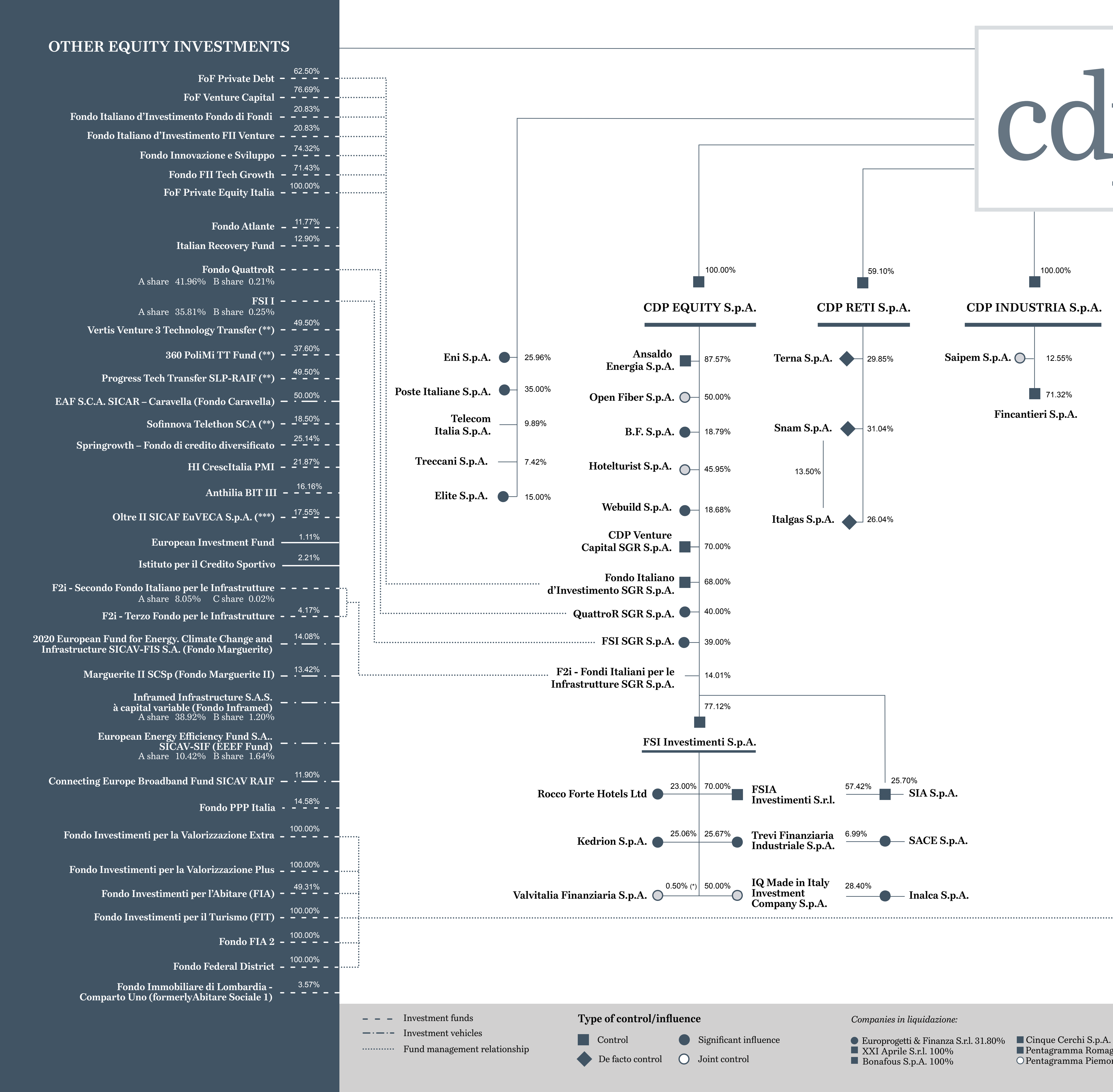
Half-yearly Financial Report 2020



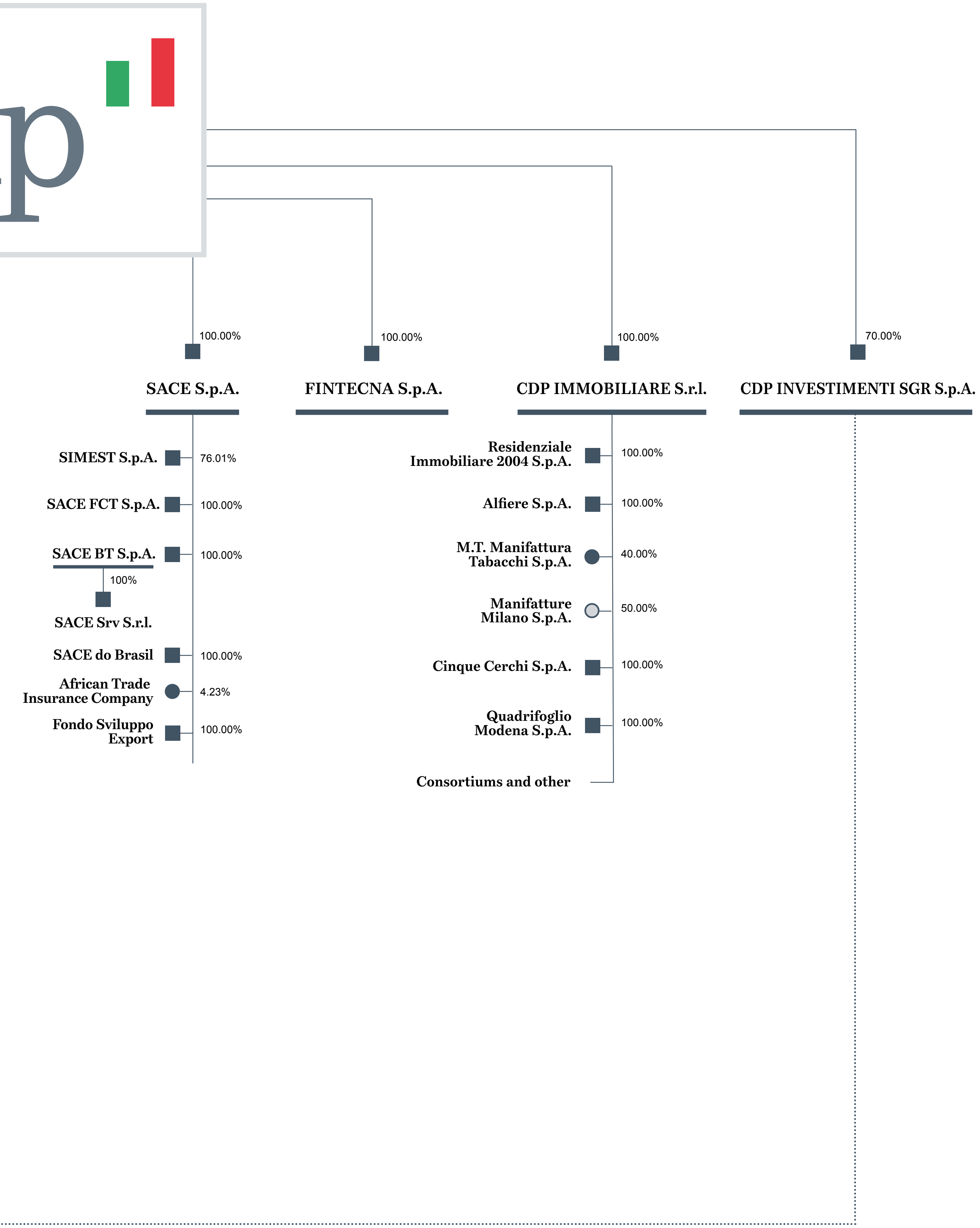




Investing in tomorrow



OTHER EQUITY INVESTMENTS
FoF Private Debt 62.50%
FoF Venture Capital 76.69%
Fondo Italiano d'Investimento Fondo di Fondi 20.83%
Fondo Italiano d'Investimento FII Venture 20.83%
Fondo Innovazione e Sviluppo 74.32%
Fondo FII Tech Growth 71.43%
FoF Private Equity Italia 100.00%
Fondo Atlante 11.77%
Italian Recovery Fund 12.90%
Fondo QuattroR
A share 41.96% B share 0.21%
FSI I
A share 35.81% B share 0.25%
Vertis Venture 3 Technology Transfer (**) 49.50%
360 PoliMi TT Fund (**) 37.60%
Progress Tech Transfer SLP-RAIF (**) 49.50%
EAF S.C.A. SICAR – Caravella (Fondo Caravella) 50.00%
Sofinnova Telethon SCA (**) 18.50%
Springrowth – Fondo di credito diversificato 25.14%
HI CrescItalia PMI 21.87%
Anthilia BIT III 16.16%
Oltre II SICAF EuVECA S.p.A. (***) 17.55%
European Investment Fund 1.11%
Istituto per il Credito Sportivo 2.21%
F2i - Secondo Fondo Italiano per le Infrastrutture
A share 8.05% C share 0.02%
F2i - Terzo Fondo per le Infrastrutture 4.17%
2020 European Fund for Energy. Climate Change and Infrastructure SICAV-FIS S.A. (Fondo Marguerite) 14.08%
Marguerite II SCSp (Fondo Marguerite II) 13.42%
Inframed Infrastructure S.A.S. à capital variable (Fondo Inframed)
A share 38.92% B share 1.20%
European Energy Efficiency Fund S.A.. SICAV-SIF (EEEF Fund)
A share 10.42% B share 1.64%
Connecting Europe Broadband Fund SICAV RAIF 11.90%
Fondo PPP Italia 14.58%
Fondo Investimenti per la Valorizzazione Extra 100.00%
Fondo Investimenti per la Valorizzazione Plus 100.00%
Fondo Investimenti per l'Abitare (FIA) 49.31%
Fondo Investimenti per il Turismo (FIT) 100.00%
Fondo FIA 2 100.00%
Fondo Federal District 100.00%
Fondo Immobiliare di Lombardia - Comparto Uno (formerlyAbitare Sociale 1) 3.57%
cd
100.00%
CDP EQUITY S.p.A.
59.10%
CDP RETI S.p.A.
100.00%
CDP INDUSTRIA S.p.A.
Eni S.p.A. 25.96%
Poste Italiane S.p.A. 35.00%
Telecom Italia S.p.A. 9.89%
Treccani S.p.A. 7.42%
Elite S.p.A. 15.00%
Ansaldo Energia S.p.A. 87.57%
Open Fiber S.p.A. 50.00%
B.F. S.p.A. 18.79%
Hotelturist S.p.A. 45.95%
Webuild S.p.A. 18.68%
CDP Venture Capital SGR S.p.A. 70.00%
Fondo Italiano d'Investimento SGR S.p.A. 68.00%
QuattroR SGR S.p.A. 40.00%
FSI SGR S.p.A. 39.00%
F2i - Fondi Italiani per le Infrastrutture SGR S.p.A. 14.01%
77.12%
FSI Investimenti S.p.A.
Terna S.p.A. 29.85%
Snam S.p.A. 31.04%
13.50%
Italgas S.p.A. 26.04%
Saipem S.p.A. 12.55%
71.32%
Fincantieri S.p.A.
Rocco Forte Hotels Ltd 23.00%
70.00% FSIA Investimenti S.r.l.
57.42% 25.70% SIA S.p.A.
Kedrion S.p.A. 25.06%
25.67% Trevi Finanziaria Industriale S.p.A.
6.99% SACE S.p.A.
Valvitalia Finanziaria S.p.A. 0.50% (*)
50.00% IQ Made in Italy Investment Company S.p.A.
28.40% Inalca S.p.A.
Investment funds
Investment vehicles
Fund management relationship
Type of control/influence
Control
Significant influence
De facto control
Joint control
Companies in liquidazione:
Europrogetti & Finanza S.r.l. 31.80%
XXI Aprile S.r.l. 100%
Bonafous S.p.A. 100%
Cinque Cerchi S.p.A.
Pentagramma Romag
Pentagramma Piemor



100%
gna S.p.A.100%
nte S.p.A. 50%

(*) 49.5% proforma post convertible bond conversion.
(**) Fund launched under the ITAtech investment platform; managed and co-investment agreement signed by CDP and EIF focused on technology transfer funds.
(***) Fund launched under the Social Impact Italia investment platform; managed and co-investment agreement signed by CDP and EIF focused on social impact investing.

A Unique Group at the Service of the Country

Half-yearly Financial Report 2020

cdp

Investing in tomorrow

Summary

I half 2020 main indicators

CDP Group

Postal funding **271.7** Bn euro

474.3 Bn euro Total assets

Consolidated equity **31.7** Bn euro

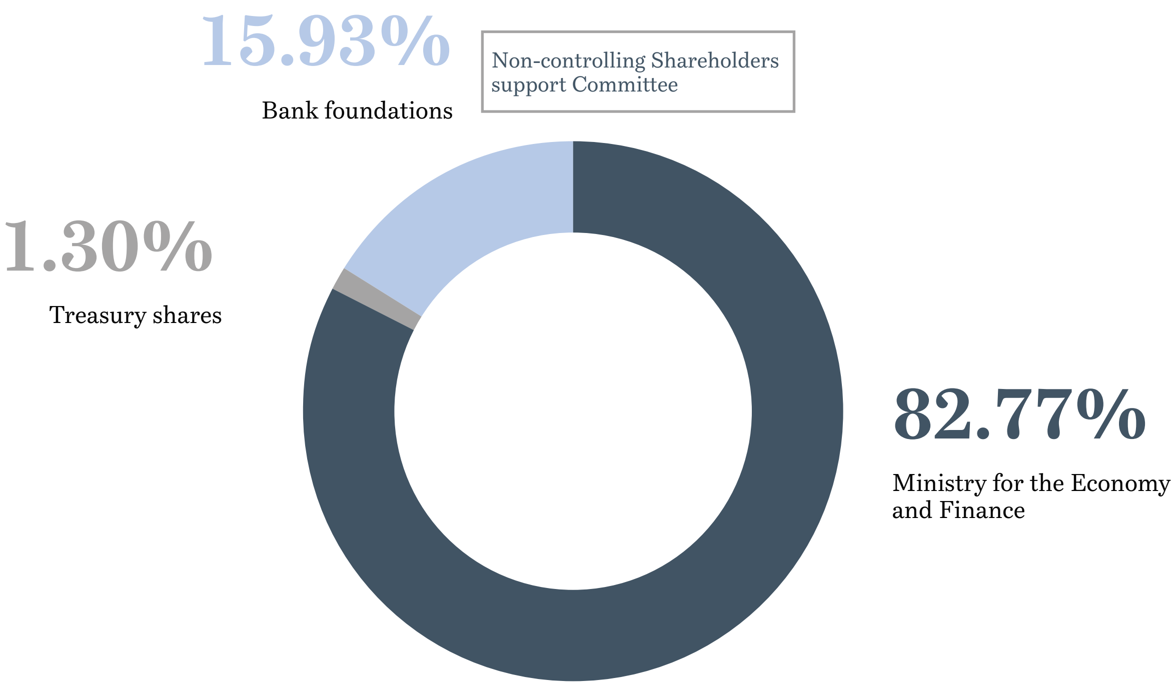
16.1 Bn euro Equity investments

Group equity **19.3** Bn euro

14.6 Bn euro New lending

Consolidated net result of the period **-0.7** Bn euro

Company bodies, officers and governance



Corporate bodies at 30 June 2020

Board of Directors

Chairman
Giovanni Gorno Tempini

Vice Chairman
Luigi Paganetto

CEO and General Manager
Fabrizio Palermo

Directors
Carlo Cerami(1)
Francesco Floro Flores
Fabrizia Lapecorella
Fabiana Massa Felsani
Matteo Melley
Alessandra Ruzzu

Board of Auditors(2)

Chairman
Carlo Corradini

Auditors
Franca Brusco
Giovanni Battista Lo Prejato
Mario Romano Negri
Enrica Salvatore

Alternate Auditors
Francesco Mancini
Anna Maria Ustino

Supplementary Members for Administration of Separate Account

(Article 5.8, Decree Law 269/2003, ratified with amendments by Law 326/03)

Director General of the Treasury(3)

State Accountant General(4)

Antonio Decaro

Davide Carlo Caparini

Michele de Pascale

(1) Appointed on 4 June 2020, in substitution of Valentino Grant.
(2) On 25 January 2017, the Board of Directors assigned to the Board of Statutory Auditors the duties of the Supervisory Body (pursuant to Legislative Decree No. 231 of 8 June 2001) starting from 27 February 2017.
(3) Alessandro Rivera.
(4) Pier Paolo Italia, delegate of the State Accountant General.
(5) Appointed on 9 October 2019 as member, in substitution of Senator Turco.
(6) Art. 5, para. 17, of Decree Law 269/03 – attends meetings of the Board of Directors and the Board of Statutory Auditors.

Manager in charge with preparing the Company's financial reports

Paolo Calcagnini

Non-controlling Shareholders support Committee

Chairman
Giovanni Quaglia

Members
Konrad Bergmeister
Marcello Bertocchini
Giampietro Brunello
Paolo Cavicchioli
Federico Delfino
Francesco Profumo
Giuseppe Toffoli
Sergio Zinni G.G.E.W.

Parliamentary Supervisory Committee on Cassa Depositi e Prestiti - Separate Account

Chairman
Sestino Giacomoni (Member of Parliament)

Vice Chairman
Nunzio Angiola (Member of Parliament)

Members
Gian Pietro Dal Moro (Member of Parliament)
Raffaele Trano (Member of Parliament)
Alberto Bagnai (Senator)
Roberta Ferrero (Senator)
Vincenzo Presutto[5] (Senator)
Cristiano Zuliani (Senator)
Vincenzo Blanda (Administrative Court)
Carlo Dell'Olio (Administrative Court)
Luigi Massimiliano Tarantino (Council of State) *Secretary for confidential affairs*
Mauro Orefice (Chairman of chamber State Audit Court)

Judge of the State Audit Court[6]

(Article 5, para. 17, D.L. 269/2003)

Ordinary
Angelo Buscema

Alternate
Giovanni Comite

Independent Auditors

Deloitte & Touche S.p.A.

01
Presentation of the CDP Group

Serving Italy for 170 years

Since 1850, Cassa Depositi e Prestiti has promoted the sustainable growth of Italy thanks to the trust of the 27 million Italians who entrust their savings to the institution every day. Postal savings are the main driver of CDP's projects, and symbolise its firm bond with people and with local communities.

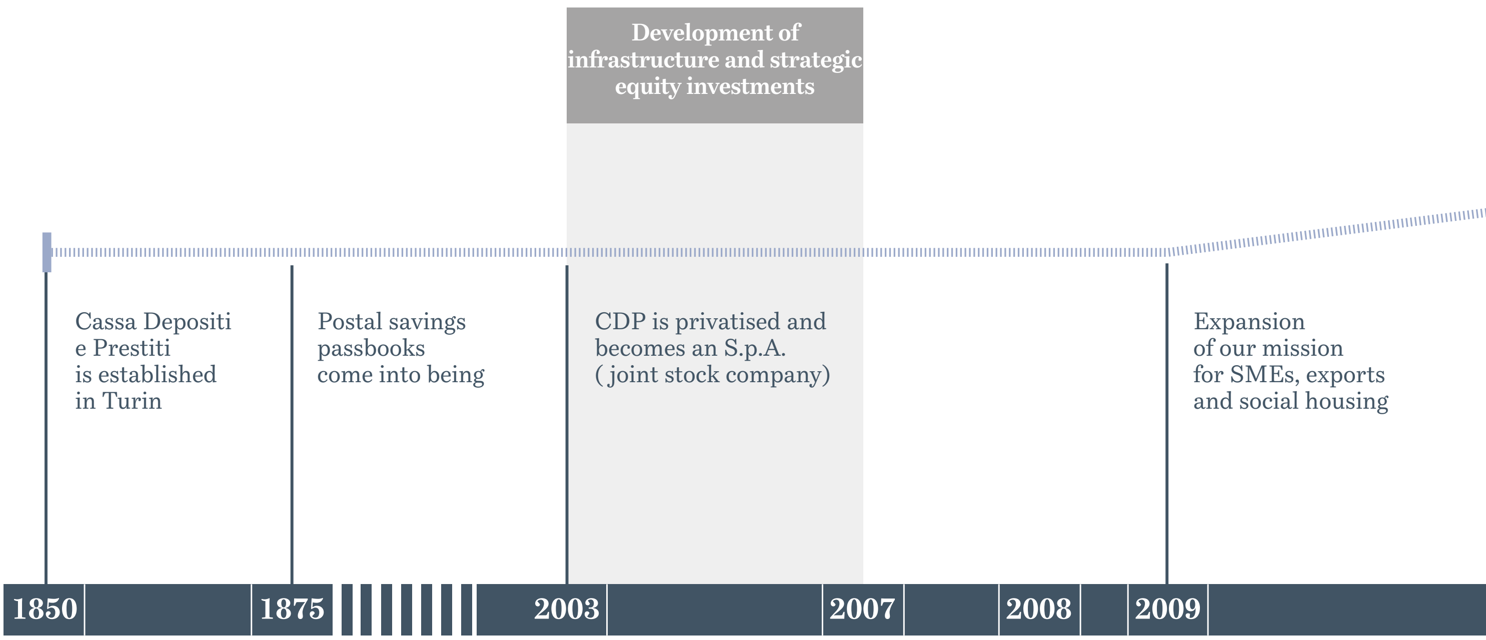
Over time CDP's role has evolved considerably in order to meet the economic and social challenges facing Italy. Its sphere of action has expanded significantly: the funding of local authorities is now accompanied by support to infrastructure and businesses, activities in the real estate sector, the management of large strategic equity investments and international cooperation

Since 2014, CDP has been Italy's Financial Institution for Development Cooperation and, in 2015, it took on the role of National Promotional Institution, allowing it to become the entry point for funding under the Investment Plan for Europe (the 'Juncker Plan').

The current Business plan of the CDP Group was presented at the end of 2018. A number of project streams were launched, marking a significant change of pace in our activities. For the first time, it directed the Group's strategic and operational approach more effectively towards sustainable development principles and the UN's 2030 Agenda goals.

In this regard, the process of creating economic value was integrated with an increasing focus on measuring the social and environmental impacts generated, in order to guide business choices towards those investments capable of producing the highest benefit for the community.

Today, the CDP Group supports the innovation, growth and international expansion of small, medium and large companies. It also favours the formation and expansion of start-ups and collaborations with leading companies in strategic sectors for the support of industrial development.



Timeline not in scale

It finances infrastructure and investments in public administrations, enhances the real estate assets of local authorities and invests in social and educational buildings. It also offers local authorities financial and technical advice during the planning and design of works to accelerate their development.

CDP is also a participant in the implementation of the External Investment Plan, the European Commission's major plan to support the world's poorer nations, particularly those in Africa, and it is actively working on new European programmes.

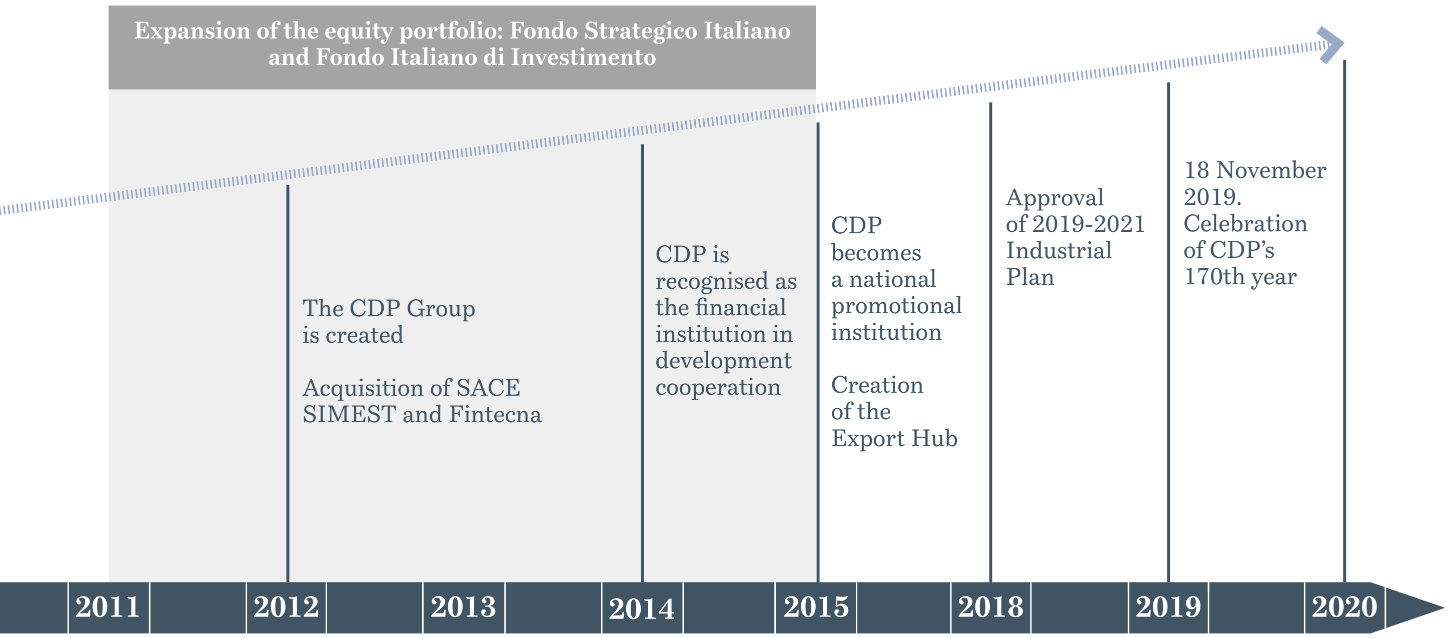
Furthermore, CDP is a shareholder in leading Italian companies operating in strategic economic sectors: from energy to construction, from engineering to networks and telecommunications, from financial and postal services to agri-food, tourism and pharmaceuticals.

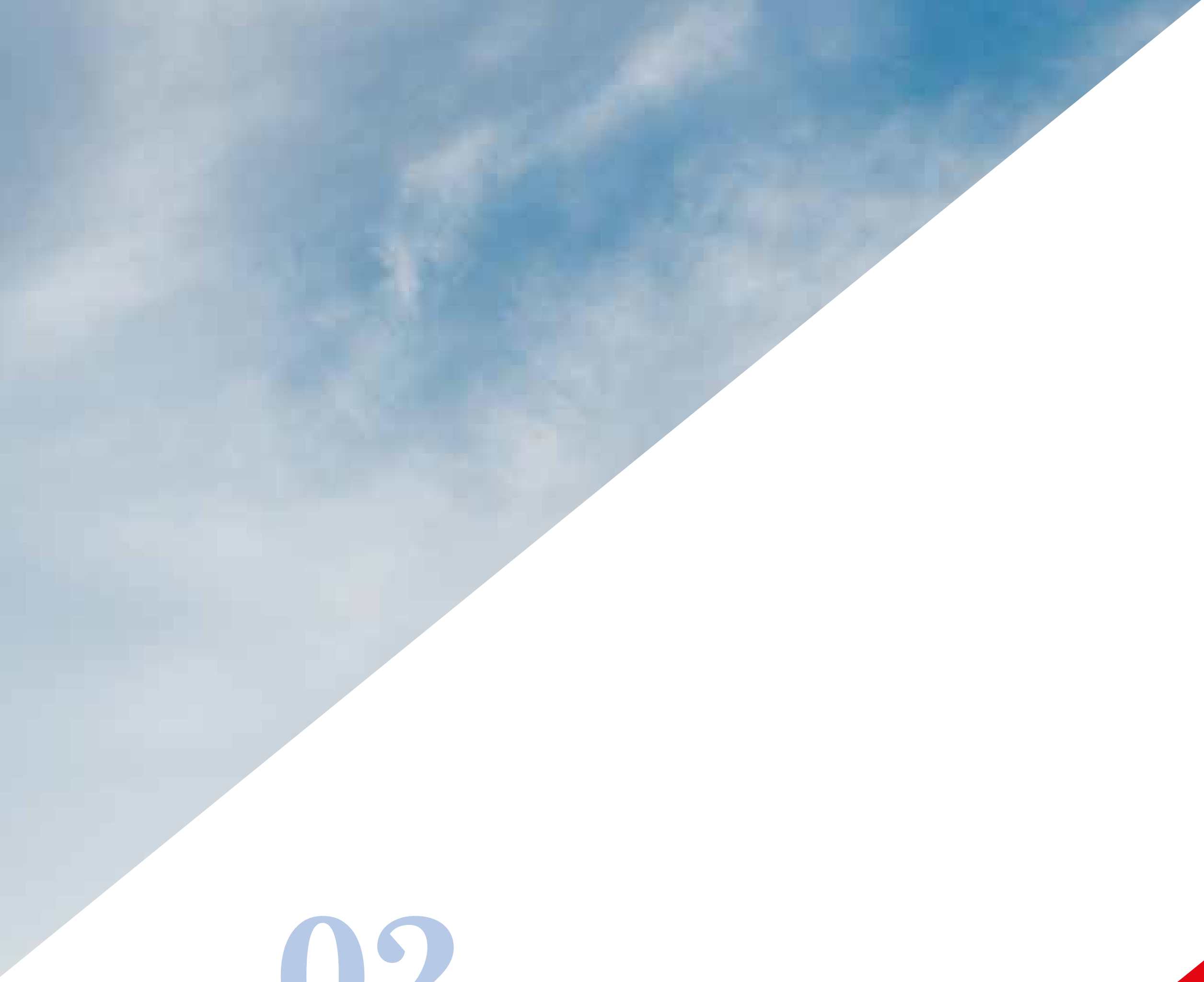
In order to promote the synergies between companies, a new approach was applied to manage the investment portfolio based on an industrial, sector-specific logic.

Finally, CDP promotes systemic initiatives for the country's development, thanks to its role as a dialogue facilitator between national and international institutions, enterprises and public administrations.

These initiatives involve Group companies, investee companies and leading Italian companies in innovative projects to encourage the circular economy, urban regeneration, the decarbonisation of the economy and the innovation of public services.

In pursuing its activities, the CDP Group is a catalyst for public and private resources, both domestic and international, to be allocated to economic, social and environmental development. Today more than ever, CDP is close to the needs of its country, and its mission has remained the same for 170 years.

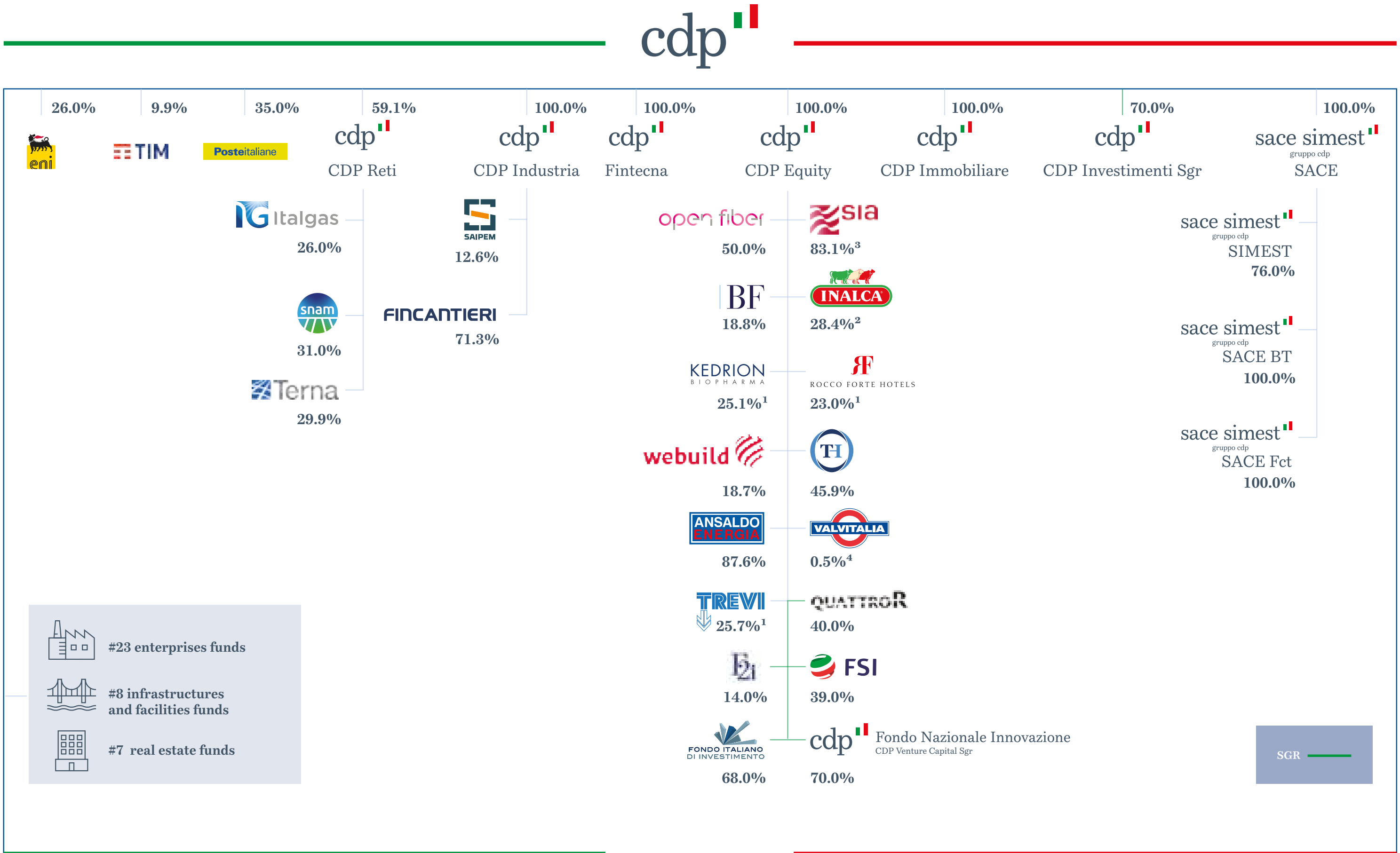




02

Half-yearly report on operations

1. CDP Group



Not thorough representation

1. Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder; SACE holds an additional 6.99% in Trevi.
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 25.7% held through CDP Equity.
4. Participation held through FSI Investimenti of which CDP Equity is the 77% shareholder; 49.5% pro-forma post conversion Convertible Bond Loan.

1.1 CDP S.p.A.

Established in Turin in 1850 as an institution purposed to receive deposits as a "place of public trust", Cassa depositi e prestiti ("CDP") has seen its role change over the years. During the past decade, it has assumed a key role in Italy's economic policy.

From being an institution created to support the public sector through the management of Postal Savings, commitment to public works and financing of the State and public bodies, CDP has gradually expanded its scope of action towards the private sector, while always operating in view of medium-long term development. In particular:

- in 2009, the financing of enterprises through the banking system was strengthened to tackle the liquidity crisis in the financial markets;
- Fondo Strategico Italiano - FSI (now CDP Equity), owned by CDP, was established in 2011 in order to acquire equity investments in enterprises of major national interest under a long-term perspective;
- in 2012, after the acquisition of SACE, SIMEST and Fintecna, the CDP Group was created, with the aim of strengthening the international expansion of Italian enterprises;
- in 2014, the scope of CDP's activities was extended to financing international development cooperation projects designed for public or private-sector entities;
- in 2015, the Italian Government and the European Union designated CDP as a National Promotional Institution. As a result, CDP became:
  - the entry point for funding under the Juncker Plan for Italy;
  - the financial advisor to the Public Administration for a more effective use of domestic and European funds;
- in 2016, through the contribution to SACE of the equity investment in SIMEST, the "Italian Centre for Export and International Expansion" was set up, with the objective of offering Italian businesses an integrated support system to meet their export and international expansion requirements;
- the new 2019-2021 Business Plan was approved in December 2018. The Plan represents a change of pace in aligning CDP's strategy to major global trends and the Sustainable Development Goals set in the UN's 2030 Agenda. A large scale transformation, designed to activate significant resources for enterprises, infrastructure and the local areas, also through new activities and innovative tools.

All CDP's operations are carried out by ensuring the separation of the organisational and accounting activities between Separate Account and Ordinary Account assets, thereby ensuring the Company's long-term economic and financial equilibrium whilst also ensuring returns for shareholders.

In terms of supervision, in accordance with article 5, paragraph 6, of decree law 269/2003, the provisions of Title 5 of the Consolidated Law on Banking concerning the supervision of non-banking financial intermediaries apply to CDP, taking into account the characteristics of the supervised entity and the special regulations applicable to the Separate Account.

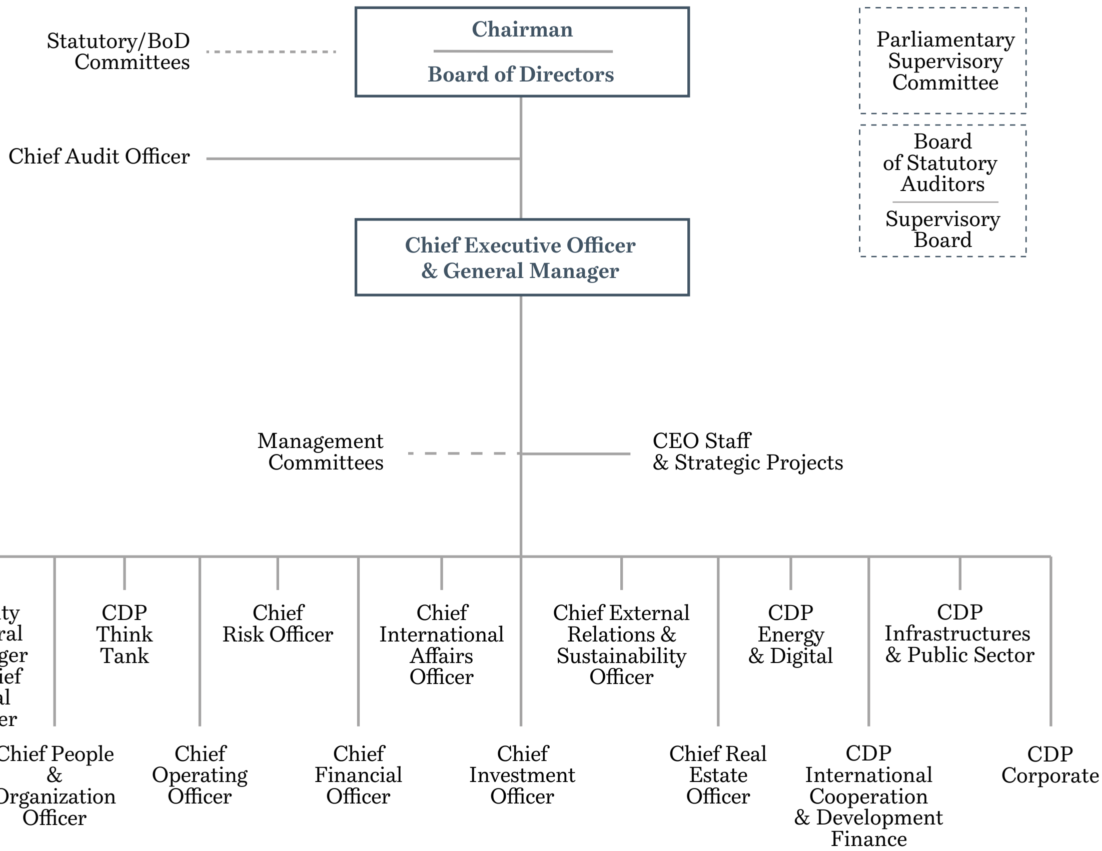
CDP is also subject to oversight by a Parliamentary Supervisory Committee and the Court of Auditors.

At the date of this report, CDP is structured as follows:

The following structures report to the Board of Directors:
- Chief Executive Officer and General Manager;
- Chief Audit Officer.

The following structures report to the Chief Executive Officer and General Manager:
- Deputy General Manager and Chief Legal Officer;
- Chief Operating Officer;
- Chief People & Organization Officer;
- Chief Risk Officer;
- Chief Financial Officer;
- Chief International Affairs Officer;
- CDP Corporate Department;
- CDP Infrastructures and Public Sector Department;
- CDP Energy and Digital Department;
- CDP International Cooperation & Development Finance Department;
- Chief Investment Officer;
- Chief External Relations & Sustainability Officer;
- CDP Think Tank Department;
- Chief Real Estate Officer;
- CEO Staff and Strategic Projects.

The CDP organisational chart, as at 30 June 2020, is as follows:



The number of CDP's employees increased by 67 with a 1% reduction in the average age

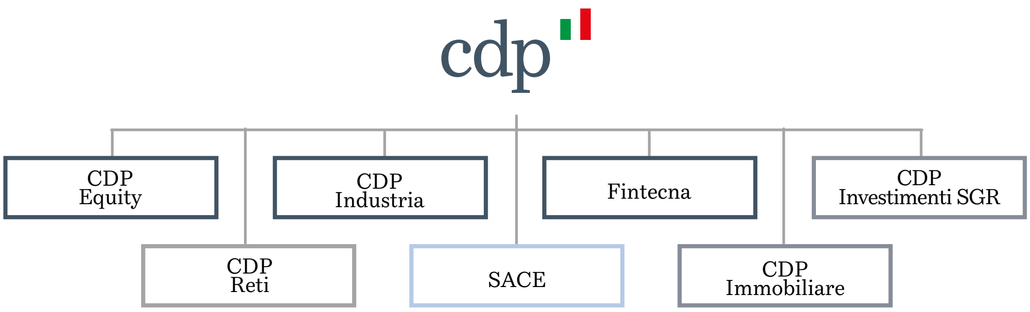
As at 30 June 2020, CDP employed 938 people, including 105 senior managers, 463 middle managers, 355 office workers and 15 employees seconded from other organisations.

In 2020, CDP employees grew both in terms of number and quality, with 102 new hires against 35 people leaving the organisation.

Compared to last year, the average age of employees decreased by 1% to around 42 years, and the percentage of employees with a tertiary education (bachelor's or master's degree, doctorate or other post-graduate qualification) increased to 81%.

The companies subject to management and coordination by CDP, including the Parent Company, employed 2,243 people at 30 June 2020, with an increase of 3%, or 69 people, compared to the figure at 31 December 2019[1].

1.2. Group Companies[2]



SACE Group

The SACE group is an insurance and finance group operating in the areas of export credit, credit insurance, investment protection, financial guarantees, sureties and factoring.

The parent company SACE S.p.A., the Italian Export Credit Agency, was established in 1977 as a public entity under the supervision of the Ministry of the Economy and Finance (MEF). In 2004, it was transformed into a joint-stock company, wholly owned by the MEF. In 2012, CDP acquired the entire share capital of SACE S.p.A. from the MEF. Following the publication of Decree Law 23 of 2020, SACE is no longer subject to Management and Coordination by CDP.

The SACE group consists of SACE S.p.A. and the following main companies:
- SIMEST S.p.A., in which SACE S.p.A. has a controlling stake of 76%, specialised in the acquisition of equity stakes in enterprises, the financing of Italian business operations abroad and the provision of technical assistance and advisory services to Italian enterprises that are expanding their operations abroad;
- SACE BT S.p.A., engaged in the insurance of short-term credit;
- SACE Fct S.p.A., engaged in trade receivables financing;
- SACE SRV S.r.l., a subsidiary of SACE BT, specialised in business information solutions, loan application management and debt recovery.

At 30 June 2020, the SACE group employed 987 people, 7 less than at 31 December 2019.

1 The resources were calculated on a pro-forma basis for the entire Group according to the following logic: Resources included: all the current resources, the resources seconded IN the company with a percentage greater than 50%, resources on maternity and parental leave, and the resources seconded OUT of the company with a percentage lower than 50%. Resources excluded: the resources seconded out of the company with a percentage greater than 50%, the resources seconded in the company with a percentage lower than 50%, interns, collaborators, temporary workers, workers on leave and the corporate bodies.
2 In this context, the CDP Group is represented by SACE and the companies subject to Management and Coordination by CDP S.p.A.

CDP Equity S.p.A.

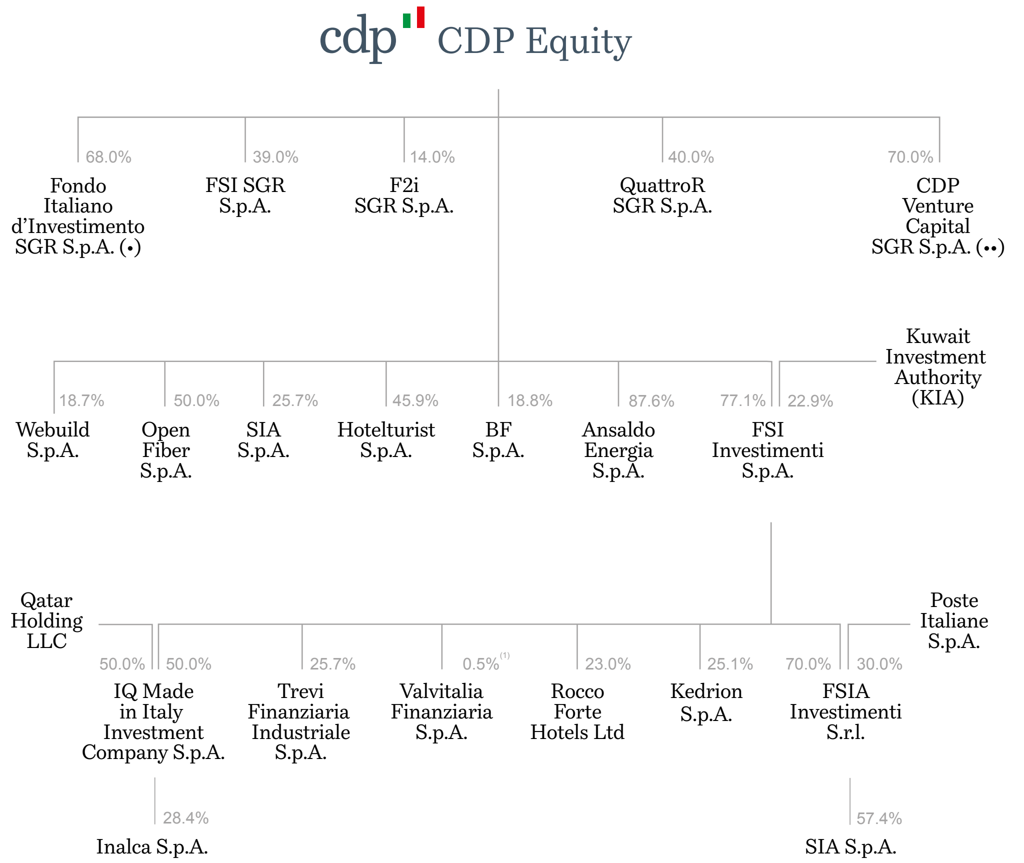
CDP Equity (previously Fondo Strategico Italiano - FSI) was established in 2011 and is wholly owned by CDP.

CDP Equity usually operates by acquiring non-controlling stakes in companies of major national interest that have a stable economic and financial position and are capable of generating value for investors. During 2019 and the first half of 2020, CDP Equity's operations were further strengthened in line with the Group's Business Plan.

At the reporting date, the company held 16 equity investments, directly or indirectly through the following investment vehicles:
- FSI Investimenti S.p.A., 77.1% owned by CDP Equity and 22.9% by Kuwait Investment Authority (KIA);
- IQ Made in Italy Investment Company S.p.A., 50% owned by FSI Investimenti S.p.A. and 50% by Qatar Holding LLC;
- FSIA Investimenti S.r.l., 70% owned by FSI Investimenti S.p.A. and 30% by Poste Italiane S.p.A.

Furthermore, the company subscribed the units of 3 investment funds promoted by some asset management companies in the portfolio; in particular CDP Equity subscribed the VenturItaly Fund of Funds ("FoF") and the Acceleratori Fund promoted by CDP Venture Capital SGR and the Private Debt Italia FoF promoted by Fondo Italiano d'Investimento SGR.

Specifically, the equity investment portfolio of CDP Equity at 30 June 2020 is broken down as follows:



Subscribed funds:
(•) FoF Private Debt Italia (100%)
(••) Fondo Acceleratori (100%)
(••) FoF VenturItaly (100%)

(1) 49.5% pro forma post convertible bond conversion.

At 30 June 2020, CDP Equity employed 58 people, up from 31 December 2019 when it employed 39 people.

Fintecna S.p.A.

Fintecna was established in 1993 for the specific purpose of restructuring recoverable businesses and performing transitional management activities linked to the liquidation of Iritecna to pave the way for its privatisation. In 2002, IRI (in liquidation) was incorporated into Fintecna together with its residual assets. In 2012, CDP acquired the entire share capital of Fintecna from the MEF.

Currently Fintecna's activities are geared towards: (i) the management of liquidation procedures, (ii) the management of litigation, mainly arising from the incorporated companies, and (iii) other operations, including support initiatives for the communities affected by the earthquakes in Emilia in 2012 and in central Italy in 2016.

At 30 June 2020, Fintecna employed 100 people, 2 less than at 31 December 2019.

CDP Immobiliare S.r.l.

CDP Immobiliare, set up in 2007 as part of the Fintecna Group and becoming CDP's direct equity investment in 2013 following the spin-off of Fintecna's real estate activities, operates throughout the real estate sector, carrying out management, construction and marketing activities, with particular regard to the leveraging of its real estate assets through local urban growth and redevelopment projects.

CDP Immobiliare manages the process of development and disposal of its assets, both directly and through special purpose vehicles set up over time. In particular, at 30 June 2020 CDP Immobiliare held equity investments (subsidiaries and associates) in 14 companies, including Residenziale Immobiliare 2004, owner of the former Istituto Poligrafico e Zecca dello Stato and the former Agenzia Delle Dogane Scalo San Lorenzo building complexes in Rome, and Alfiere, the owner of the Torri dell'Eur complex in Rome.

At 30 June 2020, CDP Immobiliare employed 106 people, 5 less than at 31 December 2019.

CDP Investimenti SGR S.p.A.

CDP Investimenti SGR (CDPI SGR), 70% owned by CDP, was established in 2009 by CDP, Associazione delle Fondazioni bancarie e Casse di Risparmio (ACRI) and the Italian Banking Association (ABI).

CDPI SGR operates in the real estate investment sector, specifically in the promotion, establishment and management of closed-end funds reserved to qualified investors in specific real estate market segments. At 30 June 2020, CDPI SGR managed the following real estate funds:

- Fondo Investimenti per l'Abitare ("FIA"), focused on the realization of social housing initiatives, through investments in a network of local real estate funds;
- Fondo Investimenti per la Valorizzazione ("FIV"), a real estate umbrella fund dedicated to the acquisition of real estate with unexpressed potential value that can be leveraged through change in use, upgrading or rental;
- Fondo Investimenti per il Turismo ("FIT"), focused on real estate investments in the tourism, hotel, hospitality and recreational sectors through the Fondo Turismo 1 ("FT1"), specialized in aggregating a diversified portfolio by acquiring real estate assets and renting these out to hotel operators;
- FIA 2, focused on real estate investments in housing and private services of public utility in the smart housing, smart working, innovation and training sectors.

At 30 June 2020, the company employed 52 people, two less than on 31 December 2019 (three people left and one person entered due to an increasing secondment percentage).

CDP Reti S.p.A.

CDP Reti was set up as an investment vehicle in 2012 to support the development of the infrastructure of natural gas transportation, dispatching, regasification, storage and distribution as well as electricity transmission. It achieves this purpose by acquiring equity investments of systemic importance.

After the share capital was opened to outside investors in November 2014, the company's present shareholders are: CDP (59.1%), State Grid Europe Limited (35.0%) and other institutional Italian investors (with a collective interest of the remaining 5.9%).

At 30 June 2020, the company owned equity investments in SNAM (31.04%)[3], Terna (29.85%) and Italgas (26.04%).

At 30 June 2020, CDP Reti employed 2 people (3 at 31 December 2019), plus 2 people under part-time secondment from the Parent Company (in line with 31 December 2019). To conduct its business, the company also relies on the operational support of CDP, which is provided under service contractual arrangements made at arm's length.

CDP Industria S.p.A.

CDP Industria S.p.A. was set up on 26 March 2019 with the aim of holding the strategic equity investments of the CDP Group operating in the industrial sector and supporting their growth according to a long-term industrial approach.

The company is wholly owned by CDP.

The company currently holds equity investments in Fincantieri (71.32%) and Saipem (12.55%), due to the spin-offs of Fintecna's equity investments in Fincantieri and CDP Equity in Saipem in favour of CDP Industria.

At 30 June 2020, the Company had no employees. To conduct its business, CDP Industria relies on the operational support of CDP.

3 On 18 June 2020, SNAM S.p.A. communicated the cancellation of 33,983,107 treasury shares in its portfolio without reduction of share capital. As a result of the cancellation of the shares (approved by the Extraordinary Shareholders' Meeting of SNAM S.p.A. on 18 June 2020), CDP Reti's equity investment in the company will increase (from 31.04% to 31.35%).

2. Market context

2.1 Macroeconomic scenario

During the first half of 2020, the global macroeconomic context suffered an unprecedented shock due to the spread of the Covid-19 virus, triggering measures that restricted people's mobility, locked economic activities and significantly increase uncertainty. As a result, estimates about national and international economic performance have also undergone a major review compared to the beginning of the year.

According to the latest estimates of the International Monetary Fund (IMF), in 2020 the world economy will shrink by 4.9% year-on-year (-7.8 percentage points compared to the end of 2019). This estimate is weighed down by the sharp drop in economic activity expected mainly in advanced economies (-8.0%, -9.7 percentage points compared to the end of 2019) but also, albeit less markedly, in emerging economies and developing countries (-3.0%, -6.7 percentage points compared to the end of 2019). In the Eurozone, the estimated weakening in 2020 is more marked than that expected for the other advanced economies, with a GDP growth rate of -10.2% (-11.5 percentage points compared to the end of 2019). Also in the United States, the economy is expected to decline, with a GDP growth rate equal to -8.0% (-10.3 percentage points compared to the end of 2019)[4].

Growth in the Italian economy is estimated to fall by 8.3% in 2020 (-8.6 percentage points compared to 2019)

In this scenario, Italy's expected performance is very weak. The IMF estimates a GDP growth rate of -12.8% in 2020 (-13.1 percentage points compared to the end of 2019). ISTAT forecasts a contraction in the economy in the year equalling 8.3% (-8.6 percentage points compared to the end of 2019). According to the National Institute of Statistics, the country's growth will be weighed down by the sharp decline in household consumption and the collapse of investments, amounting to -8.7% and -12.5% respectively, slightly offset by general government spending of +1.6%[5].

The Covid-19 crisis also negatively affected Italy's labour market. In May, the number of inactive people increased by 8.7% year-on-year and the number of jobseekers fell by 25.7% over the same period. At the same time, in May the employment rate fell to 57.6% (-1.5 percentage points year-on-year). As a result of the increase in the number of inactive people and the use of social security benefits, the wage guarantee fund in particular, the unemployment rate and especially the youth unemployment rate did not rise during the first half of the year, reaching 7.8% (-1.6 percentage points compared to the end of 2019) and 23.5% (-4.8 percentage points compared to the end of 2019) in May respectively[6].

The employment rate fell to 57.6% (-1.5 percentage points year-on-year)

As regards price trends, the Harmonised Index of Consumer Prices (HICP) decreased by 0.4% year-on-year in June, remaining stable compared to the end of 2019[7].

In this context of severe economic contraction, the main public finance balances are also expected to deteriorate sharply. According to MEF forecasts, in 2020 net borrowing is expected to reach 10.4%, contributing to an increase in the public debt/GDP ratio of up to 155.7% (+20.9 percentage points compared to the end of 2019)[8]. However, according to the IMF's latest forecasts, net borrowing is expected to reach 12.7% and the debt/GDP ratio to increase up to 166.1% in 2020 (+31.3 percentage points compared to the end of 2019).

4 IMF, World Economic Outlook update, June 2020.
5 ISTAT, Prospects for the Italian economy, 8 June 2020.
6 ISTAT, Employed and Unemployed (provisional data), 2 July 2020.
7 ISTAT, Consumer prices (provisional data), 30 June 2020.
8 Ministry of Economy and Finance, 2020 Economic and Financial Document.

2.2 Banking sector and financial markets

The ECB provided additional monetary accommodation as an extraordinary measure

In light of the changed macroeconomic context as a result of the Covid-19 emergency, during the first half of 2020, the policies adopted by the European Central Bank greatly expanded the degree of monetary accommodation, strengthening existing instruments to an extraordinary extent or adopting new ones, in order to allow for an effective and timely response to the ongoing crisis.

In this context, the ECB's Asset Purchase Programme, which was reduced during 2019 to reach net purchase flows close to zero, was strengthened and combined with an emergency programme, called Pandemic Emergency Purchase Programme, for a target value of approximately 1.7 thousand billion euro between March 2020 and June 2021. The Eurosystem's key interest rates have remained unchanged, allowing money market rates to remain at very low levels. On average, in the first half of 2020, the 3-month Euribor stood at -0.35% and the Eonia rate at -0.45%.

In the government securities market, the spread between the benchmark 10-year Italian government bond and the corresponding German one increased markedly, as did the other European spreads, between the end of February and the first half of March, due to the spread of the virus in Europe. In fact, the current crisis caused a sharp increase in volatility, not only in the stock markets, which are generally riskier, but also in the sovereign debt markets, which has been mitigated in recent months due to the mix of monetary and fiscal policies put in place by the European institutions and the respective governments and, at the same time, to the gradual recovery of mobility and economic activity in the various countries after the lockdowns. In the first half of the year, the BTP-Bund spread peaked in March, at over 280 basis points, and gradually narrowed in recent months, reaching around 179 basis points at the end of the half-year, still above pre-crisis levels but at a level substantially in line with the figure at the end of 2019 (+17 basis points). At the same time, the Rendistato general index progressively increased during the health crisis, reaching 1.5% at the end of April, before narrowing to around 1% at the end of June 2020, essentially in line with the end of the previous year (+13 basis points).

