



Cassa Depositi e Prestiti

CDP Social Bond 2020 – Investor Presentation

14th September, 2020



#cdpconlitalia

Cassa Depositi e Prestiti
Investing in tomorrow

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- ✓ The manager responsible for preparing the company’s financial reports, Pier Francesco Ragni, 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 15,000,000,000 Debt Issuance Programme was published on 12 May 2020 and is available for viewing at www.cdp.it, together with any supplements thereto.

CDP at a glance

CDP Green, Social and Sustainability Bond Framework

CDP Social Bond 2020

CDP ESG issuances and Reporting

Key Financials, Funding Structure and Credit Rating

Appendix

Main facts about CDP Group



#cdpconlitalia

OUR DNA

- Italian **National Promotional Institution** and **Development Finance Institution**
- A unique institution responsibly **managing Italian households' savings** since 1850
- Joint-stock company** with public/private shareholders ensuring market-oriented corporate governance
- Focused organization effectively integrating both **industrial and financial competencies**

Shareholders

16%
Bank
foundations¹



83%
Ministry of
Economy and
Finance¹

OUR BUSINESS

- Main **moneylender to Italian Public Sector** and key sponsor/advisor for infrastructure development
- Provider of **solutions to support innovation and growth** of Italian corporates and SMEs
- Strategic investor** in relevant Italian listed/unlisted companies and in major Infra and Real Estate initiatives
- Anchor investor in Italian VC/PE/PD market** to support companies throughout the life cycle
- Blended finance and export credit supplier** for the internationalization of Italian companies
- Promoter of **sustainable growth in developing countries**

OUR DISTINCTIVE FEATURES

- Sound **asset quality**, negligibly exposed to NPLs
- Outstanding **financial flexibility**
- IG Credit Rating**, aligned with the Sovereign
- Diversified funding mix** through Postal Savings and market funding
- Frequent issuer in the **Social Bond market**
- Material **contributor to the 17 SDGs** of the UN 2030 Agenda

Key Figures (€ Bn)



