

THE VENETO BANCA GROUP: HOLDING UP WELL EVEN IN THE MIDST OF MARKET CRISES THE BOD APPROVES THE FIRST HALF RESULTS FOR 2009

- Overall Group profitability of € 48 million (+45.8%)
- Gross banking product € 44 billion (+4.6%)
- Direct deposits € 16.7 billion (+ 5%)
- Indirect deposits € 9.9 billion (+2.5%)
- Loans € 17.4 billion (+5.8%)
- Membership in the MEF-ABI-Association of Businesses Agreement on the suspension of SME debts towards the banking system

The Board of Directors of Veneto Banca Holding today examined and approved the consolidated half year report which attested to the ability of the Gruppo Veneto Banca to hold up well in the face of the virulence of the global economic crisis.

The first half of 2009 closed with a **net profit** of € 42 million, a drop of 21% over June of 2008. This drop can be ascribed mainly to the dynamics of the prudential provisions made to ensure proper protection against the risk connected with credit activities at this point in the exceptionally negative recession.

Nevertheless the **overall profitability of the Group**, if the reserves allocated directly to the net assets without transiting through the profit and loss account are also considered, was € 48 with an increase of 45.8% over the same item in June of the previous year.

The interest margin marked a 3,2% increase rising from € 229.1 million in June 2008 to the current € 236,4 million. This was affected by the drop in the interest rates and the consequent contraction of the yield spread with the clientele to which must be added the increase in the cost of funding on institutional markets.

The brokerage margin is substantially confirmed: it passed from € 340 million in June 2008 to € 339,9 in June 2009.

The gross banking income reached € 44 billion with a growth of 4.6% over December 2008.

The direct deposits of € 16.7 billion marked a 4.5% increase over December 2008; **the indirect deposits** of € 9.9 billion grew by 2.5%, a significant amount in the light of the fact that at the system level in the first half of 2009 the indirect deposits were negative.

Loans grew from € 16.4 billion in December 2008 to € 17.4 billion with a 5.8% increase. This percentage of growth is quite considerable in a period during which even Banca d'Italia reported a slowdown in bank loans and a contraction in disbursements by the large banking groups.

The ratio of net non performing loans to loans reported an increase of 25% over December 2008 rising from 2.02% to 2.54% and demonstrated how quickly the financial market crisis spread to the real economy.

Veneto Banca Holding on behalf of the banks in the Group and of Claris Leasing also signed the agreement last August 3 between ABI, the Government and business associations to suspend SME debts towards the banking system.

This agreement provides that when the conditions defined by the agreement encumber the businesses, the institutes of the Veneto Banca Group will guarantee to SMEs:

- the 12 month deferment of the repayment plan;
- the extension to 270 days of the maturity of short term credits (on sure and collectable credits);
- the waiving of requests for additional guarantees;

"Banks in territories like ours" comments the Managing Director of the Group, Vincenzo Consoli, "have found themselves obliged to tread the straight and narrow path in living up to their corporate mission in the service of the community in which they operate while at the same time complying with the criteria of healthy and prudent management.

We have strengthened our assets just to be able to respond with greater safety and tranquillity to the needs of our enterprises and we have demonstrated our ability to hold up well even in the markets of Eastern Europe which were more affected than others by the financial and economic markets.

The results of the first half of 2009 show that no matter how narrow the path, it can be taken effectively. I cannot help but be satisfied with how we have done and I confirm our commitment to sustain the territorial economies in such moments of great difficulty as the current one."

Mr Stefano Bertolo, Manager in charge of preparing the corporate accounts of the Veneto Banca Holding s.c.p.a., states in compliance with article 154-bis, subsection 2 of Legislative Decree no. 58 of 24 February 1998 that the accounting information contained in this document corresponds to the documentary results, books and accounting entries.

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