



CDP Social Bond 2021

Investor Presentation

23 June 2021

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 14 May 2021 and is available for viewing at www.cdp.it, together with any supplements thereto.

Agenda

CDP at a glance

Sustainability in CDP

CDP in the ESG Bond Market

CDP Social Bond 2021

CDP ESG Issuances and Reporting

Key Financials, Funding Structure and Credit Rating

Useful Documentation

CDP at a glance

Main facts about CDP Group

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



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 Venture Capital/Private Equity/Private Debt** to provide companies with life-cycle support
- Provider of **financial support to internationalization & growth**, also via M&A
- 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)

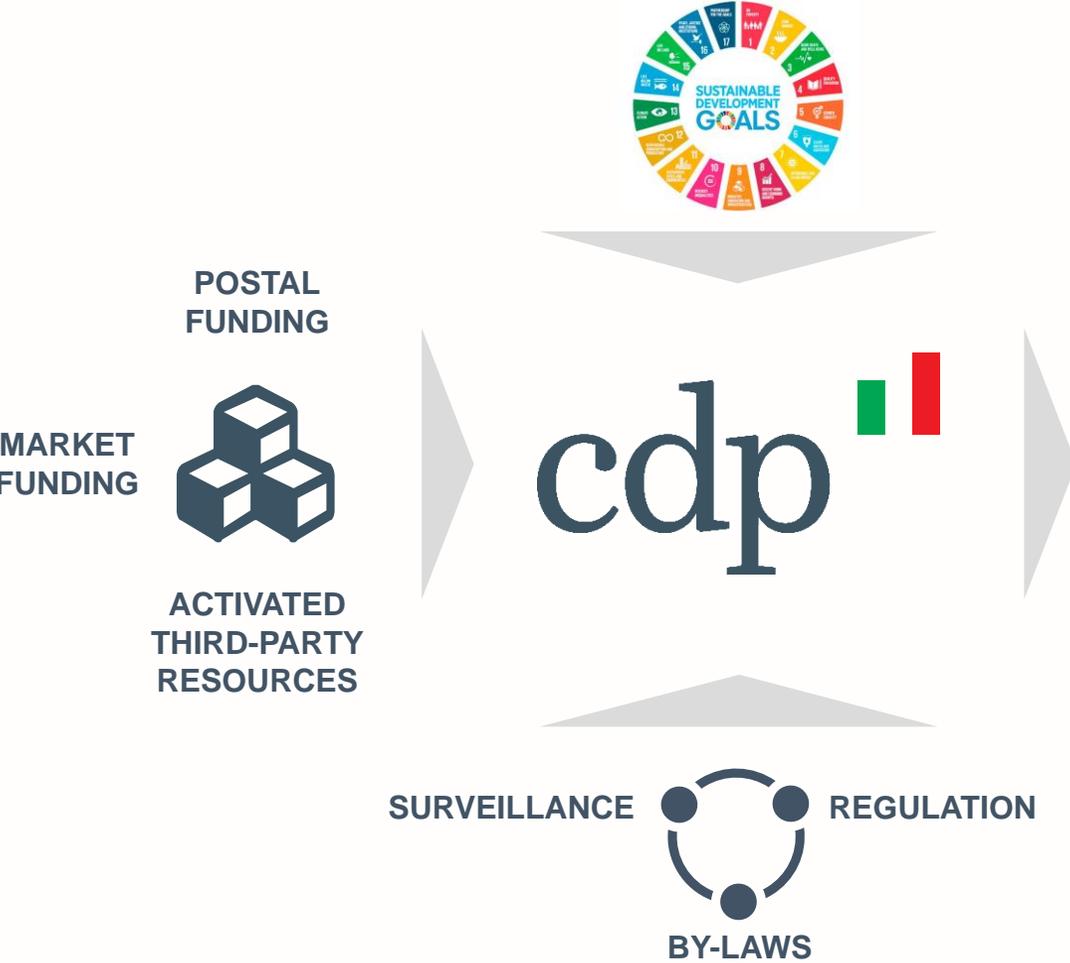


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1. Remaining 1% treasury shares
 2. CDP Group consolidated balance sheet as of 31 December 2020
 3. CDP S.p.A. balance sheet as of 31 December 2020

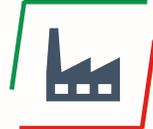
Business Model

Funding



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



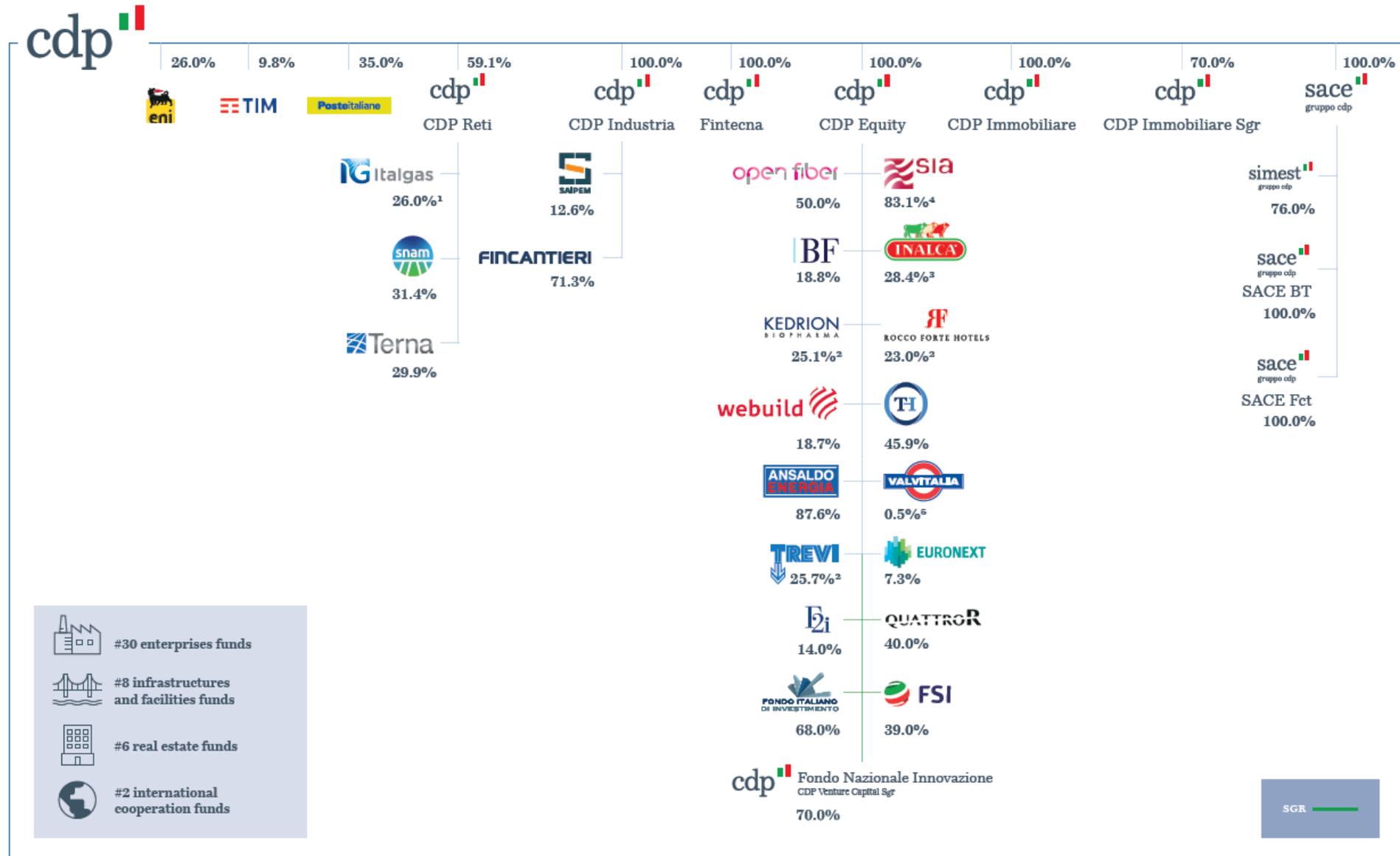
CORPORATES

INFRASTRUCTURE

PUBLIC SECTOR & LOCAL AUTHORITIES

INTERNATIONAL COOPERATION

CDP Group's Structure (main equity participations as of 31 May 2021)