Total Assets²



Equity²



Loans³



Equity Inv. & Funds³



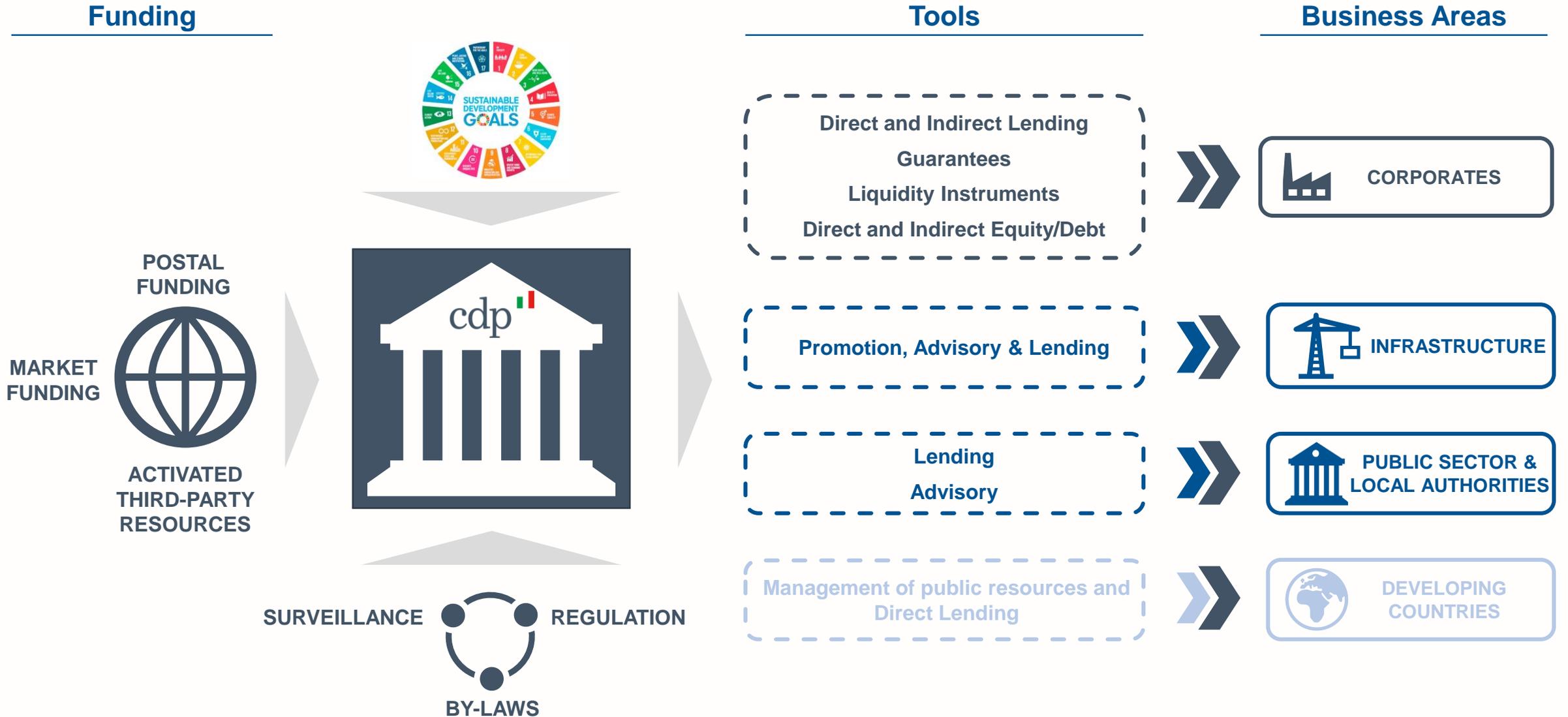
Postal Funding³



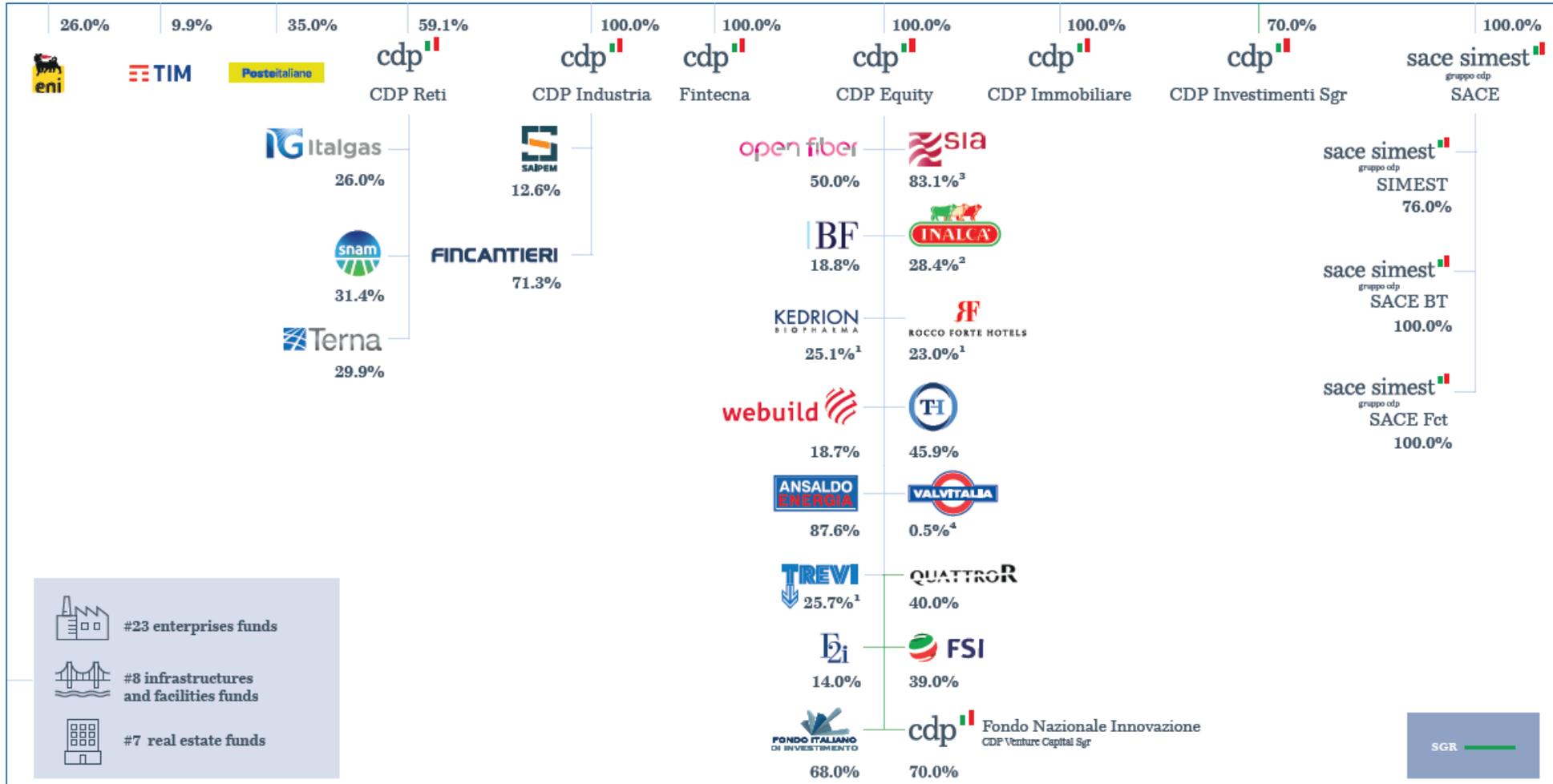
Non-Postal Funding³

1. Remaining 1% treasury shares
2. CDP consolidated balance sheet as of 30 June 2020
3. CDP S.p.A. balance sheet as of 30 June 2020

Business Model



CDP Group: Leading Principal Investor in Italy

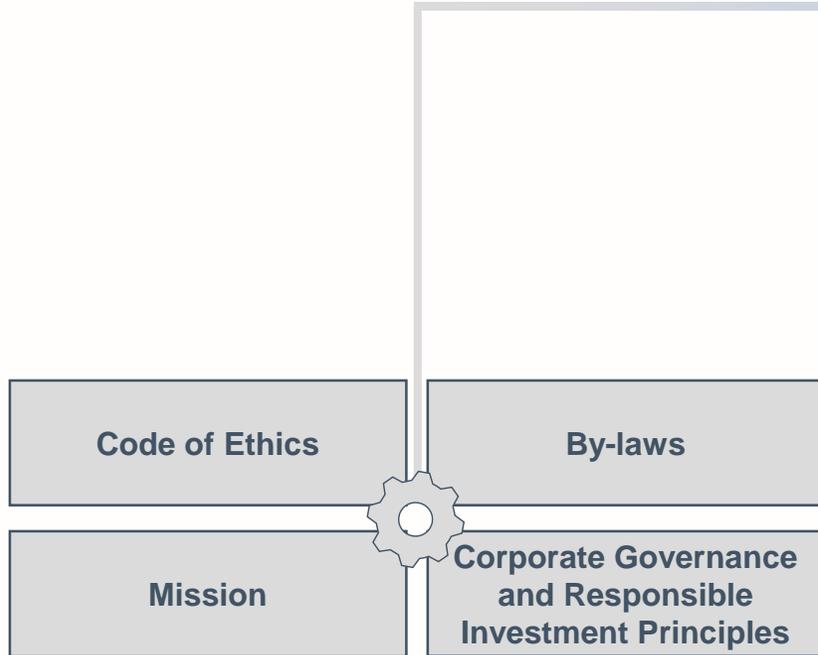


Increasingly active principal equity investor

- Actively managing its portfolio based on an **industrial approach**, maximizing synergies between companies
- Promoting equity investments, **consolidating** the market and **creating national champions** in target sectors
- Increasing the **focus on innovation** to underpin the **growth of relevant technologies and sectors** of the Italian economy

Sustainable Development at the Core of CDP's activity

CDP's Sustainable Fundamentals



Sustainability Framework¹



Latest Achievements



2019 Sustainability Report

CDP 2019: 1st Sustainability Report

The CDP Group and the 2030 Agenda: the sustainability manifesto

CDP Group Sustainability Manifesto



GREEN CLIMATE FUND

1st Italian financial institution accredited to the UN Green Climate Fund

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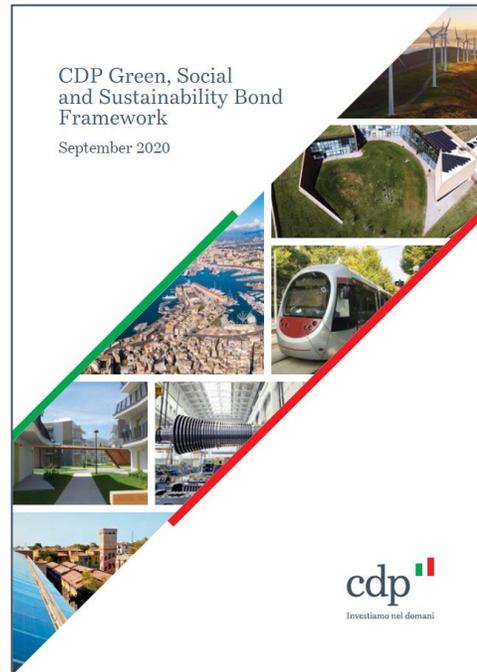
Key Financials, Funding Structure and Credit Rating

