

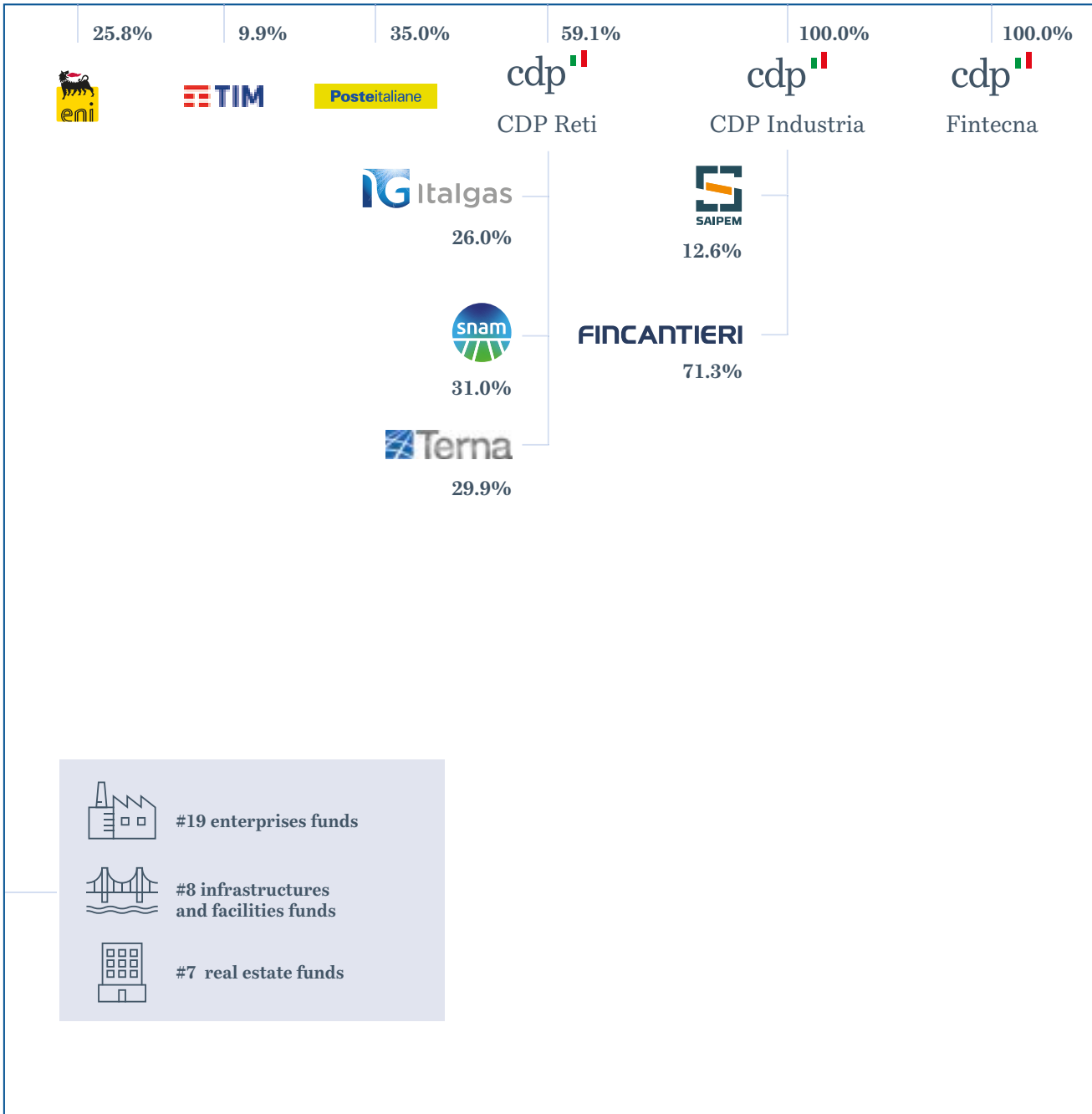
Annual Review 2019

From Italy to Italy



cdp 

Investing in tomorrow



Not thorough representation

- 3. Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder.
- 4. Participation held through IQMIIC, of which FSI Investimenti is the 50% shareholder.
- 5. Participation held through FSIA (of which FSI Investimenti is the 70% shareholder) by 57.42% and further 25.69% held through CDP Equity.
- 6. Participation held through FSI Investimenti of which CDP Equity is the 77% shareholder; 49.5% pro-forma post conversion Convertible Bond Loan.



SGR 

“ We foster
development in Italy,
using the country’s
savings responsibly
to support growth
and boost employment,
supporting innovation,
business competitiveness,
infrastructure
and the country ”

2019 main indicators

34.6

bn euro
New lending
by the Group²

3.4

bn euro
Consolidated income²

2.7

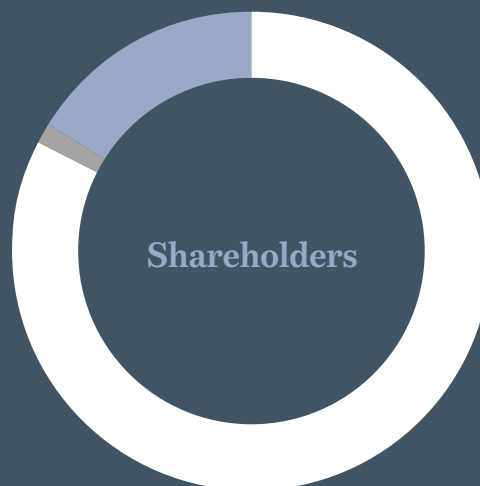
bn euro
Net income¹

265.1

bn euro
Postal funding¹

448.7

bn euro
Total assets²



82.77%

Ministry for the
Economy and Finance

15.93%

Banking
foundations

1.30%

Treasury shares

90.6

bn euro
Other funding¹

34.2

bn euro
Equity investments²

36.1

bn euro
Equity²

101.0

bn euro
Loans¹

¹ Separate Financial Statements of CDP as of 31/12/2019.

² Consolidated Financial Statements of the Group as of 31/12/2019.

Letter to Shareholders

Shareholders,

2019 confirmed CDP's key role in supporting the growth of the Italian economy despite a difficult macroeconomic situation at national and international level.

The uncertainties linked to the United Kingdom leaving the European Union, the decreased industrial production of the most important continental partners, the trade disputes between the USA and China and the geopolitical tensions in the Mediterranean and the Middle East contributed to instability in the financial markets and slows down global economic growth.

Alongside these global phenomena, our country has also faced socio-economic challenges due to the need to bridge the development gap with Europe and the urgency of directing investments in the real economy into projects to encourage innovation, productivity and competition in the industrial system while improving the country's infrastructure and the quality of life of every citizen.

Against this backdrop, during the year the awareness has risen among institutions, in the business world and in civil society that the development model of recent decades is no longer sustainable, and that a change is required in the global approach in order to move towards inclusive

Fabrizio Palermo
*Chief Executive Officer
and General Manager*



Giovanni Gorno Tempini
Chairman

growth that combines the pursuit of profit with the protection of the ecosystem and wellbeing of people. In the past, environmental protection and citizens' wellbeing were deemed to be almost exclusively government tasks. Today, operating in a responsible, sustainable and transparent manner towards individuals, communities, local areas and the environment is considered a common responsibility, also for companies.

As an institution which has a public mission of supporting the country's development while acting in accordance with the rules of a private market operator, CDP wanted to take on this responsibility by approving, at the end of 2018, its 2019-2021 industrial plan, which is a commitment to becoming a true driving force to Italy's sustainable growth.

CDP has chosen for the first time to direct its strategic and operational approach towards the principles of sustainable development

For the first time, CDP has chosen to direct its strategic operational approach towards the principles of sustainable development and the goals of the UN's 2030 Agenda, by aiming to integrate the creation of economic value with an even greater focus on the resulting social and environmental impacts.

For CDP this was not a question of becoming newly aware of this issue, but of directing its awareness in a more effective, knowledgeable manner. This can be seen in the amendment to the articles of association approved in March 2019, to grant funding to promote sustainable development, and in the new approach marked by the active involvement of our stakeholders.

Sustainability has characterised CDP's work since 1850. To manage this aspect more effectively, we relied on an industrial plan that, when first launched, was conscious-

ly defined as ambitious in terms of the change of approach, the scope of activities, the areas of intervention and the financial resources employed. The plan envisages investment of over 200 billion euro over three years to promote innovation, growth and the international expansion of enterprises and sectors, to develop infrastructure, cities and services for people, energy transition, environmental protection and social inclusion in Italy and in developing countries.

We aimed to achieve these objectives starting from three fundamental elements, which are the cornerstones of our industrial plan: a focus on local areas and communities, the promotion of systemic initiatives, and the integration of sustainability and business processes and corporate culture. These three aspects guided action in 2019 and will continue to do so even more in the future, in light of the socio-economic changes being caused globally due to the ongoing coronavirus pandemic.

Local areas and communities have always been at the core of CDP's business model. Today, CDP still collects most of its financial resources from 27 million postal savers throughout Italy. It then invests these resources in development projects locally.

However, our desire was to show greater closeness to communities and their needs. This is why we launched a plan to open new branch offices across Italy, thanks to which companies, local authorities and other stakeholders can access the full range of the CDP Group's products and services more easily.

In 2019 we opened offices in Verona, Naples and Genoa and this will be followed by additional locations across Italy. To guarantee a widespread presence in the territory, in December we also signed an agreement to open CDP Group information desks at Banking Foundations. Thanks to this initiative, two information desks have been opened at Fondazione di Sardegna, in Cagliari and Sassari.

In addition, we launched a comprehensive schedule of local events under the umbrella of Officina Italia, Spazio Imprese and Spazio PA, in order to understand the real needs of companies and the local public administrations, and to find the best solutions together.

Our actions are guided by care for local areas and communities, the promotion of systemic initiatives, and a focus on sustainability

At the same time, CDP has promoted systemic initiatives for the country's development, thanks to its role as a dialogue facilitator between national and international institutions, enterprises and public administrations. This will also play an important role in restarting the economy after the coronavirus emergency.

Many of these initiatives have involved Group companies, investee companies and leading Italian companies in innovative projects to encourage the development of supply chains and of circular economy, urban regeneration, the decarbonisation of the economy, energy efficiency and the innovation of public services.

Advanced industrial and financial training programmes have also been launched in collaboration with Group and investee companies. We introduced the "Scuola Italiana di Ospitalita'" to promote innovation in a strategic sector for the national economy, such as tourism. Other initiatives concerned the people of the CDP Group, with the start-up of the CDP Academy, an extensive permanent learning programme that will gradually involve all professional levels, and one that has already seen the launch of the first Corporate MBA and other initiatives for young people and new recruits.

Lastly, in order to really focus on sustainability, we have launched a structured process to measure the social and environmental impacts of our activities, and to guide our business decisions towards investments that can generate the highest impact for communities.

At the same time, we have also established a process to fully integrate sustainability into our corporate governance and culture, by launching a plan of internal initiatives to raise awareness among all the people of the CDP Group to adopt an even more responsible, sustainable lifestyle.

This commitment to sustainability is shown by the achievement of several targets which us are very important. This year we held our first multistakeholder forum, and together with the Group companies, also signed the "Sustainability Manifesto", where we defined our commitments and concrete actions to best meet the challenges of sustainability together.

At international level, we started a cooperation with the EIB and the National Promotional Institutions of France, Germany, Spain and Poland in order to develop circular economy projects. Last but not least, in the role of Financial Institution for Development Cooperation, we were the first Italian financial institution to be registered in the Green Climate Fund, which is the United Nations' main financial instrument for investment in the fight against climate change in developing countries. This gives Italy its own financial institution within the Fund, thus reaffirming its strategic international position within the climate agenda and guaranteeing access to the resources of the Fund, of which Italy is the seventh contributing country.

The results we have seen are a reward for this major commitment, not only because they confirm the value of the work done by everyone at the CDP Group, but particularly because they ultimately translate into a benefit for the country and for people's daily lives.

During this first year of the plan, the CDP Group's new lending and investment resources amounted to more than 34 billion euro for the development, innovation and growth of enterprises, also internationally, for the implementation of infrastructure works and projects across the country and for the promotion of projects to support developing countries. Overall, the Group channelled around 60 billion euro of resources into the economy.

Over 34 billion euro for Italy's development

Regarding support for enterprises, we acquired the majority of CDP Venture Capital SGR - Fondo Nazionale Innovazione (formerly Invitalia Ventures SGR) with an allocation of up to 1 billion euro for business innovation and start-ups.

We have promoted the domestic and international growth of companies, also by using new alternative finance instruments and local currency loans for expansion into foreign markets, as in the case of the Panda Bond for the Chinese market. Support for exports and the international expansion of SACE SIMEST was important, and was increasingly oriented towards small and medium-sized enterprises. Equally important was the collaboration with ICE, to provide increasingly integrated systemic support. We worked to continue development in private equity and private debt by acquiring control of Fondo Italiano d'Investimento SGR for an even more effective approach.

At the same time, we have reinforced support for local administrations by introducing new products such as cash advances, in order to meet their needs, support ordinary activities and finance investments aimed at improving public infrastructure and services. Support for building schools was particularly important, with the financing of one project per day in order to build or renovate schools of every grade and level. This activity benefited from the resources of the European Investment Bank and the Council of Europe Development Bank, as well as resources collected by CDP through the issue of new social bond in March 2019 to finance safety measures for schools and urban regeneration. The host of actions we have undertaken include works to expand H campus, Europe's largest digital training and innovation campus, managed by H Farm.

CDP's commitment to schools is not limited to infrastructure projects. It also extends to financial education initiatives as part of the project "Il Risparmio che fa scuola", in collaboration with the Ministry of Education and Poste Italiane, which in 2019 involved 7,000 schools and 200,000 students.

In order to support the country's infrastructure development and to speed up project execution while focusing on innovation and sustainability, CDP has also set up a new technical and financial advisory unit for the public administration. CDP then signed "City Plans" with local administrations and Group companies in order to encourage urban development in cities like Turin, Genoa, Perugia and Naples, in order to become an all-round partner for local authorities.

