

VENETO BANCA GROUP: RESULT OF THE 2016 SREP PROCESS

Montebelluna, 16 December 2016 - The Veneto Banca Group communicates that it has received from the European Central Bank, at the end of the annual Supervisory Review and Evaluation Process (SREP), the notification of the new decision on the subject of prudential requirements to be observed on a consolidated basis under the terms of Art. 16 of Regulation (EU) no. 1024/2013.

The decision states that the requirements on the subject of Own Funds must be applied starting from 31 March 2017 and provide for the maintenance, on a consolidated basis, of a minimum Common Equity Tier 1 (CET1) ratio of 8.75%, made up of the sum of the Pillar I regulatory minimum requirement of 4.5%, an additional requirement as regards own funds of 3.00% (Pillar 2 Requirements – P2R) and the combined capital reserve requirement of 1.25% for the year 2017 (Capital Conservation Buffer - CCB).

In addition, again on a consolidated basis, observance is requested of a minimum requirement of Total Own Funds (Total Capital Ratio – TC) of 12.25%.

In brief, these are the requirements requested:

- 8.75% Transitional CET1 Ratio;
- 10.25% Transitional Tier 1 Ratio;
- 12.25% Transitional Total Capital Ratio;

The capital ratios of the Veneto Banca Group at 30 June 2016 were:

- Transitional CET1 Ratio: 10.74%;
- Transitional Tier 1 Ratio: 10.74%;
- Transitional Total Capital Ratio: 12.57%;

Finally, in the same decision the Bank is requested to maintain, starting from 01 January 2017, a minimum Liquidity Coverage Ratio (LCR) of at least 10 percent more than the regulatory minimum requirement (80% starting from 01 January 2017), to update the Strategic Plan and to adopt an Operating Plan aimed at reducing Non-Performing Loans.

The capital ratios at 31 December 2016 will be communicated on the occasion of approval by the BoD of the preliminary drafts of the 2016 Financial Statements incorporating also the result of the complex assessment activity currently in progress, taking into account also the difficult market context.

The present press release, prepared under the terms of Art. 114 of Italian Legislative Decree no. 58 of 24 February 1998, is available at www.venetobanca.it and is also published through the authorised archiving mechanism "1Info", at www.1info.it.

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