

Base Prospectus dated 9 May 2018



Cassa depositi e prestiti S.p.A.  
(incorporated with limited liability in the Republic of Italy)  
Euro 10,000,000,000  
Debt Issuance Programme

Under the Debt Issuance Programme described in this Base Prospectus (the "**Programme**"), Cassa depositi e prestiti S.p.A. (the "**Issuer**" or "**CDP**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue Euro Medium Term Notes (the "**Notes**"). The aggregate nominal amount of the Notes outstanding will not at any time exceed Euro 10,000,000,000 (or its equivalent in other currencies). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under "Subscription and Sale".

The Notes issued under this Programme may be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) (as defined under "General Description of the Programme") save that the minimum denomination of the Notes will be Euro 1,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency). The Notes with a minimum denomination of Euro 1,000 (or, if the Notes are denominated in a currency other than Euro, the equivalent amount in such currency) may be offered to qualified and/or non-qualified investors. The Notes may be issued on a continuing basis to one or more of the Dealers specified hereunder and any additional Dealer appointed under the Programme from time to time by the Issuer (each a Dealer and together the Dealers), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

This Base Prospectus has been approved by the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") as the competent authority under the Luxembourg Act dated 10 July 2005 on prospectus for securities, for the purpose of Directive 2003/71/EC, as amended, (the "**Prospectus Directive**") and relevant implementing measures in Luxembourg, as a base prospectus issued in compliance with the Prospectus Directive and relevant implementing measures in Luxembourg for the purpose of giving information with regard to the issue of the Notes issued under the Programme described in this Base Prospectus during the period of twelve months after the date hereof. By approving this Base Prospectus, the CSSF assumes no responsibility for the economic and financial soundness of the transactions contemplated by this Base Prospectus or the quality or solvency of the Issuer in accordance with Article 7(7) of the Luxembourg Act dated 10 July 2005, as amended, on prospectus for securities. Application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted during the period of twelve months after the date hereof to listing on the Official List and to trading on the regulated market of the Luxembourg Stock Exchange (a regulated market for the purposes of Directive 2014/65/EU). Application may also be made for notification to be given to competent authorities in other Member States of the European Economic Area in order to permit Notes issued under the Programme to be offered to the public and admitted to trading on regulated markets in such other Member States in accordance with the procedures under Article 18 of the Prospectus Directive.

References in this Base Prospectus to Notes being "listed" (and all related references) shall mean that such Notes are intended to be admitted to trading on the Luxembourg Stock Exchange's regulated market and have been admitted to the Official List of the Luxembourg Stock Exchange.

Amounts payable under the Notes may be calculated by reference to EURIBOR, which is provided by the European Money Markets Institute, to LIBOR, which is provided by ICE Benchmark Administration, and to the CMS Rate, which may be provided by, among others, the administrator of LIBOR, in each case as specified in the relevant Final Terms. As at the date of this Base Prospectus, ICE Benchmark Administration appears, and the European Money Markets Institute does not appear, on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("**ESMA**") pursuant to Article 36 of Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). As far as the Issuer is aware, the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that the European Money Markets Institute and ICE Benchmark Administration are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).

The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, or to be issued on the basis that they will be admitted to listing, trading and/or quotation by such other or further stock exchanges, markets and/or quotation systems as may be agreed between the Issuer and the relevant Dealer.

Notes will be issued by the Issuer to raise funds for its general funding purposes or, if so specified in the applicable Final Terms, for financing or refinancing green or social projects, as the case may be, in accordance with the principles set out by the International Capital Market Association ("**ICMA**") (respectively, the Green Bond Principles ("**GBP**") and the Social Bond Principles ("**SBP**"). The Notes will be issued in series (each, a "**Series**") and each Series may be issued in one or more tranches (each, a "**Tranche**"). The terms of each Series will be set forth in the relevant Final Terms prepared in relation thereto in accordance with the provisions of this Base Prospectus. This Base Prospectus constitutes a base prospectus for the purposes of Article 5.4 of the Prospectus Directive.

**An investment in Notes issued under this Programme involves certain risks. For a discussion of certain risks and other factors that should be considered in connection with an investment in the Notes, see the section entitled "Risk Factors" of this Base Prospectus.**

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche of Notes will be set out in a final terms document (the "**Final Terms**") which will be filed with the CSSF. Copies of Final Terms in relation to Notes to be listed on the Luxembourg Stock Exchange will also be published on the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

The Notes will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy ("**Monte Titoli**"), for the account of the relevant Monte Titoli Account Holders. The expression "Monte Titoli Account Holders" means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depository banks appointed by Euroclear Bank S.A./N.V. as operator of the Euroclear System ("**Euroclear**") and Clearstream Banking, société anonyme, Luxembourg ("**Clearstream, Luxembourg**"). The Notes have been accepted for clearance by Monte Titoli. The Notes will at all times be held in book entry form and title to the Notes will be evidenced by book entries pursuant to the relevant provisions of Italian Legislative Decree dated 24 February 1998, No. 58, as subsequently amended and supplemented ("**Legislative Decree No. 58**") and in accordance with CONSOB and Bank of Italy Joint Regulation dated 22 February 2008, as subsequently amended and supplemented ("**CONSOB and Bank of Italy Regulation**"). The Noteholders may not require physical delivery of the Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Article 83-*quinquies* and 83-*sexies* of Legislative Decree No. 58.

The Programme is, as of the date of this Base Prospectus, rated BBB by Fitch Ratings Ltd. ("**Fitch Ratings**"), Baa2 by Moody's Investor Service Limited ("**Moody's**"), BBB by Standard and Poor's Rating Services ("**S&P**") and A- by Scope Ratings AG ("**Scope**"). Each of Fitch Ratings, Moody's, S&P and Scope is established in the EEA and registered under Regulation (EC) No. 1060/2009, as amended (the "**CRA Regulation**"), and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>. Notes issued under the Programme may be rated by any one or more of the rating agencies referred to above, or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme or the rating(s) assigned to Notes previously issued. Whether or not each credit rating applied for in relation to the relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation, or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation, will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory

purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

**A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.**

**Joint Arrangers**

**Cassa depositi e prestiti S.p.A.**

**Barclays**

**Dealers**

**Banca IMI  
BNP PARIBAS  
Citigroup  
Crédit Agricole CIB  
Deutsche Bank  
J.P. Morgan  
Morgan Stanley  
Nomura  
UBS Investment Bank**

**Barclays  
BofA Merrill Lynch  
Commerzbank  
Credit Suisse  
HSBC  
Mediobanca  
MPS Capital Services  
Société Générale Corporate & Investment Banking  
UniCredit Bank AG**

## TABLE OF CONTENTS

<b>IMPORTANT NOTICES .....</b>	<b>4</b>
<b>SUMMARY .....</b>	<b>9</b>
<b>RISK FACTORS .....</b>	<b>26</b>
<b>IMPORTANT INFORMATION RELATING TO OFFERS TO THE PUBLIC OF NOTES .....</b>	<b>47</b>
<b>GENERAL DESCRIPTION OF THE PROGRAMME .....</b>	<b>56</b>
<b>DOCUMENTS INCORPORATED BY REFERENCE .....</b>	<b>62</b>
<b>SUPPLEMENT TO THE BASE PROSPECTUS .....</b>	<b>64</b>
<b>TERMS AND CONDITIONS OF THE NOTES .....</b>	<b>66</b>
<b>FORMS OF FINAL TERMS .....</b>	<b>95</b>
<b>DESCRIPTION OF CASSA DEPOSITI E PRESTITI S.P.A. ....</b>	<b>127</b>
<b>SELECTED FINANCIAL INFORMATION RELATING TO CDP .....</b>	<b>183</b>
<b>SELECTED FINANCIAL INFORMATION RELATING TO CDP GROUP .....</b>	<b>184</b>
<b>TAXATION .....</b>	<b>185</b>
<b>SUBSCRIPTION AND SALE .....</b>	<b>197</b>
<b>GENERAL INFORMATION .....</b>	<b>203</b>

## IMPORTANT NOTICES

### ***Responsibility for this Base Prospectus***

The Issuer accepts responsibility for the information contained in this Base Prospectus and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is in accordance with the facts and contains no omission likely to affect its import.

### ***Final Terms***

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under "*Terms and Conditions of the Notes*" as completed by the Final Terms.

### ***Important – EEA Retail Investors***

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes are not intended to be offered, sold or otherwise made available to, and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, "**IMD**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

### ***MiFID Product Governance / Target Market***

The Final Terms in respect of any Notes will include a legend entitled "MiFID II Product Governance" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending such Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels. A determination will be made at the time of issue about whether, for the purpose of the product governance rules under EU Delegated Directive 2017/593 (the "**MiFID Product Governance Rules**"), any Dealer subscribing for a Tranche of Notes is a manufacturer in respect of that Tranche, but otherwise neither the Joint Arrangers nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MIFID Product Governance Rules.

### ***Other relevant information***

This Base Prospectus must be read and construed together with any supplements hereto and with any documents incorporated by reference herein (see "*Documents Incorporated by Reference*" below) on the basis that such documents are incorporated by reference in and form part of this Base Prospectus, and, in relation to any Tranche of Notes, should be read and construed together with the relevant Final Terms (as defined herein).

Neither this Base Prospectus nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each Investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the Issuer, any of the Dealers to any person to subscribe for or to purchase any Notes.

The Issuer has confirmed to the Dealers named under "*Subscription and Sale*" below that this Base Prospectus (including for this purpose, each relevant Final Terms) contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes) and is not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

### ***Legality of purchase***

Neither the Issuer, the Dealers, nor any of their respective affiliates has or assumes responsibility for the lawfulness of the acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### ***Unauthorised information***

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base

Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

### ***Restrictions on distribution***

This Base Prospectus does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. The Issuer and the Dealers do not represent that this Base Prospectus may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this Base Prospectus in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see "Subscription and Sale".

