

CDP: net income 2018 up to 2.5 billion. CDP Group: 36 billion euro of new lending and 63 billion euro of activated investments to support enterprises, infrastructures and local areas

- *Strengthening capital position: Parent Company's equity at 24.8 billion euro (24.4 billion euro in 2017), consolidated equity at 36.7 billion euro (35.9 billion euro in 2017)*
- *Sustainable development: a structural process has been initiated to integrate the principles of economic, environmental and social sustainability into the strategic choices and operations of the CDP Group.*

Rome, 28 March 2019 h 6:23 pm - The Board of Directors of Cassa depositi e prestiti S.p.A. (CDP), chaired by **Massimo Tononi**, approved the draft separate financial statements and the consolidated financial statements² at 31 December 2018, as well as the 2018 consolidated non-financial statement of the CDP Group pursuant to Legislative Decree no. 254/2016 submitted by the Chief Executive Officer **Fabrizio Palermo**. The draft financial statements will be submitted for approval to the Shareholders' Meeting, which will be called by the Board of Directors.

CDP Group in support of the Italian economy: new lending and activated resources

The results for 2018 confirmed the key role of CDP Group in supporting the Italian economy. The **Group** provided **36 billion euro** in new lending (up 6.9% compared to 33.7 billion in the previous year) and, with its activity, attracted 27 billion euro of additional resources from private investors and other local, national and supranational institutions, **activating a total of 63 billion euro in investments**.

To support **Enterprises** - through loans, investments and guarantees offered by the Group - **30.2 billion euro** were mobilised (84% of the total).

¹ The financial statements and the reclassified financial tables presented and commented on in this release have been amended with respect to those previously in use, among others, following the first-time adoption (FTA) of IFRS 9, as required by Bank of Italy's Circular no. 262/2005 on banks' financial statements, as amended.

² The economic results and equity information commented on refer to the figures of the consolidated financial statements and the figures of the separate financial statements reclassified according to the operational criteria applied at Group level and those applied at CDP S.p.A. level. These criteria were updated compared to the previous reporting dates. The comparative data do not include the effects of the adoption of the new IFRS 9 and IFRS 15, recognised on equity as at 1 January 2018. The financial statements, the reclassified financial tables and the statements of reconciliation are reported as an attachment.

5.5 billion euro were mobilised in favour of the **Government, Public Administration and Infrastructure** sector (15% of the total), while - finally - **0.3 billion euro** were allocated to investments in **Real Estate** (1% of the total).

The **Parent Company CDP** provided **16.6 billion euro** in new lending. The action of the Parent Company concerned transactions in favour of Enterprises for 66% and initiatives to support the Government, Public Administration and Infrastructure and Real Estate sectors for the remaining 34%.

Financial Results³

CDP Group

Consolidated net income amounted to **4.3 billion euro** (4.5 billion euro in 2017) of which 2.9 billion euro pertaining to the Parent Company (in line with 2017).

As at 31 December 2018, the **Group's total assets** stood at **425.1 billion euro**, up 1.3% compared to the previous financial year. **Equity** amounted to **36.7 billion euro** (+2.3%) at consolidated level and **24.1 billion euro** (+4.3%) at Group level.

CDP Spa

Net income of the **Parent Company** amounted **2.5 billion euro**, up 15.3%, mainly as a result of the increase in **gross income**, which amounted to **3.8 billion euro** (+32.6%).

As at 31 December 2018, **total assets** amounted to **370 billion euro** (+0.7%), mainly consisting of cash and cash equivalents for 167.9 billion euro (-3.7%), loans to customers and banks for 101.3 billion euro (-1.3%), debt securities for 60 billion euro (+24.9%) and equity investments for 33.1 billion euro (+2.5%).

With reference to **liabilities**, **total funding** amounted to **342.6 billion euro** (+0.6%), of which **258 billion euro from postal savings bonds and passbook accounts** (+2.1%) and the remaining 84.6 billion euro mainly from bank and bond issues. In 2018, the relaunch of postal savings continued, with a significant year-on-year improvement in CDP's net funding (+3.8 billion euro compared to 2017), reflecting the effectiveness of the management actions taken and of the new agreement with Poste Italiane for the postal savings service for the three-year period 2018-2020. **Equity** totalled 24.8 billion euro (+1.5%).

Sustainable development: the new strategic approach

Through the new Business Plan, Cassa Depositi e Prestiti Group has decided, for the first time, to direct its strategic and operational approach towards the principles of Sustainable Development, which now represents a necessary step not only for institutions, but also for enterprises, the general public and the financial sector. For CDP, this is not a question of

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becoming aware of the issue of social and environmental impact, but of directing its awareness more effectively to promote sustainability.

In 2018, there were very positive results in relation to sustainable development issues. **At environmental level** a positive performance was recorded for all the aspects related to direct impact. In addition, the Group's confirmed its commitment through the financial support to spreading renewable energy, energy efficiency projects, developing water networks and the switch to clean urban transport systems. **At social level**, the Group confirmed its commitment to supporting the local areas, and social and school building in particular. Specifically, in 2018 CDP received the "Company of excellence in real estate" award, for its work in urban transformation, reclaiming value to be returned to cities and families.

