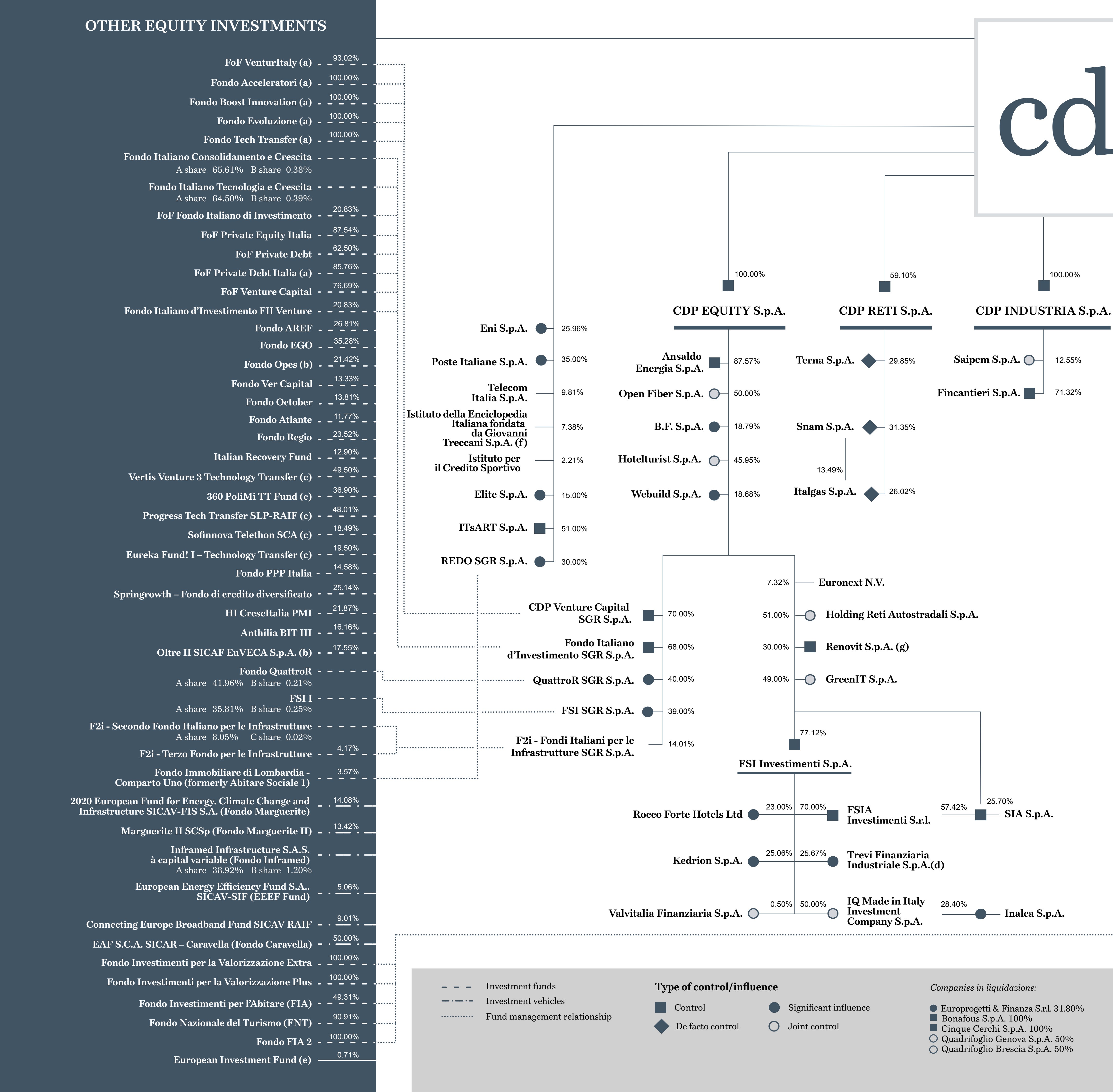
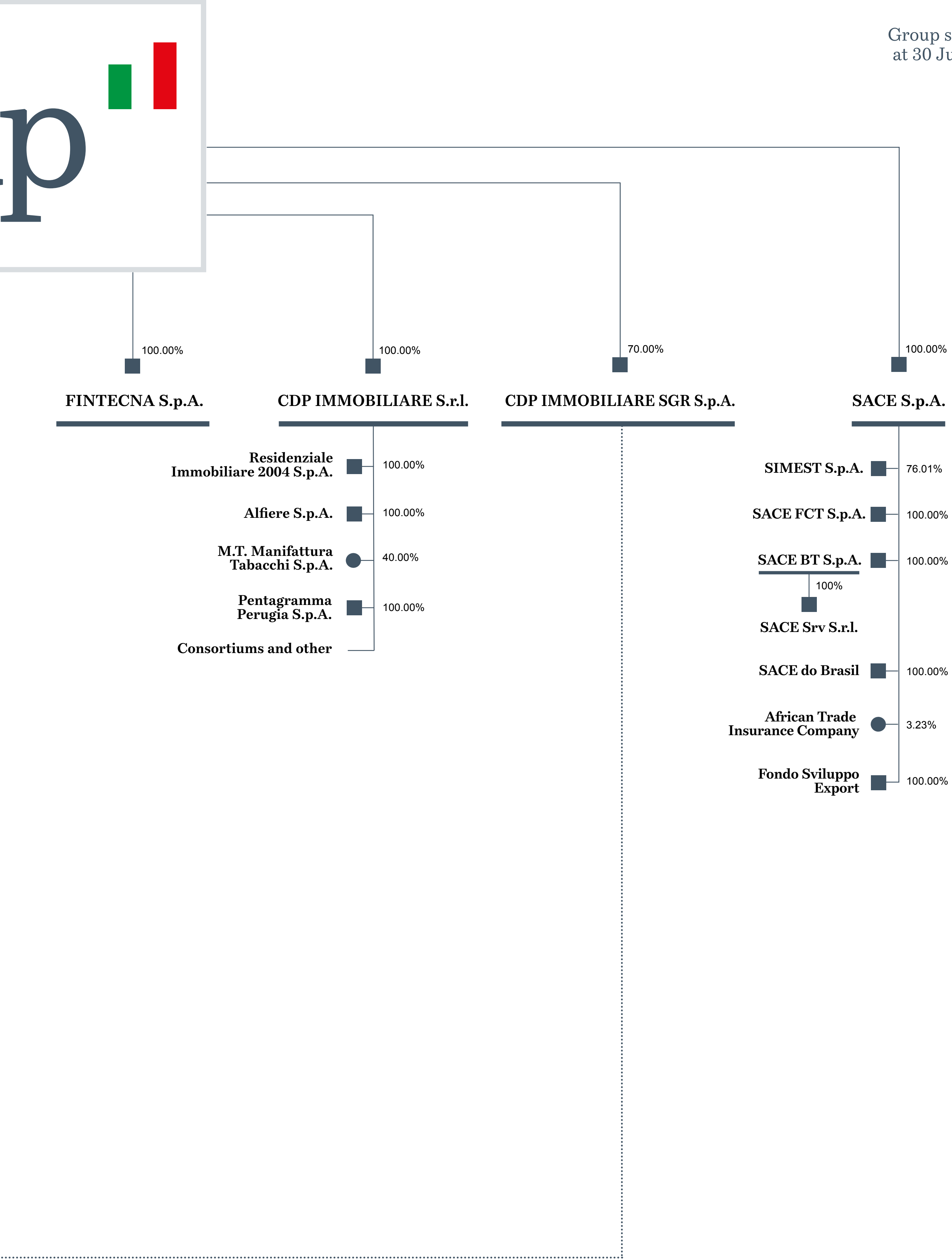
Half-yearly Financial Report 2021

cdp

Investing in tomorrow


OTHER EQUITY INVESTMENTS
FoF VenturItaly (a) 93.02%
Fondo Acceleratori (a) 100.00%
Fondo Boost Innovation (a) 100.00%
Fondo Evoluzione (a) 100.00%
Fondo Tech Transfer (a) 100.00%
Fondo Italiano Consolidamento e Crescita
A share 65.61% B share 0.38%
Fondo Italiano Tecnologia e Crescita
A share 64.50% B share 0.39%
FoF Fondo Italiano di Investimento 20.83%
FoF Private Equity Italia 87.54%
FoF Private Debt 62.50%
FoF Private Debt Italia (a) 85.76%
FoF Venture Capital 76.69%
Fondo Italiano d'Investimento FII Venture 20.83%
Fondo AREF 26.81%
Fondo EGO 35.28%
Fondo Opes (b) 21.42%
Fondo Ver Capital 13.33%
Fondo October 13.81%
Fondo Atlante 11.77%
Fondo Regio 23.52%
Italian Recovery Fund 12.90%
Vertis Venture 3 Technology Transfer (c) 49.50%
360 PoliMi TT Fund (c) 36.90%
Progress Tech Transfer SLP-RAIF (c) 48.01%
Sofinnova Telethon SCA (c) 18.49%
Eureka Fund! I – Technology Transfer (c) 19.50%
Fondo PPP Italia 14.58%
Springrowth – Fondo di credito diversificato 25.14%
HI CrescItalia PMI 21.87%
Anthilia BIT III 16.16%
Oltre II SICAF EuVECA S.p.A. (b) 17.55%
Fondo QuattroR
A share 41.96% B share 0.21%
FSI I
A share 35.81% B share 0.25%
F2i - Secondo Fondo Italiano per le Infrastrutture
A share 8.05% C share 0.02%
F2i - Terzo Fondo per le Infrastrutture 4.17%
Fondo Immobiliare di Lombardia - Comparto Uno (formerly Abitare Sociale 1) 3.57%
2020 European Fund for Energy. Climate Change and Infrastructure SICAV-FIS S.A. (Fondo Marguerite) 14.08%
Marguerite II SCSp (Fondo Marguerite II) 13.42%
Inframed Infrastructure S.A.S. à capital variable (Fondo Inframed)
A share 38.92% B share 1.20%
European Energy Efficiency Fund S.A.. SICAV-SIF (EEEF Fund) 5.06%
Connecting Europe Broadband Fund SICAV RAIF 9.01%
EAF S.C.A. SICAR – Caravella (Fondo Caravella) 50.00%
Fondo Investimenti per la Valorizzazione Extra 100.00%
Fondo Investimenti per la Valorizzazione Plus 100.00%
Fondo Investimenti per l'Abitare (FIA) 49.31%
Fondo Nazionale del Turismo (FNT) 90.91%
Fondo FIA 2 100.00%
European Investment Fund (e) 0.71%
cd
Eni S.p.A. 25.96%
Poste Italiane S.p.A. 35.00%
Telecom Italia S.p.A. 9.81%
Istituto della Enciclopedia Italiana fondata da Giovanni Treccani S.p.A. (f) 7.38%
Istituto per il Credito Sportivo 2.21%
Elite S.p.A. 15.00%
ITsART S.p.A. 51.00%
REDO SGR S.p.A. 30.00%
100.00%
CDP EQUITY S.p.A.
Ansaldo Energia S.p.A. 87.57%
Open Fiber S.p.A. 50.00%
B.F. S.p.A. 18.79%
Hotelturist S.p.A. 45.95%
Webuild S.p.A. 18.68%
59.10%
CDP RETI S.p.A.
Terna S.p.A. 29.85%
Snam S.p.A. 31.35%
13.49%
Italgas S.p.A. 26.02%
100.00%
CDP INDUSTRIA S.p.A.
Saipem S.p.A. 12.55%
Fincantieri S.p.A. 71.32%
CDP Venture Capital SGR S.p.A. 70.00%
Fondo Italiano d'Investimento SGR S.p.A. 68.00%
QuattroR SGR S.p.A. 40.00%
FSI SGR S.p.A. 39.00%
F2i - Fondi Italiani per le Infrastrutture SGR S.p.A. 14.01%
7.32% Euronext N.V.
51.00% Holding Reti Autostradali S.p.A.
30.00% Renovit S.p.A. (g)
49.00% GreenIT S.p.A.
77.12%
FSI Investimenti S.p.A.
Rocco Forte Hotels Ltd 23.00%
70.00% FSIA Investimenti S.r.l.
57.42% 25.70% SIA S.p.A.
Kedrion S.p.A. 25.06%
25.67% Trevi Finanziaria Industriale S.p.A.(d)
Valvitalia Finanziaria S.p.A. 0.50%
50.00% IQ Made in Italy Investment Company S.p.A.
28.40% Inalca S.p.A.
Investment funds
Investment vehicles
Fund management relationship
Type of control/influence
Control
De facto control
Significant influence
Joint control
Companies in liquidazione:
Europrogetti & Finanza S.r.l. 31.80%
Bonafous S.p.A. 100%
Cinque Cerchi S.p.A. 100%
Quadrifoglio Genova S.p.A. 50%
Quadrifoglio Brescia S.p.A. 50%



- Pentagramma Romagna S.p.A.100%
- Pentagramma Piemonte S.p.A. 100%
- Quadrifoglio Modena S.p.A. 100%
- Quadrifoglio Piacenza S.p.A. 50%

(a) Underwritten by CDP Equity S.p.A.
(b) Fund launched under the Social Impact Italia investment platform; managed and co-investment agreement signed by CDP and EIF focused on social impact investing.
(c) Fund launched under the ITAtech investment platform; managed and co-investment agreement signed by CDP and EIF focused on technology transfer funds.
(d) SACE holds a further 6.99%.
(e) Due to the capital increase presently ongoing, EIF share capital is authorized for 7,370 shares, of which 7,078 shares underwrited and 292 authorized but not yet underwrited.
(f) Snam holds a further 1.26%.
(g) Snam holds 70% of the company.

A Unique Group
at the service
of the Country

Half-yearly Financial Report 2021

(Translation from the Italian original which remains the definitive version)

Investing in tomorrow

Summary

First half 2021 main indicators

CDP Group

514.8
Bn euro
Total assets

16.5
Bn euro
Equity investments

11.6
Bn euro
New lending

279.3
Bn euro
Postal funding(*)

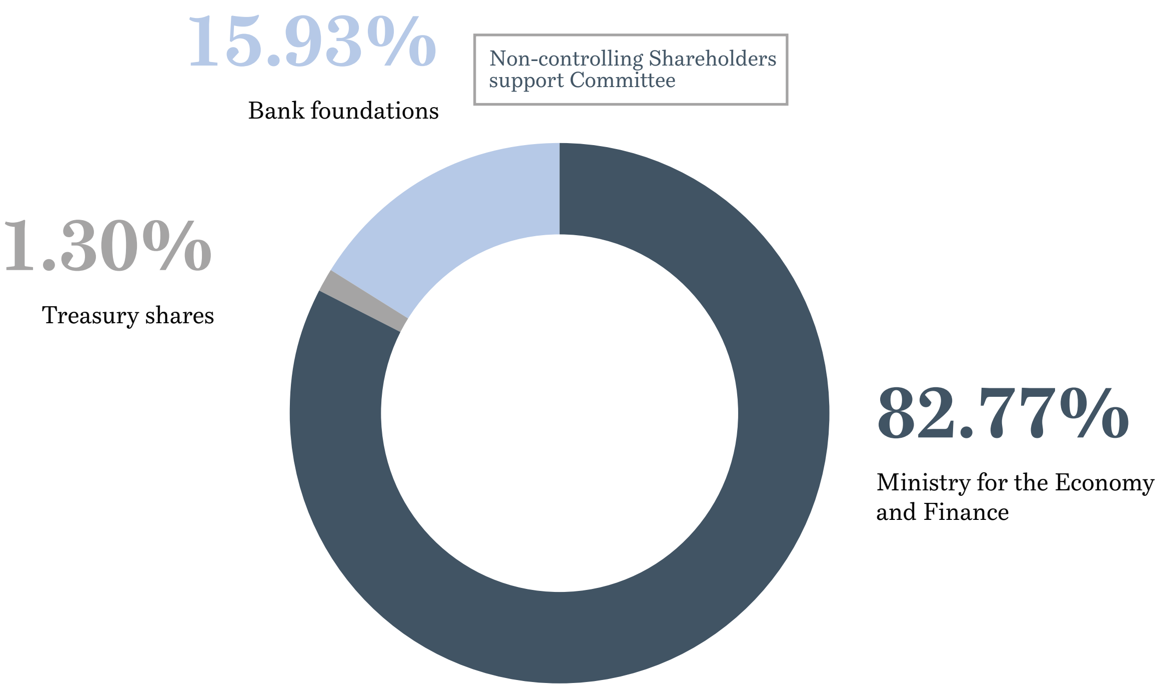
32.3
Bn euro
Consolidated equity

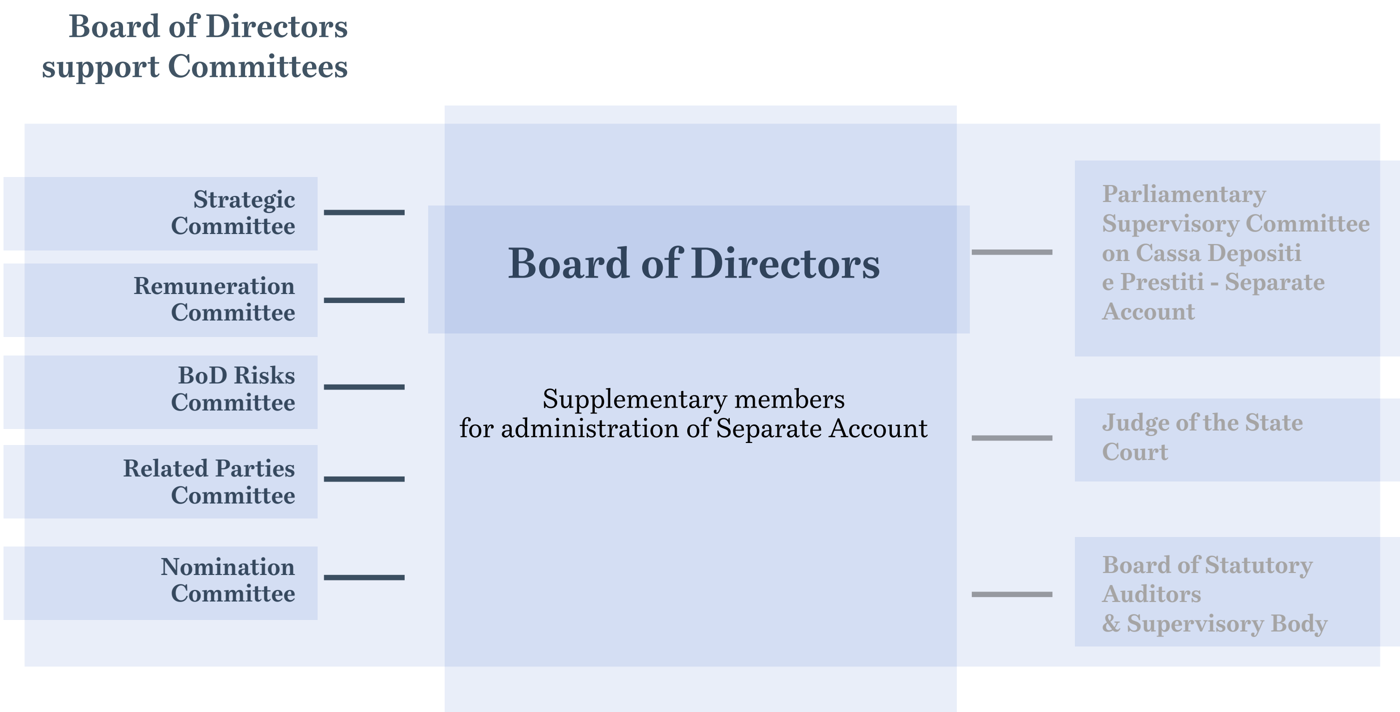
18.7
Bn euro
Group equity

1.4
Bn euro
Consolidated result for the period

(*) reclassified figures re. § 4.2.1

Company bodies, officers and governance





Corporate bodies at 30 June 2021

Board of Directors

Chairman
Giovanni Gorno Tempini

CEO and General Manager
Dario Scannapieco

Directors
Livia Amidani Aliberti
Anna Girello Garbi
Fabrizia Lapecorella
Fabiana Massa
Matteo Melley
Alessandra Ruzzu
Giorgio Toschi

Board of Statutory Auditors(1)

Chairman
Carlo Corradini

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

Alternate Auditors
Francesco Mancini
Anna Maria Ustino

Supplementary Members for Administration of Separate Account

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

Director General of the Treasury(2)

State Accountant General(3)

Paolo Calvano(4)

Antonio Decaro

Michele de Pascale

(1) 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.
(2) Alessandro Rivera.
(3) Pier Paolo Italia, delegate of the State Accountant General.
(4) With Decree dated 28 June 2021, transmitted to CDP on 2 July 2021, the Ministry of Economy and Finance appointed Paolo Calvano as Supplementary Member for CDP Administration of Separate Account on behalf of the Autonomous Regions and Provinces.

Manager in charge with preparing the Company's financial reports

Pier Francesco Ragni

Non-controlling Shareholders support Committee

Chairman
Giovanni Quaglia

Members
Konrad Bergmeister
Marcello Bertocchini
Michele Bugliesi
Paolo Cavicchioli
Cristina Colaiacovo
Giovanni Fosti
Rossella Paliotto
Giuseppe Toffoli
Maria Teresa Cucco (Secretary)

Parliamentary Supervisory Committee on Cassa Depositi e Prestiti - Separate Account

Chairman
Sestino Giacomoni
(Member of Parliament)

Vice Chairman
Nunzio Angiola
(Member of Parliament)

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

Judge of the State Audit Court[6]

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

Ordinary
Carlo Alberto Manfredi Selvaggi

Alternate
Giovanni Comite

Independent Auditors

Deloitte & Touche S.p.A.

(5) Appointed on 20 April 2021, in substitution of Vincenzo Blanda.
(6) Art. 5, para. 17, of Decree Law 269/03 – attends meetings of the Board of Directors and the Board of Statutory Auditors.

1
Presentation of the CDP Group

Since 1850 accompanying Italy into the future

Since its establishment, Cassa Depositi e Prestiti has been deeply rooted in the economic and social development of Italy. CDP's mission has never changed, although its scope of action has expanded considerably from its original task of collecting deposits from Italian savers to finance local government investments.

Postal savings continue to be the main driver of Cassa's projects, enabling it to support the country in all the phases of deep discontinuity and transition that have marked its history.

Today the Group represents a unique force in Italy thanks to a network of financial and industrial expertise present in all the companies that belong to it. The synergy of this expertise has allowed CDP to position itself over time as a catalyst for infrastructure development and as a central player in support of the Italian economy and business system.

Over the years the funding of local authorities has been accompanied by support for infrastructure and businesses, activities in the real estate sector, international cooperation and the management of large strategic equity investments.

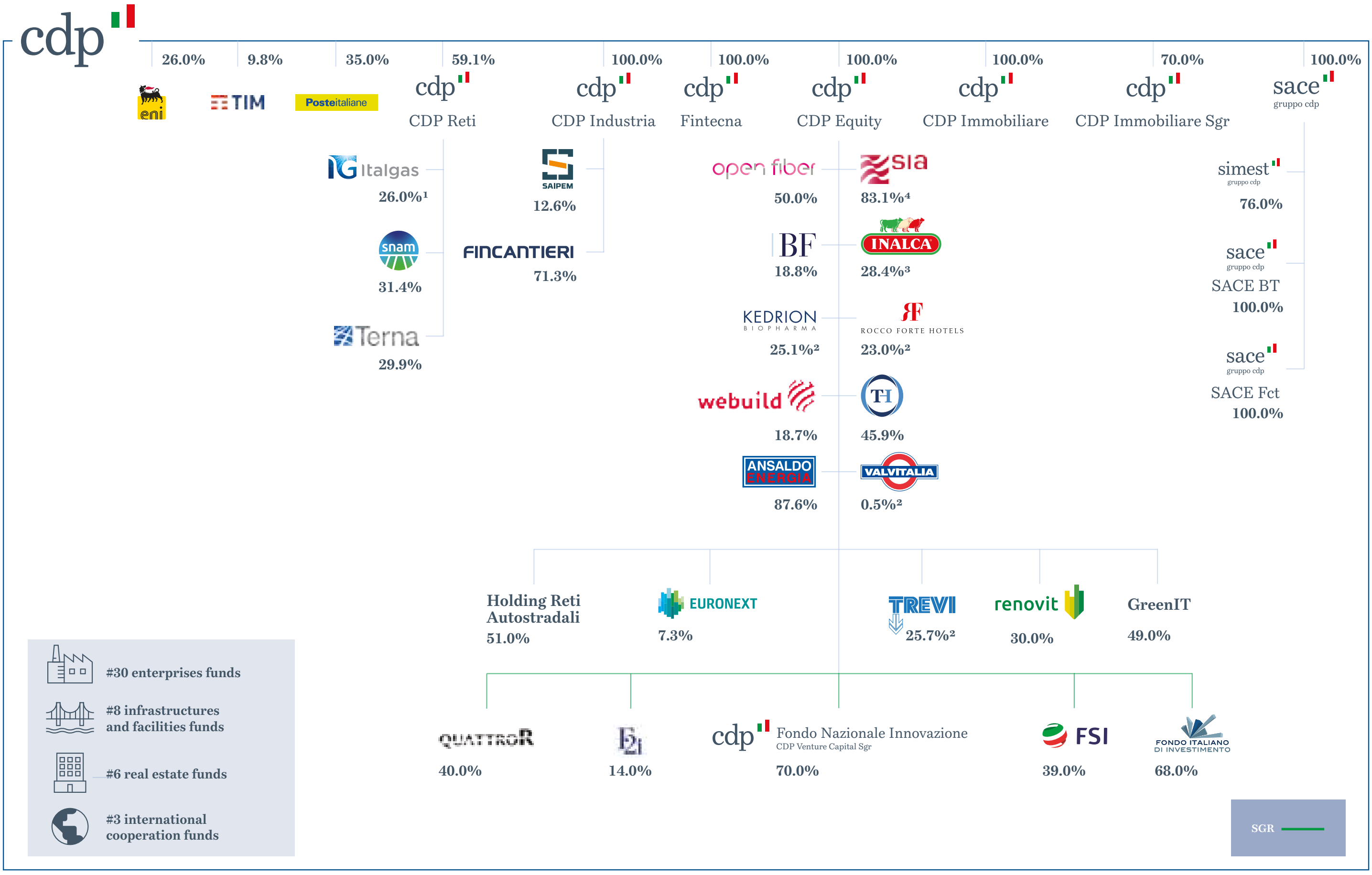
In 2015, the Italian Government and the European Union identified CDP as a National Promotional Institution. This new role has allowed it to expand its scope of activities, by becoming the entry point for the funds from the Investment Plan for Europe (Juncker Plan), and a financial advisor to the public sector for the use of national and European funds.

Since 2016 CDP has been the Financial Institution for Italian Development Cooperation and in this role we stand to become key players in the strategy to promote sustainable development on a global scale.

Through its work, Cassa Depositi e Prestiti contributes to improving the fundamental infrastructure of daily life and to creating projects that strengthen the social cohesion and the resilience of the country.

2 Half-yearly report on operations

1. CDP Group



CDP Group investments at 30.06.2021 (non-exhaustive representation)

1. Snam holds an additional 13.5% in Italgas.
2. Participation held through FSI Investimenti, of which CDP Equity is the 77% shareholder; SACE holds an additional 6.99% in Trevi.
3. Participation held through IQMIIC, of which FSI Investimenti is the 50% shareholder.
4. Participation held through FSIA (of which FSI Investimenti is the 70% shareholder) by 57.4% and further 25.7% held through CDP Equity.

1.1 CDP S.p.A.

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

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

More specifically:
- in 2009, the financing of enterprises through the banking system was strengthened to tackle the liquidity crisis in the financial markets;
- Fondo Strategico Italiano - FSI (now CDP Equity), owned by CDP, was established in 2011 in order to acquire equity investments in enterprises of major national interest under a long-term perspective;
- in 2012, after the acquisition of SACE, SIMEST and Fintecna, the CDP Group was created, with the aim of strengthening the international expansion of Italian enterprises;
- in 2014, the scope of CDP's activities was extended to financing international development cooperation projects designed for public or private-sector entities;
- in 2015, the Italian Government and the European Union designated CDP as a National Promotional Institution. As a result, CDP became:
  - the entry point for funding under the Juncker Plan for Italy;
  - the financial advisor to the Public Administration for a more effective use of domestic and European funds;
- the new 2019-2021 Business Plan was approved in December 2018 with the aim of aligning CDP's strategy to major global trends and the Sustainable Development Goals set in the UN's 2030 Agenda;

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

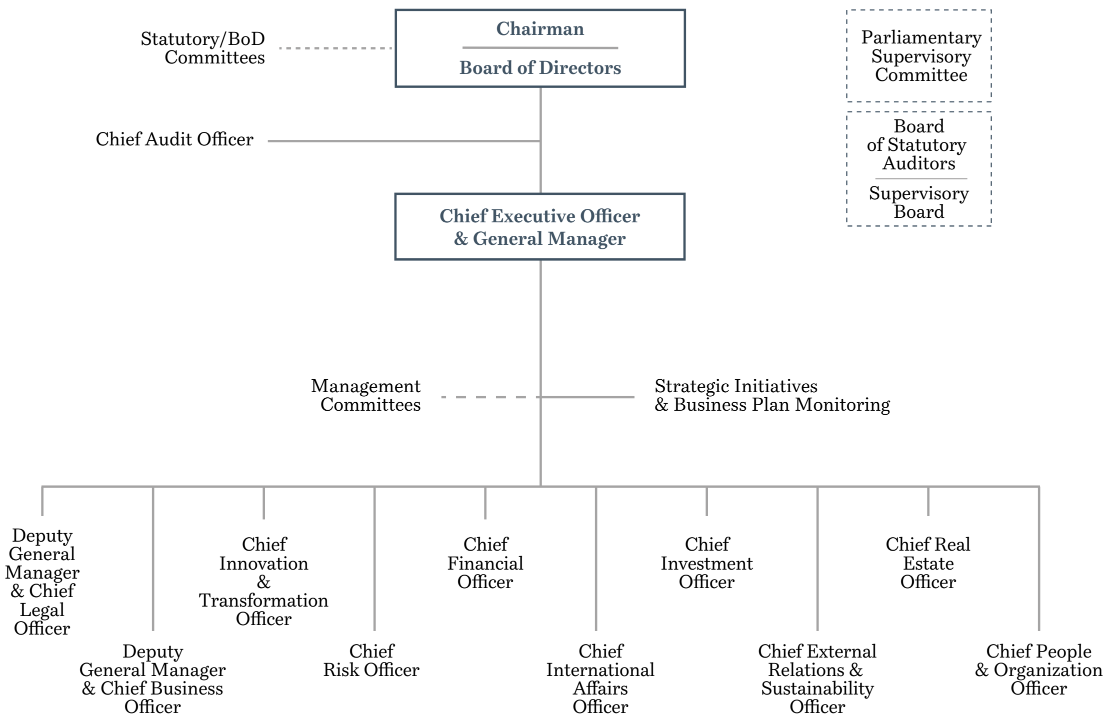
In terms of supervision, in accordance with article 5, paragraph 6, of decree law 269/2003, the provisions of Title 5 of the Consolidated Law on Banking concerning the supervision of non-banking financial intermediaries apply to CDP, taking into account the characteristics of the supervised entity and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

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

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

The following structures report to the Chief Executive Officer and General Manager:
- Deputy General Manager and Chief Legal Officer;
- Deputy General Manager and Chief Business Officer;
- Chief Innovation & Transformation Officer;
- Chief Risk Officer;
- Chief Financial Officer;
- Chief International Affairs Officer;
- Chief Investment Officer;
- Chief External Relations & Sustainability Officer;
- Chief Real Estate Officer;
- Chief People & Organization Officer;
- Strategic Initiatives & Business Plan Monitoring.

The CDP organisational chart, as at 30 June 2021, is as follows:



The number of CDP's employees increased by 78

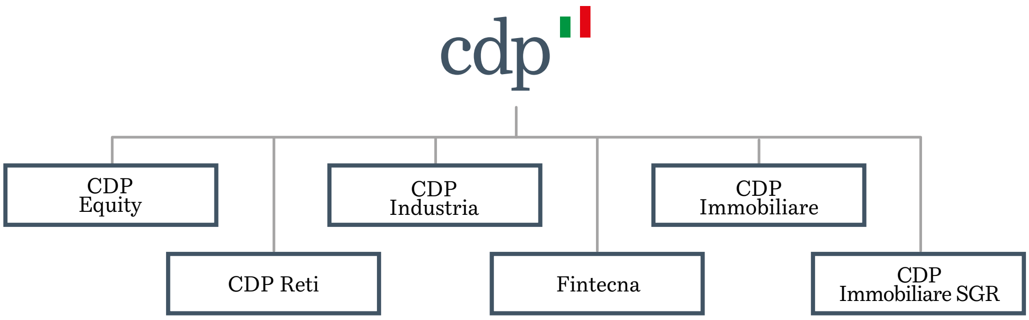
As at 30 June 2021, CDP employed 1,086 people, including 106 senior managers, 521 middle managers, 437 office workers and 22 employees seconded from other organisations.

In 2021, CDP employees grew both in terms of number and quality, with 108 new hires against 30 people leaving the organisation.

Compared to last year, the average age of employees remained basically unchanged, around 41 years, and also the percentage of employees with a tertiary education (bachelor's or master's degree, doctorate or other post-graduate qualification) remained stable at 84%.

The companies subject to management and coordination by CDP, including the Parent Company, employed 1,419 people at 30 June 2021, with an increase of 7%, or 88 people, compared to the figure at 31 December 2020[1].

1.2 Group companies[2]



CDP Equity S.p.A.

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

CDP Equity usually operates by acquiring non-controlling stakes in companies of major national interest that have a stable economic and financial position and are capable of generating value for investors. During 2019, CDP Equity's operations were further strengthened, by expanding the scope of the investment portfolio also to asset management companies and collective investment undertakings.

At the reporting date, the company operates, directly or indirectly, through the following investment vehicles:

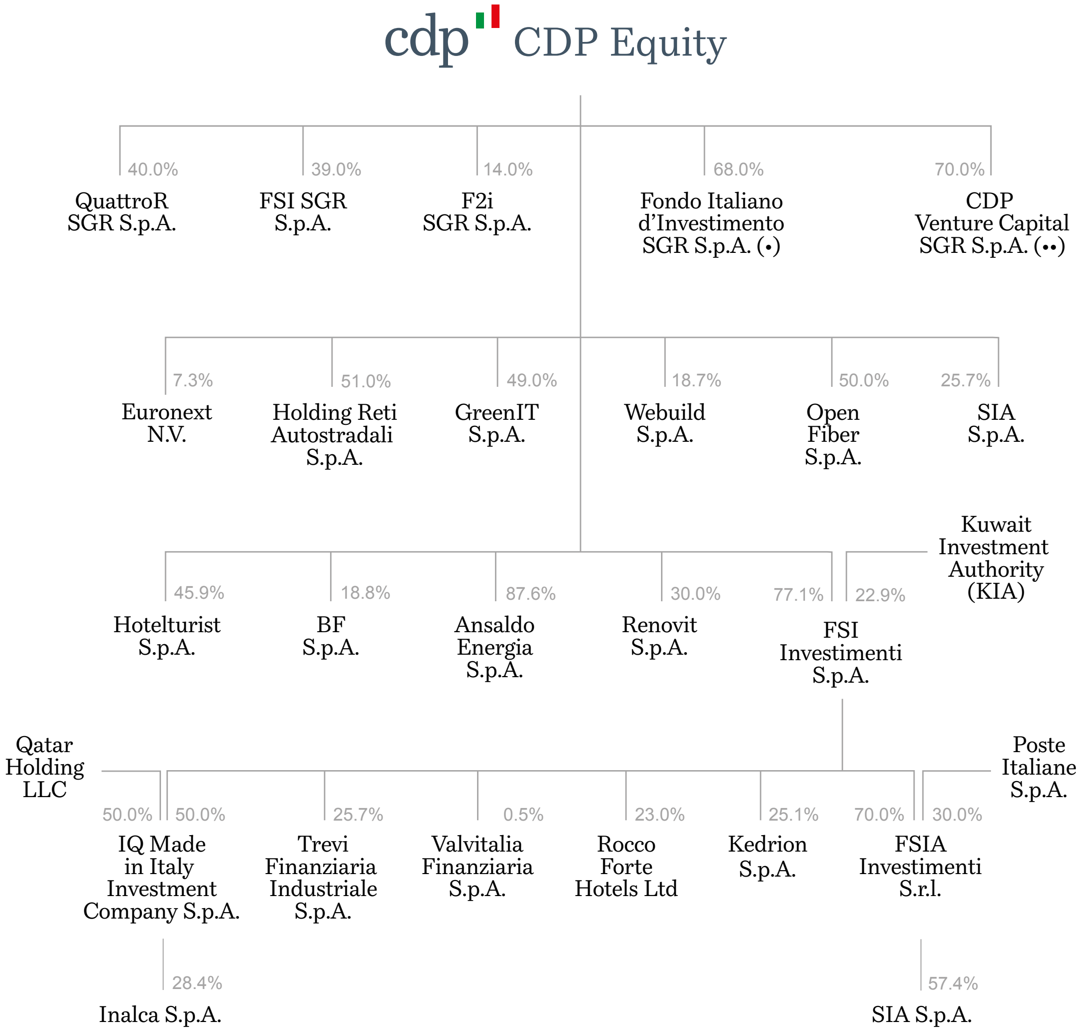
- FSI Investimenti S.p.A., 77.1% owned by CDP Equity and 22.9% by Kuwait Investment Authority (KIA);
- FSIA Investimenti S.r.l., 70% owned by FSI Investimenti S.p.A. and 30% by Poste Italiane S.p.A.;
- IQ Made in Italy Investment Company S.p.A., 50% owned by FSI Investimenti S.p.A. and 50% by Qatar Holding LLC;

Furthermore, the company subscribed the units of 6 investment funds promoted by two asset management companies in the portfolio; 5 funds promoted by CDP Venture Capital SGR, namely VenturItaly FoF, Acceleratori, Boost Innovation, Technology Transfer, direct and indirect sub-fund, Evoluzione, and Private Debt Italia FoF promoted by Fondo Italiano d'Investimento SGR.

1 The calculation of resources has been pro-forma for the whole Group according to the following method: resources included: all the resources in force, the detachments in the company with a percentage greater than 50%, resources on maternity and parental leave, the detachments out of the company with a percentage less than 50%. Resources excluded: the resources seconded out of the company with a percentage greater than 50%, the resources seconded in the company with a percentage lower than 50%, interns, collaborators, temporary workers, workers on leave and the corporate bodies.

2 In this context, the CDP Group is represented by the companies subject to management and coordination by CDP S.p.A.; following the publication of Decree Law No. 23 of 2020, SACE is no longer subject to management and coordination by CDP S.p.A.

Overall, the portfolio of CDP Equity at 30 June 2021 is broken down as follows:



Funds underwrited by CDP Equity:
(•) FoF Private Debt Italia (85.8%)
(••) Fondo Acceleratori (100%)
(••) FoF VenturItaly (93%)
(••) Fondo Boost Innovation (100%)
(••) Fondo Technology Transfer (100%)
(••) Fondo Evoluzione (100%)

As of 30 June 2021, CDP Equity employed 79 people, 11 more than on 31 December 2020 (due to 7 employees leaving and 18 new hires).

Fintecna S.p.A.

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

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

At 30 June 2021, Fintecna employed 94 people, 4 less than at 31 December 2020 (due to 2 new hires and 6 employees leaving).

CDP Immobiliare S.r.l.

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

CDP Immobiliare manages the process of development and disposal of its assets, both directly and through special purpose vehicles set up over time. In particular, at 30 June 2021 CDP Immobiliare held equity investments (subsidiaries and associates) in 12 companies, including Residenziale Immobiliare 2004 S.p.A., owner of the former Istituto Poligrafico e Zecca dello Stato (Rome), and Alfiere S.p.A., the owner of the Torri dell'Eur complex in Rome.

As of 30 June 2021, CDP Immobiliare employed 104 people, 1 less than at 31 December 2020 (due to 7 employees leaving and 6 new hires).

CDP Immobiliare SGR S.p.A.

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

CDPI SGR operates in the real estate investment sector, specifically in the promotion, establishment and management of closed-end funds reserved to qualified investors in specific real estate market segments. At 30 June 2021, CDPI SGR managed the following real estate funds:
- Fondo Investimenti per l'Abitare ("FIA"), focused on the realization of social housing initiatives, through investments in a network of local real estate funds;
- Fondo Investimenti per la Valorizzazione ("FIV"), a real estate umbrella fund dedicated to the acquisition of real estate with unexpressed potential value that can be leveraged through change in use, upgrading or rental;
- Fondo Nazionale del Turismo ("FNT"), focused on real estate investments in the tourism, hotel, hospitality and recreational sectors through (i) Fondo Turismo 1 ("FT1") and (ii) Fondo Turismo 2 ("FT2"), both managed by CDPI SGR and specialised in aggregating a diversified portfolio by acquiring real estate assets (with specific characteristics depending on the fund) and renting these out to hotel operators;
- FIA 2, focused on real estate investments in housing and private services of public utility in the smart housing, smart working, innovation and training sectors.

As of 30 June 2021, the company employed 55 people, up by 4 units compared to 31 December 2020 (due to 1 employee leaving and 5 new hires).

CDP Reti S.p.A.

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

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

At 30 June 2021, the company owned equity investments in Snam (31.35%)[3], Terna (29.85%) and Italgas (26.02%).

At 30 June 2021, CDP Reti employed 1 person (1 at 31 December 2020), plus 5 people under part-time secondment from the Parent Company (3 people under secondment at 31 December 2020). To conduct its business, the company also relies on the operational support of CDP, which is provided under service contractual arrangements made at arm's length.

CDP Industria S.p.A.

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

The company is wholly owned by CDP.

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

At 30 June 2021, the Company had no employees. To conduct its business, CDP Industria relies on the operational support of CDP and CDP Equity.

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

2. Market context

2.1 Macroeconomic scenario

The global economy is set to rebound strongly in 2021

At the end of 2020, the launch of the worldwide vaccination campaign led to a fundamental change of direction in the fight against the spread of the COVID-19 virus and in countering the adverse effects of the pandemic on the world economy. During the first half of 2021, with the pace of administering the vaccines to the population progressing gradually, the restrictions on mobility and the suspension of the economic activities most at risk of resurging infections were relaxed at the same time, enabling a strong recovery in household and business confidence and in the world economy. As a consequence, economic growth expectations improved significantly nationally and internationally.

According to the latest forecasts of the International Monetary Fund (IMF), in 2021 the world economy will experience a sharp rebound, recording a real GDP rate of change of +6.0%, following the deep drop of 3.3% in 2020 due to the outbreak of the COVID-19 health crisis. Contributing to this global economic recovery is mainly the expected growth in emerging and developing economies (6.7%, compared to -2.2% in 2020), but also, albeit to a lesser extent, in advanced economies (5.1%, compared to -4.7% in 2020). The US economy is forecast to recover significantly in 2021 (+6.4%, compared to -3.5% in 2020) while growth in the Eurozone is less dynamic than that expected in other advanced economies (+4.4%, compared to -6.6% in 2020)[4].

Also in Italy, economic growth is estimated to recover sharply, albeit with some potential risks to be mitigated

In this scenario, Italy's expected performance is almost in line with the Eurozone average. The IMF estimates a real GDP rate of change equalling +4.2% in 2021 compared to -8.9% in 2020. ISTAT forecasts a stronger recovery of the economy of +4.7% during the year. According to the National Institute of Statistics, Italy's growth will be mainly driven by a substantial increase in gross fixed capital formation (+10.9%, compared to -9.1% in 2020), also thanks to the disbursement, during the year, of the first resources provided by the Recovery Plan for Europe, Next Generation EU, and the launch of the measures planned by the Italian Government through the National Recovery and Resilience. Among the other components of GDP, household consumption will contribute to the recovery of the economy to a lesser, though significant, extent (+3.6%, compared to -10.7% in 2020)[5].

With reference to the labour market, during 2021 some signs of deterioration resulting from the negative impacts of the COVID-19 crisis on the real economy started to appear. For the first time since the outbreak of the health crisis, the unemployment rate has actually remained constantly above the 10% threshold for all of the first few months of the year, standing at 10.5% (+0.6 percentage points compared to the end of 2020) in May, mainly due to the progressive and sustained increase in the number of jobseekers (+25.1% year-on-year). At the same time, the employment rate has remained almost stable, standing at 57.2% (+0.1 percentage points compared to the end of 2020) in May, especially thanks to the increase in fixed-term employment contracts, which offset the drop in permanent and self-employed worker contracts. In this partially deteriorating scenario, the youth unemployment rate slightly increased, standing at 31.7% (+0.2 percentage points compared to the end of 2020) in May[6].

With regard to price trends, in June the Harmonised Index of Consumer Prices (HICP) recorded a 1.3% increase year-on-year, robustly growing compared to the average annual change recorded in 2020, equal to -0.1%, mainly due to the rise in energy prices, particularly affected during 2020[7].

4 IMF, World Economic Outlook, April 2021.
5 ISTAT, The outlook for the Italian economy in 2021-2022, 4 June 2021.
6 ISTAT, Employed and Unemployed (provisional data), 1 July 2021.
7 ISTAT, Consumer prices (provisional data), 30 June 2021.

Public finance balances continue along the path of extraordinary fiscal expansion taken in 2020 to tackle the serious fallout of the measures to fight the COVID-19 crisis on the economy. According to MEF forecasts, in 2021 net borrowing is expected to reach 11.8%, contributing to an increase in the public debt/GDP ratio of up to 159.8% (+4.0 percentage points compared to the end of 2020)[8].

2.2 Banking sector and financial markets

As a complement to the extraordinary fiscal expansion, during 2021 the European Central Bank is expected to continue its extremely accommodative monetary policy stance, as confirmed by the announcement, in the first half of July, of a review of the monetary policy strategy, which, by including a symmetrical inflation target of 2% in the medium term for the first time, allows an ample degree of monetary accommodation to be maintained, also in the event of short-term inflationary peaks.

The ECB plans to maintain an ample degree of monetary accommodation

In this context, the ECB's Asset Purchase Programme continued at a sustained pace during the first half of the year. During 2020 it was strengthened and combined with an emergency programme, called Pandemic Emergency Purchase Programme, for a target value of approximately 2.5 thousand billion euro between March 2020 and March 2022[9]. The Eurosystem's key interest rates have remained unchanged, allowing money market rates to remain at historically very low levels. On average, in the half of the year, the 3-month Euribor stood at -0.54% and the Eonia rate at -0.48%.

Financial markets are in a period of strong stability and growth

The exceptional backstop put in place at European level, on the fiscal policy front and particularly on the monetary policy front, certainly helped to keep the sovereign bond market under control, with the yield on the benchmark Italian ten-year government bond reaching new record lows in February since the establishment of the European Monetary Union. As a consequence, also the BTP-Bund spread remained at historically very low levels, standing at about 103 basis points (-6.6 basis points compared to the end of the previous year) at the end of the half of the year. At the same time, the Rendistato general index remained almost stable at the values already recorded in the last few months of the previous year, standing at around 0.5% (+20.7 basis points compared to the end of 2020) in June.

In the stock market, investors appear to have completely overcome their fears about the negative repercussions of the health crisis on the economy, with the FTSE MIB index that has now passed the maximum levels reached at the beginning of last year prior to the outbreak of the crisis. At the end of June, the FTSE MIB stood at more than 25,100 points (+13% compared to the end of 2020)[10].

8 Ministry of Economy and Finance, 2021 Economic and Financial Document (Policy framework).
9 ECB, Press releases. The figure is also based on CDP's assumption about the continued purchase of public and private securities under the Asset Purchase Programme at a monthly rate of 20 billion euro until March 2022.
10 Refinitiv Datastream and Eikon data.

With regard to bank lending, in May loans to the private sector[11] continued at a sustained pace, though down compared to last year (+3.8% year-on-year, compared to +4.7% recorded in 2020), due to the significant growth in loans to households (+4.0% year-on-year, compared to +2.3% in 2020), which partially offset the lower growth of loans to non-financial companies (+4.6% year-on-year, compared to +8.3% in 2020). This is a sign that the mechanism of transmission of the particularly accommodative monetary policy to the real economy is working well and that an adverse scenario of a credit crunch will not materialise yet in the first half of 2021, also thanks to the Italian government maintaining instruments in place to support the liquidity of businesses and households, such as deferral and loan guarantees. At the same time, bank loans to Public Administration entities grew further compared to the previous year (+1.3% year-on-year, against +0.8% recorded in 2020)[12]. The ongoing crisis and the consequent increase in the level of indebtedness of the private and public sector have not yet shown negative repercussions on the stock of gross bad debts in the banking sector, which during the half of the year continued on the downward path started in 2017, standing at around 51 billion euro in May (-20.7% year-on-year).

Loans to the private sector and public administration entities continued at a sustained pace together with total bank funding

Regarding bank liabilities, during the first half of 2021, total deposits of Italian banks continued to record particularly significant positive changes (+11.4% year-on-year in May, compared to +12.2% recorded in 2020), thanks to the significant increase in deposits, due not only to lower demand as a result of measures to contain the spread of the COVID-19 virus but also to precautionary savings choices made by households and businesses. In fact, in May deposits of the private sector[13] increased by 8.9% year-on-year (against +11.1% recorded in 2020), while bond funding[14] decreased by 4.9% in the same period (against -5.4% recorded in 2020). To meet the extraordinary liquidity needs of businesses and households as a consequence of the health crisis, banks also continued to considerably resort to refinancing with the European Central Bank, which rose by 54.0% year-on-year (compared to +69.9% recorded in 2020)[15].

In the first half of 2021, the stock of financial assets held by Italian households is estimated to grow by 5.5% compared to the end of 2020, against +2.2% recorded in 2020. At the end of June 2021, the volume is expected to amount to more than 5 thousand billion euro (about +0.3 thousand billion euro compared to the end of 2020)[16].

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

3. 2019-2021 Business Plan

2019-2021 Business Plan

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

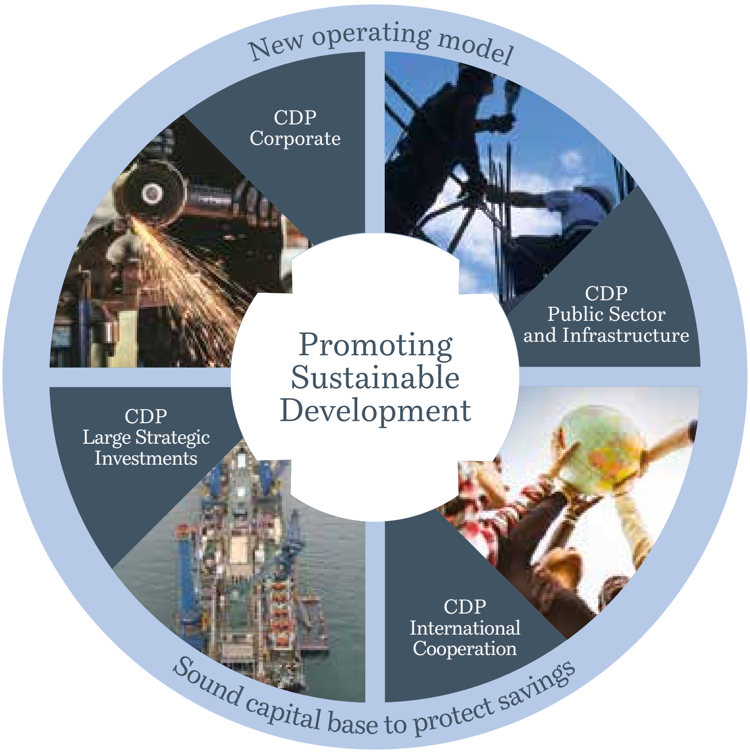
The Plan defines the Group's objectives and strategic lines in light of Italy's main economic and social challenges, the major global trends and the Sustainable Development Goals of the UN's 2030 Agenda.

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

The achievement of the Plan's objectives requires implementing a new business model, monitoring the economic and financial balance - also with a view to protecting the savings that households entrust to CDP through postal savings bonds and passbook accounts - and, for the first time, a strong focus on the promotion of sustainable and inclusive development.

4 lines of action

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



4. CDP Group's activities

4.1 Business performance

New lending, investments and resources at €11.6 billion in the first half of 2021

In the first half of 2021, new lending, investments and resources by the CDP Group[17] totalled 11.6 billion euro[18]. Resources were allocated to each of the lines of action in the following proportions: 40% of the total to "CDP Corporate", 59% to "CDP Infrastructures, Public Sector & Territorial Development" and 1% to "CDP International Cooperation".

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

(millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
CDP Corporate	4,643	5,236	(593)	-11.3%
CDP Public Sector and Infrastructures	6,856	2,446	4,410	180.3%
CDP International Cooperation	58	45	13	27.8%
Total	**11,557**	**7,728**	**3,830**	**49.6%**

In the same period, CDP S.p.A.'s new lending, investments and resources amounted to 11.5 billion euro, up by around 50% on the first half of 2020[19].

4.1.1 CDP S.p.A.

4.1.1.1 Lending

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

- **Corporate**: through the CDP Corporate Department, CDP pursues the mission of ensuring financial support to the national productive fabric, in a complementary role to the banking system;
- **Infrastructures, Public Sector & Territorial Development**: through the CDP Infrastructures and Public Sector and CDP Energy and Digital Departments, CDP operates to support the Public Administration and the development of the national infrastructure and projects in the energy, digital and social sectors, also with the involvement of market participants;
- **International Cooperation & Development Finance**: through the CDP International Cooperation & Development Finance Department, CDP promotes high social-economic impact initiatives in developing countries, through own resources and third-party funds;
- **Large Strategic Equity Investments**: through the Chief Investment Officer Department, CDP supports enterprises, infrastructure and the territory through equity investments in companies of significant national interest, as well as through the subscription of units in mutual investment funds.

