



Cassa Depositi e Prestiti

Company Presentation

Milan, 13 November 2019

Cassa Depositi e Prestiti
Investing in tomorrow

Agenda

CDP at a glance

#CDP2021: Promoting Sustainable Development

Assets and Funding Structure

Appendix

The Italian Promotional Bank and Sovereign Fund



CDP's Mission is to foster the development of the Country, using national savings responsibly in order to support growth and boost employment, leveraging on innovation, business competitiveness, infrastructure and local development

Total assets¹

438 EUR Bn

Loans²

100 EUR Bn

Postal funding²

260 EUR Bn

Net Income³
1H 2019

2.2

EUR Bn

Equity¹

36 EUR Bn

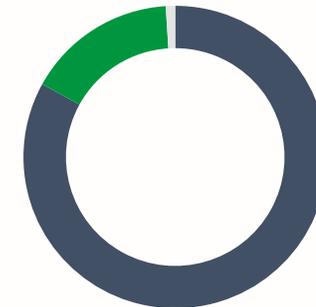
Equity portfolio²

34 EUR Bn

Non-Postal funding²

93 EUR Bn

State and private shareholders⁴



83%

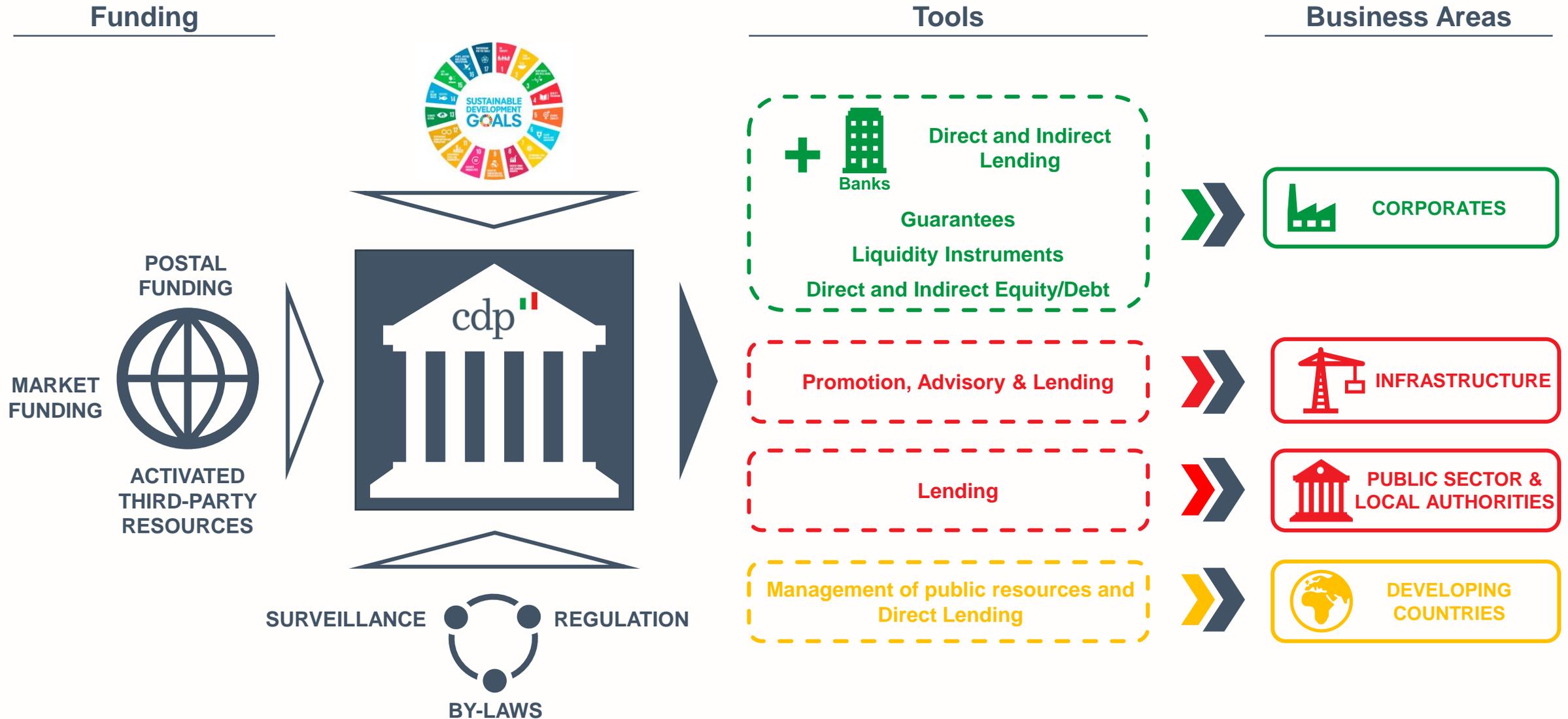
Ministry of
Economy and
Finance