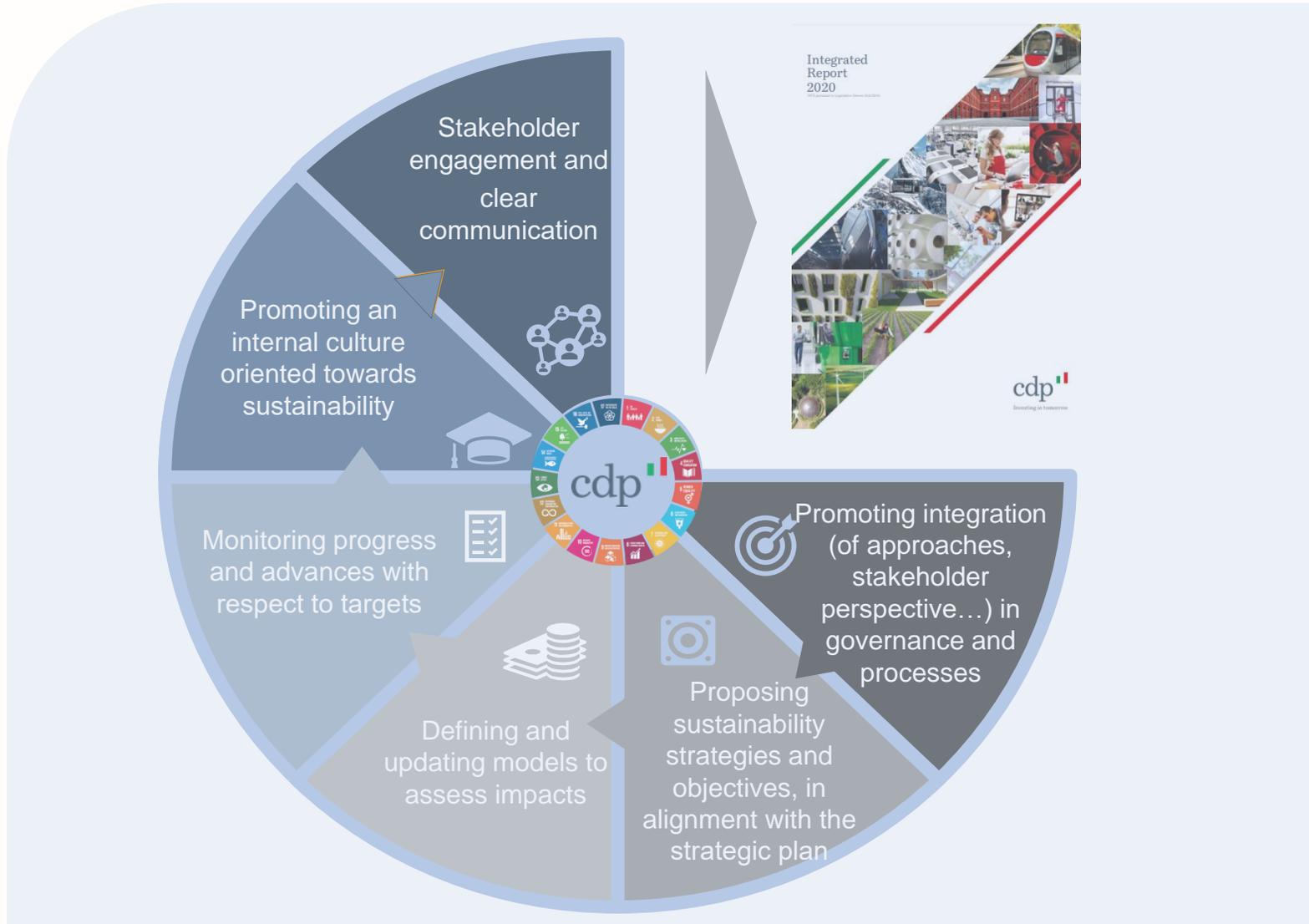


1. Snam holds an additional 13.5% in Italgas; 2. Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder. SACE holds an additional 6.99% in Trevi; 3. Participation held through IQMIIC, of which FSI Investimenti is the 50% shareholder; 4. Participation held through FSIA (of which FSI Investimenti is the 70% shareholder) by 57.42% and further 25.7% held through CDP Equity; 5. Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder; 49,5% pro-forma post conversion of Convertible Bond Loan.

Sustainability in CDP

Sustainability is Fully Integrated Top to Bottom with CDP's activities

A circular and pervasive approach aimed at promoting shared value creation



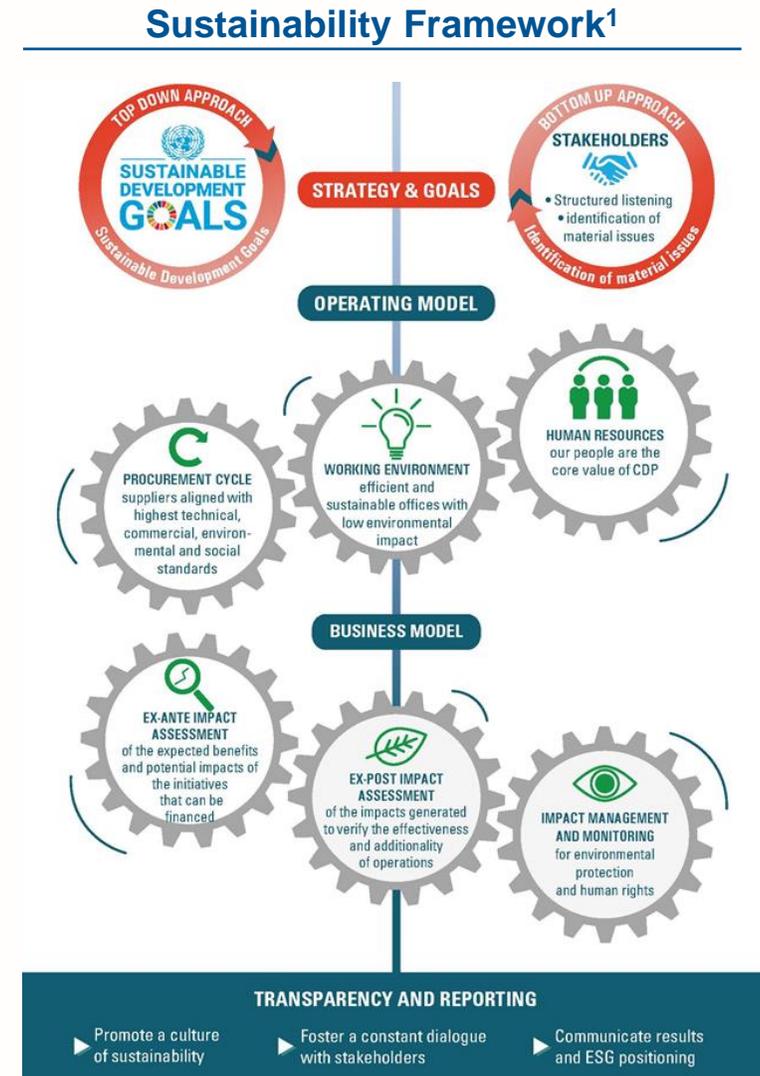
CDP recognizes Sustainability as a priority and guidance in its strategic choices