Financial markets were characterised by considerable volatility, which eased at the end of the first half of the year

On the stock market, the FTSE MIB index reached its lowest level in the first half of the year in mid-March to then gradually increase during the second quarter of the year. At the end of June 2020, the FTSE MIB stood at more than 19,000 points (-18% compared to the end of 2019)[9].

9 Refinitiv Datastream and Eikon data.

Loans to the private sector and public administration entities increased overall together with total bank funding

With regard to bank lending, in May loans to the private sector[10] recorded a significant increase (+1.5% year-on-year, compared to an increase of 0.2% in 2019), due to the growth in loans to non-financial corporations (+1.9% year-on-year, compared to a decrease of 1.9% in 2019) and the resilience of loans to households (+1.3% year-on-year, against the 2.5% increase in 2019). At the same time, bank loans to Public Administration entities recorded a slight reduction year-on-year (-0.9%)[11]. In May, gross bad debts remained almost unchanged compared to the end of 2019, at around 71 billion euro.

Regarding liabilities, during the first half of 2020 the funding of Italian banks continued along the path of positive growth thanks to the good performance of deposits, which more than offset the drop in bonds. In fact, in May deposits of the private sector[12] increased by 7.5% year-on-year, while bond funding recorded a decrease of 5% year-on-year. To meet the extraordinary liquidity needs of businesses and households in light of the new Covid-19 context, banks also increased their refinancing with the European Central Bank, which rose by 19.8% year-on-year (compared to a 9.8% reduction in 2019)[13].

In the first half of 2020, the stock of financial assets held by Italian households is estimated to fall by 6.1% compared to the end of 2019, against the growth recorded in 2019 (+3.8%). At the end of June 2020, the volume is expected to amount to about 4.1 thousand billion euro (about -0.3 thousand billion euro compared to the end of 2019)[14].

10 Net of loans to central counterparties and adjusted to take into account the effects of securitisations and other receivables transferred and derecognised from the banks' financial statements.
11 Period-end percentage change in stock of loans, not adjusted to take into account the effects of securitisations and other receivables transferred and derecognised from the banks' financial statements.
12 Net of deposits of central counterparties and adjusted to take into account the effects of securitisations.
13 Bank of Italy figures.
14 Oxford Economics data via Refinitiv Datastream.

3. 2019-2021 Business Plan

2019-2021 business plan

In December 2018, the Board of Directors of CDP approved the new Business Plan for the three-year period 2019-2021.

The Plan defines the Group's objectives and strategic lines in light of Italy's main economic and social challenges, the major global trends and the Sustainable Development Goals of the UN's 2030 Agenda.

The stimulus to business activities is aided by an increasingly proactive business model, aimed at effectively accelerating the industrial and infrastructural development of the country in a sustainable way, and by the enhancement of the expertise and distinctive characteristics of CDP: protection of postal savings, long-term investment capacity, complementarity with the banking system, and economic and financial balance.

The ambition of the CDP Group is to activate a total of 203 billion euro between 2019 and 2021 to make a significant contribution to the sustainable growth of the country - committing 111 billion euro of its own funds and activating 92 billion euro of loans from private investors and other local, national and supranational institutions.

All the actions planned will be carried out by implementing a new business model, while ensuring an economic and financial balance and, therefore, the complete protection of savings that households entrust to CDP through postal savings bonds and passbook accounts, placing, for the first time, a strong focus on the promotion of sustainable and inclusive development.

4 lines of action envisaged

To really support the country's economic, social and environmental growth, the CDP Group arranges its operations along four main lines of action: Corporate; Public Sector & Infrastructures, International Cooperation; Large Strategic Equity Investments.

CDP Corporate

83 billion/€
for enterprises

The Business Plan for the next three years provides for the investment of 83 billion euro in the innovation and growth of Italian enterprises, including their international expansion. This will be achieved by creating a single offering at Group level and by simplifying credit access channels. The aim is to increase the number of enterprises supported to the target number of 60,000 over the three-year term of the Plan (directly and indirectly, for example through the banking channel), with an increasing focus on SMEs.

The Group will provide enterprises with tools dedicated to:
- innovation - medium-/long-term lending activities will be expanded (in a complementary role with the banking system), also using Italian and European resources, allowances and guarantees, and more incisive actions will be implemented in relation to venture capital, also through a dedicated asset management company (SGR) and through start-up incubator/accelerator funds;
- domestic and international growth - the scope of lending activities and direct guarantees for investments will be broadened; the SACE Group's operations will be strengthened in support of Italian exports (with the review of reinsurance and the introduction of new digital products and "education to export" initiatives); equity instruments will be reorganised and supply chain funds will be launched in sectors like mechanical engineering, agri-food and the white economy;
- helping SMEs obtain access to direct credit, also with the involvement of other investors using instruments like regional basket bonds, and access to indirect credit, in collaboration with the banking system and through national and European guarantees or funds.

The Business Plan envisages the introduction of a new multi-channel distribution model: enterprises will be able to access all of the Group's products through a single point of contact; the nationwide network will be expanded to include at least one contact point in every Italian region; the digital channel and collaborations with third-party networks will also be strengthened to support small and medium enterprises.

CDP Public Sector & Infrastructure

25 billion/€
in support of entities
and infrastructures

The Plan will release 25 billion euro to support local development and to help local authorities creating infrastructure and improving services of public utility, thus strengthening the partnership with the Public Sector and increasing the Group's territorial presence.

To accelerate the development of infrastructure, the Business Plan envisages the establishment of a dedicated unit - "CDP Infrastructures" - to support local authorities in the planning, development and funding of the related projects. In addition to its traditional role as a lender, CDP also takes on the role of promoter of new strategic projects, involving industrial entities in public-private partnerships. The areas of intervention will be expanded, with a focus on mobility and transport, energy and networks, social initiatives and the environment.

Other aims include: strengthened collaboration with the Public Sector in order to re-launch investments and innovation, also through renegotiation and advances to facilitate access to national and European funds and the settlement of amounts due to enterprises; increasing the number of direct actions throughout the territory, with the launch of City Plans to redevelop urban areas and initiatives to support art, culture and tourism (fund for the redevelopment of tourism facilities, especially in southern Italy); support for services of public utility, including health (innovation of health services and senior housing), housing (social housing) and education (student housing and student loans).

CDP International Cooperation

3 billion/€
for projects in
developing countries

3 billion euro has been allocated to fund projects in developing countries and emerging markets. In this sector as well, the innovative aspect of the Plan is CDP's proactive approach in moving from being a manager of public funds to being a lender, with the ability to channel funding by identifying the relevant investment projects. Loans will be granted to governments, as well as to multilateral financial institutions, such as development banks. CDP will also support enterprises by participating in Italian investment funds or those of target countries, even with Italian industrial partners.

Large Strategic Equity Investments

Industrial logic
and by business
sectors

The Group's portfolio will be reorganised on the basis of an industrial approach and by business sector, so as to support the development pathways over the long term. The objective is threefold: to support the creation of industrial expertise in the strategic supply chains of the production system; to support cooperation opportunities between investees; to support the growth of the different enterprises that come within the value generation chains.

Capital strength and protection of savings

Relaunch of funding
including with a view
to sustainability

The new Business Plan identifies ambitious growth objectives which place CDP at the centre of the country's economic development - to be pursued whilst ensuring continued focus on economic, financial and capital equilibrium.

CDP will continue to expand and diversify its lending instruments and will continue to optimise its strategy to hedge risks linked to the evolution of its operations. The plan to renew and develop postal savings bonds and passbook accounts will be continued by expanding the range of digital products and services and at the same time CDP will develop new forms of funding dedicated to activities with a social and environmental impact, such as social bonds and green bonds.

The new business model

Human capital,
process simplification
and automation

In order to achieve the targets of the Plan and in the light of the new business lines, an evolution in the business model is already in progress so as to respond effectively to the challenges of the country. The new model involves various actions. One of these has already been launched and involves the strengthening of human capital, the Group's primary asset, with the attraction and development of talents, also through the creation of an internal Academy. There will also be a streamlining in the organisation and in the operational and decision-making processes, as well as the creation of customer-oriented solutions. Lastly, to this end, both CDP's offer and its communications with enterprises and the Public Administration will be digitalised.

CDP for the sustainable development of the country

Focus on the
sustainable
development
of the country

Through its new Business Plan, CDP intends to make a proactive contribution to the achievement of the goals set by the United Nations' 2030 Agenda, also signed by Italy. The integration of sustainability into CDP's choices will be initiated through a gradual shift of investments towards initiatives with clear and measurable social and environmental impacts. Based on this approach, new investment assessment criteria will be adopted for the first time to take into account social and environmental aspects together with the traditional economic-financial parameters, the aim being to minimise the Environmental, Social and Governance (ESG) risk and maximise the positive impacts for the community and the territory. Therefore, sustainability will no longer be viewed as a positive "side effect" of CDP's investments - which have generated positive externalities in the country for 170 years - but as the founding element of its business strategy.

4. CDP Group's activities

4.1 Business performance

In first half of 2020, CDP S.p.A.'s new lending, investments and resources amounted to 7.7 billion euro, up by around 5% on the first half of 2019.

In the first half of 2020, new lending, investment and resources at 14.6 billion/€

In the same period, new lending, investments and resources by the CDP Group[15] totalled 14.6 billion euro. Resources were allocated to each of the lines of action in the following proportions: 84% of the total to "CDP Corporate", 15% to "CDP Public Sector & Infrastructure" and 0.3% to "CDP International Cooperation".

New lending, investments and resources broken down by lines of action - CDP Group

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
CDP Corporate	12,322	11,103	1,219	11.0%
CDP Public Sector and Infrastructures	2,222	1,539	682	44.3%
CDP International Cooperation	45	159	(113)	-71.4%
Total	**14,589**	**12,801**	**1,788**	**14.0%**

4.1.1 CDP S.p.A.

4.1.1.1 Lending

Consistently with the lines of action defined by the 2019-2021 Business Plan, CDP's activities are arranged into the following areas of activity:

- Corporate: CDP operates in this area through the CDP Corporate Department which pursues the mission of ensuring financial support to the national productive and entrepreneurial fabric, in a complementary role to the banking system;
- Public Sector & Infrastructure: CDP operates in this area through the "CDP Public Sector and Infrastructure" and "CDP Energy and Digital" Departments. The former deals with supporting the Public Administration and developing the Country's infrastructure mainly through financing and technical-financial advisory activities while the latter carries out its activity to support the development of strategic infrastructure projects in the energy, digital and social sectors, also involving market participants;
- International Cooperation: Through the CDP International Cooperation & Development Finance Department, CDP promotes initiatives capable of generating a high social-economic impact in developing countries through own resources and the management of third-party funds;
- Large Strategic Equity Investments: Through the CIO Department, CDP supports enterprises, infrastructure and the territory through equity investments in companies of significant national interest, as well as through the subscription of units in mutual investment funds.

15 Group means the Group consisting of CDP S.p.A. together with the subsidiaries and companies subject to management and coordination, as specified in the previous paragraph 1.2 Group Companies.

CDP Corporate

CDP operates in this area through the CDP Corporate Department, which pursues the mission of ensuring financial support to the national productive and entrepreneurial fabric for development, innovation and growth of enterprises, also at an international level, in a complementary role to the banking system.

In line with the 2019-2021 Business Plan, CDP extended its action by promoting new initiatives aimed at facilitating access to CDP's offer from enterprises and creating targeted products to satisfy their needs, also in response to the effects caused by the Covid-19 emergency.

Easier access to the Group products

As regards the first aspect, CDP has increased its territorial presence by combining it with greater monitoring of digital channels and has intensified relations with the Italian entrepreneurial fabric through supply chain agreements and dedicated events. The main initiatives taken in the first half of 2020 include:

- the strengthening of a nationwide network with the opening of the Spazio CDP desks at the offices of Fondazione Cassa di Risparmio di Trento e Rovereto, which is added to the offices opened in 2019 in Verona, Naples and Genoa, and the Spazio CDP desks at Fondazione di Sardegna in Cagliari and Sassari;
- the updating of the Group's multi-channel model, with the launch of the single free-phone number for the Public Administration and businesses and the introduction of a number dedicated to the health emergency due to Covid-19;
- the continuation of the programme "Officina Italia", a permanent focus group with a panel of around 150 enterprises representing the Italian entrepreneurial fabric, with the launch of a survey concentrating on business needs following the health emergency due to Covid-19;
- the strengthening of agreements with third-party networks to consolidate CDP's brokered offer model and increase lending activities with SMEs and Mid-caps. In particular, a MoU was signed with ANFIR (National Association of Regional Finance Companies) and, as part of the MoU with Assoconfidi, another 2 Collaboration Protocols were signed with Confidi Sardegna and Confidi Rete Fidi Liguria;
- the definition of the new investigation and decision-making process, which supports a considerable increase in operations, ensuring customers a faster response and a more digital experience.

Extension and enhancement of the offer in response to the Covid emergency

In addition, the first half of 2020 marked the activation of a number of initiatives aimed at creating an offer of products targeted at the needs of enterprises through i) the direct channel, ii) the indirect channel, in cooperation with financial institutions, and iii) alternative financing operations.

With regard to the direct channel, following the Covid-19 emergency, new products were launched for businesses, with the aim of supporting their temporary liquidity needs and the investments envisaged in their development plans. These are direct loans, for medium and large enterprises, granted by allocating a dedicated ceiling of 3 billion euro. These loans may have a duration of up to 18 months ("Liquidità BT" product) or up to 72 months ("Liquidità MLT Garantita" product) as part of the Garanzia Italia programme. Furthermore, CDP continued to support enterprises' domestic growth/innovation and exports/international expansion. Together, these activities made it possible to significantly increase the number of enterprises financed in the six months compared to the same period in 2019 (up by about 8 times). In particular:

Increase in the number of enterprises receiving finance

- as part of the operations relating to the 2 new products launched in response to the Covid-19 emergency, 38 companies received financing during the first half of 2020;
- as part of the support to innovation and domestic growth, 25 companies received financing during 2020, compared to 8 in the same period of 2019.

Finally, with reference to the export and international expansion area, support continued for Italian enterprises also thanks to financing transactions in Chinese currency, aimed at supporting initiatives for the growth in China of branches or local subsidiaries of Italian companies, granted by CDP in relation to the collection of the first Panda Bond issue with a nominal value of 1 billion Renminbi (approximately 130 million euro). These loans allowed Italian companies to obtain medium/long-term supplies in local currency, helping bridge a specific market gap, featuring short-term maturities, while helping mitigate the exchange rate and interest rate risk. In addition, CDP continued the initiative, defined at European level, for a temporary moratorium on the cruise sector to enable shipyards and shipowners to face the liquidity crisis generated by the Covid-19 pandemic. In particular, CDP granted the possibility of suspending the payment of principal until 31 March 2021 on loans to cruise operators.

Finalization of actions in synergy with the banking system and other partners

With regard to initiatives in synergy with the banking system, support for enterprises continued in the first half 2020 thanks to the strengthening of the tools dedicated to financial institutions, also with a view to supporting Italy's economy during the health emergency due to Covid-19. In particular:

- liquidity funds continued with the aim of: i) encouraging the disbursement of new loans to support investments and working capital needs related to the current crisis of SMEs and Mid-caps, through the Enterprises Platform, providing funding of 3 billion euro, at reduced rates, reserved for Italian banks; ii) assisting in the reconstruction and economic recovery of areas hit by natural disasters in favour of which, during the first half of 2020, loans were granted for 0.5 billion euro (2012 Earthquake, Natural Disasters and Central Italy Earthquake funds), and iii) supporting the residential real estate market (Housing fund);
- a 1.5 billion euro fund was signed with the EIB to be channelled through the Enterprises Platform with banks of any size, in order to make support even more widespread in the area;
- on the subsidised loans front, which primarily draws on CDP funds with state interest subsidies, loans were granted to companies in order to support research, development and innovation, through the Revolving Fund supporting enterprises and investment in research (FRI), also used at regional level for the first time. Specifically, in cooperation with the Campania Region, the FRI Campania instrument was launched. Through the disbursement of non-repayable grants from the Region and low-interest loans from the banking system and CDP, it will allow significant investments to be made in strategic sectors, such as aerospace, automotive, shipbuilding and agri-food, with particular focus on the most urgent investments in relation to the economic crisis connected to the Covid-19 pandemic;
- the guarantee activity continued through the SME Guarantee Fund, within the framework of the EFSI Thematic Investment Platform for Italian SMEs, also by signing a new agreement with Banca del Mezzogiorno - Mediocredito Centrale for an additional 0.1 billion euro increase in the maximum guaranteed portfolio in favour of companies in the creative-cultural sectors;
- the agreement was signed with the Lazio Region and Lazio Innova, as part of the Piano Pronto Cassa project, which will significantly extend access by SMEs with up to 9 employees (including freelancers) to the interest-free liquidity measure implemented by the Region following the health emergency caused by Covid-19.

With reference to alternative financing operations, CDP continued the programme for subscription of the "basket bonds" as innovative complementary instruments to traditional forms of financial support. In particular, in the first half of 2020, CDP participated in the first closing of:

- the "Garanzia Campania Bond" programme, promoted by the Campania Region (to issue bonds up to 148 million euro), with the first issue of minibonds to support 8 Campania SMEs;
- the "Basket Bond Puglia" programme, promoted by the Apulia Region (to issue bonds up to 160 million euro), with the first issue of minibonds to support 8 Apulian SMEs.

Shown below is the stock of loans of the CDP Corporate Department at 30 June 2020.

The stock of outstanding debt amounted to 23.2 billion euro, increasing by 5.3% on the figure recorded at the end of 2019, mainly as a result of the disbursements made during the first half of 2020, which more than offset redemptions and early repayments. The total stock of residual debt and commitments amounted to 35.6 billion euro, marking an increase by 1.9% on the figure recorded at the end of 2019.

CDP Corporate - Stock of loans

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Enterprises	**4,153**	**2,817**	**1,336**	**47.4%**
Loans	2,892	1,630	1,262	77.5%
Securities	1,261	1,188	73	6.2%
Financial Institutions	**12,093**	**12,675**	**(582)**	**-4.6%**
Indirect support to enterprises	2,038	2,235	(197)	-8.8%
Residential Real Estate	770	819	(49)	-6.0%
Natural disasters	6,223	5,972	251	4.2%
Financial institutions loans/securities	2,383	2,936	(552)	-18.8%
Other products	680	713	(34)	-4.7%
International Financing	**6,996**	**6,578**	**418**	**6.4%**
Loans	6,996	6,578	418	6.4%
Total outstanding debt	**23,242**	**22,070**	**1,172**	**5.3%**
Commitments	12,336	12,829	(493)	-3.8%
Total	**35,579**	**34,899**	**679**	**1.9%**

CDP Public Sector & Infrastructure

CDP operates to support the Public Administration and the development of the national infrastructure through the "CDP Public Sector and Infrastructure" and "CDP Energy and Digital" Departments.

CDP Public Sector and Infrastructure

The CDP Public Sector and Infrastructure Department deals with supporting the Public Administration and developing the Country's infrastructure mainly through financing and technical-financial advisory to execute works.

The actions in favour of the Public Administration concern the financing of public entities and Public-law bodies leveraging dedicated products and customer contracts in accordance with the principles of accessibility, equality of treatment, pre-specification of terms and non-discrimination.

In line with the 2019-2021 Business Plan, during the first half of 2020 CDP further expanded its support to the Public Administration, also in response to the Covid-19 health emergency, through:

Liquidity advances product confirmed

- the confirmation of the Liquidity Advances product in favour of Municipalities, Metropolitan Cities, Provinces, Regions and Autonomous Provinces, which, in 2019, had made an appreciable contribution to speeding up payments of accrued debts to suppliers and other creditors of the Entities. Also this year, CDP thus promptly implemented the provisions of the 2020 Budget Law with regard to the financing of trade payables of the Public Administration to enterprises and other creditors (Article 1, paragraph 556, of Law no. 160 of 27 December 2019);

Measures implemented to tackle the Covid-19 emergency

- the management of the MEF Fund, established to face the Covid-19 emergency with decree-law no. 34 of 19 May 2020, with a total provision of 12 billion euro for 2020, to ensure the liquidity needed to pay certain, liquid and collectable debts of the Entities. The Fund is divided into two sections, aiming to ensure liquidity for the payment of i) the debts of the Local Authorities and the Regions and Autonomous Provinces (for debts other than financial and healthcare debts), with a provision of 8 billion euro and ii) the debts of the National Health Service Entities, with a provision of 4 billion euro. The resources of the Fund will be used to grant cash advances in favour of Entities, with a maximum duration of 30 years. For the immediate operation of the Fund, on 28 May 2020, the MEF and CDP signed a specific agreement, which defined, among other things, the criteria and methods for the Entities to access the resources of the above-mentioned sections, as well as the criteria and methods for CDP to manage the sections;
- the suspended payment of the mortgage instalments expiring in 2020 for the municipalities first affected by the emergency and the launch of the largest debt renegotiation programme in recent years in favour of local authorities, aimed at freeing up financial resources to be used also to address the needs resulting from the pandemic emergency. Over 3,000 Entities participated in the renegotiation transaction for a total residual debt of approximately 20 billion euro, with a benefit in terms of savings achieved following the payment of lower amortisation instalments, equal to approximately 0.8 billion euro in 2020;
- the management of the measures following the health emergency in favour of the Regions with ordinary charter and local authorities provided for by Articles 111 and 112 of Decree Law no. 18 of 17 March 2020, relating to deferring the payment of the principal of the amortisation instalments falling due in 2020, in relation to mortgages granted by CDP and transferred to the MEF, to the year immediately after the expiry date of the contractual repayment plan;
- the continuation of the expansion, started at the end of 2019, of the credit access tools offered by CDP, by means of granting loans in favour of Local authorities and Regions, intended for the conversion of existing mortgage loans, pursuant to art. 41, paragraph 2, of law no. 448 of 28 December 2001, in order to benefit from the more favourable interest rates currently offered by the market; the intervention enabled the Regions that joined in the first half of 2020 to refinance debts for a total amount of around 0.7 billion euro, obtaining a saving of around 50 million euro in terms of lower interest paid during the amortisation period.

The new initiatives, promoted as part of the 2019-2021 Business Plan and in response to the Covid-19 emergency, are in addition to the support through historical operations, which in the first half of 2020 saw:

Support to the territories hit by natural disasters

- the renegotiation of loans managed by the Government's Extraordinary Commissioner for the monitoring of the economic and financial position of the City of Rome, for a total outstanding debt of approximately 0.6 billion euro; the transaction resulted in a saving in the period 2020-22 of around 40 million euro;
- support i) to the Local authorities of the Emilia-Romagna, Lombardy and Veneto Regions, affected by the May 2012 earthquake, by deferring the loan instalments falling due and/or payable in 2020 with instalments to be repaid in 10 years from 2021 with no additional interest and ii) to the Local authorities of the Abruzzo, Lazio, Marche and Umbria Regions, affected by the seismic events in 2016, by postponing payment of loan instalments falling due in 2020 and 2021, after the repayment due date of each loan, with no additional interest;
- the continuation of the activity of financial support to entities.

CDP's methods of action to support infrastructure, extended starting from 2019, in line with the Business Plan, include (i) financial support and (ii) advisory services to the Entities to implement the works.

Intensified support to develop infrastructure

Concerning financial support, lending continued in favour of enterprises for the construction of infrastructure works throughout the country, through various technical forms (i.e. corporate loans, project finance, unsecured commitments and bond subscriptions), with a significant increase in resources made available in the first half of 2020 (about +140% compared to the same period of the previous year). The interventions also include CDP's first loan in the hospital sector on a PPP basis of 48.6 million euro (CDP share 24.3 million euro) to expand and upgrade the San Gerardo hospital in Monza.

In relation to the advisory activity for infrastructure, CDP continued its technical and financial activity to support the Public Administration to cover the entire life cycle of the project (planning, design and execution of the work). The service, provided on the basis of implementation protocols with the administrations concerned (i.e. Regions, Provinces and Municipalities) experienced a growing interest during the first half of 2020, when 26 projects were activated with regard to post-earthquake reconstruction, school building, healthcare and transport (to be carried out both through traditional contracts and project finance).

Shown below is the stock of loans of the CDP Public Sector & Infrastructure Department at 30 June 2020.

The stock of outstanding debt amounted to 80.2 billion euro, increasing by 2.2% on the figure recorded at the end of 2019, mainly as a result of the disbursements made during the first half of 2020, which more than offset redemptions and early repayments. The total stock of residual debt and commitments amounted to 91.4 billion euro, marking an increase by 1.6% on the figure recorded at the end of 2019.

CDP Public Sector & Infrastructure - Stock of loans

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Infrastructures	**7,137**	**7,144**	**(7)**	**-0.1%**
Loans	4,272	4,270	3	0.1%
Securities	2,865	2,875	(10)	-0.3%
Public Sector	**73,027**	**71,267**	**1,760**	**2.5%**
Local authorities	25,585	25,671	(86)	-0.3%
Regions and autonomous provinces	18,549	16,401	2,148	13.1%
Other public entities and public - law bodies	1,836	1,900	(65)	-3.4%
Government	27,057	27,295	(238)	-0.9%
Total outstanding debt	**80,164**	**78,412**	**1,753**	**2.2%**
Commitments	11,220	11,541	(321)	-2.8%
Total	**91,384**	**89,953**	**1,431**	**1.6%**

CDP Energy and Digital

Continuation of promotion projects for infrastructure

The CDP Energy and Digital Department carries out its activity to support the development of strategic infrastructure projects in the energy, digital and social sectors, also involving and/or in partnership with market participants.

In the energy transition area, the following agreements are noted in the first half of 2020:
- with ENI and Fincantieri, for the evaluation and possible development and implementation of projects aimed at transforming plastics into fuels[16];
- with Saipem, to jointly consider the launch of innovative projects with high environmental, social and economic sustainability in order to promote energy transition.

In the social and digital area, the following agreements are noted in 2020:
- with TH Resorts and Ca' Foscari University to encourage development and enhance the education provided by the establishment of “Scuola Italiana di Ospitalità”, aimed at supporting the competitiveness and innovation of tourism and hospitality companies in Italy. In this context, worth mentioning is the start of training activities with a first cycle of webinars;
- with ENI and Fincantieri with the aim of studying and developing technologies for the collection of scattered waste at sea and along the coasts;
- with SNAM to promote and implement projects to reduce and absorb CO_2 emissions, through reforestation and the creation of green areas in Italy.

16 Initiatives in relation to the same agreement.

CDP International Cooperation

Through the CDP International Cooperation & Development Finance Department, CDP supports cooperation initiatives that are capable of generating a high social-economic impact in developing countries through loans from own resources and third-party funds (which can also be used in blending) in favour of public and private counterparties.

Law no. 125/2014 redefined the architecture of Italian cooperation, recognising CDP's role as a financial institution for international cooperation. The 2019 budget law also introduced new measures, in the context of the aforementioned Law no. 125/2014, aimed at further strengthening CDP's role in this area.

In line with the 2019-2021 Business Plan, CDP extended its scope of intervention through the promotion of financing initiatives, the expansion of recourse to third-party resources for cooperation purposes and the signing of agreements with companies and institutions operating at national and international level.

Finalised loans to multilateral banks

With reference to the promotion of financing initiatives, in the first half of 2020 CDP finalised two credit transactions started in 2019 by own resources:
- Corporacíon Andina de Fomento (CAF): loan in favour of the multilateral regional development bank of Latin America. CDP's intervention is aimed at backing significant investments in support of sustainable growth projects and initiatives to combat climate change, contributing to the reduction of CO_2 emissions in the region and the achievement of the sustainable development goals (SDGs) of the UN's 2030 Agenda;
- Eastern and Southern African Trade and Development Bank (TDB): loan in favour of TDB to support investment programmes dedicated to SMEs in South East African countries. The loan is intended to support local SMEs operating in key sectors of the country (e.g. agro-industry, social infrastructure, health and education, transport and logistics) and contributes to the achievement of the sustainable development goals (SDGs) of the UN's 2030 Agenda.

Strong institutional commitment to the development of new initiatives

With reference to the expansion of recourse to third-party resources for development cooperation purposes, CDP was engaged at both European and national level in the implementation of specific intervention programmes, some of which in response to the Covid-19 emergency. These include, in particular:
- participation in the Covid-19 Inter-institutional operational coordination panel, set up to define the Italian contribution to the prevention and global response to the pandemic;
- participation in the Europe Joint Response Team, promoted by the European Commission, to strengthen and redirect the financial resources of European development cooperation programmes in order to counter the effects of the pandemic;
- the approval, at the May BoD's meeting, of the European programme "InclusiFI", an initiative focusing on the development of the African continent's economy. This initiative, which is included in the European Union Plan for non-EU investments (External Investment Plan - "EIP"), provides for the allocation of EU guarantees for 60 million euro in favour of CDP and the allocation of technical assistance funds.

With reference to the signing of new cooperation agreements, the first half of 2020 saw CDP's involvement in the search for new partnerships with leading institutions with the aim of facilitating the development of its operations in developing countries, with a particular focus on economic growth and climate change. These include, in particular:
- the agreement with the International Renewable Energy Agency ("IRENA") to promote the development of joint initiatives dedicated to the energy transition to renewable sources, access to clean energy and decarbonisation in developing countries. Through the implementation of scalable and replicable projects, CDP aims to promote the achievement of the sustainable development goals (SDGs) of the UN's 2030 Agenda;
- the Memorandum of Understanding signed with SAIPEM for the joint assessment of initiatives aimed at promoting energy transition, including decarbonisation, circular economy and energy efficiency measures at international level.

Continuation of the FRCS management activity

The new cooperation initiatives, promoted in the context of the 2019-2021 Business Plan, are flanked by traditional support, which takes place through the management of third-party funds (Revolving Fund for International Cooperation & Development Finance - FRCS and the Fund established by the Ministry of the Environment and Protection of the Land and Sea - MATTM). In this context, worth mentioning are:

- 25 million euro in favour of Bolivia mainly to strengthen local healthcare facilities and the provide medical equipment;
- 10 million euro in favour of Senegal to support its rural/agricultural development;
- 9 million euro in favour of Mali to support its environmental policies (e.g. agricultural-forestry sector).

Finally, in addition to the funding requests described above, CDP is providing support in managing the FRCS debt moratorium for the most fragile developing countries affected by the Covid-19 emergency, as part of the G20 initiative.
Shown below is the stock of loans of the CDP International Cooperation & Development Finance Department at 30 June 2020.

CDP International Cooperation – Stock of loans

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Outstanding debt	33		33	n.s.
Commitments	176	20	156	n.s.
Total	**209**	**20**	**189**	**n.s.**

Chief Investment Officer

Long term approach, to support enterprises, infrastructures and territory

The Chief Investment Officer Department acts, according to a long-term approach, to support the growth, innovation and international expansion of enterprises, as well as the development of infrastructure and the territory, through:

- direct investments in the capital of companies of significant national interest (in terms of the strategic nature of their operating sector, employment levels, turnover or impact on the country's economic and production system) that are in a stable financial, capital and economic situation and feature adequate earnings prospects;
- indirect investments through mutual funds and investment vehicles, thus facilitating the involvement of third-party investors (e.g. institutional investors) with the aim of increasing the support for the economy through the so-called "multiplier effect".

The equity investment portfolio of CDP at 30 June 2020 is broken down as follows:

- Group companies, instrumental to the role of "National Promotional Institution" (i.e. SACE Group, CDP Immobiliare, CDP Investimenti Sgr, Fintecna) and functional to acquire and hold, in the long term, equity investments of significant national interest (i.e. CDP Equity, CDP Reti, CDP Industria);
- Listed and unlisted companies from strategic economic sectors (e.g. ENI, Poste Italiane, TIM);
- Investment funds and investment vehicles operating:
  - in support of enterprises along the entire life cycle (e.g. FII Venture, Fondo Innovazione e Sviluppo, FII Tech Growth, FSI I, Fondo QuattroR);
  - in the infrastructure sector, to support the creation of new infrastructure and manage existing infrastructure (e.g. F2i, Inframed, Marguerite);
  - in support of projects involving urban redevelopment, social housing and the renovation of tourist facilities (e.g. Fondo Investimenti per l'Abitare, Fondo Investimenti per la Valorizzazione, Fondo Investimenti per il Turismo).

Equity investments and funds - portfolio composition

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
A. Group companies	**13,598**	**12,494**	**1,104**	**8.8%**
B. Other equity investments	**18,788**	**19,098**	**(310)**	**-1.6%**
Listed companies	18,738	19,049	(311)	-1.6%
Unlisted companies	50	49		0.8%
C. Investment funds and investment vehicles	**2,687**	**2,616**	**71**	**2.7%**
Total	**35,073**	**34,208**	**865**	**2.5%**

During 2020, CDP's main investments included:

- the capital contribution in CDP Equity, aimed at investments to support businesses, mainly through the financial backing of the investee Ansaldo Energia and Open Fiber's investment plan, the subscription of the VenturItaly Fund of Funds ("FoF") and Acceleratori Fund (both promoted by the subsidiary CDP Venture Capital SGR), as well as the support for the development of infrastructure, energy and solar initiatives;
- the capital contribution in CDP Immobiliare, aimed at investment transactions on the existing portfolio;
- the support, through investments in funds:
  - to the growth, innovation and international expansion of "Enterprises" through the investment in the Mid-Market Growth Equity Fund for the capital increase in Kedrion;
  - for the development of "Infrastructure", thanks to the investments in Marguerite Fund 2 for the follow on in investments already in the portfolio (e.g. Ellalink - realisation of submarine fibre cable between Europe and Latin America);
  - for the "Real Estate" sector, mainly for the investments to support private social housing via the funds invested by FIA, for FIA2's investments supporting the expansion of H-Campus and for the investments in Fondo Investimenti per il Turismo for the purposes of purchasing the Grand Hotel Villa Igiea in Palermo and a resort in Ostuni.

4.1.1.2 Finance and Funding Activities

With regard to the investment of financial resources, the following table shows the aggregates for cash and cash equivalents and other treasury investments and debt securities.

Stock of finance investment instruments

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Cash and other treasury investments	183,604	171,262	12,342	7.2%
Debt securities	78,145	70,998	7,147	10.1%
Total	**261,750**	**242,260**	**19,490**	**8.0%**

Cash and cash equivalents and other treasury investments amounted to 183.6 billion euro at 30 June 2020, up from the year-end figure for 2019. This aggregate includes the balance on the current account held with the Central State Treasury, which CDP uses to deposit funding in excess of investments made in the Separate Account, which stood at 154.6 billion euro, increasing by approximately 4 billion euro on the figures recorded at the end of 2019.

At 30 June 2020, the securities portfolio showed a balance of 78 billion euro, marking a 10.1% increase on the figure at the end of 2019 (71 billion euro), mainly as a result of purchases in the Held-to-Collect portfolio. With regard to securities classified under the Held to Collect and Sell ("HTCS") portfolio, activities on positions in Italian and European government securities and Corporate securities continued, with a view to diversifying the portfolio and optimising returns. Overall, the portfolio mainly consists of Italian government securities and is held for asset & liability management purposes, investment purposes, and to stabilise CDP's net interest income.

Postal funding

Postal savings constitute a major component of household savings. In detail, the percentage impact of postal savings (including bonds pertaining to the MEF) in respect of total Italian household financial assets was substantially stable at 8% at the end of 2019.

CDP postal funding at over 270 billion/€ (+2.5% on 2019)

At 30 June 2020, postal funding, consisting of passbook savings accounts and postal savings bonds pertaining to CDP, totalled 271,703 million euro, marking an improvement on 31 December 2019 (265,067 million euro).

In detail, the carrying amount of passbook savings accounts was 104,553 million euro, while the carrying amount of savings bonds, measured at amortised cost, was 167,149 million euro.

CDP stock of postal savings

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Postal savings bonds	167,149	163,224	3,926	2.4%
Passbook accounts	104,553	101,844	2,710	2.7%
Total	**271,703**	**265,067**	**6,636**	**2.5%**

In the first half of 2020, the decline in private consumption and the adoption of urgent measures introduced from March to contain and manage the health emergency have caused, during the lockdown, on the one hand, a contraction in volumes of sales and redemptions of bonds compared to the first few months of the year and, on the other, a reduction in withdrawals and deposits on passbook saving accounts. The latter also benefited from the pension credit of July being advanced to June.

CDP net funding over 4.8 billion/€

Also for these trends, in the first half of 2020, CDP's net funding equalled +4,820 million euro, improving by 4,300 million euro compared to the same period of 2019. In particular, the net funding of the passbook savings accounts totalled +2,694 million euro (+5,455 million euro compared to first half of 2019), while the net funding of postal savings bonds was +2,125 million euro (-1,155 million euro compared to the same period in 2019).

With reference to net funding from CDP postal savings bonds, the result mainly derives from the net funding from 3x2 bonds (+2,540 million euro), 3X4 bonds (+2,046 million euro) and 4x4 bonds (+1,840 million euro). In terms of subscriptions, during the first half of 2020, these amounted to 11,727 million euro, up from 11,441 million euro in first half of 2019, mainly concentrated on 3x2 bonds, 3X4 bonds, 4x4 bonds, Ordinary bonds and Rinnova bonds. This last type, dedicated to savers with expiring bonds, has been issued from June onwards and raised 1,291 million euro, contributing to the best monthly subscriptions of postal savings bonds in the last eight years (3,644 million euro).

In relation to bonds pertaining to the MEF, redemptions came to -3,329 million euro, (+845 million euro compared to the first half of 2019).

Postal savings bonds and passbook savings accounts - changes in CDP net funding

(millions of euro)	Subscriptions/ Deposits	Redemptions/ Withdrawals	Net funding in 1H 2020	Net funding in 1H 2019	Change (+/-)
Postal savings bonds	11,727	(9,602)	2,125	3,281	(1,155)
Passbook accounts	44,796	(42,101)	2,694	(2,761)	5,455
Total	**56,523**	**(51,703)**	**4,820**	**520**	**4,300**

The stock of postal savings bonds pertaining to CDP totalled 167,149 million euro at 30 June 2020, up from 163,224 million euro at the end of 2019, as a result of positive net funding amounting to 2,125 million euro and interest accrued on bonds in the half-year period.

The stock of passbook savings accounts totalled 104,553 million euro at 30 June 2020, increasing from 101,884 million euro at the end of 2019, as a result of positive net funding recorded during the half-year period.

Postal savings bonds and passbook savings accounts - changes in CDP stock

(millions of euro)	31/12/2019	Net funding	Interest	Withholding tax	Transaction costs	Premiums accrued on postal bonds	30/06/2020
Postal savings bonds	163,224	2,125	2,061	(77)	(192)	8	**167,149**
Passbook accounts	101,844	2,694	14	(2)	4		**104,553**
Total	**265,067**	**4,820**	**2,075**	**(79)**	**(188)**	**8**	**271,703**

Note: the item "transaction costs" mainly includes the distribution fee on the subscriptions of 4x4 Postal bonds, 3x4 Postal bonds, 3x2 Postal bonds, Rinnova Postal bonds, Soluzione Eredità Postal bonds, 170 Years Postal bonds and 4 Years Simple Savings Postal bonds, the prepayment of the fee for the years 2007-2010, equal to 2 million, and the return of the stamp duty for postal passbooks dedicated to minors. The item "Premiums accrued on postal bonds" includes the separate value of embedded options in bonds indexed to equity indices.

Total net funding (CDP + MEF) from postal savings bonds and passbook savings accounts at 30 June 2020 was +1,491 million euro, up compared to the same period in 2019 (-3,653 million euro), mainly thanks to the increase in net funding from passbook savings accounts.

Total net postal savings funding (CDP + MEF)

(millions of euro)	Net funding in 1H 2020	Net funding in 1H 2019	Change (+/-)
Postal savings bonds	**(1,204)**	**(893)**	**(311)**
of which:			
- pertaining to CDP	2,125	3,281	(1,155)
- pertaining to the MEF	(3,329)	(4,173)	845
Passbook accounts	**2,694**	**(2,761)**	**5,455**
CDP net funding	4,820	520	4,300
MEF net funding	(3,329)	(4,173)	845
Total	**1,491**	**(3,653)**	**5,144**

Non-postal funding

The table below shows CDP's overall position in terms of funding from banks and customers at 30 June 2020, compared with 31 December 2019.

Stock of funding from banks

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
ECB refinancing	14,629	2,475	12,154	n/s
Repurchase agreements and deposits	56,856	41,628	15,228	36.6%
EIB/CEB credit facilities	4,160	4,005	155	3.9%
Total	**75,645**	**48,108**	**27,536**	**57.2%**

780 million/€ of new EIB drawdowns to finance SMEs and post-earthquake reconstruction measures

Funding through the European Central Bank (ECB) rose from 2.5 billion euro at the end of 2019 to 14.6 billion euro at 30 June 2020, as a result of the participation in the TLTRO III[17] programme and PELTRO[18] programme in June 2020. In particular, participation in the TLTRO III was carried out by repaying in advance at the same time the entire amount of the TLTRO II amounting to 2.5 billion euro. Short-term funding on the interbank market through deposits and repurchase agreements grew compared to the end of 2019 to reach 56.9 billion euro at 30 June 2020, mainly offsetting the reduction in deposits from customers.

In the first half of 2020, CDP signed a 1.5 billion euro loan agreement with the EIB to grant loans, through the banking system, up to 10 years at subsidised rates, to Italian small and medium-sized enterprises in response to the emergency caused by Covid-19.

In the first half of 2020, CDP also requested and obtained new disbursements from EIB credit facilities totalling over 900 million euro. In particular, worthy of note was a drawdown amounting to 580 million euro to finance small and medium enterprises, through the banking system, following the Covid-19 emergency and a drawdown amounting to 200 million euro for the financing of reconstruction work following the earthquakes that occurred in the regions of Abruzzo, Lazio, Marche and Umbria (Central Italy Earthquake Fund).

At 30 June 2020, the stock of credit facilities granted by the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB) amounted to 4.2 billion euro, of which 3.9 billion euro relating to the EIB funding and 300 million euro referred to the CEB funding.

Stock of funding from customers (excluding postal funding)

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
OPTES and FATIS deposits (liabilities)	0	12,054	(12,054)	n/s
Deposits of Group companies	7,580	6,650	930	14.0%
Amounts to be disbursed	4,403	4,172	231	5.5%
Total	**11,983**	**22,876**	**(10,892)**	**-47.6%**

Short-term funding represented by OPTES (liquidity management transactions on behalf of the MEF) and FATIS deposits zeroed at 30 June 2020 compared to the 12 billion euro recorded at 31 December 2019.

With regard to companies subject to management and coordination, cash pooling with the Parent Company's centralised treasury continued, involving irregular deposit arrangements between CDP and its subsidiaries. Centralised treasury deposits rose by 14% at 30 June 2020 compared to the end of 2019, amounting to 7.6 billion euro.

17 Targeted Longer-Term Refinancing Operations.
18 Pandemic Emergency Longer-Term Refinancing Operations.

Amounts to be disbursed constitute the part of loans granted by CDP that have not yet been taken up by the beneficiaries, whose disbursement is subject to progress with the investments financed. Total amounts at 30 June 2020 were 4.4 billion euro, up 5.5% compared to the figure recorded at the end of 2019.

Stock of bond funding

The table below shows CDP's overall position in terms of bond funding at 30 June 2020, compared with 31 December 2019.

New issues for 2.2 billion/€

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
EMTN/DIP programme	12,210	10,021	2,190	21.9%
Retail bond	2,947	2,948		n/s
"Stand-alone" issues guaranteed by the State	3,750	3,750	-	n/s
Panda Bond	126	127	(2)	-1.2%
Commercial paper	3,286	2,796	490	17.5%
Total	**22,319**	**19,641**	**2,678**	**13.6%**

Social housing bond for residential social housing

With reference to medium/long-term funding, in the first half of 2020 new bond issues were completed under the "Debt Issuance Programme" (DIP), totalling 2.2 billion euro. These included the issue of a new CDP Social Bond for 750 million euro to support residential social housing measures, and a Covid-19 Social Response Bond of 1 billion euro, in dual tranche format, dedicated to supporting the enterprises and areas hard hit by the Coronavirus emergency.

Covid-19 social response bond of 1 billion/€ for the enterprises and areas hit by the health emergency

With reference to short-term funding, managed with the objective of optimising the mix of funding and investments, the stock under the "Multi-Currency Commercial Paper Programme" at 30 June 2020 totalled 3.3 billion euro, showing an increase of 2.8 billion euro on the figure at 31 December 2019.

4.1.2 Group companies

SACE Group

In the first half of 2020, despite the negative impact of the health emergency on international trade, the SACE group continued to support the export and international expansion goals of enterprises, with 7,558 businesses served, up 7% on the previous year. Furthermore, in order to meet policyholders' requests, moratoriums of up to 12 months were granted on backed loans, with more than 400 applications received during the half-year period, and extensions of up to 60 days for policy fulfilments.

Launch of domestic operations and support to export and international expansion goals of Italian enterprises

With the publication of Decree Law 23 of 2020 (so-called "Liquidity Decree"), containing "*Urgent measures regarding access to credit and tax obligations for companies, special powers in strategic sectors, as well as health and workplace interventions, and extension of administrative and procedural deadlines*", converted into Law 40 of 5 June 2020 ("Conversion Law"), in order to ensure the necessary liquidity for companies based in Italy affected by the Covid-19 epidemic, the possibility of granting guarantees (with the State counter guarantee) has been added to SACE's traditional operations, to be reported under a Separate Account, on loans up to 31 December 2020 (in compliance with European regulations on State aid), for a total commitment of up to 200 billion euro (so-called "Garanzia Italia").

At 30 June, the guarantees issued amounted to 142, for a total of 7.9 billion euro. With the Conversion Law, this form of guarantee has also been extended to factoring, leases and bonds, and to cover short-term receivables, with the so-called "Relaunch Decree" (Decree Law 34 of 2020). Operations on these new technical forms will start on 1 July.

Article 2, paragraph 6, of the Liquidity Decree also establishes that, on the date of issuing the decree, ninety percent of the outstanding commitments undertaken by SACE S.p.A. resulting from the insurance business - excluding those for which a report of non-collection has already been received - are reinsured by the State. As a consequence, pursuant to the Liquidity Decree, ninety percent of the assets in which the technical provisions are invested were transferred from SACE S.p.A. to the MEF, for an amount equalling 1.5 billion euro.

Performance highlights - SACE group[1]

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
SACE				
Total outstanding	**67,886**	**65,115**	**2,772**	**4.3%**
Outstanding guarantees	67,347	64,537	2,809	4.4%
Loans	539	577	(38)	-6.5%
SACE BT				
Total outstanding	**72,387**	**67,154**	**5,234**	**7.8%**
Insurance of short-term loans	10,412	10,520	(108)	-1.0%
Sureties Italy	5,887	6,157	(270)	-4.4%
Other property damage	56,088	50,476	5,612	11.1%
SACE FCT				
Outstanding receivables	1,830	1,680	150	8.9%
SIMEST				
Equity investment portfolio[2]	595	610	(15)	-2.4%

(1) Amounts refer to stock at the date indicated.
(2) Value of SIMEST equity investment portfolio, net of the equity stake in FINEST (5.165 million euro).

SACE's total risk exposure, measured in relation to loans and guarantees provided, stood at 67.9 billion euro (of which 99% referring to the guarantees portfolio), up 4.3% compared with 2019. The main corporate risk sectors are Cruise, Oil&Gas and Infrastructure and Construction, while the main countries are the United States, Qatar and the United Kingdom.

SACE BT's exposures, amounting to around 72.4 billion euro, increased on 2019 (+7.8%) mainly due to the "Other property damage" segment. The exposure of the "Sureties Italy" segment decreased slightly, as did, to a lesser extent, the "Short-term credit" segment.

Outstanding receivables of SACE Fct, equal to about 1.8 billion euro, increased by 8.9%.

Finally, following the changes in the portfolio during the year, the equity investment portfolio of SIMEST totalled 595 million euro at 30 June 2020, down slightly (-2.4%) on year-end 2019.

CDP Equity S.p.A.

Continued the activity of support to companies in their growth paths

In the first half of 2020, CDP Equity continued its activity of managing and enhancing its equity investments portfolio, as well as searching for and evaluating new investment opportunities by extending its range of action in accordance with the guidelines of the Group's Business Plan.

Among the main transactions during the first half of the year there are: (i) the operation to strengthen the equity of the investee Ansaldo Energia through the subscription of a capital increase, (ii) supporting Open Fiber's investments plan through capital contributions, (iii) strengthening of Trevi's capital[19] through the subscription of a capital increase as part of the broader debt restructuring, (iv) subscribing the VenturItaly Fund of Funds ("FoF") and the Acceleratori Fund, both managed by CDP Venture Capital SGR and (v) subscribing the Private Debt Italia FoF managed by Fondo Italiano d'Investimento SGR.

During the first half of 2020, CDP Equity also finalised the refinancing of the subsidiary FSIA Investimenti, together with the minority shareholder Poste Italiane, through an intercompany loan used, *inter alia*, to settle FSIA Investimenti's bank debt.

Performance highlights - CDP EQUITY(1)

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
Dividends and financial interest from shareholders loan	19	38	(19)	-49.1%
Equity investments(2)	4,033	3,508	525	15.0%

(1) Figures refer to CDP Equity, FSI Investimenti, FSIA Investimenti and IQMIIC; intercompany transactions not included.
(2) Including shareholder loans and convertible bonds; comparison figures refer to 31 December 2019 and include minorities.

During the half-year, CDP Equity and its subsidiary investment vehicles recorded dividends and interest income on loans and bonds totalling 19 million euro (-19 million on the first half of the previous year); the decrease resulted from lower dividends for 26 million euro only partially offset by higher interest income deriving from loans to Ansaldo and Open Fiber. In particular in the first half of 2019 SIA, Kedrion and Rocco Forte Hotel had approved dividends for a total of 31 million euro which, in the first half of 2020 were not approved mainly due to the situation of uncertainty caused by the current and potential economic and financial fallout from the measures taken to contain the Covid-19 pandemic. In the first half of 2020, dividends of 5 million euro approved by Webuild and BF were recognised.

The stock of equity investments at 30 June 2020 increased by 525 million euro compared to 31 December 2019 as a result of the investment transactions carried out during the period.

19 Figures refer to CDP Equity and its vehicles FSI Investimenti, FSIA Investimenti and IQMIIC; intercompany transactions not included.

CDP Immobiliare S.r.l.

Continuation of the development of real estate assets through the sale and redevelopment of strategic assets

In 2020, CDP Immobiliare continued to focus on the sale and development of directly and indirectly owned real estate assets.

Redevelopment works focused primarily on large-scale properties, as part of initiatives for the direct development of the territory, characterised by complex urban planning procedures and with a high social impact. In particular, building permits were obtained or extended for three trophy assets located in Rome (former Istituto Poligrafico e Zecca dello Stato, Torri dell'Eur, former Agenzia delle Dogane Scalo San Lorenzo) for the development or disposal of the buildings. Re-purposing works were launched on the former Istituto Poligrafico e Zecca dello Stato and Torri dell'Eur. The plan for the redevelopment of the former Manifattura Tabacchi in Florence is advancing, with the completion of the renovation of a first building destined for a fashion school following an intense environmental remediation of the site.

During the half-year period, investments for development work amounted to approximately 18 million euro, which suffered from certain delays due to the Covid-19 health emergency. At 30 June 2020, while having to cope with this exceptional situation, work was completed on the redevelopment of a number of buildings intended to be the CDP Group's new logistics hubs in Rome (buildings located in Via Alessandria, in the Trieste district, and in Via Benedetto Croce, in the Eur Montagnola area), which made it possible to transfer the resources allocated to the previous offices.

Performance highlights - CDP Immobiliare(1)

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
Sales	12	20	(8)	-40.8%
Real estate assets managed(2)	1,037	1,055	(18)	-1.7%
Debt securities(2)	518	525	(7)	-1.3%

(1) Figures refer to real estate assets held directly or in partnership.
(2) Comparison figures refer to 31 December 2019.

In first six months of 2020, despite the global impact of the Covid-19 health emergency on the volume of real estate transactions, CDP Immobiliare, directly and through investee companies, sold real estate assets for a total of 12 million euro, mainly referred to a warehouse of the former ICMI area in Naples and to residential units (built following the outcome of redevelopment processes of former industrial areas) located in Milan and Turin.

At 30 June 2020, total real estate assets managed, amounting to approximately 1,037 million euro, declined by -1.7%, mainly due to disposals in the period and the value adjustments to market value, net of development work.

Total financial payables, amounting to 518 million euro at 30 June 2020, were down by -1.3% on the previous year and included 8 million euro in payables referring to CDP Immobiliare (payables allocated to a number of real estate assets in the direct portfolio) and 510 million euro referring to investees.

CDPI SGR S.p.A.

In the first half of 2020, through the managed funds, CDPI SGR made investments totalling 41 million euro, of which:

- 20 million euro to support social housing through the FIA fund;
- 10 million euro through the FIV fund, mainly relating to: (i) the redevelopment of the Ospedali Riuniti di Bergamo complex to adapt the buildings for a Guardia di Finanza Academy, (ii) the completion of the development work on the portion of the property in Via Corte d'Appello, in Turin, intended to be used as the CDP Group's future office and (iii) the completion of the structural consolidation on the former Istituto Geologico in Rome;
- 6 million euro through the FT1 fund, attributable to the prosecution of the redevelopment works of the Grand Hotel Villa Igiea property in Palermo and to the restyling and redevelopment of the property in Ostuni;
- 4 million euro through the FIA2 fund, intended for the building site activities for the expansion of the new H-Farm university campus.

Participation in activities to support the tourism infrastructure and the social and student housing sectors

Performance highlights - CDPI SGR

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
FIV - Real estate assets managed	544	567	(22)	-3.9%
FT1 - Real estate assets managed	127	121	6	5.1%
FIA - Total investments	1,277	1,257	20	1.6%

At 30 June 2020, real estate assets managed by the company on behalf of FIV consisted of 75 assets with a value of 544 million euro, of which 481 million euro referred to the Extra sub-fund (59 assets) and 63 million euro referred to the Plus sub-fund (16 assets). The figure is lower than in 2019 (-3.9%), mainly as a result of the sales made in the first half of the year, net of the capex incurred on the properties in the portfolio.

The real estate assets of the FT1 fund comprise 7 properties for a total value of 127 million euro, up on 2019 (+5.0%) as a result of the continuation of the investment plans on the properties in Ostuni and Villa Igiea.

With reference to the FIA fund, the capital invested in the 29 social housing funds amounted to 1,277 million euro, marking an increase compared to 2019 (+1.6%), due to the investments made in the half-year to support the offer of social housing and beds.

Fintecna S.p.A.

In the first half of 2020, Fintecna continued to manage its litigation cases, with efforts focused on optimising its defence strategy by constantly monitoring developments in court cases to assess critical aspects specifically.

Continued the activities of liquidation of managed assets

As part of the reorganisation process of the CDP Group's equity investments, the merger by incorporation of the subsidiary Ligestra Due, a vehicle mainly active in the liquidation of Entities, companies and assets, into Fintecna (effective from 1 January 2020) is worth mentioning.

As a result of the aforementioned transaction, during the period Fintecna continued to work directly on the sale of the "separate assets" of the dissolved entities EFIM, Iged and "Comitato per l'intervento nella SIR e nei settori ad alta tecnologia".

Within the scope of the further projects involving the company, Fintecna continued the activities carried out on behalf of the regional reconstruction Agency following the earthquake in Emilia-Romagna in 2012 and continued to provide support to the Offices of the Extraordinary Commissioner for reconstruction in relation to the central Italy regions affected by the 2016 earthquake.

Performance highlights - Fintecna

(number of disputes; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Labour law disputes	381	332	49	14.8%
Civil/administrative/tax law disputes	96	93	3	3.2%

Regarding labour law disputes (i.e. claims for compensation for health damage arising from occupational illnesses), the increase in the number compared to year-end 2019 is mainly due to the slowdown in the settlement of disputes because of the measures for the containment and management of the Covid-19 epidemiological emergency, which led to the extraordinary suspension of court activities and pending deadlines.

With regard to other types of disputes (civil, administrative and tax-related), while the number of pending proceedings has increased slightly (mainly due to the acquisition of Ligestra Due's positions, following the merger by incorporation), settlement difficulties continued due to significant differences in valuations with respect to the counterparties.

CDP Reti S.p.A.

Continuation of the equity investment portfolio management activity

In the first half of 2020, CDP Reti continued to manage the equity investment portfolio and completed a refinancing operation for its financial debt (with the parent company CDP and a pool of banks) worth around 938 million euro.

Performance highlights - CDP Reti

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
Equity investments and other investments(1)	5,023	5,023		0.0%
Dividends received	403	380	23	6.1%
Debt securities and other forms of funding(1)	1,686	1,695	(10)	-0.6%

(1) Comparison figures refer to 31 December 2019.

Equity investments, totalling 5,023 million euro and showing no change on the comparison period, consisted of investments in SNAM (3,087 million euro), Terna (1,315 million euro) and Italgas (621 million euro).