17 Group means the Group consisting of CDP S.p.A. together with CDP Equity, CDP Immobiliare and CDP Immobiliare SGR.
18 The figure relating to new lending, investments and resources at 30 June 2020 was adjusted according to the new scope of operations of the CDP Group which, as from 2021, does not include SACE which, following the publication of Decree Law no. 23 of 8 April 2020, is no longer subject to management and coordination.
19 New lending, investments and resources at 30 June 2021 of CDP S.p.A. and the CDP Group includes 5.2 billion euro of refinancing of the MEF mortgages of Regions, compared to 0.7 billion euro in the same period of 2020.

Corporate

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

In the first half of 2021, CDP promoted new initiatives aimed at i) creating targeted products to satisfy the needs of enterprises and ii) facilitating access to the Group's offer.

With regard to the first point above, the first half of 2021 marked the activation and continuation of a number of initiatives aimed at extending the offer of products targeted at enterprises through four areas: i) direct operations, ii) alternative financing, iii) indirect operations, in cooperation with financial institutions and iv) advisory.

Continuation of direct and alternative financing operations

With reference to direct operations, CDP's support to the Italian entrepreneurial fabric continued through the investment of 1.9 billion euro of resources in the half-year period. Specifically:
- 0.5 billion euro to support Italian companies in the post-COVID-19 recovery through the "COVID-19 Liquidity" instruments;
- 1.4 billion euro to support domestic, international and export growth of Italian enterprises.

With regard to alternative financing, in the first half of 2021 CDP continued to subscribe "basket bonds" and invest in diversified loan funds, such as:
- the new "Basket Bond Filiera" programme, promoted in partnership with Unicredit (to issue bonds up to 200 million euro), with the first issue to support 3 SMEs in the ''Wine Supply Chain'';
- the continuation of the "Garanzia Campania Bond" (promoted with the Campania Region), "Basket Bond Puglia" (promoted with the Puglia Region) and the "Basket Bond Lombardia" (promoted with Finlombarda) programmes with issues to support 17 SMEs.

In this context, it is also worth noting the launch of a new line of operations targeted at enterprises, namely "Bonus Edilizi" with the aim of supporting their temporary liquidity requirements and supporting the investments related to articles 119 and 121 of the "Rilancio" Decree on the subject of energy upgrading and efficiency. The operations involve the disbursement of loans both through ad hoc credit lines and through the purchase of tax credits, thanks to the allocation of a dedicated 2-billion-euro credit limit.

Completion of actions in synergy with the banking system

With regard to indirect operations in synergy with the banking system, in the first half of 2021:
- a long-term senior unsecured preferred bond issued by a leading bank (for an amount equal to 1 billion euro) was subscribed to provide new loans to Italian SMEs and Mid-Caps, in support of the revival of the national production system;
- the Leasing Fund was set up, aimed at supporting access to credit particularly by Italian SMEs through lease transactions, with a total provision of 1 billion euro;
- liquidity funds continued with the aim of: i) encouraging the disbursement of new loans to SMEs and Mid-caps through the Enterprises Platform; ii) supporting the investments of SMEs that have access to the "Nuova Sabatini" subsidies, through the Capital Goods fund; iii) assisting in the reconstruction and economic recovery of areas hit by natural disasters (2012 Earthquake Reconstruction, Natural Disasters and Central Italy Earthquake funds), and iv) supporting the residential real estate market (Housing fund);
- on the subsidised loans front, loans continued to be granted to companies in order to support their investments, with specific focus on research, development and innovation, through the Revolving Fund supporting enterprises and investment in research (FRI).

Finally, in relation to the advisory activities, in the first half CDP consolidated the "Acceleratore Imprese" programme - an initiative designed to support the growth of Italian SMEs and Mid-caps by offering professional services (in four areas: strategic consulting, management recruitment and training, digital transformation and tax & legal), supplied by international consultancy firms and leading Italian universities.

As regards access the Group's offer, CDP increased its territorial presence, strengthened its monitoring of digital channels and intensified relations with the productive fabric through agreements with third-party networks and dedicated events.

Easier access to the Group products

The main initiatives taken in this area in the first half of 2021 include:
- the opening of the new offices in Ancona and Bari (in addition to those already operational in Verona, Genoa, Naples, Turin, Florence and Milan opened in 2019 and 2020) and the "Spazio CDP" in Padua and Potenza (in addition those already operational in Cagliari-Sassari, Trento-Rovereto, Perugia, Chieti, Modena, Parma and Forlì opened in 2019 and 2020);
- the continuation of the "Spazio Imprese" programme, with 7 local events, including in collaboration with other stakeholders, on issues relating to the economy of the reference territories;
- the continuation of the "Officina Italia" programme, a permanent focus group with a panel of around 200 enterprises representing the Italian entrepreneurial fabric, with the launch of a survey focused on business needs a year on from the health emergency due to COVID-19.

Shown below is the stock of loans of the CDP Corporate Department at 30 June 2021. The stock of outstanding debt amounted to 28.7 billion euro, increasing by 6.5% on the figure recorded at the end of 2020, mainly as a result of the disbursements made during the year, which more than offset redemptions. The total stock of residual debt and commitments amounted to 41.3 billion euro, marking an increase by 3.7% on the figure recorded at the end of 2020.

CDP Corporate - Stock of loans

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Enterprises	**6,410**	**5,452**	**958**	**17.6%**
Loans	4,907	4,071	836	20.5%
Securities	1,503	1,381	122	8.8%
Alternative financing	**32**		**32**	**n.s.**
Tax credit	32		32	n.s.
Financial Institutions	**13,913**	**13,442**	**471**	**3.5%**
Indirect support to enterprises	2,169	2,738	(569)	-20.8%
Residential Real Estate	612	735	(123)	-16.7%
Natural disasters	6,679	6,375	304	4.8%
Financial institutions loans/securities	3,810	2,954	856	29.0%
Other products	644	640	4	0.6%
Export & International financing	**8,340**	**8,055**	**285**	**3.5%**
Loans	8,255	8,055	200	2.5%
Securities	85		85	n.s.
Total outstanding debt	**28,696**	**26,949**	**1,747**	**6.5%**
Commitments	12,614	12,900	(286)	-2.2%
Total	**41,310**	**39,849**	**1,461**	**3.7%**

Infrastructures, Public Sector & Territorial Development

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

Infrastructures and Public Sector

Through the CDP Infrastructures and Public Sector Department, CDP supports the Public Administration and the development of the country's infrastructure, providing financing and technical-financial advisory to execute works.

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

Measures implemented to free up financial resources

During the first half of 2021, CDP continued its support to the Public Administration through:

- the refinancing of mortgage loans granted in the past by the Ministry of Economy and Finance (MEF) to the Regions also for expenses other than investment[20]. More specifically, in the first half of 2021, nine refinancing operations were carried out on mortgage loans granted by the MEF in favour of six Regions for a total amount of approximately 5.2 billion euro. The operations resulted in savings for Entities of over 120 million euro in 2021 and will allow, over the period of the respective repayment plan, total savings of over 1.4 billion euro in terms of lower borrowing costs to be paid;
- the management of MEF funds to ensure the liquidity required for the repayment of the Public Administration debts by granting cash advances to Entities, also in response to the continuing COVID-19 health emergency. More specifically, CDP followed up on the provisions (i) of the 2021 Budget Law with reference to the payment of health care debts by the Regions and Autonomous Provinces (Article 1, paragraphs 833 et seq., of Law no. 178 of 30 December 2020) and (ii) of decree law no. 73 of 25 May 2021 (article 115, paragraph 1) in relation to the payment of trade payables other than healthcare payables by the Local Entities. CDP's role covers all phases of the management of cash advances, from the receipt of applications and the related preliminary assessment to the signature of the contract (expected in the second half of the year) and the disbursement of the resources (with a maximum duration of 30 years), up to the full repayment thereof.

Support to the territories hit by natural disasters

The new initiatives are in addition to the support to Local authorities through historical operations, which in the first half of 2021 saw:

- the renegotiation of the loans granted to the local authorities affected by the May 2012 earthquake, aimed at making the repayment schedule more efficient. More specifically, in the first half of 2021, approximately 450 loans relating to 23 local authorities were renegotiated, for a total residual debt of approximately 49 million euro;
- the continuation of the activity of financial support to entities through other technical financing methods.

With regard to infrastructure, CDP operates through (i) financial support and (ii) new advisory and consultancy services for central and local Public Entities in connection with the planning, design and execution of works.

Support intensified to develop infrastructure

In terms of financial support, lending continued in favour of enterprises for the construction of infrastructure works throughout the country (particularly in the railway, telecommunications and renewables sectors), through various financing methods (i.e. corporate loans, project finance, unsecured commitments and bond subscriptions), reaching a total value of over 1.1 billion euro (+19% compared to the same period of the previous year).

In relation to the advisory activity for infrastructure, CDP further strengthened its technical and financial activity to support the Public Administration. The service, provided on the basis of implementation protocols with the administrations concerned (i.e. Ministries, Regions, Provinces and Municipalities), is mainly active in the field of school, healthcare, local public transport and port construction, and in the first half of 2021 it included over 80 active projects amounting to approximately 7 billion euro's worth of potential approved investments.

Shown below is the stock of loans of the CDP Infrastructures and Public Sector Department at 30 June 2021. The stock of outstanding debt amounted to 84.3 billion euro, increasing by 5.7% on the figure recorded at the end of 2020, mainly as a result of the disbursements made during the year, which more than offset redemptions. The total stock of residual debt and commitments amounted to 95.1 billion euro, marking an increase by 4.6% on the figure recorded at the end of 2020[21].

20 In implementation of the provisions pursuant to art. 1, paragraph 789, of the 2021 Budget Law.

21 The increase in the stock is also attributable to the refinancing of MEF mortgage loans to the Regions amounting to 5.2 billion euro.

CDP Infrastructures and Public Sector - Stock of loans

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Infrastructures	**8,036**	**7,678**	**358**	**4.7%**
Loans	4,342	4,337	5	0.1%
Securities	3,694	3,342	352	10.5%
Public Sector	**76,304**	**72,079**	**4,224**	**5.9%**
Local authorities	25,333	25,256	78	0.3%
Regions and autonomous provinces	23,830	18,946	4,884	25.8%
Other public entities and public - law bodies	1,691	1,747	(57)	-3.2%
Government	25,450	26,131	(681)	-2.6%
Total outstanding debt	**84,340**	**79,757**	**4,582**	**5.7%**
Commitments	10,786	11,203	(417)	-3.7%
Total	**95,126**	**90,960**	**4,166**	**4.6%**

CDP Energy and Digital

Continuation of promotion projects for infrastructure

Through the CDP Energy and Digital Department, CDP supports the development of infrastructure projects in the energy, digital and social sectors, also with the involvement of market participants.

In the energy area, the following agreements are noted in the first half of 2021:
- with Eni, in light of the increased ambition of the GreenIT initiative in terms of installed capacity from renewable energy sources up to 1 GW, mainly through onshore and offshore photovoltaic and wind power technology;
- with SNAM, to create a national platform (RenovIT)[22] active in the promotion of energy efficiency initiatives for individuals, businesses and the Public Administration, with the objective of modernising real estate assets, especially public buildings, and reduce energy costs;
- with the Ministry of Defence for the launch of environmental and energy enhancement or upgrading initiatives of its assets.

In the social and digital area, the following agreements are noted in the first half of 2021:
- the agreements between SNAM and the CDP Foundation to govern the latter's acquisition of an equity investment in the share capital of Arbolia (which took place in February), a benefit company incorporated by SNAM to promote and implement projects to absorb CO_2 emissions through reforestation and the creation of green areas in Italy;
- the opening to the public of the ITsART platform, a company set up in 2020 between CDP and Chili also thanks to the involvement of the Ministry of Culture, with the aim of promoting the digital viewing of the performing arts.

International Cooperation & Development Finance

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

Law no. 125/2014 redefined the architecture of Italian cooperation, recognising CDP's role as a financial institution for international cooperation.

In the first half of 2021, CDP continued its operations in the sector through investments in funds, the promotion of new financing initiatives with its own resources and the signing of agreements with companies and institutions operating at national and international level.

22 Agreements signed in 2020 and the transaction finalised in January 2021 with the acquisition of an equity investment in RenovIT.

Continuation of fund investment activities

With reference to fund investment operations, CDP continued its commitment, together with leading Development Finance Institutions (DFI), to support green initiatives and initiatives in the field of global financing for the climate, through:

- the investment, amounting to 50 million euro, in the REGIO Fund (HSBC Real Economy Green Investment Opportunity Gem Bond Fund), the first fund in the world dedicated to the investment in green and sustainability bonds of corporate issuers in emerging markets, promoted by the International Finance Corporation (IFC) of the World Bank group. The initiative follows the launch of investment operations in green bond funds the previous year;
- the signing of a commitment for a total of 35 million euro in the AREF II (Africa Renewable Energy Fund II, managed by Berkeley Energy), dedicated to investments in renewable energy projects in Sub-Saharan Africa. In particular, the Fund aims to support the development of renewable sources by reaching a total production capacity of over 750 MW, allowing the creation of over 4,000 jobs locally and contributing to the reduction of greenhouse gas emissions. The initiative confirms CDP's commitment in support of the inclusive and sustainable growth of the African continent.

With regard to the promotion of financing initiatives with its own resources, during the first half of 2021, CDP confirmed its contribution to support the investments of Italian enterprises in emerging markets, through the granting of two loans to Italian companies for a total amount of 8 million euro. These resources were allocated to the implementation of the investment plans in Mexico and Algeria and, in addition to supporting the expansion strategies of national companies in high-potential markets, they will have positive effects on the employment level of the local communities concerned.

Strengthening of the international positioning

With reference to the signing of new collaboration agreements, the first half of 2021 saw the consolidation of strategic partnerships with leading institutions operating in the cooperation sector, aimed at strengthening CDP's international positioning and promoting development in geographical areas of strategic importance for the country. These include, in particular:

- the organisation of three match-making events aimed at promoting new business opportunities for Italian companies interested in operating in high-potential emerging markets, in collaboration with the leading local financial institutions. These include:
  - "Exploring Opportunities for Italian companies in Latin America", in partnership with Corporación Andina de Fomento (CAF), a multilateral bank operating in Latin America, focused on the green and climate change sectors;
  - "Exploring opportunities for Italian companies in Southern Africa in the energy transition and the infrastructure sector", in partnership with the Development Bank of Southern Africa (DBSA), a development bank in the South African region, focused on the infrastructure and energy transition sectors;
  - "Clean energy and transport: exploring new opportunities for Italian companies in emerging Asian markets", in partnership with the Asian Development Bank (ADB), an Asian development bank, focused on the clean energy and transport sectors;
- adherence to three collective programmatic commitments on issues of global importance together with the other DFIs of the G7 countries:
  - "Climate Adaptation & Resilience", aimed at significantly increasing investments in initiatives for adaptation and resilience to climate change in developing countries;
  - "Gender Equality", aimed at mobilising 15 billion euro in 2021-22 to support projects aimed at promoting women's economic and financial inclusion in developing countries, strengthening the "2X Challenge" partnership;
  - "Africa", aimed at mobilising over 80 billion dollars in five years to support the sustainable recovery of the African continent following the pandemic crisis.

Continuation of the FRCS management activity

The new initiatives are in addition to the support provided by CDP in its role as manager of public funds under the Revolving Fund for International Cooperation & Development Finance (FRCS). In this context, it should be noted that in the first half of 2021 the renewal of the Agreement with the MEF for the management of the FRCS was finalised, which ensures more effective coordination among the different players involved in the Fund management process. Finally, during the half-year, CDP continued to provide support in managing the FRCS debt moratorium for the most fragile developing countries affected by the COVID-19 emergency, as part of the G20 initiative.

Shown below is the stock of loans of the CDP International Cooperation & Development Finance Department at 30 June 2021.The stock of outstanding debt amounted to 373 million euro, increasing by 96.8% on the figure recorded at the end of 2020, mainly as a result of the disbursements made during the year. The total stock of residual debt and commitments amounted to 398 million euro, marking an increase by 37.9% on the figure recorded at the end of 2020.

CDP International Cooperation & Development Finance - Stock of loans

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Outstanding debt	373	189	183	96.8%
Commitments	25	99	(74)	-75.0%
Total	**398**	**288**	**109**	**37.9%**

Chief Investment Officer

A long term approach, to support enterprises, infrastructures and territory

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

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

The equity investment portfolio of CDP at 30 June 2021 is broken down as follows:

- Group companies[23], instrumental to the role of "National Promotional Institution" (CDP Immobiliare srl, CDP Immobiliare Sgr, Fintecna) and functional to acquire and hold, in the long term, equity investments of significant national interest (CDP Equity, CDP Reti, CDP Industria);
- Listed and unlisted companies from strategic economic sectors (e.g. Eni, Poste Italiane and TIM);
- Investment funds and investment vehicles operating:
  - in support of enterprises along the entire life cycle, from venture capital (e.g. FII Venture, Venture Capital FoF, Fondo Italiano Tecnologia e Crescita - FITEC) to private equity & private debt (FII FoF, Private Debt FoF, Fondo Italiano Consolidamento e Crescita - FICC, Private Equity Italia FoF, FSI I) and turnaround (Fondo QuattroR);
  - in the infrastructure sector, to support the creation of new infrastructure and manage existing infrastructure (e.g. F2i, Marguerite, Connecting Europe Broadband Fund ("CEBF"), Inframed, European Energy Efficiency Fund ("EEEF");
  - in support of projects involving urban redevelopment, social housing and the renovation of tourist facilities (e.g. Fondo Investimenti per l'Abitare, Fondo Investimenti per la Valorizzazione, Fondo Nazionale del Turismo, Fondo Immobiliare Lombardia);
  - in support of International Development Cooperation (e.g. EGO Fund, REGIO Fund);
  - in support of the NPL market (Fondo Atlante, Italian Recovery Fund).

23 Limited to this area, and in order to provide a like-for-like comparison with the previous periods, the CDP Group is represented by the companies subject to management and coordination by CDP S.p.A. and by SACE, which, due to it currently being disposed of, pursuant to IFRS 5, should be classified among "Non-current assets held for sale and discontinued operations"

Equity investments and funds - portfolio composition

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
A. Group companies	**14,697**	**13,666**	**1,031**	**7.5%**
B. Other equity investments	**18,906**	**18,842**	**64**	**0.3%**
Listed companies	*18,842*	*18,779*	*62*	*0.3%*
Unlisted companies	*64*	*62*	*1*	*2.1%*
C. Investment funds and investment vehicles	**3,049**	**3,043**	**6**	**0.2%**
Total	**36,652**	**35,551**	**1,101**	**3.1%**

During 2021, CDP's main investments included:
- financial support to CDP Equity aimed at (i) entering into the shareholding structure of the Euronext stock exchange group, as part of Euronext's acquisition of Borsa Italiana and (ii) making further investments in companies and investment funds (e.g. FoF VenturItaly, Fondo Acceleratori, Fondo Boost Innovation, Fondo Technology Transfer, Fondo Evoluzione, FoF Private Debt Italia);
- financial support to CDP Immobiliare, aimed at investment transactions on the existing portfolio, to support the development of the main properties in the portfolio and the reorganisation of the investee companies.

Moreover, the investment activity of the funds in which CDP has invested over time also continued in the first half of 2021.

4.1.1.2 Finance and Funding Activities

With regard to Finance activities, the following table shows the aggregates for cash and cash equivalents and other treasury investments and debt securities.

Stock of finance investment instruments

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Cash and other treasury investments	189,762	183,100	6,661	3.6%
Debt securities	67,277	74,047	(6,770)	-9.1%
Total	**257,039**	**257,147**	**(108)**	**0.0%**

The aggregate of cash and cash equivalents and other treasury investments amounted to 190 billion euro at 30 June 2021, up 3.6% from the year-end figure in 2020. This aggregate includes the balance on the current account held with the Central State Treasury, which CDP uses to deposit funding in excess of investments made in the Separate Account, which stood at 161.8 billion euro, increasing on the figures recorded at the end of 2020.

The securities portfolio at 30 June 2021 amounted to 67 billion euro, marking a decrease on the figure at the end of 2020 (-9.1%). This trend is attributable to the significant maturities recorded in the half-year period on the Held to Collect (HTC) portfolio, only partly offset by the purchases made during the period, which take into account the significant increase in the stock of loans. In the first half of 2021, the HTC portfolio was also subject to rebalance for asset liability & management purposes, in compliance with the provisions of the IFRS 9 Business Model. With regard to securities classified under the Held to Collect and Sell ("HTCS") portfolio, activities on European government securities and corporate securities continued, with a view to diversifying the portfolio and optimising returns. Overall, the portfolio mainly consists of Italian government securities and is held for investment purposes and to stabilise CDP's gross income.

Postal funding

Postal savings constitute a major component of household savings, representing over 7% of the total financial assets of Italian households at the end of 2020.

CDP postal funding at €279 billion (+1.7% on 2020)

At 30 June 2021, CDP postal funding totalled 279 billion euro, marking a 1.7% increase on the figure at the end of 2020, thanks to positive net funding from postal savings bonds and accrued interest income pertaining to savers.

Specifically, at 30 June 2021, CDP's stock of postal savings bonds, measured at amortised cost, was 176,699 million euro (+3.4% compared to the end of 2020), while the stock of passbook savings accounts was 102,637 million euro (-1.0% compared to the end of 2020).

CDP stock of postal savings

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Postal savings bonds	176,699	170,859	5,841	3.4%
Passbook accounts	102,637	103,717	(1,080)	-1.0%
Total	**279,336**	**274,575**	**4,761**	**1.7%**

The first half of the year was characterised by the gradual easing of the contagion containment measures due to the COVID-19 health emergency, which resulted in a recovery in private consumption compared to what was observed in 2020. In this context, the first half of 2021 recorded an increase in the sales volumes of postal savings bonds and in the volumes of withdrawals from passbook savings accounts compared to the first half of 2020, which had also benefited from a greater number of pension credits on passbook savings accounts.

As a result of the above, CDP net funding at 30 June 2021 amounted to 2,946 million euro, down compared to the first half of 2020 (4,820 million euro).

In detail, net funding from CDP postal savings bonds came to +4,038 million euro (+1,913 million euro compared to the same period in 2020), thanks to subscriptions for 14,979 million euro, up by 28% compared to the first half of 2020, mainly referring to 3X4 bonds (6,361 million euro) and 4X4 bonds (4,702 million euro).

Conversely, net funding from passbook savings accounts amounted to -1,092 million euro, down compared to last year (2,694 million euro) also due, as reported above, to a lower number of pension credits compared to the same period of 2020.

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

(millions of euro)	Subscriptions/ Deposits	Redemptions/ Withdrawals	Net funding in 1H 2021	Net funding in 1H 2020	Change (+ / -)
Postal savings bonds	14,979	(10,941)	4,038	2,125	1,913
Passbook accounts	48,175	(49,267)	(1,092)	2,694	(3,786)
Total	**63,154**	**(60,208)**	**2,946**	**4,820**	**(1,874)**

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

(millions of euro)	31/12/2020	Net funding	Interest	Withholding tax	Transaction costs	30/06/2021
Postal savings bonds	170,859	4,038	2,159	(132)	(223)	**176,699**
Passbook accounts	103,717	(1,092)	13	(1)		**102,637**
Total	**274,575**	**2,946**	**2,171**	**(133)**	**(223)**	**279,336**

Note: the item "transaction costs" mainly includes the distribution fee on the subscriptions of 4x4 Postal bonds, 3x4 Postal bonds, Obiettivo 65 Postal bonds, 4 Years Simple Savings Postal bonds and the prepayment of the fee for the years 2007-2010.

With reference to postal savings bonds pertaining to the MEF, redemptions in the first half of 2021 totalled -5,613 million euro, up from -3,329 million euro in 2020, also a result of higher maturities, particularly on ordinary MEF postal savings bonds with a twenty-year maturity.

In the first half of 2021, total net funding (CDP + MEF) from postal savings bonds and passbook savings accounts stood at -2,667 million euro, down on the first half of 2020 (1,491 million euro).

Total net postal savings funding (CDP + MEF)

(millions of euro)	Net funding in 1H 2021	Net funding in 1H 2020	Change (+ / -)
Postal savings bonds	**(1,575)**	**(1,204)**	**(372)**
of which:			
- pertaining to CDP	*4,038*	*2,125*	*1,913*
- pertaining to the MEF	*(5,613)*	*(3,329)*	*(2,284)*
Passbook accounts	**(1,092)**	**2,694**	**(3,786)**
CDP net funding	2,946	4,820	(1,874)
MEF net funding	(5,613)	(3,329)	(2,284)
Total	**(2,667)**	**1,491**	**(4,158)**

Non-postal funding

In 2021, CDP continued its activity on capital markets and in other institutional funding channels, with the aim of strengthening the process of diversifying funding sources and supporting business lending, also in response to the continued COVID-19 emergency.

Stock of funding from banks

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
ECB refinancing	20,092	19,629	463	2.4%
Repurchase agreements and deposits	40,903	42,134	(1,231)	-2.9%
EIB/CEB credit facilities	5,054	4,886	169	3.4%
Total	**66,049**	**66,649**	**(600)**	**-0.9%**

With regard to funding from banks, in the first six months of 2021 the European Central Bank (ECB) renewed the initiatives to support liquidity in the euro zone financial system and to contribute to preserving the orderly functioning of the money markets during the COVID-19 emergency. In this context CDP has therefore increased its use of the ECB institutional funding channel, which stood at 20.1 billion euro at 30 June 2021, by participating in the TLTRO-III in March, in order to support its own lending activities.

Short-term funding on the money market through deposits and repurchase agreements reached 40.9 billion euro at 30 June 2021. This marks a slight decrease on the figure at the end of 2020, in a particularly favourable money market context, in line with the second half of 2020.

New EIB/CEB drawdowns amounting to €420 million to finance post-earthquake reconstruction and school building projects

During the first half of 2021, CDP made new drawdowns on funding lines subscribed with the European Investment Bank (EIB) and with the Council of Europe Development Bank (CEB) amounting to over 420 million euro. Specifically, 350 million euro, of which 250 million euro from EIB funds and 100 million euro from CEB funds, are intended to finance, through the Central Italy Earthquake Fund, reconstruction work following the earthquakes that occurred in the regions of Abruzzo, Lazio, Marche and Umbria; an additional 70 million euro were earmarked for the financing of school building projects.

At 30 June 2021, the stock of credit facilities granted by the EIB and the CEB amounted to 5.1 billion euro, of which around 4.8 billion euro relating to the EIB funding and 0.3 billion euro referred to the CEB funding.

Stock of funding from customers (excluding postal funding)

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
OPTES and FATIS deposits (liabilities)	8,922	7,013	1,908	27.2%
Deposits of Group companies	7,174	4,736	2,437	51.5%
Amounts to be disbursed	4,086	4,126	(41)	-1.0%
Total	**20,181**	**15,876**	**4,305**	**27.1%**

With regard to funding from customers, the OPTES (liquidity management transactions on behalf of the MEF) and FATIS liquidity balance at 30 June 2021 was 8.9 billion euro, up compared to 7 billion euro at the end of 2020.

With regard to companies subject to management and coordination, cash pooling with the Parent Company's centralised treasury continued in the first half of 2021, involving irregular deposit arrangements between CDP and its subsidiaries. Centralised treasury deposits stood at 7.2 billion euro at 30 June 2021, marking an increase on the figure recorded at the end of 2020 (+2.4 billion euro).

Amounts to be disbursed constitute the part of loans granted by CDP that have not yet been taken up by the beneficiaries, whose disbursement is subject to progress with the investments financed. Total amounts at 30 June 2021 were approximately 4.1 billion euro, essentially in line with the figure recorded at the end of 2020.

New €500 million social bond issue to support Italian SMEs and mid-caps mainly in the southern Italy regions

Stock of bond funding

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
EMTN/DIP programme	11,532	11,879	(347)	-2.9%
Retail bonds	2,943	2,944	0	n/s
"Stand-alone" issues guaranteed by the State	3,000	3,000		n/s
Panda Bond	130	124	6	4.6%
Commercial paper	2,880	3,215	(335)	-10.4%
Total	**20,485**	**21,162**	**(677)**	**-3.2%**

With reference to medium/long-term funding, in 2021 a new Social bond issue was carried out as part of the "Debt Issuance Programme" (DIP), for an amount of 500 million euro, intended to support Italian SMEs and Mid-Caps mainly in the Southern Italy regions, in order to increase their competitiveness and support employment.

With reference to short-term funding, in line with the objective of optimising the mix of funding and investments, the stock under the "Multi-Currency Commercial Paper Programme" at 30 June 2021 totalled 2.9 billion euro.

4.1.2 Group companies

CDP Equity S.p.A.

Continuation of the activities in support of companies in growth processes

In the first half of 2021, CDP Equity continued its activity of managing and enhancing its equity investments portfolio, as well as searching for and evaluating new investment opportunities.

The main transactions finalised during the half-year period include: (i) the acquisition of a stake in the capital of Euronext BV, aimed at the acquisition of Borsa Italiana S.p.A., (ii) the acquisition of 30% of Renovit S.p.A. (formerly Snam4Efficiency), (iii) the support to Open Fiber's investment plan through capital contributions, (iv) the establishment and capitalisation of GreenIT S.p.A. in partnership with Eni, (v) the top-up of Fondo Technology Transfer and the subscription of Fondo Evoluzione, both managed by CDP Venture Capital SGR.

CDP Equity also set up Holding Reti Autostradali S.p.A., a vehicle also invested by Blackstone Infrastructure Partners and by Macquarie Asset Management aiming at finalising the acquisition of the controlling stake in Autostrade per l'Italia S.p.A. held by Atlantia S.p.A. (88,1%).

Performance highlights - CDP Equity[1]

(millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
Dividends and financial interest from shareholders loan	47	19	28	n/s
Equity investments[2]	4,873	4,164	709	17.0%

(1) Figures refer to CDP Equity, FSI Investimenti, FSIA Investimenti and IQMIIC; intercompany transactions not included.
(2) Including shareholder loans and convertible bonds; comparison figures refer to 31 December 2020 and include minorities.

During the first half of 2021, CDP Equity and its subsidiary investment vehicles recorded dividends and interest income on loans and bonds totalling 47 million euro (+28 million euro on the first six months of 2020); the increase is mainly due to: (i) the dividends received from Euronext (stake not held at 30 June 2020) amounting to 11.5 million euro, (ii) the dividends received from Inalca and Kedrion (which in the first half of the previous year had not made distributions also as a consequence of the COVID-19 emergency) amounting to 9.8 million euro and (iii) higher dividends received from Webuild and BF amounting to 4.6 million euro.

The stock of equity investments at 30 June 2021 increased by 709 million euro compared to 31 December 2020 as a result of the investment transactions carried out during the half-year period. More specifically, 625 million euro were allocated to the acquisition of a stake in the capital of Euronext, 32 million euro to the acquisition of a stake in the capital of Renovit S.p.A., 28 million euro to support the investment plan in Open Fiber, 5 million euro to the establishment and capitalisation of GreenIT S.p.A. and 19 million euro to payments in favour of funds subscribed in the private debt and venture capital sector.

CDP Immobiliare S.r.l.

Continuation of the development of real estate assets in the portfolio

In the first half of 2021, CDP Immobiliare continued to focus on the sale and development of directly and indirectly owned real estate assets.

Redevelopment works focused primarily on large-scale properties, characterised by complex urban planning procedures and with a high social impact. In particular, re-purposing works continued on the former Istituto Poligrafico e Zecca dello Stato, on Torri dell'Eur and on the former Manifattura Tabacchi in Florence, while the plan for the redevelopment of the former Manifattura Tabacchi in Naples and Perugia is currently being launched.

In this context, on 30 June 2021, investments were made in the amount of around 22 million euro, of which 20 million euro referring to indirect portfolio operations (e.g. Poligrafico e Zecca dello Stato and the former Manifattura Tabacchi in Florence) and 2 million euro to CDP Immobiliare's direct portfolio.

Performance highlights - CDP Immobiliare[1]

(millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
Sales	52	12	40	n/s
Real estate assets managed[2]	941	978	(37)	-3.8%
Debt securities[2]	432	478	(46)	-9.6%

(1) Figures refer to real estate assets held directly or in partnership.
(2) Comparison figures refer to 31 December 2020.

In first six months of 2021, CDP Immobiliare, directly and through investee companies, sold real estate assets for a total of 52 million euro, referred to the former Agenzia delle Dogane di San Lorenzo (Rome) owned by Residenziale Immobiliare 2004 S.p.A., to a portion of the former Manifattura Tabacchi in Florence, to a building area in Pomezia and to residential units in Turin (following the outcome of redevelopment processes of former industrial areas).

As of 30 June 2021, total real estate assets managed, amounting to approximately 941 million euro, declined by -3.8% due to disposals in the period. Total financial payables, amounting to approximately 432 million euro at 30 June 2021, were also down compared to the previous year (-9.6%), mainly due to the sale of the former Agenzia delle Dogane di San Lorenzo and the simultaneous repayment of the bank debt, the full discharge of debt of the subsidiary Pentagramma Piemonte S.p.A. in liquidazione, as well as the repayment of the loan related to the town planning works of the former ICMI area in Naples.

CDP Immobiliare SGR S.p.A.

Realisation of interventions to support the tourism infrastructure and the social and student housing sectors

In the first half of the year, through the managed funds, CDPI SGR made investments totalling 37 million euro, of which:
- 19 million euro through the FIV fund, mainly relating to: (i) the redevelopment of the Ospedali Riuniti di Bergamo complex to adapt the buildings for a Guardia di Finanza Academy, and (ii) the completion of Phase 3 works on the former Istituto Geologico in Rome;
- 12 million euro to support social housing through the FIA fund;
- 6 million euro through the FT1 fund, attributable to the completion of the redevelopment works of the Grand Hotel Villa Igiea property in Palermo and to the redevelopment of the property in Ostuni (BR).

Performance highlights - CDPI SGR

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
FIV - Real estate assets managed	547	565	(18)	-3.2%
FT1 - Real estate assets managed	140	134	7	5.0%
FIA - Total investments	1,524	1,511	12	0.8%
FIA 2 - Total investments	31	31	0	0.4%

At 30 June 2021, real estate assets managed by CDPI SGR on behalf of FIV consisted of 73 assets with a value of 547 million euro, of which 480 million euro referred to the Extra sub-fund (57 assets) and 67 million euro referred to the Plus sub-fund (16 assets). The figure is lower than in 2020 (-3.2%), mainly as a result of the sales completed in the first half of the year.

The real estate assets of the FT1 fund comprise 7 properties for a total value of 140 million euro, up on 2020 (+5%) as a result of the continuation of the investment plans on the properties in Ostuni and Villa Igiea.

With reference to the FIA fund, the capital invested in the 29 social housing funds amounted to 1,524 million euro, marking an increase compared to 2020 (+0.8%), due to the investments made during the half-year to support the offer of social housing and beds. With regard to FIA 2, there were no changes in the investments made to date with reference to the development of the H-Campus project (for the expansion of the new H-Farm university campus).

Fintecna S.p.A.

Continuation of the liquidation activities of assets under management

In the first half of 2021, Fintecna continued to manage its litigation cases, with efforts focused on optimising its defence strategy by constantly monitoring developments in court cases to assess critical aspects specifically.

During the period, activities aimed at the sale of the "separate assets" of the dissolved entities EFIM, Iged and former "Comitato per l'intervento nella SIR e nei settori ad alta tecnologia" continued. Furthermore, within the scope of the further projects involving the Company, Fintecna continued the activities carried out on behalf of the regional reconstruction Agency following the earthquake in Emilia-Romagna in 2012 and continued to provide support to the Offices of the Extraordinary Commissioner for reconstruction in relation to the central Italy regions affected by the 2016 earthquake.

Performance highlights - Fintecna

(number of disputes; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Labour law disputes	293	360	(67)	-18.6%
Civil/administrative/tax law disputes	86	92	(6)	-6.5%

Regarding labour law disputes (i.e. claims for compensation for health damage arising from occupational illnesses), a reduction was recorded in the number compared to year-end 2020, with a decrease in the number of new appeals being notified.

With regard to other types of disputes (civil, administrative and tax-related), while the number of pending proceedings has decreased slightly, settlement difficulties continued due to significant differences in valuations with respect to the counterparties.

CDP Reti S.p.A.

In the first half of 2021, CDP Reti continued to manage its equity investment portfolio.

Performance highlights - CDP Reti

(millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
Equity investments and other investments[1]	5,023	5,023		0.0%
Dividends received	428	403	25	6.2%
Debt securities and other forms of funding[1]	1,686	1,693	(6)	-0.4%

(1) Comparison figures refer to 31 December 2020.

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

Dividends distributed by subsidiaries in the first half of 2021 totalled 428 million euro (+25 million euro compared to 30 June 2020), of which approximately 263 million euro from Snam (+12.5 million euro compared to 30 June 2020), about 58 million euro from Italgas (+4.4 million euro compared to 30 June 2020) and approximately 107 million euro from Terna (+8.0 million euro compared to 30 June 2020). In terms of dividends paid out to shareholders, in the first half of 2021 CDP Reti paid a total of 150 million euro (143 million euro in the first half of 2020), by way of a final dividend on 2020. Moreover, it bears recalling that a part (286 million euro) of the 2020 net income was distributed in December 2020 as interim dividend.[24]

At 30 June 2021, debt securities and other forms of funding totalled 1,686 million euro and are referred mainly to: (i) the term loan for a total nominal value of approximately 938 million euro (222 million euro from CDP), substantially in line with year-end 2020, and (ii) the bond issue for a total nominal amount of 750 million euro and the related accrued interest, which was originally subscribed by institutional investors for around 412 million euro (55%) and by CDP for approximately 338 million euro (45%).

CDP Industria S.p.A.

With regard to CDP Industria's operations during the first half of 2021, reference is made to paragraph 1.2 "Group Companies".

24 The interim dividend of 1,768.86 per each of the 161,514 shares was approved by the Board of Directors on 11 December 2020 on the basis of the company's accounting situation at 30 June 2020, prepared in accordance with IFRS. The company ended the period with a net income of approximately 286 million and available reserves of approximately 3,369 million.

4.2 Income statement and balance sheet results

4.2.1 CDP S.P.A.

The first half of 2021 was characterised by the gradual improvement of economic activities, after the generalised downturn caused by the COVID-19 health emergency. In this context, CDP's economic and financial performance remained solid in all areas.

4.2.1.1 Reclassified income statement

Net income of €1.4 billion in first half of 2021

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

A statement of reconciliation between management and accounting schedules (Annex 2.1 to the report on operations) has also been appended in the interest of completeness of information and forms an integral part of the report on operations.

Reclassified Income Statement

(millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
Net interest income	**856**	**1,065**	**(209)**	**-19.6%**
Dividends	547	727	(180)	-24.7%
Other net revenues (costs)	478	154	323	n/s
Gross income	**1,881**	**1,946**	**(65)**	**-3.3%**
Write-downs	24	(252)	277	n/s
Staff costs and other administrative expenses	(107)	(93)	(13)	14.0%
Amortisation and other operating expenses and income	(5)	(7)	2	-31.4%
Operating income	**1,793**	**1,593**	**201**	**12.6%**
Provisions for risks and charges	(1)	27	(28)	n/s
Income taxes	(427)	(287)	(140)	48.9%
Net income for the period	**1,365**	**1,333**	**32**	**2.4%**

Net interest income amounted to 856 million euro, marking a decrease on the first half of 2020, mainly as a result of the all-time low interest rates.

Dividends totalled 547 million euro, down (-25%) compared with the same period in 2020 due to lower dividends from Eni.

The item "Other net revenues" amounted to 478 million euro, marking a significant increase on the first half of 2020, mainly reflecting the interest rate risk management strategies implemented on the securities portfolio.

The cost of risk was 24 million euro, up compared to the first half of 2020 (-252 million euro), which included the impairment of a large credit exposure (prior to the COVID-19 crisis). The figure relating to the first half of 2021 is attributable to the evolution of the portfolio as at 30 June, which offset the effects of the uncertainty that still hangs over the counterparty insolvency risk.

Staff costs and administrative expenses amounted to 107 million euro, up from the first half of 2020 mainly due to the growth of the staff component planned in the 2019-21 Business Plan.

Income tax for the period amounted to 427 million euro and mainly referred to (i) current taxes for the year and (ii) the change in deferred tax assets and liabilities.

Lastly, net income for the period was 1,365 million euro, up from the first half of 2020, mainly as a consequence of the trends described above.

4.2.1.2 Reclassified balance sheet

Reclassified balance sheet

The reclassified balance sheet of CDP at 30 June 2021 is presented below.

Assets

Assets in CDP's reclassified balance sheet at 30 June 2021 included the following items:

Reclassified balance sheet - Assets

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Cash and cash equivalents and other treasury investments	189,762	183,100	6,661	3.6%
Loans	113,393	106,920	6,473	6.1%
Debt securities	67,277	74,047	(6,770)	-9.1%
Equity investments and funds	36,652	35,551	1,101	3.1%
Assets held for trading and hedging derivatives	2,139	3,215	(1,076)	-33.5%
Property, plant and equipment and intangible assets	421	416	6	1.3%
Accrued income, prepaid expenses and other non-interest-bearing assets	5,994	6,356	(362)	-5.7%
Other assets	564	741	(177)	-23.9%
Total assets	**416,203**	**410,346**	**5,857**	**1.4%**

Total assets amounted to 416 billion euro, up by 1% compared to the end of 2020, when total assets stood at 410 billion euro.

Cash and cash equivalents and other treasury investments amounted to 190 billion euro, up compared to the figure recorded at the end of the previous year (+4%).

Loans, which amounted to 113 billion euro, increased with respect to the balance at the end of 2020 (+6%), as a result of the growth in loans to Public Entities and businesses, also in connection with the abovementioned refinancing of MEF mortgage loans to regions.

Debt securities came to 67 billion euro, down from the year-end 2020 figure (-9%), due to the significant maturities recorded in the half-year period on the Held to Collect portfolio, only partially renewed given the significant growth in loans.

The stock of equity investments and funds totalled 37 billion euro, up by 3% over 2020, mainly as a result of investments made in support of investee companies.

Assets held for trading and hedging derivatives amounted to 2.1 billion euro, down on the figure at the end of 2020 (3.2 billion euro). This item includes the fair value (where positive) of hedging derivative instruments, including operational hedges that do not qualify as hedges for accounting purposes.

The item "Property, plant and equipment and intangible assets" amounted to 421 million euro, of which 375 million euro relating to property, plant and equipment and the remainder to intangible assets. Specifically, the increase in the item is attributable to the investments during the first half of 2021, which exceeded the depreciation and amortisation of existing assets during the same period.

The item "Accrued income, prepaid expenses and other non-interest bearing assets" amounted to 6.0 billion euro, down compared to the value at the end of 2020, equal to 6.4 billion euro.

Lastly, the item "Other assets", which includes current and deferred tax assets, payments on account for withholding tax on passbook savings accounts and other residual assets, was equal to 564 million euro, down compared to the 741 million euro recorded at the end of 2020.

Liabilities

At 30 June 2021, the liabilities in CDP's reclassified balance sheet were as follows:

Reclassified balance sheet - Liabilities and equity

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Funding	386,051	378,262	7,789	2.1%
of which:				
- *postal funding*	*279,336*	*274,575*	*4,761*	*1.7%*
- *funding from banks*	*66,049*	*66,649*	*(600)*	*-0.9%*
- *funding from customers*	*20,181*	*15,876*	*4,305*	*27.1%*
- *bond funding*	*20,485*	*21,162*	*(677)*	*-3.2%*
Liabilities held for trading and hedging derivatives	3,314	4,541	(1,227)	-27.0%
Accrued expenses, deferred income and other non-interest-bearing liabilities	854	557	297	53.3%
Other liabilities	770	803	(34)	-4.2%
Provisions for contingencies, taxes and staff severance pay	672	685	(13)	-1.9%
Equity	24,542	25,497	(955)	-3.7%
Total liabilities and equity	**416,203**	**410,346**	**5,857**	**1.4%**

Total funding at 30 June 2021 was 386 billion euro, up 2% from the figure recorded at the end of 2020.

Postal funding, equal to 279 billion euro, shows an increase of 2% from year-end 2020, thanks to net CDP funding of 2.9 billion euro and accrued interest income pertaining to postal savers.

Funding from banks, equal to 66 billion euro, was essentially in line with the figure recorded at the end of 2020.

Funding from customers amounted to 20 billion euro, an increase on the year-end figure for 2020, equal to 16 billion euro, mainly due to the growth in deposits from subsidiaries and funding deriving from treasury operations.

Bond funding, equal to 20 billion euro, decreased slightly compared to the December 2020 figure (-3%) due to bonds reaching maturity in the period, which more than offset the new 500-million-euro social bond issue.

The item "Liabilities held for trading and hedging derivatives" amounted to 3.3 billion euro, down compared to 4.5 billion euro at the end of 2020. This item includes the fair value (where negative) of hedging derivative instruments, including operational hedges that do not qualify as hedges for accounting purposes.

The item "Accrued expenses, deferred income and other non-interest-bearing liabilities" was 854 million euro, increasing from 557 million euro at the end of 2020.

With regard to other significant items, there was (i) a decrease in the balance of Other liabilities, equal to 770 million euro at 30 June 2021 (-4% compared to the end of 2020), and (ii) a decrease in the balance of Provisions for contingencies, taxes and staff severance pay, equal to 672 million euro (685 million euro at the end of 2020).

Finally, equity amounted to 24.5 billion euro, down 4% compared to the year-end figure for 2020 due to changes in earned income and dividends distributed in the first half of the year.

4.2.1.3 Indicators

Main indicators (reclassified figures)

(%)	30/06/2021	31/12/2020
STRUCTURE RATIOS (%)		
Funding/Total liabilities	93%	92%
Equity/Total liabilities	6%	6%
Postal Savings/Total funding	72%	73%
PERFORMANCE RATIOS (%)[1]		
Spread on interest-bearing assets and liabilities	0.5%	0.7%
Cost/income ratio	6%	6%
Net income/Opening equity (ROE)	11%	11%
RISK RATIOS (%)		
Coverage of bad loans[2]	54%	54%
Net non-performing loans/Net loans to customers and banks[3,4]	0.05%	0.05%
Net adjustments to loans/Net exposure[3,4]	n.a.	0.06%

(1) For the year 2020, figures refer to 30/06/2020.
(2) Provision bad loans / Gross exposure to bad loans.
(3) Exposure includes Loans to banks and customers, Disbursement commitments, cash & cash equivalents & bonds.
(4) Net exposure is calculated net of the provision for non-performing loans.

Profitability and credit quality stable at high levels

Structure ratios related to liabilities were substantially in line with 2020, with postal funding weighing heavily, though dropping slightly, on total funding by around 72%.

With regard to performance ratios, please note (i) a narrowing of the spread between interest-bearing assets and liabilities, referred to the afore-mentioned interest margin trends, (ii) a still very low cost/income ratio (6%), and (iii) an 11% return on equity (ROE).

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

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

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

The health emergency has had profoundly negative repercussions on the national and world economy. The first six months of 2021 were characterised by the general improvement in economic activities and prospects, after the generalised downturn caused by the COVID-19 health emergency, due to the spread of the vaccination campaigns.

With specific reference to CDP, the health crisis had an impact in terms of business, economic and financial performance and operating model.

In line with ESMA's indications in Recommendations for 2020, it should be noted that, with regard to business activities, in the first half of 2021 the CDP Group followed up on a series of extraordinary measures launched in 2020 to support businesses and local areas in the context of the health emergency. In this context, worth mentioning in particular are:
- financing dedicated to companies to meet temporary liquidity needs and support working capital;
- remodulation of lease payments relating to 2021 in favour of managers of accommodation facilities owned by the FT1 fund managed by CDP Immobiliare SGR.

In addition, CDP and Group companies have assumed a key role in implementing the measures issued by the Italian government to mitigate the impacts of COVID-19 and to support the economy. In this context, worth mentioning are:
- CDP's management of the MEF fund to provide Entities with the liquidity needed to pay certain, liquid and collectable payables to suppliers;
- the start of operations of the "Patrimonio Rilancio" under Decree-Law 34 of 19 May 2020, set up with resources contributed by the MEF and managed by CDP, intended to implement measures and operations to support and relaunch the Italian economic and production system as a result of the epidemiological emergency.

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

With reference to the economic-financial performance, the results for the first half of 2021 remain solid despite the uncertainty that is still hanging over the evolution of the health emergency, subject to constant monitoring. Specifically, net income increased slightly due to the combined effect of (i) the improvement in other net revenues, thanks to the interest rate management strategies activated on the securities portfolio in the first half-year period, and the cost of risk and (ii) the reduction of net interest income, mainly attributable to the context of historically low interest rates, and dividends (mainly Eni).

Finally, in terms of the operating model, right from the start of the lockdown, CDP has guaranteed full operational continuity thanks to the extension of the remote working mode to the entire staff, as illustrated in more detail in the paragraph 'Disclosure of COVID-19 impacts' included in the section Other Issues.

4.2.2 Group Companies

The accounting situation of the CDP Group companies as at 30 June 2021 is presented below from a management accounting standpoint. For detailed information concerning balance sheet and income statement performance, refer to the half-yearly condensed financial statements of the Group's companies (if drawn up / published), which contain full accounting information and analyses of the companies' operating performances.

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

When considering the main economic and financial dynamics described in the paragraphs below, it is necessary to bear in mind that:

- the data relating to the comparative period were restated to incorporate the effects of the PPAs (Purchase Price Allocations) relating to Ansaldo Energia, SIA, Brugg Cables and Webuild completed at the end of last year, as well as the effects resulting from the decision, made by the companies operating in the gas distribution sector, to classify, as of the first half of 2021, under operating costs the charges relating to the periodic checks pursuant to the law of the volume conversion devices, where present in the meters installed at the re-delivery points used;
- in order to provide a like-for-like comparison with reference to the respective comparative periods, the effects of the classifications (relating to the balance sheet as at 31 December 2020 and the income statement for the period ended 30 June 2020) and the restatements (relating solely to the income statement for the period ended 30 June 2020) relating to the companies of the Sace group and the SIA group, and required by IFRS 5, were not included in the reclassified consolidated income statement and balance sheet, for the reasons described in the half-yearly condensed consolidated financial statements.
- the balance sheet figures include the effects of the line-by-line consolidation of Fondo Italiano Consolidamento e Crescita (FICC) and its subsidiaries Stark Two, Melt 1 and Elettra One.

4.2.2.1 Reclassified consolidated income statement

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

Net income of €1.4 billion

Reclassified Income Statement

(millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
Net interest income	**767**	**989**	**(222)**	**-22.4%**
Gains (losses) on equity investments	419	(2,005)	2,424	n/s
Net commission income (expense)	55	49	6	12.2%
Other net revenues (costs)	422	(70)	492	n/s
Gross income	**1,663**	**(1,037)**	**2,700**	**n/s**
Profit (loss) on insurance business	136	(90)	226	n/s
Profit (loss) on banking and insurance operations	**1,799**	**(1,127)**	**2,926**	**n/s**
Net recoveries (impairment)	(25)	(235)	210	-89.4%
Administrative expenses	(5,435)	(4,195)	(1,240)	29.6%
Other net operating income (costs)	8,155	6,665	1,490	22.4%
Operating income	**4,494**	**1,108**	**3,386**	**n/s**
Net provisions for risks and charges	(3)	43	(46)	n/s
Net adjustments to PPE and intangible assets	(1,353)	(1,288)	(65)	5.0%
Other	(1,237)	18	(1,255)	n/s
Income taxes	(545)	(561)	16	-2.9%
Net income for the period	**1,356**	**(680)**	**2,036**	**n/s**
Net income (loss) for the period pertaining to non-controlling interests	1,090	755	335	44.4%
Net income (loss) for the period pertaining to the Parent Company	**266**	**(1,435)**	**1,701**	**n/s**

Net income pertaining to the Parent Company for the period ended 30 June 2021 was equal to 266 million euro, compared to a loss of 1,435 million euro in the first half of 2020, mainly due to the negative contribution of companies accounted for using the equity method, especially Eni.

(millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
Interest and commission expense on payables to customers	(2,838)	(2,633)	(205)	7.8%
Interest expense on payables to banks	(115)	(107)	(8)	7.5%
Interest expense on securities issued	(298)	(326)	28	-8.6%
Interest income on debt securities	734	776	(42)	-5.4%
Interest income on financing	3,291	3,270	21	0.6%
Interest on hedging derivatives	(123)	(89)	(34)	38.2%
Other net interest	116	98	18	18.4%
Net interest income	**767**	**989**	**(222)**	**-22.4%**

Net interest income was 767 million euro, a decrease on the comparison period due to the gradual reduction in market rates, which negatively affected the return on assets. The balance of the item relates mainly to the Parent Company, whose positive balance was partly offset by the expenses connected with the debt of the industrial companies.

The result of the measurement according to the equity method of investee companies over which the Group has significant influence or which are subject to joint control, included under "Gains (losses) on equity investments", led to a gain of 419 million euro, against a loss of 2,005 million euro reported in the first half of 2020. This value mainly reflects the result of the measurement with the equity method of:
- Eni (+232 million euro, compared to -2,023 million euro in the first half of 2020);
- Poste Italiane (+193 million euro, compared to +111 million euro in the first half of 2020);
- SAIPEM (-99 million euro, compared to -114 million euro in the first half of 2020).

Net commission income, amounting to 55 million euro, is up by 12.2% on the comparative period, mainly due to the increase in the Parent Company's commission margin.

millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
Net gain (loss) on trading activities	43	(47)	90	n/s
Net gain (loss) on hedging activities	(13)	(45)	32	-71.1%
Gains (losses) on disposal or repurchase financial instruments	440	117	323	n/s
Net gain (loss) on financial assets and liabilities carried at fair value	(48)	(95)	47	-49.5%
Other net revenues (costs)	**422**	**(70)**	**492**	**n/s**

Other net revenues/costs were up by about 492 million euro, mainly as a result of the gains on disposal realised on the portfolio at the amortised cost referred to the Parent Company.

(millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
Gross Premiums	268	357	(89)	-24.9%
Change in premium reserve	30	(264)	294	n/s
Premiums paid in reinsurance	(171)	(144)	(27)	18.8%
Effect of consolidation	1	(17)	18	n/s
Net premiums	**128**	**(68)**	**196**	**n/s**
Net other income (expense) from insurance operations	3	(22)	25	n/s
Effect of consolidation	5		5	n/s
Profit (loss) on insurance business	**136**	**(90)**	**226**	**n/s**

Profit on insurance business of 136 million euro includes net premium income and other income and expense for the companies operating in the insurance sector. This result, compared with the first half of last year, benefited from the decrease in the premium reserve which in the reference period reflected the charges for the greater allocations made to the Technical provisions in consideration of the greater riskiness of the portfolio as a consequence of the negative economic situation in the first six months of 2020 brought about by the epidemiological crisis.

Overall, the banking and insurance components resulted in a positive margin amounting to 1,799 million euro, compared with a negative margin of 1,127 million euro in the comparison period.

(millions of euro; %)	30/06/2021	30/06/2020	Change (+ / -)	Change (%)
Profit (loss) on banking and insurance operations	**1,799**	**(1,127)**	**2,926**	**n/s**
Net recoveries (impairment)	(25)	(235)	210	-89.4%
Administrative expenses	(5,435)	(4,195)	(1,240)	29.6%
Other net operating income (costs)	8,155	6,665	1,490	22.4%
Operating income before adjustments to PPE and intangible assets	**4,494**	**1,108**	**3,386**	**n/s**
Net adjustments to PPE, intangible assets	(1,353)	(1,288)	(65)	5.0%
Other	(1,237)	18	(1,255)	n/s
Operating income after adjustments to PPE and intangible assets	**1,904**	**(162)**	**2,066**	**n/s**

The increase in administrative expenses, which reached 5,435 million euro, is mainly attributable to the higher costs recorded by the companies of the Fincantieri group (+724 million) and the Ansaldo Energia group (+228 million), whose production activities, during the comparison half-year period, had slowed down due to the restrictions introduced to tackle the COVID-19 epidemiological crisis.

There was an increase in net adjustments to property, plant and equipment and intangible assets, mainly attributable to the Snam, Terna, Fincantieri, Italgas and Ansaldo Energia groups.

The item “Other” mainly includes the effect of the fair value adjustment, set equal to the sale price established in the agreements entered into with the purchaser (Ministry of the Economy and Finance) of the net assets referred to the disposal companies SACE, SACE FCT, SACE BT, SACE SRV and FSE.

4.2.2.2 Reclassified consolidated balance sheet

Consolidated assets

The asset side of the reclassified consolidated balance sheet at 30 June 2021 is presented below, in comparison with the figures at the end of 2020:

Reclassified consolidated assets

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Assets				
Cash and cash equivalents and other treasury investments	223,646	220,042	3,604	1.6%
Loans	117,428	113,322	4,106	3.6%
Debt securities, equity securities and units in collective investment undertakings	83,562	88,746	(5,184)	-5.8%
Equity investments	16,570	15,834	736	4.6%
Trading and hedging derivatives	506	660	(154)	-23.3%
Property, plant and equipment and intangible assets	55,219	54,668	551	1.0%
Reinsurers' share of technical reserves	2,608	2,595	13	0.5%
Other assets	15,288	16,538	(1,250)	-7.6%
Total assets	**514,827**	**512,405**	**2,422**	**0.5%**

Group assets totalled around 515 billion euro, up by 0.5% (2 billion euro) compared to 31 December 2020.

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.

Debt and equity securities and units in collective investment undertakings decreased mainly due to the trends relating to the financial assets classified in the HTC portfolio.

The equity investments item, which stood at 16.6 billion euro, increased by 0.7 billion euro, mainly for the following reasons:

- Eni - the increase deriving from net income for the period pertaining to the Group (including the effect of consolidation entries), equal to +232 million euro, and the change in valuation reserves, equal to +224 million euro. Added to these effects is the impact of the reversal of the dividend and other changes for a total negative value of -230 million euro;
- Poste Italiane - the positive contribution (including consolidation adjustments) in the amount of 193 million euro, deriving from net income for the period, as well as the effect of the change in valuation reserves, the reversal of the dividend and other changes for a total negative amount of 200 million euro;
- Saipem - a decrease of 101 million euro in the first half of the year, of which -99 million euro represented by the net income for the period pertaining to the Group;
- purchase, through Snam, of 37% of Industria De Nora, for a value of approximately 0.5 billion euro.

Assets held for trading and hedging derivatives decreased by 23.3% compared to 31 December 2020, reaching 506 million euro. This item includes the fair value (where positive) of hedging derivative instruments, including operational hedges that do not qualify as hedges for accounting purposes.

Property, plant and equipment and intangible assets totalled 55.2 billion euro, essentially unchanged on the comparison period.

At 30 June 2021, the Reinsurers' share of technical provisions was 2.6 billion euro, unchanged from 31 December 2020.

Other assets decreased to 15.3 billion euro (-7.6% on the comparison period) and mainly include the contribution of Fincantieri (5.7 billion euro), Snam (3 billion euro), CDP (2.1 billion euro, of which 1.6 billion euro referring to the fair value change of financial assets in hedged portfolios), Terna (2.1 billion euro), Italgas (1 billion euro) and the Ansaldo Energia group, which contributed to the overall balance for 1.3 billion euro.

Consolidated liabilities

The liability side of the reclassified consolidated balance sheet at 30 June 2021 is presented below, in comparison with the figures at the end of 2020:

Growth in funding (+1.6%) and total liabilities (+0.5%)

Reclassified consolidated liabilities

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Liabilities and equity				
Funding	423,915	417,104	6,811	1.6%
of which:				
- *postal funding*	*279,336*	*274,575*	*4,761*	*1.7%*
- *funding from banks*	*85,574*	*85,096*	*478*	*0.6%*
- *funding from customers*	*15,310*	*14,050*	*1,260*	*9.0%*
- *bond funding*	*43,695*	*43,383*	*312*	*0.7%*
Liabilities held for trading and hedging derivatives	3,604	4,952	(1,348)	-27.2%
Technical reserves	3,408	3,461	(53)	-1.5%
Other liabilities	45,296	46,270	(974)	-2.1%
Provisions for contingencies, taxes and staff severance pay	6,310	6,922	(612)	-8.8%
Total equity	32,294	33,696	(1,402)	-4.2%
Total liabilities and equity	**514,827**	**512,405**	**2,422**	**0.5%**

The CDP Group's total funding stood at 424 billion euro at 30 June 2021, up by 1.6% on the end of 2020.

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

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Due to central banks	**20,034**	**19,609**	**425**	**2.2%**
Due to banks	**65,540**	**65,487**	**53**	**0.1%**
Current accounts and demand deposits	106	20	86	n/s
Fixed-term deposits	1,955	603	1,352	n/s
Repurchase agreements	42,759	41,936	823	2.0%
Other loans	19,982	21,709	(1,727)	-8.0%
Other payables	738	1,219	(481)	-39.5%
Funding from banks	**85,574**	**85,096**	**478**	**0.6%**

The following components contributed to funding levels:

- funding from banks, stable compared to 31 December 2020;
- funding from customers, the increase in which was mainly due to OPTES transactions;
- bond funding, mainly composed of bonds issued under the EMTN programme, retail bond issues, "Stand alone" issues by the Parent Company guaranteed by the Government and bonds issued by Snam, Terna and Italgas. The balance of this item, up 0.7% on the comparison period, mainly reflects the following transactions carried out in the half-year:
  - new 500-million-euro Social bond issue carried out by the Parent Company, which offset the reduction in exposure resulting from the redemption of issues maturing in the half-year period;
  - two new Transition Bond issues carried out by Snam, for a total nominal amount of 750 million euro and 500 million euro, respectively. These changes were partly offset by the redemption of a bond loan reaching its natural maturity, of a nominal amount totalling 529 million euro;
  - the redemption of the bond issue, launched by Terna in March 2011, for a total of 1,250 million euro, partly offset by the green bond issue, launched by Terna on 16 June 2021, for a nominal amount of 600 million euro;
  - the ''dual-tranche'' bond issue launched by Italgas with maturities in February 2028 and February 2033 for a total amount of 1,000 million euro, partly offset by the buy-back of bond with maturities in January 2022 and March 2024, for a total of 256 million euro.

Liabilities held for trading and hedging derivatives totalled 3.6 billion euro, down by 1.3 billion euro on the comparison period. The change is attributable to the lower negative value of the hedging derivatives subscribed by the Parent Company.

Technical provisions refer solely to the SACE group and include reserves intended to cover, as far as they can be reasonably foreseen, the commitments taken with reference to the insurance business. At 30 June 2021, the item in question (including the effect of consolidation entries) was around 3.4 billion euro, essentially unchanged compared with 31 December 2020.

Other liabilities, which totalled approximately 45.3 billion euro, include not only the other liabilities of the Parent Company, but also significant balances relating to other Group companies, such as total trade payables (6.3 billion euro) and contract work in progress (2.1 billion euro) for which the advances received from customers exceed the production to date. The item includes the payable, equal to 31.1 billion euro, to the Ministry of the Economy and Finance recorded as a balancing entry to the amounts credited by the latter in favour of SACE at the Central Treasury. Other liabilities also include SACE's residual payable to the Ministry of the Economy and Finance, amounting to 0,6 billion euro, which was recorded in compliance with the provisions of art. 2, paragraph 6, of the Liquidity Decree.

Provisions for contingencies, taxes and staff severance pay stood at approximately 6.3 billion euro at 30 June 2021, down 0.6 billion euro.

Equity amounted to approximately 32.3 billion euro at 30 June 2021 and is presented below in comparison with the previous financial period. The 1.4 billion euro decrease mainly reflects the dynamics linked to the payment of dividends.

(millions of euro; %)	30/06/2021	31/12/2020	Change (+ / -)	Change (%)
Group's Equity	18,681	20,436	(1,755)	-8.6%
Non-controlling interests	13,613	13,260	353	2.7%
Total equity	**32,294**	**33,696**	**(1,402)**	**-4.2%**

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

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

4.2.2.4 Consolidated statement of reconciliation

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

Reconciliation between equity and net income of the Parent Company and consolidated equity and net income at 30 June 2021

(millions of euro)	Net income (loss) for the period	Share capital and reserves	Total
Parent Company's financial data	**1,365**	**23,177**	**24,542**
Balance from financial statements of fully consolidated companies	1,752	33,367	35,119
Consolidation adjustments			
Carrying amount of directly consolidated equity investments		(26,159)	(26,159)
Differences of purchase price allocation	(147)	7,479	7,332
Dividends from fully consolidated companies	(480)	480	
Measurement of equity investments accounted for with the equity method	307	6,413	6,720
Dividends of companies measured with the equity method	(384)	(12,518)	(12,902)
Elimination of intercompany transactions	(31)	(339)	(370)
Reversal of measurements in the separate financial statements	133	818	951
Value adjustements	16	(56)	(40)
Deferred tax assets and liabilities	(1,259)	406	(853)
Other adjustments	84	(2,130)	(2,046)
Non-controlling interests	(1,090)	(12,523)	(13,613)
Group's financial data	**266**	**18,415**	**18,681**

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Half-yearly condensed consolidated financial statements at 30 June 2021

Form and content of the half-yearly condensed consolidated financial statements at 30 June 2021

The half-yearly condensed consolidated financial statements at 30 June 2021 have been prepared in compliance with applicable regulations and consist of:
- Consolidated balance sheet;
- Consolidated income statement;
- Consolidated statement of comprehensive income;
- Statement of changes in consolidated equity;
- Consolidated statement of cash flows;
- Notes to the consolidated financial statements.

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

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

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

Contents of the half-yearly condensed consolidated financial statements

Consolidated financial statements at 30 June 2021

CONSOLIDATED BALANCE SHEET

Assets (thousands of euro)	30/06/2021	31/12/2020
10. Cash and cash equivalents	2,448	1,359
20. Financial assets measured at fair value through profit or loss	3,247,040	4,923,820
a) financial assets held for trading	63,263	1,321,688
b) financial assets designated at fair value	479,281	478,671
c) other financial assets mandatorily measured at fair value	2,704,496	3,123,461
30. Financial assets measured at fair value through other comprehensive income	14,220,236	13,538,002
40. Financial assets measured at amortised cost	370,256,050	403,753,318
a) loans to banks	43,948,883	48,552,046
b) loans to customers	326,307,167	355,201,272
50. Hedging derivatives	434,105	553,939
60. Fair value change of financial assets in hedged portfolios (+/-)	1,558,077	2,531,833
70. Equity investments	16,547,955	15,834,385
80. Reinsurers' share of technical reserves		2,594,711
90. Property, plant and equipment	40,450,372	40,315,498
100. Intangible assets	12,201,499	14,352,394
- *of which: goodwill*	*1,068,816*	*2,227,633*
110. Tax assets	1,719,822	1,990,812
a) current tax assets	73,702	174,278
b) deferred tax assets	1,646,120	1,816,534
120. Non-current assets and disposal groups held for sale	41,815,502	291,483
130. Other assets	12,373,521	11,723,676
Total assets	**514,826,627**	**512,405,230**

The data referring to 31 December 2020 have been restated as described in the accounting policies, “Other issues” section.

Liabilities and equity (thousands of euro)		30/06/2021	31/12/2020
10.	Financial liabilities measured at amortised cost	418,651,630	417,073,945
	a) due to banks	62,557,041	62,303,272
	b) due to customers	312,921,944	311,387,932
	c) securities issued	43,172,645	43,382,741
20.	Financial liabilities held for trading	154,304	268,158
30.	Financial liabilities designated at fair value	30,818	30,513
40.	Hedging derivatives	3,291,922	4,683,374
50.	Fair value change of financial liabilities in hedged portfolios (+/-)	5,071	10,352
60.	Tax liabilities	2,867,960	3,748,288
	a) current tax liabilities	189,865	82,876
	b) deferred tax liabilities	2,678,095	3,665,412
70.	Liabilities associated with non-current assets and disposal groups held for sale	41,831,186	165,031
80.	Other liabilities	12,965,157	46,094,342
90.	Staff severance pay	204,525	240,741
100.	Provisions for risks and charges	2,530,509	2,934,174
	a) guarantees issued and commitments	350,709	409,374
	b) pensions and other post-retirement benefit obligations		
	c) other provisions	2,179,800	2,524,800
110.	Technical reserves		3,460,541
120.	Valuation reserves	710,442	510,814
130.	Redeemable shares		
140.	Equity instruments		
150.	Reserves	11,596,523	14,186,661
160.	Share premium reserve	2,378,517	2,378,517
170.	Share capital	4,051,143	4,051,143
180.	Treasury shares (-)	(322,220)	(322,220)
190.	Non-controlling interests (+/-)	13,612,763	13,259,564
200.	Net income (loss) for the period (+/-)	266,377	(368,708)
	Total liabilities and equity	**514,826,627**	**512,405,230**

The data referring to 31 December 2020 have been restated as described in the accounting policies, “Other issues” section.

CONSOLIDATED INCOME STATEMENT

Items (thousands of euro)		1st half of 2021	1st half of 2020
10.	Interest income and similar income	3,947,477	3,954,448
	- *of which: interest income calculated using the effective interest rate method*	*4,069,245*	*4,081,799*
20.	Interest expense and similar expense	(2,534,728)	(2,447,526)
30.	**Net interest income**	**1,412,749**	**1,506,922**
40.	Commission income	102,277	212,824
50.	Commission expense	(739,007)	(762,124)
60.	**Net commission income (expense)**	**(636,730)**	**(549,300)**
70.	Dividends and similar revenues	37,751	18,954
80.	Profits (losses) on trading activities	38,904	(55,988)
90.	Fair value adjustments in hedge accounting	(12,869)	(46,460)
100.	Gains (losses) on disposal or repurchase of:	440,014	117,313
	a) financial assets measured at amortised cost	340,140	(647)
	b) financial assets at fair value through other comprehensive income	99,874	121,975
	c) financial liabilities		(4,015)
110.	Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	(20,319)	(82,109)
	a) financial assets and liabilities designated at fair value	611	(2,036)
	b) other financial assets mandatorily at fair value	(20,930)	(80,073)
120.	**Gross income**	**1,259,500**	**909,332**
130.	Net adjustments/recoveries for credit risk relating to:	(14,578)	(116,735)
	a) financial assets measured at amortised cost	(16,774)	(117,645)
	b) financial assets at fair value through other comprehensive income	2,196	910
140.	Gains/losses from changes in contracts without derecognition	(377)	
150.	**Financial income (expense), net**	**1,244,545**	**792,597**
160.	Net premium income		
170.	Net other income (expense) from insurance operations		
180.	**Net income from financial and insurance operations**	**1,244,545**	**792,597**
190.	Administrative expenses	(5,373,956)	(4,134,339)
	a) staff costs	(1,292,434)	(1,160,261)
	b) other administrative expenses	(4,081,522)	(2,974,078)
200.	Net accruals to the provisions for risks and charges	(530)	(49,693)
	a) guarantees issued and commitments	4,409	(86,890)
	b) other net accrual	(4,939)	37,197
210.	Net adjustments to/recoveries on property, plant and equipment	(889,353)	(871,629)
220.	Net adjustments to/recoveries on intangible assets	(462,186)	(412,354)
230.	Other operating income (costs)	8,150,503	6,663,089
240.	**Operating costs**	**1,424,478**	**1,195,074**
250.	Gains (losses) on equity investments	380,689	(2,024,993)
260.	Gains (losses) on property, plant and equipment and intangible assets measured at fair value		
270.	Goodwill impairment		
280.	Gains (losses) on disposal of investments	1,655	7,752
290.	**Income (loss) before tax from continuing operations**	**3,051,367**	**(29,570)**
300.	Income tax for the period on continuing operations	(531,419)	(587,527)
310.	**Income (loss) after tax on continuing operations**	**2,519,948**	**(617,097)**
320.	Income (loss) after tax on discontinued operations	(1,163,994)	(62,425)
330.	**Net income (loss) for the period**	**1,355,954**	**(679,522)**
340.	Net income (loss) for the period pertaining to non-controlling interests	1,089,577	754,952
350.	**Net income (loss) for the period pertaining to shareholders of the Parent Company**	**266,377**	**(1,434,474)**

The data referring to 1st half of 2020 have been restated as described in the accounting policies, “Other issues” section.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Items (thousands of euro)		1st half of 2021	1st half of 2020
10.	**Net income (loss) for the period**	**1,355,954**	**(679,522)**
	Other comprehensive income (net of tax) not transferred to income statement	**152,632**	**(306,816)**
20.	Equity securities designated at fair value through other comprehensive income	145,332	(309,332)
30.	Financial liabilities designated at fair value through profit or loss (change in the entity's own credit risk)		
40.	Hedging of equity securities designated at fair value through other comprehensive income		
50.	Property, plant and equipment		
60.	Intangible assets		
70.	Defined benefit	4,812	(318)
80.	Non-current assets held for sale		
90.	Share of valuation reserves of equity investments accounted for using equity method	2,488	2,834
	Other comprehensive income (net of tax) transferred to income statement	**107,680**	**(614,420)**
100.	Hedging of foreign investments		
110.	Exchange rate differences	24,842	(13,280)
120.	Cash flow hedges	(17,523)	(88,139)
130.	Hedging instruments (elements not designated)		
140.	Financial assets (other than equity securities) measured at fair value through other comprehensive income	(101,586)	(92,304)
150.	Non-current assets held for sale		
160.	Share of valuation reserves of equity investments accounted for using equity method	201,947	(420,697)
170.	**Total other comprehensive income (net of tax)**	**260,312**	**(921,236)**
180.	**Comprehensive income (items 10+170)**	**1,616,266**	**(1,600,758)**
190.	Consolidated comprehensive income pertaining to non-controlling interests	1,146,412	680,690
200.	**Consolidated comprehensive income pertaining to shareholders of the parent company**	**469,854**	**(2,281,448)**

The data referring to 1st half of 2020 have been restated as described in the accounting policies, “Other issues” section.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 30 JUNE 2021

				Allocation of net income for previous year		Changes for the period		
							Equity transactions	
(thousands of euro)	Balance at 31/12/2020	Changes in opening balance	Balance at 01/01/2021	Reserves	Dividends and other allocations (*)	Changes in reserves	Issues of new shares	Purchase of own shares
Share capital:	7,213,233		7,213,233			1,055		
a) ordinary shares	7,211,883		7,211,883			1,055		
b) preference shares	1,350		1,350					
Share premium reserve	3,919,731		3,919,731			1,359		
Reserves:	22,243,261	(5,242)	22,238,019		(2,459,528)	91,789		
a) income	21,406,431	(5,242)	21,401,189		(2,459,528)	88,726		
b) other	836,830		836,830			3,063		
Valuation reserves	201,415		201,415			(4,042)		
Equity instruments								
Interim dividends	(466,177)		(466,177)	466,177				
Treasury shares	(575,139)		(575,139)					(7,015)
Net income (loss) for the period	1,163,066	1,623	1,164,689	(466,177)	(698,512)			
Total Equity	**33,699,390**	**(3,619)**	**33,695,771**		**(3,158,040)**	**90,161**		**(7,015)**
Equity Group	**20,436,830**	**(623)**	**20,436,207**		**(2,220,527)**	**(8,014)**		
Equity Non-controlling interests	**13,262,560**	**(2,996)**	**13,259,564**		**(937,513)**	**98,175**		**(7,015)**

(*) Dividend per share distributed by the Parent Company equal to 6.57 euro as an ordinary dividend.

The data referring to 31 December 2020 have been restated as described in the accounting policies, “Other issues” section.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AT 30 JUNE 2020

				Allocation of net income for previous year		Changes for the period		
							Equity transactions	
(thousands of euro)	Balance at 31/12/2019	Changes in opening balance	Balance at 01/01/2020	Reserves	Dividends and other allocations (*)	Changes in reserves	Issues of new shares	Purchase of own shares
Share capital:	7,225,549		7,225,549					
a) ordinary shares	7,224,199		7,224,199					
b) preference shares	1,350		1,350					
Share premium reserve	4,123,545		4,123,545					
Reserves:	21,686,315	399,334	22,085,649	(62,785)		134,856		
a) income	20,837,950	399,334	21,237,284	(38,571)		133,356		
b) other	848,365		848,365	(24,214)		1,500		
Valuation reserves	859,715		859,715			(7,891)		
Equity instruments								
Interim dividends	(440,599)		(440,599)	440,599				
Treasury shares	(755,270)		(755,270)				166,891	(74,880)
Net income (loss) for the period	3,410,702	(796)	3,409,906	(377,814)	(3,032,092)			
Total Equity	**36,109,957**	**398,538**	**36,508,495**		**(3,032,092)**	**126,965**	**166,891**	**(74,880)**
Equity Group	**23,550,179**	**(920)**	**23,549,259**		**(2,152,931)**	**(24,397)**	**166,891**	
Equity Non-controlling interests	**12,559,778**	**399,458**	**12,959,236**		**(879,161)**	**151,362**		**(74,880)**

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

The data referring to 30 June 2020 have been restated as described in the accounting policies, “Other issues” section.

Changes for the period									
Equity transactions									
Interim dividends	Special dividend distribution	Changes in equity instruments	Derivatives on own shares	Stock options	Change in equity interests	Comprehensive income for 30/06/2021	Shareholders' Equity at 30/06/2021	Group's Equity at 30/06/2021	Equity Non-controlling interests at 30/06/2021
					29,909		7,244,197	4,051,143	3,193,054
					29,909		7,242,847	4,051,143	3,191,704
							1,350		1,350
					21,883		3,942,973	2,378,517	1,564,456
	(19,500)			434	23,730		19,874,944	11,596,523	8,278,421
	(19,500)				23,730		19,034,617	11,619,693	7,414,924
				434			840,327	(23,170)	863,497
					(54)	260,312	457,631	710,442	(252,811)
							(582,154)	(322,220)	(259,934)
						1,355,954	1,355,954	266,377	1,089,577
	(19,500)			**434**	**75,468**	**1,616,266**	**32,293,545**	**18,680,782**	**13,612,763**
					3,262	**469,854**	**18,680,782**	**18,680,782**	
	(19,500)			**434**	**72,206**	**1,146,412**	**13,612,763**		**13,612,763**

Changes for the period									
Equity transactions									
Interim dividends	Special dividend distribution	Changes in equity instruments	Derivatives on own shares	Stock options	Change in equity interests	Comprehensive income for 30/06/2020	Shareholders' Equity at 30/06/2020	Group's Equity at 30/06/2020	Equity Non-controlling interests at 30/06/2020
					(8,082)		7,217,467	4,051,143	3,166,324
					(8,082)		7,216,117	4,051,143	3,164,974
							1,350		1,350
					(112,201)		4,011,344	2,378,517	1,632,827
	(4,500)			1,054	89,528		22,243,802	14,191,718	8,052,084
	(4,500)				84,875		21,412,444	14,214,888	7,197,556
				1,054	4,653		831,358	(23,170)	854,528
						(921,236)	(69,412)	256,808	(326,220)
							(663,259)	(322,220)	(341,039)
						(679,522)	(679,522)	(1,434,474)	754,952
	(4,500)			**1,054**	**(30,755)**	**(1,600,758)**	**32,060,420**	**19,121,492**	**12,938,928**
					(135,882)	**(2,281,448)**	**19,121,492**	**19,121,492**	
	(4,500)			**1,054**	**105,127**	**680,690**	**12,938,928**		**12,938,928**

CONSOLIDATED STATEMENT OF CASH FLOWS (INDIRECT METHOD)

(thousands of euro)	1st half of 2021	1st half of 2020
A. OPERATING ACTIVITIES		
1. Operations	**4,187,211**	**2,958,808**
Net income for the period (+/-)	1,355,954	(679,522)
Gains (losses) on financial assets held for trading and other financial Assets/liabilities measured at fair value through profit or loss (-/+)	20,818	135,668
Gains (losses) on hedging activities (-/+)	12,592	32,750
Net impairment adjustments (+/-)	24,688	244,540
Net value adjustments to property, plant and equipment and intangible assets (+/-)	1,353,413	1,288,108
Net provisions and other costs/revenues (+/-)	2,968	(42,551)
Net premiums not received (-)	(17,615)	(7,590)
Other insurance income not received/paid (-/+)	34,096	307,379
Unpaid charges, taxes and tax credits (+/-)	(473,130)	(376,987)
Writedowns/writebacks of equity investments (+/-)	(381,231)	2,014,142
Income (loss) after tax on discontinued operations (+/-)	1,241,321	
Other adjustments (+/-)	1,013,337	42,871
2. Cash generated by/used in financial assets	**2,126,124**	**(18,761,158)**
Financial assets held for trading	444,867	(492,074)
Financial assets designated at fair value		(481,901)
Other financial assets mandatorily measured at fair value	34,170	407,084
Financial assets measured at fair value through other comprehensive income	(682,019)	610,137
Financial assets measured at amortised cost	2,687,550	(16,714,384)
Other assets	(358,444)	(2,090,020)
3. Cash generated by/used in financial liabilities	**3,749,711**	**26,125,917**
Financial liabilities measured at amortised cost	5,378,652	26,440,757
Financial liabilities held for trading	(70,524)	117,756
Financial liabilities designated at fair value	(2,132)	69
Other liabilities	(1,556,285)	(432,665)
Cash generated by/used in operating activities	**10,063,046**	**10,323,567**
B. INVESTMENT ACTIVITIES		
1. Cash generated by	**566,839**	**630,576**
Sale of equity investments	26,903	11,755
Dividends from equity investments	453,210	616,333
Sale of property plant and equipment	86,144	404
Sale of intangibles	582	2,084
Sales of subsidiaries and business units		
2. Cash used in	**(2,161,617)**	**(1,628,131)**
Purchase of equity investments	(417,426)	(68,938)
Purchase of property, plant and equipment	(1,199,252)	(970,125)
Purchase of intangible assets	(544,939)	(570,806)
Purchases of subsidiaries and business units		(18,262)
Cash generated by/used in investing activities	**(1,594,778)**	**(997,555)**
C. FINANCING ACTIVITIES		
Issue/purchase of treasury shares	(10,025)	(111,767)
Issue/purchase of equity instruments		
Dividend distribution and other allocations	(3,177,540)	(3,036,592)
Sale/purchase of third-party control		(3,742)
Cash generated by/used in financing activities	**(3,187,565)**	**(3,152,101)**
CASH GENERATED/USED DURING THE PERIOD	**5,280,703**	**6,173,911**

Key: (+) generated (-) used

RECONCILIATION

Items (*)	1st half of 2021	1st half of 2020
Cash and cash equivalents at beginning of the period	**195,350,385**	**156,458,830**
Total cash generated/used during the period	5,280,703	6,173,911
Cash and cash equivalents: foreign exchange effect	7,682	
Cash and cash equivalents at end of the period	**200,638,770**	**162,632,741**

(*) The cash and cash equivalents reported in the cash flow statement comprise the balance of item 10 "Cash and cash equivalents" (Euro/000 2,462 vs Euro/000 6,759 as of 30/06/2020), the balance on the current account held with the Central Treasury (Euro/000 194,578,867 vs Euro/000 156,123,379 as of 30/06/2020) and the positive balance of the bank current accounts reported under item 40 "Financial assets measured at amortised cost" (Euro/000 6,162,994 vs Euro/000 6,512,417 as of 30/06/2020), net of current accounts with a negative balance reported under item 10 "Financial liabilities measured at amortised cost" under liabilities (Euro/000 105,553 vs Euro/000 9,814 as of 30/06/2020).

The data referring to 1st half of 2020 have been restated as described in the accounting policies, "Other issues" section.

Notes to the consolidated financial statements

Introduction

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

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

The half-yearly condensed consolidated financial statements at 30 June 2021 clearly present, and give a true and fair view of, the Group's financial performance and results of operations for the period. The figures shown in these statements correspond with the company accounting records and fully reflect the transactions conducted during the half-year period.

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

Basis of presentation

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

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

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

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

With reference to the requirements set out in paragraph 33 of IFRS 5, note that the contribution of discontinued operations (represented by SACE, SACE Bt, SACE Fct, SACE Srv and the investment entity FSE) to the cash generated by operating activities amounts to 1,893 million euro (cash used of 262 million euro in the first half of 2020), while that used in investing activities amounts to 1.3 million euro (1.5 million euro in the first half of 2020).

Comparison and disclosure

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

These financial statements comply with the requirements of Bank of Italy circular No. 262/2005, updated as at 30 November 2018, and include, in accordance with IAS 34, accounting data as at 30 June 2021 as well as the following comparative data:
- Consolidated balance sheet at 31 December 2020;
- Consolidated income statement for the period ended 30 June 2020;
- Consolidated statement of comprehensive income at 30 June 2020;
- Statement of changes in consolidated equity at 30 June 2020;
- Consolidated statement of cash flows at 30 June 2020.

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

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

Where significant, detailed information has been provided distinguishing between "prudential consolidation" (which can be referred to alternatively as "banking group"), and "other companies".

Note that, as a result of the events that took place during the first half of the year, as explained in detail in Section 3, Scope and methods of consolidation, to which reference should be made, all assets and liabilities pertaining to the companies of the SACE group (excluding those relating to the SIMEST investee) and the SIA group have been reclassified - in accordance with IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations - to item 120 of assets "Non-current assets and disposal groups held for sale" and item 70 of liabilities "Liabilities associated with non-current assets and disposal groups held for sale", respectively. Similarly, the financial results of the disposal companies of the SACE group are reported in item 320 of the income statement "Income (loss) after tax on discontinued operations", since these companies meet the requirements of paragraph 32 of IFRS 5, which are not applicable to the SIA group.

All fully consolidated subsidiaries, other than those already included in the scope of the "prudential consolidation", or "banking group", and in the "insurance companies" scope, are included in the "other companies" scope.

Limited review of the half-yearly condensed consolidated financial statements

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

Annexes to the consolidated financial statements

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

Accounting policies

General information

Section 1 - declaration of compliance with the international financial reporting standards

These half-yearly condensed consolidated financial statements as of and for the six months ended 30 June 2021 have been prepared, with regard to the recognition, classification and subsequent measurement criteria, in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB), including the SIC and IFRIC interpretations, in force at 30 June 2021 and endorsed by the European Commission, as provided by Regulation (EC) 1606 of 19 July 2002, published in the Official Journal L 243 on 11 September 2002.

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

Furthermore, these half-yearly condensed consolidated financial statements have been prepared, as applicable, in accordance with Bank of Italy Circular No. 262 issued on 22 December 2005, 6th update of 30 November 2018, supplemented by the provisions set out in the Bank of Italy Communication of 15 December 2020 on the impact of COVID-19 and measures to support the economy and amendments to IAS/IFRS.

Section 2 - general preparation principles

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

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

The consolidated balance sheet does not contain those items having a zero amount as of 30 June 2021 and 31 December 2020. The consolidated income statement and the consolidated statement of comprehensive income do not contain items that have a zero amount in the reporting and comparative period.

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

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

Where the information required by the IFRS and the regulations of the Bank of Italy is deemed to be inadequate in presenting the company's financial standing in a true and fair manner, the notes to the consolidated financial statements, also provide supplemental information for such purpose.

These consolidated financial statements have been prepared in accordance with the following general requirements of IAS 1 - "Presentation of financial statements":

- Going concern basis: pursuant to the provisions of the joint document no. 2 of 6 February 2009 issued by Bank of Italy/Consob/Isvap concerning disclosures on the going concern basis, in compliance with the requirements on the same issue contained in IAS 1 revised and in accordance with the recommendations provided by ESMA, the CDP Group has performed an assessment of its ability to continue to operate as a going concern, considering all available information over a medium-term time horizon. Based on an analysis of the information and the results achieved in previous years, CDP deems appropriate to prepare its consolidated financial statements on a going concern basis;
- Accruals basis: operations are recognised in the accounting records and in the consolidated financial statements of the CDP Group (except for the disclosure about cash flows) when they accrue, regardless of the payment or collection date. Costs and revenues are recognised in profit or loss in accordance with the matching principle;
- Materiality and aggregation: all items containing assets, liabilities, revenues and expenses of a similar nature and with similar characteristics are presented separately in the financial statements, unless they are immaterial;
- Offsetting: no assets have been offset with liabilities, nor income with expenses, unless expressly required or allowed by the instructions of the Bank of Italy or by an accounting standard or a related interpretation;
- Frequency of reporting: the CDP Group has prepared these half-yearly condensed consolidated financial statements, presenting the related disclosures, on an annual basis. No changes occurred with respect to the reporting date, which remains at 31 December of each year;
- Comparative information: comparative information is disclosed in respect of the previous financial period. This comparative information, which for the balance sheet refers to the reporting date of the previous financial year and for the income statement refers to the first half of the previous year, is provided for each document comprising the financial statements, including the notes thereto.

Use of estimates

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

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

The main areas in which management is required to make subjective assessments are:

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

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

The current market context continues to be marked by profound uncertainty relating to the duration of the effects of the COVID-19 pandemic and the consequent difficulty in predicting the timing and extent of the economic recovery that could take place in the coming years. For further information on the uncertainties of the current context, see also the Half-yearly report on operations as well as the section 'Disclosure of COVID–19 impacts' in the notes to the financial statements.

Section 3 - scope and methods of consolidation

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

The financial statements of the subsidiaries used for line-by-line consolidation are those at 30 June 2021, as approved by competent corporate bodies of consolidated companies, adjusted as necessary to harmonise them with Group accounting policies and reclassified on the basis of the formats established by the Bank of Italy in Circular no. 262 of 22 December 2005, updated to 30 November 2018.

The following statement shows the companies consolidated on a line-by-line basis.

Equity investments in subsidiaries

Company name	Operational headquarters	Registered office	Type of relation-ship (1)	Equity investment		
				Investor	% holding	% of votes (2)
1. ACE Marine Llc	Green Bay - WI	Madison, WI	1	Fincantieri Marine Group Llc	100.00%	100.00%
2. Alfiere S.p.A	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
3. Alivieri Power Units Maintenance SA	Athens	Athens	1	Ansaldo Energia Switzerland AG	100.00%	100.00%
4. Ansaldo Energia Gulf	Abu Dhabi	Abu Dhabi	1	Ansaldo Thomassen B.V.	100.00%	100.00%
5. Ansaldo Energia IP UK Ltd	London	London	1	Ansaldo Energia S.p.A.	100.00%	100.00%
6. Ansaldo Energia Iranian Llc	Tehran	Tehran	1	Ansaldo Energia S.p.A.	70.00%	70.00%
				Ansaldo Russia Llc	30.00%	30.00%
7. Ansaldo Energia Muscat Llc	Muscat	Muscat	1	Ansaldo Energia S.p.A.	50.00%	50.00%
				Ansaldo Energia Switzerland AG	50.00%	50.00%
8. Ansaldo Energia S.p.A.	Genoa	Genoa	1	CDP Equity S.p.A.	87.57%	87.57%
9. Ansaldo Energia Spain S.L.	Zaragoza	Zaragoza	1	Ansaldo Energia Switzerland AG	100.00%	100.00%
10. Ansaldo Energia Switzerland AG	Baden	Baden	1	Ansaldo Energia S.p.A.	100.00%	100.00%
11. Ansaldo Nigeria Limited	Lagos	Lagos	1	Ansaldo Energia S.p.A.	60.00%	60.00%
12. Ansaldo Nucleare S.p.A.	Genoa	Genoa	1	Ansaldo Energia S.p.A.	100.00%	100.00%
13. Ansaldo Russia Llc	Moscow	Moscow	1	Ansaldo Energia S.p.A.	100.00%	100.00%
14. Arsenal S.r.l.	Trieste	Trieste	1	Fincantieri Oil & Gas S.p.A.	100.00%	100.00%
15. Asia Power Project Private Ltd	Chennai	Chennai	1	Ansaldo Energia S.p.A.	100.00%	100.00%
16. Asset Company 10 S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
17. Asset Company 2 S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
18. Auto Sport Engineering Limited	United Kingdom	United Kingdom	4	Marval S.r.l.	100.00%	100.00%
19. Avvenia The Energy Innovator S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
20. Bacini di Palermo S.p.A.	Palermo	Palermo	1	Fincantieri S.p.A.	100.00%	100.00%
21. Bludigit S.p.A.	Turin	Turin	1	Italgas S.p.A.	100.00%	100.00%
22. Bonafous S.p.A. in liquidazione	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
23. BOP6 S.c.ar.l.	Trieste	Trieste	1	Fincantieri SI S.p.A.	95.00%	95.00%
				Fincantieri S.p.A.	5.00%	5.00%
24. Brugg Cables (India) Pvt.. Ltd.	Haryana	Haryana	1	Brugg Kabel GmbH	0.26%	0.26%
				Brugg Kabel AG	99.74%	99.74%
25. Brugg Cables (Shanghai) Co.. Ltd.	Shanghai	Shanghai	1	Brugg Kabel AG	100.00%	100.00%
26. Brugg Cables (Suzhou) Co.. Ltd.	Suzhou	Suzhou	1	Brugg Cables (Shanghai) Co.. Ltd.	100.00%	100.00%
27. Brugg Cables Italia S.r.l.	Rome	Rome	1	BKM - Brugg Kabel Manufacturing AG	100.00%	100.00%
28. Brugg Cables Middle East DMCC	Dubai	Dubai	1	Brugg Kabel AG	100.00%	100.00%
29. Brugg Kabel AG	Brugg	Brugg	1	BKS - Brugg Kabel Services AG	90.00%	90.00%
30. Brugg Kabel GmbH	Schwieberdingen	Schwieberdingen	1	Brugg Kabel AG	100.00%	100.00%
31. Brugg Kabel Manufacturing AG	Brugg	Brugg	1	BKS - Brugg Kabel Services AG	100.00%	100.00%
32. Brugg Kabel Services AG	Brugg	Brugg	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
33. C.S.I S.r.l.	Follo (La Spezia)	Milan	1	Fincantieri NexTech S.p.A.	75.65%	75.65%

	Company name	Operational headquarters	Registered office	Type of relation-ship (1)	Equity investment: Investor	% holding	% of votes (2)
34.	CDP Equity S.p.A.	Milan	Milan	1	CDP S.p.A.	100.00%	100.00%
35.	CDP Immobiliare S.r.l.	Rome	Rome	1	CDP S.p.A.	100.00%	100.00%
36.	CDP Immobiliare SGR S.p.A.	Rome	Rome	1	CDP S.p.A.	70.00%	70.00%
37.	CDP Industria S.p.A.	Rome	Rome	1	CDP S.p.A.	100.00%	100.00%
38.	CDP Reti S.p.A.	Rome	Rome	1	CDP S.p.A.	59.10%	59.10%
39.	CDP Technologies AS	Alesund	Alesund	1	Seaonics AS	100.00%	100.00%
40.	CDP Technologies Estonia OÜ	Tallinn	Tallinn	1	CDP Technologies AS	100.00%	100.00%
41.	Centro per gli Studi di Tecnica Navale - CETENA S.p.A.	Genoa	Genoa	1	Fincantieri NexTech S.p.A.	86.10%	86.10%
42.	Changsha Xi Mai Mechanical Construcion Co. Ltd	China	China	4	Marval S.r.l.	99.00%	99.00%
43.	Cinque Cerchi S.p.A. in liquidazione	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
44.	Consorzio Stabile Ansaldo Newclear	Genoa	Genoa	1	Ansaldo Energia S.p.A.	18.18%	18.18%
					Ansaldo Nucleare S.p.A.	72.73%	72.73%
45.	Constructora Inso Chile S.p.A	Santiago of Chile	Santiago of Chile	1	Fincantieri INfrastructure SOciali S.r.l.	100.00%	100.00%
46.	Cubogas S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam 4 Mobility S.p.A.	100.00%	100.00%
47.	Difebal S.A.	Montevideo	Montevideo	1	Terna S.p.A.	100.00%	100.00%
48.	Ecoprogetto Milan S.r.l.	Bolzano	Bolzano	1	Renerwaste S.r.l.	45.00%	45.00%
					Renerwaste Lodi S.r.l.	55.00%	55.00%
49.	Ecoprogetto Tortona S.r.l.	Bolzano	Bolzano	1	Renerwaste S.r.l.	100.00%	100.00%
50.	Elettra One S.p.A.	Milan	Milan	4	FICC - Fondo Italiano Consolidamento e Crescita	90.20%	90.20%
51.	Empoli Salute Gestione S.c.ar.l.	Empoli	Florence	1	Fincantieri INfrastructure SOciali S.r.l.	95.00%	95.00%
					SOF S.p.A.	5.00%	5.00%
52.	Enersi Sicilia	Caltanissetta	San Donato Milanese (MI)	1	Snam 4 Environment S.r.l.	100.00%	100.00%
53.	Ensco 1053 Ltd	United Kingdom	United Kingdom	4	Marval S.r.l.	100.00%	100.00%
54.	Enura S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	55.00%	55.00%
55.	E-phors S.p.A.	Milan	Milan	1	Fincantieri NexTech S.p.A.	100.00%	100.00%
56.	Ergon Projects Ltd	Gzira	Gzira	1	Fincantieri INfrastructure SOciali S.r.l.	99.00%	99.00%
					SOF S.p.A.	1.00%	1.00%
57.	ESPERIA-CC S.r.l.	Rome	Rome	1	Terna S.p.A.	1.00%	1.00%
58.	ESSETI sistemi e tecnologie S.r.l.	Fiumicino	Milan	1	Fincantieri NexTech S.p.A.	51.00%	51.00%
59.	Estaleiro Quissamã Ltda	Rio de Janeiro	Rio de Janeiro	1	Vard Group AS	50.50%	50.50%
					Vard Promar SA	49.50%	49.50%
60.	Evolve S.p.A.	Milan	Milan	1	Renovit S.p.A.	70.00%	100.00%
61.	FIA2 - Fondo Investimenti per l'abitare 2	Rome	Rome	4	CDP S.p.A.	100.00%	100.00%
62.	Fincantieri (Shanghai) Trading Co. Ltd	Shanghai	Shanghai	1	Fincantieri S.p.A.	100.00%	100.00%
63.	Fincantieri Australia Pty Ltd	Sydney	Sydney	1	Fincantieri S.p.A.	100.00%	100.00%
64.	Fincantieri do Brasil Partecipaçoes S.A.	Rio de Janeiro	Rio de Janeiro	1	Fincantieri Holding B.V.	20.00%	20.00%
					Fincantieri S.p.A.	80.00%	80.00%
65.	Fincantieri Dragaggi Ecologici S.p.A.	Rome	Rome	1	Fincantieri S.p.A.	55.00%	55.00%
66.	Fincantieri EUR-Europe S.p.A.	Trieste	Trieste	1	Fincantieri S.p.A.	100.00%	100.00%
67.	Fincantieri Holding B.V.	Amsterdam	Amsterdam	1	Fincantieri S.p.A.	100.00%	100.00%
68.	Fincantieri India Private Limited	New Delhi	New Delhi	1	Fincantieri S.p.A.	1.00%	1.00%
					Fincantieri Holding B.V.	99.00%	99.00%
69.	Fincantieri Infrastructure Florida, Inc.	Miami - FL	Miami - FL	1	Fincantieri Infrastructure USA, Inc.	100.00%	100.00%
70.	Fincantieri Infrastructure Opere Marittime S.p.A.	Valeggio sul Mincio (VR)	Trieste	1	Fincantieri Infrastructure S.p.A.	100.00%	100.00%
71.	Fincantieri Infrastructure S.p.A.	Verona	Trieste	1	Fincantieri S.p.A.	100.00%	100.00%
72.	Fincantieri INfrastructure SOciali S.r.l.	Rome	Rome	1	Fincantieri Infrastructure S.p.A.	90.00%	90.00%
73.	Fincantieri Infrastructure USA, Inc.	Middletown - Delaware	Middletown - Delaware	1	Fincantieri Infrastructure S.p.A.	100.00%	100.00%
74.	Fincantieri Infrastructure Wisconsin, Inc.	Appleton - Wisconsin	Appleton - Wisconsin	1	Fincantieri Infrastructure USA, Inc.	100.00%	100.00%

Company name	Operational headquarters	Registered office	Type of relation-ship (1)	Equity investment Investor	% holding	% of votes (2)
75. Fincantieri Marine Group Holdings, Inc.	Washington, DC	Wilmington, DE	1	Fincantieri USA, Inc.	87.44%	87.44%
76. Fincantieri Marine Group Llc	Washington, DC	Carson City, NV	1	Fincantieri Marine Group Holdings, Inc.	100.00%	100.00%
77. Fincantieri Marine Systems North America, Inc.	Chesapeake - VI	Wilmington, DE	1	Fincantieri USA, Inc.	100.00%	100.00%
78. Fincantieri NexTech S.p.A. (formerly INSIS S.p.A.)	Follo (La Spezia)	Milan	1	Fincantieri S.p.A.	100.00%	100.00%
79. Fincantieri Oil & Gas S.p.A.	Trieste	Trieste	1	Fincantieri S.p.A.	100.00%	100.00%
80. Fincantieri S.p.A.	Trieste	Trieste	1	CDP Industria S.p.A.	71.32%	71.32%
81. Fincantieri Services Doha Llc	Qatar	Qatar	1	Fincantieri S.p.A.	100.00%	100.00%
82. Fincantieri Services Middle East Llc	Doha (QFC)	Doha (QFC)	1	Fincantieri S.p.A.	100.00%	100.00%
83. Fincantieri Services USA Llc	Miami,FL	Plantation, FL	1	Fincantieri USA, Inc.	100.00%	100.00%
84. Fincantieri SI S.p.A.	Trieste	Trieste	1	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	100.00%
85. Fincantieri Sweden AB	N.a.	Stockholm	1	Fincantieri S.p.A.	100.00%	100.00%
86. Fincantieri USA Holding, Llc (3)	Washington, DC	Wilmington, DE	1	Fincantieri S.p.A.	100.00%	100.00%
87. Fincantieri USA, Inc.	Washington, DC	Wilmington, DE	1	Fincantieri USA Holding Llc	35.00%	35.00%
				Fincantieri S.p.A.	65.00%	65.00%
88. Fintecna S.p.A.	Rome	Rome	1	CDP S.p.A.	100.00%	100.00%
89. FIV Comparto Extra	Rome	Rome	4	CDP S.p.A.	100.00%	100.00%
90. FIV Comparto Plus	Rome	Rome	4	CDP S.p.A.	100.00%	100.00%
91. FMSNA YK	Nagasaki	Nagasaki	1	Fincantieri Marine Systems North America, Inc.	100.00%	100.00%
92. FNT Fondo Nazionale per il Turismo	Rome	Rome	4	CDP S.p.A.	75.43%	75.43%
93. FoF Private Debt	Milan	Milan	4	CDP S.p.A.	62.50%	62.50%
94. Fonderie di Montorso S.p.A.	Montorso Vicentino	Montorso Vicentino	4	Melt 1 S.r.l. a socio unico	100.00%	100.00%
95. Fondo Italiano Consolidamento e Crescita (FICC)	Milan	Milan	4	CDP S.p.A.	65.99%	65.99%
96. Fondo Italiano di Investimento SGR S.p.A.	Milan	Milan	1	CDP Equity S.p.A.	68.00%	68.00%
97. FSE Fondo Sviluppo Export	Milan	Milan	4	SACE S.p.A.	100.00%	100.00%
98. FSI Investimenti S.p.A.	Milan	Milan	1	CDP Equity S.p.A.	77.12%	77.12%
99. FSIA Investimenti S.r.l.	Milan	Milan	1	FSI Investimenti S.p.A.	70.00%	70.00%
100. FT1 Fondo Turismo 1	Rome	Rome	4	FNT Fondo Nazionale per il Turismo	100.00%	100.00%
101. Gannouch Maintenance S.àr.l.	Tunis	Tunis	1	Ansaldo Energia Switzerland AG	1.00%	1.00%
				SPVTCCC BV	99.00%	99.00%
102. Gasrule Insurance D.A.C.	Dublin	Dublin	1	Snam S.p.A.	100.00%	100.00%
103. Gaxa S.p.A (formerly Medea Newco S.r.l.)	Milan	Milan	1	Italgas S.p.A.	51.85%	51.85%
104. Gestione Bacini La Spezia S.p.A.	La Spezia	La Spezia	1	Fincantieri S.p.A.	99.89%	99.89%
105. GNL Italia S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
106. HMS IT S.p.A.	Rome	Rome	1	Fincantieri NexTech S.p.A.	60.00%	60.00%
107. IES Biogas S.r.l.	Pordenone	Pordenone	1	Snam 4 Environment S.r.l.	70.00%	100.00%
108. Infrastrutture Trasporto Gas S.p.A.	Milan	San Donato Milanese (MI)	1	Asset Company 2 S.r.l.	100.00%	100.00%
109. Inso Albania S.h.p.k.	Tirana	Tirana	1	Fincantieri INfrastructure SOciali S.r.l.	100.00%	100.00%
110. Isotta Fraschini Motori S.p.A.	Bari	Bari	1	Fincantieri S.p.A.	100.00%	100.00%
111. Issel Nord S.r.l.	Follo	Follo	1	Fincantieri NexTech S.p.A.	100.00%	100.00%
112. Italgas Acqua S.p.A.	Caserta	Milan	1	Italgas S.p.A.	100.00%	100.00%
113. Italgas Newco S.r.l.	Milan	Milan	1	Italgas S.p.A.	100.00%	100.00%
114. Italgas Reti S.p.A.	Turin	Turin	1	Italgas S.p.A.	100.00%	100.00%
115. Italgas S.p.A.	Milan	Milan	2	CDP Reti S.p.A.	26.02%	26.02%
				Snam S.p.A.	13.49%	13.49%
116. ITsART S.p.A. (4)	Milan	Milan	1	CDP S.p.A.	51.00%	75.74%
117. Luxury Interiors Factory S.r.l.	Pordenone	Pordenone	1	Marine Interiors Cabins S.p.A.	100.00%	100.00%
118. Marina Bay S.A.	Luxembourg	Luxembourg	1	Fincantieri NexTech S.p.A.	100.00%	100.00%
119. Marine Interiors Cabins S.p.A.	Pordenone	Trieste	1	Marine Interiors S.p.A.	100.00%	100.00%