We also continued our activities to support social and student housing by building 1,500 new social housing units and 1,600 places in new university residences in Italy. These projects have met the needs of young people, families and the elderly while contributing to urban regeneration and developing community services.

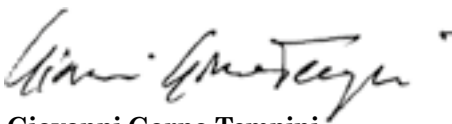
2019 was also important for our international cooperation and development finance activity, which we have strengthened in the awareness that the objective of the country's sustainable growth cannot be separated from the international dimension, nor from the logic of co-development.

For this reason, in addition to the traditional management of the revolving fund for international cooperation and development finance of the Ministry of Foreign Affairs, which has resulted in financing actions in infrastructure, agriculture, human capital and in supporting SMEs' access to credit in countries like Afghanistan, Myanmar, Jordan and Tunisia, CDP began operating with its own resources, and expanded the use of the resources of international institutional development bodies. This led to the finalisation of the first guarantee agreement with the European Commission, for the "Archipelagos" initiative, in the context of the new European Union Plan for non-EU investments (External Investment Plan - "EIP"), aimed at supporting the development of small and medium-sized African enterprises. Equally important from a systemic point of view was the launch of the new "Savings without Borders" financial services for Tunisian and Moroccan nationals resident in Italy; this allows the transfer of funds from Italian passbook savings accounts to savings accounts in their countries of origin, which supports the growth of the local economy.

Finally, there were large strategic equity investments. As we announced when the industrial plan was launched, our approach to managing the equity portfolio has evolved in line with the process of industrial restructuring, with the aim of creating greater value for the national economic system. This involved the completion of the transfers of Fincantieri and Saipem to CDP Industria, a company set up to maximise the synergies between the large industrial companies in which it has an interest. We also kicked off “Progetto Italia” by investing in Salini Impregilo, in order to relaunch construction, which is a vitally important sector for Italy. By assuming control of SIA, we have also laid the foundations for the further development of an outstanding Italian company, which is the European leader in digital payments.

Our Group’s strengths are the courage, competence and education of its people

These targets would never have been achieved without the courage, expertise and dedication of everyone at the Group who believed in this project and whose hard work helped to make it a success. We extend our heartfelt thanks to all of them.



Giovanni Gorno Tempini
Chairman



Fabrizio Palermo
*Chief Executive Officer
and General Manager*

To conclude, on 18 November 2019 we inaugurated CDP’s 170th year with a major event to celebrate the Group’s fundamental role in supporting Italy’s growth through the decades, in good times and in bad. The future we were expecting to see just a few months ago now looks very different. As the year began, it was immediately marked by the outbreak of the coronavirus emergency, with serious repercussions on the lives of ordinary people and on the national and international economy. In this new situation, CDP stands with Italy more than ever before, as it has always done throughout its 170-year history.

Thanks to investments in technology infrastructure, the digitisation of corporate processes, employee training and the change in business culture, the CDP Group’s workforce, which is more than 2000 strong, is working incessantly (also from home) to continue supporting the country’s development during this health, social and economic crisis.

In this mission, the Italian Ministry of the Economy and Finance and banking foundations will continue to play their essential role as wise leaders and close allies.

Italy is a country rich in resources, which has demonstrated extraordinary resilience and unity even in the face of the most complex crisis. We will make it through together, once again.

Contents

| | |
|--|-----------|
| 01. CDP Group | 10 |
| 02. Working for sustainable development | 20 |
| 03. Financial results | 50 |
| 04. Our values and responsibilities | 62 |



CASSA DEPOSITI E



01 CDP Group

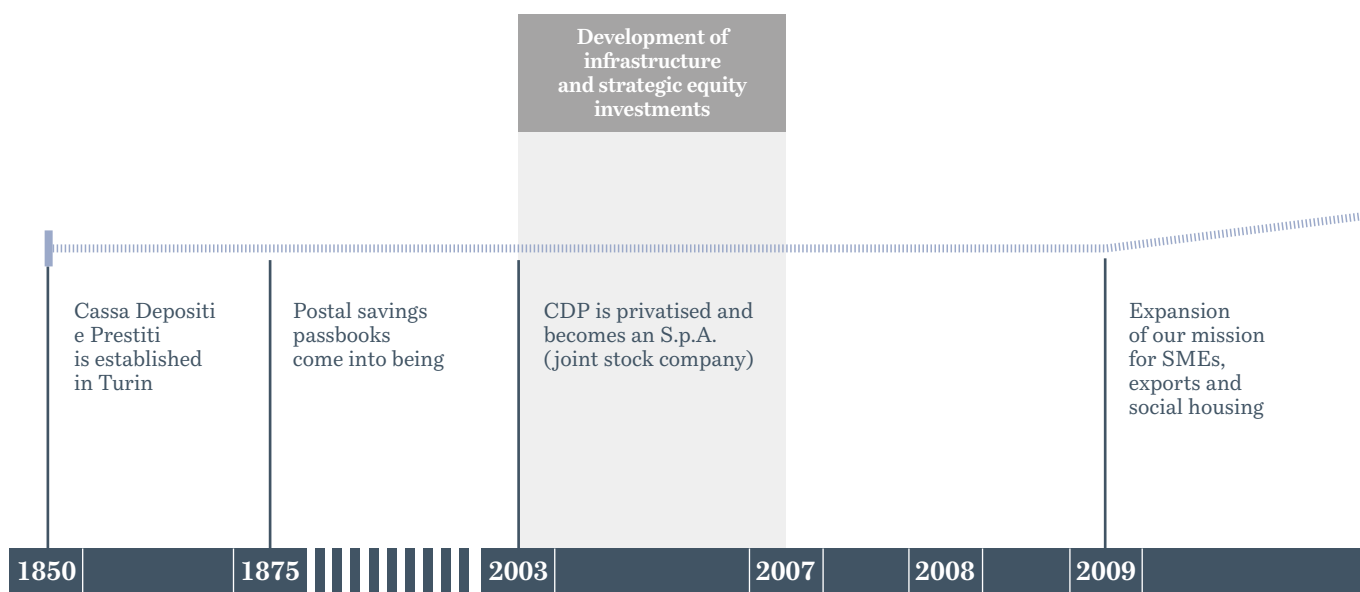
The CDP Group is the only one of its kind in Italy. It combines financial and industrial capabilities and uses them to serve the country in a circular model of funding and investment

The Cassa Depositi e Prestiti Building in Via Goito in Rome, adorned with the Italian flag to celebrate the national holiday.

Serving Italy for 170 years

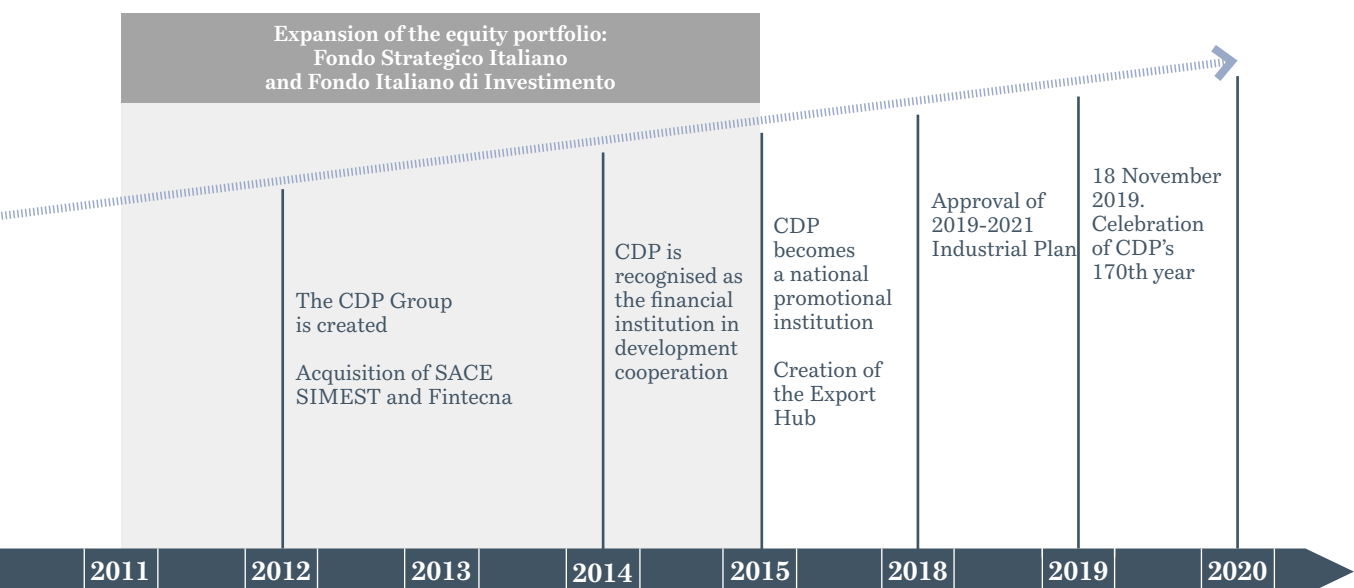
Since 1850, CDP has promoted the sustainable growth of Italy thanks to the trust of the 27 million Italians who entrust their savings to the institution every day. Postal savings are the main driver of CDP's projects, and symbolise its firm bond with the people and with local communities. Over time CDP's role has evolved considerably in order to meet the economic and other challenges facing Italy. Its sphere of action has expanded significantly: the funding of local authorities is now accompanied by support for infrastructure and businesses, activities in the real estate sector, international cooperation and the management of major strategic investments.

Today, the CDP Group supports the innovation, growth and internationalisation 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. It finances infrastructure, and investments in public administrations. It supports policies to enhance the real estate assets of local authorities, invest in social and educational buildings and we support energy efficiency policies. It also offers local authorities financial and technical advice during the planning and design of works, and is an accelerator of their innovation processes.



Since 2014, CDP has been Italy's Financial Institution for Development Cooperation. In this role we aim to become key players in the strategy to promote sustainable development on a global scale. In this context, CDP is an active 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. This makes the CDP Group a catalyst for public and private resources, both domestic and international, to be allocated to economic, social and environmental development. In 2015, this role was consolidated with our recognition as a National Promotion Institution, ena-

bling us to expand the scope of our activities by becoming the entry point for resources of the Investment Plan for Europe (the 'Juncker Plan'). In connection with the activities of the new InvestEu vehicle, we also play an important role as financial advisor for public administrations using national and European funds. The new industrial plan of the CDP Group was presented at the end of 2018. In 2019 a number of project streams were launched, and this has marked a significant change of pace in our activities. Today more than ever, CDP is close to the needs of its country, and its mission has remained the same for 170 years.



Celebration of CDP's 170th year

On 18 November 2019, CDP celebrated its 170th year with a high-profile institutional event to mark the institution's long service to Italy, and its role as an institution that has been forward looking since its formation, and is an asset of every citizen.

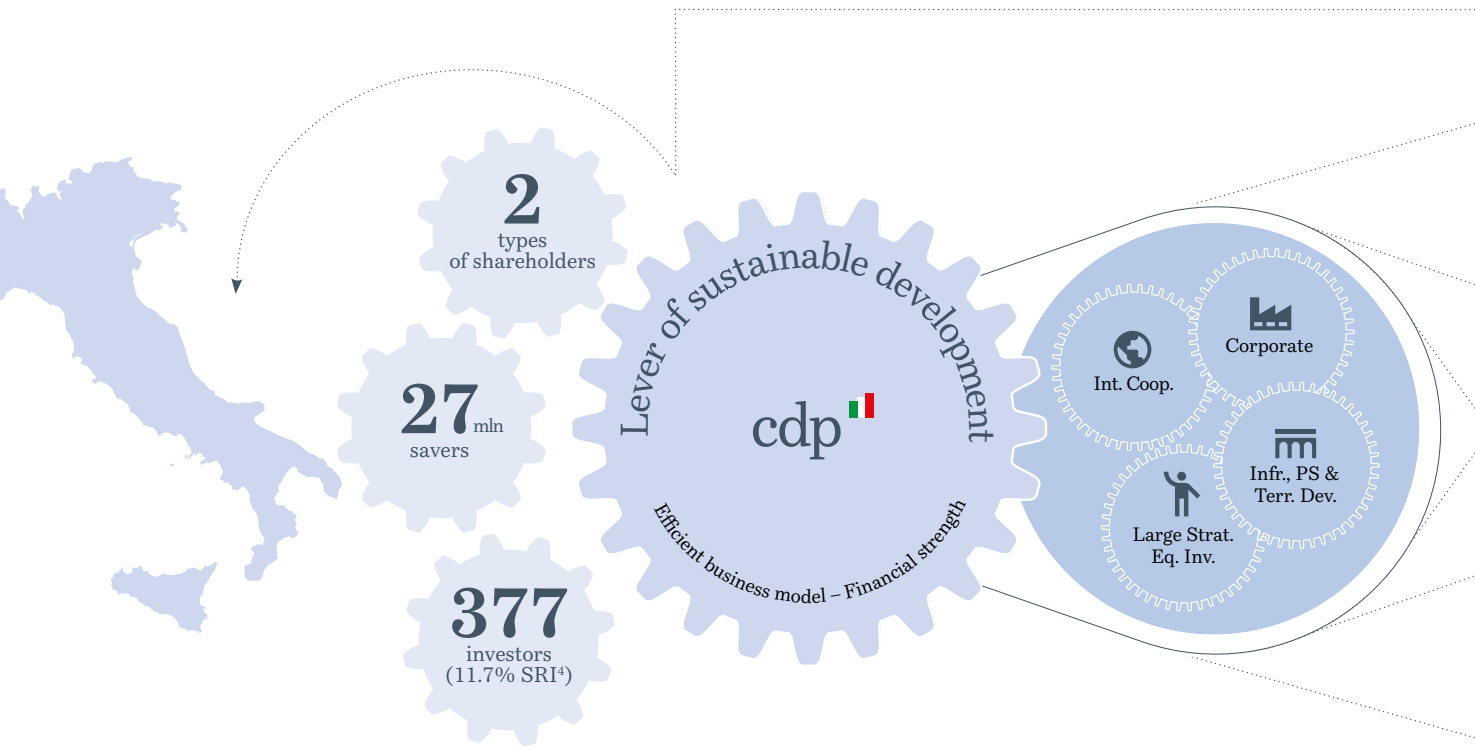
The ceremony was held in Rome, at the former Italian National Mint and Printing House, a property owned by CDP which is currently undergoing major redevelopment. The event was attended by the President of the Republic, the President of the Council of Ministers, the Ministry for the Economy and Finance and the President of ACRI, as well as 2,000 guests from high-level public authorities, top representatives of the business world, members of the public and employees of the CDP Group.

