

VENETO BANCA ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING

The Shareholders have approved the financial statements at 31 December 2014 and have appointed four Directors to the Board.

Today, at Villa Spineda, in Venegazzù, Volpago del Montello, the Veneto Banca Shareholders' Meeting was held, chaired by Professor Francesco Favotto, with the participation of 7,412 Shareholders, either in person or by proxy.

During the Extraordinary part, the Shareholders' Meeting approved the proposals to amend 14 articles of the Company By-Laws. The approved amendments are aimed at adjusting the By-Laws to legal and regulatory requirements.

Regarding the points on the agenda for the Ordinary part, the Shareholders' Meeting resolved:

- the appointment of four Directors for financial years 2015, 2016 and 2017: Graziano Gianmichele Visentin, Stefano Campoccia, Pierluigi Bolla and Matteo Zoppas. At the same time, an alternate auditor was also appointed, Adolfo Bordin.

- The 2014 financial statements, approved by the Shareholders' Meeting with 91.2% of the votes, indicates that a pro-forma CET1 ratio of 10.27% has been achieved, as well as a positive trend for the Bank's core business, characterised by an increase in business volume, an increase in direct and indirect deposits (respectively, 2.6% and 7%, compared to the end of 2013), and continuous support for the companies in the areas where the Institute operates, with over 2 billion in new loans disbursed in 2014, as well as a 15.8% increase in mortgages granted, above the national average.

The Group's net result was subjected to a more rigorous and prudential provisions policy, in addition to the full implementation of the provisions requested by the ECB in the Comprehensive Assessment carried out in 2014.

- Determination of the value of shares at € 30.50. The adjustment of the value of shares was due to the result for the year just ended, which included the effects deriving from the Comprehensive Assessment carried out by the ECB and also reflects the continuation of the economic crisis which has severely impacted the households and businesses in the areas where the bank operates.

In addition, the Shareholders' Meeting approved the 2015 remuneration and incentive policy for the Veneto Banca Group and set the fees for the Board of Directors and the Executive Committee.

Professor Francesco Favotto, the Chairman of the Veneto Banca Group stated: "This was a valuable Shareholders' Meeting, characterised by sincere and open discussion with the Shareholders. A new chapter begins today, that will see our Institute ready to take advantage of any opportunities for growth that arise. The Board of Directors will continue to work responsibly towards its single objective - creating value for our Shareholders, Employees, and the Communities in which we work."

Below we provide a summary of the main results from the 2014 Financial Statements.

CONSOLIDATED BALANCE SHEET

(in € thousands)

Assets		31/12/2014	31/12/2013
10.	Cash and cash equivalents	277,906	276,211
20.	Financial assets held for trading	162,163	484,291
30.	Financial assets at fair value	21,332	21,689
40.	Financial assets available for sale	4,191,754	4,889,194
60.	Loans to banks	1,479,902	1,670,553
70.	Loans to customers	23,831,788	26,392,024
80.	Hedging derivatives	103,910	91,045
90.	Value adjustment of financial assets subject to macrohedging (+/-)	2,971	6,183
100.	Equity investments	10,668	24,458
110.	Technical reserves held by reinsurers	-	17,137
120.	Property, plant and equipment	290,289	545,448
130.	Intangible assets	523,013	1,373,042
	of which:		
	- goodwill	417,660	1,190,986
140.	Tax assets	898,850	852,544
	a) current	112,241	133,368
	b) deferred	786,609	719,176
	- of which convertible into tax credit under Law 214/2011	736,407	640,334
150.	Non-current assets and disposal groups	3,792,011	-
160.	Other assets	580,148	662,846
Total assets		36,166,705	37,306,665

Liabilities and shareholders' equity		31/12/2014	31/12/2013
10.	Due to banks	3,735,417	5,811,072
20.	Due to customers	14,982,192	17,546,576
30.	Securities issued	9,624,926	8,766,218
40.	Financial liabilities held for trading	350,074	448,658
50.	Financial liabilities at fair value	27,440	27,197
60.	Hedging derivatives	275,879	206,444
80.	Tax liabilities	27,819	151,534
	a) current	4,116	22,455
	b) deferred	23,703	129,079
90.	Liabilities associated with assets held for sale	3,305,308	-
100.	Other liabilities	780,332	871,030
110.	Employee severance indemnities	51,254	52,848
120.	Provisions for risks and charges:	75,581	55,027
	a) pensions and similar obligations	406	456
	b) other provisions	75,175	54,571
130.	Technical reserves	-	203,974
140.	Valuation reserves	19,198	(29,247)
160.	Equity instruments	-	(6,827)
170.	Reserves	566,549	439,300
180.	Share premium reserve	2,882,163	2,367,281
190.	Share capital	373,461	309,931
200.	Treasury shares	(98,687)	-
210.	Minority interests	156,235	181,797
220.	Profit (Loss) for the period	(968,436)	(96,148)
Total liabilities and shareholders' equity		36,166,705	37,306,665

RECLASSIFIED CONSOLIDATED INCOME STATEMENT

(in € thousands)

