



Cassa Depositi e Prestiti

Covid-19 Social Response Bond – Investor Presentation

14 April, 2020



Cassa Depositi e Prestiti
Investing in tomorrow

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- ✓ 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.

CDP at a glance

Covid-19 emergency in Italy and CDP Social Response Bond

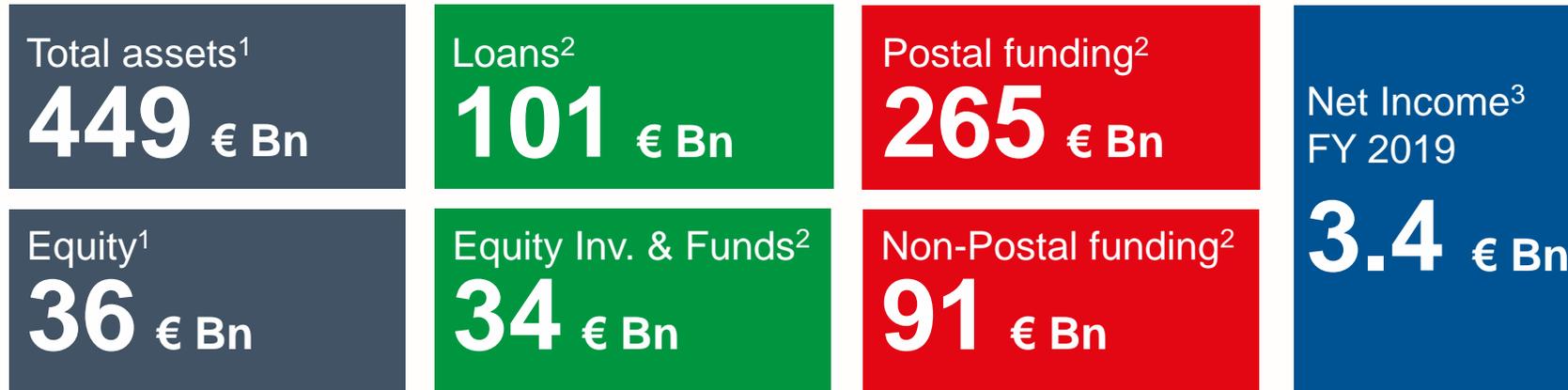
Key Financials, Funding Structure and Credit Rating

Appendix

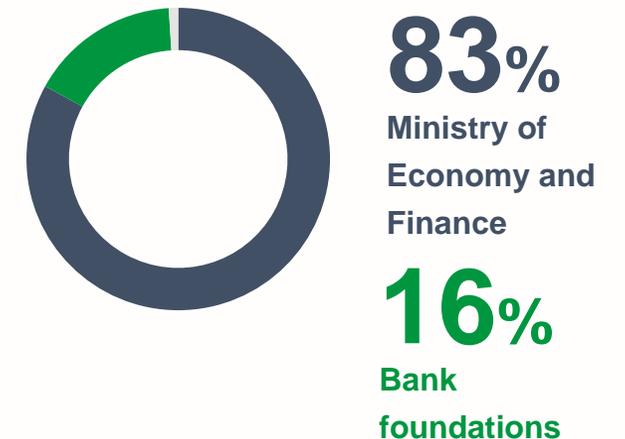
The Italian Promotional Bank and Sovereign Fund