Concerning **human resources management**, in the first few months of 2019, CDP obtained the "Top Employer Italy" certification, thus confirming its dedication and commitment towards its employees.

Lastly, the Group's commitment to promoting sustainable development continued through the preparation of the new Green, Social and Sustainability Bond Framework (the "CDP Framework"), on the one hand, and the issue of its first Sustainability "Hydro" Bond on the other.

The new 2019-2021 Business Plan

At the end of the financial year, the **new Business plan for the three-year period 2019-2021** was presented, approved by the Board of Directors on 5 December 2018. It 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 2030 Agenda.

The plan focuses on activating a total of **203 billion euro in the next three years**, contributing significantly to the sustainable growth of the country. Such a considerable figure will be obtained through the commitment of 111 billion euro in loans and the activation of 92 billion euro of loans from private investors and other local, national and supranational institutions.

All the actions planned will be carried out while ensuring an **economic and financial balance** and, therefore, the complete protection of savings that households entrust to CDP through postal savings bonds and passbook accounts.

To really support the country's economic, social and environmental growth, CDP will arrange its operations along four main lines of action:

- **CDP Enterprises:** 83 billion euro to support — also via an enhanced physical channel and a digital channel — enterprises with an integrated offer, geared to their needs and focusing on innovation, growth and exports;
- **CDP Infrastructure, Public Sector and Local Development:** 25 billion euro with a proactive role in the promotion, realisation and financing of infrastructures, restarting a new partnership with the Public Administration focused on the local areas;
- **CDP Cooperation:** 3 billion euro to become a financing partner in developing countries;

- **Large Strategic Equity Investments:** strengthening of sectorial and industrial expertise, to manage the portfolio of equity investments also with an industrial approach over the long term.

Sustainability: through its new Business Plan, CDP intends to make a proactive contribution to the achievement of the objectives set by the United Nations' 2030 Agenda, also signed by Italy. The integration of sustainability into CDP's choices has been initiated through a gradual shift of investments towards initiatives with clear and measurable social and environmental impacts.

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

Please note that the Independent Auditors are completing the audit of the separate financial statements and the consolidated financial statements as at 31 December 2018. The reclassified consolidated financial statements set out in the Annex are not subject to auditing by the Independent Auditors.

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The Manager in charge with preparing the company's financial reports, Paolo Calcagnini, declares pursuant to Article 154-bis, paragraph 2, of the Consolidated Law on Finance that the accounting information contained in this press release corresponds to documentary evidence and the accounting books and records.

The 2018 Annual financial report, together with the certification pursuant to Article 154-bis, paragraph 5, of the Consolidated Law on Finance and the Independent Auditors and Board of Statutory Auditors' Reports shall be available to the public at the Company's registered office, on the CDP website and in any other manner provided for by the applicable law, within the legal time limits.

Media relations CDP

T +39 06 4221 4000

Investor Relations & Rating Agencies

T +39 06 4221 3253

investor.relations@cdp.it

ANNEXES

IFRS Statements for the 2018 Separate Financial Statements of CDP S.p.A. (*)

BALANCE SHEET

(euro)

Assets	31/12/2018	31/12/2017
10. Cash and cash equivalents	4,968	6,741
20. Financial assets measured at fair value through profit or loss	2,764,648,580	2,301,185,709
a) Financial assets held for trading	71,025,547	93,568,293
b) Financial assets designated at fair value		
c) Other financial assets mandatorily measured at fair value	2,693,623,033	2,207,617,416
30. Financial assets measured at fair value through other comprehensive income	11,463,816,657	9,828,836,888
40. Financial assets measured at amortised cost	323,523,877,889	322,763,078,281
a) Loans to banks	20,179,064,614	38,599,568,670
b) Loans to customers	303,344,813,275	284,163,509,611
50. Hedging derivatives	679,154,031	842,595,854
60. Fair value change of financial assets in hedged portfolios (+/-)	131,580,898	(41,503,409)
70. Equity investments	30,316,282,467	30,411,137,574
80. Property, plant and equipment	322,660,563	305,538,163
90. Intangible assets	20,946,199	11,882,566
- of which goodwill		
100. Tax assets	480,439,453	630,739,071
a) current tax assets	1,044,283	331,378,247
b) deferred tax assets	479,395,170	299,360,824
110. Non-current assets and disposal groups held for sale		
120. Other assets	312,075,968	211,771,045
Total assets	370,015,487,673	367,265,268,483

The figures as at 31 December 2017 have been reclassified to the new accounting classes following the first-time adoption (FTA) of IFRS 9 and in compliance with the provisions of Bank of Italy Circular no. 262/2005, as updated. These figures have not been restated and therefore do not include the effects of the application of the new accounting standards IFRS 9 and IFRS 6, recorded in shareholders' equity as at 1 January 2018.

