



1H 2018 Financial Results

2 August 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.

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)



Vice Chairman

L. Paganetto

- **Vice Chairman of CDP** (since July 2018)
- **Nonresident Senior Fellow at Brookings Institute** (since 2013)
 - **Chairman of ENEA** (2007-2009)
 - **Dean of the Faculty of Economics** at University of Rome "**Tor Vergata**" (1988-2007)



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**

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

IFRS 9 and IFRS 15 First Time Adoption (FTA)

CDP's interim consolidated figures as at 30 June 2018 have been modified according to the First Time Adoption (FTA) of new IFRS 9 and IFRS 15. Comparative data as of FY 2017 and 1H 2017 do not include any effect deriving from the adoption of the new standards.

Executive Summary

- 
- CDP Group's **performance** in **1H 2018** has been characterized by **positive economic results** and a **sound capital base**
 - **CDP SpA⁽¹⁾ Business volumes** over **€8bn** and **CDP Group Business volumes** equal to **~ €13bn** (€12bn and ~ €16bn in 1H 2017 respectively, characterized by a single transaction of extraordinary amount)
 - **CDP SpA Net Income** equal to **€1.4bn** (+13% vs 1H 2017); **CDP Group Net Income** equal to **€2.2bn⁽²⁾** (-10% vs 1H 2017, characterized by a non-recurring item)
 - **CDP SpA Equity** equal to **€23.7bn** (€24.4bn as of FY 2017); **CDP Group Total Equity** equal to **€35.4bn⁽³⁾** (€35.9bn as of FY 2017)

Results confirm CDP's role as National Promotional Institution of Italian economy

1H 2018 Business Volumes

€bn



Volumes substantially in line with previous performances, net of extraordinary transactions

CDP SpA P&L Figures: Net Income

€bn

Highlights

- **Further increase in 1H 2018 Net Income**, mainly due to:
 - **Improved net commissions**
 - **Better performance of equity portfolio**, due to (i) higher dividends and (ii) lower adjustments on equity investments and funds

CDP SpA Net Income



CDP SpA P&L Figures: NII and Dividend Income

€bn

Highlights

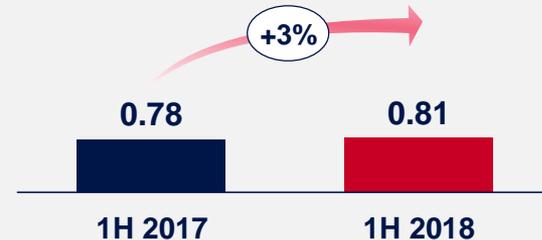
- **Substantially stable Net Interest Income**, as a consequence of:
 - Reduction of interest rate risk
 - Decrease in securities portfolio's average duration
 - Further diversification of funding sources, with new long-term issuances

- **Higher Dividend Income**, as a result of better contributions from Group's companies

Net Interest Income



Dividend Income



CDP SpA P&L Figures: Cost Efficiency and Write-downs

€bn

Highlights

- **Cost/Income Ratio broadly in line with 1H 2017**
- **Slight increase in Operational costs**, also due to higher expected **staff costs**

- **Overall reduction in write-downs**, as a net result of:
 - **Increase** in write-downs on **credit portfolio**⁽¹⁾
 - **Decrease** in write-downs on **equity investments and funds**