Company name		Operational headquarters	Registered office	Type of relation-ship (1)	Equity investment		
					Investor	% holding	% of votes (2)
120.	Marine Interiors S.p.A.	Ronchi dei Legionari (GO)	Trieste	1	Fincantieri S.p.A.	100.00%	100.00%
121.	Marinette Marine Corporation	Marinette - WI	Green Bay, WI	1	Fincantieri Marine Group Llc	100.00%	100.00%
122.	Marval S.r.l.	Turin	Turin	1	Stark Two S.r.l.	67.00%	67.00%
123.	Medea S.p.A.	Sassari	Sassari	1	Italgas Reti S.p.A.	51.85%	51.85%
124.	Melt 1 S.r.l. a socio unico	Milan	Milan	1	FICC - Fondo Italiano Consolidamento e Crescita	100.00%	100.00%
125.	MI S.p.A.	Arluno	Trieste	1	Marine Interiors S.p.A.	100.00%	100.00%
126.	Mieci S.p.A.	Milan	Milan	1	Renovit S.p.A.	70.00%	100.00%
127.	New SIA Greece S.A.	Athens	Athens	1	SIA S.p.A.	100.00%	100.00%
128.	Niehlgas GmbH	Oberursel	Oberursel	1	Ansaldo Energia Switzerland AG	100.00%	100.00%
129.	Nuclear Enginnering Group Limited	Warrington/Egremont	Wolverhampton	1	Ansaldo Nucleare S.p.A.	100.00%	100.00%
130.	Pentagramma Perugia S.p.A.	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
131.	Pentagramma Piemonte S.p.A. in liquidazione	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
132.	Pentagramma Romagna S.p.A. in liquidazione unipersonale	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
133.	Perago Financial System Enablers Ltd	Centurion	Centurion	1	SIA S.p.A.	100.00%	100.00%
134.	PforCards GmbH	Wien	Wien	1	SIA S.p.A.	100.00%	100.00%
135.	PI.SA. 2 S.r.l.	Rome	Rome	1	Terna Interconnector S.r.l.	100.00%	100.00%
136.	Quadrifoglio Modena S.p.A in liquidazione	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
137.	REICOM S.r.l.	Padua	Milan	1	Fincantieri NexTech S.p.A.	100.00%	100.00%
138.	Renerwaste Lodi S.r.l.	Bolzano	Bolzano	1	Renerwaste S.r.l.	100.00%	100.00%
139.	Renerwaste S.r.l.	Bolzano	Bolzano	1	Snam 4 Environment S.r.l.	100.00%	100.00%
140.	Renovit S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	70.00%	70.00%
					CDP Equity S.p.A.	30.00%	30.00%
141.	Resia Interconnector S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
142.	Residenziale Immobiliare 2004 S.p.A.	Rome	Rome	1	CDP Immobiliare S.r.l.	100.00%	100.00%
143.	Rete S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
144.	Rete Verde 17 S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
145.	Rete Verde 18 S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
146.	Rete Verde 19 S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
147.	Rete Verde 20 S.r.l.	Rome	Rome	1	Terna Energy Solutions S.r.l.	100.00%	100.00%
148.	S.L.S. - Support Logistic Services S.r.l.	Guidonia Montecelio	Guidonia Montecelio	1	Fincantieri NexTech S.p.A.	60.00%	60.00%
149.	SACE BT	Rome	Rome	1	SACE S.p.A.	100.00%	100.00%
150.	SACE do Brasil	Sao Paolo	Sao Paolo	1	SACE S.p.A.	100.00%	100.00%
151.	SACE FCT	Rome	Rome	1	SACE S.p.A.	100.00%	100.00%
152.	SACE S.p.A.	Rome	Rome	1	CDP S.p.A.	100.00%	100.00%
153.	SACE Servizi	Rome	Rome	1	SACE BT	100.00%	100.00%
154.	Scaranello S.r.l.	Rovigo	Rovigo	4	Fonderie di Montorso S.p.A.	100.00%	100.00%
155.	Seanergy a Marine Interiors Company S.r.l.	Cordignano (TV)	Pordenone	1	Marine Interiors Cabins S.p.A.	85.00%	85.00%
156.	Seaonics AS	Alesund	Alesund	1	Vard Group AS	56.40%	56.40%
157.	Seaonics Polska SP.Z O.O.	Gdansk	Gdansk	1	Seaonics AS	100.00%	100.00%
158.	Seaside S.r.l.	Casalecchio di Reno	Casalecchio di Reno	1	Italgas S.p.A.	67.20%	67.20%
					Toscana Energia S.p.A.	32.80%	32.80%
159.	Seastema S.p.A	Genoa	Genoa	1	Fincantieri NexTech S.p.A.	100.00%	100.00%
160.	Sécurité des Environnements Complexes S.r.l.	Aosta	Milan	1	Fincantieri NexTech S.p.A.	100.00%	100.00%
161.	SIA Central Europe, a.s.	Bratislava	Bratislava	1	SIA S.p.A.	100.00%	100.00%
162.	SIA Croatia d.o.o.	Zagreb	Zagreb	1	SIA S.p.A.	100.00%	100.00%
163.	SIA Czech Republic, s.r.o.	Prague	Prague	1	SIA S.p.A.	100.00%	100.00%
164.	SIA Romania Payment Technologies S.r.l.	Bucarest	Bucarest	1	SIA S.p.A.	100.00%	100.00%
165.	SIA RS d.o.o. Beograd	Belgrad	Belgrad	1	SIA S.p.A.	100.00%	100.00%
166.	SIA S.p.A.	Milan	Milan	1	FSIA Investimenti S.r.l.	57.42%	57.42%

Company name	Operational headquarters	Registered office	Type of relation-ship (1)	Equity investment		% of votes (2)
				Investor	% holding	
				CDP Equity S.p.A.	25.69%	25.69%
167. SIAadvisor S.r.l.	Rome	Rome	1	SIA S.p.A.	100.00%	100.00%
168. SIApay S.r.l.	Milan	Milan	1	SIA S.p.A.	100.00%	100.00%
169. Simest S.p.A.	Rome	Rome	1	SACE S.p.A.	76.01%	76.01%
170. Snam 4 Environment S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
171. Snam 4 Mobility S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
172. Snam Gas & Energy Services (Beijing) Co. Ltd.	Beijing	Beijing	1	Snam International B.V.	100.00%	100.00%
173. Snam International B.V.	Amsterdam	Amsterdam	1	Snam S.p.A.	100.00%	100.00%
174. Snam Rete Gas S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
175. Snam S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	2	CDP Reti S.p.A.	31.35%	31.35%
176. Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	Trieste	Trieste	1	Fincantieri S.p.A.	100.00%	100.00%
177. SOF S.p.A.	Florence	Florence	1	Fincantieri INfrastructure SOciali S.r.l.	100.00%	100.00%
178. SPE Santa Lucia Transmissora de Energia S.A.	Rio de Janeiro	Rio de Janeiro	1	Terna Plus S.r.l.	99.99%	99.99%
				Terna Chile S.p.A.	0.01%	0.01%
179. SPE Santa Maria Transmissora de Energia S.A.	Rio de Janeiro	Rio de Janeiro	1	Terna Plus S.r.l.	99.99%	99.99%
				Terna Chile S.p.A.	0.01%	0.01%
180. SPE Transmissora de Energia Linha Verde I S.A.	Belo Horizonte	Belo Horizonte	1	Terna Plus S.r.l.	75.00%	75.00%
181. SPE Transmissora de Energia Linha Verde II S.A.	Belo Horizonte	Belo Horizonte	1	Terna Plus S.r.l.	99.9999994%	99.9999994%
				Terna Chile S.p.A.	0.0000006%	0.0000006%
182. Stark Two S.r.l.	Milan	Milan	1	FICC - Fondo Italiano Consolidamento e Crescita	75.14%	75.14%
183. Stogit S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
184. Tamini Transformatori India Private limited	Magarpatta City, Hadapsar, Pune	Magarpatta City, Hadapsar, Pune	1	Tamini Trasformatori S.r.l.	100.00%	100.00%
185. Tamini Transformers USA Llc	Sewickley	Sewickley	1	Tamini Trasformatori S.r.l.	100.00%	100.00%
186. Tamini Trasformatori S.r.l.	Legnano (MI)	Legnano (MI)	1	Terna Energy Solutions S.r.l.	70.00%	70.00%
187. Tep Energy Solution S.r.l.	Milan	Rome	1	Renovit S.p.A.	100.00%	100.00%
188. Terna 4 Chacas S.A.C.	Lima	Lima	1	Terna Plus S.r.l.	99.99%	99.99%
				Terna Chile S.p.A.	0.01%	0.01%
189. Terna Chile S.p.A.	Santiago of Chile	Santiago of Chile	1	Terna Plus S.r.l.	100.00%	100.00%
190. Terna Crna Gora d.o.o.	Podgorica	Podgorica	1	Terna S.p.A.	100.00%	100.00%
191. Terna Energy Solutions S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
192. Terna Interconnector S.r.l.	Rome	Rome	1	Terna Rete Italia S.p.A.	5.00%	5.00%
				Terna S.p.A.	65.00%	65.00%
193. Terna Peru S.A.C.	Lima	Lima	1	Terna Plus S.r.l.	99.99%	99.99%
				Terna Chile S.p.A.	0.01%	0.01%
194. Terna Plus S.r.l.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
195. Terna Rete Italia S.p.A.	Rome	Rome	1	Terna S.p.A.	100.00%	100.00%
196. Terna S.p.A.	Rome	Rome	2	CDP Reti S.p.A.	29.85%	29.85%
197. Tlux S.r.L.	Piancogno (BS)	Piancogno (BS)	1	Mieci S.p.A.	85.00%	100.00%
198. Toscana Energia S.p.A.	Florence	Florence	1	Italgas S.p.A.	50.66%	50.66%
199. Unione di Tamini - CERB – DZZD	Sofia	Sofia	1	Tamini Trasformatori S.r.l.	78.48%	78.48%
200. Vard Accommodation AS	Tennfjord	Tennfjord	1	Vard Group AS	100.00%	100.00%
201. Vard Accommodation Tulcea S.r.l.	Tulcea	Tulcea	1	Vard Electro Tulcea S.r.l.	0.23%	0.23%
				Vard Accommodation AS	99.77%	99.77%
202. Vard Aqua Chile SA	N.a.	Puerto Montt	1	Vard Aqua Sunndal AS	95.00%	95.00%
203. Vard Aqua Scotland Ltd	Lochgilphead	Aberdeen	1	Vard Aqua Sunndal AS	100.00%	100.00%
204. Vard Aqua Sunndal AS	Sunndal	Sunndal	1	Vard Group AS	100.00%	100.00%

	Company name	Operational headquarters	Registered office	Type of relation-ship (1)	Equity investment Investor	% holding	% of votes (2)
205.	Vard Braila SA	Braila	Braila	1	Vard Group AS	5.878%	5.878%
					Vard RO Holding S.r.l.	94.122%	94.122%
206.	Vard Contracting AS	Vatne	Vatne	1	Vard Group AS	100.00%	100.00%
207.	Vard Design AS	Alesund	Alesund	1	Vard Group AS	100.00%	100.00%
208.	Vard Design Liburna Ltd.	Rijeka	Rijeka	1	Vard Design AS	51.00%	51.00%
209.	Vard Electrical Installation and Engineering (India) Private Limited	New Delhi	New Delhi	1	Vard Electro AS	99.50%	99.50%
					Vard Electro Tulcea S.r.l.	0.50%	0.50%
210.	Vard Electro AS	Tennfjord	Tennfjord	1	Vard Group AS	100.00%	100.00%
211.	Vard Electro Braila S.r.l.	Braila	Braila	1	Vard Electro AS	100.00%	100.00%
212.	Vard Electro Brazil (Instalaçoes Eletricas) Ltda	Niteroi	Niteroi	1	Vard Electro AS	99.00%	99.00%
					Vard Group AS	1.00%	1.00%
213.	Vard Electro Canada, Inc.	Vancouver	Vancouver	1	Vard Electro AS	100.00%	100.00%
214.	Vard Electro Italy S.r.l.	Trieste	Trieste	1	Vard Electro AS	100.00%	100.00%
215.	Vard Electro Tulcea S.r.l.	Tulcea	Tulcea	1	Vard Electro AS	100.00%	100.00%
216.	Vard Electro US, Inc.	Delaware	Delaware	1	Vard Electro Canada, Inc.	100.00%	100.00%
217.	Vard Engineering Brevik AS	Brevik	Brevik	1	Vard Group AS	100.00%	100.00%
218.	Vard Engineering Constanta S.r.l.	Kostanz	Kostanz	1	Vard Braila SA	30.00%	30.00%
					Vard RO Holding S.r.l.	70.00%	70.00%
219.	Vard Engineering Gdansk sp. Z o. o.	Gdansk	Gdansk	1	Vard Engineering Brevik AS	100.00%	100.00%
220.	Vard Group AS	Alesund	Alesund	1	Vard Holdings Limited	100.00%	100.00%
221.	Vard Holdings Limited	Singapore	Singapore	1	Fincantieri Oil & Gas S.p.A.	98.33%	98.33%
222.	Vard Infraestrutura Ltda	N.a.	Ipojuca	1	Vard Group AS	0.01%	0.01%
					Vard Promar SA	99.990%	99.990%
223.	Vard International Services S.r.l.	Kostanz	Kostanz	1	Vard Braila SA	100.000%	100.000%
224.	Vard Marine, Inc.	Vancouver	Vancouver	1	Vard Group AS	100.00%	100.00%
225.	Vard Marine US, Inc.	Houston	Dallas	1	Vard Marine, Inc.	100.00%	100.00%
226.	Vard Niterói Ltda	Rio de Janeiro	Rio de Janeiro	1	Vard Electro Brazil (Instalaçoes Eletricas) Ltda	0.01%	0.01%
					Vard Group AS	99.99%	99.99%
227.	Vard Piping AS	Sovik	Sovik	1	Vard Group AS	100.00%	100.00%
228.	Vard Promar SA	Ipojuca	Ipojuca	1	Vard Group AS	100.00%	100.00%
229.	Vard RO Holding S.r.l.	Tulcea	Tulcea	1	Vard Group AS	100.00%	100.00%
230.	Vard Seaonics Holding AS	Alesund	Alesund	1	Vard Group AS	100.00%	100.00%
231.	Vard Shipholding Singapore Pte Ltd	Singapore	Singapore	1	Vard Holdings Limited	100.00%	100.00%
232.	Vard Singapore Pte. Ltd.	Singapore	Singapore	1	Vard Group AS	100.00%	100.00%
233.	Vard Tulcea SA	Tulcea	Tulcea	1	Vard Group AS	0.004%	0.004%
					Vard RO Holding S.r.l.	99.996%	99.996%
234.	Vard Vung Tau Ltd	Vung Tau	Vung Tau	1	Vard Singapore Pte. Ltd.	100.00%	100.00%
235.	VBD1 AS	Sovik	Sovik	1	Vard Group AS	100.00%	100.00%
236.	Yeni Aen Insaat Anonim Sirketi	Istanbul	Istanbul	1	Ansaldo Energia S.p.A.	100.00%	100.00%

Key
(1) Type of relationship:
1 = Majority of voting rights in ordinary shareholders' meeting
2 = Dominant influence in ordinary shareholders' meeting
3 = Agreements with other shareholders
4 = other form of control
5 = unitary management pursuant to Article 26.1 of Legislative Decree 87/92
6 = unitary management pursuant to Article 26.2 of Legislative Decree 87/92.
(2) Actual percentage of votes in ordinary shareholders' meeting, distinguishing between effective and potential votes
(3) 49% of the voting rights of Fincantieri USA Holding LLC is held through USA Marine Trust, a legally recognised independent trust based in the state of Delaware (USA).
(4) The effective voting rights in the ITSART shareholders' meeting correspond to 75.74% by virtue of multiple voting rights granted to the type A shares held by the investor CDP S.p.A.

Compared with 31 December 2020, the most significant changes in the scope of line-by-line consolidation are represented by the entry into the scope of consolidation of Fondo Italiano Consolidamento e Crescita (FICC), which is managed by the subsidiary Fondo Italiano di Investimento SGR, which in turn controls the following sub-holding companies:

- Melt 1: a holding company with a controlling equity investment in Fonderie di Montorso, a company active in the market for secondary smelting cast iron foundries, producing semi-finished products for third parties in the oil hydraulics, pumping, geared motor, automotive, lifting equipment, agricultural and general mechanical engineering sectors;
- Stark Two: a holding company with a controlling equity investment in the Marval group, which is active in the production and machining of engine components (cylinder heads, engine blocks, gearboxes, and differentials), chassis components and other mechanical components mainly for the heavy duty sector;
- Elettra One: a holding company with a non-controlling equity investment in Maticmind, an Italian system integrator operating in the ICT sector in the networking, security, unified communications & collaboration, datacenter & cloud, and application fields.

FICC and its sub-holding companies have been consolidated using the most recent data available, updated to 31 December 2020.

The ItsArt investee was included in the scope of line-by-line consolidation during the first half of the year. This company was established to manage the platform launched by the Ministry of Culture together with Cassa Depositi e Prestiti to distribute artistic and cultural content using innovative digital technology on an international scale. The industrial partner in the project is CHILI S.p.A., which holds 49% of the share capital.

With reference to the Fincantieri group, after completing the acquisition of Inso, the subsidiaries SOF, Ergon Projects Ltd, Inso Albania, Constructora Inso Chile, and Empoli Salute Gestione have entered the scope of line-by-line consolidation.

Please refer to "Part G - Business combinations" for detailed information regarding the entry of new subsidiaries in the scope of consolidation in the first half of 2021.

SACE

Regarding the controlling equity investment in SACE S.p.A. ("SACE"), the analysis presented in the CDP Group's consolidated financial statements at 31 December 2020 - to which reference should be made for further details - has been updated for the events that occurred during the first half of 2021 in order to explain the consequent effects on classification and measurement of this equity investment.

Decree Law no. 104 of 14 August 2020 ("August Decree"), converted, with amendments, into Law no. 126 of 13 October 2020, contains specific provisions on the corporate reorganisation of the SACE group; in particular, article 67, paragraph 2 of the August Decree envisages:

- a preliminary agreement between the Ministry of the Economy and Finance ("MEF") and CDP;
- a further decree issued by the MEF, in agreement with the Minister of Foreign Affairs and International Cooperation, subject to registration by the Court of Auditors, concerning the reorganisation of the SACE group and the value of the equity investments transferred that is deemed appropriate by the parties ("Implementing Decree"), which has not yet been enacted.

More specifically, on 2 March 2021, CDP, SACE and the MEF signed a hypothetical agreement pursuant to article 67, paragraph 2 of the August Decree ("Hypothetical Agreement"), under which they agreed, among other things, to submit the following proposal for the reorganisation of the SACE group to their respective decision-making bodies:

- commitment by SACE to sell to CDP, which undertakes to purchase, the entire equity investment held in SIMEST, equal to 76.005% of the share capital, for cash consideration at a value determined with the support of independent financial advisors, which corresponds to the book value recorded in the separate financial statements of SACE S.p.A., equal to 228.4 million euro;
- commitment by CDP to sell to the MEF, which undertakes to purchase, the entire equity investment held in SACE, and thus the entire SACE group excluding SIMEST, for consideration, to be paid in government securities, determined with the support of independent financial advisors, which corresponds to the book value recorded in the separate financial statements of CDP, equal to 4,251 million euro.

As a result of this reorganisation, which is to be carried out in the sequence described above as a single and inseparable act, subsequent to and without prejudice to the aforementioned Implementing Decree, CDP would directly own 76.005% of SIMEST's share capital, while the MEF would directly own 100% of SACE's share capital.

On 5 March 2021, CDP's Board of Directors - in fulfilment of the commitments undertaken in the Hypothetical Agreement - resolved to, among other things:

- approve the purchase of the entire equity investment in SIMEST for consideration of 228.4 million euro, to be paid in cash;
- approve the sale of CDP's entire equity investment in SACE to the MEF, corresponding to 100% of the share capital, for consideration of 4,251 million euro, to be paid in government securities, in accordance with article 67 of the August Decree.

Accordingly, in application of IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, the SACE group (excluding the SIMEST investee) was reclassified to assets held for sale. The identification of the net assets of the SACE group subject to future sale as a "disposal group" and the application of the related measurement criteria (fair value less costs of disposal applied to the unit of account identified by the "disposal group" instead of to the individual assets subject to sale) have had a negative economic effect in the half-yearly condensed consolidated financial statements of the CDP Group of 1,241 million euro, equal to the difference between the carrying value of the net assets of the SACE group before intragroup items (5,492 million euro at 30 June 2021) in the half-year condensed consolidated financial statements of the CDP Group and the sale price set in the Hypothetical Agreement equal to 4,251 million euro.

SIA

Regarding the controlling equity investment in SIA S.p.A. ("SIA"), the main developments in the first half of 2021 relating to the SIA-NEXI-Nets business combination are reported below:
- on 11 February 2021, Nexi, SIA, CDP Equity, FSIA and Mercury UK Holdco signed binding agreements to proceed with the business combination ("Framework Agreement");
- in April and May, the applications seeking authorisation to proceed with the transaction were filed with: (i) the Presidency of the Council of Ministers, in relation to the Golden Power legislation; (ii) the Bank of Italy; (iii) the Antitrust Authority (AGCM); and (iv) other competent foreign antitrust and regulatory authorities;
- on 18 May 2021, the Boards of Directors of SIA and Nexi approved the merger transaction and the related project;
- on 31 May 2021, authorisation was obtained from the Presidency of the Council of Ministers, pursuant to the Golden Power legislation;
- on 16 June 2021, the deed for the merger of Nets into Nexi was signed, with the merger expected to take effect on 1 July 2021;
- on 21 June 2021, the project for the merger of SIA into Nexi was approved by the respective Shareholders' Meetings.

It should be noted that the completion of the merger of SIA into Nexi can only occur once all the conditions precedent have been fulfilled, with particular reference to obtaining the authorisations from the Bank of Italy and the Antitrust Authority (AGCM). More specifically, this transaction is expected to be completed by the end of 2021.

Accordingly, pursuant to IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations, the consolidated assets and liabilities of the SIA group were reclassified to assets held for sale as of 30 June 2021. The application of the related measurement criteria (fair value less costs of disposal applied to the unit of account identified by the "disposal group" instead of to the individual assets subject to sale) did not have any negative economic effect in the half-yearly condensed consolidated financial statements of the CDP Group since the carrying value of the net assets of the SIA group, before intragroup items, of 1,448 million euro at 30 June 2021 in the half-year condensed consolidated financial statements of the CDP Group was less than the fair value less costs of disposal, determined based on the exchange ratio in Nexi S.p.A. shares – established under the agreements signed by the parties with respect to the merger between SIA and Nexi S.p.A. – applied to the average of Nexi's stock prices, weighted with the relevant volumes.

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

For details of the significant assessments and assumptions to determine whether there is control, joint control or significant influence, see the 2020 Annual Financial Report, Chapter 3, Part A - Accounting policies, Part A.1 - General Information, Section 3 - Scope and Methods of Consolidation, 2. Significant assessments and assumptions to determine whether there is control, joint control or significant influence.

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

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

Significant events after 30 June 2021

The significant transactions which occurred after 30 June 2021 are summarised below.

Italgas

On 13 July 2021, the acquisition from Conscoop of the entire share capital of Isgas33, the company holding the concession for the management of the gas service in Basin 33 in Sardinia, was completed. The scope of the company's assets includes: 242 kms of network, approximately 700 active redelivery points and a 60 cubic metre LNG plant. The enterprise value is 25 million euro, equal to the estimated RAB for the company's assets, adjusted by the value of the financial debt at closing. With the completion of the transaction, the number of basins in which Italgas operates in Sardinia rises to 18 (out of 38).

On 15 July 2021, Italgas, in compliance with the timelines set by the rules of the sale procedure, filed the binding offer for the acquisition of DEPA Infrastructure S.A., as part of the international public tender procedure for the sale of 100% of the shares of the company by Hellenic Republic Asset Development Fund S.A. and Hellenic Petroleum S.A.

On 16 July 2021, ARERA published consultation document 308/2021/R/com relating to the criteria for determining and updating the rate of return on invested capital for the second regulatory period due to start as of 1 January 2022.

Terna

On 13 July 2021, Terna signed an agreement with the European Investment Bank (EIB) for a 300-million-euro loan as backing for the 2021-2025 "Driving Energy" Business Plan, which includes investments for a total of 8.9 billion euro for the energy transition.

On 16 July 2021, Terna launched its first euro commercial paper programme for the issue of notes and ESG notes ("ECP Programme"). The new ECP Programme has a maturity of 3 years and a maximum amount equal to 1,000,000,000 euro.

Fincantieri

On 2 July 2021, "Valiant Lady" and "Resilient Lady", the second and third of four cruise ships ordered from Fincantieri by Virgin Voyages, the new cruise operator and brand of Sir Richard Branson's Virgin group, were delivered and launched, respectively, at the Sestri Ponente shipyard.

On 19 July 2021, Fincantieri was named again Most Attractive Employer within the Manufacturing, Mechanical and Industrial Engineering sector by Universum, a Swedish company which certifies the most attractive companies for Italian university students through a detailed questionnaire.

Section 5 - Other issues

New IFRS endorsed at 30 June 2021 and in force since 2021

As required by IAS 8 - "Accounting policies, changes in accounting estimates and errors", details of the new international financial reporting standards, or amendments to standards already in force, whose application became mandatory from 1 January 2021, are provided below:

- Commission Regulation (EU) 2021/25 of 13 January 2021, published in Official Journal L 11/7 of 13 January 2021, amending Regulation (EC) no. 1126/2008, adopting certain international accounting standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council as regards International Accounting Standard (IAS) 39 and International Financial Reporting Standards (IFRS) 4, 7, 9 and 16;
- Commission Regulation (EU) 2020/2097 of 15 December 2020, published in Official Journal L 425 of 16 December 2020, amending Regulation (EC) no. 1126/2008, adopting certain international accounting standards in accordance with Regulation (EC) no. 1606/2002 of the European Parliament and of the Council as regards International Financial Reporting Standard (IFRS) 4.

New accounting standards and interpretations issued and endorsed by the European Union, but not yet in force (date of entry into effect for financial years beginning from 1 January 2022)

Listed below are the new standards and interpretations already issued and endorsed, but not yet in force and therefore not applicable to the preparation of the financial statements at 30 June 2021:

- Commission Regulation (EU) 2021/1080 of 28 June 2021, published in Official Journal L 234/90 of 2 July 2021, amending Regulation (EC) no. 1126/2008, adopting certain international accounting standards in accordance with Regulation (EC) no. 1126/2002 of the European Parliament and of the Council as regards International Accounting Standards (IAS) 16, 37 and 41 and International Financial Reporting Standards (IFRS) 1, 3 and 9.

Accounting standards, amendments and interpretations not yet endorsed by the European Union at 30 June 2021

Certain accounting standards, interpretations and amendments had been issued by the IASB but not yet endorsed by the European Union at the approval date of these half-yearly condensed consolidated financial statements:

- IFRS 17 Insurance Contracts (issued on 18 May 2017) including Amendments to IFRS 17 (issued on 25 June 2020);
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (issued on 12 February 2021);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (issued on 12 February 2021);
- Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions beyond 30 June 2021 (issued on 31 March 2021);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (issued on 7 May 2021).

Other information

The Board of Directors meeting held on 30 July 2021 approved the consolidated half-yearly financial report of the CDP Group at 30 June 2021, inclusive of the half-yearly condensed consolidated financial statements of the CDP Group, authorising their publication and disclosure in line with the deadlines and methods envisaged by the regulations applicable to CDP.

Restatement of the comparative figures

Restated consolidated balance sheet at 31 december 2020

(thousands of euro) Assets	31/12/2020	31/12/2020 Restated	Differences
10. Cash and cash equivalents	1,359	1,359	
20. Financial assets measured at fair value through profit or loss	4,923,820	4,923,820	
a) financial assets held for trading	1,321,688	1,321,688	
b) financial assets designated at fair value	478,671	478,671	
c) other financial assets mandatorily measured at fair value	3,123,461	3,123,461	
30. Financial assets measured at fair value through other comprehensive income	13,538,002	13,538,002	
40. Financial assets measured at amortised cost	403,753,318	403,753,318	
a) loans to banks	48,552,046	48,552,046	
b) loans to customers	355,201,272	355,201,272	
50. Hedging derivatives	553,939	553,939	
60. Fair value change of financial assets in hedged portfolios (+/-)	2,531,833	2,531,833	
70. Equity investments	15,834,385	15,834,385	
80. Reinsurers' share of technical reserves	2,594,711	2,594,711	
90. Property, plant and equipment	40,315,498	40,315,498	
100. Intangible assets	14,357,476	14,352,394	(5,082)
of which:			
- *goodwill*	*2,227,633*	*2,227,633*	
110. Tax assets	1,988,695	1,990,812	2,117
a) current tax assets	172,161	174,278	2,117
b) deferred tax assets	1,816,534	1,816,534	
120. Non-current assets and disposal groups held for sale	291,483	291,483	
130. Other assets	11,723,676	11,723,676	
Total assets	**512,408,195**	**512,405,230**	**(2,965)**

(thousands of euro) Liabilities and equity	31/12/2020	31/12/2020 Restated	Differences
10. Financial liabilities measured at amortised cost	417,073,945	417,073,945	
a) due to banks	62,303,272	62,303,272	
b) due to customers	311,387,932	311,387,932	
c) securities issued	43,382,741	43,382,741	
20. Financial liabilities held for trading	268,158	268,158	
30. Financial liabilities designated at fair value	30,513	30,513	
40. Hedging derivatives	4,683,374	4,683,374	
50. Fair value change of financial liabilities in hedged portfolios (+/-)	10,352	10,352	
60. Tax liabilities	3,747,634	3,748,288	654
a) current tax liabilities	82,222	82,876	654
b) deferred tax liabilities	3,665,412	3,665,412	
70. Liabilities associated with non-current assets and disposal groups held for sale	165,031	165,031	
80. Other liabilities	46,094,342	46,094,342	
90. Staff severance pay	240,741	240,741	
100. Provisions for risks and charges	2,934,174	2,934,174	
a) guarantees issued and commitments	409,374	409,374	
b) pensions and other post-retirement benefit obligations			
c) other provisions	2,524,800	2,524,800	
110. Technical reserves	3,460,541	3,460,541	
120. Valuation reserves	510,814	510,814	
130. Redeemable shares			
140. Equity instruments			
145. Interim dividends			
150. Reserves	14,187,581	14,186,661	(920)
160. Share premium reserve	2,378,517	2,378,517	
170. Share capital	4,051,143	4,051,143	
180. Treasury shares (-)	(322,220)	(322,220)	
190. Non-controlling interests (+/-)	13,262,560	13,259,564	(2,996)
200. Net income (loss) for the year	(369,005)	(368,708)	297
Total liabilities and equity	**512,408,195**	**512,405,230**	**(2,965)**

In the first half of 2021, the Italgas group classified under operating costs the charges relating to the periodic checks pursuant to the law of the volume conversion devices, where present in the meters installed at the re-delivery points. In order to ensure the comparability of the balance sheet items, the items relating to intangible assets (-5.1 million euro), equity (-3.6 million euro) and tax receivables (+1.5 million euro) were adjusted as at 31 December 2020.

Restated consolidated income statement for the period ended 30 June 2020

(thousands of euro) Items	1st half of 2020	1st half of 2020 Restated	Differences
10. Interest income and similar income	4,028,259	3,954,448	(73,811)
- *of which: interest income calculated using the effective interest rate method*	*4,143,562*	*4,081,799*	*(61,763)*
20. Interest expense and similar expense	(2,458,319)	(2,447,526)	10,793
30. Net interest income	**1,569,940**	**1,506,922**	**(63,018)**
40. Commission income	231,773	212,824	(18,949)
50. Commission expense	(763,705)	(762,124)	1,581
60. Net commission income (expense)	**(531,932)**	**(549,300)**	**(17,368)**
70. Dividends and similar revenues	19,045	18,954	(91)
80. Profits (losses) on trading activities	(46,738)	(55,988)	(9,250)
90. Fair value adjustments in hedge accounting	(45,375)	(46,460)	(1,085)
100. Gains (losses) on disposal or repurchase of:	117,313	117,313	
a) financial assets measured at amortised cost	(647)	(647)	
b) financial assets at fair value through other comprehensive income	121,975	121,975	
c) financial liabilities	(4,015)	(4,015)	
110. Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	(95,446)	(82,109)	13,337
a) financial assets and liabilities designated at fair value	(2,036)	(2,036)	
b) other financial assets mandatorily at fair value	(93,410)	(80,073)	13,337
120. Gross income	**986,807**	**909,332**	**(77,475)**
130. Net adjustments/recoveries for credit risk relating to:	(147,477)	(116,735)	30,742
a) financial assets measured at amortised cost	(148,387)	(117,645)	30,742
b) financial assets at fair value through other comprehensive income	910	910	
140. Gains/losses from changes in contracts without derecognition			
150. Financial income (expense), net	**839,330**	**792,597**	**(46,733)**
160. Net premium income	(68,817)		68,817
170. Net other income (expense) from insurance operations	(21,682)		21,682
180. Net income from financial and insurance operations	**748,831**	**792,597**	**43,766**
190. Administrative expenses	(4,194,783)	(4,134,339)	60,444
a) staff costs	(1,201,746)	(1,160,261)	41,485
b) other administrative expenses	(2,993,037)	(2,974,078)	18,959
200. Net accruals to the provisions for risks and charges	(44,674)	(49,693)	(5,019)
a) guarantees issued and commitments	(87,225)	(86,890)	335
b) other net accrual	42,551	37,197	(5,354)
210. Net adjustments to/recoveries on property, plant and equipment	(872,435)	(871,629)	806
220. Net adjustments to/recoveries on intangible assets	(381,666)	(412,354)	(30,688)
230. Other operating income (costs)	6,606,940	6,663,089	56,149
240. Operating costs	**1,113,382**	**1,195,074**	**81,692**
250. Gains (losses) on equity investments	(2,010,889)	(2,024,993)	(14,104)
260. Gains (losses) on property, plant and equipment and intangible assets measured at fair value			
270. Goodwill impairment			
280. Gains (losses) on disposal of investments	7,752	7,752	
290. Income (loss) before tax from continuing operations	**(140,924)**	**(29,570)**	**111,354**
300. Income tax for the period on continuing operations	(564,640)	(587,527)	(22,887)
310. Income (loss) after tax on continuing operations	**(705,564)**	**(617,097)**	**88,467**
320. Income (loss) after tax on discontinued operations	11,694	(62,425)	(74,119)
330. Net income (loss) for the period	**(693,870)**	**(679,522)**	**14,348**
340. Net income (loss) for the period pertaining to non-controlling interests	724,274	754,952	30,678
350. Net income (loss) for the period pertaining to shareholders of the Parent Company	**(1,418,144)**	**(1,434,474)**	**(16,330)**

The restatement of the income statement for the first half of 2020 was necessary to reflect:
- the reclassification of the contribution of SACE, SACE Bt, SACE Fct, SACE Srv and FSE to item 320. "Income (loss) after tax on discontinued operations";
- the new classification under operating costs of the charges relating to the periodic checks pursuant to the law of the volume conversion devices, where present in the meters installed at the re-delivery points. In order to ensure the comparability of the income statement items, the items relating to Other operating income/costs (-0.9 million euro), Adjustments to/recoveries on intangible assets (+2.1 million euro) and Income taxes (-0.4 million euro) were adjusted;
- the final accounting calculation of the business combination of the Brugg group completed at the end of the 2020 financial year;
- the effects of the purchase price allocation on Ansaldo Energia. In order to ensure the comparability of the income statement items, the items relating to Other operating income/costs (+3.9 million euro), Other administrative expenses (+5.2 million euro), Adjustments to/recoveries on intangible assets (-19.2 million euro) and Income taxes (+2.8 million euro) were adjusted;
- the effects of the purchase price allocation on SIA. In order to ensure the comparability of the income statement items, the items relating to Adjustments to/recoveries on intangible assets (-15.3 million euro) and Income taxes (+5 million euro) were adjusted;
- the effects of the purchase price allocation on Webuild which had an impact on the item Gains (losses) on equity investments of -13 million euro.

Interest Rate Benchmark Reform

In 2013, the G20 tasked the Financial Stability Board (FSB) with carrying out a comprehensive review of the key benchmark rates of the money market and developing plans for their possible replacement in order to enhance their integrity and representativeness for all market participants. In July 2014, the FSB published its recommendations, which essentially set two basic objectives: (1) reform the IBORs (Interbank Offered Rates) benchmark rates, of which LIBOR is one of the most commonly used, in order to strengthen their existing methodologies and make them more consistent with real transactions; (2) develop more robust alternative benchmark rates.

More specifically, the European Union Benchmarks Regulation (Regulation (EU) 2016/1011), published in 2016 and in force since January 2018, set out the new regulatory framework for EURIBOR, LIBOR and EONIA benchmark rates, bringing market indices and the methodology by which they are calculated in line with international standards, aiming to ensure the integrity of benchmarks used in the Eurozone (including benchmark interest rates), reducing the use of discretion, improving governance controls and tackling conflicts of interest. Furthermore, with regard to "critical benchmarks", that are widely used in the markets, Article 28.2 of the Regulation requires that supervised entities produce robust written plans setting out the actions that they would take in the event that a benchmark materially changes or ceases to be provided, or reflect them in the contractual relationship with the customer.

On 15 January 2020, Regulation No. 34 "Interest Rate Benchmark Reform" was endorsed by the European Commission, approving the amendments to IFRS 9, IAS 39 and IFRS 7 issued by the IASB on 26 September 2019 as part of the "Interest Rate Benchmark Reform" project.

This amendment completed the first phase of the IASB's project to find ways to reduce the effects of the interest rate reform on the financial statements, with particular reference to potential impacts before replacing the existing benchmarks. In particular, the IASB has provided for some exceptions to the accounting for hedging relationships, aimed at avoiding the discontinuing effects due to the mere uncertainty of the interest rate reform. Specifically, for the economic relationship to be assessed, the amendments introduced required the entity to assume that the interest rate benchmark for determining the interest rates of the hedged instrument and the hedging instrument had not changed following the rate reform.

With the publication of the "Interest Rate Benchmark Reform - Phase 2 - Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16" on 27 August 2020, the IASB officially launched the second phase of the project which aims to address and anticipate the impacts of effectively replacing existing interest rate benchmarks with alternative benchmark rates.

These amendments were approved by the European Commission with Regulation No. 25, endorsed on 13 January 2021, which provides for a specific accounting treatment to spread value changes of financial instruments or lease contracts due to the replacement of the interest rate benchmark over time, which prevents a sudden impact on net income for the period, and prevent unnecessary discontinuations of hedging relationships as a consequence of the replacement of the interest rate benchmark. Applying these amendments is compulsory from 1 January 2021.

In order to assess the significant risks associated with this global reform, and to take appropriate action to ensure an orderly transition to the alternative or reformed benchmark rates, as required by the EU Benchmarks Regulation (BMR), the CDP Group undertook all the initiatives necessary to ensure an orderly transition to the new benchmark rates by managing the prospective termination of the IBORs (Interbank Offered Rates) and the EONIA rate, with regard to both customer relationships and its own organisational and operational structures, and by providing appropriate fallback clauses[25] in contracts.

Disclosure of COVID- 19 impacts

In preparing the half-yearly financial report at 30 June 2021, CDP and the Group companies, in continuity with 2020, are required to consider the impacts associated with the current economic context characterized by the persistence of the effects of the COVID-19 pandemic, as well as the related accounting implications with regard to the measurement of assets and liabilities, and the disclosure and assessment on the going concern basis, taking into account also the guidance published in 2020 by the Bank of Italy, ESMA, IOSCO and CONSOB, specifically:

- ESMA 32-63-951 statement dated March 2020, 'Accounting implications of the COVID-19 outbreak on the calculation of expected credit losses in accordance with IFRS 9';
- ESMA 32-63-972 statement dated May 2020 'Implications of the COVID-19 outbreak on the half-yearly financial reports';
- IOSCO OR/02/2020 dated May 2020 'Statement on Importance of Disclosure about COVID-19';
- CONSOB warning notice no. 6/20 dated April 2020, 'COVID-19 - Drawing attention to financial reporting';
- CONSOB warning notice no. 8/20 dated July 2020, 'COVID-19 - Drawing attention to financial reporting';
- ESMA 32-63-1041 statement dated October 2020 'European common enforcement priorities for 2020 annual financial reports';
- Communication of the Bank of Italy dated 15 December 2020, 'Supplements to the provisions in Circular no. 262 "Bank financial statements: presentation formats and rules"';
- CONSOB warning notice no. 1/21 dated 16 February 2021, 'COVID-19 – Measures on support for the economy – Drawing attention to reporting that needs to be provided'.

IAS 34 establishes that the extent of the information provided should be proportionate to the objective of providing an adequate update with respect to the information reported in the Annual Financial Report.

The aim of this paragraph, in view of the ongoing effects of the COVID-19 pandemic, is to illustrate the main areas of focus analysed by the management in order to prepare the consolidated Half-yearly Financial Report at 30 June 2021, in consideration of the current reference context.

Detailed information on strategies, objectives and financial performance, the measures adopted to address and mitigate these effects and the business outlook are contained in the "Outlook of operations".

In 2021, CDP and Group companies continue to play a key role in implementing the measures issued by the Italian government to mitigate the impacts of COVID-19 and to support the economy.

In particular, in the first half of 2021, CDP provided support by managing two initiatives involving funds held by the Ministry of the Economy and Finance that were established to provide the liquidity needed to pay Public Administration debts:

- pursuant to Article 1, paragraphs 833 et seq., of Law no. 178 of 30 December 2020 (2021 Budget Law), the deadlines for the submission of applications by the Regions and Autonomous Provinces, on behalf of the National Health Service Entities, for the payment of certain, liquid and collectable payables outstanding at 31 December 2019 relating to provisions, supplies, contracts and obligations for professional services, as well as tax, social security and insurance obligations, have been reopened through the Fund referred to in Article 115, paragraph 1, of Decree Law no. 34 of 19 May 2020, and specifically in the section regarding health care debts;
- pursuant to Article 21 of Decree Law no. 73 of 25 May 2021, the section of the Fund dedicated to debts other than health care ones has been refinanced to be used to pay certain, liquid and collectable trade payables accrued by Local Entities (Local Authorities, Regions and Autonomous Provinces) at 31 December 2020.

25 In order to minimise the risk that one or more LIBOR rates or other benchmark rates may be discontinued even though market participants are still exposed to such rate, financial institutions and customers are encouraged to include fallback clauses indicating alternative reference rates (ARRs) to substitute unavailable pre-existing reference rates, or a procedure to be followed to identify one.

In both initiatives, the resources of the Fund are used, with support from CDP, to grant cash advances in favour of Entities, with a maximum duration of 30 years. In particular, CDP acts on behalf of the Ministry of the Economy and Finance, managing all phases of the cash advances, from the receipt of applications and the related preliminary assessment, to the completion of the contract and the disbursement of the amounts, up to the full repayment thereof.

In addition, the support measures also continued for companies financed by CDP affected by liquidity problems caused by the COVID-19 pandemic which, in order to mitigate the impact on business continuity, required CDP to renegotiate certain contractual terms.

As of March 2020, 130 moratoriums on payments have been requested for Italian debtors, mainly pursuant to the "Cura Italia" Decree Law, for an average duration of 18 months and a moratorium amount of approximately 25 million euro on loans granted of approximately 200 million euro. In addition, 25 suspensions of checks on financial covenants ('Covenant Holiday') have been requested for about 1 year. The sectors most heavily impacted are represented by automotive components, textile production, agri-food, metalworking and tourism.

As part of the measures introduced by the "Liquidity Decree" to support companies affected by the COVID-19 emergency, loans totalling 1.3 billion euro were disbursed to 108 companies that benefited from the SACE guarantee and the State counter-guarantee ("Garanzia Italia").

With regard to the portfolio of foreign debtors, the sector most heavily impacted up to 30 June was that of shipbuilding, in the cruise sector. As of March 2020, the main European export credit agencies have offered their debtors in the cruise sector a 'Debt Holiday' of up to 24 months from principal repayments and a suspension of financial covenants for the same period.

CDP has also joined the 'Debt Holiday' initiative launched by the Italian export credit agency (SACE). Consequently, amendments to existing agreements have been signed, thus allowing the suspension of covenants and the deferral of principal repayments due from 1 April 2020 to 31 March 2022 by creating separate tranches to be repaid within the next five years, for a moratorium amount totalling about 400 million euro on a loan portfolio of 4.3 billion euro.

Group companies also continued their business support actions , as detailed below:
- SIMEST has further strengthened its commitment to support the restart and/or relaunch of the country's productive sector by granting loans for the capitalisation of businesses and managing public funds (i.e., in June 2021, the subsidised lending portal of the Law 394/81 Fund was reopened), providing support to small and medium-sized enterprises engaged in export and international expansion activities. Overall, as part of the measures to support the economy, in the first 6 months of 2021 the endowment of the Law 394/81 Fund was increased by 2,285 million euro through the 2021 Budget Bill and the 'Sostegni bis' Decree Law. Resources totalling 1,160 million euro have also been allocated for non-repayable co-financing as part of the 2021 Budget Bill, the 'Sostegni' Decree Law (for the fixed cost relief measure for trade fair organisations) and the 'Sostegni bis' Decree Law;
- SACE SRV, through its Customer Care line, has: i) actively participated in the "Garanzia Italia" project and provided support for the SIMEST Moratorium activity on payments against loans signed; ii) launched the advisory service for CDP Public Administration and strengthened business development activities by carrying out scheduled outbound commercial campaigns; and iii) taken on a central role in the commercial initiatives coordinated by SACE Marketing;
- SACE Fct has promoted the use of the liquidity support measures adopted by the Government through the "Cura Italia" and "Liquidity" Decree Laws, enacted to respond to the COVID-19 emergency.

For more details on the initiatives and the role of CDP and the Group companies in the current situation, please refer to the more detailed disclosure in the Half-yearly report on operations.

Disclosure on going concern, risks, uncertainties and impacts of the COVID-19 epidemic

Going concern

Based on the operations of CDP and its Group companies and having considered all information available on its capital structure, available liquidity and financial performance over the medium term, even in the current environment which continues to be influenced by the effects of the COVID-19 outbreak, there is no evidence of factors that might in any way affect the ability to continue as a going concern.

Significant risks and uncertainties

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

The COVID-19 emergency has not generated risks other than those reported, as these types of events are considered within the risks already assessed and monitored. In particular, the following key risk areas have been identified:
- Equity risks due to a fall in the price of listed equity investments and a possible drop in the value of the overall portfolio, including exposures to the Real Estate sector;
- Credit risks due to a possible rise of debtors in financial distress, both on the loans and guarantees portfolio and on debt securities or for works in progress;
- Operational risks due to partial use of premises, business continuity and the risk of employees on sick leave, as well as the management of liquidation activities and pending litigations;
- Liquidity risks due to more difficult conditions to raise funding and/or dispose assets when required.

In addition to the above, as a result of the specific context/sector which some of the Group companies operate in, it is appropriate to detail the following additional areas:
- Snam, Terna, Italgas: risks related to possible changes in the regulatory environment;
- Fincantieri: risks related to the operational complexity characterising the shipbuilding industry, geographical and product diversification and the inorganic growth strategy;
- SIA: operational risks in the services rendered and technological risks;
- Ansaldo Energia: business risks associated with its operations.

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

For the CDP Group, the areas subject to analysis, due to an increased level of uncertainty, are:
- the changes linked to regulatory measures adopted by the Italian Government to support and relaunch the economic-productive system as a result of the epidemiological crisis, for which CDP and the Group Companies have played a key role in implementing the measures or that led to significant changes to the business model of one or more investee companies (Decree Law 23/2020, which, inter alia, had required the termination of CDP management and coordination activity over SACE);
- the acceleration in the energy transition dynamics, with effects on investees that operate in the Oil & Gas sector or in directly related sectors; in this regard, following an analysis of the market discontinuity caused by the COVID-19 outbreak, Eni has announced and subsequently confirmed its strategic policies up to 2050, confirming the Eni group's objective to become the biggest supplier of decarbonised products, contributing to the energy transition process and combining the objectives of profitability and sustainability;
- a possible increase in the insolvency risk in the loan portfolio, in terms of both rating transitions and the higher probability of short-term default with respect to the historical average.

With regard to the specificities of the Group companies, the following is highlighted:

- CDP Immobiliare SGR, in order to support business continuity and the employment levels of its lessees, has agreed: i) to suspend lease payments for 2020 and 2021, excluding the payment of a portion ("Minimum Guaranteed Amount") which is to be paid by predetermined dates before the end of each year; (ii) in relation to the 2020 and 2021 receivables, repayment plans that provide for the full recovery of the receivables in three equal instalments in the years 2023-2026; (iii) with reference to the contractual remedies in the event of default by the operator in relation to lease payments for 2020 and 2021: waiving of the enforcement of the guarantees and the right to terminate the contracts until 30 September 2021.
- CDP Immobiliare also continues to monitor the operational risks associated with the specific business, such as:
  - construction sites in progress or to be contracted, affected by delays or interruptions in the execution of the contracted works in the real estate portfolio (with consequent delay with respect to their schedules), and increase in costs due to the greater health and safety safeguards;
  - leases, affected by changing operator strategies and the lengthening of the time for finalising agreements;
  - sales processes, exposed to the risk of impossibility of real estate disinvestment transactions due to market illiquidity.
- SIMEST, in order to better monitor the risks associated with the historical context of reference, through its control functions, in accordance with a general principle of proportionality, continued its activities, further consolidating the framework of controls and monitoring in all phases of the credit process, in relation both to the equity investment portfolio and to the funds managed on behalf of third parties, in order to more promptly identify any changes in the scenario in terms of credit risk, liquidity risk and other risks, thus ensuring its responsiveness and ability to adapt. In addition, during 2021, in an effort to ensure greater oversight and strengthen credit risk assessment and monitoring systems, the Risk Management (i) definitively approved the CDP Group's internal rating model already used by SIMEST to support the business structures and applicable to small and mid-corporate counterparties, (ii) conducted a massive pre-targeting analysis to identify companies with a high credit standing for the business structures to focus on, and (iii) further consolidated the entire risk reporting process that is periodically presented to the corporate bodies.
- For the Fincantieri group, the production shutdown in Italy had led to a reduction in production, which caused delays in production schedules and consequently the deferral of revenues resulting in an EBITDA loss due to lack of progress on shipbuilding contracts during the lockdown and fixed production costs not being absorbed during the production shutdown. In the cruise ship sector, the Fincantieri group continued its dialogue with shipowners, confirming the suspension of part of the instalment payments on ships under construction. The deliveries scheduled for the first six months of 2021 were made respecting the commitments made with the shipowners. In support of cruise operators, it should also be noted that the 'Debt Holiday' on export financing granted to shipowners has been extended on condition that existing orders are confirmed. The initiative, originally expiring on 31 March 2021 and extended for a further 12 months, suspends the repayment of the principal instalments and consequently reschedules the repayment plan over the following four years.

Financial instruments and measurement of Expected Credit Losses

The assessment of any significant increase in credit risk (SICR) of CDP is based not only on the information relating to the classification of loans pursuant to banking regulations (e.g. "past due", "forborne") but also on the forward-looking information embedded in its own credit risk management systems in relation to:

- internal ratings, which reflect the forward-looking assessment by CDP analysts of the capacity of each debtor to meet its obligations over the entire life of the financial instruments. Internal ratings holistically incorporate, through an assignment and review process, all available quantitative and qualitative information that is relevant to the assessment, including, for example, up-to-date macroeconomic forecasts, sector dynamics assessments, public ratings issued by the primary agencies, market prices and regulatory measures;
- assigning specific debtors to the different "watchlists", which in some cases may indicate the presence of additional uncertainty factors, typically qualitative, other than the main drivers considered in the internal rating.

Consistent with the characteristics of its loan portfolio, mainly including exposures with public counterparties, banks operating in Italy, large corporations and special-purpose vehicles operating in the infrastructure sector, CDP has noted, as at 30 June 2021, that changes in ratings are limited in terms of cases, the amount and size of the exposures, even including the impacts of COVID-19 on a forward-looking basis.

No changes were deemed necessary in the models for the valuation and measurement of financial instruments related to the pandemic crisis. In particular, CDP has not made changes to its methodology for assessing the significant increase in credit risk, either as a result of COVID-19 or due to other factors, as it considers this methodology to be adequate in the current context.

In measuring Expected Credit Losses, CDP applies the internally-developed methodology, which takes into account the following elements: (i) the estimate of Through-the-Cycle probability of default and (ii) an internal model for estimating the cyclical component of probability of default. The model applied to estimate the cyclical component is based on the main macroeconomic drivers including GDP and employment rate forecasts, with reference to the European area and the USA.

Note that for none of the initiatives undertaken by CDP and described in the previous paragraphs ("Covenant Holiday", "Debt Holiday") CDP has proceeded with the derecognition of any loan agreements or the underlying financial instruments.

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

- SACE recognised significant impacts due to downgrades made by counterparty Rating Agencies and moratoriums on guaranteed loans. Counterparties operating in the sectors of greatest exposure covered by the SACE guarantee portfolio such as the Cruise and Aeronautics sector were particularly affected. These specific elements led to an increase in credit risk measurable through expected loss metrics, with a consequent impact on Best Estimates, and on the impairment of loans, deposits and securities.
- SIMEST has carried out measurements of provisions on an individual and collective basis. With regard to individual impairment, the measurements were conducted at the level of the individual counterparty/transaction on the basis of the expected cash flows, the presence of guarantees and the recovery timing and percentages. These variables, together with general considerations relating to the economic environment including the effects of COVID-19, led to the granting of extensions on the initial due date of performing transactions and a review of the measurements with a marginal impact in terms of impairment losses. Regarding the provisions made on a collective basis, the ECL values for the portfolio classified at amortised cost were updated using forward-looking PDs, following an expert-based analysis by SIMEST of the appropriateness of the parameters and including changes in ratings on "single names" (whose risk profile in some cases deteriorated also as a result of the economic consequences related to the pandemic) carried out as part of the broader activity of performance monitoring. In particular, the Group's model, which captures both the effects of the pandemic and the mitigating effect of the economic policies adopted by the major economies, has estimated the probability of default by taking into account: (i) using a Through-the-Cycle logic, historical information and prudential elements to ensure adequacy even in periods of severe crisis; (ii) the cyclical component intended to produce forward-looking estimates of the Point-in-Time parameters, incorporating the main macroeconomic drivers and, in the context of the COVID-19 crisis, highlighting trends that are consistent with a markedly recessionary period. For the portion of the portfolio valued at Fair Value, impairment values were calculated using updated market parameters by factoring the valuation of the cost of funding with the moving average of the most recent observations, in order to contain the potential effects of volatility deriving from external market factors.

Impairment test

Equity investments

The indicators of impairment (so-called triggers) and objective evidence of impairment are assessed on the basis of information taken from public sources or of any additional information received by the investees.

Specifically, at 30 June 2021, impairment triggers were activated on some of the key equity investments accounted for using the equity method (Eni, Saipem, Open Fiber), essentially for the actual results and/or the performance of market prices.