CDP has strong **sustainable fundamentals** based on its **Mission, By-Laws, Institutional Role, Corporate Governance and Responsible Investment Principles**

CDP defines its objectives taking into account:

- **2030 Agenda for Sustainable Development**
- legitimate expectations of its **stakeholders**

CDP is committed to **integrate** sustainability in its **operating and business model processes**



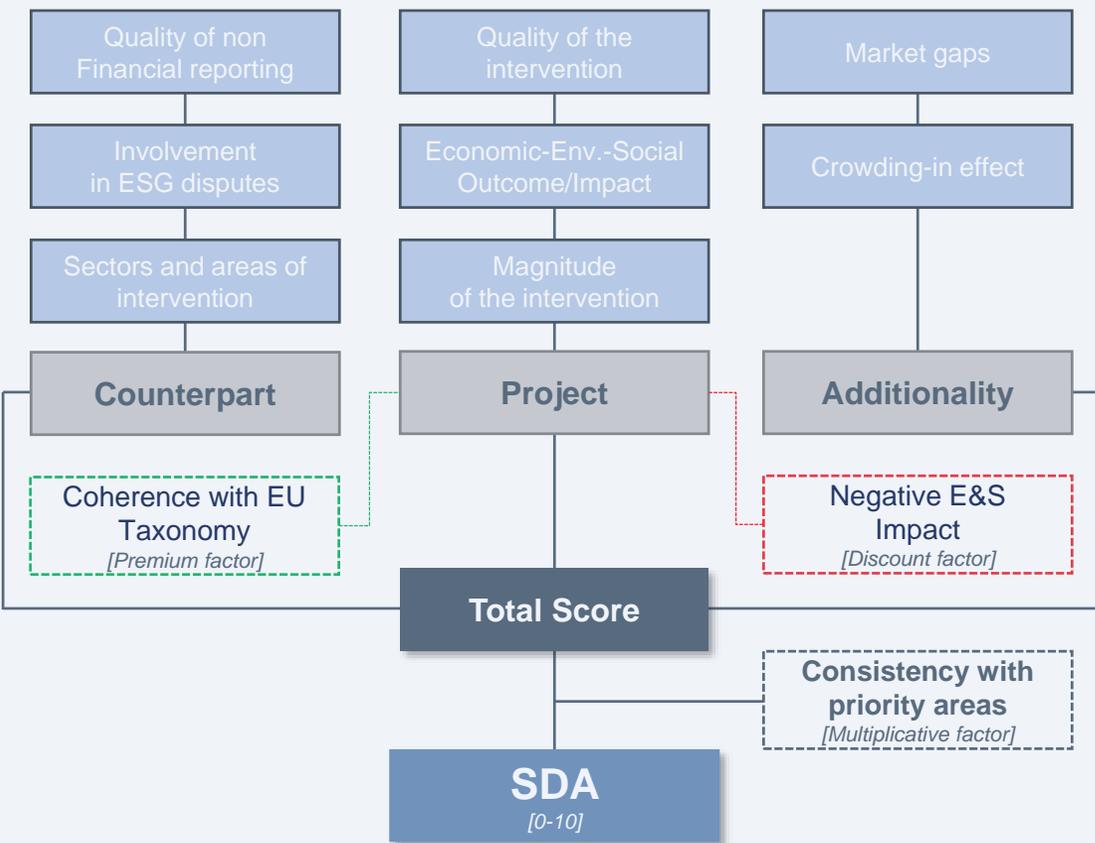
Ex-Ante Impact Assessment: Sustainable Development Assessment Model

Internal scoring model to complement credit, risk, legal and compliance analysis for financing activities¹

Ex-ante Evaluation Process



Sustainable Development Assessment Model²

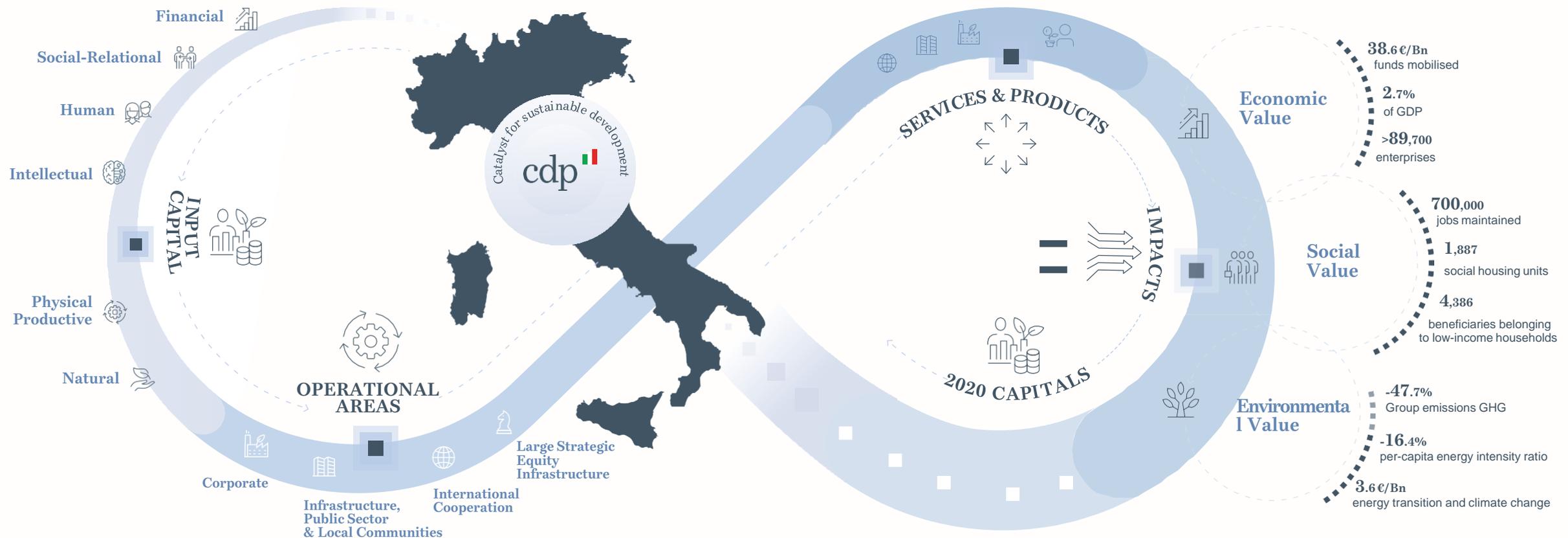


1. Scope of the model is the evaluation of all the private and international financing transactions
 2. Some benchmarks that have been taken into consideration : IFC AIMM – Anticipated Impact Measurement and Monitoring, IDB -DELTA – Development Effectiveness Learning, Tracking and Assessment Tool

Our Business Model: a tangible sign of how we create value for our stakeholders

Strengthening the pact of trust between Italy and CDP which has been in place for 170 years

