



1H 2019 Results Presentation

Rome, 1 August 2019

Cassa Depositi e Prestiti
Investing in tomorrow

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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.

Executive Summary

CDP Group's **performance** in **1H 2019** has been characterized by **positive economic results** and a **sound capital base**

CDP SpA Business volumes equal to **€7.3Bn** and **CDP Group Business volumes** equal to **€12.8Bn**

CDP SpA Net Income equal to **€1.5Bn** (€1.4Bn in 1H 2018) and **CDP Group Net Income** equal to **€2.2Bn** (in line with 1H 2018)

CDP SpA Equity equal to **€23.9Bn** (€24.8Bn at YE 2018); **CDP Group Total Equity** equal to **€35.5Bn** (vs €36.7Bn at YE 2018)

Business Plan progressing well in all the 4 areas of activity, with new operating model fully in place

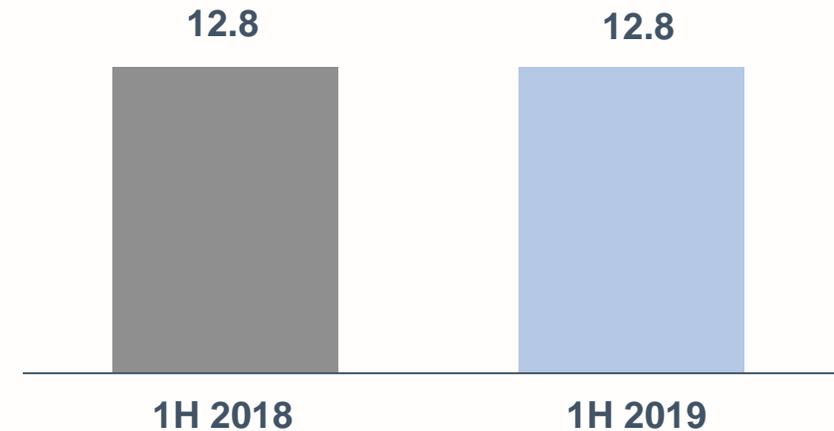
CDP Group Business Volumes

EUR Bn

- **CDP Group's business volumes** in 1H 2019 at **€12.8Bn**, in line with 1H 2018. **€7.3Bn** attributable to **CDP SpA**
- 1H 2019 confirmed the **key role of CDP Group in supporting the Italian economy**



CDP Group business volumes



Material changes in business activity according to 2019-2021 Business Plan

Main initiatives kicked-off according to Business Plan lines of action

EUR Bn

New lending

Main initiatives



11.1



- Focus on innovation, **supporting Venture Capital** in Italy and **financing innovative enterprises**
- Cooperation agreements signed with institutions, associations and major Italian companies to **develop supply chains** in Aerospace & Defence, Agro & Food and Tourism sectors
- **"EuReCa Turismo" Fund** established for the modernisation of tourist facilities in Emilia Romagna region
- **"Officina Italia" program** launched involving >100 companies to improve the offering based on their needs
- **Strategic partnership** with Assoconfidi and the main Italian Confidi launched to provide support for >320k SMEs
- Support to enterprises for **international expansion** strengthened



1.5



- **First 3 advisory mandates** started to support the PA in **Health and Education** sectors
- **New financial tools** offered to Public Sector to encourage investments and innovation
- **7 agreements signed** with Group companies and leading Italian stakeholders to accelerate infrastructure construction in the port and maritime, energy, renewable, digital and social sectors
- **Direct local actions** launched for the **development of cities and metropolitan areas**