Operational Costs



Write-downs

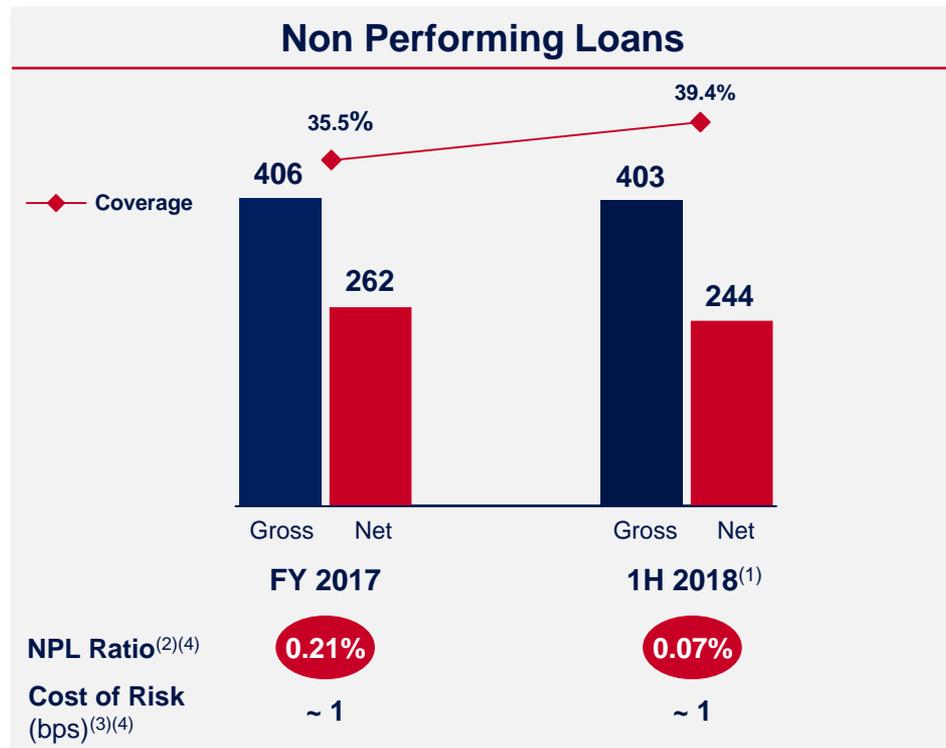


Asset Quality

€bn

Highlights

- **Decrease in Net NPL Ratio** equal to **0.07%**
- **Very low and stable cost of risk**
- **Improvement in Coverage** of non-performing loans



Strong asset quality and extremely low NPL ratio

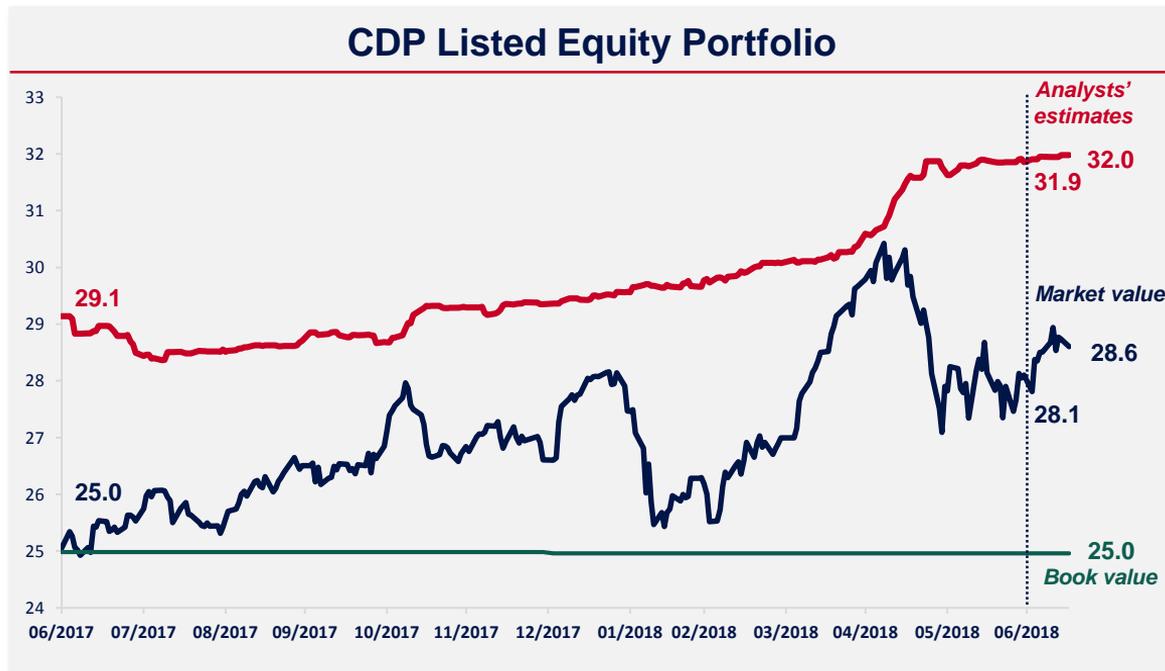
Performance of Equity Portfolio

€bn

Highlights

The market value of CDP's listed equity portfolio⁽¹⁾:

