



Cassa depositi e prestiti

Green, Social and Sustainability Bonds Presentation

September 2018

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The manager responsible for preparing the company’s financial reports, Fabrizio Palermo, declares, pursuant to paragraph 2 of Article 154-bis of the Consolidated Law on Finance, that the accounting information contained in this Presentation corresponds to the document results, books and accounting records.

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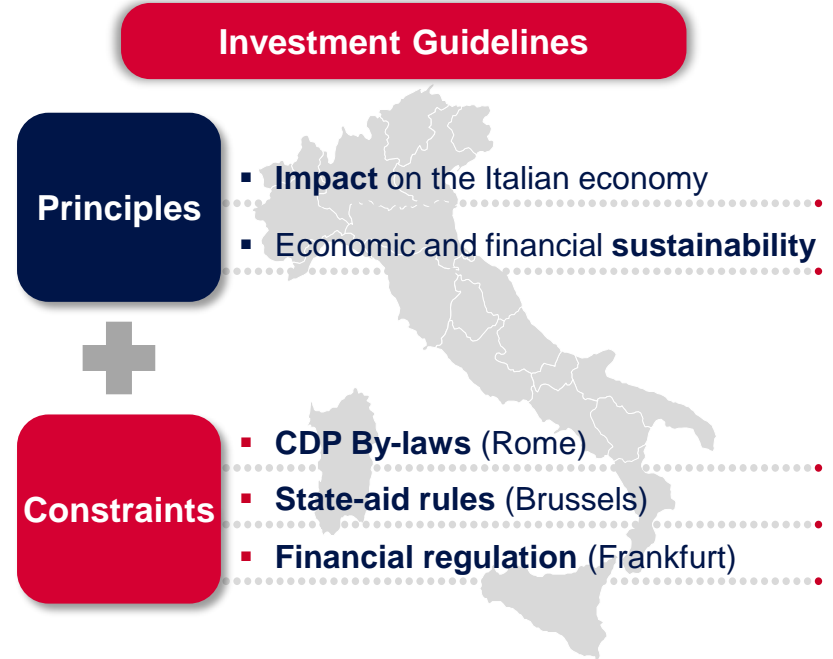
1 Overview

2 Sustainability Strategy

3 Green, Social and Sustainability Bond Framework

4 Key Financial Figures

The Italian National Promotional Institution

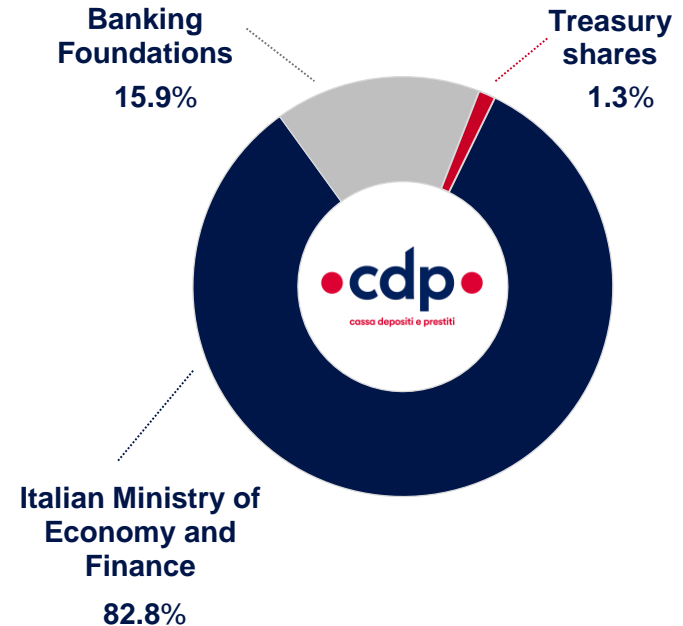


CDP is the **Italian NPI**, promoting country's **growth**, contributing to **sustainable economic development** and investing in **competitiveness**

Ownership and Classifications

- **CDP** is a **joint-stock** company controlled by the **Italian Ministry of Economy and Finance**, with a key role of **private shareholders** (i.e. 61 Banking Foundations), having **Board representation** and **reinforced governance rights**
- It acts as a **financial advisor** to **Public Authorities** in using EU and national funds
- It is also classified as:
 - **Market Unit** for **Eurostat** purposes
 - **Credit Institution** by **ECB**
 - Eligible for **ECB Collateral Framework**
 - Eligible for **ECB Public Sector Purchase Programme**

Shareholders Structure



CDP became a **joint stock company** in **2003**

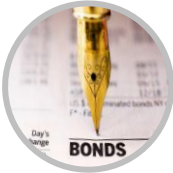
Business Model

Funding & Equity

Postal Savings



Market Funding



Equity



Tools



Areas of Activity

Public Sector and Infrastructures



Corporates



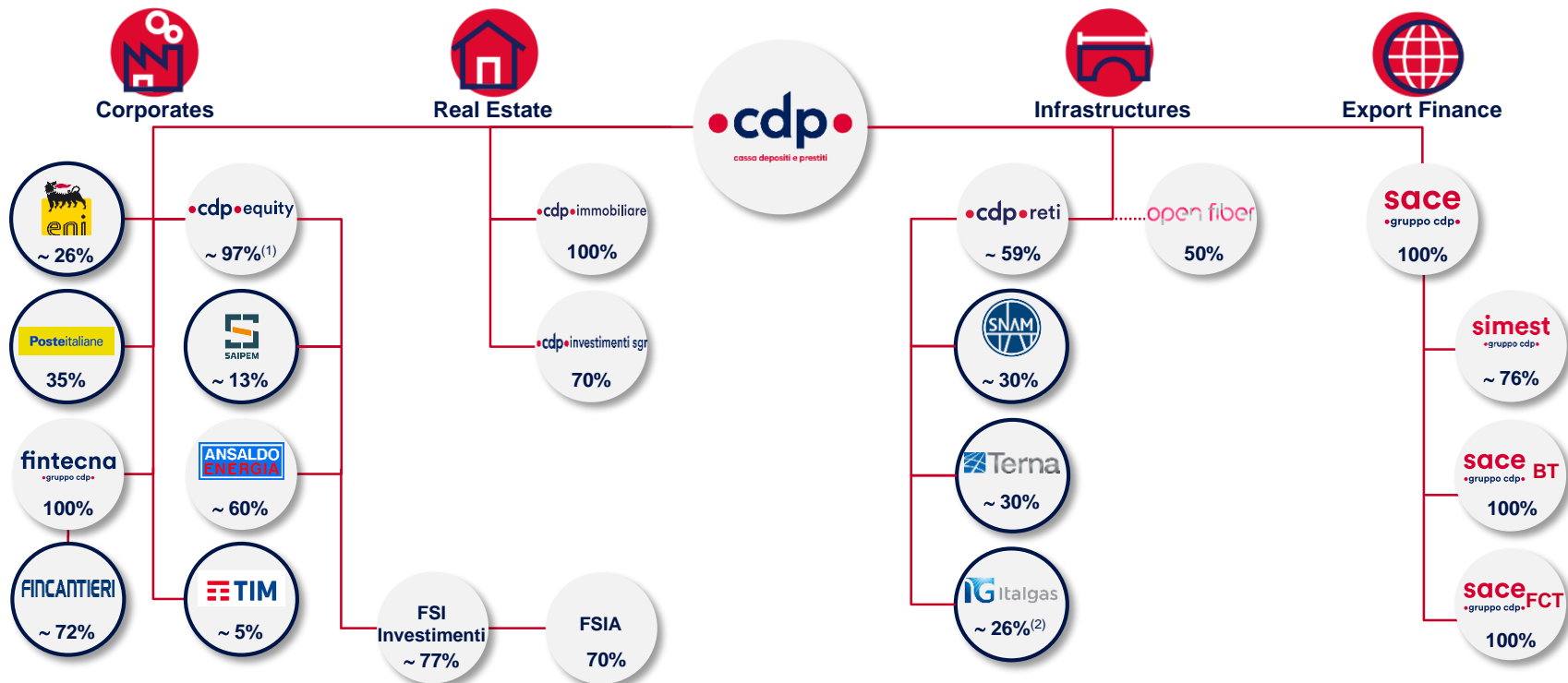
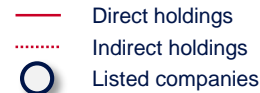
Export Finance