Dividends received from subsidiaries in the first half of 2020 totalled 403 million euro (+23 million euro compared to 30 June 2019), of which approximately 250 million euro from SNAM (+11.9 million euro compared to the first half of 2019), about 54 million euro from Italgas (+4.6 million euro compared to the first half of 2019) and approximately 99 million euro from Terna (+6.5 million euro compared to the first half of 2019). Regarding dividends paid out to shareholders, in the first half of 2020, CDP Reti paid 143 million euro (132 million euro in the first half of 2019) by way of a final dividend for 2019. Moreover, it bears recalling that a part (267 million euro) of the 2019 net income was distributed in December 2019 as interim dividend.[20]

20 The interim dividend of 1,653.13 per each of the 161,514 shares was approved by the Board of Directors on 28 November 2019 on the basis of the company's accounting situation at 30 June 2019, prepared in accordance with IFRS. The company ended the period with a net income of approximately 267 million and available reserves of approximately 3,369 million.

At 30 June 2020, debt securities and other forms of funding totalled 1,686 million euro and are referred mainly to: (i) the term loan for a total nominal value of approximately 938 million euro (222 million euro from CDP), substantially in line with year-end 2019, and (ii) the bond issue for a total nominal amount of 750 million euro and the related accrued interest, which was originally subscribed by institutional investors for around 412 million euro (55%) and by CDP for approximately 338 million euro (45%).

CDP Industria S.p.A.

With regard to CDP Industria's operations during the first half of 2020, reference is made to paragraph 1.2 "Group Companies".

4.2 Income statement and balance sheet results

4.2.1 CDP S.p.A.

The Covid-19 health emergency has led to a generalised reduction in the country's economic activities. In this context, CDP's economic and financial performance was still strong in all areas.

4.2.1.1 Reclassified income statement

The economic performance of CDP set out below refers to the income statement layout reclassified on the basis of management criteria.

A statement of reconciliation between management and accounting schedules (Annex 2.2 to the report on operations) has also been appended in the interest of completeness of information and forms an integral part of the report on operations.

Reclassified Income Statement

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
Net interest income	**1,065**	**1,111**	**(46)**	**-4.2%**
Dividends	727	781	(54)	-6.9%
Other net revenues (costs)	154	79	75	94.3%
Gross income	**1,946**	**1,971**	**(25)**	**-1.3%**
Write-downs	(252)	(13)	(240)	n/s
Staff costs and other administrative expenses	(93)	(90)	(4)	4.0%
Amortisation and other operating expenses and income	(7)	(3)	(4)	n/s
Operating income	**1,593**	**1,866**	**(273)**	**-14.6%**
Provisions for risks and charges	27	(4)	32	n/s
Income taxes	(287)	(360)	73	-20.2%
Net income for the period	**1,333**	**1,502**	**(169)**	**-11.2%**

In the first half 2020 net income of 1.3 billion/€

Net interest income amounted to 1,065 million euro, down (-4%) on the first half of 2019 mainly as a consequence of the lesser return of financial assets due to the trend of market rates.

Dividends totalled 727 million euro, down (-7%) compared with the same period in 2019, due to lower dividends from Poste, SACE and Fintecna, only partially offset by the higher contribution from ENI, TIM and CDP Reti. With regard to Poste in particular, the lower dividend is due to the distribution in the first half of 2019 of the entire 2018 dividend, compared with the distribution in the first half of 2020 of the balance of the 2019 dividend only.

"Other net revenues", amounting to 154 million euro, grew significantly compared to the first half of 2019 thanks to active securities portfolio management, including with an ALM view, and the improved results from hedging derivatives.

The cost of risk was -252 million euro, up compared to the first half of 2019 (-13 million euro), which benefited from a +93 million euro recovery in the value of the equity investment in Fintecna. This result is attributable to the value adjustment of a significant credit exposure prior to the Covid-19 crisis and, to a lesser extent, to the general worsening of the economic environment due to the health crisis, with effects on the counterparty insolvency risk and on the fair value measurement of funds.

Staff costs and administrative expenses amounted to 93 million euro, up slightly from the 90 million euro recorded in the first half of 2019, mainly as a consequence of the proposed plan to strengthen the staff component.

Income tax for the period amounted to 287 million euro.

Lastly, net income for the period was 1,333 million euro, down from the first half of 2019, mainly as a consequence of the cost of risk trend described above.

4.2.1.2 Reclassified balance sheet

Reclassified balance sheet

The reclassified balance sheet of CDP at 30 June 2020 is presented below.

Assets

Assets in CDP's reclassified balance sheet at 30 June 2020 included the following items:

Reclassified balance sheet - Assets

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Cash and cash equivalents and other treasury investments	183,604	171,262	12,343	7.2%
Loans	103,529	100,981	2,548	2.5%
Debt securities	78,145	70,998	7,147	10.1%
Equity investments and funds	35,073	34,208	865	2.5%
Assets held for trading and hedging derivatives	3,057	1,981	1,076	54.3%
Property, plant and equipment and intangible assets	384	383	0.3	0.1%
Accrued income, prepaid expenses and other non-interest-bearing assets	7,587	5,242	2,345	44.7%
Other assets	713	796	(83)	-10.4%
Total assets	**412,092**	**385,851**	**26,240**	**6.8%**

Total assets amounted to 412 billion euro, up by 7% compared to the end of 2019, when total assets stood at 386 billion euro.

Cash and cash equivalents and other treasury investments amounted to 184 billion euro, up by +7% compared to the figure recorded at the end of the previous year. The aggregate includes the balance of the Treasury current account, which came to about 155 billion euro at 30 June 2020.

Loans and receivables with customers and banks, totalling 104 billion euro, were up by +3% compared to the end of 2019, reflecting the increase in loans to public entities and in support of enterprises.

Debt securities amounted to 78 billion euro, up by +10% on the year-end figure for 2019, mainly due to new purchases made mainly in the HTC portfolio.

At 30 June 2020, the carrying amount of equity investments, investment funds and shares came to about 35 billion euro, up 3% over 2019. This trend is mainly attributable to the payments to CDP Equity and the investments in funds.

Assets held for trading and hedging derivatives amounted to 3 billion euro, up compared to the figure at the end of 2019 (+1.1 billion euro). This item includes the fair value (where positive) of hedging derivative instruments, including operational hedges that do not qualify as hedges for accounting purposes.

The balance of Property, plant and equipment and intangible assets amounted to 384 million euro, of which 352 million euro relating to property, plant and equipment and the remainder to intangible assets. Specifically, the increase in the item is attributable to considerable investments during 2019, which exceeded the depreciation and amortisation of existing assets during the same period.

At 30 June 2020, the balance of Accrued income, prepaid expenses and other non-interest bearing assets was 7.6 billion euro, up compared to the value at the end of 2019, equal to 5.2 billion euro.

Lastly, the item “Other assets”, which includes current and deferred tax assets, payments on account for withholding tax on passbook savings accounts and other residual assets, was equal to 713 million euro, down compared to the 796 million euro recorded at the end of 2019.

Liabilities

At 30 June 2020, the liabilities in CDP’s reclassified balance sheet were as follows:

Reclassified balance sheet - Liabilities and equity

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Funding	381,650	355,693	25,957	7.3%
of which :				
- postal funding	*271,703*	*265,067*	*6,636*	*2.5%*
- funding from banks	*75,645*	*48,108*	*27,536*	*57.2%*
- funding from customers	*11,983*	*22,876*	*(10,892)*	*-47.6%*
- bond funding	*22,319*	*19,641*	*2,678*	*13.6%*
Liabilities held for trading and hedging derivatives	4,481	2,830	1,651	58.3%
Accrued expenses, deferred income and other non-interest-bearing liabilities	832	474	358	75.5%
Other liabilities	688	789	(102)	-12.9%
Provisions for contingencies, taxes and staff severance pay	581	1,115	(534)	-47.9%
Equity	23,861	24,951	(1,090)	-4.4%
Total liabilities and equity	**412,092**	**385,851**	**26,240**	**6.8%**

Total funding at 30 June 2020 was 382 billion euro, up 7% from the figure recorded at the end of 2019.

Within the aggregate, postal funding (272 billion euro) shows an increase of 3% from year-end 2019, thanks to net CDP funding of 4.8 billion euro and accrued interest income pertaining to postal savers.

Funding from banks amounted to 76 billion euro, up from 48 billion euro at year-end 2019, mainly due to the increase in funding through repurchase transactions and ECB funding.

Funding from customers amounted to 12 billion euro, a decrease over 2019, equal to 23 billion euro, mainly reflecting a decrease in funding from OPTES operations.

Bond funding, equal to approximately 22 billion euro, increased by +14% on the December 2019 figure, mainly thanks to new bond issues totalling over 2 billion euro, of which 0.75 billion euro for a Social Housing Bond and 1 billion euro for a Covid-19 Social Response Bond.

The balance of Liabilities held for trading and hedging derivatives amounted to 4,481 million euro, up compared to 2,830 million euro at the end of 2019. This item includes the fair value (where negative), of hedging derivative instruments, including operational hedges that do not qualify as hedges for accounting purposes.

At 30 June 2020, the balance of Accrued expenses, deferred income and other non-interest-bearing liabilities was 832 million euro, increasing from 474 million euro at the end of 2019.

With regard to other significant items, there was (i) a decrease in the balance of Other liabilities, equal to 688 million euro, at 30 June 2020 (-13% compared to the end of 2019), and (ii) a decrease in the balance of Provisions for contingencies, taxes and staff severance pay, equal to 581 million euro at the same date (compared to 1,115 million euro at the end of 2019).

To conclude, equity amounted to 24 billion euro at 30 June 2020, marking a decrease of -4% on the end of 2019, due to changes in earned income and dividends distributed in the first half of the year.

4.2.1.3 Indicators

Profitability and credit quality stable at high levels

Main indicators (reclassified figures)

(%)	30/06/2020	31/12/2019
Structure ratios		
Funding/Total liabilities	93%	92%
Equity/Total liabilities	6%	6%
Postal Savings/Total funding	71%	75%
PERFORMANCE RATIOS (%)[1]		
Spread on interest-bearing assets and liabilities	0.7%	0.7%
Cost/income ratio	6%	5%
Net income/Opening equity (ROE)	11%	12%
RISK RATIOS (%)		
Coverage of bad loans[2]	54%	50%
Net non-performing loans/Net loans to customers and banks[3,4]	0.1%	0.1%
Net adjustments to loans/Net exposure[3,4]	0.05%	n.a.

(1) For the year 2019, figures refer to 30/06/2019
(2) Provision bad loans / Gross exposure to bad loans
(3) Exposure includes Loans to banks and customers, Disbursement commitments, cash & cash equivalents & bonds
(4) Net exposure is calculated net of the provision for non-performing loans

Structure ratios related to liabilities were substantially in line with 2019, with postal funding weighing heavily, though dropping slightly, on total funding by around 71%.

With regard to performance ratios, we note (i) a substantial stability, compared to the first half of 2019, of the spread between interest-bearing assets and liabilities, (ii) a still very low cost/income ratio (6%), and (iii) an 11% return on equity (ROE).

The creditworthiness of the CDP loan portfolio remained very high, with a moderate risk profile, as highlighted by its excellent risk indicators.

4.2.1.4 Management impacts of the Covid-19 health emergency and outlook of operations.

During 2020, the new Covid-19 virus, originating in China, progressively spread to many countries around the world, with the World Health Organization consequently defining the epidemic as a "pandemic situation".

The health emergency has had profoundly negative repercussions on the national and world economy, the scale of which is still uncertain today. With specific reference to CDP, the health crisis had an impact in terms of business, economic and financial performance and operating model.

In line with ESMA's indications in Recommendation 32-63-972 of May 2020, it should be noted that, with regard to business activities, in confirming the objectives of the 2019-21 Business Plan (described in more detail in Chapter 3), in the first half of 2020 the CDP Group launched a series of extraordinary measures to support businesses and local authorities in the context of the health emergency. In this context, worth mentioning in particular are:
- both direct and indirect financing dedicated to companies (through the banking system) to meet temporary liquidity needs and support working capital;
- the suspended payment of the mortgage instalments falling due in 2020 for the municipalities first affected by the emergency and the launch of the largest loan renegotiation programme in recent years in favour of local authorities, aimed at freeing up financial resources to be used also to address the needs resulting from the pandemic emergency;
- the granting of a moratorium by SACE on existing medium/long-term loans guaranteed in complementarity with the banking system and CDP;
- the granting of a moratorium by SIMEST on the capital and interest on its equity investments;
- remodulation of lease payments relating to 2020 in favour of managers of accommodation facilities owned by the FT1 fund managed by CDP Investimenti SGR.

In addition, CDP and Group companies have assumed a key role in implementing the measures issued by the Italian government to mitigate the impacts of Covid-19 and to support the economy. In this context, worth mentioning are:
- CDP's management of the MEF fund to provide Entities with the liquidity needed to pay certain, liquid and collectable payables to suppliers;
- the management by CDP of the suspended payment of the principal of the instalments falling due in 2020, in relation to mortgages granted by CDP and transferred to the MEF, in favour of Regions with ordinary charter and Local authorities;
- the start of preparatory activities for the management by CDP of the "Patrimonio Rilancio" assets set up under Decree-Law 34 of 19 May 2020, intended to implement measures and operations to support and relaunch the Italian economic and production system as a result of the epidemiological emergency;
- interventions by SACE in support of companies damaged by the Covid-19 emergency, including (i) the launch of the so-called "Garanzia Italia" (pursuant to Law Decree 23/2020) aimed, through SACE's guarantee and the State's counter-guarantee, at supporting the liquidity of national companies; (ii) the redefinition of the risk-sharing mechanism between SACE and the MEF (pursuant to Decree Law 23/2020) for operations in support of exports, international expansion and investments by enterprises;

- the interventions implemented through the 394/81 Fund managed by SIMEST, including (i) the suspension for up to 12 months of the payment of instalments falling due in 2020 (pursuant to Decree Law 18/2020), (ii) the launch of a new instrument for the non-repayable co-financing of subsidised loans (Facilitation Committee of 28 April 2020) and (iii) the increase in the amounts that can be financed (Facilitation Committee of 15 June 2020) and the cancellation of guarantees. In addition to the extraordinary measures related to the health emergency, there is a plan to extend the operation of the 394/81 Fund to Intra-EU countries and further optimise the products.

For a detailed description of the interventions illustrated above, please refer to sections 4.1.1 and 4.1.2.

With reference to the economic-financial performance, the results for the first half of 2020 remain robust despite impairment of 252 million euro, up compared to the first half of 2019 (+240 million euro). This increase is attributable to positive non-recurring items of 2019 (impairment reversal on Fintecna for 93 million euro) as well as to the general worsening of the economic environment due to the health crisis, with effects on the counterparty insolvency risk and on the measurement of the equity portfolio, and to the value adjustment of a significant credit exposure prior to the Covid-19 crisis.

Finally, in terms of the operating model, right from the start of the lockdown, CDP has guaranteed full operational continuity thanks to the extension of the remote working mode to the entire staff, as illustrated in more detail in section 3.3 of the ‘Covid-19 statement’ section.

Today the potential prospective impacts of the Covid-19 pandemic on CDP appear to be due to an increase in uncertainty over certain elements: (i) the credit portfolio, due to the possible rise in cases of default if the effects of the pandemic continue; (ii) the equity portfolio, in relation to possible impairments of the portfolio, which is exposed to sectors - such as Oil&Gas and cruise ships - that are particularly impacted by the health emergency; and (iii) liquidity, in relation to the ability to raise funds at competitive conditions. Since the start of the health emergency, CDP has intensified its monitoring of these areas, also on a daily basis, with the aim of promptly detecting any situations at risk and evaluating corrective action. Without prejudice to the uncertainty regarding the prospective impacts of the health emergency, in particular on the areas described above, at present there is no evidence that could indicate a deterioration of the economic and financial performance compared to expectations.

4.2.2 Group companies

The accounting situation of the CDP Group companies as at 30 June 2020 is presented below from a management accounting standpoint. For detailed information concerning balance sheet and income statement performance, refer to the financial statements of the Group’s companies, which contain full accounting information and analyses of the companies’ operating performances.

A statement of reconciliation between management and accounting schedules (Annex 2.2 to the consolidated financial statements) has also been appended in the interest of completeness of information.

Considering the main economic and financial dynamics described below, it is necessary to bear in mind that the financial data of Fondo Italiano di Investimento SGR, the companies belonging to the SIA group and the Ansaldo Energia group were included line by line starting from 1 January 2020, having identified, in preparing the consolidated financial statements, 31 December 2019 as the date of acquisition of control over the above-mentioned companies.

4.2.2.1 Reclassified consolidated income statement

The Group's reclassified consolidated income statement, with a comparison to the previous period, is presented below.

Loss equal to 1.4 billion/€

Reclassified Income Statement

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
Net interest income	**989**	**1,064**	**(75)**	**-7.0%**
Gains (losses) on equity investments	(1,992)	587	(2,579)	n/s
Net commission income (expense)	49	54	(5)	-9.3%
Other net revenues (costs)	(70)	1	(71)	n/s
Gross income	**(1,024)**	**1,706**	**(2,730)**	**n/s**
Profit (loss) on insurance business	(90)	20	(110)	n/s
Profit (loss) on banking and insurance operations	**(1,114)**	**1,726**	**(2,840)**	**n/s**
Net recoveries (impairment)	(235)	(83)	(152)	n/s
Administrative expenses	(4,195)	(3,717)	(478)	12.9%
Other net operating income (costs)	6,607	6,129	478	7.8%
Operating income	**1,063**	**4,055**	**(2,992)**	**-73.8%**
Net provisions for risks and charges	43	(11)	54	n/s
Net adjustments to PPE and intangible assets	(1,254)	(1,058)	(196)	18.5%
Other	18	12	6	50.0%
Income taxes	(564)	(809)	245	-30.3%
Net income for the period	**(694)**	**2,189**	**(2,883)**	**n/s**
Net income (loss) for the period pertaining to non-controlling interests	724	819	(95)	-11.6%
Net income (loss) for the period pertaining to the Parent Company	**(1,418)**	**1,370**	**(2,788)**	**n/s**

The loss pertaining to the Parent Company recorded at 30 June 2020, equal to 1,418 million euro, compared to a profit of 1,370 million euro in the first half of 2019, is due to the negative result of companies accounted for using the equity method, especially ENI.

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
Interest and commission expense on payables to customers	(2,633)	(2,594)	(39)	1.5%
Interest expense on payables to banks	(107)	(86)	(21)	24.4%
Interest expense on securities issued	(326)	(303)	(23)	7.6%
Interest income on debt securities	776	775	1	0.1%
Interest income on financing	3,270	3,273	(3)	-0.1%
Interest on hedging derivatives	(89)	(65)	(24)	36.9%
Other net interest	98	64	34	53.1%
Net interest income	**989**	**1,064**	**(75)**	**-7.0%**

Net interest income was 989 million euro, a decrease on the comparison period due to the gradual reduction in market rates, which negatively affected the return on assets. The balance of the item relates mainly to the Parent Company, whose positive balance was partly offset by the expenses connected with the debt of the industrial companies.

The result of the measurement according to the equity method of investee companies over which the Group has significant influence or which are subject to joint control, included under "Gains (losses) on equity investments", led to a loss of 1,992 million euro, against a profit of 587 million euro reported in the first half of 2019. This value mainly reflects the result of the measurement with the equity method of:

- ENI (-2,023 million euro, compared to +295 million euro in the first half of 2019);
- Poste Italiane (+111 million euro, compared to +194 million euro in the first half of 2019);
- Saipem (-114 million euro, compared to +2 million euro in the first half of 2019).

Net commissions, 49 million euro, are down by 9.3% on the comparative period, mainly due to the decrease in the Parent Company's commission margin.

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
Net gain (loss) on trading activities	(47)	5	(52)	n/s
Net gain (loss) on hedging activities	(45)	(57)	12	-21.1%
Gains (losses) on disposal or repurchase financial instruments	117	66	51	77.3%
Net gain (loss) on financial assets and liabilities carried at fair value	(95)	(13)	(82)	n/s
Other net revenues (costs)	**(70)**	**1**	**(71)**	**n/s**

Other net revenues/costs were down by about 71 million euro, mainly due to the negative result of assets measured at fair value, primarily represented by units in collective investment undertakings.

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
Gross Premiums	357	384	(27)	-7.0%
Change in premium reserve	(264)	(123)	(141)	n/s
Premiums paid in reinsurance	(144)	(127)	(17)	13.4%
Effect of consolidation	(17)	(24)	7	-29.2%
Net premiums	**(68)**	**110**	**(178)**	**n/s**
Net other income (expense) from insurance operations	(22)	(81)	59	-72.8%
Effect of consolidation	-	(9)	9	n/s
Profit (loss) on insurance business	**(90)**	**20**	**(110)**	**n/s**

Loss on insurance business of 90 million euro includes net premium income and other income and expense for the companies operating in the insurance sector. This result, compared with the first half of last year, was affected by the decrease in gross premiums and the greater allocations made to the Technical provisions in consideration of the greater riskiness of the portfolio as a consequence of the negative economic situation in the first six months of 2020.

Overall, the banking and insurance components resulted in a negative margin amounting to 1,114 million euro, compared with a positive margin of 1,726 million euro in the comparison period.

(millions of euro; %)	30/06/2020	30/06/2019	Change (+/-)	(%) Change
Profit (loss) on banking and insurance operations	**(1,114)**	**1,726**	**(2,840)**	**n/s**
Net recoveries (impairment)	(235)	(83)	(152)	n/s
Administrative expenses	(4,195)	(3,717)	(478)	12.9%
Other net operating income (costs)	6,607	6,129	478	7.8%
Operating income before adjustments to PPE and intangible assets	**1,063**	**4,055**	**(2,992)**	**-73.8%**
Net adjustments to PPE, intangible assets	(1,254)	(1,058)	(196)	18.5%
Operating income after adjustments to PPE and intangible assets	**(191)**	**2,997**	**(3,188)**	**n/s**

Administrative expenses increased to 4,195 million euro. This was mainly due to the combined result of:

- the line-by-line consolidation of the SIA group (which contributes to the item with a balance of 230 million euro) and the Ansaldo Energia group (386 million euro);
- the lower costs recorded by Fincantieri group companies as a result of the slowdown in production due to the impact of the epidemiological crisis caused by Covid-19.

There was an increase in net adjustments to property, plant and equipment and intangible assets, mainly attributable to the SNAM, Terna, Fincantieri and Italgas groups and the impact of including SIA and Ansaldo Energia in the scope of consolidation, whose total contribution to this item was 96 million euro.

4.2.2.2 Reclassified consolidated balance sheet

Consolidated assets

The asset side of the consolidated balance sheet reclassified at 30 June 2020 is presented below, in comparison with the figures at the end of 2019:

Reclassified consolidated assets

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Assets				
Cash and cash equivalents and other treasury investments	181,790	170,934	10,856	6.4%
Loans	113,373	105,664	7,709	7.3%
Debt securities, equity securities and units in collective investment undertakings	91,272	84,719	6,553	7.7%
Equity investments	16,050	18,952	(2,902)	-15.3%
Trading and hedging derivatives	546	499	47	9.4%
Property, plant and equipment and intangible assets	52,751	52,547	204	0.4%
Reinsurers' share of technical reserves	2,848	1,002	1,846	n/s
Other assets	15,715	14,407	1,308	9.1%
Total assets	**474,345**	**448,724**	**25,621**	**5.7%**

Group assets totalled around 474 billion euro, up by 5.7% (26 billion euro) compared to 31 December 2019.

The changes in financial assets represented by cash and cash equivalents, loans and securities were primarily attributable to the performance of the Parent Company's portfolios.

Securities, including debt securities, equity securities and units in collective investment undertakings (the latter primarily purchased as an investment) increased in value, mainly due to the effect of purchases of financial assets classified under the HTC portfolio.

The equity investments item, which stood at 16.1 billion euro, decreased by 2.9 billion euro, mainly for the following reasons:
- with regard to ENI, the decrease deriving from the loss for the period (including consolidation adjustments), equals to -2,023 million euro, and the change in valuation reserves, equal to -52 million euro. Added to these effects is the impact of the reversal of the dividend and other changes for a total negative value of -403 million euro;
- the positive contribution of Poste Italiane (including consolidation adjustments) in the amount of 111 million euro, due to net income for the period and the impact of the change in valuation reserves, the elimination of the dividend and other changes for a total negative amount of 483 million euro;
- in the first half of the year, the equity investment in Saipem decreased by 111 million euro, of which 114 million euro represented by the net income for the period pertaining to the Group.

Assets held for trading and hedging derivatives increased by 9.4% compared to 31 December 2019, standing at 546 million euro. This item includes the fair value (where positive) of hedging derivative instruments, including operational hedges that do not qualify as hedges for accounting purposes.

Property, plant and equipment and intangible assets totalled 52.8 billion euro and is essentially unchanged on the comparison period. It includes the provisional allocation to goodwill of the difference between the price paid and the corresponding share of equity relating to SIA and Ansaldo Energia. The process of allocating this value will be completed during 2020.

At 30 June 2020, the Reinsurers' share of technical provisions was 2.8 billion euro, compared to the balance of 1 billion euro at 31 December 2019. The significant change is the result of the effects of Decree Law 23 ("Liquidity Decree") relating to "Urgent measures regarding access to credit and tax obligations for companies, special powers in strategic sectors, as well as health and workplace interventions, and extension of administrative and procedural deadlines", converted into Law 40 of 5 June 2020 ("Conversion Law"), which under Article 2, paragraph 6, establishes that, on the date of issuing the decree, ninety percent of the outstanding commitments undertaken by SACE S.p.A. resulting from insurance business - excluding those for which a report of non-collection has already been received - are reinsured by the State. As a consequence, ninety percent of the assets in which the technical provisions are invested will be transferred from SACE S.p.A. to the Ministry of the Economy and Finance, for a recorded amount equalling 1.5 billion euro, whose value is classified as a liability under Other liabilities.

Other assets increased to 15.7 billion euro (+9.1% on the comparison period) and mainly include the contribution of Fincantieri (4.7 billion euro), SNAM (2.4 billion euro), CDP (3.1 billion euro) (of which 2.5 billion euro is represented by the adjustment of the value of financial assets subject to macrohedging), Terna (1.8 billion euro), Italgas (1 billion euro) and the Ansaldo Energia group, which contributed to the overall balance for 1.6 billion euro.

Consolidated liabilities

The liability side of the reclassified consolidated balance sheet at 30 June 2020 is presented below, in comparison with the figures at the end of 2019:

Growth in funding (+7.3%) and total liabilities (+5.7%)

Reclassified consolidated liabilities

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Liabilities and equity				
Funding	413,712	385,719	27,993	7.3%
- of which :				
- postal funding	*271,703*	*265,067*	*6,636*	*2.5%*
- funding from banks	*90,622*	*60,082*	*30,540*	*50.8%*
- funding from customers	*7,198*	*18,705*	*(11,507)*	*-61.5%*
- bond funding	*44,189*	*41,865*	*2,324*	*5.6%*
Liabilities held for trading and hedging derivatives	4,960	3,145	1,815	57.7%
Technical reserves	3,648	2,812	836	29.7%
Other liabilities	13,832	13,591	241	1.8%
Provisions for contingencies, taxes and staff severance pay	6,543	7,347	(804)	-10.9%
Total equity	31,650	36,110	(4,460)	-12.4%
Total liabilities and equity	**474,345**	**448,724**	**25,621**	**5.7%**

The CDP Group's total funding stood at 414 billion euro at 30 June 2020, up by 7.3% on the end of 2019.

Postal funding refers exclusively to the Parent Company. Please refer to the specific section for the related comments.

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Due to central banks	**14,629**	**2,484**	**12,145**	**n/s**
Due to banks	**75,993**	**57,598**	**18,395**	**31.9%**
Current accounts and demand deposits	10	23	(13)	-56.5%
Fixed-term deposits	464	451	13	2.9%
Repurchase agreements	56,188	41,197	14,991	36.4%
Other loans	16,242	13,665	2,577	18.9%
Other payables	3,089	2,262	827	36.6%
Funding from banks	**90,622**	**60,082**	**30,540**	**50.8%**

The following components contributed to funding levels:
- funding from banks, up compared to 31 December 2019, mainly due to the increase in funding through repurchase transactions and ECB funding carried out by the Parent Company;
- funding from customers, the decrease in which was mainly due to the decrease in the balance held by the Parent Company through OPTES operations;
- bond funding, mainly composed of bonds issued under the EMTN programme, retail bond issues, “Stand alone” issues by the Parent Company guaranteed by the Government and bonds issued by SNAM, Terna and Italgas. The balance of this item, up 5.6% on the comparison period, mainly reflects the following transactions carried out in the half-year:
  - new bond issues totalling over 2 billion euro carried out by the Parent Company, of which 0.75 billion euro for a Social Housing Bond and 1 billion euro for a Covid-19 Social Response Bond;
  - a bond issue carried out by Italgas for a nominal value of 0.5 billion euro, with a five-year maturity and a rate of 0.25%.

Liabilities held for trading and hedging derivatives totalled 5 billion euro, up by 1.8 billion euro on the comparison period. The change is attributable to the greater negative value of the hedging derivatives subscribed by the Parent Company.

Technical provisions refer solely to the SACE group and include reserves intended to cover, as far as they can be reasonably foreseen, the commitments taken with reference to the Group’s insurance business. At 30 June 2020, the item in question (including the effect of consolidation entries) was around 3.6 billion euro, recording an increase of 0.8 billion euro compared to 31 December 2019.

Other liabilities, which totalled approximately 13.8 billion euro, include not only the other liabilities of the Parent Company, but also significant balances relating to other Group companies, such as total trade payables (5.5 billion euro) and contract work in progress (2.1 billion euro) for which the advances received from customers exceed the production to date. The item includes the amount due to the Ministry of Economy and Finance, for 1.5 billion euro, recorded by SACE against the increase, from 10% to 90%, of the sale of technical provisions according to the provisions of the Liquidity Decree.

Provisions for contingencies, taxes and staff severance pay stood at approximately 6.5 billion euro at 30 June 2020, down 0.8 billion euro mainly as a result of lower provisions for risks and charges of the Parent Company following the settlement agreement reached with Fondazione Cariverona.

Equity amounted to approximately 31.7 billion euro at 30 June 2020 and is presented below in comparison with the previous financial period. The 4.5 billion euro decrease reflects the negative dynamics resulting from the result for the period and those linked to the payment of dividends.

(millions of euro; %)	30/06/2020	31/12/2019	Change (+/-)	(%) Change
Group's Equity	19,270	23,550	(4,280)	-18.2%
Non-controlling interests	12,380	12,560	(180)	-1.4%
Total equity	**31,650**	**36,110**	**(4,460)**	**-12.4%**

4.2.2.3 Contribution of the business segments to the Group's results

For the contribution of the business segments to the Group's financial performance at the level of the reclassified income statement and main items of the reclassified balance sheet, reference is made to the paragraph "Consolidated information on operating segments" included in the half-yearly condensed consolidated financial statements.

4.2.2.4 Consolidated statement of reconciliation

Finally, the statement of reconciliation between equity and net income for the period at the level of the Parent Company and at the consolidated level is provided below.

Reconciliation between equity and net income of the Parent Company and consolidated equity and net income

(millions of euro)	Net income (loss) for the period	Share capital and reserves	Total
Parent Company's financial data	**1,333**	**22,528**	**23,861**
Balance from financial statements of fully consolidated companies	1,083	31,319	32,402
Consolidation adjustments:			
- Carrying amount of directly consolidated equity investments		(25,004)	(25,004)
- Differences of purchase price allocation	(145)	7,604	7,459
- Dividends from fully consolidated companies	(475)	475	
- Measurement of equity investments accounted for with the equity method	(2,056)	8,362	6,306
- Dividends of companies measured with the equity method	(550)	(11,779)	(12,329)
- Elimination of intercompany transactions	(28)	(252)	(280)
- Reversal of measurements in the separate financial statements	86	976	1,062
- Value adjustements	34	(100)	(66)
- Deferred tax assets and liabilities	(12)	45	33
- Other adjustments	36	(1,830)	(1,794)
- Non-controlling interests	(724)	(11,656)	(12,380)
Group's financial data	**(1,418)**	**20,688**	**19,270**

03

Half-yearly condensed consolidated financial statements at 30 June 2020

Form and content of the half-yearly condensed consolidated financial statements at 30 June 2020

The half-yearly condensed consolidated financial statements at 30 June 2020 have been prepared in compliance with applicable regulations and consist of:
- Consolidated balance sheet;
- Consolidated income statement;
- Consolidated statement of comprehensive income;
- Statement of changes in consolidated equity;
- Consolidated statement of cash flows;
- Notes to the consolidated financial statements.

The Notes to the Consolidated Financial Statements are composed of:
- Introduction
- Accounting policies
- Information on the consolidated balance sheet
- Information on the consolidated income statement
- Risk monitoring
- Business combinations
- Transactions with related parties
- Share-based payments
- Operating segments

The following are also included:
- Annexes
- Independent Auditor's Report
- Certification pursuant to article 154-*bis* of Legislative decree no. 58/98

In the "Annexes" section, paragraph 1.1 "Scope of consolidation" has been added and forms an integral part of the half-yearly condensed consolidated financial statements (Annex 1.1).

Contents of the half-yearly condensed consolidated financial statements

Consolidated financial statements at 30 June 2020

CONSOLIDATED BALANCE SHEET

Assets (thousands of euro)			30/06/2020	31/12/2019
10.	Cash and cash equivalents		6,759	1,340
20.	Financial assets measured at fair value through profit or loss:		5,256,570	4,817,701
	a)	financial assets held for trading	1,922,074	1,473,366
	b)	financial assets designated at fair value	481,798	
	c)	other financial assets mandatorily measured at fair value	2,852,698	3,344,335
30.	Financial assets measured at fair value through other comprehensive income		11,311,067	12,360,038
40.	Financial assets measured at amortised cost:		369,945,454	344,205,246
	a)	loans to banks	39,108,420	32,684,128
	b)	loans to customers	330,837,034	311,521,118
50.	Hedging derivatives		461,836	431,066
60.	Fair value change of financial assets in hedged portfolios (+/-)		2,512,280	1,467,343
70.	Equity investments		16,049,817	18,952,123
80.	Reinsurers' share of technical reserves		2,847,723	1,002,469
90.	Property, plant and equipment		39,398,030	39,354,499
100.	Intangible assets		13,352,997	13,192,067
	-	*of which: goodwill*	*2,785,878*	*2,786,040*
110.	Tax assets:		2,048,790	1,878,706
	a)	current tax assets	172,589	243,033
	b)	deferred tax assets	1,876,201	1,635,673
120.	Non-current assets and disposal groups held for sale		341,369	342,486
130.	Other assets		10,812,703	10,719,235
	Total assets		**474,345,395**	**448,724,319**

Liabilities and equity (thousands of euro)	30/06/2020	31/12/2019
10. Financial liabilities measured at amortised cost:	413,648,685	385,657,519
a) due to banks	58,742,552	41,840,044
b) due to customers	310,776,584	302,011,550
c) securities issued	44,129,549	41,805,925
20. Financial liabilities held for trading	207,721	89,965
30. Financial liabilities designated at fair value	63,202	61,200
40. Hedging derivatives	4,751,785	3,054,893
50. Fair value change of financial liabilities in hedged portfolios (+/-)	14,391	18,699
60. Tax liabilities:	3,466,291	3,650,788
a) current tax liabilities	110,843	162,971
b) deferred tax liabilities	3,355,448	3,487,817
70. Liabilities associated with non-current assets and disposal groups held for sale	173,349	165,706
80. Other liabilities	13,645,218	13,407,795
90. Staff severance pay	247,252	252,728
100. Provisions for risks and charges:	2,829,073	3,443,251
a) guarantees issued and commitments	356,824	363,636
b) pensions and other post-retirement benefit obligations		
c) other provisions	2,472,249	3,079,615
110. Technical reserves	3,648,232	2,811,818
120. Valuation reserves	257,006	1,147,528
130. Redeemable shares		
140. Equity instruments		
145. Interim dividends		
150. Reserves	14,323,827	14,677,901
160. Share premium reserve	2,378,517	2,378,517
170. Share capital	4,051,143	4,051,143
180. Treasury shares (-)	(322,220)	(489,111)
190. Non-controlling interests (+/-)	12,380,067	12,559,778
200. Net income (loss) for the period	(1,418,144)	1,784,201
Total liabilities and equity	**474,345,395**	**448,724,319**

CONSOLIDATED INCOME STATEMENT

Items (thousands of euro)		1st half of 2020	1st half of 2019
10.	Interest income and similar income	4,028,259	4,043,939
	- *of which: interest income calculated using the effective interest rate method*	*4,143,562*	*4,086,389*
20.	Interest expense and similar expense	(2,458,319)	(2,376,651)
30.	**Net interest income**	**1,569,940**	**1,667,288**
40.	Commission income	231,773	231,826
50.	Commission expense	(763,705)	(780,864)
60.	**Net commission income (expense)**	**(531,932)**	**(549,038)**
70.	Dividends and similar revenues	19,045	3,734
80.	Profits (losses) on trading activities	(46,738)	5,263
90.	Fair value adjustments in hedge accounting	(45,375)	(57,684)
100.	Gains (losses) on disposal or repurchase of:	117,313	65,864
	a) financial assets measured at amortised cost	(647)	2,242
	b) financial assets at fair value through other comprehensive income	121,975	63,622
	c) financial liabilities	(4,015)	
110.	Profits (losses) on financial assets and liabilities measured at fair value through profit or loss:	(95,446)	(12,657)
	a) financial assets and liabilities designated at fair value	(2,036)	24
	b) other financial assets mandatorily at fair value	(93,410)	(12,681)
120.	**Gross income**	**986,807**	**1,122,770**
130.	Net adjustments/recoveries for credit risk relating to:	(147,477)	(82,256)
	a) financial assets measured at amortised cost	(148,387)	(80,265)
	b) financial assets at fair value through other comprehensive income	910	(1,991)
140.	Gains/losses from changes in contracts without derecognition		
150.	**Financial income (expense), net**	**839,330**	**1,040,514**
160.	Net premium income	(68,817)	110,135
170.	Net other income (expense) from insurance operations	(21,682)	(89,997)
180.	**Net income from financial and insurance operations**	**748,831**	**1,060,652**
190.	Administrative expenses:	(4,194,783)	(3,716,784)
	a) staff costs	(1,201,746)	(983,111)
	b) other administrative expenses	(2,993,037)	(2,733,673)
200.	Net accruals to the provisions for risks and charges:	(44,674)	(12,053)
	a) guarantees issued and commitments	(87,225)	(1,464)
	b) other net accrual	42,551	(10,589)
210.	Net adjustments to/recoveries on property, plant and equipment	(872,435)	(757,480)
220.	Net adjustments to/recoveries on intangible assets	(381,666)	(300,753)
230.	Other operating income (costs)	6,606,940	6,129,312
240.	**Operating costs**	**1,113,382**	**1,342,242**
250.	Gains (losses) on equity investments	(2,010,889)	583,458
260.	Gains (losses) on property, plant and equipment and intangible assets measured at fair value		
270.	Goodwill impairment		
280.	Gains (losses) on disposal of investments	7,752	11,790
290.	**Income (loss) before tax from continuing operations**	**(140,924)**	**2,998,142**
300.	Income tax for the period on continuing operations	(564,640)	(809,060)
310.	**Income (loss) after tax on continuing operations**	**(705,564)**	**2,189,082**
320.	Income (loss) after tax on discontinued operations	11,694	
330.	**Net income (loss) for the period**	**(693,870)**	**2,189,082**
340.	Net income (loss) for the period pertaining to non-controlling interests	724,274	819,158
350.	**Net income (loss) for the period pertaining to shareholders of the Parent Company**	**(1,418,144)**	**1,369,924**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Items (thousands of euro)		1st half of 2020	1st half of 2019
10.	**Net income (loss) for the period**	**(693,870)**	**2,189,082**
	Other comprehensive income (net of tax) of transferred to income statement	**(306,816)**	**(71,593)**
20.	Equity securities designated at fair value through other comprehensive income	(309,332)	(49,308)
30.	Financial liabilities designated at fair value through profit or loss (change in the entity’s own credit risk)		
40.	Hedging of equity securities designated at fair value through other comprehensive income		
50.	Property, plant and equipment		
60.	Intangible assets		
70.	Defined benefit	(318)	(6,172)
80.	Non-current assets held for sale		
90.	Share of valuation reserves of equity investments accounted for using equity method	2,834	(16,113)
	Other comprehensive income (net of tax) transferred to income statement	**(614,420)**	**(157,100)**
100.	Hedging of foreign investments		
110.	Exchange rate differences	(13,280)	7,791
120.	Cash flow hedges	(88,139)	(193,254)
130.	Hedging instruments (elements not designated)		
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	(92,304)	128,189
150.	Non-current assets held for sale		
160.	Share of valuation reserves of equity investments accounted for using equity method	(420,697)	(99,826)
170.	**Total other comprehensive income (net of tax)**	**(921,236)**	**(228,693)**
180.	**Comprehensive income (items 10 + 170)**	**(1,615,106)**	**1,960,389**
190.	Consolidated comprehensive income pertaining to non-controlling interests	650,012	665,190
200.	**Consolidated comprehensive income pertaining to shareholders of the Parent Company**	**(2,265,118)**	**1,295,199**

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 30 JUNE 2020

(thousands of euro)	Balance at 31/12/2019	Changes in opening balance	Balance at 01/01/2020	Allocation of net income for previous year: Reserves	Allocation of net income for previous year: Dividends and other allocations (*)	Changes for the period: Changes in reserves	Changes for the period: Equity transactions: Issues of new shares	Changes for the period: Equity transactions: Purchase of own shares
Share capital:	7,225,549		7,225,549					
a) ordinary shares	7,224,199		7,224,199					
b) preference shares	1,350		1,350					
Share premium reserve	4,123,545		4,123,545					
Reserves:	21,686,315		21,686,315	(61,989)		136,396		
a) income	20,837,950		20,837,950	(37,775)		134,896		
b) other	848,365		848,365	(24,214)		1,500		
Valuation reserves	859,715		859,715			(6,769)		
Equity instruments								
Interim dividends	(440,599)		(440,599)	440,599				
Treasury shares	(755,270)		(755,270)				166,891	(74,880)
Net income (loss)	3,410,702		3,410,702	(378,610)	(3,032,092)			
Total Equity	**36,109,957**		**36,109,957**		**(3,032,092)**	**129,627**	**166,891**	**(74,880)**
Equity Group	**23,550,179**		**23,550,179**		**(2,152,931)**	**(21,934)**	**166,891**	
Equity Non-controlling interests	**12,559,778**		**12,559,778**		**(879,161)**	**151,561**		**(74,880)**

(*) Dividend per share distributed by the Parent Company equal to 6.37 euro as an ordinary dividend

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 30 JUNE 2019

(thousands of euro)	Balance at 31/12/2018	Changes in opening balance	Balance at 01/01/2019	Allocation of net income for previous year: Reserves	Allocation of net income for previous year: Dividends and other allocations (*)	Changes for the period: Changes in reserves	Changes for the period: Equity transactions: Issues of new shares	Changes for the period: Equity transactions: Purchase of own shares
Share capital:	7,141,669		7,141,669			(3,081)	3,015	
a) ordinary shares	7,141,669		7,141,669			(3,081)	1,665	
b) preference shares							1,350	
Share premium reserve	4,150,414		4,150,414			(187,643)		
Reserves:	21,720,843		21,720,843	1,470,980		159,940		
a) income	20,950,560		20,950,560	1,470,980		158,413		
b) other	770,283		770,283			1,527		
Valuation reserves	345,008		345,008			4,683		
Equity instruments								
Interim dividends	(474,375)		(474,375)	474,375				
Treasury shares	(484,546)		(484,546)					187,853
Net income (loss)	4,333,455		4,333,455	(1,945,355)	(2,388,100)			
Total Equity	**36,732,468**		**36,732,468**		**(2,388,100)**	**(26,101)**	**3,015**	**187,853**
Equity Group	**24,056,110**		**24,056,110**		**(1,554,707)**	**1,796**		
Equity Non-controlling interests	**12,676,358**		**12,676,358**		**(833,393)**	**(27,897)**	**3,015**	**187,853**

(*) Dividend per share distributed by the Parent Company equal to 4.60 euro as an ordinary dividend and 2.84 euro as an extraordinary dividend, against the distribution of income reserves.

Changes for the period									
Equity transactions									
Interim dividends	Special dividend distribution (*)	Changes in equity instruments (*)	Derivatives on own shares	Stock options	Change in equity interests	Comprehensive income for 30/06/2020	Shareholders' Equity at 30/06/2020	Group's Equity at 30/06/2020	Equity non-controlling interests at 30/06/2020
					(8,082)		7,217,467	4,051,143	3,166,324
					(8,082)		7,216,117	4,051,143	3,164,974
							1,350		1,350
					(112,201)		4,011,344	2,378,517	1,632,827
	(4,500)			1,054	89,528		21,846,804	14,323,827	7,522,977
	(4,500)				84,875		21,015,446	14,346,997	6,668,449
				1,054	4,653		831,358	(23,170)	854,528
						(921,236)	(68,290)	257,006	(325,296)
							(663,259)	(322,220)	(341,039)
						(693,870)	(693,870)	(1,418,144)	724,274
	(4,500)			**1,054**	**(30,755)**	**(1,615,106)**	**31,650,196**	**19,270,129**	**12,380,067**
					(6,958)	**(2,265,118)**	**19,270,129**	**19,270,129**	
	(4,500)			**1,054**	**(23,797)**	**650,012**	**12,380,067**		**12,380,067**

Changes for the period									
Equity transactions									
Interim dividends	Special dividend distribution (*)	Changes in equity instruments (*)	Derivatives on own shares	Stock options	Change in equity interests	Comprehensive income for 30/06/2020	Shareholders' Equity at 30/06/2019	Group's Equity at 30/06/2019	Equity non-controlling interests at 30/06/2019
							7,141,603	4,051,143	3,090,460
							7,140,253	4,051,143	3,089,110
							1,350		1,350
							3,962,771	2,378,517	1,584,254
	(959,862)			777	(474)		22,392,204	14,686,068	7,706,136
	(959,862)				(474)		21,619,617	14,684,995	6,934,622
				777			772,587	1,073	771,514
						(228,693)	120,998	409,887	(288,889)
							(296,693)	(57,220)	(239,473)
						2,189,082	2,189,082	1,369,924	819,158
	(959,862)			**777**	**(474)**	**1,960,389**	**35,509,965**	**22,838,319**	**12,671,646**
	(959,862)				**(217)**	**1,295,199**	**22,838,319**	**22,838,319**	
				777	**(257)**	**665,190**	**12,671,646**		**12,671,646**

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(thousands of euro)	1st half of 2020	1st half of 2019
A. OPERATING ACTIVITIES		
1. Operations	**2,958,808**	**2,172,291**
Net income for the period (+/-)	(693,870)	2,189,082
Gains (losses) on financial assets held for trading and other financial assets/liabilities measured at fair value through profit or loss (-/+)	135,668	11,184
Gains (losses) on hedging activities (-/+)	32,750	53,143
Net impairment adjustments (+/-)	244,540	94,746
Net value adjustments to property, plant and equipment and intangible assets (+/-)	1,254,101	1,047,210
Net provisions and other costs/revenues (+/-)	(42,551)	10,589
Net premiums not received (-)	(7,590)	(10,234)
Other insurance income not received/paid (-/+)	307,379	206,645
Unpaid charges, taxes and tax credits (+/-)	(372,897)	(41,468)
Writedowns/writebacks of equity investments (+/-)		(583,461)
Income (loss) after tax on discontinued operations (+/-)	2,000,916	
Other adjustments (+/-)	100,362	(805,145)
2. Cash generated by/used in financial assets	**(18,761,158)**	**(7,047,842)**
Financial assets held for trading	(492,074)	(273,119)
Financial assets designated at fair value	(481,901)	
Other financial assets mandatorily measured at fair value	407,084	25,598
Financial assets measured at fair value through other comprehensive income	610,137	(851,206)
Financial assets measured at amortised cost	(16,714,384)	(5,222,705)
Other assets	(2,090,020)	(726,410)
3. Cash generated by/used in financial liabilities	**26,125,917**	**11,005,084**
Financial liabilities measured at amortised cost	26,440,757	11,346,547
Financial liabilities held for trading	117,756	7,837
Financial liabilities designated at fair value	69	(499,905)
Other liabilities	(432,665)	150,605
Cash generated by/used in operating activities	**10,323,567**	**6,129,533**
B. INVESTMENT ACTIVITIES		
1. Cash generated by	**630,576**	**667,386**
Sale of equity investments	11,755	6,507
Dividends from equity investments	616,333	646,196
Sale of property plant and equipment	404	13,586
Sale of intangibles	2,084	1,097
Sales of subsidiaries and business units		
2. Cash used in	**(1,628,131)**	**(854,063)**
Purchase of equity investments	(68,938)	(89,451)
Purchase of property, plant and equipment	(970,125)	(710,718)
Purchase of intangible assets	(570,806)	(12,747)
Purchases of subsidiaries and business units	(18,262)	(41,147)
Cash generated by/used in investing activities	**(997,555)**	**(186,677)**
C. FINANCING ACTIVITIES		
Issue/purchase of treasury shares	(111,767)	
Issue/purchase of equity instruments		
Dividend distribution and other allocations	(3,036,592)	(3,347,962)
Sale/purchase of third-party control	(3,742)	
Cash generated by/used in financing activities	**(3,152,101)**	**(3,347,962)**
CASH GENERATED/USED DURING THE PERIOD	**6,173,911**	**2,594,894**

RECONCILIATION

Items (*)	1st half of 2020	1st half of 2019
Cash and cash equivalents at beginning of the period	**156,458,830**	**161,429,877**
Total cash generated/used during the period	6,173,911	2,594,894
Cash and cash equivalents at end of the period	**162,632,741**	**164,024,771**

(*) The cash and cash equivalents reported in the cash flow statement comprise the balance of item 10 "Cash and cash equivalents", the balance on the current account held with the Central Treasury and the positive balance of the bank current accounts, both reported under item 40 "Financial assets measured at amortised cost", net of current accounts with a negative balance reported under item 10 "Financial liabilities measured at amortised cost" under liabilities.

Notes to the consolidated financial statements

Introduction

Form and content of the half-yearly condensed consolidated financial statements

The half-yearly condensed consolidated financial statements of the Cassa Depositi e Prestiti Group ("CDP Group" or "Group") have been prepared in accordance with the international financial reporting standards, and in particular IAS 34, which sets out the minimum content and the basis of preparation for half-yearly financial reports.

The half-yearly condensed consolidated financial statements at 30 June 2020 clearly present, and give a true and fair view of, the Group's financial performance and results of operations for the period. The figures shown in these statements correspond with the company accounting records and fully reflect the transactions conducted during the half-year period.

The half-yearly condensed consolidated financial statements use the same consolidation principles and measurement criteria as those described in the last Annual Financial Report, to which reference should be made for more details.

Basis of presentation

The consolidated financial statements and the tables of the notes to the consolidated financial statements are expressed in thousands of euros, unless otherwise specified.

In the income statement, income is indicated as positive numbers, while expenses are shown in brackets.

The figures of the items, sub-items, and the "of which" specifications in the consolidated financial statements and in the tables of the notes to the financial statements have been rounded as appropriate, while ignoring the fractions of amounts equal to or less than 500 euro and raising fractions greater than 500 euro to the next highest thousand. The rounded amounts for the various items are the sum of the rounded balances of sub-items.

The cash and cash equivalents reported in the Statement of cash flows comprise the balance of item 10 "Cash and cash equivalents", the balance on the current account held with the Central State Treasury reported under item 40 b "Loans to customers", and the positive balance on bank accounts reported under item 40 a "Loans to banks", net of current accounts with a negative balance reported under item 10 a "Due to banks" of liabilities.

Comparison and disclosure

As detailed below, the notes to the financial statements provide all information required by law, as well as any supplemental information deemed necessary in order to give a true and fair view of the company's financial performance and standing.

These financial statements comply with the requirements of Bank of Italy circular No. 262/2005, updated as at 30 November 2018, and include, in accordance with IAS 34, accounting data as at 30 June 2020 as well as the following comparative data:
- Consolidated balance sheet at 31 December 2019;
- Consolidated income statement for the period ended 30 June 2019;
- Consolidated statement of comprehensive income at 30 June 2019;
- Statement of changes in consolidated equity at 30 June 2019;
- Consolidated statement of cash flows at 30 June 2019.

The statement of cash flows, prepared using the indirect method and in the accordance with the format set out in the above mentioned Bank of Italy circular No. 262/2005, includes, under cash generated by/used in financial liabilities, the changes in liabilities arising from financing activities, as provided by par. 44 B of IAS 7.

With regard to the requirements of the afore-mentioned Circular 262/2005 on presentation of data and information for the scope of "prudential consolidation", we note that, in line with the Italian and EU regulatory framework, the CDP Group is not subject to prudential supervision on a consolidated basis. Therefore, the Parent Company CDP S.p.A. and the following companies, subject to supervision on an individual basis, were included where reference is made to the scope of "prudential consolidation": CDP Investimenti SGR, SACE Factoring and Fondo Italiano di Investimento SGR. In contrast, the subsidiary SIApay S.r.l. (included among Other companies) has not been included in the scope of the "prudential consolidation", due to the small significance of its operations with respect to those of the entities listed above.

Where significant, detailed information has been provided distinguishing between "prudential consolidation" (which can be referred to alternatively as "banking group"), "insurance companies" and "other companies". The scope of "insurance companies" includes SACE S.p.A. and SACE BT. All fully consolidated subsidiaries, other than those already included in the scope of the "prudential consolidation", or "banking group", and in the "insurance companies" scope, are included in the "other companies" scope.

Review of the half-yearly condensed consolidated financial statements

The half-yearly condensed consolidated financial statements of the CDP Group are subject to review by the independent auditing firm Deloitte & Touche S.p.A., following award of the audit engagement for the 2020-2028 period by the Shareholders' Meeting of CDP S.p.A., held in ordinary session on 19 March 2019.

Annexes to the consolidated financial statements

Annex 1.1 "Scope of consolidation" is attached to the consolidated financial statements.

Accounting policies

General information

Section 1 - Declaration of compliance with the International Financial Reporting Standards

These half-yearly condensed consolidated financial statements as of and for the six months ended 30 June 2020 have been prepared, with regard to the recognition, classification and subsequent measurement criteria, in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretations, in force at 30 June 2020 and endorsed by the European Commission, as provided by Regulation (EC) 1606 of 19 July 2002, published in the Official Journal L 243 on 11 September 2002.

In particular, the content of these half-yearly condensed consolidated financial statements complies with IAS 34, which sets out the minimum content and the basis of preparation for interim financial reports. The CDP Group has exercised the option to prepare the half-yearly financial report in the condensed format as opposed to the full disclosure envisaged for the consolidated annual report.

In addition, to the extent applicable, these half-yearly condensed consolidated financial statements have been prepared in accordance with Circular No. 262 of the Bank of Italy of 22 December 2005, 6th update of 30 November 2018.

Section 2 - General preparation principles

The half-yearly condensed consolidated financial statements comprise the consolidated balance sheet, the consolidated income statement, the consolidated statement of comprehensive income, the statement of changes in consolidated equity, the consolidated statement of cash flows (prepared according to the "indirect method"), and these notes, as well as the Board of Directors' interim report on operations of the Group.

The consolidated financial statements and tables in the notes to the financial statements present not only the amounts related to the current financial period but also the corresponding comparative values.

The consolidated balance sheet does not contain those items having a zero amount as of 30 June 2020 and 31 December 2019. The consolidated income statement and the consolidated statement of comprehensive income do not contain items that have a zero amount in the reporting and comparative period.

In the consolidated income statement, in the consolidated statement of comprehensive income, and in the tables of the notes to the consolidated financial statements, revenues are shown as positive, while costs are shown as negative in brackets, when presented in tables in combination with revenues.

For the purposes of interpretation and to provide support in applying the financial reporting standards, the following documents have also been considered, although they have not been endorsed by the European Commission:
- Conceptual framework for financial reporting;
- Implementation Guidance and Basis for Conclusions;
- SIC/IFRIC interpretations;
- interpretative documents on the application of the IFRS in Italy, prepared by the Organismo Italiano di Contabilità (Italian Accounting Board, OIC) and the Italian Banking Association (ABI);
- documents issued by the EBA, ESMA and Consob concerning the application of specific IFRS rules;
- documents issued by ESMA, IOSCO and Consob with regard to assessments and disclosures required in respect of the impacts of the COVID-19 outbreak.

