



Cassa Depositi e Prestiti

Investor Presentation

July 2020

Cassa Depositi e Prestiti
Investing in tomorrow

Agenda

CDP at a glance and 2019-2021 Business Plan

Key Financials, Funding Structure and Credit Rating

CDP in the ESG Bond Market

FY 2019 Activities and Results

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 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



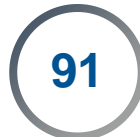
Loans³



Equity Inv. & Funds³



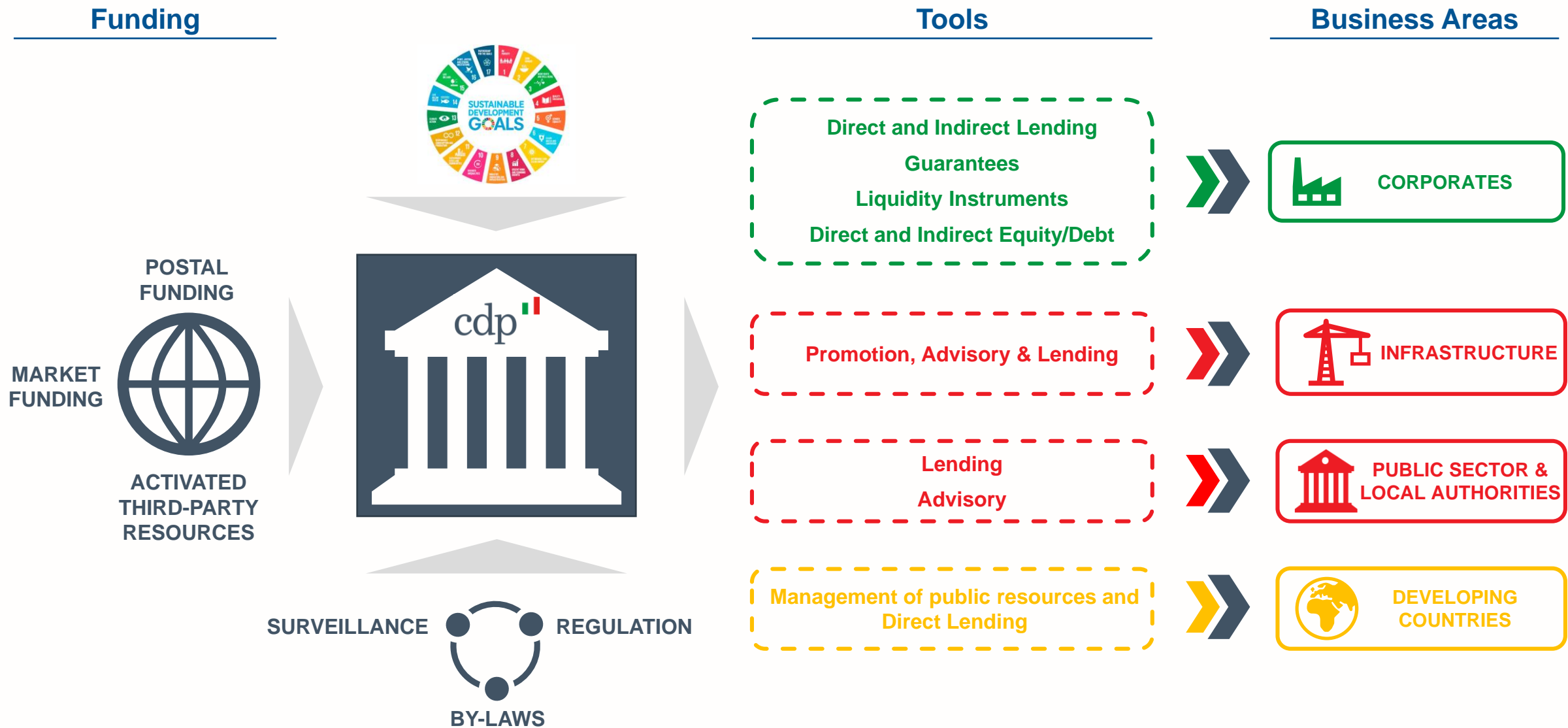
Postal Funding³



Non-Postal Funding³

1. Remaining 1% treasury shares
 2. CDP consolidated balance sheet as of 31 December 2019
 3. CDP S.p.A. balance sheet as of 31 December 2019