Real Estate



Long-Term Strategic Equity Portfolio



- Stable portfolio of long-term strategic equity stakes equal to ~ €33bn⁽³⁾
- Leader investor in Italian stock market with ~ €28bn: ~ 4% of FTSE Italy All-shares⁽⁴⁾

(1) Stake owned by CDP; additional ~ 3% stake owned by Fintecna

(2) Stake owned by CDP Reti; additional 13.5% stake owned by Snam

(3) Data as at 30 June 2018, including investment funds

(4) Market value as at 30 June 2018. Values refer to share held by CDP or CDP Group in listed companies, regardless of share held by CDP in Group companies

Top Management



Chairman
M. Tononi

- **Chairman of CDP** (since July 2018)
- **Chairman of Prysmian** (2012-2018), **MPS** (2015-2016) and **Borsa Italiana** (2011-2015)
 - **Undersecretary of the Italian Treasury** (2006-2008)
 - Previous experience in **Goldman Sachs** (1998-2010)



Chief Executive Officer
F. Palermo

- **CEO of CDP** (since July 2018)
 - **CFO of CDP** (2014-2018)
- **CFO** (2006-2014) and **Deputy-General Manager** (2011-2014) of **Fincantieri**
- Previous experience in **McKinsey & Co.** (1998-2005) and **Morgan Stanley** (1995-1998)

CDP Shareholders' Meeting appointed the new Board of Directors on 24 July 2018

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Company Sustainability

Highlights

- **Social and environmental sustainability** are part of **CDP's mission**, as per company's **By-laws** and **Code of Ethics**
- CDP has been **social** for more than **150 years**, collecting **postal savings** from **Italian households**, to finance **social** and **public infrastructures** for the general economic interest
- **Social sustainability** is one of the four pillars distinguishing the **nature** of CDP's activities
- CDP published its first **Group Consolidated Non-Financial Statement** in **2018** and it is engaged in the preparation of its first **Sustainability Report**

By-laws:

One of the corporate objects is the granting of financing for investments in **research, development, innovation**, protection and leveraging of **cultural assets**, promotion of **tourism, environment** and **energy efficiency, green economy**

Code of Ethics:

- CDP Group assesses the **economic, social** and **environmental impact** of its actions from a long-term perspective
- It recognizes the importance of **protecting the environment** promoting a rational use of resources and energy savings
- It commits to a work place free **from any kind of discrimination** based on race, religion, gender, ethnicity, trade union or politics

Corporate Governance and Responsible Investment Principles:

- Principles are designed to inform stakeholders about the **corporate governance**, the **sustainable business practices** and the drivers followed by CDP in exercising its **voting rights** in **invested companies**

CDP's commitment to **sustainability** comes from the very **nature** of its **business**, in accordance with **international standards** and **best practices**

Engagement of Stakeholders



Value Creation Model

Setting up of **stakeholder meetings** to identify the most relevant **environmental** and **social priorities**, consistently with CDP's business strategy

November 2016

CDP started its first **materiality analysis** to identify relevant topics influencing CDP's **value creation model**



Responsible Finance

ESG (Environmental, Social and Governance) criteria integration in **investment** and **funding choices**

September 2017

CDP published its **Responsible Investments Principles** and successfully closed its **Inaugural Social Bond** in November 2017



Reporting

Measuring **social** and **environmental** issues related to company activities using **Global Reporting Initiative Sustainability Reporting Standards** as a reference

April 2018

CDP published its first **Group Consolidated Non-Financial Statement**

UN Sustainable Development Goals

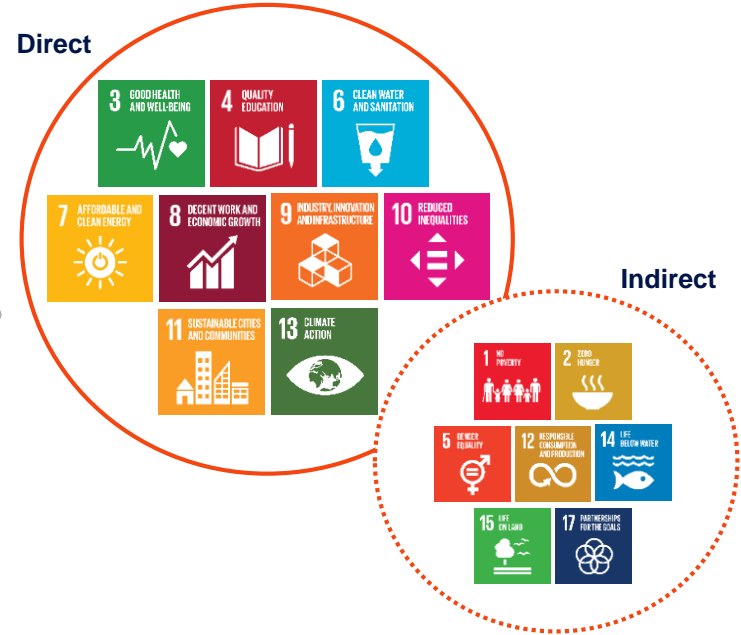
CDP's Materiality Matrix⁽¹⁾

- **Infrastructures and Development of Cities:** Promoting the urban transformation in real estate redevelopment operations
- **Innovation and Technology:** Fostering innovation and progress in technological fields
- **Society and Communities:** Promoting cooperation and the sustainable growth of communities
- **World of Enterprises:** Supporting the domestic and international growth of companies
- **Education and Culture:** Encouraging access to culture and education
- **Energy and Environmental Sustainability:** Promoting the energy efficiency of the country and Green Energy



