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

Corporate Reorganization

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

(a) Selection of the following institutions to be part of the tripartite list addressed in Article 18, item XXVI, of the Company's bylaws and Section XI of the Level 2 Listing Regulations of B3 S.A. – Brasil, Bolsa, Balcão ("Level 2 Regulation", "B3" and "Level 2", respectively): (a) Mazars Cabrera Assessoria, Consultoria e Planejamento Empresarial Ltda.; (b) Moore Stephens Momentum Accounting – Corporate Finance & Perícias: Contábil, Econômica, de Engenharia e Finanças Ltda.; and (c) Apsis Consultoria Empresarial Ltda. ("Tripartite List"); and

(b) Call for the Extraordinary General Shareholders' Meeting to be held on July 13, 2020 to deliberate on (a) the choice, among the institutions that make up the Tripartite List, of which will be responsible for preparing the appraisal report for the shares issued by the Company, based on economic and financial criteria, for the purpose of the tender offer for acquisition of the entirety of the shares of Banco Indusval to be launched by the Company's controlling shareholder ("OPA"), pursuant to article 11, item XI of the Company's bylaws and Section X and item 11.3 of the Level 2 Regulation; and (b) the Company's exit from Level 2, pursuant to articles 9, paragraph 2, and 11, item IX of the Company's bylaws, and Section XI and item 11.3 of the Level 2 Regulation. The Call Notice and the respective management proposal will be published in an opportune and timely manner on the websites of the Company, the Brazilian Securities and Exchange Commission and B3.

The aforementioned measures are part of the proposed measures to be taken by the Company's competent bodies over the next few months in order to reorganize its operations ("Reorganization"). The Company emphasizes that, despite the approval of the above matters by the Board of Directors on this date, the implementation of the other Reorganization acts described below remains subject to analysis and obtaining corporate approvals (including from the Board of

Directors and the Company's General Shareholders' Meeting), in addition to the applicable regulatory approvals, as described below.

The Reorganization falls under the Company's planning to segregate its activities of different characteristics and models into 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.

Part of the context of the Reorganization also falls under the Company's commitment to rectify the non-compliance with the minimum number of outstanding shares required by item 7.3 of the Level 2 Regulation.

The Company believes that such strategy will facilitate the market's understanding of each niche of its operations in a segregated manner, considering the different portfolios of assets and services, risks and returns, and any future capital needs.

To that end, the Reorganization proposal, to be evaluated in a timely manner by the Board of Directors and, as the case may be, by the General Shareholders' Meeting, will consist of:

(i) Migration of the Company's shareholding base to a new privately held company to be incorporated ("New Holding"), through the incorporation of all the Company's shares by the New Holding ("Incorporation of Shares"), whereas all the rights and percentages of interest of those who are shareholders of the Company on that date remain unchanged;

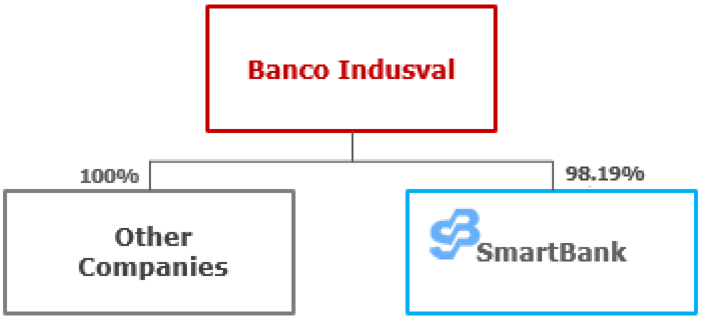
(ii) Segregation of certain lower liquidity assets and liabilities, through a partial division of the Company into a new company ("Spin-off Bank"), to be wholly owned by the New Holding;