Where the information required by the IFRS and the regulations of the Bank of Italy is deemed to be inadequate in presenting the company's financial standing in a true and fair manner, the notes to the consolidated financial statements, also provide supplemental information for such purpose.
- These consolidated financial statements have been prepared in accordance with the following general requirements of IAS 1 - "Presentation of financial statements":
- Going concern basis: pursuant to the provisions of the joint document no. 2 of 6 February 2009 issued by Bank of Italy/Consob/Isvap concerning disclosures on the going concern basis, in compliance with the requirements on the same issue contained

in IAS 1 Revised and in accordance with the recommendations provided by ESMA in its Public Statement 71-99-1290 of 11 March 2020 and its Public Statement 32-63-972 of 20 May 2020, the CDP Group has performed an assessment of its ability to continue to operate as a going concern, considering all available information over a medium-term time horizon. Based on an analysis of the information and the results achieved in previous years, CDP deems appropriate to prepare its consolidated financial statements on a going concern basis.
- Accruals basis: operations are recognised in the accounting records and in the consolidated financial statements of the CDP Group (except for the disclosure about cash flows) when they accrue, regardless of the payment or collection date. Costs and revenues are recognised in profit or loss in accordance with the matching principle;
- Materiality and aggregation: all items containing assets, liabilities, revenues and expenses of a similar nature and with similar characteristics are presented separately in the financial statements, unless they are immaterial;
- Offsetting: no assets have been offset with liabilities, nor income with expenses, unless expressly required or allowed by the instructions of the Bank of Italy or by an accounting standard or a related interpretation;
- Frequency of reporting: the CDP Group has prepared these half-yearly condensed consolidated financial statements, presenting the related disclosures, on an annual basis. No changes occurred with respect to the reporting date, which remains at 31 December of each year;
- Comparative information: comparative information is disclosed in respect of the previous financial period. This comparative information, which for the balance sheet refers to the reporting date of the previous financial year and for the income statement refers to the first half of the previous year, is provided for each document comprising the financial statements, including the notes thereto.

Use of estimates

The application of International Financial Reporting Standards in preparing the half-yearly condensed consolidated financial statements requires the CDP Group to make accounting estimates that are considered reasonable and realistic according to the information available at the time the estimate is made that impact the carrying amount of the assets and liabilities, costs, revenues, and the disclosures on contingent assets and liabilities as of the reporting date, as well as the amounts reported for revenues and costs for the current period.

Changes in the conditions underlying the judgements, assumptions and estimates used could also have an impact on the consolidated financial statement items and earnings result in the future periods.

The main areas in which management is required to make subjective assessments are:
- the calculation of impairment losses on loans, equity investments and, in general, other financial assets subject to impairment;
- the use of measurement techniques to determine the fair value of financial instruments not listed on an active market;
- the calculation of employee benefits and provisions for risks and charges;
- the estimation of income taxes when preparing the half-yearly condensed consolidated financial statements mainly using the method that calculates the exact amounts for the period, which gives the best estimate of the weighted average tax rate expected for the year;
- the estimates and assumptions used in assessing the recoverability of deferred tax assets and interpretative issues concerning tax treatment;
- the statistical and financial assumptions used in estimating repayment flows on postal savings products;
- the assessment of the recoverability of goodwill and other intangible assets;
- the technical reserves of the insurance companies;
- the valuation of work in progress and inventories of raw materials, semi-finished and finished goods.

The description of the accounting policies used for the main items of the half-yearly condensed consolidated financial statements provides details on the main assumptions and assessments used in preparing the half-yearly condensed consolidated financial statements.

Section 3 - Scope and methods of consolidation

Subsidiaries are consolidated on a line-by-line basis, while companies subject to joint control or significant influence are accounted for using the equity method. An exception is made for a number of equity investments in companies in liquidation or subsidiaries in the start-up phase without assets and liabilities or of insignificant value, whose contribution to the consolidated financial statements is immaterial.

The financial statements of the subsidiaries used for line-by-line consolidation are those at 30 June 2020, as approved by competent corporate bodies of consolidated companies, adjusted as necessary to harmonise them with Group accounting policies and reclassified on the basis of the schemes established by the Bank of Italy in Circular no. 262 of 22 December 2005, updated to 30 November 2018.

The following statement shows the companies included in the line-by-line scope of consolidation.

Equity investments in subsidiaries

	Company name	Registered office	Operational headquarters	Type of relation-ship [1]	Equity investment: Investor	Equity investment: % holding	% of votes [2]
1.	ACE Marine LLC	Madison, WI	Green Bay, WI	1	Fincantieri Marine Group LLC	100.00%	100.00%
2.	Alfiere S.p.A.	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
3.	Alivieri Power Units Maintenance SA	Athens	Athens	1	Ansaldo Energia Switzerland AG	100.00%	100.00%
4.	Ansaldo Energia	Genoa	Genoa	1	CDP Equity S.p.A.	87.57%	87.57%
5.	Ansaldo Energia Holding USA Co	Wilmington	Wilmington	1	Ansaldo Energia	100.00%	100.00%
6.	Ansaldo Energia IP UK Ltd	London	London	1	Ansaldo Energia	100.00%	100.00%
7.	Ansaldo Energia Iranian LLC	Tehran	Tehran	1	Ansaldo Energia	70.00%	70.00%
				1	Ansaldo Russia LLC	30.00%	30.00%
8.	Ansaldo Energia Korea YH	Seoul	Seoul	1	Ansaldo Energia Switzerland AG	95.00%	95.00%
				1	Ansaldo Energia	5.00%	5.00%
9.	Ansaldo Energia Messico S. DE R.L. DE C.V.	Cortina Tagles Isoard (CTI)	Cortina Tagles Isoard (CTI)	1	Ansaldo Energia Switzerland AG	95.00%	95.00%
				1	Ansaldo Energia	5.00%	5.00%
10.	Ansaldo Energia Muscat LLC	Muscat	Muscat	1	Ansaldo Energia	50.00%	50.00%
				1	Ansaldo Energia Switzerland AG	50.00%	50.00%
11.	Ansaldo Energia Spain S.L.	Zaragoza	Zaragoza	1	Ansaldo Energia Switzerland AG	100.00%	100.00%
12.	Ansaldo Energia Switzerland AG	Baden	Baden	1	Ansaldo Energia	100.00%	100.00%
13.	Ansaldo Nigeria Limited	Lagos	Lagos	1	Ansaldo Energia	60.00%	60.00%
				1	Ansaldo Thomassen B.V.	40.00%	40.00%
14.	Ansaldo Nucleare S.p.A.	Genoa	Genoa	1	Ansaldo Energia	100.00%	100.00%
15.	Ansaldo Russia LLC	Moscow	Moscow	1	Ansaldo Energia	100.00%	100.00%
16.	Ansaldo Servicos de Energia Brasil Ltda	São Paulo	São Paulo	1	Ansaldo Energia	5.00%	5.00%
				1	Ansaldo Energia Switzerland AG	95.00%	95.00%
17.	Ansaldo Thomassen B.V.	Rheden	Rheden	1	Ansaldo Energia	100.00%	100.00%
18.	Ansaldo Thomassen Gulf	Abu Dhabi	Abu Dhabi	1	Ansaldo Thomassen B.V.	100.00%	100.00%
19.	Arsenal S.r.l.	Trieste	Trieste	1	Fincantieri Oil & Gas S.p.A.	100.00%	100.00%
20.	Asia Power Project Private Ltd	Chennai	Chennai	1	Ansaldo Energia	100.00%	100.00%
21.	Asset Company 2 S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
22.	Avvenia The Energyinnovator S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	70.00%	70.00%
23.	Bacini di Palermo S.p.A.	Palermo	Palermo	1	Fincantieri S.p.A.	100.00%	100.00%
24.	Bonafous S.p.A. in liquidazione	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
25.	BOP6 S.c.ar.l.	Trieste	Trieste	1	Fincantieri SI S.p.A.	95.00%	95.00%
		Trieste	Trieste	1	Fincantieri S.p.A.	5.00%	5.00%
26.	Brugg Cables (India) Pvt. Ltd.	Haryana	Haryana	1	Brugg Kabel AG	99.74%	99.74%
				1	Brugg Kabel GmbH	0.26%	0.26%
27.	Brugg Cables (Shanghai) Co., Ltd.	Shanghai	Shanghai	1	Brugg Kabel AG	100.00%	100.00%
28.	Brugg Cables (Suzhou) Co., Ltd.	Suzhou	Suzhou	1	Brugg Cables (Shanghai) Co. Ltd.	100.00%	100.00%
29.	Brugg Cables Italia S.r.l.	Milan	Millano	1	Brugg Kabel AG	100.00%	100.00%
30.	Brugg Cables Middle East DMCC	Dubai	Dubai	1	Brugg Kabel AG	100.00%	100.00%
31.	Brugg Kabel AG	Brugg	Brugg	1	Terna Energy Solutions S.r.l.	90.00%	90.00%
32.	Brugg Kabel GmbH	Schwieberdingen	Schwieberdingen	1	Brugg Kabel AG	100.00%	100.00%
33.	C.S.I S.r.l.	Milan	Follo (La Spezia)	1	INSIS S.p.A.	75.65%	75.65%
34.	CDP Equity S.p.A.	Milan	Milan	1	CDP S.p.A.	100.00%	100.00%

Company name	Registered office	Operational headquarters	Type of relation-ship [1]	Equity investment		% of votes [2]
				Investor	% holding	
35. CDP Immobiliare S.r.l.	Rome	Rome	1	CDP S.p.A.	100.00%	100.00%
36. CDP Industria S.p.A.	Rome	Rome	1	CDP S.p.A.	100.00%	100.00%
37. CDP Investimenti SGR S.p.A.	Rome	Rome	1	CDP S.p.A.	70.00%	70.00%
38. CDP Reti S.p.A.	Rome	Rome	1	CDP S.p.A.	59.10%	59.10%
39. CDP Technologies AS	Alesund	Alesund	1	Seaonics AS	100.00%	100.00%
40. CDP Technologies Estonia OÜ	Tallinn	Tallinn	1	CDP Technologies AS	100.00%	100.00%
41. Centro per gli Studi di Tecnica Navale - Cetena S.p.A.	Genoa	Genoa	1	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	15.00%	15.00%
			1	Fincantieri S.p.A.	71.10%	71.10%
42. Cinque Cerchi S.p.A. in liquidazione	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
43. Consorzio Stabile Ansaldo Newclear	Genoa	Genoa	1	Ansaldo Energia	18.18%	18.18%
			1	Ansaldo Nucleare S.p.A.	72.73%	72.73%
44. Cubogas S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam 4 Mobility S.p.A.	100.00%	100.00%
45. Difebal S.A.	Montevideo	Montevideo	1	Terna S.p.A.	100.00%	100.00%
46. Ecoprogetto Milano S.r.l.	Bolzano	Bolzano	1	Renerwaste S.r.l.	45.00%	37.18%
			1	Renerwaste Lodi S.r.l.	55.00%	45.45%
47. Ecoprogetto Tortona S.r.l.	Bolzano	Bolzano	1	Renerwaste S.r.l.	100.00%	82.63%
48. Enersi Sicilia	San Donato Milanese (MI)	Caltanissetta	1	Snam 4 Mobility S.p.A.	100.00%	100.00%
49. Enura S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	55.00%	55.00%
50. E-phors S.p.A.	Milan	Milan	1	Fincantieri S.p.A.	100.00%	100.00%
51. ESSETI sistemi e tecnologie S.r.l.	Milan	Fiumicino	1	INSIS S.p.A.	51.00%	51.00%
52. Estaleiro Quissamã Ltda	Rio de Janeiro	Rio de Janeiro	1	Vard Group AS	50.50%	50.50%
53. FIA2 - Fondo Investimenti per l'abitare 2	Rome	Rome	4	CDP S.p.A.	100.00%	100.00%
54. Fincantieri (Shanghai) Trading Co. Ltd	Shanghai	Shanghai	1	Fincantieri S.p.A.	100.00%	100.00%
55. Fincantieri Australia Pty Ltd	Sydney	Sydney	1	Fincantieri S.p.A.	100.00%	100.00%
56. Fincantieri do Brasil Partecipaçoes S.A.	Rio de Janeiro	Rio de Janeiro	1	Fincantieri Holding B.V.	20.00%	20.00%
			1	Fincantieri S.p.A.	80.00%	80.00%
57. Fincantieri Dragaggi Ecologici S.p.A.	Rome	Rome	1	Fincantieri S.p.A.	55.00%	55.00%
58. Fincantieri EUR - Europe S.p.A.	Trieste	Trieste	1	Fincantieri S.p.A.	100.00%	100.00%
59. Fincantieri Holding B.V.	Amsterdam	Amsterdam	1	Fincantieri S.p.A.	100.00%	100.00%
60. Fincantieri India Private Limited	New Delhi	New Delhi	1	Fincantieri S.p.A.	1.00%	1.00%
			1	Fincantieri Holding B.V.	99.00%	99.00%
61. Fincantieri Infrastructure Opere Marittime S.p.A.	Trieste	Valeggio sul Mincio (VR)	1	Fincantieri Infrastructure S.p.A.	100.00%	100.00%
62. Fincantieri Infrastructure S.p.A.	Trieste	Verona	1	Fincantieri S.p.A.	100.00%	100.00%
63. Fincantieri Marine Group Holdings Inc.	Wilmington. DE	Washington. DC	1	Fincantieri USA Inc.	87.44%	87.44%
64. Fincantieri Marine Group LLC	Carson City. NV	Washington. DC	1	Fincantieri Marine Group Holdings Inc.	100.00%	100.00%
65. Fincantieri Marine Systems North America Inc.	Wilmington. DE	Chesapeake - VI	1	Fincantieri Holding B.V.	100.00%	100.00%
66. Fincantieri Oil & Gas S.p.A.	Trieste	Trieste	1	Fincantieri S.p.A.	100.00%	100.00%
67. Fincantieri S.p.A.	Trieste	Trieste	1	CDP Industria S.p.A.	71.32%	71.32%
68. Fincantieri Services Middle East LLC	Doha (QFC)	Doha (QFC)	1	Fincantieri S.p.A.	100.00%	100.00%
69. Fincantieri Services USA LLC	Plantation. FL	Miami.FL	1	Fincantieri USA Inc.	100.00%	100.00%
70. Fincantieri SI S.p.A.	Trieste	Trieste	1	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	100.00%
71. Fincantieri Sweden AB	Umea	ND	1	Fincantieri S.p.A.	100.00%	100.00%

Company name		Registered office	Operational headquarters	Type of relation-ship (1)	Equity investment		% of votes (2)
					Investor	% holding	
72.	Fincantieri USA Inc.	Wilmington, DE	Washington, DC	1	Fincantieri S.p.A.	100.00%	100.00%
73.	Fintecna S.p.A.	Rome	Rome	1	CDP S.p.A.	100.00%	100.00%
74.	FIT Fondo Investimenti per il Turismo	Rome	Rome	4	CDP S.p.A.	100.00%	100.00%
75.	FIV Comparto Extra	Rome	Rome	4	CDP S.p.A.	100.00%	100.00%
76.	FIV Comparto Plus	Rome	Rome	4	CDP S.p.A.	100.00%	100.00%
77.	FMSNA YK	Nagasaki	Nagasaki	1	Fincantieri Marine Systems North America Inc.	100.00%	100.00%
78.	FOF Private Debt	Milan	Milan	4	CDP S.p.A.	62.50%	62.50%
79.	Fondo Italiano di Investimento SGR S.p.A.	Milan	Milan	1	CDP Equity S.p.A.	68.00%	68.00%
80.	FSE Fondo Sviluppo Export	Milan	Milan	4	SACE S.p.A.	100.00%	100.00%
81.	FSI Investimenti S.p.A.	Milan	Milan	1	CDP Equity S.p.A.	77.12%	77.12%
82.	FSIA Investimenti S.r.l.	Milan	Milan	1	FSI Investimenti S.p.A.	70.00%	70.00%
83.	FT1 Fondo Turismo 1	Rome	Rome	4	FIT Fondo Investimenti per il Turismo	100.00%	100.00%
84.	Gannouch Maintenance S.ar.l.	Tunis	Tunis	1	Ansaldo Energia Switzerland AG	1.00%	1.00%
				1	SPVTCCC BV	99.00%	99.00%
85.	Gasrule Insurance D.A.C.	Dublin	Dublin	1	Snam S.p.A.	100.00%	100.00%
86.	Gestione Bacini La Spezia S.p.A.	La Spezia	La Spezia	1	Fincantieri S.p.A.	99.89%	99.89%
87.	GNL Italia S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
88.	HMS IT S.p.A.	Rome	Rome	1	INSIS S.p.A.	60.00%	60.00%
89.	IES Biogas S.r.l.	Pordenone	Pordenone	1	Snam 4 Mobility S.p.A.	100.00%	70.00%
90.	Infrastrutture Trasporto Gas S.p.A.	San Donato Milanese (MI)	Milan	1	Asset Company 2 S.r.l.	100.00%	100.00%
91.	INSIS S.p.A.	Milan	Follo (La Spezia)	1	Fincantieri S.p.A.	60.00%	60.00%
92.	Isotta Fraschini Motori S.p.A.	Bari	Bari	1	Fincantieri S.p.A.	100.00%	100.00%
93.	Issel Nord S.r.l.	Follo	Follo	1	Fincantieri S.p.A.	100.00%	100.00%
94.	Italgas Acqua S.p.A.	Milan	Caserta	1	Italgas S.p.A.	100.00%	100.00%
95.	Italgas Reti S.p.A.	Turin	Turin	1	Italgas S.p.A.	100.00%	100.00%
96.	Italgas S.p.A.	Milan	Milan	4	CDP Reti S.p.A.	26.04%	26.04%
				4	Snam S.p.A.	13.50%	13.50%
97.	Luxury Interiors Factory S.r.l.	Pordenone	Pordenone	1	Marine Interiors Cabins S.p.A.	100.00%	100.00%
98.	Marina Bay S.A.	Luxembourg	Luxembourg	1	INSIS S.p.A.	100.00%	100.00%
99.	Marine Interiors Cabins S.p.A.	Trieste	Pordenone	1	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	100.00%
100.	Marine Interiors S.p.A.	Trieste	ND	1	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	100.00%
101.	Marinette Marine Corporation	Green Bay. WI	Marinette - WI	1	Fincantieri Marine Group LLC	100.00%	100.00%
102.	Medea Newco S.r.l.	Milan	Milan	1	Italgas S.p.A.	51.85%	51.85%
103.	Medea S.p.A.	Sassari	Sassari	1	Italgas Reti S.p.A.	51.85%	51.85%
104.	MI S.p.A.	Trieste	ND	1	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	100.00%
105.	New SIA Greece S.A.	Athens	Athens	1	SIA S.p.A.	100.00%	100.00%
106.	Niehlgas GmbH	Oberursel	Oberursel	1	Ansaldo Energia Switzerland AG	100.00%	100.00%
107.	Nuclear Enginnering Group Limited	Wolverhampton	Warrington/Egremont	1	Ansaldo Nucleare S.p.A.	100.00%	100.00%
108.	P4cards S.r.l.	Verona	Verona	1	SIA S.p.A.	100.00%	100.00%
109.	Pentagramma Perugia S.p.A.	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
110.	Pentagramma Romegna S.p.A. in liquidazione unipersonale	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%

	Company name	Registered office	Operational headquarters	Type of relation-ship [1]	Equity investment: Investor	% holding	% of votes [2]
111.	Perago Financial System Enablers Ltd	Centurion	Centurion	1	SIA S.p.A.	100.00%	100.00%
112.	PforCards GmbH	Wien	Wien	1	SIA S.p.A.	100.00%	100.00%
113.	PI.SA. 2 S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
114.	Power System M Japan	Tokyo	Tokyo	1	Power System MSG LLC	100.00%	100.00%
115.	Power System MSG LLC	Jupiter	Jupiter	1	Ansaldo Energia Holding USA Co	100.00%	100.00%
116.	Quadrifoglio Modena S.p.A in liquidazione	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
117.	Reicom S.r.l.	Milan	Padova	1	INSIS S.p.A.	100.00%	100.00%
118.	Renerwaste Lodi S.r.l.	Bolzano	Bolzano	1	Renerwaste S.r.l.	100.00%	82.63%
119.	Renerwaste S.r.l.	Bolzano	Bolzano	1	Snam 4 Enviorment	100.00%	82.63%
120.	Resia Interconnector S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
121.	Residenziale Immobiliare 2004 S.p.A.	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
122.	Rete S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
123.	Rete Verde 17 S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
124.	Rete Verde 18 S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
125.	Rete Verde 19 S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
126.	Rete Verde 20 S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
127.	SACE BT	Rome	Rome	1	SACE S.p.A.	100.00%	100.00%
128.	Sace do Brasil	Sao Paolo	Sao Paolo	1	SACE S.p.A.	100.00%	100.00%
129.	SACE Fct	Rome	Rome	1	SACE S.p.A.	100.00%	100.00%
130.	SACE Servizi	Rome	Rome	1	SACE BT	100.00%	100.00%
131.	SACE Spa	Rome	Rome	1	CDP S.p.A.	100.00%	100.00%
132.	Seanergy a Marine Interiors Company S.r.l.	Pordenone	Cordignano (TV)	1	Marine Interiors Cabins S.p.A.	85.00%	85.00%
133.	Seaonics AS	Alesund	Alesund	1	Vard Group AS	56.40%	56.40%
134.	Seaonics Polska Sp.zo.o.	Gdansk	Gdansk	1	Seaonics AS	100.00%	100.00%
135.	Seaside S.r.l.	Bologna	Bologna	1	Italgas S.p.A.	100.00%	100.00%
136.	Seastema S.p.A	Genoa	Genoa	1	Fincantieri S.p.A.	100.00%	100.00%
137.	Securitè des environnements Complexes S.r.l.	Milan	Aosta	1	INSIS S.p.A.	100.00%	100.00%
138.	SIA Central Europe. a.s.	Bratislava	Bratislava	1	SIA S.p.A.	100.00%	100.00%
139.	SIA Croatia D.o.o.	Zagabria	Zagabria	1	SIA S.p.A.	100.00%	100.00%
140.	SIA Czech Republic. s.r.o.	Prague	Prague	1	SIA S.p.A.	100.00%	100.00%
141.	SIA Romenia Payment Technologies S.r.l.	Bucarest	Bucarest	1	SIA S.p.A.	100.00%	100.00%
142.	SIA RS D.o.o. Beograd	Belgrado	Belgrado	1	SIA S.p.A.	100.00%	100.00%
143.	SIA S.p.A.	Milan	Milan	1	CDP Equity S.p.A.	25.69%	25.69%
				1	FSIA Investimenti S.r.l.	57.42%	57.42%
144.	SIAadvisor S.r.l.	Rome	Rome	1	SIA S.p.A.	100.00%	51.00%
145.	SIApay S.r.l.	Milan	Milan	1	SIA S.p.A.	100.00%	100.00%
146.	Simest S.p.A.	Rome	Rome	1	SACE S.p.A.	76.01%	76.01%
147.	Snam 4 Envirorment	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
148.	Snam 4 Mobility S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
149.	Snam Gas & Energy Services (Beijing) Co. Ltd.	ND	ND	1	Snam International B.V.	100.00%	100.00%
150.	Snam International B.V.	Amsterdam	Amsterdam	1	Snam S.p.A.	100.00%	100.00%
151.	Snam Rete Gas S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
152.	Snam S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	4	CDP Reti S.p.A.	31.04%	31.04%

	Company name	Registered office	Operational headquarters	Type of relation-ship (1)	Equity investment: Investor	Equity investment: % holding	% of votes (2)
153.	Snam4Efficiency S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
154.	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	Trieste	Trieste	1	Fincantieri S.p.A.	100.00%	100.00%
155.	SPE Santa Lucia Transmissora de Energia S.A.	Rio de Janeiro	Rio de Janeiro	1	Terna Plus S.r.l.	99.99%	99.99%
				1	Terna Chile S.p.A.	0.01%	0.01%
156.	SPE Santa Maria Transmissora de Energia S.A.	Rio de Janeiro	Rio de Janeiro	1	Terna Plus S.r.l.	99.99%	99.99%
				1	Terna Chile S.p.A.	0.01%	0.01%
157.	SPE Transmissora de Energia Linha Verde II S.A.	Belo Horizonte	Belo Horizonte	1	Terna Plus S.r.l.	75.00%	75.00%
158.	Stogit S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
159.	Tamini Transformatori India Private limited	Magarpatta City. Hadapsar, Pune	Magarpatta City. Hadapsar, Pune	1	Tamini Trasformatori S.r.l.	100.00%	100.00%
160.	Tamini Transformers USA L.L.C.	Sewickley	Sewickley	1	Tamini Trasformatori S.r.l.	100.00%	100.00%
161.	Tamini Trasformatori S.r.l.	Legnano (MI)	Legnano (MI)	1	Terna Energy Solutions S.r.l.	70.00%	70.00%
162.	Tea Servizi S.r.l.	Brescia	Brescia	1	Snam4EfficiencS.r.l.	100.00%	100.00%
163.	Tep Energy Solution S.r.l.	Rome	Milan	1	Snam4EfficiencS.r.l.	100.00%	100.00%
164.	Terna 4 Chacas S.A.C.	Lima	Lima	1	Terna Plus S.r.l.	99.99%	99.99%
				1	Terna Chile S.p.A.	0.01%	0.01%
165.	Terna Chile S.p.A.	Santiago del Cile	Santiago del Cile	1	Terna Plus S.r.l.	100.00%	100.00%
166.	Terna Crna Gora D.o.o.	Podgorica	Podgorica	1	Terna S.p.A.	100.00%	100.00%
167.	Terna Energy Solutions S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
168.	Terna Interconnector S.r.l.	Rome	Rome	1	Terna S.p.A.	65.00%	65.00%
				1	Terna Rete Italia S.p.A.	5.00%	5.00%
169.	Terna Peru S.A.C.	Lima	Lima	1	Terna Plus S.r.l.	99.99%	99.99%
				1	Terna Chile S.p.A.	0.01%	0.01%
170.	Terna Plus S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
171.	Terna Rete Italia S.p.A.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
172.	Terna S.p.A.	Rome	Rome	4	CDP Reti S.p.A.	29.85%	29.85%
173.	Toscana Energia Green S.p.A.	Pistoia	Pistoia	1	Toscana Energia S.p.A.	100.00%	100.00%
174.	Toscana Energia S.p.A.	Florence	Florence	1	Italgas S.p.A.	50.66%	50.66%
175.	Vard Accommodation AS	Tennfjord	Tennfjord	1	Vard Group AS	100.00%	100.00%
176.	Vard Accommodation Tulcea S.r.l.	Tulcea	Tulcea	1	Vard Accommodation AS	99.77%	99.77%
				1	Vard Electro Tulcea S.r.l.	0.23%	0.23%
177.	Vard Aqua Chile SA	Puerto Montt	ND	1	Vard Aqua Sunndal AS	95.00%	95.00%
178.	Vard Aqua Scotland Ltd	Lochgilphead	Lochgilphead	1	Vard Aqua Sunndal AS	100.00%	100.00%
179.	Vard Aqua Sunndal AS	Sunndal	Sunndal	1	Vard Group AS	100.00%	100.00%
180.	Vard Braila SA	Braila	Braila	1	Vard Group AS	5.88%	5.88%
181.	Vard Contracting AS	Vatne	Vatne	1	Vard Group AS	100.00%	100.00%
182.	Vard Design AS	Alesund	Alesund	1	Vard Group AS	100.00%	100.00%
183.	Vard Design Liburna Ltd.	Rijeka	Rijeka	1	Vard Design AS	51.00%	51.00%
184.	Vard Electrical Installation and Engineering (India) Private Limited	New Delhi	New Delhi	1	Vard Electro AS	99.50%	99.50%
				1	Vard Electro Tulcea S.r.l.	0.50%	0.50%
185.	Vard Electro AS	Tennfjord	Tennfjord	1	Vard Group AS	100.00%	100.00%
186.	Vard Electro Braila S.r.l.	Braila	Braila	1	Vard Electro AS	100.00%	100.00%
187.	Vard Electro Brazil (Instalaçoes Eletricas) Ltda	Niteroi	Niteroi	1	Vard Electro AS	99.00%	99.00%
				1	Vard Group AS	1.00%	1.00%

Company name		Registered office	Operational headquarters	Type of relation-ship (1)	Equity investment		% of votes (2)
					Investor	% holding	
188.	Vard Electro Canada Inc	Vancouver	Vancouver	1	Vard Electro AS	100.00%	100.00%
189.	Vard Electro Italy S.r.l.	Trieste	Trieste	1	Vard Electro AS	100.00%	100.00%
190.	Vard Electro Tulcea S.r.l.	Tulcea	Tulcea	1	Vard Electro AS	99.96%	99.96%
191.	Vard Engineering Brevik AS	Brevik	Brevik	1	Vard Group AS	100.00%	100.00%
192.	Vard Engineering Constanta S.r.l.	Costanta	Costanta	1	Vard RO Holding S.r.l.	70.00%	70.00%
				1	Vard Braila SA	30.00%	30.00%
193.	Vard Engineering Gdansk Sp.zo.o.	Gdansk	Gdansk	1	Vard Engineering Brevik AS	100.00%	100.00%
194.	Vard Group AS	Alesund	Alesund	1	Vard Holdings Limited	100.00%	100.00%
195.	Vard Holdings Limited	Singapore	Singapore	1	Fincantieri Oil & Gas S.p.A.	98.23%	98.23%
196.	Vard Infraestrutura Ltda	Ipojuca	ND	1	Vard PRomer SA	99.99%	99.99%
				1	Vard Group AS	0.01%	0.01%
197.	Vard International Services S.r.l.	Costanta	Costanta	1	Vard Braila SA	100.00%	100.00%
198.	Vard Marine Inc.	Vancouver	Vancouver	1	Vard Group AS	100.00%	100.00%
199.	Vard Marine US Inc.	Dallas	Houston	1	Vard Marine Inc.	100.00%	100.00%
200.	Vard Niterói Ltda	Rio de Janeiro	Rio de Janeiro	1	Vard Electro Brazil (Instalaçoes Eletricas) Ltda	0.01%	0.01%
				1	Vard Group AS	99.99%	99.99%
201.	Vard Offshore Brevik AS	Porsgrunn	Porsgrunn	1	Vard Group AS	100.00%	100.00%
202.	Vard Piping AS	Sovik	Sovik	1	Vard Group AS	100.00%	100.00%
203.	Vard PRomer SA	Recife	Recife	1	Vard Group AS	100.00%	100.00%
204.	Vard RO Holding S.r.l.	Tulcea	Tulcea	1	Vard Group AS	100.00%	100.00%
205.	Vard Seaonics Holding AS	Alesund	Alesund	1	Vard Group AS	100.00%	100.00%
206.	Vard Shipholding Singapore Pte Ltd	Singapore	Singapore	1	Vard Holdings Limited	100.00%	100.00%
207.	Vard Singapore Pte. Ltd.	Singapore	Singapore	1	Vard Group AS	100.00%	100.00%
208.	Vard Tulcea SA	Tulcea	Tulcea	1	Vard RO Holding S.r.l.	99.996%	99.996%
				1	Vard Group AS	0.004%	0.004%
209.	Vard Vung Tau Ltd	Vung Tau	Vung Tau	1	Vard Singapore Pte. Ltd.	100.00%	100.00%
210.	VBD1 AS	Sovik	Sovik	1	Vard Group AS	100.00%	100.00%
211.	Yeni Aen Insaat Anonim Sirketi	Istanbul	Istanbul	1	Ansaldo Energia	100.00%	100.00%

Key
(1) Type of relationship:
1 = majority of voting rights in ordinary shareholders' meeting;
2 = dominant influence in ordinary shareholders' meeting;
3 = agreements with other shareholders;
4 = other form of control;
5 = unitary management pursuant to Article 26.1 of Legislative Decree 87/92;
6 = unitary management pursuant to Article 26.2 of Legislative Decree 87/92.
(2) Actual percentage of votes in ordinary shareholders' meeting, distinguishing between effective and potential votes.

Compared to the situation at 31 December 2019, the most significant change in the line-by-line scope of consolidation is given by the inclusion of the companies of the Brugg group in the scope of consolidation, over which Terna acquired control, during the first quarter of 2020, through the acquisition of 90% stake in the share capital of Brugg Kabel AG, one of the leading European operators in the underground cable sector, designing, developing, creating, installing and maintaining electrical cables of all voltage levels and accessories for high-voltage cables.

When examining the changes regarding the income statement items, it should also be considered that starting from 1 January 2020 the contributions of the companies of the SIA and Ansaldo Energia groups and of Fondo Italiano di Investimento SGR, which had contributed only to the balance sheet items in 2019, were also consolidated, since the date of inclusion into the Group's scope of consolidation was 31 December.

With reference to the controlling interest held in SACE, it should be noted that on 8 April 2020, Decree Law 23/2020, known as the "Liquidity Decree" ("Decree" or "Liquidity Decree"), was published in the Italian Official Gazette. It contains a series of urgent measures for companies in light of the health emergency linked to the COVID-19 pandemic, including measures to access credit for companies and to support exports and international expansion. This Decree was converted into Law 40 of 5 June 2020, published in the Italian Official Gazette on 6 June 2020.

In particular, Article 1 of the Decree provides for temporary measures to support the liquidity of Italian companies through guarantees granted by SACE, against which the first - demand and without-recourse State guarantee is automatically granted. These guarantees (i) may be issued until 31 December 2020, (ii) may not exceed a total amount of 200 billion euro, (iii) must comply with a set of conditions[21] and (iv) will in turn be "covered" by a first - demand and without-recourse State guarantee, to be registered by SACE under a separate account. In this regard, it should be noted that the activity of issuing guarantees, to implement this provision, is already under way but not yet significant in consideration of the volumes of guarantees granted at 30 June 2020. This activity, examined in light of SACE's overall business, can reasonably be considered not "significant" for the purposes of the provisions of IFRS 10. Finally, it should be noted that assigning this new operational function to SACE does not change the governance of the CDP Group and of SACE itself in particular. Pursuant to the above provisions, where providing such guarantees, SACE must comply with the guidelines of the entity that bears the burden in the case of insolvency of the guaranteed entity, i.e. the MEF. The coordination obligation is of a purely protective nature.

The activity under Article 1 also covers a time horizon limited to the estimated COVID-19 emergency period. According to the regulatory provisions, the issue of guarantees will cease by 31 December 2020[22].

Article 2 (to be read together with Article 3) introduces some changes to SACE's decision-making and governance structures with regard to the activities carried out to support exports and international expansion as provided for in Article 2.

Article 2, "Measures to support exports, international expansion and investments by companies", makes changes to the regulatory framework contained in Decree Law 269/2003 that regulates the matter, introducing in particular a system of co-insurance between the State and SACE, at 90% and 10% respectively, on the risks defined as "non-market" by European legislation23.

The provisions also envisage the following changes:
- a Committee for the public financial support for exports ("Committee") is established with the main task of deciding on an annual plan of activities ("Annual Plan") and a system of risk limits ("RAF"[24]), made up of members designated by ministerial appointments and regulated by decree of the MEF;
- the planned amount of transactions to be insured and the amount of transactions at concentration risk are covered by the Annual Plan, while aspects relating to risk assumption and management are covered by the RAF;
- a ten-year agreement ("Agreement") is to be drawn up to regulate various aspects concerning the relationship between SACE and the MEF and SACE's operations, with particular regard to issuing and managing guarantees, as well as the disclosure obligations incumbent on it[25];
- the maximum limits on undertaking commitments by SACE are defined by the budget law.

SACE will receive a fee for the service rendered, since the fund to cover the State's commitments will be financed based on the premiums collected net of a fee in favour of SACE[26].

Finally, Article 3 introduces some changes in SACE's decision-making, operational and governance structures, which mainly concern SACE's activities to support exports and international expansion, i.e. those referred to in Article 2.

Based on the legislation in force at the reporting date of 30 June 2020 and the analyses and studies carried out, the 100% equity investment held in SACE was consolidated on a line-by-line basis, since it meets the requirements of IFRS 10. CDP continues to monitor any further regulatory changes that could lead to reassessing its classification and measurement.

Significant assessments and assumptions to determine whether there is control, joint control or significant influence

For details of the significant assessments and assumptions to determine whether there is control, joint control or significant influence, see the 2019 Annual Financial Report, Chapter 3, Part A - Accounting Policies, Part A.1 - General Information, Section 3 - Scope and Methods of Consolidation, 2. Significant assessments and assumptions to determine whether there is control, joint control or significant influence.

21 In particular, compliance with EU legislation on State aid and some other conditions indicated in paragraph 2 of Article 1 of the Decree.
22 See Decree, Article 1, paragraph 1.
23 See Decree Law 269/2003, Article 6, paragraph 9.
24 Acronym for "Risk Appetite Framework".
25 The aspects governed by the agreement in question are illustrated in Article 2, paragraph 1, of the Decree, in particular in the analysis of the amendments made to paragraph 9-*quinquies* of Article 6 of Decree Law 269/2003.
26 Moreover, the Decree does not indicate the methods and extent of this fee. Determining the fee will be governed by the Agreement.

Section 4 - Events subsequent to the reporting date of the half-yearly condensed consolidated financial statements

No events requiring changes to the figures approved occurred between the reporting date of these consolidated financial statements and the date of their approval by the Board of Directors.

Significant events after 30 June 2020

The significant transactions which occurred after 30 June 2020 are summarised below.

Fincantieri

On 2 July 2020, the Fincantieri group, through its subsidiary Insis, acquired a majority interest in Support Logistic Services S.r.l., a company based in Guidonia Montecelio (Rome), specialising in the construction, installation and maintenance of satellite communication systems, radar and radio communication systems for military and civil applications.

On 10 July 2020, "Le Jacques Cartier", the last cruise unit in the Explorer series for the shipowner Ponant, was delivered at the Søviknes shipyard in Norway. In just two years, all six units in the series were delivered, entirely built at Vard's Norwegian shipyards.

On 22 July 2020, Naviris signed the contract with OCCAR (Organisation for Joint Armament Cooperation) on the feasibility study for the mid-life upgrade (MLU) of the four Horizon-class destroyers. Naviris will work in close cooperation with its industrial partners Fincantieri, Naval Group, Leonardo, Thales, Eurosam, MBDA and Sigen.

Terna

The authorisation procedure to rearrange the electricity grid between Catanzaro and Calusia was initiated on 1 July 2020. The works, worth around 25 million euro, aim to renovate existing power lines and remove them from inhabited centres, ensuring greater grid resilience and quality and safety of service for businesses and citizens. In addition, the rearrangement will make it possible to safely exchange the renewable energy production available in the area. The works planned will also lead to important benefits to the environment because, with the construction of 50 km of power lines, it will be possible to demolish about 83 km of old lines and thus free 166 hectares of land. The works related to rearranging the grid will involve the municipalities of Catanzaro, Soveria Simeri, Simeri Crichi, Zagarise, Sellia Marina, Belcastro, Andali, Cerva, Petronà, Sersale Cropani, Mesoraca, Cotronei, Petilia Policastro and Caccuri.

The authorisation procedure for the partial burial and subsequent demolition of the 132 kV Mercallo – Cameri power line was initiated on 15 July 2020. The work, for which Terna will invest about 38 million euro, is to implement the provisions of the Memorandum of Understanding related to the construction of the Trino - Lacchiarella power line, and will allow, after constructing a new cable link between Cameri and Borgo Ticino, which will be about 22 km long, the demolition of an aerial stretch of about 21 km. Dismantling a further 3 km of the 220 kV Magenta - Pallanzeno power line in the municipality of Borgo Ticino is also planned. Overall, there will be more than 100 disused transmission towers.

Terna announces that, as at 10 July 2020, as part of the authorisation to purchase treasury shares approved by the Shareholders' Meeting of 18 May 2020, in the period from 29/06/2020 to 10/07/2020 it purchased 447,966 ordinary shares (equal to 0.022% of the share capital) on the Italian equities market (MTA) for a total value of 2,765,015.45 euro. The transaction follows the launch of a treasury share buy-back programme to service the 2020-2023 Performance Share Plan, as part of the Shareholders' Meeting resolution mentioned above.

On 17 July 2020, Terna launched a green bond issue for institutional investors, for a nominal value of 500 million euro. The green bond will have a duration of twelve years and will fall due on 24 July 2032, with a price of 99.623% and a spread of 90 basis points compared to the midswap. It will pay a coupon rate of 0.75%. The effective rate will be 0.78%, the lowest ever for a green bond issued by Italian corporate issuers.

Italgas

On 17 July 2020, Resolution no. 270/2020/R/efr was published, containing the rules governing the tariff contribution for energy efficiency certificates purchased by parties subject to the obligation starting from the year of the obligation 2019.

Through this Resolution, the Authority introduced an additional component that can increase the tariff contribution beyond the cap – always set at 250 euro/Energy Efficiency Certificate – up to a maximum of 10 euro/Energy Efficiency Certificate, taking into account:

- the availability of the Energy Efficiency Certificates on the market (measured by the difference between the total target of the Energy Efficiency Certificates of the parties subject to the obligation and the Energy Efficiency Certificates available to them at the end of the year of the obligation);
- the average market price (measured as the deviation, upwards, of the average market price from the cap of 250 euro/Energy Efficiency Certificate).

Finally, the Authority provided for an increase in the tariff contribution on account, currently equal to 175 euro/Energy Efficiency Certificate, to 200 euro/Energy Efficiency Certificate.

On the same date, Decree Law no. 76 of 16 July 2020 – Urgent measures for simplification and digital innovation (Simplification Decree) was published. The Decree Law aims at simplifying administrative procedures, eliminating and speeding up bureaucratic procedures, digitalising public administration and supporting environmental protection, the green economy and business activity.

Among the main measures, in order to speed up the awarding of tenders, for procedures for which the deadline to submit tenders has expired by 22 February 2020, the Contracting Authorities will adopt any award measure, or implement the framework agreements by 31 December 2020, and within the same period conclude contracts deriving from effective framework agreements.

Finally, in order to relaunch production activities in Sardinia:

- all the LNG transport and regasification infrastructure necessary to ensure the supply of natural gas by shuttle vessels from regulated Italian regasification terminals and any upgrades to regasification terminals to be built on the islands was considered part of the national transport network, also for tariff purposes;
- the TSO activated a procedure to allow the submission of requests for connection to the national transport network by means of such infrastructure within 30 days of the entry into force of the law converting the decree, and starts the preparatory activities to build such infrastructure.

Snam

On 15 July 2020, the consortium made up of Snam and the investment funds Global Infrastructure Partners (GIP), Brookfield Asset Management, GIC (the sovereign fund of Singapore), Ontario Teachers' Pension Plan and NH Investment & Securities, following the occurrence of all of the set conditions precedent, completed the acquisition of 49% of ADNOC Gas Pipeline Assets LLC (ADNOC Gas Pipelines) from The Abu Dhabi National Oil Company (ADNOC), announced on 23 June. For Snam, in particular, the disbursement from own funds amounted to approximately 250 million dollar.

CDP Immobiliare

On 22 July, the agreement to purchase 50% of the shares of Manifatture Milano was signed, whose closing is expected to take place by the end of the current year once the restructuring of bank debt has been completed, as provided for in the agreement.

Section 5 - Other issues

New IFRS endorsed at 30 June 2020 and in force since 2020

As required by IAS 8 - "Accounting policies, changes in accounting estimates and errors", details of the new international financial reporting standards, or amendments to standards already in force, whose application became mandatory from 1 January 2020, are provided below.

- Commission Regulation (EU) 2019/2014 of 29 November 2019, published in Official Journal L 318 of 10 December 2019, amending Regulation (EC) no. 1126/2008, adopting certain international accounting standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards (IAS) 1 and 8. Entities should apply such changes, at the latest, from the start of the first financial year that begins on or after 1 January 2020.
- Commission Regulation (EU) 2019/2075 of 29 November 2019, published in Official Journal L 316 of 6 December 2019, amending Regulation (EC) no. 1126/2008, adopting certain international accounting standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standards (IAS) 1, 8, 34, 37 and 38, International Financial Reporting Standards (IFRS) 2, 3, and 6, Interpretations 12, 19, 20 and 22 of the

International Financial Reporting Interpretations Committee (IFRIC) and Interpretation 32 of the Standing Interpretations Committee (SIC). Entities should apply such changes, at the latest, from the start of the first financial year that begins on or after 1 January 2020.
- Commission Regulation (EU) 2020/34 of 15 January 2020, published in Official Journal L 12 of 16 January 2020, amending Regulation (EC) no. 1126/2008 of the Commission, adopting certain international accounting standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 39 and International Financial Reporting Standards (IFRS) 7 and 9. Companies should apply the changes set out in Article 1, at the latest, from the start of the first financial year that begins on or after 1 January 2020. The main amendments concern the reform of the indices of reference for determining interest rates.
- Commission Regulation (EU) 2020/551 of 21 April 2020, published in Official Journal L 127 of 22 April 2020, amending Regulation (EC) no. 1126/2008, adopting certain international accounting standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council with regard to International Financial Reporting Standard 3 (*Business Combinations*). Companies should apply the changes set out in Article 1, at the latest, from the start of the first financial year that begins on or after 1 January 2020.

Accounting standards, amendments and interpretations not yet endorsed by the European Union at 30 June 2020

Certain accounting standards, interpretations and amendments had been issued by the IASB but not yet endorsed by the European Union at the approval date of these consolidated financial statements:
- IFRS 17 Insurance Contracts (issued on 18 May 2017);
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets as well as Annual Improvements (issued 14 May 2020);
- Amendment to IFRS 16 Leases COVID 19-Related Rent Concessions (issued on 28 May 2020).

Other information

The Board of Directors meeting held on 3 August 2020 approved the consolidated half-yearly financial report of the CDP Group at 30 June 2020, inclusive of the half-yearly condensed consolidated financial statements of the CDP Group, authorising their publication and disclosure in line with the deadlines and methods envisaged by the regulations applicable to CDP.

Disclosure of COVID- 19 impacts

In preparing the half-yearly financial report at 30 June 2020, CDP and the Group companies were required to consider the impacts of the current economic situation following the COVID-19 outbreak, as well as the related accounting implications with regard to the measurement of assets and liabilities, and the disclosure and assessment on the going concern basis, taking also into account the guidance published by the ESMA, the IOSCO and Consob (hereinafter also "Authorities"), specifically:
- ESMA 32-63-951 statement dated March 2020, 'Accounting implications of the COVID-19 outbreak on the calculation of expected credit losses in accordance with IFRS 9';
- ESMA 32-63-972 statement dated May 2020 'Implications of the COVID-19 outbreak on the half-yearly financial reports';
- IOSCO OR/02/2020 dated May 2020 'Statement on Importance of Disclosure about COVID-19';
- Consob warning notice no. 6/20 of April 2020, 'COVID-19 - Drawing attention to financial reporting';
- Consob warning notice no. 8/20 of July 2020, 'COVID-19 – Drawing attention to financial reporting'.

IAS 34 establishes that the extent of the information provided should be proportionate to the objective of providing an adequate update with respect to the information reported in the annual financial statements. The information hereunder for the current half-year period provides a highly comprehensive and detailed update regarding the exceptional impacts of COVID-19 in the period.

See paragraph 4.2.1.4 "Management impacts of the COVID-19 health emergency and outlook of operations" for more information on the impacts of COVID-19 on strategies, objectives and financial performance, the measures adopted to address and mitigate these effects and the business outlook.

The Authorities agree that, for a large proportion of issuers, COVID-19 constitutes a significant event, as identified in IAS 34, paragraphs 15-15C, and therefore urges issuers to adjust and potentially expand the level of detail of the information provided in their interim financial statements and to take into account, in preparing their half-yearly financial report, the provisions of the individual IFRS on annual financial statements, in terms of the information required to help users to have a better understanding (IAS 1).

Disclosure of going concern, significant uncertainties and risks linked to COVID-19

Going concern

Based on CDP's operations and having considered all information available on its capital structure, available liquidity and financial performance over the medium term, even in the context of the ongoing COVID-19 outbreak, there is no evidence of factors that might in any way affect its ability to continue as a going concern.

Significant uncertainties and risks linked to COVID-19

The main risks to which CDP is exposed in conducting its business can be summarized based on the following taxonomy:
- Equity risk: the risk that negative trends of equity security prices will adversely affect the fair value, earnings or net assets value of a financial institution.
- Interest rate and inflation risk: the risk that negative trends in interest and inflation rates will adversely affect the fair value, earnings or net assets value of a financial institution.
- Liquidity risk: the risk that a financial institution will be unable to meet its commitments due to difficulties in financing itself or in divesting assets, or that it will be unable to monetise assets held in the market without significantly adverse conditions affecting their market price.
- Credit risk: the risk that a debtor will not meet its commitments in relation to a loan or an issued bond.
- Concentration risk: the risk arising from large exposures to individual counterparties, groups of connected counterparties or counterparties carrying out the same activity, belonging to the same economic sector or the same geographical area.
- Counterparty risk: the risk that a counterparty will not meet its commitments in respect of one or more derivative or treasury transactions.
- Reputational risk: the current or prospective risk of a fall in profits, loss of economic value or damage to the institutional role, resulting from a negative perception of the image of CDP or the CDP Group by customers, counterparties, shareholders, investors, regulators or other stakeholders.
- Operational risk: the risk that inadequate information systems, operational errors, failures in internal controls or procedures, fraud, lawsuits, judgments or invalid agreements or external events (e.g. earthquakes, epidemics, etc.) may result in losses for a financial institution.
- Exchange rate risk: the risk that negative trends in exchange rates may adversely affect the fair value, earnings or net assets value of a financial institution.
- Country risk: the risk that events occurred in countries other than Italy may result in losses. This does not just refer to the credit risk associated with exposures to the public administration of the foreign country (sovereign risk), but to all exposures regardless of the type of counterparty.

The COVID-19 outbreak has not uncovered risks other than those reported in the 2019 Annual Financial Report (RFA) approved by the Board of Directors on 2 April 2020, as these types of events fall within the risks already mapped and monitored. In particular, the following key risk areas have been identified:
- equity risks due to a fall in the price of listed equity investments and a possible drop in the value of the overall portfolio, including exposures to the Real Estate sector;
- credit risks due to a possible rise of debtors in financial distress, both on the loans and guarantees portfolio and on debt securities;
- liquidity risks due to possibly more difficult conditions to raise funding and/or dispose assets when required;
- operational risks due to restricted use of business premises, business continuity and the risk of employees sick leave.

Although the events linked to COVID-19 are of an unprecedented magnitude, there is currently no evidence to suggest an increase in the risk of CDP being unable to meet its commitments.

The global spread of COVID-19 and the resulting impacts on economic activity have increased the level of uncertainty, hence making it more difficult to make quantitative estimates, for example, with regard to possible future losses on receivables measured at amortised cost or cash flows from equity investments or real estate assets, also due to the increased uncertainty in the assumptions and parameters at the basis of the asset valuation analyses.

For CDP, the areas subject to analysis, due to an increased level of uncertainty, are:
- possible changes linked to regulatory measures adopted in Italy to tackle the health crisis, which might require significant changes to be made to the business model of one or more investee companies (Decree Law 23/2020, which, inter alia, requires the termination of CDP management and coordination activity over SACE and increases the MEF guarantee on SACE's operations to 90%). As a consequence of the measures above, it can be reasonably expected that SACE's risk profile will improve in

terms of lower capital requirements and lower concentration effects in the activities typically linked to supporting exports and international expansion. This is offset against the transfer of the core business that remunerates the allocated capital. However, the net effect of these measures on CDP's risk/return profile cannot be reliably measured until the relevant legislation has been fully enacted and implemented;
- a possible acceleration in the the energy transition dynamics, with effects on investees that operate in the Oil & Gas sector or in directly related sectors. In this regard, following an analysis of the market discontinuity caused by the COVID-19 outbreak, ENI has announced and recently confirmed its strategic policies up to 2050, confirming the Group's objective to become the biggest supplier of decarbonised products, contributing to the energy transition process and combining the objectives of profitability and sustainability;
- a possible increase in the insolvency risk in the loan portfolio, in terms of both rating transitions and the higher probability of short-term default. CDP has calculated Expected Credit Losses on the basis of an internally-developed methodology in accordance with IFRS 9. See paragraph 2.2 below for further information on the application of this method in the current situation caused by COVID-19.

In the context above, it is important to highlight that there is strong uncertainty about the possible duration of the impacts of the pandemic, making it difficult to predict the associated short and medium-term impacts. This consequently increases uncertainty in the estimates made by the Management given that the underlying assumptions and conditions might need to be revised and updated over the coming months to consider factors outside the Management's control.

With regard to Group companies, the following is highlighted:
- CDP Equity profitability is impacted by the lack of dividend payments by some investees, which have prudentially decided not to distribute financial resources to shareholders. This has not resulted in financial distress for the company as it has the necessary financial resources to continue in business even in particularly critical situations.
- CDP Immobiliare is seeing the impacts of COVID-19 on the timing of commencement and completion of constructions, as well as on the sale and rental of its real estate portfolio.
- CDPI SGR will assess the impacts of the crisis on the funds managed and, in particular, on FT1, in the second half of 2020. In fact, it will only be possible to understand what impacts the pandemic has had on the portfolio and consequently, to reliably assess the credit risk of the counterparties, at the end of the summer.
- SIMEST is closely monitoring the overall situation with regard to its portfolio of loans granted for the capitalisation of businesses, and expects to further reinforce risk monitoring by means of a specific structured assessment of the COVID-19 impacts on credit risk.

Financial instruments and measurement of Expected Credit Losses

The assessment of any significant increase in credit risk (SICR) of CDP is based not only on the information relating to the classification of loans pursuant to banking regulations (e.g. "past due", "forborne") but also on the forward-looking information embedded in its own credit risk management systems in relation to:
- internal ratings, which reflect the forward-looking assessment by CDP analysts of the capacity of each debtor to meet its obligations over the entire life of the financial instruments. Internal ratings holistically incorporate, through an assignment and review process, all available quantitative and qualitative information that is relevant to the assessment, including, for example, up-to-date macroeconomic forecasts, sector dynamics assessments, public ratings issued by the primary agencies, market prices and regulatory measures;
- assigning specific debtors to the different "watchlists", which in some cases may indicate the presence of additional uncertainty factors, typically qualitative, other than the main drivers considered in the internal rating.

Consistent with the characteristics of its loan portfolio, mainly including exposures with public counterparties, banks operating in Italy, large corporations and special-purpose vehicles operating in the infrastructure sector, CDP has noted , as at 30 June 2020, that changes in ratings are very limited in terms of cases, the amount and size of the exposures, even including the impacts of COVID-19 on a forward-looking basis.

In measuring Expected Credit Losses, CDP applies the internally-developed methodology, which takes into account the following elements:
- a reliable estimate of through-the-cycle probability of default, which incorporates not only historical data but also forward-looking information to ensure the reliability of the estimates even in situations of serious crisis, across the entire life of the financial instruments;
- an internal model for estimating the cyclical component of probability of default, to produce forward-looking estimates of point-in-time parameters.

The model applied to estimate the cyclical component is based on the main macroeconomic drivers and, in the context of the COVID-19 crisis, identifies a significant probability of an imminent phase of recession. Despite the lack of reliable information in the current context, CDP has analysed the consistency between the results of the model and the assumptions that can be reasonably made at the date of the accounting documents, taking into account, in particular, the latest short and medium-term macroeconomic forecasts available. CDP has also considered the mitigating effects that are likely to arise from the monetary policies adopted by the main central banks and, more generally, from the economic policies adopted at national, EU and international level, taking also into account that, in line with the ESMA 32-63-951 statement ('Accounting implications of the COVID-19 outbreak on the calculation of expected credit losses in accordance with IFRS 9'), IFRS 9 does not provide for automatisms regarding how contextual factors should impact on provisioning[27].

With regard to CDP S.p.A., Expected Credit Losses totalled Euro 1,035 million as at 30 June 2020, marking an increase on the value at 31 December 2019 (Euro 833 million). Changes in stages represent the elements with the most significant effect on these dynamics, considering that the impact of exposures in stage 2, for which the expected loss is calculated across the entire life, has increased from around 3.52% to around 3.83%. Transitions from stage 1 to stage 2 were significantly affected by a transition that occurred in the first two months of 2020, therefore unrelated to the impacts of the pandemic. There has been a generalised increase in point-in-time probability of default, in line with the provisions of the accounting standard. The other factors, namely, recovery rates, exposures and duration, have a less significant effect.

At overall level, the increase in Expected Credit Losses compared to 31 December 2019 is , small mainly due to the following factors:

- CDP's loan portfolio, subject to collective impairment in accordance with IFRS 9, is largely made up of exposures of medium-to-high quality, in segments that are expected to maintain a high credit rating notwithstanding the impacts of COVID-19, specifically, the government (65.9% of the portfolio) and other public entities, mostly local (13% of the portfolio), and banks operating in Italy (3% of the portfolio). Moreover, exposures with businesses are mostly constituted by loan with large-size companies with a high credit rating, in sectors that are less likely to be affected by the impacts of COVID-19;
- since the internal model used to estimate the cyclical component of probability of default is based on a forward-looking approach, it already incorporated, as at 31 December 2019, a significant expectation of negative trends in the economic cycle.

As part of the actions taken to respond to the COVID-19 crisis, CDP has proposed an extensive initiative to enable Public Entities to renegotiate their mortgage loans, thereby significantly reducing cash flows in 2020 and extending the duration on the loans, under financial equivalence conditions. This initiative, which follows those already implemented by CDP to accommodate the needs of the Entities in other circumstances, maintains the value of the asset and the level of guarantee benefitting CDP under applicable legislation. The impacts in terms of liquidity and interest rate risk are fully compatible with CDP's scope of action.

As of March 2020, CDP has been asked to grant Italian debtors an average 6-month moratorium on payments, mainly pursuant to the "Cura Italia" Decree Law, as well as a suspension of checks on financial covenants ('Covenant Holiday') on the loan portfolio for about one year. The sectors most heavily impacted are represented by motorway and airport operators under concessions and automotive components.

With regard to the portfolio of foreign debtors, the sector most heavily impacted up to 30 June 2020 is the cruise shipbuilding industry. As of March 2020, the main European export credit agencies are offering debtors in the cruise sector a 12-month 'Debt Holiday' from principal repayments and a suspension of financial covenants for the same period. .