- Increased by **6%** in the last **6 months** and by **12%** in the **last year**
- It is consistently **higher** than its **book value** (+€3.1bn, +13%)
- It is substantially **lower** than analysts' **target price** (-€3.8bn, -12%)



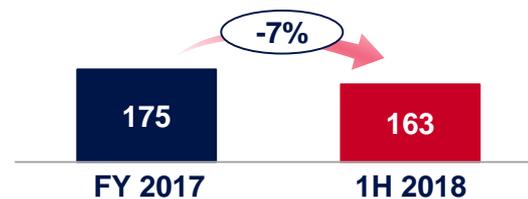
Markets and analysts evaluate **CDP's Portfolio** consistently **higher** than its **book value**

CDP SpA Balance Sheet Figures: Assets

€bn

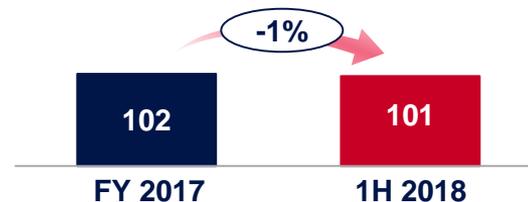
Cash & Cash Equivalents

Decreased liquidity as a result of lower short-term investments



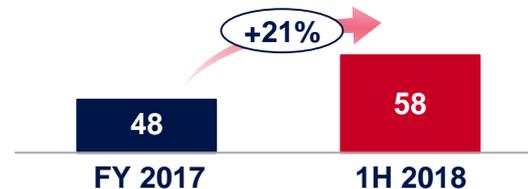
Loans

Substantially in line with FY 2017



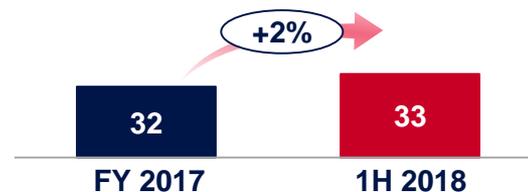
Securities Portfolio

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



Equity Portfolio

Slight increase with respect to FY 2017

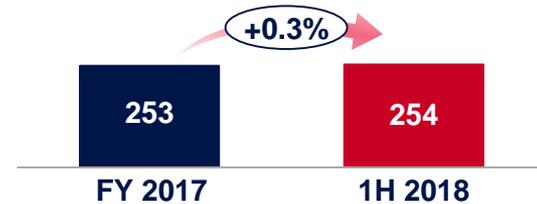


CDP SpA Balance Sheet Figures: Liabilities

€bn

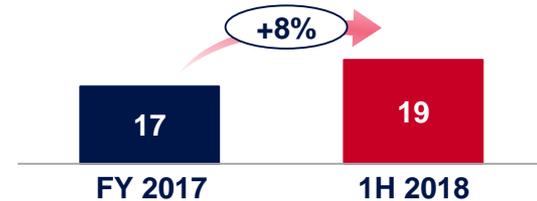
Postal Funding

In line with FY 2017



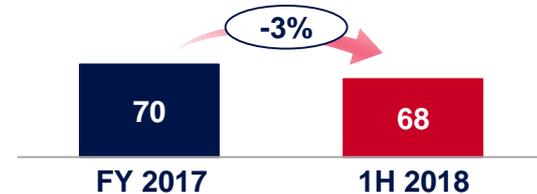
Bond Funding

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



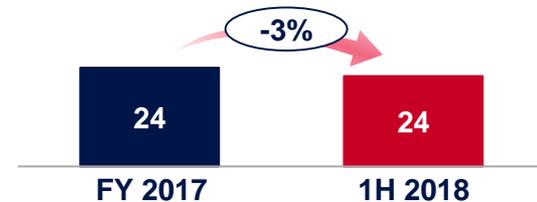
Other Funding⁽¹⁾

Slight decrease, mainly driven by lower short-term funding



Equity

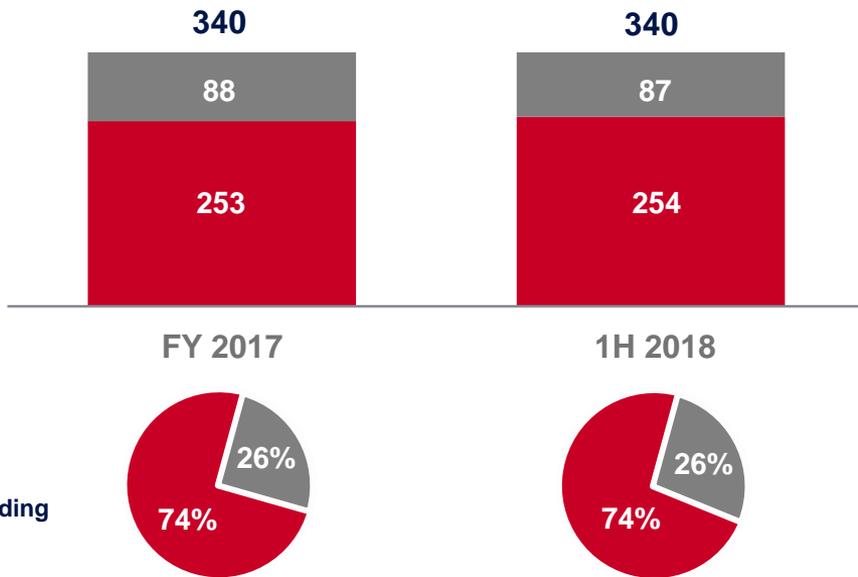
Sound capital base, slightly decreasing⁽²⁾ as a consequence of dividends distribution⁽³⁾



