

## **PRESS RELEASE**

**DEXIA CREDIOP: Shareholders' Meeting approves the Bank's financial statements for 2017.**

- **Net interest and other banking income: € 36.2 million;**
- **Net result: € 2.0 million;**
- **Total assets: € 20.5 billion;**
- **Common Equity Tier 1 Capital Ratio: 22.8%;**
- **Total Capital Ratio: 23.3%;**
- **Appointment of a new Board of Directors;**
- **Confirmed Wouter Devriendt as Chairman and Jean Le Naour as CEO.**

The Shareholders' Meeting of Dexia Crediop was held in Rome today and approved the Bank's financial statements for 2017.

A new Board of Directors was appointed. Wouter Devriendt was confirmed as Chairman. Jean Le Naour, Johan Bohets (Dexia Crédit Local), Stefano Braschi (Banco BPM), Roberto Ferrari (BPER Banca), Olivier Paring (Dexia Crédit Local) and Pierre Vérot (Dexia Crédit Local) were re-appointed as Directors.

Giovanni Prati De Pellati (Banco BPM) was appointed as Director for the first time.

The first meeting of the new Board of Directors confirmed Jean Le Naour as Chief Executive Officer and Johan Bohets as Deputy Chairman.

## **Dexia Crediop's Situation**

Dexia Crediop, as part of the Dexia Group which is subject to the orderly resolution plan approved by the European Commission on December 28, 2012, manages its remaining assets in run-off, with no new production.

## **Financial results of Dexia Crediop S.p.A.**

Net interest and other banking income of Dexia Crediop amounted to € 36.2 million, down by € -49.1 million with respect to 2016.

In particular, net interest income saw a decrease of € -18.2 million, due to the amortization of stock of assets, a decrease in the returns from cash collateral deposits in relation to credit support annex contracts, and an overall increase of the cost of funding.

Net fees and commission income decreased by € -36.4 million due to the extension of the maturity of the funding received from the parent company Dexia Crédit Local which had an impact of € -38.6 million in 2017.

Net trading gains (losses), inclusive of the result on disposal or repurchase, in the amount of € +21.9 and net hedging gains (losses), in the amount of € +14.7 million, benefited from the positive effect of the Credit Value Adjustment (CVA) and of the Funding Value Adjustment (FVA) on the bank trading derivatives, as well as from the measurement of collateralised hedging derivatives by using the OIS curve, rather than by measuring the hedged instruments by using the Euribor curve.



Administrative expenses totalled € 30.2 million, including a € 7.2 million contribution to the European Single Resolution Fund. In 2016, total administrative expenses came to € 58.1 million, while the contribution made to the European Single Resolution Fund and to the National resolution Fund was in the aggregate € 35.5 million. Not taking these expenses into account the total for the administrative expenses increased by € 0.4 million compared to the previous year, also as a result of exceptional recoveries occurred in 2016 (€ +2.5 million) and resulting from provisions on employees' pension funds. Excluding this component the other administrative expenses decreased due to permanent costs reductions.

The amount of net adjustment for impairment was € -10.0 million (€ +2.0 million in 2016), mainly due to a single counterpart in a project finance transaction. Allocations made to the provisions for risk and charges (€ -1.0 million) were mainly related to a position with a public entity.

Other operating expense/income, equal to € +4.5 million (€ +4.4 million compared to 2016), relate to the recognition of reimbursement of legal expenses in the context of disputes with local and territorial entities regarding derivatives. In this respect, it is worth noting that, as of today, Dexia Crediop won all lawsuits and proceedings to relating derivatives entered into with local and territorial authorities, which have been recognized as legal, valid and binding *ab origine*. In the period gains on disposal of investments were achieved to the amount of € +2.0 million relating to the sale of the collection of works of art owned by the Bank with respect of € +0.7 million in 2016.

The result from continuing operations before tax was € -0.3 million, compared to € +19.2 million in 2016.

Net income for the period, after positive taxes of € +2.3 million reflecting the recognition of advanced taxes on loan write-down, was € +2.0 million compared to € +16.0 million in the previous year.

Dexia Crediop balance sheet was € 20.5 billion at the end of 2017, down by € 2.9 billion from 2016 (-12%). The decrease is mainly due to the amortisation and early redemptions of assets carried out over the period, as well as to the value reduction of derivatives held for trading and of deposits for guarantee margins relating to credit support annex contracts.

The Common Equity Tier 1 Capital Ratio of 22.8% (19.3% in 2016) and the Total Capital Ratio of 23.3% (20.6% in 2016) confirm the Bank's robust capital base.

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*Dexia Crediop is a bank in run-off, 70% controlled by Dexia Crédit Local, which is part of the Dexia Group, and participated by Banco BPM S.p.A., with a 20% stock-holding, and by BPER Banca S.p.A., with a 10% stock-holding.*

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*Emmanuel Campana, as Financial Reporting Manager responsible for drafting accounting documents at Dexia Crediop, hereby declares, in accordance with article 154-bis, para. 2, 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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Regulated information - Rome, 26<sup>th</sup> April 2018 - 03:00 pm  
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