Impacts on the UN SDGs

Direct



CDP contributes to 16 out of 17 UN SDGs

Examples of Sustainable Projects Financed

Social & Public Infrastructures

- a) Terna: **€113mn** to finance the construction of a **new electrical interconnection line between Italy and France** carried out with particular attention to **environmental protection** (Jul 2017)
- b) Partnership with Tuscany region: the green school of Calcinaia is the **most environmentally sustainable school in Italy** (Feb 2018)

Enterprises

- a) Growth and innovation at Bonfiglioli: a **€34mn CDP loan** to digitize company's production line with a **new innovative industrial plant** (May 2017)
- b) ITAtech **€50mn** investment: the platform promoted by CDP and EIF to finance technology transfer, enters in **Vertis Venture 3 Technology Transfer** fund (Sep 2017)

Urban Transformation & Social Housing

- a) New residence for **650 students** at Ca' Foscari University: social housing project aimed at providing students with an **energy-efficient accommodation facility** (May 2016)
- b) Rooftop gardens and new wards at the Polyclinic in Milan: the Hospital became **open** and **accessible** not only to patients, but to the **entire community** (Sep 2017)

International Cooperation⁽¹⁾

- a) Cooperation for development in Palestinian territories: signed **3 different credit lines** to rebuild houses in the **Gaza Strip**, finance **Palestinian SMEs**, improve **West Bank's electricity grid** (Oct 2016)
- b) Projects to improve **El Salvador schools**: **€15mn** by CDP to help the national education system improve **labor market integration**, decrease school **dropout rate** and end **youth violence** (Jan 2017)

Relevant UN SDGs



(1) Management of third parties' resources by CDP Group

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Green, Social and Sustainability Bond Framework



CDP's approach to sustainability is inspired directly by the following **9 UN SDGs**:



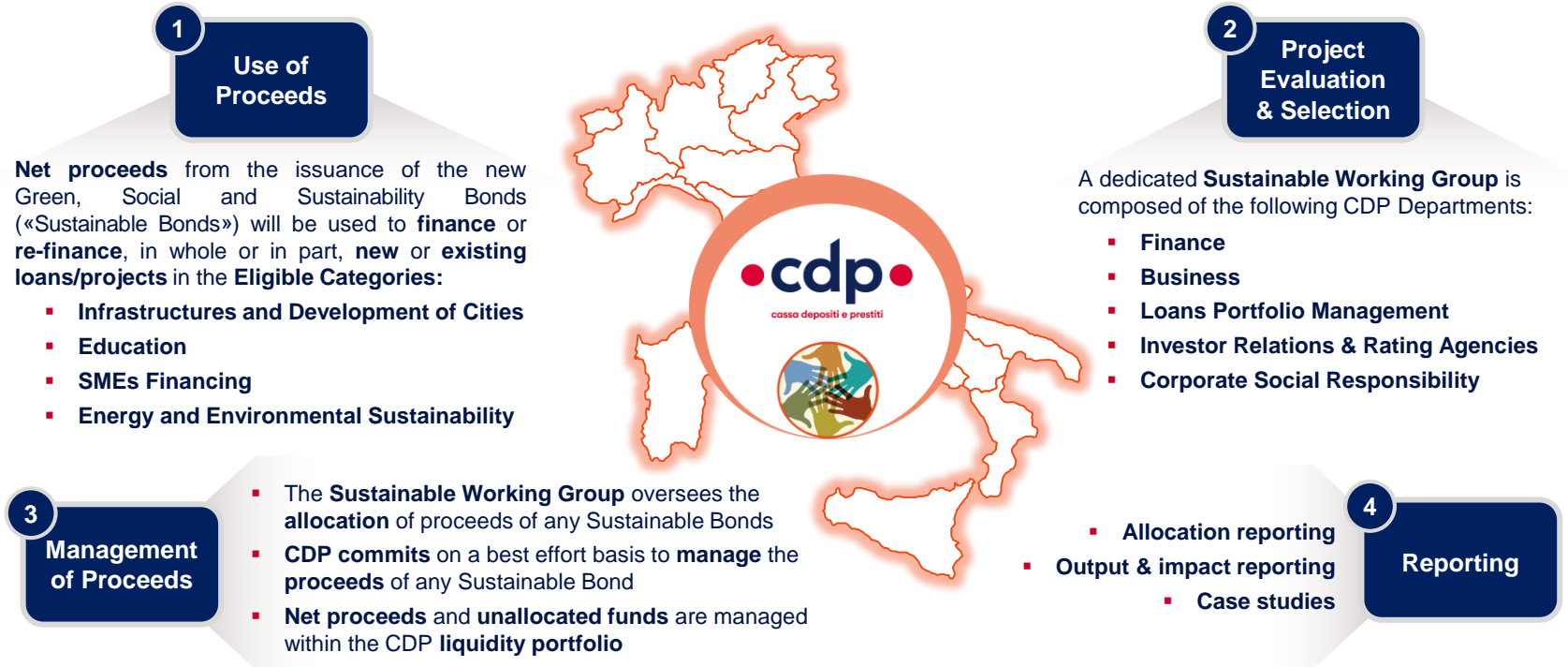
CDP Green, Social and Sustainability Bond Framework (“**CDP Framework**”) is in line with the **Green Bond Principles 2018**, the **Social Bond Principles 2018** and the **Sustainability Bond Guidelines 2018** issued by the **International Capital Market Association (ICMA)**

CDP Framework has four core components:

- 1 Use of proceeds
- 2 Process for project evaluation & selection
- 3 Management of proceeds
- 4 Reporting

Following the **successful** issuance of its **Inaugural Social Bond** in 2017, CDP has considerably **extended its framework**, aiming at becoming a **frequent issuer** in the **sustainability bond market**