With reference to the estimated recoverable amount of the equity investments, to be understood as the higher of their fair value and their value in use, CDP, in line with what was done when preparing the 2020 Annual Financial Report, has adopted a range of key principles, taking also into account the challenges of the COVID-19 outbreak in this unique moment in time. Examples are given below:

- a general lengthening of the detection periods of certain key parameters;
- use of the average of the latest Country Risk Premiums instead of the latest available, where deemed to be more significant;
- use of an Equity Risk Premium "consensus" in line with the average of the latest values available instead of the latest value available.

In addition, to verify the consistency of these values with respect to possible changes in the macroeconomic environment, CDP has conducted a sensitivity analysis on each equity investment against the main variables that determine the asset's value.

Goodwill

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

At each reporting date, CDP conducts an assessment to detect the presence of indicators of impairment under IAS 36 and of any additional indicators, where applicable, also considering the indications of national and international regulators on financial reporting relating to risks, uncertainties, estimates, assumptions and assessments as well as the difficulties related to the impacts of the health crisis due to the spread of COVID-19. The global spread of COVID-19 and the resulting impacts on economic activity have increased the level of uncertainty, hence making it more complex to make quantitative estimates, for example, cash flows from the CGUs, also due to the increased uncertainty in the assumptions and parameters at the basis of the CGU valuation analyses.

For further information please refer to the more detailed description in the specific sections of the Notes to the Consolidated financial statements.

* * *

With reference to the foregoing, it should be noted that:

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

It is therefore necessary to reiterate the ongoing uncertainty about the possible duration of the impacts of the pandemic, making it difficult to predict the associated short and medium-term impacts. This significantly increases the complexity and uncertainty of the estimates made, whose results are described in the specific sections referred to, given that the underlying assumptions and conditions might be subject to further review, to take into account developments outside the management's control, thus resulting in unexpected and unforeseeable impacts. There is still a need to constantly monitor the evolution of these elements in the current context.

Other areas of focus

Revenue Recognition

The following disclosure is provided with regard to the performance of revenues, solely with reference to the Group companies concerned:

- CDP Immobiliare SGR, given the prolonged state of emergency and the resulting restrictions on mobility, is currently engaged in discussions with the operators to identify other measures to mitigate the reduction in productivity caused by the decrease in the number of rooms available for sale. The challenge is to strike a balance between the lessee's need to resume full operations and the property owner's need to bring the property back to profitability in the long term.
- SACE BT has undertaken procedures to revise the estimates and determine reserves, due to the close correlation of the Credit business with the effects of the economic crisis brought about by the continuing pandemic, relating to (i) premiums: to take account of the prospects of decline in the volumes of insured turnover as a result of the economic crisis linked to COVID-19, the prudential coefficients applied in the 2020 financial statements to estimate premiums to be issued as at 30 June have been maintained; (ii) change in the provision for unearned premiums: although there was no increase in claims as at 30 June 2021, the criteria for determining the accrual to the provision for current risks remained prudent to account for any additional increases that might occur in the second half of the year.

Hedge accounting

The impact of the COVID-19 environment on existing hedging relationships is currently marginal for CDP and the Group companies.

Employee benefits

There were no changes in the assumptions and variables forming the valuation of employee benefits.
CDP and the Group companies did not identify any legal obligations to employees relating to COVID-19 for which a liability could be recognised on the basis of IAS 19.

Government incentives and taxation

As regards current taxes, as provided for in the Communication from the European Commission dated 19 March 2020 "Temporary Framework for state aid measures to support the economy in the current COVID-19 outbreak", in the first half of 2020, certain companies benefited from the exemption from paying the first advance payment of the regional tax on productive activities (IRAP) relating to 2020. Pursuant to article 24 of Decree Law No. 34 of 19 May 2020, this payment is not due by companies with revenues not exceeding 250 million euro in the 2019 tax period and is in any case excluded from the IRAP calculation to be paid as the balance for 2020. Considering the uncertainty about the interpretation of these provisions, the legislator subsequently intervened to defer the deadline for these payments to 30 April 2021 and then to 30 September 2021. Within that period, the companies may, if necessary, pay, without penalties and interest, the portion of the enjoyed benefit that exceeds the limits and conditions laid down in the Communication mentioned above.

Fair value measurement

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

Leases

There are no situations caused by the COVID-19 pandemic that resulted in contractual amendments, deferral of lease payments or the granting of discounts in the CDP Group other than some renegotiations of a marginal impact finalised in 2021.

Contingent liabilities

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

Suspension of dividend distribution

At present there is no evidence of COVID-19 impact on the dividend distribution policy regarding the Group's financial statements.

Initiatives for employees

During 2020 the COVID-19 emergency particularly impacted the organisation of the work of the staff of CDP Group companies, which, in coordination with the Parent Company, adopted measures to contain potential risks from the spread of COVID-19. During the first half of 2021, in response to the ongoing COVID-19 emergency, remote working was confirmed as the main way of working, in accordance with the applicable national legislation. In addition, to reinforce the remote working culture within the CDP Group, negotiations began on drawing up a Group-wide Agreement involving the entire workforce of all companies.

Given the partial improvement in the health situation, employees began to gradually return to their local offices while continuing to comply with the prevention and protection measures that had already been established (occupancy policy, distancing, personal protective equipment, etc.). The safety protocols agreed and signed with the trade union and worker safety representatives on the measures to combat and contain COVID-19 in the CDP group were also updated and extended to reflect current legislation.

In May 2021, the Co-working Hub project was launched, providing over 100 workstations for remote working activities at three company offices to encourage remote working and make the use of offices more flexible.

In order to ensure the onboarding of new employees in CDP, during the first half of 2021, CDP continued and enhanced its smart onboarding initiatives. Additional initiatives were also launched to improve the employee experience. Despite the period of social distancing, CDP's employer branding activities included participation in 5 national events consisting of virtual career fairs and student orientation days, in collaboration with Italy's leading universities, in order to boost the CDP group's visibility in the country in accordance with the Business Plan's strategic guidelines. With regard to training, alongside programmes such as the "Master in Local Finance", in collaboration with the Bologna Business School, and the Luiss "Corporate MBA", both of which were launched last year, new initiatives were introduced by the CDP Academy (the "Digital Transformation Program", in collaboration with Berkeley, and the "Risk & Derivatives Advanced Program", in collaboration with Wharton). A distance job shadowing programme called "If I were you" was also launched. This programme, supported by a custom CDP platform and tested in a pilot project with BGK - Bank Gospodarstwa Krajowego, was a great success. This initiative will be expanded to other European National Promotional Institutions (NPIs) in the coming months.

The development of the company app, noi.cdp, also continued with new services and features being released to strengthen, improve and maximise the user experience. Welfare initiatives were also confirmed (remote listening and psychological support service aimed at bolstering people's confidence, motivation and peace of mind; an internal medical service to provide daily medical assistance and first aid services; free specialist medical examinations). CDP has also extended its focus on families with the launch of a new training and orientation programme for the children of employees that features a wide range of initiatives organised with highly qualified partners and targeted by age group.

Disclosure of transfers between portfolios of financial assets

There were no transfers between portfolios of financial assets.

Disclosures on fair value measurement

Qualitative disclosures

As there were no intervening changes to what is set out in the 2020 Annual Report, reference is made to what is stated in the latter under Chapter 3, Part A - Accounting policies, A. 4 - Disclosures on fair value measurement.

Quantitative disclosures

Hierarchy of fair value

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

(thousands of euro) Financial assets/liabilities measured at fair value	30/06/2021 Level 1	30/06/2021 Level 2	30/06/2021 Level 3	31/12/2020 Level 1	31/12/2020 Level 2	31/12/2020 Level 3
1. Financial assets designated at fair value through profit or loss	200	285,422	2,961,418	1,067,801	409,830	3,446,189
a) Financial assets held for trading	102	63,155	6	1,006,878	184,076	130,734
b) Financial assets designated at fair value			479,281			478,671
c) Other financial assets mandatorily at fair value	98	222,267	2,482,131	60,923	225,754	2,836,784
2. Financial assets at fair value through other comprehensive income	13,378,070		842,166	13,390,517		147,485
3. Hedging derivatives		434,105			553,939	
4. Property, plant and equipment						
5. Intangible assets						
Total	**13,378,270**	**719,527**	**3,803,584**	**14,458,318**	**963,769**	**3,593,674**
1. Financial liabilities held for trading		133,177	21,127		244,186	23,972
2. Financial liabilities at fair value			30,818			30,513
3. Hedging derivatives		3,291,922			4,683,374	
Total		**3,425,099**	**51,945**		**4,927,560**	**54,485**

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

(thousands of euro)	Financial assets measured at fair value through profit or loss: Total	of which: a) Financial assets held for trading	of which: b) Financial assets designated at fair value	of which: c) Other financial assets mandatorily measured at fair value	Financial assets measured at fair value through other comprehensive income	Hedging derivatives	Property, plant and equipment	Intangible assets
1. Opening balance	**3,446,189**	**130,734**	**478,671**	**2,836,784**	**147,485**			
2. Increases	**304,232**	**77**	**610**	**303,545**	**723,619**			
2.1 Purchases	257,926			257,926	624,727			
2.2 Profits taken to:	257,926			257,926	624,727			
2.2.1 Income statement	33,397		610	32,787	97,859			
- of which: capital gains	*33,397*		*610*	*32,787*	*548*			
2.2.2 Equity	33,152		610	32,542	548			
2.3 Transfers from other levels		X	X	X	97,311			
2.4 Other increases	12,909	77		12,832	1,033			
3. Decreases	**789,003**	**130,805**		**658,198**	**28,938**			
3.1 Sales	1,770	1,770						
3.2 Repayments	290,003			290,003	1,771			
3.3 Losses taken to:	92,892			92,892	299			
3.3.1 Income statement	92,892			92,892	299			
- of which: capital losses	*92,892*			*92,892*	*299*			
3.3.2 Equity		X	X	X				
3.4 Transfers to other levels								
3.5 Other decreases	404,338	129,035		275,303	26,868			
4. Closing balance	**2,961,418**	**6**	**479,281**	**2,482,131**	**842,166**			

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

(thousands of euro)	Financial liabilities held for trading	Financial liabilities at fair value	Hedging derivatives
1. Opening balance	**23,972**	**30,513**	
2 . Increases	**2,939**	**605**	
2.1 Issues taken to:			
2.2 Losses taken to:	1,818		
2.2.1 Income statement	1,818		
- of which: capital losses	*1,818*		
2.2.2 Equity	X		
2.3 Transfers from other levels			
2.4 Other increases	1,121	605	
3. Decreases	**5,784**	**300**	
3.1 Repayments			
3.2 Buybacks			
3.3 Profits taken to:	5,784		
3.3.1 Income statement	5,784		
- of which: capital gains	*5,784*		
3.3.2 Equity	X		
3.4 Transfers to other levels			
3.5 Other decreases		300	
4. Closing balance	**21,127**	**30,818**	

Disclosure of “day one profit/loss”

As there were no intervening changes to what is set out in the 2020 Annual Report, reference is made to Chapter 3, Part A - Accounting policies, A. 4 - Disclosures on fair value measurement of the latter document.

Information on the consolidated balance sheet

Assets

Cash and cash equivalents - Item 10

Cash and cash equivalents: breakdown

(thousands of euro)	30/06/2021	31/12/2020
a) Cash	2,448	1,359
b) Free deposits with Central Banks		
Total	**2,448**	**1,359**

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

Financial assets held for trading: breakdown by type

(thousands of euro) Items/Values	Prudential consolidation	Other entities	30/06/2021	31/12/2020
A. On-balance-sheet assets				
1. Debt securities		102	102	1,213,970
1.1 Structured securities				
1.2 Other debt securities		102	102	1,213,970
2. Equity securities				238
3. Units in collective investment undertakings				981
4. Loans		6	6	
Total A		**108**	**108**	**1,215,189**
B. Derivatives				
1. Financial derivatives	56,965	6,190	63,155	106,499
1.1 Trading	56,965	6,190	63,155	106,424
1.2 Associated with fair value option				
1.3 Other				75
2. Credit derivatives				
Total B	**56,965**	**6,190**	**63,155**	**106,499**
Total (A + B)	**56,965**	**6,298**	**63,263**	**1,321,688**

The financial derivatives relating to the Prudential consolidation are attributable to the Parent Company, and include the positive fair value of interest rate derivatives and Cross Currency Swaps for the operational hedging of exchange rate risk.

Financial assets designated at fair value: breakdown by type

Following the merger of Ligestra Due with Fintecna in 2020, the item, amounting to 479 million euro at 30 June 2021, includes the value of the separate assets of EFIM, IGED and SIR.

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

(thousands of euro) Items/Values	Prudential consolidation	Other entities	30/06/2021	31/12/2020
1. Debt securities	64,199	52,711	116,910	252,853
1.1 Structured securities				
1.2 Other debt securities	64,199	52,711	116,910	252,853
2. Equity securities		14,019	14,019	13,892
3. Units in collective investment undertakings	2,057,582	337,126	2,394,708	2,426,400
4. Loans		178,859	178,859	430,316
4.1 Repurchase agreements				
4.2 Other		178,859	178,859	430,316
Total	**2,121,781**	**582,715**	**2,704,496**	**3,123,461**

Financial assets mandatorily measured at fair value, whose contractual characteristics do not enable them to pass the SPPI[26] test, mainly include the contribution of the Parent Company, and consist of debt securities (approximately 117 million euro), equity securities (14 million euro), loans (approximately 179 million euro) and units in collective investment undertakings (approximately 2,395 million euro).

Debt securities attributable to Other companies include the value of the bond issued by Valvitalia and subscribed by the subsidiary CDP Equity (formerly FSI) and sold to FSI Investimenti as part of the contribution completed in 2014. This bond came to maturity on 30 June 2021, and the relevant amount is therefore collectible by FSI Investimenti. The uncertainty concerning possible future realisation scenarios led to the application of a recovery rate valuation method that resulted in a negative fair value change compared to 31 December 2020 of approximately 46 million euro, recognised in the net gain (loss) on financial assets and liabilities measured at fair value through profit or loss.

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

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

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

(thousands of euro) Items/Values	Prudential consolidation	Other entities	30/06/2021	31/12/2020
1. Debt securities	12,141,532	529,504	12,671,036	12,716,158
1.1 Structured securities				
1.2 Other debt securities	12,141,532	529,504	12,671,036	12,716,158
2. Equity securities	677,870	871,330	1,549,200	821,844
3. Loans				
Total	**12,819,402**	**1,400,834**	**14,220,236**	**13,538,002**

Financial assets measured at fair value through other comprehensive income mainly derive from the contribution of the Prudential consolidation, and include:

- debt securities with a value of 12,142 million euro, which includes Italian government securities with a value of approximately 10,414 million euro held by the Parent Company;
- investments in equity securities amounting to approximately 678 million euro and primarily attributable to the equity investment in TIM S.p.A., which has been revalued by approximately 63 million euro since the end of the previous year.

With regard to equity securities reported under Other companies, CDP Equity acquired a 7.3% equity investment in Euronext in the second quarter of 2021. The value of this equity investment, which was recognised among financial assets measured at fair value through other comprehensive income, amounted to 719 million euro at 30 June 2021.

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

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

(thousands of euro)	Gross value				Accumulated impairment			
	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Accumulated partial write-off(*)
Debt securities	12,146,636		537,328		(12,571)	(357)		
Loans								
Total 30/06/2021	**12,146,636**		**537,328**		**(12,571)**	**(357)**		
Total 31/12/2020	**12,078,593**		**652,690**		**(14,619)**	**(506)**		
- *of which: impaired financial assets acquired or originated*	X	X			X			

(*) Value to be shown for information purposes.

At 30 June 2021 the item did not include exposures subject to Covid-19 support measures.

Financial assets measured at amortised cost - Item 40

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

(thousands of euro) Type of transactions/Values	Prudential consolidation	Other entities	30/06/2021	31/12/2020
A. Loans to Central banks	**22,326,150**		**22,326,150**	**22,919,752**
1. Fixed-term deposits				
2. Reserve requirement	22,306,571		22,306,571	22,900,167
3. Repurchase agreements				
4. Other	19,579		19,579	19,585
B. Loans to banks	**15,981,382**	**5,641,351**	**21,622,733**	**25,632,294**
1. Loans	13,148,742	5,641,351	18,790,093	23,789,435
1.1 Current deposit and demand deposit	499,101	5,409,066	5,908,167	9,392,997
1.2 Fixed-term deposits		232,285	232,285	223,486
1.3 Other financing:	12,649,641		12,649,641	14,172,952
- Repurchase agreements				
- Finance lease				
- Other	12,649,641		12,649,641	14,172,952
2. Debt securities	2,832,640		2,832,640	1,842,859
2.1 Structured				
2.2 Other debt securities	2,832,640		2,832,640	1,842,859
Total	**38,307,532**	**5,641,351**	**43,948,883**	**48,552,046**

Loans to banks are primarily composed of:

- the Parent Company's balance on the management account of the reserve requirement, which amounted to 22,307 million euro (around -593 million euro on the figure recorded at the end of 2020);
- other loans of approximately 12,650 million euro, mostly attributable to loans granted by the Parent Company to the banking system;
- term deposits for approximately 232 million euro, almost entirely attributable to Terna investments;
- current account balances of approximately 5,908 million euro, mainly reported under Other companies and in particular relating to the Terna group (1,475 million euro), the Fincantieri group (799 million euro), the Italgas group (685 million euro) and Snam (1,624 million euro).

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

(thousands of euro) Type of transactions/Values	30/06/2021	31/12/2020
1. Loans	**265,869,351**	**285,744,378**
1.1 Current accounts	24,025	24,818
1.1.1 Cash and cash equivalents held with Central State Treasury	163,406,607	185,976,629
1.2 Repurchase agreements	338,662	1,522,479
1.3 Loans	98,031,892	93,113,496
1.4 Credit cards, personal loans and loans repaid by automatic deductions from wages	185	186
1.5 Finance lease	385	410
1.6 Factoring		1,849,889
1.7 Other	4,067,595	3,256,471
2. Debt securities	**60,437,816**	**69,456,894**
2.1 Structured securities		
2.2 Other debt securities	60,437,816	69,456,894
Total	**326,307,167**	**355,201,272**

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

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

With respect to the cash and cash equivalents held with the Central State Treasury, account no. 29814, called "Cassa DP S.p.A. - Gestione Separata", which comprises the liquidity generated by Separate Account transactions of CDP, the Ministry of the Economy and Finance pays CDP interest based on a rate equal to the lower between:
- the cost of Postal Savings incurred by CDP;
- the average cost of the stock (balance) of national government securities[27].

The volume of mortgage loans and other financing amounted to a total of approximately 102,099 million euro (+5,730 million euro compared to the end of 2020).

Reverse repurchase agreements amounted to approximately 339 million euro (-1,184 million euro compared to the end of 2020). The volume of debt securities recognised in this item amounted to approximately 60,438 million euro, down by 9,019 million euro with respect to the end of 2020, and largely related to the Parent Company's investments in Italian government securities (approximately 54,373 million euro).

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

	Gross value				Accumulated impairment			
(thousands of euro)	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3	Accumulated partial write-offs (*)
Debt securities	62,943,647		531,709		(80,741)	(124,159)		
Loans	292,816,846		14,755,171	337,627	(279,444)	(501,632)	(142,974)	
Total 30/06/2021	**355,760,493**		**15,286,880**	**337,627**	**(360,185)**	**(625,791)**	**(142,974)**	
Total 31/12/2020	**387,434,140**		**17,010,966**	**509,223**	**(378,270)**	**(620,954)**	**(201,787)**	**(2,888)**
- *of which: impaired financial assets acquired or originated*	*X*	*X*			*X*			

(*) Value to be shown for information purposes.

27 The method for calculating interest for the years 2021-2022 is governed by a specific Ministerial Decree of 16 July 2021 signed by the Minister of the Economy and Finance. The average cost of the stock (balance) of government securities and the cost of Postal Savings are determined as a forecast for the first half of the year and definitively, possibly adjusted for any difference, for the whole of the year.

Loans measured at amortised cost subject to Covid-19 support measures: gross value and accumulated impairment

	Gross value				Accumulated impairment		
(thousands of euro)	Stage 1	of which: Instruments with low credit risk	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
1. Loans subject to moratoria compliant with the GL	3,575,432				(3,989)		
2. Loans subject to forbearance measures							
3. New loans	1,264,801				(3,489)		
Total 30/06/2021	**4,840,233**				**(7,478)**		
Total 31/12/2020	**4,322,714**		**555**		**(6,546)**	**(3)**	

This table shows the loans, with details of gross amount and accumulated impairment, broken down by risk status, subject to Covid-19 support measures. The line "Loans granted in accordance with the GL" shows the loans subject to a moratorium that fall within the scope of the "*Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID 19 crisis*" published by the EBA (EBA/GL/2020/02) and as amended and supplemented. The line "New loans" reports the loans which represent new liquidity backed by public guarantees.

Hedging derivatives - Item 50

Hedging derivatives: breakdown by type of hedge

(thousands of euro)	30/06/2021	31/12/2020
A. Financial derivatives:	**434,105**	**553,939**
1) Fair value	423,515	541,285
2) Cash flow	10,590	12,654
3) Investment in foreign operation		
B. Credit derivatives		
Total	**434,105**	**553,939**

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

Fair value change of hedged assets: breakdown by hedged portfolio

(thousands of euro) Fair value change of financial assets in hedged portfolios/Values	30/06/2021	31/12/2020
1. Positive fair value change	**1,616,697**	**2,531,890**
1.1 of specific portfolios:	1,616,697	2,531,890
financial assets measured at amortised cost	1,616,697	2,531,890
2. Negative fair value change	**(58,620)**	**(57)**
2.1 of specific portfolios:	(58,620)	(57)
financial assets measured at amortised cost	(58,620)	(57)
Total	**1,558,077**	**2,531,833**

Equity investments - Item 70

Information on equity investments

	Company name	Registered office	Operational headquarters	Type of relation-ship (1)	Investor	% holding	% of votes (2)
	A. Companies subject to joint control						
1.	4TCC1 S.c.ar.l.	Trieste	Trieste	7	Fincantieri SI S.p.A.	75.00%	75.00%
					Fincantieri S.p.A.	5.00%	5.00%
2.	Ansaldo Gas Turbine Technology Co. Ltd (JVA)	Shanghai	Shanghai	7	Ansaldo Energia S.p.A.	60.00%	60.00%
3.	AS Gasinfrastruktur Beteiligung GmbH	Wien	Wien	7	Snam S.p.A.	40.00%	40.00%
4.	BUSBAR4F S.c.ar.l.	Trieste	Trieste	7	Fincantieri S.p.A.	10.00%	10.00%
					Fincantieri SI S.p.A.	50.00%	50.00%
5.	Consorzio F.S.B.	Marghera (VE)	Marghera (VE)	7	Fincantieri S.p.A.	58.36%	58.36%
6.	CSSC - Fincantieri Cruise Industry Development Ltd.	Hong Kong	Hong Kong	7	Fincantieri S.p.A.	40.00%	40.00%
7.	ELMED Etudes S.àr.l.	Tunis	Tunis	7	Terna S.p.A.	50.00%	50.00%
8.	Energetika S.c.ar.l.	Florence	Florence	7	SOF S.p.A.	41.00%	41.00%
9.	ETIHAD Ship Building Llc	Abu Dhabi	Abu Dhabi	7	Fincantieri S.p.A.	35.00%	35.00%
10.	Fincantieri Clea Buildings S.c.ar.l.	Verona	Verona	7	Fincantieri Infrastructure S.p.A.	51.00%	51.00%
11.	FINMESA S.c.ar.l.	Milan	Milan	7	Fincantieri SI S.p.A.	50.00%	50.00%
12.	Florence InvestCo S.r.l.	Milan	Milan	7	FICC - Fondo Italiano Consolidamento e Crescita	40.20%	40.20%
13.	Greenit S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	7	CDP Equity S.p.A.	49.00%	49.00%
14.	Hotelturist S.p.A.	Padua	Padua	7	CDP Equity S.p.A.	45.95%	45.95%
15.	Iniziative Biometano S.p.A.	San Donato Milanese (MI)	Cittadella (Pd)	7	Snam 4 Environment S.r.l.	50.00%	50.00%
16.	IQ Made in Italy Investment Company S.p.A.	Milan	Milan	7	FSI Investimenti S.p.A.	50.00%	50.00%
17.	Issel Middle East Information Technology Consultancy Llc	Abu Dhabi	Abu Dhabi	7	Issel Nord S.r.l.	49.00%	49.00%
18.	Metano S.Angelo Lodigiano S.p.A.	Sant'Angelo Lodigiano	Sant'Angelo Lodigiano	7	Italgas S.p.A.	50.00%	50.00%
19.	Naviris S.p.A.	Genoa	Genoa	7	Fincantieri S.p.A.	50.00%	50.00%
20.	Nuovo Santa Chiara Hospital S.c.ar.l.	Florence	Pisa	7	Fincantieri INfrastructure SOciali S.r.l.	50.00%	50.00%
21.	OLT Offshore LNG Toscana S.p.A.	Milan	Livorno	7	Snam S.p.A.	49.07%	49.07%
22.	Open Fiber S.p.A.	Milan	Milan	7	CDP Equity S.p.A.	50.00%	50.00%
23.	Orizzonte Sistemi Navali S.p.A.	Genoa	Genoa	7	Fincantieri S.p.A.	51.00%	51.00%
24.	Pergenova s.c.p.a.	Genoa	Genoa	7	Fincantieri Infrastructure S.p.A.	50.00%	50.00%
25.	Power4Future S.p.A.	Calderara di Reno (BO)	Calderara di Reno (BO)	7	Fincantieri SI S.p.A.	52.00%	52.00%
26.	Saipem S.p.A.	San Donato Milanese (MI)	San Donato Milanese (MI)	7	CDP Industria S.p.A.	12.55%	12.55%
27.	Shanghai Electric Gas Turbine Co. Ltd (JVS)	Shanghai	Shanghai	7	Ansaldo Energia S.p.A.	40.00%	40.00%
28.	Southeast Electricity Network Coordination Center S.A.	Thessaloniki	Thessaloniki	7	Terna S.p.A.	25.00%	25.00%
29.	Terega Holding S.A.S.	Pau	Pau	7	Snam S.p.A.	40.50%	40.50%
30.	Trans Austria Gasleitung GmbH (5)	Wien	Wien	7	Snam S.p.A.	84.47%	84.47%
31.	Umbria Distribuzione GAS S.p.A.	Terni	Terni	7	Italgas S.p.A.	45.00%	45.00%
32.	Valvitalia Finanziaria S.p.A.	Milan	Milan	7	FSI Investimenti S.p.A.	0.50%	0.50%
33.	Vimercate Salute Gestioni S.c.ar.l.	Milan	Vimercate	7	Fincantieri INfrastructure SOciali S.r.l.	49.10%	49.10%
					SOF S.p.A.	3.65%	3.65%
B.	Companies subject to significant influence						
1.	African Trade Insurance Company	Nairobi	Nairobi	4	SACE S.p.A.	3.23%	3.23%
2.	Ansaldo Algerie S.àr.l.	Algiers	Algiers	4	Ansaldo Energia S.p.A.	49.00%	49.00%
3.	Ansaldo Energia Netherlands BV	Breda	Breda	4	Ansaldo Energia Switzerland AG	100.00%	100.00%
4.	ATS S.p.A.	Milan	Milan	4	SIA S.p.A.	30.00%	30.00%
5.	A-U Finance Holdings Bv	Amsterdam	Amsterdam	4	Ansaldo Energia S.p.A.	40.00%	40.00%
6.	B.F. S.p.A.	Jolanda di Savoia (FE)	Jolanda di Savoia (FE)	4	CDP Equity S.p.A.	18.79%	18.79%
7.	Bioteca soc. cons. a r.l.	Carpi (MO)	Carpi (MO)	4	SOF S.p.A.	33.00%	33.00%
8.	Brevik Technology AS	Brevik	Brevik	4	Vard Group AS	34.00%	34.00%
9.	Castor Drilling Solution AS	Kristiansand S	Kristiansand S	4	Seaonics AS	34.13%	34.13%
10.	Centro Servizi Navali S.p.A.	San Giorgio di Nogaro (UD)	San Giorgio di Nogaro (UD)	4	Fincantieri S.p.A.	10.93%	10.93%
11.	CESI S.p.A.	Milan	Milan	4	Terna S.p.A.	42.70%	42.70%
12.	CGES A.D.	Podgorica	Podgorica	4	Terna S.p.A.	22.09%	22.09%

Company name	Registered office	Operational headquarters	Type of relation-ship (1)	Investor	% holding	% of votes (2)
13. Cisar Costruzioni S.c.ar.l.	Milan	Sesto San Giovanni	4	Fincantieri INfrastructure SOciali S.r.l.	30.00%	30.00%
14. Città Salute Ricerca Milan S.p.A	Milan	Sesto San Giovanni	4	Fincantieri INfrastructure SOciali S.r.l.	30.00%	30.00%
15. CORESO S.A.	Brussels	Brussels	4	Terna S.p.A.	15.84%	15.84%
16. CSS Design Limited	British Virgin Islands (GB)	British Virgin Islands (GB)	4	Vard Marine, Inc.	31.00%	31.00%
17. DECOMAR S.p.A.	Massa (MS)	Massa (MS)	4	Fincantieri S.p.A.	20.00%	20.00%
18. DOF Iceman AS	Storebø	Storebø	4	Vard Group AS	50.00%	50.00%
19. Elite S.p.A.	Milan	Milan	4	CDP S.p.A.	15.00%	15.00%
20. Enerpaper S.r.l.	Turin	Turin	4	Seaside S.r.l.	10.00%	10.00%
21. Eni S.p.A.	Rome	Rome	4	CDP S.p.A.	25.96%	25.96%
22. EUR-Europrogetti & Finanza S.r.l. in liquidazione	Rome	Rome	4	CDP S.p.A.	31.80%	31.80%
23. FSI SGR S.p.A.	Milan	Milan	4	CDP Equity S.p.A.	39.00%	39.00%
24. Galaxy Pipeline Assets Holdco Limited	Jersey	Jersey	4	Snam S.p.A.	12.33%	12.33%
25. Gesam Reti S.p.A.	Lucca	Lucca	4	Toscana Energia S.p.A.	42.96%	42.96%
26. Gruppo PSC S.p.A.	Maratea (PZ)	Rome	4	Fincantieri S.p.A.	10.00%	10.00%
27. Hospital Building Technologies S.c.ar.l.	Florence	Florence	4	SOF S.p.A.	20.00%	20.00%
28. Industrie De Nora S.p.A.	Milan	Milan	4	Asset Company 10 S.r.l.	37.01%	37.01%
29. Interconnector (UK) Ltd	London	London	4	Snam International B.V.	23.68%	23.68%
30. Interconnector Zeebrugge Terminal S.C./C.V. Scrl	Brussels	Brussels	4	Snam International B.V.	25.00%	25.00%
31. Island Diligence AS	Stålhaugen	ND	4	Vard Group AS	39.38%	39.38%
32. Island Discoverer AS	Ulsteinvik	Ulsteinvik	4	Vard Group AS	46.90%	46.90%
33. Island Offshore XII Ship AS	Ulsteinvik	Ulsteinvik	4	Vard Group AS	46.90%	46.90%
34. Kedrion S.p.A.	Castelvecchio Pascoli (LU)	Castelvecchio Pascoli (LU)	4	FSI Investimenti S.p.A.	25.06%	25.06%
35. Leonardo Sistemi Integrati S.r.l.	Genoa	Genoa	4	Fincantieri NexTech S.p.A.	14.58%	14.58%
36. M.T. Manifattura Tabacchi S.p.A.	Rome	Rome	4	CDP Immobiliare S.r.l.	40.00%	40.00%
37. Maticmind S.p.A.	Vimodrone	Vimodrone	4	Elettra One S.p.A.	42.00%	42.00%
38. MC4COM - Mission critical for communication S.c.ar.l.	Milan	Milan	4	HMS IT S.p.A.	50.00%	50.00%
39. Møkster Supply AS	Stavanger	Stavanger	4	Vard Group AS	40.00%	40.00%
40. Møkster Supply KS	Stavanger	Stavanger	4	Vard Group AS	36.00%	36.00%
41. Nord Ovest Toscana Energia S.r.l	Vicopisano (PI)	Vicopisano (PI)	4	SOF S.p.A.	34.00%	34.00%
42. Note Gestione S.c.ar.l.	Reggio Emilia	Reggio Emilia	4	SOF S.p.A.	34.00%	34.00%
43. Olympic Green Energy KS	Fosnavag	Fosnavag	4	Vard Group AS	29.50%	29.50%
44. Polaris Anserv S.r.l.	Bucarest	Bucarest	4	Ansaldo Nucleare S.p.A.	20.00%	20.00%
45. Poste Italiane S.p.A.	Rome	Rome	4	CDP S.p.A.	35.00%	35.00%
46. Prelios Solutions & Technologies S.r.l.	Milan	Milan	4	Fincantieri NexTech S.p.A.	49.00%	49.00%
47. QuattroR SGR S.p.A.	Milan	Milan	4	CDP Equity S.p.A.	40.00%	40.00%
48. Rem Supply AS	Alesund	Alesund	4	Vard Group AS	26.66%	26.66%
49. Rocco Forte Hotels Limited	London	London	4	FSI Investimenti S.p.A.	23.00%	23.00%
50. S.Ene.Ca Gestioni S.c.ar.l.	Florence	Florence	4	SOF S.p.A.	49.00%	49.00%
51. Senfluga energy infrastructure holdings S.A.	Athens	Athens	4	Snam S.p.A.	60.00%	60.00%
52. Trans Adriatic Pipeline AG	Baar	Baar	4	Snam International B.V.	20.00%	20.00%
53. Trevi Finanziaria Industriale S.p.A	Cesena	Cesena	4	SACE S.p.A.	6.99%	6.99%
				FSI Investimenti S.p.A.	25.67%	25.67%
54. Unifer Navale S.r.l. in liquidazione	Finale Emilia (MO)	Finale Emilia (MO)	4	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	20.00%	20.00%
55. Valdarno S.r.l.	Pisa	Pisa	4	Toscana Energia S.p.A.	30.04%	30.04%
56. Webuild S.p.A.	Milan	Milan	4	CDP Equity S.p.A.	18.68%	18.68%
C. Unconsolidated subsidiaries (3)						
1. Arbolia S.p.A. Società Benefit	Milan	Milan	1	Snam S.p.A.	51.00%	51.00%
2. Asset Company 11 S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
3. Asset Company 4 S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
4. Asset Company 7 B.V.	Amsterdam	Amsterdam	1	Snam S.p.A.	100.00%	100.00%
5. Asset Company 9 S.r.l.	San Donato Milanese (MI)	San Donato Milanese (MI)	1	Snam S.p.A.	100.00%	100.00%
6. Cagliari 89 S.c.ar.l. in liquidazione	Monastir (CA)	Monastir (CA)	1	Fintecna S.p.A.	51.00%	51.00%

	Company name	Registered office	Operational headquarters	Type of relation-ship (1)	Investor	% holding	% of votes (2)
7.	CDP Venture Capital SGR S.p.A. (4)	Rome	Rome	1	CDP Equity S.p.A.	70.00%	70.00%
8.	Cinecittà Luce S.p.A. in liquidazione	Rome	Rome	1	Fintecna S.p.A.	100.00%	100.00%
9.	Consorzio Codelsa in liquidazione	Rome	Rome	1	Fintecna S.p.A.	100.00%	100.00%
10.	Consorzio IMAFID in liquidazione	Naples	Naples	1	Fintecna S.p.A.	56.85%	56.85%
11.	Consorzio MED.IN. in liquidazione	Rome	Rome	1	Fintecna S.p.A.	85.00%	85.00%
12.	Copower S.r.l.	Rome	Rome	1	Tep Energy Solution S.r.l.	51.00%	51.00%
13.	DMAN in liquidazione	Athens	Athens	1	SIA S.p.A.	100.00%	100.00%
14.	FoF Private Equity Italia (4)	Milan	Milan	8	CDP S.p.A.	87.54%	87.54%
15.	FoF Private Debt Italia (4)	Milan	Milan	8	CDP Equity S.p.A.	87.26%	87.26%
16.	FoF Venture Capital (4)	Milan	Milan	8	CDP S.p.A.	76.69%	76.69%
17.	Fondmatic Hydraulic Machining S.r.l.	Bologna	Bologna	1	Fonderie di Montorso S.p.A.	100.00%	100.00%
18.	Fondo Acceleratori (4)	Rome	Rome	8	CDP Equity S.p.A.	100.00%	100.00%
19.	Fondo Boost Innovation (4)	Rome	Rome	8	CDP Equity S.p.A.	100.00%	100.00%
20.	Fondo di Fondi Venturitaly (4)	Rome	Rome	8	CDP Equity S.p.A.	93.02%	93.02%
21.	Fondo Evoluzione (4)	Rome	Rome	8	CDP Equity S.p.A.	100.00%	100.00%
22.	Fondo Italiano Tecnologia e Crescita (FITEC) (4)	Milan	Milan	8	CDP S.p.A.	64.89%	64.89%
23.	Fondo Technology Transfer - comparto diretto (4)	Rome	Rome	8	CDP Equity S.p.A.	100.00%	100.00%
24.	Fondo Technology Transfer - comparto indiretto (4)	Rome	Rome	8	CDP Equity S.p.A.	100.00%	100.00%
25.	FT2 Fondo Turismo 2 (4)	Rome	Rome	8	FNT Fondo Nazionale per il Turismo	100.00%	100.00%
26.	IES Biogas S.r.l. (Argentina)	Buenos Aires	Buenos Aires	1	IES Biogas S.r.l.	95.00%	95.00%
					Snam 4 Environment S.r.l.	5.00%	5.00%
27.	Tea Innovazione Due S.r.l.	Brescia	Brescia	1	Tep Energy Solution S.r.l.	100.00%	100.00%
D.	**Unconsolidated associates (3)**						
1.	Albanian Gas Service Company Sh.a.	Tirana	Tirana	4	Snam S.p.A.	25.00%	25.00%
2.	Astaldi S.p.A.	Rome	Rome	4	SACE S.p.A.	1.02%	1.02%
					SACE FCT	0.17%	0.17%
					Fincantieri S.p.A.	0.21%	0.21%
3.	Consorzio INCOMIR in liquidazione	Mercogliano (AV)	Mercogliano (AV)	4	Fintecna S.p.A.	45.46%	45.46%
4.	Energy Investment Solution S.r.l.	Brescia	Brescia	4	Tep Energy Solution S.r.l.	40.00%	40.00%
5.	Holding Reti Autostradali S.p.A.	Rome	Rome	7	CDP Equity S.p.A.	51.00%	51.00%
6.	Latina Biometano S.r.l.	Rome	ND	4	IES Biogas S.r.l.	32.50%	32.50%
7.	Quadrifoglio Brescia S.p.A.	Rome	Rome	7	CDP Immobiliare S.r.l.	50.00%	50.00%
8.	Quadrifoglio Genoa S.p.A.	Rome	Rome	7	CDP Immobiliare S.r.l.	50.00%	50.00%
9.	Quadrifoglio Piacenza S.p.A.	Rome	Rome	7	CDP Immobiliare S.r.l.	50.00%	50.00%
10.	Redo SGR S.p.A.	Milan	Milan	4	CDP S.p.A.	30.00%	30.00%

Key

(1) Type of relationship:

1 = Majority of voting rights in ordinary shareholders' meeting
2 = Dominant influence in ordinary shareholders' meeting
3 = Agreements with other shareholders
4 = Entity subject to significant influence
5 = Unitary management pursuant to Article 26.1 of Legislative Decree 87/92
6 = Unitary management pursuant to Article 26.2 of Legislative Decree 87/92
7 = Joint control
8 = other form of control

(2) Actual percentage of votes in ordinary shareholders' meeting, distinguishing between effective and potential votes.

(3) This classification includes companies in liquidation or subsidiaries in the start-up phase without assets and liabilities, or associates excluded from the scope of consolidation in view of the overall value of equity.

(4) Companies/Investment funds over which CDP has acquired control and which, in accordance with the practice adopted for the purpose of defining the scope of consolidation on a line-by-line basis, are excluded from consolidation in view of the overall value of assets.

(5) Participation in financial rights is equal to 89.2%.

The value of equity investments at 30 June 2021 was 16,548 million euro compared to 15,834 million euro at 31 December 2020.

The increase of 714 million euro is mainly attributable to the portfolio of equity investments in companies subject to significant influence, and in particular to the following more significant impacts:

- Eni - the increase deriving from net income for the period pertaining to the Group (including the effect of consolidation entries), equal to +232 million euro, and the change in valuation reserves, equal to +224 million euro. Added to these effects is the impact of the reversal of the dividend and other changes for a total value of -230 million euro;
- Poste Italiane - the decrease deriving from the change in valuation reserves, the reversal of the dividend and other changes for a total amount of 200 million euro, partially offset by net income for the period pertaining to the Group, amounting to 193

million euro (including the effect of consolidation entries);
- equity investment portfolio of the Snam group - the significant increase in the value of equity investments, attributable to the investee Industrie De Nora S.p.A. acquired on 8 January 2021 and recorded as an asset valued at 476 million euro, and the positive effects of the valuations for the period of equity investments in companies subject to significant influence, which, net of other changes, resulted in a total increase of 43 million euro.

Holding Reti Autostradali

On 8 June 2021, the investee Holding Reti Autostradali S.p.A. (HRA), a newly formed company under Italian law in which CDP Equity (51%), Blackstone Infrastructure Partners (24.5%) and the funds managed by Macquarie Asset Management (24.5%) hold interests, was added to the Group's equity investment portfolio. On 11 June 2021, the Consortium - consisting of CDP Equity, Blackstone Infrastructure Partners and Macquarie Asset Management - reached an agreement with Atlantia S.p.A. ("Atlantia") to acquire, via HRA, 88.06% of the share capital of Autostrade per l'Italia S.p.A. ("ASPI"). In accordance with Autostrade per l'Italia's articles of association, the non-controlling shareholders of ASPI, who have a tag-along right on the remaining 11.94% of the company held by them, were also formally informed of the transaction. The transaction is expected to be completed by March 2022, and in any case not before 30 November 2021, following the fulfilment of all conditions precedent to the closing, including the receipt of the necessary authorisations from the competent authorities.
ASPI is one of the leading motorway operators in Europe and manages over 3,000 km of motorways in Italy, through long-term concessions. ASPI and its subsidiaries are responsible for the development, maintenance and operation of a motorway network that extends throughout Italy and represents approximately half of the tolled motorway system in Italy, with approximately 4 million customers per day (pre-Covid figure).

Open Fiber

Open Fiber is a company whose aim is to create a nationwide optical fibre network open to all operators in the sector. Specifically, the company's development plan calls for fibre-to-the-home coverage of 270 Italian cities. The CDP Group's investment is aimed at achieving the goal of extending an optical fibre network that will be open to all operators in the sector, taking a co-leading role in the construction of strategic infrastructure for the country and ensuring an appropriate expected return on invested capital.
In December 2020, Enel's Board of Directors resolved to initiate the process to sell its equity investment in Open Fiber, ranging from a minimum of 40% to up to 50% of the share capital. On 30 April 2021, CDP Equity presented Enel S.p.A. ("Enel"), an offer to acquire 10% of Open Fiber which, once finalised, will give CDP Equity a controlling equity investment in the company's capital.
At 30 June 2021, CDP Equity holds 50% of the share capital of Open Fiber while the remaining 50% is held by Enel.

Impairment testing of equity investments

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

At each reporting date, CDP conducts an assessment to detect the presence of indicators of impairment under IAS 36 and of any additional indicators, where applicable, also considering the indications of national and international regulators on financial reporting relating to risks, uncertainties, estimates, assumptions and assessments as well as the difficulties related to the impacts of the health crisis due to the spread of COVID-19. In this regard, the global spread of COVID-19 and the resulting impacts on economic activity have increased the level of uncertainty, hence making it more complex to make quantitative estimates, for example, cash flows from equity investments, also due to the increased uncertainty in the assumptions and parameters at the basis of the asset valuation analyses.

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

It is therefore important to highlight that there is strong uncertainty about the possible duration of the impacts of the pandemic, making it difficult to predict the associated short and medium-term impacts. This significantly increases the complexity and uncertainty of the estimates made, given that the underlying assumptions and conditions might be subject to further review, to take into account developments outside the management's control, thus resulting in unexpected and unforeseeable impacts. Therefore, there is a need to constantly monitor the evolution of these elements in the current context.

The indicators of impairment (so-called triggers) and objective evidence of impairment are assessed on the basis of information taken from public sources or of any additional information received by the investees.

Specifically, at 30 June 2021, impairment triggers were activated on some of the key equity investments accounted for using the equity method (Eni, Saipem, Open Fiber and Webuild), essentially for the actual results and/or the performance of their respective market prices.

With reference to the estimated recoverable amount of the equity investments, to be understood as the higher of their fair value and their value in use, CDP has adopted a range of key principles, taking also into account the challenges of the COVID-19 outbreak in this unique moment in time, the guidance issued by national and international regulators as well as the guidelines issued by industry bodies. The key general principles used are as follows:
- a general lengthening of the detection periods of certain key parameters;
- use of the average of the latest Country Risk Premiums instead of the latest available, where deemed to be more significant;
- use of an Equity Risk Premium "consensus" in line with the average of the latest values available instead of the latest value available.

In addition, to verify the consistency of these values with respect to possible changes in the macroeconomic environment, CDP has conducted a sensitivity analysis on each equity investment against the main variables that determine the asset's value.

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

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

(millions of euro) Equity Investment	Carrying amount at consolidated level	Recoverable amount	Methodology
Eni	8,945	Value in use	Sum of the parts (e.g. DCF for the main business unit E&P)
Open Fiber	442	Fair Value	Comparable transaction (i.e. binding offer)
Saipem	279	Value in use	DCF
Webuild	243	Fair value	Stock market price

Eni

The recoverable amount of the equity investment in Eni was measured at value in use based on the discounted cash flow method for the main business unit (Exploration & Production) and taking into account the value of the other residual business units, so as to reflect the specificity of the different business segments it operates in. More specifically:
- for the Exploration & Production sector, the largest, the discounted cash flow (unlevered DCF) method was used, based on a closed portfolio model which develops and measures the entirety of the group's oil and natural gas reserves until stocks are exhausted over a specific multi-stage forecast period that extends until 2050 (without components of value in perpetuity):
  - production volumes were calculated starting from current proven reserves communicated by Eni and on the assumption that by 2035 about 80% of the proven and unproven reserves (i.e. possible and probable, adequately risked) will be produced, in line with what was declared by Eni. While production volumes after 2035 have been calculated on the assumption that proven and unproven reserves will be exhausted in 2050;
  - sales prices were calculated on the basis of the geographical macro-area the mineral reserves belong to, taking into account the spread between the unit sales prices published by Eni and the value of Brent for oil or the virtual trading point (VTP) for gas, at the expected values of the two indices. These values are aligned with the updated scenario for the crude oil in question published by Eni with the 2021-2024 strategic plan, which highlights a Brent price of 61.2 $/bbl and a virtual trading point price of 181 €/kcm for 2024;

  - unit operating costs were also estimated by geographical macro-area of mineral reserves and prospectively considering a partial improvement in efficiency in real terms;
  - investments were estimated in a differentiated manner for proven reserves and possible/probable reserves by referring to the current expenditure per barrel produced – including development costs – that Eni incurs in areas where it has historically been present, and prospectively considering a partial improvement in efficiency in real terms;
  - WACC was estimated: (i) applying the Capital Asset Pricing Model for the cost of equity, and (ii) by analysing the structure of sources of financing of a number of listed companies operating in the sector for the cost of indebtedness and the ratio of equity to debt.
- mainly considering the limited contribution to the overall value in use of the equity investment and the significant sensitivity of the results to long-term forecasts in the current context of uncertainty connected with the expected energy transition process, for sectors other than "Exploration & Production", net invested capital was used as the best estimate of recoverable amount, except for the investment in Eni Gas & Luce, for which the multiples method of a panel of comparable listed companies (P/E multiple) was used.

The impairment test found that the recoverable amount was much higher than the carrying value of the equity investment in the consolidated financial statements, and consequently its carrying amount was confirmed. Sensitivity analyses were performed on the main assumptions and variables used in estimating the value in use, which show that any non-marginal negative changes in the main assumptions at the basis of test could result in a recoverable amount lower than what was identified at the reporting date but still higher than the carrying value of the equity investment.

Open Fiber

The recoverable amount for Open Fiber was estimated in the calculation of the fair value, taking as a reference the value of the binding offer submitted by a major investment fund for a share in Open Fiber that is substantially similar to the one held by CDP Equity.

The impairment test found that the recoverable amount was much higher than the carrying value of the equity investment in the consolidated financial statements, and consequently the carrying amount of the equity investment was confirmed.

Saipem

The recoverable amount of the equity investment held in Saipem was measured at value in use, estimated using the discounted cash flow method (unlevered DCF) based on a two-stage model, with (i) a clearly stated forecast of future cash flows for the years 2021-2023 and (ii) the calculation of the terminal value using the algorithm of cash flows in perpetuity. Note that the information needed to estimate the cash flows and the other information needed to calculate the value in use was taken from public sources.

Specifically:
- the values in the specific period 2021-2023 are based on the estimates prepared by a selected group of financial analysts who track the stock;
- the terminal value was calculated using the perpetuity growth model, estimating the cash flows achievable from the asset portfolio of the Saipem group, considered on an indivisible basis, using the medium-term value derived from the simple average of the estimates prepared by a selected group of financial analysts who track the stock;
- WACC was estimated: (i) applying the Capital Asset Pricing Model for the cost of equity, and (ii) by analysing the structure of sources of financing of a number of listed companies operating in the sector for the cost of indebtedness and the ratio of equity to debt.

The impairment test found that the recoverable amount was higher than the carrying value of the equity investment in the consolidated financial statements and, consequently, the carrying amount of the equity investment was confirmed. Note that any negative changes in the main assumptions at the basis of the test would result in a recoverable amount lower than that identified at the reporting date but generally in line with the carrying value of the equity investment.

Webuild

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

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

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

Reinsurers' share of technical provisions - Item 80

Reinsurers' share of technical provisions: breakdown

(thousands of euro)	30/06/2021	31/12/2020
A. Non-life insurance		**2,594,711**
A.1 Reserves for unearned premiums		2,293,318
A.2 Reserves for claims outstanding		301,164
A.3 Other		229
B. Life insurance		
C. Technical provisions where the investment risk is borne by the insured		
D. Total reinsurers' share of technical provisions		**2,594,711**

No value has been recognised for the item "Reinsurers' share of technical provisions" at 30 June 2021 because of the reclassification of all the asset and liability items in the consolidated balance sheet relating to SACE group companies, excluding Simest, to item 120. Non-current assets and disposal groups held for sale and item 70. Liabilities associated with non-current assets and disposal groups held for sale, respectively, in application of the provisions of IFRS 5 for disposal groups held for sale and as described in Section 3 of the document.

Property, plant and equipment - Item 90

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

(thousands of euro) Items/Values	Prudential consolidation	Other entities	30/06/2021	31/12/2020
1. Owned	**107,262**	**38,239,469**	**38,346,731**	**38,086,706**
a) Land	62,276	467,032	529,308	579,458
b) Buildings	32,339	2,646,760	2,679,099	2,704,205
c) Furniture	3,217	7,454	10,671	12,302
d) Electrical plant	3,118	482,713	485,831	477,302
e) Other	6,312	34,635,510	34,641,822	34,313,439
2. Right of use acquired under leases	**14,571**	**332,928**	**347,499**	**431,320**
a) Land		8,996	8,996	9,376
b) Buildings	13,260	231,339	244,599	298,462
c) Furniture				
d) Electrical plant	72		72	102
e) Other	1,239	92,593	93,832	123,380
Total	**121,833**	**38,572,397**	**38,694,230**	**38,518,026**
- *of which: obtained via the enforcement of the guarantees received*				

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

- investments by Terna for approximately 14.5 billion euro, referring to power lines for 7.0 billion euro and transformation stations for 4.7 billion euro;
- investments by Snam for approximately 19.3 billion euro, including transmission lines for 14.1 billion euro (gas pipelines, gas reduction and regulation stations and plants), storage for 2.9 billion euro (wells, pipelines, and processing and compression stations) and regasification;
- assets under construction and advances for 3.9 billion euro, of which 2.1 billion euro ascribable to Terna, 1.4 billion euro to Snam and 0.4 billion euro to Fincantieri.

Investment property: breakdown of assets measured at cost

(thousands of euro) Items/Values	Prudential consolidation	Other entities	30/06/2021	31/12/2020
1. Owned	**222,681**	**580,922**	**803,603**	**791,924**
a) Land	55,130		55,130	58,899
b) Buildings	167,551	580,922	748,473	733,025
2. Right of use acquired under leases	**3,629**		**3,629**	**3,971**
a) Land				
b) Buildings	3,629		3,629	3,971
Total	**226,310**	**580,922**	**807,232**	**795,895**
- *of which: obtained via the enforcement of the guarantees received*				

Operating property, plant and equipment: breakdown of revalued assets

This item has a nil balance.

Investment property: breakdown of assets measured at fair value

This item has a nil balance.

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

(thousands of euro) Items/Values	Total 30/06/2021	Total 31/12/2020
1. Inventories of property, plant and equipment from enforcement of the guarantees received		
2. Other inventories of property, plant and equipment	**948,910**	**1,001,577**
Total	**948,910**	**1,001,577**
- *of which measured at fair value, less costs of disposal*		

Inventories of property, plant and equipment comprise property owned by CDP Immobiliare and its subsidiaries for 265 million euro and the mutual funds included in the scope of consolidation for 685 million euro.