(*) The independent audit of the accounts had not been completed at the date of this press release

BALANCE SHEET

(euro)

Liabilities and equity	31/12/2018	31/12/2017
10. Financial liabilities measured at amortised cost	342,568,459,670	340,490,853,327
a) due to banks	30,429,338,747	16,626,997,896
b) due to customers	293,196,243,128	306,499,360,318
c) securities issued	18,942,877,795	17,364,495,113
20. Financial liabilities held for trading	70,980,902	127,596,066
30. Financial liabilities designated at fair value	500,023,869	501,551,155
40. Hedging derivatives	656,432,622	586,743,149
50. Adjustment of financial liabilities in hedged portfolios (+/-)	26,033,402	32,400,026
60. Tax liabilities	394,012,110	213,992,947
a) current tax liabilities	284,550,223	56,735,458
b) deferred tax liabilities	109,461,887	157,257,489
70. Liabilities associated with non-current assets and disposal groups held for sale		
80. Other liabilities	753,397,724	736,892,593
90. Staff severance pay	1,035,773	1,019,223
100. Provisions for risks and charges	250,773,280	139,147,235
a) guarantees issued and commitments	120,441,569	97,783,581
b) pensions and other post-retirement benefit obligations		
c) other provisions	130,331,711	41,363,654
110. Valuation reserves	539,854,697	950,928,999
120. Redeemable shares		
130. Equity instruments		
140. Reserves	15,341,579,796	14,908,258,103
150. Share premium reserve	2,378,517,244	2,378,517,244
160. Share capital	4,051,143,264	4,051,143,264
170. Treasury shares (-)	(57,220,116)	(57,220,116)
180. Net income (loss) for the year (+/-)	2,540,463,436	2,203,445,268
Total liabilities and equity	370,015,487,673	367,265,268,483

The figures as at 31 December 2017 have been reclassified to the new accounting classes following the first-time adoption (FTA) of IFRS 9 and in compliance with the provisions of Bank of Italy Circular no. 262/2005, as updated. These figures have not been restated and therefore do not include the effects of the application of the new accounting standards IFRS 9 and IFRS 5, recorded in shareholders' equity as at 1 January 2018.

INCOME STATEMENT

(euro)

Items	31/12/2018	31/12/2017
10. Interest income and similar income	7,849,429,210	7,275,809,784
- of which: interest income calculated using the effective interest rate method	8,074,651,562	7,463,708,043
20. Interest expense and similar expense	(4,266,256,100)	(4,311,124,029)
30. Net interest income	3,583,173,110	2,964,685,755
40. Commission income	396,384,656	108,116,186
50. Commission expense	(1,537,340,203)	(1,579,499,602)
60. Net commission income (expense)	(1,140,955,547)	(1,471,383,416)
70. Dividends and similar revenues	1,362,386,971	1,354,720,829
80. Profits (losses) on trading activities	2,852,174	(8,803,370)
90. Fair value adjustments in hedge accounting	(16,694,547)	13,170,610
100. Gains (losses) on disposal or repurchase of:	16,977,220	18,994,713
a) financial assets measured at amortised cost	53,948,941	21,035,155
b) financial assets measured at fair value through other comprehensive income	(36,952,465)	(2,040,442)
c) financial liabilities	(19,256)	
110. Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	(30,007,376)	(161,972,799)
a) financial assets and liabilities designated at fair value	1,527,286	(1,551,155)
b) other financial assets mandatorily measured at fair value	(31,534,662)	(160,421,644)
120. Gross income	3,777,732,005	2,709,412,322
130. Net adjustments/recoveries for credit risk relating to:	(65,137,062)	(5,715,973)
a) financial assets measured at amortised cost	(64,114,115)	(5,715,973)
b) financial assets at fair value through other comprehensive income	(1,022,947)	
140. Gains/losses from changes in contracts without derecognition	(2,199,115)	
150. Financial income (expense), net	3,710,395,828	2,703,696,349
160. Administrative expenses	(216,233,304)	(144,969,654)
a) staff costs	(153,068,946)	(85,135,767)
b) other administrative expenses	(63,164,358)	(59,833,887)
170. Net accruals to the provisions for risks and charges	(42,286,102)	80,228,853
a) guarantees issued and commitments	(8,505,950)	80,145,632
b) other net accruals	(33,780,152)	83,221
180. Net adjustments to/recoveries on property, plant and equipment	(4,352,487)	(4,374,801)
190. Net adjustments to/recoveries on intangible assets	(3,198,155)	(2,526,902)
200. Other operating income (costs)	6,303,373	5,515,436
210. Operating costs	(259,766,675)	(66,127,068)
220. Gains (losses) on equity investments	(172,032,794)	28,631,108
230. Gains (losses) on tangible and intangible assets measured at fair value		
240. Gains (losses) on equity investments		
250. Gains (losses) on disposal of investments	(4,042)	(5,181)
260. Income (loss) before tax from continuing operations	3,278,592,317	2,666,195,208
270. Income tax for the period on continuing operations	(738,128,881)	(462,749,940)
280. Income (loss) after tax on continuing operations	2,540,463,436	2,203,445,268
290. Income (loss) after tax on discontinued operations		
300. Net income (loss) for the year	2,540,463,436	2,203,445,268

The figures as at 31 December 2017 have been reclassified to the new accounting classes following the first-time adoption (FTA) of IFRS 9 and in compliance with the provisions of Bank of Italy Circular no. 262/2005, as updated. These figures have not been restated and therefore do not include the effects of the application of the new accounting standards IFRS 9 and IFRS 16, recorded in shareholders' equity as at 1 January 2018.