The new-look postal savings books were also presented to mark the occasion, along with a photographic history of CDP and the story of postal savings. A commemorative 170-year stamp was also issued.





A sustainable business model

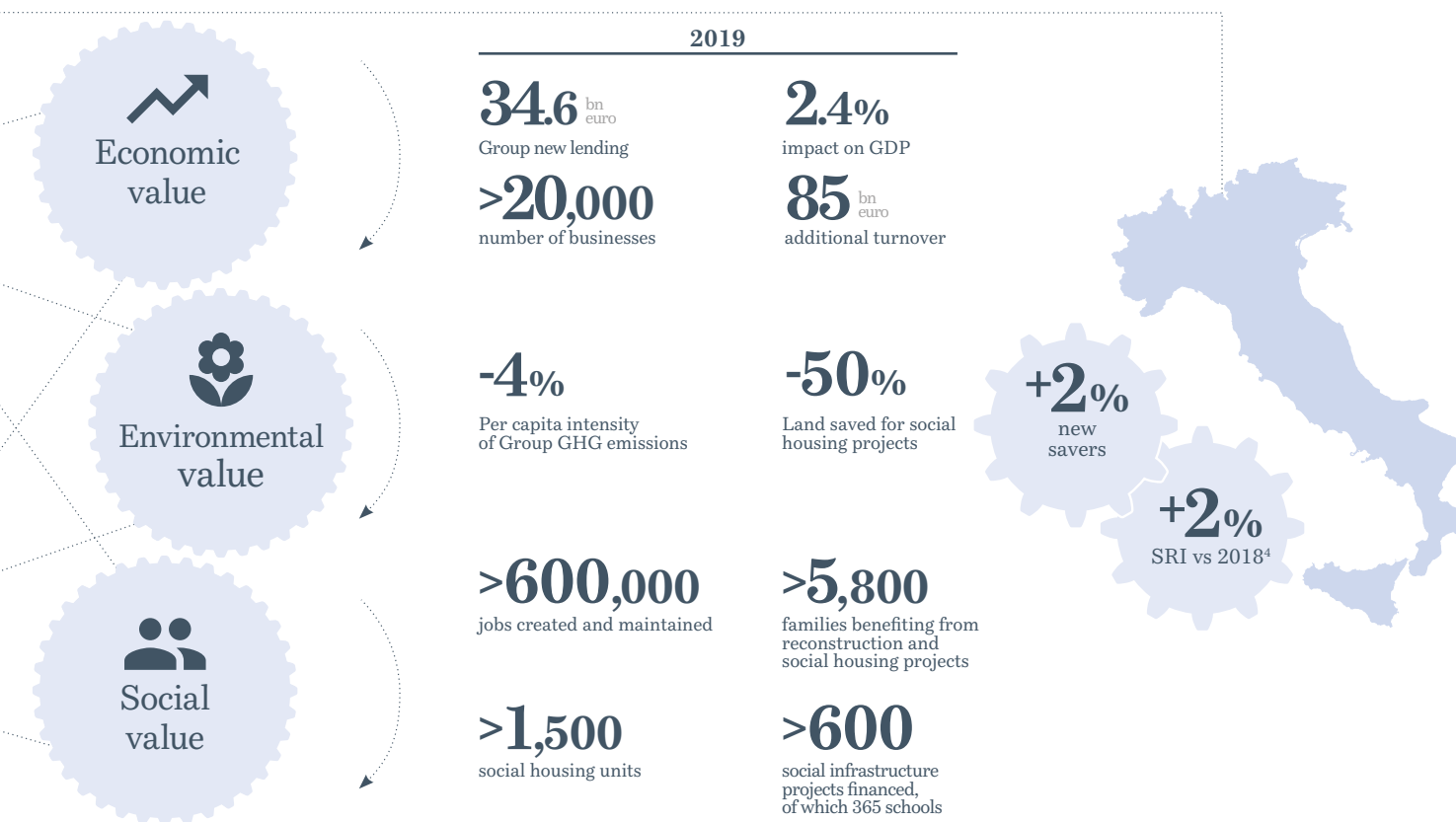


Since 1850, CDP's business model has been strongly influenced by a circular approach, whereby funding raised from local communities is returned back to them in the form of economic, social and environmental benefits. These benefits trigger a virtuous mechanism of stakeholder confidence, which is a key element that allows CDP to continue to work for the country's development.

CDP raises funds primarily through postal savings, as the issuer of postal savings bonds and passbook savings accounts guaranteed by the Italian government

and distributed by Poste Italiane through its more than 12,000 branches throughout Italy, as well as through issues of securities to institutional and socially responsible investors.

CDP uses these resources to support local authorities, SMEs, businesses looking to grow or expand internationally, and to support infrastructure projects in the transport sector (roads, railways, ports, energy and telecoms networks), as well as in social welfare (schools, hospitals, social housing). It has a clear ability to improve the quality of people's lives.



The Group contributes to Italy's growth in three areas:

- the economic and financial dimension, by mobilising resources for the economy that fuel investment and business and have an impact on GDP;
- the environmental dimension, for example through the redevelopment of local areas and public buildings, and through energy transition initiatives;
- the social dimension, by directly enabling citizens to benefit from the goods and services provided through these projects, and the resulting jobs that are created.

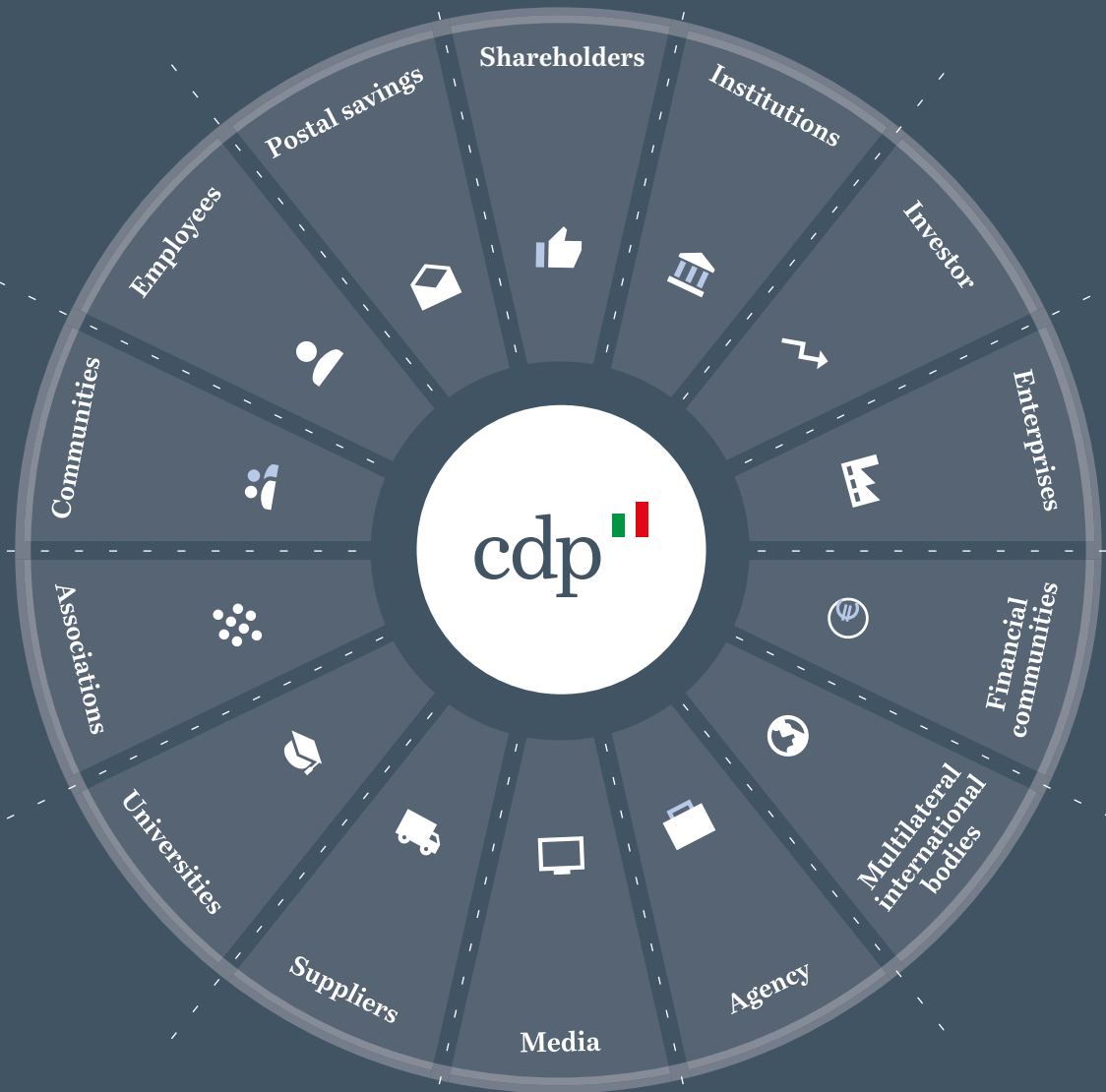
This tangible growth promoted by CDP fosters and supports the confidence of savers, shareholders and investors through our ability to leverage savings and investments. This in turn generates greater confidence in the Italian economy and enables a virtuous system that fuels itself in a circular manner.

For savers, an important ethical value is therefore added to the economic value of an investment guaranteed by the State. Savers' deposits help the country to grow: the resulting funding is returned to the communities who generated it, in the form of works and services that improve people's lives.

³ Socially Responsible Investors.

⁴ Increase in responsible investors out of total investors in outstanding public issues at 31/12/2019.

Always close to our stakeholders



CDP pursues its mission to contribute to Italy's economic and social development thanks to a profitable collaboration with its stakeholders.

CDP is committed to playing an active role within its network, promoting the values that distinguish its work and involving its stakeholders in the definition of strategic priorities while working to build solid, lasting relationships aimed as far as possible at pursuing its objectives in terms of generating shared value.

Engaging with and listening to institutional, internal and external stakeholders was the central point of the process, the aim of which was to identify the economic, governance, environmental and social topics which are relevant to the Group's business.

The engagement process was based on the relations between CDP and its institutional stakeholders, the stakeholder's dependence on the organisation on the one hand, and also their ability to influence its strategic and operational processes and generate an impact on reputation.

CDP is committed to playing an active role in its network by engaging its stakeholders in setting strategic priorities

First Multistakeholder Forum

CDP's first Multistakeholder Forum was organised in 2019, with the aim of strengthening our ability to listen to and engage with stakeholders and work with them to identify the best solutions to meet the real needs of the country.

By attending the forum, our shareholders wanted to underline the strategic importance of the event and the strong convergence of views with CDP, recalling how its model, which gathers resources locally to reinvest them for the benefit of the local communities who generated them, is the successful implementation of a public-private partnership where the maximisation of value for shareholders coincides with the maximisation of value for the community, with a long-term perspective.

About the Forum



CDP's
headquarters
in Via Goito

~60

representatives
of the main
stakeholders

5

working
groups



focus innovation,
"smart" urban
redevelopment and social
infrastructure development

The results of the discussion between the participants was reported back to CDP's management, as useful feedback to help maximise the impact of a company's actions on the growth of the country and its communities.





02 Working for sustainable development

We favour the innovation, growth and internationalisation of companies. We support public administrations in their local development work and we also support international cooperation with a focus on social inclusion and environmental protection

Solar panels of Magaldi Power, a Campania-based company supported by the CDP Group in its growth plans in Italy and abroad.

Commitment to the 2019-2021 Industrial Plan

In December 2018 the CDP Group presented its 2019-2021 industrial plan entitled “From Italy to Italy”, underlining the fact that our commitment to the growth of Italy starts with the funds collected at local level that are returned to the country in the form of infrastructure, support for businesses and public and community services. The Plan sets out 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.

>200^{bn}_{euro}
in three years
for Italy’s
growth

Our ambition is to activate a total of 203 billion euro between 2019 and 2021, by using 111 billion euro of our own funds and activating 92 billion euro of loans from private investors and other local, national and supranational institutions.

The CDP Group operates in four main areas:

- 1. Corporate**, to support the innovation and growth of over 60,000 businesses, also by creating a single offering at Group level and by simplifying credit access channels. To achieve this objective, the Group expects to mobilise 83 billion over the three-year period.
- 2. Public Sector and Infrastructure**, to support local development and to help local authorities build infrastructure and improve public services, strengthening the partnership with the Public Sector and increasing the Group’s territorial presence. There are plans to mobilise 25 billion euro of funds.

3. International cooperation, to encourage the carrying out of projects in developing countries and emerging markets, in which CDP will play an active role, going from the manager of public funds to a financier with the capacity to steer the resources. 3 billion euro have been allocated over the three-year period.

4. Strategic investments, to forge synergies between the investee companies, supporting their development pathways over the long term and bolstering the growth of companies in the supply chain.

These activities have been facilitated by the evolution in the operational model, which is based on three core elements:

- creating a new identity in terms of communication, to boost the awareness of CDP in public opinion;
- strengthening human capital and the corporate culture by acquiring new professional skills, promoting our talents and behaving in a more environmentally responsible way;
- simplifying and digitalising our working processes and evolving towards open source, cloud and big data technologies, while focusing on cyber security and developing prototypes in the field of blockchain, AI and machine learning.

The Plan objectives pursued by assuring a balance of assets and a stable financial situation, and thus protecting savings, also by further expanding and diversifying the investment instruments, and fine tuning strategies for hedging risks related to the development of operations.



