



BANCO INDUSVAL S.A.

Publicly Held Company with Authorized Capital
Corporate Taxpayer (CNPJ/MF) nº 61.024.352/0001-71
Company Registry (NIRE) nº 353000242-90

MATERIAL FACT

BANCO INDUSVAL SA (B3: IDVL3 and IDVL4), a financial institution headquartered in the State of São Paulo, at Rua Iguatemi, n. 151, 6th floor, tax payer n. 61.024.352/0001-71 ("Company or "BI&P"), pursuant to the 4th paragraph of article 157, Law 6.404/1976 ("Brazilian Corporate Law") and CVM Instruction # 358/2002, hereby informs its shareholders and the general market that the Company decided:

1. Capitalization

As of today, the Board of Directors proposed to the general meeting a capital increase in the minimum value of R\$ 245,000,000.00 (two hundred forty five million Brazilian reais) through the issuance of 70,000,000 (seventy million) new common shares, and in the maximum amount of R\$ 325,500,000.00 (three hundred twenty-five million, five hundred thousand Brazilian reais), through the issuance of up to 93,000,000 (ninety-three million) new common shares at the issuance price of R\$ 3.50 (three Brazilian reais and fifty cents) per share (Capital increase) for private subscription non-shifting on the control group of the Company and commitment to the subscription and payment of the minimum amount of Capital Increase by BI&P's current controlling shareholders. Partial ratification of the Capital Increase will be allowed, as long as the subscribed amount reaches a minimum of R\$245,000,000.00 (two hundred forty-five million Brazilian reais). The capitalization aims to strengthen the balance sheet of BI&P and its subsidiaries, in order to meet the requirements of its basel and, thus, to resume the capacity to generate new business and develop activities.

2. Issuance of Convertible Subordinated Debt Instruments

Notwithstanding the capital base requirement, BI&P will issue Convertible Subordinated Debt Instruments, which will be able to integrate after authorization to be obtained from the Central Bank of Brazil ("Bacen"), the Total Capital (reference equity) - Level II of the Company (Basel II Level Index), in the amount of R \$ 55,000,000, 00 (fifty-five million Brazilian reais), convertible into shares, for the conversion price of R\$ 3.50 (three Brazilian reais and fifty cents) per share.

Such issuance will have the underwriting and integration commitment by the controlling shareholders of the Company, observing the exercise of the preemptive right of the other shareholders.

São Paulo, March 11th, 2019.

JAIR DA COSTA BALMA
Investors Relations Officer