16%

Bank
foundations

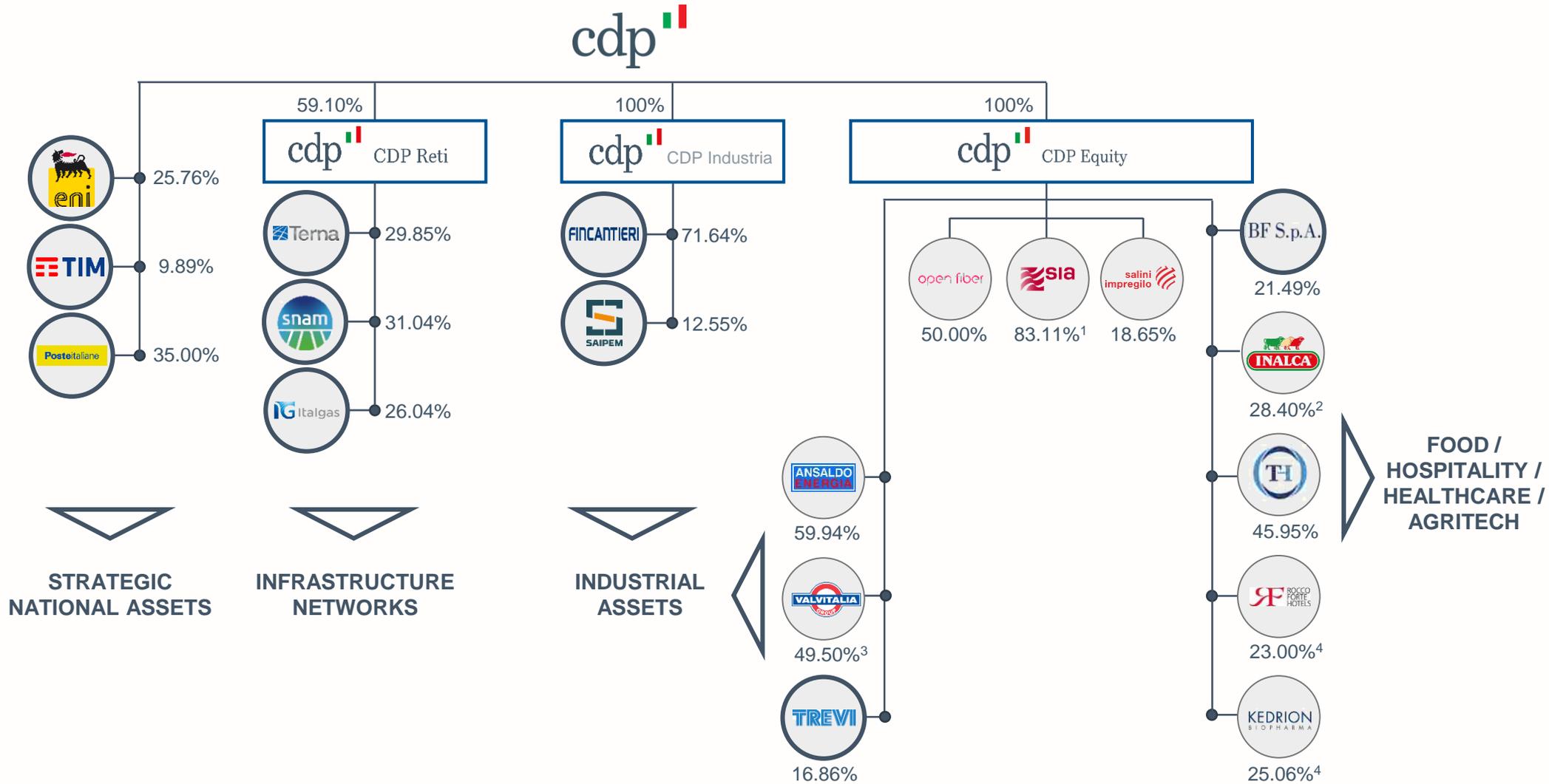
1. CDP consolidated balance sheet as of 30 June 2019
2. CDP S.p.A. balance sheet as of 30 June 2019
3. CDP consolidated P&L as of 30 June 2019. Net Income 1H19 attributable to CDP S.p.A. equal to 1.4 EUR Bn
4. Remaining 1% treasury shares

Business Model



CDP Group Equity Portfolio Snapshot

Selected Direct Investments



Indirect Investments

SGR and funds / investments vehicles



○ Listed companies



1. Through FSIA (held by FSI Investimenti with 70% stake) for 57.42% and for 25.69% through CDP Equity; 2. Through IQMIIC, of which FSI Investimenti is shareholder with 50% stake; 3. Stake after pro-forma conversion of convertible bond. Stake held at 0.5%; 4. Through FSI Investimenti, controlled by CDP Equity with 77% stake; 5. Closing of the increase from 43% to 68% to be finalized