CDP CORPORATE

Always close to companies

The first year of the industrial plan saw the CDP Group launch a number of new projects and activities to support innovation, domestic and international growth and to allow Italian companies of all sizes to access credit.

Thanks to these activities, in 2019 the Group mobilised funds of approximately 25 billion euro, serving more than 20,000 companies and creating or maintaining more than 600,000 jobs in various sectors of the economy.

In line with the Industrial Plan guidelines, our model of serving businesses has been transformed, in order to:

- allow companies to access the Group's support more easily;
- build a unique, targeted offer of products, tailored for the needs of small, medium and large companies.

In terms of the need to guarantee more ease of access, various initiatives have been implemented. Highlights include:

- the creation of a single commercial interface as a point of reference for all Group's services (Relationship Manager);
- the plan to open local branches, which will operate in an integrated way thanks to the presence of all the CDP Group specialist (in 2019 the branches in Verona, Genoa and Naples were opened);
- the launch of a plan to open "CDP Spazio" areas at the

offices of other institutional stakeholders such as the Banking Foundations, in order to strengthen the Group's presence across the country, and to complement the local branch offices (the Cagliari and Sassari spaces were opened in 2019);

- the launch of "Spazio Imprese", an intensive programme of local events held at the existing offices, designed to allow the Group's experts and local businesses to explore the variety of services we offer.
- the review of the multichannel model with the launch of a new website illustrating the whole of the Group's offer, and the launch of a single customer care service for companies and the public sector.

24.9 bn
euro
new lending

20,000
companies supported

With Isaia and Isaia for Made in Italy

In terms of the product offer, the catalogue has been reorganised into 15 product groups (finance, equity and guarantees) which respond to Italian businesses' need for innovation, growth and international development.

In tandem with this, the “Officina Italia” initiative was also launched, featuring a panel of businesses that represent Italy's entrepreneurial system, in order to obtain firsthand accounts of businesses' real needs and to identify the best solutions for new products and/or to improve the existing ones.

With a view to supporting the growth of strategic industrial sectors, CDP signed three memoranda of understanding with Leonardo in the defence and aerospace sector, Coldiretti and Filiera Italia in agri-food, and with Fincantieri, Saipem and Ansaldo Energia in the engineering sector.

In order to favour investment in innovation, the Group has rolled out a series of projects for start-ups, and has also put in place an integrated offer of special rate credit, liquidity and risk-sharing solutions. Specifically, it has launched the National Innovation Fund, with an allocation of up to 1 billion euro, in order to support the venture capital market in Italy, as well as start-ups throughout their entire life-cycle.

There was also continued support for innovation, with the Revolving Fund for enterprises and investment in research (FRI), through which CDP – together with the banking system – grants medium/long-term loans at a subsidised rate in order to support investment in research and development, as well as the Instrumental Assets line for micro, small and medium businesses intended to support the modernisation of their production sites. In 2019 these schemes funded more than 500 firms.

CDP made a 7.5 million euro participation in the issue of a bond to support the growth plans of Isaia e Isaia, a Campania based company in the luxury clothing sector. The lifestyle luxury brand is looking to strengthen its commercial strategy by developing more innovative sales channels to meet the new requirements of consumers of luxury goods.

7.5
mln euro



Finally, support for innovation and research also involved direct forms of corporate lending, with which CDP funded investments of 580 million euro in 2019.

To support companies' national and international growth, CDP strengthened its offer by increasing the number of direct forms of finance, making greater recourse to forms of alternative finance, reinforcing its collaboration with the banking sector and by intervening even further in the private equity market through its own funds.

The innovative asset classes included the launch of a 500 million euro export basket bond to support the internationalisation of companies on the Italian stock exchange's ELITE programme, and the Lombardy basket bond of 100 million euro for the growth of businesses in the region.

The CDP Group further strengthened its support for the international expansion of Italy's companies with SACE SIMEST, reaching approximately 11,600 businesses. In aggregate terms this commitment has given a significant boost to Italian exports. It is estimated that the Group's contribution to the exports of instrumental assets is 7.5% of the total.

In addition to financial support, in order to strengthen the SME service model, the project "Education to Export" was launched. The training programme is designed to support businesses in defining and implementing a strategy for international growth based on a digital approach, and also through a series of events held across the country in collaboration with ICE, Confindustria and other industry associations.

11,600
companies assisted
with exports

To favour the international development of the national manufacturing system, particularly for Italian companies in the Chinese market, in 2019 CDP also launched the "Panda Bond", which is the first bond issue in local currency on foreign markets. This has allowed CDP to launch new operations, both directly and indirectly through the banking system, in order to support initiatives for the growth of branch offices or the subsidiaries of Italian companies in China. This objective was achieved thanks to contacts established with the Italy-China business Forum and the Italy-China financial forum, initiatives that have strengthened the partnership between our two countries with the signing of a number of strategic agreements in which CDP Group and the investee companies have played a leading part.

7.5%
contribution to exports
of capital goods

During the year the Group also continued its work to allow businesses to access credit, in cooperation with the banking sector and credit guarantee consortia, through liquidity and guarantee schemes.

The partnership with third-party networks to increase investments in SMEs and mid-caps has been strengthened, and the credit scheme to provide liquidity to financial institutions has also continued, in order to:

- provide finance for businesses (lines for SMEs, MID, Networks and Supply Chains and Instrumental Assets);
- support the reconstruction and economic recovery of areas hit by natural disasters (2012 earthquake, Disasters, Central Italy earthquake);
- support the residential property market (Housing line).

The systemic initiatives also include the signing of an agreement with UBI Banca through which the bank will be given a 500 million euro allocation, to be used for the funding of small and medium businesses in the south of Italy.

Finally, in the context of the EFSI Thematic Investment Platform for Italian SMEs, CDP signed a new guarantee agreement with the SME Fund, using funds from the COSME programme managed by the European Investment Fund, to cover a portfolio of new operations to the value of approximately 4 billion euro.

580 mln
euro

in research, development
and innovation

Alternative finance for Svas Biosana

Through the basket bonds, CDP has financed the growth and international expansion of Svas Biosana, Italy's main player in the market of medical devices, medical equipment and injectable pharmaceuticals. The Campania-based company has a wide, diversified product portfolio and a significant presence internationally thanks to its growth over recent years, both internally and through acquisitions.

15

mln euro





Digital health with Healthware

6

mln euro

Through the venture capital fund FII Tech Growth has acquired a share in the capital of Healthware, a company that deals with advanced projects for life sciences companies, start-ups and insurers. By combining a range of skill sets, the Campania based company supports its clients in creating solutions for digital communication with doctors and patients, and applications for diagnostic and treatment processes.



Supporting Fileni in agri-food

11

mln euro

CDP has boosted Fileni's development plans with 11 million euro, to build new organic livestock rearing centres. Fileni, a leader in the organic chicken market and Italy's third-largest producer of poultry meat, has a sustainable production operation thanks to its constant focus on the product, the use of renewable resources and control of the supply chain which is based on respect for animals, the environment and the land.



With Nice for international growth

40

mln euro

CDP has provided 40 million euro of finance for the development plans of Nice, a leader in the offer of integrated automation and building control solutions. With this operation, the Veneto-based company, which has a significant international presence in the field of smart homes, home automation and home security, is set to further strengthen its international competitive position.



Supporting Sanlorenzo in the nautical sector

42

mln euro

Through SACE SIMEST, the CDP Group issued a guarantee of more than 42 million euro to the Sanlorenzo shipyard, destined for the construction of a 62 m yacht for the foreign market.

The Ligurian company is a world leader in the design, production and distribution of yachts and +30 m super yachts, each year producing a limited number of bespoke boats for high-end customers.



With GIV for the winegrowing industry

10

mln euro


CDP has concluded a 10 million euro operation to support the growth of Gruppo Italiano Vini, Italy's leading wine operator. Based in Verona, the company has more than 1,600 hectares of vineyards, controls some of Italy's best-known historic labels, and has 15 wineries in 11 different regions. More than 75% of its sales come from overseas.



In China with SDF

50

mln euro



CDP has financed SDF's plans to expand in China. SDF is one of the world main manufacturers of tractors and agricultural machines and the finance is intended to upgrade the production lines, modernise the systems and machines, and develop new products. The operation, with a value of 400 million renminbi (approximately 50 million euro), was the first to be concluded through the Panda Bond.

With Sipcam Oxon in agrochemicals

30

mln euro

CDP has underwritten a 30 million euro operation to support the growth of Sipcam Oxon, with investments in research, innovation and the green economy. The company, based in Lombardy, is one of the world's front runners in the agropharmaceuticals sector. It is known for its high level of innovation and focus on sustainability and its products are designed to meet the needs of the agricultural sector which is undergoing major changes.



With INglass for innovation

7

mln euro

CDP has granted finance to INglass, a leading producer of moulds and injection systems used to produce plastic goods; the finance will be used to create a digital platform to streamline and speed up its production. The finance, of more than 7 million euro, was granted through the Revolving Fund for businesses and research (FRI), in collaboration with the Ministry for Economic Development and the banking system.



CDP PUBLIC SECTOR AND INFRASTRUCTURE

Renewed commitment for local communities

In 2019 the CDP Group strengthened its support for public administrations and local communities in line with the 2019-2021 industrial plan. The traditional financing activities, which have been extended and improved in order to respond more readily to the needs of local authorities, have now been enhanced to include new services ranging from public sector advisory to the promotion of energy, digital and social projects; this commitment makes CDP a strategic partner for the public sector.

9.3 mld
euro
new lending

The Group has activated more than 9 billion euro for local development. CDP's work to support local communities is extensive, with more than 1,200 local authorities receiving support; of these, approximately 30% are municipalities with fewer than 2,000 inhabitants.

The traditional provision of medium-long term financial support to local authorities now includes the full availability of the Treasury Advance scheme for small municipalities, and the deferred repayment of loans granted to authorities hit by natural disasters or extraordinary events, including the Municipality of Genoa following the collapse of the Polcevera viaduct.

During the year, the offer of financial services for public authorities was further extended in order to: support the local business network by reducing the time taken by local authorities to pay their suppliers' bills; support actions designed to make the administrations' use of debt more efficient, freeing up resources for growth; accompany the energy transition by improving the energy efficiency of public buildings.

Support for local mainly for:



School
buildings



Roads
and local
public
transport



Social
infrastructure



Historic
buildings

>1,220
municipalities supported
(26% <2,000 inhabitants)

363
beneficiaries
of liquidity
advances

77,000
invoices settled

In 2019 CDP committed to:

- the launch of the “Liquidity Advance” product, which is a new short-term financial scheme designed to speed up the payment of local authority debts. The scheme has benefited more than 360 authorities, with a total of 77,000 invoices paid and approximately 900 million euro disbursed by CDP. The scheme has reduced the average weighted payment times, for the beneficiary authorities;
- the refinancing of loans taken out by regional governments, for 1.3 billion euro, with a saving of 70 million euro;
- the launch of a programme of renegotiating loans in order to free up resources to be allocated to investments in the improvement of transport and social infrastructure – eight local authorities have joined the programme and the residual total debt is approximately 3.5 billion euro;
- the launch of a new “Thermal Account Investment Loan” so that energy upgrading projects can be carried out, by anticipating funds provided by the Energy Services Operator;
- the procedural and product-related innovation of the Revolving Fund for Planning, whose scope of operation has been considerably

Cascina Fossata: much more than social housing

CDP, through the FIA Fund, has invested 18 million euro in social housing in Turin, by converting an old country estate. Cascina Fossata is a multipurpose complex that combines landscaped areas with homes and shops. The project has created a new form of community-based, “communal” living.

18
mln euro



extended as it can now cover, in advance, any expenditure involved in the preparation of project documents, even at the preliminary stage.

1 school financed per day

A particularly important area has been the support for the refurbishment, energy upgrading and making-safe of school buildings of all levels; on average, one project per day has been financed, particularly through the granting of loans funded by the

European Investment Bank and the European Council Development Bank. New resources for school building projects and urban development were also made available thanks to the funds collected by CDP with the issue of the second social bond in March 2019.

CDP's commitment to schools is not limited to infrastructure projects. It also extends to financial education initiatives across the whole country, as part of the project "Il Risparmio che fa scuola", in collaboration with the Ministry of Education and Poste Italiane, which in 2019 involved 7,000 schools and 200,000 students.

In line with its industrial plan, in 2019 CDP extended its role of active cooperation with the public administration by setting up a new Advisory service in the first half of the year. It will be dedicated to developing infrastructure and has a multidisciplinary approach. Through the new "Infrastructure Development" unit, CDP provides the public sector with technical, economic and legal expertise to support the life-cycle of an infrastructure project from design through to build.

By doing this CDP has considerably expanded its role of support for the public administration: it is no longer merely the finance of the works, but can also act as a technical and financial advisor that is able to support local authorities throughout the entire project development. The objective is to accelerate investment in order to contribute to Italy's infrastructural development, by raising the quality of planning and focusing on quality, innovation and sustainability by identifying the most efficient solution in each case, from the form of tendering (traditional tender, or public-private partnership) through to the form of financing.

8 technical-financial advisory projects

During 2019 CDP signed implementing protocols with eight authorities, in order to provide assistance with the building of schools, healthcare facilities and transport infrastructure. The related projects, to the value of almost 2 billion euro, will be implemented with recourse to public funding and also with the involvement of private capital using the public-private partnership (PPP) model.

In order to promote local socio-economic development, the CDP Group has also signed six memoranda of understanding with the municipalities of Genoa (late 2018) followed by Naples, Perugia and Turin, and also with the regional governments of Sicily and Piedmont. With these agreements, CDP is aiming to develop an organic, integrated local approach, with the purpose of upgrading infrastructure and sustainable mobility, and of developing urban system and the production network. As well as the Group companies, specifically

those in the real estate sector, the protocols also involved investee companies such as Fincantieri, Snam, Italgas and Terna.

In tandem with this the Group also continued its commitment to social and student housing by building 1,500 new social housing units and 1,600 places in new halls of residence in Italy. The environmental benefit from the reuse of space and existing floor area can be estimated at a saving of land equal to 50% of the total.

