

PRESS RELEASE

DEXIA CREDIOP: the Board of Directors approves the draft company financial statements and the consolidated financial statements for 2013.

- **Consolidated net interest and other banking income: € 39 million;**
- **Consolidated net result: € - 24.2 million;**
- **Consolidated total assets: € 36.4 billion;**
- **Tier 1 Capital Ratio: 24.2%;**
- **Total Capital Ratio: 29.8%.**

The Board of Directors of Dexia Crediop, meeting today in Rome, has approved the draft company financial statements for 2013, which will be submitted to the Shareholders' Meeting called for 29 April 2014, as well as the consolidated financial statements.

Business context and key operational features

At the global level, the economic cycle during 2013 recorded moderate growth, supported by continuing expansive monetary policies. Specifically, the economies in the United States and United Kingdom showed signs of picking up.

In the Eurozone, the recovery was more contained and varied between the different countries. During the second part of the year, GDP tended towards the expected increase, which will, however, remain modest in 2014 according to available forecasts.

In Italy, the protracted decrease in GDP seems to have halted during the second half of 2013, with an increase in industrial production recorded for the first time in three years. Once again the most significant positive contribution came from exports: since 2012, the trend has been of continued improvement in the current account balance.

In this context, the prospects for the infrastructure sector are positive based on Project Finance relating to investments by public sector entities or by private managers of networks and infrastructure. This is especially the case in the motorways' sector and for infrastructures relating to development of energy production from renewable sources, sectors in which Dexia Crediop has for some time been diversifying its clientele and services offered, while still remaining within the scope of public relevance.

In line with this reference context, Dexia Crediop maintains its long- and short-term financing commitments, within the limits of the provisions of the plan approved by the European Commission. Thus, also with a view to ensuring diversification, the commercial strategy continues to focus on the availability for its customers of a more extensive, fuller range of services, including advisory, arranging, hedging, and agency and cash management services, also allowing operations not requiring the use of credit facilities.

New financing activity was contained with a selective credit policy and adequate focus on profitability. Various transactions were carried out, especially in Project Finance. The second part of the year saw the financial closing of a project in the renewable-energy sector, as well as a structured monetisation transaction for tax credits held by a leading international group operating in photovoltaic installations.

The year was also marked by the renewal of a number of significant advisory mandates in the infrastructure segment, through which Dexia Crediop supported primary clients developing



projects in Italy. Financial consulting was also conducted on behalf of clients in the energy sector, mainly relating to the verification of new projects and reviewing financial models.

Long-term funding operations during 2013 were based on secured and unsecured financing transactions. Short-term funding sources were also diversified, particularly in respect of the secured MTS Repo and New MIC markets. Finally, to cover its financial requirements, the Bank was able to count on the support of its shareholder Dexia Crédit Local, in line with what had been set out in the plan approved by the European Commission.

In 2013, Dexia Crediop aimed to maintain its commercial franchise, on the back of the European Commission's decision of 28 December 2012, which authorised Dexia Crediop to originate, for one year, new assets for up to € 200 million limited to existing customers. This authorisation was extended to 28 June 2014 in order to facilitate the possible sale process.

Economic results of the Dexia Crediop Group

Consolidated net interest amounted to € 39 million, compared with € 76.6 million during the previous year. This drop was mainly due to the unusual situation regarding short-term interest rates, which, especially during the first part of the year, had resulted in a contraction in the interest income. Also significant were the effects of the revision of the parameters used to measure derivative instruments, in line with the new IFRS 13 accounting standard. Given the valuative nature of these effects, they do not constitute actual losses and will be recovered over time, in the absence of credit events.

Administrative expenses totalled € 35.7 million, in line with the previous year. Net provisions for risks and charges stood at € 16 million, and related mainly to legal expenses for administrative and judicial proceedings in progress in relation to derivative contracts signed with local authorities, as well as provisions to cover a dispute with the Tax Office, regarding which the Bank had agreed to a settlement proposal in March 2014.

It should be stressed that with regard to derivative transactions, the judgements handed down up to now have all been favourable for Dexia Crediop and have confirmed the Bank's substantial correctness and transparency in concluding the contracts in question.

The consolidated result of current operations before tax was € -19.4 million compared with € 25.0 million in the 2012 financial year. The result after taxes for the period was affected by the partial non-deductibility of interest paid and, by the increase in the IRES rate, stood at € -24.2 million compared with € 7.6 million in 2012.

Tier 1 Capital Ratio of 24.2% (18.2% in 2012) and Total Capital Ratio of 29.8% (23.7% in 2012) increased compared with the previous year confirming the soundness of Bank's capital base.

Consolidated Income Statement of Dexia Crediop S.p.A.

Dexia Crediop S.p.A. achieved net interest and other banking income of € 28.2 million, compared with the € 61.8 million of 2012.

Administrative expenses totalled € 35.3 million, in line with the previous year. Net provisions for risks and charges stood at € 16 million.

The result of current operations before tax was € -30.0 million compared to € 10.3 million in 2012. The post-tax result for the period was therefore € -31.8 million, compared with € -3.4 million in the previous year.

In determining these results, the same considerations presented for the consolidated figure apply.

Dexia Crediop is a Bank that has operated in Italy since 1919, specialising in the infrastructure and public-works sectors.

The Bank offers its public and private customers a full range of innovative financial products and services, which include consulting, medium- and long-term financing, solutions for receivables and payables, project finance, the capital market and cash management.

Dexia Crediop is currently 70% controlled by Dexia Credit Local, which is an entity of Dexia Group, and minority shareholders are Banca Popolare di Milano, Banco Popolare and Banca Popolare dell'Emilia Romagna, with a 10% stock-holding each.

Jean Bourrelly, as Financial Reporting Manager responsible for drafting accounting documents at Dexia Crediop, hereby declares, in accordance with clause 2, article 154 bis of the Consolidated Finance Act, that the accounting information contained in this press release corresponds to the results set down in documents, ledgers and the accounts.

Financial Reporting Manager
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