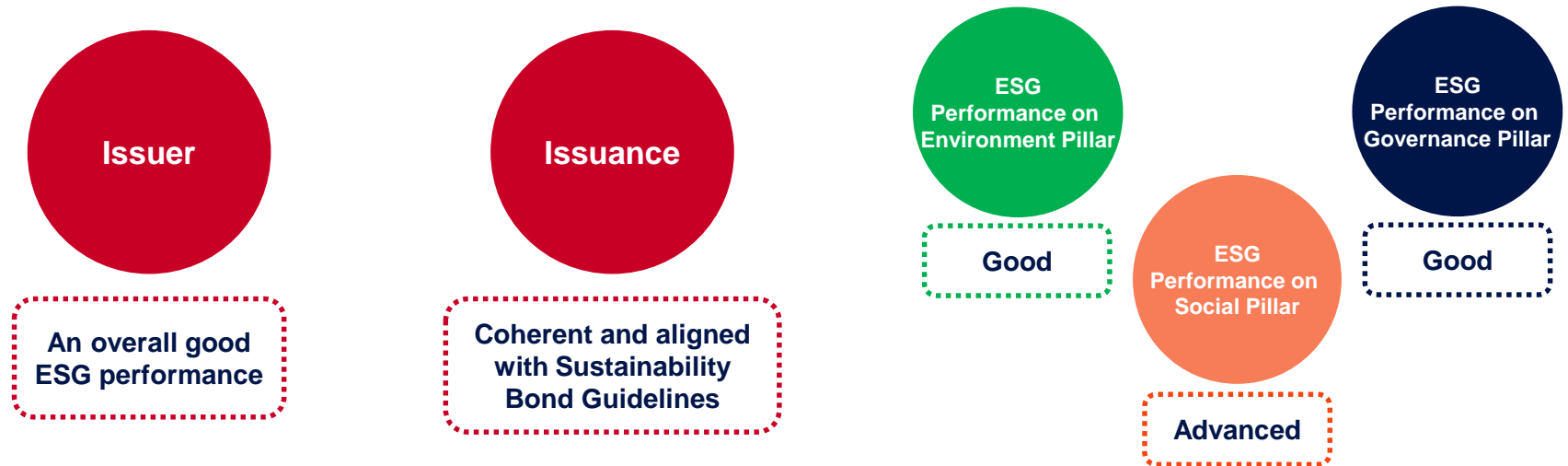
CDP Framework: Core Components



CDP will produce a **report** on its **Green, Social and Sustainability Bonds** providing an overview of **eligible loans financed** through the raised proceeds and their **social and environmental impacts**

Second Party Opinion

- CDP has appointed **Vigeo Eiris** as **Second Party Opinion (SPO)** provider to verify the sustainability credentials of **CDP Framework** and assess its alignment with the **ICMA 2018 Guidelines**
- On the **first anniversary** of the Green, Social and Sustainability Bond issuance, the **SPO provider** shall review the **compliance** of eligible loans/projects with the **eligibility criteria** as well as the **allocation process**



Vigeo Eiris confirmed the CDP Bond Framework is aligned with the Sustainability Bond Guidelines

Water Supply Network: Sector Critical Aspects



Dimensional fragmentation in the management of the water sector

62 ATO⁽¹⁾ and 92 Water Catchment Areas

Slow and non-homogeneous Governance implementation on the territory

Delays in the processes of the EGAs⁽²⁾ establishment (all identified, although not all operational)

Lack of industrial management

Only 358 operators and 2,424 in-house companies

Inadequate investments level with respect to the actual needs

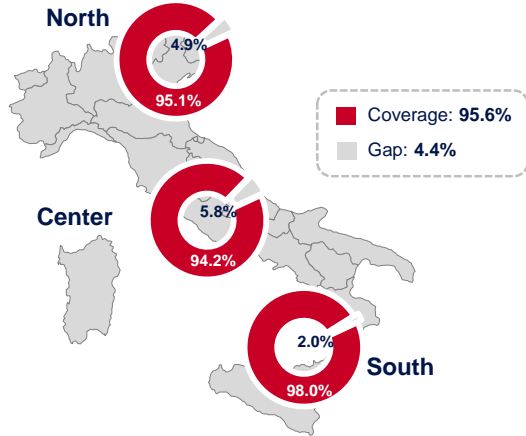
~ €34 per capita vs. €80 per capita requirement

Growing tariffs level, although significantly lower than international average

Milan: €0.82/ m³; Berlin: €6.03/m³; Paris: €3.91/m³

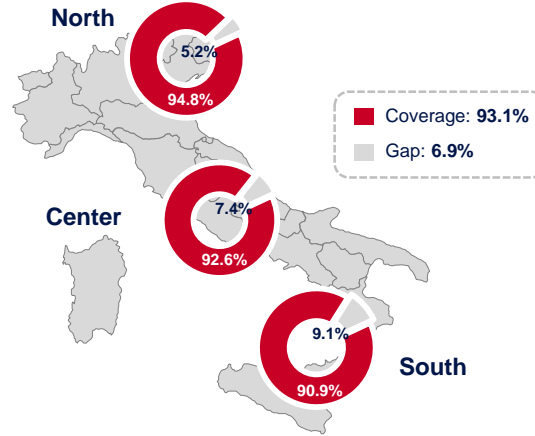
Water Supply Network: Infrastructure Critical Aspects

Waterworks



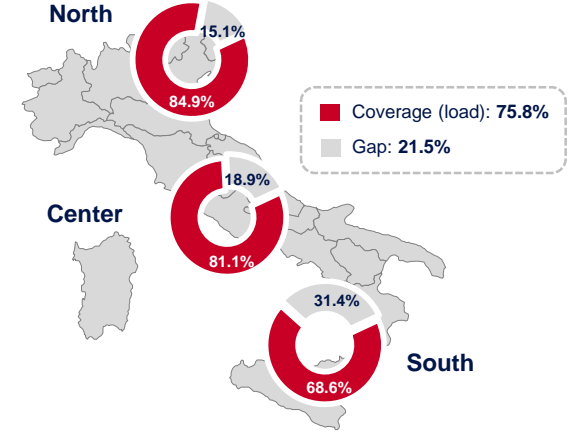
- **Network age:** 25% > 50 years and 35% avg. between 31-50 years
- **Dispersion:** 35% of the water introduced into the national network is dispersed (46% in the Center and 45% in the South vs. 26% in the North)
- **Low intervention planning:** only 6% of the repair/replacement interventions are planned

Sewer System



- **Network age:** 25% > 50 years
- **Significant lack of infrastructures**
- **Low intervention planning:** only 21% of replacement interventions are planned

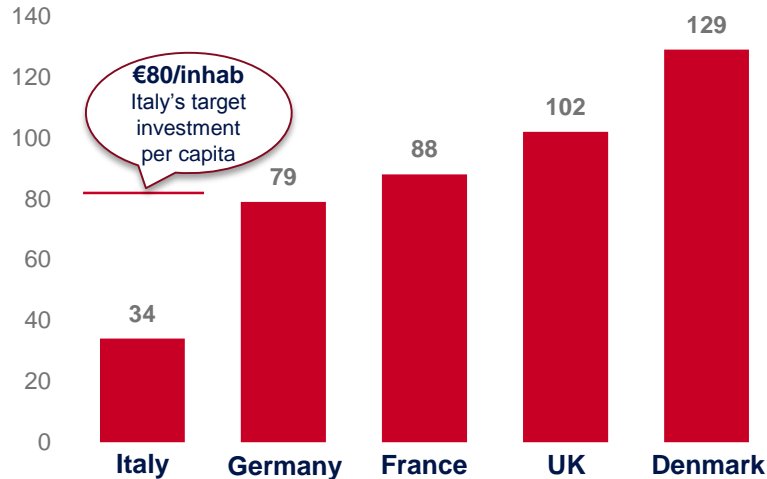
Water Treatment Plants



- **High service fragmentation**, with many small plants and few large technologically advanced plants
- Great **disparity** regarding the water purification capacity at national level
- **Low presence** of waste water disposal infrastructures in the South: 20%
- **Pollutant load** collected in the sewage system and **not intercepted by the Water Treatment Plants:** 20%

