

**PRESS RELEASE**

Vicenza, 04 April 2017 – As already announced, on 17 March last, Banca Popolare di Vicenza had informed the competent Authorities of its intention to apply for the temporary and extraordinary public finance support to access the “precautionary recapitalization” measure pursuant to L.D. 237/2016, as amended and transposed into Law no. 15 on 17 February 2017; on 23 March last, it had also applied for a state guarantee on an additional 2.2 billion euro bond issuance. The Bank received two letters from the Ministry of Economy and Finance, written by the ECB and addressed to the Ministry, where, in addition to **confirming that the necessary requirements to access the “precautionary recapitalization” measure are fulfilled**, in compliance with current regulations, the following was highlighted:

- i. based on the consolidated capital ratios as at 31 December 2016, **the Bank is currently solvent, since it meets the minimum capital requirements under Article 92 of Regulation (EU) No. 575/2013**. Conversely, Pillar 2 and Combined Buffer capital requirements are not fulfilled.
- ii. the **2016 stress test results** reported a **shortfall, only under the adverse scenario**, for the fully-loaded CET1 parameter at year-end 2018, amounting to -3.19%, to be related to an 8% threshold and a total Capital ratio of 11.5%. According to the ECB, this shortfall translates into a capital requirement of 3.3 billion euro. This requirement will then be used to define the actual amount of precautionary recapitalization to be determined by the competent Authorities.

The application to obtain the state guarantee on an additional 2.2 billion euro bond issuance is aimed at stabilizing the liquidity profile, bolstering the counterbalancing capacity, which in the last few weeks, has been negatively affected by the conditions of uncertainty.

The intention to access the “precautionary recapitalization” measure is aimed at achieving the capital strengthening required by the ECB under the SREP process as well as to implement the new 2017-2021 Business Plan which envisages the merger with Gruppo Veneto Banca.

To this respect, please note that the necessary liaisons with the competent Authorities have already been established to formally start the “precautionary recapitalization” process.

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This press release, prepared pursuant to art. 17 of Regulation (EU) no. 596/2014 of 16 April 2014, is available on the website [www.popolarevicenza.it](http://www.popolarevicenza.it), and has also been published on the website of the authorized central storage mechanism "1Info" at [www.1Info.it](http://www.1Info.it).

**Banca Popolare di Vicenza**

*Gruppo Banca Popolare di Vicenza, founded in Vicenza in 1866 – the first Popolare Bank in Veneto – today ranks eleventh among Italian banks based on total asset, with a market share of 1.7% by number of branches. The Group’s distribution network relies on roughly 541 points of sale (including branches, financial shops and private banking centers) strewn throughout 16 Italian regions, with a strong franchise in Veneto and in the entire North-East area and a customer base primarily represented by retail customers, self-employed professionals and small and medium-sized enterprises.*

Banca Popolare di Vicenza ([www.popolarevicenza.it](http://www.popolarevicenza.it)) is also on Twitter: sign in at <http://twitter.com/popolarevicenza> to be informed of all group initiatives, news and events.



**Banca  
Popolare di Vicenza**

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