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Neither this Base Prospectus or any supplement thereto nor any Final Terms (or any part thereof) constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer.

### ***Suitability of the Notes as an investment***

The Notes may not be a suitable investment for all investors. Each potential Investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### ***Programme limit***

The maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed Euro 10,000,000,000 (and for this purpose, any Notes denominated in another currency shall be converted into Euro at the date of the agreement to issue such Notes in accordance with the provisions of the Dealer Agreement). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement, as defined under "Subscription and Sale". In the event of increase of the original maximum amount of the Programme as set out herein, the Issuer shall prepare a supplement to the Base Prospectus.

### ***Presentation of information***

Unless otherwise indicated, the financial information in this Base Prospectus relating to the Issuer has been derived from (i) the audited non-consolidated annual financial statements of the Issuer for the financial years ended 31 December 2017 and 31 December 2016 and (ii) the audited consolidated annual financial statements of the

Issuer for the financial years ended 31 December 2017 and 31 December 2016 (together, the "**Financial Statements**").

The Issuer's financial year ends on 31 December, and references in this Base Prospectus to any specific year are to the 12-month period ended on 31 December of such year. The Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board.

Capitalised terms which are used but not defined in any particular section of this Base Prospectus will have the meaning attributed to them in "*Terms and Conditions of the Notes*" or any other section of this Base Prospectus. In addition, the following terms as used in this Base Prospectus have the meanings defined below.

In this Base Prospectus, unless otherwise specified, references to a "**Member State**" are to a Member State of the European Economic Area, references to "**Euro**" "**EUR**" or "**€**" are to the single currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended, and references to "**£**" or "**Sterling**" are to the currency of the United Kingdom.

References to a **billion** are to a thousand million.

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

### ***Alternative Performance Measures***

This Base Prospectus does not contain any financial measure that is not recognised as a measure of performance under IFRS or Italian GAAP, otherwise known as "**Alternative Performance Measures**".

### ***Stabilisation***

**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**



## SUMMARY

Summaries are made up of disclosure requirements known as "Elements". These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of "Not Applicable".

Section A – Introduction and Warnings		
<b>A.1</b>	<b>Introduction and Warnings:</b>	<ul style="list-style-type: none"> <li>• this summary must be read as introduction to the prospectus;</li> <li>• any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor;</li> <li>• where a claim relating to the information contained in the prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States, have to bear the costs of translating the prospectus before the legal proceedings are initiated; and</li> <li>• civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.</li> </ul>
<b>A.2</b>	<b>Consent:</b>	<p>[Not Applicable – the Notes are not being offered to the public.]</p> <p>[Consent: Subject to the conditions set out below, the Issuer consents to the use of this Base Prospectus in connection with an offer to the public of Notes by the [Dealers/Managers], [<i>names of specific financial intermediaries listed in final terms,</i>] [and] [each financial intermediary whose name is published on the Issuer's website (www.cdp.it) and identified as an Authorised Offeror in respect of the relevant offer to the public] [and any financial intermediary which is authorised to make such offers under the Markets in Financial Instruments Directive</p>

		<p>(Directive 2014/65/EU) and publishes on its website the following statement (with the information in square brackets being completed with the relevant information):</p> <p>"We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Notes] (the "<b>Notes</b>") described in the Final Terms dated [insert date] (the "<b>Final Terms</b>") published by [●] (the "<b>Issuer</b>"). We hereby accept the offer by the Issuer of its consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, and confirm that we are using the Base Prospectus accordingly."</p> <p>(each an "<b>Authorised Offeror</b>").]</p> <p>[Offer period: The Issuer's consent referred to above is given for offers to the public of Notes during [offer period for the issue to be specified here] (the "<b>Offer Period</b>").]</p> <p>[Conditions to consent: The conditions to the Issuer's consent (in addition to the conditions referred to above) are that such consent (a) is only valid during the Offer Period; (b) only extends to the use of this Base Prospectus to make offers to the public of the relevant Tranche of Notes in [specify each Relevant Member State in which the particular Tranche of Notes can be offered] and (c) [specify any other conditions applicable to the offer to the public of the particular Tranche, as set out in the Final Terms].</p> <p><b>AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN AN OFFER TO THE PUBLIC FROM AN AUTHORISED OFFEROR WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE RELEVANT INFORMATION WILL BE PROVIDED BY THE AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER.]</b></p>
--	--	--

Section B – Issuer		
B.1	Legal and commercial name of the Issuer:	Cassa depositi e prestiti S.p.A. (" <b>CDP</b> ")

<b>B.2</b>	<b>Domicile and legal form of the Issuer:</b>	<p>CDP is a joint stock company (<i>Società per Azioni</i>) incorporated on 12 December 2003 with limited liability in Italy under Article 5 of Italian Law Decree No. 269 of 30 September 2003 ("<b>Law Decree 269</b>"), as converted with amendments into Law No. 326 of 24 November 2003, having its registered office at Via Goito No. 4, 00185 Rome, Italy.</p> <p>CDP operates in accordance with Italian law and in particular is mainly regulated by to the following laws and regulatory provisions:</p> <ul style="list-style-type: none"> <li>(i) Article 5 of Law Decree 269;</li> <li>(ii) the provisions of Title V of the Legislative Decree No. 385 of 1 September 1993 as amended (the "<b>Banking Act</b>") as set out for intermediaries registered in the register established under Article 106 of the Banking Act, taking into consideration the characteristics of CDP and the special regulation of the Separate Account System;</li> <li>(iii) the provisions of the Italian Civil Code applicable to Italian companies, to the extent and in relation to aspects that are not regulated by special provisions regarding CDP; and</li> <li>(iv) the decrees of the Ministry of Economy and Finance regarding, <i>inter alia</i>, CDP's share capital, its shareholdings, the special powers assigned to CDP, the latter's assets and liabilities and its business activity (including without limitation, the ministerial decree of 5 December 2003, ministerial decree of 18 June 2004, ministerial decree of 6 October 2004, ministerial decree of 27 January 2005, ministerial decree of 12 March 2009, ministerial decree of 22 January 2010 and ministerial decree of 3 May 2011).</li> </ul>
<b>B.4b</b>	<b>Trends:</b>	Not Applicable - There are no known trends affecting the Issuer and the industries in which it operates.
<b>B.5</b>	<b>The Group:</b>	<p>CDP is the parent company of the CDP group of companies (the "<b>CDP Group</b>"). CDP has significant holdings in a number of major Italian companies (both listed and unlisted), operating in Italy and abroad, and in certain private equity funds. In particular, CDP is the main shareholder of several high-profile Italian companies operating in the energy and resources sector, including ENI S.p.A., TERNA S.p.A. (as a subsidiary of CDP Reti S.p.A.), SNAM S.p.A. (as a subsidiary of CDP Reti S.p.A.) and Italgas S.p.A. (as a subsidiary of CDP Reti S.p.A.). CDP also owns 100 per cent. of SACE S.p.A., 100 per cent. of FINTECNA S.p.A. and also has a holding in Poste Italiane S.p.A.. CDP is also the controlling shareholder of CDP Equity S.p.A. (previously Fondo</p>

		Strategico Italiano) which is focused on long term investments in large Italian corporates deemed to be of "significant national interest" that are financially stable and offer significant growth and profit-generation prospects.																																				
<b>B.9</b>	<b>Profit Forecast:</b>	Not Applicable - No profit forecasts or estimates have been made in the Base Prospectus.																																				
<b>B.10</b>	<b>Audit Report Qualifications :</b>	Not Applicable - No qualifications are contained in any audit or review report included in the Base Prospectus.																																				
<b>B.12</b>	<b>Key Financial Information:</b>	<p style="text-align: center;"><b>Income Statement</b></p> <p>The table below sets out summary information extracted from the audited non-consolidated annual financial statements at 31 December 2017 and 31 December 2016 of CDP:</p> <table border="1"> <thead> <tr> <th><i>Euros</i></th> <th><b>Year ended 31 December 2017</b></th> <th><b>Year ended 31 December 2016</b></th> </tr> </thead> <tbody> <tr> <td>Net interest income</td> <td>2,964,685,755</td> <td>2,368,563,031</td> </tr> <tr> <td>Net commission income (expense)</td> <td>(1,471,383,416)</td> <td>(1,484,204,808)</td> </tr> <tr> <td>Gross income</td> <td>2,893,496,403</td> <td>2,486,155,181</td> </tr> <tr> <td>Financial income (expense), net</td> <td>2,784,149,820</td> <td>2,029,043,167</td> </tr> <tr> <td>Operating costs</td> <td>(146,580,539)</td> <td>(140,590,656)</td> </tr> <tr> <td>Income (loss) before tax from continuing operations</td> <td>2,666,195,208</td> <td>1,618,438,676</td> </tr> <tr> <td>Net Income (loss) for the year</td> <td>2,203,445,268</td> <td>1,662,672,023</td> </tr> </tbody> </table> <p style="text-align: center;"><b>Balance Sheet</b></p> <p>The table below sets out summary information extracted from the audited non-consolidated annual financial statements of CDP at 31 December 2017 and 31 December 2016:</p> <table border="1"> <thead> <tr> <th><i>Euros</i></th> <th><b>Year ended 31 December 2017</b></th> <th><b>Year ended 31 December 2016</b></th> </tr> </thead> <tbody> <tr> <td>Total assets</td> <td>367,265,268,483</td> <td>357,709,713,264</td> </tr> <tr> <td>Net equity</td> <td>24,435,072,762</td> <td>23,206,815,013</td> </tr> <tr> <td>Share capital</td> <td>4,051,143,264</td> <td>4,051,143,264</td> </tr> </tbody> </table> <p style="text-align: center;"><b>Consolidated Income Statement</b></p> <p>The table below sets out summary information extracted from the audited consolidated annual financial statements of the</p>	<i>Euros</i>	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>	Net interest income	2,964,685,755	2,368,563,031	Net commission income (expense)	(1,471,383,416)	(1,484,204,808)	Gross income	2,893,496,403	2,486,155,181	Financial income (expense), net	2,784,149,820	2,029,043,167	Operating costs	(146,580,539)	(140,590,656)	Income (loss) before tax from continuing operations	2,666,195,208	1,618,438,676	Net Income (loss) for the year	2,203,445,268	1,662,672,023	<i>Euros</i>	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>	Total assets	367,265,268,483	357,709,713,264	Net equity	24,435,072,762	23,206,815,013	Share capital	4,051,143,264	4,051,143,264
<i>Euros</i>	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>																																				
Net interest income	2,964,685,755	2,368,563,031																																				
Net commission income (expense)	(1,471,383,416)	(1,484,204,808)																																				
Gross income	2,893,496,403	2,486,155,181																																				
Financial income (expense), net	2,784,149,820	2,029,043,167																																				
Operating costs	(146,580,539)	(140,590,656)																																				
Income (loss) before tax from continuing operations	2,666,195,208	1,618,438,676																																				
Net Income (loss) for the year	2,203,445,268	1,662,672,023																																				
<i>Euros</i>	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016</b>																																				
Total assets	367,265,268,483	357,709,713,264																																				
Net equity	24,435,072,762	23,206,815,013																																				
Share capital	4,051,143,264	4,051,143,264																																				