Agenda

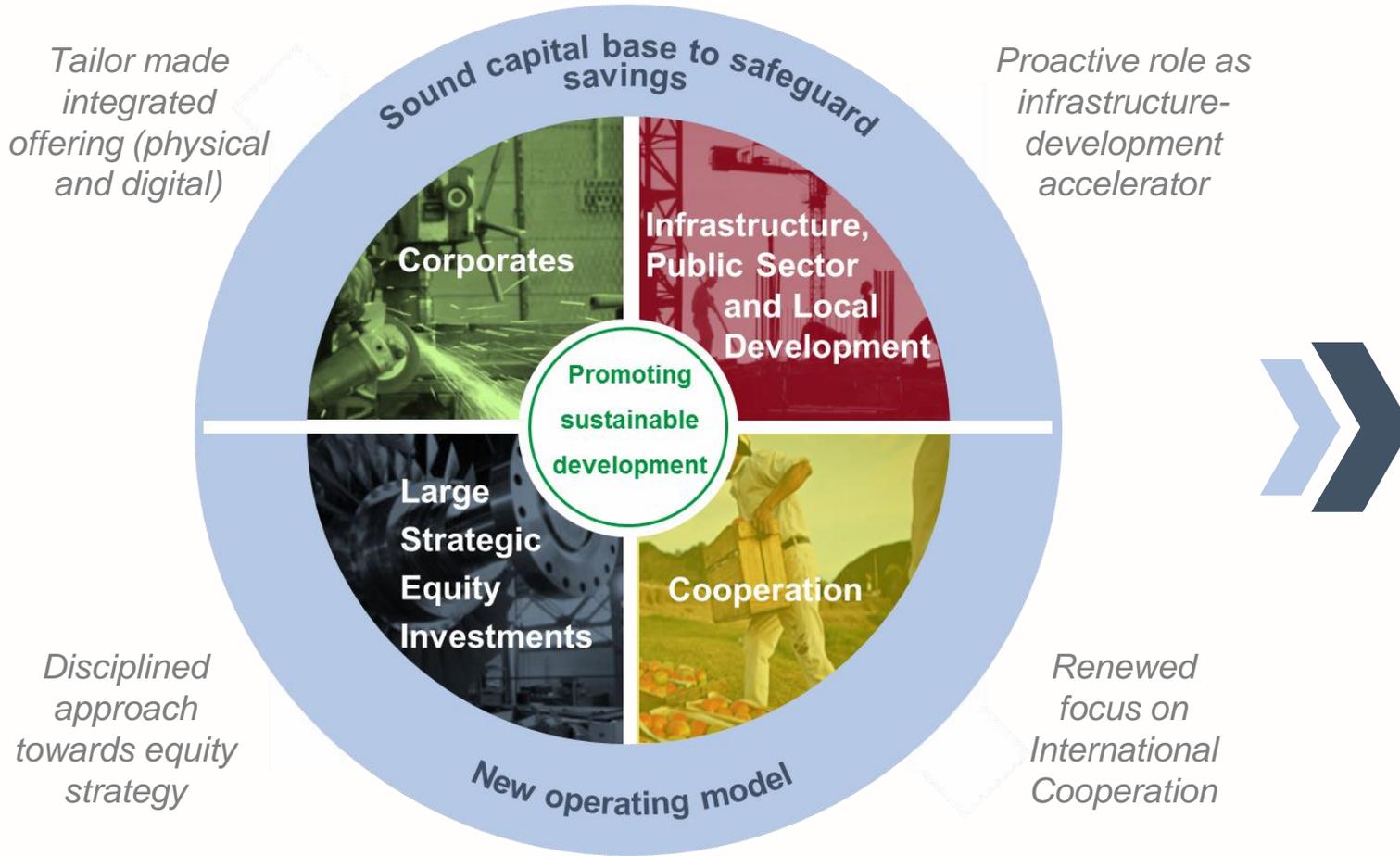
CDP at a glance

#CDP2021: Promoting Sustainable Development

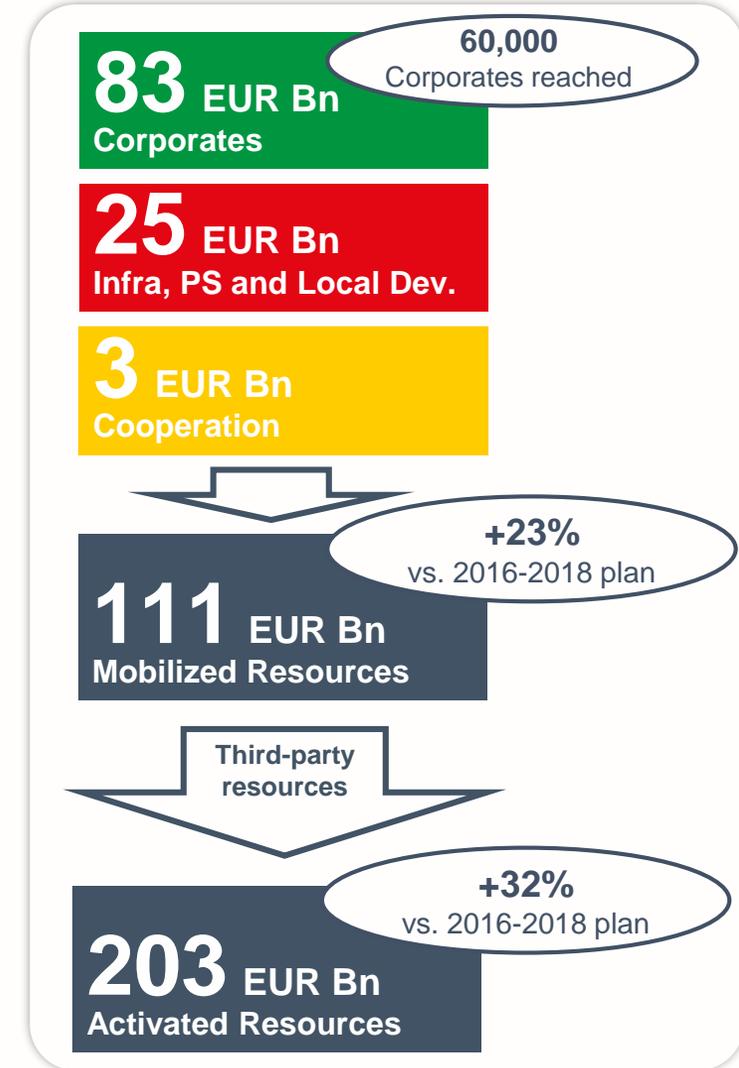
Assets and Funding Structure

Appendix

2019-2021 Business Plan - From Italy to Italy



Main 2021 targets



CDP 2021 - High coverage of UN SDGs towards sustainable development

«Contribute to the economic, social and environmental development of the Country, facilitating investments with a positive measurable impact on territory and community»