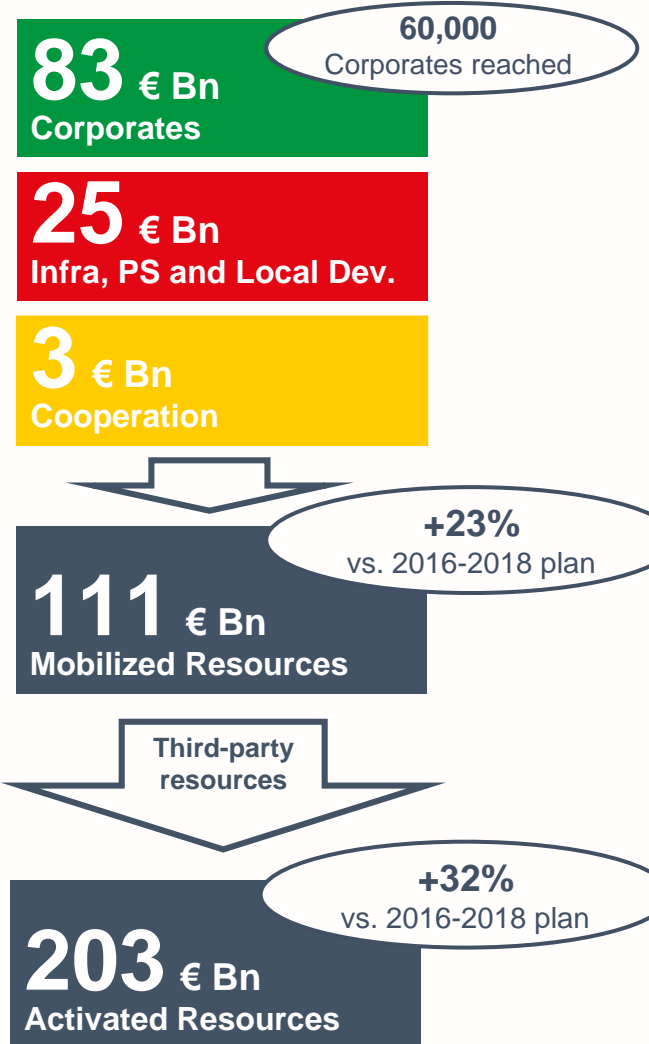
Business Model

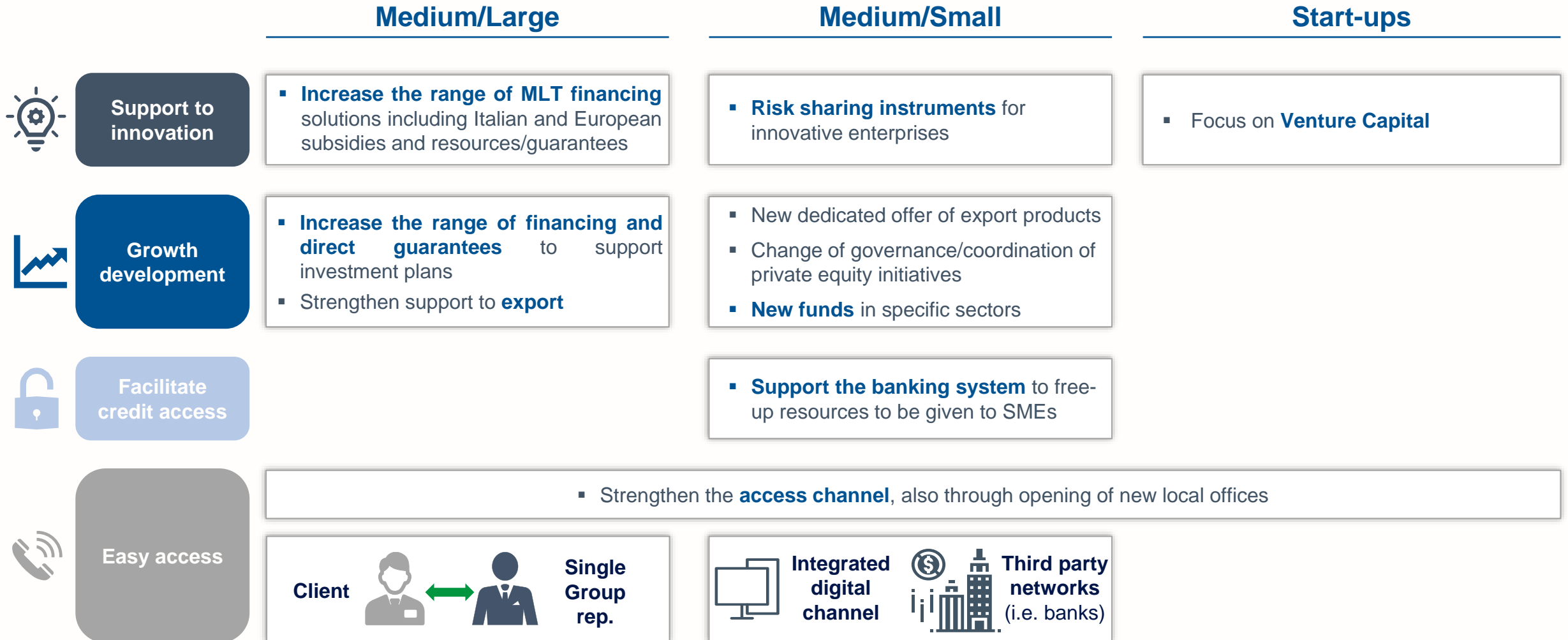


2019-2021 Business Plan - From Italy to Italy

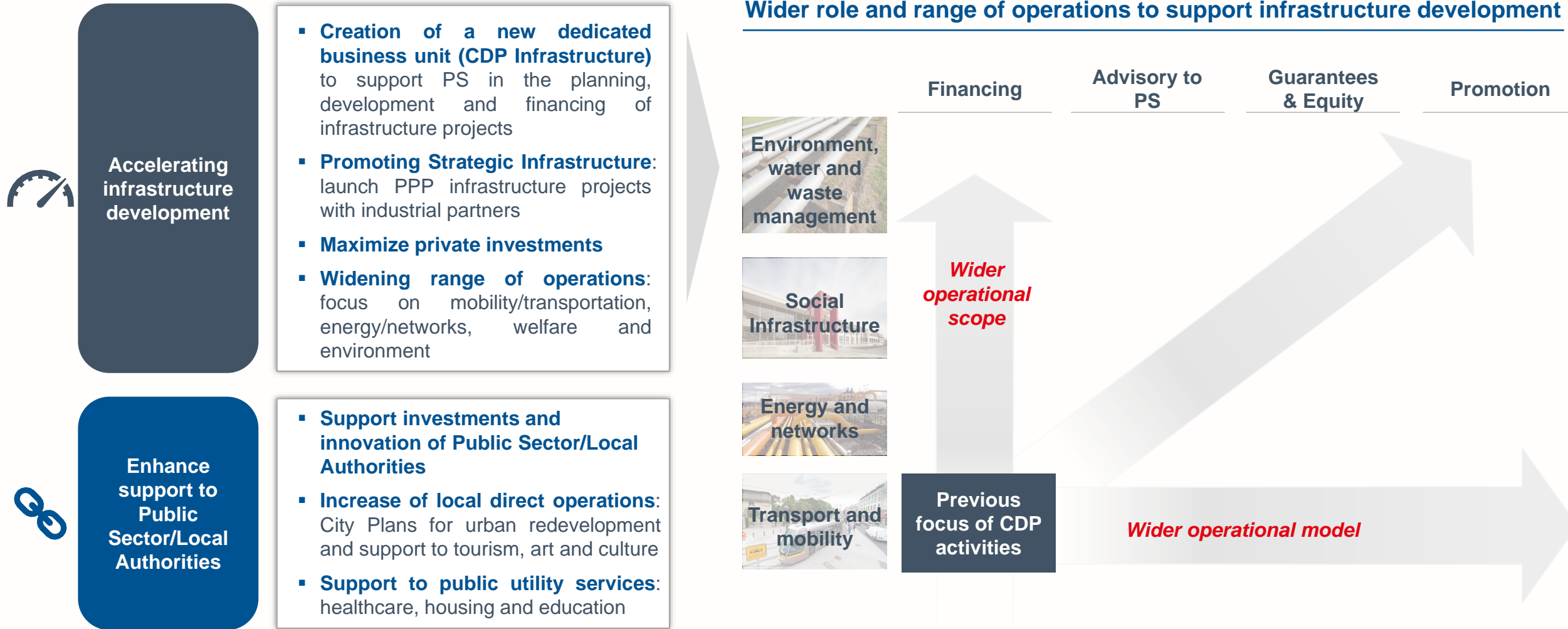


Main 2021 targets





Foster national and international innovation and growth of Italian companies in Italy and abroad



Support local investments in infrastructure and improvement of public utility services

Equity and Funds Investments – Strategic Guidelines



Execution

- Equity strategy carried out through **direct investments** and **indirectly** by leveraging upon dedicated Venture Capital and Private Equity funds run under separate asset management companies (“SGRs”)



Management of equity portfolio

- **Active management** of existing equity portfolio driven by:
 - systemic relevance
 - sectorial focus
 - selective rotation



New investments

- New investments selection criteria based upon:
 - **priority sectors**, according to GDP impact and growth
 - **key technologies**