Intangible assets - Item 100

Intangible assets: breakdown by category

(thousands of euro) Assets/Values	30/06/2021		31/12/2020	
	Definite life	Indefinite life	Definite life	Indefinite life
A.1 Goodwill	X	**1,068,816**	X	**2,227,633**
A.1.1 Pertaining to Group	X	1,068,816	X	2,227,633
A.1.2 Non-controlling interests	X		X	
A.2 Other intangible assets	**11,116,037**	**16,646**	**12,109,685**	**15,076**
A.2.1 Assets carried at cost	11,116,037	16,646	12,109,685	15,076
a) internally-generated intangible assets	153,828	46	263,144	
b) other assets	10,962,209	16,600	11,846,541	15,076
A.2.2 Assets carried at fair value				
Total	**11,116,037**	**1,085,462**	**12,109,685**	**2,242,709**

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

They mainly regard:
- concessions and licences worth 1,070 million euro, which mainly include the value of concessions for the storage of natural gas;
- infrastructure rights worth 8,009 million euro, of which 7,884 million euro relating to Italgas, and the remainder to Snam and Terna. The item includes the value of the public-private service concession agreements relating to the development, maintenance and operation of infrastructure under concession arrangements. Under the terms of the agreements, the operator holds the right to use the infrastructure in order to provide the public service;
- customer contracts valued at 186 million euro;
- trademarks worth 83 million euro;
- technological know-how worth 639 million euro;
- software licences worth 43 million euro.

Impairment testing of goodwill

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

At each reporting date, CDP conducts an assessment to detect the presence of indicators of impairment under IAS 36 and of any additional indicators, where applicable, also considering the indications of national and international regulators on financial reporting relating to risks, uncertainties, estimates, assumptions and assessments as well as the difficulties related to the impacts of the health crisis due to the spread of COVID-19. The global spread of COVID-19 and the resulting impacts on economic activity have increased the level of uncertainty, hence making it more complex to make quantitative estimates, for example, cash flows from the CGUs, also due to the increased uncertainty in the assumptions and parameters at the basis of the CGU valuation analyses.

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

It is therefore important to highlight that there is strong uncertainty about the possible duration of the impacts of the pandemic, making it difficult to predict the associated short and medium-term impacts. This significantly increases the complexity and uncertainty of the estimates made, given that the underlying assumptions and conditions might be subject to further review, to take into account developments outside the management's control, thus resulting in unexpected and unforeseeable impacts. Therefore, there is a need to constantly monitor the evolution of these elements in the current context.

For more details, please refer to part A1 of Section 5 - Other issues.

In relation to Snam, Terna, Italgas, Ansaldo Energia and Stark Two, the CGUs to which goodwill was allocated coincide with the respective sub-consolidated entities. With reference to Fincantieri, note that the amount of goodwill recognised in the consolidated financial statements of CDP refers to the companies headed by the Vard group, in relation to which goodwill of 134 million euro was recognised directly by the subsidiary Fincantieri.

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

CGU	Goodwill amount (millions of euro)	Recoverable amount	Methodology
Snam	246	n.a.	n.a.
Terna	215	Fair value	Stock market price
Italgas	74	Fair value	Stock market price
Fincantieri	134	Fair value	Stock market price
AEN	360	Value in use	DDM
Stark Two	40	n.a.	n.a.

The change in goodwill, which amounted to 1,069 million euro compared to 2,228 million euro at 31 December 2020, was primarily due to the reclassification of SIA's contribution to Non-current assets and disposal groups held for sale.

With regard to Snam, there were no impairment indicators and, for this reason, no impairment test was carried out at 30 June 2021.

In relation to Terna, Italgas and Ansaldo Energia, the CGUs to which goodwill was allocated coincide with the single investee companies, and the recoverable amount was identified:

- for Terna and Italgas, in the fair value, determined on the basis of the average of the respective trading prices for June 2021, weighted with the relevant volumes;
- for Ansaldo Energia, the value in use was measured using the Discounted Dividend Model (DDM Method) based on a two-stage model, with (i) a clearly stated forecast of future cash flows for the years 2021-2025 and (ii) the calculation of the terminal value using the algorithm of cash flows in perpetuity. The discount rate is equal to the estimated cost of equity capital of 9.4%, based on specific parameters derived from a panel of comparable listed companies. The long-term growth rate in terminal value was estimated at 1.5% based on the industrial sector and the geographic areas the company operates in. The economic-financial forecasts for the specific period are based on the 2021-2025 Plan subject to approval by the company's Board of Directors, while the Terminal Value was determined on the basis of normalised forecasts of the income statement.

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

During the first half of 2021, as a result of changes in the ownership structure of Fondo Italiano Consolidamento e Crescita ("FICC"), managed by the subsidiary FII SGR S.p.A., CDP's control over that investment entity was confirmed, and the same type of relationship exists with respect to the vehicles controlled by FICC. In this respect, and with regard to the subsidiary Stark Two, goodwill has been recognised attributable to the higher fair value recognised when control of the equity investment was acquired, compared to the fair value allocable to the individual assets and liabilities of Stark Two. Net assets are recorded at fair value upon initial recognition and, therefore, there is no evidence of impairment. In accordance with IAS 36, goodwill will be tested for impairment every year when the annual financial report is prepared.

The impairment tests found that the recoverable amounts were higher than the carrying value of the net assets of the CGUs to which goodwill is allocated, and consequently no change in value was required. If the recoverable amount is determined to be the fair value, since the stock market prices qualify as Level 1 in the fair value hierarchy, no sensitivity analysis is provided.

With regard to the recoverable amount of the CGU identified with Ansaldo Energia, note that any non-marginal negative changes in the main assumptions at the basis of the test could result in a recoverable amount lower than that identified at the reporting date but still higher than the carrying value.

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

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

(thousands of euro)	30/06/2021	31/12/2020
A. Assets held for sale		
A.1 Financial assets	114,068	
A.2 Equity investments	653	
A.3 Property, plant and equipment	152,001	1,400
- *of which: obtained via the enforcement of the guarantees received*		
A.4 Intangible assets	2,322,690	
A.5 Other non-current assets	534,084	
Total (A)	**3,123,496**	**1,400**
B. Groups of assets (discontinued operations)		
B.1 Financial assets measured at fair value through profit or loss	1,119,030	
- financial assets held for trading	1,119,030	
- financial assets designated at fair value		
- other financial assets mandatorily measured at fair value		
B.2 Financial assets measured at fair value through other comprehesinve income	25,609	
B.3 Financial assets measured at amortised cost	35,724,735	
B.4 Equity investments	21,387	
B.5 Property, plant and equipment	85,045	50,884
- *of which: obtained via the enforcement of the guarantees received*		
B.6 Intangible assets	14,424	16,742
B.7 Other assets	2,943,097	222,457
B.8 Adjustment of net assets to trasnfer price	(1,241,321)	
Total (B)	**38,692,006**	**290,083**
C. Liabilities associated with individual assets held for sale		
C.1 Payables	1,018,294	
C.3 Other liabilities	471,726	
Total (C)	**1,490,020**	
D. Liabilities associated with disposal groups held for sale		
D.1 Financial liabilites measured at amortised cost	4,234,701	33,348
D.2 Financial liabilities held for trading	43,330	
D.4 Provisions	169,732	
D.5 Other liabilities	35,893,403	131,683
Total (D)	**40,341,166**	**165,031**

As explained in Section 3 - Scope and methods of consolidation of Part A - Accounting policies in the notes to the financial statements, in compliance with IFRS 5, the assets and liabilities pertaining to the SIA group and the SACE group (excluding the investee Simest) are reported in the following table.

In particular, as described in Section 3, the assets and liabilities of the SIA group are classified under assets and liabilities associated with assets held for sale, respectively.

All the assets and liabilities of the SACE group, excluding the investee Simest, and including the effects of consolidation entries, are instead classified under items B and D of the table, respectively, and refer to discontinued operations, since the definition of disposal group under IFRS 5 applies to the SACE group disposal companies. The difference between the assets held for sale relating to SACE, SACE BT, SACE FCT, SACE SRV and Fondo Sviluppo Export of 47,791 million euro, including intercompany balances, and the related liabilities held for sale of 42,299 million euro, including intercompany balances, amounted to 5,492 million euro. The latter amount was adjusted to the realisable value of 4,251 million euro, resulting in the recognition of the adjustment shown in item B.8 of the above table and accounted for in item 320. "Income (loss) after tax on discontinued operations" of the consolidated income statement.

Other assets - Item 130

Other assets: breakdown

(thousands of euro)	Prudential consolidation	Other entities	30/06/2021	31/12/2020
Payments on account for withholding tax on postal passbooks	71,199		71,199	78,286
Other tax receivables	30,108	254,649	284,757	239,723
Leasehold improvements	2,500	5,812	8,312	7,951
Receivables due from investees		113,752	113,752	110,439
Trade receivables and advances to public entities	6,599	48,500	55,099	404,674
Construction contracts		3,329,707	3,329,707	3,384,844
Advances to suppliers	2,503	495,628	498,131	537,197
Inventories		1,564,874	1,564,874	1,547,255
Advances to personnel	266	19,905	20,171	23,890
Other trade receivables	101	5,159,723	5,159,824	4,380,318
Accrued income and prepaid expenses	10,479	357,703	368,182	376,367
Other items	11,865	887,648	899,513	632,732
Total	**135,620**	**12,237,901**	**12,373,521**	**11,723,676**

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

With regard to trade receivables – detailed in Trade receivables and advances to public entities and in Other trade receivables in the table above – for a total of 5,215 million euro (4,785 million euro as at 31 December 2020), the information relating to gross values and accumulated impairment referring to each of the three stages in which receivables were classified according to the associated credit risk as required by IFRS 9 is shown below.

	Gross value			Accumulated impairment		
(thousands of euro)	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
Total trade receivables at 30/06/2021	**3,375,284**	**1,815,400**	**297,301**	**(7,412)**	**(51,366)**	**(214,284)**
Total trade receivables at 31/12/2020	**3,562,566**	**1,326,517**	**302,926**	**(122,110)**	**(58,663)**	**(226,244)**

As regards in particular Other trade receivables deriving from the contribution of Other entities, their total refers mainly to SNAM for 1,524 million euro (1,548 million euro as at 31 December 2020), Terna for 1,646 million euro (1,127 million euro as at 31 December 2020), Italgas for 361 million euro (619 million euro as at 31 December 2020), Fincantieri for 1,248 million euro (497 million euro as at 31 December 2020) and Ansaldo Energia for 341 million euro (283 million euro as at 31 December 2020).

Contract work in progress, equal to 3,330 million euro (3,385 million euro as at 31 December 2020) refers predominantly to the activities deriving from the Fincantieri group business, for a total of 3,047 million euro (3,125 million euro as at 31 December 2020) and includes orders whose progress has a higher value than what was invoiced to the customer. The relative progress is determined by the costs incurred added to the margins recognised and net of any expected losses. The net assets for contract work in progress of the Fincantieri group, totalling 1,665 million euro (1,963 million euro as at 31 December 2020), are calculated considering also what is represented in item 80 Other liabilities for orders whose progress has a value lower than what was invoiced to the customer.

Inventories of semi-finished goods and work in progress in the amount of 1,565 million euro include:
- mandatory gas reserves, kept at its storage sites by the subsidiary Stogit;
- raw materials, supplies and consumables of the Ansaldo Energia group, amounting to about 538 million euro;
- semi-finished products of the Fincantieri group, amounting to about 375 million euro.

Liabilities

Financial liabilities measured at amortised cost - Item 10

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

(thousands of euro) Type of securities/Values	30/06/2021	31/12/2020
1. Due to central banks	**20,034,469**	**19,608,631**
2. Due to banks	**42,522,572**	**42,694,641**
2.1 Current accounts and demand deposits	105,553	20,600
2.2 Fixed-term deposits	3,398,410	2,019,101
2.3 Loans	38,345,257	37,101,413
2.3.1 Repurchase agreements	20,005,882	17,726,595
2.3.2 Other	18,339,375	21,708,474
2.4 Liabilities in respect of commitments to repurchase own equity instruments		
2.5 Lease liabilities		
2.6 Other payables	673,352	1,219,871
Total	**62,557,041**	**62,303,272**

"Due to central banks", equal to approximately 20,034 million euro and referring exclusively to the Parent Company, increased from the 2020 figure (+426 million euro) as a result of participating in the TLTRO III[28] in March 2021.

"Term deposits", amounting to around 3,398 million euro (approximately +1,379 million euro compared to the end of 2020), mainly relate to the balance of the Postal savings bonds and the Passbook savings accounts of the Parent Company held by banks.

Recorded among due to banks are repurchase agreements with the bank counterparties, which exclusively refer to the Parent Company, which stand at around 20,006 million euro (roughly +2,279 million euro compared to 2020).

Other loans payable refer mainly to:
- loans granted to the Parent Company, equal to around 5,055 million euro (+169 million euro on 2020), relating to credit lines received mainly from the European Investment Bank (EIB), and to a lesser extent, the Council of Europe Development Bank (CEB);
- loans granted by the banking system to SNAM for approximately 4,094 million euro, Fincantieri for approximately 3,152 million euro, Italgas for 852 million euro, CDP Reti for 714 million euro, and Ansaldo Energia for 500 million euro;
- EIB mortgage agreements taken out by the Terna group, amounting to approximately 3,225 million euro.

28 Targeted Longer-Term Refinancing Operations.

The item "other payables", equal to around 673 million euro (approximately -547 million euro compared to 2020), includes the deposits received by the Parent Company for Credit Support Annex agreements to hedge counterparty risk on derivatives (equal to around 474 million euro).

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

(thousands of euro) Types of operations/Values	30/06/2021	31/12/2020
1. Current accounts and demand deposits	223,488	2,006
2. Time deposits	285,058,549	279,784,753
3. Loans	22,606,311	26,805,833
3.1 Repurchase agreements	20,046,320	24,209,307
3.2 Other	2,559,991	2,596,526
4. Liabilities in respect of commitments to repurchase own equity instruments		
5 Lease liabilities	339,851	405,692
6. Other payables	4,693,745	4,389,648
Total	**312,921,944**	**311,387,932**

The amounts due to customers mainly consist of the Parent Company's term deposits, which include the balance of passbook savings accounts, equal to approximately 175,257 million euro (about +5,814 million euro compared to 2020) and of postal savings bonds, equal to approximately 100,881 million euro (about -2,233 million euro compared to 2020), net of those held by banks and shown in the previous table.

The balance related to loans, equal to about 22,606 million euro at 30 June 2021, essentially refers to the repurchase agreements of the Parent Company, of around 20,046 million euro, down on the 2020 year-end balance (about -3,166 million euro).

Sub-item "6. Other payables" primarily refers to the amounts not yet disbursed at the end of the period on loans being repaid granted by the Parent Company to public bodies and public-law bodies, equal to around 4,169 million euro (around +133 million euro on 2020).

Again with reference to the Parent Company, amounts due to customers for liquidity management transactions on behalf of the MEF (OPTES) and to manage the Government securities amortisation fund amounted to 8,920 million euro at 30 June 2021 (+1,909 million euro compared to the end of 2020).

Lastly, this item includes around 340 million euro in lease liabilities, whose amount is determined on the basis of the contracts in place at 30 June 2021, in which Group companies act as lessees.

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

(thousands of euro) Types of securities/Values	Prudential consolidation	Other entities	30/06/2021	31/12/2020
A. Securities				
1. Bonds	17,593,023	22,695,536	40,288,559	40,163,395
1.1 structured	49,198		49,198	50,721
1.2 other	17,543,825	22,695,536	40,239,361	40,112,674
2. Other securities	2,884,086		2,884,086	3,219,346
2.1 structured				
2.2 other	2,884,086		2,884,086	3,219,346
Total	**20,477,109**	**22,695,536**	**43,172,645**	**43,382,741**

With regard to the Prudential Consolidation, the balance of securities issued at 30 June 2021 entirely refers to the Parent Company and includes:

- bonds issued under the "Euro Medium Term Notes" (EMTN) and "Debt Issuance Programme" (DIP) programmes, with a stock of approximately 11,750 million euro (-437 million euro compared to the end of 2020). In the first half of 2021, under the "Debt Issuance Programme", a new Social bond issue was carried out for a nominal value of 500 million euro;
- 2 bonds reserved for individuals, for a total of approximately 2,966 million euro (essentially stable compared to the end of 2020), with a nominal value of 1,500 million euro each, one of which issued in March 2015 and the other issued in June 2019, aimed at diversifying the sources of funding of the Separate Account;
- 4 bonds guaranteed by the Italian government, entirely subscribed by Poste Italiane, for a total carrying amount of 3,043 million euro (essentially stable compared to the end of 2020). At 30 June 2021 there are: 2 bonds issued in December 2017 for a total nominal value of 1,000 million euro, and 2 issued in March 2018 for a total nominal value of 2,000 million euro;
- the issue of the first 1 billion Renminbi Panda bond (135 million euro at the exchange rate at 30 June 2021) to finance, both directly and through Chinese banks or Chinese branches of Italian banks, branches or subsidiaries of Italian companies established in China, to support their growth. The issue, for institutional investors operating in China, is part of an issuance plan for 5 billion Renminbi approved by the People's Bank of China;
- the stock of commercial paper with a carrying amount of around 2,884 million euro (-335 million euro on the 2020 year-end balance), related to the "Multi-Currency Commercial Paper Programme".

Securities issued by other companies mainly refer to the bond placements by SNAM, Terna and Italgas, amounting to around 9,152 million euro, 8,083 million euro and 4,572 million euro, respectively.

Financial liabilities held for trading - Item 20

Financial liabilities held for trading: breakdown by type

(thousands of euro) Type of operations/Values	30/06/2021	31/12/2020
A. On-balance-sheet liabilities		
Total A		
B. Derivatives		
1. Financial derivatives	154,304	268,158
1.1 Trading	154,304	209,007
1.2 Associated with fair value option		
1.3 Other		59,151
2. Credit derivatives		
Total B	**154,304**	**268,158**
Total (A+B)	**154,304**	**268,158**

The item includes mainly:

- the negative fair value of interest rate swaps and Cross Currency Swaps for the operational hedging of the exchange rate risk of the Parent Company;
- the derivatives of Terna for approximately 65.8 million euro, of Fincantieri for approximately 4.5 million euro and of FSI Investimenti for approximately 6.4 million euro;
- the fair value of the earn-out liability, equal to approximately 13.6 million euro, related to the investment in Open Fiber made by the subsidiary CDP Equity.

Financial liabilities designated at fair value – Item 30

Financial liabilities designated at fair value: breakdown by type

(thousands of euro) Type of transactions/Values	30/06/2021	31/12/2020
1. Due to banks		
2. Due to customers	**30,818**	**30,513**
3. Debt securities		
3.1 Structured		
3.2 Other		
Total	**30,818**	**30,513**

The balance of the financial liabilities designated at fair value, totalling 31 million euro (in line with 2020), is attributable to the contribution of the Fincantieri group.

Hedging derivatives - Item 40

Hedging derivatives: breakdown by type of hedge

(thousands of euro)	30/06/2021	31/12/2020
A. Financial derivatives:	**3,291,922**	**4,683,374**
1) Fair value	2,721,956	4,116,836
2) Cash flow	569,966	566,538
3) Investment in foreign operation		
B. Credit derivatives		
1) Fair value		
2) Cash flow		
Total	**3,291,922**	**4,683,374**

The contribution of this item was mainly attributable to the Parent Company, with reference to which the micro fair value and cash flow hedges, with a negative value at 30 June 2021, amounted to around 1,521 million euro, while the macro hedges with a negative value, relating to loan portfolios, amounted to around 1,569 million euro.

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

Fair value change of hedged financial liabilities

(thousands of euro) Adjustment of hedged liabilities/Components of the group	30/06/2021	31/12/2020
1. Positive adjustments of financial liabilities	5,071	10,352
2. Negative adjustments of financial liabilities		
Total	**5,071**	**10,352**

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

Other liabilities - Item 80

Other liabilities: breakdown

(thousands of euro) Type of operations/Values	Prudential consolidation	Other entities	30/06/2021	31/12/2020
Items being processed	13,482		13,482	13,326
Amounts due to employees	13,372	156,377	169,749	188,963
Charges for postal funding service	450,703		450,703	433,122
Tax payables	141,095	123,292	264,387	257,887
Construction contracts		2,117,907	2,117,907	1,958,924
Trade payables	16,571	6,024,109	6,040,680	6,569,468
Due to social security institutions	10,881	146,639	157,520	157,898
Accrued expenses and deferred income	91	1,275,266	1,275,357	1,339,014
Liabilities for premiums to be reimbursed				5,379
Processing expenses				1
Collections from factoring being processed				40,761
Equity and net income pertaining to non-controlling interests in funds		158,439	158,439	133,739
Other	12,783	2,304,150	2,316,933	34,995,860
Total	**658,978**	**12,306,179**	**12,965,157**	**46,094,342**

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

For the Prudential consolidation, the main items under this heading are:
- the payable to Poste Italiane of about 451 million euro, relating to the portion of commissions due in respect of the products of the postal savings funding service not yet paid at 30 June 2021;
- tax payables, totalling around 141 million euro, mainly regarding the substitute tax levied on interest paid on postal savings products.

With regard to Other Group entities, the item mainly regards:
- trade payables of around 6 billion euro, mainly related to Terna (around 2.2 billion euro), Fincantieri (around 2.3 billion euro), SNAM (around 0.5 billion euro) and Italgas (around 0.5 billion euro). Trade payables included liabilities arising from reverse factoring operations for a total of 643 million euro, relating to trade payables from those suppliers that transferred their credit position to factoring companies. These liabilities are classified among “Trade payables” since they are related to obligations for the supply of goods and services used during the normal operating cycle. The sale is agreed with the supplier and envisages the possibility for the latter to give further extensions for consideration or not;
- contract work in progress of 2.1 billion euro, mainly resulting from the activities of Fincantieri (approximately 1.4 billion euro) whose progress has a value lower than what was invoiced to the customer, and from Ansaldo’s operations (approximately 0.7 billion euro). With regard to the contribution made by the Fincantieri group, please refer to the comments under item 130 Other assets;
- other items of 2.3 billion euro, referring in particular to SNAM for approximately 1.2 billion euro, for payables for investing activities and liabilities to Cassa per i Servizi Energetici e Ambientali. The latter mainly refer to accessory tariff components pertaining to natural gas transportation and distribution activities.

Provisions for risks and charges - Item 100

Provisions for risks and charges: breakdown

(thousands of euro) Items/Components	Prudential consolidation	Other entities	30/06/2021	31/12/2020
1. Provisions for credit risk relating to commitments and financial guarantees issued	350,709		350,709	409,374
2. Provisions on other guarantees issued and other commitments				
3. Company pensions and other post-retirement benefit obligations				
4. Other provisions	140,244	2,039,556	2,179,800	2,524,800
4.1 fiscal and legal disputes	81,032	409,903	490,935	499,201
4.2 staff costs	58,500	146,155	204,655	249,028
4.3 other	712	1,483,498	1,484,210	1,776,571
Total	**490,953**	**2,039,556**	**2,530,509**	**2,934,174**

The provisions for risks and charges stood at approximately 2.5 billion euro at 30 June 2021, down by around 0.4 billion euro.

Provisions for credit risk relating to commitments and financial guarantees issued, to which the Parent Company contributes primarily, amount to 350.7 million euro, a decrease of 58.6 million euro compared to 31 December 2020 due to the reclassification of provisions relating to SACE to liabilities held for sale and the increase of 24.5 million euro in provisions relating to CDP.

The item 4.3 “Other provisions - other”, totalling approximately 1,484 million euro at 30 June 2021, mainly refers:
- for approximately 643 million euro to the provisions for the dismantling and reclamation of sites, recognised mainly for liabilities that are likely to be incurred to remove the structures and reclaim natural gas storage and transportation sites;
- for about 336 million euro to the provisions for the reclamation and preservation of properties, as well as provisions for commitments in respect of contracts. The estimate of the liabilities recognised is based both on technical assessments (relating to the determination of works to be carried out or actions to be taken) and on legal assessments, bearing in mind contractual provisions in force;
- for around 57 million euro to liabilities for contractual guarantees issued to customers in line with market practices and conditions.

Technical provisions - Item 110

Technical provisions: breakdown

(thousands of euro)	Direct business	Indirect business	Total 30/06/2021	Total 31/12/2020
A. Non-life insurance				**3,460,541**
A.1 Reserves for unearned premiums				2,833,504
A.2 Reserves for claims outstanding				626,148
A.3 Other				889
B. Life insurance				
C. Technical provisions where the investment risk is borne by the insured				
D. Total technical provisions				**3,460,541**

The balance at 30 June 2021 was zero as the liabilities for technical provisions relating to the insurance companies SACE and SACE BT have been reclassified under liabilities held for sale for the reasons explained in Section 3 above.

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

“Share capital” and “Treasury shares”: breakdown

At 30 June 2021, the fully paid-up share capital of the Parent Company amounts to 4,051,143,264 euro and is composed of 342,430,912 ordinary shares, without par value.

At 30 June 2021, the Parent Company held treasury shares with a value of 322 million euro which is unchanged compared to the end of 2020.

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

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

Information on the consolidated income statement

Interest - Items 10 and 20

Interest income and similar income: breakdown

(thousands of euro) Items/Technical forms	Debt securities	Loans	Other	1st half of 2021	1st half of 2020
1. Financial assets measured at fair value through profit or loss	**218**	**4,590**	**1,490**	**6,298**	**7,679**
1.1 Financial assets held for trading					
1.2 Financial assets designated at fair value					
1.3 Other financial assets mandatorily measured at fair value	218	4,590	1,490	6,298	7,679
2. Financial assets measured at fair value thorough other comprehensive income	**32,712**	**9**	**X**	**32,721**	**47,225**
3. Financial assets measured at amortised cost	**646,279**	**3,268,961**		**3,915,240**	**3,920,548**
3.1 Loans to banks	14,456	119,859	X	134,315	122,940
3.2 Loans to customers	631,823	3,149,102	X	3,780,925	3,797,608
4. Hedging derivatives	**X**	**X**	**(145,955)**	**(145,955)**	**(143,127)**
5. Other assets	**X**	**X**	**10,218**	**10,218**	**8,093**
6. Financial liabilities	**X**	**X**	**X**	**128,955**	**114,030**
Total	**679,209**	**3,273,560**	**(134,247)**	**3,947,477**	**3,954,448**
of which: interest income on non-performing assets		*1,682*		*1,682*	*1,745*
of which: interest income on finance lease					

Interest income accrued during the first half of 2021 amounted to 3,947 million euro, slightly down compared to the same period of 2020. It essentially derives from the Parent Company's contribution and mainly consists of:

- interest income on loans to banks and customers, classified as assets measured at amortised cost, totalling 3,915 million euro (-5 million euro compared to the first half of 2020) of which 3,269 million euro deriving from loans and 646 million from debt securities;
- interest income on financial assets measured at fair value through other comprehensive income, of around 33 million euro (-15 million euro compared to the first half of 2020);
- interest income on financial assets measured at fair value through profit or loss, of around 6 million euro (-1.4 million euro compared to the first half of 2020).

Sub-item "4. Hedging derivatives" includes the (positive or negative) amount of differentials or margins accrued on interest rate risk hedging derivatives that adjusts the interest income recognised on the hedged financial instruments. As at 30 June 2021, this amount is negative for around 146 million euro.

Sub-item "6. Financial liabilities" includes interest accrued on financial liabilities that, due to negative remuneration, have resulted in a component with opposite sign (interest income), amounting to about 130 million euro (+15 million euro compared to 30 June 2020). This is in line with the EBA's instructions that indicate that the sign of the economic component prevails over the nature of the balance sheet item.

The item includes interest income on impaired financial assets of approximately 1.7 million euro.

Interest expense and similar expense: breakdown

(thousands of euro) Items/Technical forms	Debt securities	Securities	Other	1st half of 2021	1st half of 2020
1. Financial liabilities measured at amortised cost	**2,262,354**	**288,408**		**2,550,762**	**2,474,139**
1.1 Due to central banks		X	X		
1.2 Due to banks	114,245	X	X	114,245	106,505
1.3 Due to customers	2,148,109	X	X	2,148,109	2,051,682
1.4 Securities issued	X	288,408	X	288,408	315,952
2. Financial liabilities held for trading					
3. Financial liabilities designated at fair value	**2,737**			**2,737**	**2,105**
4. Other liabilities and provisions	**X**	**X**	**7,999**	**7,999**	**9,379**
5. Hedging derivatives	**X**	**X**	**(41,068)**	**(41,068)**	**(51,123)**
6. Financial assets	**X**	**X**	**X**	**14,298**	**13,026**
Total	**2,265,091**	**288,408**	**(33,069)**	**2,534,728**	**2,447,526**
of which: interest expense on finance lease	*4,364*			*4,364*	*3,931*

Interest expense in the first half of 2021 amounts to 2,535 million euro (+87 million euro on the comparison period), and is mainly attributable to:

- remuneration of the Parent Company's postal funding, amounting to approximately 2,173 million euro (approximately +95 million euro compared to 30 June 2020);
- interest expense accrued on securities issued by the Parent Company of approximately 168 million euro and by the industrial companies of approximately 118 million euro.

Sub-item "5. Hedging derivatives" includes the (positive or negative) amount of differentials or margins accrued on interest rate risk hedging derivatives that adjusts the interest expense recognised on the hedged financial instruments. As at 30 June 2021, this amount is positive for around 41 million euro.

Item "6. Financial assets" includes interest accrued on financial assets that, due to negative remuneration, have resulted in a component with opposite sign (interest expense), amounting to about 14 million euro (+1 million euro compared to 30 June 2020).

The item also includes financial expenses accrued on lease liabilities recognised as a consequence of applying IFRS 16, equal to about 4.4 million euro, relating to contracts in which the Group act as a lessee.

Commissions - Items 40 and 50

Commission income: breakdown

(thousands of euro) Type of services/Amounts	1st half of 2021	1st half of 2020
a) Guarantees issued	14,464	9,680
b) Credit derivatives		
c) Management, intermediation and advisory services:	15,988	9,707
1. trading of financial instruments		
2. trading of currencies		
3. management of portfolios	15,988	9,707
3.1. individual		
3.2. collective	15,988	9,707
4. custody and administration of securities		
5. custodian bank		
6. placement of securities		
7. receipt and transmission of orders		
8. advisory services		
9. distribution of third party services		
d) Collection and payment services	25,497	
e) Servicing for securitisations		
f) Factoring services		
g) Collection services		
h) Management multilateral trading systems		
i) Maintenance and management of current accounts		
j) Other services	46,328	193,437
Total	**102,277**	**212,824**

Commission income at 30 June 2021 amounted to approximately 102 million euro, a decrease of 111 million euro that was mainly attributable to the Parent Company not recognising commissions for managing the MEF's postal savings bonds which, in the corresponding period of 2020, contributed 150 million euro to the balance of the item by virtue of the agreement that expired on 31 December 2020. At 30 June 2021, an agreement covering the remuneration for managing the MEF's postal savings bonds had not yet been signed.

At 30 June 2021, this item includes commission income of the Parent Company relating to:
- structuring and disbursement of loans for around 33 million euro;
- guarantees issued of around 15 million euro;
- the management of loans transferred to the MEF, the management of the Revolving Fund supporting enterprises and investment in research (FRI), and other services rendered.

The balance also includes approximately 25.5 million euro from commission income for collection and payment services received by the SIA group, commission income of 12.2 million euro received by the subsidiary SIMEST for the management of Public Funds, and 16 million euro from commissions accrued by the subsidiaries FII SGR (12.2 million euro) and CDP Immobiliare SGR (3.8 million euro).

Commission expense: breakdown

(thousands of euro) Services/Amounts	1st half of 2021	1st half of 2020
a) Guarantees received	20,265	13,234
b) Credit derivatives		
c) Management and intermediation services:	705,271	738,754
1. trading of financial instruments		
2. trading of currencies		
3. management of portfolios	580	890
3.1 own portfolio	580	890
3.2 third-party portfolio		
4. custody and administration of securities		
5. placement of financial instruments	696,335	737,864
6. door-to-door selling of financial instruments, products and services	8,356	
d) Collection and payment services	4,484	885
e) Other services	8,987	9,251
Total	**739,007**	**762,124**

Commission expense is primarily attributable to the Parent Company and is mainly related to the amount for the first half of 2021 of the remuneration paid to Poste Italiane S.p.A. for the postal savings service, equal to approximately 689.5 million euro (-41.5 million euro compared to 30 June 2020), other than the expense similar to transaction costs and consequently included in the carrying amount of the postal savings products. The financial conditions of the previous agreement governing the three-year period 2018-2020 continue to apply pending renewal of the agreement between CDP and Poste Italiane for the postal savings service.

Commission expense of approximately 42 million euro was attributable to the industrial companies and mainly related to commissions due on guarantees received, the placement of financial instruments and the door-to-door sale of financial instruments, products and services.

Dividends and similar revenues - Item 70

The balance of this item at 30 June 2021, of around 38 million euro (19 million euro at 30 June 2020) is mainly attributable to the dividends earned by the Parent Company and the investee CDP Equity from equity securities measured at fair value through other comprehensive income.

Profits (losses) on trading activities - Item 80

The profits (losses) on trading activities, showing an overall profit of about 38.9 million euro at 30 June 2021 (loss of 56 million euro at 30 June 2020), derive from:
- the profits realised on derivatives, totalling 21.9 million euro (including 25 million euro from Terna and 4.7 million euro from Fincantieri, which were partly offset by the loss realised by the Parent Company);
- foreign exchange gains of approximately 17 million euro mainly recorded by the Parent Company and Fincantieri, for 2.3 and 13.7 million euro, respectively.

Fair value adjustments in hedge accounting - Item 90

The fair value adjustments in hedge accounting at 30 June 2021 showed a negative amount of 12.9 million euro (negative amount of 46.5 million euro at 30 June 2020) and were largely attributable to the contribution of the Fincantieri group. The measurement component recorded a negative amount of 11.6 million euro, while the disposals component recorded a negative amount of 1.3 million euro.

Gains (losses) on disposal or repurchase - Item 100

The balance of the item was positive for approximately 440 million euro (117.3 million euro at 30 June 2020). It mainly refers to the Parent Company due to the net profit on the sale of debt securities in the portfolio of financial assets measured at amortised cost (approximately 340 million euro) and in the portfolio of financial assets measured at fair value through other comprehensive income (approximately 100 million euro).

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

The profits (losses) on financial assets and liabilities measured at fair value through profit or loss show a net loss at 30 June 2021, equal to 20.3 million euro (net loss of 82.1 million euro at 30 June 2020), attributable almost exclusively to the other financial assets mandatorily measured at fair value.

In particular, contributing to the result were the effects of the other financial assets mandatorily measured at fair value relating to:
- the net positive valuations of units in collective investment undertakings, amounting to 26.4 million euro, mainly attributable to the Parent Company for an amount of 23.1 million euro;
- the net negative valuations of debt securities, amounting to 47.5 million euro, mainly attributable to the Valvitalia issuance already commented on in the Assets section.

Net adjustments/recoveries for credit risk - Item 130

This item shows a loss of around 14.6 million euro and relates to the net balance between adjustments and recoveries for credit risk calculated on an individual and collective basis and almost exclusively related to financial assets measured at amortised cost.

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

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

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

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

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

	Writedowns			Writebacks			
		Stage 3					
(thousands of euro) Type of operations/P&L Items	Stage 1 and 2	Write-off	Other	Stage 1 and 2	Stage 3	1st half of 2021	1st half of 2020
A. Loans to banks	**(5,378)**			**8,319**		**2,941**	**1,099**
Loans	(2,303)			8,048		5,745	637
Debt securities	(3,075)			271		(2,804)	462
of which: impaired loans acquired or originated							
B. Loans to customers	**(55,437)**	**(19)**	**(7,952)**	**36,598**	**7,095**	**(19,715)**	**(118,744)**
Loans	(43,533)	(19)	(7,952)	27,832	7,095	(16,577)	(103,954)
Debt securities	(11,904)			8,766		(3,138)	(14,790)
of which: impaired loans acquired or originated							
Total	**(60,815)**	**(19)**	**(7,952)**	**44,917**	**7,095**	**(16,774)**	**(117,645)**

Net adjustments for credit risk relating to loans measured at amortised cost subject to Covid-19 support measures: breakdown

(thousands of euro) Type of operations/P&L Items	Net impairment adjustment			
	Stage 1 and 2	Stage 3		1st half of 2021
		Write - off	Other	
1. Loans subject to moratoria compliant with the GL	150		4	154
2. Loans subject to forbearance measures				
3. New loans	(816)			(816)
Total	**(666)**		**4**	**(662)**

The table shows the net adjustments for credit risk recognised on loans subject to Covid-19 support measures. The line "Loans granted in accordance with the GLs" shows the net adjustments recognised on loans subject to a moratorium that fall within the scope of the "Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID 19 crisis" published by the EBA (EBA/GL/2020/02) and as amended and supplemented. The line "New loans" reports the net adjustments recognised on loans which represent new liquidity backed by public guarantees.

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

(thousands of euro) Type of operations/P&L Items	Writedowns			Writebacks			
	Stage 1 and 2	Stage 3		Stage 1 and 2	Stage 3	1st half of 2021	1st half of 2020
		Write-off	Other				
A. Debt securities	**(4,657)**			**6,853**		**2,196**	**910**
B. Loans							
Total	**(4,657)**			**6,853**		**2,196**	**910**

There are no loans measured at fair value through other comprehensive income subject to Covid-19 support measures.

Administrative expenses - Item 190

Staff costs: breakdown

(thousands of euro) Type of expenses/Sectors	Prudential consolidation	Other entities	1st half of 2021	1st half of 2020
1) Employees	**88,929**	**1,185,938**	**1,274,867**	**1,146,345**
a) wages and salaries	61,179	837,761	898,940	811,099
b) social security costs	1,507	13,731	15,238	12,533
c) staff severance pay	338	17,522	17,860	18,469
d) pension costs	12,666	232,813	245,479	219,824
e) allocation to staff severance pay	121	5,474	5,595	4,765
f) allocation to provision for post-employment benefits:				
g) payments to external supplementary pensions funds:	4,285	34,851	39,136	29,562
- defined contribution	4,285	33,185	37,470	28,068
- defined benefit		1,666	1,666	1,494
h) costs arising from share-based payment arrangements		2,456	2,456	1,916
i) other employee benefits	8,833	41,330	50,163	48,177
2) Other personnel in service	**358**	**5,018**	**5,376**	**3,899**
3) Board of Directors and Board of Auditors	**854**	**11,337**	**12,191**	**10,017**
4) Retired personnel				
Total	**90,141**	**1,202,293**	**1,292,434**	**1,160,261**

Other administrative expenses: breakdown

(thousands of euro) Type of expenses/Sectors	Prudential consolidation	Other entities	1st half of 2021	1st half of 2020
IT costs	14,601	88,611	103,212	105,713
General services	4,640	3,312,086	3,316,726	2,310,026
Professional and financial services	5,444	456,287	461,731	396,166
Publicity and marketing expenses	1,838	12,247	14,085	15,017
Other personnel-related expenses	395	18,987	19,382	16,129
Utilities, duties and other expenses	3,371	159,445	162,816	127,346
Information resources and databases	3,237		3,237	2,816
Corporate bodies	236	97	333	865
Total	**33,762**	**4,047,760**	**4,081,522**	**2,974,078**

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

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

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

Net provisions for credit risk relating to commitments to disburse funds and financial guarantees issued showed a positive balance at 30 June 2021 equal to 4.4 million euro (negative balance of 86.9 million euro at 30 June 2020) and are almost exclusively attributable to the Parent Company's contribution.

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

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

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

(thousands of euro) Type of transactions/Values	Accruals	Reversal of excess	1st half of 2021
Net accruals to the provisions for legal and fiscal disputes	(9,104)	5,321	(3,783)
Net accruals to the provisions for sundry expenses for personnel	(28)		(28)
Net sundry provisions	(55,913)	54,785	(1,128)
Total	**(65,045)**	**60,106**	**(4,939)**

The balance of this item, negative for 4.9 million euro (positive for 37.2 million euro at 30 June 2020), refers to the net balance of provisions and the reversal of excess provisions for risks and charges, mainly attributable to Fincantieri (-37.4 million euro), Fintecna (+27.5 million euro), CDP Immobiliare (+16.2 million euro), Ansaldo Energia (-8.1 million euro) and Italgas (-3.1 million euro).

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

Net adjustments to property, plant and equipment: breakdown

(thousands of euro) Assets/P&L items	Prudential consolidation	Other entities	1st half of 2021
A. Property, plant and equipment			
1. Operating	(3,124)	(873,151)	(876,275)
- owned	(1,997)	(830,080)	(832,077)
- right of use acquired under leases	(1,127)	(43,071)	(44,198)
2. Investment	(3,151)	(6,094)	(9,245)
- owned	(2,922)	(6,094)	(9,016)
- right of use acquired under leases	(229)		(229)
3. Inventories		(3,833)	(3,833)
Total	**(6,275)**	**(883,078)**	**(889,353)**

Net adjustments to/recoveries on intangible assets - Item 220

Net adjustments to intangible assets: breakdown

(thousands of euro) Assets/P&L items	Prudential consolidation	Other entities	1st half of 2021
A. Intangible assets			
A.1 Owned	(6,194)	(455,992)	(462,186)
- internally generated by the company		(43,987)	(43,987)
- other	(6,194)	(412,005)	(418,199)
Total	**(6,194)**	**(455,992)**	**(462,186)**

Other operating income (costs) - Item 230

Other operating costs: breakdown

(thousands of euro) Type of costs/Figures	Prudential consolidation	Other entities	1st half of 2021	1st half of 2020
Depreciation of leasehold improvements	165	430	595	678
Other	1,320	61,705	63,025	30,383
Total	**1,485**	**62,135**	**63,620**	**31,061**

Other operating income: breakdown

(thousands of euro) Type of costs/Figures	Prudential consolidation	Other entities	1st half of 2021	1st half of 2020
Income for company engagements to employees	368	20	388	378
Recovery of expenses	182	9,455	9,637	7,908
Rental income and other income from property management	6,222	37,743	43,965	13,579
Revenues from industrial management		8,057,565	8,057,565	6,536,025
Other	1,351	101,217	102,568	136,260
Total	**8,123**	**8,206,000**	**8,214,123**	**6,694,150**

Other operating income, equal to 8,214 million euro as at 30 June 2021 (6,694 million euro as at 30 June 2020), includes income that is not attributable to the other items of the bank financial statements and consists almost entirely of revenues from the industrial operations of:

- Fincantieri, in the amount of 3,212.8 million euro;
- Snam, in the amount of 1,523.9 million euro;
- Terna, in the amount of 1,229.1 million euro;
- Italgas, in the amount of 1,044.3 million euro;
- Ansaldo Energia, in the amount of 679.1 million euro; and
- SIA, in the amount of 368.2 million euro.

Gains (losses) on equity investments - Item 250

Net gains on equity investments, of approximately 380.7 million euro (net loss of 2,025 million euro in 2020), comprise the results of the measurement at equity of investments subject to significant influence or joint control included in the scope of consolidation, and are mainly due to the positive impact of the measurement of the investee companies in the CDP portfolio: Eni (+232 million euro) and Poste (+193.4 million euro), only partly offset by the negative effects recorded in the period concerning the investee companies Saipem (-99 million euro), Open Fiber, (-30.4 million euro) and Webuild (-11.4 million euro).

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

This item has a nil balance.

Gains (losses) on disposal of investments - Item 280

This item shows gains of 1.7 million euro (7.8 million euro at 30 June 2020) and consists of gains on the disposal of operating property and other assets.

Income tax for the period on continuing operations - Item 300

The CDP Group operates in various countries (both European and non-European) that have autonomous tax systems where the determination of the taxable base, the level of tax rates, the nature, type and timing of formal obligations differ from one another.

CDP and some Italian Group companies have adopted the so-called “national fiscal consolidation” under which it is possible to algebraically offset the income and losses of companies belonging to the same scope of consolidation.

With regard to tax rates, in Italy corporate income tax (IRES) is 24%, to which an additional 3.5% applicable exclusively to banks and other financial intermediaries should be added. In addition to IRES, the Regional Tax on Productive Activities (IRAP) must be added, whose nominal rate is 4.65% for the banking sector and to which each Region can autonomously add a surcharge. IRAP applies to a taxable income that is marginally different from the one used by IRES.

It should be noted that certain Group companies have elected to pursue the tax realignment envisaged by article 110, paragraph 8 of Decree Law no. 104 of 14 August 2020 (the "August Decree"), which reintroduced the option for entities that prepare their financial statements in accordance with IAS/IFRS to realign the statutory and fiscal values of property, plant and equipment, intangible assets and equity investments classified among non-current assets, as reported in the financial statements for the year ended 31 December 2019. Specifically with regard to the SNAM group, the positive effects of the realignment of statutory and fiscal values amounted to approximately 255 million euro.

Income (loss) after tax on discontinued operations – Item 320

This item is a loss equal to 1,164 million euro (-62.4 million euro at 30 June 2020), and primarily reflects the effect of applying the provisions of paragraph 32 of IFRS 5 on the presentation of income or loss on discontinued operations, which include SACE, SACE Bt, SACE Fct, SACE Srv and the investment entity FSE. The item includes the negative impact of -1,241 million euro resulting from the adjustment of the net assets of the disposal companies belonging to the SACE group to their realisable value of 4,251 million euro, which is equal to the sale price agreed with the MEF.

For further details, reference should be made to Section 3 - Scope and methods of consolidation in Part A - Accounting policies of these notes to the financial statements.

Risk monitoring

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

The risk management system takes into account the specific characteristics of the activity carried out by each entity of the group; it is implemented in compliance with the requirements established by the laws and regulations applicable to each company.

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

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

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

The structure of the statutory, board and management committees is established at both company and Group level. This includes the committees responsible for risk, whose respective responsibilities are assigned in compliance with the principles adopted.

The Board of Directors' Risk Committee has control and guidance functions in the field of risk management and assessment of new investment products. During the first half of 2021 some responsibilities were also assigned concerning the formulation of proposals on sustainability strategy and assessment of relevant corporate policies, with the consequent re-naming to Risk and Sustainability Committee. Two technical and advisory committees, the Risk Governance Committee and the Risk Assessment Committee, act as a support to management and to the decision-making bodies. The Risk Governance Committee is responsible, by way of non-exhaustive example, for (i) aspects related to defining and controlling CDP's overall risk profile, (ii) compliance of new products with that risk profile and (iii) relevant aspects for the management of "liquidity contingency" situations. The Risk

Assessment Committee, on the other hand, is responsible for (i) assessing transactions and activities, also in terms of concentration, economic and financial sustainability as well as the associated risks, (ii) assessing proposals to manage specific non-performing loans and credit disputes, (iii) assessing proposals for impairment of loans or equity investments and (iv) periodically reviewing the risk profile of counterparties in the portfolio.

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

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

1. Credit risk

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

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

The Risk Advisory & Policies Unit has the task of providing risk advisory support to CDP's business units and to Group companies in the phase of definition of the contents of business solutions and the most significant transactions. It carries out risk assessments regarding equity and real estate transactions that require a governance opinion. It also assists the Chief Risk Officer in the definition and update of the guidelines related to Group-level risk policies.

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

With regard to credit risk, the responsibilities of Risk Management also include:
- performing specific second-level controls to ensure that the performance of individual exposures is monitored correctly, especially the non-performing ones, that the classifications are consistent, that provisioning is adequate and that the recovery process is appropriate;
- formulating opinions on specific loan transactions, including an evaluation of their consistency with the Risk Policy and capital requirements, in the specific cases detailed in the policies in effect from time to time;
- defining, selecting and implementing the models, methods, and instruments of the internal rating system, ensuring that it is constantly monitored and updated.

With regard to non-performing counterparties, the Risk Operations Unit reviews any restructuring proposals – where necessary with the support of other Units for more complex cases – while Risk Management performs a second-level control. Contractual amendment requests for performing loans ("waivers") are managed instead by the transactions-management structures of the business units, where necessary with the support of other Units for more complex cases.

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

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

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

CDP uses a validated proprietary model to calculate credit risk at portfolio level for the Ordinary Account and, in the Separate Account, for loans to private-sector parties. CDP also uses this model to calculate the economic capital associated with the entire loan portfolio, with the sole exception of exposures, direct or indirect, to the State.

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

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

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

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

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

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

CDP adopted the new definition of default in accordance with the supervisory regulations for banks issued by the Bank of Italy, effective from the beginning of 2021 and implementing the related EBA Guidelines.

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

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

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

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

2. Counterparty risk

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

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

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

Securities financing transactions utilise GMRAs (Global Master Repurchase Agreement, according to the ISMA 2000 format and, in some cases, the ISMA 2011 format). In addition, CDP has long since joined the Cassa di Compensazione e Garanzia (Central Clearing House), through which it transacts in repo agreements while benefiting from robust protections against counterparty risk.

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

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

3. Interest rate risk

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

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

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

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

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

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

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

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

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

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

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

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

SACE Fct monitors and manages interest rate risk according to the provisions of the specific policy and by setting appropriate operating limits. Interest rate risk management is ensured by the Budget and Treasury Function, in close collaboration with the Risk Management Function, through operating management of assets and liabilities in compliance with the guidelines defined by the Board of Directors. SACE Fct is exposed to interest rate risk in relation to the final purchases of receivables, generated by short-term funding against the granting of fixed-rate loans over a longer term, whereas in its more standard operations (factoring arrangements whereby the assigned receivables are not recognised on the balance sheet of the factor) the interest rate risk is minimised, because the frequency of the revisions of interest rates payable and receivable is aligned.

CDP Immobiliare SGR has no direct (i.e. resulting from its primary activity) exposure to interest rate risk and inflation risk; an exposure is detected in connection with investments of the available liquidity (mainly, fixed-rate securities issued by the Italian Government and postal savings bonds guaranteed by the Parent Company).

As a closed-end fund manager, Fondo Italiano d'Investimento SGR S.p.A. is not directly exposed to interest rate risk. The liquidity stock during the first half of 2021 was held in liquid market instruments (time deposits) or deposited in current accounts. The asset management company is not directly exposed to inflation risk.

In the first half of 2021, SACE Fct, CDPI SGR and FII SGR had not set up any interest-rate-hedging strategy.

4. Liquidity risk

Liquidity risk arises in the form of "asset liquidity risk" and "funding liquidity risk".

Since the Parent Company, SACE Fct and CDP Immobiliare SGR do not engage in trading activities, the exposure to liquidity risk in the sense of asset liquidity risk[29] is limited.

As the liability side of the Separate Account of the Parent Company is mainly composed by demand deposits (savings accounts) as well as bonds redeemable on request (postal savings bonds), liquidity risk is due primarily to funding liquidity risk[30].

In order to ensure that any uncontrolled run-off scenario remains remote, CDP benefits from the mitigating effect of the state guarantee on postal savings. In addition to the key function of that guarantee, the ability of CDP to ensure that such a scenario does in fact remain remote is based on its capital strength, on the protection and promotion of postal savings reputation with the

29 Asset liquidity risk means the impossibility, for a financial institution or a generic investor, of selling assets on the market without significantly reducing their price.
30 Funding liquidity risk means the impossibility, for a financial institution, to meet its obligations by collecting liquidity at non-penalising conditions or selling assets held.

public, on safeguarding CDP's reputation in the market and on liquidity management. With regard to the latter, CDP adopts a series of specific measures to prevent the emergence of unexpected funding requirements and to be able to meet them if it should prove necessary.

To this end, Risk Management monitors a lower limit on the stock of liquid assets together with a number of aggregates that represent the capacity of CDP to cope with potential crisis. As an operational protection measure for liquidity risk, CDP has adopted a Contingency Funding Plan (CFP). The CFP sets out the processes and strategies used by CDP to manage possible liquidity crises, whether of systemic origin – caused by an unexpected deterioration in monetary and financial market conditions – or due to idiosyncratic difficulties at CDP itself.

As regards the Ordinary Account, CDP raises funds through the market or the European Investment Bank (EIB), adopting approaches, opportunities and constraints more similar to those of ordinary banks.

CDP prevents the emergence of unexpected liquidity requirements through the development of effective loan disbursement forecasting systems, by setting structural limits on maturity transformation, by the monitoring of the short-term liquidity position, carried out on a continuous basis by the Finance Organisational Unit, and by the monitoring of medium and long term liquidity gaps, which is performed by the Market Risk & ALM Unit.

Management of treasury activities by the Finance department enables CDP to raise funds using Repos, for both the Separate and Ordinary Accounts.

CDP can also take part in European Central Bank refinancing operations, as it holds a significant stock of eligible negotiable and non-negotiable assets.

As a further control, for both the Separate and the Ordinary Account, Risk Management monitors the incremental liquidity available in a stress scenario through transactions with the European Central Bank and by refinancing liquid assets with market counterparts.

In addition to the monitoring tools described, RM performs a stress test to assess the potential effects of an extremely unfavourable scenario on the liquidity position.

With regard to SACE Fct's operations, the liquidity risk connected with factoring operations is mitigated by the recourse to diversified forms of financing, through: i) the activation of revolving credit lines granted by major banking groups, ii) short-term loans granted by the Parent Company and iii) re-assignment of receivables with recourse towards leading factoring companies. The Company also has undrawn medium/long-term credit facilities, taken with the aim of providing the Company with the means necessary to ensure business continuity. In this context, the "Liquidity Risk Policy" defines the roles and responsibilities of the corporate bodies and units involved in the process and the methods used to measure, manage, and monitor liquidity risk. Moreover, a Contingency Funding Plan defines the strategies for management of a possible liquidity crisis and the specific procedures to be implemented in response to adverse fund-raising situations.

As far as liquidity risk is concerned, CDPI SGR is potentially exposed to a cash shortfall risk, caused by, among others, lower management fees due to fluctuations in values of the real estate Alternative Investment Fund (AIF) units and/or real estate direct assets held by the portfolios it manages, as management fees are actually calculated as a percentage of either the Net Asset Value (FIA[31]) or the Gross Asset Value (FIV, FNT, FT1[32] and FIA 2).