CDP Group at 31 December 2017, that includes the restated comparative figures at 31 December 2016:

<i>Thousands of Euros</i>	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016 (*)</b>
Net interest income	2,760,691	2,106,406
Net commission income (expense)	(1,468,441)	(1,463,204)
Gross income	1,020,537	673,025
Financial income (expense), net	879,226	194,448
Net income from financial and insurance operations	1,744,005	526,360
Operating costs	2,268,317	2,025,382
Net income (loss) for the year	4,461,658	1,225,148
Net income (loss) for the year pertaining to shareholders of the parent company	2,943,314	249,825

(\*) Figures as at 31 December 2016 have been restated as indicated in the audited consolidated annual financial statements for the year ended 31 December 2017 of the Issuer (pages 298 and 326)

#### **Consolidated Balance Sheet**

The table below sets out summary information extracted from the audited consolidated annual financial statements of the CDP Group at 31 December 2017, that includes the restated comparative figures at 31 December 2016:

<i>Thousands of Euros</i>	<b>Year ended 31 December 2017</b>	<b>Year ended 31 December 2016 (*)</b>
Total assets	419,533,748	410,522,023
Group's Equity	23,061,093	22,624,790
Share Capital	4,051,143	4,051,143

(\*) Figures as at 31 December 2016 have been restated as indicated in the audited consolidated annual financial statements for the year ended 31 December 2017 of the Issuer (pages 296, 297 and 326)

#### **Statements of no significant or material adverse change**

There has been no significant change in the financial or trading position of CDP since 31 December 2017.

There has been no material adverse change in the prospects of CDP since 31 December 2017.

**B.13** **Events impacting the**

Not Applicable - There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

	<b>Issuer's solvency</b>																					
<b>B.14</b>	<b>Dependence upon other entities within the Group:</b>	See B.5 CDP is the parent company of the CDP Group.																				
<b>B.15</b>	<b>The Issuer's Principal Activities:</b>	<p>CDP works to support Italy's growth and employs its resources, mainly funded through its management of postal savings (postal savings bonds and passbook savings accounts), in accordance with its institutional mission, in its capacity as a leader in financing the investments of public entities, catalyst for infrastructure development and key player in supporting the Italian economy and national enterprise.</p> <p>CDP and the CDP Group promote local development, financing investment by public entities, assisting local authorities in leveraging their real estate holdings, investing in social housing and supporting energy efficiency policies.</p> <p>In their role as catalyst for infrastructure development, CDP and the CDP Group – using corporate and project finance arrangements – support public-interest projects and enterprises for investments for the delivery of public services. They also perform this role by taking direct equity stakes in infrastructure companies and subscribing units in domestic and international infrastructure equity funds.</p> <p>CDP and the CDP Group also use debt and equity instruments to provide support to strategic domestic companies and small and medium-sized enterprises, thereby fostering their growth, efficiency, international expansion and investment in research.</p>																				
<b>B.16</b>	<b>Controlling Persons:</b>	The Italian Ministry of Economy and Finance is CDP's controlling shareholder, holding 82.775 per cent. of the share capital of CDP, whereas 15.925 per cent. is owned by 60 banking trusts ( <i>fondazioni bancarie</i> ). The remaining 1.3010 per cent. are held as own shares by CDP.																				
<b>B.17</b>	<b>Ratings assigned to the Issuer or its Debt Securities:</b>	<p>As of the date of this Base Prospectus, the Issuer is rated:</p> <table border="1"> <thead> <tr> <th>Description</th> <th>Standard &amp; Poor's</th> <th>Moody's</th> <th>Fitch Ratings</th> <th>Scope</th> </tr> </thead> <tbody> <tr> <td>Short Term Counterparty Credit Rating</td> <td>A – 2</td> <td>P – 2</td> <td>F 2</td> <td>S-1</td> </tr> <tr> <td>Long Term Counterparty Credit Rating</td> <td>BBB-</td> <td>Baa2</td> <td>BBB</td> <td>A-</td> </tr> <tr> <td>Outlook</td> <td>Stable</td> <td>Negative</td> <td>Stable</td> <td>Stable</td> </tr> </tbody> </table>	Description	Standard & Poor's	Moody's	Fitch Ratings	Scope	Short Term Counterparty Credit Rating	A – 2	P – 2	F 2	S-1	Long Term Counterparty Credit Rating	BBB-	Baa2	BBB	A-	Outlook	Stable	Negative	Stable	Stable
Description	Standard & Poor's	Moody's	Fitch Ratings	Scope																		
Short Term Counterparty Credit Rating	A – 2	P – 2	F 2	S-1																		
Long Term Counterparty Credit Rating	BBB-	Baa2	BBB	A-																		
Outlook	Stable	Negative	Stable	Stable																		

		<p>[The Notes [have been/are expected to be] rated [<i>specify rating(s) of Tranche being issued</i>] by [<i>specify rating agent(s)</i>].]</p> <p>[A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.]</p> <p>[No ratings have been assigned to the Notes at the request of or with the co-operation of the Issuer in the rating process.]</p>
--	--	--

Section C – the Notes		
<b>C.1</b>	<b>Description of Type and Class of Securities:</b>	<p>[The Notes are issued as Series number [●], Tranche number [●].]</p> <p>[The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [insert description of the Series] on [insert date/the Issue Date.]</p> <p>[The Notes are [Fixed Rate Notes], [Floating Rate Notes], [Zero Coupon Notes], [Partly Paid Notes] [or a combination of any of the foregoing], depending upon the interest basis.]</p> <p>International Security Identification Number (ISIN): [●]</p> <p>[Common Code: [●]]</p>
<b>C.2</b>	<b>Currency of the Securities Issue:</b>	The currency of this Series of Notes is [Pounds Sterling (£)/Euro (€)/U.S. dollars (U.S. \$)/ Other ([●]).]
<b>C.5</b>	<b>Free Transferability:</b>	Selling restrictions apply to offers, sales or transfers of the Notes under the applicable laws in various jurisdictions. A purchaser of the Notes is required to make certain agreements and representations as a condition to purchasing the Notes.
<b>C.8</b>	<b>The Rights Attaching to the Securities, including Ranking and Limitations to those Rights:</b>	<p>Status of the Notes: The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank <i>pari passu</i> without any preference or priority among themselves and (subject to any applicable statutory exceptions) equally with all other present and future unsecured and unsubordinated obligations of the Issuer.</p> <p>Denominations: No Notes may be issued under the Debt Issuance Programme established by CDP (the "<b>Programme</b>") which (a) have a minimum denomination of less than EUR 1,000 (or nearly equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the</p>

		<p>Issuer or by any entity to whose group the Issuer belongs. [Subject thereto, Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.]</p> <p>Events of Default: [The terms and conditions of the Notes will contain, amongst others, the following events of default:</p> <ul style="list-style-type: none"> <li>• default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;</li> <li>• non-performance or non-observance by the Issuer of any of its other obligations under the conditions of the Notes, in certain cases continuing for a specified period of time;</li> <li>• if (i) any indebtedness individually or in the aggregate in excess of EUR 100,000,000 (or its equivalent in any other currency or currencies) of the Issuer is not paid when due or (as the case may be) within any applicable grace period or becomes due and payable prior to its stated maturity by reason of default (howsoever described) by the Issuer or (ii) the Issuer fails to pay when due any amount payable by it under any guarantee of any indebtedness individually or in the aggregate in excess of EUR 100,000,000 (or its equivalent in any other currency or currencies);</li> <li>• certain final judgments for the payment of any amount in excess of EUR 10,000,000 (or its equivalent in any other currency or currencies) remain unsatisfied for a specific period of time;</li> <li>• security enforcement over the whole or a substantial (in the opinion of the Representative of the Noteholders) part of the undertakings, assets and revenues of the Issuer, continuing for a specified period of time;</li> <li>• events relating to the insolvency, bankruptcy or similar procedure of the Issuer;</li> <li>• events relating to winding up of the Issuer otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent;</li> <li>• the Issuer's performance or compliance with any of its obligations under or in respect of the Notes becomes unlawful; and</li> <li>• events relating to cessation of business of the Issuer save for (i) the purposes of a reorganisation, restructuring, merger, amalgamation transfer or contribution of assets or other similar transaction on</li> </ul>
--	--	--