Water Supply Network: Current Investments Level

Average annual investments per capita:
comparison between European countries
(€/inhabitant/year)



Compared to an investment target of €80/inhabitant, investments made in Italy between 2007 and 2015 amounted to ~€34/inhabitant

To date, **water sector's per capita investments in Italy are significantly lower** than those recorded in **other European countries**

CDP Inaugural Sustainability “Hydro” Bond

- The significant **infrastructural gap** that characterizes the **Italian Water Sector** has been the main driver for **CDP’s issuance** of its **Inaugural Sustainability “Hydro” Bond** in September 2018
- The **proceeds** will provide the necessary liquidity for the **construction** and **modernization** of the **Country’s water infrastructures**, favoring **investments’ recovery** and increase **operational efficiency**

Relevant UN SDG



Use of Proceeds & Loans Financing Structure

Sustainability Hydro Bond Proceeds



Public Sector & Infrastructures⁽¹⁾



Public Entities



Public & Private Utilities

CDP’s issued its Inaugural Sustainability “Hydro” Bond in September 2018, inspired by the UN SDG 6: “Clean Water and Sanitation”

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Key Figures

€bn



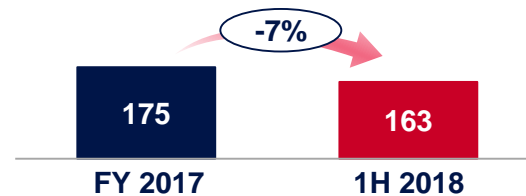
- **Strong performance**, in line with **Business Plan's ambitions**
- **Results consolidate CDP's role as promoter** of Italian economy

CDP SpA Balance Sheet: Assets

€bn

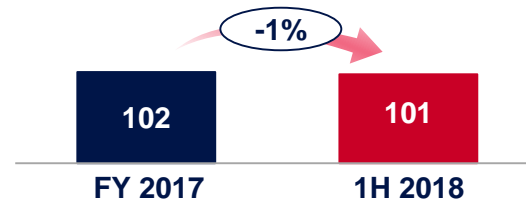
Cash & Cash Equivalents

Decreased liquidity as a result of lower short-term investments



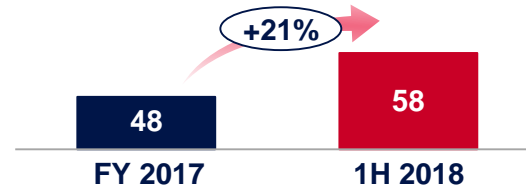
Loans

Substantially in line with FY 2017



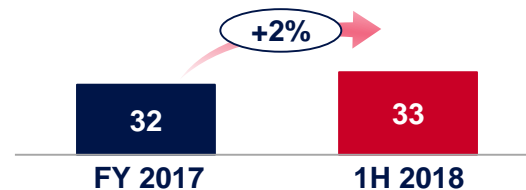
Securities Portfolio

Growth mainly driven by higher investments in securities included in the HTC portfolio



Equity Portfolio

Slight increase with respect to FY 2017

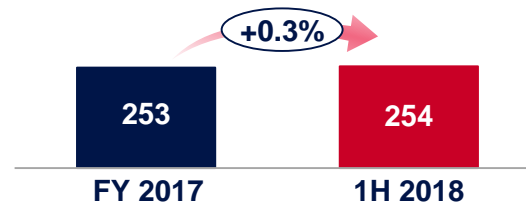


CDP SpA Balance Sheet: Liabilities

€bn

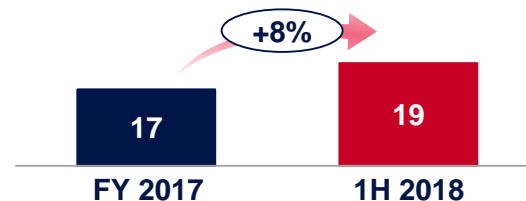
Postal Funding

Substantially in line with FY 2017



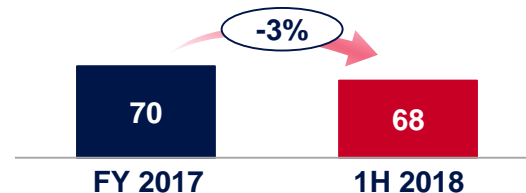
Bond Funding

Increase driven by further diversification of funding sources, also due to new public issuances



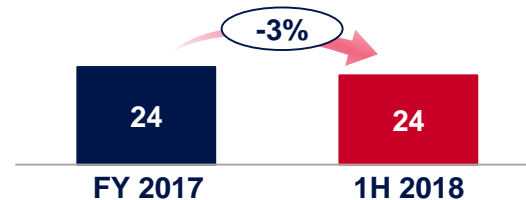
Other Funding⁽¹⁾

Slight decrease, mainly driven by lower short-term funding



Equity

Sound capital base, slightly decreasing⁽²⁾ as a consequence of dividend distribution⁽³⁾



(1) Including funding from banks and customers

(2) From €24.4bn as at 31 Dec 2017 to € 23.7bn as at 30 Jun 2018, also due to (i) IFRS 9 FTA impacts; (ii) reduction in valuation reserves

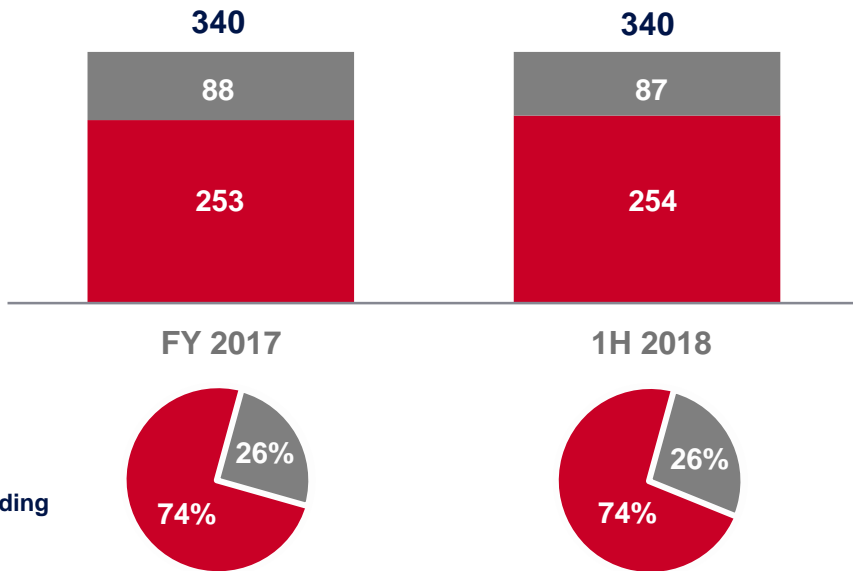
(3) Only partially offset by net income of the period

Note: For reconciliation of represented data, please refer to the 28 March 2018 (FY Results) Press Release and 2 August 2018 (1H Results) Press Release Annexes