CDP SpA: Funding and Credit Rating

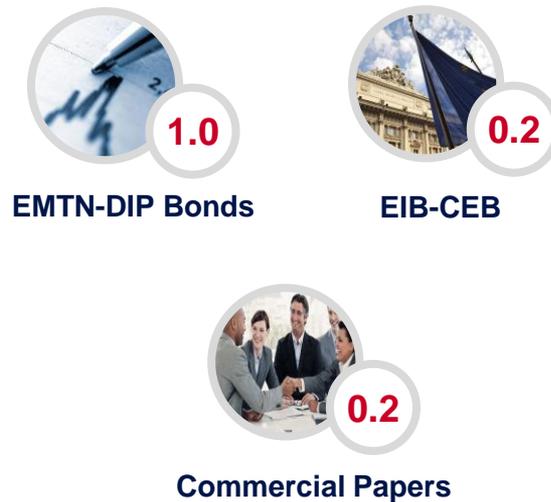
€bn

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 Stable

MOODY'S

Baa2/P-2 Under (3) Review

SCOPE

A-/S-1 Negative

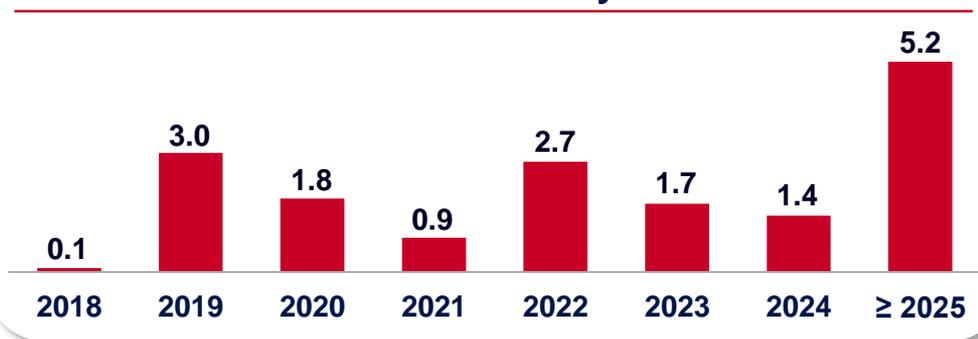
CDP SpA: Long-Term Market Funding

€bn

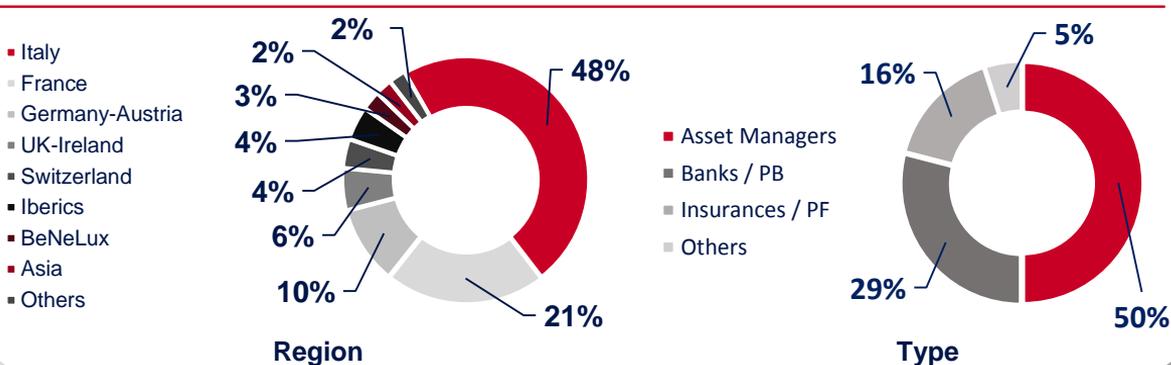
Highlights

- **Outstanding bonds⁽¹⁾** amount to ~ **€17bn**, with 42 single transactions, including **€750mn senior unsecured bond** issued in February 2018
- **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, issued in November 2017, has been listed also on the Italian Stock Exchange (Borsa Italiana)