		<p>terms approved by the Representative of the Noteholders or (ii) the purposes of a permitted reorganisation as agreed between the Issuer and the relevant Dealer at the time of the issue of the Notes.</p> <p>Upon of the continuing occurrence of the above, the Representative of the Noteholders, at its discretion, may, and if so directed by an extraordinary resolution of the Noteholders, shall give written notice to the Issuer that the Notes are immediately due and payable, whereby the Notes shall immediately become due and payable at their principal amount together with accrued interest.]</p> <p>Taxation: All payments in respect of Notes will be made free and clear of withholding taxes of the Republic of Italy, as the case may be, unless the withholding is required by law. In that event, the Issuer will, subject to customary exceptions, pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.</p> <p>However the Issuer shall not be liable, in certain circumstances, to pay any additional amounts to holders of the Notes with respect to any payment, withholding or deduction pursuant to Italian Legislative Decree No. 239 of 1 April 1996, as amended and supplemented from time to time, and related regulations of implementation which have been or may be subsequently enacted on account of substitute tax (<i>imposta sostitutiva</i>) as defined therein in relation to interest payable in respect of any Notes.</p> <p>Meetings: The terms of the Notes will contain provisions for calling meetings of holders of such Notes to consider matters affecting their interests generally. These provisions permit defined majorities to bind all holders, including holders who did not attend and vote at the relevant meeting and holders who voted in a manner contrary to the majority.</p>
C.9	<p><b>Information as to Interest, Maturity, Yield and the Representative of the Holders:</b></p>	<p>Please also refer to Element C.8 above.</p> <p><b>Interest</b></p> <p>[Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate.]</p> <p><b>Interest Rate</b></p> <p>[<i>Insert in the case of Fixed Rate Notes:</i>] The Notes bear interest [from their date of issue/from [●]] at the fixed rate of [●] per cent. per annum.</p> <p>The yield in respect of the Notes is [●] per cent.</p>

	<p>The yield is calculated at the issue date on the basis of the relevant Issue Price (as defined below).</p> <p>Interest will be paid [annually/semi-annually/quarterly] in arrear on [●] in each year. The first interest payment will be made on [●]]</p> <p>[[<i>Insert in the case of Floating Rate Notes:</i>][The Notes bear interest [from their date of issue/from [●]] at floating rates calculated by reference to [●]-EURIBOR] [[●]-LIBOR] [<i>insert CMS rate</i>] [for the relevant interest period[s][.][<i>in the case of a margin insert:</i>][, plus][, minus] the margin of [●] per cent. per annum][.] [<i>In the case of a factor insert:</i>], multiplied with a factor of [<i>Insert factor</i>]] for the relevant interest period. Interest will be paid [annually/semi-annually/quarterly] in arrear on [●], and [●] in each year, subject to adjustment for non-business days. The first interest payment will be made on [●]]</p> <p>[[<i>In the case of a minimum and/or maximum rate of interest, insert:</i>] The amount of interest payable on the Notes is subject to [<i>insert the minimum/maximum rate of interest</i>].]</p> <p>[The Notes do not bear any interest [and will be offered and sold at a discount to their nominal amount].]</p> <p>[Interest: The Notes do not bear interest.]</p> <p><b>Underlyings</b></p> <p>[Not Applicable. Interest on the Notes is not based on an underlying.]</p> <p>[[<i>Insert in the case of CMS Linked Interest Notes:</i>][<i>insert CMS Rate(s)</i>]</p> <p>[[<i>Insert in the case of Zero Coupon Notes:</i>] [Not Applicable.]</p> <p><b>Maturities</b></p> <p>Any maturity [between [<i>period</i>] and [<i>period</i>]] [of not less than [<i>period</i>]] [or with no fixed maturity date], subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.</p> <p><b>Redemption</b></p> <p>[The terms under which Notes may be redeemed (including the maturity date and the price at which they will be redeemed on the maturity date as well as any provisions relating to early redemption) will be agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.]</p>
--	--

		<p>Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on [●] at par.</p> <p>The Notes may be redeemed early [for tax reasons] [or] [for regulatory reasons] [or][at the option of the Issuer] [or] [at the option of the Noteholders]] at [<i>specify the early redemption price and any maximum or minimum redemption amounts</i>].</p> <p>[Optional Redemption: Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders at the terms agreed between the Issuer and the relevant Dealer at the time of issue of the relevant Notes.]</p> <p>[Redemption at the Option of the Issuer: The Notes may be redeemed at the option of the Issuer [in whole]/[in whole or in part] on [●] at [●], plus accrued interest (if any) to such date, on the Issuer's giving not less than [30] nor more than [60] days' notice to the Noteholders.]</p> <p>[Redemption at the Option of the Noteholders: The Issuer shall, at the option of the holder of any Note redeem such Note on [●] at [●] together with interest (if any) accrued to such date.]</p> <p>Tax Redemption: Except as described in "Optional Redemption" above, early redemption will only be permitted if the Issuer has or will become obliged to pay certain additional amounts in respect of the Notes as a result of any change in the tax laws of the Republic of Italy].</p> <p>Representative of the Noteholders: BNP Paribas Securities Services or any other person for the time being acting as Representative of the Noteholders.]/[Not Applicable]</p>
C.10	<b>Derivative Components in the interest payments:</b>	<p>Please refer to Element C.9.</p> <p>[Not Applicable. There is no derivative component in the interest payments.]</p>
C.11	<b>Application for admission to Trading:</b>	<p>[Application has been made to [the Luxembourg Stock Exchange/[●]] for the Notes to be admitted to trading on [the regulated market of the Luxembourg Stock Exchange/[●]].]</p> <p>[Not applicable. The Issuer does not intend to make any application for the Notes to be admitted to trading on any regulated market.]</p>

<b>Section D – Risks</b>		
<b>D.2</b>	<b>Risks Specific to the Issuer:</b>	<p>[Key information on the key risks that are specific to the issuer]</p> <p>In purchasing Notes, investors assume the risk that the Issuer may be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified a number of factors which could materially adversely affect their businesses and ability to make payments due.</p> <ul style="list-style-type: none"> <li>• The Notes do not benefit from any security or any guarantee of the Republic of Italy, therefore the Issuer will meet its payment obligations primarily through the results of its business activities;</li> <li>• CDP may segregate any of its assets, in whole or in part, in favour of the holders of asset-backed securities issued thereby or in favour of other lenders of CDP;</li> <li>• A part of the Issuer's total gross financial debt is represented by passbook savings accounts and postal savings bonds issued by the Issuer. The obligations of the Issuer in respect of such accounts and bonds are guaranteed by the Republic of Italy. According to applicable law, certain conditions will need to be fulfilled prior to the enforcement of the guarantee of the Republic of Italy;</li> <li>• The Conditions limit the ability of individual Noteholders to commence proceedings against the Issuer by conditioning the ability of any Noteholder to commence any such individual actions to the prior approval of a Meeting of all Series of Noteholders and failure by the Representative of the Noteholders to take such actions within a reasonable period of time;</li> <li>• The Issuer's credit ratings closely reflect the rating of the Republic of Italy and are therefore exposed to the risk of decline in the sovereign credit rating of Italy. Accordingly, on the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a knock-on effect on the credit rating of Italian issuers, such as CDP;</li> <li>• The Issuer is subject to market risk due to interest rates fluctuations, price fluctuations and exchange rates with respect to both financial instruments and financial exposures;</li> </ul>

		<ul style="list-style-type: none"> <li>• The CDP Group is subject to credit risk which consists in the risk arising out of the possible default of one or more debtors with respect to their obligations towards CDP. CDP is therefore subject to the risk that its counterparties do not fulfil their own obligations when payments are due, as well as to the risk arising out of loans granted upon the basis of incomplete, false and untruthful information;</li> <li>• CDP is subject to liquidity risk arising out of the lack of funds needed in the ordinary course of business. For CDP liquidity risk arises with respect to both its ability to collect funds on the market (funding liquidity risk), in connection with passbook savings accounts and postal savings bonds and its difficulty to liquidate its own assets (market liquidity risk);</li> <li>• CDP is subject to the risk arising out of the potential asset-liability mismatch between lending activity, which represents most of the asset side, and postal saving collecting, which represents the greatest component of the funding side;</li> <li>• CDP is subject to the risk arising out of its exposure to the Atlante Funds. The Atlante Funds are closed-end alternative investment funds managed by Quaestio Capital SGR S.p.A., which were established in order to support the recapitalization of Italian banks and to facilitate the disposal of non-performing loans. The Atlante Funds are periodically valued on the basis of the assets in the portfolio; therefore the significant investment made by CDP in the Atlante Funds are exposed to fluctuations in their value;</li> <li>• CDP is subject to the risk arising out of the guarantee provided to the National Resolution Fund, established by the Bank of Italy in compliance with Directive 2014/59 on the banks' recovery and resolution;</li> <li>• CDP is subject to the risk arising out of the concentration of the sources for the collection of savings. Postal savings in particular are the main source of collection of savings for CDP;</li> <li>• CDP is subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events;</li> <li>• CDP is subject to the risk that its net economic value, profitability or net equity could be adversely affected by variables relating to equities and shareholdings in the investment funds in which it is invested;</li> <li>• CDP, as parent company of the CDP Group, is exposed to some of the risks to which certain members of the CDP Group are subject. In particular, the members of the CDP Group are mainly subject to (i) market risk, (ii)</li> </ul>
--	--	---

		liquidity risk, (iii) operational risk, and (iv) risks arising out of legal disputes.
<b>D.3</b>	<b>Risks Specific to the Notes:</b>	<p>There are also risks associated with the Notes. These include a range of market risks (including that there may be no or only a limited secondary market in the Notes, that the value of an investor's investment may be adversely affected by exchange rate movements where the Notes are not denominated in the investor's own currency, that any credit rating assigned to the Notes may not adequately reflect all the risks associated with an investment in the Notes and that changes in interest rates will affect the value of Notes which bear interest at a fixed rate), the fact that the conditions of the Notes may be modified without the consent of the holder in certain circumstances, that the holder may not receive payment of the full amounts due in respect of the Notes as a result of amounts being withheld by the Issuer in order to comply with applicable law and that investors are exposed to the risk of changes in law or regulation affecting the value of Notes held by them.</p> <p><b>Key risks regarding to certain types of Notes</b></p> <p>The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.</p> <p>If the Issuer has the right to convert the interest rate on any Notes from a fixed rate to a floating rate, or vice versa, this may affect the secondary market and the market value of the Notes concerned.</p> <p>Notes which are issued at a substantial discount or premium may experience price volatility in response to changes in market interest rates.</p> <p>The value of Fixed Rate Notes may be adversely affected by movements in market interest rates.</p> <p>Credit ratings assigned to the Issuer or any Notes may not reflect all the risks associated with an investment in those Notes.</p> <p>[The Issuer may issue Notes with interest determined by reference to the CMS Rate (a "<b>Relevant Factor</b>"). Potential investors should be aware that:</p> <ul style="list-style-type: none"> <li>(i) the market price of such Notes may be very volatile;</li> <li>(ii) they may receive no interest;</li> </ul>