Finally, in the social and digital arena, projects were launched to upgrade the public sector's digital services for the public, with the signing of an agreement with PagoPA S.p.A. as well as plans to study potential opportunities for investment in the upgrading of winter sports facilities.

1,500
social housing
units

7
social housing
units projects
launched
to promote
public services
and to innovate
the public sector

Success stories in Santo Stefano di Magra

CDP assisted the 10,000-strong municipality in the province of La Spezia, Liguria, in completing a number of projects: from the kindergarten to the football pitch, not forgetting the redevelopment of the historic town centre and a new public lighting system. This valuable collaboration has created important new services for the town as residents, in line with our objective of supporting local authorities in developing their areas.

10,000
inhabitants have benefited



The CDP Group's new branch offices

Proximity, a clear offer, ease of access to all products and services and in-person dialogue with stakeholders. These were the objectives in mind when the CDP Group relaunched its plan to open the new branch offices in 2019. They are novel as they respond to an innovative vision: rather than being just representation offices, they are points of reference that can meet all the needs of local businesses, authorities and institutions.

At the new branch offices, the public can meet dedicated advisors and access the full range of our products and services: loans, guarantees, venture capital and private equity as well as financial and technical advisory services. Our new product catalogues, which were produced for the first time in 2019 and are regularly updated, are also available from the new offices.

The new offices are also space for dialogue with all local stakeholders to enable the identification and production of solutions tailored to local requirements. They are also an opportunity for training, and meeting points where we can guide authorities and businesses throughout their programme of innovation and growth, which also involves cultural change.

The first office in Verona was followed by the branches in Naples and Genoa. Other offices will be opened across the whole of Italy as soon as the coronavirus emergency is over. It will be important to continue to support businesses and local authorities during the recovery phase.

To guarantee a widespread presence in the territory, in December 2019 we also signed an agreement to open CDP Group information desks at Banking Foundations. Thanks to this collaboration, by year-end the first CDP information desks had been opened at the Fondazione di Sardegna in the cities of Cagliari and Sassari.



CDP Group's new office in Via Giuseppe Verdi, Naples, inaugurated in November 2019

Student housing and urban transformation with Santa Marta

650

places

Santa Marta is the largest halls of residence in Venice. It was constructed following an urban regeneration project worth 30 million euro, funded with the contribution of the CDP Group. The residence is just a few metres from the campus, and has 650 places for students at the University of Ca' Foscari. User friendly spaces, common areas, quality services and the use of ecosustainable materials to save energy. All at highly competitive prices.



Open innovation with H-CAMPUS

3,000

beneficiaries

The H-Campus project, which will accommodate up to 3,000 people, aims to become Europe's largest innovation hub and an international centre of excellence for knowledge and education. Sustainability and respect for the environment are the keywords of this project, supported by the CDP Group: lecture rooms, auditoriums, restaurants, meeting rooms, landscaped areas and student residences will all be constructed without taking up any new land, by recovering disused buildings.





The green school at Colognola ai Colli

~800

students have benefited

The school at Colognola ai Colli, in the province of Verona, is a project with great social value and was built using the latest architectural techniques and sustainable technologies. CDP's contribution to the construction of this school, which accommodates almost 800 students, was the provision to the Municipality of a flexible loan of 2.4 million euro for the primary school, as well as the management of a further loan of 1.49 million euro paid by the State, out of a total cost of 6 million euro.



Sustainable mobility in Florence

136

mln euro

CDP financed the construction of the new T2 Tramway in Florence, providing 136 million euro out of a total of 166 million of project financing that was agreed in support of the investment. The project is a major contribution to sustainable mobility in Tuscany's major city, as it connects the airport to the city centre in just 22 minutes, through a densely populated area of the city.



With E2i Energie Speciali for renewables

52

mln euro

CDP has supported E2i Energie Speciali, Italy's fourth-largest wind energy operator, in upgrading three installations in Abruzzo and Puglia with a capacity of 45.1 MW. This is added to the building and upgrading of a further eight wind farms with a total investment of 52 million euro. With this operation, CDP has renewed its support for the use of clean technology in Italy, through the modernisation and optimisation of existing capacity, by increasing capacity and by limiting the use of land.



Electrical link between Italy and Montenegro

445

km

With a share of more than 32 million euro, CDP has supported Monita Interconnector, a business consortium that will manage the private part of the electrical underwater connection between Italy and Montenegro. The project, fulfilled by Terna, will be 445 km and will be an essential connection that strengthens Italy's role as a European and Mediterranean hub for electrical transmission.

Integrated projects in Acquaviva Collecroce

600

beneficiaries

CDP has supported the municipal administration of Acquaviva Collecroce, a small town of 600 people in the province of Campobasso, in building a modern football pitch for young players, complete with an efficient lighting system. This project accompanies the various projects carried out in the local area over the years: these range from the school building to interventions to make the area safe, from the renovation of the municipal retirement home to the purchase of the new school bus.



Agropoli: art and culture at the “Fornace” site and Cineteatro

1.7

mln euro

Since 1968, CDP has contributed to the growth of Agropoli, a town in the province of Salerno, by financing projects which have great benefits for the local community. Thanks to two loans totalling 735,000 euro, the Fornace site has been converted into a cultural centre for the town. A contribution of 1 million euro was made to the building of the Cineteatro, named after Eduardo De Filippo. The theatre seats 510 people and stages concerts, shows and events of national importance.



In Sicily with Terna for the electricity network

614

mln euro

CDP and Terna have underwritten a programme agreement to improve the security, efficiency and sustainability of Sicily's electricity network, in close collaboration with the local authorities. Under the agreement, investments of 614 million euro will be made over the next 5 years, for projects relating to new development works and upgrades of the regional electricity network, "smart island project", and the making safe of electricity lines with the green corridors project as well as the redevelopment of water basins.



The public sector goes digital with PagoPA

100

mln of transactions

CDP has signed an agreement with PagoPA, the digital platform which since 2016 has managed payments to the value of approximately 100 million, to the Public Administration. The aim of the partnership is to make people aware of the services offered on the platform, through the CDP Group's network of branches and communication channels, and is part of the plan to promote more modern, efficient public services.



CDP COOPERATION

On the front line in international cooperation for development

Since 2014 CDP has been Italy's financial institution for development cooperation, and launched its activities in 2016, the year when Italy's cooperation system became operational. Since then, CDP has played an increasingly important role, through to its commitment in the 2019-2021 industrial plan, to becoming a key player by funding projects with a high socio-economic impact in developing nations, in the context of the Sustainable Development Goals defined in the UN's Agenda 2030.

2019 was a decisive year for CDP's activities in the area of developing cooperation, thanks to new project types which have utilised more than 400 million euro, leveraging not only the traditional third-party funds (the Revolving Fund for Development Cooperation), but also for the first time, using its own resources.

During the year CDP extended its scope of intervention by promoting new financing projects, by extending its recourse to third-party finance for development cooperation purposes, and by signing agreements with national and international enterprises and institutions, thus making the shift outlined in the 2019-2021 industrial plan, from a manager of public funds to being a proactive player on the national and international scene.

The new own-finance projects include, in particular an operation worth 50 million euro to support the access to credit of Tunisian SMEs, with a focus on women and young people; the participation along with other development finance institutions and commercial banks in a loan of 600 million dollars to support the cacao industry in Ghana with the aim of creating approximately 30,000 new jobs. The Ghana operation is of particular strategic interest, as it is designed to provide financial support to local businesses which are of key importance for Italy's production chain.

CDP and the European Commission have also launched Archipelagos, the first guarantees scheme for African SMEs. Its aim is to allow SMEs with high growth potential to access the capital markets, by boosting their opportunities to trade with Italian and European companies.

In November 2019, CDP completed its accreditation with the Green Climate Fund, a multilateral fund set up by the United Nations; it is the world's main scheme for supporting projects to combat climate change in the emerging economies and developing nations.

new lending
of more than

400 mln
euro

Archipelagos for African companies

Archipelagos is a platform set up by CDP and the African Development Bank to support the development of African companies with high growth potential. This initiative, which is the first one for CDP in the context of the European Commission's External Investment Plan, will activate 30 million euro of guarantees in order to mobilise 150 million of public and private investment to support more than 1,500 local SMEs, creating 50,000 new jobs.

In order to strengthen its operations, CDP also entered into new collaboration agreements with leading international institutions – such as the United Nations Development Programme – and with major industrial players like Eni, in order to support economic growth and fight climate change in developing countries.

In 2019, the now-traditional activity of managing the Revolving Fund for Development Cooperation continued, with projects to support education in Jordan, worth 85 million euro, for the building of railway infrastructure in Afghanistan to the value of 65 million euro, and 30 million euro of improvements to electrical services in Myanmar.

in Ghana

30,000
jobs

72,000
hectares of crops

Finally, to support the development of local economies, CDP launched a new initiative in North Africa, “Savings without Borders”, so that funds can be transferred from Italian postal savings books to saving books in African countries in order to incentivise and encourage foreign nationals resident in Italy to save; this can be a source of finance for public utility and infrastructure projects, and to support companies and public administration in their countries of origin.

50,000
jobs





With Cocobod for Ghana's cacao industry

40

mln euro

CDP will co-finance, to the tune of 40 million euro, the publicly owned Ghanaian company Cocobod, one of the world's leading players in the marketing of cacao, in a pool with the African Development Bank. This is the first Development Financing operation which will set up development programmes dedicated to boosting the productivity of the local supply chain.



Education and training in Jordan

85

mln euro

With a finance agreement worth 85 million euro, CDP is supporting Jordan's education sector, with a particular focus on preschool education and vocational training. The project has a double objective: to reduce the school dropout rate and to strengthen professional skills in the sustainable tourism sector, and to promote the environmental and cultural heritage of Jordan.



CDP accredited by the Green Climate Fund

1st

Italian company to receive certification

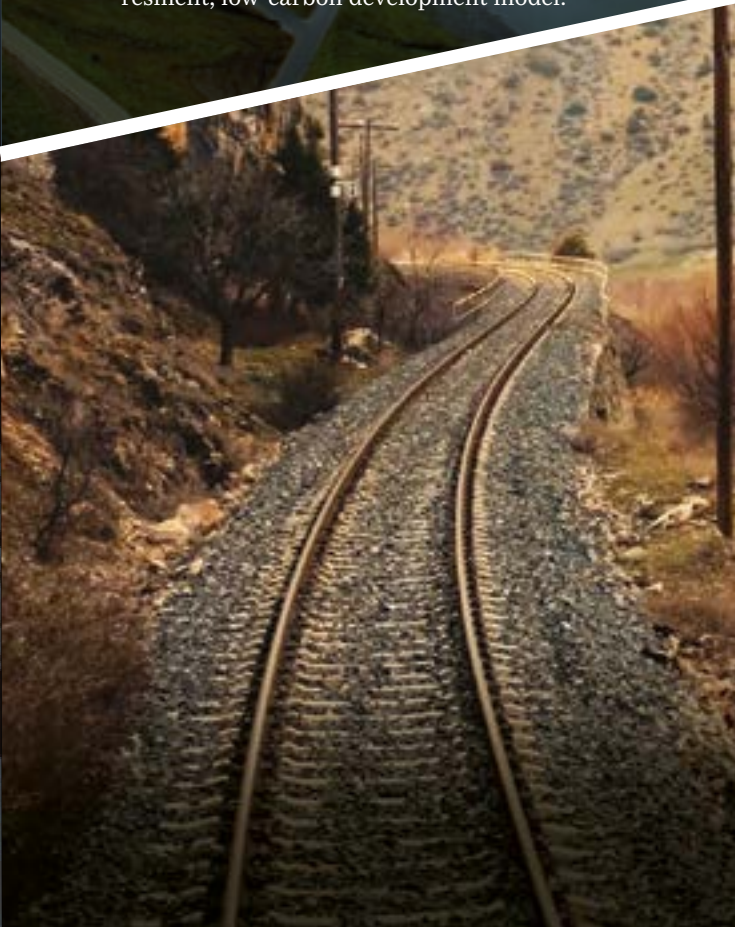
CDP has obtained accreditation by the Green Climate Fund, the global fund promoted by the United Nations to support investments designed to mitigate and adapt to climate changes in developing nations. CDP is the first financial institution in Italy to access this fund which, with an endowment of 10.3 billion euro, has the mission of promoting a model of sustainable, resilient, low-carbon development model.



New railways in Afghanistan

65

mln euro



CDP has signed a finance agreement to the value of 65 million euro, to help build a railway link between Iran and Afghanistan, with the potential to extend the line southwards towards Pakistan and northwards towards Turkmenistan. The project will build 44 km of the link between the western perimeter of Herat and the city's airport, contributing to the wider project of improving Afghanistan's internal transport network.

CDP LARGE STRATEGIC INVESTMENTS

New value for Italy and the investee companies

Cassa Depositi e Prestiti 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, even tourism and pharmaceuticals.

In order to promote the synergies between companies and to support their development from the perspective of long-term growth, one of the projects from the 2019-2021 industrial plan was launched, in order to restructure the Group's investment portfolio based on an industrial, sector-specific approach.

The objective is to create industrial assets in supply chains which are strategic for the production system, by supporting opportunities for collaboration between the investee companies, supporting the growth of the many companies who are part of the chain of value, and by supporting the growth and international expansion of the companies in the portfolio.

With this objective, CDP Industria was also set up, and the investments in Saipem and Fincantieri have been transferred to that entity.

The new approach to the management of strategic investments has led to the launch of a number of systemic initiatives, leveraging CDP's role as a facilitator between national and international institutions, businesses and

public administrations and the multifaceted industrial skills of the Group's investee companies.

These initiatives have given rise to innovative projects including those to promote energy efficiency in public buildings, with Snam; to build renewable energy generation and waste processing plants, with Eni; for the upgrading of port infrastructure with Fincantieri and Snam, and tidal energy power plants with Terna, Fincantieri and Eni.

