Cassa Depositi e Prestiti

Covid-19 Social Response Bond – Investor Presentation

14 April, 2020
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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.
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CDP at a glance

Covid-19 emergency in Italy and CDP Social Response Bond

Key Financials, Funding Structure and Credit Rating

Appendix
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 assets**
- 449 € Bn

**Loans**
- 101 € Bn

**Postal funding**
- 265 € Bn

**Net Income**
- FY 2019
  - 3.4 € Bn

**Equity**
- 36 € Bn

**Equity Inv. & Funds**
- 34 € Bn

**Non-Postal funding**
- 91 € Bn

**State and private shareholders**
- 83%
  - Ministry of Economy and Finance
- 16%
  - Bank foundations

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1. CDP consolidated balance sheet as of 31 December 2019
2. CDP S.p.A. balance sheet as of 31 December 2019
4. Remaining 1% treasury shares
### Business Model

#### Funding
- Market Funding
- Postal Funding
- Activated Third-Party Resources

#### Tools
- Direct and Indirect Lending
- Guarantees
- Liquidity Instruments
- Direct and Indirect Equity/Debt
- Promotion, Advisory & Lending
- Lending
- Advisory
- Management of public resources and Direct Lending

#### Business Areas
- Corporates
- Infrastructure
- Public Sector & Local Authorities
- Developing Countries

#### Regulation
- Surveillance
- By-Laws

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#cdpconlitalia
1. Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder;
2. Participation held through IQMIIC, of which FSI Investimenti is the 50% shareholder;
3. Participation held through FSIA (of which FSI Investimenti is the 70% shareholder) by 57.42% and further 25.69% held through CDP Equity;
4. Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder; 49.5% pro-forma post conversion of Convertible Bond Loan.
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Appendix
## Covid-19 emergency: Economic and Social Impacts in Italy

### Combined supply and demand shock with dramatic impact on Italy’s communities, health system and economy

<table>
<thead>
<tr>
<th>Economic Impacts</th>
<th>Social Impacts</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.2 Mn (#)</strong></td>
<td><strong>7.4 Mn (#)</strong></td>
</tr>
</tbody>
</table>
| **Businesses with halted operations**  
(49% of the total) | **Workforce not working**  
(42% employees) |
| **-4.1 (%)** | **4.2 Mn (#)** | **Requests for indemnities**  
(6.9 Mn workers) |
| **Estimated annual decline in consumptions**  
(2,3) | **-9.9 (#)** | **-10 (%)** |
| **Estimated GDP decline in 1H 2020**  
(1) | **Consumer Confidence**  
03/2020 vs. 02/2020  
(largest decrease since 1995) |

### Covid-19 cases

- **>159k (#)**
- **>20k (#)**
- **>30 (days)**

### Casualties

- **>20k (#)**
- **>30 (days)**

### Complete lockdown

1. Civil Protection Department data as of April 13, 2020 (http://www.protezionecivile.gov.it/media-communication/press-release/detail/-asset_publisher/default/content/coronavirus-ssono-103-616-i-positivi)
3. Assuming end of lockdown in April
5. INPS data as of April 10, 2020 (https://www.inps.it/locallegatiNP/InpsComunicazioni/UfficioStampa/comunicabilstampa/Lists/Comunicabilstampa/cs200410.pdf)
CDP Group in the front-line since the outbreak

WHO 2020 declares the Covid-19 epidemic a public health emergency of int’l importance

First Italian case of Covid-19

1° DPCM⁴ social distancing imposed in some areas

“Cura Italia” decree approval in support of Italian economy

4° DPCM⁴ Closure of all non-essential industrial activities nation-wide

“A global crisis that requires extraordinary measures. CDP Group already launched initiatives worth > € 20 Bn²

1° DPCM³ social distancing imposed in some areas

“Cura Italia” decree approval in support of Italian economy

4° DPCM⁴ Closure of all non-essential industrial activities nation-wide

“Liquidity” decree approval in support of Italian corporates

1. Decree of the Prime Minister
2. Including funding for corporates/financial institutions and savings from renegotiation of Local Authorities’ loans
CDP Covid-19 Social Response Bond 2020

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).

Areas of intervention

The Proceeds of the issue will be focused on fighting the Covid-19 emergency as well as sustaining the recovery of Italian economy and communities. The initiatives to be financed may include, among the others:

- Helping corporates, mainly SMEs, accessing banking and financial services, also through direct lending
- Providing Local Authorities with financial support in their efforts related to healthcare, social and economic measures
- Financing the construction, development, maintenance or renovation of healthcare facilities, medical equipment and technologies for the improvement and protection of public health

Given the emergency situation, this issuance is expected to contribute to a broad range of SDGs, in particular:

CDP with a key role not only to face the emergency but also to keep investing in tomorrow
# ESG Public Issuances Highlights

<table>
<thead>
<tr>
<th></th>
<th>Social bond 2017</th>
<th>Sustainability bond 2018</th>
<th>Social bond 2019</th>
<th>Social Housing bond 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td>500 € Mn</td>
<td>500 € Mn</td>
<td>750 € Mn</td>
<td>750 € Mn</td>
</tr>
<tr>
<td><strong>Use of Proceeds</strong></td>
<td>Sustainable economic growth, ensuring credit access for Italian SMEs located in economically deprived areas or hit by earthquakes and supporting employment</td>
<td>Construction and modernization of the Country’s water infrastructure</td>
<td>Construction, upgrade, safety and seismic retrofitting of public schools and requalification of urban infrastructure, providing universal access to safe public spaces</td>
<td>Construction, renovation or upgrade of social housing in Italy so to support people living in social and economic difficulties and person living without adequate housing</td>
</tr>
<tr>
<td><strong>Reporting</strong></td>
<td>• Full allocation reached in the 1st year</td>
<td>• Full allocation reached in the 1st year</td>
<td>• Full allocation reached in the 1st year</td>
<td>February 2021</td>
</tr>
<tr>
<td></td>
<td>• Impact measured on Employment</td>
<td>• Impact measured on Employment and Reduction of water dispersion</td>
<td>• Impact measured on Employment and Beneficiaries (students and citizens)</td>
<td></td>
</tr>
</tbody>
</table>
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Appendix
CDP Parent Company Balance Sheet