(3) Refers only to public issuances since 2011

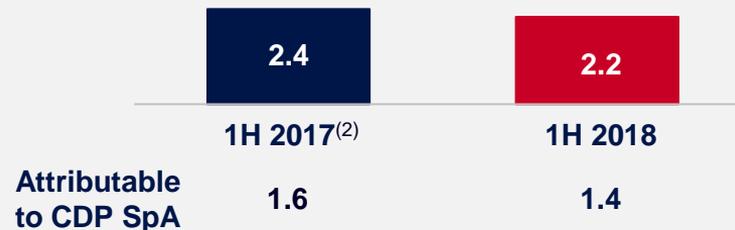
CDP Group: Key Figures

€bn

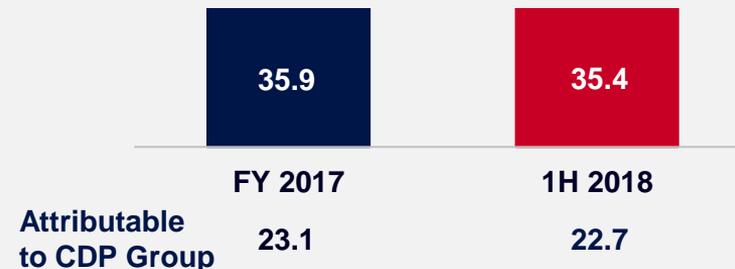
Highlights

- **Positive results in 1H 2018**, both in terms of Group Net Income and Net Income attributable to CDP SpA, although slightly decreasing⁽¹⁾:
 - Better **performance** of the Parent company CDP SpA
 - **Positive results of equity portfolio**
- **Sound and substantially stable CDP Group Total Equity**, although slightly decreasing as a consequence of dividends distribution⁽³⁾