Appendix

CDP Green, Social and Sustainability Bond Framework

- As a **National Promotional Institution**, CDP's commitment to ESG stems from the specific nature of its business. Since 1850, CDP has always based its activities to serve Italy in a Social and Sustainable way
- ESG issuer since 2017** CDP is **one of the most frequent Social Bonds issuers**
- CDP's **Green, Social and Sustainability Bond Framework** has been developed in line with the sustainable development themes prioritized by the Group. The document, initially published in 2017 as a Social Bond Framework has been regularly updated to widen its scope, by including Sustainable and Green Bonds in 2018 and then adding "Social Housing" as eligible category in 2020
- A **new version** of the Framework has been released in **September 2020 enlarging the scope and refocusing intervention**

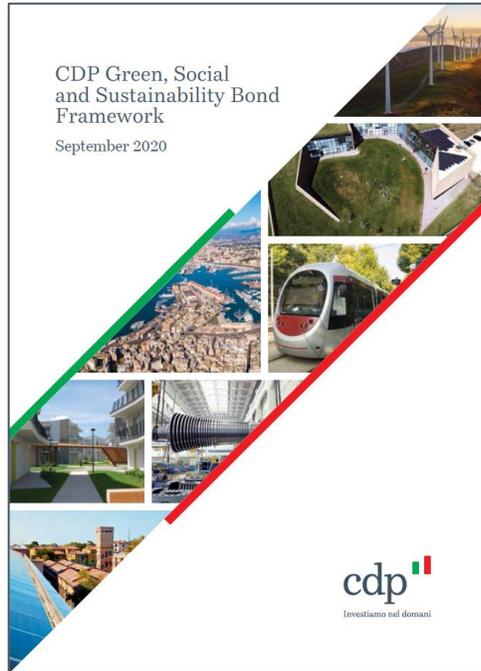
SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



A **Second Party Opinion Provider (ISS ESG)** verifies the **sustainability credentials** and the alignment with the **ICMA Principles¹** of the **Framework** and **each issuance**

CDP Framework has 4 core components:

1. Use of Proceeds
2. Process for Project Evaluation and Selection
3. Management of Proceeds
4. Reporting



Alignment to the 2019 review of the **Materiality Matrix**¹



Wider scope of intervention, now reorganized in **4 Eligible Categories**:

- A. *Infrastructures and Development of Cities*
- B. *SMEs and Corporate Financing*
- C. *Social Housing*
- D. *Green Energy and Environmental Sustainability*



Clearer focus on priority sectors such as **Healthcare, Digitalization & Smart Cities, Green Energy, Tourism, Culture, Innovation**



Higher coverage of SDGs, with

- **SDG 12:** now impacted by “*Green Energy and Environmental Sustainability*” category
- **SDG 9:** “*SMEs and Corporate Financing*” category now addressing also this goal

4 Eligible Categories addressing 11 out of 17 UN SDGs



Relevant UN SDGs

- 3 GOOD HEALTH AND WELL-BEING
- 4 QUALITY EDUCATION
- 6 CLEAN WATER AND SANITATION
- 7 AFFORDABLE AND CLEAN ENERGY
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 1 NO POVERTY
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 7 AFFORDABLE AND CLEAN ENERGY
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION