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

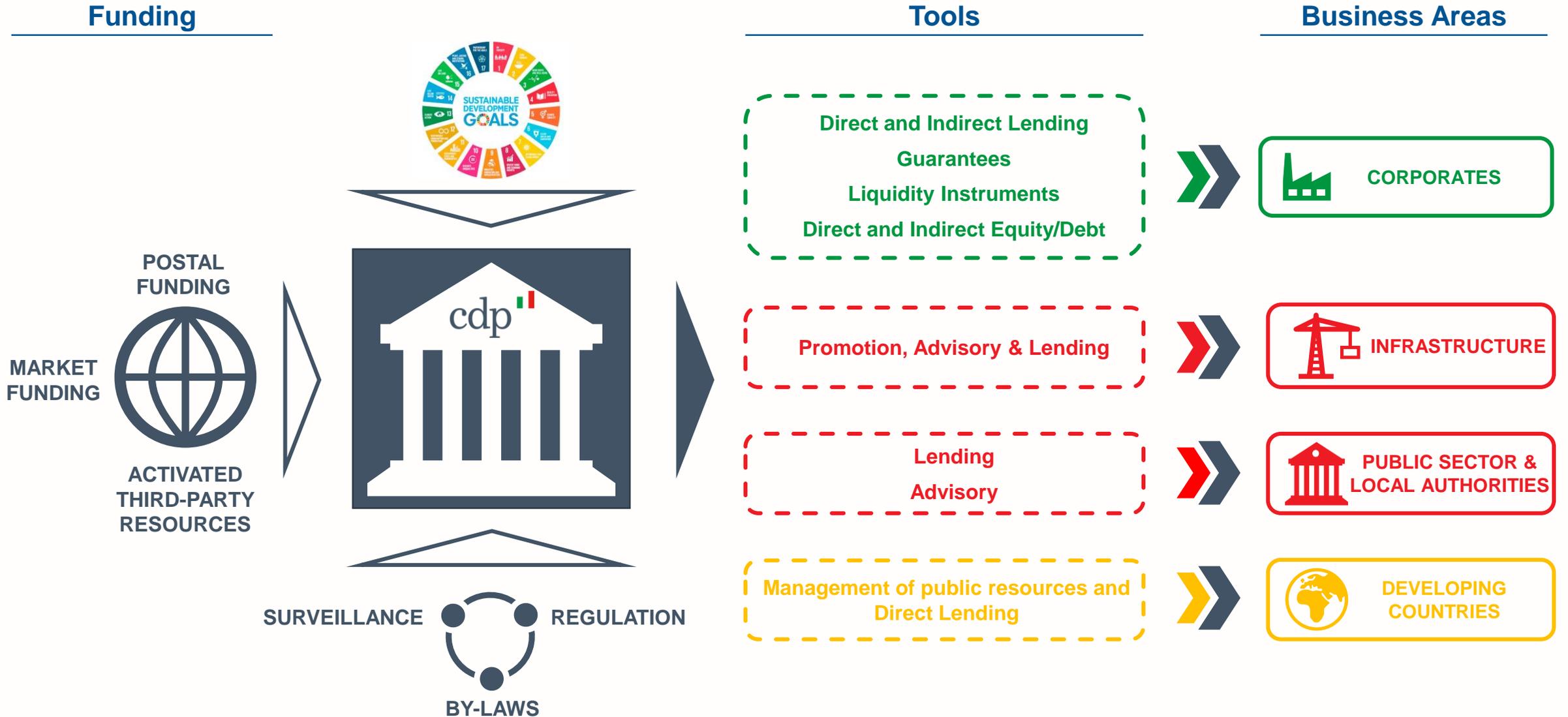


State and private shareholders⁴



1. CDP consolidated balance sheet as of 31 December 2019
2. CDP S.p.A. balance sheet as of 31 December 2019
3. CDP consolidated P&L as of 31 December 2019. Net Income FY19 attributable to CDP S.p.A. equal to 1.8 € Bn
4. Remaining 1% treasury shares

Business Model



CDP Group Equity Portfolio Snapshot



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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Covid-19 emergency: Economic and Social Impacts in Italy



Economic Impacts

>159k
(#)

Covid-19 cases¹

>20k
(#)

Casualties¹

>30
(days)