By resolution of the Board of Directors dated 15 May 2020, CDP has joined the Debt Holiday initiative launched by the Italian export credit agency (SACE). Consequently, from July 2020, agreements have been signed to amend existing agreements, thus allowing the suspension of covenants and the deferral of principal repayments by creating separate tranches to be repaid over the next four years.

In none of the cases above were any of the loan agreements or the underlying financial instruments derecognised by CDP.

With regard to Group companies, the following should be noted:

- SIMEST has carried out measurements of provisions on an individual and collective basis.
- With regard to individual impairment, the measurements were conducted at the level of the individual counterparty/transaction on the basis of the expected cash flows, the presence of guarantees and the recovery timing and percentages. This resulted in a review of the measurements and an associated increase in the impairments (overall impact of 1.3 million euro).

27 *"... ESMA highlights that the Standard does not envisage any automatism as to how such contextual factors should impact on the loan loss provisioning."*

- With reference to collective impairment, the Expected Credit Losses were updated for the portfolio measured at amortised cost, using the point-in-time and forward-looking PD matrices supplied by the Parent Company, which already capture a baseline of the possible impacts of the COVID-19 outbreak on the economy. For the portion of portfolio measured at fair value, the impairment values were calculated using up-to-date market parameters - generally producing more conservative results also due to the higher volatility of the external variables (credit and funding spread) - which reflect the higher level of uncertainty of the current economic situation. At overall level, the coverage ratio of the performing portfolio has increased slightly on December 2019, with an impact on the income statement of around 1.2 million euro. This measurement also includes the marginal effects of the moratorium granted to individual customers, as well as a number of revised ratings for individual positions whose risk profile has deteriorated also due to the economic consequences of the pandemic and its impact on sectors of economic activity. More generally and considered prospectively, the measurement of the expected credit loss and the fair value of financial assets could be further influenced by the economic-financial impacts of the pandemic, in part mitigated by the public measures and system-level actions implemented to support the economy. At present, the high level of uncertainty at overall level makes it difficult to precisely quantify the overall impacts.
- SACE Fct has reported that the COVID-19- emergency has had economic impacts on its half-year position, with impairments on the performing portfolio estimated at 0.7 million euro. This is due to the inclusion in the calculation of PDs of a forward-looking factor - linked to the expected deterioration in the quality of the portfolio by the end of 2020 - to reflect the impact of the reduction in Italy's GDP and the economic, financial and liquidity difficulties faced by Italian businesses, with specific focus on SMEs. In the context above, the legislator has adopted a series of legislative instruments to support economic recovery, including Decree Law 23/2020, which was converted into Law 40/2020 with amendments on 8 June 2020.

Impairment test on non-financial assets

Equity investments

The CDP Group's equity investment portfolio accounted for using the equity method, includes listed and unlisted companies of major national interest, which are also pivotal in the promotional activity of supporting the growth and international expansion of businesses and the development of infrastructure. In its capacity as a National Promotional Institution, CDP invests in companies' share capital, mainly over a long-term horizon.

At each reporting date, CDP makes an assessment to detect the presence of indicators of impairment under IAS 36 and of any additional indicators, where applicable. With reference to equity investments accounted for using the equity method, the indicators of impairment and objective evidence of impairment are assessed on the basis of information provided by public sources or of any additional information received by the investees.

At 30 June 2020, impairment triggers were activated on the key equity investments accounted for using the equity method (ENI, Poste, Saipem, Open Fiber and Webuild), relative to actual results and/or the performance of market prices.

With reference to the estimated recoverable amount of the equity investments, to be understood as the higher of their fair value less costs to sell and their value in use, CDP has adopted a range of key principles, taking also into account the challenges of the COVID-19 outbreak in this unique moment in time. Examples are given below:
- longer monitoring period for stock exchange prices;
- longer monitoring period for risk-free rates;
- use of the average of the latest Country Risk Premiums instead of the latest available, where deemed to be more significant;
- use of an Equity Risk Premium "consensus" in line with the average of the latest values available instead of the latest value available.

In addition, CDP has conducted a sensitivity analysis on each equity investment against the main variables that determine the asset's value, including for example:
- the price of Brent for the companies of the Oil & Gas sector;
- the cost of capital for all companies and, in particular, for those of the financial sector;
- the long-term growth rate, if applicable, based on the value estimation method used.

The following summary table lists the main equity investments recognised at consolidated level and accounted for using the equity method, with indication of the carrying value at consolidated level and the methods used to calculate the recoverable amount determined for the purpose of the impairment test on the equity investments above.

Note that equity investments accounted for using the equity method were measured using the "closed box" method, which measures the equity investment as a whole in accordance with International Accounting Standard (IAS) 28.

Equity Investment	Carrying amount at consolidated level (million euro)	Recoverable amount	Methodology used
ENI	9,961	Value in use	Sum of the components (DCF and multiples)
Poste Italiane	2,771	Fair value	Stock market price
Saipem	414	Value in use	DCF
Open Fiber	371	Value in use	DDM
Webuild	226	Fair value	Stock market price

ENI

The recoverable amount of the equity investment in ENI was measured at value in use as the sum of the components of the company's main business units to reflect the specificity of the Group's different business segments. In particular:

- for the Exploration & Production sector, the largest, the discounted cash flow (DCF) method was used, based on a closed portfolio model which develops and measures the entirety of the group's oil and natural gas reserves until stocks are exhausted:
  - production volumes were calculated starting from proven reserves at December 2019 and on the assumption that by 2035, 85% of the proven and unproven reserves, as declared by ENI, will be produced. Unproven reserves (i.e. possible and probable) were estimated on the basis of the assumption above;
  - sales prices were calculated on the basis of the geographical macro-area the reserves belong to, taking into account the 2019 spread between ENI's unit sales prices and the value of Brent for oil or the virtual trading point (VTP) for gas, at the expected values of the two indices. These values are in line with the revised scenario published by ENI, which for 2023 predicts a Brent price of 60 $/barrel in real terms, against the earlier assumption of 70 $/barrel. For 2020-2022, the price is projected at 40, 48 and 55 $/barrel respectively (previously at 45, 55 and 70 $/barrel). The price of gas on the Italian VTP spot market is projected at 5.5 $/mmBTU in 2023 against the earlier assumption of 7.8 $/mmBTU. For 2020-2022, the price is projected at 3.0, 4.6 and 5.2 $/mmBTU respectively (previously at 3.9, 5.1 and 7.3 $/mmBTU);
  - unit operating costs were also estimated by geographical macro-area;
  - investments were estimated in a differentiated manner for proven reserves and possible/probable reserves;
  - the WACC was estimated at 8.1% applying the Capital Asset Pricing Model for the cost of equity and based on the cost of the company's indebtedness for debt. The capital structure was estimated starting from a panel of comparable companies, adjusted to take into account the specificity of E&P;
- for the Gas & Power sector, the carrying value (net invested capital) was used, exception made for the equity investment in ENI Gas & Luce, which was measured using the multiples method based on a panel of comparable listed companies (P/E multiple);
- for the Refining & Marketing and Chemicals sector, the carrying value (net invested capital) was used, exception made for the Grid, which was measured using the multiples method based on a set of transactions in the sector (EV multiple/per point of sale).

The impairment test found that the recoverable amount was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. Note that non-marginal changes in the main assumptions at the basis of the test could result in a recoverable amount lower than that identified at the reporting date but still higher than the carrying value.

Poste Italiane

The recoverable amount of the equity investment in Poste was measured at fair value.

The fair value of the equity investment was calculated on the basis of the volume-weighted average price ("VWAP" method) at which the stock traded at the measurement date (quote "VWAP" method).

The impairment test found that the fair value was higher than the carrying value of the equity investment and, consequently, the value in use did not need to be estimated. The carrying amount of the equity investment was therefore confirmed.

Given that the stock market prices qualify as Level 1 in the fair value hierarchy, no sensitivity analysis is provided.

Saipem

The recoverable amount of the equity investment in SAIPEM was measured at value in use, estimated using the discounted cash flow method (unlevered DCF) based on a two-stage model, with a clearly stated forecast of future cash flows for the years 2020-2022 and the calculation of the terminal value using the algorithm of cash flows in perpetuity. The information needed to estimate the cash flows and the other information needed to calculate the value in use was taken from public sources.

Specifically:
- The values in the specific period 2020-2022 are based on the simple average of the estimates prepared by a selected group of financial analysts who track the stock;
- The terminal value was calculated using the perpetuity growth model, estimating the cash flows achievable from the asset portfolio of the Saipem group, considered on an indivisible basis, at average values and across a hypothetical sector-based cycle. In particular:
  - Revenues, estimated by determining, using a linear regression formula, the level of future revenues that can be associated with an oil price across a medium/long-term scenario, essentially in line with medium-term market expectations (around 60 $/barrel);
  - EBITDA margin, measured using the medium-term forecast supplied by a market source, which collects consensus estimates on the Saipem stock;
  - Investments in maintaining production capacity over the long term, estimated starting from the historical impact of such type of investments on the revenues of a panel of comparable companies in the period 2004-2022.
- The WACC was estimated at 10.0% applying the Capital Asset Pricing Model for the cost of equity and based on the cost of the company's indebtedness for debt. The ratio of equity to debt was derived from the analysis of the structure of sources of financing of a number of listed companies operating in the sector.

The impairment test found that the recoverable amount was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. Note that any non-marginal changes in the main assumptions at the basis of the test could result in a recoverable amount lower than that identified at the reporting date but still higher than the carrying value.

Open Fiber

The recoverable amount of Open Fiber was estimated using the DDM method (determined as part of the more complex measurement by the investor through an independent expert). In particular, the recoverable amount was measured at value in use as the sum of the parts of the company's business units to reflect the specificity of the Group's different business segments. Cash flows are based on the latest estimates made by the Management. The cost of equity, amounting to 13.7%, was calculated applying the Capital Asset Pricing Model and the capital structure was estimated to take into account the specificity of the company's financial structure.

The impairment test found that the recoverable amount was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. Note that any non-marginal changes in the main assumptions at the basis of the test could result in a recoverable amount lower than that identified at the reporting date but still higher than the carrying value.

Webuild

The recoverable amount of the equity investment in Webuild was measured at fair value.

The fair value of the equity investment was calculated on the basis of the volume-weighted average price ("VWAP" method) at which the stock traded at the measurement date ("VWAP" method).

The impairment test found that the recoverable amount was slightly higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed.

Given that the stock market prices qualify as Level 1 in the fair value hierarchy, no sensitivity analysis is provided.

Goodwill

Goodwill recognised in the half-yearly condensed consolidated financial statements of the CDP Group mainly refers to listed companies of major national interest.

Goodwill generated from the acquisition of subsidiaries is allocated to each identified "cash generating unit" (CGU). Within the CDP Group, CGUs correspond to the individual legal entities. Since it is an intangible asset having an indefinite useful life, goodwill is not amortised but tested only for the recoverability of its carrying amount. An impairment test is performed annually on goodwill, or whenever there is evidence of impairment. This involves comparing the carrying amount of goodwill and the recoverable amount of the CGUs to which the goodwill is attributed. If the carrying amount of goodwill is higher than the recoverable amount of the CGU, the difference is recognised in the income statement.

In relation to Terna, Snam and Italgas, the CGUs to which goodwill was allocated coincide with the individual sub-consolidated entities. With reference to Fincantieri, note that the amount of goodwill recognised in the consolidated financial statements of CDP refers to the companies headed by the Vard group, in relation to which goodwill of 136 million euro was recognised directly by the subsidiary Fincantieri.

The following summary table lists the main goodwill amounts recognised at consolidated level, with indication of the carrying value and the methods used to calculate the recoverable amount determined for the purpose of the impairment test.

CGU	Goodwill amount (million euro)	Recoverable amount	Methodology used
Snam	245	n.a.[28]	n.a.
Terna	215	Fair value	Stock market price
Italgas	74	n.a.[28]	n.a.
Fincantieri	136	Fair value	Stock market price
SIA	1,557	Value in use	DCF
AEN	558	Value in use	DDM

In relation to Terna, the CGU to which goodwill was allocated coincides with the individual sub-consolidated entity and the recoverable amount is equivalent to the fair value less costs to sell, determined on the basis of the prices weighted with the relevant volumes.

In relation to Fincantieri, goodwill is the amount recognised in the consolidated financial statements of the same CGU following the acquisition of the Vard Group and is reflected in the consolidated financial statements of CDP given that the equity investment is consolidated on a line-by-line basis. The recoverability of goodwill is implicitly verified by Fincantieri when preparing its own consolidated financial statements. In any event, note that the fair value, measured on the basis of the stock prices of the equity investment, was found to be higher than the value of net assets inclusive of goodwill.

The impairment test found that the fair value was higher than the carrying value of the net assets of the CGUs to which goodwill is allocated and, consequently, the value in use did not need to be estimated. The carrying value of the CGU was therefore confirmed.

Given that the stock market prices qualify as Level 1 in the fair value hierarchy, no sensitivity analysis is provided.

In relation to SIA and Ansaldo Energia, despite the fact that goodwill is the result of the provisional allocation of the higher price paid to acquire the control of the companies with respect to the share of equity acquired, an impairment test was carried out following the activation of a number of triggers linked to the results achieved. The value in use, determined for the purposes of checking the recoverable amount of these equity investments in the separate financial statements of the direct owners, was higher than the carrying value.

Other asset classes

With regard to intangible assets with a finite useful life recognised in the half-yearly condensed consolidated financial statements at 30 June 2020, note that no trigger events have been identified as these assets are mainly linked to regulated business rights and concessions that have not been affected by COVID-19.

The same applies to property, plant and equipment, mainly referring to the networks and infrastructure of investee companies operating in regulated business sectors.

28 The core business of the Snam Group and the Italgas Group is, respectively, the transport, storage and regasification of natural gas and the distribution of natural gas, conducted by the companies under a regulated regime. The limited exposure of these sectors to the impacts of COVID-19 means that there was no need to detect the presence of any impairment indicators at 30 June 2020 and, for this reason, no impairment test was carried out at 30 June 2020 for these CGUs. The same applies to the equity investments held, in particular, by the Snam Group and accounted for using the equity method, which also operate in regulated sectors.

With reference to the above, note that:
- the evaluations were made using forecast data. Such forecasts are, by their nature, random and uncertain in that they are sensitive to changes in macroeconomic variables and to events outside the company's control. They are also based on a set of assumptions linked to future events and actions of management, which may not necessarily happen;
- in view of the uncertainty surrounding any future event - both as regards the actual occurrence of the event and in terms of when and to what extent it may happen - the differences between actual values and estimated values might be significant, even if the events at the basis of the forecast assumptions were to occur;
- this limit is even more pronounced in the current situation of uncertainty linked to the future impacts of the COVID-19 outbreak;
- the estimates also considered stock prices and market parameters which are subject to fluctuation, even significant, due to the ongoing turbulence and volatility of the markets, also as a result of the COVID-19 outbreak.

It is therefore important to highlight that there is strong uncertainty about the possible duration of the impacts of the pandemic, making it difficult to predict the associated short and medium-term impacts. This significantly increases the complexity and uncertainty of the estimates made, whose results have been described above, given that the underlying assumptions and conditions might need to be revised and updated over the coming months to take into account developments outside the management's control, thus resulting in unexpected and unforeseeable impacts on the values indicated previously.

Other areas of attention

Revenues

The following disclosure is provided with regard to the performance of revenues, solely with reference to the Group companies concerned:
- SACE BT - due to a possible increase in claims from the second half of 2020, as a consequence of the recession linked to the COVID-19 outbreak, the company has put in place procedures to revise the estimates and determine reserves, which will have direct economic impacts on the income statement.
- CDPI SGR - based on the requests received, the company has opened negotiations with its operators regarding proposals to temporarily amend existing leases in the following terms: (i) suspension of lease payments due in 2020, excluding the payment of a portion ("Minimum Guaranteed Amount") due by 31 October 2020; (ii) recovery of the difference between the Minimum Guaranteed Amount and the contractual lease payments, in the years following 2020.
- SNAM - based on the current regulatory framework, the company has estimated a maximum decrease in revenues of around 9 million euro, linked to the commodity component.
- Fincantieri Group - the production lockdown in Italy has resulted in a reduction of over 2.7 million production hours (equivalent to around 16% of the volumes estimated for 2020), which has caused delays in production schedules and, consequently, the deferral of around 790 million euro in revenues in the half-year period, thus resulting in an EBITDA loss of approximately 65 million euro due to lack of progress on shipbuilding contracts during the lockdown.

Hedge Accounting

Existing hedging relationships have not changed in terms of compliance with hedge effectiveness requirements in the half-year period and, at present, no changes are envisaged on a prospective basis.

Employee benefits and share-based payments

The COVID-19 emergency has modified or accelerated the dynamics already in place within CDP, providing a significant input in developing a new way of working, specifically, the use of remote working for all employees, every day of the week, in accordance with the applicable national legislation.

The actions needed to develop this type of innovation were effectively calibrated by identifying which tasks could be performed remotely and by equipping staff with the necessary IT and software resources to work efficiently at home.

CDP has also virtualised and digitised the onboarding process for new employees: from meetings with the HR Business Partner to the team welcome call, the assignment of a buddy and the organisation of specific training sessions on core HR aspects (organisation model, training programmes and administrative aspects of the employment relationship).

In response to the emergency, in the first half of 2020 CDP launched some initiatives to support its employees and their families. People's wellbeing has always been a priority for the CDP Group, which, especially at this stage, is committed to offering tools that help employees better manage their new way of life and the new ways of working implemented in recent months.

The main initiatives include:
- a new company app, noi.cdp, to help employees access personal services even from outside work, directly from their smartphones;
- a helpline to provide a remote listening and psychological support service to employees;
- a programme of "Smart Advice" webinars open to all Group employees - in April and May - with interventions by medical professionals and experts in various fields on the issues of prevention, healthy lifestyles and healthy eating during the COVID-19 outbreak;
- a digital orientation and training programme;
- an internal medical service with the onsite presence of nurses and an internist doctor, to offer daily medical assistance and first aid services supplied by qualified staff to employees returning to the offices after lockdown;

A number of training initiatives were also launched:
- Smart E-Learning for Smart Workers - a set of online courses to improve the efficiency of remote working;
- #L'ITALIASMART – remote working resources to support "COVID-19 business continuity" within Italian organisations, a webinar to share the reflections of leading global experts in the field of innovation and digital technology on the state of the art of remote working;
- NewWoW Project – two programmes aimed at developing a smart way of working in CDP which, by leveraging on trust and achievement and with the support of a structured system of planning objectives and controlling results, enables participants to reap the benefits of digitisation and remote working, guaranteeing the performance, commitment and engagement of all.

In order to ensure a safe return to work, the following initiatives were also implemented:
- provision of a welcome back kit comprising a set of face masks, gloves, wipes and hand sanitiser, delivered in a CDP backpack;
- specific support tools - implemented by the Health & Safety structure in accordance with the applicable policies and operational guidelines (maximisation of remote working, application of the occupancy policy, clean desk policy, home/work travel) - including, for example, temperature checking on entering the premises, internal reorganisation of work spaces and logistics with the installation of special posters and horizontal and vertical signage, availability of parking spaces outside the building or at approved car parks, awareness campaigns on the new rules and the precautions to be taken, as well as specific health and safety measures.

In terms of people caring, agreements were also signed with primary national hospitals (Policlinico Gemelli in Rome and Istituto Auxologico Italiano in Milan) and with the BiOS laboratory in Rome to allow all head office and local employees in Rome and Milan to take COVID-19 serological and swab tests. These services are offered by the Companies of the CDP Group and are available to employees on a voluntary basis.

Taxes

CDP has not benefitted from any of the tax incentives provided for in the COVID-19 measures enacted by the Government.

There are no significant issues to be reported with regard to deferred tax assets and liabilities.

Fair value measurement

The CDP Group has no significant impacts to report with regard to the fair value measurement of financial instruments.

Leases

With regard to the CDP Group, no situations caused by the impacts of COVID-19 resulted in contractual amendments, deferred lease payments or the granting of discounts.

Contingent liabilities

No events resulted in the need for CDP to make additional provisions for risks and charges and none of its current obligations are likely to result in future cash outflows.

Donations

By resolution of 2 April 2020, the Board of Directors of Cassa Depositi e Prestiti S.p.A. ("CDP") approved an Extraordinary Programme of Aid to help manage the COVID-19 health emergency ("Extraordinary Programme of COVID-19 Aid").

In implementation of the above resolution, CDP purchased 2 million surgical face masks and subsequently donated these to the Carabinieri police force.

Suspension of dividend distribution

CDP has not suspended the distribution of dividends related to 2019.

Organisational impacts

The organisational impacts of the role played by CDP and the other Group companies in implementing the government measures adopted to mitigate the impacts of COVID-19 and support the economy can be broken down into three categories:
- with regard to the organisational model, the framework of the business structures was revised in order to improve the integration of the strategies and business lines associated with granting loans and supplying advisory services to businesses and the Public Administration, as well as to speed up decision-making processes;
- with regard to processes, credit granting procedures were automated and standardised in order to provide direct support to a growing number of businesses, making approval times significantly more efficient. In addition, with reference to support tools, actions have been developed and planned to reinforce the digital channels and encourage the use of remote collaboration tools so as to ensure the effectiveness of internal processes;
- with regard to human capital, a process was implemented to identify the areas that need to be quantitatively and qualitatively reinforced to be able to manage the new operations associated with the measures put in place and/or planned, also from the viewpoint of staff development, with a significant intensification of training activities, both technical and in relation to soft skills.

Disclosure of transfers between portfolios of financial assets

There were no transfers between portfolios of financial assets.

Disclosures on fair value measurement

Qualitative disclosures

As there were no intervening changes to what is set out in the 2019 Annual Report, reference is made to what is stated in the latter under Chapter 3, Part A - Accounting policies, A. 4- Disclosures on fair value measurement.

Quantitative disclosures

Hierarchy of fair value

Assets and liabilities measured at fair value on a recurring basis: breakdown by level of fair value inputs

(thousands of euro)	30/06/2020			31/12/2019		
Financial assets/liabilities measured at fair value	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Financial assets designated at fair value through profit or loss:	1,723,739	355,499	3,177,332	1,791,282	348,874	2,677,545
a) financial assets held for trading	1,628,650	163,380	130,044	1,206,448	150,057	116,861
b) financial assets designated at fair value			481,798			
c) non-trading financial assets mandatorily at fair value	95,089	192,119	2,565,490	584,834	198,817	2,560,684
2. Financial assets at fair value through other comprehensive income	11,199,572		111,495	12,248,485		111,553
3. Hedging derivatives		461,836		2,398	428,668	
4. Property, plant and equipment						
5. Intangible assets						
Total	**12,923,311**	**817,335**	**3,288,827**	**14,042,165**	**777,542**	**2,789,098**
1. Financial liabilities held for trading		188,038	19,683		65,172	24,793
2. Financial liabilities at fair value			63,202			61,200
3. Hedging derivatives		4,751,785			3,054,893	
Total		**4,939,823**	**82,885**		**3,120,065**	**85,993**

Change for the year in financial assets measured at fair value on a recurring basis (Level 3)

	Financial assets measured at fair value through profit or loss							
(thousands of euro)	Total	of which: a) Financial assets held for trading	of which: b) Financial assets designated at fair value	of which: c) Financial assets mandatorily measured at fair value	Financial assets measured at fair value through other comprehen-sive income	Hedging derivatives	Property, plant and equipment	Intangible assets
1. Opening balance	**2,677,545**	**116,861**		**2,560,684**	**111,553**			
2. Increases	**708,024**	**14,517**	**481,798**	**211,709**	**1,769**			
2.1 Purchases	199,399	14,517		184,882	250			
2.2 Profits taken to:	6,200			6,200	1,519			
2.2.1 Income statement	6,200			6,200	1,519			
- *of which: capital gains*	*5,833*			*5,833*	*1,519*			
2.2.2 Equity		X	X	X				
2.3 Transfers from other levels								
2.4 Other increases	502,425		481,798	20,627				
- *of which business combinations*								
3. Decreases	**208,237**	**1,334**		**206,903**	**1,827**			
3.1 Sales	1,041	1,041						
3.2 Repayments	131,894			131,894	1,826			
3.3 Losses taken to:	74,050			74,050				
3.3.1 Income statement	74,050			74,050				
- *of which: capital losses*	*74,050*			*74,050*				
3.3.2 Equity		X	X	X				
3.4 Transfers to other levels								
3.5 Other decreases	1,252	293		959	1			
- *of which business combinations*								
4. Closing balance	**3,177,332**	**130,044**	**481,798**	**2,565,490**	**111,495**			

Change for the year in financial liabilities measured at fair value on a recurring basis (Level 3)

(thousands of euro)	Financial liabilities held for trading	Financial liabilities at fair value	Hedging derivatives
1. Opening balance	**24,793**	**61,200**	
2. Increases	**3,387**	**2,002**	
2.1 Issues			
2.2 Losses taken to:	3,387	1,933	
2.2.1 Income statement	3,387	1,933	
- of which: capital losses	*3,318*	*1,933*	
2.2.2 Equity	X		
2.3 Transfers from other levels			
2.4 Other increases		69	
- of which business combinations			
3. Decreases	**8,497**		
3.1 Repayments	7,843		
3.2 Buybacks			
3.3 Profits taken to:	654		
3.3.1 Income statement	654		
- of which: capital gains	*642*		
3.3.2 Equity	X		
3.4 Transfers to other levels			
3.5 Other decreases			
- of which business combinations			
4. Closing balance	**19,683**	**63,202**	

Disclosure of day one profit/loss

As there were no intervening changes to what is set out in the 2019 Annual Report, reference is made to Chapter 3, Part A - Accounting policies, A.4 - Disclosures on fair value measurement of the latter document.

Information on the consolidated balance sheet

Assets

Cash and cash equivalents - Item 10

Cash and cash equivalents: breakdown

(thousands of euro)	30/06/2020	31/12/2019
a) Cash	6,759	1,340
b) Free deposits with Central Banks		
Total	**6,759**	**1,340**

Financial assets measured at fair value through profit or loss - Item 20

Financial assets held for trading: breakdown by type

(thousands of euro) Items/Values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
A. On-balance-sheet assets					
1. Debt securities		1,626,345	211,885	1,838,230	1,405,391
1.1 Structured securities					
1.2 Other debt securities		1,626,345	211,885	1,838,230	1,405,391
2. Equity securities		143		143	366
3. Units in collective investment undertakings					
4. Loans					
4.1 Repurchase agreements					
4.2 Other					
Total A		**1,626,488**	**211,885**	**1,838,373**	**1,405,757**
B. Derivatives					
1. Financial derivatives	79,657	732	3,312	83,701	67,609
1.1 Trading	79,657	732	3,312	83,701	67,609
1.2 Associated with fair value option					
1.3 Other					
2. Credit derivatives					
2.1 Trading					
2.2 Associated with fair value option					
2.3 Other					
Total B	**79,657**	**732**	**3,312**	**83,701**	**67,609**
Total (A + B)	**79,657**	**1,627,220**	**215,197**	**1,922,074**	**1,473,366**

The financial derivatives relating to the Prudential consolidation include the positive fair value of interest rate derivatives and forex derivatives.

Financial assets designated at fair value: breakdown by type

Following the merger of Ligestra Due with Fintecna, the item includes the value of the separate assets of EFIM, IGED and SIR.

Other financial assets mandatorily measured at fair value: breakdown by type

(thousands of euro) Items/Values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
1. Debt securities	95,880	94,998	134,739	325,617	861,037
1.1 Structured securities					
1.2 Other debt securities	95,880	94,998	134,739	325,617	861,037
2. Equity securities			4,229	4,229	4,236
3. Units in collective investment undertakings	1,843,803		209,898	2,053,701	1,978,102
4. Loans		223,439	245,712	469,151	500,960
4.1 Repurchase agreements					
4.2 Other		223,439	245,712	469,151	500,960
Total	**1,939,683**	**318,437**	**594,578**	**2,852,698**	**3,344,335**

This item, which mainly includes the contribution of the Parent Company, consists of debt securities (approximately 326 million euro), loans (approximately 469 million euro) and units in collective investment undertakings (approximately 2,054 million euro) which, upon first-time adoption of IFRS 9, were classified in this item following the failure to pass the SPPI test[29].

The item also includes the convertible bond (CB) issued to Valvitalia by the subsidiary CDP Equity (formerly FSI) and sold to FSI Investimenti as part of the contribution completed in 2014. The CB has an original maturity of 7 years. It can be fully converted at any time and at FSI Investimenti's sole discretion (or compulsorily in the case of an IPO or other liquidity event) and has a coupon of at least 2%. This instrument has been measured at fair value, which amounted to 135 million euro at 30 June 2020.

Loans reported under Other companies mainly refer to receivables owed by the subsidiary SIMEST to its partners in connection with investment transactions in investee companies, which must be measured at fair value in accordance with IFRS 9 since they do not pass the SPPI test.

Financial assets measured at fair value through other comprehensive income - Item 30

Financial assets measured at fair value through other comprehensive income: breakdown by type

(thousands of euro) Items/Values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
1. Debt securities	10,138,900		513,047	10,651,947	11,411,701
1.1 Structured securities					
1.2 Other debt securities	10,138,900		513,047	10,651,947	11,411,701
2. Equity securities	573,126		85,994	659,120	948,337
3. Loans					
Total	**10,712,026**		**599,041**	**11,311,067**	**12,360,038**

The financial assets relating to the Prudential Consolidation at 30 June 2020 include:
- debt securities for a value of 10,139 million euro. This item includes Italian government securities with a value of approximately 8,291 million euro held by the Parent Company;
- investments in equity securities amounted to approximately 573 million euro. The decrease is mainly attributable to the equity investment in TIM S.p.A. due to the reduction in the price of the share.

29 The SPPI (Solely Payment of Principal and Interest) test is a qualitative, and in some cases quantitative, analysis of the cash flows generated by the financial asset aimed at verifying whether or not they consist exclusively in payments of capital and interests accrued on the amount of the principal to be repaid and are compatible with a credit lending arrangement (IFRS 9 § 4.1.2 and 4.1.2 A (lett.b), 4.1.3 and § B4.1.7 – B4.1.9E).

Financial assets measured at fair value through other comprehensive income: gross value and accumulated impairment

(thousands of euro)	Gross value				Accumulated impairment			Accumulated partial write-off (*)
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	
Debt securities	10,627,379		38,528		(12,485)	(1,475)		
Loans								
Total 30/06/2020	**10,627,379**		**38,528**		**(12,485)**	**(1,475)**		
Total 31/12/2019	**10,879,629**		**546,942**		**(13,032)**	**(1,838)**		
- *of which: impaired financial assets acquired or originated*	*X*	*X*			*X*			

(*) Value to be shown for information purposes.

Financial assets measured at amortised cost - Item 40

Financial assets measured at amortised cost: breakdown by type of loans to banks

(thousands of euro) Type of transactions/values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
A. Loans to Central banks	**18,372,771**			**18,372,771**	**13,286,945**
1. Fixed-term deposits					
2. Reserve requirement	18,372,771			18,372,771	13,286,945
3. Repurchase agreements					
4. Other					
B. Loans to banks	**14,337,048**	**57,340**	**6,341,261**	**20,735,649**	**19,397,183**
1. Loans	13,446,895	57,340	6,341,261	19,845,496	17,837,438
1.1 Current deposit and demand deposit	325,810	57,340	6,129,267	6,512,417	5,532,876
1.2 Fixed-term deposits	3,979		211,994	215,973	300,775
1.3 Other financing:	13,117,106			13,117,106	12,003,787
- Repurchase agreements					
- Finance lease					
- Other	13,117,106			13,117,106	12,003,787
2. Debt securities	890,153			890,153	1,559,745
2.1 Structured					
2.2 Other debt securities	890,153			890,153	1,559,745
Total	**32,709,819**	**57,340**	**6,341,261**	**39,108,420**	**32,684,128**

Loans to banks are primarily composed of:
- the Parent Company's balance on the management account of the reserve requirement, which amounted to 18,373 million euro (around +5,086 million euro on the figure recorded at the end of 2019);
- other loans of approximately 13,117 million euro, mostly attributable to loans granted by the Parent Company to the banking system;
- term deposits for approximately 216 million euro, of which about 212 million euro in respect of Terna investments;
- current account balances of approximately 6,512 million euro, mainly reported under Other companies and in particular relating to the Terna group (1,229 million euro), the Fincantieri group (897 million euro), the Italgas group (344 million euro) and Snam (3,103 million euro).

Financial assets measured at amortised cost: breakdown by type of loans to customers

(thousands of euro) Type of transactions/values	30/06/2020	31/12/2019
1. Loans	**255,987,713**	**244,971,372**
1.1 Current accounts	23,108	486,446
1.1.1 Cash and cash equivalents held with Central State Treasury	156,123,379	150,947,180
1.2 Repurchase agreements	535,828	378,365
1.3 Loans	92,339,924	88,039,529
1.4 Credit cards, personal loans and loans repaid by automatic deductions from wages	209	278
1.5 Finance lease		
1.6 Factoring	1,385,754	1,454,645
1.7 Other	5,579,511	3,664,929
2. Debt securities	**74,849,321**	**66,549,746**
2.1 Structured securities		
2.2 Other debt securities	74,849,321	66,549,746
Total	**330,837,034**	**311,521,118**

Loans to customers, which essentially include the contribution of the Parent Company, mainly relate to:
- lending operations under the Separate Account and Ordinary Account;
- cash and cash equivalents held with Central State Treasury;
- investments in debt securities under the Held to collect business model.

The above table provides a breakdown of the positions by technical form.

Starting from 1 January 2020, with respect to the cash and cash equivalents held with the Central State Treasury, account no. 29814, called "Cassa DP SPA - Gestione Separata", which comprises the liquidity generated by Separate Account transactions, the Ministry of the Economy and Finance pays CDP interest based on a rate equal to the lower between:
- the cost of Postal Savings incurred by CDP;
- the average cost of the stock (balance) of national government securities[30].

The volume of mortgage loans and other financing amounted to approximately 97,919 million euro (+6,215 million euro compared to the end of 2019).

Reverse repurchase agreements amounted to approximately 536 million euro (+157 million euro compared to the end of 2019).

The volume of debt securities recognised in this item was approximately equal to 74,849 million euro (of which 66,872 million euro in Italian government securities), up by 8,300 million euro with respect to the end of 2019, mostly for investments in Italian government securities.

30 The average cost of the stock (balance) of government securities and the cost of Postal Savings are determined as a forecast for the first half of the year and definitively, possibly adjusted for any difference, for the whole of the year.

Financial assets measured at amortised cost: gross value and accumulated impairment

	Gross value				Accumulated impairment			
(thousands of euro)	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Accumulated partial write-offs (*)
Debt securities	75,410,463		530,462		(90,133)	(111,318)		
Loans	280,984,247		13,727,139	539,700	(307,138)	(500,357)	(237,611)	(16)
Total 30/06/2020	**356,394,710**		**14,257,601**	**539,700**	**(397,271)**	**(611,675)**	**(237,611)**	**(16)**
Total 31/12/2019	**329,951,626**		**14,754,134**	**569,633**	**(300,197)**	**(512,120)**	**(257,830)**	**(364)**
- *of which: impaired financial assets acquired or originated*	X	X			X			

(*) Value to be shown for information purposes.

Hedging Derivatives - Item 50

Hedging derivatives: breakdown by type of hedge

	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
A. Financial derivatives	**360,142**		**101,694**	**461,836**	**431,066**
1) Fair value	358,703		101,694	460,397	426,847
2) Cash flow	1,439			1,439	4,219
3) Investment in foreign operation					
B. Credit derivatives					
1) Fair value					
2) Cash flow					
Total	**360,142**		**101,694**	**461,836**	**431,066**

Fair value change of financial assets in hedged portfolios - Item 60

Fair value change of hedged assets: breakdown by hedged portfolio

(thousands of euro) Fair value change of financial assets in hedged portfolios/Values	30/06/2020	31/12/2019
1. Positive fair value change	**2,512,366**	**1,481,927**
1.1 Of specific portfolios:	2,512,366	1,481,927
a) financial assets measured at amortised cost	2,512,366	1,481,927
b) financial assets measured at fair value through other comprehensive income		
1.2 Overall		
2. Negative fair value change	**(86)**	**(14,584)**
2.1 Of specific portfolios:	(86)	(14,584)
a) financial assets measured at amortised cost	(86)	(14,584)
b) financial assets measured at fair value through other comprehensive income		
2.2 Overall		
Total	**2,512,280**	**1,467,343**

Equity investments - Item 70

Information on equity investments

	Company name	Registered office	Operational headquarters	Type of relation-ship [1]	Investor	% holding	% of votes [2]
A.	**Companies subject to joint control**						
1.	Ansaldo Gas Turbine Technology Co. LTD (JVA)	Shanghai	Shanghai	7	Ansaldo Energia	60.00%	60.00%
2.	AS Gasinfrastruktur Beteiligung GmbH	Wien	Wien	7	Snam S.p.A.	40.00%	40.00%
3.	Busbar4f S.c.ar.l.	Trieste	Trieste	7	Fincantieri S.p.A.	10.00%	10.00%
				7	Fincantieri SI S.p.A.	50.00%	50.00%
4.	Consorzio F.S.B.	Marghera (VE)	Marghera (VE)	7	Fincantieri S.p.A.	58.36%	58.36%
5.	CSSC - Fincantieri Cruise Industry Development Ltd.	Hong Kong	Hong Kong	7	Fincantieri S.p.A.	40.00%	40.00%
6.	ELMED Etudes S.ar.l.	Tunis	Tunis	7	Terna S.p.A.	50.00%	50.00%
7.	Etihad Ship Building LLC	Abu Dhabi	Abu Dhabi	7	Fincantieri S.p.A.	35.00%	35.00%
8.	Fincantieri Clea Buildings S.c.ar.l.	Verona	Verona	7	Fincantieri Infrastructure S.p.A.	51.00%	51.00%
9.	Hotelturist S.p.A.	Padua	Padua	7	CDP Equity S.p.A.	45.90%	45.90%
10.	IQ Made in Italy Investment Company S.p.A.	Milan	Milan	7	FSI Investimenti S.p.A.	50.00%	50.00%
11.	Issel Middle East Information Technology Consultancy LLC	Abu Dhabi	Abu Dhabi	7	Issel Nord S.r.l.	49.00%	49.00%
12.	Manifatture Milano S.p.A.	Rome	Rome	7	CDP Immobiliare S.r.l.	50.00%	50.00%
13.	Metano S.Angelo Lodigiano S.p.A.	Sant'Angelo Lodigiano	Sant'Angelo Lodigiano	7	Italgas S.p.A.	50.00%	50.00%
14.	Naviris S.p.A.	Genoa	Genoa	7	Fincantieri S.p.A.	50.00%	50.00%
15.	OLT Offshore LNG Toscana S.p.A.	Milan	Livorno	7	Snam S.p.A.	49.07%	49.07%
16.	OpEn Fiber S.p.A.	Milan	Milan	7	CDP Equity S.p.A.	50.00%	50.00%
17.	Orizzonte Sistemi Navali S.p.A.	Genoa	Genoa	7	Fincantieri S.p.A.	51.00%	51.00%
18.	Pentagramma Piemonte S.p.A. in liquidazione	Rome	Rome	7	CDP Immobiliare S.r.l.	50.00%	50.00%
19.	Pergenova S.c.p.A.	Genoa	Genoa	7	Fincantieri Infrastructure S.p.A.	50.00%	50.00%
20.	Saipem S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	7	CDP Industria S.p.A.	12.55%	12.55%
21.	Shanghai Electric Gas Turbine Co. LTD (JVS)	Shanghai	Shanghai	7	Ansaldo Energia	40.00%	40.00%
22.	Southeast Electricity Network Coordination Center S.A.	Salonicco	Salonicco	7	Terna S.p.A.	25.00%	25.00%
23.	Terega Holding S.a.s.	Pau	Pau	7	Snam S.p.A.	40.50%	40.50%
24.	Trans Austria Gasleitung GmbH (6)	Wien	Wien	7	Snam S.p.A.	84.47%	84.47%
25.	Umbria Distribuzione Gas S.p.A.	Terni	Terni	7	Italgas S.p.A.	45.00%	45.00%
26.	Valvitalia Finanziaria S.p.A.	Milan	Milan	7	FSI Investimenti S.p.A.	0.50%	0.50%
B.	**Companies subject to significant influence**						
1.	African Trade Insurance Company	Nairobi	Nairobi	4	SACE S.p.A.	3.46%	3.46%
2.	Ansaldo Algerie S.ar.l.	Algiers	Algiers	4	Ansaldo Energia	49.00%	49.00%
3.	AS Dameco	Skien	Skien	4	Vard Offshore Brevik AS	34.00%	34.00%
4.	ATS S.p.A.	Milan	Milan	4	SIA S.p.A.	30.00%	30.00%
5.	A-U Finance Holdings BV	Amsterdam	Amsterdam	4	Ansaldo Energia	40.00%	40.00%
6.	B.F. S.p.A.	Milan	Jolanda di Savoia (FE)	4	CDP Equity S.p.A.	18.79%	18.79%
7.	Brevik Technology AS	Brevik	Brevik	4	Vard Group AS	34.00%	34.00%
8.	Castor Drilling Solution AS	Kristiansand S	Kristiansand S	4	Seaonics AS	34.13%	34.13%
9.	Centro Servizi Navali S.p.A.	San Giorgio di Nogaro (UD)	NA	4	Fincantieri S.p.A.	10.93%	10.93%
10.	CESI S.p.A.	Milan	Milan	4	Terna S.p.A.	42.70%	42.70%
11.	CGES A.D.	Podgorica	Podgorica	4	Terna S.p.A.	22.09%	22.09%
12.	Coreso S.A.	Brussels	Brussels	4	Terna S.p.A.	15.84%	15.84%

Company name	Registered office	Operational headquarters	Type of relation-ship (1)	Investor	% holding	% of votes (2)
13. CSS Design Limited	British Virgin Islands (GB)	British Virgin Islands (GB)	4	Vard Marine Inc.	31.00%	31.00%
14. Decomar S.p.A.	Massa (MS)	Massa (MS)	4	Fincantieri S.p.A.	20.00%	20.00%
15. DOF Iceman AS	Storebø	Storebø	4	Vard Group AS	50.00%	50.00%
16. Elite S.p.A.	Milan	Milan	4	CDP S.p.A.	15.00%	15.00%
17. Enerpaper S.r.l.	Turin	Torino	4	Seaside S.r.l.	10.00%	10.00%
18. ENI S.p.A.	Rome	Rome	4	CDP S.p.A.	25.76%	25.76%
19. EUR - Europrogetti & Finanza S.r.l. in liquidazione	Rome	Rome	4	CDP S.p.A.	31.80%	31.80%
20. FSI SGR S.p.A.	Milan	Milan	4	CDP Equity S.p.A.	39.00%	39.00%
21. Gesam Reti S.p.A.	Lucca	Lucca	4	Toscana Energia S.p.A.	42.96%	42.96%
22. Gruppo PSC S.p.A.	Maratea (PZ)	Rome	4	Fincantieri S.p.A.	10.00%	10.00%
23. Interconnector (UK) Ltd	London	London	4	Snam International B.V.	23.68%	23.68%
24. Interconnector Zeebrugge Terminal S.C./C.V. S.c.r.l.	Brussels	Brussels	4	Snam International B.V.	25.00%	25.00%
25. Island Diligence AS	Stålhaugen	ND	4	Vard Group AS	39.38%	39.38%
26. Island Offshore XII Ship AS	Ulsteinvik	Ulsteinvik	4	Vard Group AS	35.66%	35.66%
27. Kedrion S.p.A.	Castelvecchio Pascoli (LU)	Castelvecchio Pascoli (LU)	4	FSI Investimenti S.p.A.	25.06%	25.06%
28. Leonardo Sistemi Integrati S.r.l.	Genoa	Genoa	4	INSIS S.p.A.	14.58%	14.58%
29. M.T. Manifattura Tabacchi S.p.A.	Rome	Rome	4	CDP Immobiliare S.r.l.	40.00%	40.00%
30. Mc4com - Mission critical for communication S.c.ar.l.	Milan	Milan	4	HMS IT S.p.A.	50.00%	50.00%
31. Møkster Supply AS	Stavanger	Stavanger	4	Vard Group AS	40.00%	40.00%
32. Møkster Supply KS	Stavanger	Stavanger	4	Vard Group AS	36.00%	36.00%
33. Olympic Challenger KS	Fosnavåg	Fosnavåg	4	Vard Group AS	35.00%	35.00%
34. Olympic Green Energy KS	Fosnavåg	Fosnavag	4	Vard Group AS	29.50%	29.50%
35. Polaris Anserv Srl	Bucarest	Bucarest	4	Ansaldo Nucleare S.p.A.	20.00%	20.00%
36. Poste Italiane S.p.A.	Rome	Rome	4	CDP S.p.A.	35.00%	35.00%
37. Prelios Solutions & Technologies S.r.l.	Milan	Milan	4	INSIS S.p.A.	49.00%	49.00%
38. QuattroR SGR S.p.A.	Milan	Milan	4	CDP Equity S.p.A.	40.00%	40.00%
39. Rem Supply AS	Alesund	Alesund	4	Vard Group AS	26.66%	26.66%
40. Reti Distribuzione S.r.l.	Ivrea	Ivrea	4	Italgas Reti S.p.A.	15.00%	15.00%
41. Rocco Forte Hotels Limited	London	London	4	FSI Investimenti S.p.A.	23.00%	23.00%
42. Senfluga Energy Infrastructure Holdings S.A.	Athens	Athens	4	Snam S.p.A.	54.00%	54.00%
43. SPVTCCC BV	Breda	Breda	4	Ansaldo Energia Switzerland AG	100.00%	100.00%
44. Taklift AS	Skien	Skien	4	Vard Group AS	25.47%	25.47%
45. Trans Adriatic Pipeline AG	Baar	Baar	4	Snam S.p.A.	20.00%	20.00%
46. Trevi Finanziaria Industriale S.p.A.	Cesena	Cesena	4	SACE S.p.A.	6.99%	6.99%
			4	FSI Investimenti S.p.A.	25.67%	25.67%
47. Unifer Navale S.r.l.	Finale Emilia (MO)	Finale Emilia (MO)	4	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	20.00%	20.00%
48. Valdarno S.r.l.	Pisa	Pisa	4	Toscana Energia S.p.A.	30.04%	30.04%
49. Webuild S.p.A.	Milan	Milan	4	CDP Equity S.p.A.	18.68%	18.68%
C. Unconsolidated subsidiaries						
1. Asset Company 10 S.r.l. (3)	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
2. Asset Company 11 S.r.l. (3)	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
3. Asset Company 4 S.r.l. (3)	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
4. Asset Company 7 B.V. (3)	Amsterdam	Amsterdam	1	Snam S.p.A.	100.00%	100.00%
5. Asset Company 8 S.r.l. (3)	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
6. Asset Company 9 S.r.l. (3)	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%

Company name	Registered office	Operational headquarters	Type of relation-ship (1)	Investor	% holding	% of votes (2)
7. Cagliari 89 S.c.ar.l. in liquidazione (3)	Monastir (CA)	Monastir (CA)	1	Fintecna S.p.A.	51.00%	51.00%
8. CDP Venture Capital SGR S.p.A. (4)	Rome	Rome	1	CDP Equity S.p.A.	70.00%	70.00%
9. Cinecittà Luce S.p.A. in liquidazione (3)	Rome	Rome	1	Fintecna S.p.A.	100.00%	100.00%
10. Consorzio Codelsa in liquidazione (3)	Rome	Rome	1	Fintecna S.p.A.	100.00%	100.00%
11. Consorzio Edinca in liquidazione (3)	Naples	Naples	1	Fintecna S.p.A.	79.50%	79.50%
12. Consorzio Edinsud in liquidazione (3)	Naples	Naples	1	Fintecna S.p.A.	79.99%	79.99%
13. Consorzio IMAFID in liquidazione (3)	Naples	Naples	1	Fintecna S.p.A.	56.85%	56.85%
14. Consorzio MED.IN. in liquidazione (3)	Rome	Rome	1	Fintecna S.p.A.	85.00%	85.00%
15. Consorzio QuenIT in liquidazione (3)	Verona	Verona	1	SIA S.p.A.	55.00%	55.00%
16. Copower S.r.l. (3)	Rome	Rome	1	Tep Energy Solution S.r.l.	51.00%	51.00%
17. DMAN in liquidazione (3)	Athens	Athens	1	SIA S.p.A.	100.00%	100.00%
18. IES Biogas S.r.l. (Argentina) (3)	Buenos Aires	Buenos Aires	1	IES Biogas S.r.l.	95.00%	95.00%
			1	Snam 4 Mobility S.p.A.	5.00%	5.00%
19. Italgas Newco S.r.l. (3)	Milan	Milan	1	Italgas S.p.A.	100.00%	100.00%
20. Tea Innovazione Due S.r.l. (3)	Brescia	Brescia	1	Tea Servizi S.r.l.	100.00%	100.00%
21. TEP Energy Solution Nordest S.r.l. (3)	Udine	Udine	1	Tep Energy Solution S.r.l.	50.00%	50.00%
			1	Snam4Efficienc S.r.l.	50.00%	50.00%
22. XXI Aprile S.r.l. in liquidazione (3)	Rome	Rome	1	Fintecna S.p.A.	100.00%	100.00%
D. Unconsolidated associates						
1. Latina Biometano S.r.l. (5)	Rome	ND	4	IES Biogas S.r.l.	32.50%	32.50%
2. Albanian Gas Service Company Sh.a. (5)	Tirana	Tirana	4	Snam S.p.A.	25.00%	25.00%
3. Consorzio INCOMIR in liquidazione (5)	Mercogliano (AV)	Mercogliano (AV)	4	Fintecna S.p.A.	45.46%	45.46%
4. Energy Investment Solution S.r.l. (5)	Brescia	Brescia	4	Tea Servizi S.r.l.	40.00%	40.00%
5. Quadrifoglio Brescia S.p.A. (5)	Rome	Rome	7	CDP Immobiliare S.r.l.	50.00%	50.00%
6. Quadrifoglio Genova S.p.A. (5)	Rome	Rome	7	CDP Immobiliare S.r.l.	50.00%	50.00%
7. Quadrifoglio Piacenza S.p.A. (5)	Rome	Rome	7	CDP Immobiliare S.r.l.	50.00%	50.00%
8. Quadrifoglio Verona S.p.A. (5)	Rome	Rome	7	CDP Immobiliare S.r.l.	50.00%	50.00%
9. Senfluga2 S.r.l. (5)	Brussels	Brussels	4	Snam S.p.A.	40.00%	40.00%
10. Sviluppo Turistico culturale Golfo di Napoli S.c.ar.l. (5)	Naples	Naples	4	CDP Immobiliare S.r.l.	25.00%	25.00%

Key
(1) Type of relationship:
1 = Majority of voting rights in ordinary shareholders' meeting;
2 = Dominant influence in ordinary shareholders' meeting;
3 = Agreements with other shareholders;
4 = Companies subject to significant influence;
5 = Unitary management pursuant to Article 26.1 of Legislative Decree 87/92;
6 = Unitary management pursuant to Article 26.2 of Legislative Decree 87/92;
7 = Joint control.
(2) Actual percentage of votes in ordinary shareholders' meeting, distinguishing between effective and potential votes.
(3) Companies in liquidation or subsidiaries in the start-up phase without assets and liabilities.
(4) Participation in financial rights is equal to 89.2%.
(5) It concerns companies estabilished to run some separate accounts whose revenues belong, for their majority, to Ministry for the Economy and Finance. For this reason these companies, even if are totally owned, are consolidated with the equity method.

The figure at 30 June 2020 was 16,050 million euro compared to 18,952 million euro at 31 December 2019.

The decrease of 2,902 million euro is mainly attributable to the following impacts:
- ENI - the decrease deriving from the loss for the year pertaining to the Group (including the effect of consolidation entries), equal to -2,023 million euro, and from the change in valuation reserves, equal to 46 million euro. Added to these effects is the impact of the reversal of the dividend and other changes for a total value of -409 million euro;

- Poste Italiane - the decrease deriving from the change in valuation reserves, the reversal of the dividend and other changes for a total amount of 483 million euro, partially offset by net income for the period pertaining to the Group, amounting to 111 million euro (including the effect of consolidation entries);
- Saipem - the total decrease of 111 million euro, of which 114 due to the loss for the period;
- Open Fiber - the increase deriving from the capital increase subscribed for 85 million euro, offset by the loss for the period pertaining to the Group, equal to 37 million euro, and the decrease in valuation reserves, equal to 8 million euro;
- Trevi Finanziaria Industriale - the increase deriving from the capital increase for 49 million euro.

Impairment testing of equity investments

The CDP Group's equity investment portfolio accounted for using the equity method, includes listed and unlisted companies of major national interest, which are also pivotal in the promotional activity of supporting the growth and international expansion of businesses and the development of infrastructure. In its capacity as a National Promotional Institution, CDP invests in companies' share capital, mainly over a long-term horizon.

At each reporting date, CDP conducts an assessment to detect the presence of indicators of impairment under IAS 36 and of any additional indicators, where applicable. With reference to equity investments accounted for using the equity method, the indicators of impairment and objective evidence of impairment are assessed on the basis of information taken from public sources or of any additional information received by the investees.

At 30 June 2020, impairment triggers were activated on the key equity investments accounted for using the equity method (ENI, Poste, Saipem, Open Fiber and Webuild), relative to actual results and/or the performance of market prices.

With reference to the estimated recoverable amount of the equity investments, to be understood as the higher of their fair value less costs to sell and their value in use, CDP has adopted a range of key principles, taking also into account the challenges of the COVID-19 outbreak in this unique moment in time. Examples are given below:
- longer monitoring period for stock exchange prices;
- longer monitoring period for risk-free rates;
- use of the average of the latest Country Risk Premiums instead of the latest available, where deemed to be more significant;
- use of an Equity Risk Premium "consensus" in line with the average of the latest values available instead of the latest value available.

In addition, CDP has conducted a sensitivity analysis on each equity investment against the main variables that determine the asset's value, including for example:
- the price of Brent for the companies of the Oil & Gas sector;
- the cost of capital for all companies and, in particular, for those of the financial sector;
- the long-term growth rate, if applicable, based on the value estimation method used.

The following summary table lists the main equity investments recognised at consolidated level and accounted for using the equity method, with indication of the carrying value at consolidated level and the methods used to calculate the recoverable amount determined for the purpose of the impairment test on the equity investments above.

Note that equity investments accounted for using the equity method were measured using the "closed box" method, which measures the equity investment as a whole in accordance with International Accounting Standard (IAS) 28.

Equity Investment	Carrying amount at consolidated level (million euro)	Recoverable amount	Methodology used
ENI	9,961	Value in use	Sum of the components (DCF and multiples)
Poste Italiane	2,771	Fair value	Stock market price
Saipem	414	Value in use	DCF
Open Fiber	371	Value in use	DDM
Webuild	226	Fair value	Stock market price

ENI

The recoverable amount of the equity investment in ENI was measured at value in use as the sum of the components of the company's main business units so as to reflect the specificity of the group's different business segments. In particular:

- for the Exploration & Production sector, the largest, the discounted cash flow (DCF) method was used, based on a closed portfolio model which develops and measures the entirety of the group's oil and natural gas reserves until stocks are exhausted:
  - production volumes were calculated starting from proven reserves at December 2019 and on the assumption that by 2035, 85% of the proven and unproven reserves, as declared by ENI, will be produced. Unproven reserves (i.e. possible and probable) were estimated on the basis of the assumption above;
  - sales prices were calculated on the basis of the geographical macro-area the reserves belong to, taking into account the 2019 spread between ENI's unit sales prices and the value of Brent for oil or the virtual trading point (VTP) for gas, at the expected values of the two indices. These values are in line with the revised scenario published by ENI, which for 2023 predicts a Brent price of 60 $/barrel in real terms, against the earlier assumption of 70 $/barrel. For 2020-2022, the price is projected at 40, 48 and 55 $/barrel respectively (previously at 45, 55 and 70 $/barrel). The price of gas on the Italian VTP spot market is projected at 5.5 $/mmBTU in 2023 against the earlier assumption of 7.8 $/mmBTU. For 2020-2022, the price is projected at 3.0, 4.6 and 5.2 $/mmBTU respectively (previously at 3.9, 5.1 and 7.3 $/mmBTU);
  - unit operating costs were also estimated by geographical macro-area;
  - investments were estimated in a differentiated manner for proven reserves and possible/probable reserves;
  - the WACC was estimated at 8.1% applying the Capital Asset Pricing Model for the cost of equity and based on the cost of the company's indebtedness for debt. The capital structure was estimated starting from a panel of comparable companies, adjusted to take into account the specificity of E&P;
- for the Gas & Power sector, the carrying value (net invested capital) was used, exception made for the equity investment in ENI Gas & Luce, which was measured using the multiples method based on a panel of comparable listed companies (P/E multiple);
- for the Refining & Marketing and Chemicals sector, the carrying value (net invested capital) was used, exception made for the Grid, which was measured using the multiples method based on a set of transactions in the sector (EV multiple/per point of sale).

The impairment test found that the recoverable amount was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. Note that non-marginal changes in the main assumptions at the basis of the test could result in a recoverable amount lower than that identified at the reporting date but still higher than the carrying value.

Poste Italiane

The recoverable amount of the equity investment in Poste Italiane was measured at fair value.

The fair value of the equity investment was calculated on the basis of the volume-weighted average price ("VWAP" method) at which the stock traded at the measurement date ("VWAP" method).

The impairment test found that the fair value was higher than the carrying value of the equity investment and, consequently, the value in use did not need to be estimated. The carrying amount of the equity investment was therefore confirmed.