Using the same approach, the Italian School of Hospitality has been launched, through a collaboration with TH Resorts, a company part-owned by CDP Equity, to promote innovation in a strategic sector for the national economy, such as tourism. The school will be based on the former hospital site at Lido di Venezia; the site is owned by the CDP Group, which will be involved in a major urban regeneration project for the tourism and hotel industry that will also give the local area important public services.

Through CDP Equity, CDP has invested in the share capital of national champions such as Salini Impregilo, in order to launch "Progetto Italia", which is designed to consolidate and relaunch the construction industry in Italy and abroad. It also increased its own share holding in SIA in order to continue supporting the growth strategy of this company which is the European leader in the sector of payments and financial transactions.

In the telecoms sector, the CDP Group has continue to support the ambitious plan of investments in Open Fiber, to develop fibreoptic networks in Italy. It has also acquired a further shareholding in the capital of Telecom Italia, once again with the objective of strengthening its support for the programme of value creation launched by Telecom Italia in a sector which is of primary interest to Italy. These investments in the telecoms industry have the common objective of building a modern national network.

The Group has also acquired the majority stake in two asset management firms operating in venture capital and private equity. This relates to the acquisition of 70% of Invitalia Ventures SGR, now CDP Venture Capital SGR - Fondo Nazionale Innovazione, with an allocation of up to 1 billion euro aimed at strengthening CDP's role to support the growth of venture capital in Italy, and the formation of start-ups. Finally, a further shareholding has been acquired in Fondo Italiano d'Investimento SGR (from 43% to 68%), in order to favour the growth of the private equity and private debt market for SMEs.

34 ^{bn}
euro
value
of equity
portfolio

up to
1 ^{bn}
euro
allocation
to the National
Innovation Fund

Progetto Italia: relaunching the construction industry

CDP Equity has invested 250 million euro in Salini Impregilo in order to launch Progetto Italia. This systemic initiative is designed to bring together multiple operators into a single national entity which can compete on the international markets, while consolidating a sector that is of crucial importance for Italy. When fully operational, 30 industrial supply sectors will be supported, and up to 400,000 jobs will be created or maintained.

250
mln euro



Major energy partnership projects

CDP, Snam and Fincantieri for the development of ports

The aim of the initiative is to develop, together with Fincantieri and Snam, strategic projects for the innovation and modernisation of Italy's ports in order to reduce energy costs and improve environmental sustainability in the maritime sector, driven by the Integrated National Energy and Climate Plan.

CDP, Eni, Fincantieri and Terna for wave power

The MarEnergy project will develop wave power generation systems and plant using Inertial Sea Wave Energy Converter (ISWEC) technology to support decarbonisation, particularly for the smaller islands not connected to the national grid and which rely on highly polluting, expensive diesel fuel.

CDP and the Eni Group for waste recycling

This partnership promotes the development of waste-to-fuel plants, which process the organic fraction of municipal waste, with the use of Eni patents. The initiative seeks to support Italy in achieving the EU Circular Economy targets to reduce the amount of municipal waste sent to landfill to a maximum of 10% by 2035.

CDP and Eni for the development of renewables

The aim of the project is to identify and promote actions connected to the circular economy, decarbonisation and sustainability. In particular this will involve the development of mainly greenfield renewable energy plants in disused or underused areas, using innovative technologies.

CDP and Snam: energy efficiency for the public sector

The agreement promotes projects to upgrade the energy efficiency public buildings. The key factor in the success of this initiative is the synergistic combination of Snam's industrial expertise with CDP's economic and financial expertise and management of relations with public administrations, in order to encourage improvement in the process of valuing public buildings.



With SIA to develop digital payments

CDP Equity has increased its investment in the share capital of SIA, a European leader in the sector of digital payments and related infrastructures, by acquiring 25.69% of the capital directly, and 57.4% through the vehicle FSIA.

With this investment, CDP is continuing to support the company's development strategy in a sector which is considered to be strategic for Italy partly because of its high level of innovation.



With TH Resorts for the Italian School of Hospitality

This project is designed to support the competitiveness and innovation of Italy's tourism businesses. The objective is to support the diffusion at international level of Italy's outstanding expertise in the hospitality industry and to promote digitalisation by attracting talent from abroad. The model is the Campus hotel school, which combines classroom sessions with practical work experience.

CASSA DEPOSITI E PRESTITI

BUONO FRUTTIFERO
GARANZIA DELLO STATO ITALIANO



DAL 1850 RACCOGLIAMO I
PER INVESTIRE NE



03 Financial results

We protect the savings of Italian people by using the funds responsibly to support growth and employment, while maintaining a solid financial equilibrium

The new-look postal savings bond presented to mark CDP's 170th anniversary.

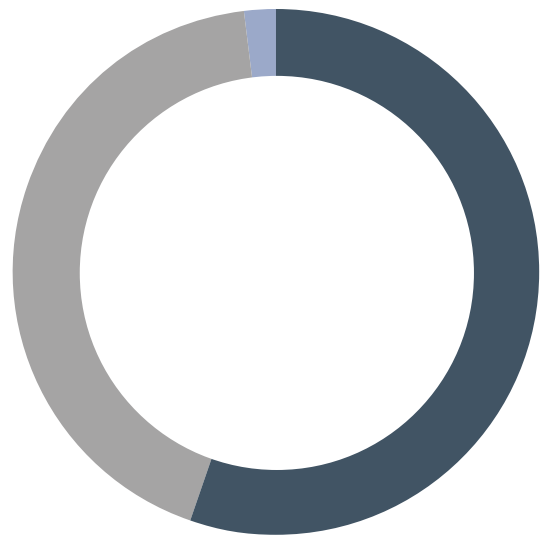
Financial results of the Parent Company

In a challenging macroeconomic context characterised by limited economic growth, CDP maintained robust financial performance in every area

21.4 ^{bn}
euro
new lending

New lending

In 2019, CDP S.p.A.'s new lending amounted to 21.4 billion euro, up by around 30% on 2018. Resources were allocated to the following lines of action: “CDP Corporate” as to 11.8 billion euro, “CDP Public Sector and Infrastructure” as to 9.1 billion euro, and “CDP Cooperation” as to 0.4 billion euro.



11.8 ^{bn}
euro
CDP Corporate

9.1 ^{bn}
euro
CDP Public Sector
and Infrastructure

0.4 ^{bn}
euro
CDP Cooperation

Income statement

The net income for the year was 2.7 billion euro; this is up by approximately 8% on 2018, despite the fact that market rates fell to an all-time low, thanks to the positive contribution of the asset and liability management actions that were taken in terms of funding and investments.

2.7 ^{bn}_{euro}
net income

Reclassified income statement

| (millions of euro and %) | 2019 | 2018 | Change (+/-) | Change (%) |
|--|--------------|--------------|----------------|---------------|
| Net interest income | 1,355 | 2,356 | (1,002) | -42.5% |
| Dividends | 1,424 | 1,362 | 62 | 4.5% |
| Other net revenues (costs) | 770 | 88 | 682 | n/s |
| Gross income | 3,549 | 3,807 | (258) | -6.8% |
| Write-downs | 119 | (277) | 396 | n/s |
| Staff costs and other administrative expenses | (176) | (215) | 39 | -18.3% |
| Amortisation and other operating expenses and income | (3) | (3) | (0.3) | 11.1% |
| Operating income | 3,489 | 3,312 | 177 | 5.3% |
| Provisions for risks and charges | (50) | (34) | (16) | 48.8% |
| Income taxes | (703) | (738) | 36 | -4.8% |
| Net income | 2,736 | 2,540 | 196 | 7.7% |

Balance sheet

Total assets amounted to 386 billion euro, up by 4% compared to the end of 2018, when total assets stood at 370 billion euro.

Cash assets were up, as were debt instruments, mainly as a result of investments in State securities.

The carrying amount of equity investments and funds was 34 billion euro, up by 3% compared to 2018. This was mainly due to the increased equity investment in Telecom Italia S.p.A (TIM), with the aim of supporting the process of value creation launched by the company in a sector of primary interest for the country, and to the investments in funds/vehicles.

386 bn
euro
balance sheet
assets

265 bn
euro
postal funding

25 bn
euro
shareholders'
equity

Reclassified balance sheet - Assets

| (millions of euro and %) | 31/12/2019 | 31/12/2018 | Change (+/-) | Change (%) |
|--|----------------|----------------|---------------|-------------|
| Cash and cash equivalents | 171,262 | 167,944 | 3,317 | 2.0% |
| Loans | 100,981 | 101,293 | (312) | -0.3% |
| Debt securities | 70,998 | 60,004 | 10,995 | 18.3% |
| Equity investments and funds | 34,208 | 33,114 | 1,094 | 3.3% |
| Trading and hedging derivatives | 1,981 | 882 | 1,099 | n/s |
| Property, plant and equipment and intangible assets | 383 | 344 | 40 | 11.6% |
| Accrued income, prepaid expenses and other non-interest-bearing assets | 5,242 | 5,642 | (400) | -7.1% |
| Other assets | 796 | 793 | 3 | 0.4% |
| Total assets | 385,851 | 370,015 | 15,836 | 4.3% |

Total funding at 31 December 2019 was approximately 356 billion euro, up 4% from the figure recorded at the end of 2018.

Postal funding of 265 billion euro increased by 3% compared to the figure at the end of 2018, mainly as a result of CDP's positive net funding of 3.4 billion euro (+92% compared to 2018). This was the best funding performance for the past 5 years, partly thanks to the strong growth in on-line sales following the upgrading of the digital channels.

Bond funding, equal to approximately 20 billion euro, increased by +3% on the December 2018 figure, mainly thanks to new bond issues totalling approximately 2.6 billion euro, of which 750 million related to the social bond, 1.5 billion to the retail bond and more than 100 million to the Panda bond.

Equity amounted to 25 billion euro at 31 December 2019, up by +1% on the end of 2018, as a result of net income for the year, which more than offset the payment of the 2019 dividends.

Reclassified balance sheet – Liabilities and equity

| (millions of euro and %) | 31/12/2019 | 31/12/2018 | Change (+/-) | Change (%) |
|--|----------------|----------------|---------------|-------------|
| Funding | 355,693 | 342,595 | 13,098 | 3.8% |
| of which: | | | | |
| - <i>postal funding</i> | 265,067 | 258,040 | 7,027 | 2.7% |
| - <i>funding from banks</i> | 48,108 | 52,939 | (4,831) | -9.1% |
| - <i>funding from customers</i> | 22,876 | 12,590 | 10,286 | 81.7% |
| - <i>bond funding</i> | 19,641 | 19,025 | 616 | 3.2% |
| Liabilities held for trading and hedging derivatives | 2,830 | 753 | 2,077 | n/s |
| Accrued expenses, deferred income and other non-interest-bearing liabilities | 474 | 474 | - | 0.0% |
| Other liabilities | 789 | 753 | 36 | 4.8% |
| Provisions for contingencies, taxes and staff severance pay | 1,115 | 646 | 469 | 72.6% |
| Equity | 24,951 | 24,794 | 156 | 0.6% |
| Total liabilities and equity | 385,851 | 370,015 | 15,836 | 4.3% |

CDP's main bond issues in 2019

Social bond

750 million euro for construction, making-safe and earthquake safety works to schools, as well as urban redevelopment projects designed to improve public facilities and services.

This was CDP's second social bond issue, following the one in 2017, and the sustainability bond in 2018. The issue confirms CDP's commitment to sustainable development.

Retail bond

1.5 billion euro for CDP's second retail bond issue intended to strengthen support for local communities, infrastructure and businesses.

Panda bond

1 billion renminbi (approximately 130 million euro) for the growth of Italian companies in China through the first bond issue by an Italian institution, intended for institutional investors operating in China. The operation is part of a plan of issues of 5 billion renminbi, approved by the People's Bank of China.

Main indicators

Structural indicators on the liabilities side are essentially in line with 2018, with postal savings accounting for a considerable portion of total funding (approximately 75%).

With regard to performance indicators, there was (i) a reduction in the spread between interest-bearing assets and liabilities due to the lower return on financial assets as a result of the decline in market rates to all-time lows, (ii) a very limited cost/income ratio (4.9%) which was lower than in 2018, (iii) an 11% return on equity (ROE), up on the 10% in 2018 as a result of the growth in net income for the period.

The credit quality of CDP's loan portfolio remains very high and its risk profile moderate, as shown by the strong risk indicators.

11%
ROE

Main indicators (reclassified figures)

| (%) | 31/12/2019 | 31/12/2018 |
|--|------------|------------|
| Structure ratio | | |
| Funding/Total liabilities | 92% | 93% |
| Equity/Total liabilities | 6% | 7% |
| Postal savings/Total funding | 75% | 75% |
| Performance ratios | | |
| Spread on interest-bearing assets and liabilities | 0.5% | 0.8% |
| Cost/income ratio | 4.9% | 6.2% |
| Net income/Opening equity (ROE) | 11% | 10% |
| Risk ratios | | |
| Coverage of bad loans ⁵ | 50% | 51% |
| Net non-performing loans/Net loans to customers and banks ^{6,7} | 0.1% | 0.1% |
| Net adjustments on loans/Net exposure ^{6,7} | n.a. | 0.02% |

⁵ Provision for bad debts / Gross exposure to non-performing loans.

⁶ Exposure includes Loans to banks and customers, Disbursement commitments, cash & cash equivalents & bonds.

⁷ Net exposure is calculated net of the provision for bad debts.

Consolidated financial results

New lending

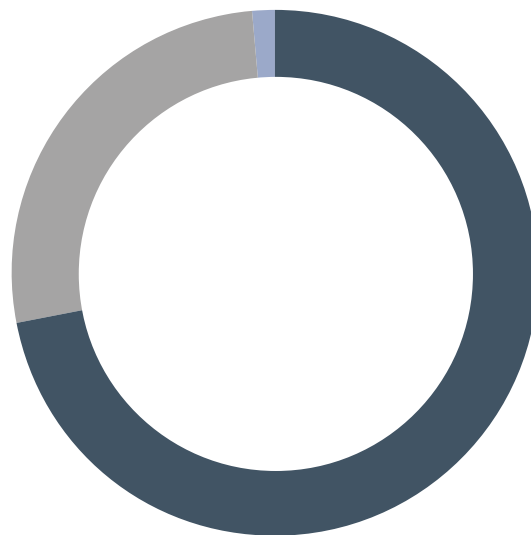
In 2019, the CDP Group mobilised resources of 35 billion euro, which was slightly down on the 36 billion in 2018. This is attributable to the Export Hub, which was affected by SACE's failure to complete transactions that

were subject to state reinsurance.