		<p>(iii) payment of principal or interest may occur at a different time;</p> <p>(iv) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;</p> <p>(v) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and</p> <p>(vi) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.</p> <p>Furthermore, with regard to Floating Rate Notes, where the reference rate used to calculate the applicable interest rate turns negative, the interest rate will be below the margin, if any, or may be zero. Accordingly, where the rate of interest is equal to zero, the holders of such Floating Rate Notes may not be entitled to interest payments for certain or all interest periods, it being understood that under no circumstances shall the Rate of Interest (as defined in the Conditions) be less than zero.]</p> <p>[The Issuer may issue Partly Paid Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.]</p>
--	--	---

Section E – Offer		
E.2b	<b>Reasons for the Offer and Use of Proceeds:</b>	[Notes will be issued by the Issuer to raise funds to finance general funding purposes of the Issuer.] [The net proceeds from this issue of Notes will be applied by the Issuer [to [●]] ( <i>relevant social or green project to be specified</i> ) [in accordance with [●]] ( <i>relevant social or green bond framework to be specified</i> ) ]
E.3	<b>Terms and Conditions of the Offer:</b>	[The Issue Price of the Notes is [●] per cent. of their principal amount.] [The Notes may be offered to the public as an offer to the public in one or more specified Public Offer Jurisdictions, as specified in the Final Terms.] [The terms and conditions of each offer of Notes will be determined by agreement between the Issuer and the

		<p>relevant Dealers at the time of issue. An investor intending to acquire or acquiring any Notes in an Offer to the Public from an Authorised Offeror will do so, and offers and sales of such Notes to an Investor by such Authorised Offeror will be made, in accordance with any terms and other arrangements in place between such Authorised Offeror and such Investor including as to price, allocations and settlement arrangements.]</p> <p>[No offer to the public is being made or is contemplated]</p> <p>[This issue of Notes is being offered to the public in [●]].</p> <p>Offer Period: [<i>specify date</i>] until [<i>specify date</i>]</p> <p>Offer Price: [Issue Price/Not Applicable/specify]</p> <p>Conditions to which the offer is subject: [Not Applicable/<i>give details</i>]</p> <p>Description of the application process: [Not Applicable/<i>give details</i>]</p> <p>Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/<i>give details</i>]</p> <p>Details of the minimum and/or maximum amount of application: [Not Applicable/<i>give details</i>]</p> <p>Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/<i>give details</i>]</p> <p>Manner in and date on which results of the offer are to be made public: [Not Applicable/<i>give details</i>]</p> <p>Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/<i>give details</i>]</p> <p>Whether tranche(s) have been reserved for certain countries: [Not Applicable/<i>give details</i>]</p> <p>Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/<i>give details</i>]</p> <p>Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/<i>give details</i>]</p> <p>Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [None] / [●]</p>
<b>E.4</b>	<b>Interests Material to the Issue:</b>	[The relevant Dealers may be paid fees in relation to any issue of Notes under the Programme. Any such Dealer and its affiliates may also have engaged, and may in the future engage, in investment banking and/or commercial banking



		<p>transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business.]</p> <p>[The [Dealers/Managers] will be paid aggregate commissions equal to [●] per cent. of the nominal amount of the Notes.] [Other than as mentioned above, [and save for [●],] so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer, including conflicting interests.]</p>
<b>E.7</b>	<b>Estimated expenses charged to the investor by the issuer or the offeror:</b>	<p>[Offer price: Issue Price.] [Authorised Offerors (as defined above) may, however, charge expenses to investors.]</p> <p>[Other Commissions: <i>[Insert other commissions.]</i>]</p> <p>[Not applicable. No such expenses will be charged to the investor by the Issuer or a dealer. [Any expenses chargeable by an Authorised Offeror to an Investor shall be charged in accordance with any contractual arrangements agreed between the Investor and such Authorised Offeror at the time of the relevant offer.]</p>

## RISK FACTORS

*The following are the risk factors relating to the Issuer and Notes to be issued under the Programme which prospective purchasers of Notes should consider prior to making an investment decision. Prospective purchasers of Notes should also read the information set out elsewhere in this Base Prospectus. Words and expressions defined in the "Terms and Conditions of the Notes" (the "**Conditions**") below or elsewhere in this Base Prospectus have the same meanings in this section.*

*Prospective investors should note that the risks relating to the Issuer, its business sector and the Notes summarised in the section of this document headed "Summary" are the risks that the Issuer believes to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider not only the information on the key risks summarised in the section of the Issuer headed "Summary" but also the risks and uncertainties described below.*

*In purchasing Notes, investors assume the risk that the Issuer may be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the Issuer becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the Issuer may not be aware of all relevant factors and certain factors which it currently deem not to be material may become material as a result of the occurrence of events outside the Issuer's control. The Issuer has identified in this Base Prospectus a number of factors which could materially adversely affect its businesses and ability to make payments due.*

### **Risk factors relating to the Issuer**

#### ***Issuer's ability to meet its obligations under the Notes***

No security interest has been created by CDP for the benefit of the holders of the Notes for their claims under the Notes, nor will any guarantee be issued by the Republic of Italy in favour of the Noteholders. Consequently, the Issuer will meet its payment obligations under the Notes primarily through the result of its business activities. Noteholders will have access to all assets of CDP to satisfy their claims under the Notes, other than assets (if any) segregated by CDP in favour of certain creditors of CDP, pursuant to paragraph 18 of Article 5 of Italian Law Decree No. 269 of 30 September 2003 ("**Article 5**"). See further details on segregated asset under "Segregated Assets of CDP" below.

#### ***Segregated Assets of CDP***

CDP may segregate any of its assets, in whole or in part, in favour of the holders of asset-backed securities issued thereby or in favour of other lenders of CDP. In particular, pursuant to paragraph 18 of Article 5, upon segregation, the assets may be attached only by the holders of the asset-backed securities or other lenders identified by CDP and constitute separate assets in all respects from that of CDP until final discharge of their rights against CDP. In addition, notwithstanding the provisions of article 2447-bis, letter (a) of the Italian Civil Code on the segregation of assets by joint

stock companies to specific businesses, the segregation of assets upon which CDP may resolve, is not subject to any limit sets by law.

### ***Existing Indebtedness***

As of 31 December 2017, the total gross financial debt of the Issuer amounted to Euro 340,498<sup>1</sup> million, of which Euro 252,754 million was represented by passbook savings accounts and postal savings bonds issued by the Issuer. The obligations of the Issuer in respect of such accounts and bonds are guaranteed by the Republic of Italy. In the event of enforcement of the guarantee, pursuant to the provisions of the decree of the MEF of 6 October 2004, the Republic of Italy has conditioned its repayment rights against CDP to the absence of any prejudice to (i) the claims of public bodies or entities arising from the Separate Account System, (ii) the continuance of CDP's corporate activities carried out pursuant to paragraph 7, letter (a) of Article 5; and (iii) its title to the shareholdings transferred to CDP by the MEF at the time of its transformation in a joint stock company.

### ***Limited rights of individual Noteholders***

The protection and exercise of the Noteholders' rights against the Issuer is one of the duties of the Representative of the Noteholders. The Conditions limit the ability of individual Noteholders to commence proceedings against the Issuer by conditioning the ability of any Noteholder to commence any such individual actions to the prior approval of a Meeting of all Series of Noteholders and failure by the Representative of the Noteholders to take such actions within a reasonable period of time.

### **Risk factors relating to the financial crisis**

CDP and its subsidiaries (the "**CDP Group**") carry out their business activities mainly in Italy with public entities and, to a lesser extent, private entities, including banking groups operating in Italy. As such, the CDP Group's business is affected by the economic conditions affecting Italy, which, at the same time, are connected to European and global economic conditions.

The current macroeconomic environment is still characterised by significant uncertainty relating to: (i) economic trends relating to recovery expectations and consolidation of the growth dynamics of the economies of countries such as the United States and China, which have been subject to substantial growth also in recent years, (ii) future developments in the monetary policy of the European Central Bank ("**ECB**") in the Eurozone and of the Federal Reserve in the dollar-zone, as well as the policies implemented by the various countries to encourage competitive devaluation of their currency and (iii) the sustainability of sovereign debt of some countries and related tensions that are more or less recurring on financial markets.

---

<sup>1</sup> The gross financial debt is the sum of the items 10, 20, 30 and 50 of the balance sheet - liabilities and equity, net of accrued expenses, deferred income, fair value adjustments and other liabilities (Euro 495 million)

### ***The sovereign debt crisis***

The sovereign debt crisis has raised concerns about the long-term sustainability of the European Monetary Union and the ordinary activity of many commercial and investment banks as well as insurance companies, some of which have become insolvent or have been forced to merge with other financial firms or have requested assistance from governments, central banks and international monetary funds which have intervened injecting liquidity into the economic system, also taking part to the restructuring of some financial entities. Moreover, other negative factors, such as increasing unemployment levels, have worsened the situation.

Persistent market tensions might affect negatively the funding costs and economic outlook of some euro member countries, including Italy. This, together with the risk that some countries (even if not very significant in terms of gross domestic product) might leave the euro area, would have a material and negative impact on Italy's sovereign debt and economic conditions and, therefore, on CDP and its operations.