Green, Social and Sustainability Bond Framework

Infrastructure and development of cities

SME's financing

Education

Energy and Environmental Sustainability



Innovation and Digitalization
Developing countries and international trade

Energetic transition and climate change
Social change

Megatrends

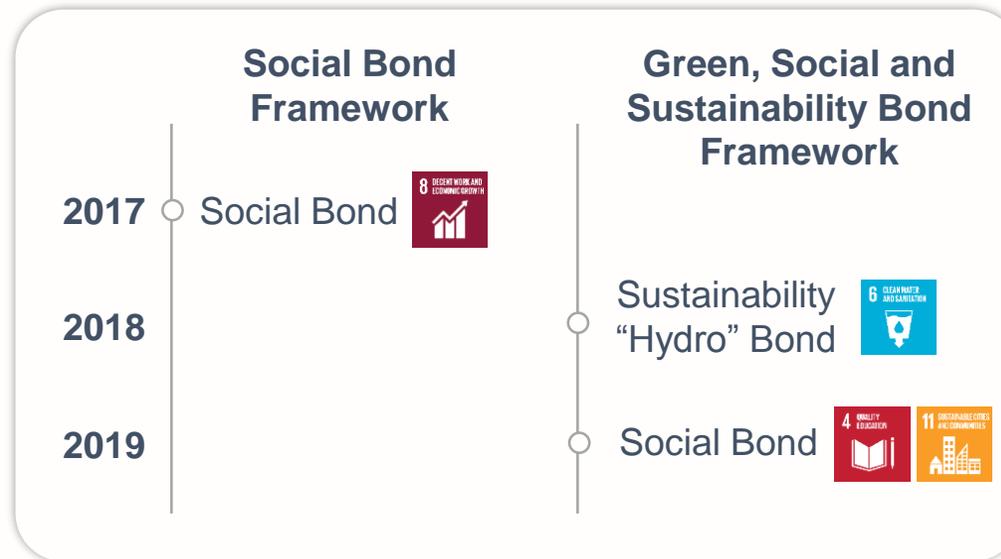
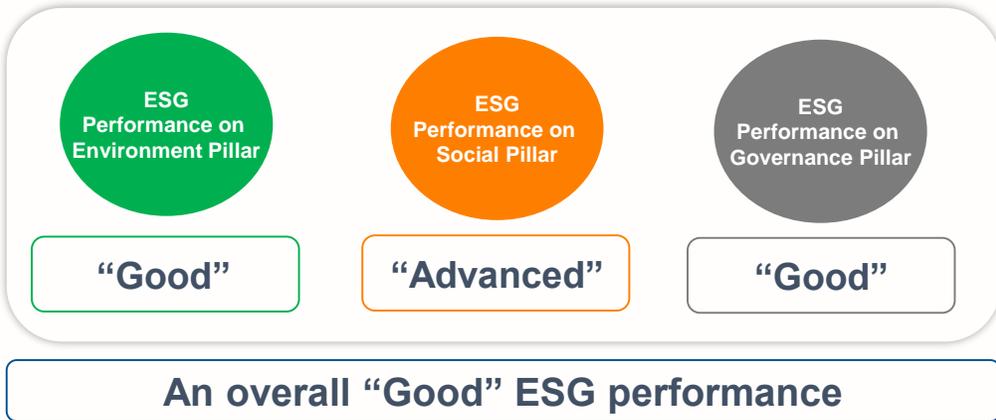
2019-21 Business Plan for the first time aims at explicitly integrating sustainability into strategic choices

CDP Green, Social and Sustainability Bond Framework



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 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**.

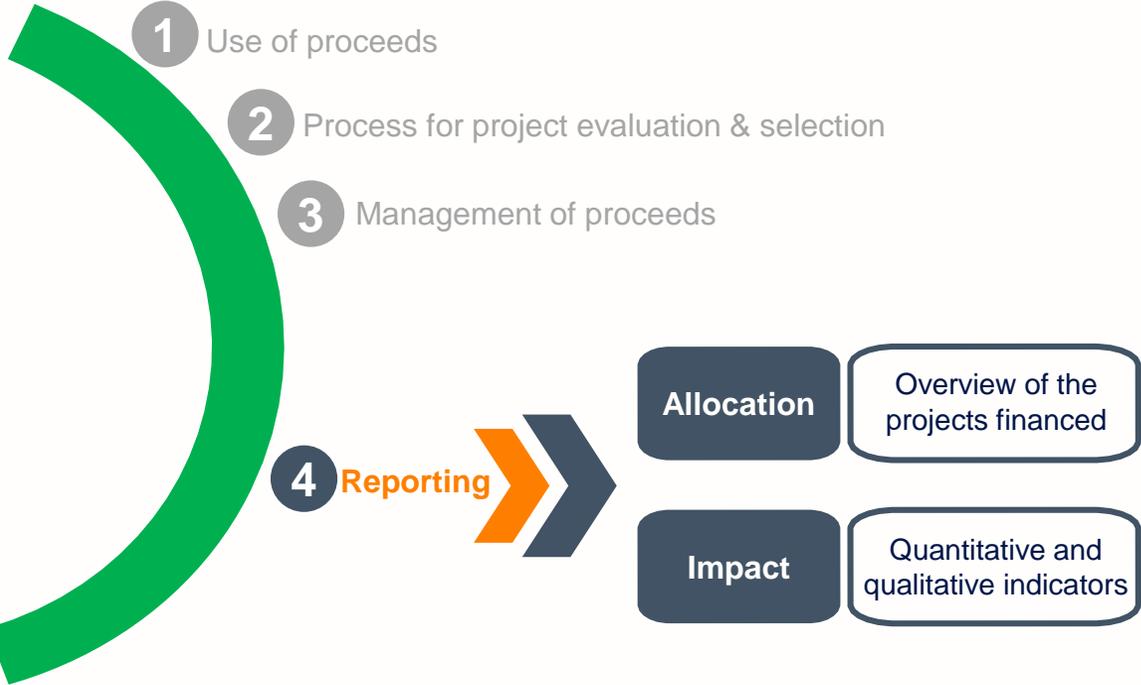


Framework subject to potential evolutions in order to widen the scope of intervention

CDP was the first Italian Social Bond issuer and is one of the main issuer in the Social Bond Market

CDP Framework - focus on Reporting

One year after each Green, Social and Sustainability Bond issuance, CDP produces a detailed report illustrating the eligible loans financed through the raised proceeds and their social and environmental impacts



Reporting is aimed at providing maximum transparency on the portfolio of assets to be addressed and at underlining the quality and positive impact of the projects financed

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CDP Assets

EUR Bn

Assets

Cash & Cash Equivalents

(-1% vs. YE2018)

167

Loans

(-1% vs. YE2018)

100

Debt Securities

(+13% vs. YE2018)

68

Equity Portfolio

(+2% vs. YE2018)

34

LIQUIDITY BUFFER

157 EUR Bn of cash on the **Treasury Current Account** with the Ministry of the Economy and Finance (MEF) provide outstanding financial flexibility

ASSET QUALITY

Mainly fixed rate exposures with local & regional governments, assisted by favorable laws. **Net NPLs/Net Loans to customers and banks 0.1%**^{1,2}

NATURAL BUYER OF ITALIAN BTPs

Debt Securities Portfolio mainly consisting of government bonds, used as ALM to manage interest rate risk and optimize banking book profitability

STRONG EQUITY PORTFOLIO

Stakes in some of the most important Italian listed companies (Eni, Italgas, Terna, Snam, Poste Italiane, Fincantieri, TIM)