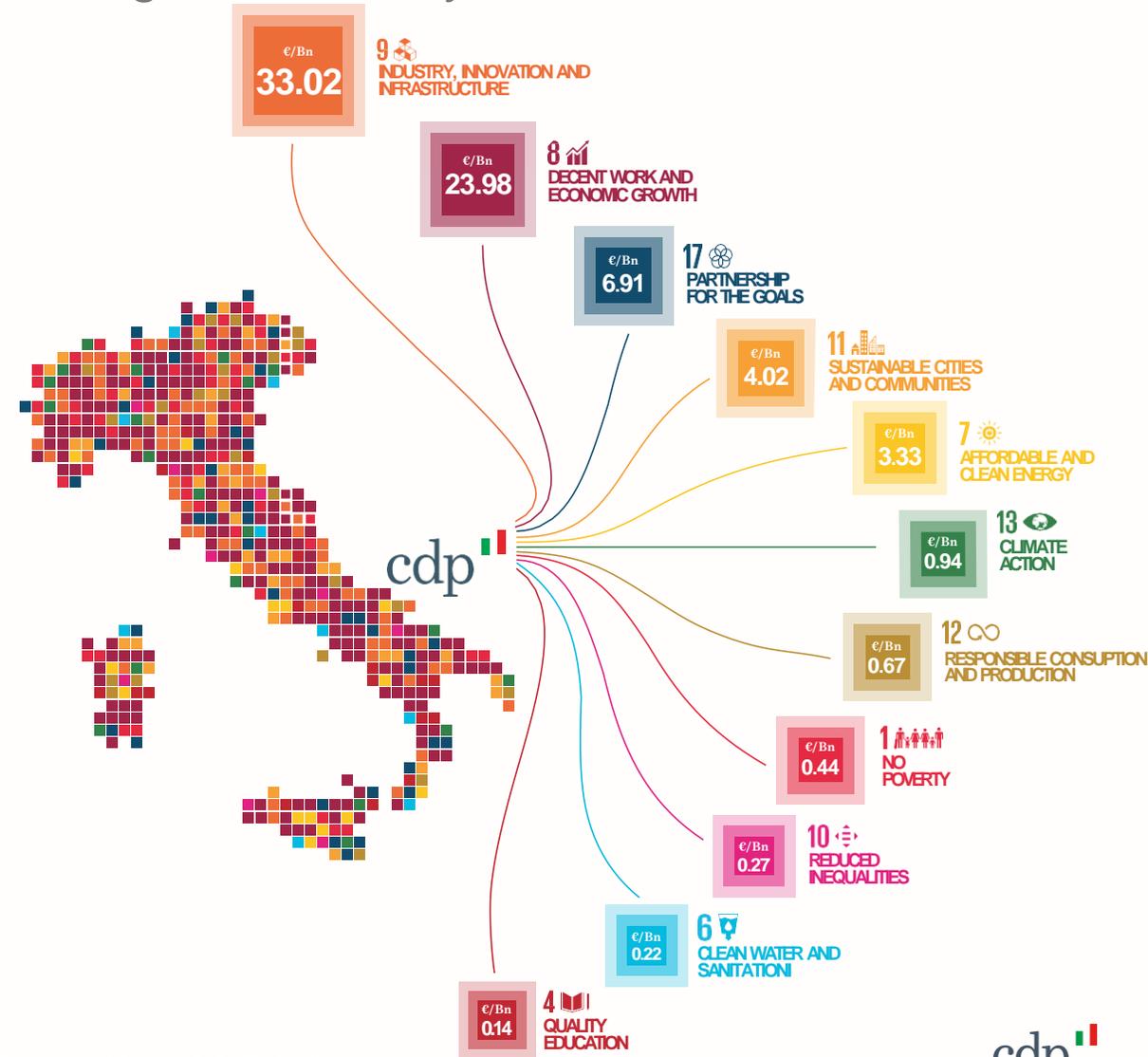
The Group's business model generates shared value drawing on a process characterised by a circular logic, in which all capitals are employed and then returned to local communities under the form of economic, social and environmental value.



CDP's 2020 ESG Activities mapping towards SDGs

A concrete impact to the achievement of the UN 2030 Agenda for Italy

- As in 2020, CDP mapped its projects on the SDGs to measure its ability to contribute to their achievement
- The model is based on a rigorous association method and allows to:
 1. Concretely represent the **Group's commitment** towards the **UN 2030 Agenda**
 2. Enrich CDP's sustainability reporting consistently with **CDP's Sustainability Framework**, which considers the SDGs as the lodestar, together with CDP's stakeholders, which guides CDP's sustainability strategy
 3. Possess a **distinctive communication element** allowing to associate concrete project examples to the SDGs



CDP in the ESG Bond Market

CDP in the ESG Bond Market

A success story still in the making

- 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 has gained a primary role in the Italian and European market, becoming:
 - **Leading and most active Italian Social Bond issuer**
 - **One of the major Social Bond issuer in Europe**
- Since 2020 CDP is also member of the **Nasdaq Sustainable Bond Network**



of Issuances
6



Nominal amount issued
€ 4.25 Bn¹



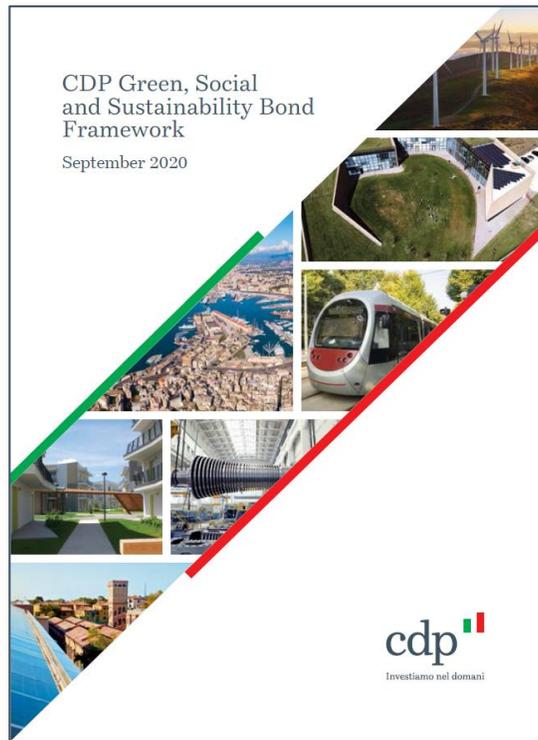
Investors involved
> 350

CDP Green, Social and Sustainability Bond Framework



Structure and SPO

- Over the years, CDP has issued ESG bonds under its **Green Social and Sustainability Bond Framework¹**, which has been periodically updated in order to maximize its alignment with **CDP scope of intervention**
- A **Second Party Opinion Provider** (ISS ESG) verifies the **sustainability credentials** and the alignment with the **ICMA Principles²** of the **Framework** and each issuance



1. CDP Green Social and Sustainability Bond Framework available at https://www.cdp.it/resources/cms/documents/CDP-Green-Social-and-Sustainability-Bond-Framework_18-06-2021.pdf
2. <https://www.icmagroup.org/green-social-and-sustainability-bonds>

CDP Green, Social and Sustainability Bond Framework

A live document always aligned to CDP activities



2017

Social Bond Framework

2018

Green, Social and Sustainability Bond Framework

Feb. 2020

New “Social Housing” eligible category

Sep. 2020

Enlarged and refocused scope

June 2021

Alignment with 2021 ICMA principles verified



- 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



Infrastructure and Development of Cities

Promoting urban transformations, infrastructures development and general-interest projects



SMEs and Corporates Financing

Fostering employment and economic growth, especially in areas and populations affected by natural and/or health disasters or economically underperforming areas



Social Housing

Financing investments that increase access to social housing aiming to support people living without adequate housing