Complete lockdown

2.2 Mn
(#) **Businesses with halted operations²**
(49% of the total)

-4.1
(%) **Estimated annual decline in consumptions^{2,3}**

-10
(%) **Estimated GDP decline in 1H 2020⁴**

Social Impacts

7.4 Mn
(#) **Workforce not working²**
(42% employees)

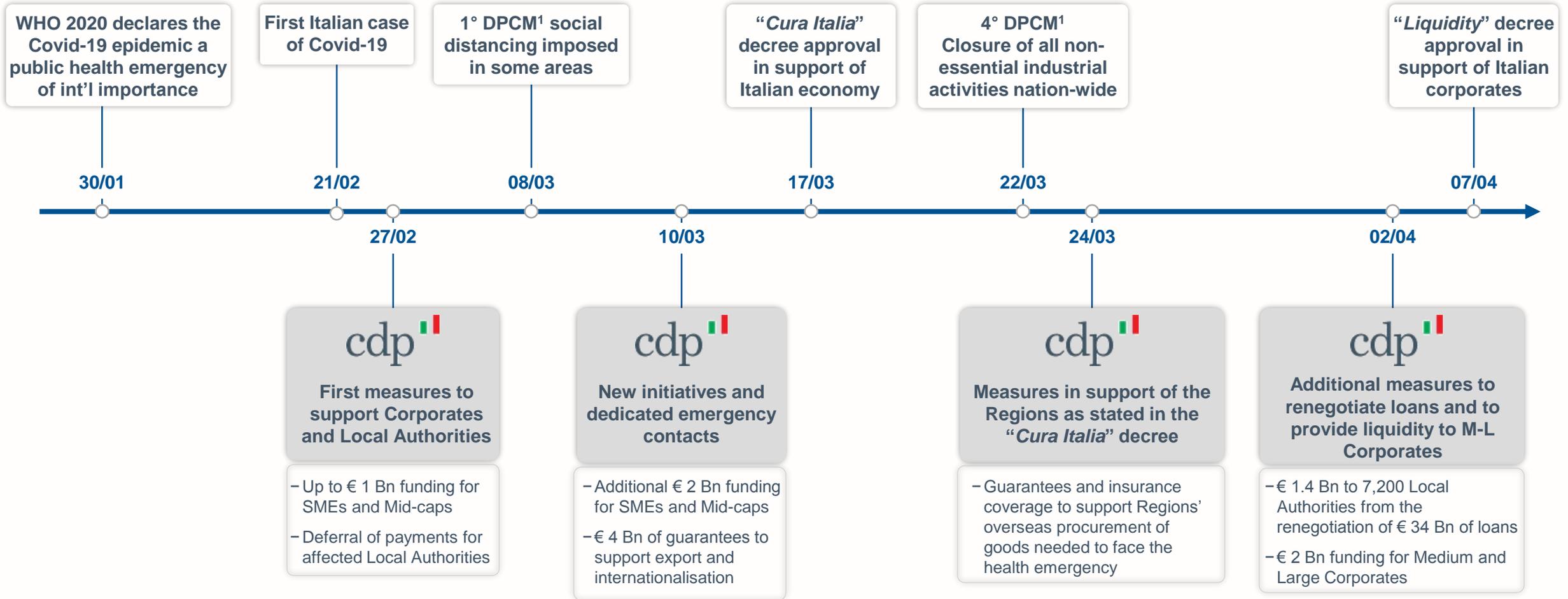
4.2 Mn
(#) **Requests for indemnities⁵**
(6.9 Mn workers)

-9.9
(#) **Consumer Confidence 03/2020 vs. 02/2020²**
(largest decrease since 1995)

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

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-sono-103-616-i-positivi)
2. ISTAT – Monthly report on the Italian Economy, March 2020 (https://www.istat.it/it/files//2020/04/MonRep_march_def.pdf)
3. Assuming end of lockdown in April
4. Confindustria – Italian Economic Outlook 2020-2021 (<https://www.confindustria.it/home/centro-studi/temi-di-ricerca/congiuntura-e-previsioni/tutti/dettaglio/rapporto-previsione-economia-italiana-scenari-geo-economici-primavera-2020>)
5. INPS data as of April 10, 2020 (<https://www.inps.it/docallegatiNP/InpsComunica/UfficioStampa/comunicatistampa/Lists/ComunicatiStampa/cs200410.pdf>)

CDP Group in the front-line since the outbreak



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



1. Decree of the Prime Minister
 2. Including funding for corporates/financial institutions and savings from renegotiation of Local Authorities' loans