CDP at a glance

CDP Green, Social and Sustainability Bond Framework

CDP Social Bond 2020

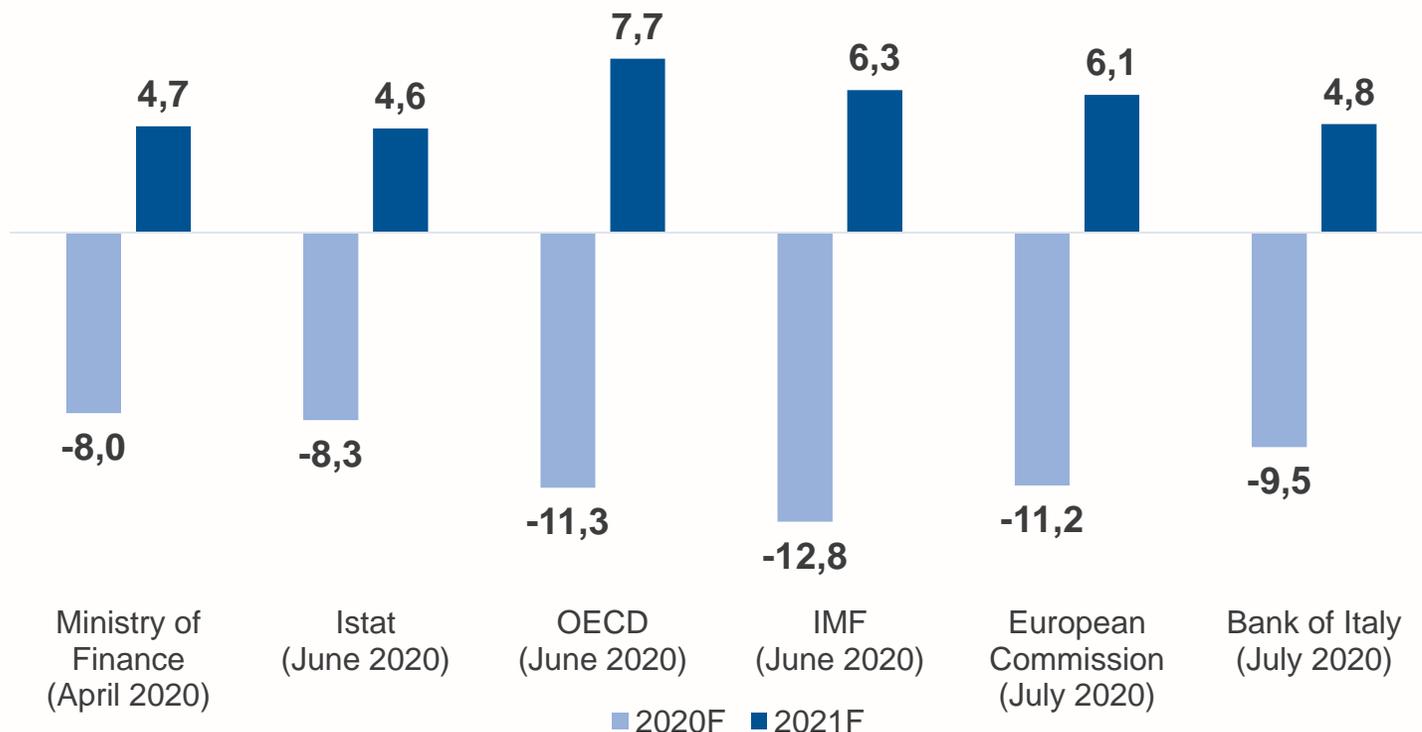
CDP ESG issuances and Reporting

Key Financials, Funding Structure and Credit Rating

Appendix

The Italian economy has been deeply hit by Covid-19

Italy real GDP growth rate projections in 2020 and 2021¹



- Due to the Covid-19 outbreak, **the reduction of Italy's real GDP will be in the range of 8.0-12.8% in 2020**, according to major national and international forecasts
- **Q1 and Q2 have been strongly impacted by the consequences of the pandemic crisis** (-5.5% and -12.8% qoq² respectively). **Q3 is showing positive signals** coming from the latest data on Government's tax revenues (+9% in August yoy³) and both business and consumer confidence indicators
- **A strong rebound is expected in 2021**, although the recovery will not be perfectly V-shaped

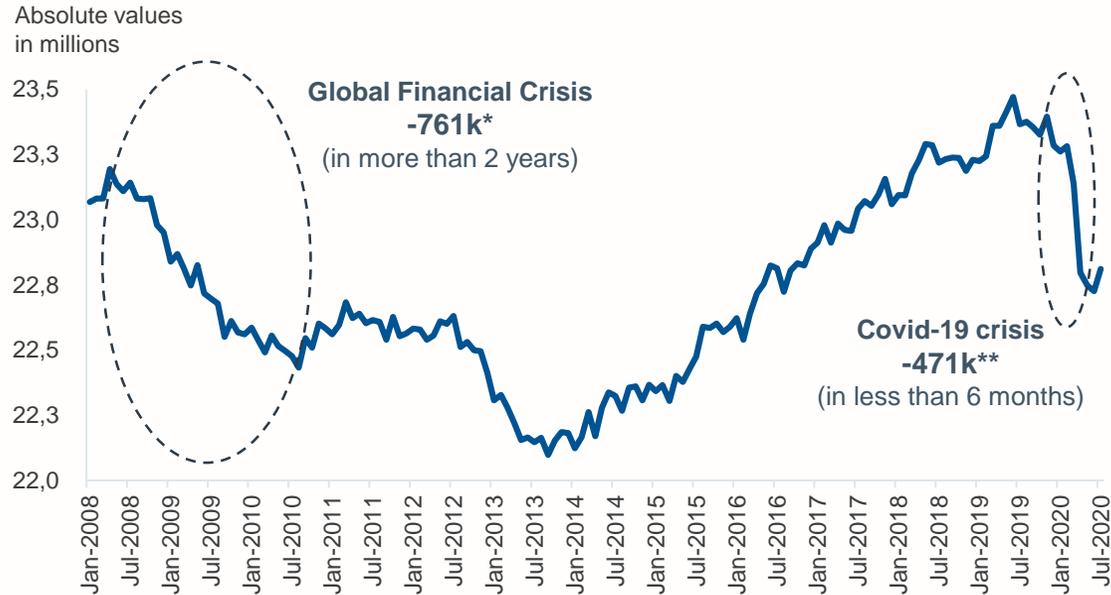
Impacts of the Covid-19 crisis on the economy have been significant in 1H 2020, but a significant rebound is expected in 2021

1. Source: IMF, June 2020 (<https://www.imf.org/en/Publications/WEO/Issues/2020/06/24/WEOUpdateJune2020>); OECD, June 2020, single-hit scenario (https://read.oecd-ilibrary.org/view/?ref=134_134128-yslmloiby1&title=OECD-Economic-Outlook-The-World-on-a-Tightrope); European Commission, July 2020 (https://ec.europa.eu/info/sites/info/files/economy-finance/ip132_en.pdf); Bank of Italy, July 2020, baseline macroeconomic scenario (https://www.bancaditalia.it/pubblicazioni/proiezioni-macroeconomiche/2020/en-estratto-boleco-3-2020.pdf?language_id=1); Istat, June 2020 (<https://www.istat.it/en/archivio/243909>); Ministry of Finance, April 2020 (http://www.dt.mef.gov.it/modules/documenti_en/analisi_programmazione/documenti_programmatici/def_2020/PdS_2020_EN.pdf)

2. Source: Istat, August 2020 (https://www.istat.it/it/files/2020/08/CET_20q2.pdf)

3. Source: Ministry of Finance, August 2020 (<https://www.mef.gov.it/ufficio-stampa/comunicati/2020/Mef-entrate-migliori-delle-attese.-Gualtieri-nuovo-segnale-oggettivo-per-un-forte-rimbando-nel-terzo-trimestre/>)

