

Montebelluna, 4 April 2017

PRESS RELEASE

As already announced, on 17 March last, Veneto Banca 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 1.4 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 29 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, under the base scenario, for the fully-loaded CET1 parameter at year-end 2018, amounting at 7.03%, to be related to an 8% threshold. This shortfall (228 million euro) was widely covered by a 628 million euro capital injection (of which 296 million at the beginning of January 2017) by the majority shareholder Atlante Fund.

The 2016 stress test results reported a shortfall, **under the adverse scenario**, for the fully-loaded CET1 parameter at year-end 2018, amounting to -2.56%, 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 3.1 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 1.4 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.

Il presente comunicato stampa, redatto ai sensi dell'art. 17 del Regolamento (UE) n. 596/2014 del 16 aprile 2014, è disponibile sul sito www.venetobanca.it ed è, altresì, pubblicato presso il meccanismo di stoccaggio autorizzato "1Info" all'indirizzo www.1info.it.

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