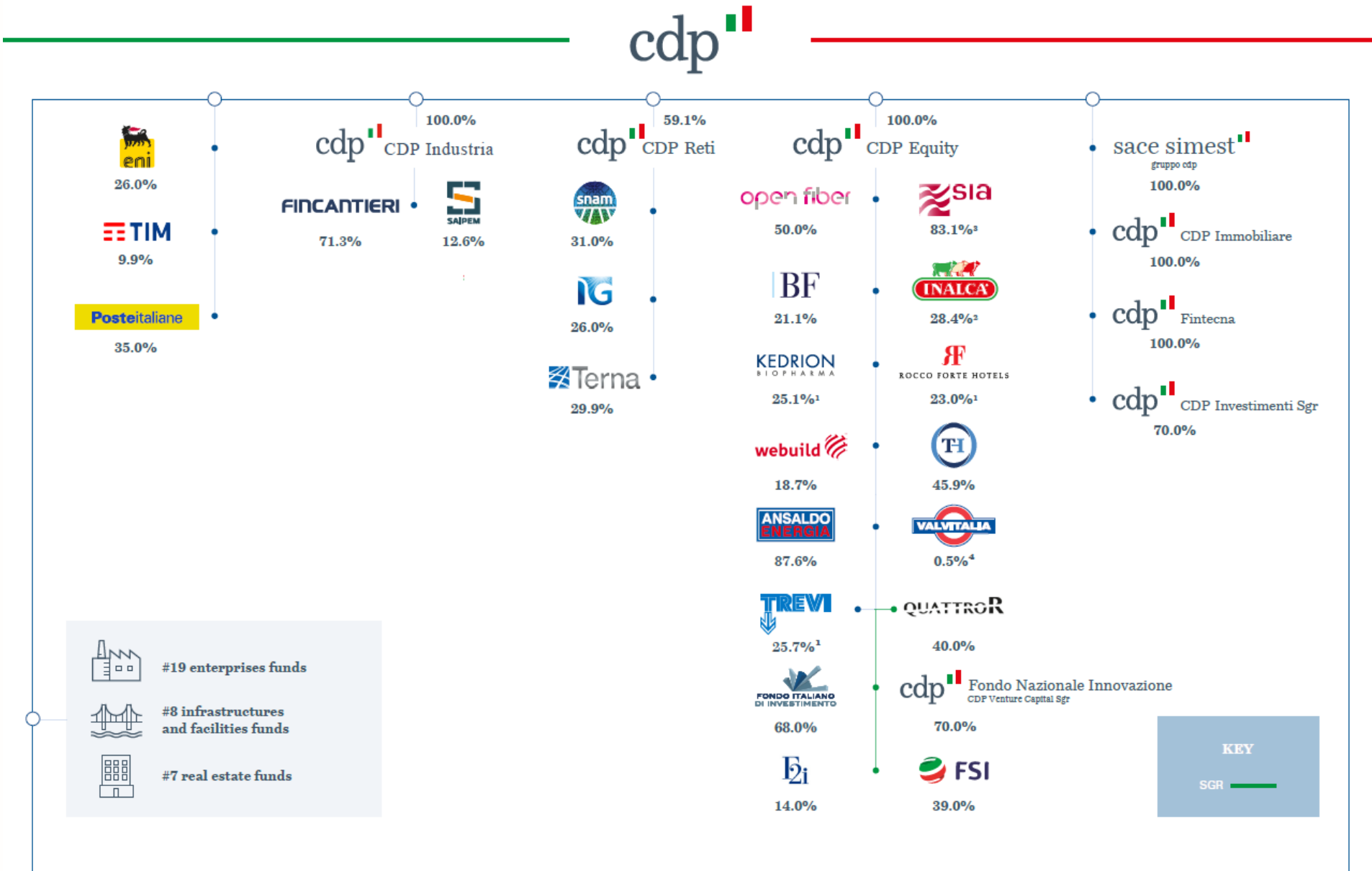


Investment approach

- **Longer term** investment horizon with flexible IRR / Risk approach

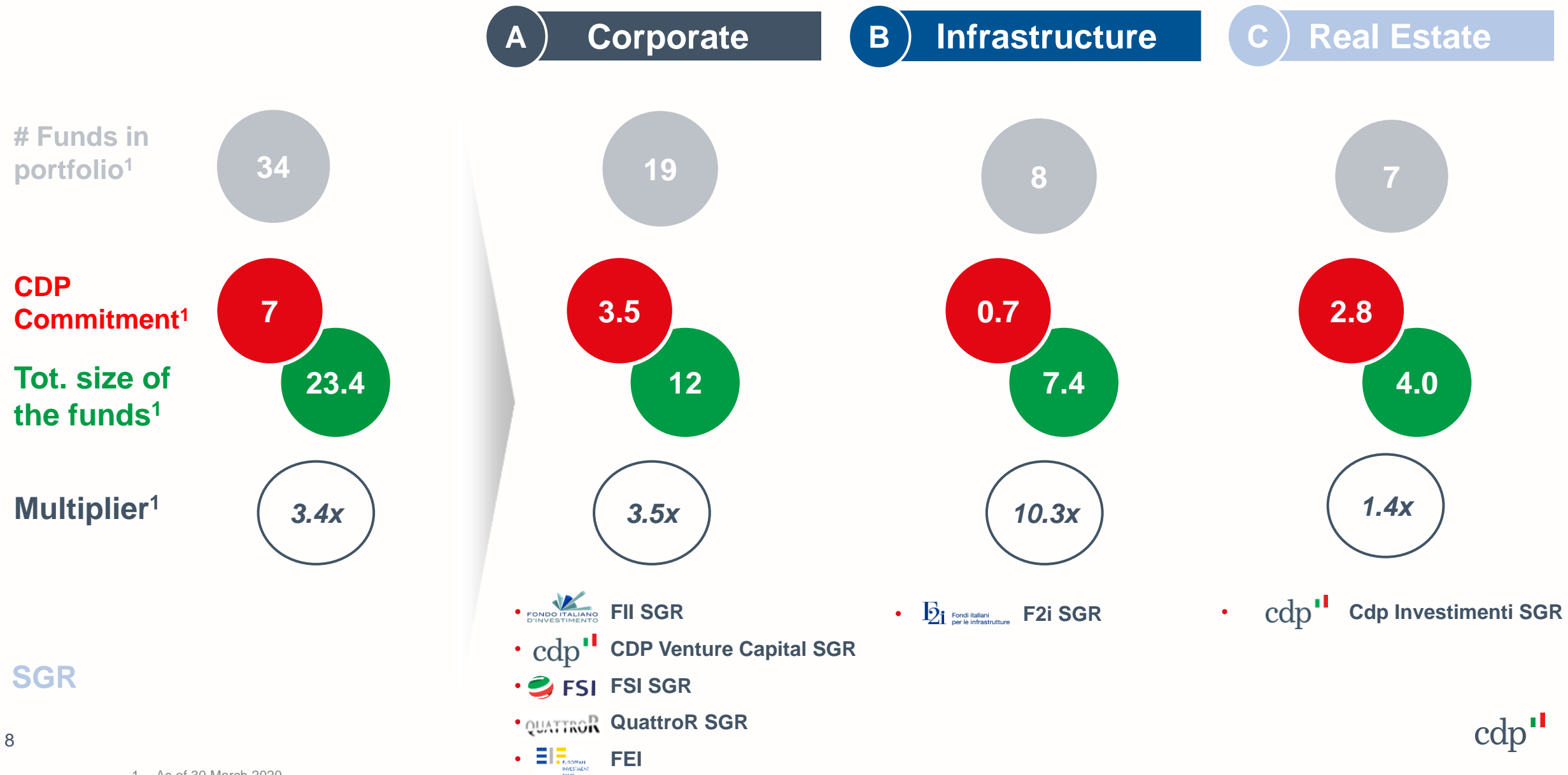
Equity “lever” instrumental to achieving long term sustainable growth of Italian companies

Equity Investments – CDP Group Equity Portfolio Snapshot



Funds Investments – Existing funds overview

€ Bn

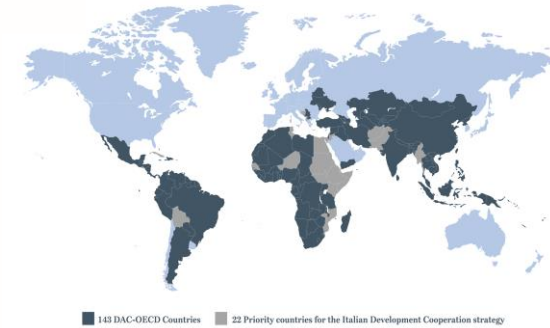


International Cooperation - Strategic Guidelines



Support to Public Sector

- **Sovereign governments and Local Authorities:** concessional financing with 100% public resources and/or in blending with CDP funds
- **Multilateral financial institutions:** financing/guarantees with CDP resources



CDP can operate in **all 142 countries** identified by the OECD-DAC committee



Support to Private Sector

- **Corporates:** co-financing at market conditions, through debt and equity instruments, to finance development and growth initiatives in target countries
- **Project Financing:** financing of project companies for the implementation of specific initiatives in particular in the infrastructure sector
- **Financial Intermediaries (FIs) and other intermediation vehicles:** financing to FIs, giving a priority to local Micro, Small and Medium Enterprises and equity investments (e.g. Investment Funds)

CDP's intervention focuses on projects that maximize the **social, economic and environmental impact** on developing countries, contributing to the achievement of the 17 SDGs, with a focus on the following **sectors**: Clean Energy, Agribusiness, Infrastructure and Financial Institutions



Foster growth in developing countries that are strategically relevant for Italy, evolving from pure manager of public resources to financier through own resources to enhance existing instruments and promote new initiatives

Sustainability is a priority and guide for CDP strategic choices

In the Operating Model...



Human Resources

Selecting, hiring and managing staff respecting the dignity and rights of each individual



Work Environment

Supporting the efficient use of resources and facilities, and committing to reducing CDP's carbon footprint



Supply cycle

Selecting suppliers in accordance with technical, commercial, and social and environmental responsibility requirements



The dedicated “**Sustainability**” unit is responsible for **ensuring the effective integration in all business processes of the dimensions related to sustainable development**, by creating an internal culture devoted to increasing related awareness and specific key actions



...and in the Business



Ex-ante impact assessment

Assessing expected benefits and potential impacts, including those deriving from negative externalities, for financially eligible projects



Ex-post impact assessment

Producing evidence on the impacts generated by financed projects and verifying the effectiveness and additionality of interventions



Sustainable Finance

Collecting resources through financial instruments dedicated to sustainable ends, defined in accordance to the CDP Green, Social and Sustainability Bond Framework



Impact management and monitoring

Assessing environmental impacts and risks related to human rights

Sustainability at the core of 2019-2021 Business Plan



~70
stakeholders involved

7
principles

21
material topics

1° Forum Multi stakeholder

For the first time, in 2019 CDP main stakeholders have been directly involved with a systemic approach

Agenda

CDP at a glance and 2019-2021 Business Plan

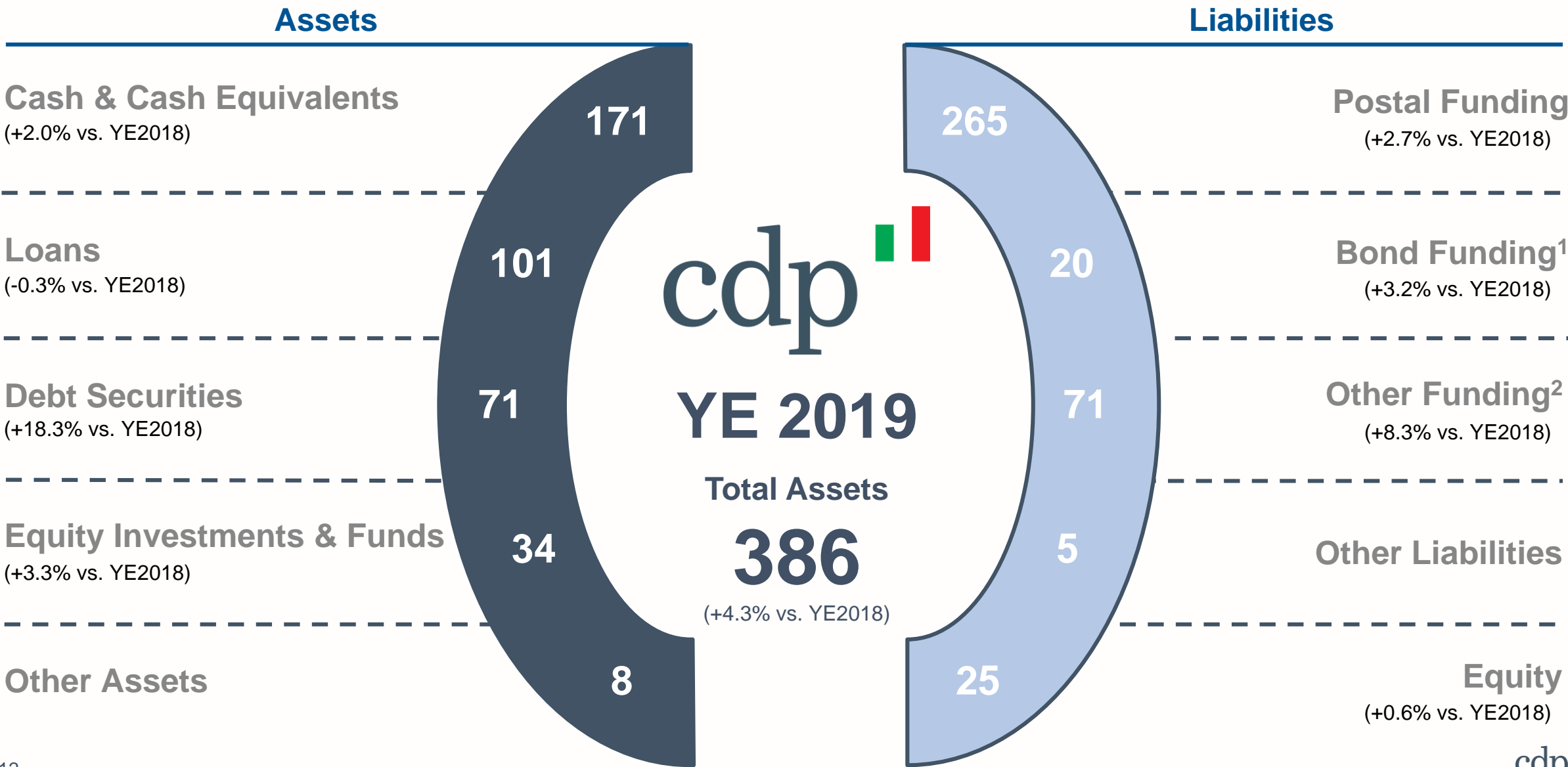
Key Financials, Funding Structure and Credit Rating