€ Bn

**Assets**

- **Cash & Cash Equivalents**: 171 (+2.0% vs. YE2018)
- **Loans**: 101 (-0.3% vs. YE2018)
- **Debt Securities**: 71 (+18.3% vs. YE2018)
- **Equity Investments & Funds**: 34 (+3.3% vs. YE2018)
- **Other Assets**: 8

**Liabilities**

- **Postal Funding**: 265 (+2.7% vs. YE2018)
- **Bond Funding**: 20 (+3.2% vs. YE2018)
- **Other Funding**: 71 (+8.3% vs. YE2018)
- **Other Liabilities**: 5
- **Equity**: 25 (+0.6% vs. YE2018)

**Total Assets**: 386 (+4.3% vs. YE2018)

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

€ Bn

<table>
<thead>
<tr>
<th>Assets</th>
<th>Value</th>
<th>Change vs. YE2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash &amp; Cash Equivalents</td>
<td>171</td>
<td>(+2.0%)</td>
</tr>
<tr>
<td>Loans</td>
<td>101</td>
<td>(-0.3%)</td>
</tr>
<tr>
<td>Debt Securities</td>
<td>71</td>
<td>(+18.3%)</td>
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<tr>
<td>Equity Investments &amp; Funds</td>
<td>34</td>
<td>(+3.3%)</td>
</tr>
</tbody>
</table>

**LIQUIDITY BUFFER**

Mainly cash on the Treasury Current Account with the Ministry of the Economy and Finance (MEF), which provides outstanding financial flexibility.

**ASSET QUALITY**

Mainly fixed-rate exposures with local & regional governments.

**NATURAL BUYER OF ITALIAN BTPs**

Debt Securities Portfolio mainly consisting of Italian 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, Salini Impregilo) and in other companies operating in strategic sectors (Open Fiber, SIA).

Strong capital base to protect savings and support country growth.
Postal Funding

Postal Funding

- Postal savings represent a common investment for Italian households
- 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

Non-Postal Funding

- CDP committed towards a progressive differentiation of funding sources
- 10 EUR Bn Debt Issuance Programme
- 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 31 December 2019
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**
- Exclusive service agreement with Poste Italiane renewed in Dec. 2017 for the period 2018 - 2020

**Distributor**
- 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 solidly growing supported by digital offering

- # of digital customers steadily increasing with a growing contribution from the App (online sales + € 1.2 Bn in 2019 vs. 2018)

Historically common products among Italian households, being innovated in terms of offering and going more digital
Outstanding bonds for € 17 Bn\(^1\), with 40 transactions closed

3 ESG bonds outstanding (2 Social and 1 Sustainable) for a total amount of € 1.75 Bn

Senior Unsecured notes listed on the Luxembourg Stock Exchange\(^2\)

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)

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**Bond Maturity** (as of 31 December 2019)

<table>
<thead>
<tr>
<th>Year</th>
<th>EMTN-DIP</th>
<th>ESG Bonds</th>
<th>Guaranteed Bonds</th>
<th>Retail Bonds</th>
<th>Panda Bond</th>
</tr>
</thead>
<tbody>
<tr>
<td>2020</td>
<td>1.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>0.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>2.9</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2023</td>
<td>2.2</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2024</td>
<td>1.7</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2025</td>
<td>0.8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2026</td>
<td>3.0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2027</td>
<td>0.7</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

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**Investor Allocation**\(^3\)

- **Asset Managers**: 48%
- **Banks / PB**: 16%
- **Insurances / PF**: 5%
- **Others**: 5%

- **Italy**: 29%
- **France**: 16%
- **Germany-Austria**: 10%
- **Switzerland**: 6%
- **Iberics**: 4%
- **BeNeLux**: 4%
- **Asia**: 3%
- **Others**: 2%

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1. Including EMTN-DIP (~ 10.0 € Bn), Guaranteed Bonds (3.8 € Bn), Panda Bond (127 € Mn equivalent) and Retail Bonds (2.9 € Bn) as of 31 Dec 2019. Net of 2.8 € 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. Unsolicited rating from 1 January 2020
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Appendix
Global social and economical trends

- Innovation and digitalization
- Energy transition and climate change
- Developing countries and international trade
- Social change

Italian challenges

✓ Closing the economic development gap
✓ Business innovation, productivity and competitiveness
✓ Increase investments/quality of infrastructure

Sustainable Development Goals

17 goals of the UN 2030 Agenda for Sustainable Development

Introduction of a new proactive approach to deal with the current economic and industrial challenges in Italy and globally with the goal to achieve adequate sustainable growth and development
Disciplined approach towards equity strategy

Tailor made integrated offering (physical and digital)

Renewed focus on International Cooperation

Proactive role as infrastructure-development accelerator

Main 2021 targets

- 83 € Bn Corporates
- 25 € Bn Infra, PS and Local Dev.
- 3 € Bn Cooperation
- 111 € Bn Mobilized Resources
- 203 € Bn Activated Resources

CDP 2019-2021 Business Plan – Highlights
Useful documentation

- Green, Social and Sustainability Bond Framework
- Inaugural Social Bond Report
- Sustainability Bond Report
- 2019 Social Bond Report
- FY 2019 Results Presentation
Contacts

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