0.2

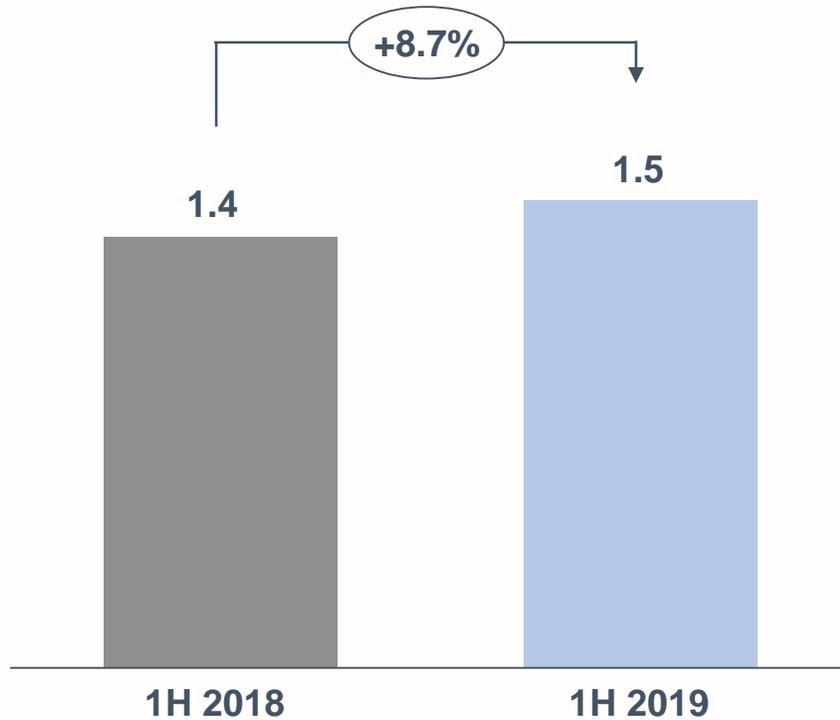


- **Republic of Tunisia financed**, for the first time with CDP's own funds, to **support local SMEs**
- **Funding** for the development of **electrical services in Myanmar** and of **railway infrastructures in Afghanistan**
- **New "Risparmio senza Frontiere" (Savings without Borders) project** launched to encourage the transfer of financial resources from Italian postal passbooks to Tunisian ones, supporting country's growth and development

