



# 1H 2017 Financial Results and Business Plan Update

Rome, 3<sup>rd</sup> August 2017

# Speakers

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**CFO**

**F. Palermo**

- **CFO of CDP** (since Oct 2014)
- **CFO** (2006-2014) and **Deputy-General Manager** (2011-2014) of **Fincantieri**
- Previous experience in **McKinsey & Co.** (1998-2005) and **Morgan Stanley**



**Head of IR**

**G. Di Vaio**

- **Head of Investor Relations & Rating Agencies of CDP** (since Nov 2016)
- **Senior Economist at CDP** (2010-2016)
  - Previous experience as **Adjunct Professor of Economics at LUISS Rome**

# 1H 2017 Highlights

€bn

## Group

## CDP SpA

13

**Resources**  
(new business volumes)

▪ +5% vs 1H 2016

**Resources**  
(new business volumes)

▪ + 34% vs 1H 2016

9

2.5

**Net Income<sup>(1)</sup>**

▪ ~ 4x vs 1H 2016

**Net Income**

▪ +7% vs 1H 2016

1.2

35

**Equity<sup>(2)</sup>**

▪ Substantially stable

**Equity**

▪ In line with FY 2016

23

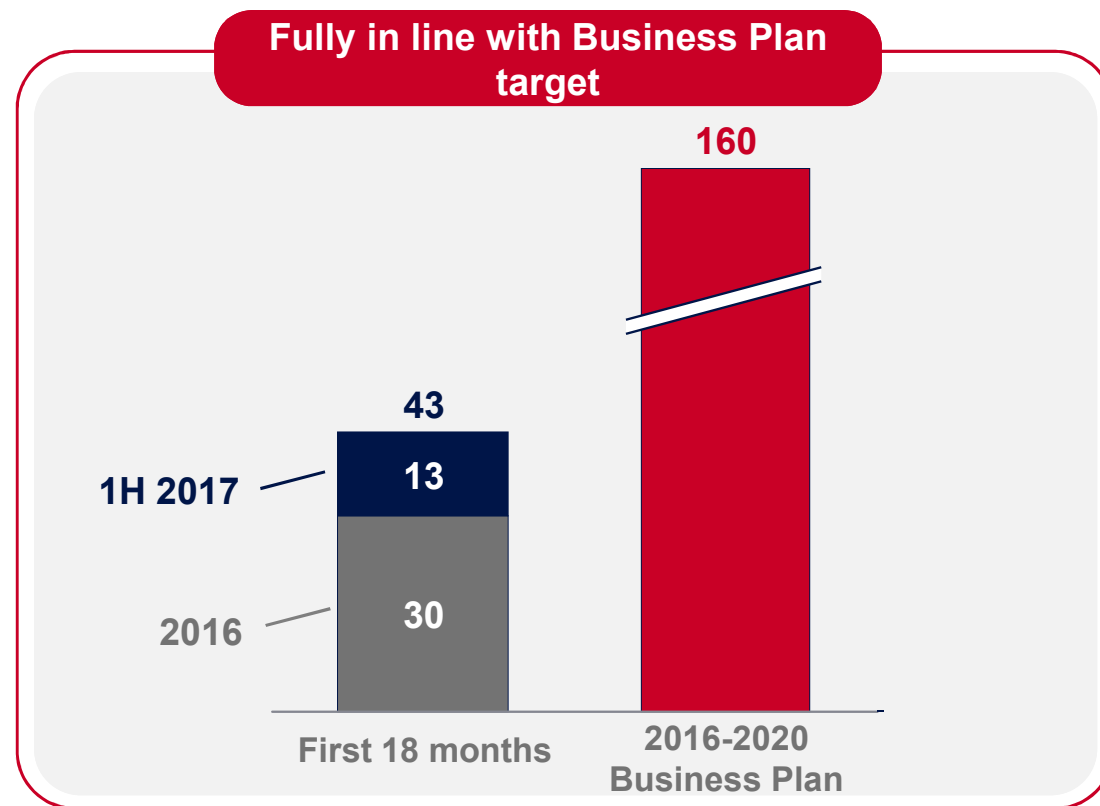
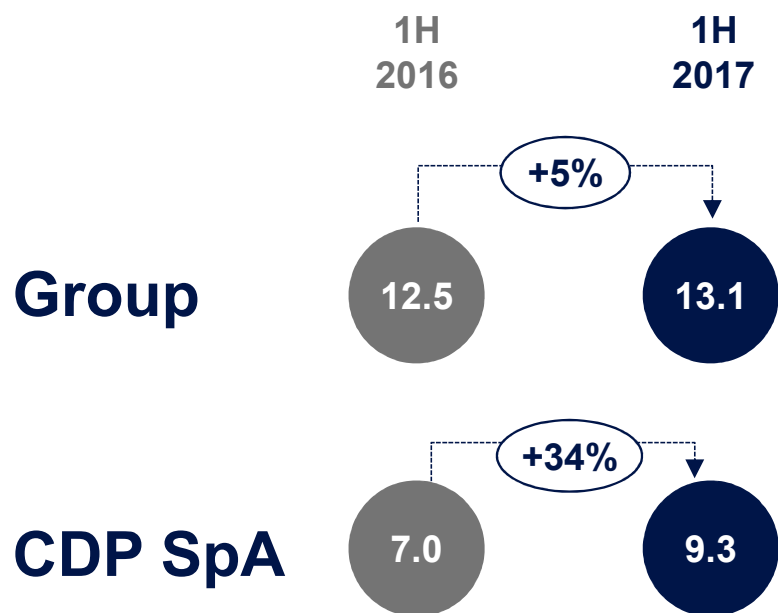
**cdp**  
cassa depositi e prestiti