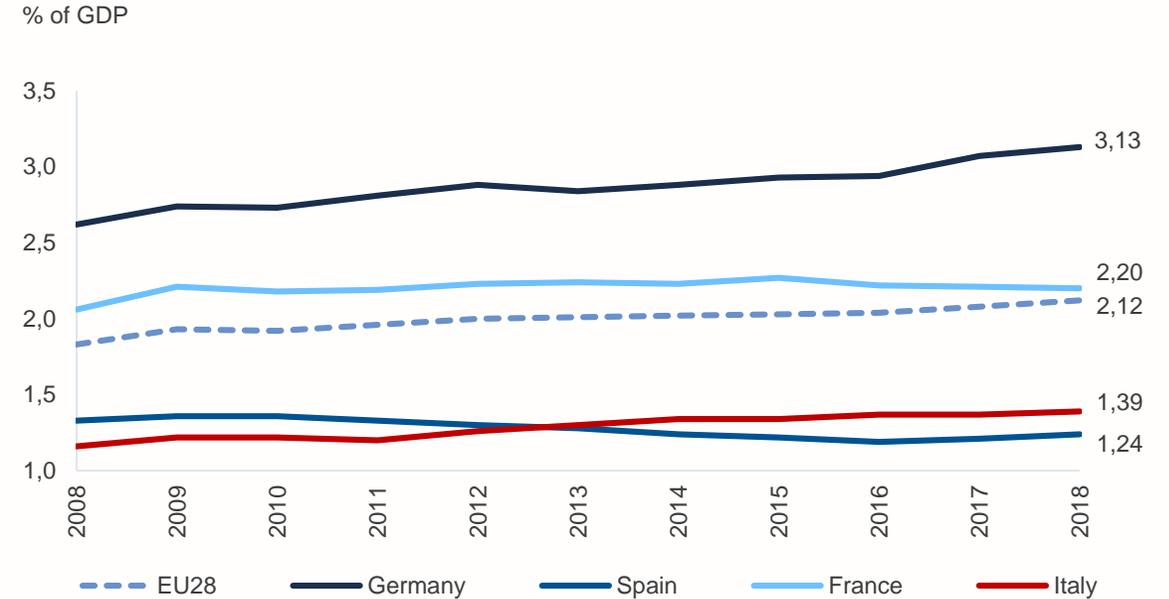
Italy's employed people¹



* From Apr 2008 to Aug 2010 ** From Feb 2020 to Jul 2020

- Notwithstanding the social safety nets put in place by the Italian Government, **in 1H 2020 the labor market has been severely affected by the Covid-19 crisis, mainly due to a drop in fixed-term contracts.** A recovery seems to be started in July, with a slight increase in the headcount employed

Expenditure on R&D: Italy vs EU countries²



- With R&D spending about 1.4% of GDP, Italy lags behind EU28.** Despite the improvement of the last years, Italy's investment in R&D is historically low compared to its main European peers, with Spain as the only exception

In the post pandemic crisis scenario, sustaining the labor market while encouraging R&D investments is ever more crucial to relaunch the Italian economy

Areas of intervention

The Proceeds of the issuance will be used to further support Italian corporates hit by **the Covid-19 emergency** or **investing in research, development and innovation** with the aim to **preserve employment and paving the way for future growth**.

The initiatives to be financed include:



Financing companies in temporary need or located in economically underperforming Italian areas for Research, Development and Innovation (RDI) purposes.



Financing targeting companies affected by the COVID-19 health emergency and the related social and economic downturn.



Second CDP public issuance after Covid-19 outbreak, another boost to the recovery and relaunch of Italian economy

Alignment with ICMA GBPs, SBPs and SBGs



- | | |
|---|---|
| 1. Use of Proceeds | ✓ |
| 2. Process for Project Evaluation and Selection | ✓ |
| 3. Management of Proceeds | ✓ |
| 4. Reporting | ✓ |

POSITIVE

“The issuer has defined a formal concept for its Green, Social and Sustainability Bond framework regarding use of proceeds, processes for project evaluation and selection, management of proceeds and reporting. This concept is in line with ICMA’s GBPs, SBPs, SBGs.”

Asset categories alignment with ISS ESG Social KPIs

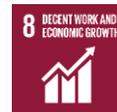


Corporate financing and employment generation

POSITIVE

“The overall sustainability quality of the Social Bond asset pool in terms of sustainability benefits, risk avoidance and minimisation is good, based upon the ISS ESG Social Bond KPIs”.

Contribution to the UN Sustainable Development Goals



“The use of proceeds category has a significant contribution to SDG 8 “decent work and economic growth” according to the methodology of ISS ESG. The asset pool can also be associated to SDG 9 “industry, innovation and infrastructure” according to the issuer’s own mapping.”

ISS ESG positively assessed the alignment of CDP Green, Social and Sustainability Bond Framework with ICMA Principles and the sustainability quality of CDP Social Bond 2020¹

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CDP issued a “Covid-19 Social Response Bond” in April 2020

Size

€ 500 Mn (3yr)

€ 500 Mn (7 yr)

Transaction Highlights

- Issued in April 2020
- **almost 2x** oversubscribed
- **>130** investors involved, with a meaningful participation from SRI investors



Areas of intervention

Proceeds of the issue 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:

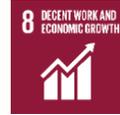
 Helping corporates, mainly SMEs, access banking and financial services, also through direct lending

 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

The first “Covid-19 Social Response Bond” issued by a European NPI, compliant with ICMA guidelines

Social bond 2017



Sustainability bond 2018



Social bond 2019



Social Housing bond 2020



Size

€ 500 Mn

€ 500 Mn

€ 750 Mn

€ 750 Mn

Use of Proceeds

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

Construction and modernization of the Country's water infrastructure

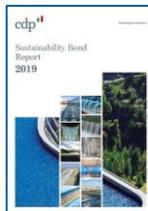
Construction, upgrade, safety and seismic retrofitting of public schools and requalification of urban infrastructure, providing universal access to safe public spaces

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

Reporting



- Full allocation reached in the 1st year
- Impact measured on **Employment**



- Full allocation reached in the 1st year
- Impact measured on **Employment** and **Reduction of water dispersion**



- Full allocation reached in the 1st year
- Impact measured on **Employment** and **Beneficiaries** (students and citizens)

February 2021

Translating Sustainable Finance into Effective Social Initiatives

- With the aim to provide maximum **transparency on the portfolio of assets to be addressed** and to underline the **quality and positive impact of the projects financed**, CDP is committed to a dedicated reporting for each of its ESG issuances
- 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**

Social bond 2019¹

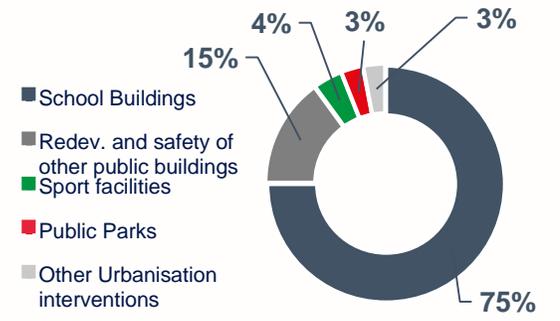




Use of Proceeds:
Construction, upgrade, safety and seismic retrofitting of public schools and requalification of urban infrastructure, providing universal access to safe public spaces