Overall, the Group channelled around 61 billion euro of resources into the economy.

34.6 ^{bn}
euro
new lending

~61 ^{bn}
euro
Resources
channeled
to economy



24.9 ^{bn}
euro
CDP Corporate

9.3 ^{bn}
euro
CDP Public Sector
and Infrastructure

0.4 ^{bn}
euro
CDP Cooperation

Income statement

The net income for the year was 3.4 billion euro, down on 4.3 billion euro in 2018, mainly as a result of the trend in the interest income and the reduced contribution from companies valued with the net equity method.

3.4 ^{bn} _{euro}
net income

Reclassified income statement

| (millions of euro and %) | 2019 | 2018 | Change (+/-) | Change (%) |
|--|--------------|--------------|----------------|---------------|
| Net interest income | 1,208 | 2,258 | (1,050) | -46.5% |
| Gains (losses) on equity investments | 447 | 1,120 | (673) | -60.1% |
| Net commission income (expense) | 95 | 101 | (6) | -5.9% |
| Other net revenues (costs) | 646 | (113) | 759 | n/s |
| Gross income | 2,396 | 3,366 | (970) | -28.8% |
| Profit (loss) on insurance business | 164 | 73 | 91 | n/s |
| Profit (loss) on banking and insurance operations | 2,560 | 3,439 | (879) | -25.6% |
| Net recoveries (impairment) | 17 | (126) | 143 | n/s |
| Administrative expenses | (7,910) | (7,412) | (498) | 6.7% |
| Other net operating income (costs) | 12,681 | 11,920 | 761 | 6.4% |
| Operating income | 7,348 | 7,821 | (473) | -6.0% |
| Net provisions for risks and charges | (113) | (5) | (108) | n/s |
| Net adjustments to PPE and intangible assets | (2,246) | (2,042) | (204) | 10.0% |
| Other | (13) | 18 | (31) | n/s |
| Income taxes | (1,565) | (1,459) | (106) | 7.3% |
| Net income for the year | 3,411 | 4,333 | (922) | -21.3% |
| Net income (loss) for the year pertaining to non-controlling interests | 1,627 | 1,442 | 185 | 12.8% |
| Net income (loss) for the year pertaining to the Parent Company | 1,784 | 2,891 | (1,107) | -38.3% |

Balance sheet

Group assets totalled 449 billion euro, up by 5.6% compared to the figure recorded at the end of the previous financial year.

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.

449 bn
euro

balance sheet
assets

Reclassified consolidated balance sheet - assets

| (millions of euro and %) | 31/12/2019 | 31/12/2018 | Change (+/-) | Change (%) |
|--|----------------|----------------|---------------|-------------|
| Assets | | | | |
| Cash and cash equivalents and other treasury investments | 170,934 | 170,362 | 572 | 0.3% |
| Loans | 105,664 | 104,898 | 766 | 0.7% |
| Debt securities, equity securities and units in collective investment undertakings | 84,719 | 70,603 | 14,116 | 20.0% |
| Equity investments | 18,952 | 20,396 | (1,444) | -7.1% |
| Trading and hedging derivatives | 499 | 812 | (313) | -38.5% |
| Property, plant and equipment and intangible assets | 52,547 | 46,464 | 6,083 | 13.1% |
| Reinsurers' share of technical reserves | 1,002 | 852 | 150 | 17.6% |
| Other assets | 14,407 | 10,696 | 3,711 | 34.7% |
| Total assets | 448,724 | 425,083 | 23,641 | 5.6% |

Total funding of the CDP Group was 386 billion euro, up 5% compared to 2018.

Group net equity was essentially the same as last year, and amounted to 36.1 billion euro.

36 ^{bn}
euro
shareholders'
equity

Reclassified consolidated balance sheet - liabilities

| (millions of euro and %) | 31/12/2019 | 31/12/2018 | Change (+/-) | Change (%) |
|---|----------------|----------------|---------------|-------------|
| Liabilities and equity | | | | |
| Funding | 385,719 | 367,226 | 18,493 | 5.0% |
| of which: | | | | |
| - <i>postal funding</i> | 265,067 | 258,040 | 7,027 | 2.7% |
| - <i>funding from banks</i> | 60,082 | 63,859 | (3,777) | -5.9% |
| - <i>funding from customers</i> | 18,705 | 7,795 | 10,910 | n/s |
| - <i>bond funding</i> | 41,865 | 37,532 | 4,333 | 11.5% |
| Liabilities held for trading and hedging derivatives | 3,145 | 908 | 2,237 | n/s |
| Technical reserves | 2,812 | 2,675 | 137 | 5.1% |
| Other liabilities | 13,591 | 10,986 | 2,605 | 23.7% |
| Provisions for contingencies, taxes and staff severance pay | 7,347 | 6,556 | 791 | 12.1% |
| Total equity | 36,110 | 36,732 | (622) | -1.7% |
| Total liabilities and equity | 448,724 | 425,083 | 23,641 | 5.6% |





04 Values and responsibilities

Our actions are guided by
a well-defined set of common values,
and a system of governance
that has clear, transparent rules

View of the port of Genoa.
The city was the recipient of integrated actions by the CDP Group and some
of the investee companies, following the collapse of Ponte Morandi.

Shared values and transparent governance

In line with its mandate, the CDP Group's daily operations are conducted according to a well-defined set of values which means that its governance is based on integrity and transparency and is closely linked to the control of sustainability, effective management of risks and compliance and – finally – to an attentive valorisation of our people and of the overall working environment.

Not just CDP but also all the companies which are subject to direction and coordination rely on a deeply rooted system of values, which inspire everyone who works on behalf of or in the interests of this Institution.

The set of principles and values that the Group recognises, accepts and shares, and the responsibilities it assumes both internally and externally, are defined in the Code of Ethics approved by the Board of Directors. All staff and the statutory bodies of the Group sign a statement saying that they have read the Code and are committed to following its principles.

CDP's corporate governance system plays a central role in the conduct of its operations, contributing significantly to the creation of long-term sustainable value both for shareholders and for the country as a whole.

The CDP Group acts
in accordance with
a system of well-defined,
deeply rooted values

Five board committees to support the Board of Directors in order to favour an efficient system of reporting and consultation

The Board of Directors is the central body of the corporate governance system. Its responsibilities include, among other things, defining, applying and updating the corporate governance rules in compliance with current regulations, as well as determining the strategic operational and executive management of the Company and of the Group.

The Board of Directors consists of nine members. For the separately managed postal savings funds (Separate Account), it is supplemented by the Director General of the Treasury, the State Accountant General, and by three representatives from the regional, provincial and

municipal authorities. The Board of Directors is also supported in its decisions by five Committees with advisory and proposal-making functions. As of 31 December 2019, these committees were:

- The Strategic Committee, which supports the organisation and coordination of the Board of Directors and the strategic supervision of the Company's activities.
- The Risks Committee, which performs functions of control and makes proposals on risk management and the assessment of new products.
- The Remuneration Committee, whose task is to make proposals to the Board of Directors regarding the remuneration of the Chairman, the CEO and the General Manager.
- The Support Committee for Non-Controlling Shareholders, which among other things examines the Company's main operations and encourages cooperation between the Company and its non-controlling shareholders, also with a view to enhancing CDP's dialogue with local communities.

The government is complemented by the Board of Statutory Auditors, which also acts as a supervisory body, and the Parliamentary Supervisory Committee. A judge of the State Audit Court attends the meetings of the Board of Directors and the Board of Statutory Auditors.

The Chairman of the Board of Directors has the power of signature and of legal representation, while the CEO, who currently also holds the position of general manager, has full powers of ordinary and extraordinary administration, subject to any matters reserved by law or by the Bylaws for the meeting of shareholders, for the chairman and Board of Directors.

Company Bodies and Officers and Governance



Board of Directors

Chairman

Giovanni Gorno Tempini

Vice Chairman

Luigi Paganetto

Chief Executive Officer and General Manager

Fabrizio Palermo

Board Directors

Francesco Floro Flores

Valentino Grant

Fabrizia Lapecorella

Fabiana Massa Felsani

Matteo Melley

Alessandra Ruzzu

Board of Statutory Auditors¹⁰

Chairman

Carlo Corradini

Regular 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, paragraph 8, Decree Law 269/2003,
ratified with amendments by Law 326/2003)*

Director General
of the Treasury⁸

State Accountant General⁹

Antonio Decaro

Davide Carlo Caparini

Michele De Pascale

Financial Reporting Officer

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 Committee for the Supervision of Cassa Depositi e Prestiti - Separate Account

Members

(Member of Senate) Alberto Bagnai

(Member of Senate) Roberta Ferrero

(Member of Senate) Cristiano Zuliani

(Member of Senate) Vincenzo Presutto¹¹

(Member of Chamber of Deputies)

Raffaele Trano

(Member of Chamber of Deputies)

Nunzio Angiola

(Member of Chamber of Deputies)

Sestino Giacomoni

(Member of Chamber of Deputies)

Gian Pietro Dal Moro

Vincenzo Blanda

(Regional Administrative Court)

Carlo Dell'Olio

(Regional Administrative Court)

Luigi Massimiliano Tarantino

(Council of State)

Mauro Orefice (Divisional

President of the State Audit Court)

Judge of the State Audit Court¹²

(Article 5, paragraph 17, Decree Law 269/2003)

Ordinary Auditor Angelo Buscema

Alternate Giovanni Comite

Independent auditors

PricewaterhouseCoopers S.p.A.

⁸ Alessandro Rivera.

⁹ Pier Paolo Italia, Delegate of the State Accountant General.

¹⁰ 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.

¹¹ Appointed as standing member on 9 October 2019 to replace the member of the Senate, Turco.

¹² Article 5, paragraph 17 of Decree Law 269/03 – attends meetings of the Board of Directors and the Board of Statutory Auditors.

Identification and management of risks

In order to guarantee the long-term solidity and continuity of the business, the CDP Group has implemented specific processes to control and monitor the risks of its activities. This system of control is reflected in the Group's internal regulations – such as our Code of Ethics – and in the regulations of the companies subject to direction and coordination.

The CDP Group acts in accordance with a system of well-defined, deeply rooted values

The model consists of three levels:

Level III

CDP **Internal Audit** reports to the Board of Directors (through its Chairman).

It is a permanent, independent and objective function that pursues the continuous improvement of the effectiveness and efficiency of the Company's governance, risk management and control processes, by means of professional and systematic supervision. It also provides an independent and objective assessment of the completeness, adequacy, functionality and reliability of the CDP Group's organisational structure and overall internal control system.

Level II

The **CRO Department** ensures overall Company and Group risk control by defining the Risk Appetite Framework¹³ through:

- definition of measurement methods;
- monitoring risk exposure;
- monitoring the risk of non-compliance with standards and reputational assessment of operations.

The Financial Reporting Officer also controls the risk of financial reporting by verifying the adequacy and effective operation of the administrative and accounting procedures.

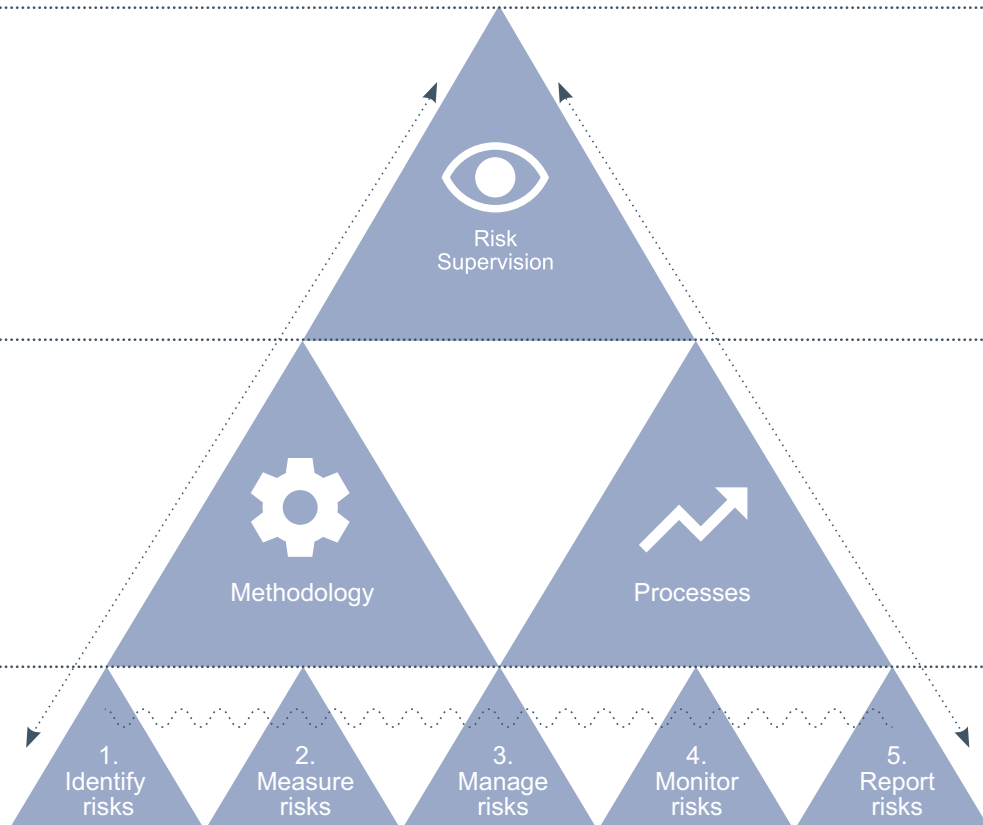
Level I

Through an accurate management process, the **operations units** ensure that business operations are in line with the assigned risk objectives.

¹³ Approved by the Board of Directors and contained in the Risk Policy.