STATEMENT OF COMPREHENSIVE INCOME

(euro)

Items	31/12/2018	31/12/2017
10. Net income (loss) for the period	2,540,463,436	2,203,445,268
Other comprehensive income net of taxes not transferred to income statement	(270,092,787)	(411,225)
20. Equity securities designated at fair value through other comprehensive income	(270,092,787)	(411,225)
Other comprehensive income net of taxes transferred to income statement	(243,914,971)	4,803,232
120. Cash flow hedges	(11,922,482)	(3,708,169)
140. Financial assets (other than equity securities) measured at fair value through other comprehensive income	(231,992,489)	8,511,401
170. Total other comprehensive income net of tax	(514,007,758)	4,392,007
180. Comprehensive income (items 10+170)	2,026,455,678	2,207,837,275

The figures as at 31 December 2017 have been reclassified to the new accounting classes following the first-time adoption (FTA) of IFRS 9 and in compliance with the provisions of Bank of Italy Circular no. 262/2005, as updated. These figures have not been restated and therefore do not include the effects of the application of the new accounting standards IFRS 9 and IFRS 15, recorded in shareholders' equity as at 1 January 2018.

CASH FLOW STATEMENT (indirect method)

(euro)	31/12/2018	31/12/2017
A. OPERATING ACTIVITIES		
1. Operations	6,860,800,960	6,604,956,335
- net income for the year (+/-)	2,540,463,436	2,203,445,268
- gains (losses) on financial assets held for trading and on financial assets/liabilities at fair value through profit or loss (-/+)	33,844,400	206,300,074
- gains (losses) on hedging activities (-/+)	16,694,547	(14,585,574)
- net impairment adjustments (+/-)	69,285,079	17,458,668
- net value adjustments to property, plant and equipment and intangible assets (+/-)	7,550,642	6,901,702
- net provisions and other costs/revenues (+/-)	104,328,200	(67,187,574)
- unpaid charges, taxes and tax credits (+/-)	565,421,893	462,749,940
- writedowns/writebacks of equity investments (+/-)	172,416,713	5,806
- other adjustments (+/-)	3,350,796,050	3,789,868,025
2. Cash generated by/used in financial assets	4,412,153,725	(9,760,008,145)
- financial assets held for trading	9,511,566	93,109,423
- financial assets designated at fair value		
- other financial assets mandatorily measured at fair value	(516,224,315)	
- financial assets measured at fair value through other comprehensive income	(2,320,597,677)	(2,307,954,981)
- financial assets measured at amortised cost	7,396,503,504	(7,803,717,376)
- other assets	(157,039,352)	258,554,789
3. Cash generated by/used in financial liabilities	(635,322,549)	5,340,547,416
- financial liabilities measured at amortised cost	(589,324,711)	5,315,864,804
- financial liabilities held for trading	(47,159,376)	(57,030,568)
- financial liabilities designated at fair value		500,000,000
- other liabilities	1,161,538	(418,286,820)
Cash generated by/used in operating activities	10,637,632,136	2,185,495,606
B. INVESTMENT ACTIVITIES		
1. Cash generated by	3,664,987	235,882,786
- sale of equity investments	3,664,987	235,882,786
- dividends from equity investments		
- sale of property plant and equipment		
- sale of intangibles		
- sales of subsidiaries and business units		
2. Cash used in	(116,356,400)	(103,143,910)
- purchase of equity investments	(80,826,593)	(59,726,533)
- purchase of property, plant and equipment	(22,785,012)	(37,345,787)
- purchase of intangible assets	(12,744,795)	(6,071,590)
- purchases of subsidiaries and business units		
Cash generated by/used in investing activities	(112,691,413)	132,738,876
C. FINANCING ACTIVITIES		
- issue/purchase of treasury shares		
- issue/purchase of equity instruments		
- dividend distribution and other allocations	(1,345,159,412)	(986,900,876)
Cash generated by/used in financing activities	(1,345,159,412)	(986,900,876)
CASH GENERATED/USED DURING THE YEAR	9,179,781,311	1,331,333,606
RECONCILIATION		
Items (*)	31/12/2018	31/12/2017
Cash and cash equivalents at beginning of the year	149,540,205,198	148,208,871,592
Total cash generated/used during the year	9,179,781,311	1,331,333,606
Cash and cash equivalents: effects of changes in exchange rates		
Cash and cash equivalents at end of the year	158,719,986,509	149,540,205,198

The figures as at 31 December 2017 have been reclassified to the new accounting classes following the first-time adoption (FTA) of IFRS 9 and in compliance with the provisions of Bank of Italy Circular no. 262/2005, as updated. These figures have not been restated and therefore do not include the effects of the application of the new accounting standards IFRS 9 and IFRS 15, recorded in shareholders' equity as at 1 January 2018.