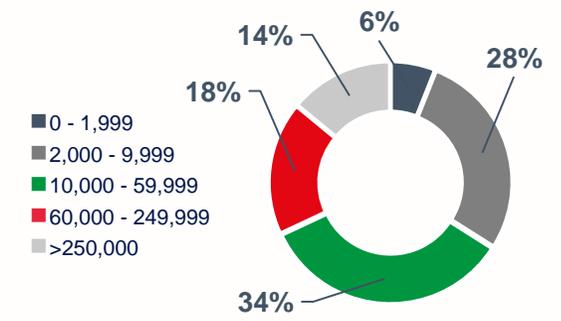
Allocation of the proceeds after 1 year	100%
# of Projects financed	3,334
# of Municipalities financed	1,632
# of Universities financed	10
Employment impact	>15.5k full-time jobs created and retained
Beneficiaries	Ca. 587k students and 130k citizens

Projects by type



School Buildings	75%
Other Urbanisation interventions	15%
Public Parks	4%
Sport facilities	3%
Redev. and safety of other public buildings	3%

Municipalities by size



>250,000	28%
10,000 - 59,999	34%
60,000 - 249,999	18%
2,000 - 9,999	14%
0 - 1,999	6%

1. On April 10, 2020 ISS ESG has released an External Review on the CDP Social Bond Report in which it confirms the positive contribution to the sustainable development and its alignment with the SBPs. The metrics and the key performance indicators (KPIs) chosen by CDP for impact reporting, and the underlying methodologies adopted for its calculation, are material and consistent with the commitments of CDP's Framework. The full Report is available at https://www.cdp.it/resources/cms/documents/CDP_Social%20Bond%20Report%202020_ENG.pdf

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CDP SpA Balance Sheet



€ Bn

Assets

Liabilities

Cash & Cash Equivalents
(+7.2% vs. YE2019)

184

272

Postal Funding
(+2.5% vs. YE2019)

Loans
(+2.5% vs. YE2019)

104

22

Bond Funding¹
(+13.6% vs. YE2019)

Debt Securities
(+10.1% vs. YE2019)

78

88

Other Funding²
(+23.4% vs. YE2019)

Equity Investments & Funds
(+2.5% vs. YE2019)

35

7

Other Liabilities

Other Assets

12

24

Equity
(-4.4% vs. YE2019)

cdp

1H 2020

Total Assets

412

(+6.8% vs. YE2019)

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

€ Bn

Assets

Cash & Cash Equivalents

(+7.2% vs. YE2019)

184

Loans

(+2.5% vs. YE2019)

104

Debt Securities

(+10.1% vs. YE2019)

78

Equity Investments & Funds

(+2.5% vs. YE2019)

35

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, Webuild) and in **other companies operating in strategic sectors** (Open Fiber, SIA)

Strong capital base to protect savings and support the Country's growth

Postal Funding¹

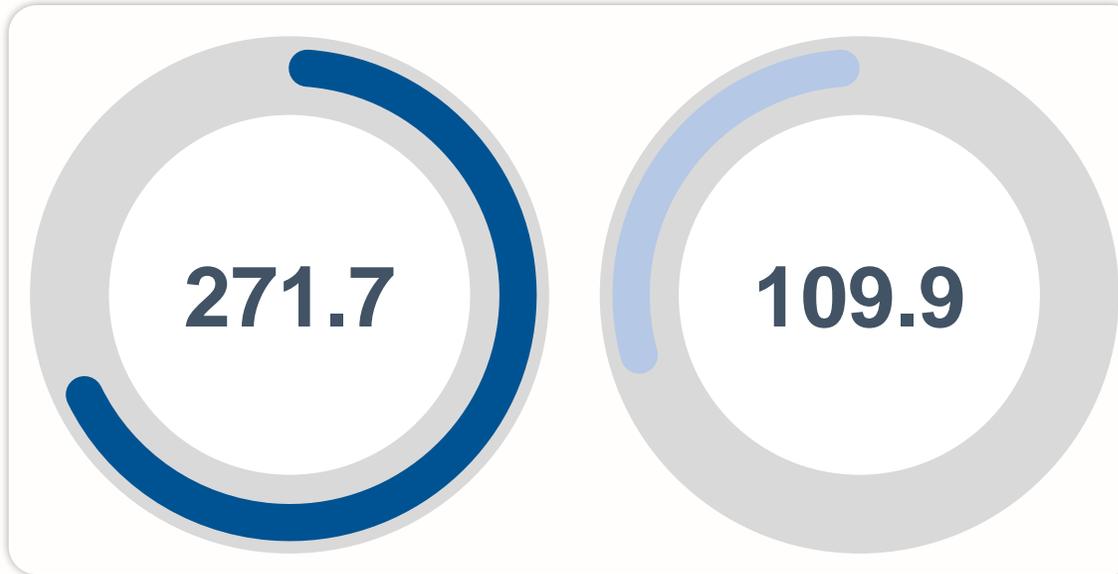


Postal Bonds



Passbooks

- **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 Funding¹



Bonds



Money market



Multilateral Banks



Other

- CDP committed towards a progressive differentiation of funding sources
- € 15 Bn **Debt Issuance Programme**
- € 6 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)

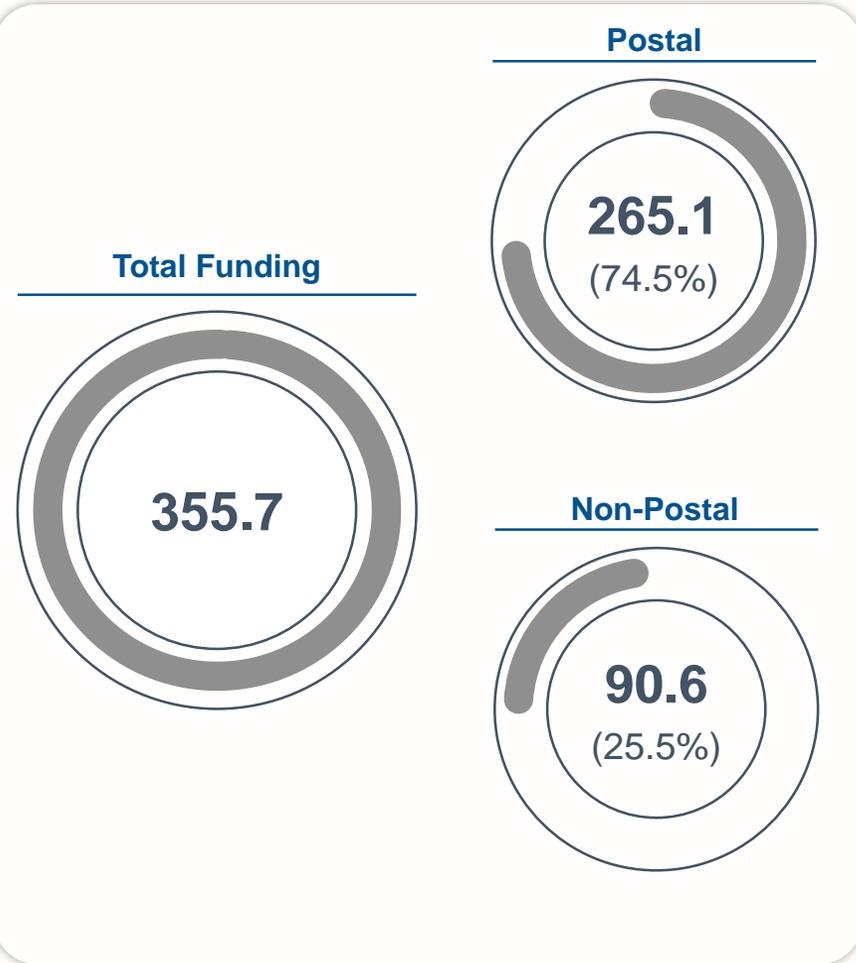
Mix of resilient Postal Funding and diversified Market Funding to support Business Plan challenges