Any value fluctuation for the real estate funds and/or assets held in their portfolios might consequently affect the management fees.

From an operational point of view, liquidity risk is monitored through a careful planning of Company cash flows ("financial forecast"), prepared by the "SGR Administration" Organisational Unit and updated on a monthly basis.

With regard to FII SGR, the increased exposure to liquidity risk consists of asset liquidity risk. The asset management company manages closed-end funds with underlyings that have low liquidity and a long-term time horizon. The potential need, which is currently very unlikely, to rapidly liquidate the assets could significantly affect the prices of those assets.

In terms of funding risk, FII SGR has limited exposure due to the type and standing of its counterparties, which are periodically monitored, and the operating procedures of the individual funds (in addition to the possibility of using funding facilities in its operations).

31 Fondo Investimenti per l'Abitare.
32 Respectively: Fondo Investimenti per la Valorizzazione, Fondo Investimenti per il Turismo and Fondo Turismo 1.

5. Operational risks

CDP has adopted the guidelines established by the Basel Committee for the banking industry and incorporated by the Bank of Italy in Circular no. 285 of 17 December 2013 as the benchmark for managing operational risk.

Operational risk means the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Such risk includes, among others, losses resulting from internal or external fraud, human error, business disruption, system unavailability, breach of contract and natural disasters.

Operational risk includes legal risk but not strategic or reputational risk.

The “legal risk” is the risk of incurring losses resulting from violations of laws or regulations, from contractual or tortious liability or from other disputes. The operational risk management system is a set of structured processes, functions and resources for identifying, assessing and controlling the above-mentioned risks. Its main objective is to ensure effective prevention and mitigation of such risks.

As part of the operational risk management system implemented in CDP, the ICT risk assessment methodology was defined. ICT risk is the risk of (current or potential) financial, reputational and market share losses in relation to using information and communication technology (ICT) due to events that are likely to compromise the Availability, Integrity and Confidentiality of technical infrastructures and/or data.

Apart from adopting best practice in the banking sector as a reference, CDP pays particular attention to industrial sector benchmarks for the management of operational risks. The methodological and organisational framework implemented aims to capture the company’s actual risk profile, similarly to what occurs in the most advanced corporates, which actively manage operational risks even though they are not subject to capital requirements.

The objective is to improve corporate processes and the Internal Control System, so as to lay the foundations for the most appropriate mitigation actions and to make a more accurate quantification of the associated economic capital, currently estimated using the Basic Indicator Approach.

The Operational & ICT Risk Unit, operating within Risk Management, is the Unit responsible for designing, implementing and monitoring the methodological and organisational framework for the assessment of the exposure to operational and ICT risks, the provision of remediation measures - in agreement with the Units involved - and the preparation of reporting to the Top Management.

The framework adopted for managing operational risks involves the inclusion of information on operational losses classified according to specified Loss Event Types (i.e. a Model of loss events), Loss Effect Types (i.e. a Model of types of losses) and Risk Factors (i.e. a Model for the classification of risk factors). With particular reference to ICT risk, CDP defined specific libraries of threats and security countermeasures which CDP applies to protect its ICT assets.

With a view to implementing integrated management of actions, so as to combine into a single decision-making step the assessment of mitigation actions defined during both Risk Assessment and Loss Data Collection, a dedicated Working Group has been established - which meets when necessary at the initiative of the Operational & ICT Risk Unit - for the analysis of the mitigation actions identified to control operational risks.

The Operational & ICT Risk Unit monitors the status of the mitigation actions initiated by periodically checking their progress with the individuals responsible for the actions taken and/or to be taken.

The results of the activities performed are shared and disseminated through dedicated reports, which detail operational risk exposures and detected losses. In this way, information on operational risks is provided to the Top Management and the managers of the business units involved, in order to enable the implementation of the most appropriate mitigation actions.

In line with the mission of the Operational & ICT Risk Unit, which is to develop and disseminate awareness of operational risks within the Company, training initiatives addressed to all the staff involved in the analyses were organised.

Other periodical actions organised by the Operational & ICT Risk Unit for the staff concerned include training, also in the form of on-the-job training. These actions ensure that the contact persons have appropriate knowledge of the process and of its attendant responsibilities, so as to make the best use of support tools.

In addition to the above, the Operational & ICT Risk Organisational Unit supports the Corporate Protection Organisational Unit in organising cybersecurity training. The aim is to put in place a coordinated approach at all levels within the Company, which can be achieved by wide dissemination of operational risk awareness.

SACE Fct adopts an operational risk management framework in line with the logics adopted at Group level, for the purpose of strengthening risk controls and improving the overall effectiveness and efficiency of processes, in order to reduce the variability of operating profits and protect its assets. The process of managing and monitoring operational risk involves the following activities: i) the collection and analysis of internal data on losses attributable to operational risk events (Loss Data Collection); ii) the forward-looking assessment of the Company's level of exposure to potential operational risks (Risk Self-Assessment), and iii) the definition of mitigation actions (Action/Remediation Plan).

CDPI SGR adopts the Group's operational risk management framework, with the purpose of strengthening risk controls and improving the overall process effectiveness and efficiency, in order to reduce the variability of operating profits and protect its assets. In particular, through Risk Self-Assessment, a map is designed to provide a representation of potential operational risks to which the Company's processes/areas of operation are exposed. A process of collecting and recording loss data (Loss Data Collection) is also in place.

FII SGR has set up a proprietary operational risk management system covering (i) risks associated with human error (i.e. errors, unintentional damage and/or fraudulent situations created by internal and external operators that may be detrimental to the company), (ii) technology-related risks (i.e., IT procedures and intentional or unintentional damage to company hardware and software), (iii) process-related risks (i.e., missing or incomplete internal procedures or breaches), and (iv) risks related to external factors (i.e., events external to the company). FII SGR's overall exposure to operational risks is small and is mainly concentrated in the area of internal processes, regulatory compliance and employment relationships.

6. Money laundering and terrorist financing risk

Group-level strategic decisions about managing money laundering and terrorist financing risk are the responsibility of the Parent Company's corporate bodies, which set out counterparty acceptance policies, introducing the obligation to refrain from establishing any type of relationship under certain conditions which may expose the company to an unacceptable level of risk. In this respect, the Parent Company involves the subsidiaries' control departments in the decisions about the relevant risk management policies and procedures, in the manners that it deems most appropriate.

The Parent Company's Anti-Money Laundering Unit promotes group-level coordination of the assessment methodologies and procedures to supervise the operating activities related to the management of money laundering and terrorist financing risk. Where applicable, a specific anti-money laundering function was established in each subsidiary which, by closely operating with the specific function of the Parent Company, monitors the effectiveness of the processes related to the anti-money laundering legislation in the relevant company.

Each Group company entrusted the anti-money laundering managers with the power to report suspicious transactions to the UIF (Financial Intelligence Unit). The information obtained as part of these activities is shared among the anti-money laundering functions and becomes common information capital, ensuring effective collaboration within the entire Group.

7. Equity risks

CDP holds a significant portfolio of equity investments (listed and unlisted) and of fund units. The measurement and management criteria applied to the risk associated with equity investments and fund units are set out in the Risk Policy and include also specific stress tests, designed on the basis of relevant scenarios, in particular in respect of the most significant equity investments (in quantitative terms) in listed companies.

Price risk regards the possibility that the net economic value, profitability or the book equity of CDP could be adversely affected by variables associated with equities, in particular the market prices of such securities and related derivatives, or changes in the current and future profitability of the investment in such instruments.

In order to monitor and manage equity risks, CDP also considers investments in units of investment funds, including real estate funds, as equity investments.

In line with the net economic value approach, equity risk is quantified in terms of VaR (with a one-year time horizon). The VaR provides a proxy of the risk that the listed and liquid securities – even when they are not recognised at their current fair value – do not recover any potential loss over time. It is calculated based on hypotheses about the statistical distribution of the prices of shares, the related derivatives (where present) and the fair value of unlisted securities. Risk is quantified by assuming continuity in the business model of CDP, which expects to hold most of its stock investments in the long term.

8. Compliance risk

The Compliance function operates using a risk-based approach applied to the entire company operations ensuring, above all, effective preventive controls, with a view to pro-active and dynamic risk management.

In this respect, it: i) ensures constant monitoring of the new national and international legislation, assessing any impact on the company's processes; ii) provides advice and support, for matters where compliance risk has a significant role (e.g. conflicts of interest, international sanctions, market abuse); iii) validates beforehand company procedures to ensure their compliance with applicable regulations; and iv) participates in internal committees. This function also carries out ex post controls, assessing the adequacy of the organisational measures in place and the correct application of the compliance risk prevention procedures, while identifying the related corrective actions and monitoring their implementation over time.

With respect to management and coordination, the Compliance function regularly coordinates all the CDP Group's Compliance units, issuing guidelines, providing consultancy, ensuring operational and methodological support, sharing work tools, while receiving periodic information flows. Finally, the Compliance function has direct responsibility for the compliance activities related to some CDP Group companies, in accordance with specific outsourcing agreements.

9. Reputational risk

In light of CDP's peculiar nature, the ex-ante management of the reputational risk is given the utmost importance. The Compliance and Anti-money Laundering Unit applies an internally developed methodology to assess the reputational risk related to operations, based on specific "risk indicators" (Country Risk, Counterparty Risk, Economic Sector Risk).

The outcome of the assessed operations supplements the preliminary documentation supporting advisory or decision-making bodies.

10. Legal disputes

Civil and administrative disputes

With reference to the Parent Company CDP, at 30 June 2021, there are 100 pending disputes in civil and administrative matters in which CDP is a defendant, for a total amount of approximately 208.6 million euro.

With reference to the above-mentioned disputes, there are 45 disputes with a risk of a ruling against the company estimated to be probable. Of these: i) 30 refer to positions relating to Postal Savings products amounting to approximately 350 thousand euro; ii) 9 refer to credit positions amounting to approximately 176.3 million euro; iii) 6 refer to other civil and administrative law issues amounting to approximately 700 thousand euro.

There are also 34 disputes with a risk of a ruling against the company estimated to be possible. Of these: i) 12 refer to issues relating to Postal Savings products amounting to approximately 120 thousand euro; ii) 9 refer to credit positions amounting to approximately 22.5 million euro; iii) 13 refer to other civil and administrative law issues amounting to approximately 800 thousand euro.

With reference to ongoing disputes, at 30 June 2021, a provision for risks and charges was set up amounting to approximately 75.1 million euro.

Labour law disputes

With reference to the Parent Company CDP, at 30 June 2021, there are 23 pending disputes in labour matters in which CDP is a defendant, in respect of which total provisions were made for approximately 3.7 million euro.

11. Other material risks

As part of its activities, CDP is exposed to other market risks, in addition to the equity risks related to its investment portfolio and the interest rate and inflation risks related to the banking books.

Some of CDP's activities, normally associated with the issue of bonds denominated in foreign currencies, the purchase of bonds denominated in foreign currencies, and the granting of loans denominated in currencies other than the Euro under the "Export Bank" system, may give rise to exchange rate risk.

CDP undertakes such activities only if covered by appropriate exchange rate hedges. Hedges usually consist of the signing of Cross Currency Swaps (CCSs) which translate foreign currency flows into Euro. Alternatively, long positions may be refinanced with funding in the same currency, within a strategy that minimises existing risks.

12. Monitoring the risks of companies subject to management and coordination

Management and monitoring of subsidiaries' risks are the responsibility of the Risk Management, Risk Advisory & Policies and Risk Operations Functions of the Parent Company, which report to the Chief Risk Officer.

In accordance with the General Principles on exercising Management and Coordination activities, the Parent Company defines:

- the principles and guidelines of material risks (credit, market, operational, etc.), and the risk processes, systems and models, in accordance with the mandatory requirements applicable to Supervised Companies;
- the risk appetite framework;
- risk identification and control guidelines, checking the adequacy of the related procedures;
- the monitoring of the evolution of corporate risks and the compliance with operational limits.

In accordance with the Management and Coordination Principles, the subsidiaries also:

- discuss risk-assumption rules with the Parent Company prior to their approval or change;
- prepare, at a frequency adequate to the type of risk, the periodic reporting required, ensuring compliance with the Parent Company's functional requirements;
- regularly describe the main risk profiles and their evolution.

Group regulations also envisage specific escalation processes for extraordinary transactions and for the most significant transactions in terms of risk, according to the types and limits outlined in the issued policies, based on which the subsidiaries shall consult the Parent Company in advance regarding transactions / initiatives identified, before they are submitted to the Board of Directors or other decision-making body for approval.

Business combinations

Transactions in the period

Business combinations

(thousands of euro) Company name	Date of transaction	Cost of transaction	Percentage of voting rights in the Ordinary Shareholder's Meeting	Total Group revenues	Group net Profit (Loss)
Stark Two	01/01/2021	34,100	75.14%		
Melt 1	01/01/2021	13,700	100%		
Elettra One	01/01/2021	46,000	90.20%		
INSO	01/06/2021	25,069	100%		

Acquisition of control over Stark Two, Melt 1 and Elettra One

During the first half of the year, as a result of changes in the ownership structure of Fondo Italiano Consolidamento e Crescita ("FICC"), managed by the subsidiary Fondo Italiano di Investimento SGR S.p.A., CDP's control over that investment entity was confirmed. FICC exercises control over the following companies:
- Melt 1;
- Stark Two;
- Elettra One;

see Section 3 above for information regarding their operations. As a result of CDP's control over FICC, the same type of relationship exists with respect to the vehicles controlled by FICC. Given the timing of the transaction and the information made available by the indirect subsidiaries, the following assumptions were made:
- 1 January 2021 as the acquisition date;
- the fair value of the three companies at that date as the transaction cost.

The PPA process relating to these companies was completed during the first half of the year.

The tables below compare, for each company listed above, the transaction cost, as defined above, and the breakdown of the assets acquired and liabilities assumed at the date of the transaction (amounts in thousands of euro).

Melt 1

ASSETS	Book value	Adjustment	Fair value
10. Cash and cash equivalents	2		2
40. Financial assets measured at amortised cost	5,510		5,510
70. Equity investments	1,955		1,955
90. Property, plant and equipment	34,823	6,156	40,979
100. Intangible assets	23,207	(22,388)	819
110. Tax assets	3,935		3,935
130. Other assets	33,809		33,809
Total acquired assets	**103,241**	**(16,232)**	**87,009**

LIABILITIES			
10. Financial liabilities at amortised cost	31,899		31,899
40. Hedging derivatives	103		103
60. Tax liabilities	566	1,718	2,284
80. Other liabilities	30,536		30,536
90. Staff severance pay	1,266		1,266
100. Provisions for risks and charges	355		355
190. Non-controlling interests (+/-)	6,866		6,866
Total liabilities assumed	**71,591**	**1,718**	**73,309**
Net acquired assets	**31,650**	**(17,950)**	**13,700**
Cost of business combination	**31,650**	**(17,950)**	**13,700**

Stark Two

ASSETS	Book value	Adjustment	Fair value
10. Cash and cash equivalents	17		17
20. Financial assets designated at fair value through profit or loss	102		102
40. Financial assets measured at amortised cost	31,519		31,519
90. Property, plant and equipment	32,193		32,193
100. Intangible assets	77,361	(77,101)	260
110. Tax assets	759		759
130. Other assets	41,051		41,051
Total acquired assets	**183,002**	**(77,101)**	**105,901**

LIABILITIES			
10. Financial liabilities at amortised cost	76,979		76,979
40. Hedging derivatives	776		776
60. Tax liabilities	705		705
80. Other liabilities	31,785		31,785
90. Staff severance pay	1,380		1,380
100. Provisions for risks and charges	32		32
190. Non-controlling interests (+/-)	34,106		34,106
Total liabilities assumed	**145,763**		**145,763**

Net acquired assets	**37,239**	**(77,101)**	**(39,862)**
Goodwill		73,962	73,962
Cost of business combination	**37,239**	**(3,139)**	**34,100**

Elettra One

ASSETS	Book value	Adjustment	Fair value
40. Financial assets measured at amortised cost	736		736
70. Equity investments	70,000	334	70,334
Total acquired assets	**70,736**	**334**	**71,070**

LIABILITIES			
10. Financial liabilities at amortised cost	20,000		20,000
60. Tax liabilities		4	4
80. Other liabilities	67		67
190. Non-controlling interests (+/-)	4,999		4,999
Total liabilities assumed	**25,066**	**4**	**25,070**

Net acquired assets	**45,670**	**330**	**46,000**
Cost of business combination	**45,670**	**330**	**46,000**

Acquisition of INSO

On 1st June 2021 Fincantieri, through its subsidiary Fincantieri Infrastructure, completed the acquisition of the main business unit under INSO - Sistemi per le Infrastrutture Sociali S.p.A., and its subsidiary SOF, formerly part of the Condotte group, and now holds control under the NewCo “FINSO - Fincantieri INfrastrutture SOciali”.

The table below shows the consideration paid for the acquisition of the business unit, and gives a breakdown of the assets acquired and liabilities assumed at the date of the transaction (amounts in thousands of euro).

ASSETS	Book value	Adjustment	Fair value
10. Cash and cash equivalents	15		15
30. Financial assets at fair value through other comprehesinve income	1,023		1,023
40. Financial assets measured at amortised cost	11,426		11,426
70. Equity investments	1,797		1,797
90. Property, plant and equipment	7,696		7,696
100. Intangible assets	6,692		6,692
110. Tax assets	705		705
130. Other assets	119,412		119,412
Total acquired assets	**148,766**		**148,766**
LIABILITIES			
10. Financial liabilities at amortised cost	8,077		8,077
60. Tax liabilities	90		90
80. Other liabilities	96,494		96,494
90. Staff severance pay	2,697		2,697
100. Provisions for risks and charges	2,506		2,506
Total liabilities assumed	**109,864**		**109,864**
Net acquired assets	**38,902**		**38,902**
Goodwill			
Badwill		13,833	13,833
Cost of business combination	**38,902**	**(13,833)**	**25,069**

Business combinations carried out after the reporting date

On 27 July 2021, the subsidiary Terna signed the closing for the acquisition of 100% of the shares of EL.IT.E. S.p.A., the vehicle company that owns and operates (through a service agreement entered into with Repower) the approximately 4 km long 150 kV “Tirano - Campocologno” merchant line connecting Italy and Switzerland. More specifically, the acquired company currently owns not only the 150 kV cable connection from the Tirano ST electrical substation to the state border with the related portion of tunnel, but also the Tirano electrical substation itself. This transaction comes under the provisions laid down by ARERA resolution no. 567/2019 which, in December 2019, established an incentive mechanism aimed at standardising the NTG, also aimed at facilitating Terna’s acquisition of merchant lines whose exemption expired.

Transactions with related parties

1. Information on the remuneration of key management personnel

The following table shows the remuneration paid in the first half of 2021 to members of the management and control bodies and key management personnel of the Parent Company and of wholly-owned subsidiaries.

Directors' and statutory auditors' remuneration

(thousands of euro)	Directors	Statutory Auditors	Key management personnel
a) Short-term benefits	10,757	1,735	19,213
b) Post-employment benefits	93		564
c) Other long-term benefits			1,608
d) Severance benefits			
e) Share-based payments			
Total	**10,850**	**1,735**	**21,385**

Remuneration paid to the board of directors and the board of statutory auditors of the parent company

(thousands of euro) Name and surname	Position		Period in office	End of term (*)	Compensation and bonuses	
Directors in office at 30 June 2021						
Giovanni Gorno Tempini	Chairman	(note 1)	01/01/2021-30/06/2021	2023	148	
Dario Scannapieco	Chief Executive Officer	(note 2)	27/05/2021-30/06/2021	2023	4	
Fabrizia Lapecorella	Director	(note 1)	01/01/2021-30/06/2021	2023	(**)	
Fabiana Massa	Director	(note 1)	01/01/2021-30/06/2021	2023	18	
Anna Girello Garbi	Director	(note 2)	27/05/2021-30/06/2021	2023		(note 5)
Giorgio Toschi	Director	(note 2)	27/05/2021-30/06/2021	2023		(note 5)
Livia Amidani Aliberti	Director	(note 2)	27/05/2021-30/06/2021	2023		(note 5)
Matteo Melley	Director	(note 1)	01/01/2021-30/06/2021	2023	18	
Alessandra Ruzzu	Director	(note 1)	01/01/2021-30/06/2021	2023	18	
Supplementary members for administration of Separate Account (Article 5.8, Decree law 269/2003) in office at 30 June 2021						
Pier Paolo Italia	Director	(note 3)	01/01/2021-30/06/2021	2023	(**)	
Alessandro Rivera	Director	(note 4)	01/01/2021-30/06/2021	2023	(**)	
Paolo Calvano	Director		28/06/2021-30/06/2021	2023		(note 6)
Antonio Decaro	Director		01/01/2021-27/05/2021 and 08/06/2021-30/06/2021	2023	17	
De Pascale Michele	Director		01/01/2021-27/05/2021 and 08/06/2021-30/06/2021	2023	17	
Directors with office ceased in 2021						
Luigi Paganetto	Vice Chairman		01/01/2021-27/05/2021		14	
Fabrizio Palermo	Chief Executive Officer		01/01/2021-27/05/2021		180	(note 7)
Carlo Cerami	Director		01/01/2021-27/05/2021		14	
Francesco Floro Flores	Director		01/01/2021-27/05/2021		14	
Supplementary members for administration of Separate Account (Article 5.8, Decree law 269/2003) with office ceased in 2021						
Davide Carlo Caparini	Director		01/01/2021-27/05/2021		14	
Statutory Auditors						
Carlo Corradini	Chairman		01/01/2021-30/06/2021	2021	21	
Enrica Salvatore	Auditor		01/01/2021-30/06/2021	2021		(note 8)
Franca Brusco	Auditor		01/01/2021-30/06/2021	2021	8	(note 9)
Mario Romano Negri	Auditor		01/01/2021-30/06/2021	2021	16	
Giovanni Battista Lo Prejato	Auditor		01/01/2021-30/06/2021	2021	(**)	

(*) Date of Shareholders' Meeting called to approve financial statements for the year.
(**) The remuneration is paid to the Ministry for the Economy and Finance.
(1) Directors confirmed in office by the CDP Shareholders' Meeting of 27 May 2021, which appointed the new Board of Directors, whose term of office expires on the date of approval of the financial statements at 31 December 2023. The remuneration refers to the entire first half of 2021.
(2) Directors appointed by the CDP Shareholders' Meeting of 27 May 2021 that appointed the new Board of Directors, whose term of office expires on the date of approval of the financial statements at 31 December 2023. The compensation indicated refers to the period from 27 May to 30 June 2021.
(3) Delegate of the State Accountant General.
(4) Director General of the Treasury.
(5) The remuneration accrued since 27 May 2021, the date of the director's appointment, amounting to approximately €4,000, has not yet been paid as at 30 June 2021.
(6) The remuneration accrued since 28 June 2021, the date of the director's appointment, amounting to €375, has not yet been paid at 30 June 2021.
(7) The remuneration shown includes MBO for the year 2020 and Long Term Incentive for the period 2018-2020.
(8) The accrued remuneration, amounting to approximately EUR 16,000, has not yet been paid as at 30 June 2021.
(9) An amount of approximately €8,000 is still outstanding as at 30 June 2021.

2. Information on transactions with related parties

Certain transactions among the CDP Group and related parties, notably those with the Ministry of the Economy and Finance and Poste Italiane S.p.A., arise as a result of legislative provisions.

In any event, it should be noted that the CDP Group did not carry out any atypical or unusual transactions with related parties whose size could have an impact on the assets and liabilities or performance of the Company. All transactions with related parties were carried out on an arm's length basis and form part of the Group's ordinary operations.

The following table shows assets, liabilities, revenues and costs in respect of the CDP Group's transactions in the first half of 2021 with:

- companies subject to significant influence or joint control;
- the Ministry of the Economy and Finance;
- the subsidiaries and direct and indirect affiliates of the Ministry of the Economy and Finance;
- other counterparties (mainly post-employment benefit plans for employees of the CDP Group).

(thousands of euro) Items/Related parties	Ministry of Economy and Finance (MEF)	Associates and joint operations of the CDP Group	Direct and indirect MEF subsidiaries and associates	Others	Total transactions with related parties
Assets					
Financial assets measured at fair value through profit and loss		52,710			52,710
Financial assets measured at fair value through other comprehensive income	10,414,337		160,731		10,575,068
Financial assets measured at amortised cost					
– *loans to banks*			*2,077,956*		*2,077,956*
– *loans to customers*	*275,118,688*	*1,031,486*	*4,046,096*		*280,196,270*
Other assets	3,335,486	406,871	467,793	1,724	4,211,874
Liabilities					
Financial liabilities measured at amortised cost:					
– *due to banks*					
– *due to customers*	*10,145,178*	*3,428,640*	*8*	*271*	*13,574,097*
Other liabilities	32,007,557	809,152	1,308,163	8,937	34,133,809
Off-balance sheet	**4,072,987**	**6,003,372**	**2,332,953**		**12,409,312**
Income statement					
Interest income and similar income	2,825,261	22,257	42,324		2,889,842
Interest expense and similar expense	(4,978)	(33,918)	(23)		(38,919)
Commission income	9,381	2,104	1,282		12,767
Commission expense	(2,435)	(689,511)		(26)	(691,972)
Profits (losses) on trading activities	894		627		1,521
Gains (losses) on disposal or repurchase	(5)		7		2
(Net adjustments) recoveries for credit risk	3,635	118	6,043		9,796
Administrative expenses	(38)	(300,538)	(121,538)	(432)	(422,546)
Other operating income (costs)	3,561	3,099,402	(694,471)	(665)	2,407,827
Income (loss) on discontinued operations	276,423	(810,731)	1,026,226	6	491,924

With regard to financial liabilities measured at amortised cost, and in particular securities issued included in amounts due to customers, it should be noted that only securities issued by the Parent Company held by associates or companies jointly controlled by the CDP Group are reported. In particular, they include bonds issued by CDP and guaranteed by the Italian government, subscribed by Poste Italiane S.p.A. for a total nominal value of 3.0 billion euro.

Share-based payments

Medium/long-term incentive plans of Fincantieri

2016-2018 Performance Share Plan

On 19 May 2017, the Shareholders' Meeting of Fincantieri S.p.A. approved the medium-/long-term management share-based incentive plan called 2016-2018 Performance Share Plan (the "Plan") for management, as well as the related Regulation. The project was approved by the Board of Directors on 10 November 2016.

The Plan is divided into three cycles, each having a duration of three years, and provides for the free assignment of shares to the beneficiaries identified by the Board of Directors, up to a maximum number of 50,000,000 Fincantieri S.p.A. ordinary shares with no par value, provided that the foregoing beneficiaries meet the specific performance targets established in relation to 2016-2018 (first cycle), 2017-2019 (second cycle) and 2018-2020 (third cycle). The targets identified for all three cycles are Total Shareholder Return ("TSR") and EBITDA, which provide objective criteria for measuring value creation by the Company over the long term.

The vesting period for all beneficiaries will be three years, from the date the rights are granted to the date the shares are assigned to the beneficiaries. Therefore, on meeting the performance targets and satisfying the other conditions set out in the Plan Regulation, the shares accrued in relation to the first and second cycles were vested and assigned to the beneficiaries by 31 July 2019 and 31 July 2020, respectively, while those accrued in relation to the third cycle will be vested and assigned by 31 July 2021.

The Plan also contemplates a lock-up period in relation to a portion of the shares assigned to the Company's board members or key management personnel.

In the first cycle of the Plan, 9,101,544 Fincantieri S.p.A. ordinary shares were assigned to the beneficiaries identified by the Board of Directors on 15 December 2016; in the second cycle of the Plan, 4,170,706 Fincantieri S.p.A. shares were assigned to the beneficiaries identified by the Board of Directors on 25 July 2017; and, in the third and last cycle of the Plan, 3,604,691 shares of the Fincantieri S.p.A. were assigned to the beneficiaries identified by the Board of Directors on 22 June 2018.

The business and financial performance targets consist of two components:
a) a "market based" component (equal to 30% of the total rights assigned) linked to Fincantieri's performance in terms of the TSR associated with the FTSE ITALY ALL SHARE Index and the Peer group identified by the Company;
b) a "non-market based" component (equal to 70% of the total rights assigned) linked to the achievement of group EBITDA targets measured against pre-established targets.

The "market based" component was calculated according to the Monte Carlo method, under which appropriate assumptions can be applied to define a significant number of alternative scenarios within a given time period. Unlike the "market based" performance target, the "non-market based" component (EBITDA) is immaterial in terms of the fair value estimate but is updated quarterly to take into account expectations in terms of the number of rights accruable based on EBITDA performance measured against the targets established in the Plan.

The table below shows the amount, for each cycle of the Plan, of the fair value determined at the grant date of the rights to the beneficiaries.

	Grant date	No. of shares assigned	Fair value (euro)
First cycle of the Plan	19/05/2017	9,101,544	6,866,205
Second cycle of the Plan	25/07/2017	4,170,706	3,672,432
Third cycle of the Plan	22/06/2018	3,604,691	3,963,754

With reference to the 2016-2018 Performance Share Plan, please note that: i) the BoD meeting on 27 June 2019 resolved on the closure of the 1st cycle of the "2016-2018 Performance Share Plan", assigning, free of charge to the beneficiaries, 10,104,787 ordinary shares of Fincantieri through the use of 2,572,497 treasury shares in the portfolio and issuing 7,532,290 new shares, always without nominal value. The shares were issued and delivered on 31 July 2019; ii) the BoD meeting on 10 June 2020 resolved on the closure of the 2nd cycle of the "2016-2018 Performance Share Plan", assigning, free of charge to the beneficiaries, 4,822,542 ordinary shares of Fincantieri through the use of treasury shares in the portfolio. The net shares actually assigned amounted to 2,685,862 shares (net of those withheld to meet the tax obligations of the beneficiaries). The shares were delivered on 3 July 2020; iii) the BoD meeting on 10 June 2021 resolved on the closure of the 3rd cycle of the "2016-2018 Performance Share Plan", assigning, free of charge to the beneficiaries, 2,787,276 ordinary shares of Fincantieri. The shares were assigned on 2 July 2021 exclusively using the treasury shares in the portfolio.

The features of the Plan, as described above, are described in further detail in the information document prepared by the Company pursuant to Article 84-bis of Regulation 11971 issued by Consob on 14 May 1999. The information document has been published on the website "www.fincantieri.it"" in the section "Ethics and Governance - Shareholders' Meetings - Shareholders' Meeting 2017".

2019-2021 Performance Share Plan

On 11 May 2018, the Shareholders' Meeting of Fincantieri S.p.A. approved the new 2019-2021 Performance Share Plan (the "Plan") for management and the related Regulation, the structure of which was defined by the Board of Directors at the meeting held on 27 March 2018.

The Plan is divided into three cycles, each having a duration of three years, and provides for the free assignment of shares to the beneficiaries identified by the Board of Directors, up to a maximum number of 25,000,000 Fincantieri S.p.A. ordinary shares with no par value, provided that the foregoing beneficiaries meet the specific performance targets established in relation to 2019-2021 (first cycle), 2020-2022 (second cycle) and 2021-2023 (third cycle).

The vesting period for all beneficiaries will be three years, from the date the rights are granted to the date the shares are assigned to the beneficiaries. Therefore, on meeting the performance targets and satisfying the other conditions set out in the Plan Regulation, the shares accrued in relation to the first cycle will be vested and assigned to the beneficiaries by 31 July 2022, while those accrued in relation to the second and third cycles will be vested and assigned respectively by 31 July 2023 and 31 July 2024.

The Plan also contemplates a lock-up period in relation to a portion of the shares assigned to the Company's board members or key management personnel. The free assignment of the number of rights is delegated to the Board of Directors, which also has the power to identify the number and names of the beneficiaries.

In the first cycle of the Plan, 6,842,940 Fincantieri S.p.A. ordinary shares were assigned to the beneficiaries identified by the Board of Directors on 24 July 2019.

In addition to the EBITDA and TSR parameters, already included in the 2016-2018 Performance Share Plan, the group has also introduced a further parameter, the Sustainability Index, among the Plan's targets, which measures the achievement of the sustainability targets the group has set itself to align it with European best practices and the growing expectations of the financial community regarding sustainable development.

The references for testing the achievement of the sustainability target consist of market parameters such as the Carbon Disclosure Project (CDP) and a second rating by an additional agency that assesses the entire basket of sustainability aspects.

The table below shows the amount, for each cycle of the Plan, of the fair value determined at the grant date of the rights to the beneficiaries.

	Grant date	No. of shares assigned	Fair value (euro)
First cycle of the Plan	24/07/2019	6,842,940	6,668,616
Second cycle of the Plan	30/07/2020	11,133,829	5,958,937

The features of the Plan, as described above, are described in further detail in the information document prepared by Fincantieri S.p.A. pursuant to Article 84-bis of Regulation 11971 issued by Consob on 14 May 1999. The information document has been published on the website "www.fincantieri.it" in the section "Ethics and Governance - Shareholders' Meetings - Shareholders' Meeting 2017 and 2018".

2022-2024 Performance Share Plan

On 8 April 2021, the Shareholders' Meeting of Fincantieri S.p.A. approved the new medium-/long-term management share-based incentive plan called 2022-2024 Performance Share Plan (the "Plan"), as well as the related Regulation, the structure of which was defined and approved by the Board of Directors at the meeting held on 25 February 2021.

The Plan, in keeping with the previous 2019-2021 incentive plan, is divided into three cycles, each having a duration of three years, and provides for the free assignment of shares to the beneficiaries identified by the Board of Directors, up to a maximum number of 64,000,000 Fincantieri S.p.A. ordinary shares with no par value, provided that the foregoing beneficiaries meet the specific performance targets established in relation to 2022-2024 (first cycle), 2023-2025 (second cycle) and 2024-2026 (third cycle).

The vesting period for all beneficiaries will be three years, from the date the rights are granted to the date the shares are assigned to the beneficiaries. Therefore, on meeting the performance targets and satisfying the other conditions set out in the Plan Regulation, the shares accrued in relation to the first cycle will be vested and assigned to the beneficiaries by 31 July 2025, while those accrued in relation to the second and third cycles will be vested and assigned respectively by 31 July 2026 and 31 July 2027.
In particular, the Beneficiaries for the 1st Cycle will be identified by the Grant Date for the 1st Cycle, i.e. by 31 July 2022; the Beneficiaries for the 2nd Cycle will be identified by the Grant Date for the 2nd Cycle, i.e. by 31 July 2023; the Beneficiaries for the 3rd Cycle will be identified by the Grant Date for the 3rd Cycle, i.e. by 31 July 2024.

In addition to the EBITDA and TSR parameters, the group has established an additional parameter, the sustainability index, among the Plan's targets, for the time being in particular with regard to the 1st cycle, as was already envisaged in the 2019-2021 Performance Share Plan. This parameter is intended to measure the achievement of the sustainability targets the group has set itself to align it with European best practices and the growing expectations of the financial community regarding sustainable development.

The references for testing the achievement of the sustainability target are based on the percentage of achievement of the Sustainability Plan's targets that the Company has set for itself over the relevant time period. An access gate was also introduced, the achievement of which is required for receiving the bonus. The access gate is linked to the following rating targets that the Company has set itself: obtaining at least a B rating in the "Carbon Disclosure Project" (CDP) index and inclusion in the highest level (Advanced) of the "Vigeo Eiris" index.

The Plan also contemplates a lock-up period in relation to a portion of the shares assigned to the Company's board members or key management personnel.

The features of the Plan, as described above, are described in further detail in the information document prepared by the Parent Company pursuant to article 84-bis of Regulation 11971 issued by Consob on 14 May 1999. The information document has been published on the website "www.fincantieri.it" in the section "Ethics and Governance - Shareholders' Meetings - Shareholders' Meeting 2021".

Incentive plans for executives based on Snam shares

2017-2019 Long-term performance share plan

With reference to the 2017-2019 Long-term performance share plan, as approved by the Shareholders' Meeting of Snam on 11 April 2017, a total of 5,385,372 shares have been assigned, of which 1,368,397 shares in relation to 2017 (1,511,461 shares were assigned in July 2020, upon completing the vesting period), 2,324,413 shares in relation to 2018 and 1,692,562 shares in relation to 2019.

Against the assignments still in place, regarding 2018 and 2019, in the first half of 2021, the costs recognised as labour cost, with a balancing entry in equity reserves, amounted to 3 million euro.

For more information on the conditions of the Plan, see the "2017-2019 Long-term Performance Share Plan Information Document" prepared pursuant to article 84-bis of the Issuers' Regulation, available on Snam's website.

2020-2022 Long-term performance share plan

With reference to the 2020-2022 Long-term performance share plan, as approved by the Shareholders' Meeting of Snam on 18 June 2020, as at 30 June 2021, 1,277,996 shares were assigned for 2020 (grant date on 14 October 2020 for the Chief Executive Officer and 16 December 2020 for the other beneficiaries).

The costs, referring to the first half of 2021, recognised as a component of labour cost against a corresponding equity reserve, amounted to around 1 million euro. For more information on the conditions of the Plan, see the "2020-2022 Long-term Performance Share Plan Information Document" prepared pursuant to article 84-bis of the Issuers' Regulation, available on Snam's website.

Incentive plans for executives based on Terna shares

2021-2025 Long-term performance share plan

On 16 June 2021, the Board of Directors approved the Regulation concerning the 2021-2025 Performance Share Plan, implementing the terms set by the Ordinary Shareholders' Meeting on 30 April 2021.

The 2021-2025 LTI Plan gives the right to assign a number of Terna S.p.A. shares (Performance Shares) for no consideration at the end of the performance period, provided that the performance targets to which the plan is connected are reached.

For more information, see the 2021-2025 Performance Share Plan Information Document, published on the Company's website (www.terna.it).

On 23 June 2021, the programme for the purchase of treasury shares in support of the Plan was completed, for a total value of approximately 10 million euro.

Incentive plans for executives based on Italgas shares

Long-term performance share plans

On 19 April 2018 the Shareholders' Meeting of ITALGAS approved the 2018-2020 long-term performance share plan, for the Chief Executive Officer, General Manager and key managers able to influence the company's performance, with an annual assignment of three-year targets. At the end of the three-year performance period, beneficiaries will be entitled to the free assignment of company shares if the conditions underlying the Plan are satisfied. The maximum number of shares backing the Plan is 4,000,000 shares. In relation to the above-mentioned Plan, the Board of Directors, on the proposal of the Nomination and Remuneration Committee and in accordance with the 2018 Remuneration Policy, granted rights to receive 341,310 Italgas shares for the 2018-2020 plan, 279,463 for the 2019-2021 plan, and 327,760 for the 2020-2022 plan. The unit fair value of the shares, which equates to the price of the Italgas shares at the grant date, was 4.79, 5.58 and 4.85 euro per share respectively. The cost of the Long-Term Incentive Plan is recognised during the vesting period as a labour cost with a balancing entry in equity reserves.

On 10 March 2021, the Board of Directors of Italgas resolved on the free assignment of a total of 632,852 new ordinary shares of the Company to the beneficiaries of the 2018-2020 Plan and carried out the first tranche of the capital increase approved by the same Shareholders' Meeting, for a nominal amount of 784,736.48 euro drawn from the retained earnings reserve. Following the increase, the Company's share capital amounts to 1,002,016,254.92 euro consisting of 809,768,354 shares.

Moreover, on 20 April 2021, the Shareholders' Meeting of Italgas approved the 2021-2023 Incentive Plan and the proposal for free share capital increase, in one or more tranches, to back the 2021-2023 Incentive Plan for a maximum nominal amount of 5,580,000.00 euro through the issuance of a maximum number of 4,500,000 new ordinary shares to be assigned free of charge, pursuant to art. 2349 of the Civil Code, for a corresponding maximum amount taken from the retained earnings reserve, exclusively to the beneficiaries of the Plan, i.e. employees of the Company and/or Group Companies. In relation to the Plan, the Board of Directors, on the proposal of the Nomination and Remuneration Committee and in accordance with the 2021 Remuneration Policy, granted rights to receive 254,765 Italgas shares for the 2021-2023 Co-Investment Plan. The unit fair value of the share was 4.96 euro per share.

Consolidated information on operating segments

Operating segments

This section of the Notes to the consolidated financial statements has been prepared in compliance with IFRS 8 - Operating Segments.

Consolidated operating segment disclosures are presented by showing separately the contribution given by four sectors to the consolidated Group's results:
- Support for the economy: represented by the Parent Company's financial data;
- Companies subject to management and coordination: represented by the financial data of the Companies subject to management and coordination and without their equity investments, which are reported under the heading "Companies not subject to management and coordination". The segment therefore includes CDP Reti, Fintecna, CDP Equity, FSI Investimenti, CDP Immobiliare SGR (former CDP Investimenti SGR), CDP Industria, FSIA Investimenti, the funds FIV Plus, FIV Extra, FNT (former FIT), FT1 and FIA2, CDP Immobiliare and its subsidiaries;
- International expansion: represented by the SACE group's financial data;
- Other segments: represented by the financial data of the companies consolidated line by line (Snam, Terna, Italgas, Fincantieri, SIA, Ansaldo Energia, Fondo Italiano di Investimento Sgr, ItsArt, FoF Private Debt, Fondo Italiano Consolidamento e Crescita and its subsidiaries) and by the financial data deriving from consolidation with the equity method of Eni, Poste Italiane, Saipem, OpenFiber, Webuild, Kedrion, IQ Made in Italy, Valvitalia Finanziaria, Trevi Finanziaria Industriale, Rocco Forte Hotels, BF, Hotelturist, and the other associates or companies subject to joint control.

The tables relating to 30 June 2020 have been restated for comparability to include the contribution from the SACE group (international expansion) together with that of the companies not subject to management and coordination, following the publication of Decree Law 23/2020. For management reporting purposes, the contribution of SACE, SACE Fct, SACE Bt, SACE Srv and Fondo Sviluppo Export has not been reclassified to profit or loss from discontinued operations in accordance with IFRS 5, unlike what has been done in the consolidated financial statements of the CDP Group. The 2020 figures have also been restated to reflect the completion of the purchase price allocation process for the Ansaldo Energia, SIA, WeBuild and Brugg Cables groups and the restatement made by Italgas.

The reported financial data were prepared considering the contribution of the four segments already net of the effects of consolidation entries, but without the elimination of dividends, which has instead been performed in the column aggregating the two segments "Support for the economy" and "Companies subject to management and coordination".

Thus, the contribution of the two segments taken together, for which profit before tax amounts to 1.2 billion euro, is represented by the Parent Company and the Companies subject to management and coordination.

This aggregate figure is impacted significantly by the weight of the financial data of the "Support for the economy" segment in terms of Net interest income.

The Companies not subject to management and coordination included in the segments "International expansion" and "Other sectors" reported a profit before tax of 0.7 billion euro. With regard to gross income, there was a decrease in Net interest income mainly due to the negative effect of the reduction in market interest rates, while there was a significant improvement in Income from equity investments, mainly due to the effect of accounting for Eni using the equity method (+0.2 billion euro compared to -2 billion euro in the first half of 2020). The negative result of Saipem and the positive result of Poste Italiane also contributed to the item.

Profit before tax benefits from a significant contribution from the core earnings of the industrial companies recorded under Other net operating income, which offset administrative expenses of 5.4 billion euro and amortisation/depreciation charges for the period of 1.3 billion euro, related to technical investments and to the effects of the purchase price allocations on those assets.

Balance sheet figures too show the significant weight of the "Support for the economy" segment, in particular under property, plant and equipment and in funding for Companies not subject to management and coordination.

The reclassified income statement figures and the main reclassified balance sheet figures, for the first half of 2021 and for the comparison year, shown below, are attributable to the Group as a whole. The item "Property, plant and equipment/technical investments" corresponds to item 90 "Property, plant and equipment" of the consolidated financial statements, while the item "Other assets (including inventories)" corresponds to item 130 "Other assets" of the consolidated financial statements. For the reconciliation of the other items with those of the consolidated financial statements, see Annex 2.2 "Reconciliation between the reclassified income statement and balance sheet and the financial statements – CDP Group".

Reclassified consolidated balance sheet at 30/06/2021

(thousands of euro)	Support for the economy	Companies subject to management and coordination	Total	Companies not subject to management and coordination		Total (*)
				International expansion	Other segments	
Loans and cash and cash equivalents	299,987,458	1,397,019	301,384,477	33,790,719	5,898,366	341,073,562
Equity investments		26,842	26,842	21,387	16,521,766	16,569,995
Debt and equity securities and units in collective investment undertakings	78,211,483	895,551	79,107,034	3,551,043	904,244	83,562,321
Property, plant and equipment/technical investments	345,493	1,583,666	1,929,159	89,553	38,665,464	40,684,176
Other assets (including Inventories)	133,847	93,645	227,492	227,796	12,556,340	13,011,628
Funding	379,487,758	1,541,054	381,028,812	4,329,184	38,556,747	423,914,743
– *of which bonds*	*20,477,109*	*413,012*	*20,890,121*	*522,257*	*22,282,524*	*43,694,902*

(*) For management purpose, the contribution of SACE, SACE Fct, SACE Bt, SACE Srv, FSE and SIA has not been reclassified in accordance with IFRS 5, unlike in the consolidated financial statementes of the CDP Group.

Reclassified consolidated balance sheet at 31/12/2020

(thousands of euro)	Support for the economy	Companies subject to management and coordination	Total	Companies not subject to management and coordination		Total
				International expansion	Other segments	
Loans and cash and cash equivalents	288,686,103	1,500,131	290,186,234	34,142,096	9,035,581	333,363,911
Equity investments		29,645	29,645	22,490	15,782,250	15,834,385
Debt and equity securities and units in collective investment undertakings	83,649,169	158,251	83,807,420	3,913,502	1,025,167	88,746,089
Property, plant and equipment/technical investments	348,769	1,617,469	1,966,238	91,649	38,258,611	40,315,498
Other assets (including Inventories)	265,242	82,248	347,490	292,001	11,084,185	11,723,676
Funding	373,805,954	1,599,807	375,405,761	2,557,925	39,140,772	417,104,458
– *of which bonds*	*21,196,046*	*416,784*	*21,612,830*	*531,611*	*21,238,300*	*43,382,741*

Reclassified consolidated income statement for the period ended 30/06/2021

(thousands of euro)	Support for the economy	Companies subject to management and coordination	Total (*)	Companies not subject to management and coordination		Total
				International expansion (**)	Other segments	
Net interest income	**860,701**	**2,720**	**863,421**	**55,073**	**(151,746)**	**766,748**
Dividends	547,268	347,605	34,965	115	2,786	37,866
Gains (losses) on equity investments		(2,803)	(2,803)	527	383,492	381,216
Net commission income (expense)	40,770	3,505	44,275	14,658	(3,616)	55,317
Other net revenues (costs)	459,014	(51,662)	407,352	(23,433)	38,367	422,286
Gross income	**1,907,753**	**299,365**	**1,347,210**	**46,940**	**269,283**	**1,663,433**
Profit (loss) on insurance business				135,984		135,984
Profit (loss) on banking and insurance operations	**1,907,753**	**299,365**	**1,347,210**	**182,924**	**269,283**	**1,799,417**
Net recoveries (impairment)	3,197	(91)	3,106	(14,571)	(13,600)	(25,065)
Administrative expenses	(111,152)	(42,551)	(153,703)	(73,715)	(5,207,332)	(5,434,750)
Other net operating income (costs)	6,978	8,689	15,667	3,944	8,134,824	8,154,435
Operating income	**1,806,776**	**265,412**	**1,212,280**	**98,582**	**3,183,175**	**4,494,037**
Net provisions for risks and charges	(772)	43,331	42,559	1,971	(47,498)	(2,968)
Net adjustment to property, plant and equipment and intangible assets	(12,302)	(11,144)	(23,446)	(2,881)	(1,327,086)	(1,353,413)
Other	(74)	(1)	(75)	(1,241,321)	4,236	(1,237,160)
Income (loss) for the period before tax	**1,793,628**	**297,598**	**1,231,318**	**(1,143,649)**	**1,812,827**	**1,900,496**
Income taxes						(544,542)
Income (loss) for the period						**1,355,954**

(*) Total of the segments "Support for the economy" and "Companies subject to management and coordination" net of elimination of dividends.
(**) For management purposes, the contribution of SACE, SACE Fct, SACE Bt, SACE Srv and FSE has not been reclassified to profit (loss) from discontinued operations in accordance with IFRS 5, unlike in the consolidated financial statements of the CDP Group.

Reclassified consolidated income statement for the period ended 30/06/2020

(thousands of euro)	Support for the economy	Companies subject to management and coordination	Total (*)	Companies not subject to management and coordination: International expansion (**)	Companies not subject to management and coordination: Other segments	Total (***)
Net interest income	**1,075,294**	**(182)**	**1,075,112**	**75,631**	**(161,869)**	**988,874**
Dividends	726,941	310,468	15,746	91	3,208	19,045
Gains (losses) on equity investments		(713)	(713)	878	(2,024,280)	(2,024,115)
Net commission income (expense)	38,895	2,712	41,607	24,922	(17,395)	49,134
Other net revenues (costs)	57,124	(22,665)	34,459	(4,600)	(100,105)	(70,246)
Gross income	**1,898,254**	**289,620**	**1,166,211**	**96,922**	**(2,300,441)**	**(1,037,308)**
Profit (loss) on insurance business				(90,499)		(90,499)
Profit (loss) on banking and insurance operations	**1,898,254**	**289,620**	**1,166,211**	**6,423**	**(2,300,441)**	**(1,127,807)**
Net recoveries (impairment)	(196,837)	(304)	(197,141)	(32,247)	(5,314)	(234,702)
Administrative expenses	(97,181)	(36,798)	(133,979)	(69,236)	(3,992,066)	(4,195,281)
Other net operating income (costs)	2,366	10,377	12,743	3,425	6,648,761	6,664,929
Operating income	**1,606,602**	**262,895**	**847,834**	**(91,635)**	**350,940**	**1,107,139**
Net provisions for risks and charges	27,440	44,425	71,865	5,880	(35,194)	42,551
Net adjustment to property, plant and equipment and intangible assets	(9,779)	(32,223)	(42,002)	(5,077)	(1,241,029)	(1,288,108)
Other	(19)	5,271	5,252		14,194	19,446
Income (loss) for the period before tax	**1,624,244**	**280,368**	**882,949**	**(90,832)**	**(911,089)**	**(118,972)**
Income taxes						(560,550)
Income (loss) for the period						**(679,522)**

(*) Total of the segments “Support for the economy” and “Companies subject to management and coordination” net of elimination of dividends.

(**) The figures at 30 June 2020 have been restated, on a consistent basis with those at 30 June 2021, to include the contribution of the SACE group (internationalisation) together with that of companies not subject to management and coordination. For management purpose, the contribution of SACE, SACE Fct, SACE Bt, SACE Srv and FSE has not been reclassified to profit (loss) from discontinued operations in accordance with IFRS 5, unlike in the consolidated financial statements of the CDP Group.

(***) 2020 figures restated due to the conclusion of the purchase price allocation process carried out on the Ansaldo Energia, SIA, WeBuild, Brugg Cables groups and the restatement of Italgas.