CDP SpA: Funding and Credit Rating

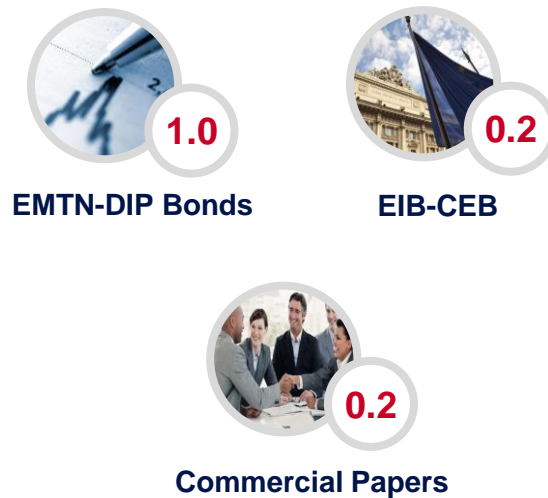
€bn

Total Funding⁽¹⁾



● Postal Funding
● Non-postal Funding

1H 2018 Key Market Funding⁽²⁾



CREDIT RATING

S&P Global Ratings

BBB/A-2 Stable

FitchRatings

BBB/F2 Negative

MOODY'S

Baa2/P-2 Under Review⁽³⁾

SCOPE

A-/S-1 Negative

(1) Total funding is slightly different from the sum of sub-totals due to rounding effects

(2) 1H 2018 new flows

(3) For possible downgrade

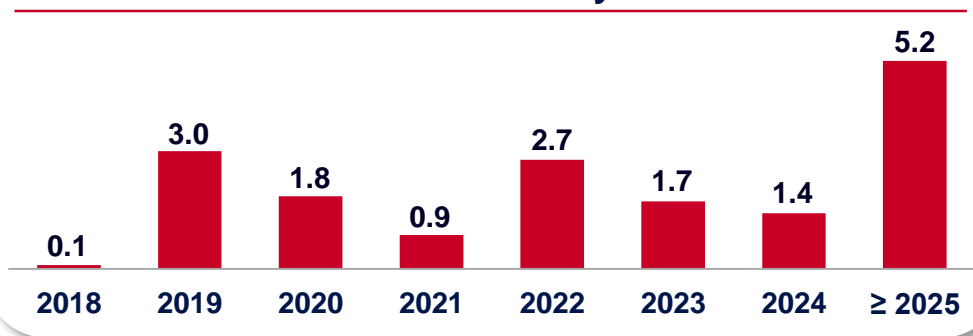
Focus on Long-Term Market Funding

€bn

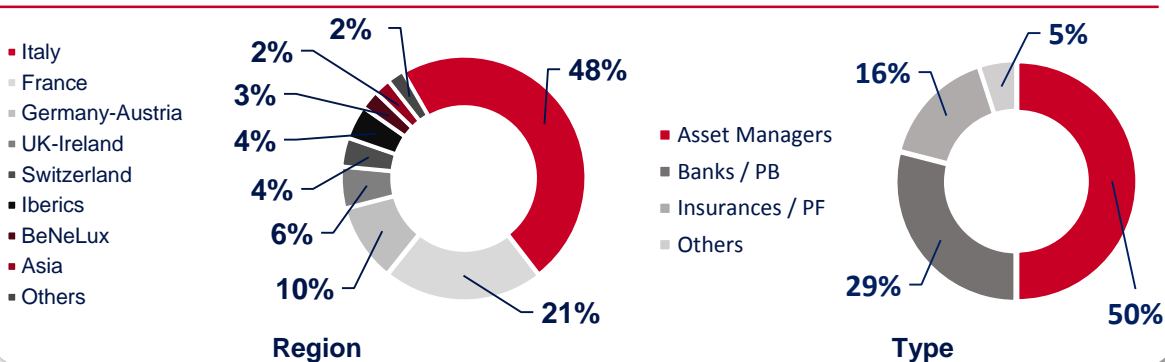
Highlights

- **Outstanding bonds⁽¹⁾** amount to ~ **€17bn**, with 42 single transactions, including **€500mn Inaugural Social Bond** issued in November 2017
- **Senior Unsecured** notes listed on the Luxembourg Stock Exchange⁽²⁾
- ***Pari passu*** ranking with **postal savings**
- Access to **non-euro markets** (USD, JPY)
- Eligible for **ECB collateral framework** and **ECB Public Sector Purchase Programme (PSPP)**

Bond Maturity



Investor Allocation⁽³⁾



(1) Including EMTN-DIP (~ €11bn), Guaranteed Bonds (€4.5bn) and Retail Bonds (€1.5bn) as of 1H 2018

(2) Inaugural Social Bond has been listed also on the Italian Stock Exchange (i.e. Borsa Italiana)

(3) Refers only to public issuances since 2011

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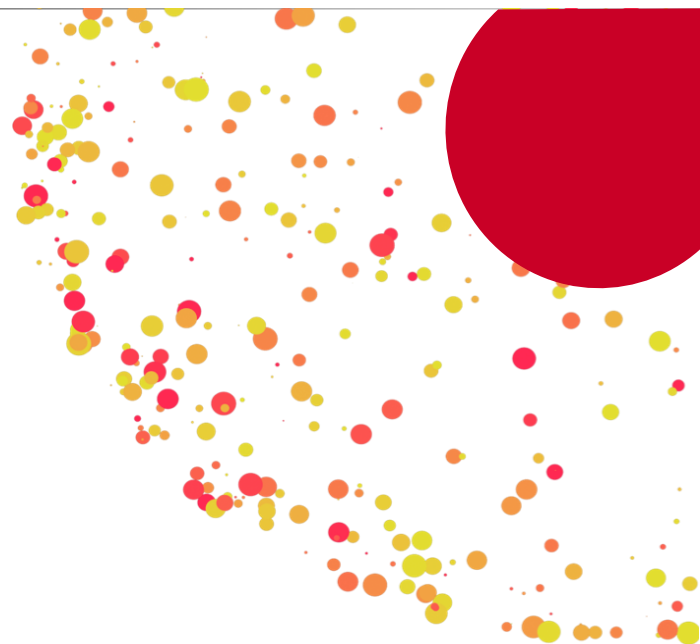
Phone: +39 06 4221 3253

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Web cdp.it

Bloomberg «CDEP»; «CDEP Govt»

Thomson Reuters Eikon «CSDPR»



Appendix

CDP Framework: Eligible Categories

Infrastructures and Development of Cities (1/2)

Net proceeds from the issuance of the new bonds will be used to **finance** or **re-finance**, in whole or in part, **new** or **existing loans/projects** aimed to **promote** the **growth** and **development** of the **Country**



- **Eligibility criteria:** Activities that improve the capacity of all countries for provisions of **free** and **subsidized healthcare services** with particular focus to the **underserved areas** or **vulnerable populations**
- **Examples of eligible loans/projects:** Financing the construction, development, maintenance or renovation of **healthcare facilities, medical equipment** and **technologies** for the improvement and protection of **public health**



- **Eligibility criteria:** (i) Improving access to **water** and **sanitation services**; (ii) Improve existing **sanitation facilities** and **sewers**; (iii) Increase **water-use efficiency**; (iv) Improving **wastewater treatment** performance and better access to **drinking water**
- **Examples of eligible loans/projects:** (i) Financing **infrastructures** related to **water** treatment facilities; (ii) Financing water network construction, maintenance and upgrade; (iii) Financing wastewater treatment plants



- **Eligibility criteria:** Develop quality and sustainable for all that contributes to the improvement of **living conditions** in **urban agglomerations** and **underserved areas**
- **Examples of eligible loans/projects:** (i) Financing the construction, refurbishment or maintenance of **energy efficient buildings**, including public service, recreational facilities, commercial and residential buildings in line with existing environmental standards; (ii) Financing of **rail transportation projects** for public use; etc.