Net Income

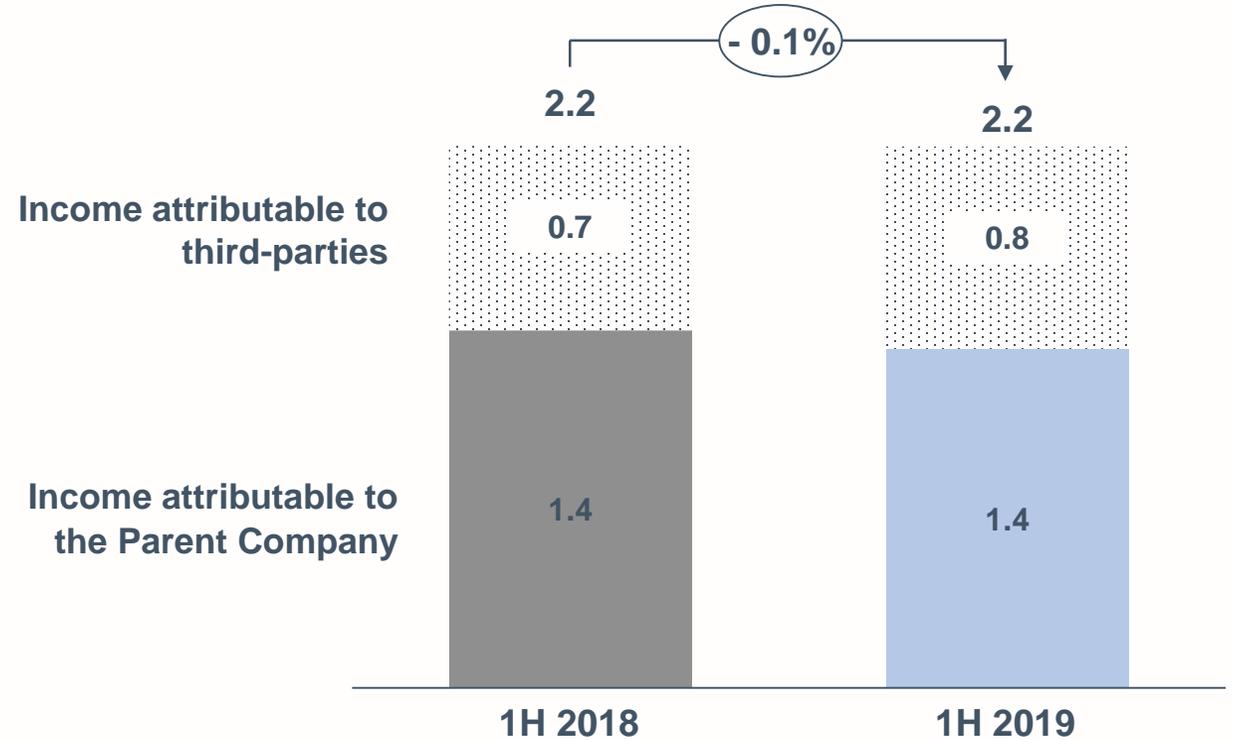
EUR Bn; %

CDP SpA Net Income



- **1H 2019 Net Income** increased mainly due to **higher returns on assets**

Consolidated Net Income



- **Substantially stable** consolidated Net Income

CDP SpA NII and Dividend Income

EUR Bn

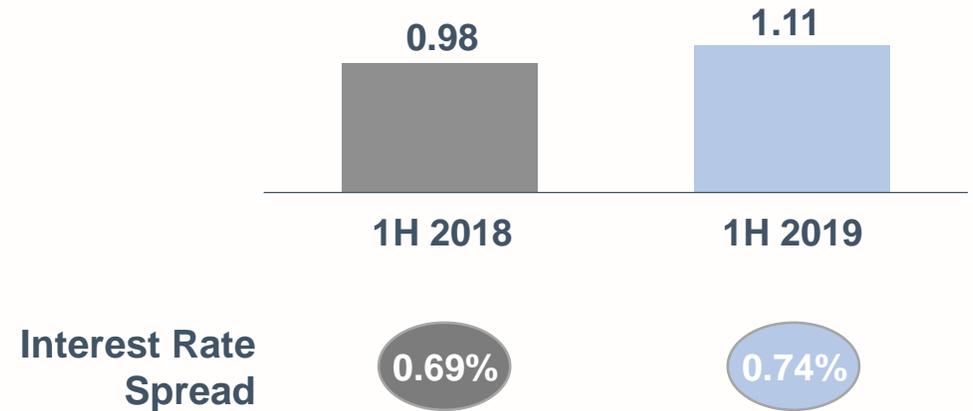
- **Improved Net Interest Income**, as a consequence of a **better return on assets** and a **substantially stable cost of funding**



- **Dividend Incomes slightly lower** than 1H 2018



Net Interest Income



Dividend Income



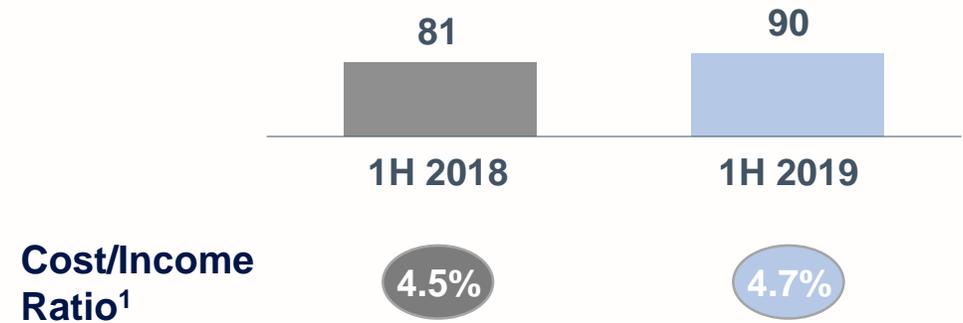
CDP SpA Administrative Expenses and Write-downs

EUR Mn

- **Slight increase in Administrative Expenses**, mainly due to higher **staff costs** driven by the headcount reinforcement to support the implementation of the Business Plan



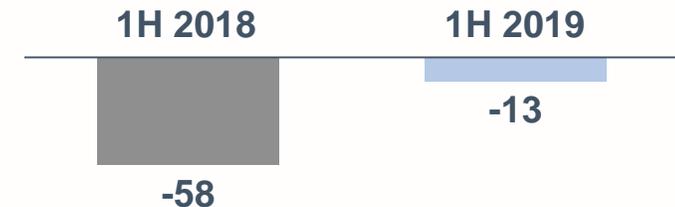
Administrative Expenses



- **Overall decrease in write-downs** due to impairments credit portfolio (due to IFRS 9 impacts) more than offset by value readjustments on equity investments