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:

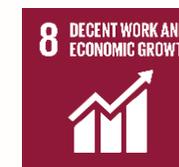
 Helping corporates, mainly SMEs, accessing banking and financial services, also through direct lending

 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



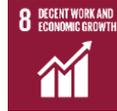
Given the emergency situation, this issuance is expected to contribute to a **broad range of SDGs**, in particular:



CDP with a key role not only to face the emergency but also to keep investing in tomorrow

ESG Public Issuances Highlights

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

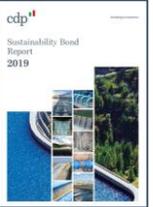
Construction, upgrade, safety and seismic retrofitting of public schools and requalification of urban infrastructure, providing universal access to safe public spaces

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

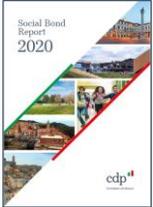
Reporting



- 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

CDP is one of the most frequent issuers in the Social Bond market

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CDP Parent Company Balance Sheet



€ Bn

Assets

Liabilities

Cash & Cash Equivalents
(+2.0% vs. YE2018)

171

265

Postal Funding
(+2.7% vs. YE2018)

Loans
(-0.3% vs. YE2018)

101

20

Bond Funding¹
(+3.2% vs. YE2018)

Debt Securities
(+18.3% vs. YE2018)

71

71

Other Funding²
(+8.3% vs. YE2018)

Equity Investments & Funds
(+3.3% vs. YE2018)

34

5

Other Liabilities

Other Assets

8

25

Equity
(+0.6% vs. YE2018)

cdp
YE 2019

Total Assets

386

(+4.3% vs. YE2018)

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

€ Bn

Assets

Cash & Cash Equivalents

(+2.0% vs. YE2018)

171

Loans

(-0.3% vs. YE2018)

101

Debt Securities

(+18.3% vs. YE2018)

71

Equity Investments & Funds

(+3.3% vs. YE2018)