CDP in the ESG Bond Market

FY 2019 Activities and Results

CDP SpA Balance Sheet

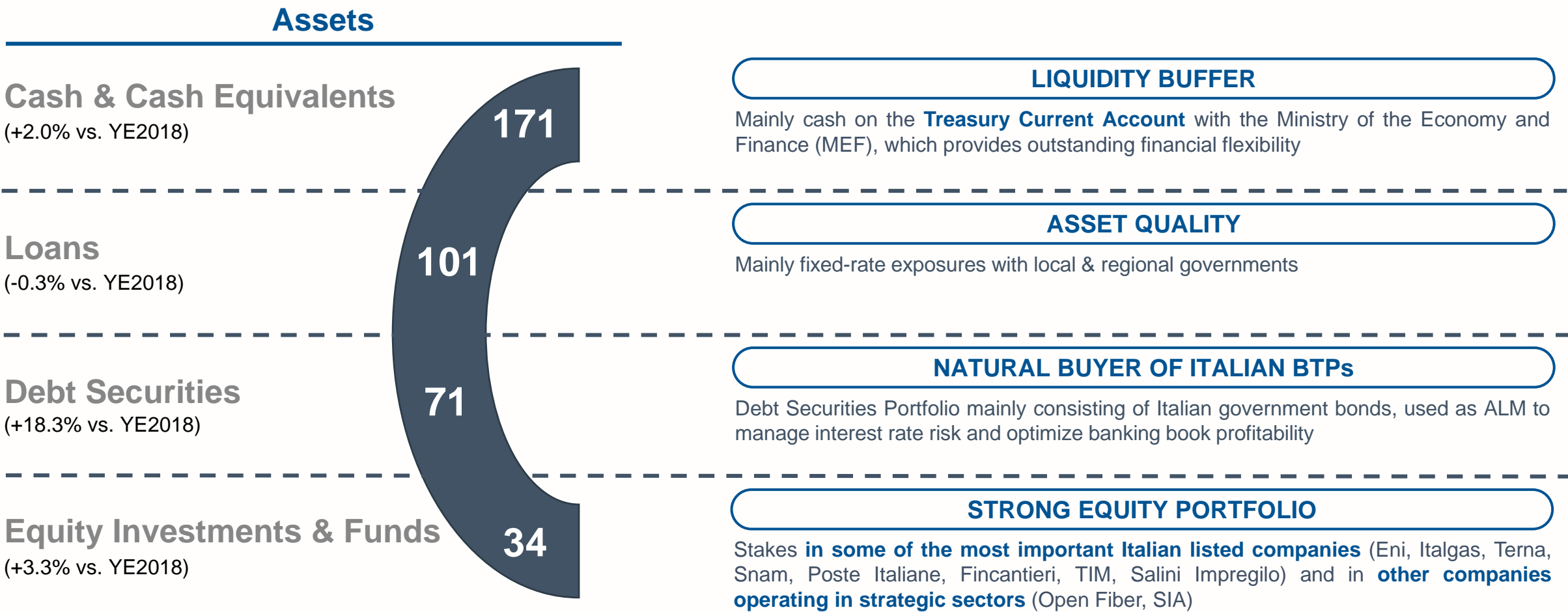
€ Bn



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

CDP SpA Assets

€ Bn



Strong capital base to protect savings and support country growth

CDP SpA Funding

€ Bn

Postal Funding¹

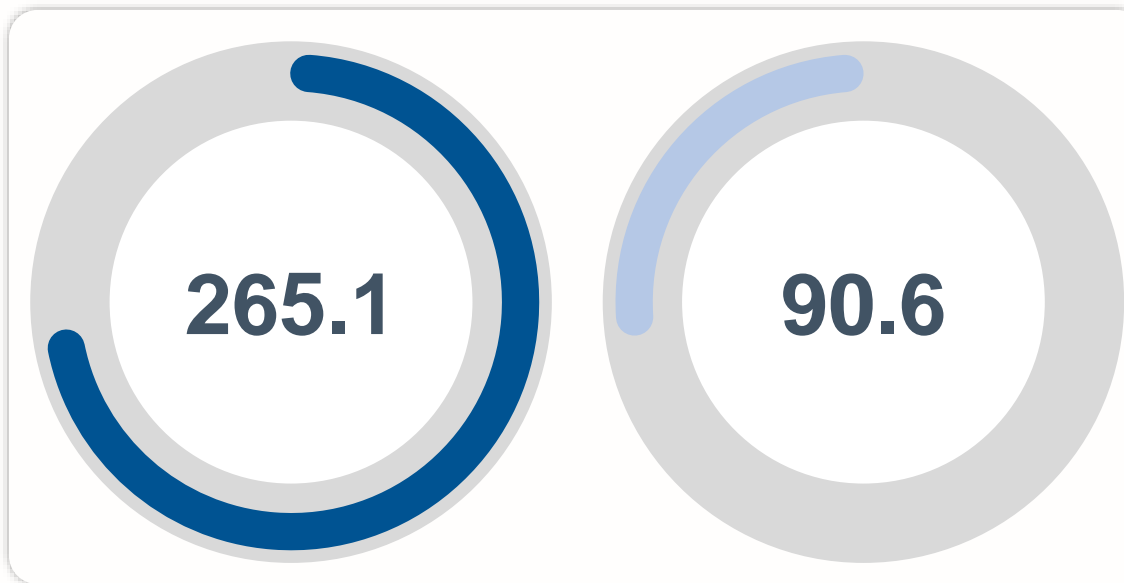


Postal Bonds



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



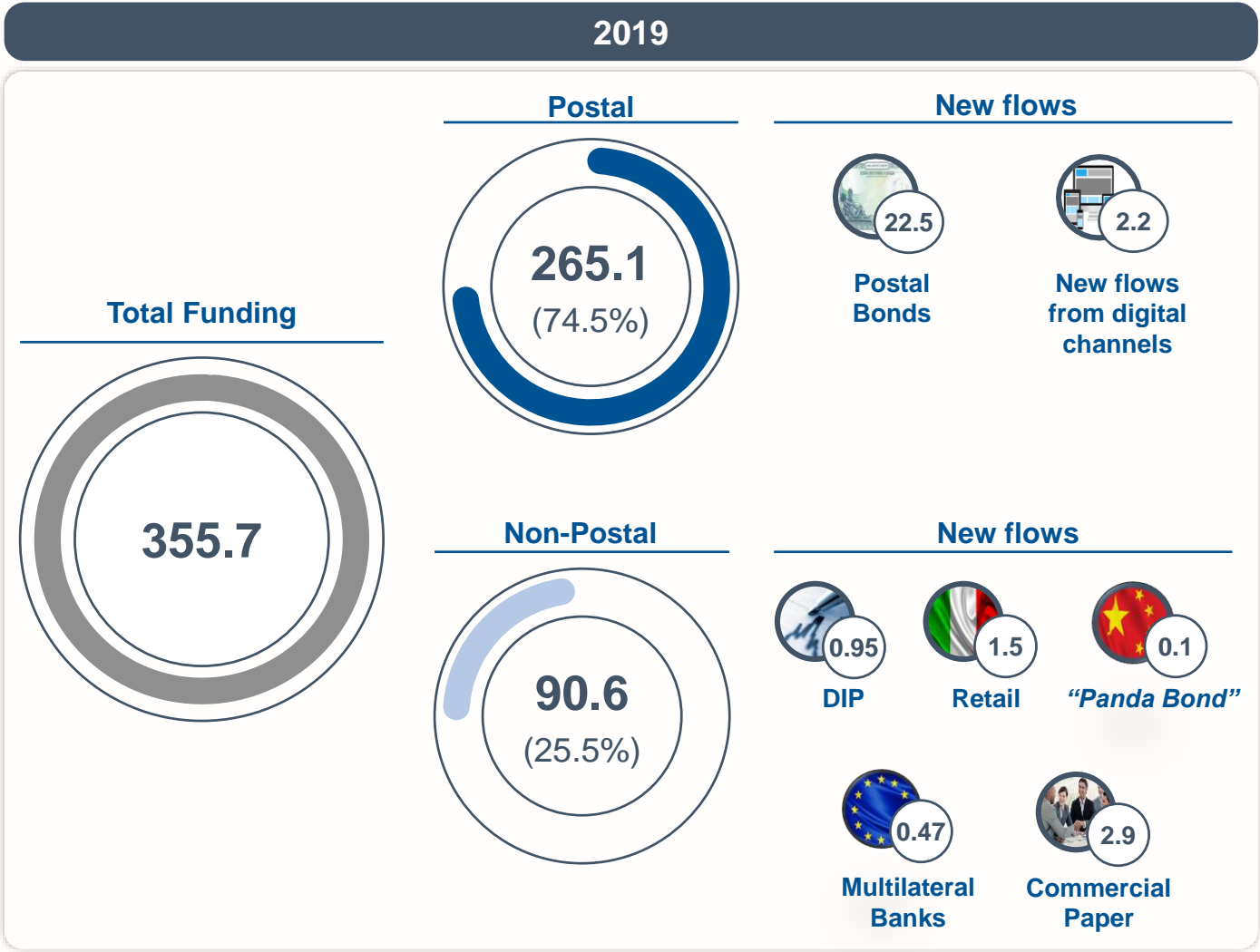
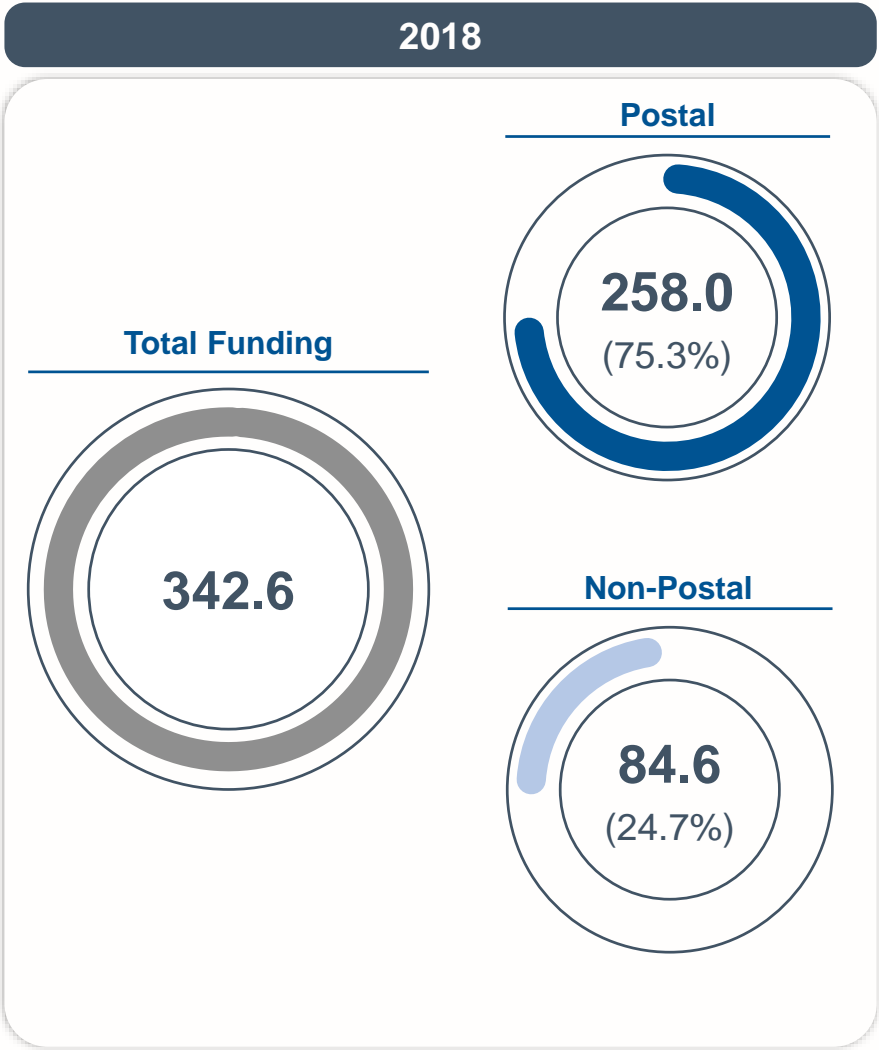
Other