Green Energy and Environmental Sustainability

Support of energy transition and the promotion of environmental sustainability

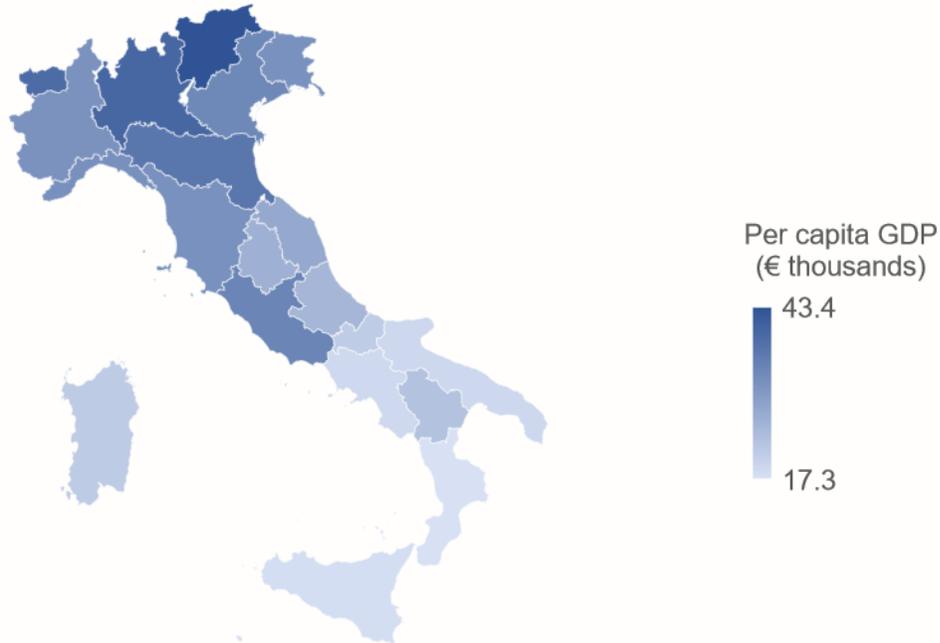


CDP Social Bond 2021

Italian Regional Divide: GDP per Capita

Gap between Northern and Southern Italy might grow further following Covid-19 crisis

GDP per capita by region (2019)¹



- GDP per capita level of Southern Italian regions² (19.2K) is well below country's average (29.6K) and suffers from a large gap with Northern regions (36.2K). The lowest levels of GDP per inhabitant are recorded in Calabria (17.3K) and in Sicily (17.9K). The richest Italian regions are Trentino-Alto Adige (43.4K) and Lombardy (39.7K).

Ratio between GDP per capita in Southern Italy² and in Northern-Central Italy (%)³



- In the aftermath of the Great Financial Crisis (GFC), the divide between Southern regions and the rest of Italy amplified, reaching its peak since the 1990s. This evolution suggests that the North-South gap might grow further.

1. Istat (<http://dati.istat.it/index.aspx?queryid=11483#>). Per capita GDP at market and current prices

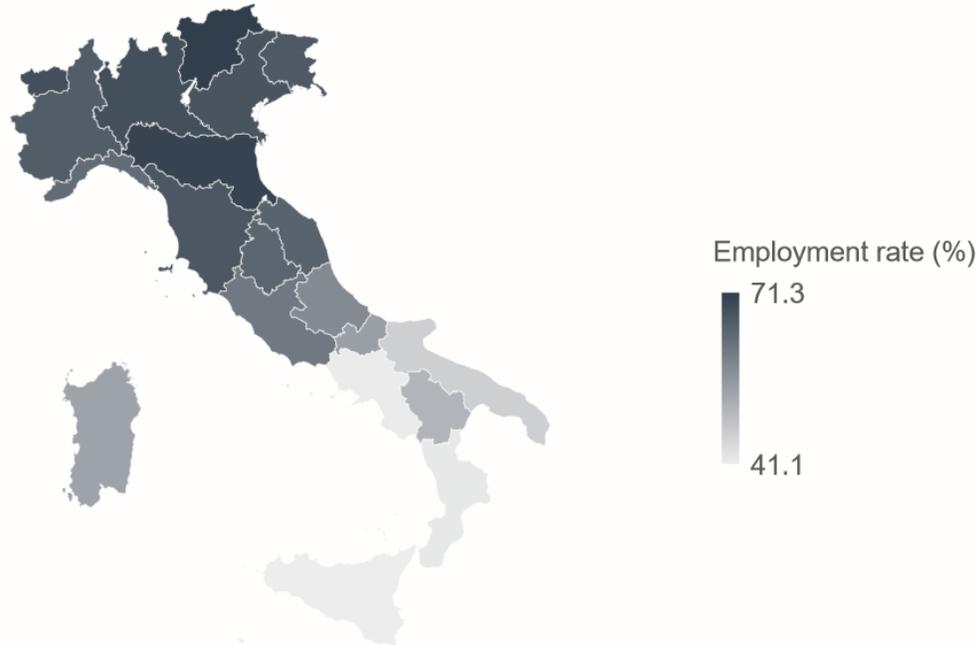
2. According to the definition of "Mezzogiorno" given by ISTAT, this area includes the following 8 regions: Abruzzo, Marche, Campania, Calabria, Molise, Apulia, Sicily, Sardinia

3. Istat (<http://dati.istat.it/index.aspx?queryid=11483#>). Per capita GDP at market and current prices

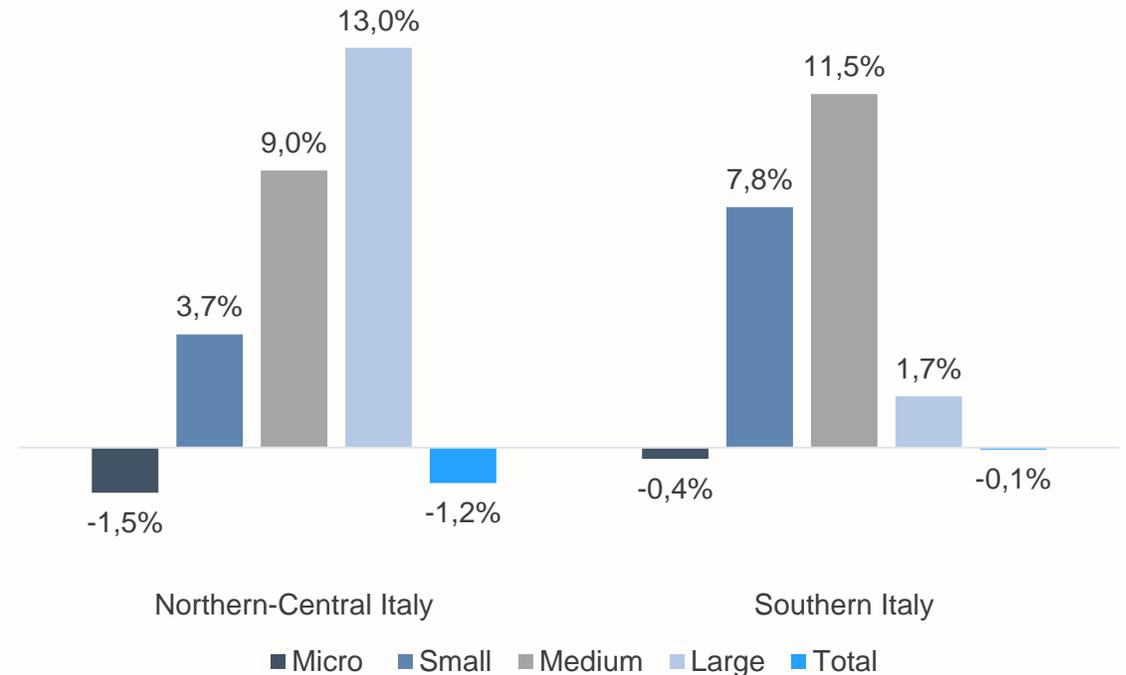
Italian Regional Divide: Employment and Enterprises

Despite structural weaknesses, Southern Italy has given proof of a good entrepreneurial attitude

Employment rate by region (2019)¹



Variation of the number of enterprises by size (2012 – 2018)²



- The **North-South divide** is also witnessed by relevant differences in the labor market inclusion, with the **lowest employment rate** recorded in **Sicily** (41.1%) and the **highest employment rate** recorded in **Trentino Alto-Adige** (71.3%). The lockdown occurred during the second quarter of 2020 affected more the employment rate of Southern than Northern-Central Italy.