(iii) Transfer of the Company's interest in SmartBank to the New Holding; and

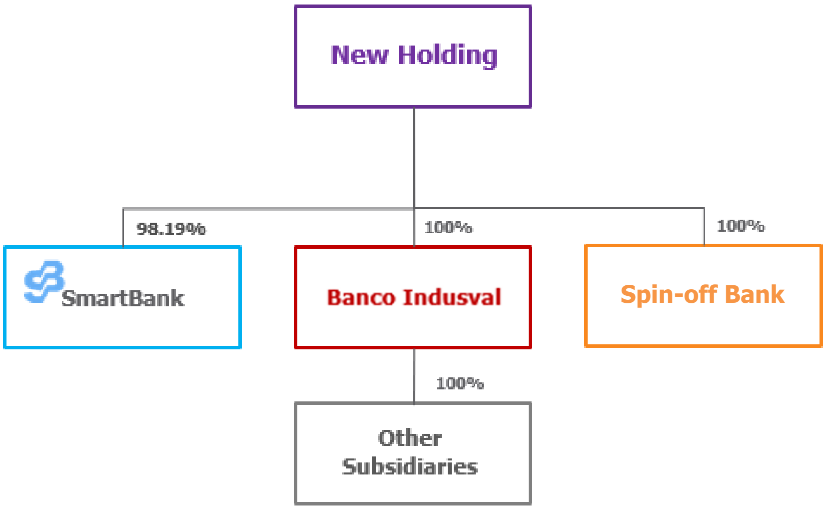
(iv) The realization of a capital increase in the Company, the amount of which will be up to BRL 100 million, with guarantee of subscription and payment by the controlling shareholder of at least BRL 70 million, which will be defined in due course by the Board of Directors ("Capital Increase"), in accordance with regulatory and other needs relevant to its operation. The issue price of the shares to be issued by the Company under the Capital Increase will be set as the highest among the following amounts: (i) the price per share to be paid under the Tender Offer for Acquisition (OPA), as detailed above; or (ii) the price per share calculated based on the value of Banco Indusval's shareholders' equity on a base date to be determined in due course, and such base date will also be used to determine the reimbursement amount that shall be due if the right of withdrawal is exercised as a result of the Incorporation of Shares.

At the end of the Reorganization, the New 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, as demonstrated below:

Before the Reorganization



After the Reorganization



Additionally, in the context of the Reorganization, the Company developed and the Board of Directors approved, on this date, the Company's implementation of a marketing strategy, with an immediate change to its visual identity and the brands currently used by the Company, and Banco Indusval will begin operating under the "Voiter" brand.

In addition to the aforementioned corporate approvals, the realization of the Reorganization is subject, among others, to authorization (i) from B3, with respect to the extension of the period for regularization of the non-compliance of the free float set forth in item 7.3 of the Level 2 Regulation, changing the conditions previously approved by B3 and indicated in the Material Fact disclosed on December 27, 2019; (ii) from the Central Bank of Brazil (BACEN); and (iii) by third parties, including creditors, as per contractual provisions. Further details on the Reorganization will be disclosed in due course, including information on approvals for subsequent stages of the Reorganization by the Board of Directors and the call for a General Shareholders' Meeting to approve the Incorporation of Shares, which will grant the Company's dissenting shareholders the right of withdrawal, under the terms of article 252, paragraph 2, of the Brazilian Corporate Law.

As a result of the Reorganization proposal, the Company's Executive Board will submit to the Board of Directors, upon approval of the financial information for 1Q20, a write-off on the plan for using activated tax credits in the amount of approximately BRL 141 million, which appear in its financial statements for previous fiscal years, due to the expectation of future profitability as a result of an eventual sale of its stake in Smartbank.

The Company will keep its shareholders and the market in general informed about the Reorganization as the Company's management progresses in obtaining the documents and information necessary for its implementation, including those necessary to comply with CVM Instruction No. 565/15.

São Paulo, June 8, 2020.

CARLOS ANDRE HERMESINDO DA SILVA

Executive Director and Investor Relations Officer