CDP Framework: Eligible Categories

Infrastructures and Development of Cities (2/2)



- **Eligibility criteria:** Activities aimed at supporting **people** and **disadvantaged groups** to improve their socio-economic position
- **Examples of eligible loans/projects:** Financing healthcare facilities, construction of **school** and **infrastructures** for providing access to **affordable public services** to low socio-economic groups



- **Eligibility criteria:** (i) Activities that expand or maintain access to **sustainable transport systems**; (ii) Activities that Improve **waste management**
- **Examples of eligible loans/projects:** (i) Financing the construction, equipping, or maintenance of **clean transportation facilities**, such as any new rail facilities for public use, cycleways, pedestrian thorough fares and other transportation infrastructure that encourages reduce harmful emissions; (ii) **Recycling** or **composting** to divert waste from landfill; etc.



- **Eligibility criteria:** (i) Adaptation projects that demonstrably contribute to reducing vulnerability to **climate change** identified in the project area; (ii) Reduction of GHG **emission**, due to low-carbon energy use and/or energy recovery; (iii) Projects aiming at reducing the impacts of climate change; (iv) Projects aiming at developing local **renewable energy** production and/or energy recovery
- **Examples of eligible loans/projects:** (i) **Natural disaster prevention infrastructure**; (ii) Construction/refurbishment of **energy efficient**, thermal insulation for **buildings** in line with existing environmental standards

CDP Framework: Eligible Categories

Education

Net proceeds from the issuance of the new bonds will be used to **finance** or **re-finance**, in whole or in part, **new** or **existing** **loans/projects** aimed to **encourage** access to **education** and **culture**



- **Eligibility criteria:** (i) Activities that improve **educational infrastructure**; (ii) Activities that foster a successful integration of **disadvantaged groups** in the **education system**
- **Examples of eligible loans/projects:** (i) Construction of **new schools, campus, student housing**, including school sports facilities; (ii) Financing the **renovation**, upgrade, safety, seismic retrofitting and energy efficiency of **existing schools buildings**

SMEs Financing

Net proceeds from the issuance of the new bonds will be used to **finance** or **re-finance**, in whole or in part, **new** or **existing** **loans/projects** which are **not** dedicated to any **other** type of specific **funding** and have a **positive social impact**



- **Eligibility criteria:** (i) Support Italian **employment**; (ii) Improve the Italian **economic growth** through the support of areas and populations affected by natural disasters or economically underperforming Italian areas; (iii) Support the **SMEs** in order to promote their growth and **international expansion**
- **Examples of eligible loans/projects:** (i) Financing to SMEs, including **start-ups**; (ii) Support the access to banking and financial services in **underserved populations**

CDP Framework: Eligible Categories

Energy and Environmental Sustainability

Net proceeds from the issuance of the new bonds will be used to **finance** or **re-finance**, in whole or in part, **new** or **existing loans/projects** dedicate to **promote energy** and **environmental sustainability**

7 AFFORDABLE AND
CLEAN ENERGY



- **Eligibility criteria:** (i) Generation of **energy** from **renewable sources**; (ii) Construction / maintenance / expansion of associated **distribution networks**; (iii) Energy efficiency projects, including **energy efficient technologies**, in line with existing environmental standards
- **Examples of eligible loans/projects:** (i) **Renewable energy projects** including wind, solar, hydro power, biomass, geothermal and their associated components; (ii) Energy efficiency projects such as in new and refurbished buildings, energy storage, smart grid solutions, appliances and products, such as LED street lighting; (iii) Public lighting

CDP will produce a **Report** on its **Sustainable Bonds** within one year from the date of each issuance

Indicative Reporting Criteria

Eligible Categories

Reporting Criteria

Infrastructures & Development of Cities

- Number of hospitals and other healthcare facilities built/upgrade
- Number of patients and/or population of regions served by new/upgraded healthcare facilities
- Number of water infrastructure Projects built/upgrade
- Percentage/size of populations provided access to clean water and/or sanitation
- Number of tons of clean water provided
- Length of new/upgraded energy, water grids (km)
- KW of clean energy provided
- Energy savings (estimate)
- Estimate of GHG emissions reduction (in t of CO2eq.)
- Number of household/residents benefitting from affordable and clean energy which is otherwise not accessible
- Number of solar farms or wind farms
- Location and type of solar or wind farms
- Number of electric/hybrid/ low-emission vehicles provided
- Number of residents benefitting from basic infrastructure new/upgraded which is otherwise not accessible (i.e. rail transportation, development road)
- Type of basic infrastructure funded and number of projects per each type of affordable basic infrastructure
- Location of basic infrastructure project
- Type of essential service funded and number of projects per each type of essential service funded
- Location of service project
- number of enterprises that invest in research and development
- Number of beneficiaries
- Length of rail tracks, cycle ways, pedestrian thoroughfares (km)
- Number of affordable housing dwellings provided
- Number of residents reached by new/upgraded grids
- Number of refurbished buildings and surface (square meters)
- Number of passengers accommodated (estimate)

Education

- Number of schools built/upgraded and surface (square meters)
- Number and type of initiatives supporting public university education
- Number of students served

SMEs Financing

- Number of SMEs financed
- Number of employees of the financed SMEs (estimate)

Energy & Environmental Sustainability

- Number and type of initiatives financed in the renewable energy field
- Number and type of initiatives financed in the waste management field
- Number and type of initiatives financed for the reduction of Renewable energy production (estimate)
- Energy savings (estimate)
- Estimate of GHG emissions reduction (in t of CO2eq.)
- KW of clean energy provided

Controversial Business Activities: Exclusion List

CDP will not allocate proceeds received from the issuance of **Green, Social and Sustainability Bonds** to recipients either **directly operating**, or **involved**, in the **supply chain** or **distribution** of the **following sectors**:

- Tobacco
- Raising of fur animals and manufacture of fur items
- Extraction and support extraction activities of natural gas, crude oil and other products deriving from oil refining
- Nuclear power generation and treatment of nuclear fuels
- Fertilizers
- Distilling, rectifying and blending of spirits
- Explosives, weapons and ammunition
- Military fighting vehicles and ballistic missiles
- Gambling and betting activities / adult entertainment