34

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 Funding¹

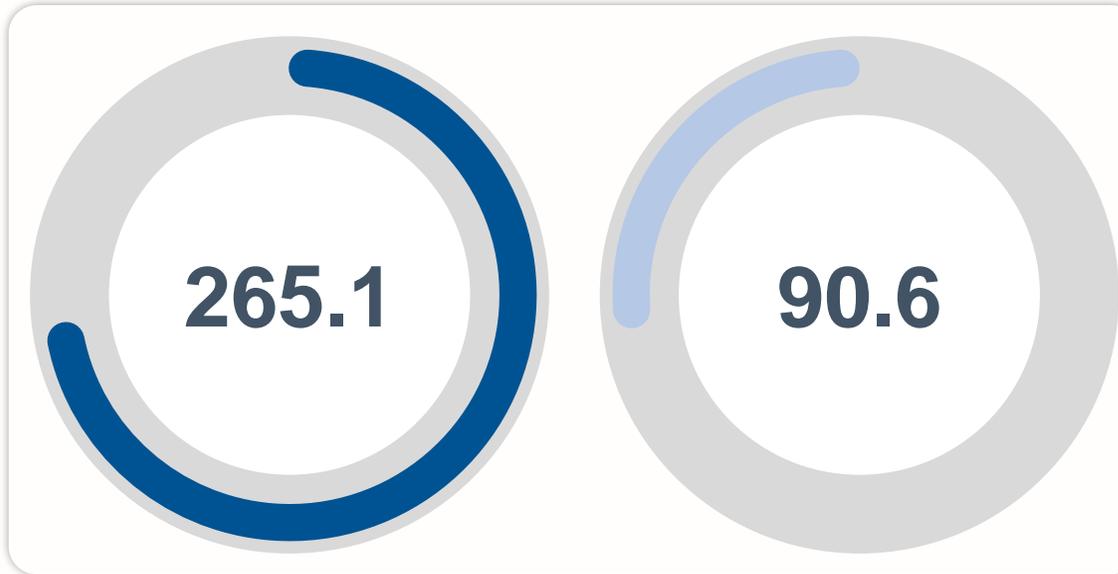


Postal Bonds



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



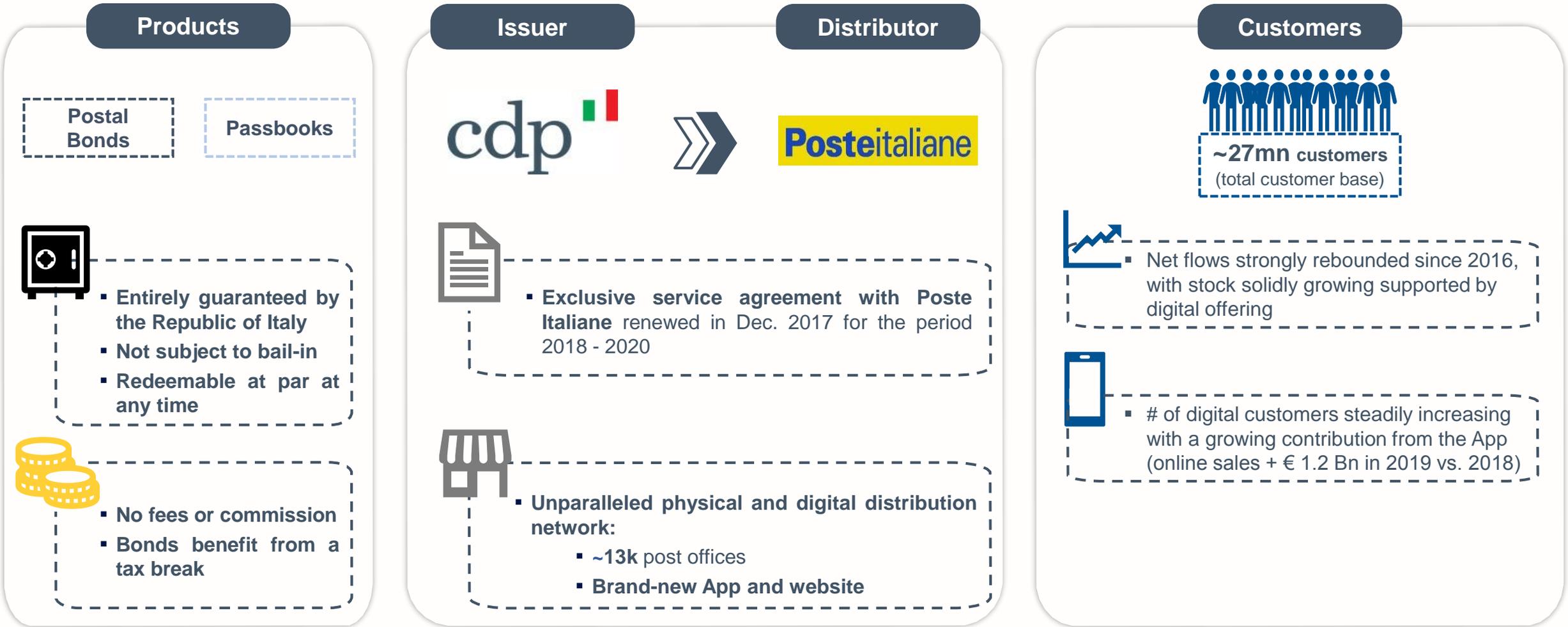
Multilateral Banks



Other

- CDP committed towards a progressive differentiation of funding sources
- 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



Historically common products among Italian households, being innovated in terms of offering and going more digital