Strong capital base to protect savings and support country growth

CDP Funding

EUR Bn

Postal Funding¹

157.3



Postal Bonds

103.0



Passbooks

- **Postal savings**, including postal bonds pertaining to Ministry of Finance, represent ~ **8%** of Italian households' total financial assets
- **Stable and anticyclical source of funding**
- Positive trend since 2018 thanks to continuing effort towards innovation and digitalization of products
- Main source of liquidity on the Treasury Current Account

260.3

Non-Postal Funding¹

20.2



Bonds

41.3



Money market

4.0



Multilateral Banks

27.5



Other

93.0

- 10 EUR Bn **Debt Issuance Programme**
- **Outstanding bonds² for 18 EUR Bn**, o/w:
 - 3 **ESG Bonds** (1.75 EUR Bn)
 - 2 **Retail Bonds** (3.0 EUR Bn)
- 6 EUR Bn **Short-Term Commercial Papers programme**
- Short-term funding on the **money market** through deposits and repurchase agreements
- Credit facilities granted by **Multilateral Banks** (EIB-CEB)

Mix of resilient Postal Funding and diversified Market Funding to support Business Plan challenges

1. As of 30 June 2019

2. Including EMTN-DIP (~ 10.5 EUR Bn), Guaranteed Bonds (4.5 EUR Bn) and Retail Bond (3 EUR Bn). Net of 2.4 EUR Bn Commercial Paper

Focus on Postal Funding

Products

Postal Bonds

Passbooks



- Entirely guaranteed by the Republic of Italy
- Not subject to bail-in
- Redeemable at par at any time



- No fees or commission
- Bonds benefit from a tax break

Issuer

cdp 



Distributor

Posteitaliane



- Exclusive service agreement with Poste Italiane renewed in Dec. 2017 for the period 2018 - 2020



- Unparalleled physical and digital distribution network:
 - ~13k post offices
 - Brand-new App and website

Customers



~27mn customers
(total customer base)



- Net flows strongly rebounded since 2016, with stock reaching **record-high levels in 1H 2019**, supported by digital offering



- # of digital customers steadily increasing with a growing contribution from the App

Historically common products among Italian households, being innovated in terms of offering and going more digital

Focus on Long-Term Market Funding and Credit Rating

EUR Bn

CDP is a frequent issuer thanks to the latest approved **Debt Issuance Programme (DIP)** for 10 EUR Bn

CDP aims to become a frequent issuer in the **ESG Bond** market

Outstanding bonds¹ for 18 EUR Bn, with more than 40 transactions closed

Senior Unsecured notes listed on the Luxembourg Stock Exchange²

Access to international markets (USD, JPY, RMB)

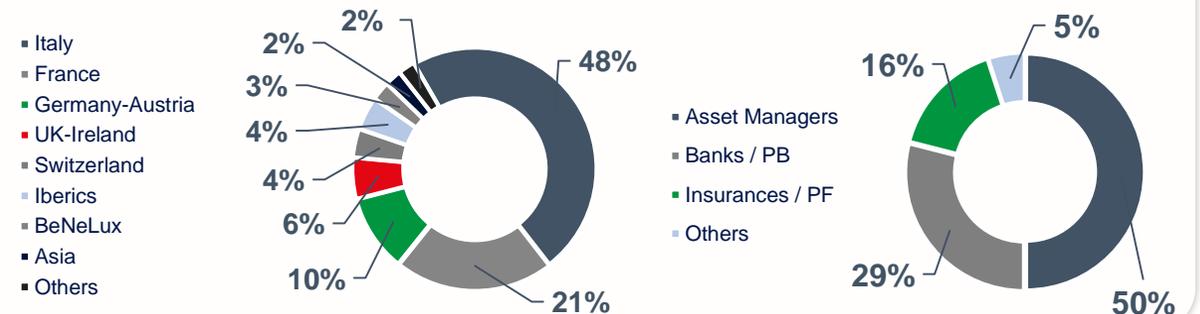
CDP bonds rank *pari passu* with **Postal Savings** products

Eligible for the ECB Collateral Framework and the **Public Sector Purchase Programme (PSPP)**

Bond Maturity (as of 30 June 2019)



Investor Allocation³



CREDIT RATING



S&P Global Ratings

BBB/A-2
Negative

FitchRatings

BBB/F2
Negative

MOODY'S

Baa3/P-3
Stable

SCOPE

BBB+/S-2
Stable

中诚信国际 CCXI

AAA⁴
Stable

1. Including EMTN-DIP (~ 10.5 EUR Bn), Guaranteed Bonds (4.5 EUR Bn) and Retail Bond (3 EUR Bn) as of 30 June 2019. Net of 2.4 EUR Bn Commercial Paper
 2. Social and Sustainability Bonds have been listed also on the Italian Stock Exchange (i.e. Borsa Italiana)
 3. Refers to public issuances since 2011
 4. Chinese on-shore rating assigned in the context of the "Panda Bond" issuance plan

ESG Public Issuances Highlights

Social bond 2017



Size

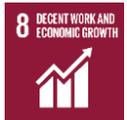
500 EUR Mn

Tenor

5 Years

Use of Proceeds

Sustainable economic growth, ensuring credit access for Italian SMEs located in economically deprived areas or hit by earthquakes and supporting employment



Sustainability bond 2018



500 EUR Mn

5 Years

Construction and modernization of the Country's water infrastructure



Social bond 2019



750 EUR Mn

7 Years

Construction, upgrade, safety and seismic retrofitting of public schools and requalification of urban infrastructure, providing universal access to safe public spaces




First “Panda Bond” issue

Rationale

- **Funding in local currency** to finance - directly, through Chinese branches of Italian banks or through Chinese banks - branches or subsidiaries of Italian companies established in China, supporting their growth
- **Diversification of CDP investor base** through the opening of a new funding channel in a market with great potential

Highlights of the issue

- Issued on 1 August 2019 by CDP
- Nominal amount of **1 billion Renminbi**
- **3 years maturity** with an **annual coupon of 4.50%**
- **On-shore rating equal to AAA**, assigned by China Chengxin International Credit Rating Co., Ltd. (CCXI)
- Part of the issuance plan “2019 Renmimbi Bonds of Cassa depositi e prestiti S.p.A.” authorised by the People’s Bank of China, for a **maximum total amount of 5 billion Renminbi**