1H 2017

**Strong business and financial results,  
to support Italian growth and competitiveness**

# 1H 2017 Business Plan Update

€bn



- Growing volumes fully in line with Business Plan expectations

# 1H 2017 Group Business Volumes

€bn

## Government and Infrastructure

- Financing to **local governments**
- **Infrastructure** projects
- **International cooperation**

1.8

## Corporates

- Corporate financing: **loans, factoring** and **capital market** transactions
- **SMEs** financing via **banking sector**
- **Equity investments**

4.8

## Export Finance

- Direct **financing** to companies and institutions
- **Guarantees** for export credit and internationalization
- **Equity** injection and **interest rate** contribution

6.4

## Real Estate

- Support to **social** and **smart housing** (FIA Funds)
- Investment in **touristic assets** (FIT Fund)
- **CapEx** financing (FIV Fund)

0.1

€11bn of Business Volumes targeted to corporates and export finance:  
> 85% of resources mobilized in 1H 2017

# CDP SpA Profit and Loss Figures

€mln

	1H 2016	1H 2017
<b>Net Interest Income</b>	<b>1,174</b>	<b>1,578</b>
Net Commission Income	(770)	(741)
Dividends	1,043	785
Gains (losses) on Equity Investments	-	(78)
<b>Gross Income</b>	<b>1,423</b>	<b>1,535</b>
Write-downs	(46)	(14)
Administrative Expenses	(67)	(73)
<b>Net Income</b>	<b>1,147</b>	<b>1,222</b>
<hr/>		
<i>Interest Rate Spread</i>	<i>0.8%</i>	<i>1.0%</i>
<i>Cost/Income Ratio</i>	<i>4.9%</i>	<i>4.8%</i>

## Key highlights

- **+8% Gross Income** vs 1H 2016
- **+ 7% Net Income** vs 1H 2016
- Results mainly driven by **ALM actions** and **optimization of funding sources**
- **Improved Interest Rate Spread** (+ 26bps vs 1H 2016)
- **Strong cost discipline**