CDP Funding

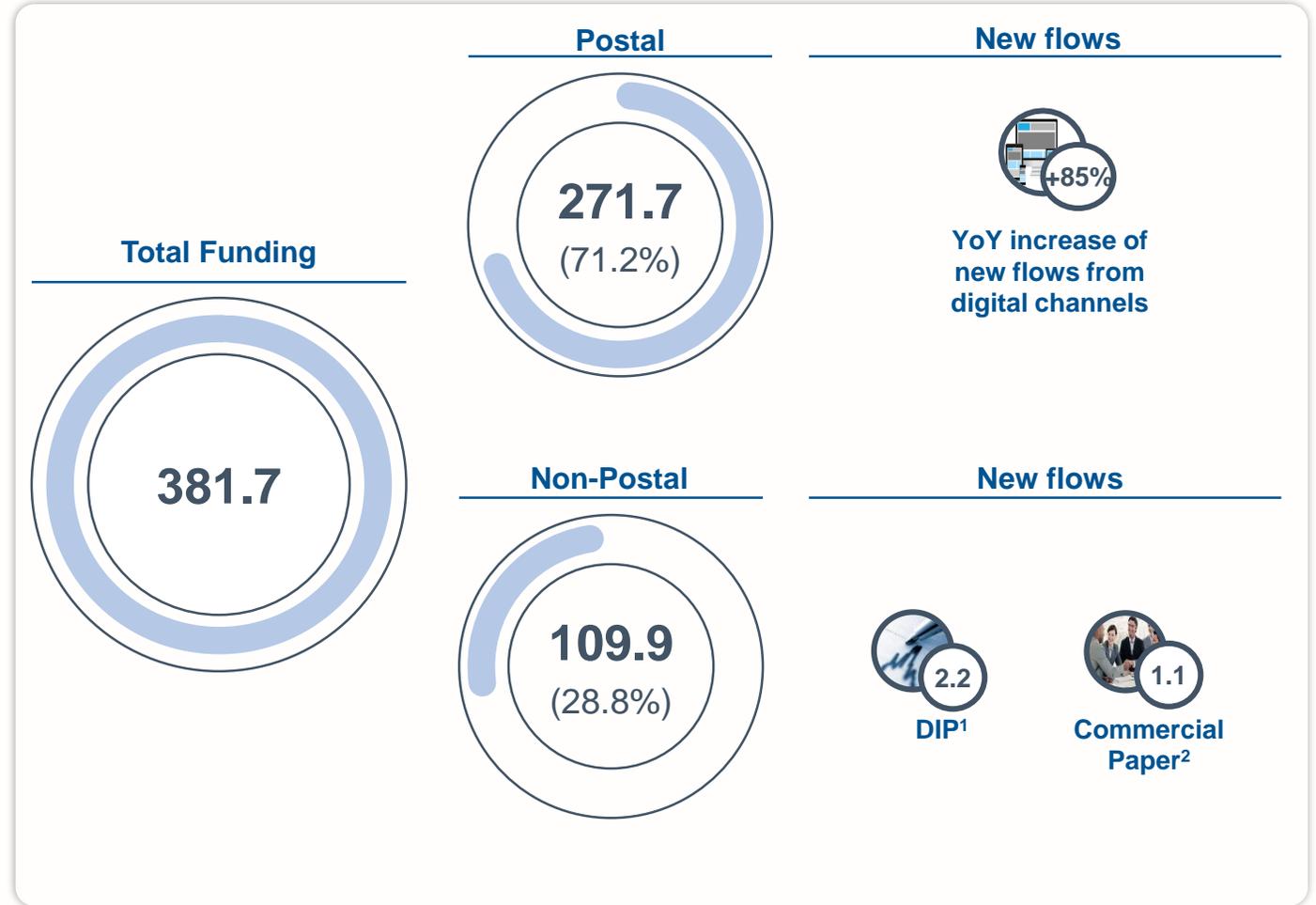
€ Bn



2019



1H 2020



1. Details available at https://www.cdp.it/sitointernet/en/dept_issuance_programme.page
2. Details available at https://www.cdp.it/sitointernet/en/commercial_papers.page

Postal Funding – Main features

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



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 solidly growing supported by digital offering



- 100,000 customers active on the digital channels (online and App)
- Online sales + 85% in 1H 2020 vs. 2019)

Historically widespread products among Italian households, continuously innovated in terms of offering and digitalization

Long-Term Market Funding and Credit Rating

€ Bn

Outstanding bonds for € 19 Bn¹, with >45 transactions closed

5 ESG bonds outstanding (4 Social² and 1 Sustainable) for a total amount of **€ 3.5 Bn**

Senior Unsecured notes listed on the Luxembourg Stock Exchange³

Access to international markets (USD, JPY, RMB)