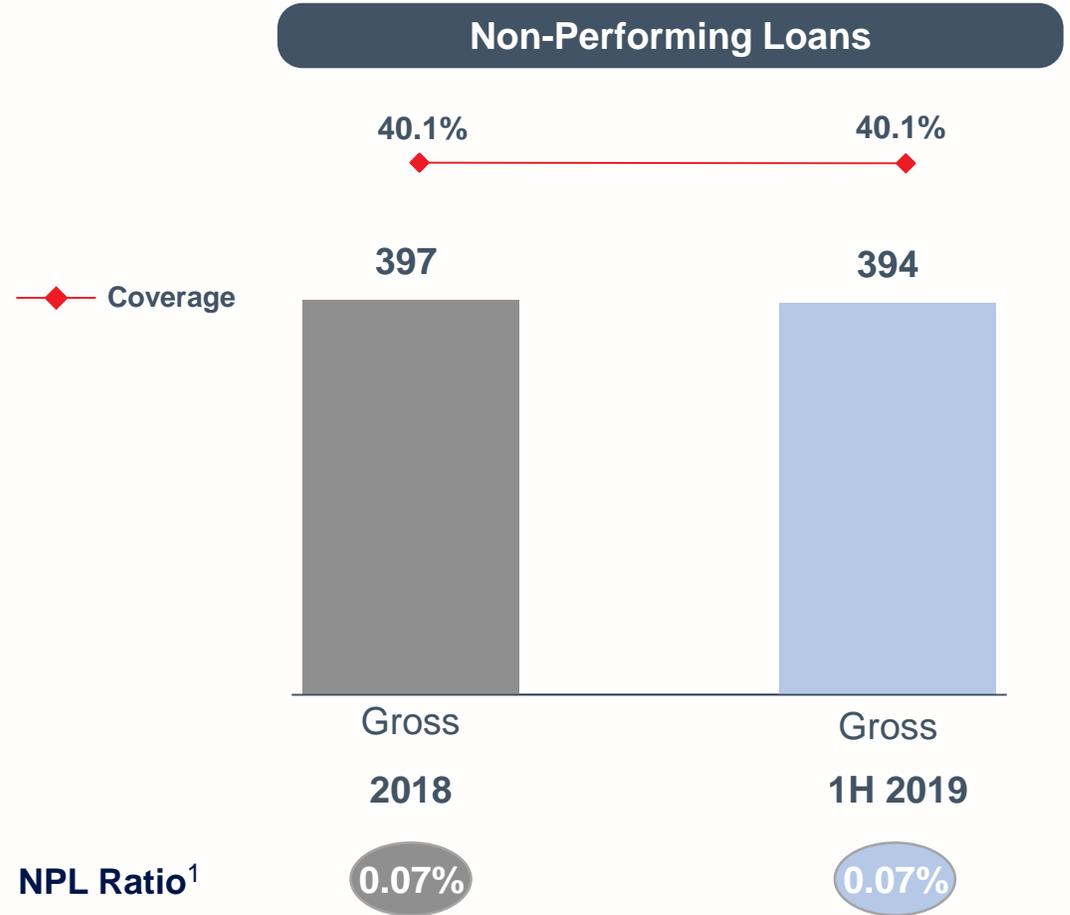
Write-downs



CDP SpA Asset Quality

EUR Bn

- 2018 Coverage Ratio confirmed
- Stable NPL Ratio at the very low 0.07% level



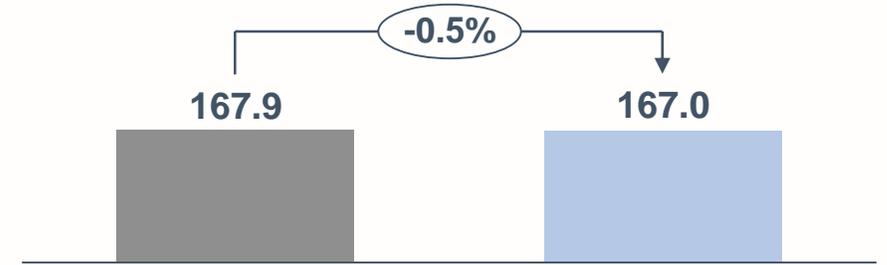
1) Net NPLs / Net exposure (loans, commitments, cash & cash equivalents and financial assets at fair value)