In particular, the risks of the CDP Group's activities are subject to a threetier control system. The system comprises a set of controls, rules, procedures and organisational structures which are designed to identify, measure or assess, monitor, prevent or implement and as necessary communicate the actual or potential risks in the various segments, to the appropriate level of the or-

ganisation; it also assures compliance with the applicable laws, respect for business strategies, and the fulfilment of Management objectives. The control structures periodically provide evidence of the activities carried out and the related results to the top management, after examination by the Risk Committee, to the Board of Directors and to the Board of Statutory Auditors.



However, critical issues identified during examinations are immediately reported to the relevant company structures so that they can implement mitigating actions.

The different types of risks are defined within the Group Risk Policy approved by the Board of Directors, which is updated periodically and is set out in the Risk Management Rules and the related annexes, each of which focuses on a specific risk category.

The Risk Policy represents the Group's Risk Appetite Framework, which is the main tool that the Board of Directors uses to define CDP's risk appetite, tolerance threshold, risk limits, risk governance policies and the framework of organisational processes.

The categories that most characterise the Group's business model include financial risks, which are classified into three main groups: market risk, including equity risk, interest and inflation and exchange risk; liquidity risk; and credit risk, in particular concentration and counterparty risk.

In 2019, CDP continued the process of strengthening and updating the methods and systems used for risk management

With reference to non-financial risks, considering the Group's activities and characteristics, the following risks may be identified: operational, reputational, compliance, bribery, money laundering, occupational health and safety, environmental, HR-management, supply and subsupply chain management and international operational risks.

In 2019, CDP continued the process of strengthening and updating the methods and systems used for risk management. To measure credit risk, CDP uses a proprietary model that also takes into account the Separate Account exposures to public entities. It has a series of rating models developed by specialised external providers, covering the following classes of finance: public entities, banks, SMEs, large companies and project finance. These models act as a benchmark against the rating allocated by the analyst. Specific rules are in place to manage any discrepancies between the results obtained through these models, and the final rating.

The Group adopts a prudent approach in the management of its risks in order to evaluate and limit the financing of projects whose negative environmental and social impacts are considered to be significant. These impacts are measured on the basis of data or objective assessments of the reputational risk involved. As part of the reputational risk assessment, sponsorship activities and the selection of suppliers are also evaluated.

The risk monitoring and control framework and the internal control system described above are applied in the various Group companies, taking into account their specific operations.

CDP adopts a prudent approach in the management of non-financial risks in order to evaluate and limit the financing of projects with negative environmental and social impacts

Competent, coordinated and motivated people

Respect for people and their professional development are at the heart of the CDP Group's values. The relational, technical and organisational skills of each employee represent a fundamental strategic resource for the achievement of corporate objectives and for the creation of long-term value for all stakeholders.

For CDP, its workforce of more than 2,300 people is the most important value; their satisfaction and professional development are strategic priorities; this is why regular investments are made in developing their professional and personal skills.

2,196
employees
(+3.5% vs 2018)

68
interns
(+58% vs 2018)

50
collaborators
(-2% vs 2018)

In line with the Plan, the workforce has been considerably strengthened, with the hiring of 280 new members of staff, compared to 218 departures. The hiring rate has risen by almost 18% compared to 2018, and new skills and roles have been brought in which were previously not represented within CDP. These include engineering and industrial planning, to support the growing activity of the business functions.

45% of the new hires were women and 55% were men. Looking at the distribution by age, 52% of the new hires were aged between 30 and 50, with 43% under the age of 30.

In line with the ongoing process of transformation, a number of programmes and initiatives have been launched for the benefit of our colleagues, in order to bring in new talent, and to maintain training and assure professional development, wellbeing and respect for people as well as engagement.

These initiatives were all accompanied by transparent and meritocratic personnel management to protect an inclusive working environment that takes into account the needs of every employee.

For the second consecutive year, CDP obtained the "Top Employers Italy" certification, confirming its excellence as an employer.

Talent, training and development

To attract new talent and improve the potential of our staff, the Group invests in a thorough recruitment and induction process, with its internal recruiting and CDP Graduate Programme. The first edition of this programme recruited 15 young talents from among 1,800 applicants. Job rotation is also available within the enterprises and large companies in which the Group has invested.

Partnerships have also been strengthened with Italy's leading universities; 14 career days have been organised and the use of digital channels for job posts has been expanded.

For the Group, the skills of its people at all levels are fundamental to ensure the excellence of its business model and its ability to provide a concrete response and tangible results to the challenges posed by the Strategic Plan.

During the year, the Group thus set itself the objective of offering a broad, high-quality training programme with the right mix of cross-cutting and role-based training: this has involved the launch of an onboarding process designed to speed up the induction and commitment of new hires. The vertical and horizontal training programmes have been upgraded, with a total of 50,000 training hours and an investment of more than 1.5 million euro at Group level.

Finally, the first actions formally addressing CDP's investee companies have also been launched with the aim of reinforcing a single culture. The projects include the 7-month "Finance and Markets" pathway and the first Corporate MBA, which lasts two years; it is led by University lecturers and senior internal managers.

>50,000
hours of training
(+8% vs 2018)

>600 thousand
euro
invested by CDP
(+57% vs 2018)

>1.5 mln
euro
invested by the CDP Group
(+21% vs 2018)

Welfare programmes

Family

Contributions

- Purchase, renovation and extension of the first house;
- Contribution for school expenses;
- Annual contributions for employees with dependent children having severe disabilities.

Study grants and support

- Study grants for employees' children;
- Parenting support programmes.

Parental leave

Health and wellbeing

Healthcare and pensions

- Health insurance for employees and their direct families, covering medical costs incurred for illnesses and injuries and periodic health check-ups;
- Supplementary pension schemes with a contribution to be paid by Group companies.

Insurance cover

- Death and total permanent disability insurance, covering workplace/non-occupational injuries and permanent disability from illness.

Meal vouchers

Work life balance

Working hours and holidays

- Flexible and/or shift-based start times;
- Holidays for specific family/personal issues;
- Smart working.

Leave

- Paid leave for particular personal reasons;
- Leave for medical treatments/personal needs/exams.

Pay and contracts

- Unpaid leave for study, personal needs, volunteering;
 - Commitment to accept requests for part-time work.
-

Flexible benefits

- Possibility to convert part of the company bonus into welfare credit.

Wellbeing

The Group promotes a modern, comprehensive system of company welfare designed to improve individual and professional wellbeing with the ultimate aim of fostering a sense of corporate belonging, cooperation and respect for private life.

In line with the relevant best practices, this system includes a broad range of flexible benefits, which offer our staff and their families a number of special opportunities which can be accessed through the internal welfare portal.

In order to facilitate the work-life balance, smart working initiatives have been stepped up in order to allow for more autonomy and flexibility for workers, but also to allow for the more efficient use of office space and working processes.

Within the CDP Group, welfare programmes are also fundamental tools for pursuing diversity objectives, with particular reference to employees with family needs. They also help to consolidate the presence of women within the organisation.

Diversity, Inclusion and Engagement

The CDP Group considers multiple perspectives to be a resource and a source of enrichment that makes the company stronger and better able to face daily challenges.

This guarantees a transparent, merit-based form of management which favours an inclusive working environment, where the diversity of all individuals is respected and valued, without any form of discrimination based on gender, sexual orientation, age, religious belief, race and political and/or trade union membership.

The Group invests daily in the full engagement of its people, in order to intensify their relationship with the company and to build a team that is aware and focused on cooperation.

CDP endeavours to maintain an active dialogue with its people at all times, providing exhaustive information on the initiatives it organises by sending out a weekly newsletter and constantly updating the company intranet. It also examines every request from its employees and provides clear, transparent feedback.

People's engagement also takes place through the broader framework of industrial relations. These are based on discussions and the development of positive, fair relations with trade union representatives to ensure the negotiation and definition of agreements and the prevention of any tensions.

There has also been a number of people engagement initiatives, which have included opportunities to meet frontline personnel and company management to promote the knowledge of CDP, networking, the development of new ideas, and the Convention: the first day dedicated entirely to Group staff. This was an important opportunity to really value the people who work every day to contribute to the growth of Italy and to share our objectives for the future.

more than

200

news items published
on the intranet

50

newsletters
sent to colleagues

cdp 





The new colleagues who joined the CDP family in 2019, on stage at the Convention day

Contribution to reaching the SDGs

Integrating sustainability into business processes means that CDP is committed to ensuring that all operations are assessed by taking into account not only their financial, but also their social and environmental impacts, by contributing towards the Objectives on the 2030 agenda for sustainable development.

In the case of CDP, in a very particular way, the achievement of an adequate financial result is important to the extent that it helps to remunerate the capital of its shareholders who, by nature and mission, share a strong commitment to reaching these objectives.

CDP's shareholders reuse the dividends produced by CDP in different projects that directly impact the community: the Ministry for the Economy and Finance uses these dividends to fund the State budget and – through that – to reinforce social conditions; the Banking Foundations use them to fund multiple community support activities.

In 2019, our commitment to sustainable development was extended to include another cornerstone, in line with the ambitions of our industrial plan. An impact assessment model was developed that follows the entire investment chain in an integrated manner, from the origination phase to the final measurement of ex-post impacts.

The ex-ante phase is designed to assess the expected benefits and risks associated with the negative externalities produced by initiatives eligible for financing, and in this way contributes to a more strategic approach in the origination phase. The ex-post phase is designed to produce evidence of the impacts generated by the initiatives that have actually been financed and implemented, by verifying their effectiveness and added value.

An assessment model has been produced in order to measure the socio-economic and environmental impact of our activities

In 2019 this model was gradually adjusted in order to make it an integral part of the decision-making process in 2020.

The model has also resulted in the production, for the first time, of a detailed report on the Group's contribution to the 17 Sustainable Development Goals. This has given CDP more awareness, both internally and externally, about the role played by our institution in promoting a more inclusive, resilient and sustainable development model.



| SDGs | Amounts (bn) |
|---|--------------|
| 1 NO POVERTY  | 0.35 |
| 7 AFFORDABLE AND CLEAN ENERGY  | 3.36 |
| 10 REDUCED INEQUALITIES  | 0.24 |
| 13 CLIMATE ACTION  | 0.77 |
| 4 QUALITY EDUCATION  | 1.72 |
| 8 DECENT WORK AND ECONOMIC GROWTH  | 17.65 |
| 11 SUSTAINABLE CITIES AND COMMUNITIES  | 6.26 |
| 17 PARTNERSHIPS FOR THE GOALS  | 6.68 |
| 6 CLEAN WATER AND SANITATION  | 0.08 |
| 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE  | 15.79 |
| 12 RESPONSIBLE CONSUMPTION AND PRODUCTION  | 0.36 |

The CDP Group in 2030: sustainability manifesto

Introduction

In line with its mission to promote growth and development in Italy, with this Manifesto the CDP Group commits to fostering a process of transition to a more resilient, inclusive and sustainable development model.

With the approval of the 2019-2021 Business Plan, the Group has adopted sustainability as the strategic principle of its operations, in line with the Goals of the United Nations' 2030 Agenda. After a year of work, this document aims to define the commitments and concrete actions of the entire CDP Group until 2030, with the ambition of contributing to the achievement of the 17 Sustainable Development Goals.

The Manifesto embraces all dimensions of sustainability in a holistic manner - the economic as well as the social, environmental and governance dimensions.

By promoting a cultural change inside and outside its organisation, the CDP Group aims to become the lever for Italy's sustainable development by leveraging the financial and industrial expertise of the Group's companies and creating synergies within the country's economy.

Four commitments of the CDP Group



Combat climate change by eliminating the Group's carbon footprint



Innovation and growth, promoting a circular model and sustainable cities



Inclusiveness and people's well-being, valuing diversity and individual aspirations



Responsible approach by strengthening its role as a long-term investor in continuous coordination with stakeholders

Cassa Depositi e Prestiti S.p.A.

CDP Equity S.p.A.

CDP Immobiliare S.p.A.

CDP Industria S.p.A.

17 concrete actions for a sustainable future



Contribute to achieving the Group's carbon neutrality

Subscribe to over 3 billion euros in green bonds

Reach zero CO₂ emissions for the Group's offices

Disseminate good practices on the use of natural resources



Allocate up to 20% of funding to innovation and R&D

Create innovation hubs with companies and universities

Launch 10 initiatives to support the training of young people

Invest 3 billion euros in circular economy projects

Implement 10 smart city projects

Reach 50,000 beds in social, senior and student housing



Promote full gender equality in top management functions

Disseminate innovative and flexible working methods throughout the Group

Support individual development by encouraging intra-group mobility



Assess the ESG impact on 100% of initiatives and adopt sustainability rating systems

Stimulate ESG investment by leveraging New Green Deal opportunities and Invest EU resources

Define ESG performance-related bonuses on funding

Organise at least 1 event per year with multi-stakeholder discussions on strategic areas of the Group's operations in the long term, in continuous coordination with stakeholders

CDP Investimenti SGR S.p.A.

Fintecna S.p.A.

SACE S.p.A.

SIMEST S.p.A.

A global presence, with strong local roots





INTERNATIONALLY

13
COUNTRIES

IN ITALY

11
REGIONS

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- **School in Colognola ai Colli, Verona.**
CDP provided the municipality with financial support, to fund the building of a primary school.
- **Steam turbine, Genoa.**
Since 2013, Ansaldo Energia S.p.A., a leader in power plant systems, has been part-owned by the Cassa Depositi e Prestiti Group.
- **Waterworks, Africa.**
Through its international cooperation work, CDP promotes projects in developing countries and emerging markets.
- **Site of the Tiberina Group, Perugia.**
For years, the CDP Group has supported the foreign development plans of Italian companies, in strategic economic sectors.
- **Santa Marta hall of residence at Ca' Foscari University, Venice.**
Financed by CDP Group, from the 2019-2020 academic year the facility will provide students with a total of 650 beds.
- **Live working at the Terna training centre in Biella.**
Since 2005, Terna, a leader in energy infrastructure, has been part-owned by the Cassa Depositi e Prestiti Group.



Investing in tomorrow

170
1850
2020

Cassa Depositi e Prestiti