# CDP SpA Balance Sheet Key Figures

€bn

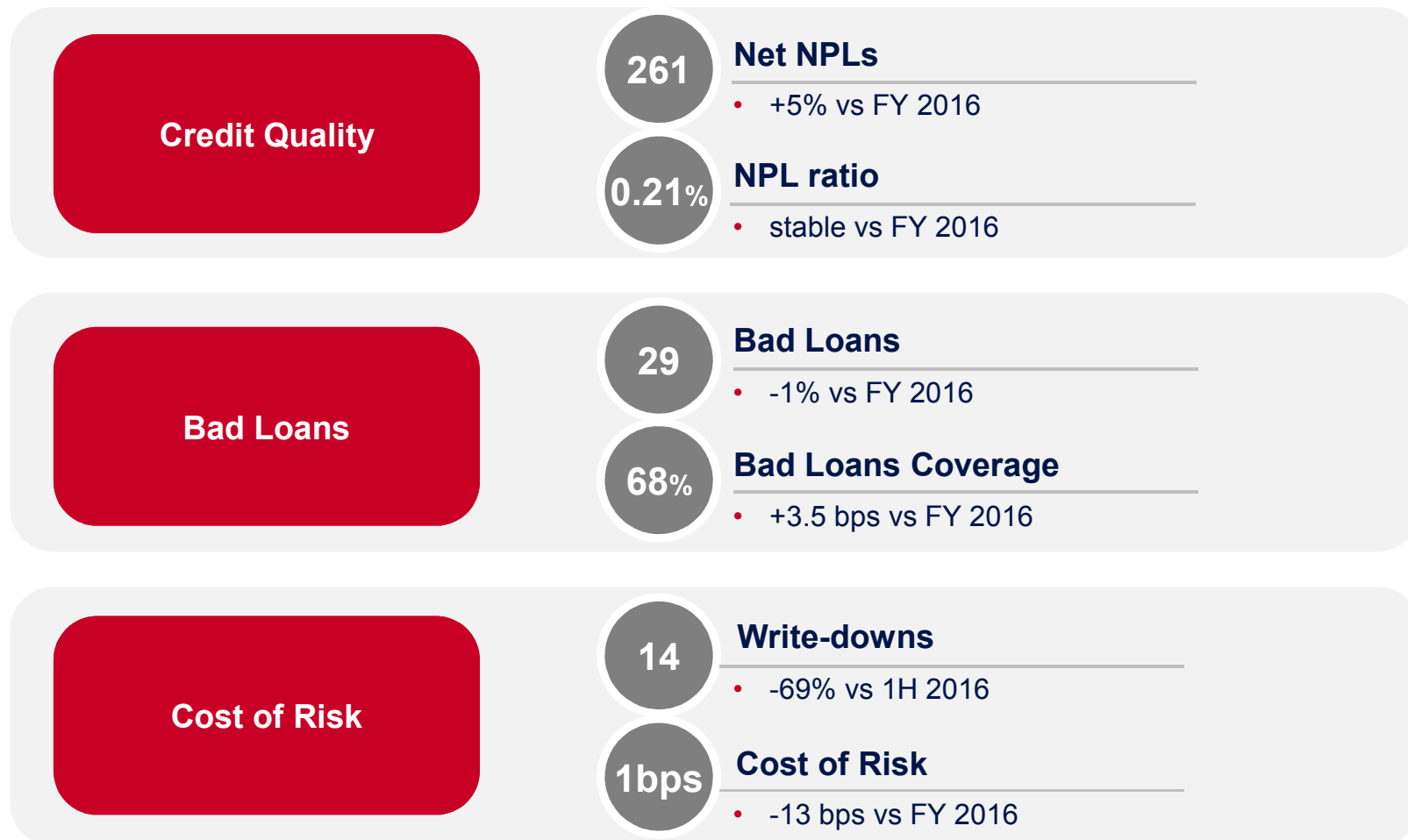
	FY 2016	1H 2017	
<b>Assets</b>	Cash & Cash Equivalents	161.8	173.4
	Loans	103.0	101.9
	Debt Securities	49.0	50.7
	Equity Investments	32.6	32.1
<b>Liabilities</b>	Postal Funding	250.8	247.8
	Other Funding Sources	81.0	92.0
	Equity	23.2	23.4
	<b>Total Assets/Liabilities</b>	<b>357.7</b>	<b>365.6</b>
<b>Ratios</b>	<i>NPL Ratio</i>	0.2%	0.2%
	<i>Postal Funding/Total Funding</i>	76%	73%
	<i>Equity/Total Assets<sup>(1)</sup></i>	12%	12%

## Key highlights

- **Increased liquidity** (+ €12bn vs FY 2016)
- **Higher diversification of funding mix** in line with Business Plan targets (other funding sources: + €11bn FY 2016)
- **Strong asset quality** (NPL ratio stable at 0.2%)
- **Adequate and stable capital base**