CDP SpA Assets

EUR Bn; %

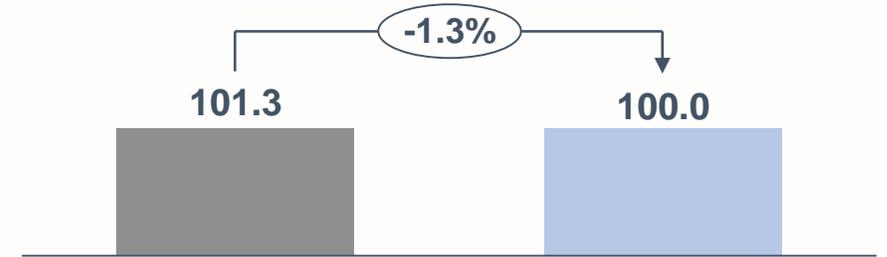
Cash & Cash Equivalents

Substantially in line with YE 2018



Loans

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



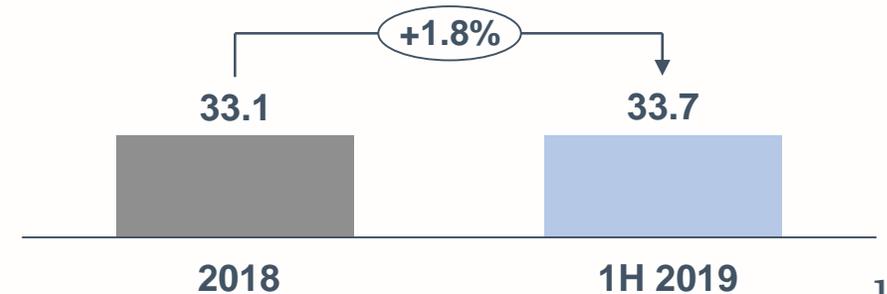
Securities Portfolio

Growth mainly driven by higher investments in Italian government securities



Equity Portfolio

Slight increase with respect to YE 2018

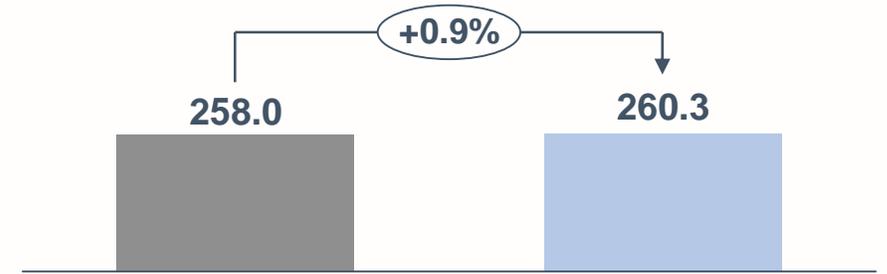


CDP SpA Liabilities

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)