CDP has been the first Italian issuer and the first European NPI to explore China Interbank Bond Market

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CDP Parent Company Balance Sheet

EUR Bn

Assets

Cash & Cash Equivalents

(-1% vs. YE2018)

167

Loans

(-1% vs. YE2018)

100

Debt Securities

(+13% vs. YE2018)

68

Equity Portfolio

(+2% vs. YE2018)

34

Other Assets

13

cdp
1H 2019

Total Assets

382

(+3% vs. YE2018)

Liabilities

Postal Funding

(+1% vs. YE2018)

260

Bond Funding¹

(+6% vs. YE2018)

20

Other Funding²

(+11% vs. YE2018)

73

Other Liabilities

5

Total Equity

(-4% vs. YE2018)

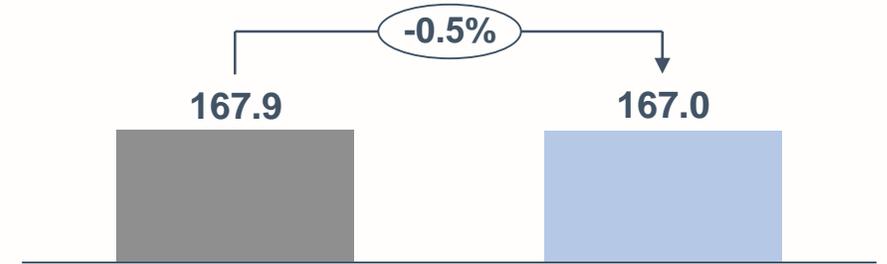
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CDP SpA Assets

EUR Bn; %

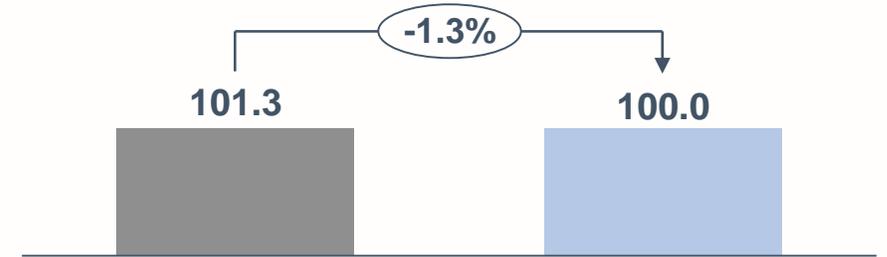
Cash & Cash Equivalents

Substantially in line with YE 2018



Loans

Slightly down due to higher funding to Corporates partially offsetting lower flows to PA and financial institutions



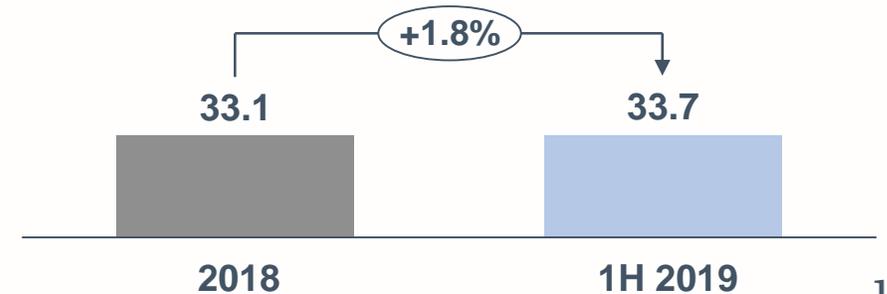
Securities Portfolio

Growth mainly driven by higher investments in **Italian government securities**



Equity Portfolio

Slight increase with respect to YE 2018

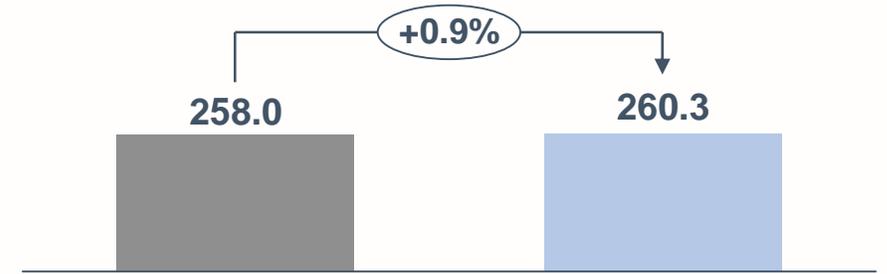


CDP SpA Liabilities

EUR Bn; %

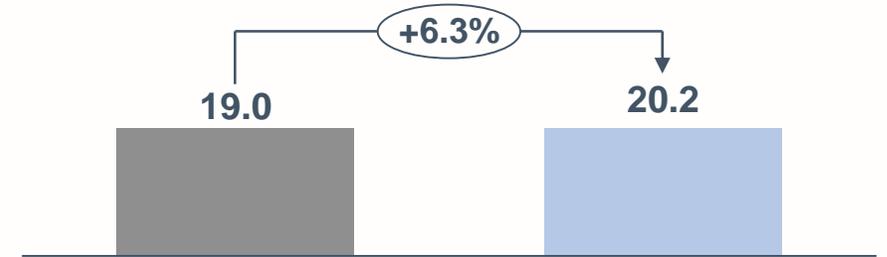
Postal Funding

Further increased by 1%



Bond Funding¹

Further diversification of funding sources with new issuances (Social Bond in March and Retail Bond in June)



Other Funding²

Growth driven by short-term funding dynamics: higher from customers and lower from banks



Equity

Sound capital base, slightly decreasing due to dividends distribution, partially offset by net income of the period