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

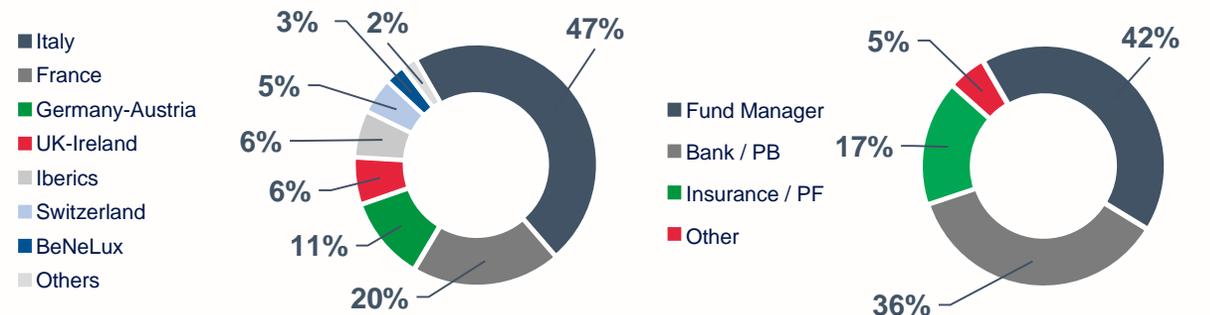
Eligible for the **ECB Collateral Framework** and the **Public Sector Purchase Programme (PSPP)**



Bond Maturity (as of 30 June 2020)



Investor Allocation⁴



CREDIT RATING



S&P Global Ratings

BBB Negative

FitchRatings

BBB-Stable

SCOPE

BBB+ Negative

MOODY'S

Baa3⁵ Stable

1. Including EMTN-DIP (~ 12.2 € Bn), Guaranteed Bonds (3.8 € Bn), Panda Bond (126 € Mn equivalent) and Retail Bonds (2.9 € Bn). Net of 3.3 € Bn Commercial Paper. Details available at https://www.cdp.it/sitointernet/en/green_social_sust_bonds.page
 2. Covid-19 Social Response Bond issued in April 2020 in an dual-tranche format
 3. Social and Sustainability Bonds have been listed also on the Italian Stock Exchange (i.e. Borsa Italiana)
 4. Refers to outstanding public issuances as of 30 June 2020. Deal Reviews are available at https://www.cdp.it/sitointernet/en/dept_issuance_programme.page
 5. Unsolicited rating from 1 January 2020

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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**



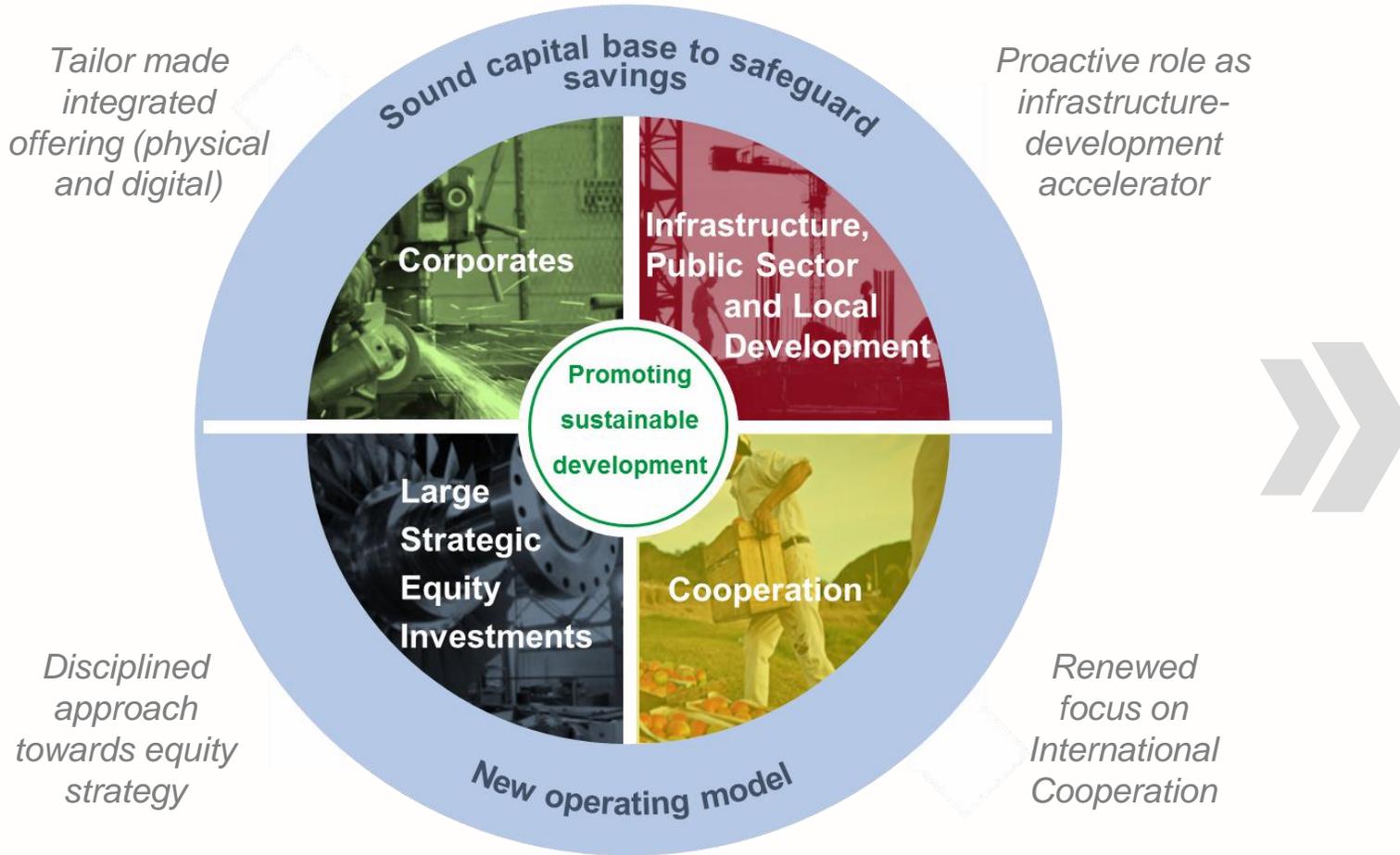
Sustainable Development Goals

17 goals of the UN 2030 Agenda for Sustainable Development



A new proactive approach to deal with the current economic and industrial challenges, with the goal to achieve adequate sustainable growth and development

CDP 2019-2021 Business Plan – Highlights



Main 2021 targets



CDP Results

2019-2021 Business
Plan Presentation



2019 Annual Report



2019 Sustainability
Report



1H 2020 Results
Presentation



ESG Issuances

Green, Social and
Sustainability Bond
Framework



Sustainability Bond
Report



Inaugural Social Bond
Report



2019 Social Bond
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



www.cdp.it



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