# Strong Asset Quality

€mln





# CDP SpA New Funding

€bn

## 1H 2017 key new funds raised

Long-Term Repo

2.0

Private Placements

1.0

Public Issuance

1.0

BEI-CEB

0.2

Total funding

332

340

FY 2016

1H 2017

Other funding sources/Total funding

24%

27%

Increased diversification of funding structure: > €4bn of medium to long term new financing (of which €2bn through bond issuance)

# Group Key Figures

€bn

	1H 2016	1H 2017
<b>Income Statement</b>		
Net Interest Income	1.0	1.5
Gains (losses) on Equity Investments	(0.4)	1.0
Gross Income	~ 0	1.5
Net Income	0.6	2.5
<i>Attributable to CDP SpA</i>	~ 0	1.6
<b>Balance Sheet</b>		
Equity	35.7	34.6
<i>Attributable to CDP SpA</i>	22.5	21.9
Total Assets/Liabilities	410.4	414.7

## Key highlights

- **Gross Income** at €1.5bn, mainly driven by:
  - Positive results of equity investment
  - Increased performance of the parent company
- **Sensible increase in consolidated Net Income** (€2.5bn: 4x vs 1H 2016)
- **Increase in Total Assets** mainly due to higher Group liquidity (+ 1% vs FY 2016)

# 1H 2017 CDP Group Companies' Results

€mln

147

**SACE**

▪ vs €166mln 1H 2016

504

**SNAM**

▪ vs €427mln 1H 2016

983

**ENI<sup>(1)</sup>**

▪ vs €(1,242)mln 1H 2016

69

**CDP Equity**

▪ vs €3mln 1H 2016

140

**Italgas**

▪ vs €114mln 1H 2016

(110)

**Saipem<sup>(1)</sup>**

▪ vs €53mln 1H 2016

350

**Terna**

▪ vs €323mln 1H 2016

11

**Fincantieri**

▪ vs €5mln 1H 2016

510

**Poste**

▪ vs €565mln 1H 2016

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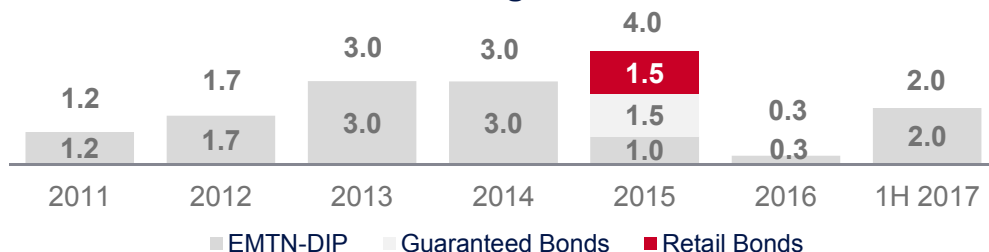
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# Appendix

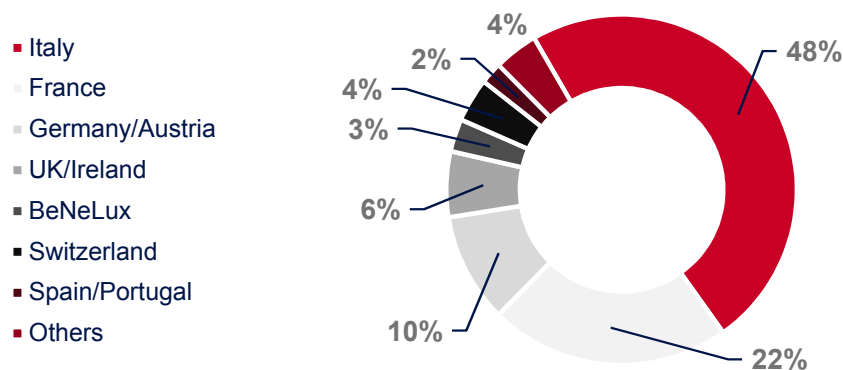
# CDP Market Funding

€bn

## Bond Funding Volumes



## Geographic Distribution<sup>(1)</sup>



## Key highlights

- **Outstanding bonds** amount to ~ **€13bn**, with 34 single transactions<sup>(2)</sup>
- Access to **non-euro markets** (USD, JPY)
- ***Pari passu*** ranking with **postal savings**
- Eligible for **ECB collateral framework**
- Eligible for **ECB Public Sector Purchase Programme**
- **Category II, Step 3 ECB Haircut** applicable (debt issued by agencies). Haircuts range: 7% (residual maturity <1Y) to 19% (residual maturity >10Y)