	Dec-14	PRO FORMA		
		Dec-13	Absolute Change	% change
Net interest income	512,484	522,027	-9,543	-1.8%
Net fee and commission income	288,395	308,824	-20,429	-6.6%
Dividends	7,182	8,699	-1,517	-17.4%
Gains (losses) on trading activities and measurement of financial assets	56,477	74,231	-17,754	-23.9%
Other operating income (expense)	-9,571	-11,561	1,991	-17.2%
Operating income	854,967	902,219	-47,252	-5.2%
Personnel expenses	-366,973	-349,337	-17,636	5.0%
Other administrative expenses	-205,128	-192,660	-12,468	6.5%
Write-downs of property, plant and equipment, and intangible assets	-44,928	-40,596	-4,333	10.7%
Operating expenses	-617,029	-582,593	-34,436	5.9%
Result of operations	237,938	319,626	-81,688	-25.6%
Write-downs of receivables and other assets	-731,024	-447,749	-283,275	63.3%
Net provisions for risks and charges	-37,297	-5,549	-31,748	n.a.
Profit (Loss) on equity investments	-890	-2,960	2,070	-69.9%
Goodwill impairment	-670,655	0	-670,655	n.a.
Profit (loss) on disposal of investments	251	173	78	45.1%
Profit/loss from continuing operations before tax	-1,201,677	-136,459	-1,065,218	n.a.
Income taxes on continuing operations	226,247	33,900	192,347	n.a.
Profit (loss) from disposal groups after tax	-8,873	3,058	-11,931	n.a.
Profit (Loss) for the period attributable to minority interests	-15,867	-3,353	-12,514	373.2%
Net profit (loss) for the period	-968,436	-96,148	-872,288	n.a.

STRUCTURAL AND PRODUCTIVITY RATIOS

Items	31/12/2014	31/12/2013
Loans to customers/direct deposits (net of CC&G)	99.3%	112.8%
Total assets/Shareholders' equity (leverage)	8.1%	8.5%
Direct deposits per employee	4,407	4,306
Indirect deposits per employee	2,835	2,657
Customer loans per employee	4,263	4,432
Cost/Income ratio	70.9%	63.4%

RISK RATIOS

Items	31/12/2014	31/12/2013
Net impaired loans/Net loans	14.8%	12.8%
Net bad loans/Net loans	5.9%	5.7%
% coverage of impaired loans	38.0%	33.9%
% coverage of bad loans	53.7%	49.4%
Annual cost of credit	2.83%	1.71%

REGULATORY RATIOS

Items	31/12/2014	31/12/2013
CET1 ratio	9.56%	7.33%
Pro-forma CET1 ratio	10.27%	
Total capital ratio	10.33%	8.75%
Pro-forma Total Capital Ratio	11.25%	

OTHER INFORMATION

Items	31/12/2014	31/12/2013
Staff	5,610	5,641
Average number of employees	5,590	5,575
Number of bank branches	552	555

Consolidated results

Below are the changes seen in the main balance sheet aggregates of the Veneto Banca Group over the course of 2014, as well as the economic results achieved during the year, as approved by the Shareholders' Meeting.

- **Adequate capitalisation**

The Group's shareholders' equity, not including the result for the year, amounts to € 3.7 billion, while the pro-forma ratios, including the benefits deriving from the sale of BIM, come to 10.27% (CET1) and 11.25% (Total Capital).

- **Particularly rigorous and prudent provisions policy implemented**

Total write-downs on loans amounting to € 779 million were recognised (including the BIM Group), of which € 564 million gross pertaining to the AQR, equal to the entirety of the provisions requested by the ECB. Prudential impairment of € 671 million of goodwill recognised in the balance sheet, with an impact only on the accounts and no reflection in the cash flow, liquidity, solidity, capital ratios and prospective profitability. As a result of this impairment, and after eliminating also that relating to BIM (currently in the process of disposal) and Banca IPIBI (disposed of on 2 April), goodwill is down by a total of 65%.

- **Coverage of impaired loans and bad loans further increased**

The level of coverage of bad loans (including write-offs) has improved considerably, going up from 49.4% at the end of 2013 to 53.7% at the end of December 2014. The total coverage of loans is also up, from 6.55% to 8.87%. The net bad loans/shareholders' equity ratio went from 47.2% at the end of 2013 to 50.8% at the end of June 2014, while the ratio of net bad loans to total loans was 5.9% at the end of the year.

- **Despite a difficult economic and market context, business volume and deposits recorded a positive trend.**

Business volume grew (+1.2% to € 64.3 billion) and deposits came out at more than € 24.6 billion (+2.6% compared with the end of 2013), with total assets closing at € 36.2 billion, substantially in line with the figure for the end of 2013 (-3.1%).

- **The net result was affected by the write-downs on loans requested by the ECB and impairment of goodwill**

The prudential write-down of all the impairment resulting from the AQR exercise (€ -374 million net), and of goodwill (€ -671 million), had an impact on the net result for the year at 31 December 2014 which ended at € -968 million.

Press Release
Montebelluna, 18 April 2015



Mr Stefano Bertolo, Manager charged with preparing the Company's Financial Reports of Veneto Banca S.C.p.A., declares, in accordance with Art. 154-bis, paragraph 2, of Italian Legislative Decree 58 of 24 February 1998, that the accounting disclosure contained in this document corresponds to documentary evidence, and to the accounting books and records.

*The Manager charged with preparing
the Company's financial reports
(Stefano Bertolo)*

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