- **After the GFC**, the total number of **enterprises remained almost stable in Southern Italy**³, while it slightly reduced in the rest of the country. Although the greatest majority of business sector employees in the Southern Italy is hired by micro-enterprises, **between 2012 and 2018 the number of SMEs in Southern Italy increased.**

1. Istat (http://dati.istat.it/Index.aspx?DataSetCode=DCCV_TAXOCCU1)

2. Istat (http://dati.istat.it/Index.aspx?DataSetCode=DICA_ASIAUE1P)

3. According to the definition of "Mezzogiorno" given by ISTAT, this area includes the following 8 regions: Abruzzo, Marche, Campania, Calabria, Molise, Apulia, Sicily, Sardinia

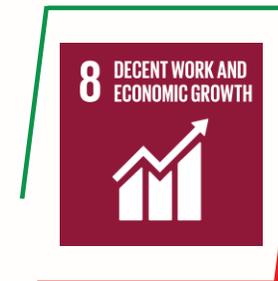
CDP Social Bond 2021

Further commitment towards Italian companies for a sustainable and inclusive development

SMEs and Corporate Financing



The issuance will be focused on Italian **SMEs** and **Mid-Caps**¹ mostly located in **Southern Italy's Regions**, with the aim to increase their **competitiveness** and support **employment levels**



Second Party Opinion by ISS ESG

Full alignment with ICMA Principles and good sustainability quality of CDP Social Bond 2021

Alignment with ICMA GBPs, SBPs and SBGs



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

“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.”



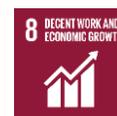
Asset categories alignment with ISS ESG Social KPIs

Corporate financing and employment generation

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



Main 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.”

ESG issuances and Reporting

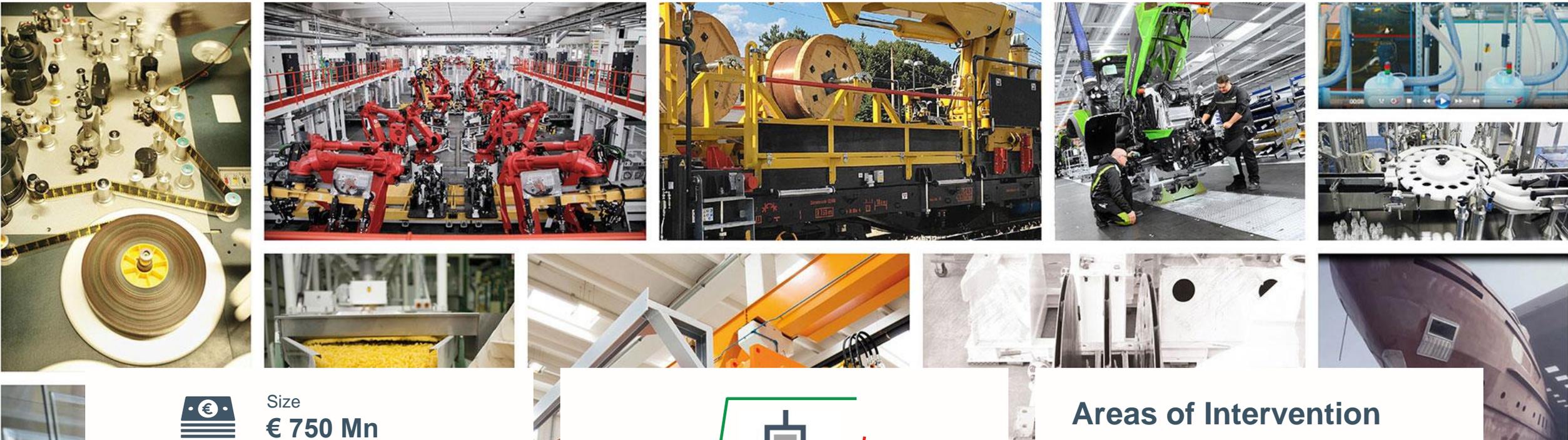
A 3-year Path Alongside Country's Sustainable Development

Snapshot of CDP 2017-2020 ESG issuances



Most Recent Social Bond issued in September 2020

Another boost to the recovery of Italy's economy and well-being



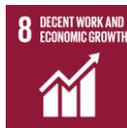
Size
€ 750 Mn



Coupon (fixed)
1.00%



- CDP's 6th ESG issuance; 3rd in 2020
- > 5x oversubscribed
- >180 geographically well-diversified accounts



Areas of Intervention

Proceeds of the issuance will be used to further support Italian corporates hit by the Covid-19 emergency or investing in R&D&I with the aim to preserve employment and paving the way for future growth.

Impact Reporting

Full transparency on the tangible contribution to the sustainable development of the Country

- 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**



**4 Reports
issued**



**Full allocation
after 1 year**



**> 4 million
beneficiaries**



**> 60,000
Jobs created or
maintained**



**> 5,500
projects/initiatives
financed**



**> 11,900
SMEs/Local Authorities
financed**

Translating Sustainable Finance into Effective Social Initiatives

Report on Social Housing Bond 2020 (published in February 2021)

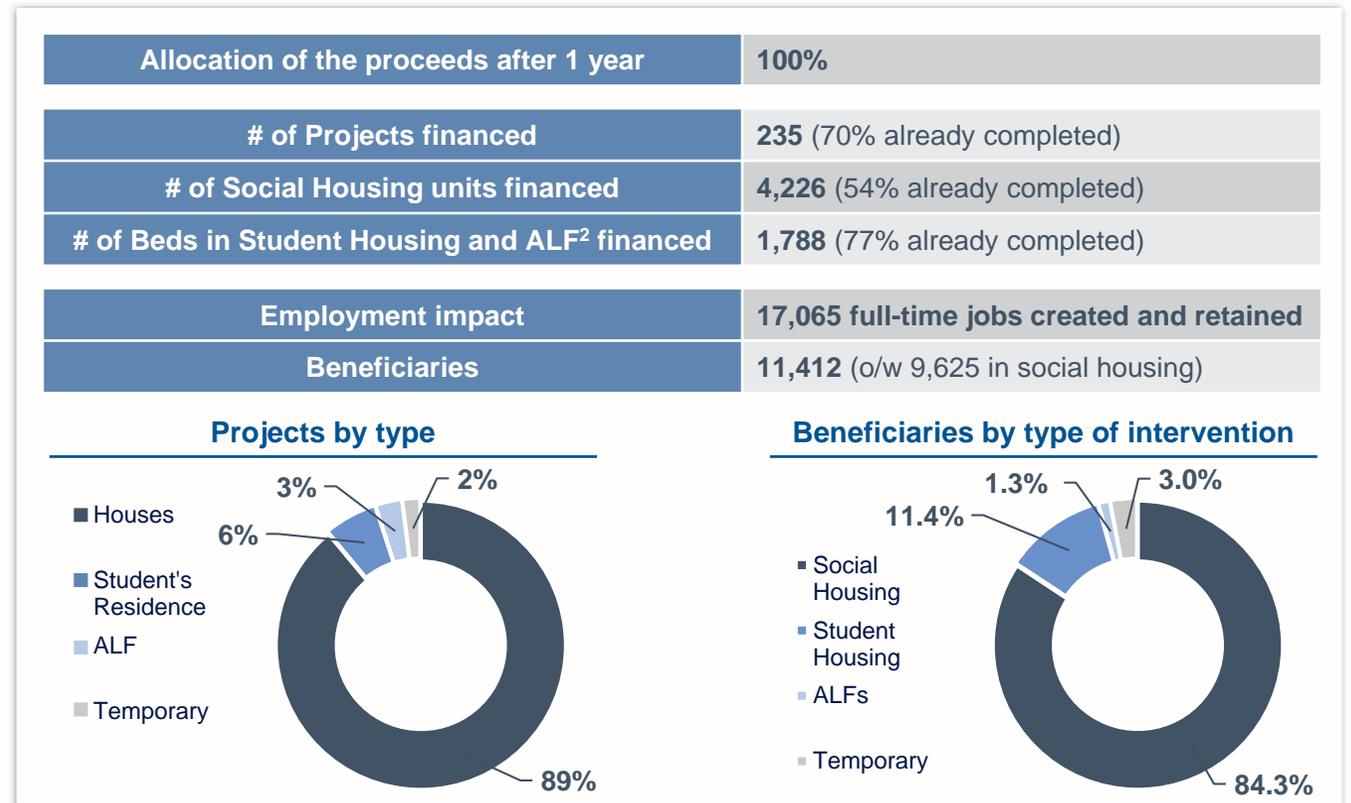
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- One year** after each Green, Social and Sustainability Bond issuance, CDP produces a detailed report illustrating the **eligible loans financed through the raised proceeds** and their **social and environmental impacts**