Cassa depositi e prestiti €500mn 5-year Inaugural Social Bond

On November 14th, 2017 Cassa depositi e prestiti (CDP) successfully priced its inaugural €500mn senior unsecured social bond

Transaction summary

Transaction Execution:

- On Tuesday, 14th November 2017, following a pan-European roadshow to introduce its new Social Bond Framework, CDP announced the mandate and the IPT for the intended new 5-year Inaugural Social Bond
- Around 10:00 am CET the IPT was set at Mid Swap +high 60s for a €500mn “no grow” size
- One hour later, on the back of €1.6bn orders book, the guidance was released at Mid Swap +60/65bps
- Despite the sensible price revision, books continued to grow; at 12:30 pm CET the final spread was set at Mid Swap +57bps on the back of orders in excess of €2.25bn (pre-reconciliation)
- The books went "subject" at 12:40 pm involving more than 150 accounts
- The reoffer spread of Mid Swap +57bps implies a 14bps premium over BTP
- Later in the day the deal eventually priced with a coupon of 0.750%

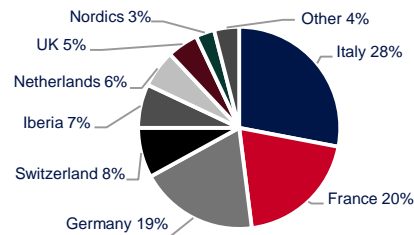
Main Social Features:

- This transaction represents the first ever Social Bond issued in Italy as well as the first Social Bond issued in Europe dedicated to areas affected by natural disasters
- Use of Proceeds: "promote sustainable growth, ensuring socioeconomic advancement, access to financial services and support to employment. Indeed, the proceeds will be directed to fund Italian SMEs eligible under the CDP Social Bond Framework criteria, and consistent with the ICMA Social Bond Principles 2017"
- More specifically the Social framework includes SMEs (including Micro-enterprises) located in deprived areas of Italy and areas impacted by natural disasters
- CDP obtained a Second Party Opinion on its inaugural transaction by Vigeo Eiris
- The significant presence of SRI investors in the book is a clear evidence of the market recognition of CDP's Social commitment

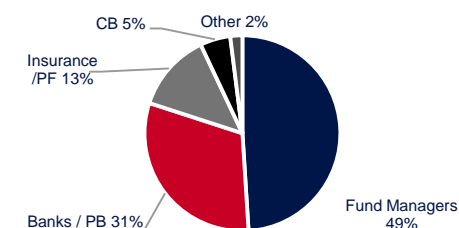
Transaction highlights

Issuer	Cassa depositi e prestiti S.p.A. (CDP)
Issuer ratings	Baa2 (M) / BBB (SP) / BBB (F) / A- (Scope)
Issue ratings	Baa2 (M) / BBB (SP) / BBB (F) / A- (Scope)
Documentation	Issued pursuant to a Drawdown Prospectus, under the Issuer's €10bn Debt Issuance Programme
Governing law	Italian law
Format / Type	RegS bearer / Social Bond
Ranking	Senior Unsecured
Size	€500mn
Denomination	€100,000 + €100,000
Pricing Date	14 November 2017
Settlement Date	21 November 2017
Maturity Date	21 November 2022 (5Y)
Coupon	0.750% fixed, annual act/act
Reoffer Spread	MS +57bps
Reoffer Yield	0.783%
Reoffer Price	99.839%
Listing	Luxembourg Stock Exchange

Investor allocation by region



Investor allocation by type



Cassa depositi e prestiti €500mn 5-year Inaugural Sustainability Bond

On September 18th, 2018 Cassa depositi e prestiti (CDP) successfully priced its inaugural €500mn senior unsecured Sustainability “Hydro” Bond

Transaction summary

Transaction Execution:

- On Tuesday, 18th September 2018, on the back of a prolonged tightening movement in the broader BTP spectrum, CDP announced its inaugural 5-year Sustainability Bond following 2017’s Inaugural Social Bond and the most recent updates of the new “Green, Social and Sustainability Bond Framework”
- The mandate announcement (10:51 am CET) was performed with an IPT at BTPs (2.45% 10/23) +30-35bps for a €500mn “no grow” size despite a substantial competing supply across SSA players and SRI products
- At 11:00 am CET a dedicated Global Investor Call was held in order to present the features of the updated framework and the sustainable bond target projects
- At 01:11pm CET with orders in excess of €700mn, the joint leads were able to tighten the guidance at BTPs +25-30bps
- Regardless of the spread revision, books closed north of €1bn (pre-reconciliation), with ca. 80 final investors involved and the final spread set at BTPs +25bps that equaled to a level flat to CDEP’s outstanding secondary curve

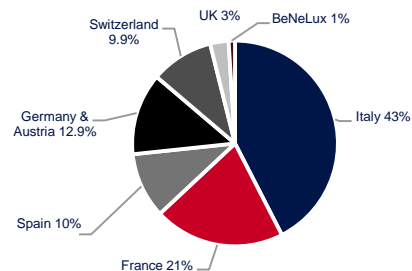
Main Sustainability Features:

- This transaction represents the first Italian Sustainability Bond, consistent with the guidelines issued by the International Capital Markets Association
- The CDP Sustainability Bond aims mainly at providing the necessary liquidity for the construction and modernization of the Country’s water infrastructures. The proceeds will help bridging the significant infrastructural gap that characterizes the sector, favoring investments’ recovery and increase operational efficiency. The newly issued CDP’s Sustainability “Hydro” Bond is inspired by the UN SDG 6: “Clean Water and Sanitation”
- CDP obtained a Second Party Opinion on its inaugural sustainability transaction by Vigeo Eiris
- Investors distribution was dominated by foreign investors, who accounted for 60% of the demand, characterized by 21% of French investors, 13% of German & Austrian and 10% of Spanish and Swiss respectively. As for investor-type breakdown, 37% were Banks & PBs, 29% Asset & Fund Managers and 22% Insurance Companies

Transaction highlights

Issuer	Cassa depositi e prestiti S.p.A. (CDP)
Issuer ratings	Baa2 (M) / BBB (SP) / BBB (F) / A- (Scope)
Issue ratings	Baa2 (M) / BBB (SP) / BBB (F) / A- (Scope)
Documentation	Issued under the Issuer’s €10bn Debt Issuance Programme dated 9 May 2018 and the supplement to the Base Prospectus dated 13 September 2018
Governing law	Italian law
Format / Type	RegS bearer / Sustainability Bond
Ranking	Senior Unsecured
Size	€500mn
Denomination	€100,000 + €100,000
Pricing Date	18 September 2018
Settlement Date	27 September 2018
Maturity Date	27 September 2023 (5Y)
Coupon	2.125% fixed, annual act/act
Reoffer Spread	MS +182.6bps
Reoffer Yield	2.175%
Reoffer Price	99.766%
Listing	Luxembourg Stock Exchange

Investor allocation by region



Investor allocation by type