Annexes

1. Annexes to the consolidated financial statements

1.1 Scope of consolidation

2. Annexes to the Report on operations

2.1 Reconciliation between the reclassified income statement and balance sheet and the financial statements – CDP S.p.A.

2.2 Reconciliation between the reclassified income statement and balance sheet and the financial statements – Gruppo CDP

2.3 Details of alternative performance indicators – CDP S.p.A.

1. Annexes to the consolidated financial statements

1.1 Scope of consolidation

Company name	Registered office	Investor	% holding	Consolidation method
Parent company				
Cassa Depositi e Prestiti S.p.A.	Rome			
Consolidated companies				
4TCC1 S.c.ar.l.	Trieste	Fincantieri SI S.p.A.	75.00%	Equity
		Fincantieri S.p.A.	5.00%	Equity
ACE Marine Llc	Madison, WI	Fincantieri Marine Group Llc	100.00%	Line-by-line
African Trade Insurance Company	Nairobi	SACE S.p.A.	3.23%	Equity
Albanian Gas Service Company Sh.a.	Tirana	Snam S.p.A.	25.00%	At cost
Alfiere S.p.A	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Alivieri Power Units Maintenance SA	Athens	Ansaldo Energia Switzerland AG	100.00%	Line-by-line
Ansaldo Algerie S.àr.l.	Algiers	Ansaldo Energia S.p.A.	49.00%	Equity
Ansaldo Energia Gulf	Abu Dhabi	Ansaldo Thomassen B.V.	100.00%	Line-by-line
Ansaldo Energia IP UK Ltd	London	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Ansaldo Energia Iranian Llc	Tehran	Ansaldo Energia S.p.A.	70.00%	Line-by-line
		Ansaldo Russia Llc	30.00%	Line-by-line
Ansaldo Energia Muscat Llc	Muscat	Ansaldo Energia S.p.A.	50.00%	Line-by-line
		Ansaldo Energia Switzerland AG	50.00%	Line-by-line
Ansaldo Energia Netherlands BV	Breda	Ansaldo Energia Switzerland AG	100.00%	Equity
Ansaldo Energia S.p.A.	Genoa	CDP Equity S.p.A.	87.57%	Line-by-line
Ansaldo Energia Spain S.L.	Zaragoza	Ansaldo Energia Switzerland AG	100.00%	Line-by-line
Ansaldo Energia Switzerland AG	Baden	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Ansaldo Gas Turbine Technology Co. Ltd (JVA)	Shanghai	Ansaldo Energia S.p.A.	60.00%	Equity
Ansaldo Nigeria Limited	Lagos	Ansaldo Energia S.p.A.	60.00%	Line-by-line
Ansaldo Nucleare S.p.A.	Genoa	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Ansaldo Russia Llc	Moscow	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Arbolia S.p.A. Società Benefit	Milan	Snam S.p.A.	51.00%	At cost
Arsenal S.r.l.	Trieste	Fincantieri Oil & Gas S.p.A.	100.00%	Line-by-line
AS Gasinfrastruktur Beteiligung GmbH	Wien	Snam S.p.A.	40.00%	Equity
Asia Power Project Private Ltd	Chennai	Ansaldo Energia S.p.A.	100.00%	Line-by-line
Asset Company 10 S.r.l.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Asset Company 11 S.r.l.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	At cost
Asset Company 2 S.r.l.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Asset Company 4 S.r.l.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	At cost
Asset Company 7 B.V.	Amsterdam	Snam S.p.A.	100.00%	At cost
Asset Company 9 S.r.l.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	At cost
Astaldi S.p.A.	Rome	SACE S.p.A.	1.02%	At cost
		SACE FCT	0.17%	At cost
		Fincantieri S.p.A.	0.21%	At cost
ATS S.p.A.	Milan	SIA S.p.A.	30.00%	Equity
A-U Finance Holdings Bv	Amsterdam	Ansaldo Energia S.p.A.	40.00%	Equity
Auto Sport Engineering Limited	United Kingdom	Marval S.r.l.	100.00%	Line-by-line
Avvenia The Energy Innovator S.r.l.	Rome	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
B.F. S.p.A.	Jolanda di Savoia (FE)	CDP Equity S.p.A.	18.79%	Equity

Company name	Registered office	Investor	% holding	Consolidation method
Bacini di Palermo S.p.A.	Palermo	Fincantieri S.p.A.	100.00%	Line-by-line
Bioteca soc. cons. a r.l.	Carpi (MO)	SOF S.p.A.	33.00%	Equity
Bludigit S.p.A.	Turin	Italgas S.p.A.	100.00%	Line-by-line
Bonafous S.p.A. in liquidazione	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
BOP6 S.c.ar.l.	Trieste	Fincantieri SI S.p.A.	95.00%	Line-by-line
		Fincantieri S.p.A.	5.00%	Line-by-line
Brevik Technology AS	Brevik	Vard Group AS	34.00%	Equity
Brugg Cables (India) Pvt.. Ltd.	Haryana	Brugg Kabel GmbH	0.26%	Line-by-line
		Brugg Kabel AG	99.74%	Line-by-line
Brugg Cables (Shanghai) Co.. Ltd.	Shanghai	Brugg Kabel AG	100.00%	Line-by-line
Brugg Cables (Suzhou) Co.. Ltd.	Suzhou	Brugg Cables (Shanghai) Co.. Ltd.	100.00%	Line-by-line
Brugg Cables Italia S.r.l.	Rome	BKM - Brugg Kabel Manufacturing AG	100.00%	Line-by-line
Brugg Cables Middle East DMCC	Dubai	Brugg Kabel AG	100.00%	Line-by-line
Brugg Kabel AG	Brugg	BKS - Brugg Kabel Services AG	90.00%	Line-by-line
Brugg Kabel GmbH	Schwieberdingen	Brugg Kabel AG	100.00%	Line-by-line
Brugg Kabel Manufacturing AG	Brugg	BKS - Brugg Kabel Services AG	100.00%	Line-by-line
Brugg Kabel Services AG	Brugg	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
BUSBAR4F S.c.ar.l.	Trieste	Fincantieri S.p.A.	10.00%	Equity
		Fincantieri SI S.p.A.	50.00%	Equity
C.S.I S.r.l.	Milan	Fincantieri NexTech S.p.A.	75.65%	Line-by-line
Cagliari 89 S.c.ar.l. in liquidazione	Monastir (CA)	Fintecna S.p.A.	51.00%	At cost
Castor Drilling Solution AS	Kristiansand S	Seaonics AS	34.13%	Equity
CDP Equity S.p.A.	Milan	CDP S.p.A.	100.00%	Line-by-line
CDP Immobiliare S.r.l.	Rome	CDP S.p.A.	100.00%	Line-by-line
CDP Immobiliare SGR S.p.A.	Rome	CDP S.p.A.	70.00%	Line-by-line
CDP Industria S.p.A.	Rome	CDP S.p.A.	100.00%	Line-by-line
CDP Reti S.p.A.	Rome	CDP S.p.A.	59.10%	Line-by-line
CDP Technologies AS	Alesund	Seaonics AS	100.00%	Line-by-line
CDP Technologies Estonia OÜ	Tallinn	CDP Technologies AS	100.00%	Line-by-line
CDP Venture Capital SGR S.p.A.	Rome	CDP Equity S.p.A.	70.00%	At cost
Centro per gli Studi di Tecnica Navale - CETENA S.p.A.	Genoa	Fincantieri NexTech S.p.A.	86.10%	Line-by-line
Centro Servizi Navali S.p.A.	San Giorgio di Nogaro (UD)	Fincantieri S.p.A.	10.93%	Equity
CESI S.p.A.	Milan	Terna S.p.A.	42.70%	Equity
CGES A.D.	Podgorica	Terna S.p.A.	22.09%	Equity
Changsha Xi Mai Mechanical Construcion Co. Ltd	China	Marval S.r.l.	99.00%	Line-by-line
Cinecittà Luce S.p.A. in liquidazione	Rome	Fintecna S.p.A.	100.00%	At cost
Cinque Cerchi S.p.A. in liquidazione	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Cisar Costruzioni S.c.ar.l.	Milan	Fincantieri INfrastructure SOciali S.r.l.	30.00%	Equity
Città Salute Ricerca Milan S.p.A	Milan	Fincantieri INfrastructure SOciali S.r.l.	30.00%	Equity
Consorzio Codelsa in liquidazione	Rome	Fintecna S.p.A.	100.00%	At cost
CONSORZIO F.S.B.	Marghera (VE)	Fincantieri S.p.A.	58.36%	Equity
Consorzio IMAFID in liquidazione	Naples	Fintecna S.p.A.	56.85%	At cost
Consorzio INCOMIR in liquidazione	Mercogliano (AV)	Fintecna S.p.A.	45.46%	At cost
Consorzio MED.IN. in liquidazione	Rome	Fintecna S.p.A.	85.00%	At cost
Consorzio Stabile Ansaldo Newclear	Genoa	Ansaldo Energia S.p.A.	18.18%	Line-by-line
		Ansaldo Nucleare S.p.A.	72.73%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
Constructora Inso Chile S.p.A	Santiago of Chile	Fincantieri INfrastructure SOciali S.r.l.	100.00%	Line-by-line
Copower S.r.l.	Rome	Tep Energy Solution S.r.l.	51.00%	At cost
CORESO S.A.	Brussels	Terna S.p.A.	15.84%	Equity
CSS Design Limited	British Virgin Islands (GB)	Vard Marine, Inc.	31.00%	Equity
CSSC - Fincantieri Cruise Industry Development Ltd.	Hong Kong	Fincantieri S.p.A.	40.00%	Equity
Cubogas S.r.l.	San Donato Milanese (MI)	Snam 4 Mobility S.p.A.	100.00%	Line-by-line
DECOMAR S.p.A.	Massa (MS)	Fincantieri S.p.A.	20.00%	Equity
Difebal S.A.	Montevideo	Terna S.p.A.	100.00%	Line-by-line
DMAN in liquidazione	Athens	SIA S.p.A.	100.00%	At cost
DOF Iceman AS	Storebø	Vard Group AS	50.00%	Equity
Ecoprogetto Milan S.r.l.	Bolzano	Renerwaste S.r.l.	45.00%	Line-by-line
		Renerwaste Lodi S.r.l.	55.00%	Line-by-line
Ecoprogetto Tortona S.r.l.	Bolzano	Renerwaste S.r.l.	100.00%	Line-by-line
Elettra One S.p.A.	Milan	FICC - Fondo Italiano Consolidamento e Crescita	90.20%	Line-by-line
Elite S.p.A.	Milan	CDP S.p.A.	15.00%	Equity
ELMED Etudes S.àr.l.	Tunis	Terna S.p.A.	50.00%	Equity
Empoli Salute Gestione S.c.ar.l.	Florence	Fincantieri INfrastructure SOciali S.r.l.	95.00%	Line-by-line
		SOF S.p.A.	5.00%	Line-by-line
Energetika S.c.ar.l.	Florence	SOF S.p.A.	41.00%	Equity
Energy Investment Solution S.r.l.	Brescia	Tep Energy Solution S.r.l.	40.00%	At cost
Enerpaper S.r.l.	Turin	Seaside S.r.l.	10.00%	Equity
Enersi Sicilia	San Donato Milanese (MI)	Snam 4 Environment S.r.l.	100.00%	Line-by-line
Eni S.p.A.	Rome	CDP S.p.A.	25.96%	Equity
Ensco 1053 Ltd	United Kingdom	Marval S.r.l.	100.00%	Line-by-line
Enura S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	55.00%	Line-by-line
E-phors S.p.A.	Milan	Fincantieri NexTech S.p.A.	100.00%	Line-by-line
Ergon Projects Ltd	Gzira	Fincantieri INfrastructure SOciali S.r.l.	99.00%	Line-by-line
		SOF S.p.A.	1.00%	Line-by-line
ESPERIA-CC S.r.l.	Rome	Terna S.p.A.	1.00%	Line-by-line
ESSETI sistemi e tecnologie S.r.l.	Milan	Fincantieri NexTech S.p.A.	51.00%	Line-by-line
Estaleiro Quissamã Ltda	Rio de Janeiro	Vard Group AS	50.50%	Line-by-line
		Vard Promar SA	49.50%	Line-by-line
ETIHAD Ship Building Llc	Abu Dhabi	Fincantieri S.p.A.	35.00%	Equity
EUR-Europrogetti & Finanza S.r.l. in liquidazione	Rome	CDP S.p.A.	31.80%	Equity
Evolve S.p.A.	Milan	Renovit S.p.A.	70.00%	Line-by-line
FIA2 - Fondo Investimenti per l'abitare 2	Rome	CDP S.p.A.	100.00%	Line-by-line
Fincantieri (Shanghai) Trading Co. Ltd	Shanghai	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Australia Pty Ltd	Sydney	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Clea Buildings S.c.ar.l.	Verona	Fincantieri Infrastructure S.p.A.	51.00%	Equity
Fincantieri do Brasil Partecipaçoes S.A.	Rio de Janeiro	Fincantieri Holding B.V.	20.00%	Line-by-line
		Fincantieri S.p.A.	80.00%	Line-by-line
Fincantieri Dragaggi Ecologici S.p.A.	Rome	Fincantieri S.p.A.	55.00%	Line-by-line
Fincantieri EUR-Europe S.p.A.	Trieste	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Holding B.V.	Amsterdam	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri India Private Limited	New Delhi	Fincantieri S.p.A.	1.00%	Line-by-line
		Fincantieri Holding B.V.	99.00%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
Fincantieri Infrastructure Florida, Inc.	Miami - Florida	Fincantieri Infrastructure USA, Inc.	100.00%	Line-by-line
Fincantieri Infrastructure Opere Marittime S.p.A.	Trieste	Fincantieri Infrastructure S.p.A.	100.00%	Line-by-line
Fincantieri Infrastructure S.p.A.	Trieste	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri INfrastructure SOciali S.r.l.	Rome	Fincantieri Infrastructure S.p.A.	90.00%	Line-by-line
Fincantieri Infrastructure USA, Inc.	Middletown - Delaware	Fincantieri Infrastructure S.p.A.	100.00%	Line-by-line
Fincantieri Infrastructure Wisconsin, Inc.	Appleton - Wisconsin	Fincantieri Infrastructure USA, Inc.	100.00%	Line-by-line
Fincantieri Marine Group Holdings, Inc.	Wilmington, DE	Fincantieri USA, Inc.	87.44%	Line-by-line
Fincantieri Marine Group Llc	Carson City, NV	Fincantieri Marine Group Holdings, Inc.	100.00%	Line-by-line
Fincantieri Marine Systems North America, Inc.	Wilmington, DE	Fincantieri USA, Inc.	100.00%	Line-by-line
Fincantieri NexTech S.p.A. (formerly INSIS S.p.A.)	Milan	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Oil & Gas S.p.A.	Trieste	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri S.p.A.	Trieste	CDP Industria S.p.A.	71.32%	Line-by-line
Fincantieri Services Doha Llc	Qatar	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Services Middle East Llc	Doha (QFC)	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri Services USA Llc	Plantation, FL	Fincantieri USA, Inc.	100.00%	Line-by-line
Fincantieri SI S.p.A.	Trieste	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	100.00%	Line-by-line
Fincantieri Sweden AB	Stockholm	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri USA Holding, Llc	Wilmington, DE	Fincantieri S.p.A.	100.00%	Line-by-line
Fincantieri USA, Inc.	Wilmington, DE	Fincantieri USA Holding Llc	35.00%	Line-by-line
		Fincantieri S.p.A.	65.00%	Line-by-line
FINMESA S.c.ar.l.	Milan	Fincantieri SI S.p.A.	50.00%	Equity
Fintecna S.p.A.	Rome	CDP S.p.A.	100.00%	Line-by-line
FIV Comparto Extra	Rome	CDP S.p.A.	100.00%	Line-by-line
FIV Comparto Plus	Rome	CDP S.p.A.	100.00%	Line-by-line
Florence InvestCo S.r.l.	Milan	FICC - Fondo Italiano Consolidamento e Crescita	40.20%	Equity
FMSNA YK	Nagasaki	Fincantieri Marine Systems North America, Inc.	100.00%	Line-by-line
FNT Fondo Nazionale per il Turismo	Rome	CDP S.p.A.	75.43%	Line-by-line
FoF Private Equity Italia	Milan	CDP S.p.A.	87.54%	Al fair value
FoF Private Debt	Milan	CDP S.p.A.	62.50%	Line-by-line
FoF Private Debt Italia	Milan	CDP Equity S.p.A.	87.26%	Al fair value
FoF Venture Capital	Milan	CDP S.p.A.	76.69%	Al fair value
Fonderie di Montorso S.p.A.	Montorso Vicentino	Melt 1 S.r.l. a socio unico	100.00%	Line-by-line
Fondmatic Hydraulic Machining S.r.l.	Bologna	Fonderie di Montorso S.p.A.	100.00%	At cost
Fondo Acceleratori	Rome	CDP Equity S.p.A.	100.00%	Al fair value
Fondo Boost Innovation	Rome	CDP Equity S.p.A.	100.00%	Al fair value
Fondo di Fondi Venturitaly	Rome	CDP Equity S.p.A.	93.02%	Al fair value
Fondo Evoluzione	Rome	CDP Equity S.p.A.	100.00%	Al fair value
Fondo Italiano Consolidamento e Crescita (FICC)	Milan	CDP S.p.A.	65.99%	Line-by-line
Fondo Italiano di Investimento SGR S.p.A.	Milan	CDP Equity S.p.A.	68.00%	Line-by-line
Fondo Italiano Tecnologia e Crescita (FITEC)	Milan	CDP S.p.A.	64.89%	Al fair value
Fondo Technology Transfer - comparto diretto	Rome	CDP Equity S.p.A.	100.00%	Al fair value
Fondo Technology Transfer - comparto indiretto	Rome	CDP Equity S.p.A.	100.00%	Al fair value
FSE Fondo Sviluppo Export	Milan	SACE S.p.A.	100.00%	Line-by-line
FSI Investimenti S.p.A.	Milan	CDP Equity S.p.A.	77.12%	Line-by-line
FSI SGR S.p.A.	Milan	CDP Equity S.p.A.	39.00%	Equity

Company name	Registered office	Investor	% holding	Consolidation method
FSIA Investimenti S.r.l.	Milan	FSI Investimenti S.p.A.	70.00%	Line-by-line
FT1 Fondo Turismo 1	Rome	FNT Fondo Nazionale per il Turismo	100.00%	Line-by-line
FT2 Fondo Turismo 2	Rome	FNT Fondo Nazionale per il Turismo	100.00%	AI fair value
Galaxy Pipeline Assets Holdco Limited	Jersey	Snam S.p.A.	12.33%	Equity
Gannouch Maintenance S.àr.l.	Tunis	Ansaldo Energia Switzerland AG	1.00%	Line-by-line
		SPVTCCC BV	99.00%	Line-by-line
Gasrule Insurance D.A.C.	Dublin	Snam S.p.A.	100.00%	Line-by-line
Gaxa S.p.A (formerly Medea Newco S.r.l.)	Milan	Italgas S.p.A.	51.85%	Line-by-line
Gesam Reti S.p.A.	Lucca	Toscana Energia S.p.A.	42.96%	Equity
Gestione Bacini La Spezia S.p.A.	La Spezia	Fincantieri S.p.A.	99.89%	Line-by-line
GNL Italia S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Greenit S.p.A.	San Donato Milanese (MI)	CDP Equity S.p.A.	49.00%	Equity
Gruppo PSC S.p.A.	Maratea (PZ)	Fincantieri S.p.A.	10.00%	Equity
HMS IT S.p.A.	Rome	Fincantieri NexTech S.p.A.	60.00%	Line-by-line
Holding Reti Autostradali S.p.A.	Rome	CDP Equity S.p.A.	51.00%	At cost
Hospital Building Technologies S.c.ar.l.	Florence	SOF S.p.A.	20.00%	Equity
Hotelturist S.p.A.	Padua	CDP Equity S.p.A.	45.95%	Equity
IES Biogas S.r.l.	Pordenone	Snam 4 Environment S.r.l.	70.00%	Line-by-line
IES Biogas S.r.l. (Argentina)	Buenos Aires	IES Biogas S.r.l.	95.00%	At cost
		Snam 4 Environment S.r.l.	5.00%	At cost
Industrie De Nora S.p.A.	Milan	Asset Company 10 S.r.l.	37.01%	Equity
Infrastrutture Trasporto Gas S.p.A.	San Donato Milanese (MI)	Asset Company 2 S.r.l.	100.00%	Line-by-line
Iniziative Biometano S.p.A.	San Donato Milanese (MI)	Snam 4 Environment S.r.l.	50.00%	Equity
Inso Albania S.h.p.k.	Tirana	Fincantieri INfrastructure SOciali S.r.l.	100.00%	Line-by-line
Interconnector (UK) Ltd	London	Snam International B.V.	23.68%	Equity
Interconnector Zeebrugge Terminal S.C./C.V. Scrl	Brussels	Snam International B.V.	25.00%	Equity
IQ Made in Italy Investment Company S.p.A.	Milan	FSI Investimenti S.p.A.	50.00%	Equity
Island Diligence AS	Stålhaugen	Vard Group AS	39.38%	Equity
Island Discoverer AS	Ulsteinvik	Vard Group AS	46.90%	Equity
Island Offshore XII Ship AS	Ulsteinvik	Vard Group AS	46.90%	Equity
Isotta Fraschini Motori S.p.A.	Bari	Fincantieri S.p.A.	100.00%	Line-by-line
Issel Middle East Information Technology Consultancy Llc	Abu Dhabi	Issel Nord S.r.l.	49.00%	Equity
Issel Nord S.r.l.	Follo	Fincantieri NexTech S.p.A.	100.00%	Line-by-line
Italgas Acqua S.p.A.	Milan	Italgas S.p.A.	100.00%	Line-by-line
Italgas Newco S.r.l.	Milan	Italgas S.p.A.	100.00%	Line-by-line
Italgas Reti S.p.A.	Turin	Italgas S.p.A.	100.00%	Line-by-line
Italgas S.p.A.	Milan	CDP Reti S.p.A.	26.02%	Line-by-line
		Snam S.p.A.	13.49%	Line-by-line
ITsART S.p.A.	Milan	CDP S.p.A.	51.00%	Line-by-line
Kedrion S.p.A.	Castelvecchio Pascoli (LU)	FSI Investimenti S.p.A.	25.06%	Equity
Latina Biometano S.r.l.	Rome	IES Biogas S.r.l.	32.50%	At cost
Leonardo Sistemi Integrati S.r.l.	Genoa	Fincantieri NexTech S.p.A.	14.58%	Equity
Luxury Interiors Factory S.r.l.	Pordenone	Marine Interiors Cabins S.p.A.	100.00%	Line-by-line
M.T. Manifattura Tabacchi S.p.A.	Rome	CDP Immobiliare S.r.l.	40.00%	Equity
Marina Bay S.A.	Luxembourg	Fincantieri NexTech S.p.A.	100.00%	Line-by-line
Marine Interiors Cabins S.p.A.	Trieste	Marine Interiors S.p.A.	100.00%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
Marine Interiors S.p.A.	Trieste	Fincantieri S.p.A.	100.00%	Line-by-line
Marinette Marine Corporation	Green Bay, WI	Fincantieri Marine Group Llc	100.00%	Line-by-line
Marval S.r.l.	Turin	Stark Two S.r.l.	67.00%	Line-by-line
Maticmind S.p.A.	Vimodrone	Elettra One S.p.A.	42.00%	Equity
MC4COM - Mission critical for communication S.c.ar.l.	Milan	HMS IT S.p.A.	50.00%	Equity
Medea S.p.A.	Sassari	Italgas Reti S.p.A.	51.85%	Line-by-line
Melt 1 S.r.l. a socio unico	Milan	FICC - Fondo Italiano Consolidamento e Crescita	100.00%	Line-by-line
Metano S.Angelo Lodigiano S.p.A.	Sant'Angelo Lodigiano	Italgas S.p.A.	50.00%	Equity
MI S.p.A.	Trieste	Marine Interiors S.p.A.	100.00%	Line-by-line
Mieci S.p.A.	Milan	Renovit S.p.A.	70.00%	Line-by-line
Møkster Supply AS	Stavanger	Vard Group AS	40.00%	Equity
Møkster Supply KS	Stavanger	Vard Group AS	36.00%	Equity
Naviris S.p.A.	Genoa	Fincantieri S.p.A.	50.00%	Equity
New SIA Greece S.A.	Athens	SIA S.p.A.	100.00%	Line-by-line
Niehlgas GmbH	Oberursel	Ansaldo Energia Switzerland AG	100.00%	Line-by-line
Nord Ovest Toscana Energia S.r.l	Vicopisano (PI)	SOF S.p.A.	34.00%	Equity
Note Gestione S.c.ar.l.	Reggio Emilia	SOF S.p.A.	34.00%	Equity
Nuclear Enginnering Group Limited	Wolverhampton	Ansaldo Nucleare S.p.A.	100.00%	Line-by-line
Nuovo Santa Chiara Hospital S.c.ar.l.	Florence	Fincantieri INfrastructure SOciali S.r.l.	50.00%	Equity
OLT Offshore LNG Toscana S.p.A.	Milan	Snam S.p.A.	49.07%	Equity
Olympic Green Energy KS	Fosnavag	Vard Group AS	29.50%	Equity
Open Fiber S.p.A.	Milan	CDP Equity S.p.A.	50.00%	Equity
Orizzonte Sistemi Navali S.p.A.	Genoa	Fincantieri S.p.A.	51.00%	Equity
Pentagramma Perugia S.p.A.	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Pentagramma Piemonte S.p.A. in liquidazione	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Pentagramma Romagna S.p.A. in liquidazione unipersonale	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Perago Financial System Enablers Ltd	Centurion	SIA S.p.A.	100.00%	Line-by-line
Pergenova s.c.p.a.	Genoa	Fincantieri Infrastructure S.p.A.	50.00%	Equity
PforCards GmbH	Wien	SIA S.p.A.	100.00%	Line-by-line
PI.SA. 2 S.r.l.	Rome	Terna Interconnector S.r.l.	100.00%	Line-by-line
Polaris Anserv S.r.l.	Bucarest	Ansaldo Nucleare S.p.A.	20.00%	Equity
Poste Italiane S.p.A.	Rome	CDP S.p.A.	35.00%	Equity
Power4Future S.p.A.	Calderara di Reno (BO)	Fincantieri SI S.p.A.	52.00%	Equity
Prelios Solutions & Technologies S.r.l.	Milan	Fincantieri NexTech S.p.A.	49.00%	Equity
Quadrifoglio Brescia S.p.A.	Rome	CDP Immobiliare S.r.l.	50.00%	At cost
Quadrifoglio Genoa S.p.A.	Rome	CDP Immobiliare S.r.l.	50.00%	At cost
Quadrifoglio Modena S.p.A in liquidazione	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Quadrifoglio Piacenza S.p.A.	Rome	CDP Immobiliare S.r.l.	50.00%	At cost
QuattroR SGR S.p.A.	Milan	CDP Equity S.p.A.	40.00%	Equity
Redo SGR S.p.A.	Milan	CDP S.p.A.	30.00%	At cost
REICOM S.r.l.	Milan	Fincantieri NexTech S.p.A.	100.00%	Line-by-line
Rem Supply AS	Alesund	Vard Group AS	26.66%	Equity
Renerwaste Lodi S.r.l.	Bolzano	Renerwaste S.r.l.	100.00%	Line-by-line
Renerwaste S.r.l.	Bolzano	Snam 4 Environment S.r.l.	100.00%	Line-by-line
Renovit S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	70.00%	Line-by-line
		CDP Equity S.p.A.	30.00%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
Resia Interconnector S.r.l.	Rome	Terna S.p.A.	100.00%	Line-by-line
Residenziale Immobiliare 2004 S.p.A.	Rome	CDP Immobiliare S.r.l.	100.00%	Line-by-line
Rete S.r.l.	Rome	Terna S.p.A.	100.00%	Line-by-line
Rete Verde 17 S.r.l.	Rome	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
Rete Verde 18 S.r.l.	Rome	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
Rete Verde 19 S.r.l.	Rome	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
Rete Verde 20 S.r.l.	Rome	Terna Energy Solutions S.r.l.	100.00%	Line-by-line
Rocco Forte Hotels Limited	London	FSI Investimenti S.p.A.	23.00%	Equity
S.Ene.Ca Gestioni S.c.ar.l.	Florence	SOF S.p.A.	49.00%	Equity
S.L.S. - Support Logistic Services S.r.l.	Guidonia Montecelio	Fincantieri NexTech S.p.A.	60.00%	Line-by-line
SACE BT	Rome	SACE S.p.A.	100.00%	Line-by-line
SACE do Brasil	Sao Paolo	SACE S.p.A.	100.00%	Line-by-line
SACE FCT	Rome	SACE S.p.A.	100.00%	Line-by-line
SACE S.p.A.	Rome	CDP S.p.A.	100.00%	Line-by-line
SACE Servizi	Rome	SACE BT	100.00%	Line-by-line
Saipem S.p.A.	San Donato Milanese (MI)	CDP Industria S.p.A.	12.55%	Equity
Scaranello S.r.l.	Rovigo	Fonderie di Montorso S.p.A.	100.00%	Line-by-line
Seanergy a Marine Interiors Company S.r.l.	Pordenone	Marine Interiors Cabins S.p.A.	85.00%	Line-by-line
Seaonics AS	Alesund	Vard Group AS	56.40%	Line-by-line
Seaonics Polska SP.Z O.O.	Gdansk	Seaonics AS	100.00%	Line-by-line
Seaside S.r.l.	Casalecchio di Reno	Italgas S.p.A.	67.20%	Line-by-line
		Toscana Energia S.p.A.	32.80%	Line-by-line
Seastema S.p.A	Genoa	Fincantieri NexTech S.p.A.	100.00%	Line-by-line
Sécurité des Environnements Complexes S.r.l.	Milan	Fincantieri NexTech S.p.A.	100.00%	Line-by-line
Senfluga energy infrastructure holdings S.A.	Athens	Snam S.p.A.	60.00%	Equity
Shanghai Electric Gas Turbine Co. Ltd (JVS)	Shanghai	Ansaldo Energia S.p.A.	40.00%	Equity
SIA Central Europe, a.s.	Bratislava	SIA S.p.A.	100.00%	Line-by-line
SIA Croatia d.o.o.	Zagreb	SIA S.p.A.	100.00%	Line-by-line
SIA Czech Republic, s.r.o.	Prague	SIA S.p.A.	100.00%	Line-by-line
SIA Romania Payment Technologies S.r.l.	Bucarest	SIA S.p.A.	100.00%	Line-by-line
SIA RS d.o.o. Beograd	Belgrad	SIA S.p.A.	100.00%	Line-by-line
SIA S.p.A.	Milan	FSIA Investimenti S.r.l.	57.42%	Line-by-line
		CDP Equity S.p.A.	25.69%	Line-by-line
SIAadvisor S.r.l.	Rome	SIA S.p.A.	100.00%	Line-by-line
SIApay S.r.l.	Milan	SIA S.p.A.	100.00%	Line-by-line
Simest S.p.A.	Rome	SACE S.p.A.	76.01%	Line-by-line
Snam 4 Environment S.r.l.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Snam 4 Mobility S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Snam Gas & Energy Services (Beijing) Co. Ltd.	Beijing	Snam International B.V.	100.00%	Line-by-line
Snam International B.V.	Amsterdam	Snam S.p.A.	100.00%	Line-by-line
Snam Rete Gas S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Snam S.p.A.	San Donato Milanese (MI)	CDP Reti S.p.A.	31.35%	Line-by-line
Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	Trieste	Fincantieri S.p.A.	100.00%	Line-by-line
SOF S.p.A.	Florence	Fincantieri INfrastructure SOciali S.r.l.	100.00%	Line-by-line
Southeast Electricity Network Coordination Center S.A.	Thessaloniki	Terna S.p.A.	25.00%	Equity
SPE Santa Lucia Transmissora de Energia S.A.	Rio de Janeiro	Terna Plus S.r.l.	99.99%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
		Terna Chile S.p.A.	0.01%	Line-by-line
SPE Santa Maria Transmissora de Energia S.A.	Rio de Janeiro	Terna Plus S.r.l.	99.99%	Line-by-line
		Terna Chile S.p.A.	0.01%	Line-by-line
SPE Transmissora de Energia Linha Verde I S.A.	Belo Horizonte	Terna Plus S.r.l.	75.00%	Line-by-line
SPE Transmissora de Energia Linha Verde II S.A.	Belo Horizonte	Terna Plus S.r.l.	99.9999994%	Line-by-line
		Terna Chile S.p.A.	0.0000006%	Line-by-line
Stark Two S.r.l.	Milan	FICC - Fondo Italiano Consolidamento e Crescita	75.14%	Line-by-line
Stogit S.p.A.	San Donato Milanese (MI)	Snam S.p.A.	100.00%	Line-by-line
Tamini Transformatori India Private limited	Magarpatta City, Hadapsar, Pune	Tamini Trasformatori S.r.l.	100.00%	Line-by-line
Tamini Transformers USA Llc	Sewickley	Tamini Trasformatori S.r.l.	100.00%	Line-by-line
Tamini Trasformatori S.r.l.	Legnano (MI)	Terna Energy Solutions S.r.l.	70.00%	Line-by-line
Tea Innovazione Due S.r.l.	Brescia	Tep Energy Solution S.r.l.	100.00%	At cost
Tep Energy Solution S.r.l.	Rome	Renovit S.p.A.	100.00%	Line-by-line
Terega Holding S.A.S.	Pau	Snam S.p.A.	40.50%	Equity
Terna 4 Chacas S.A.C.	Lima	Terna Plus S.r.l.	99.99%	Line-by-line
		Terna Chile S.p.A.	0.01%	Line-by-line
Terna Chile S.p.A.	Santiago of Chile	Terna Plus S.r.l.	100.00%	Line-by-line
Terna Crna Gora d.o.o.	Podgorica	Terna S.p.A.	100.00%	Line-by-line
Terna Energy Solutions S.r.l.	Rome	Terna S.p.A.	100.00%	Line-by-line
Terna Interconnector S.r.l.	Rome	Terna Rete Italia S.p.A.	5.00%	Line-by-line
		Terna S.p.A.	65.00%	Line-by-line
Terna Peru S.A.C.	Lima	Terna Plus S.r.l.	99.99%	Line-by-line
		Terna Chile S.p.A.	0.010%	Line-by-line
Terna Plus S.r.l.	Rome	Terna S.p.A.	100.000%	Line-by-line
Terna Rete Italia S.p.A.	Rome	Terna S.p.A.	100.00%	Line-by-line
Terna S.p.A.	Rome	CDP Reti S.p.A.	29.85%	Line-by-line
Tlux S.r.L.	Piancogno (BS)	Mieci S.p.A.	85.00%	Line-by-line
Toscana Energia S.p.A.	Florence	Italgas S.p.A.	50.66%	Line-by-line
Trans Adriatic Pipeline AG	Baar	Snam International B.V.	20.00%	Equity
Trans Austria Gasleitung GmbH (5)	Wien	Snam S.p.A.	84.47%	Equity
Trevi Finanziaria Industriale S.p.A	Cesena	SACE S.p.A.	6.99%	Equity
		FSI Investimenti S.p.A.	25.67%	Equity
Umbria Distribuzione GAS S.p.A.	Terni	Italgas S.p.A.	45.00%	Equity
Unifer Navale S.r.l. in liquidazione	Finale Emilia (MO)	Società per l'Esercizio di Attività Finanziaria - Seaf S.p.A.	20.00%	Equity
Unione di Tamini - CERB – DZZD	Sofia	Tamini Trasformatori S.r.l.	78.48%	Line-by-line
Valdarno S.r.l.	Pisa	Toscana Energia S.p.A.	30.04%	Equity
Valvitalia Finanziaria S.p.A.	Milan	FSI Investimenti S.p.A.	0.50%	Equity
Vard Accommodation AS	Tennfjord	Vard Group AS	100.00%	Line-by-line
Vard Accommodation Tulcea S.r.l.	Tulcea	Vard Electro Tulcea S.r.l.	0.23%	Line-by-line
		Vard Accommodation AS	99.77%	Line-by-line
Vard Aqua Chile SA	Puerto Montt	Vard Aqua Sunndal AS	95.00%	Line-by-line
Vard Aqua Scotland Ltd	Aberdeen	Vard Aqua Sunndal AS	100.00%	Line-by-line
Vard Aqua Sunndal AS	Sunndal	Vard Group AS	100.00%	Line-by-line
Vard Braila SA	Braila	Vard Group AS	5.88%	Line-by-line
		Vard RO Holding S.r.l.	94.12%	Line-by-line

Company name	Registered office	Investor	% holding	Consolidation method
Vard Contracting AS	Vatne	Vard Group AS	100.00%	Line-by-line
Vard Design AS	Alesund	Vard Group AS	100.00%	Line-by-line
Vard Design Liburna Ltd.	Rijeka	Vard Design AS	51.00%	Line-by-line
Vard Electrical Installation and Engineering (India) Private Limited	New Delhi	Vard Electro AS	99.50%	Line-by-line
		Vard Electro Tulcea S.r.l.	0.50%	Line-by-line
Vard Electro AS	Tennfjord	Vard Group AS	100.00%	Line-by-line
Vard Electro Braila S.r.l.	Braila	Vard Electro AS	100.00%	Line-by-line
Vard Electro Brazil (Instalaçoes Eletricas) Ltda	Niteroi	Vard Electro AS	99.00%	Line-by-line
		Vard Group AS	1.00%	Line-by-line
Vard Electro Canada, Inc.	Vancouver	Vard Electro AS	100.00%	Line-by-line
Vard Electro Italy S.r.l.	Trieste	Vard Electro AS	100.00%	Line-by-line
Vard Electro Tulcea S.r.l.	Tulcea	Vard Electro AS	100.00%	Line-by-line
Vard Electro US, Inc.	Delaware	Vard Electro Canada, Inc.	100.00%	Line-by-line
Vard Engineering Brevik AS	Brevik	Vard Group AS	100.00%	Line-by-line
Vard Engineering Constanta S.r.l.	Kostanz	Vard Braila SA	30.00%	Line-by-line
		Vard RO Holding S.r.l.	70.00%	Line-by-line
Vard Engineering Gdansk sp. Z o. o.	Gdansk	Vard Engineering Brevik AS	100.00%	Line-by-line
Vard Group AS	Alesund	Vard Holdings Limited	100.00%	Line-by-line
Vard Holdings Limited	Singapore	Fincantieri Oil & Gas S.p.A.	98.33%	Line-by-line
Vard Infraestrutura Ltda	Ipojuca	Vard Group AS	0.01%	Line-by-line
		Vard Promar SA	99.99%	Line-by-line
Vard International Services S.r.l.	Kostanz	Vard Braila SA	100.00%	Line-by-line
Vard Marine, Inc.	Vancouver	Vard Group AS	100.00%	Line-by-line
Vard Marine US, Inc.	Dallas	Vard Marine, Inc.	100.00%	Line-by-line
Vard Niterói Ltda	Rio de Janeiro	Vard Electro Brazil (Instalaçoes Eletricas) Ltda	0.01%	Line-by-line
		Vard Group AS	99.99%	Line-by-line
Vard Piping AS	Sovik	Vard Group AS	100.00%	Line-by-line
Vard Promar SA	Ipojuca	Vard Group AS	100.00%	Line-by-line
Vard RO Holding S.r.l.	Tulcea	Vard Group AS	100.00%	Line-by-line
Vard Seaonics Holding AS	Alesund	Vard Group AS	100.00%	Line-by-line
Vard Shipholding Singapore Pte Ltd	Singapore	Vard Holdings Limited	100.00%	Line-by-line
Vard Singapore Pte. Ltd.	Singapore	Vard Group AS	100.00%	Line-by-line
Vard Tulcea SA	Tulcea	Vard Group AS	0.004%	Line-by-line
		Vard RO Holding S.r.l.	99.996%	Line-by-line
Vard Vung Tau Ltd	Vung Tau	Vard Singapore Pte. Ltd.	100.00%	Line-by-line
VBD1 AS	Sovik	Vard Group AS	100.00%	Line-by-line
Vimercate Salute Gestioni S.c.ar.l.	Milan	Fincantieri INfrastructure SOciali S.r.l.	49.10%	Equity
		SOF S.p.A.	3.65%	Equity
Webuild S.p.A.	Milan	CDP Equity S.p.A.	18.68%	Equity
Yeni Aen Insaat Anonim Sirketi	Istanbul	Ansaldo Energia S.p.A.	100.00%	Line-by-line

2. Annexes to the Report on operations

2.1 Reconciliation between the reclassified income statement and balance sheet and the financial statements - CDP S.p.A.

The following tables provide a reconciliation of the financial statements prepared in accordance with Bank of Italy circular no. 262/2005, as amended, and the aggregates as reclassified on an operational basis.

These reclassifications mainly concerned:

- the allocation to specific and distinct items of interest-bearing amounts and non-interest-bearing amounts;
- the revision of portfolios for IAS/IFRS purposes with their reclassification into uniform aggregates in relation to both products and business lines.

Balance sheet - Assets

(millions of euro) ASSETS - Balance sheet items	30/06/2021	Cash and cash equivalents and other treasury investments	Loans	Debt securities, equity securities	Equity investments	Assets held for trading and hedging derivatives	Property, plant and equipment and intangible assets	Accrued income, prepaid expenses and other non-interest bearing assets	Other assets
10. Cash and cash equivalents									
20. Financial assets measured at fair value through profit or loss	3,328			64	3,049	214			
30. Financial assets measured at fair value through other comprehensive income	13,164			12,462	678			23	
40. Financial assets measured at amortised cost									
a) Loans to banks	38,282	25,266	12,964					52	
b) Loans to customers	325,565	164,496	100,399	54,751				5,919	
50. Hedging derivatives	367					367			
60. Fair value change of financial assets in hedged portfolios (+/-)	1,558					1,558			
70. Equity investments	28,673				28,673				
80. Property, plant and equipment	375						375		
90. Intangible assets	46						46		
100. Tax assets	447								447
110. Non-current assets and disposal groups held for sale	4,251				4,251				
120. Other assets	147		30						117
Total assets	**416,203**	**189,762**	**113,393**	**67,277**	**36,652**	**2,139**	**421**	**5,994**	**564**

Balance sheet - Liabilities and equity

(millions of euro) LIABILITIES AND EQUITY - Balance sheet items	30/06/2021	Funding	Funding detail				Liabilities held for trading and hedging derivatives	Accrued expenses, deferred income and other non-interest bearing assets	Other liabilities	Provisions for contingencies, taxes and staff severance pay	Total equity
			Postal Funding	Funding from banks	Funding from customers	Bond Funding					
10. Financial liabilities measured at amortised cost:	386,905										
a) Due to banks	48,967	49,029	3,198	45,831				(62)			
b) Due to customers	317,160	316,537	276,138	20,218	20,181			623			
c) Securities issued	20,778	20,485				20,485		292			
20. Financial liabilities held for trading	219						219				
30. Financial liabilities designated at fair value											
40. Hedging derivatives	3,090						3,090				
50. Fair value change of financial liabilities in hedged portfolios	5						5				
60. Tax liabilities	178									178	
70. Liabilities associated with non-current assets and disposal groups held for sale											
80. Other liabilities	770								770		
90. Staff severance pay	1									1	
100. Provisions for risks and charges	493									493	
110. Valuation reserves	553										553
120. Redeemable shares											
130. Equity instruments											
140. Reserves	16,516										16,516
150. Share premium reserve	2,379										2,379
160. Share capital	4,051										4,051
170. Treasury shares	(322)										(322)
180. Net income (loss) for the period	1,365										1,365
Total liabilities and equity	**416,203**	**386,051**	**279,336**	**66,049**	**20,181**	**20,485**	**3,314**	**854**	**770**	**672**	**24,542**

Income statement

(millions of euro) INCOME STATEMENT - Financial statement items	30/06/2021	Net interest income	Dividends	Other net revenues (costs)
10. Interest income and similiar income	3,891	3,891		
20. Interest expense and similar expense	(2,345)	(2,345)		
40. Commission income	50			50
50. Commission expense	(697)	(690)		(8)
70. Dividends and similar revenues	547		547	
80. Profits (losses) on trading activities	(8)			(8)
90. Net gain (loss) on hedging activities	4			4
100. Gains (losses) on disposal or repurchase	440			440
110. Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	20			
130. Net adjustments/recoveries for credit risk	(1)			
140. Gains/losses from changes in contrats without derecognition	(0)			
160. Administrative expenses	(107)			
170. Net accruals to the provisions for risks and charges	5			
180. Net adjustments to/recoveries on property, plant and equipment	(7)			
190. Net adjustments to/recoveries on intangible assets	(6)			
200. Other operating income (costs)	10			
220. Gains (losses) on equity investments				
230. Gains (Losses) on tangible and intangible assets measured at fair value				
240. Goodwill impairment				
250. Gains (losses) on disposal of investments	(0)			
270. Income tax for the period on continuing operations	(427)			
280. Income (loss) after tax on discontinued operations				
Total income statement	**1,365**	**856**	**547**	**478**

Gross Income	Cost of risk	Operating costs	Operating income	Net provisions for risks and charges	Income taxes	Net income (loss) for the period
3,891			3,891			3,891
(2,345)			(2,345)			(2,345)
50			50			50
(697)			(697)			(697)
547			547			547
(8)			(8)			(8)
4			4			4
440			440			440
	20		20			20
	(1)		(1)			(1)
	(0)		(0)			(0)
		(107)	(107)			(107)
	6		6	(1)		5
		(7)	(7)			(7)
		(6)	(6)			(6)
		10	10			10
			0	(0)		(0)
					(427)	(427)
1,881	**24**	**(111)**	**1,793**	**(1)**	**(427)**	**1,365**

2.2 Reconciliation between the reclassified income statement and balance sheet and the financial statements – CDP Group

In order to ensure consistency between the consolidated financial statements, prepared on an accounting basis and the aggregates presented on an operational basis, the balance sheet and income statement reconciliation statements are shown below.

These reclassifications mainly concerned: the allocation of interest-bearing amounts and non-interest-bearing amounts to specific and distinct items; the revision of portfolios for IAS/IFRS purposes with their reclassification into uniform aggregates in relation to both products and business lines.

Reclassified consolidated balance sheet – Assets

(million of euro) ASSETS - Balance sheet items	30/06/2021	Cash and cash equivalents and other trasury investments	Loans	Debt securities and units in collective investment undertakings	Equity investments	Trading and hedging derivatives	Property, plant and equipment and intangible assets	Reinsurers' share of technical reserves	Other assets
10. Cash and cash equivalents	3	3							
20. Financial assets measured at fair value through profit or loss	3,247								
a) Financial assets held for trading	63					63			
b) Financial assets designated at fair value	479		479						
c) Other financial assets mandatorily measured at fair value	2,705		180	2,525					
30. Financial assets measured at fair value through other comprehesinve income	14,220			14,220					
40. Financial assets measured at amortised cost	370,256								
a) Loans to banks	43,949	28,447	12,669	2,833					
b) Loans to customers	326,307	163,769	102,100	60,438					
50. Hedging derivatives	434					434			
60. Fair value change of financial assets in hedged portfolios (+/-)	1,558								1,558
70. Equity investments	16,548				16,548				
80. Reinsurers' share of technical reserves									
90. Property, plant and equipment	40,450						40,450		
100. Intangible assets	12,202						12,202		
110. Tax assets	1,720								1,720
120. Non-current assets and disposal groups held for sale	41,816	31,427	2,000	3,546	22	9	2,567	2,608	(363)
130. Other assets	12,373								12,373
Total assets	**514,827**	**223,646**	**117,428**	**83,562**	**16,570**	**506**	**55,219**	**2,608**	**15,288**

Reclassified consolidated balance sheet – Liabilities and equity

(million of euro) LIABILITIES AND EQUITY - Balance sheet items	30/06/2021	Funding	Funding detail				Liabilities held for trading and hedging derivatives	Technical reserves	Other liabilities	Provisions for contin-gencies, taxes and staff severance pay	Total equity
			Postal funding	Funding from banks	Funding from customers	Bond funding					
10. Financial liabilites measured at amortised cost	418,652										
a) Due to banks	62,557	62,557	1,443	61,114							
b) Due to customers	312,922	312,922	277,893	20,046	14,983						
c) Securities issued	43,173	43,173				43,173					
20. Financial liabilities held for trading	154						154				
30. Financial liabilities designated at fair value	31	31			31						
40. Hedging derivatives	3,292						3,292				
50. Fair value change of financial liabilities in hedged portfolios (+/-)	5								5		
60. Tax liabilities	2,868									2,868	
70. Liabilities associated with non-current assets and disposal groups held for sale	41,831	5,232		4,414	296	522	158	3,408	32,326	707	
80. Other liabilities	12,965								12,965		
90. Staff severance pay	204									204	
100. Provisions for risks and charges	2,531									2,531	
110. Technical reserves											
120. Valuation reserves	710										710
150. Reserves	11,597										11,597
160. Share premium reserve	2,379										2,379
170. Share capital	4,051										4,051
180. Treasury shares	(322)										(322)
190. Non-controlling interests	13,613										13,613
200. Net income (loss) for the period	266										266
Total liabilities and equity	**514,827**	**423,915**	**279,336**	**85,574**	**15,310**	**43,695**	**3,604**	**3,408**	**45,296**	**6,310**	**32,294**

Reclassified consolidated income statement

(millions of euro) INCOME STATEMENT - Financial statement items	1st half of 2021	Net interest income	Gain (losses) on equity investments	Net commission income (expense)	Other net revenus (costs)	Gross income	Profit (loss) on insurance busness
10. Interest income and similar income	3,947	3,947				3,947	
20. Interest expense and similar expense	(2,535)	(2,535)				(2,535)	
40. Commission income	102			102		102	
50. Commission expense	(739)	(689)		(50)		(739)	
70. Dividends and similar revenues	38		38			38	
80. Profits (losses) on trading activities	39				39	39	
90. Fair value adjustments in hedge accounting	(13)				(13)	(13)	
100. Gains (losses) on disposal or repurchase	440				440	440	
110. Profits (losses) on financial assets and liabilities designated at fair value through profit or loss	(20)				(20)	(20)	
130. Net adjustments/recoveries for credit risk	(15)						
140. Gain/losses from changes in contracts without derecognition							
160. Net premium income							
170. Net other income (expense) from insurance operations							
190. Administrative expenses	(5,374)						
200. Net accruals to the provisions for risks and charges	(1)						
210. Net adjustments to/recoveries on property, plant and equipment	(889)						
220. Net adjustments to/recoveries on intangible assets	(462)						
230. Other operating income (costs)	8,150						
250. Gains (losses) on equity investments	381		381			381	
280. Net adjustment on goodwill	2						
300. Gains (losses) on disposal of investments	(531)						
320. Income tax for the period on continuing operations	(1,164)	44		3	(24)	23	136
330. Net income (loss) for the period	**1,356**	**767**	**419**	**55**	**422**	**1,663**	**136**
340. Net income (loss) for the period pertaining to non-controlling interests	1,090						
350. Net income (loss) for the period pertaining to shareholders of the Parent Company	**266**						

2.3 Details of alternative performance indicators - CDP S.p.A.

In support of the comments on the results for the period, paragraph 4.2.1 of the Report on operations also presents and illustrates the reclassified income statement and balance sheet of CDP S.p.A. A reconciliation between the latter and the Parent Company's financial statements at 30 June 2021 is provided in Annex 2.1, as required in Consob Communication no. 6064293 of 28 July 2006. With a view to providing further information on the Parent Company's performance, the Report on operations contains financial information and a number of alternative performance indicators, including, for example, the Cost/Income ratio and Net impaired loans/net loans to customers and banks. In accordance with the guidelines published on 5 October 2015 by the European Securities and Markets Authority (ESMA/2015/1415), details of the calculation method and the content of the afore-mentioned measures are provided below.

Structure ratios

Funding / Total liabilities: it measures Total Funding, as shown in the aggregate account (Annex 2.1), against total liabilities, as shown in the financial statements.

Profit (loss) on banking and insurance operations	Net recoveries (impairment)	Administrative expenses	Other net operating income (costs)	Operating income	Net provision for risk and charges	Net adjustments on PPE and intangible assets	Other	Income taxes	Net income (loss) for the period
3,947				3,947					3,947
(2,535)				(2,535)					(2,535)
102				102					102
(739)				(739)					(739)
38				38					38
39				39					39
(13)				(13)					(13)
440				440					440
(20)				(20)					(20)
	(15)			(15)					(15)
		(5,374)		(5,374)					(5,374)
	4			4	(5)				(1)
						(889)			(889)
						(462)			(462)
			8,150	8,150					8,150
381				381					381
							2		2
								(531)	(531)
159	(14)	(61)	5	89	2	(2)	(1,239)	(14)	(1,164)
1,799	**(25)**	**(5,435)**	**8,155**	**4,494**	**(3)**	**(1,353)**	**(1,237)**	**(545)**	**1,356**
									1,090
									266

Postal Funding / Total Funding: it measures Postal Funding, inclusive of the nominal value of Savings Bonds and Passbook Savings Accounts, interest accrued and premiums on the related options, against Total Funding, as shown in the aggregate account (Annex 2.1).

Profitability ratios

Spread on interest-bearing assets and liabilities: it measures the difference between the return on assets (measured as the ratio of interest income to average interest-bearing assets) and the cost of liabilities (measured as the ratio of interest expense to average interest-bearing liabilities).
Average interest-bearing assets are measured as the average at two dates (31 December 2020 and 30 June 2021) of Cash and Cash Equivalents, Loans to customers and banks and Debt securities, as shown in the aggregate account (Annex 2.1).
Average interest-bearing liabilities are measured as the average at two dates (31 December 2020 and 30 June 2021), of Funding, as shown in the aggregate account (Annex 2.1)

Cost/Income Ratio: it measures the ratio of Operating Costs (sum of staff costs, administrative expenses, depreciation and amortisation, and other operating income and costs) to Gross Income, net of the cost of risk, as respectively shown in the aggregate account (Annex 2.1).

Independent auditor's report

Deloitte.

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Cassa Depositi e Prestiti S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed consolidated financial statements of Cassa Depositi e Prestiti S.p.A. and subsidiaries (the "Cassa Depositi e Prestiti Group"), which comprise the consolidated balance sheet as of June 30, 2021 and the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated equity, consolidated statement of cash flow for the six month period then ended, and the related notes. The Directors are responsible for the preparation of the half-yearly condensed consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed consolidated financial statements of Cassa Depositi e Prestiti Group as at June 30, 2021 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Riccardo Motta
Partner

Rome, Italy
August 6, 2021

This report has been translated into the English language solely for the convenience of international readers.

Certification of the half-yearly condensed consolidated financial statements

Pursuant to article 154 bis of legislative decree 58/98

1. The undersigned Dario Scannapieco, in his capacity as Chief Executive Officer, and Pier Francesco Ragni, in his capacity as Manager in charge with preparing the company's financial reports of Cassa Depositi e Prestiti S.p.A., hereby certify, taking into account the provisions of article 154-bis, paragraphs 3 and 4, of legislative decree no. 58 of 24 February 1998:
   - the appropriateness with respect to the characteristics of the company; and
   - the actual application of the administrative and accounting procedures for the preparation of the half-yearly condensed consolidated financial statements at 30 June 2021, during the first half of 2021.

2. The assessment of the appropriateness of the administrative and accounting procedures adopted in preparing the half-yearly condensed consolidated financial statements at 30 June 2021 was based on a process developed by Cassa Depositi e Prestiti S.p.A in line with the COSO model and COBIT model (for the IT component), which make up the generally-accepted internal control framework at international level.

3. In addition, it is hereby certified that:

   3.1 the half-yearly condensed consolidated financial statements at 30 June 2021:
      a. have been prepared in compliance with the applicable international accounting standards endorsed by the European Union pursuant to Regulation (EC) no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
      b. correspond to the information in the books and other accounting records;
      c. give a true and fair view of the performance and financial position of the issuer and of the companies included in the scope of consolidation.

   3.2 The half-yearly report on operations includes a reliable analysis of the important events which occurred during the first half of the year and their impact on the half-yearly condensed consolidated financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year.

Rome, 06 August 2021

The Chief Executive Officer

Dario Scannapieco

The Manager in charge with preparing the Company's financial reports

Pier Francesco Ragni

Cassa Depositi e Prestiti
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Design and layouts
19novanta communication partners
Mercurio GP

Printed in Italy
Marchesi Grafiche Editoriali

September 2021
Non-commercial publication

Investing in tomorrow

Since 1850
we have been investing
in tomorrow

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