Any deterioration of the Italian economy would have a material adverse effect on CDP, in light of the CDP Group's significant exposure to the Italian economy. Since the beginning of the sovereign debt crisis in May 2010, credit quality has generally declined, as reflected by downgrades suffered by several countries in the Eurozone, including Italy. The Issuer's credit ratings closely reflect the rating of the Republic of Italy and are therefore exposed to the risk of decline in the sovereign credit rating of Italy. Accordingly, on the basis of the methodologies used by rating agencies, further downgrades of Italy's credit rating may have a knock-on effect on the credit rating of Italian issuers, such as CDP.

Despite the several initiatives of supranational organisations to deal with the heightened sovereign debt crisis in the euro area, global markets remain characterised by high volatility. Any further acceleration of the European sovereign debt crisis could likely significantly affect, among other things, the recoverability and quality of the sovereign debt securities held by CDP.

### ***Risks relating to CDP investment in Atlante Fund and Atlante II Fund in support of Italian banking system stability***

The persistence of the crisis in the credit markets and the slowdown in the global economy required certain interventions aimed at supporting the stability of the Italian banking system.

In particular, CDP has, together with the most important Italian banks and insurance companies, joined the Atlante Funds (as defined below) and it is therefore subject to the risk arising out of its exposure to these funds.

Incorporated in April 2016 Atlante Fund, a closed-end alternative investment fund under Italian law named "*Atlante*" (the "**Atlante Fund**"), was promoted by Quaestio Capital SGR S.p.A. ("**Quaestio Capital**"). The Atlante Fund's main objectives are (i) to facilitate the disposal of non-performing loans of Italian banks and (ii) to support the recapitalization of Italian banks, by acting as guarantor (back stop facility). On 8 August 2016, a closed-end alternative investment fund under Italian law called "*Italian Recovery Fund*", formerly Atlante II Fund (the "**Italian Recovery Fund**" and, together

with the Atlante Fund, the "**Atlante Funds**") and promoted by Quaestio Capital was established.

More specifically, the Atlante Fund may act:

- as underwriter in the recapitalisation of Italian banks whose capital requirements have fallen below the minimum thresholds required by the Supervisory Review and Evaluation Process ("**SREP**"); and
- in the context of securitisations of non-performing loans, by purchasing junior note tranches (that are subject to a greater higher risk).

The Italian Recovery Fund's aim of investing in securitisation of non-performing loans portfolios of Italian banks.

Together with the most important Italian banking and insurance entities, CDP (i) invested in the Atlante Fund, pledging a maximum commitment of €500 million; and (ii) pledged in the Atlante II Fund, a maximum commitment of €320 million.

During the period ended on 31 December 2017, Atlante Fund participated in two transactions to recapitalise Italian banks – Banca Popolare di Vicenza S.p.A. and Veneto Banca S.p.A – and Atlante II Fund invested in the NPLs of Nuova Banca Etruria e del Lazio S.p.A., Nuova Cassa di Risparmio di Chieti S.p.A., Nuova Banca delle Marche S.p.A., Nuova Cassa di Risparmio di Ferrara S.p.A., Cassa di Risparmio di Rimini S.p.A., Cassa di Risparmio di San Miniato S.p.A. and Cassa di Risparmio di Cesena S.p.A..

The Atlante Funds are periodically valued on the basis of the assets contained in the relevant fund portfolio; therefore the significant investments made by CDP in the Atlante Funds are exposed to fluctuations their value.

### ***Risks relating to CDP's relationship with the Republic of Italy***

The nature of CDP's business, as lender of funding to Italian public entities thereby providing a service of general economic interest, implies that, in addition to the risks connected with the need for renewal upon expiry of agreements and concessions, CDP bears the risks associated with its special relationship with the Italian government, which is CDP's main shareholder, and therefore may exercise a significant influence on CDP's operations; which could be weighty in case of persistent political uncertainty.

### **Risk factors relating to market conditions affecting CDP**

#### ***Market risk***

Market risk means the risk of losses arising from adverse fluctuations of the value of assets (or financial exposures), including securities, which may decrease (or increase) following the fluctuations of some market conditions. Such risk may arise from the fluctuations of interest rates, credit spread, exchange rates, shares prices or any other fluctuating parameter, such as market volatility and the implied probabilities of default of the various financial assets.

The market risk to which CDP is subject concerns both financial instruments, including derivatives, and financial exposures which are influenced by credit spread and interest rates during different observation periods. The market risk includes, inter alia, the following risks:

- risks connected with interest rates fluctuations;
- risk relating to price fluctuations; and
- risks connected with exchange rates.

### ***Risks connected with interest rate fluctuations***

The risk arising out of the fluctuation of interest rates consists in the risk that the value and yield of assets and liabilities would vary following market fluctuations of interest rates.

In the context of its business activity, CDP is subject to interest rate risk in different ways, in particular through repricing, term structure, basis and optionality. Moreover, CDP carries out collection of savings and lending activities. The value and yield both of the credits arising out of loans granted by CDP and the exposures connected with the collection of savings carried out by CDP are subject to interest rates fluctuations which, as such, are influenced by various parameters not under the Issuer's control, such as monetary policies, macroeconomic and political conditions. In particular, fluctuations of interest rates may increase costs related to lending activities carried out by CDP faster and more substantially than yields on assets, for example because of a mismatch between maturities, or given a maturity between interest rate sensitivities, of assets and liabilities.

At the same time, decreasing interest rates may cause a minor yield arising from the assets held by CDP which may not match a similar decrease in the cost of funding. Such situations as well as the current scenario characterised by very low interest rates may affect the value of CDP's assets and exposures. This is due mainly to the fact that CDP invests its liquidity mainly in an account held with the central Treasury of the Italian State indexed to current government bonds yields. Therefore, and if such yields decrease CDP might not be able to reduce the costs related to the collection of savings accordingly.

In particular, the risk to which CDP is subject regarding interest rates is not properly comparable to the one in the banking sector due to the early redemption option in favour of the holders of postal savings bonds which represent the main sources of long-term collection of savings used by CDP. The value of the put option and the bondholder's incentive to exercise the option is strongly influenced by interest rate levels and trends.

Therefore, the increasing and decreasing of interest rates may adversely affect the financial situation and operating results of CDP and, therefore, the Issuer's ability to fulfil its obligations under the Notes.

In addition, with respect to the issue of postal savings bonds indexed to consumer prices in Italy, CDP is also subject to the inflation risk. In particular, such risk is due to the fact that as consequence of the increasing inflation rate, CDP shall pay a greater

amount of interests to bondholders. Therefore, a rise of inflation rate in Italy may adversely affect the financial situation and the operating results of CDP and, therefore, the ability of the Issuer to fulfil its obligations under the Notes. CDP safeguards the inflation risk using methodologies equivalent to those adopted in the banking sector for monitoring interest rates risks.

CDP monitors its exposure and the interest rate risk to which is subject through an evaluation of the response of its financial statements data to interest rates fluctuations, quantified by means of so called "sensitivity" analysis (for less severe turbulence) or "stress test" (for more severe turbulence). In any event, even though the Issuer has implemented an interest rate risk monitoring structure, there is no guarantee that such structure would be effective and suitable for containing such risk for CDP. Such situation may adversely affect the financial situation and the operating results of CDP and, therefore, the ability of the Issuer to fulfil its obligations under the Notes.

### ***Risks relating to price fluctuations***

Price risk consists in the risk relating to price fluctuations of equity securities, equity-linked bonds, undertaking for collective investments and, index-linked, derivatives.

The CDP Group holds interests in Italian corporations and investment funds and, therefore, it is subject to the risk that the value of such interests may be affected by fluctuations of the relevant shares' or units' value as well as by fluctuations of the relevant derivatives' value.

A reduction of the value of such investments may adversely affect the financial situation and the operating results of CDP and, therefore, the ability of the Issuer to fulfil its obligations under the Notes.

In addition, CDP is subject to the risks arising out of its direct and indirect shareholdings (in listed and non-listed companies) and from the units held in investment funds. Among the interests held by CDP, there are those in ENI S.p.A. ("**ENI**"), SACE S.p.A. ("**SACE**"), CDP RETI S.p.A. ("**CDP RETI**"), CDP Equity S.p.A. ("**CDP Equity**"), Fintecna S.p.A. ("**Fintecna**"), Poste Italiane S.p.A. ("**Poste**"), Fincantieri S.p.A. ("**Fincantieri**"), and Saipem S.p.A. ("**Saipem**").

### ***Risks connected with exchange rates***

Exchange rate risk is the risk that changes in exchange rates might have a negative impact on the net income or economic value of CDP.

Certain activities of CDP can generate exchange rate risk. CDP undertakes such activities only if covered by appropriate exchange rate hedges.

The activities of CDP that can engender such exposure are normally associated with the issue of bonds denominated in foreign currencies, equity investments the value of which can be exposed to changes in exchange rates, 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.

## **Credit Risk**

The CDP Group is subject to credit risk which consists in the risk arising out of the possible default of one or more debtors with respect to their obligations towards CDP. The business activity carried out by the CDP Group, and in particular by the CDP Group parent company, consists in the activity of, *inter alia*, granting loans to Italian public entities, local entities and companies, hedging activities through derivatives, treasury activities in the context of both the separate account system ("**Separate Account System**") and ordinary account system ("**Ordinary Account System**"). CDP is therefore subject to the risk that its counterparties do not fulfil their own obligations when payments are due, as well as to the risk arising out of loans granted upon the basis of incomplete, false and untruthful information.

## **Liquidity risk**

The liquidity risk consists in the risk arising out of the lack of funds needed in the ordinary course of business and, as consequence thereof, in the risk arising out of the inability to fulfil, without any exorbitant costs, payment obligations when due.

