

Cassa depositi e prestiti €500mm 5-year Inaugural Social Bond

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On November 14th, 2017 Cassa depositi e prestiti (CDP) successfully priced its inaugural €500m senior unsecured social bond

Transaction summary

Transaction Execution:

- On Tuesday 14th November 2017, following a pan-European roadshow to introduce its new Social Bond Framework, CDP announced the mandate and the IPT for the intended new 5-year Inaugural Social Bond
- Around 10CET the IPT was set at Mid Swap +high 60s for a €500m "no grow" size
- One hour later, on the back of €1.6bn orders book, the guidance was released at Mid Swap +60/65bp
- Despite the sensible price revision, books continued to grow; at 12:30CET the final spread was set at Mid Swap +57 on the back of orders in excess of €2.25bn (pre-reconciliation)
- The books went "subject" at 12:40 involving more than 150 accounts
- The reoffer spread of Mid Swap +57bp implies a 14bp premium over BTP
- Later in the day the deal eventually priced with a coupon of 0.750%

Main Social Features:

- This transaction represents the first ever Social Bond issued in Italy as well as the first Social Bond issued in Europe dedicated to areas affected by natural disasters
- Use of Proceeds: "promote sustainable growth, ensuring socioeconomic advancement, access to financial services and support to employment. Indeed, the proceeds will be directed to fund Italian SMEs eligible under the CDP Social Bond Framework criteria, and consistent with the ICMA Social Bond Principles 2017"
- More specifically the Social framework includes SMEs (including Micro-enterprises) located in deprived areas of Italy and areas impacted by natural disasters
- CDP obtained a Second Party Opinion on its inaugural transaction by Vigeo Eiris
- The significant presence of SRI investors in the book is a clear evidence of the market recognition of CDP's Social commitment

Transaction highlights

Issuer	Cassa depositi e prestiti S.p.A. (CDP)
Issuer ratings	Baa2 (M) / BBB (SP) / BBB (F) / A- (Scope)
Issue ratings	Baa2 (M) / BBB (SP) / BBB (F) / A- (Scope)
Documentation	Issued pursuant to a Drawdown Prospectus, under the IS
Governing law	Italian law
Format / Type	RegS bearer / Social Bond
Ranking	Senior Unsecured
Size	€500mm
Denomination	€100,000 + €100,000
Pricing Date	14 November 2017
Settlement Date	21 November 2017
Maturity Date	21 November 2022 (5Y)
Coupon	0.750% fixed, annual act/act
Reoffer Spread	MS +57bps
Reoffer Yield	0.783%
Reoffer Price	99.839%
Listing	Luxembourg Stock Exchange

Investor allocation by region

Investor allo