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

Statements of reconciliation of accounting and operating figures relating to CDP S.p.A. (*)

Balance sheet - assets – Reconciliation

(millions of euro)	31 December 2018	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
ASSETS - Balance sheet items									
10. Cash and cash equivalents									
20. Financial assets measured at fair value through profit or loss	2,765			308	2,384	71		1	
30. Financial assets measured at fair value through other comprehensive income	11,464			11,014	414			36	
40. Financial assets measured at amortised cost	323,524								
a) Loans to banks	20,179	8,777	11,383					19	
b) Loans to customers	303,345	159,167	89,910	48,681				5,586	
50. Hedging derivatives	679					679			
60. Fair value change of financial assets in hedged portfolios (+/-)	132					132			
70. Equity investments	30,316				30,316				
80. Property, plant and equipment	323						323		
90. Intangible assets	21						21		
100. Tax assets	480								480
110. Non-current assets and disposal groups held for sale									
120. Other assets	312								312
Total assets	370,015	167,944	101,293	60,004	33,114	882	344	5,642	793

(*) The reclassified figures are not subject to auditing by the Independent Auditors

CDP S.p.A. - Balance Sheet - Liabilities and equity

(millions of euro)												
LIABILITIES AND EQUITY - Balance sheet items	31 December 2018	Funding	Postal Funding	Funding from banks	Funding from customers	Bond Funding	Liabilities held for trading and hedging derivatives	deferred income and other non-interest bearing assets	Other liabilities	Provisions for contingencies, taxes and staff severance pay	Total equity	
10. Financial liabilities measured at amortised cost	342,568											
a) Due to banks	30,429	30,403	1,318	28,634	452			26				
b) Due to customers	293,196	293,166	256,723	24,305	12,138			30				
c) Securities issued	18,943	18,525				18,525		417				
20. Financial liabilities held for trading	71						71					
30. Financial liabilities designated at fair value	500	500				500						
40. Hedging derivatives	656						656					
50. Fair value change of financial liabilities in hedged portfolios	26						26					
60. Tax liabilities	394									394		
70. Liabilities associated with non-current assets and disposal groups held for sale												
80. Other liabilities	753								753			
90. Staff severance pay	1									1		
100. Provisions for risks and charges	251									251		
110. Valuation reserves	540										540	
120. Redeemable shares												
130. Equity instruments												
140. Reserves	15,342										15,342	
150. Share premium reserve	2,379										2,379	
160. Share capital	4,051										4,051	
170. Treasury shares	(57)										(57)	
180. Net income (loss) for the year	2,540										2,540	
Total liabilities and equity	370,015	342,595	258,040	52,939	12,590	19,025	753	474	753	646	24,794	

Income statement – Reconciliation

(millions of euro)

	31 December 2018	Net interest income	Dividends	Other net revenues (costs)	Gross income	Cost of risk	Overheads	Operating income	Net provisions for risks and charges	Income taxes	Net income (loss) for the year
INCOME STATEMENT – Financial statement items	7,849	7,849			7,849			7,849			7,849
10. Interest income and similar income	(4,266)	(4,266)			(4,266)			(4,266)			(4,266)
20. Interest expense and similar expense	396	300		96	396			396			396
40. Commission income	(1,537)	(1,527)		(10)	(1,537)			(1,537)			(1,537)
50. Commission expense	1,362		1,362		1,362			1,362			1,362
70. Dividends and similar revenues	3			3	3			3			3
80. Profits (losses) on trading activities	(17)			(17)	(17)			(17)			(17)
90. Net gain (loss) on hedging activities	17			17	17			17			17
100. Gains (losses) on disposal or repurchase	(30)			(1)	(1)	(29)		(30)			(30)
110. Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	(65)				(65)	(65)		(65)			(65)
130. Net adjustments/recoveries for credit risk	(2)				(2)	(2)		(2)			(2)
140. Gains/losses from changes in contrats without derecognition	(216)				(216)		(216)	(216)			(216)
160. Administrative expenses	(42)				(42)	(9)		(9)	(34)		(42)
170. Net accruals to the provisions for risks and charges	(4)				(4)		(4)	(4)			(4)
180. Net adjustments to/recoveries on property, plant and equipment	(3)				(3)		(3)	(3)			(3)
190. Net adjustments to/recoveries on intangible assets	6				6		6	6			6
200. Other operating income (costs)	(172)				(172)	(172)		(172)			(172)
220. Gains (losses) on equity investments	-				-			-			-
230. Gains (Losses) on tangible and intangible assets measured at fair value	(0)				(0)			(0)			(0)
240. Goodwill impairment	(738)				(738)			(738)	(0)		(738)
250. Gains (losses) on disposal of investments	-				-			-			-
270. Income tax for the year on continuing operations	-				-			-			-
280. Income (loss) after tax on discontinued operations	-				-			-			-
Total income statement	2,540	2,356	1,362	88	3,807	(277)	(217)	3,312	(34)	(738)	2,540

IFRS Statements for the 2018 Consolidated Financial Statements of the CDP Group (*)