Given that the stock market prices qualify as Level 1 in the fair value hierarchy, no sensitivity analysis is provided.

Saipem

The recoverable amount of the equity investment in SAIPEM was measured at value in use, estimated using the discounted cash flow method (unlevered DCF) based on a two-stage model, with a clearly stated forecast of future cash flows for the years 2020-2022 and the calculation of the terminal value using the algorithm of cash flows in perpetuity. The information needed to estimate the cash flows and the other information needed to calculate the value in use was taken from public sources.

Specifically:

- the values in the specific period 2020-2022 are based on the simple average of the estimates prepared by a selected group of financial analysts who track the stock;
- the terminal value was calculated using the perpetuity growth model, estimating the cash flows achievable from the asset portfolio of the Saipem group, considered on an indivisible basis, at average values and across a hypothetical sector-based cycle. In particular:
  - revenues, estimated by determining, using a linear regression formula, the level of future revenues that can be associated with an oil price across a medium/long-term scenario, essentially in line with medium-term market expectations (around 60 $/barrel);

  - EBITDA margin, measured using the medium-term forecast supplied by a market source, which collects consensus estimates on the Saipem stock;
  - investments in maintaining production capacity over the long term, estimated starting from the historical impact of such type of investments on the revenues of a panel of comparable companies in the period 2004-2022;
- the WACC was estimated at 10.0% applying the Capital Asset Pricing Model for the cost of equity and based on the cost of the company's indebtedness for debt. The ratio of equity to debt was derived from the analysis of the structure of sources of financing of a number of listed companies operating in the sector.

The impairment test found that the recoverable amount was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. Note that any non-marginal changes in the main assumptions at the basis of the test could result in a recoverable amount lower than that identified at the reporting date but still higher than the carrying value.

Open Fiber

The recoverable amount of Open Fiber was estimated using the DDM method (determined as part of the more complex measurement by the investor through an independent expert). In particular, the recoverable amount was measured at value in use as the sum of the parts of the company's business units to reflect the specificity of the Group's different business segments. Cash flows are based on the latest estimates made by the Management. The cost of equity, amounting to 13.7%, was calculated applying the Capital Asset Pricing Model and the capital structure was estimated to take into account the specificity of the company's financial structure.

The impairment test found that the recoverable amount was higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed. Note that any non-marginal changes in the main assumptions at the basis of the test could result in a recoverable amount lower than that identified at the reporting date but still higher than the carrying value.

Webuild

The recoverable amount of the equity investment in Webuild was measured at fair value.

The fair value of the equity investment was calculated on the basis of the volume-weighted average price ("VWAP" method) at which the stock traded at the measurement date ("VWAP" method).

The impairment test found that the recoverable amount was slightly higher than the carrying value of the equity investment and, consequently, the carrying amount of the equity investment was confirmed.

Given that the stock market prices qualify as Level 1 in the fair value hierarchy, no sensitivity analysis is provided.

Reinsurers' share of technical provisions - Item 80

Reinsurers' share of technical provisions: breakdown

(thousands of euro)	30/06/2020	31/12/2019
A. Non-life insurance	**2,847,723**	**1,002,469**
A.1 Reserves for unearned premiums	2,574,658	829,088
A.2 Reserves for claims outstanding	249,366	147,141
A.3 Other	23,699	26,240
B. Life insurance		
B.1 Mathematical reserves		
B.2 Reserves for claims outstanding		
B.3 Other		
C. Technical provisions where the investment risk is borne by the insured		
C.1 Reserves for contracts whose benefits are linked to investment funds and market indices		
C.2 Reserves from the operation of pension funds		
D. Total reinsurers' share of technical provisions	**2,847,723**	**1,002,469**

At 30 June 2020, the reinsurers' share of technical provisions was 2,848 million euro, up by 1,846 million euro compared to the previous financial year.

This value is affected by the provisions of the Liquidity Decree, which established that ninety percent of the outstanding commitments undertaken by SACE S.p.A. resulting from insurance business - excluding those for which a report of non-collection has already been received - are reinsured by the State. As a consequence, pursuant to the Decree, ninety percent of the assets in which the technical provisions are invested were transferred from SACE S.p.A. to the Ministry of the Economy and Finance, for an amount equalling 1.5 billion euro.

Property, plant and equipment - Item 90

Operating property, plant and equipment: breakdown of assets measured at cost

(thousands of euro) Items/Values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
1. Owned	**104,681**	**59,186**	**37,068,519**	**37,232,386**	**37,193,659**
a) Land	62,276	49,800	466,359	578,435	578,722
b) Buildings	30,949	7,834	2,539,676	2,578,459	2,618,274
c) Movables	2,296	1,312	7,200	10,808	11,379
d) Electrical plant	2,778	187	435,283	438,248	455,447
e) Other	6,382	53	33,620,001	33,626,436	33,529,837
2. Right of use acquired under leases	**16,538**	**11,649**	**374,524**	**402,711**	**390,854**
a) Land			9,064	9,064	10,741
b) Buildings	16,164	10,833	236,149	263,146	280,160
c) Movables					
d) Electrical plant	129			129	148
e) Other	245	816	129,311	130,372	99,805
Total	**121,219**	**70,835**	**37,443,043**	**37,635,097**	**37,584,513**
- *of which: obtained via the enforcement of the guarantees received*					

Other property, plant and equipment refer primarily to the investments by Terna and Snam in plants instrumental for the performance of their business activity. In detail, the item includes mainly:

- investments by Terna for approximately 13.8 billion euro, referring to power lines for 6.8 billion euro and transformation stations for 4.6 billion euro;
- investments by Snam for approximately 19 billion euro, including transport for 14.2 billion euro (gas pipelines, gas reduction regulation stations and plants), storage for 3 billion euro (wells, pipelines, and processing and compression stations) and regasification;
- assets under construction and advances for 3.4 billion euro, of which 1.8 billion euro ascribable to Terna, 1.1 billion euro to Snam and 0.4 billion euro to Fincantieri.

Investment property: breakdown of assets measured at cost

(thousands of euro) Items/Values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
1. Owned	**225,184**	**12,708**	**542,253**	**780,145**	**778,058**
a) Land	55,130	4,379		59,509	59,509
b) Buildings	170,054	8,329	542,253	720,636	718,549
2. Right of use acquired under leases	**4,093**		**128**	**4,221**	**4,323**
a) Land					
b) Buildings	4,093		128	4,221	4,323
Total	**229,277**	**12,708**	**542,381**	**784,366**	**782,381**
- *of which: obtained via the enforcement of the guarantees received*					

Operating property, plant and equipment: breakdown of revalued assets

This item has a nil balance.

Investment property: breakdown of assets measured at fair value

This item has a nil balance.

Inventories of property, plant and equipment governed by IAS 2: breakdown

(thousands of euro) Items/Values	Total 30/06/2020	Total 31/12/2019
1. Inventories of property, plant and equipment from enforcement of the guarantees received		
a) Land		
b) Buildings		
c) Furniture		
d) Electrical systems		
e) Others		
2. Other inventories of property, plant and equipment	**978,567**	**987,605**
Total	**978,567**	**987,605**
- *of which measured at fair value, less costs of disposal*		

Inventories of property, plant and equipment comprise property owned by CDP Immobiliare and its subsidiaries for 309 million euro and the mutual funds included in the scope of consolidation for 670 million euro.

Intangible assets - Item 100

Intangible assets: breakdown by category

(thousands of euro) Assets/values	30/06/2020		31/12/2019	
	Definite life	Indefinite life	Definite life	Indefinite life
A.1 Goodwill	**X**	**2,785,878**	**X**	**2,786,040**
A.1.1 Pertaining to Group	X	2,785,878	X	2,786,040
A.1.2 Non-controlling interests	X		X	
A.2 Other intangible assets	**10,550,546**	**16,573**	**10,389,559**	**16,468**
A.2.1 Assets carried at cost:	10,550,546	16,573	10,389,559	16,468
a) internally-generated intangible assets	225,686		195,138	
b) other assets	10,324,860	16,573	10,194,421	16,468
A.2.2 Assets carried at fair value:				
a) internally-generated intangible assets				
b) other assets				
Total	**10,550,546**	**2,802,451**	**10,389,559**	**2,802,508**

Other intangible assets include the recognition of intangible assets resulting from business combinations involving the various companies of the Group.

They mainly regard:
- concessions and licences worth 1,082 million euro, which mainly include the value of concessions for the storage of natural gas;
- infrastructure rights worth 7,656 million euro, of which 7,549 million euro relating to Italgas, and the remainder to Snam and Terna. The item includes the value of the public-private service concession agreements relating to the development, maintenance and operation of infrastructure under concession arrangements. Under the terms of the agreements, the operator holds the right to use the infrastructure in order to provide the public service;
- customer contracts valued at 113 million euro;
- trademarks worth 4 million euro;

- technological know-how worth 6.5 million euro;
- software licences worth 55 million euro.

Impairment testing of goodwill

Goodwill recognised in the half-yearly condensed consolidated financial statements of the CDP Group mainly refers to listed companies of major national interest.

Goodwill generated from the acquisition of subsidiaries is allocated to each identified “cash generating unit” (CGU). Within the CDP Group, CGUs correspond to the individual legal entities. Since it is an intangible asset having an indefinite useful life, goodwill is not amortised but tested only for the recoverability of its carrying amount. An impairment test is performed annually on goodwill, or whenever there is evidence of impairment. This involves comparing the carrying amount of goodwill and the recoverable amount of the CGUs to which the goodwill is attributed. If the carrying amount of goodwill is higher than the recoverable amount of the CGU, the difference is recognised in the income statement.

In relation to Terna, Snam and Italgas, the CGUs to which goodwill was allocated coincide with the individual sub-consolidated entities. With reference to Fincantieri, note that the amount of goodwill recognised in the consolidated financial statements of CDP refers to the companies headed by the Vard group, in relation to which goodwill of 136 million euro was recognised directly by the subsidiary Fincantieri.

The following summary table lists the main goodwill amounts recognised at consolidated level, with indication of the carrying value and the methods used to calculate the recoverable amount determined for the purpose of the impairment test.

CGU	Goodwill amount (million euro)	Recoverable amount	Methodology used
Snam	245	n.a.[31]	n.a.
Terna	215	Fair value	Stock market price
Italgas	74	n.a.[31]	n.a.
Fincantieri	136	Fair value	Stock market price
SIA	1,557	Value in use	DCF
AEN	558	Value in use	DDM

In relation to Terna, the CGU to which goodwill was allocated coincides with the individual sub-consolidated entity and the recoverable amount is equivalent to the fair value less costs to sell, determined on the basis of the prices weighted with the relevant volumes.

In relation to Fincantieri, goodwill is the amount recognised in the consolidated financial statements of the same CGU following the acquisition of the Vard Group and is reflected in the consolidated financial statements of CDP given that the equity investment is consolidated on a line-by-line basis. The recoverability of goodwill is implicitly verified by Fincantieri when preparing its own consolidated financial statements. In any event, note that the fair value, measured on the basis of the stock prices of the equity investment, was found to be higher than the value of net assets inclusive of goodwill.

The impairment test found that the fair value was higher than the carrying value of the net assets of the CGUs to which goodwill is allocated and, consequently, the value in use did not need to be estimated. The carrying value of the CGU was therefore confirmed.

Given that the stock market prices qualify as Level 1 in the fair value hierarchy, no sensitivity analysis is provided.

In relation to SIA and Ansaldo Energia, despite the fact that goodwill is the result of the provisional allocation of the higher price paid to acquire the control of the companies with respect to the share of equity acquired, an impairment test was carried out following the activation of a number of triggers linked to the results achieved. The value in use, determined for the purposes of checking the recoverable amount of these equity investments in the separate financial statements of the direct owners, was higher than the carrying value.

31 The core business of the Snam group and the Italgas group is, respectively, the transport, storage and regasification of natural gas and the distribution of natural gas, conducted by the companies under a regulated regime. The limited exposure of these sectors to the impacts of COVID-19 means that there was no need to detect the presence of any impairment indicators at 30 June 2020 and, for this reason, no impairment test was carried out at 30 June 2020 for these CGUs. The same applies to the equity investments held, in particular, by the Snam group and accounted for using the equity method, which also operate in regulated sectors.

Non-current assets and disposal groups held for sale and associated liabilities - Item 120 of the assets and Item 70 of the liabilities

Non-current assets and disposal groups held for sale: breakdown by category

(thousands of euro)	30/06/2020	31/12/2019
A. Assets held for sale		
A.1 Financial assets	309,702	324,338
A.2 Equity investments		9,931
A.3 Property, plant and equipment	69	2,076
A.4 Intangible assets	26,047	
Total (A)	**335,818**	**336,345**
B. Groups of assets (discontinued operations)		
B.5 Property, plant and equipment	5,551	6,141
Total (B)	**5,551**	**6,141**
C. Liabilities associated with individual assets held for sale		
C.1 Payables	36,192	36,725
C.3 Other liabilities	137,157	128,981
Total (C)	**173,349**	**165,706**

This item mainly includes the assets and liabilities of the disposal companies of the Ansaldo group. These equity investments, all relating to companies operating in the Service sector, are Power System Manufacturing LLC, together with its direct equity investment in PSM Japan, Ansaldo Thomassen B.V. and other minor equity investments (Ansaldo Energia Korea, Ansaldo Energia Mexico and Ansaldo Servicos de Energia Brazil).

Other assets - Item 130

Other assets: breakdown

(thousands of euro)	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
Payments on account for withholding tax on postal passbooks	76,168			76,168	78,286
Other tax receivables	116	2,973	171,833	174,922	182,438
Leasehold improvements	2,541		5,093	7,634	7,960
Receivables due from investees	1,122		195,321	196,443	177,666
Trade receivables and advances to public entities	154,505		207,520	362,025	403,396
Construction contracts			2,501,596	2,501,596	3,023,935
Advances to suppliers	2,498	1,250	477,522	481,270	490,238
Inventories			1,615,743	1,615,743	1,476,237
Advances to personnel	189	2,463	20,833	23,485	20,794
Other trade receivables	555	118,424	4,379,005	4,497,984	3,951,401
Other items	8,047	2,970	285,398	296,415	279,349
Accrued income and prepaid expenses	71,812	1,305	505,901	579,018	627,535
Total	**317,553**	**129,385**	**10,365,765**	**10,812,703**	**10,719,235**

The item includes assets that are not classified under the previous items.

The most significant amounts refer to:
- trade receivables for 4,498 million euro, referred mainly to SNAM for 1,264 million euro, Terna for 1,355 million euro, Italgas for 424 million euro, Fincantieri for 894 million euro and Ansaldo Energia for 390 million euro;
- contract work in progress for 2,502 million euro, mainly regarding the shipbuilding activities of Fincantieri;
- inventories of semi-finished goods and work in progress in the amount of 1,616 million euro, which include:
  - mandatory gas reserves, kept at its storage sites by the subsidiary Stogit;
  - raw materials, supplies and consumables of the Ansaldo Energia group, amounting to about 545 million euro;
  - semi-finished products of the Fincantieri group, amounting to about 432 million euro.

Liabilities

Financial liabilities measured at amortised cost - Item 10

Financial liabilities measured at amortised cost: breakdown by type of amounts due to banks

(thousands of euro) Type of securities/Values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
1. Due to central banks	**14,628,731**			**14,628,731**	**2,483,946**
2. Due to banks	**29,821,256**		**14,292,565**	**44,113,821**	**39,356,098**
2.1 Current accounts and demand deposits	286		9,528	9,814	22,566
2.2 Fixed-term deposits	1,854,704			1,854,704	1,815,156
2.3 Loans	27,440,655		11,719,599	39,160,254	35,256,650
2.3.1 Repurchase agreements	22,918,653			22,918,653	21,591,003
2.3.2 Other	4,522,002		11,719,599	16,241,601	13,665,647
2.4 Liabilities in respect of commitments to repurchase own equity instruments					
2.5 Lease liabilities					
2.6 Other payables	525,611		2,563,438	3,089,049	2,261,726
Total	**44,449,987**		**14,292,565**	**58,742,552**	**41,840,044**

"Due to central banks", equal to approximately 14,629 million euro and referring exclusively to the Parent Company, increased sharply from the figure of 2019 (+12,145 million euro) as a result of participating in the TLTRO III[32] and PELTRO[33] in June 2020. Participation in the TLTRO III transaction was carried out by repaying in advance at the same time the entire amount of the TLTRO II transaction amounting to 2.5 billion euro.

"Term deposits", amounting to around 1,855 million euro (+40 million euro compared to the end of 2019), relate to the balance of the Postal savings bonds and the Passbook savings accounts of the Parent Company held by banks.

Recorded among due to banks are repurchase agreements with the bank counterparties, which exclusively refer to the Parent Company, which stand at around 22,919 million euro (roughly +1,328 million euro compared to 2019).

Other loans payable refer mainly to:
- loans granted to the Parent Company, equal to around 4,161 million euro (+155 million euro on 2019), relating to credit lines received mainly from the European Investment Bank (EIB) and the Council of Europe Development Bank (CEB);
- loans granted by the banking system to SNAM for approximately 5,290 million euro, to Fincantieri for approximately 1,985 million euro and to Italgas for 1,131 million euro.

The item "other payables", equal to around 3,089 million euro (approximately +827 million euro compared to the end of 2019), mainly relate to the deposits received by the Parent Company for Credit Support Annex agreements to hedge counterparty risk on derivatives (equal to around 526 million euro) and to EIB mortgage agreements from the Terna group, equal to about 1,629 million euro.

32 Targeted Longer-Term Refinancing Operations.
33 PANDEMIC Emergency Longer-Term Refinancing Operations.

Financial liabilities measured at amortised cost: breakdown by type of amounts due to customers

(thousands of euro) Types of operations/values	30/06/2020	31/12/2019
1. Current accounts and demand deposits	1,871	273,872
2. Time deposits	270,109,044	275,213,730
3. Loans	35,342,060	21,754,454
3.1 Repurchase agreements	33,269,756	19,605,860
3.2 Other	2,072,304	2,148,594
4. Liabilities in respect of commitments to repurchase own equity instruments		
5. Lease liabilities	380,592	393,175
6. Other payables	4,943,017	4,376,319
Total	**310,776,584**	**302,011,550**

The amounts due to customers mainly consist of the Parent Company's term deposits, which include the balance of passbook savings accounts, equal to 165,738 million euro (about +3,981 million euro compared to 2019) and of postal savings bonds, equal to 104,089 million euro (about +2,696 million euro compared to 2019).

The balance related to loans, equal to about 35,342 million euro at 30 June 2020, essentially refers to the repurchase agreements of the Parent Company, of around 33,270 million euro, up on the 2019 year-end balance (about +13,664 million euro).

Sub-item "6. Other payables" primarily refers to the amounts not yet disbursed at year-end on loans being repaid granted by the Parent Company to public bodies and public-law bodies, equal to around 4,302 million euro (around +233 million euro on 2019).

Again with reference to the Parent Company, amounts due to customers for liquidity management transactions on behalf of the MEF (OPTES) and to manage the Government securities amortisation fund are substantially zeroed at 30 June 2020, compared to 12 billion euro recorded at the end of 2019, due to the MEF's liquidity trends.

Lastly, this item includes around 381 million euro in lease liabilities, whose amount is determined on the basis of the contracts in place at 30 June 2020, in which Group companies act as lessees.

Financial liabilities measured at amortised cost: breakdown by type of securities issued

(thousands of euro) Types of securities/Values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
A. Securities					
1. Bonds:	19,050,726	522,269	21,268,505	40,841,500	39,007,154
1.1 structured	51,049			51,049	50,970
1.2 other	18,999,677	522,269	21,268,505	40,790,451	38,956,184
2. Other securities:	3,288,049			3,288,049	2,798,771
2.1 structured					
2.2 other	3,288,049			3,288,049	2,798,771
Total	**22,338,775**	**522,269**	**21,268,505**	**44,129,549**	**41,805,925**

With regard to the Prudential Consolidation, the balance of securities issued at 30 June 2020 entirely refers to the Parent Company and includes:

- bonds issued under the "Euro Medium Term Notes" (EMTN) and "Debt Issuance Programme" (DIP) programmes, with a stock of approximately 12,531 million euro (+2,182 million euro compared to the end of 2019). In the first half of 2020, under the "Debt Issuance Programme", new issues were made for a total nominal value of 2.2 billion euro. These included the issue of a new CDP Social Bond for 750 million euro to support residential social housing measures, and the COVID-19 Social Response Bond of 1 billion euro, in dual tranche format, dedicated to supporting the enterprises and areas hard hit by the Coronavirus emergency;
- 2 bonds reserved for individuals, for a total of approximately 2,964 million euro (+2 million euro compared to the end of 2019), with a nominal value of 1,500 million euro each, one of which issued in March 2015 and the other issued in June 2019, aimed at diversifying the sources of funding of the Separate Account;

- 5 bonds guaranteed by the Italian government, entirely subscribed by Poste Italiane, for a total carrying amount of 3,812 million euro. The value is essentially unchanged compared to the end of 2019. At 30 June 2020 there are: 1 bond issued in December 2015 for a nominal value of 750 million euro, 2 issued in December 2017 for a total nominal value of 1,000 million euro, and 2 issued in March 2018 for a total nominal value of 2,000 million euro;
- the issue of the first 1 billion Renminbi Panda bond (126 million euro at the exchange rate at 30 June 2020) to finance, both directly and through Chinese banks or Chinese branches of Italian banks, branches or subsidiaries of Italian companies established in China, to support their growth. The issue, for institutional investors operating in China, is part of an issuance plan for 5 billion Renminbi approved by the People's Bank of China;
- the stock of commercial paper with a carrying amount of around 3,288 million euro (+489 million euro on the 2019 year-end balance), related to the "Multi-Currency Commercial Paper Programme".

Securities issued pertaining to the insurance undertakings refer mainly to SACE's subordinated bond issues for approximately 507.5 million euro, placed with institutional investors in January 2015, with an annual coupon of 3.875% for the first 10 years and indexed to the 10-year swap rate plus 318.6 basis points for the following years. The bonds can be redeemed by the issuer initially after 10 years and then at every subsequent coupon payment date.

Securities issued by other companies mainly refer to the bond placements by Snam, Terna and Italgas, amounting to around 8,682 million euro, 7,871 million euro and 3,836 million euro, respectively.

Financial liabilities held for trading - Item 20

Financial liabilities held for trading: breakdown by type

(thousands of euro) Type of operations/Values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
A. On-balance-sheet liabilities					
1. Due to banks					
2. Due to customers					
3. Debt securities					
3.1 Bonds:					
3.1.1 structured					
3.1.2 other					
3.2 Other securities:					
3.2.1 structured					
3.2.2 other					
Total A					
B. Derivatives					
1. Financial derivatives	63,725	4,881	139,115	207,721	89,965
1.1 Trading	63,725	4,881	139,115	207,721	82,179
1.2 Associated with fair value option					
1.3 Other					7,786
2. Credit derivatives					
2.1 Trading					
2.2 Associated with fair value option					
2.3 Other					
Total B	**63,725**	**4,881**	**139,115**	**207,721**	**89,965**
Total (A + B)	**63,725**	**4,881**	**139,115**	**207,721**	**89,965**

The item includes mainly:
- the negative fair value of interest rate swaps and foreign exchange swaps of the Parent Company;
- the derivatives of Terna for about 79 million euro, of Fincantieri for about 40.2 million euro, SACE (mainly currency forward purchase/sale contracts) for about 4.9 million euro and of FSI Investimenti for approximately 4.3 million euro;
- the fair value of the earn-out liability, equal to approximately 15.4 million euro, related to the investment in Open Fiber made by the subsidiary CDP Equity.

Financial liabilities designated at fair value - Item 30

Financial liabilities designated at fair value: breakdown by type

(thousands of euro) Type of transactions/values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
1. Due to banks					
1.1 Structured					
1.2 Other					
of which:					
- *commitments to disburse funds*	X	X	X	X	X
- *financial guarantees issued*	X	X	X	X	X
2. Due to customers			**4,050**	**4,050**	**2,117**
2.1 Structured					
2.2 Other			4,050	4,050	2,117
of which:					
- *commitments to disburse funds*	X	X	X	X	X
- *financial guarantees issued*	X	X	X	X	X
3. Debt securities			**59,152**	**59,152**	**59,083**
3.1 Structured					
3.2 Other			59,152	59,152	59,083
Total			**63,202**	**63,202**	**61,200**

The balance of the financial liabilities designated at fair value, totalling 63 million euro (+2 million euro compared to 2019), is attributable to the contribution of the Fincantieri and SIA groups, for 59 million euro and 4 million euro, respectively.

Hedging derivatives - Item 40

Hedging derivatives: breakdown by type of hedge

(thousands of euro)	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
A. Financial derivatives	**4,297,563**	**101,362**	**352,860**	**4,751,785**	**3,054,893**
1) Fair value	4,028,495	101,362	65,481	4,195,338	2,573,422
2) Cash flow	269,068		287,379	556,447	481,471
3) Investment in foreign operation					
B. Credit derivatives					
1) Fair value					
2) Cash flow					
Total	**4,297,563**	**101,362**	**352,860**	**4,751,785**	**3,054,893**

The contribution of this item was mainly attributable to the Parent Company, with reference to which the micro fair value and cash flow hedges, with a negative value at 30 June 2020, amounted to around 1,815 million euro, while the macro hedges with a negative value, relating to loan portfolios, amounted to around 2,465 million euro.

Fair value change of financial liabilities in hedged portfolios - Item 50

Fair value change of hedged financial liabilities

(thousands of euro) Adjustment of hedged liabilities/Components of the group	30/06/2020	31/12/2019
1. Positive adjustments of financial liabilities	14,391	18,699
2. Negative adjustments of financial liabilities		
Total	**14,391**	**18,699**

This item reports the net change in the value of the Postal savings bonds portfolio of the Parent Company subject to macro-hedging against interest rate risk. The hedging relationship was interrupted in 2009 in view of the termination of the derivative hedging instruments. The change in the fair value of the hedged bonds, determined up to the date of validity of the hedging relationship, was subsequently transferred to profit or loss on the basis of the amortised cost of the originally hedged postal savings bonds.

Other liabilities - Item 80

Other liabilities: breakdown

(thousands of euro) Type of operations/Values	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
Items being processed	13,402	5,704		19,106	32,437
Amounts due to employees	13,146	1,996	151,077	166,219	164,311
Charges for postal funding service	469,651			469,651	451,638
Tax payables	80,736	4,046	73,596	158,378	299,251
Construction contracts			2,118,462	2,118,462	2,028,236
Trade payables	17,046	70,865	5,407,575	5,495,486	6,437,470
Due to social security institutions	5,423	3,853	127,541	136,817	158,825
Accrued expenses and deferred income	3,180		1,504,560	1,507,740	1,454,744
Liabilities for premiums to be reimbursed		42		42	743
Processing expenses		207		207	208
Collections from factoring being processed	16,151			16,151	6,313
Equity and net income pertaining to non-controlling interests in funds			73,937	73,937	85,170
Other	7,549	1,597,774	1,877,699	3,483,022	2,288,449
Total	**626,284**	**1,684,487**	**11,334,447**	**13,645,218**	**13,407,795**

This item reports liabilities not otherwise classified under the previous items and is broken down as follows.

For the Prudential consolidation, the main items under this heading are:
- the payable to Poste Italiane of about 470 million euro, relating to the portion of commissions due in respect of the products of the postal savings funding service not yet paid at 30 June 2020;
- tax payables, totalling around 81 million euro, mainly regarding the substitute tax levied on interest paid on postal savings products;

With regard to Other Group entities, the item mainly regards:
- trade payables of around 5.4 billion euro, mainly related to Terna (around 2.2 billion euro), Fincantieri (around 2 billion euro, of which 0.5 billion euro deriving from reverse factoring transactions relating to trade payables from those suppliers that transferred their credit position to factoring companies and that, because their primary obligation remains towards the supplier, are classified among trade payables), SNAM (around 0.3 billion euro) and Italgas (around 0.4 billion euro);
- contract work in progress of 2.1 billion euro, mainly resulting from the activities of Fincantieri (approximately 1.2 billion euro) and Ansaldo (approximately 0.9 billion euro).

The Other items of insurance companies include the payable to the Ministry of the Economy and Finance recognised in consideration of the provisions of Decree Law no. 23 ("Liquidity Decree") relating to "Urgent measures regarding access to credit and tax obligations for companies, special powers in strategic sectors, as well as health and workplace interventions, and extension of administrative and procedural deadlines", converted into Law no. 40 of 5 June 2020 ("Conversion Law"), which under Article 2, paragraph 6 establishes that, on the date of issuing the decree, ninety percent of the outstanding commitments undertaken by SACE S.p.A. resulting from insurance business - excluding those for which a report of non-collection has already been received - are reinsured by the State. As a consequence, ninety percent of the assets in which the technical provisions are invested were transferred from SACE S.p.A. to the Minister of the Economy and Finance, for an amount equalling 1.5 billion euro, against a payable recognised in Other items.

Provisions for risks and charges - Item 100

Provisions for risks and charges: breakdown

(thousands of euro) Items/Components	Prudential consolidation	Insurance companies	Other entities	30/06/2020	31/12/2019
1. Provisions for credit risk relating to commitments and financial guarantees issued	305,459	51,365		356,824	363,636
2. Provisions on other guarantees issued and other commitments					
3. Company pensions and other post-retirement benefit obligations					
4. Other provisions	142,188	118,802	2,211,259	2,472,249	3,079,615
4.1 Fiscal and legal disputes	79,173	1,356	574,408	654,937	1,121,335
4.2 Staff costs	62,294	12,691	148,077	223,062	272,806
4.3 Other	721	104,755	1,488,774	1,594,250	1,685,474
Total	**447,647**	**170,167**	**2,211,259**	**2,829,073**	**3,443,251**

The provisions for risks and charges stood at approximately 2.8 billion euro at 30 June 2020, down by around 0.6 billion euro.

Provisions for credit risk relating to commitments and financial guarantees issued, to which the Parent Company contributes primarily, amounts to 356.8 million euro at 30 June 2020 (-6.8 million euro compared to 31 December 2019).

The item 4.3 "Other provisions for risks and charges", totalling approximately 1,594 million euro at 30 June 2020, mainly refers:

- for approximately 633 million euro to the provisions for the dismantling and reclamation of sites, recognised mainly for liabilities that are likely to be incurred to remove the structures and reclaim natural gas storage and transportation sites;
- for about 292 million euro to the provisions for the reclamation and preservation of properties, as well as provisions for commitments in respect of contracts. The estimate of the liabilities recognised is based both on technical assessments (relating to the determination of works to be carried out or actions to be taken) and on legal assessments, bearing in mind contractual provisions in force;
- for around 68 million euro to liabilities for contractual guarantees issued to customers in line with market practices and conditions.

Technical reserves - Item 110

Technical reserves: breakdown

(thousands of euro)	Direct business	Indirect business	Total 30/06/2020	Total 31/12/2019
A. Non-life insurance	**3,485,518**	**162,714**	**3,648,232**	**2,811,818**
A.1 Reserves for unearned premiums	2,842,684	110,142	2,952,826	2,241,437
A.2 Reserves for claims outstanding	641,750	52,572	694,322	569,463
A.3 Other	1,084		1,084	918
B. Life insurance				
B.1 Mathematical reserves				
B.2 Provision for claims outstanding				
B.3 Other				
C. Technical provisions where the investment risk is borne by the insured				
C.1 Reserves for contracts whose benefits are linked to investment funds and market indices				
C.2 Reserves from the operation of pension funds				
D. Total technical provisions	**3,485,518**	**162,714**	**3,648,232**	**2,811,818**

Group's equity - Items 120, 130, 140, 150, 160, 170 and 180

"Share capital" and "Treasury shares": breakdown

The share capital of the Parent Company of 4,051,143,264 euro at 30 June 2020 was fully paid up and was composed of 342,430,912 ordinary shares, without par value.

At 30 June 2020, the Parent Company held treasury shares with a value of 322 million euro, compared to a value of 489 million euro at the end of 2019, with a decrease of approximately 167 million euro.

Share capital - Number of shares of the Parent Company: changes for the year

Items/Type	Ordinary	Other
A. Shares at start of the year	**342,430,912**	
- fully paid	342,430,912	
- partly paid		
A.1 Treasury shares (-)	(4,451,160)	
A.2 Shares in circulation: opening balance	**337,979,752**	
B. Increases	**-**	**-**
B.1 New issues		
- for consideration:		
- business combinations		
- conversion of bonds		
- exercise of warrants		
- other		
- bonus issues:		
- to employees		
- to directors		
- other		
B.2 Sale of treasury shares		
B.3 Other changes		
C. Decreases	**-**	**-**
C.1 Cancellation		
C.2 Purchase of own shares		
C.3 Disposal of companies		
C.4 Other changes		
D. Shares in circulation: closing balance	**337,979,752**	**-**
D.1 Treasury shares (+)	4,451,160	
D.2 Shares at end of the year	342,430,912	
- fully paid	342,430,912	
- partly paid		

Information on the consolidated income statement

Interest - Items 10 and 20

Interest income and similar income: breakdown

(thousands of euro) Items/Technical forms	Debt securities	Loans	Other	1st half of 2020	1st half of 2019
1. Financial assets measured at fair value through profit or loss	**13,883**	**6,364**		**20,247**	**22,991**
1.1 Financial assets held for trading	5,566			5,566	6,861
1.2 Financial assets designated at fair value					
1.3 Other financial assets mandatorily measured at fair value	8,317	6,364		14,681	16,130
2. Financial assets measured at fair value thorough other comprehensive income	**47,225**		**X**	**47,225**	**62,597**
3. Financial assets measured at amortised cost	**715,129**	**3,263,332**		**3,978,461**	**3,962,179**
3.1 Loans to banks	5,675	117,668	X	123,343	127,947
3.2 Loans to customers	709,454	3,145,664	X	3,855,118	3,834,232
4. Hedging derivatives	**X**	**X**	**(140,531)**	**(140,531)**	**(91,814)**
5. Other assets	**X**	**X**	**8,827**	**8,827**	**11,942**
6. Financial liabilities	**X**	**X**	**X**	**114,030**	**76,044**
Total	**776,237**	**3,269,696**	**(131,704)**	**4,028,259**	**4,043,939**
of which: interest income on non-performing assets	*472*	*2,130*		*2,602*	*1,721*
of which: interest income on finance lease					

Interest income accrued during the first half of 2020 amounted to 4,028 million euro, slightly down compared to the same period of 2019. It essentially derives from the Parent Company's contribution and mainly consists of:

- interest income on loans to banks and customers, classified as assets measured at amortised cost, totalling 3,978 million euro (+17 million euro compared to the first half of 2019) of which 3,263 million euro deriving from loans (+1 million euro compared to the first half of 2019) and 715 million from debt securities (+16 million euro compared to the first half of 2019);
- interest income on financial assets measured at fair value through other comprehensive income, of around 47 million euro (63 million euro in 2019);
- interest income on financial assets measured at fair value through profit or loss, of around 20 million euro (23 million euro in 2019).

Sub-item "4. Hedging derivatives" includes the (positive or negative) amount of differentials or margins accrued on interest rate risk hedging derivatives that adjusts the interest income recognised on the hedged financial instruments. At 30 June 2020, this amount is a negative figure of around 141 million euro, reducing interest income.

Sub-item "6. Financial liabilities" includes, amongst others, interest accrued on financial liabilities which, due to negative remuneration, gave rise to an income (interest income). This is in line with the EBA's instructions that indicate that the sign of the economic component prevails over the nature of the balance sheet item.

The item includes interest income on impaired financial assets of approximately 2.6 million euro.

Interest expense and similar expense: breakdown

(thousands of euro) Items/Technical forms	Debt securities	Loans	Other	1st half of 2020	1st half of 2019
1. Financial liabilities measured at amortised cost	**2,158,907**	**326,013**		**2,484,920**	**2,379,486**
1.1 Due to central banks		X	X		
1.2 Due to banks	107,125	X	X	107,125	86,270
1.3 Due to customers	2,051,782	X	X	2,051,782	1,990,699
1.4 Securities issued	X	326,013	X	326,013	302,517
2. Financial liabilities held for trading					**161**
3. Financial liabilities designated at fair value	**2,105**			**2,105**	
4. Other liabilities and provisions	**X**	**X**	**9,391**	**9,391**	**11,056**
5. Hedging derivatives	**X**	**X**	**(51,123)**	**(51,123)**	**(26,327)**
6. Financial assets	**X**	**X**	**X**	**13,026**	**12,275**
Total	**2,161,012**	**326,013**	**(41,732)**	**2,458,319**	**2,376,651**
of which: interest expense on finance lease	*3,968*			*3,968*	*2,795*

Interest expense in the first half of 2020 amounts to 2,458 million euro (+82 million euro compared to 2019), and is mainly attributable to:

- remuneration of the Parent Company's postal funding, amounting to approximately 2,077 million euro (+62 million euro compared to 2019);
- interest expense accrued on securities issued by the Parent Company of 185 million euro, by the industrial companies of 127 million euro and by the SACE Group companies of 10 million euro.

Sub-item "5. Hedging derivatives" includes the (positive or negative) amount of differentials or margins accrued on interest rate risk hedging derivatives that adjusts the interest expense recognised on the hedged financial instruments. At 30 June 2020, this amount was a positive figure, reducing the interest expense, of around 51 million euro.

Sub-item "6. Financial assets" includes interest accrued on financial assets which, due to negative remuneration, gave rise to a charge (interest expense).

Commissions - Items 40 and 50

Commission income: breakdown

(thousands of euro) Type of services/Amounts	1st half of 2020	1st half of 2019
a) Guarantees issued	9,680	8,136
b) Credit derivatives		
c) Management, intermediation and advisory services:	9,707	2,480
1. trading of financial instruments		
2. trading of currencies		
3. management of portfolios	9,707	2,480
3.1 individual		
3.2 collective	9,707	2,480
4. custody and administration of securities		
5. custodian bank		
6. placement of securities		
7. receipt and transmission of orders		
8. advisory services		
8.1 for investments		
8.2 for structured finance		
9. distribution of third party services		
9.1 management of portfolios		
9.1.1 individual		
9.1.2 collective		
9.2 insurance products		
9.3 other products		
d) Collection and payment services		
e) Servicing for securitisations		
f) Factoring services	4,596	3,682
g) Collection services		
h) Management multilateral trading systems		
i) Maintenance and management of current accounts		
j) Other services	207,790	217,528
Total	**231,773**	**231,826**

Commission income at 30 June 2020 overall is in line with the same period of 2019 and amounts to 232 million euro. The main contribution derives from the Parent Company, which during the period accrued commission income of 196 million euro in relation to:

- structuring and disbursement of loans for around 37 million euro;
- agreements signed with the Italian Ministry of the Economy and Finance for the management of the assets and liabilities of the MEF for approximately 150 million euro, relating to the management of the MEF Bonds;
- guarantees issued of around 10 million euro.

The contribution of the Parent Company also includes commissions earned for the management of the Revolving Fund for International Cooperation & Development Finance, the Revolving Fund supporting enterprises and investment in research (FRI), and other services rendered.

The balance also includes commission income of 7.6 million euro received by the subsidiary SIMEST for the management of Public Funds, 4.6 million euro for commissions for services related to factoring transactions of the subsidiary SACE Fct, and commission income of 9.7 million euro accrued by the subsidiaries FII SGR and CDPI SGR for the performance of their own institutional portfolio management activity, for 6.7 and 3 million euro, respectively.

Commission expense: breakdown

(thousands of euro) Services/Amounts	1st half of 2020	1st half of 2019
a) Guarantees received	14,391	13,521
b) Credit derivatives		
c) Management and intermediation services:	738,754	762,182
1. trading of financial instruments		5
2. trading of currencies		
3. management of portfolios	890	797
3.1 own portfolio	890	737
3.2 third-party portfolio		60
4. custody and administration of securities		
5. placement of financial instruments	737,864	761,380
6. door-to-door selling of financial instruments, products and services		
d) Collection and payment services	888	863
e) Other services	9,672	4,298
Total	**763,705**	**780,864**

Commission expense is almost exclusively attributable to the Parent Company and is mainly related to the amount for the first half of 2020 of the remuneration paid to Poste Italiane S.p.A. for managing postal savings products, equal to approximately 731 million euro, other than the expense similar to transaction costs and consequently included in the carrying amount of postal savings products.

The commission expense for the postal savings service recognised during the period accrued under the agreement signed in December 2017 between CDP and Poste Italiane S.p.A., for the three-year period 2018-2020.

Commission expense of 24 million euro was attributable to the industrial companies and mainly related to commissions due on guarantees received and services to place financial instruments.

Dividends and similar revenues - Item 70

The balance of this item at 30 June 2020, of around 19 million euro (3.7 million euro at 30 June 2019) is mainly attributable to the dividends earned by the Parent Company from equity securities measured at fair value through other comprehensive income.

Profits (losses) on trading activities - Item 80

The profits (losses) on trading activities, showing an overall loss of about 46.7 million at 30 June 2020 (profit of 5 million euro at 30 June 2019), derive from different effects that partly offset each other.

The loss recorded by the SACE group companies with reference to equity securities (- 11 million euro) and debt securities (- 7.4 million euro) is combined with the negative effect of derivative transactions, totalling 33.4 million euro (of which 12.7 million euro of profit recorded by SACE, which was more than offset by the loss of other Group companies, and in particular of Terna for about 32 million euro).

Foreign exchange gains totalled 5.1 million euro and were mainly recorded by SACE and Fincantieri, for 15.2 and 3.8 million euro, respectively, offset by the losses recorded by the Ansaldo group equal to 12.8 million euro.

Fair value adjustments in hedge accounting - Item 90

The fair value adjustments in hedge accounting at 30 June 2020 showed a negative amount of 45.4 million euro (negative amount of 57.7 million euro at 30 June 2019) and were largely attributable to the contribution of the Fincantieri group. The measurement component recorded a negative amount of 30.1 million euro, while the disposals component recorded a negative amount of 15.3 million euro.

Gains (losses) on disposal or repurchase - Item 100

The balance of the item was positive for approximately 117.3 million euro (65.9 million euro at 30 June 2019). It mainly refers to the Parent Company due to the net profit on the sale of debt securities in the portfolio of financial assets measured at fair value through other comprehensive income.

Profits (losses) on financial assets and liabilities measured at fair value through profit or loss - Item 110

The profits (losses) on financial assets and liabilities measured at fair value through profit or loss show a net loss at 30 June 2020, equal to 95.4 million euro (net loss of 12.7 million euro at 30 June 2019), attributable almost exclusively to the financial assets mandatorily measured at fair value.

In particular, the Parent Company contributed mostly to the loss, due to the net loss from the measurement of units in collective investment undertakings, amounting to 57.6 million euro, in addition to the investee company FSI Investimenti, with a loss from the measurement of debt securities of 13.6 million euro.

Net adjustments/recoveries for credit risk - Item 130

This item shows a loss of around 147.5 million euro and relates to the net balance between adjustments and recoveries for credit risk calculated on an individual and collective basis and almost exclusively related to financial assets measured at amortised cost.

For financial assets that are performing (stages 1 and 2) impairment is calculated as a function of the risk parameters represented by probability of default (PD), loss given default (LGD) and exposure at default (EAD).

If, in addition to a significant increase in credit risk, there is also objective evidence of an impairment loss (stage 3), the amount of the loss is measured as the difference between the contractual cash flows and all the cash flows that one would expect to receive, discounted at the original effective interest rate.

The amount of the loss to be recognised through profit or loss is calculated based on an analytical assessment process or for categories of the same kind and thus attributed analytically to each position and takes account of forward-looking information and possible alternative recovery scenarios.

For further details, see "Section 5 - Other issues - Disclosure of COVID-19 impacts - Financial instruments and measurement of Expected Credit Losses".

Net adjustments for credit risk relating to financial assets measured at amortised cost: breakdown

(thousands of euro) Type of operations/P&L Items	Writedowns			Writebacks		1st half of 2020	1st half of 2019
	Stage 1 and 2	Stage 3 Write-off	Stage 3 Other	Stage 1 and 2	Stage 3		
A. Loans to banks	**(6,874)**			**7,407**		**533**	**(4,845)**
Loans	(6,833)			6,904		71	(4,845)
Debt securities	(41)			503		462	
of which: impaired loans acquired or originated							
B. Loans to customers	**(164,704)**		**(20,420)**	**20,899**	**15,305**	**(148,920)**	**(75,420)**
Loans	(139,646)		(20,420)	17,678	15,305	(127,083)	(65,114)
Debt securities	(25,058)			3,221		(21,837)	(10,306)
of which: impaired loans acquired or originated							
Total	**(171,578)**		**(20,420)**	**28,306**	**15,305**	**(148,387)**	**(80,265)**

Net adjustments for credit risk relating to financial assets measured at fair value through other comprehensive income: breakdown

(thousands of euro) Type of operations/P&L Items	Writedowns Stage 1 and 2	Writedowns Stage 3 Write-off	Writedowns Stage 3 Other	Writebacks Stage 1 and 2	Writebacks Stage 3	1st half of 2020	1st half of 2019
A. Debt securities	**(4,131)**	**(5)**		**5,046**		**910**	**(1,991)**
B. Loans							
Customers							
Banks							
of which: impaired financial assets acquired or originated							
Total	**(4,131)**	**(5)**		**5,046**		**910**	**(1,991)**

Net premium income - Item 160

Net premium income: breakdown

(thousands of euro) Premiums from insurance activity	Direct work	Indirect work	1st half of 2020	1st half of 2019
A. Life insurance				
A.1 Gross premium income recognised (+)				
A.2 Premiums transferred to reinsurance (-)		X		
A.3 Total				
B. Non-life insurance				
B.1 Gross premium income recognised (+)	113,616	25,555	139,171	192,844
B.2 Premiums transferred to reinsurance (-)	(56,455)	X	(56,455)	(37,508)
B.3 Change in gross amount of provision for unearned premiums (+/-)	(702,632)	(10,044)	(712,676)	10,151
B.4 Change in reinsurer's share of provision for unearned reserves (-/+)	560,868	275	561,143	(55,352)
B.5 Total	(84,603)	15,786	(68,817)	110,135
C. Total net premium income	**(84,603)**	**15,786**	**(68,817)**	**110,135**

Net Other income (expense) from insurance operations - Item 170

Net Other income (expense) from insurance operations: breakdown

(thousands of euro)	1st half of 2020	1st half of 2019
1. Net change in technical provisions	(2,706)	(2,983)
2. Claims accrued and paid during the year	(23,460)	(87,248)
3. Other net profit (loss) on insurance operations	4,484	234
Total	**(21,682)**	**(89,997)**

Administrative expenses - Item 190

Staff costs: breakdown

(thousands of euro) Type of expenses/Sectors	Prudential consolidation	Insurance companies	Other entities	1st half of 2020	1st half of 2019
1) Employees	**76,310**	**35,374**	**1,075,438**	**1,187,122**	**972,416**
a) wages and salaries	54,208	22,664	760,518	837,390	688,428
b) social security costs	845	15	11,698	12,558	14,660
c) staff severance pay	355	567	18,114	19,036	12,746
d) pension costs	11,462	6,155	209,322	226,939	186,959
e) allocation to staff severance pay	80	111	4,784	4,975	2,672
f) allocation to provision for post-employment benefits:					
- defined contribution					
- defined benefit					
g) payments to external supplementary pensions funds:	3,779	2,024	25,913	31,716	31,126
- defined contribution	3,779	2,024	24,419	30,222	29,642
- defined benefit			1,494	1,494	1,484
h) costs arising from share-based payment arrangements			1,916	1,916	2,132
i) other employee benefits	5,581	3,838	43,173	52,592	33,693
2) Other personnel in service	**551**	**227**	**3,358**	**4,136**	**3,117**
3) Board of Directors and Board of Auditors	**1,496**	**378**	**8,614**	**10,488**	**7,578**
4) Retired personnel					
Total	**78,357**	**35,979**	**1,087,410**	**1,201,746**	**983,111**

Other administrative expenses: breakdown

(thousands of euro) Type of expenses/Values	Prudential consolidation	Insurance companies	Other entities	1st half of 2020	1st half of 2019
IT costs	15,561	4,568	91,844	111,973	54,820
General services	3,398	2,346	2,306,580	2,312,324	2,259,995
Professional and financial services	5,755	1,734	391,368	398,857	277,807
Publicity and marketing expenses	2,416	539	12,601	15,556	14,175
Other personnel-related expenses	755		15,385	16,140	18,663
Utilities, duties and other expenses	4,178	3,838	123,276	131,292	102,831
Information resources and databases	2,880		3,150	6,030	5,046
Corporate bodies	243		622	865	336
Total	**35,186**	**13,025**	**2,944,826**	**2,993,037**	**2,733,673**

General services mainly include the expenses of industrial companies relating to subcontracting and the purchase of raw materials.

Net accruals to the provisions for risks and charges - Item 200

Net accruals to the provisions for credit risk relating to commitments to disburse funds and financial guarantees issued

Net provisions for credit risk relating to commitments to disburse funds and financial guarantees issued showed a negative balance at 30 June 2020 equal to 87.2 million euro (1.5 million euro at 30 June 2019) and are almost exclusively attributable to the Parent Company's contribution.

Net accruals to the provisions for other commitments and other guarantees issued: breakdown

During the period, no accruals for other commitments and guarantees were made.

Net accruals to the provisions for other risks and charges: breakdown

(thousands of euro) Type of transactions/Values	Accruals	Reversal of excess	1st half of 2020
Net accruals to the provisions for legal and fiscal disputes	(4,438)	31,849	27,411
Net accruals to the provisions for sundry expenses for personnel	(53)	752	699
Net sundry provisions	(35,258)	49,699	14,441
Total	**(39,749)**	**82,300**	**42,551**

The balance of this item, positive for 42.5 million euro (negative for 10.6 million euro at 30 June 2019), refers to the net balance of provisions and the reversal of excess provisions for risks and charges, of which about 27.4 million euro are attributable to the Parent Company following the settlement reached in June 2020 with Fondazione Cariverona.

Net adjustments to/recoveries on property, plant and equipment - Item 210

Net adjustments to property, plant and equipment: breakdown

(thousands of euro) Assets/P&L items	Prudential consolidation	Insurance companies	Other entities	1st half of 2020
A. Property, plant and equipment				
1. Operating	(2,812)	(1,948)	(835,918)	(840,678)
- Owned	(1,762)	(703)	(796,121)	(798,586)
- Right of use acquired under leases	(1,050)	(1,245)	(39,797)	(42,092)
2. Investment	(3,091)		(6,471)	(9,562)
- Owned	(2,860)		(6,459)	(9,319)
- Right of use acquired under leases	(231)		(12)	(243)
3. Inventories			(22,195)	(22,195)
Total	**(5,903)**	**(1,948)**	**(864,584)**	**(872,435)**

Net adjustments to/recoveries on intangible assets - Item 220

Net adjustments to intangible assets: breakdown

(thousands of euro) Assets/P&L items	Prudential consolidation	Insurance companies	Other entities	1st half of 2020
A. Intangible assets				
A.1 Owned	(4,554)	(1,469)	(375,643)	(381,666)
- Internally generated by the company		(381)	(37,552)	(37,933)
- Other	(4,554)	(1,088)	(338,091)	(343,733)
Total	**(4,554)**	**(1,469)**	**(375,643)**	**(381,666)**

Other operating income (costs) - Item 230

Other operating costs: breakdown

(thousands of euro) Type of costs/Figures	Prudential consolidation	Insurance companies	Other entities	1st half of 2020	1st half of 2019
Depreciation of leasehold improvements	133		545	678	533
Other	6,279	1,448	24,479	32,206	41,585
Total	**6,412**	**1,448**	**25,024**	**32,884**	**42,118**

Other operating income: breakdown

(thousands of euro) Type of costs/Figures	Prudential consolidation	Insurance companies	Other entities	1st half of 2020	1st half of 2019
Income for company engagements to employees	353		25	378	316
Recovery of expenses	230	2	7,725	7,957	2,606
Rental income and other income from property management	6,265	312	7,310	13,887	11,556
Revenues from industrial management			6,532,228	6,532,228	6,072,000
Other	1,577	437	83,360	85,374	84,952
Total	**8,425**	**751**	**6,630,648**	**6,639,824**	**6,171,430**

Other operating income amounts to 6,640 million euro (6,171 million euro in 2019) and consists almost entirely of revenues from the industrial operations of:
- Fincantieri, in the amount of 2,323 million euro;
- Snam, in the amount of 1,338 million euro;
- Terna, in the amount of 1,166 million euro;
- Italgas, in the amount of 975 million euro;
- SIA, in the amount of 339 million euro;
- Ansaldo, in the amount of 388 million euro.

Gains (losses) on equity investments - Item 250

Net losses on equity investments, of approximately 2,011 million euro (net gains of 583 million euro in 2019), comprise the results of the measurement at equity of investments subject to significant influence or joint control included in the scope of consolidation, and are mainly due to the negative impact of the measurement of the investee companies in the CDP portfolio belonging to the energy, utilities and construction sectors (ENI -2,023 million euro, Saipem -114 million euro, Open Fiber -37 million euro, Webuild -16 million euro), only partly offset by the revaluation effects recorded in the period concerning the investee company Poste (+111 million euro).

Section 18 - Gains (losses) on property, plant and equipment and intangible assets measured at fair value - Item 260

This item has a nil balance.

Gains (losses) on disposal of investments - Item 280

This item shows gains of 7.8 million euro (11.8 million euro at 30 June 2019) and consists of gains on the disposal of operating property and other assets.

Risk monitoring

To ensure an efficient risk management system, the Parent Company and the companies belonging to the prudential consolidation perimeter have set up rules, procedures, resources (human, technological, and organisational), and control activities to identify, measure or evaluate, monitor, prevent or mitigate, and communicate to the appropriate reporting structures all the risks - assumed or that could be assumed - in the different segments.

Risk management considers the specific characteristics of the activity performed by each entity of the group, and is implemented in compliance with the requirements established by the laws and regulations applicable to each company.

Within the organisational structure of the Parent Company, the Chief Risk Officer (CRO), who reports directly to the Chief Executive Officer (CEO), is responsible for the governance of all types of risk and for the clear representation of the overall risk profile and solidity of CDP to the Board of Directors. As part of this mandate, the CRO coordinates the activities of the Risk Management (RM), Risk Governance, Compliance and Anti-Money Laundering, and Risk Operations Functions. RM is responsible for supporting the CRO with the management and monitoring of all types of risks, providing a clear view of the overall risk profile of CDP and of the capital requirements associated with each category of risk.

These types of risk are defined by the Risk Policy, initially approved by the Board of Directors in 2010 and subsequently updated as necessary. They can be classified in market risks (which include equity risk, interest rate risk, inflation risk, and exchange rate risk), liquidity risks, credit risks (which include concentration and counterparty risks), operational risks, and reputational risks. The Risk Policy is updated semi-annually and is made up by a main document (the Risk Policy itself) and a set of related annexes, each of which focuses on a specific category of risks (e.g. interest rate risk) or area exposed to those risks (e.g. treasury operations and investment in securities). The Risk Policy is the key tool used by the Board of Directors to define the risk appetite of CDP, the tolerance thresholds, risk limits, risk management policies, and the framework of the corresponding organisational processes.

The guidelines for the risk management of the Parent Company are expressed in the Risk Policy and envisage:
- the separation of roles and responsibilities in the assumption and control of risks;
- the organisational independence of risk control from the operational management of risks;
- rigorous risk measurement and control systems.

The Board of Directors' Risk Committee has control and guidance functions in the field of risk management and assessment of new investment products. Two technical and advisory committees, the Risk Governance Committee and the Risk Assessment Committee, act as a support to management and the decision-making bodies. The Risk Governance Committee is responsible for (i) aspects relating to defining and controlling CDP's overall risk profile, (ii) compliance of new products with that risk profile and (iii) relevant aspects for the management of liquidity contingency situations. The Risk Assessment Committee is responsible for (i) assessing transactions and activities, also in respect of concentration, economic and financial sustainability and risk, (ii) assessing proposals to manage specific non-performing loans and credit disputes, (iii) assessing proposals for impairment of loans or equity investments and (iv) periodically reviewing the risk profile of counterparties in the portfolio.

RM verifies compliance with the limits set by the Board of Directors and the operating limits established by the Chief Executive Officer, recommending corrective measures to the Risk Governance Committee or the Risk Assessment Committee, according to their responsibilities, that might be necessary to ensure compliance with the Risk Policy and the risk profile chosen by CDP, monitoring the use of economic capital with respect to capital requirements and participating in capital management activities.

Within the companies pertaining to the prudential consolidation perimeter, the bodies participating in the risk and control management systems consist, in addition to top management, of second-level control functions (Risk Management, Compliance, Anti-Money Laundering) and third-level control functions (Internal Auditing).

1. Credit risk

The principles followed by CDP in its lending activities involving the assumption of credit risk are set out in the Credit Risk Policy, which also governs the lending process and the roles of the units involved.

The Risk Operations Unit assesses the proposals formulated by the CDP business units, as well as the most significant transactions submitted for a governance opinion by the subsidiaries which belong to a pre-specified perimeter; it is also responsible for issuing internal ratings and estimating the Loss Given Default of a given transaction. These parameters are used for management and accounting purposes and are determined in accordance with the Risk Policy and the Rating and Recovery Rate Policy. This latter document provides the details on the methods adopted by CDP for the assignment of internal ratings to the various classes of counterparties and in producing internal estimates of the recovery rate for individual financing transactions. Risk Operations is also responsible for the periodic review of loans, with regard to the evolution of the counterparty's financial situation and developments in their industry/sector.