For CDP liquidity risk arises with respect to both its ability to collect funds on the market (funding liquidity risk), in connection with passbook savings accounts and postal savings bonds representing the main exposures in the Separate Account System, and its difficulty to liquidate its own assets (market liquidity risk).

In order to face issues related to the need of liquidity in the context of the Ordinary Account System, CDP raises funds on capital markets or avails itself of loans granted by the European Investment Bank ("**EIB**") at conditions substantially equivalent to those available to banks. CDP has adopted procedures to avoid the rising of unexpected needs of liquidity by timely predicting demand of supply, by setting limits to the mismatching of the maturities between asset and liabilities, by monitoring its short-term liquidity and its liquidity requirements in the short, medium and long-term period. Moreover, among the procedures adopted to face liquidity risk, CDP has implemented a system called "Contingency Funding Plan", which describes the processes and the strategies for managing a possible liquidity crisis.

Anyway, there is no guarantee that the procedures adopted in order to avoid liquidity risk are effective and sufficient to mitigate such risk for CDP. Therefore, the inefficacy of such procedures may adversely affect financial situation and operating results of CDP and, as consequence thereof, affect the Issuer's ability to fulfil its obligations under the Notes.

## **Risks relating to the potential asset-liability mismatch**

In the context of its business CDP is subject to potential asset-liability mismatch due mainly to different characteristics, in terms of liquidity and interest rate indexation, between lending activity, which represents most of the asset side, and postal saving collecting, which represents the greatest component of the funding side. For further information please see the paragraphs "*Risks connected with interest rate fluctuations*" and "*Liquidity risk*" above.



## Risk factors relating to funding

CDP is subject to the risk arising out of the concentration of the sources for the collection of savings. In particular, postal savings are the main source of collection for CDP.

As at 31 December 2017, the total stock of postal savings, including passbook savings accounts and postal savings bonds pertaining to CDP, came to Euro 252,754 million, compared with €250,800 million at the end of 2016.

More specifically, the carrying amount of passbook savings accounts was Euro 108,566 million, while postal savings bonds, which are measured at amortised cost, was to Euro 144,187 million.

Passbook savings accounts (*libretti di risparmio postale*) are financial products, issued by CDP and placed by Poste, represented by registered or bearer deposits, redeemable at demand, assisted by the State guarantee. Postal savings bonds (*buoni fruttiferi postali*) are registered financial products, issued by CDP and placed by Poste, with maturity until 20 years, redeemable at demand, assisted by the State guarantee.

Postal savings products (*i.e.* postal savings bonds and passbook savings accounts) are placed exclusively by Poste.

On 14 December 2017, CDP and Poste entered into an agreement for the placement of postal saving products (the "**Agreement**"). The Agreement has a duration of 3 years and shall be effective for the period 2018 – 2020.

Any possible variation of the corporate governance of Poste, without any variation of the majority, shall not affect the Agreement and the placement activities carried out by Poste Italiane S.p.A with respect to the postal saving products.

In light of the above, the Agreement enhances a risk of concentration of CDP funding sources. In any event, the Agreement shall assure the stabilization of the funding volumes and the management of extraordinary situations such as those regarding the variation of the corporate governance of the parties, even on the basis of the recent amendments introduced by Italian Law 23 December 2014, No. 190.

In order to mitigate the risk of concentration of the funding sources, some measures have been considered to improve efficiency, consolidation and differentiation of funding for CDP, which should provide continuous and stable funding volumes. In particular the sources of institutional funding have been enhanced with the establishment of the CDP's "*Cassa depositi e prestiti S.p.A. Euro 10,000,000,000 Debt Issuance Programme*", the launch of a commercial paper program, the negotiation of new lines of credit granted by the EIB and other supranational institutions and the establishment of a new program of retail bonds. Anyway, there is no guarantee that the measures implemented in order to avoid funding concentration risk are effective and sufficient to mitigate such risk for CDP. Therefore, the inefficacy of such measures may adversely affect financial situation and operating results of CDP and, as consequence thereof, affect the Issuer's ability to fulfil its obligations under the Notes.

## Operational Risk

The CDP group is subject to operational risk (*i.e.* the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events). Such risk includes the risk of losses resulting from internal or external fraud, human error, employment relationships and workplace safety, business disruption, system unavailability, breach of contract, process management, damage to company assets malicious software/cyber attacks and natural disasters.

CDP has adopted the guidelines established by the Basel Committee for the banking industry as the benchmark for managing operational risk. However, there is no guarantee that the measures implemented in order to mitigate operational risk are effective and sufficient to mitigate such risk for CDP. Therefore, the inefficacy of such measures may adversely affect financial situation and operating results of CDP and, as consequence thereof, affect the Issuer's ability to fulfil its obligations under the Notes.

### **Risk factors arising out of shareholdings**

CDP holds shares in Italian companies and investment funds. The CDP Group is exposed to the risk that its net economic value, profitability or net equity could be adversely affected by variables relating to equities and shareholdings in the investment funds in which it is invested and, in particular, by the market price of such securities and shares and related derivatives, or by changes in the present and prospective profitability of the investment in such securities and shares and related derivatives, which depends, *inter alia*, on dividends from time to time approved by the relevant companies and investment funds in which CDP holds shares.

### **Risk factors arising out of companies subject to CDP control**

CDP Group is subject to the same risks to which certain companies forming part of the CDP Group are subject (such as SACE, Fintecna and its subsidiary Fincantieri, CDP Equity and CDP Immobiliare S.r.l. ("**CDP Immobiliare**") and Terna S.p.A. ("**Terna**"), SNAM S.p.A. ("**SNAM**") and Italgas S.p.A. ("**Italgas**") which are managed through the investment vehicle CDP RETI. In particular, the members of the CDP Group are mainly subject to (i) market risk, (ii) liquidity risk and credit risk, (iii) operational risk and (iv) risks arising out of legal disputes (see also "*Description of Cassa depositi e prestiti S.p.A. – Legal Proceedings – Legal disputes relating to certain subsidiaries of CDP*").

### **SACE Group**

The group composed by SACE and its subsidiaries – SACE FCT S.p.A., SACE BT S.p.A. and SIMEST S.p.A. ("**SACE Group**") – is mainly subject to (i) insurance risk; (ii) financial risks and (iii) risks arising out of legal disputes (see also "*Description of Cassa depositi e prestiti S.p.A. – Legal Proceedings – Legal disputes relating to certain subsidiaries of CDP*").

SACE Group is mainly exposed to insurance risks – thought SACE S.p.A. and SACE BT S.p.A. ("**SACE BT**") – which include technical risk, meant as underwriting and credit risk. The former, relating to the portfolio of guarantees, refers to the risk of losses arising from unfavourable claim performance compared with estimated claims (pricing risk), or from mismatches between the cost of claims and the amount reserved (reserve risk). The latter refers to the risk of default of the counterparties and of changes in their creditworthiness. Both risks are managed by the adoption of prudent

pricing and reserve policies defined using best market practices, underwriting criteria, monitoring techniques and active portfolio management.

As at 31 December 2017, the total exposure of SACE, calculated as the sum of credit and guarantees issued (principal and interest) amounted to Euro 50.6 billion, an increase of 15.3 per cent. compared with the end of 2016. The pace of growth is mainly due to the guarantee portfolio, which accounted for 98.7 per cent. of the overall exposure. SACE BT is subject to short term credit insurance risks, to surety business risks and to construction/other property damage business risks. As at 31 December 2017 the total exposure in the portfolio of SACE BT amounted to Euro 41.3 billion, an increase of 2.5 per cent. to compared with the end of 2016.

SACE FCT S.p.A. ("**SACE FCT**"), the company engaged in trade receivables financing, is subject to financial risks arising from receivable financing aimed at suppliers of public-sector companies, large industrial groups and export companies. Factoring receivables of SACE FCT, net of collected receivables and credit notes, as at 31 December 2017 amounted to Euro 1,921 million, and show a decrease 7.3 per cent. compared with 31 December 2016.

Since 30 September 2016 SACE holds a 76.01 per cent. shareholding in SIMEST S.p.A. ("**SIMEST**"), with the remaining 24 per cent. being held by other private sector shareholders including banks and trade associations. SIMEST works alongside Italian companies and may acquire up to 49 per cent. of the share capital of foreign firms, both directly and through a venture capital fund, in order to provide assistance to Italian companies' ("**Partners**") that wish to invest in companies incorporated outside of the European Union. In addition, SIMEST may acquire shareholdings of up to 49 per cent. in Italian companies and/or their EU subsidiaries that develop investments in production and in innovation and research on market terms without financial assistance.

Upon acquisition of the investment, the Partners undertake to purchase SIMEST's interest at the end of the investment period (up to eight years). The commitment to repurchase is in some cases also covered by banking/insurance guarantees, collateral and/or corporate guarantees.

In the light of the above, SIMEST is ultimately exposed to the credit risk of the Partners.

As at 31 December 2017 the total shareholding portfolio of SIMEST amounted to Euro 572 million, an increase of 6.8 per cent compared with the end of 2016, increasing resources dedicated to internalization projects.

### ***Terna Group***

As a normal part of operations, Terna, the parent company of the Terna Group, and its subsidiaries (the "**Terna Group**") are exposed to a variety of financial risks: market risk (exchange rate risk, interest rate risk and inflation risk), liquidity risk and credit risk. Terna's risk management policies seek to identify and analyse the risks which the Terna Group is exposed to, establishing appropriate limits and controls and monitoring risks and compliance with such limits. These policies and the related systems are reviewed on a regular basis in order to consider any changes in market conditions or in the operations of the Terna Group. The exposure of the Terna Group to the aforementioned risks is substantially represented by the exposure of Terna, as parent

company of the Terna Group. As a part of the financial risk management policies approved by its board of directors, Terna has established the responsibilities and operating procedures for financial risk management, specifically as it concerns the instruments to be used and the precise operating limits in managing them.