Long-Term Market Funding and Credit Rating

€ Bn

Outstanding bonds for € 17 Bn¹, with 40 transactions closed

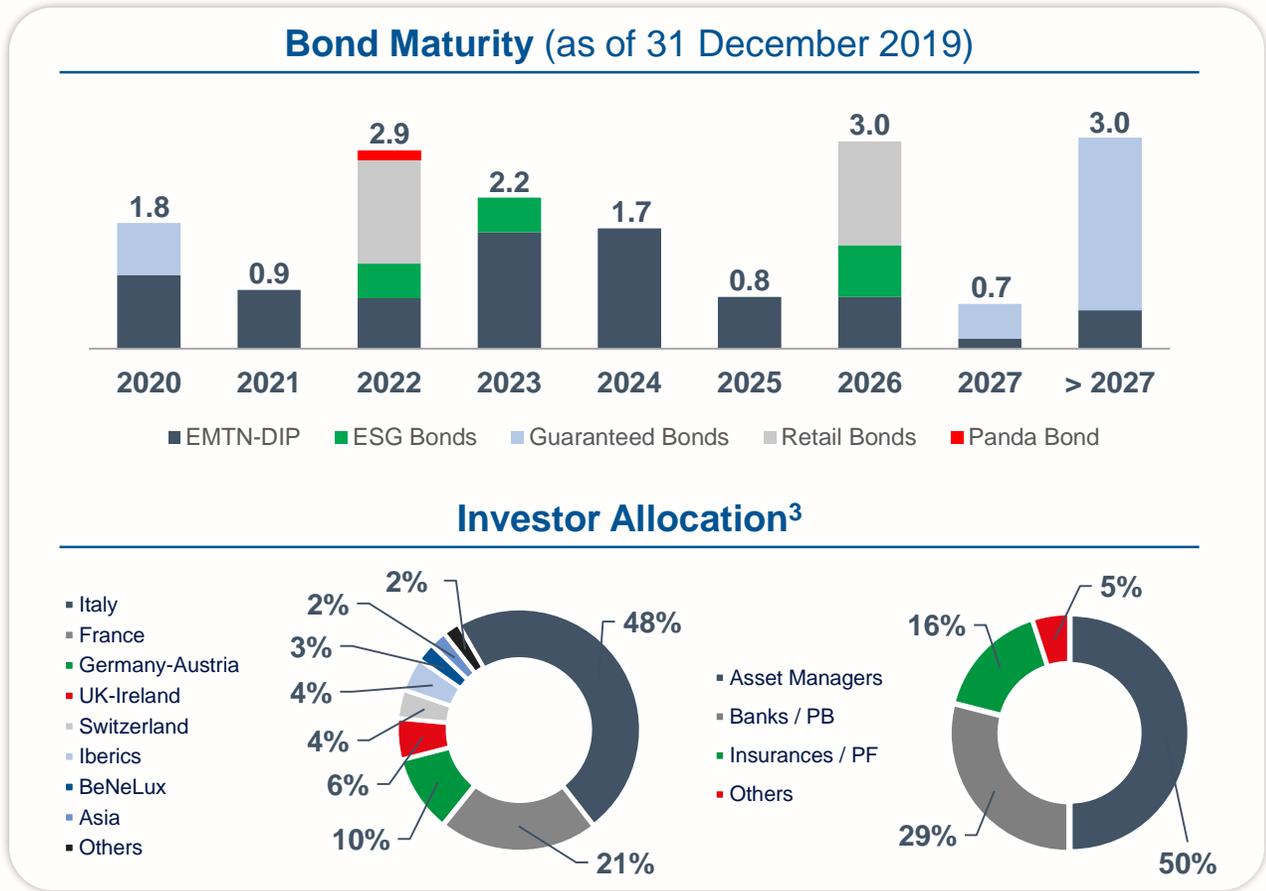
3 ESG bonds outstanding (2 Social and 1 Sustainable) for a total amount of **€ 1.75 Bn**

Senior Unsecured notes listed on the Luxembourg Stock Exchange²

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)**



CREDIT RATING

S&P Global Ratings

BBB Negative

FitchRatings

BBB Negative

SCOPE

BBB+ Stable

MOODY'S

Baa3⁴ Stable

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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CDP 2019-2021 Business Plan – Plan's Challenges

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

CDP 2019-2021 Business Plan – Highlights



Main 2021 targets



Useful documentation

**Green, Social and Sustainability
Bond Framework**



Inaugural Social Bond Report



Sustainability Bond Report



2019 Social Bond Report



FY 2019 Results Presentation





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