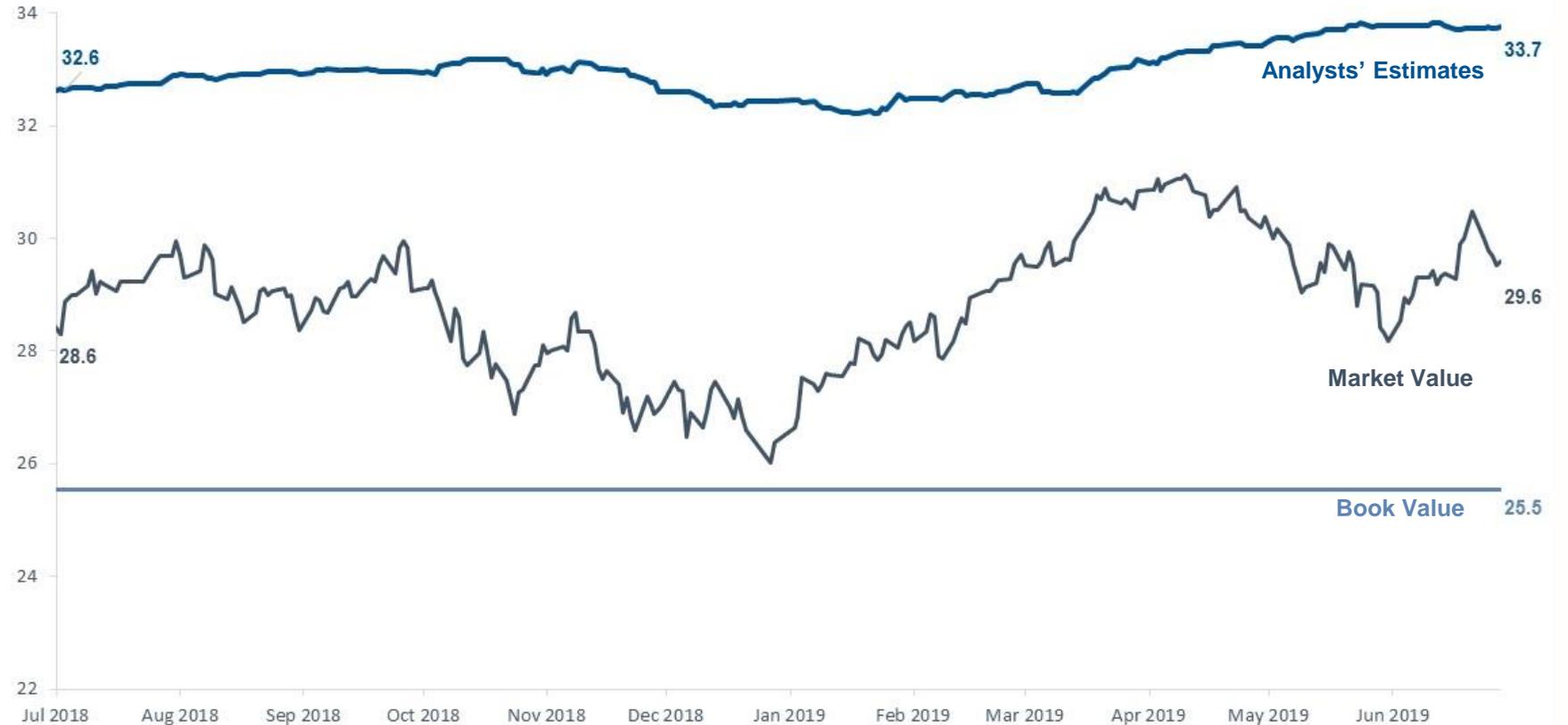
1. Including commercial papers
2. Including funding from banks and customers

Equity Portfolio Performance

EUR Bn

Market value of CDP's listed equity portfolio (Jun 2019):

- **+12% YTD** and **+3%** vs. end June 2018
- **€4.0Bn higher (+16%)** than **book value**
- **14% upside potential** (€4.1Bn) vs. **analysts' target price**



Source: Bloomberg

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



On November 14th, 2017 Cassa depositi e prestiti (CDP) successfully priced its inaugural EUR 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 10CET the IPT was set at Mid Swap +high 60s for a €500m “no grow” size
- One hour later, on the back of €1.6bn orders book, the guidance was released at Mid Swap +60/65bp
- Despite the sensible price revision, books continued to grow; at 12:30CET the final spread was set at Mid Swap +57bp on the back of orders in excess of €2.25bn (pre-reconciliation)
- The books went "subject" at 12:40 involving more than 150 accounts
- The reoffer spread of Mid Swap +57bp implies a 14bp premium over BTP
- Later in the day the deal eventually priced with a coupon of 0.750%

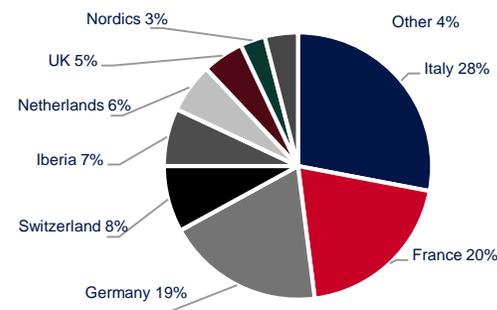
Main Social Features:

- 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

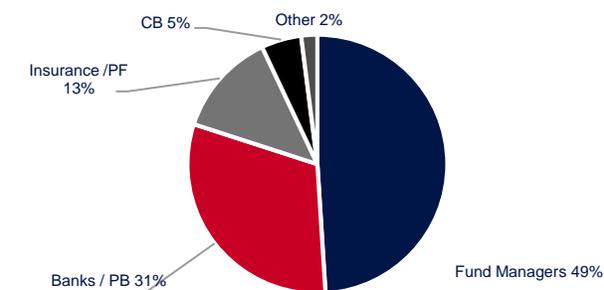
Transaction highlights

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	€500mm
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 +57bp
Reoffer Yield	0.783%
Reoffer Price	99.839%
Listing	Luxembourg Stock Exchange

Investor allocation by region



Investor allocation by type



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



On September 18th, 2018 Cassa depositi e prestiti (CDP) successfully priced its inaugural EUR 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 CEST) 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 CEST 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 CEST 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