CONSOLIDATED BALANCE SHEET

(thousands of euro)

Assets	31/12/2018	31/12/2017
10. Cash and cash equivalents	1,166	1,015
20. Financial assets measured at fair value through profit or loss	4,293,623	3,592,249
a) Financial assets held for trading	1,035,983	894,208
b) Financial assets designated at fair value		
c) Other financial assets mandatorily measured at fair value	3,257,640	2,698,041
30. Financial assets measured at fair value through other comprehensive income	11,582,864	9,523,380
40. Financial assets measured at amortised cost	330,074,848	329,687,018
a) Loans to banks	24,825,040	43,137,745
b) Loans to customers	305,249,808	286,549,273
50. Hedging derivatives	722,177	988,655
60. Fair value change of financial assets in hedged portfolios (+/-)	131,581	(41,503)
70. Equity investments	20,395,661	19,769,766
80. Reinsurers' share of technical reserves	851,681	670,812
90. Property, plant and equipment	37,660,125	37,178,510
100. Intangible assets	8,804,271	8,050,650
of which:		
- goodwill	659,430	653,342
110. Tax assets	1,621,844	1,701,679
a) current tax assets	88,949	441,776
b) deferred tax assets	1,532,895	1,259,903
120. Non-current assets and disposal groups held for sale	11,583	23
130. Other assets	8,931,506	8,411,494
Total assets	425,082,930	419,533,748

The figures as at 31 December 2017 have been reclassified to the new accounting classes following the first-time adoption (FTA) of IFRS 9 and in compliance with the provisions of Bank of Italy Circular no. 262/2005, as updated. These figures have not been restated and therefore do not include the effects of the application of the new accounting standards IFRS 9 and IFRS 15, recorded in shareholders' equity as at 1 January 2018.

(*) The independent audit of the accounts had not been completed at the date of this press release

CONSOLIDATED BALANCE SHEET

(thousands of euro)

Liabilities and equity	31/12/2018	31/12/2017
10. Financial liabilities measured at amortised cost	366,706,687	363,504,066
a) Due to banks	40,905,821	25,934,885
b) Due to customers	288,788,232	300,331,654
c) Securities issued	37,012,634	37,237,527
20. Financial liabilities held for trading	81,747	185,694
30. Financial liabilities designated at fair value	519,413	519,228
40. Hedging derivatives	826,038	667,714
50. Fair value change of financial liabilities in hedged portfolios (+/-)	26,033	32,400
60. Tax liabilities	3,596,661	3,549,637
a) current tax liabilities	312,307	82,581
b) deferred tax liabilities	3,284,354	3,467,056
70. Liabilities associated with non-current assets and disposal groups held for sale		
80. Other liabilities	10,959,482	9,720,862
90. Staff severance pay	209,449	221,039
100. Provisions for risks and charges	2,749,453	2,803,941
a) guarantees issued and commitments	229,495	188,131
b) pensions and other post-retirement benefit obligations		
c) other provisions	2,519,958	2,615,810
110. Technical reserves	2,675,499	2,407,786
120. Valuation reserves	479,959	763,663
130. Redeemable shares		
140. Equity instruments		
150. Reserves	14,312,860	12,981,676
160. Share premium reserve	2,378,517	2,378,517
170. Share capital	4,051,143	4,051,143
180. Treasury shares (-)	(57,220)	(57,220)
190. Non-controlling interests (+/-)	12,676,358	12,860,288
200. Net income (loss) for the year	2,890,851	2,943,314
Total liabilities and equity	425,082,930	419,533,748

The figures as at 31 December 2017 have been reclassified to the new accounting classes following the first-time adoption (FTA) of IFRS 9 and in compliance with the provisions of Bank of Italy Circular no. 262/2005, as updated. These figures have not been restated and therefore do not include the effects of the application of the new accounting standards IFRS 9 and IFRS 15, recorded in shareholders' equity as at 1 January 2018.

CONSOLIDATED INCOME STATEMENT

(thousands of euro)