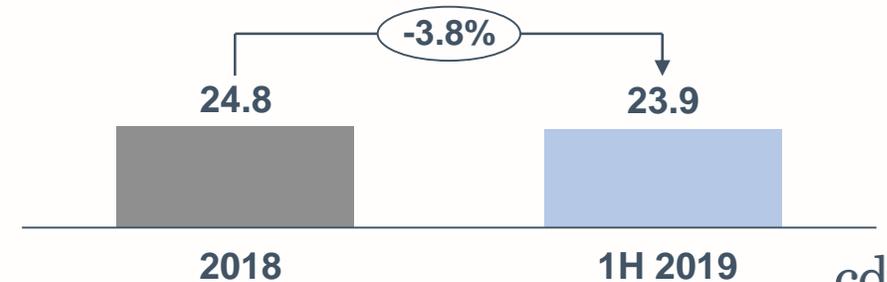
Other Funding²

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

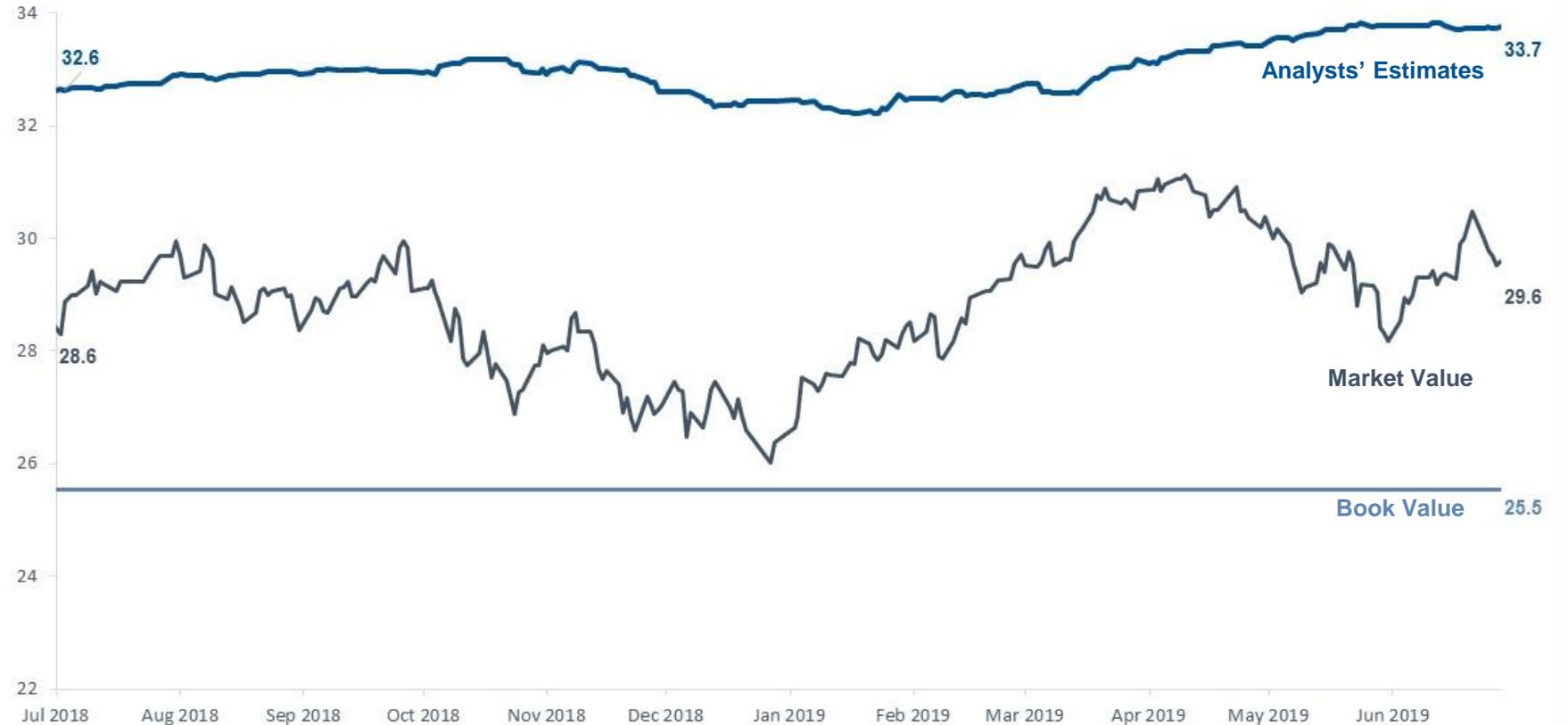


Equity Portfolio Performance

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

CDP Group main Participated Companies' Results

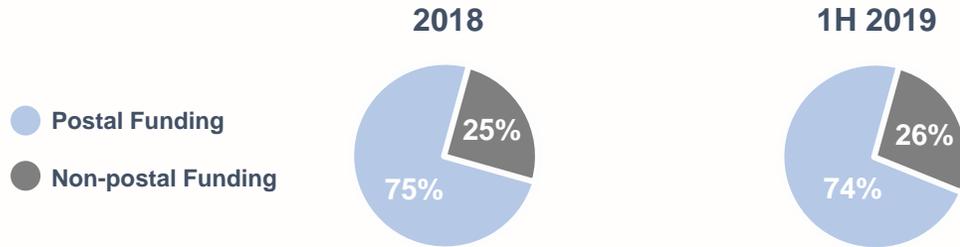
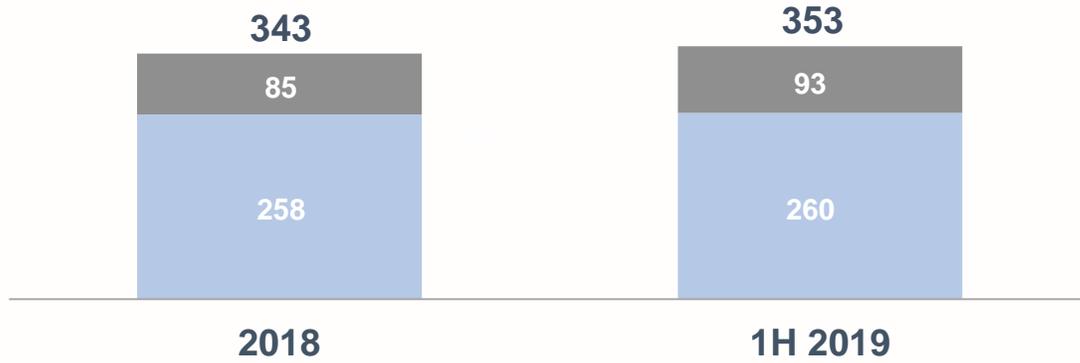
EUR Mn



CDP SpA Funding and Credit Rating (as of 30 June 2019)

EUR Bn

Total funding



Key Market Funding¹



EMTN-DIP Bonds



EIB-CEB



Retail Bonds



Commercial Papers

CREDIT RATING

S&P Global Ratings

BBB/A-2 Negative

Fitch Ratings

BBB/F2 Negative

MOODY'S

Baa3/P-3 Stable

SCOPE

