of Shares; (f) approval, *ad referendum* of the general meeting, of the proposal to amend the following articles of the Company's

Bylaws: (i) article 5, to reflect the conversion into shares of the financial bills that had been issued by the Company; and (ii) articles 10 and 16, to reduce the number of Vice-Presidents on the Board of Directors from 2 to 1; and (g) the call for the Extraordinary General Shareholders' Meeting of the Company to deliberate on the matters contained in items (a) to (f) above, and on the authorization of the Company's administrators to perform all the acts necessary to implement and formalize the Incorporation of Shares.

In this context, the information required by ICVM 565 is as follows:

## **1. Identification of the companies involved in the operation and brief description of the activities they perform**

1.1. Company characterization. The Company is a publicly traded company registered with the Brazilian Securities and Exchange Commission ("CVM") in category "A" under code no. 20885, headquartered in the city and state of São Paulo, at Avenida Presidente Juscelino Kubitschek, nº 50, 4º (parte), 5º e 6º andares, Vila Nova Conceição, ZIP Code (CEP) 04543-000, registered under the Corporate Taxpayer Registry (CNPJ/ME) No. 61.024.352/0001-71, with its constitutive acts registered with the Board of Trade of the State of São Paulo ("JUCESP") under NIRE No. 353.000.242-90.

1.2. Description of the Company's activities. The Company currently conducts holding activities, controlling other companies (including SmartBank), and is also operational, with the practice of active, passive and ancillary operations inherent to the respective authorized portfolios (commercial and investment), as well as foreign exchange operations.

1.3. Holding characterization. See the beginning of this Material Fact for the characterization of the Holding.

1.4. Description of the Holding's activities. The Holding is a newly incorporated company, which is non-operational and has a corporate purpose of financial holding.

## **2. Description and purpose of the operation**

As anticipated in the Material Fact dated June 8, 2020, the Incorporation of Shares comprises the set of measures that are being taken by the Company for the reorganization of its operations ("Corporate Reorganization").

The Corporate Reorganization seeks to segregate the activities currently developed by the Company, with different characteristics and models, in different companies, allowing each business to have its own strategic positioning, greater autonomy, agility, exclusive focus of the respective managers and independent budget, in addition to providing greater visibility and the development of relationships in their respective operating markets.

The Company's management believes that the corporate structure resulting from the Corporate Reorganization will facilitate the understanding of each niche of the Company's operations in a segregated manner, considering the different portfolios of assets and services, risks and returns, and any future capital needs.

The Incorporation of Shares is one of the stages of the Corporate Reorganization and enables the migration of the Company's shareholding base to the Holding. After the implementation of the Incorporation of Shares, within the scope of the Corporate Reorganization, the following will occur: (i) the segregation of certain lower liquidity assets and liabilities, through a partial division of the Company into a new company, to be wholly owned by the Holding ("Spin-off Bank"), (ii) the transfer of the Company's stake in SmartBank to the Holding, and (iii) the realization of a capital increase in the Company in the amount of up to BRL 100 million, with subscription guarantee and payment by the controlling shareholder of at least BRL 90 million, which will be defined in due course, according to regulatory and other requirements relevant to its operation.

At the end of the Reorganization, the Holding will detain (i) 100% of the shares issued by the Company, (ii) 100% of the shares issued by the Spin-off Bank and (iii) 98.19% of the shares issued by SmartBank.

In addition to the applicable corporate approvals, the completion of the Incorporation of Shares is subject to compliance with the following conditions: (i) settlement of the tender offer for acquisition of the Company's shares to be launched by the Company's controlling shareholder, under the context of the exit from Level 2 ("OPA"), approved by the Company's Extraordinary General Shareholders' Meeting held on July 13, 2020, pursuant to Article 9, paragraph 2, and Article 11, item IX of the BI&P bylaws, and Section XI, item 11.3 of the Corporate Governance Level 2 Listing Regulations; (ii) authorization from the Central Bank of Brazil ("BACEN"); and (iii) any other authorizations from third parties, including creditors, according to applicable contractual forecasts.

### **3. Main benefits, costs and risks of the operation**

The expected benefits of the Corporate Reorganization are described in item 2 above.

The Company's management estimates that the Company's costs to conduct the Incorporation of Shares will be approximately BRL 330,000.00 (three hundred and thirty thousand Brazilian reais), which include the costs of appraisals, legal advice and other advisory services, publications and other related expenses.