Social Housing bond 2020¹



€ 750 mln

Use of Proceeds:
support social housing interventions with initiatives dedicated to the most vulnerable population groups



Key Financials, Funding Structure and Credit Rating

CDP SpA Balance Sheet

€ Bn

Assets

Cash & Cash Equivalents

(+6.9% vs. YE2019)

183

Loans

(+5.9% vs. YE2019)

107

Debt Securities

(+4.3% vs. YE2019)

74

Equity Investments & Funds

(+3.9% vs. YE2019)

36

Other Assets

11

Liabilities

Postal Funding

(+3.6% vs. YE2019)

275

Bond Funding¹

(+7.7% vs. YE2019)

21

Other Funding²

(+16.3% vs. YE2019)

83

Other Liabilities

7

Equity

(+2.2% vs. YE2019)

25

cdp 

YE 2020

Total Assets

410

(+6.3% vs. YE2019)

CDP SpA Assets

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

€ Bn

Assets¹

Cash & Cash Equivalents

(+6.9% vs. YE2019)

183

Loans

(+5.9% vs. YE2019)

107

Debt Securities

(+4.3% vs. YE2019)

74

Equity Investments & Funds

(+3.9% vs. YE2019)

36

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

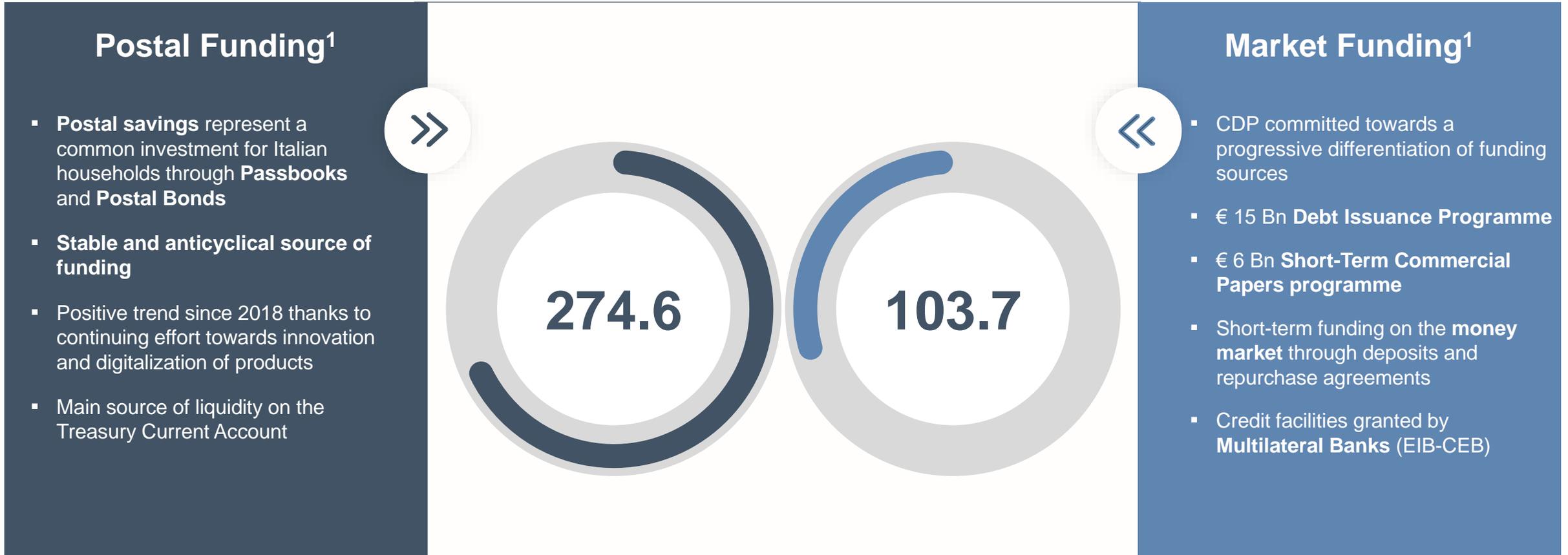
STRONG EQUITY PORTFOLIO

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)