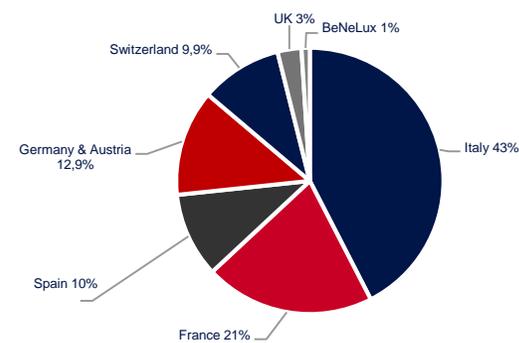
Main Sustainability Features:

- 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

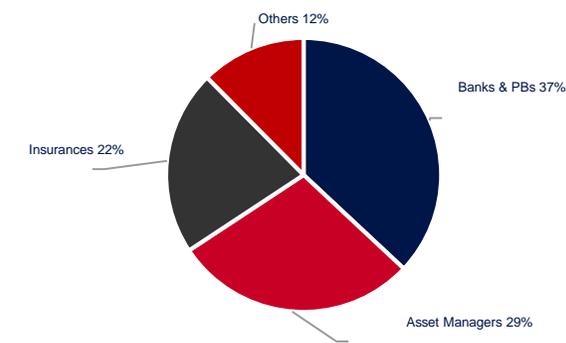
Transaction highlights

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



Cassa depositi e prestiti EUR 750mn 7-year Social Bond



On March 18th, 2019 Cassa depositi e prestiti (CDP) successfully priced its new EUR 750mn senior unsecured Social Bond

Transaction summary

Transaction Execution:

- On Monday, 18th March 2019, following the constructive feedback collected during its pan-European roadshow and on the back of a positive market backdrop, CDP successfully launched and priced its new 7-year Social Bond. This is the third Social/Sustainability issuance by CDP, after the inaugural Social Bond in November 2017 and the Sustainability Bond in September 2018, demonstrating the issuer's commitment towards the ESG market
- Books opened at 10:45 CET with IPTs in the area of MS+210bps, representing an initial concession of ca. 7bps over CDEP 1 7/8 02/07/26 that at the announcement was trading at +203bps (Mid). After 2 hours, the guidance was revised down to MS+200bps area, on the back of orders in excess of € 1.5bn (excl. JLM). The high quality of the book enabled the issuer to finally set the spread at MS+195bps (15bps tighter than IPTs) for a size of € 750mn
- The final pricing is ca. 8bps inside the issuer's curve with an implied a premium vs. BTP in the region of ca. 22bps (compared to BTP 03/01/206).

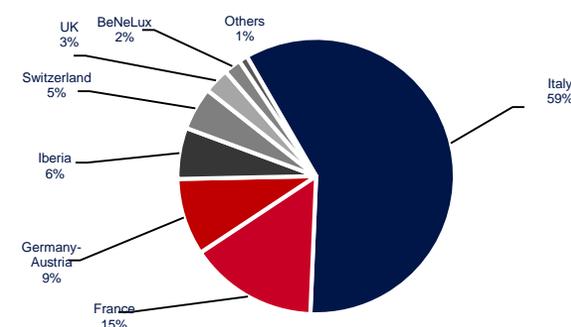
Main Social Features:

- The newly issued CDP's Social Bond is inspired by the UN SDGs 4 "Quality Education" and 11 "Sustainable Cities and Communities"
- In particular, the new CDP Social Bond aims mainly at providing the necessary liquidity for the construction, renovation, safety measures and earthquake-proofing for publicly-owned buildings dedicated to school education at all levels and for urban redevelopment, including through initiatives aimed at improving living standards in areas subject to degradation, social hardship and poor safety and security conditions
- CDP obtained a Second Party Opinion on its transaction by the independent advisor Vigeo Eiris
- In addition to the usual contribution from domestic investors, international accounts showed a great deal of interest in the transaction, subscribing over 40% of the total. Top international investors came from France (15%), Germany/Austria (9%), Iberia (6%) and Switzerland (5%).
- As for investor-type breakdown, 54% of the allocated bond went to Banks/Private Banks, followed by Fund Managers (25%), Insurances/Pension Funds (15%) and Central Banks (4%).

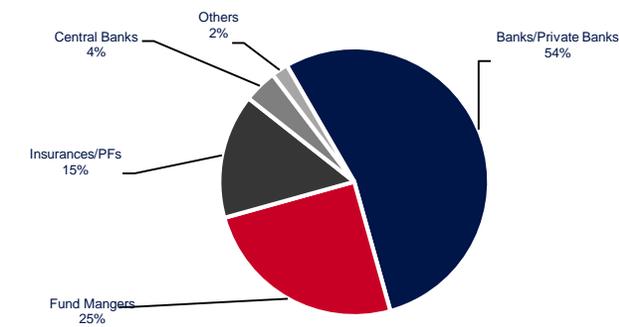
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Issue ratings	Baa2 (M) / BBB (SP) / BBB (F) / A- (Scope)
Documentation	Issued under the Issuer's €10bn Debt Issuance Programme dated 9 May 2018
Governing law	Italian law
Format / Type	RegS/ Social Bond
Ranking	Senior Unsecured
Size	€750mn
Denomination	€100,000 + €100,000
Pricing Date	18 March 2019
Settlement Date	21 March 2019
Maturity Date	21 March 2026 (6Y)
Coupon	2.125% fixed, annual act/act
Reoffer Spread	MS +195 bps
Reoffer Yield	2.236%
Reoffer Price	99.288%
Listing	Luxembourg Stock Exchange

Investor allocation by region



Investor allocation by type



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- ✓ The manager responsible for preparing the company’s financial reports, Paolo Calcagnini, 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.
- ✓ The Base Prospectus relating to the Company’s Eur 10,000,000,000 Debt Issuance Programme was published on 10 May 2019 and is available for viewing at www.cdp.it, together with any supplements thereto.

Useful documentation

2019-2021 Business Plan
Presentation



1H2019 Results Presentation



2019 Half-yearly Financial Report



FY2018 Results Presentation



2018 Annual Report





Contacts

Investor Relations & Rating Agencies

Cassa Depositi e Prestiti S.p.A.

Via Goito, 4

00185 – Rome, Italy

Phone: +39 06 4221 3253

E-mail: investor.relations@cdp.it