With the Incorporation of Shares, since the Holding will not have an issuer registration before the CVM and its shares will not be allowed for trade in B3, the Holding's activities will not be subject to the rules and supervision of the CVM and B3. Similarly, the options available to the Holding's shareholders to sell their shares (risk of lack of liquidity) will be reduced because the Holding's shares are not allowed for trade in B3.

### **4. Share replacement ratio**

Additionally, according to the terms and conditions of the Protocol and Justification, with the completion of the Incorporation of Shares, new common and preferred shares issued by the Holdings will be issued in favor of the Company's shareholders, replacing the shares issued by the Company previous to its ownership. The number of new common and preferred shares

issued by the Holding, to be attributed to the Company's shareholders, shall be based on the exchange ratio of the Incorporation of Shares ("Exchange Ratio").

The Exchange Ratio shall correspond to 1 (one) common share issued by the Holding for every 1 (one) common share issued by the Company and 1 (one) preferred share issued by the Holding for every 1 (one) preferred share issued by the Company, without fractions of shares. Therefore, there will be no dilution of the Company's shareholders in the Incorporation of Shares and the shares of the Holding after the Incorporation of Shares will be distributed among the same shareholders in the exact same proportion.

#### **5. Criterion for setting the replacement ratio**

The Exchange Ratio was set in order to allow the migration of the Company's shareholding base to the Holding Company, without dilution of the Company's shareholders, since the Holding is a newly incorporated and non-operational company.

#### **6. Whether the operation has been or will be submitted to Brazilian or foreign authorities for approval**

As indicated in item 2 above, the completion of the Incorporation of Shares is subject to obtaining authorization from BACEN.

#### **7. In operations involving parent companies, subsidiaries or companies under common control, the share replacement ratio is calculated in accordance with article 264 of Law No. 6.404/1976**

Despite being wholly owned by the Company's controlling shareholder, the Holding is a newly incorporated and non-operational company, which is why the Exchange Ratio was set in order to allow the migration of the Company's shareholding base to the Holding, without dilution of the Company's shareholders.

Thus, according to recent CVM understandings already demonstrated in consultations formulated in corporate transactions similar to the present, the preparation of appraisal reports for the assets of the companies involved at market prices does not apply, as provided for in Article 264 of Brazilian Corporate Law.

#### **8. Applicability of the right of withdrawal and reimbursement amount**

In accordance with the provisions of Articles 252, § 2, and 137, § 1, of the Brazilian Corporate Law, as a result of the Incorporation of Shares, the right of withdrawal will be guaranteed to the Shareholders of the Company and the Holding that do not vote in favor of the Incorporation of Shares, who abstain from voting or do not attend the corresponding Extraordinary General Shareholders' Meeting, provided that they expressly state their intention to exercise such right within 30 days from the date of publication of the minutes of the Extraordinary General Shareholders' Meeting that approves the Incorporation of Shares. Whereas the sole shareholder of the Holding has already expressed the waiver of its Right of Withdrawal as a result of the Incorporation of Shares, reference is made only to

the exercise of the right of withdrawal by the dissenting shareholders of the Company.

The amount to be paid as reimbursement for the value of the shares was calculated based on the book value of the Company's common or preferred share, according to the balance sheet contained in the Company's financial statements for first quarter of 2020, which will be submitted for approval by the Company's general meeting for its use for the purposes of calculating the reimbursement amount, equivalent to BRL 2.81 (two Brazilian reais and eighty-one cents) per common or preferred share, without prejudice to the special balance sheet right of withdrawal, in accordance with applicable legislation.

## **9. Other relevant Information**

As a consequence of the Incorporation of Shares, the Company's shareholding base will be migrated to the Holding, a privately held company whose shares will not be allowed for trade in B3. As such, the Company's shareholders must pay attention to the settlement opportunities that are being offered within the scope of the Corporate Reorganization, namely the Tender Offer for Acquisition (OPA) and the exercise of the right of withdrawal arising from the Incorporation of Shares.

The Company shall keep its shareholders and the market in general informed about the evolution of the Corporate Reorganization.

São Paulo, July 27, 2020

**CARLOS ANDRE HERMESINDO DA SILVA**

Investor Relations Officer