CDP SpA Funding

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

€ Bn

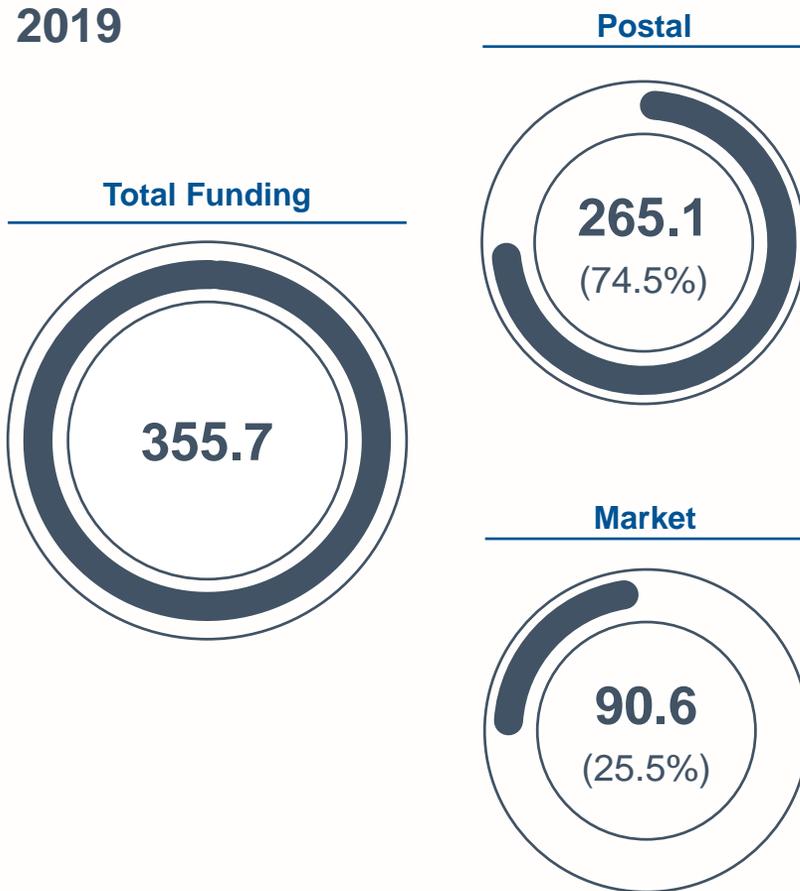


CDP SpA Funding

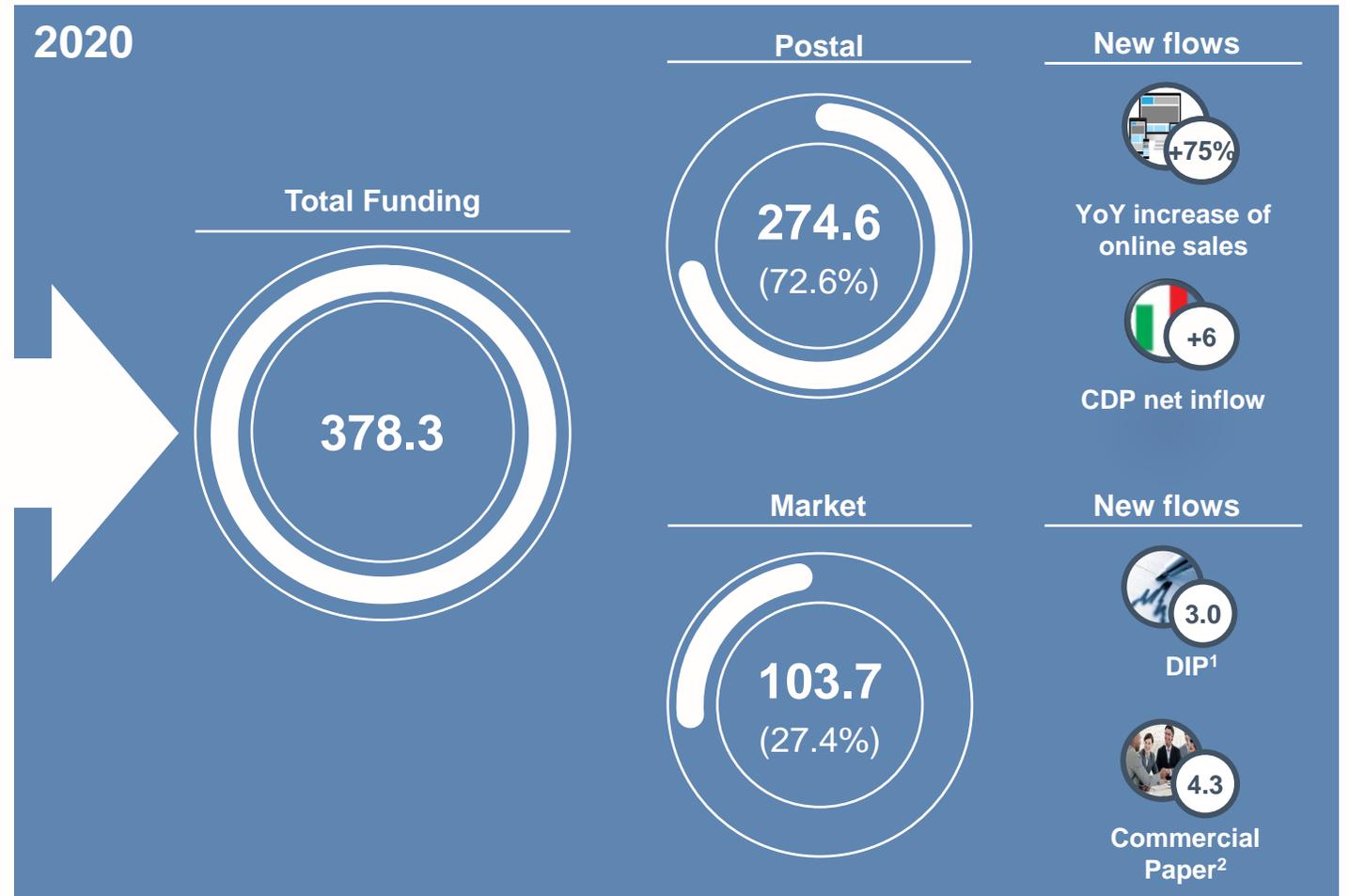
Record-high Postal Funding and increasing weight of Market Funding

€ Bn

2019



2020



Main Features of Postal Funding

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



Long-Term Market Funding

As of 31 December 2020 (€ Bn)

Outstanding bonds for € 18 Bn, with >40 transactions closed¹

6 ESG bonds outstanding (5 Social² and 1 Sustainable) for a total amount of € 4.25 Bn

Senior Unsecured notes listed on the Luxembourg Stock Exchange³

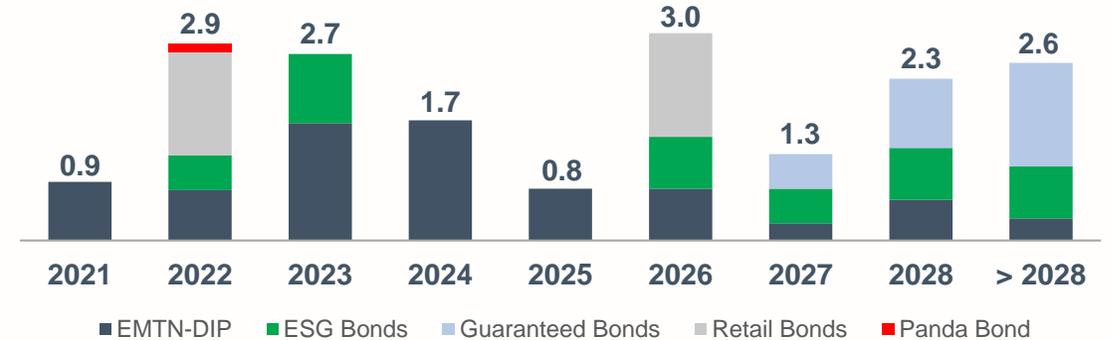
Access to international markets (USD, JPY, RMB)

CDP bonds rank *pari passu* with Postal Savings products

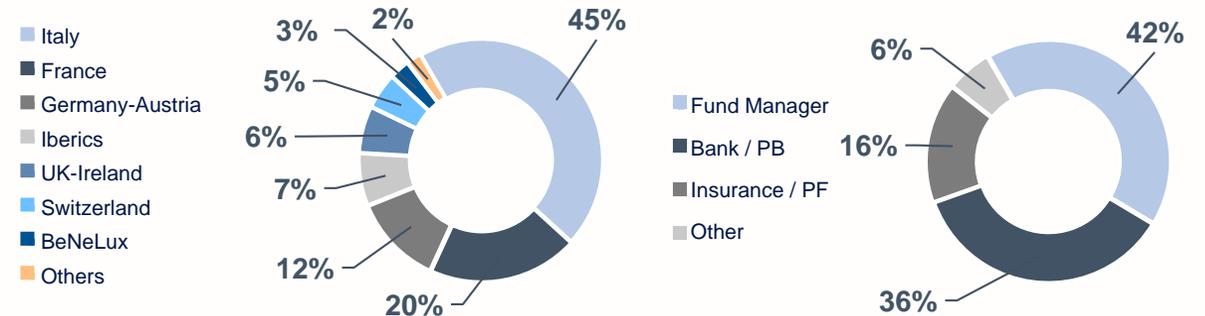
Eligible for the ECB Collateral Framework and the Public Sector Purchase Programme (PSPP)



Bond Maturity



Investor Allocation⁴



1. Details available at <https://www.cdp.it/sitointernet/en/investitori.page>

2. Covid-19 Social Response Bond issued in April 2020 in a dual-tranche format

3. ESG Bonds have been listed also on the Italian Stock Exchange (i.e. Borsa Italiana)

4. Refers to outstanding public issuances as of 31 December 2020. Deal Reviews are available at https://www.cdp.it/sitointernet/en/dept_issuance_programme.page

Credit Rating

Given the strong link with the Italian Government, CDP Rating is aligned with the Sovereign

				
Long-Term Credit Rating	BBB	BBB-	BBB+	Baa3¹
Outlook	Stable	Stable	Negative	Stable
Last Rating Action	27 Oct. 2020 <i>(Outlook revised from Negative)</i>	8 May 2020 <i>(Downgrade from BBB)</i>	22 May 2020 <i>(Outlook revised from Stable)</i>	23/10/2018

Useful Documentation

Useful Documentation

2020 Annual Report



2020 Integrated Report



CDP Green, Social and Sustainable Bond Framework



CDP Sustainability Framework



Deal Review

Social Bond 2017



Report



Deal Review

Sustainability Bond 2018



Report



Deal Review

Social Bond 2019



Report



Deal Review

Social Housing Bond 2020



Report



Deal Review

Covid-19 Social Response Bond



Report



Deal Review

Social Bond 2020



Report





Contacts

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