Items	31/12/2018	31/12/2017
10. Interest income and similar income	8,117,598	7,453,288
- of which: interest income calculated using the effective interest rate method	8,174,131	7,419,527
20. Interest expense and similar expense	(4,632,580)	(4,692,597)
30. Net interest income	3,485,018	2,760,691
40. Commission income	457,061	158,976
50. Commission expense	(1,583,285)	(1,627,417)
60. Net commission income (expense)	(1,126,224)	(1,468,441)
70. Dividends and similar revenues	11,832	4,884
80. Profits (losses) on trading activities	19,517	(244,026)
90. Fair value adjustments in hedge accounting	(42,997)	8,267
100. Gains (losses) on disposal or repurchase of:	(28,235)	(35,831)
a) financial assets measured at amortised cost	55,704	22,251
b) financial assets at fair value through other comprehensive income	(36,953)	(2,040)
c) financial liabilities	(46,986)	(56,042)
110. Profits (losses) on financial assets and liabilities measured at fair value through profit or loss	(60,984)	(196,040)
a) financial assets and liabilities designated at fair value	680	(28,330)
b) Other financial assets mandatorily at fair value	(61,664)	(167,710)
120. Gross income	2,257,927	829,504
130. Net adjustments/recoveries for credit risk relating to:	(111,879)	(29,968)
a) financial assets measured at amortised cost	(110,874)	(29,968)
b) financial assets at fair value through other comprehensive income	(1,005)	
140. Gains/losses from changes in contracts without derecognition	(2,199)	
150. Financial income (expense), net	2,143,849	799,536
160. Net premium income	202,651	806,793
170. Net other income (expense) from insurance operations	(130,130)	57,986
180. Net income from financial and insurance operations	2,216,370	1,664,315
190. Administrative expenses	(7,411,688)	(6,842,174)
a) staff costs	(1,956,925)	(1,809,960)
b) other administrative expenses	(5,454,763)	(5,032,214)
200. Net accruals to the provisions for risks and charges	(16,343)	5,828
a) guarantees issued and commitments	(11,511)	80,145
b) other net accrual	(4,832)	(74,317)
210. Net adjustments to/recoveries on property, plant and equipment	(1,442,922)	(1,372,552)
220. Net adjustments to/recoveries on intangible assets	(599,116)	(564,187)
230. Other operating income (costs)	11,919,545	11,121,092
240. Operating costs	2,449,476	2,348,007
250. Gains (losses) on equity investments	1,108,254	1,053,758
260. Gains (losses) on tangible and intangible assets measured at fair value		
270. Gains (losses) on equity investments		
280. Gains (losses) on disposal of investments	18,767	592,352
290. Income (loss) before tax from continuing operations	5,792,867	5,658,432
300. Income tax for the year on continuing operations	(1,459,412)	(1,196,774)
310. Income (loss) after tax on continuing operations	4,333,455	4,461,658
320. Income (loss) after tax on discontinued operations		
330. Net income (loss) for the year	4,333,455	4,461,658
340. Net income (loss) for the year pertaining to non-controlling interests	1,442,604	1,518,344
350. Net income (loss) for the year pertaining to shareholders of the Parent Company	2,890,851	2,943,314

The figures as at 31 December 2017 have been reclassified to the new accounting classes following the first-time adoption (FTA) of IFRS 9 and in compliance with the provisions of Bank of Italy Circular no. 262/2005, as updated. These figures have not been restated and therefore do not include the effects of the application of the new accounting standards IFRS 9 and IFRS 15, recorded in shareholders' equity as at 1 January 2018.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(thousands of euro)

Items	31/12/2018	31/12/2017
10. Net income (loss) for the year	4,333,455	4,461,658
Other comprehensive income net of taxes not transferred to income statement	(259,450)	(827)
20. Equity securities designated at fair value through other comprehensive income	(268,782)	
70. Defined benefit	5,393	(2,030)
90. Share of valuation reserves of equity investments accounted for using equity method	3,939	1,203
Other comprehensive income net of taxes transferred to income statement	(509,688)	(1,527,383)
110. Exchange rate differences	7,096	(57,322)
120. Cash flow hedges	(150,059)	115,950
140. Financial assets (other than equity securities) measured at fair value through other comprehensive income	(213,529)	112,726
160. Share of valuation reserves of equity investments accounted for using equity method	(153,196)	(1,698,737)
170. Total other comprehensive income net of taxes	(769,138)	(1,528,210)
180. Comprehensive income (items 10+130)	3,564,317	2,933,448
190. Consolidated comprehensive income pertaining to non-controlling interests	1,376,237	1,527,098
200. Consolidated comprehensive income pertaining to shareholders of the parent company	2,188,080	1,406,350

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CONSOLIDATED CASH FLOW STATEMENT (INDIRECT METHOD)