The Risk Governance Unit contributes towards the definition of risk policy guidelines for implementation at CDP and Group level, manages and monitors bad loans, as well as monitors the counterparties for the purposes of internal or regulatory classification.

The Risk Management Unit is responsible for the methodologies used to determine the risk-adjusted pricing, for the monitoring of the use of economic capital with respect to capital requirements, and for the measurement of portfolio concentration. RM regularly monitors the overall performance of loan portfolio risk, also to identify corrective measures designed to optimise the risk/return profile.

With regard to credit risk, the responsibilities of Risk Management also include:
- performing specific second-level controls to ensure that the performance of individual exposures is monitored correctly, especially the non-performing ones, that the classifications are consistent, that provisioning is adequate and that the recovery process is appropriate;

- formulating opinions on specific loan transactions, including an evaluation of their consistency with the Risk Policy and capital requirements, in the specific cases detailed in the policies in effect from time to time;
- defining, selecting and implementing the models, methods, and instruments of the internal rating system, ensuring that it is constantly monitored and updated.

With regard to non-performing counterparties, the Risk Operations Unit reviews any proposals made for restructuring — where necessary with the support of other Units for more complex cases — while Risk Management performs a second-level control. Contractual amendment requests for performing loans (“waivers”) are managed instead by Transactions Management, where necessary with the support of other Units for more complex cases.

To monitor the risks at group level, a specific governance process is foreseen for the most significant transactions in terms of risk. In these cases, a non-binding opinion must be obtained from the Parent Company. In particular, there has been a further implementation of the governance and coordination guidelines at a Group level by the Risk Governance Unit, whereas the Group Risk Governance Committee has provided its opinions on the Group’s risk monitoring and assessment systems, and on risk policies and Group transactions with a significant impact.

The Group as a whole adopts procedures for the credit risk management and measurement aimed at assessing the quality of credit assets. This is done both when the loan is first granted/approved and through the lifetime of the loan, by monitoring the performance of portfolio positions. In particular, the system developed ensures, through an early warning system, the prompt flagging up of credit events that indicate potential problems (based on information from both internal and external sources), and assigns the counterparty a specific internal Watch List class depending on the level of importance of the signals identified. In addition, this system, based on specific indicators, processes regulatory classification proposals, in particular as Unlikely To Pay.

With regard to the credit risk management and control policies of the Separate Account, the Parent Company has adopted a system for approving loans to local entities. This system is used to classify each loan in homogeneous risk categories, by adequately defining the risk level associated with the individual entities, with the aid of quantitative parameters that are differentiated by type of entity and their size. This loan approval system uses qualitative and quantitative criteria to identify the cases where the debtor’s creditworthiness requires further analysis.

For the Ordinary Account and loans to private-sector parties under the Separate Account portfolio, with the exclusion of the liquidity funds provided in support of the economy via the banking system, CDP uses a validated proprietary model to calculate credit risk at portfolio level. CDP also uses this model to calculate the economic capital associated with the entire loan portfolio, with the sole exception of exposures, direct or indirect, to the State.

The Risk Management Unit monitors compliance with the system of limits and the guidelines for composition of the loan portfolio, which are an integral part of the Risk Policy. The limits are set according to the credit rating of each counterparty and become stricter as the rating and recovery rate decrease, according to proportions in line with the economic capital. Specific country risk limits are also established.

Risk Management also conducts stress tests on the level of risk in the loan portfolio, based on assumptions of generalised deterioration in the portfolio’s creditworthiness, increased probability of default, decreased recovery rates and increased correlation parameters.

The methods adopted for the assignment of internal ratings aim to ensure compliance with an adequate level of transparency and consistency, including auditability of the process of evaluation.

In the internal rating assignment process, CDP uses specific benchmark tools, developed internally or by specialised providers, specific for the classes of CDP counterparties, including their size, legal form, and sector of activity.

In line with the practice of the rating agencies, the rating scale adopted by CDP is broken down into 21 classes, of which 10 are for “investment grade” positions and 11 for “speculative grade”. A class is also used for counterparties in default. Given the limited number of historical defaults in the CDP portfolio, also considering the type of borrowers, default probabilities are calibrated on the basis of long-term default rates (through the cycle) calculated using data acquired from a specialised provider.

In 2018, as part of the implementation of IFRS 9, CDP defined a methodology to derive point-in-time default probabilities.

Default is defined in accordance with the supervisory regulations for banks issued by the Bank of Italy.

The internal estimates of Loss Given Default take into account the different types of guarantees, as well as recovery times, and are differentiated by category of customer.

The rating system is used in the loan approval process (for private entities also for risk-adjusted pricing), to monitor the performance of the loan portfolio; to calculate provisions; for the limits framework and to measure the consumption of economic capital. The risk assessment assigned to the counterparty is updated at least annually. However, it is reviewed at any time during the year whenever events occur, or information is acquired, that have the potential to significantly affect the credit rating.

SACE Fct is exposed to credit risk in connection with its factoring activity. The factoring agreement may perform different functions, for which the factor provides different services, such as (i) management, where the factor performs certain activities on behalf of the transferor; (ii) financing, when the factor pays a price for the assigned receivables; (iii) guarantee, when the transfer is made without recourse and the factor assumes the risk of default by the transferred debtor. These activities expose the factor to credit risk in different and gradually increasing ways. The risk is mitigated through the introduction of specific contractual clauses.

The management of credit risk connected with the factoring activities carried out by SACE Fct is governed by internal corporate regulations. These apply from the initiation of contact and preliminary assessment of the counterparty, to possible management of credit collection. The factoring process is broken down into the following phases: (i) an investigation aimed at preparing an initial assessment of the counterparty; (ii) a decision based on the thresholds and delegations of authority deriving from assessment of its creditworthiness; (iii) execution of the agreement; (iv) revision of the expiring credit facilities, with a new review and decision-making process; (v) operating management and management of non-performing loans, including the correct classification of the positions, the determination of any value adjustments, the commencement of judicial or extra-judicial proceedings for credit recovery or, if it is decided not to pursue legal action, the preparation of an irrecoverable credit report.

2. Counterparty risk

Pursuant to the executed ISDA agreements, netting is used in hedge transactions with the bank counterparties of the Company to reduce exposure. All the contracts are based on the 2002 ISDA agreement.

Credit Support Annexes, which involve the periodic exchange of collateral, are also systematically used to strengthen CDP credit risk mitigation.

The arrangement is based on the standard format recommended by the ISDA.

Securities financing transactions utilise GMRAs (Global Master Repurchase Agreement, ISMA 2000 format). In addition, CDP has long since joined the Cassa di Compensazione e Garanzia (Central Clearing House), through which it transacts in repo agreements while benefiting from robust protections against counterparty risk.

CDP Investimenti SGR is exposed to credit risk in the sense of counterparty risk, in connection with the fees received as fund manager. The exposure exists with regard to managed funds and, indirectly, their subscribers, who might be unable to comply with subscriptions (i.e. fully/partially unable to deposit funds for the subscribed investments). In this respect, it shall be noticed that the funds currently managed are mainly subscribed by the Parent Company.

For Fondo Italiano d’Investimento SGR S.p.A., the exposure to credit risk is also in the sense of counterparty risk in relation to the management fees received by the managed funds. However, this exposure is limited both due to the diversification of the funds and the investors and to their credit standing, in addition to the fact that the assets of the managed funds are mainly subscribed by the Parent Company.

3. Interest rate risk

As a result of its operations, the Parent Company is exposed to interest rate risk under all its forms: repricing, yield curve, basis and option risk. It also monitors inflation risk within the same conceptual and analytical framework as interest rate risk in the banking book. These risks can affect both the earnings and the economic value of the Group.

CDP faces a substantial level of interest rate risk due to the presence of large unhedged volumes of assets and liabilities existing before its transformation into a joint-stock company and to its assets and liabilities structure: a considerable portion of CDP's liabilities consists of Ordinary fixed-rate Postal Bonds with an early redemption option, while the asset side mainly comprises fixed rate loans. Other types of Postal Savings Bonds also embed an early redemption option, whose value is significantly affected by interest rates and inflation changes.

The basic approach taken by CDP to measuring and managing interest rate risk is an "economic value" perspective, which complements the "earnings-based" perspective. The economic value perspective corresponds to the long-term representation of the earnings-based perspective, as the economic value of the firm is essentially equal to the discounted flows of future net interest income.

From this perspective, CDP analyses its exposure and risk profile by assessing balance sheet items that are sensitive to interest rates, quantifying their reaction to small changes (sensitivity analysis) and to major shocks (stress testing) to the risk factors. The transition from exposure metrics (derived from the sensitivity analyses and stress testing) to risk metrics is carried out by assigning a probability to possible market scenarios. This gives a statistical distribution of the value of the balance sheet items and complex indicators representing the economic capital needed to ensure that the company stays solvent given its risk profile.

This monitoring structure is translated into the calculation of value at risk (VaR), which CDP measures using historical simulations methods.

To quantify and monitor the interest rate risk in the banking book, CDP measures VaR both over short time horizons – such as over one day or ten days – and annually, which is more suited to the internal capital adequacy assessment process with regard to risks in the banking book. The short-term and annual measures of VaR share the same combination of models for valuing balance sheet items and measuring sensitivity, and they use the same input data. The daily VaR is then used for backtesting, thanks to its larger pool of figures available over that interval.

VaR summarises in a single figure the results of the simulation of many scenarios generated in accordance with the statistical characteristics of the risk factors.

CDP's Risk Policy sets specific limits to manage the exposure to interest rate and inflation risks. More specifically, limits have been established on the impact on the economic value of parallel shifts (+/- 100 basis points) in the yield curve and the inflation curve. Furthermore, more granular limits set by the Chief Executive Officer are in place.

CDP also assesses the impact of interest rate risk on earnings for shorter horizons using the internal ALM system, specifically quantifying the impact of parallel shifts in the yield curve on net interest income.

CDP's ALM approach seeks to limit the volume of hedging derivatives by exploiting "natural hedges" between fixed-rate assets and liabilities. Hedging therefore regards subsets of those items, depending on the sign of the net exposure, with a view to containing the overall risk exposure.

Operational responsibility for managing interest rate risk lies with the Finance Organisational Unit.

The measurement and the monitoring of interest rate risk are performed by the Market Risk & ALM Unit, within Risk Management, and discussed within the Finance Committee. The Board of Directors approves risk management policies and the associated monitoring methodology and receives periodic reporting on the results achieved.

SACE Fct monitors and manages interest rate risk according to the provisions of the specific policy and by setting appropriate operating limits. Interest rate risk management is ensured by the Budget and Treasury Function, in close collaboration with the Risk Management Function, through operating management of assets and liabilities in compliance with the guidelines defined by the Board of Directors. SACE Fct is exposed to interest rate risk in relation to the final purchases of receivables, generated by short-term funding against the granting of fixed-rate loans over a longer term, whereas in its more standard operations (factoring arrangements whereby the assigned receivables are not recognised on the balance sheet of the factor) the interest rate risk is minimised, because the frequency of the revisions of interest rates payable and receivable is aligned.

CDP Investimenti SGR has no direct (i.e. resulting from its primary activity) exposure to interest rate risk and inflation risk; a marginal exposure is detected in connection with investments of the available liquidity (mainly, fixed-rate securities issued by the Italian Government and postal savings bonds guaranteed by the Parent Company).

As a closed-end fund manager, Fondo Italiano d'Investimento SGR S.p.A. is not directly exposed to interest rate risk. The liquidity stock during 2020 was held in liquid market instruments (time deposits) or deposited in current accounts. The asset management company is not directly exposed to inflation risk.

In 2020, SACE Fct, CDPI SGR and FII SGR had not set up any interest-rate-hedging strategy.

4. Liquidity risk

Liquidity risk arises in the form of "asset liquidity risk" and "funding liquidity risk".

Since the Parent Company, SACE Fct and CDP Investimenti SGR do not engage in trading activities, the exposure to liquidity risk in the sense of asset liquidity risk34 is limited.

In view of the dominant weight of demand deposits (savings accounts) and bonds redeemable on demand (postal savings bonds) on the liability side of the Separate Account, for the Parent Company liquidity risk becomes significant mainly in the form of funding liquidity risk35.

In order to ensure that any uncontrolled run-off scenario remains remote, CDP benefits from the mitigating effect of the state guarantee on postal savings. In addition to the key function of that guarantee, the ability of CDP to ensure that such a scenario does in fact remain remote is based on its capital strength, on the protection and promotion of postal savings reputation with the public, on safeguarding CDP's reputation in the market and on liquidity management. With regard to the latter, CDP adopts a series of specific measures to prevent the emergence of unexpected funding requirements and to be able to meet them if it should prove necessary.

To this end, Risk Management monitors a lower limit on the stock of liquid assets together with a number of aggregates that represent the capacity of CDP to cope with potential crisis. As an operational protection measure for liquidity risk, CDP has adopted a Contingency Funding Plan (CFP). The CFP sets out the processes and strategies used by CDP to manage possible liquidity crises, whether of systemic origin – caused by an unexpected deterioration in monetary and financial market conditions – or due to idiosyncratic difficulties at CDP itself.

As regards the Ordinary Account, CDP raises funds through the market or the European Investment Bank (EIB), adopting approaches, opportunities and constraints more similar to those of ordinary banks.

CDP prevents the emergence of unexpected liquidity requirements by developing effective loan disbursement forecasting systems, setting structural limits on maturity transformation, monitoring the short-term liquidity position, carried out on a continuous basis by the Finance Organisational Unit, and monitoring liquidity gaps at medium and long term, which is performed by the Market Risk & ALM Unit.

Management of treasury activities by the Finance department enables CDP to raise funds using repos, for both the Separate and Ordinary Accounts.

CDP can also take part in European Central Bank refinancing operations, as it holds a significant stock of eligible negotiable and non-negotiable assets.

As a further control, for both the Separate and the Ordinary Account, Risk Management monitors the incremental liquidity available in a stress scenario through transactions with the European Central Bank and by refinancing liquid assets with market counterparts.

In addition to the monitoring tools described, RM performs a stress test to assess the potential effects of an extremely unfavourable scenario on the liquidity position.

With regard to SACE Fct's operations, the liquidity risk connected with factoring operations is mitigated by the recourse to diversified forms of financing, through: i) the activation of revolving credit lines granted by major banking groups, ii) short-term loans granted by the Parent Company and iii) re-assignment of receivables with recourse towards leading factoring companies. In this context, the "Liquidity Risk Policy" defines the roles and responsibilities of the corporate bodies and units involved in the process and the methods used to measure, manage, and monitor liquidity risk. Moreover, a Contingency Funding Plan defines the strategies for management of a possible liquidity crisis and the specific procedures to be implemented in response to adverse fund-raising situations.

34 Asset liquidity risk means the impossibility, for a financial institution or a generic investor, of selling assets on the market without significantly reducing their price.
35 Funding liquidity risk means the impossibility, for a financial institution, to meet its obligations by collecting liquidity at non-penalising conditions or selling assets held.

As far as liquidity risk is concerned, CDPI SGR is potentially exposed to a cash shortfall risk, caused by, among others, lower management fees due to fluctuations in values of the real estate Alternative Investment Fund (AIF) units and/or real estate direct assets held by the portfolios it manages, as management fees are actually calculated as a percentage of either the Net Asset Value (FIA[36]) or the Gross Asset Value (FIV, FIT, FT1[37] and FIA 2).

Any value fluctuation for the real estate funds and/or assets held in their portfolios might consequently affect the management fees. Such risk currently appears not significant.

From an operational point of view, liquidity risk is monitored through a careful planning of Company cash flows ("financial forecast"), prepared by the Planning Organisational Unit and updated on a monthly basis.

With regard to FII SGR, the increased exposure to liquidity risk consists of asset liquidity risk. The asset management company manages closed-end funds with underlyings that have low liquidity and a long-term time horizon. The potential need, which is currently very unlikely, to rapidly liquidate the assets could significantly affect the prices of those assets.

In terms of funding risk, FII SGR has limited exposure due to the type and standing of its counterparties, which are periodically monitored, and the operating procedures of the individual funds (in addition to the possibility of using funding facilities in its operations).

5. Operational risks

CDP has adopted the guidelines established by the Basel Committee for the banking industry and incorporated by the Bank of Italy in Circular no. 285 of 17 December 2013 as the benchmark for managing operational risk.

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Such risk includes, among others, losses resulting from internal or external fraud, human error, business disruption, system unavailability, breach of contract and natural disasters.

Operational risk includes legal risk but not strategic or reputational risk.

The "legal risk" is the risk of incurring losses resulting from violations of laws or regulations, from contractual or tortious liability or from other disputes.

The operational risk management system is a set of structured processes, functions and resources for identifying, assessing and controlling the above-mentioned risks. Its main objective is to ensure effective prevention and mitigation of such risks.

Apart from adopting best practice in the banking sector as a reference, CDP pays particular attention to industrial sector benchmarks for the management of operational risks. The methodological and organisational framework implemented aims to capture the company's actual risk profile, similarly to what occurs in the most advanced corporates, which actively manage operational risks even though they are not subject to capital requirements.

The objective is to improve corporate processes and the Internal Control System, so as to lay the foundations for the most appropriate mitigation actions and to make a more accurate quantification of the associated economic capital, currently estimated using the Basic Indicator Approach.

The Operational Risk Unit, operating within Risk Management, is the Unit responsible for designing, implementing and monitoring the methodological and organisational framework for the assessment of the exposure to operational risks, the provision of remediation measures — in agreement with the Units involved — and the preparation of reporting to the Top Management.

The adopted framework involves the inclusion of information on operational losses classified according to specified Loss Event Types (i.e. a Model of loss events), Loss Effect Types (i.e. a Model of types of losses) and Risk Factors (i.e. a Model for the classification of risk factors).

With a view to implementing integrated management of actions, so as to combine into a single decision-making step the assessment of mitigation actions defined during both Risk Assessment and Loss Data Collection, a dedicated Working Group has been established - which meets when necessary at the initiative of the Operational Risk Unit - for the analysis of the mitigation actions identified to control operational risks.

36 Fondo Investimenti per l'Abitare.
37 Respectively: Fondo Investimenti per la Valorizzazione, Fondo Investimenti per il Turismo and Fondo Turismo 1.

The Operational Risk Unit monitors the status of the mitigation actions initiated by periodically checking their progress with the individuals responsible for the actions taken and/or to be taken.

The results of the activities performed are shared and disseminated through dedicated reports, which detail operational risk exposures and detected losses. In this way, information on operational risks is provided to the Top Management and the managers of the business units involved, in order to enable the implementation of the most appropriate mitigation actions.

In line with the mission of the Operational Risk Unit, which is to develop and disseminate awareness of operational risks within the Company, training initiatives addressed to all the staff involved in the analyses were organised.

Other periodical actions organised by the Operational Risk Unit for the staff concerned include training, also in the form of on-the-job training. These actions ensure that the contact persons have appropriate knowledge of the process and of its attendant responsibilities, so as to make the best use of support tools.

The aim is to put in place a coordinated approach at all levels within the Company, which can be achieved by wide dissemination of operational risk awareness.

SACE Fct adopts the Group's operational risk management framework for the purpose of strengthening risk controls and improving the overall effectiveness and efficiency of processes, in order to reduce the variability of operating profits and protect its assets. The process of managing and monitoring operational risk involves the following activities: i) the collection and analysis of internal data on losses attributable to operational risk events (Loss Data Collection); ii) the forward-looking assessment of the Company's level of exposure to potential operational risks (Risk Self-Assessment), and iii) the definition of mitigation actions (Remediation Plan).

CDPI SGR adopts the Group's operational risk management framework for the purpose of strengthening risk controls and improving the overall effectiveness and efficiency of processes, in order to reduce the variability of operating profits and protect its assets.

In the first quarter of 2020, the second follow-up was performed on the mitigation actions planned based on the outcome of the Risk Self-Assessment of the Company processes completed in 2019.

For the Loss Data Collection, the Company adopts a bottom-up approach for the collection and recording of loss data through a network of information sources that can provide information concerning the main features of each loss event recorded and its associated effects, through a continuous reporting process.

FII SGR has set up a proprietary operational risk management system covering (i) risks associated with human error (i.e. errors, unintentional damage and/or fraudulent situations created by internal and external operators that may be detrimental to the company), (ii) technology-related risks (i.e., IT procedures and intentional or unintentional damage to company hardware and software), (iii) process-related risks (i.e., missing or incomplete internal procedures or breaches), and (iv) risks related to external factors (i.e., events external to the company). FII SGR's overall exposure to operational risks is small and is mainly concentrated in the area of internal processes, regulatory compliance and employment relationships.

6. Money laundering and terrorist financing risk

Group-level strategic decisions about managing money laundering and terrorist financing risk are the responsibility of the Parent Company's corporate bodies, which set out counterparty acceptance policies, introducing the obligation to refrain from establishing any type of relationship under certain conditions which may expose the company to an unacceptable level of risk. In this respect, the Parent Company involves the subsidiaries' control departments in the decisions about the relevant risk management policies and procedures, in the manners that it deems most appropriate.

The Parent Company's Anti-Money Laundering Unit promotes group-level coordination of the assessment methodologies and procedures to supervise the operating activities related to the management of money laundering and terrorist financing risk. Where applicable, a specific anti-money laundering function was established in each subsidiary which, by closely operating with the specific function of the Parent Company, monitors the effectiveness of the processes related to the anti-money laundering legislation in the relevant company.

Each Group company entrusted the anti-money laundering managers with the power to report suspicious transactions to the UIF (Financial Intelligence Unit). The information obtained as part of these activities is shared among the anti-money laundering functions and becomes common information capital, ensuring effective collaboration within the entire Group.

7. Equity risks

CDP holds a significant portfolio of equity investments (listed and unlisted) and of fund units. The measurement and management criteria applied to the risk associated with equity investments and fund units are set out in the Risk Policy and include also specific stress tests, designed on the basis of relevant scenarios, in particular in respect of the most significant equity investments (in quantitative terms) in listed companies.

Price risk regards the possibility that the net economic value, profitability or the book equity of CDP could be adversely affected by variables associated with equities, in particular the market prices of such securities and related derivatives, or changes in the current and future profitability of the investment in such instruments.

In order to monitor and manage equity risks, CDP also considers investments in units of investment funds, including real estate funds, as equity investments.

In line with the net economic value approach, equity risk is quantified in terms of VaR (with a one-year time horizon). The VaR provides a proxy of the risk that the listed and liquid securities — even when they are not recognised at their current fair value — do not recover any potential loss over time. It is calculated based on hypotheses about the statistical distribution of the prices of shares, the related derivatives (where present) and the fair value of unlisted securities. Risk is quantified by assuming continuity in the business model of CDP, which expects to hold most of its stock investments in the long term.

8. Compliance risk

The Compliance function operates using a risk-based approach applied to the entire company operations ensuring, above all, effective preventive controls, with a view to pro-active and dynamic risk management.

In this respect, it: i) ensures constant monitoring of the new national and international legislation, assessing any impact on the company's processes; ii) provides advice and support, for matters where compliance risk has a significant role (e.g. conflicts of interest, international sanctions, market abuse); iii) validates beforehand company procedures to ensure their compliance with applicable regulations; and iv) participates in internal committees. This function also carries out ex post controls, assessing the adequacy of the organisational measures in place and the correct application of the compliance risk prevention procedures, while identifying the related corrective actions and monitoring their implementation over time.

With respect to management and coordination, the Compliance function regularly coordinates all the CDP Group's Compliance units, issuing guidelines, providing consultancy, ensuring operational and methodological support, sharing work tools, while receiving periodic information flows. Finally, the Compliance function has direct responsibility for the compliance activities related to some CDP Group companies, in accordance with specific outsourcing agreements.

9. Reputational risk

Given CDP's peculiar nature, the ex ante management of the reputational risk is extremely important. The Compliance and Anti-money Laundering Unit applies an internally-developed methodology to assess the reputational risk related to transactions, based on specific "risk indicators" (Country Risk, Counterparty Risk, Economic Sector Risk).

The outcome of the assessed lending transactions supplements the preliminary documentation supporting advisory or decision-making bodies.

10. Legal disputes

Civil and administrative disputes

At 30 June 2020, there were 78 pending disputes in civil and administrative matters in which CDP is a defendant, for a total amount of approximately 206 million euro.

With reference to the above-mentioned disputes, there are 37 disputes with a risk of a ruling against the company estimated to be probable. Of these, 20 refer to positions relating to Postal Savings products amounting to approximately 190 thousand euro and 17 refer to credit positions or other civil and administrative law issues amounting to approximately 157 million euro.

There are also 21 disputes with a risk of a ruling against the company estimated to be possible. Of these, 4 refer to positions relating to Postal Savings products amounting to approximately 33 thousand euro and 17 refer to credit positions or other civil and administrative law issues amounting to approximately 42.9 million euro.

With reference to ongoing disputes, at 30 June 2020, a provision for risks and charges was set up amounting to approximately 52.7 million euro.

In particular, the most significant dispute - related to the exercise of the right of withdrawal by Fondazione Cassa di Risparmio di Verona Vicenza Belluno e Ancona ("Cariverona") on the occasion of conversion of preference shares into CDP ordinary shares which took place in 2012 - was concluded on 25 June 2020 with the signing of a settlement agreement between CDP and Cariverona. Under the terms of the agreement and in full settlement of the dispute, Cariverona waived the receivable assessed by the Court of Rome in its ruling of 15 January 2020 (amounting to approximately 432 million euro, plus interest of approximately 19 million euro, for a total of approximately 451 million euro) against payment by CDP of 265 million euro.

Labour law disputes

At 30 June 2020, there were 17 pending disputes in labour matters in which CDP is a defendant, in respect of which total provisions were made for approximately 3.1 million euro.

11. Other material risks

As part of its activities, CDP is exposed to other market risks, in addition to the equity risks related to its investment portfolio and the interest rate and inflation risks related to the banking books.

Some of CDP's activities, normally associated with the issue of bonds denominated in foreign currencies, the purchase of bonds denominated in foreign currencies, and the granting of loans denominated in currencies other than the Euro under the "Export Bank" system, may give rise to exchange rate risk.

CDP undertakes such activities only if covered by appropriate exchange rate hedges. Hedges usually consist of the signing of Cross Currency Swaps (CCSs) which translate foreign currency flows into Euro. Alternatively, the position may be refinanced with funding in the same currency as the one of the commitment, within a strategy that minimises existing risks.

12. Monitoring the risks of companies subject to management and coordination

Management and monitoring of subsidiaries' risks are the responsibility of the Risk Governance, Risk Management and Risk Operations Units of the Parent Company, which report to the Chief Risk Officer.

Under the Management and Coordination Regulation, the Parent Company shall set:
- the principles and guidelines of material risks (credit, market, operational, etc.), and the risk processes, systems and models, in accordance with the mandatory requirements applicable to Supervised Companies;
- the risk appetite framework;
- risk identification and control guidelines, checking the adequacy of the related procedures;
- the monitoring of the evolution of corporate risks and the compliance with operational limits.

In accordance with the Management and Coordination Regulation, the subsidiaries also:
- discuss risk-assumption rules with the Parent Company prior to their approval or change;
- prepare, at a frequency adequate to the type of risk, the periodic reporting required, ensuring compliance with the Parent Company's functional requirements;
- regularly describe the main risk profiles and their evolution.

Business combinations

Transactions in the period

Business combinations

(thousands of euro) Company name	Date of transaction	(1)	(2)	(3)	(4)
ATEM Torino 2 business unit	31/01/2020	5,458	100%	350	60
ATEM Alessandria 4 business unit	31/01/2020	2,922	100%	150	26
Brugg Kabel AG	29/02/2020	27,096	90%	9,805	392
Arsenal S.r.l.	21/04/2020	75	100%	30	(70)
Reti Distribuzione S.r.l.	26/05/2020	4,569	15%	2,479	27

Key
(1) = Cost of transaction
(2) = Percentage of voting rights in the Ordinary Shareholder's Meeting
(3) = Total Group revenues
(4) = Group net Profit (Loss) Acquisition of the Torino 2 ATEM business unit

On 31 January 2020 Italgas S.p.A. signed the handover report of the "Torino 2" territorial area (ATEM) plants to Italgas Reti with the Metropolitan City of Turin as contracting entity and with the outgoing operators, thus officially starting the first management of the gas distribution service by Territorial Areas in Italy.

The table below shows the consideration paid for the acquisition of the business unit, and gives a breakdown of the assets acquired and liabilities assumed at the date of the transaction (amounts in thousands of euro).

ASSETS	Book value	Adjustment	Fair value
100. Intangible assets	5,458		5,458
Total acquired assets	**5,458**		**5,458**
LIABILITIES			
Total liabilities assumed			
Net acquired assets	**5,458**		**5,458**
Cost of business combination	**5,458**		**5,458**

Acquisition of the Alessandria 4 ATEM business unit

On 31 January 2020, Italgas S.p.A. finalised the agreement for the sale of several non-core industrial activities between Italgas and A2A signed on 7 October 2019. In particular, Italgas Reti sold to A2A Calore & Servizi (A2A Group) the entire district heating business managed in the municipality of Cologno Monzese (Milan); at the same time, Unareti (A2A Group) sold to Italgas Reti its natural gas distribution business managed in seven Municipalities belonging to the Alessandria 4 ATEM.

The table below shows the consideration paid for the acquisition of the business unit, and gives a breakdown of the assets acquired and liabilities assumed at the date of the transaction (amounts in thousands of euro).

ASSETS	Book value	Adjustment	Fair value
100. Intangible assets	2,922		2,922
Total acquired assets	**2,922**		**2,922**
LIABILITIES			
Total liabilities assumed			
Net acquired assets	**2,922**		**2,922**
Cost of business combination	**2,922**		**2,922**

Acquisition of Brugg Kabel AG

On 29 February, to implement the preliminary agreement signed on 20 December 2019, Terna S.p.A., through its subsidiary Terna Energy Solutions S.r.l., acquired 90% of Brugg Kabel AG (Brugg group), one of the main European operators in the terrestrial cable sector, active in the design, development, construction, installation and maintenance of electrical cables of all voltages and accessories for high voltage cables.

The acquisition of Brugg Kabel provides Terna S.p.A. to equip itself with a centre of excellence for research, development and testing in one of the core technologies for the TSO, i.e. terrestrial cables.

In particular, for Terna S.p.A. the transaction represents an opportunity to quickly integrate core competencies, by acquiring a company which features:
- specialisation on 150 kV cables with standards in line with those required by Terna;
- production capacity of HV cables production capacity in line with Terna requirements;
- expertise consolidated over more than 120 years which has been widely verified by Terna;
- potential significant potential synergies with the group's Non-Regulated Activities.

It should be noted that Terna's Development Plan, in line with the objectives of greater sustainability and resilience of the national transmission grid, envisages doubling of the terrestrial cable stock in the next 10 years; consequently, the development of distinctive expertise in the underground cable sector to support cable design and construction activities, as well as O&M, may represent a crucial point in Terna's future.

The acquired company's workforce at 30 June 2020 totals 379.

The closing of the transaction, which Terna S.p.A. financed with its own funds, was finalised via the subsidiary Terna Energy Solutions S.r.l. The preliminary value for the acquisition of 90% of the equity investment was 25.8 million CHF. The deal's terms and conditions for the acquisition include a Purchase Price Adjustment, currently being defined (and provisionally allocated in accordance with IFRS 3 par. 45) with the counterparty, and payment of an additional 0.5 million CHF by the second year following the acquisition date.

The table below shows the consideration paid for the acquisition of the company, and gives a breakdown of the assets acquired and liabilities assumed at the date of the transaction (amounts in thousands of euro).

ASSETS	Book value	Adjustment	Fair value
10. Cash and cash equivalents	21,848		21,848
90. Property, plant and equipment	24,677		24,677
130. Other assets	76,620		76,620
Total acquired assets	**123,145**		**123,145**
LIABILITIES			
10. Financial liabilities measured at amortised cost	31,280		31,280
60. Tax liabilities	50		50
80. Other liabilities	31,396		31,396
100. Provisions for risks and charges	11,617		11,617
Total liabilities assumed	**74,343**		**74,343**
Net acquired assets	**48,802**		**48,802**
Badwill		(21,706)	(21,706)
Cost of business combination	**48,802**	**(21,706)**	**27,096**

Acquisition of Arsenal S.r.l.

On 21 April 2020, the subsidiary Fincantieri Oil & Gas S.p.A. acquired the entire equity investment held in Arsenal S.r.l.

The table below shows the consideration paid for the acquisition of the company, and gives a breakdown of the assets acquired and liabilities assumed at the date of the transaction (amounts in thousands of euro).

ASSETS	Book value	Adjustment	Fair value
40. Financial assets at amortised cost	98		98
90. Property, plant and equipment	4		4
100. Intangible assets	14		14
130. Other assets	19		19
Total acquired assets	**135**		**135**
LIABILITIES			
10. Financial liabilities measured at amortised cost	56		56
80. Other liabilities	60		60
90. Staff severance pay	9		9
Total liabilities assumed	**125**		**125**
Net acquired assets	**10**		**10**
Goodwill		65	65
Cost of business combination	**10**	**65**	**75**

Acquisition of Reti Distribuzione S.r.l.

On 26 May 2020, the acquisition from AEG Soc. Coop. of 15% of the company Reti Distribuzione S.r.l., which manages the natural gas distribution service across an area incompassing 49 municipalities located in the Canavese, Valle Orco and Soana areas and in the Municipality of Saluggia for a total of 32,000 re-delivery points, was finalised through the subsidiary Italgas Reti. The transaction's consideration amounted to 4.6 million euro.

The table below shows the consideration paid for the acquisition of the company, and gives a breakdown of the assets acquired and liabilities assumed at the date of the transaction (amounts in thousands of euro).

ASSETS	Book value	Adjustment	Fair value
100. Intangible assets	4,569		4,569
Total acquired assets	**4,569**		**4,569**
LIABILITIES			
Total liabilities assumed			
Net acquired assets	**4,569**		**4,569**
Cost of business combination	**4,569**		**4,569**

Business combinations carried out after the reporting date

Business combinations

Acquisition of Support Logistic Services

On 2 July 2020, the Fincantieri group, through its subsidiary Insis, acquired a majority interest in Support Logistic Services, a company based in Guidonia Montecelio (Rome), specialising in the construction, installation and maintenance of satellite communication systems, radar and radio communication systems for military and civil applications.

Retrospective adjustments

During the first half of the year, Italgas S.p.A. reviewed and analysed the values relating to the acquisition of Toscana Energia, pending final assesment as allowed by IFRS 3. The analysis led to a reduction in the corresponding goodwill of 1.6 million euro.

Transactions with related parties

1. Information on the remuneration of key management personnel

The following table shows the remuneration paid in the first half of 2020 to members of the management and control bodies and key management personnel of the Parent Company and of wholly-owned subsidiaries.

Directors' and statutory auditors' remuneration

(thousands of euro)	Directors	Board of Auditors	Key management personnel
a) Short-term benefits	8,834	1,578	14,817
b) Post-employment benefits	76		629
c) Other long-term benefits			1,687
d) Severance benefits			
e) Share-based payments			
Total	**8,910**	**1,578**	**17,133**

Remuneration paid to the board of directors and the board of statutory auditors of the Parent Company

(thousands of euro) Name and surname	Position		Period in office	End of term (*)	Compensation and bonuses
Directors					
Giovanni Gorno Tempini	Chairman		01/01/2020-30/06/2020	2020	148
Luigi Paganetto	Vice Chairman		01/01/2020-30/06/2020	2020	18
Fabrizio Palermo	Chief Executive Officer		01/01/2020-30/06/2020	2020	134 (***)
Fabrizia Lapecorella	Director		01/01/2020-30/06/2020	2020	(**)
Fabiana Massa Felsani	Director		01/01/2020-30/06/2020	2020	18
Valentino Grant	Director	(note 1)	01/01/2020-04/06/2020		15
Carlo Cerami	Director	(note 1)	04/06/2020-30/06/2020	2020	3
Francesco Floro Flores	Director		01/01/2020-30/06/2020	2020	18
Matteo Melley	Director		01/01/2020-30/06/2020	2020	18
Alessandra Ruzzu	Director		01/01/2020-30/06/2020	2020	18
Supplementary members for administration of Separate Account (Article 5.8, Decree law 269/2003)					
Pier Paolo Italia	Director	(note 2)	01/01/2020-30/06/2020	2020	(**)
Alessandro Rivera	Director	(note 3)	01/01/2020-30/06/2020	2020	(**)
Davide Carlo Caparini	Director		01/01/2020-30/06/2020	2020	18
Antonio Decaro	Director		01/01/2020-30/06/2020	2020	18
De Pascale Michele	Director		01/01/2020-30/06/2020	2020	18
Sindaci					
Carlo Corradini	Chairman		01/01/2020-30/06/2020	2021	20
Enrica Salvatore	Auditor		01/01/2020-30/06/2020	2021	15
Franca Brusco	Auditor		01/01/2020-30/06/2020	2021	15
Mario Romano Negri	Auditor		01/01/2020-30/06/2020	2021	15
Giovanni Battista Lo Prejato	Auditor		01/01/2020-30/06/2020	2021	(**)

(*) Date of Shareholders' Meeting called to approve financial statements for the year.
(**) The remuneration is paid to the Ministry for the Economy and Finance.
(***) The remuneration shown includes the MBO for 2019.
(1) On 4 June 2020, the shareholders' meeting of Cassa Depositi e Prestiti S.p.A. appointed Carlo Cerami as new director of the company, following the resignation of Valentino Grant, who had resigned from the appointment of his replacement.
(2) Delegate of the State Accountant General.
(3) Director General of the Treasury.

2. Information on transactions with related parties

Certain transactions among the CDP Group and related parties, notably those with the Ministry of the Economy and Finance and Poste Italiane S.p.A., arise as a result of legislative provisions.

In any event, it should be noted that the CDP Group did not carry out any atypical or unusual transactions with related parties whose size could have an impact on the assets and liabilities or performance of the Company. All transactions with related parties were carried out on an arm's length basis and form part of the Group's ordinary operations.

The following table shows assets, liabilities, revenues and costs in respect of the CDP Group's transactions in the first half of 2020 with:
- companies subject to significant influence or joint control;
- the Ministry of the Economy and Finance;
- the subsidiaries and direct and indirect affiliates of the Ministry of the Economy and Finance;
- other counterparties (mainly post-employment benefit plans for employees of the CDP Group).

(thousands of euro) Items/Related parties	Ministry of Economy and Finance (MEF)	Associates and joint operations of the CDP Group	Direct and indirect MEF subsidiaries and associates	Others	Total transactions with related parties
Assets					
Financial assets measured at fair value through profit and loss		134,739	5,249		139,988
Financial assets measured at fair value through other comprehensive income	8,290,822		400,945		8,691,767
Financial assets measured at amortised cost:					
– *loans to banks*			*1,926,976*		*1,926,976*
– *loans to customers*	*250,923,017*	*557,736*	*3,648,559*		*255,129,312*
Other assets	3,399,496	569,898	356,432	904	4,326,730
Liabilities					
Financial liabilities measured at amortised cost:					
– *due to banks*					-
– *due to customers*	*1,529,678*	*461,023*			*1,990,701*
– *securities issued*		*3,761,705*			*3,761,705*
Other liabilities	1,554,387	618,504	104,697	6,866	2,284,454
Off-balance sheet	**3,197,952**	**4,455,257**	**1,443,200**		**9,096,409**
Income statements					
Interest income and similar income	2,881,376	11,985	47,816		2,941,177
Interest expense and similar expense	(107)	(37,468)			(37,575)
Commission income	155,852	1,029	1,033		157,914
Commission expense	(2,449)	(731,726)	(7)		(734,182)
Profits (losses) on trading activities					-
Gains (losses) on disposal or repurchase	(78)				(78)
Net adjustments/recoveries for credit risk	(4,394)	(815)	(2,343)		(7,552)
Administrative expenses	(113)	(25,157)	(8,891)	(2,710)	(36,871)
Other operating income (costs)	586,136	904,901	1,074,998	43	2,566,078

With regard to financial liabilities measured at amortised cost, and in particular securities issued, it should be noted that only securities issued by the Parent Company CDP and held by associates or companies jointly controlled by the CDP group are reported. In particular, they include bonds issued by CDP and guaranteed by the Italian government, subscribed by Poste Italiane S.p.A. for a total nominal value of 3.75 billion euro.

Share-based payments

Medium/long-term incentive plans of Fincantieri

2016-2018 Performance Share Plan

On 19 May 2017, the Shareholders' Meeting of Fincantieri S.p.A. approved the medium-/long-term management share-based incentive plan called 2016-2018 Performance Share Plan (the "Plan") for management, as well as the related Regulation. The project was approved by the Board of Directors on 10 November 2016.

The Plan is divided into three cycles, each having a duration of three years, and provides for the free assignement of shares to the beneficiaries identified by the Board of Directors, up to a maximum number of 50,000,000 Fincantieri S.p.A. ordinary shares with no par value, provided that the foregoing beneficiaries meet the specific performance targets established in relation to 2016-2018 (first cycle), 2017-2019 (second cycle) and 2018-2020 (third cycle). The targets identified for all three cycles are Total Shareholder Return ("TSR") and EBITDA, which provide objective criteria for measuring value creation by the Company over the long term.

The vesting period for all beneficiaries will be three years, from the date the rights are granted to the date the shares are assigned to the beneficiaries. Therefore, on meeting the performance targets and satisfying the other conditions set out in the Plan Regulation, the shares accrued in relation to the first cycle will be vested and assigned to the beneficiaries by 31 July 2019, while those accrued in relation to the second and third cycles will be vested and assigned respectively by 31 July 2020 and 31 July 2021.

The Plan also contemplates a lock-up period in relation to a portion of the shares assigned to the Company's board members or key management personnel.

In the first cycle of the Plan, 9,101,544 Fincantieri S.p.A. ordinary shares were assigned to the beneficiaries identified by the Board of Directors on 15 December 2016; in the second cycle of the Plan, 4,170,706 Fincantieri S.p.A. shares were assigned to the beneficiaries identified by the Board of Directors on 25 July 2017; and, in the third and last cycle of the Plan, 3,604,691 shares of the Parent Company were assigned to the beneficiaries identified by the Board of Directors on 22 June 2018.

The business and financial performance targets consist of two components:

a) a "market based" component (equal to 30% of the total rights assigned) linked to Fincantieri's performance in terms of the TSR associated with the FTSE Italy All Share Index and the Peer group identified by the Company;
b) a "non-market based" component (equal to 70% of the total rights assigned) linked to the achievement of Group EBITDA targets measured against pre-established targets.

The "market based" component was calculated according to the Monte Carlo method, under which appropriate assumptions can be applied to define a significant number of alternative scenarios within a given time period. Unlike the "market based" performance target, the "non-market based" component (EBITDA) is immaterial in terms of the fair value estimate but is updated quarterly to take into account expectations in terms of the number of rights accruable based on EBITDA performance measured against the targets established in the Plan. To estimate the number of rights accrued as at 31 December 2017 it has been assumed that the target will be met.

The table below shows the amount, for each cycle of the Plan, of the fair value determined at the grant date of the rights to the beneficiaries.

	Grant date	No. of shares assigned	Fair value (euro)
First cycle of the Plan	19/05/2017	9,101,544	6,866,205
Second cycle of the Plan	25/07/2017	4,170,706	3,672,432
Third cycle of the Plan	22/06/2018	3,604,691	3,963,754

With reference to the 2016-2018 Performance Share Plan, please note that: i) the BoD meeting on 27 June 2019 resolved on the closure of the 1st cycle of the "2016-2018 Performance Share Plan", assigning, free of charge to the beneficiaries, 10,104,787 ordinary shares of Fincantieri through the use of 2,572,497 treasury shares in the portfolio and issuing 7,532,290 new shares, always without nominal value. The shares were issued and delivered on 31 July 2019; ii) the BoD meeting on 10 June 2020 resolved on the closure of the 2nd cycle of the "2016-2018 Performance Share Plan", assigning, free of charge to the beneficiaries, 4,822,542 ordinary shares of Fincantieri. The shares will be assigned exclusively using the treasury shares in the portfolio, by 31 July 2020.

2019-2021 Performance Share Plan

On 11 May 2018, the Shareholders' Meeting of Fincantieri S.p.A. approved the new 2019-2021 Performance Share Plan (the "Plan") for management and the related Regulation, the structure of which was defined by the Board of Directors at the meeting held on 27 March 2018.

The Plan is divided into three cycles, each having a duration of three years, and provides for the free assignment of shares to the beneficiaries identified by the Board of Directors, up to a maximum number of 25,000,000 Fincantieri S.p.A. ordinary shares with no par value, provided that the foregoing beneficiaries meet the specific performance targets established in relation to 2019-2021 (first cycle), 2020-2022 (second cycle) and 2021-2023 (third cycle).

The vesting period for all beneficiaries will be three years, from the date the rights are granted to the date the shares are assigned to the beneficiaries. Therefore, on meeting the performance targets and satisfying the other conditions set out in the Plan Regulation, the shares accrued in relation to the first cycle will be vested and assigned to the beneficiaries by 31 July 2022, while those accrued in relation to the second and third cycles will be vested and assigned respectively by 31 July 2023 and 31 July 2024.

The Plan also contemplates a lock-up period in relation to a portion of the shares assigned to the Company's board members or key management personnel. The free assignment of the number of rights is delegated to the Board of Directors, which also has the power to identify the number and names of the beneficiaries.

In the first cycle of the Plan, 6,842,940 Fincantieri S.p.A. ordinary shares were assigned to the beneficiaries identified by the Board of Directors on 24 July 2019.

In addition to the EBITDA and TSR parameters, already included in the 2016-2018 Performance Share Plan, the Group has also introduced a further parameter, the Sustainability Index, among the Plan's targets, which measures the achievement of the sustainability targets the Group has set itself to align it with European best practices and the growing expectations of the financial community regarding sustainable development.

The references for testing the achievement of the sustainability target consist of market parameters such as the Carbon Disclosure Project (CDP) and a second rating by an additional agency that assesses the entire basket of sustainability aspects.

The table below shows the amount, for each cycle of the Plan, of the fair value determined at the grant date of the rights to the beneficiaries.

	Grant date	No. of shares assigned	Fair value (euro)
First cycle of the Plan	24/07/2019	6,842,940	6,668,616

The features of the Plans, as described above, are described in further detail in the information document prepared by Fincantieri S.p.A. pursuant to article 84-bis of Regulation 11971 issued by Consob on 14 May 1999. The information document has been published on the website "www.fincantieri.it" in the section "Ethics and Governance - Shareholders' Meetings - Shareholders' Meetings 2017 and 2018".

Incentive plans for executives based on Snam shares

2017-2019 Long-term performance share plan

On 11 April 2017 the shareholders' meeting approved the 2017-2019 Long-term Performance Share Plan, giving the powers necessary to implement the Plan to the board of directors.

The Plan applies to the Chief Executive Officer and to Snam executives who hold offices that have the greatest impact on the company's financial performance or who are strategically important in terms of achieving Snam's multi-year objectives. The plan provides for three cycles of annual assignment of three-yearly targets (so-called Rolling Plan) for the years 2017, 2018 and 2019.

At the end of the three-year performance period, beneficiaries will be entitled to the free assignment of company shares if the conditions underlying the Plan are satisfied.

The maximum number of shares backing the plan is 3,500,000 shares for each year of the Plan. The Plan will end in 2022, that is, on expiry of the three-year vesting period linked to the last assignment of shares (2019).

The number of shares vested is subject to meeting the performance targets, which are measured as the average yearly performance against the parameters established for the three-year vesting period, with impact on EBITDA, adjusted net income and sustainability.

2017 award	Vesting period and performance			2020 free share award
	2017	2018	2019	

2018 award	Vesting period and performance			2021 free share award
	2018	2019	2020	

2019 award	Vesting period and performance			2022 free share award
	2019	2020	2021	

At the end of the Plan's vesting period, the beneficiaries will also receive a Dividend Equivalent, consisting in a number of additional shares equivalent to the ordinary and extraordinary dividends distributed by Snam in the vesting period, which would have accrued on the number of shares effectively assigned to the beneficiaries on the basis of their performance and in accordance with the terms and conditions set out in the Plan.

The Chief Executive Officer and the other eligible executives will be subject to a lock-up period of two years on 20% of the shares assigned, as recommended in the Corporate Governance Code.

5,385,372 shares have been assigned under the Plan, of which 1,368,397 shares in relation to 2017, 2,324,413 shares in relation to 2018 and 1,692,562 shares in relation to 2019. The unit fair value of the shares, which equates to the price of the Snam shares at the grant date, was 3.8548, 3.5463 and 4.3522 euro for the shares granted respectively in 2017, 2018 and 2019. The cost of the Long-Term Incentive Plan, amounting to 3 million euro in the first half of 2020 (7 million euro in 2019, 3 million euro in 2018), is recognised as a labour cost with a balancing entry in equity reserves.

2020-2022 Long-term Performance Share Plan

On 18 June 2020, the shareholders' meeting of Snam, in the ordinary session, approved the 2020-2022 Long-term Performance Share Plan, giving the powers necessary to implement the Plan to the board of directors.

The Plan applies to the Chief Executive Officer and to Snam executives who hold offices that have the greatest impact on the company's financial performance or who are strategically important in terms of achieving Snam's multi-year objectives, as well as any additional positions identified in relation to the performance achieved, the available skills or with a view to retention, up to a maximum of 100 beneficiaries.

The Plan provides for three annual awards over the period 2020-2022. Each attribution is subject to a three-year vesting period and consequently any effective assignment of shares takes place between 2023 and 2025, as shown below.

The board of directors set the maximum number of shares backing each three-year period of the Plan to 3,500,000. The Plan will end in 2025, upon expiry of the vesting period for the last assignement envisaged set for 2022.

The Plan includes free shares granted in variable numbers in relation to the individual assignment and the degree to which the performance targets of the Plan are met. The number of shares vested is subject to meeting the performance targets, verified for all the beneficiaries at the end of each three-year vesting period, upon completion, by the Remuneration Committee, of a thorough process of assessment of the results achieved.

	Vesting period and performance			
2020 award	2020	2021	2022	2023 free share award

	Vesting period and performance			
2021 award	2021	2022	2023	2024 free share award

	Vesting period and performance			
2022 award	2022	2023	2024	2025 free share award

The Plan's performance targets, measured according to a linear interpolation criterion among the minimum, target and maximum values, are linked to the following parameters:
- Accumulated adjusted net income in the three-year period corresponding to the Performance Period, with a weight of 50%;
- Added Value which reflects the value generation of the regulated business, calculated as a change in the RAB in the three-year period corresponding to the Performance Period, added to the dividends distributed, the treasury shares repurchased and reduced by the change in net debt[38];
- ESG Metric, with a weight of 20%, measured through the results achieved with regard to 2 indicators, aiming to:
  - reduce natural gas emissions in the three-year period corresponding to the Performance Period (weight of 10%);
  - ensure fair representation of the least present gender in Snam's management team (weight of 10%), in terms of % of senior and middle manager positions of the least represented gender on the total of senior and middle manager positions of the Group.

An additional number of shares is also envisaged - defined as dividend equivalent - to be allocated based on the shares actually granted at the end of the vesting period. The number of additional shares to be assigned is determined by dividing the sum of the dividends distributed during the vesting period by the average share price recorded in the month preceding the allocation. For the Chief Executive Officer and the other beneficiaries of the Plan, 20% of the granted shares, gross of those necessary to comply with the tax expense, will be subject to a lock-up period.

For more information see the "2020-2022 Long-term Performance Share Plan Information Document" prepared pursuant to article 84-bis of the Issuers' Regulation, available on Snam's website.

Incentive plans for executives based on Terna shares

2020-2023 long-term performance share plan

During the first six months of 2020, Terna S.p.A. launched a treasury share buy-back programme to back the 2020-2023 Performance Share Plan, implementing the resolutions of the Shareholders' Meeting of 18 May 2020 and the Board of Directors of 17 June 2020. As at 30 June 2020, via the appointed independent broker, the Company had purchased 82,496 treasury shares, for an amount equal to 0.5 million euro, which reduce the other reserves.

38 The change in net debt is calculated excluding the changes in working capital linked to the regulatory dynamics and considering the changes in trade working capital.

On 29 June 2020, to implement the authorisation granted by the Shareholders' Meeting of 18 May 2020 and the subsequent resolution of the Board of Director of 17 June, an ESG-linked treasury share buy-back programme was launched, for a maximum outflow of 9.5 million euro and for a number of shares not exceeding 1.77 million ordinary shares of the Company (the "Programme"), representing about 0.09% of Terna's share capital. The purchases of treasury shares as part of the Programme will be carried out by 29 August 2020. The Programme includes a reward/penalty mechanism linked to the Company meeting specific environmental, social and governance targets. This mechanism will allow the Company to contribute to projects of reforestation and creation of green spaces in Italy, further consolidating the central role of sustainability as a strategic lever to create value for all stakeholders. Furthermore, the Programme backs the 2020-2023 Performance Share Plan aimed at the management of Terna and/or of its subsidiaries pursuant to art. 2359 of the Italian Civil Code, approved by the Shareholders' Meeting of 18 May 2020, and/or any other performance share plans intended for the Directors and/or employees of Terna and/or of its subsidiaries and/or associate companies.

Incentive plans for executives based on Italgas shares

2018-2020 long-term performance share plan

On 19 April 2018 the Shareholders' Meeting of ITALGAS approved the 2018-2020 long-term performance share plan, for the Chief Executive Officer, General Manager and key managers able to influence the Company's performance, with an annual assignment of three-year targets. At the end of the three-year performance period, beneficiaries will be entitled to the free assignment of company shares if the conditions underlying the Plan are satisfied. The maximum number of shares backing the Plan is 4,000,000 shares. In relation to the above-mentioned Plan, the Board of Directors, on the proposal of the Nomination and Remuneration Committee and in accordance with the 2018 Remuneration Policy, granted rights to receive 341,310 Italgas shares for the 2018-2021 plan, 279,463 for the 2019-2021 plan, and 327,760 for the 2020-2021 plan. The unitary fair value of the shares, which equates to the price of the Italgas shares at the grant date, including the dividend equivalent mechanism (entitlement to additional shares based on the dividends allocated during the vesting period), was 4.79, 5.58 and 4.85 euro per share respectively. The cost of the Long-Term Incentive Plan is recognised during the vesting period as a labour cost with a balancing entry in equity reserves.

Consolidated information on operating segments

Operating segments

This section of the Notes to the consolidated financial statements has been prepared in compliance with IFRS 8 - Operating Segments.

Operating segment disclosures are presented by showing separately the contribution given by four sectors to the consolidated Group's results:
- Support for the economy: represented by the Parent Company's financial data;
- International expansion: represented by the SACE group's financial data;
- Other sectors: represented by the financial data of the Companies subject to management and coordination, except for those included in the previous sector, and without their equity investments, which are reported under the heading "Companies not subject to management and coordination". The segment therefore includes CDP Reti, Fintecna, CDP Equity, FSI Investimenti, CDP Investimenti SGR, CDP Industria, FSIA Investimenti, the funds FIV Plus, FIV Extra, FIT, FT1 and FIA2, CDP Immobiliare and its subsidiaries[39];
- Companies not subject to management and coordination: represented by the financial data of the companies consolidated line by line (Snam, Terna, Italgas, Fincantieri, SIA, Ansaldo Energia, Fondo Italiano di Investimento SGR and FoF Private debt) and by the financial data deriving from consolidation with the equity method of ENI, Poste Italiane, Saipem, Open Fiber, Webuild, Kedrion, IQ Made in Italy, Valvitalia Finanziaria, Trevi Finanziaria Industriale, Rocco Forte Hotels, BF, Hotelturist, and the other associates or companies subject to joint control.

The reported financial data were prepared considering the contribution of the four segments already net of the effects of consolidation entries, but without the elimination of dividends, which has instead been performed in the column aggregating the three segments "Support for the economy", "International expansion" and "Other sectors".

Thus, the contribution of the three segments taken together, for which profit before tax amounts to 0.8 billion euro, is represented by the Parent Company and the companies subject to management and coordination.

This aggregate figure is impacted significantly by the weight of the financial data of the "Support for the economy" segment in terms of Net interest income.

The segment "Companies not subject to management and coordination" reports a loss before tax of 0.9 billion euro, mainly due to the results of the companies accounted for using the equity method. The negative impact of "Income (loss) from equity investments" is almost entirely attributable to ENI. Also the contribution of Saipem, Open Fiber and Webuild was negative, whereas Poste Italiane's was positive.

Profit before tax benefits from a significant contribution from the core earnings of the industrial companies recorded under "Other net operating income", which offset administrative expenses of 4 billion euro and amortisation/depreciation charges for the period of 1.2 billion euro, related to technical investments and to the effects of the purchase price allocations on those assets.

Balance sheet figures too show the significant weight of the "Support for the economy" segment, integrated, in particular under property, plant and equipment and funding, by Companies not subject to management and coordination.

The reclassified income statement figures and the main reclassified balance sheet figures, for the first half of 2020 and for the comparative period, shown below, are attributable to the Group as a whole. For further details, see also Annex 2.2 "Reconciliation between the reclassified income statement and balance sheet and the financial statements - CDP Group".

39 The segment includes the equity investments of CDP Immobiliare and Fintecna, since they are representative of the company's business.