## Frequent Issuer with €10bn Debt Issuance Program (DIP)

# Successful €1bn 7Y Senior Unsecured Bond

## Transaction Summary

<b>Issuer</b>	Cassa depositi e prestiti S.p.A.
<b>Issuer Ratings</b>	Baa2 (M) / BBB- (SP) / BBB (F)
<b>Issue Rating</b>	Baa2 (M) / BBB- (SP) / BBB (F)
<b>Documentation</b>	Issued off the Issuer's €10bn Debt Issuance Programme, dated 12 May 2017 and duly supplemented on 1 June 2017
<b>Governing law</b>	Italian law
<b>Format</b>	RegS bearer
<b>Ranking</b>	Senior Unsecured
<b>Size</b>	€1,000mm
<b>Denomination</b>	€100,000 + €100,000
<b>Pricing Date</b>	14 June 2017
<b>Settlement Date</b>	21 June 2017
<b>Maturity Date</b>	21 June 2024
<b>Coupon</b>	1.500% fixed, annual act/act
<b>Reoffer Spread</b>	MS + 123bps
<b>Reoffer Yield</b>	1.605%
<b>Reoffer Price</b>	99.310%
<b>Listing</b>	Luxembourg Stock Exchange

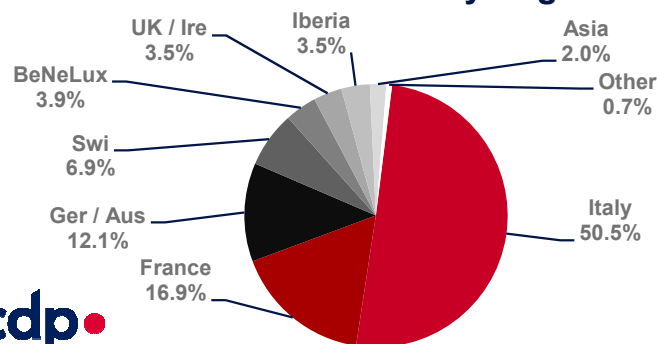
## Transaction Highlights

- On Wednesday, 14<sup>th</sup> June 2017, Cassa depositi e prestiti ("CDP") successfully priced a €1,000mln 7-year Senior Unsecured transaction
- This transaction represents the first Senior Unsecured bond issued in the public institutional markets by CDP since April 2015

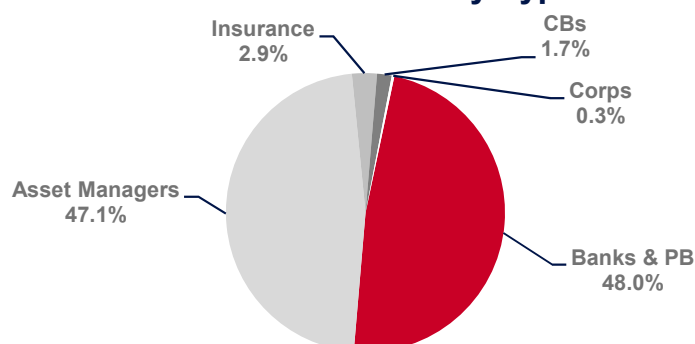
### Transaction execution:

- On 13<sup>th</sup> June 2017, following the successful BTP auctions and on the back of a stable and supportive market, CDP announced the mandate for a new 7-year senior unsecured bond
- Thanks to the strong feedback received and favourable market conditions, the issuer decided to open books the following day, announcing IPTs of MS+130/135bps at 9:30am CET
- The order book went off to a good start (€1.2bn), gathering orders from international and domestic accounts. This allowed syndicates to release guidance of MS+125/130bps shortly after
- Despite the price revision, books continued to grow in excess of €1.8bn (excluding JLMs interest) from more of 130 high quality Investors giving confidence to the banks to release revised guidance at ms+125bps (+/-2bps) will price in range at 11:00am London time
- At 12:00am CET, syndicates set a final spread of MS+123bps and a final size of €1,000mm. The transaction priced later in the afternoon at a yield of 1.605%, setting the coupon at 1.500%

## Investor Allocation by Region



## Investor Allocation by Type



## JLMs and Joint Bookrunners