- 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)

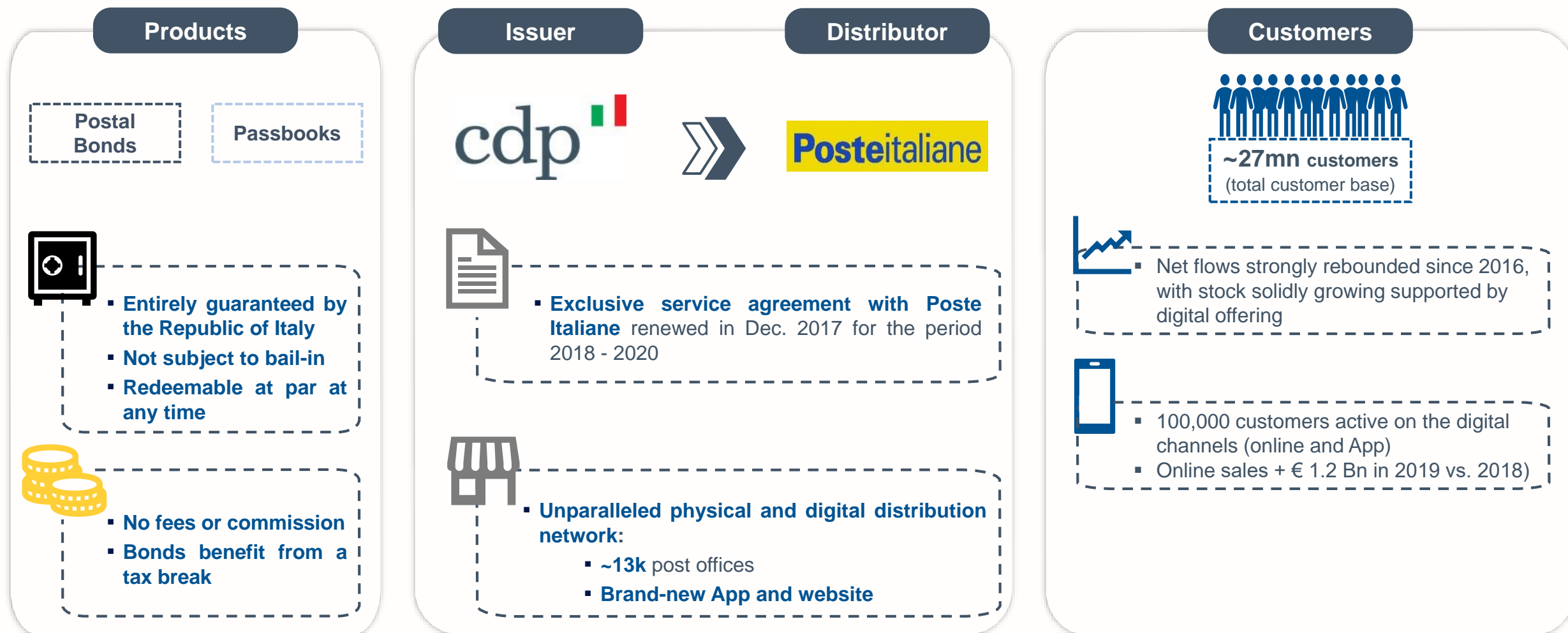
Mix of resilient Postal Funding and diversified Market Funding to support Business Plan challenges

Funding evolution 2018 vs. 2019

€ Bn



Postal Funding – Main features



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 € 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)

**CREDIT
RATING**

**S&P Global
Ratings**

**BBB
Negative**

FitchRatings

**BBB-
Stable**

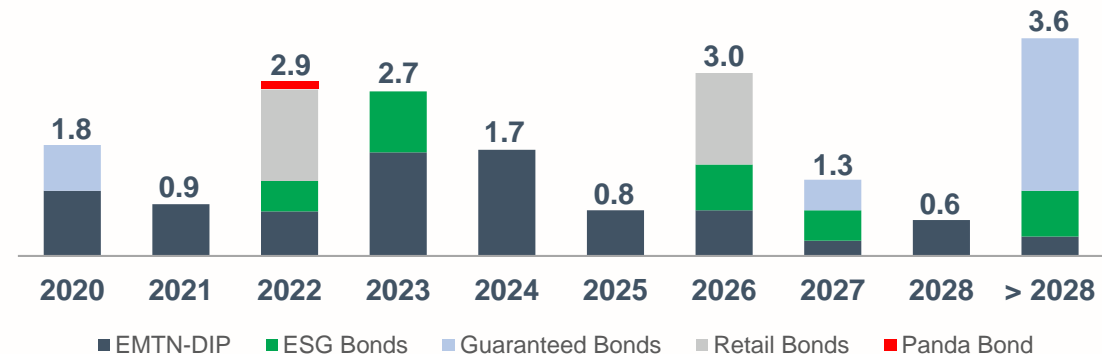
SCOPE

**BBB+
Stable**

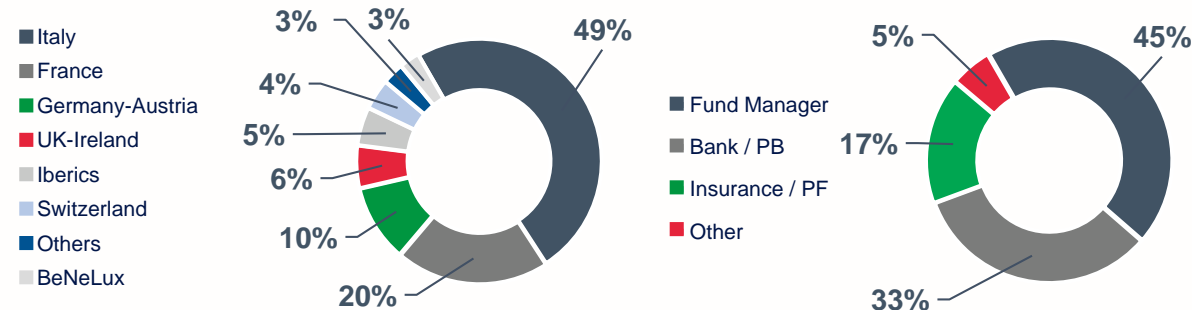
MOODY'S

**Baa3⁵
Stable**

Bond Maturity (as of 30 April 2020)



Investor Allocation⁴



1. Including EMTN-DIP (~ 12.2 € Bn), Guaranteed Bonds (3.8 € Bn), Panda Bond (127 € Mn equivalent) and Retail Bonds (2.9 € Bn). Net of 3.4 € Bn Commercial Paper
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 public issuances since 2011
5. Unsolicited rating from 1 January 2020

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CDP Green, Social and Sustainability Bond Framework

- As a National Promotional Institution, CDP's commitment to ESG comes from the specific nature of its business. Since 1850, CDP has always based its activities to serve Italy in a Social and Sustainable way
- CDP is an **ESG issuer since 2017 and one of the most frequent Social Bonds issuers**
- In line with the priority themes of sustainable development identified by the Group, CDP has developed its **Green, Social and Sustainability Bond Framework**. The document, initially published in 2017 as a Social Bond Framework has been regularly updated over time to enlarge its scope, firstly by including Sustainable and Green Bonds (2018) and then by adding the eligible category "Social Housing" (2020)