Reclassified consolidated balance sheet at 30/06/2020

		Companies subject to management and coordination				
(thousands of euro)	Support for the economy	International expansion	Other segments	Total	Companies not subject to management and coordination	Total
Loans and cash and cash equivalents	284,909,362	2,571,106	965,647	288,446,115	6,717,573	295,163,688
Equity investments		20,117	30,950	51,067	15,998,750	16,049,817
Debt and equity securities and units in collective investment undertakings	85,835,515	4,494,048	159,075	90,488,638	783,823	91,272,461
Property, plant and equipment/technical investments	346,367	91,842	1,578,833	2,017,042	37,380,988	39,398,030
Other assets (including Inventories)	258,018	210,132	91,549	559,699	10,252,494	10,812,193
Funding	374,690,749	1,160,460	1,584,000	377,435,209	36,276,678	413,711,887
– *of which bonds*	*22,338,775*	*522,269*	*412,824*	*23,273,868*	*20,914,833*	*44,188,701*

Reclassified consolidated balance sheet at 31/12/2019

		Companies subject to management and coordination				
(thousands of euro)	Support for the economy	International expansion	Other segments	Total	Companies not subject to management and coordination	Total
Loans and cash and cash equivalents	267,613,704	2,512,478	965,066	271,091,248	5,506,807	276,598,055
Equity investments		8,699	58,094	66,793	18,885,330	18,952,123
Debt and equity securities and units in collective investment undertakings	79,568,053	4,211,027	167,346	83,946,426	772,235	84,718,661
Property, plant and equipment/technical investments	347,062	93,852	1,582,926	2,023,840	37,330,659	39,354,499
Other assets (including Inventories)	277,852	130,303	119,336	527,491	10,191,744	10,719,235
Funding	349,625,099	1,322,419	1,417,781	352,365,299	33,353,420	385,718,719
– *of which bonds*	*19,962,542*	*531,584*	*416,607*	*20,910,733*	*20,954,275*	*41,865,008*

Reclassified consolidated income statement for the period ended 30/06/2020

(thousands of euro)	Support for the economy	Companies subject to management and coordination: International expansion	Companies subject to management and coordination: Other segments	Total (*)	Companies not subject to management and coordination	Total
Net interest income	**1,075,294**	**75,631**	**(182)**	**1,150,743**	**(161,869)**	**988,874**
Dividends	726,941	2,573	310,468	15,837	3,208	19,045
Gains (losses) on equity investments		878	(713)	165	(2,011,054)	(2,010,889)
Net commission income (expense)	38,895	24,922	2,712	66,529	(17,395)	49,134
Other net revenues (costs)	57,124	(4,600)	(22,665)	29,859	(100,105)	(70,246)
Gross income	**1,898,254**	**99,404**	**289,620**	**1,263,133**	**(2,287,215)**	**(1,024,082)**
Profit (loss) on insurance business		(90,499)		(90,499)		(90,499)
Profit (loss) on banking and insurance operations	**1,898,254**	**8,905**	**289,620**	**1,172,634**	**(2,287,215)**	**(1,114,581)**
Net recoveries (impairment)	(196,837)	(32,247)	(304)	(229,388)	(5,314)	(234,702)
Administrative expenses	(97,181)	(69,236)	(36,798)	(203,215)	(3,991,568)	(4,194,783)
Other net operating income (costs)	2,366	3,425	10,377	16,168	6,590,772	6,606,940
Operating income	**1,606,602**	**(89,153)**	**262,895**	**756,199**	**306,675**	**1,062,874**
Net Provisions for risks and charges	27,440	5,880	44,425	77,745	(35,194)	42,551
Net adjustment to property, plant and equipment and intangible assets	(9,779)	(5,077)	(32,223)	(47,079)	(1,207,022)	(1,254,101)
Other	(19)		5,271	5,252	14,194	19,446
Income (loss) for the period before tax	**1,624,244**	**(88,350)**	**280,368**	**792,117**	**(921,347)**	**(129,230)**
Income taxes						(564,640)
Income (loss) for the period						**(693,870)**

(*) Total of the segments “Support for the economy”, “International expansion” and “Other segments”, net of elimination of dividends.

Reclassified consolidated income statement for the period ended 30/06/2019

(thousands of euro)	Support for the economy	Companies subject to management and coordination: International expansion	Companies subject to management and coordination: Other segments	Total (*)	Companies not subject to management and coordination	Total
Net interest income	**1,122,432**	**78,937**	**6,861**	**1,208,230**	**(143,746)**	**1,064,484**
Dividends	780,723	2,624	298,795	1,397	2,337	3,734
Gains (losses) on equity investments		460	(120)	340	583,118	583,458
Net commission income (expense)	43,518	28,568	2,409	74,495	(20,729)	53,766
Other net revenues (costs)	22,541	12,720	3,695	38,956	(38,170)	786
Gross income	**1,969,214**	**123,309**	**311,640**	**1,323,418**	**382,810**	**1,706,228**
Profit (loss) on insurance business		20,138		20,138		20,138
Profit (loss) on banking and insurance operations	**1,969,214**	**143,447**	**311,640**	**1,343,556**	**382,810**	**1,726,366**
Net recoveries (impairment)	(77,761)	(1,451)	(4,051)	(83,263)	(457)	(83,720)
Administrative expenses	(93,089)	(68,061)	(40,610)	(201,760)	(3,515,024)	(3,716,784)
Other net operating income (costs)	(2,006)	7,610	7,770	13,374	6,115,938	6,129,312
Operating income	**1,796,358**	**81,545**	**274,749**	**1,071,907**	**2,983,267**	**4,055,174**
Net Provisions for risks and charges	(4,119)	10,014	19,355	25,250	(35,839)	(10,589)
Net adjustment to property, plant and equipment and intangible assets	(5,891)	(4,554)	(12,825)	(23,270)	(1,034,963)	(1,058,233)
Other	(1)		2,595	2,594	9,196	11,790
Income (loss) for the period before tax	**1,786,347**	**87,005**	**283,874**	**1,076,481**	**1,921,661**	**2,998,142**
Income taxes						(809,060)
Income (loss) for the period						**2,189,082**

(*) Total of the segments “Support for the economy”, “International expansion” and “Other segments”, net of elimination of dividends.

Annexes

1. Annexes to the consolidated financial statements

1.1 Scope of consolidation

2. Annexes to the Report on operations

2.1 Reconciliation between the reclassified income statement and balance sheet and the financial statements – CDP S.p.A.

2.2 Reconciliation between the reclassified income statement and balance sheet and the financial statements – CDP Group

2.3 Details of alternative performance measures - CDP S.p.A.

1. Annexes to the consolidated financial statements

1.1 Scope of consolidation

Company name	Registered office	Investor	% holding	Consolidation method
Parent Company				
Cassa Depositi e Prestiti S.p.A.	Rome			
Consolidated companies				
ACE Marine LLC	Madison, WI	Fincantieri Marine Group LLC	100.00%	Line-by-line
African Trade Insurance Company	Nairobi	SACE S.p.A.	3.46%	Equity
Albanian Gas Service Company Sh.a.	Tirana	Snam S.p.A.	25.00%	At cost
Alfiere S.p.A	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Alivieri Power Units Maintenance SA	Athens	Ansaldo Energia Switzerland AG	100.00%	Line-by-line
Ansaldo Algerie Sarl	Algiers	Ansaldo Energia S.p.A.	49.00%	Equity
Ansaldo Energia	Genoa	CDP Equity S.p.A.	87.57%	Line-by-line
Ansaldo Energia Holding USA Co	Wilmington	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Ansaldo Energia IP UK Ltd	London	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Ansaldo Energia Iranian LLC	Tehran	Ansaldo Energia S.p.A.	70.00%	Line-by-line
		Ansaldo Russia LLC	30.00%	Line-by-line
Ansaldo Energia Korea YH	Seoul	Ansaldo Energia Switzerland AG	95.00%	Line-by-line
		Ansaldo Energia S.p.A.	5.00%	Line-by-line
Ansaldo Energia Messico S. DE R.L. DE C.V.	Cortina Tagles Isoard (CTI)	Ansaldo Energia Switzerland AG	95.00%	Line-by-line
		Ansaldo Energia S.p.A.	5.00%	Line-by-line
Ansaldo Energia Muscat LLC	Muscat	Ansaldo Energia S.p.A.	50.00%	Line-by-line
		Ansaldo Energia Switzerland AG	50.00%	Line-by-line
Ansaldo Energia Spain S.L.	Zaragoza	Ansaldo Energia Switzerland AG	100.00%	Line-by-line
Ansaldo Energia Switzerland AG	Baden	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Ansaldo Gas Turbine Technology Co. LTD (JVA)	Shanghai	Ansaldo Energia S.p.A.	60.00%	Equity
Ansaldo Nigeria Limited	Lagos	Ansaldo Energia S.p.A.	60.00%	Line-by-line
		Ansaldo Thomassen B.V.	40.00%	Line-by-line
Ansaldo Nucleare S.pA.	Genoa	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Ansaldo Russia LLC	Moscow	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Ansaldo Servicos de Energia Brasil Ltda	São Paulo	Ansaldo Energia S.p.A.	5.00%	Line-by-line
		Ansaldo Energia Switzerland AG	95.00%	Line-by-line
Ansaldo Thomassen B.V.	Rheden	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Ansaldo Thomassen Gulf	Abu Dhabi	Ansaldo Thomassen B.V.	100.00%	Line-by-line
ARSENAL S.r.l.	Trieste	Fincantieri Oil & Gas S.p.A.	100.00%	Line-by-line
AS Dameco	Skien	Vard Offshore Brevik AS	34.00%	Equity
AS Gasinfrastruktur Beteiligung GmbH	Wien	SNAM S.p.A.	40.00%	Equity
Asia Power Project Private Ltd	Chennai	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Asset Company 10 S.r.l.	San Donato Milanese (MI)	SNAM S.p.A.	100.00%	At cost
Asset Company 11 S.r.l.	San Donato Milanese (MI)	SNAM S.p.A.	100.00%	At cost
Asset Company 2 S.r.l.	San Donato Milanese (MI)	SNAM S.p.A.	100.00%	Line-by-line
Asset Company 4 SrL	San Donato Milanese (MI)	SNAM S.p.A.	100.00%	At cost
Asset Company 7 B.V.	Amsterdam	SNAM S.p.A.	100.00%	At cost
Asset Company 8 S.r.l.	San Donato Milanese (MI)	SNAM S.p.A.	100.00%	At cost
Asset Company 9 S.r.l.	San Donato Milanese (MI)	SNAM S.p.A.	100.00%	At cost
ATS S.p.A.	Milan	SIA S.p.A.	30.00%	Equity

Company name	Registered office	Investor	% holding	Consolidation method
A-U Finance Holdings Bv	Amsterdam	Ansaldo Energia S.p.A.	40.00%	Equity
Avvenia The Energy Innovator S.r.l.	Rome	Terna Energy Solutions S.r.l.	70.00%	Line-by-line
B.F. S.p.A.	Milan	CDP Equity S.p.A.	18.79%	Equity
Bacini di Palermo S.p.A.	Palermo	Fincantieri S.p.A.	100.00%	Line-by-line
Bonafous S.p.A. in liquidazione	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
BOP6 S.c.ar.l.	Trieste	Fincantieri SI S.p.A.	95.00%	Line-by-line
		Fincantieri S.p.A.	5.00%	Line-by-line
Brevik Technology AS	Brevik	Vard Group AS	34.00%	Equity
Brugg Cables (India) Pvt. Ltd.	Haryana	Brugg Kabel AG	99.74%	Line-by-line
		Brugg Kabel GmbH	0.26%	Line-by-line
Brugg Cables (Shanghai) Co. Ltd.	Shanghai	Brugg Kabel AG	100.00%	Line-by-line
Brugg Cables (Suzhou) Co. Ltd.	Suzhou	Brugg Cables (Shanghai) Co. Ltd.	100.00%	Line-by-line
Brugg Cables Italia S.r.l.	Milan	Brugg Kabel AG	100.00%	Line-by-line
Brugg Cables Middle East DMCC	Dubai	Brugg Kabel AG	100.00%	Line-by-line
Brugg Kabel AG	Brugg	Terna Energy Solutions S.r.l.	90.00%	Line-by-line
Brugg Kabel GmbH	Schwieberdingen	Brugg Kabel AG	100.00%	Line-by-line
Busbar4f S.c.ar.l.	Trieste	Fincantieri S.p.A.	10.00%	Equity
		Fincantieri SI S.p.A.	50.00%	Equity
C.S.I S.r.l.	Milan	INSIS S.p.A.	75.65%	Line-by-line
Cagliari 89 S.c.ar.l. in liquidazione	Monastir (CA)	Fintecna S.p.A.	51.00%	At cost
Castor Drilling Solution AS	Kristiansand S	Seaonics AS	34.13%	Equity
CDP Equity S.p.A.	Milan	CDP S.p.A.	100.00%	Line-by-line
CDP Immobiliare S.r.l.	Rome	CDP S.p.A.	100.00%	Line-by-line
CDP Industria S.p.A.	Rome	CDP S.p.A.	100.00%	Line-by-line
CDP Investimenti SGR S.p.A.	Rome	CDP S.p.A.	70.00%	Line-by-line
CDP Reti S.p.A.	Rome	CDP S.p.A.	59.10%	Line-by-line
CDP Technologies AS	Alesund	Seaonics AS	100.00%	Line-by-line
CDP Technologies Estonia OÜ	Tallinn	CDP Technologies AS	100.00%	Line-by-line
CDP Venture Capital SGR S.p.A.	Rome	CDP Equity S.p.A.	70.00%	At cost
Centro per gli Studi di Tecnica Navale - Cetena S.p.A.	Genoa	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	15.00%	Line-by-line
		Fincantieri S.p.A.	71.10%	Line-by-line
Centro Servizi Navali S.p.A.	San Giorgio di Nogaro (UD)	Fincantieri S.p.A.	10.93%	Equity
CESI S.p.A.	Milan	Terna S.p.A.	42.70%	Equity
CGES A.D.	Podgorica	Terna S.p.A.	22.09%	Equity
Cinecittà Luce S.p.A. in liquidazione	Rome	Fintecna S.p.A.	100.00%	At cost
Cinque Cerchi S.p.A. in liquidazione	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Consorzio Codelsa in liquidazione	Rome	Fintecna S.p.A.	100.00%	At cost
Consorzio Edinca in liquidazione	Napoli	Fintecna S.p.A.	79.50%	At cost
Consorzio Edinsud in liquidazione	Napoli	Fintecna S.p.A.	79.99%	At cost
Consorzio F.S.B.	Marghera (VE)	Fincantieri S.p.A.	58.36%	Equity
Consorzio IMAFID in liquidazione	Napoli	Fintecna S.p.A.	56.85%	At cost
Consorzio INCOMIR in liquidazione	Mercogliano (AV)	Fintecna S.p.A.	45.46%	At cost
Consorzio MED.IN. in liquidazione	Rome	Fintecna S.p.A.	85.00%	At cost
Consorzio QuenIT in liquidazione	Verona	SIA S.p.A.	55.00%	At cost
Consorzio Stabile Ansaldo Newclear	Genoa	Ansaldo Energia S.p.A.	18.18%	Line-by-line
		Ansaldo Nucleare S.p.A.	72.73%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
Copower S.r.l.	Rome	Tep Energy Solution S.r.l.	51.00%	At cost
Coreso S.A.	Brussels	Terna S.p.A.	15.84%	Equity
CSS Design Limited	British Virgin Islands (GB)	Vard Marine Inc.	31.00%	Equity
CSSC - Fincantieri Cruise Industry Development Ltd.	Hong Kong	Fincantieri S.p.A.	40.00%	Equity
Cubogas S.r.l.	San Donato Milanese (MI)	Snam 4 Mobility S.p.A.	100.00%	Line-by-line
Decomar S.p.A.	Massa (MS)	Fincantieri S.p.A.	20.00%	Equity
Difebal S.A.	Montevideo	Terna S.p.A.	100.00%	Line-by-line
DMAN in liquidazione	Athens	SIA S.p.A.	100.00%	At cost
DOF Iceman AS	Storebø	Vard Group AS	50.00%	Equity
Ecoprogetto Milano S.r.l.	Bolzano	Renerwaste S.r.l.	45.00%	Line-by-line
		Renerwaste Lodi S.r.l.	55.00%	Line-by-line
Ecoprogetto Tortona S.r.l.	Bolzano	Renerwaste S.r.l.	100.00%	Line-by-line
Elite S.p.A.	Milan	CDP S.p.A.	15.00%	Equity
Elmed Etudes S.ar.l.	Tunis	Terna S.p.A.	50.00%	Equity
Energy Investment Solution S.r.l.	Brescia	Tea Servizi S.r.l.	40.00%	At cost
Enerpaper S.r.l.	Turin	Seaside S.r.l.	10.00%	Equity
Enersi Sicilia	San Donato Milanese (MI)	Snam 4 Mobility S.p.A.	100.00%	Line-by-line
ENI S.p.A.	Rome	CDP S.p.A.	25.76%	Equity
Enura S.p.A.	San Donato Milanese (MI)	SNAM S.p.A.	55.00%	Line-by-line
E-phors S.p.A.	Milan	Fincantieri S.p.A.	100.00%	Line-by-line
ESSETI sistemi e tecnologie S.r.l.	Milan	INSIS S.p.A.	51.00%	Line-by-line
Estaleiro Quissamã Ltda	Rio de Janeiro	Vard Group AS	50.50%	Line-by-line
Etihad Ship Building LLC	Abu Dhabi	Fincantieri S.p.A.	35.00%	Equity
EUR-Europrogetti & Finanza S.r.l. in liquidazione	Rome	CDP S.p.A.	31.80%	Equity
FIA2 - Fondo Investimenti per l'abitare 2	Rome	CDP S.p.A.	100.00%	Line-by-line
Fincantieri (Shanghai) Trading Co. Ltd	Shanghai	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Australia Pty Ltd	Sydney	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Clea Buildings S.c.ar.l.	Verona	Fincantieri Infrastructure S.p.A.	51.00%	Equity
Fincantieri do Brasil Partecipaçoes S.A.	Rio de Janeiro	Fincantieri Holding B.V.	20.00%	Line-by-line
		Fincantieri S.p.A.	80.00%	Line-by-line
Fincantieri Dragaggi Ecologici S.p.A.	Rome	Fincantieri S.p.A.	55.00%	Line-by-line
Fincantieri EUR-Europe S.p.A.	Trieste	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Holding B.V.	Amsterdam	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri India Private Limited	New Delhi	Fincantieri S.p.A.	1.00%	Line-by-line
		Fincantieri Holding B.V.	99.00%	Line-by-line
Fincantieri Infrastructure Opere Marittime S.p.A.	Trieste	Fincantieri Infrastructure S.p.A.	100.00%	Line-by-line
Fincantieri Infrastructure S.p.A.	Trieste	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Marine Group Holdings Inc.	Wilmington, DE	Fincantieri USA Inc.	87.44%	Line-by-line
Fincantieri Marine Group LLC	Carson City, NV	Fincantieri Marine Group Holdings Inc.	100.00%	Line-by-line
Fincantieri Marine Systems North America Inc.	Wilmington, DE	Fincantieri Holding B.V.	100.00%	Line-by-line
Fincantieri Oil & Gas S.p.A.	Trieste	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri S.p.A.	Trieste	CDP Industria S.p.A.	71.32%	Line-by-line
Fincantieri Services Middle East LLC	Doha (QFC)	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Services USA LLC	Plantation, FL	Fincantieri USA Inc.	100.00%	Line-by-line
Fincantieri SI S.p.A.	Trieste	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
Fincantieri Sweden AB	Umea	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri USA Inc.	Wilmington, DE	Fincantieri S.p.A.	100.00%	Line-by-line
Fintecna SpA	Rome	CDP S.p.A.	100.00%	Line-by-line
FIT Fondo Investimenti per il Turismo	Rome	CDP S.p.A.	100.00%	Line-by-line
FIV Comparto Extra	Rome	CDP S.p.A.	100.00%	Line-by-line
FIV Comparto Plus	Rome	CDP S.p.A.	100.00%	Line-by-line
FMSNA YK	Nagasaki	Fincantieri Marine Systems North America Inc.	100.00%	Line-by-line
FOF Private Debt	Milan	CDP S.p.A.	62.50%	Line-by-line
Fondo Italiano di Investimento SGR S.p.A.	Milan	CDP Equity S.p.A.	68.00%	Line-by-line
FSE Fondo Sviluppo Export	Milan	SACE S.p.A.	100.00%	Line-by-line
FSI Investimenti SpA	Milan	CDP Equity S.p.A.	77.12%	Line-by-line
FSI SGR S.p.A.	Milan	CDP Equity S.p.A.	39.00%	Equity
FSIA Investimenti S.r.l.	Milan	FSI Investimenti S.p.A.	70.00%	Line-by-line
FT1 Fondo Turismo 1	Rome	FIT Fondo Investimenti per il Turismo	100.00%	Line-by-line
Gannouch Maintenance S.ar.l.	Tunis	Ansaldo Energia Switzerland AG	1.00%	Line-by-line
		SPVTCCC BV	99.00%	Line-by-line
Gasrule Insurance D.A.C.	Dublin	Snam S.p.A.	100.00%	Line-by-line
Gesam Reti S.p.A.	Lucca	Toscana Energia S.p.A.	42.96%	Equity
Gestione Bacini La Spezia S.p.A.	La Spezia	Fincantieri S.p.A.	99.89%	Line-by-line
GNL Italia S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Gruppo PSC S.p.A.	Maratea (PZ)	Fincantieri S.p.A.	10.00%	Equity
HMS IT S.p.A.	Rome	INSIS S.p.A.	60.00%	Line-by-line
Hotelturist S.p.A.	Padua	CDP Equity S.p.A.	45.90%	Equity
IES Biogas S.r.l.	Pordenone	Snam 4 Mobility S.p.A.	100.00%	Line-by-line
IES Biogas S.r.l. (Argentina)	Buenos Aires	IES Biogas S.r.l.	95.00%	At cost
		Snam 4 Mobility S.p.A.	5.00%	At cost
Infrastrutture Trasporto Gas S.p.A.	San Donato Milanese (MI)	Asset Company 2 S.r.l.	100.00%	Line-by-line
INSIS S.p.A.	Milan	Fincantieri S.p.A.	60.00%	Line-by-line
Interconnector (UK) Ltd	London	Snam International B.V.	23.68%	Equity
Interconnector Zeebrugge Terminal S.C./C.V. S.c.r.l.	Brussels	Snam International B.V.	25.00%	Equity
IQ Made in Italy Investment Company S.p.A.	Milan	FSI Investimenti S.p.A.	50.00%	Equity
Island Diligence AS	Stålhaugen	Vard Group AS	39.38%	Equity
Island Offshore XII Ship AS	Ulsteinvik	Vard Group AS	35.66%	Equity
Isotta Fraschini Motori S.p.A.	Bari	Fincantieri S.p.A.	100.00%	Line-by-line
Issel Middle East Information Technology Consultancy LLC	Abu Dhabi	Issel Nord S.r.l.	49.00%	Equity
Issel Nord S.r.l.	Follo	Fincantieri S.p.A.	100.00%	Line-by-line
Italgas Acqua S.p.A.	Milan	Italgas S.p.A.	100.00%	Line-by-line
Italgas Newco S.r.l.	Milan	Italgas S.p.A.	100.00%	At cost
Italgas Reti S.p.A.	Turin	Italgas S.p.A.	100.00%	Line-by-line
Italgas S.p.A.	Milan	CDP Reti S.p.A.	26.04%	Line-by-line
		Snam S.p.A.	13.50%	Line-by-line
Kedrion S.p.A.	Castelvecchio Pascoli (LU)	FSI Investimenti S.p.A.	25.06%	Equity
Latina Biometano S.r.l.	Rome	IES Biogas S.r.l.	32.50%	At cost
Leonardo Sistemi Integrati S.r.l.	Genoa	INSIS S.p.A.	14.58%	Equity
Luxury Interiors Factory S.r.l.	Pordenone	Marine Interiors Cabins S.p.A.	100.00%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
M.T. Manifattura Tabacchi S.p.A.	Rome	CDP Immobiliare S.r.l.	40.00%	Equity
Manifatture Milano S.p.A.	Rome	CDP Immobiliare S.r.l.	50.00%	Equity
Marina Bay S.A.	Luxembourg	INSIS S.p.A.	100.00%	Line-by-line
Marine Interiors Cabins S.p.A.	Trieste	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	Line-by-line
Marine Interiors S.p.A.	Trieste	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	Line-by-line
Marinette Marine Corporation	Green Bay, WI	Fincantieri Marine Group LLC	100.00%	Line-by-line
Mc4com - Mission critical for communication S.c.ar.l.	Milan	HMS IT S.p.A.	50.00%	Equity
Medea Newco S.r.l.	Milan	Italgas S.p.A.	51.85%	Line-by-line
Medea S.p.A.	Sassari	Italgas Reti S.p.A.	51.85%	Line-by-line
Metano S. Angelo Lodigiano S.p.A.	Sant'Angelo Lodigiano	Italgas S.p.A.	50.00%	Equity
MI S.p.A.	Trieste	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	Line-by-line
Møkster Supply AS	Stavanger	Vard Group AS	40.00%	Equity
Møkster Supply KS	Stavanger	Vard Group AS	36.00%	Equity
Naviris S.p.A.	Genoa	Fincantieri S.p.A.	50.00%	Equity
New SIA Greece S.A.	Athens	SIA S.p.A.	100.00%	Line-by-line
Niehlgas GmbH	Oberursel	Ansaldo Energia Switzerland AG	100.00%	Line-by-line
Nuclear Enginnering Group Limited	Wolverhampton	Ansaldo Nucleare S.p.A.	100.00%	Line-by-line
OLT Offshore LNG Toscana S.p.A.	Milan	SNAM S.p.A.	49.07%	Equity
Olympic Challenger KS	Fosnavåg	Vard Group AS	35.00%	Equity
Olympic Green Energy KS	Fosnavag	Vard Group AS	29.50%	Equity
OpEn Fiber S.p.A.	Milan	CDP Equity S.p.A.	50.00%	Equity
Orizzonte Sistemi Navali S.p.A.	Genoa	Fincantieri S.p.A.	51.00%	Equity
P4cards S.r.l.	Verona	SIA S.p.A.	100.00%	Line-by-line
Pentagramma Perugia S.p.A.	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Pentagramma Piemonte S.p.A. in liquidazione	Rome	CDP Immobiliare S.r.l.	50.00%	Equity
Pentagramma Romagna S.p.A. in liquidazione unipersonale	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Perago Financial System Enablers Ltd	Centurion	SIA S.p.A.	100.00%	Line-by-line
PerGenova S.c.p.A.	Genoa	Fincantieri Infrastructure S.p.A.	50.00%	Equity
PforCards GmbH	Wien	SIA S.p.A.	100.00%	Line-by-line
PI.SA. 2 S.r.l.	Rome	Terna S.p.A.	100.00%	Line-by-line
Polaris Anserv S.r.l.	Bucarest	Ansaldo Nucleare S.p.A.	20.00%	Equity
Poste Italiane S.p.A.	Rome	CDP S.p.A.	35.00%	Equity
Power System M Japan	Tokyo	Power System MSG LLC	100.00%	Line-by-line
Power System MSG LLC	Jupiter	Ansaldo Energia Holding USA Co	100.00%	Line-by-line
Prelios Solutions & Technologies S.r.l.	Milan	INSIS S.p.A.	49.00%	Equity
Quadrifoglio Brescia S.p.A.	Rome	CDP Immobiliare S.r.l.	50.00%	At cost
Quadrifoglio Genova S.p.A.	Rome	CDP Immobiliare S.r.l.	50.00%	At cost
Quadrifoglio Modena S.p.A in liquidazione	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Quadrifoglio Piacenza S.p.A.	Rome	CDP Immobiliare S.r.l.	50.00%	At cost
Quadrifoglio Verona S.p.A.	Rome	CDP Immobiliare S.r.l.	50.00%	At cost
QuattroR SGR S.p.A.	Milan	CDP Equity S.p.A.	40.00%	Equity
Reicom S.r.l.	Milan	INSIS S.p.A.	100.00%	Line-by-line
Rem Supply AS	Alesund	Vard Group AS	26.66%	Equity
Renerwaste Lodi S.r.l.	Bolzano	Renerwaste S.r.l.	100.00%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
Renerwaste S.r.l.	Bolzano	Snam 4 Envirorment	100.00%	Line-by-line
Resia Interconnector S.r.l.	Rome	Terna S.p.A.	100.00%	Line-by-line
Residenziale Immobiliare 2004 S.p.A.	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Rete S.r.l.	Rome	Terna S.p.A.	100.00%	Line-by-line
Rete Verde 17 S.r.l.	Rome	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
Rete Verde 18 S.r.l.	Rome	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
Rete Verde 19 S.r.l.	Rome	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
Rete Verde 20 S.r.l.	Rome	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
Reti Distribuzione S.r.l.	Ivrea	Italgas Reti S.p.A.	15.00%	Equity
Rocco Forte Hotels Limited	London	FSI Investimenti S.p.A.	23.00%	Equity
SACE BT	Rome	SACE S.p.A.	100.00%	Line-by-line
Sace do Brasil	Sao Paolo	SACE S.p.A.	100.00%	Line-by-line
SACE Fct	Rome	SACE S.p.A.	100.00%	Line-by-line
SACE Servizi	Rome	SACE BT	100.00%	Line-by-line
SACE S.p.A.	Rome	CDP S.p.A.	100.00%	Line-by-line
Saipem S.p.A.	San Donato Milanese (MI)	CDP Industria S.p.A.	12.55%	Equity
Seanergy a Marine Interiors Company S.r.l.	Pordenone	Marine Interiors Cabins S.p.A.	85.00%	Line-by-line
Seaonics AS	Alesund	Vard Group AS	56.40%	Line-by-line
Seaonics Polska Sp.zo.o.	Gdansk	Seaonics AS	100.00%	Line-by-line
Seaside S.r.l.	Bologna	Italgas S.p.A.	100.00%	Line-by-line
Seastema S.p.A	Genoa	Fincantieri S.p.A.	100.00%	Line-by-line
Securité des Environnements Complexes S.r.l.	Milan	INSIS S.p.A.	100.00%	Line-by-line
Senfluga Energy Infrastructure Holdings S.A.	Athens	Snam S.p.A.	54.00%	Equity
Senfluga2 S.r.l.	Brussels	Snam S.p.A.	40.00%	At cost
Shanghai Electric Gas Turbine Co. LTD (JVS)	Shanghai	Ansaldo Energia S.p.A.	40.00%	Equity
SIA Central Europe. a.s.	Bratislava	SIA S.p.A.	100.00%	Line-by-line
SIA Croatia D.o.o.	Zagabria	SIA S.p.A.	100.00%	Line-by-line
SIA Czech Republic. s.r.o.	Prague	SIA S.p.A.	100.00%	Line-by-line
SIA Romania Payment Technologies S.r.l.	Bucarest	SIA S.p.A.	100.00%	Line-by-line
SIA RS D.o.o. Beograd	Belgrad	SIA S.p.A.	100.00%	Line-by-line
SIA S.p.A.	Milan	CDP Equity S.p.A.	25.69%	Line-by-line
		FSIA Investimenti S.r.l.	57.42%	Line-by-line
SIAadvisor S.r.l.	Rome	SIA S.p.A.	100.00%	Line-by-line
SIApay S.r.l.	Milan	SIA S.p.A.	100.00%	Line-by-line
Simest SpA	Rome	SACE S.p.A.	76.01%	Line-by-line
Snam 4 Envirorment	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Snam 4 Mobility S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Snam Gas & Energy Services (Beijing) Co. Ltd.	NA	Snam International B.V.	100.00%	Line-by-line
Snam International B.V.	Amsterdam	Snam S.p.A.	100.00%	Line-by-line
SNAM RETE GAS S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
SNAM S.p.A.	San Donato Milanese (MI)	CDP Reti S.p.A.	31.04%	Line-by-line
Snam4Efficiency S.r.l.	San Donato Milanese (MI)	Snam	100.00%	Line-by-line
Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	Trieste	Fincantieri S.p.A.	100.00%	Line-by-line
Southeast Electricity Network Coordination Center S.A.	Salonicco	Terna S.p.A.	25.00%	Equity
SPE Santa Lucia Transmissora de Energia S.A.	Rio de Janeiro	Terna Plus S.r.l.	99.99%	Line-by-line
		Terna Chile S.p.A.	0.01%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
SPE Santa Maria Transmissora de Energia S.A.	Rio de Janeiro	Terna Plus S.r.l.	99.99%	Line-by-line
		Terna Chile S.p.A.	0.01%	Line-by-line
Spe Transmissora De Energia Linha Verde II S.A.	Belo Horizonte	Terna Plus S.r.l.	75.00%	Line-by-line
SPVTCCC BV	Breda	Ansaldo Energia Switzerland AG	100.00%	Equity
Stogit S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Sviluppo Turistico culturale Golfo di Napoli S.c.ar.l.	Naples	CDP Immobiliare S.r.l.	25.00%	At cost
Taklift AS	Skien	Vard Group AS	25.47%	Equity
Tamini Transformatori India Private limited	Magarpatta City. Hadapsar. Pune	Tamini Trasformatori S.r.l.	100.00%	Line-by-line
Tamini Transformers USA L.L.C.	Sewickley	Tamini Trasformatori S.r.l.	100.00%	Line-by-line
Tamini Trasformatori S.r.l.	Legnano (MI)	Terna Energy Solutions S.r.l.	70.00%	Line-by-line
Tea Innovazione Due S.r.l.	Brescia	Tea Servizi S.r.l.	100.00%	At cost
Tea Servizi S.r.l.	Brescia	Snam4Efficiency S.r.l.	100.00%	Line-by-line
TEP Energy Solution Nordest S.r.l.	Udine	Tep Energy Solution S.r.l.	50.00%	At cost
		Snam4Efficiency S.r.l.	50.00%	At cost
Tep Energy Solution S.r.l.	Rome	Snam4Efficiency S.r.l.	100.00%	Line-by-line
Terega Holding S.a.s.	Pau	Snam S.p.A.	40.50%	Equity
Terna 4 Chacas S.A.C.	Lima	Terna Plus S.r.l.	99.99%	Line-by-line
		Terna Chile S.p.A.	0.01%	Line-by-line
Terna Chile S.p.A.	Santiago del Cile	Terna Plus S.r.l.	100.00%	Line-by-line
Terna Crna Gora D.o.o.	Podgorica	Terna S.p.A.	100.00%	Line-by-line
Terna Energy Solutions S.r.l.	Rome	Terna S.p.A.	100.00%	Line-by-line
Terna Interconnector S.r.l.	Rome	Terna S.p.A.	65.00%	Line-by-line
		Terna Rete Italia S.p.A.	5.00%	Line-by-line
Terna Peru S.A.C.	Lima	Terna Plus S.r.l.	99.99%	Line-by-line
		Terna Chile S.p.A.	0.01%	Line-by-line
Terna Plus S.r.l.	Rome	Terna S.p.A.	100.00%	Line-by-line
Terna Rete Italia S.p.A.	Rome	Terna S.p.A.	100.00%	Line-by-line
Terna S.p.A.	Rome	CDP Reti S.p.A.	29.85%	Line-by-line
Toscana Energia Green S.p.A.	Pistoia	Toscana Energia S.p.A.	100.00%	Line-by-line
Toscana Energia S.p.A.	Florence	Italgas S.p.A.	50.66%	Line-by-line
Trans Adriatic Pipeline AG	Baar	Snam S.p.A.	20.00%	Equity
Trans Austria Gasleitung GmbH	Wien	Snam S.p.A.	84.47%	Equity
Trevi Finanziaria Industriale S.p.A	Cesena	SACE S.p.A.	6.99%	Equity
		FSI Investimenti S.p.A.	25.67%	Equity
Umbria Distribuzione Gas S.p.A.	Terni	Italgas S.p.A.	45.00%	Equity
Unifer Navale S.r.l.	Finale Emilia (MO)	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	20.00%	Equity
Valdarno S.r.l.	Pisa	Toscana Energia S.p.A.	30.04%	Equity
Valvitalia Finanziaria S.p.A.	Milan	FSI Investimenti S.p.A.	0.50%	Equity
Vard Accommodation AS	Tennfjord	Vard Group AS	100.00%	Line-by-line
Vard Accommodation Tulcea S.r.l.	Tulcea	Vard Accommodation AS	99.77%	Line-by-line
		Vard Electro Tulcea S.r.l.	0.23%	Line-by-line
Vard Aqua Chile SA	Puerto Montt	Vard Aqua Sunndal AS	95.00%	Line-by-line
Vard Aqua Scotland Ltd	Lochgilphead	Vard Aqua Sunndal AS	100.00%	Line-by-line
Vard Aqua Sunndal AS	Sunndal	Vard Group AS	100.00%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
Vard Braila SA	Braila	Vard Group AS	5.88%	Line-by-line
		Vard RO Holding S.r.l.	94.12%	Line-by-line
Vard Contracting AS	Vatne	Vard Group AS	100.00%	Line-by-line
Vard Design AS	Alesund	Vard Group AS	100.00%	Line-by-line
Vard Design Liburna Ltd.	Rijeka	Vard Design AS	51.00%	Line-by-line
Vard Electrical Installation and Engineering (India) Private Limited	New Delhi	Vard Electro AS	99.50%	Line-by-line
		Vard Electro Tulcea S.r.l.	0.50%	Line-by-line
Vard Electro AS	Tennfjord	Vard Group AS	100.00%	Line-by-line
Vard Electro Braila S.r.l.	Braila	Vard Electro AS	100.00%	Line-by-line
Vard Electro Brazil (Instalaçoes Eletricas) Ltda	Niteroi	Vard Electro AS	99.00%	Line-by-line
		Vard Group AS	1.00%	Line-by-line
Vard Electro Canada Inc	Vancouver	Vard Electro AS	100.00%	Line-by-line
Vard Electro Italy S.r.l.	Trieste	Vard Electro AS	100.00%	Line-by-line
Vard Electro Tulcea S.r.l.	Tulcea	Vard Electro AS	99.96%	Line-by-line
Vard Engineering Brevik AS	Brevik	Vard Group AS	100.00%	Line-by-line
Vard Engineering Constanta S.r.l.	Costanta	Vard RO Holding S.r.l.	70.00%	Line-by-line
		Vard Braila SA	30.00%	Line-by-line
Vard Engineering Gdansk Sp.zo.o.	Gdansk	Vard Engineering Brevik AS	100.00%	Line-by-line
Vard Group AS	Alesund	Vard Holdings Limited	100.00%	Line-by-line
Vard Holdings Limited	Singapore	Fincantieri Oil & Gas S.p.A.	98.23%	Line-by-line
Vard Infraestrutura Ltda	Ipojuca	Vard Promar SA	99.99%	Line-by-line
		Vard Group AS	0.01%	Line-by-line
Vard International Services S.r.l.	Costanta	Vard Braila SA	100.00%	Line-by-line
Vard Marine Inc.	Vancouver	Vard Group AS	100.00%	Line-by-line
Vard Marine US Inc.	Dallas	Vard Marine Inc.	100.00%	Line-by-line
Vard Niterói Ltda	Rio de Janeiro	Vard Electro Brazil (Instalaçoes Eletricas) Ltda	0.01%	Line-by-line
		Vard Group AS	99.99%	Line-by-line
Vard Offshore Brevik AS	Porsgrunn	Vard Group AS	100.00%	Line-by-line
Vard Piping AS	Sovik	Vard Group AS	100.00%	Line-by-line
Vard Promar SA	Recife	Vard Group AS	99.999%	Line-by-line
Vard RO Holding S.r.l.	Tulcea	Vard Group AS	99.995%	Line-by-line
Vard Seaonics Holding AS	Alesund	Vard Group AS	100.00%	Line-by-line
Vard Shipholding Singapore Pte Ltd	Singapore	Vard Holdings Limited	100.00%	Line-by-line
Vard Singapore Pte. Ltd.	Singapore	Vard Group AS	100.00%	Line-by-line
Vard Tulcea SA	Tulcea	Vard RO Holding S.r.l.	99.996%	Line-by-line
		Vard Group AS	0.004%	Line-by-line
Vard Vung Tau Ltd	Vung Tau	Vard Singapore Pte. Ltd.	100.00%	Line-by-line
VBD1 AS	Sovik	Vard Group AS	100.00%	Line-by-line
Webuild S.p.A.	Milan	CDP Equity S.p.A.	18.68%	Equity
XXI Aprile S.r.l. in liquidazione	Rome	Fintecna S.p.A.	100.00%	At cost
Yeni Aen Insaat Anonim Sirketi	Istanbul	Ansaldo Energia S.p.A.	100.00%	Line-by-line

2. Annexes to the Report on operations

2.1 Reconciliation between the reclassified income statement and balance sheet and the financial statements - CDP S.p.A.

The following tables provide a reconciliation of the financial statements prepared in accordance with Bank of Italy circular no. 262/2005, as amended, and the aggregates as reclassified on an operational basis.

These reclassifications mainly concerned:
- the allocation to specific and distinct items of interest-bearing amounts and non-interest-bearing amounts;
- the revision of portfolios for IAS/IFRS purposes with their reclassification into uniform aggregates in relation to both products and business lines.

Balance sheet - Assets

(millions of euro) ASSETS - Balance sheet items	30/06/2020	Cash and cash equivalents and other treasury investments	Loans	Debt securities, equity securities	Equity investments	Assets held for trading and hedging derivatives	Property, plant and equipment and intangible assets	Accrued income, prepaid expenses and other non-interest bearing assets	Other assets
10. Cash and cash equivalents	5	5							
20. Financial assets measured at fair value through profit or loss	2,966			96	2,687	183			
30. Financial assets measured at fair value through other comprehensive income	11,054			10,459	573			23	
40. Financial assets measured at amortised cost:	362,283								
a) loans to banks	32,641	22,402	10,209					31	
b) loans to customers	329,642	161,198	93,320	67,591				7,533	
50. Hedging derivatives	362					362			
60. Fair value change of financial assets in hedged portfolios (+/-)	2,512					2,512			
70. Equity investments	31,813				31,813				
80. Property, plant and equipment	352						352		
90. Intangible assets	32						32		
100. Tax assets	450								450
110. Non-current assets and disposal groups held for sale									
120. Other assets	263								263
Total assets	**412,092**	**183,604**	**103,529**	**78,145**	**35,073**	**3,057**	**384**	**7,587**	**713**

Balance sheet - Liabilities and equity

(millions of euro) LIABILITIES AND EQUITY - Balance sheet items	30/06/2020	Funding	Funding			Bond Funding	Liabilities held for trading and hedging derivatives	Accrued expenses, deferred income and other non-interest bearing assets	Other liabilities	Provisions for contin-gencies, taxes and staff sever-ance pay	Total equity
			Postal Funding	Funding from banks	Funding from customers						
10. Financial liabilities:	382,481										
a) due to banks	44,089	44,093	1,390	42,238	464			(4)			
b) due to customers	315,667	315,238	270,313	33,406	11,519			429			
c) securities issued	22,726	22,319				22,319		407			
20. Financial liabilities held for trading	168						168				
30. Financial liabilities designated at fair value											
40. Hedging derivatives	4,299						4,299				
50. Fair value change of financial liabilities in hedged portfolios	14						14				
60. Tax liabilities	131									131	
70. Liabilities associated with non-current assets and disposal groups held for sale											
80. Other liabilities	688								688		
90. Staff severance pay	1									1	
100. Provisions for risks and charges	449									449	
110. Valuation reserves	465										465
120. Redeemable shares											
130. Equity instruments											
140. Reserves	15,955										15,955
150. Share premium reserve	2,379										2,379
160. Share capital	4,051										4,051
170. Treasury shares	(322)										(322)
180. Net income (loss) for the year	1,333										1,333
Total liabilities and equity	**412,092**	**381,650**	**271,703**	**75,645**	**11,983**	**22,319**	**4,481**	**832**	**688**	**581**	**23,861**

Income statement

(millions of euro) INCOME STATEMENT - Financial statement items	30/06/2020	Net interest income	Dividends	Other net revenues (costs)
10. Interest income and similar income	3,916	3,916		
20. Interest expense and similar expense	(2,271)	(2,271)		
40. Commission income	198	150		48
50. Commission expense	(738)	(731)		(7)
70. Dividends and similar revenues	727		727	
80. Profits (losses) on trading activities	(2)			(2)
90. Net gain (loss) on hedging activities	(8)			(8)
100. Gains (losses) on disposal or repurchase	122			122
110. Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	(58)			
130. Net adjustments/recoveries for credit risk	(107)			
140. Gains/losses from changes in contracts without derecognition	-			
160. Administrative expenses	(94)			
170. Net accruals to the provisions for risks and charges	(60)			
180. Net adjustments to/recoveries on property, plant and equipment	(6)			
190. Net adjustments to/recoveries on intangible assets	(4)			
200. Other operating income (costs)	4			
220. Gains (losses) on equity investments	-			
230. Gains (Losses) on tangible and intangible assets measured at fair value				
240. Goodwill impairment				
250. Gains (losses) on disposal of investments	-			
270. Income tax for the year on continuing operations	(287)			
280. Income (loss) after tax on discontinued operations				
Total income statement	**1,333**	**1,065**	**727**	**154**

	Gross Income	Write-downs	Operating costs	Operating income	Net provisions for risks and charges	Income taxes	Net income (loss) for the period
	3,916			3,916			3,916
	(2,271)			(2,271)			(2,271)
	198			198			198
	(738)			(738)			(738)
	727			727			727
	(2)			(2)			(2)
	(8)			(8)			(8)
	122			122			122
		(58)		(58)			(58)
		(107)		(107)			(107)
			(94)	(94)			(94)
		(88)		(88)	27		(60)
			(6)	(6)			(6)
			(4)	(4)			(4)
			4	4			4
						(287)	(287)
	1,946	**(252)**	**(101)**	**1,593**	**27**	**(287)**	**1,333**

2.2 Reconciliation between the reclassified income statement and balance sheet and the financial statements - CDP Group

In order to ensure consistency between the consolidated financial statements, prepared on an accounting basis and the aggregates presented on an operational basis, the balance sheet and income statement reconciliation statements are shown below.

These reclassifications mainly concerned: the allocation of interest-bearing amounts and non-interest-bearing amounts to specific and distinct items; the revision of portfolios for IFRS purposes with their reclassification into uniform aggregates in relation to both products and business lines.

Reclassified consolidated balance sheet - Assets

(millions of euro) ASSETS - Items	30/06/2020	Cash and cash equivalents and other treasury investments	Loans	Debt securities and units in collective investment undertakings	Equity investments	Trading and hedging derivatives	Property, plant and equipment and intangible assets	Reinsurers' share of technical reserves	Other assets
10. Cash and cash equivalents	7	7							
20. Financial assets measured at fair value through profit or loss:	5,257								
a) Financial assets held for trading	1,922			1,838		84			
b) Financial assets designated at fair value	482		482						
c) Other financial assets mandatorily measured at fair value	2,853		469	2,384					
30. Financial assets measured at fair value through other comprehensive income	11,311			11,311					
40. Financial assets measured at amortised cost	369,944								
a) Loans to banks	39,108	25,101	13,117	890					
b) Loans to customers	330,836	156,682	99,305	74,849					
50. Hedging derivatives	462					462			
60. Fair value change of financial assets in hedged portfolios (+/-)	2,512								2,512
70. Equity investments	16,050				16,050				
80. Reinsurers' share of technical reserves	2,848							2,848	
90. Property, plant and equipment	39,398						39,398		
100. Intangible assets	13,353						13,353		
110. Tax assets	2,049								2,049
120. Non-current assets and disposal groups held for sale	341								341
130. Other assets	10,813								10,813
Total assets	**474,345**	**181,790**	**113,373**	**91,272**	**16,050**	**546**	**52,751**	**2,848**	**15,715**

Reclassified consolidated balance sheet – Liabilities and equity

(millions of euro) LIABILITIES and EQUITY - Items	30/06/2020	Funding	Funding				Liabilities held for trading and hedging derivatives	Technical reserves	Other liabilities	Provisions for contingencies, taxes and staff severance pay"	Total equity
			Postal funding	Funding from banks	Funding from customers	Bond funding					
10. Financial liabilities measured at amortised cost	413,649										
a) Due to banks	58,742	58,742	1,390	57,352							
b) Due to customers	310,777	310,777	270,313	33,270	7,194						
c) Securities issued	44,130	44,130				44,130					
20. Financial liabilities held for trading	208						208				
30. Financial liabilities designated at fair value	63	63			4	59					
40. Hedging derivatives	4,752						4,752				
50. Fair value change of financial liabilities in hedged portfolios (+/-)	14								14		
60. Tax liabilities	3,467									3,467	
70. Liabilities associated with non-current assets and disposal groups held for sale	173								173		
80. Other liabilities	13,645								13,645		
90. Staff severance pay	247									247	
100. Provisions for risks and charges	2,829									2,829	
110. Technical reserves	3,648							3,648			
120. Valuation reserves	257										257
150. Reserves	14,324										14,324
160. Share premium reserve	2,378										2,378
170. Share capital	4,051										4,051
180. Treasury shares (-)	(322)										(322)
190. Non-controlling interests (+/-)	12,380										12,380
200. Net income (loss) for the period	(1,418)										(1,418)
Total liabilities and equity	**474,345**	**413,712**	**271,703**	**90,622**	**7,198**	**44,189**	**4,960**	**3,648**	**13,832**	**6,543**	**31,650**

Reclassified consolidated income statement

(millions of euro) INCOME STATEMENT - Items	1st half of 2020	Net interest income	Gain (losses) on equity investments	Net commission income (expense)	Other net revenues (costs)	Gross income	Profit (loss) on insurance business
10. Interest income and similar income	4,028						
20. Interest expense and similar expense	(2,458)						
40. Commission income	232	150		82		232	
50. Commission expense	(764)	(731)		(33)		(764)	
70. Dividends and similar revenues	19		19			19	
80. Profits (losses) on trading activities	(47)				(47)	(47)	
90. Fair value adjustments in hedge accounting	(45)				(45)	(45)	
100. Gains (losses) on disposal or repurchase	117				117	117	
110. Profits (losses) on financial assets and liabilities designated at fair value through profit or loss	(95)				(95)	(95)	
130. Net adjustments/recoveries for credit risk	(147)						
140. Gain/losses from changes in contracts without derecognition							
160. Net premium income	(69)						(69)
170. Net other income (expense) from insurance operations	(21)						(21)
190. Administrative expenses	(4,195)						
200. Net accruals to the provisions for risks and charges	(45)						
210. Net adjustments to/recoveries on property, plant and equipment	(872)						
220. Net adjustments to/recoveries on intangible assets	(382)						
230. Other operating income (costs)	6,607						
250. Gains (losses) on equity investments	(2,011)		(2,011)			(2,011)	
280. Gains (losses) on disposal of investments	7						
300. Income tax for the period on continuing operations	(564)						
320. Income (loss) after tax on discontinued operations	11						
330. Net income (loss) for the period	**(694)**	**989**	**(1,992)**	**49**	**(70)**	**(1,024)**	**(90)**
340. Net income (loss) for the period pertaining to non-controlling interests	724						
350. Net income (loss) for the period pertaining to shareholders of the Parent Company	**(1,418)**						

2.3 Details of alternative performance measures – CDP S.p.A.

In support of the comments on the results for the period, paragraph 4.2.1 of the Report on operations also presents and illustrates the reclassified income statement and balance sheet of CDP S.p.A. A reconciliation between the latter and the Parent Company's financial statements at 30 June 2020 is provided in Annex 2, as required in Consob Communication no. 6064293 of 28 July 2006. With a view to providing further information on the Parent Company's performance, the Report on operations contains financial information and a number of alternative performance measures, including, for example, the Cost/Income ratio and Net impaired loans/net loans to customers and banks. In accordance with the guidelines published on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415), details of the calculation method and the content of the aforementioned measures are provided below.

Structure ratios

Funding/Total liabilities: it measures Total Funding, as shown in the aggregate account (Annex 2), against total liabilities, as shown in the financial statements

Postal Funding/Total Funding: it measures Postal Funding, inclusive of the nominal value of Savings Bonds and Passbook

Profit (loss) on banking and insurance operations	Net recoveries (impairment)	Administrative expenses	Other net operating income (costs)	Operating income	Net provision for risk and charges	Net adjustments on PPE and intangible assets	Other	Income taxes	Net income (loss) for the period
232				232					232
(764)				(764)					(764)
19				19					19
(47)				(47)					(47)
(45)				(45)					(45)
117				117					117
(95)				(95)					(95)
	(147)			(147)					(147)
(69)				(69)					(69)
(21)				(21)					(21)
		(4,195)		(4,195)					(4,195)
	(88)			(88)	43				(45)
						(872)			(872)
						(382)			(382)
			6,607	6,607					6,607
(2,011)				(2,011)					(2,011)
							7		7
								(564)	(564)
							11		11
(1,114)	**(235)**	**(4,195)**	**6,607**	**1,063**	**43**	**(1,254)**	**18**	**(564)**	**(694)**
									724
									(1,418)

Savings Accounts, interest accrued and premiums on the related options, against Total Funding, as shown in the aggregate account (Annex 2).

Profitability ratios

Spread on interest-bearing assets and liabilities: it measures the difference between the return on assets (measured as the ratio of interest income to average interest-bearing assets) and the cost of liabilities (measured as the ratio of interest expense to average interest-bearing liabilities).

Average interest-bearing assets are measured as the average at two dates (31 December 2019 and 30 June 2020) of Cash and Cash Equivalents, Loans to customers and banks and Debt securities, as shown in the aggregate account (Annex 2).

Average interest-bearing liabilities are measured as the average at two dates (31 December 2019 and 30 June 2020), of Funding, as shown in the aggregate account (Annex 2)

Cost/Income Ratio: it measures the ratio of Operating Costs (sum of staff costs, administrative expenses, depreciation and amortisation, and other operating income and costs) to Gross Income, net of the cost of risk, as respectively shown in the aggregate account (Annex 2).

Independent Auditor’s Report

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Cassa Depositi e Prestiti S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Cassa Depositi e Prestiti S.p.A. and subsidiaries (the “Cassa Depositi e Prestiti Group”), which comprise the consolidated balance sheet as of June 30, 2020 and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated statement of cash flow for the six month period then ended, and the related notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange (“Consob”) for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of the Cassa Depositi e Prestiti Group as at June 30, 2020 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

Deloitte.

Other Matter

The consolidated financial statements of the Cassa Depositi e Prestiti Group for the period ended as of December 31, 2019 and the half-yearly condensed consolidated financial statements as at June 30, 2019 have been respectively audited and reviewed by other auditors that on April 20, 2020 and on August 5, 2019 expressed an unmodified opinion and an unmodified conclusion on those consolidated financial statements.

DELOITTE & TOUCHE S.p.A.

Signed by
Riccardo Motta
Partner

Rome, Italy
August 7, 2020

This report has been translated into the English language solely for the convenience of international readers.

Certification of the half-yearly condensed consolidated financial statements

pursuant to Art. 154-bis of Legislative Decree no. 58/1998

1. The undersigned Fabrizio Palermo, in his capacity as Chief Executive Officer, and Paolo Calcagnini, in his capacity as Manager in charge with preparing the company's financial reports of Cassa Depositi e Prestiti S.p.A., hereby certify, taking into account the provisions of article 154-bis, paragraphs 3 and 4, of legislative decree no. 58 of 24 February 1998:
   - the appropriateness with respect to the characteristics of the company; and
   - the actual application of the administrative and accounting procedures for the preparation of the half-yearly condensed consolidated financial statements at 30 June 2020, during the first half of 2020.

2. The assessment of the appropriateness of the administrative and accounting procedures adopted in preparing the half-yearly condensed consolidated financial statements at 30 June 2020 was based on a process developed by Cassa Depositi e Prestiti S.p.A in line with the COSO model and COBIT model (for the IT component), which make up the generally-accepted internal control framework at international level.

3. In addition, it is hereby certified that:
   3.1 the half-yearly condensed consolidated financial statements at 30 June 2020:
      a. have been prepared in compliance with the applicable international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
      b. correspond to the information in the books and other accounting records;
      c. give a true and fair view of the performance and financial position of the issuer and of the companies included in the scope of consolidation.
   3.2 The half-yearly report on operations includes a reliable analysis of the important events which occurred during the first half of the year and their impact on the half-yearly condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year.

Rome, 3 August 2020

[Original signed]

The Chief Executive Officer

Fabrizio Palermo

[Original signed]

The Manager in charge with preparing the Company's financial reports

Paolo Calcagnini

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Società per Azioni

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- **Supporting the construction of the railway network between Afghanistan and Iran.** Cassa Depositi e Prestiti, by way of development cooperation activities, promotes sustainable growth in developing countries and emerging economies.
- **Harvesting barley in the fields of Bonifiche Ferraresi. Santa Caterina (Arezzo).** The company has been an investee of Cassa Depositi e Prestiti since 2017.
- **Gas imports from Russia, managed by Snam. Tarvisio (Udine).** The company has been an investee of Cassa Depositi e Prestiti since 2012.
- **Steam turbine rotor processing. Genoa.** Ansaldo Energia has been an investee of Cassa Depositi e Prestiti since 2013.
- **Goliat Platform. Barents Sea - Norway.** ENI has been an investee of Cassa Depositi e Prestiti since 2003.
- **Gasometer Ostiense district. Rome** Italgas has been an investee of Cassa Depositi e Prestiti since 2016.
- **Truncated pyramid pylons. Rome.** Terna has been an investee of Cassa Depositi e Prestiti since 2005.

Investing in tomorrow

170

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Cassa Depositi e Prestiti