BBB+/S-2 Stable

中诚信国际 CCXI

AAA² Stable

1) New flows in 1H 2019; 2) Chinese on-shore rating assigned in the context of the "Panda Bond" issuance plan

CDP SpA Long-Term Market Funding (as of 30 June 2019)

EUR Bn

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)

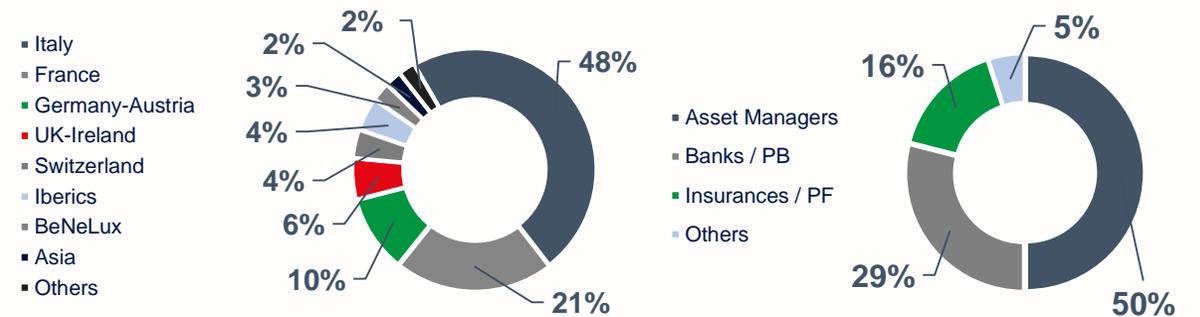
CDP bonds rank pari passu with Postal Savings products

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

Bond Maturity



Investor Allocation³



1) Including EMTN-DIP (~ 10.5 EUR Bn), Guaranteed Bonds (4.5 EUR Bn) and Retail Bond (3 EUR Bn); 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



Contacts

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