The **sustainability credentials** and the alignment with the **ICMA Principles** of the **Framework** and of **each issuance** are verified by a **Second Party Opinion Provider** (Vigeo Eiris)

CDP Framework has four core components:

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

5 Eligible Categories addressing 10 out of the 17 UN SDGs



Dual tranche 3yr & 7yr CDP Covid-19 Social Response Bond

| | |
|------------------------|--|
| Size | € 500 Mn (3yr) |
| | € 500 Mn (7 yr) |
| Coupon (fixed) | 1.5% (3yr) |
| | 2.0% (7 yr) |
| Transaction Highlights | <ul style="list-style-type: none">▪ Issued in April 2020▪ First Covid-19 Social Response Bond issued by a European NPI and compliant with ICMA guidelines▪ almost 2x oversubscribed▪ >130 investors involved, with a meaningful participation from SRI investors |



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

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

2017-2020 ESG Public Issuances

| | 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 |  <ul style="list-style-type: none"> ▪ Full allocation reached in the 1st year ▪ Impact measured on Employment |  <ul style="list-style-type: none"> ▪ Full allocation reached in the 1st year ▪ Impact measured on Employment and Reduction of water dispersion |  <ul style="list-style-type: none"> ▪ Full allocation reached in the 1st year ▪ Impact measured on Employment and Beneficiaries (students and citizens) | February 2021 |

An example of how sustainable finance translates into tangible 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

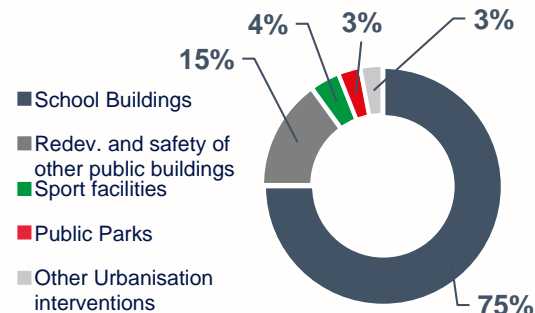
Employment impact

>15.5k full-time jobs created and retained

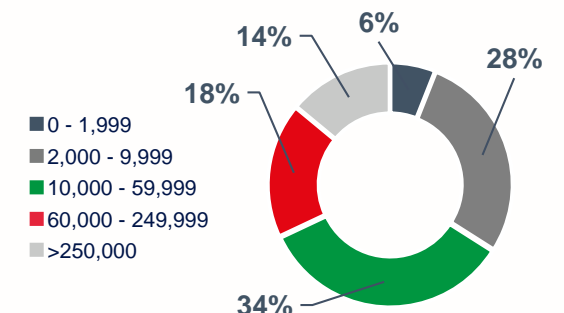
Beneficiaries

Ca. 587k students and 130k citizens

Projects by type



Municipalities by size



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.

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Business Volumes

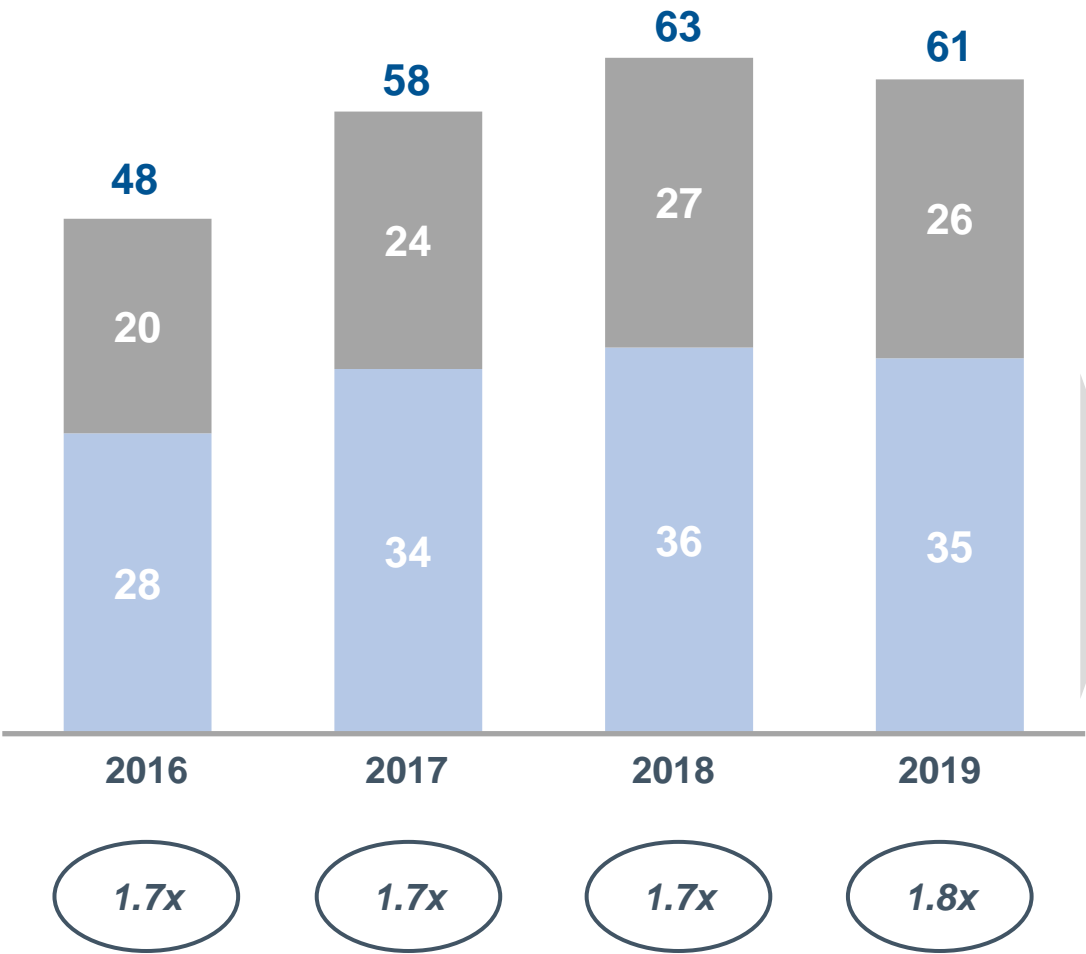
€ Bn

Total activated resources¹

Third-party resources activated

Resources mobilized by CDP Group²

Multiplier³



- **€ 24.9 Bn** to support development, innovation and growth of Italian corporates, even internationally
- **€ 9.3 Bn** to public sector, infrastructure and local development initiatives
- **€ 0.4 Bn** to promote initiatives in developing countries

CDP resources attracting additional third-party investments to support sustainable development of the Country

1. Total activated resources = sum of resources mobilized by CDP Group and resources invested by private parties, local/supranational institutions and international investors as a result of CDP activities
2. Mobilized resources = financial resources made available by CDP Group, directly (ex. loans, bonds, guarantees, equity) or through the management of third party resources
3. Ratio between total activated and mobilized resources

Main achievements (1/2)

CDP Corporate

20k+
(#)

Corporates served by the Group (60k BP target)

3
(#)

New local offices opened (Genova, Verona, Naples)

0.5
(¥/Bn)

Lendings in Renminbi to support Italian companies in China

Equity & Funds Investments

3
(#)

Strategic investments in key sectors for the Country: CDP Equity in **Salini Impregilo** and in **SIA** / CDP to increase stake in **TIM**

>200
(€/mln)

CDP commitment in new FoF **PE Italia** and additional commitments in **I&S** and **Tech Growth** Funds

68/70
(%)

Stakes **FII** for Private Equity and Private Debt / Invitalia Ventures, now **CDP Venture Capital**, for Venture Capital

CDP Public Sector and Infrastructure

>1,200
(#)

Public Sector entities **financed**

-21
(days)

Improvement in average **payment time** for PA requesting Liquidity Advances¹

1
(#)

Dedicated Advisory Unit to provide Public Sector with technical and economic/financial advisory

Main achievements (2/2)

CDP International Cooperation

4x

Business volumes vs. 2018

30

(€/mln)

Amount of EU guarantees within «**Archipelagos**» agreement aimed at promoting the growth of African SMEs

1st

Italian financial institution accredited to the **Green Climate Fund**¹

Sustainable Finance

+3.4
(€/bn)

Postal Funding CDP net inflow

750

(€/mln)

“**Social Bond**” issued in March

1.5
(€/Bn)

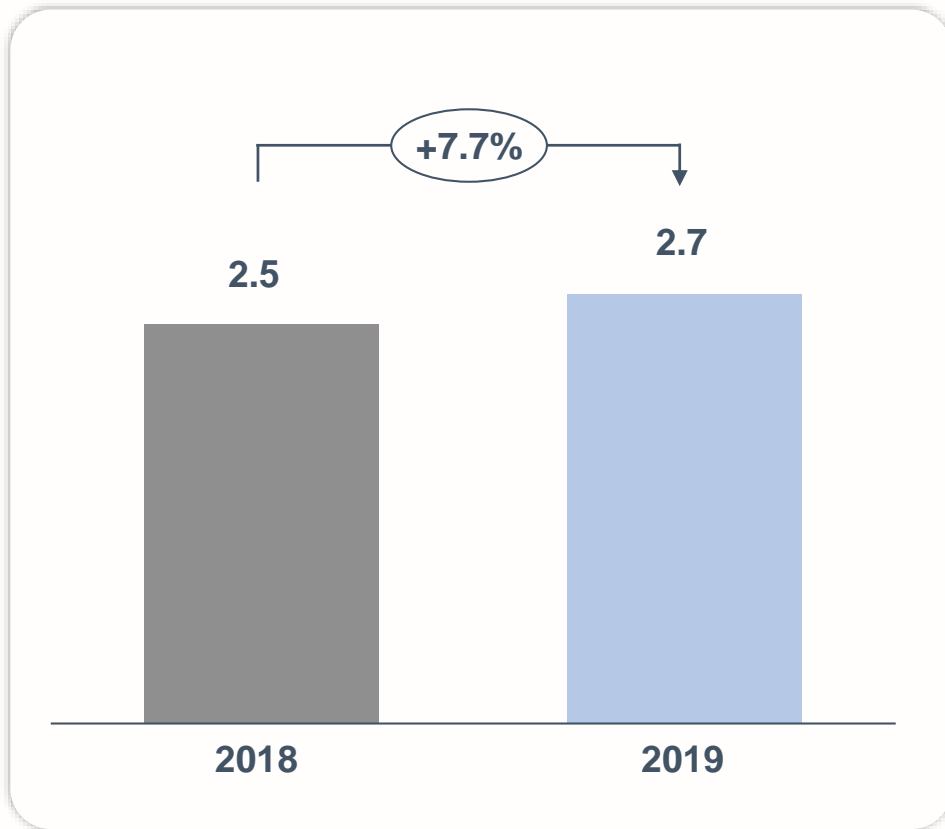
“**Retail Bond**” issued in June

1. Set up by the United Nations in 2010, Green Climate Fund (GCF) is the world's largest dedicated fund helping developing countries reduce their GHG emissions and enhance their ability to respond to climate change.