(thousands of euros)	31/12/2018	31/12/2017
A. OPERATING ACTIVITIES		
1. Operations	9,061,534	8,846,375
- net income for the year (+/-)	4,333,455	4,461,658
- gains (losses) on financial assets held for trading and on other financial assets/liabilities measured at fair value through profit or loss (-/+)	88,164	148,933
- gains (losses) on hedging activities (-/+)	42,064	(11,336)
- net impairment adjustments (+/-)	111,879	206,026
- net value adjustments to property, plant and equipment and intangible assets (+/-)	2,042,038	1,908,691
- net provisions and other costs/revenues (+/-)	16,343	74,317
- net premiums not received (-)	(14,284)	(89,455)
- other insurance income not received/paid (-/+)	246,352	(251,470)
- unpaid charges, taxes and tax credits (+/-)	(299,469)	39,220
- writedowns/w ritebacks of equity investments (+/-)	(1,103,473)	(1,541,217)
- income (loss) after tax on discontinued operations (+/-)		
- other adjustments (+/-)	3,598,465	3,901,008
2. Cash generated by/used in financial assets	3,878,215	(8,986,510)
- financial assets held for trading	(157,453)	76,531
- financial assets designated at fair value	(2,322,629)	(2,250,185)
- other financial assets mandatorily measured at fair value	(541,507)	
- financial assets measured at amortised cost	7,033,499	(6,930,180)
- other assets	(133,695)	117,324
3. Cash generated by/used in financial liabilities	1,520,430	6,303,857
- financial liabilities measured at amortised cost	1,962,437	4,660,616
- financial liabilities held for trading	(103,948)	(104,693)
- financial liabilities designated at fair value	865	515,730
- other liabilities	(338,924)	1,232,204
Cash generated by/used in operating activities	14,460,179	6,163,722
B. INVESTMENT ACTIVITIES		
1. Cash generated by	1,263,576	1,576,701
- sale of equity investments	69,320	330,394
- dividends from equity investments	1,124,797	1,098,769
- sale of property plant and equipment	67,956	137,950
- sale of intangibles	1,503	9,588
- sales of subsidiaries and business units		
2. Cash used in	(3,335,265)	(3,321,261)
- purchase of equity investments	(490,454)	(319,406)
- purchase of property, plant and equipment	(2,008,343)	(2,157,360)
- purchase of intangible assets	(684,818)	(653,686)
- purchases of subsidiaries and business units	(151,650)	(190,809)
Cash generated by/used in investing activities	(2,071,689)	(1,744,560)
C. FINANCING ACTIVITIES		
- issue/purchase of treasury shares		
- issue/purchase of equity instruments		
- dividend distribution and other allocations	(2,625,128)	(2,511,267)
- sale/purchase of third-party control		
Cash generated by/used in financing activities	(2,625,128)	(2,511,267)
CASH GENERATED/USED DURING THE YEAR	9,763,362	1,907,895

RECONCILIATION

Items (*)	31/12/2018	31/12/2017
Cash and cash equivalents at beginning of year	151,666,515	149,758,620
Total cash generated/used during the year	9,763,362	1,907,895
Cash and cash equivalents at end of year	161,429,877	151,666,515

The figures as at 31 December 2017 have been reclassified to the new accounting classes following the first-time adoption (FTA) of IFRS 9 and in compliance with the provisions of Bank of Italy Circular no. 262/2005, as updated. These figures have not been restated and therefore do not include the effects of the application of the new accounting standards IFRS 9 and IFRS 5, recorded in shareholders' equity as at 1 January 2018.

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

Statements of reconciliation of accounting and operating figures relating to the Group (*)

Consolidated balance sheet - assets – Reconciliation

(millions of euro)

ASSETS - Balance sheet items	31 December 2018	Cash and cash equivalents and other treasury investments	Loans	equity 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	1	1							
20. Financial assets measured at fair value through profit or loss	4,294								
a) Financial assets held for trading	1,036			946		90			
b) Financial assets designated at fair value									
c) Other financial assets mandatorily measured at fair value	3,258		548	2,710					
30. Financial assets measured at fair value through other comprehensive income	11,583			11,583					
40. Financial assets measured at amortised cost	330,075								
a) Loans to banks	24,825	11,552	12,301	972					
b) Loans to customers	305,250	158,809	92,049	54,392					
50. Hedging derivatives	722					722			
60. Fair value change of financial assets in hedged portfolios (+/-)	132								132
70. Equity investments	20,396				20,396				
80. Reinsurers' share of technical reserves	852							852	
90. Property, plant and equipment	37,660						37,660		
100. Intangible assets	8,804						8,804		
110. Tax assets	1,622								1,622
120. Non-current assets and disposal groups held for sale	11								11
130. Other assets	8,931								8,931
Total assets	425,083	170,362	104,898	70,603	20,396	812	46,464	852	10,696

(*) The reclassified figures are not subject to auditing by the Independent Auditors

Consolidated balance sheet - Liabilities and equity - Reconciliation

(millions of euro)

LIABILITIES AND EQUITY - Balance sheet items	31 December 2018	Funding	Postal Funding	Funding from banks	Funding from customers	Bond Funding	Liabilities held for trading and hedging derivatives	Technical reserves	Other liabilities	Provisions for contingencies, taxes and staff severance pay	Total equity
10. Financial liabilities measured at amortised cost	366,707										
a) Due to banks	40,906	40,906	1,317	39,589							
b) Due to customers	288,788	288,788	256,723	24,270	7,795						
c) Securities issued	37,013	37,013				37,013					
20. Financial liabilities held for trading	82						82				
30. Financial liabilities designated at fair value	519	519				519					
40. Hedging derivatives	826						826				
50. Fair value change of financial liabilities in hedged portfolios	26								26		
60. Tax liabilities	3,597									3,597	
70. Liabilities associated with non-current assets and disposal groups held for sale											
80. Other liabilities	10,960								10,960		
90. Staff severance pay	209									209	
100. Provisions for risks and charges	2,750									2,750	
110. Technical reserves	2,675							2,675			
120. Valuation reserves	480										480
150. Reserves	14,313										14,313
160. Share premium reserve	2,378										2,378
170. Share capital	4,051										4,051
180. Treasury shares	(57)										(57)
190. Non-controlling interests	12,676										12,676
200. Net income (loss) for the year	2,891										2,891
Total liabilities and equity	425,083	367,226	258,040	63,859	7,795	37,532	908	2,675	10,986	6,556	36,732

