

PRESS RELEASE

Vatican City, 12 June 2017 – For the fifth year, the Istituto per le Opere di Religione (IOR) has published its financial statements.

The financial statements have been audited by the independent audit firm Deloitte & Touche S.p.A.

The Board of Superintendence of the Istituto per le Opere di Religione unanimously approved the 2016 financial statements on April 26 and proposed to the Cardinals Commission the distribution of the entire amount of profits to the Holy See.

In 2016 IOR has continued to serve with prudence and provide specialized financial services to the Catholic Church worldwide and the Vatican City state. The highlights are as follows.

- In 2016 the IOR served nearly 15,000 clients worldwide who entrusted to the IOR assets worth Euro 5.7 billion at the end of the year (Euro 5.8 billion in 2015), of which Euro 3.7 billion related to assets under management and under custody. Many initiatives were taken throughout the year to increase customer focus in accordance with IOR's mission.
- The Institute continued to reduce its operational expenses, which decreased to Euro 19.1 million from Euro 23.4 million in 2015 notably due to rationalisation of contracts with service providers.
- The 2016 operating income was Euro 44.1 million (Euro 45.4 million in 2015). The major contribution (Euro 46 million) came from the management of IOR's balance sheet (proprietary portfolio). The net result was Euro 36 million (Euro 16.1 million in 2015).
- This result has been achieved thanks to a prudent approach in managing IOR's investments in a year characterised by high volatility, global political uncertainty due to unexpected outcomes of major electoral events and low interest rates.
- As of 31 December 2016, the Institute's equity - net of distributed profits - amounted to Euro 636.6 million, corresponding to a 64.5% CET1 ratio, highlighting high solvency and low risk profile.

Other achievements

In addition to achieving those economic and financial results, the Institute has also met the organizational objectives envisaged by the 2016 business plan, among which the most important were:

- **IOR's governance, risks control and compliance in general**

The IOR has consolidated and strengthened its internal governance and internal control system. The Institute has notably defined and implemented a Risk Appetite Framework, and has continued to adapt to the new AIF regulatory framework whilst seeking consistency with international best practices.

- **Disclosure and tax matters with the Republic of Italy**

The Agreement between the Republic of Italy and the Holy See on tax matters entered into force on the 15th of October 2016. It opened the way to the inclusion of the Holy See in the tax “white list” of the Republic of Italy on the 23rd of March 2017.

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