Group Net Income



Group Total Equity



(1) Increasing if considering the results of 1H 2017 net of a non-recurring item equal to €0.6bn

(2) Reclassified item following the PPA on Poste Italiane equity stake

(3) Only partially offset by net income of the period and the application of IFRS 9 and IFRS 15, with an overall positive effect at consolidated level

CDP Group: Companies' Results

€mn

121

sace

•gruppo cdp•

▪ vs 147 1H 2017

523



▪ vs 504 1H 2017

2.198



▪ vs 983 1H 2017

6

•cdp•equity

▪ vs 69 1H 2017

151

IG Italgas

▪ vs 140 1H 2017

(298)



▪ vs (99) 1H 2017

360

Terna
TERNA GROUP

▪ vs 351 1H 2017

21

FINCANTIERI

▪ vs 13 1H 2017

753

Posteitaliane

▪ vs 510 1H 2017

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Appendix

€750mn 8Y Senior Unsecured Bond

Transaction Summary

Issuer	Cassa depositi e prestiti S.p.A.
Issuer Ratings	Baa2 (M) / BBB (SP) / BBB (F) / A-(Scope)
Issue Rating	Baa2 (M) / BBB (SP) / BBB (F) / A-(Scope)
Documentation	Debt Issuance Programme dated 12 May 2017 and duly supplemented on 1 June 2017, 29 September 2017, 6 November 2017 and 12 January 2018
Governing law	Italian law
Format	RegS bearer / dematerialized
Ranking	Senior Unsecured
Size	€750mn
Denomination	€100,000 + €100,000
Pricing Date	31 January 2018
Settlement Date	07 February 2018
Maturity Date	07 February 2026
Coupon	1.875% fixed, annual act/act
Reoffer Spread	MS + 103bps
Reoffer Yield	1.896%
Reoffer Price	99.845%
Listing	Luxembourg Stock Exchange

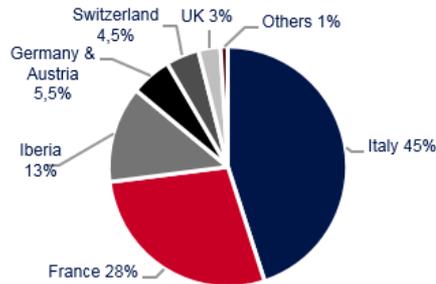
Transaction Highlights

- On the back of a strong BTP auction and supportive market conditions, CDP decided to tap the senior market on 31st January 2018 with an 8-year senior unsecured transaction, adding one liquid point to the curve
- This transaction represents the first Senior Unsecured bond issued in the public institutional markets by CDP in 2018

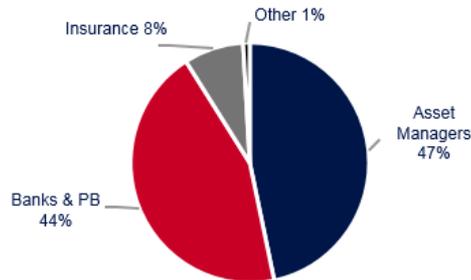
Transaction execution:

- Following a Go / No Go call, at 9:30 am UKT the issuer announced the mandate and opened books with IPTs of MS+115-120bps, representing approximately 5-10bps new issue concession on the issuer's maturity adjusted secondary curve
- The order books went off to a good start, garnering orders from both international accounts as well as domestic accounts with very limited price sensitivity. This allowed syndicates to release a book update and guidance of MS+105-110bps shortly after
- As order books topped €2bn the syndicates released final terms, setting the final size of €750mn and final spread of MS+103bps, representing a premium over the BTP (interpolated Jun-25 and Jun-26) of ~15.6bps and a negative concession to the secondary curve of 7bps
- The transaction priced at 4:30 pm UKT at a coupon of 1.875% and a yield of 1.896%, meeting the issuer's targets in terms of both size and price

Investor Allocation by Region



Investor Allocation by Type



JLMs and Joint Bookrunners