Net Income

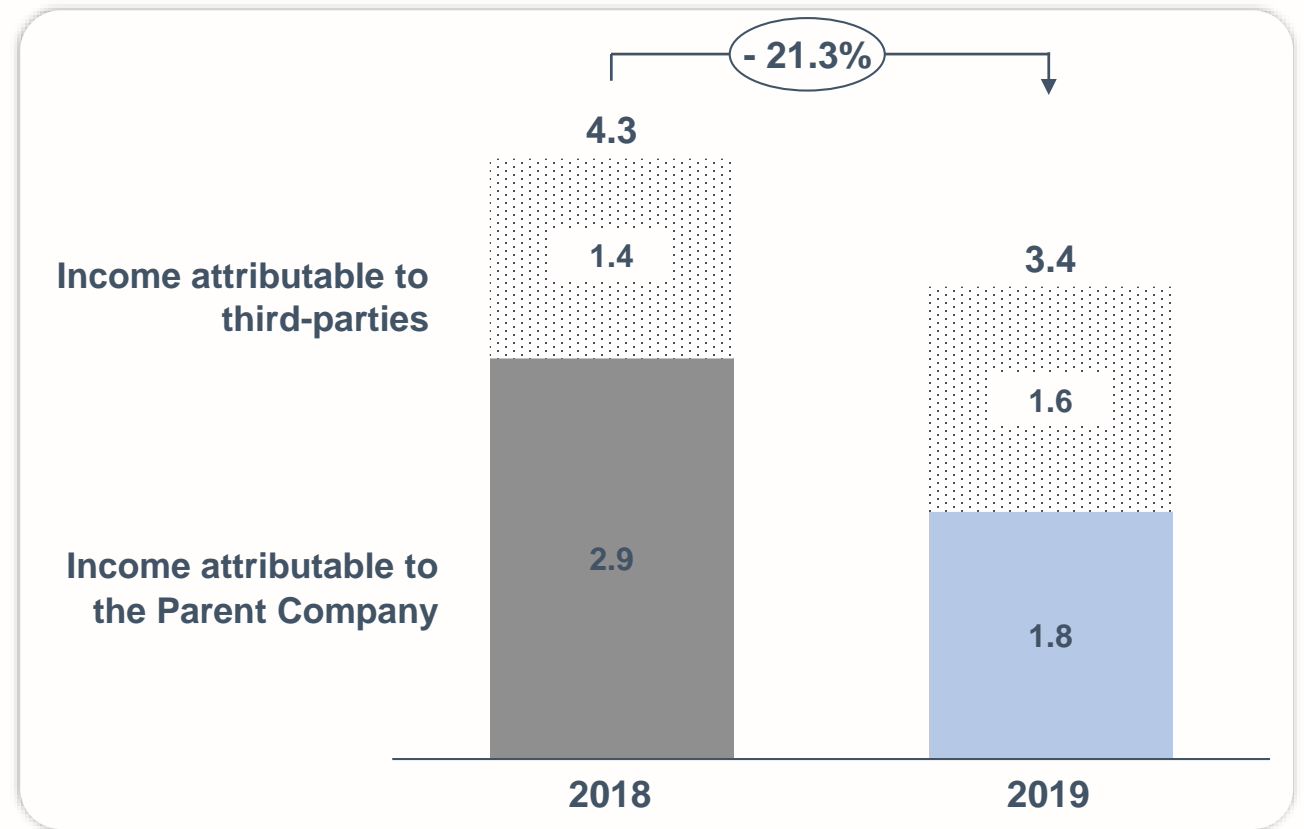
€ Bn

CDP SpA Net Income



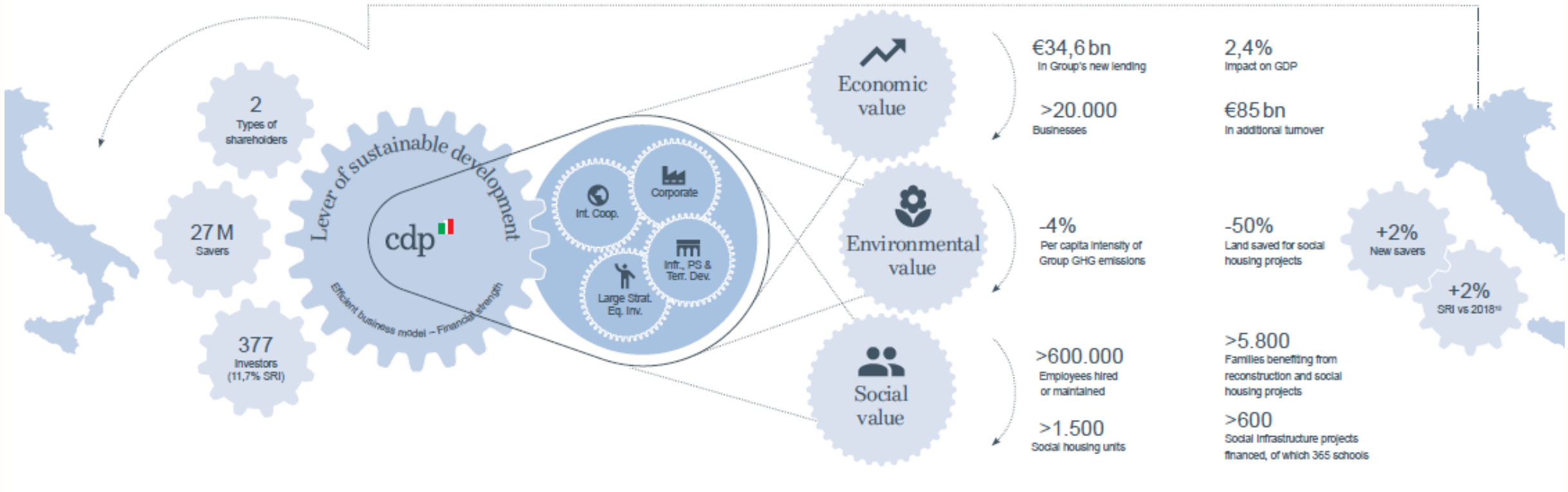
- **Higher Net Income** despite interest rates at record low level, thanks to ALM initiatives both on Funding and Securities Portfolio

Consolidated Net Income



- **Lower Consolidated Net Income** mainly due to the lower contribution from participated companies

A unique business model coming from and going back to stakeholders



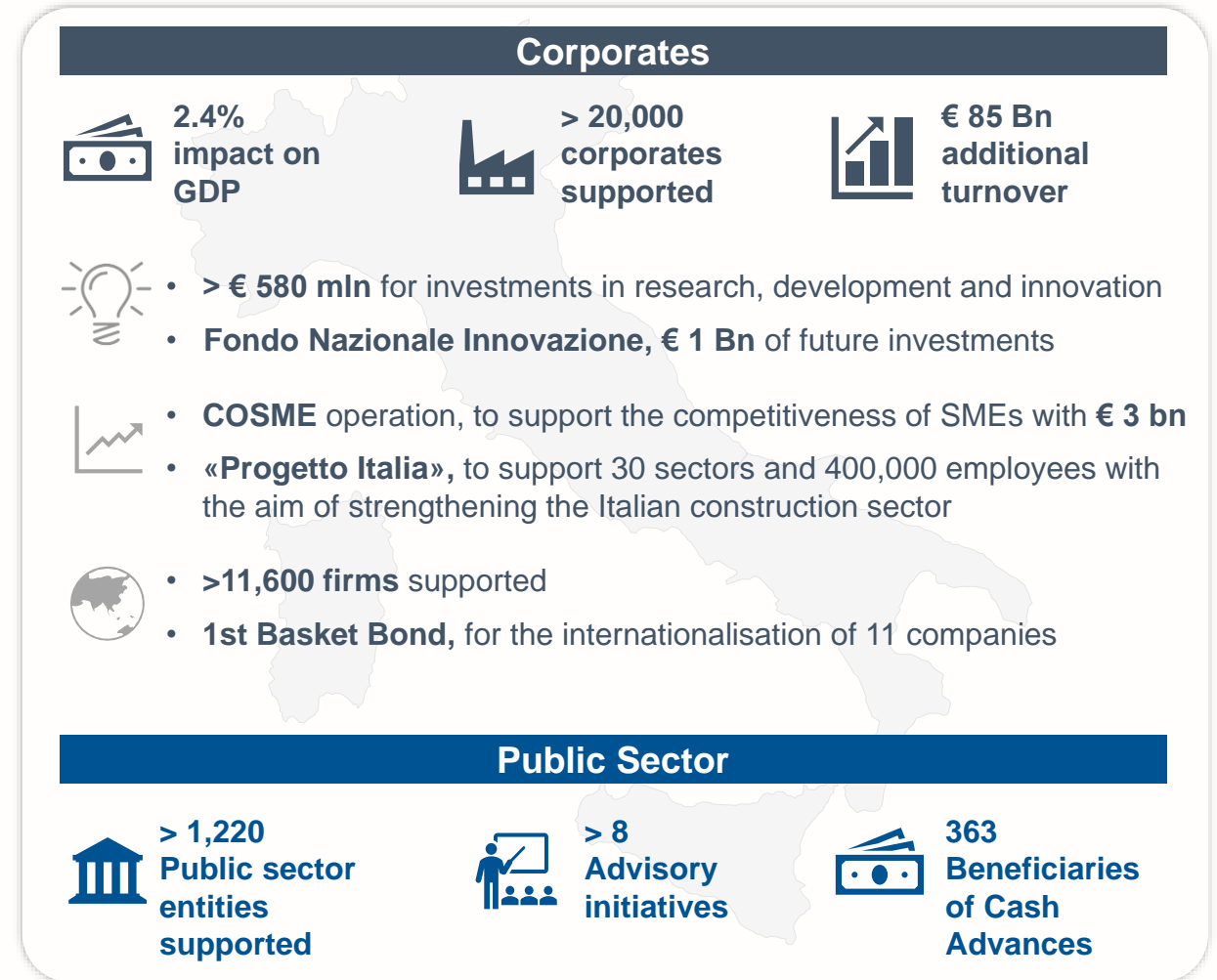
Mobilized resources return as public services and employment, strengthening the pact of trust with the Country

2019 benefits in terms of Economic results



€ 34.6 Bn

**CDP Group
Business volumes**



2019 benefits in terms of Environmental results

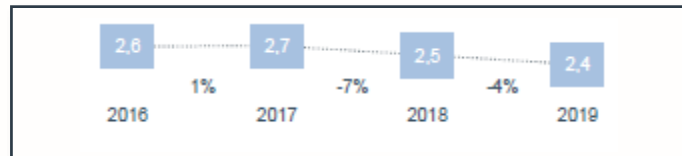


Both internally...

Consumption 2019 vs 2018



- 4% per capita intensity GHG emission



Operation Zero Plastic

- 1.4 mln disposable plastic products
- 12 tons of plastic
- + 94 mln litres of drinking water donated
- 15 families in Senegal and 1,000 children from the Merereni school in Kenya with access to drinking water

Operation paperless

- 53% of printouts in CDP
- 1 ton of printed paper
- 15 tons of paper eliminated from offices
- 110 trees for the CDP Forest (75 in Kenya and 35 in Sicily)

...and externally

- Direct financing to private parties and the Public Sector
- Subscription of Green Bonds
- Managing public resources
- Anchor investor in national and international investment funds
- Promoting systemic initiatives

- 4 «City Plans» (GE, NA, PG, TO) to facilitate urban regeneration, sustainable mobility, energy efficiency, social housing
 - 350,000 m³ redeveloped
 - 50% of land saved for social housing projects
- 5 energy efficiency MoUs

- Renewables installations (CDP-ENI)
- Circular economy (CDP-ENI Rewind)
- MarEnergy (CDP-ENI-Fincantieri-Terna)
- Sust. energy and digital applications (CDP-SNAM-Ansaldo)
- Modernisation of port facilities (CDP-SNAM-Fincantieri)

2019 benefits in terms of Social results



Ongoing investments on group employees...



Talent, training & development



~ 280 people
hired in 2019



- > 1.5 mln€ training investments (> 55K hours)
- 25 training hours per capita on average

Welfare programmes



Family



Work life balance



Health and
wellbeing



Flexible Benefits

Diversity, inclusion and engagement



1,030 women
in the Group
(+4% vs 2018)



+43% new hires
under 30

...and on communities' well-being

> 600.000
employees hired or
maintained

By promoting financial inclusion



- 27 mln savers (+ 2% vs 2018)
- 1 mln passbooks enabled for the digital channel
- 1.5 million of foreign passbooks subscribers

By supporting education



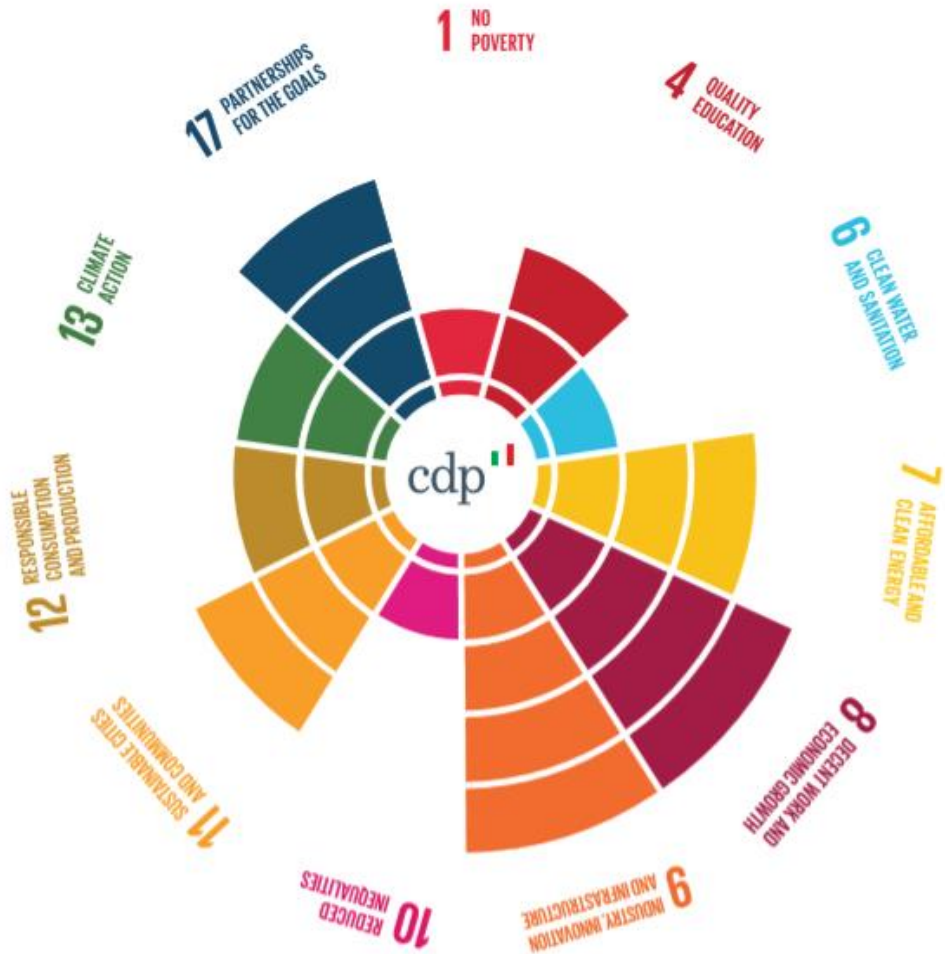
- 365 retrained schools
- ~1,600 beds for student housing accommodation
- 221,500 students trained with initiatives such as “Il Risparmio che Fa Scuola”

By redeveloping and rebuilding the territories



- 1,500 social housing units
- >5,100 beneficiaries
- € 0.7 billion for natural disasters
- 6,200 beneficiaries – 70% families and 22% enterprises

Our Economic, Social and Environmental activities tangibly contribute to SDGs



2019 CDP financial resources and SDGs

| SDGs | Amounts (bn) | |
|---|--------------|--|
| 1 NO POVERTY | 0,86 | |
| 7 AFFORDABLE AND CLEAN ENERGY | 8,86 | |
| 10 REDUCED INEQUALITIES | 0,24 | |
| 13 CLIMATE ACTION | 0,77 | |
| 4 QUALITY EDUCATION | 1,72 | |
| 8 DECENT WORK AND ECONOMIC GROWTH | 17,66 | |
| 11 SUSTAINABLE CITIES AND COMMUNITIES | 6,26 | |
| 17 PARTNERSHIPS FOR THE GOALS | 6,68 | |
| 6 CLEAN WATER AND SANITATION | 0,06 | |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE | 16,79 | |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION | 0,86 | |

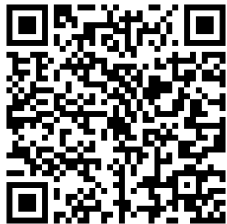
- CDP has analysed its projects according to their capacity to contribute to the achievement of the SDGs
- The model allows to:
 - Represent rigorously the **Group's commitment** with respect to the **UN 2030 Agenda**
 - Use the approach to **encourage further evolution**

Methodological note -Each of the evaluated projects has an impact on more than one SDG, with a maximum of 3 SDGs per project, selected among those SDGs to which the project has effectively contributed or will effectively contribute (non-applicable operations have not been included). This implies that the total sum of mobilised resources for all SDGs is greater than the resources mobilised by the Group in 2019 without overestimating CDP's lever effect.

Useful documentation

CDP Results

2019-2021 Business
Plan Presentation



2019 Annual Report



FY 2019 Results
Presentation



2019 Sustainability
Report



ESG Issuances

Green, Social and
Sustainability Bond
Framework



Sustainability Bond
Report



Inaugural Social Bond
Report



2019 Social Bond
Report



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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.

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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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