### ***SNAM Group***

SNAM, the parent company of the SNAM Group, established the Enterprise Risk Management ("**ERM**") unit, reporting directly to its Chief Executive Officer, in order to monitor the integrated corporate risk management process for all its subsidiaries (together with SNAM, the "**SNAM Group**"). ERM's main goals are defining a risk assessment model that enables the identification of the aforementioned risks based on common, cross-functional logics and the prioritisation of risks, as well as the consolidation of mitigation actions and the development of a reporting system.

The ERM method adopted by the SNAM Group for the structured, consistent identification, assessment, management and control of risks is in line with the reference frameworks and existing international best practice (COSO Framework and ISO 31000). ERM operates within the wider context of SNAM's risk management and internal control system.

The main risks identified, monitored and managed by SNAM within the scope of corporate risks are: (i) market risk resulting from exposure to interest rates and natural gas price fluctuations; (ii) credit risk resulting from the possibility of default by a counterparty; (iii) liquidity risk resulting from the lack of financial resources to fulfil short-term commitments; (iv) rating risk; (v) default risk and debt covenants; (vi) operational risk and (vii) specific risks linked to the sectors in which the group operates.

### ***Italgas Group***

The risk management and internal control model for corporate reporting adopted by Italgas was defined in line with the provisions of Italian law and is based, in terms of method, on the "CoSO Framework" ("Internal Control – Integrated Framework", issued by the Committee of Sponsoring Organizations of the Treadway Commission), international reference model for the establishment, updating, analysis and assessment of the internal control system.

The design, establishment and maintenance of the Corporate Reporting Internal Control System are guaranteed through scoping, identifying and assessing risks and controls (at corporate and process level, through risk assessment and monitoring activities), and the relevant information flows (reporting).

The main risks identified, monitored and managed by Italgas within the scope of corporate risks are: (i) market risk resulting from exposure to interest rates and natural gas price fluctuations; (ii) credit risk resulting from the possibility of default by a counterparty; (iii) liquidity risk resulting from the lack of financial resources to fulfil short-term commitments; (iv) rating risk; (v) default risk and debt covenants; (vi) operational risk and (vii) specific risks linked to the sectors in which the group operates.

### ***Fintecna Group***

The main operational risk factors concerning Fintecna, as parent company of the Fintecna group, and the special purpose entities (subject to the direct control of Fintecna) dedicated to liquidation activities, relate to the handling of ongoing complex litigation mostly related to the companies already in liquidation that have come under its control over the years. Referring to the mentioned special purpose entities, other operational risk factors are those related to the management of environmental remediation and the acquired real estate assets. Taking into consideration the complexity and considerable uncertainty of these situations, Fintecna's directors – acting on the best available information – periodically update the evaluations of the adequacy of the provisions recognised in the financial statements.

In addition, Fintecna is subject, *inter alia*, to (i) liquidity risk, (ii) credit and counterparty risk, (iii) other financial risks and (iv) risks arising out of legal disputes (see also "*Description of Cassa depositi e prestiti S.p.A. – Legal Proceedings – Legal disputes relating to certain subsidiaries of CDP*").

Furthermore, particular attention is finally placed by the company to the compliance risk, considering the possible reputational implications that could arise from it and in connection with environmental, health and safety aspects.

### ***Fincantieri Group***

The performance of Fincantieri and its subsidiaries (the "**Fincantieri Group**") is strongly dependent on changes in their clients' workloads and good relations with some of them constitute one of the Fincantieri Group's strengths. The shipbuilding industry, in which Fincantieri operates, has historically been characterised by cyclical performance, responding to trends in its reference markets.

In order to mitigate the impact of the cyclical performance of the shipbuilding industry, in recent years the Fincantieri Group has pursued a strategy of diversification, expanding its business both at product level and at geographical level. In addition, commercial policies, the development of new products or an increase in production capacity by its competitors could lead to competition on price, with a corresponding reduction in profit margins.

Fincantieri seeks to maintain its competitive position in its business areas by ensuring high standards of product quality and innovation, alongside the pursuit of cost optimisation solutions and flexible use of technical and financial solutions in order to remain competitive in the industry in terms of its commercial offer.

In its pursuit of business opportunities in emerging markets, the Fincantieri Group seeks to mitigate country and/or corruption risk by focusing on commercial actions that are supported by intergovernmental agreements or other forms of cooperation between States.

Fincantieri Group is also subject to (i) risks connected to operational complexity, managing orders and outsourcing production; (ii) compliance risk; (iii) risks connected to exchange rate changes and (iv) risks connected to existing debt. Nonetheless Fincantieri is exposed to market risk, with specific regard to fluctuations in oil prices, given its exposure to the energy equipment sector through its subsidiary Vard Group AS.

## **CDP Immobiliare Group**

Following the acquisition of direct control of CDP Immobiliare by CDP, the new risk monitoring procedures for CDP Immobiliare's subsidiaries (which, together with CDP Immobiliare as parent company, compose the "**CDP Immobiliare Group**") - including operational ones - and the action plan for subsequent implementation are currently being shared with CDP.

In particular, the CDP Immobiliare Group is subject, *inter alia*, to (i) market risks (*i.e.* risks relating to fluctuations in the market value of properties in the portfolio, risk linked with interest rate trend), (ii) operational risks, (iii) liquidity risk, (iv) credit risk and (v) risks arising out of legal disputes (see also "*Description of Cassa depositi e prestiti S.p.A. – Legal Proceedings – Legal disputes relating to certain subsidiaries of CDP*").

The risk management function, the compliance function and the internal audit function of CDP Immobiliare have been outsourced to CDP, in accordance with a fee-based service level agreement.

## **CDP Equity**

CDP holds a 97.13 per cent. shareholding in CDP Equity, whilst Fintecna a 2.87 per cent. CDP Equity operates in the acquisition of minority stakes in companies that have a relevant national interest for the Italian economy. As a statutory requirement, CDP Equity can only assist with investments in companies with a stable outlook in terms of financial, economic and balance sheet equilibrium.

In March 2016, FSI's shareholders passed a resolution to change the name of the company to CDP Equity from FSI in order to emphasise the renewed focus of the company on long term investments in large Italian corporates with high systemic importance. CDP Equity's portfolio will include Ansaldo Energia S.p.A. ("**Ansaldo Energia**"), Metroweb S.p.A. ("**Metroweb**"), Saipem and SIA S.p.A. ("**SIA**"). For the purpose of mid and large-size investments, a new fund management company, named Fondo Strategico Italiano SGR S.p.A. ("**FSI SGR**"), has been constituted. In December 2016 FSI SGR was authorized as an asset management company by the Bank of Italy. FSI SGR has specifically focused on growth capital investments with the promotion, in the course of 2017, of a closed fund.

FSI SGR was also formed in order to support the growth plans of medium and large companies with significant prospects for development, including by attracting growth capital from private investors in Italy and abroad.

CDP Equity has a solid profile in terms of liquidity risk. CDP Equity's balance sheet is currently debt-free while cash in excess is allocated mainly to time deposits and bank accounts.

Nonetheless, CDP Equity is subject to market risk, with specific regard, among the others, to fluctuations in the prices of raw materials (*i.e.* oil and natural gas) and exchange rates.

## **Risk factors relating to the Notes**

### ***Suitability of the Notes as an investment***

The Notes may not be a suitable investment for all Investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### ***Legal investment considerations may restrict certain investments***

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing, and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### ***There is no active trading market for the Notes currently***

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer. Although application has been made to be admitted to the Official List and traded on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes. Illiquidity may have a severely adverse effect on the market value of Notes.

### ***Early Redemption of the Notes for tax reasons***

In the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

### ***Notes subject to optional redemption by the Issuer***

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### ***Fixed Rate Notes***

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of such Notes.

### ***Floating Rate Notes***

The Issuer may issue Notes with interest determined by reference to the CMS Rate (a "**Relevant Factor**"). Potential investors should be aware that:

- (i) the market price of such Notes may be very volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time;
- (iv) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (v) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable is likely to be magnified; and
- (vi) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.



Furthermore, with regard to Floating Rate Notes, where the reference rate used to calculate the applicable interest rate turns negative, the interest rate will be below the margin, if any, or may be zero. Accordingly, where the rate of interest is equal to zero, the holders of such Floating Rate Notes may not be entitled to interest payments for certain or all interest periods, it being understood that under no circumstances shall the Rate of Interest (as defined in the Conditions) be less than zero.

### ***Risks relating to Notes which are linked to "benchmarks"***

The London Interbank Offered Rate ("**LIBOR**"), the Euro Interbank Offered Rate ("**EURIBOR**") and other interest rate or other types of rates and indices which are deemed to be "benchmarks" are the subject of ongoing national and international regulatory discussions and proposals for reform. Some of these reforms are already effective while others are still to be implemented. The Benchmarks Regulation was published in the Official Journal of the European Union on 29 June 2016 and has applied from 1 January 2018 (with the exception of provisions specified in Article 59 (mainly on critical benchmarks) that have applied since 30 June 2016). The Benchmarks Regulation could have a material impact on any Notes linked to LIBOR, EURIBOR or another "benchmark" rate or index, in particular, if the methodology or other terms of the "benchmark" are changed in order to comply with the terms of the Benchmarks Regulation, and such changes could (amongst other things) have the effect of reducing or increasing the rate or level, or affecting the volatility of the published rate or level, of the benchmark. In addition, the Benchmarks Regulation stipulates that each administrator of a "benchmark" regulated thereunder must be licensed by the competent authority of the Member State where such administrator is located. There is a risk that administrators of certain "benchmarks" will fail to obtain a necessary licence, preventing them from continuing to provide such "benchmarks". Other administrators may cease to administer certain "benchmarks" because of the additional costs of compliance with the Benchmarks Regulation and other applicable regulations, and the risks associated therewith. There is also a risk that certain benchmarks may continue to be administered but may in time become obsolete. As an example of such benchmark reforms, on 27 July 2017, the UK Financial Conduct Authority announced that it will no longer persuade or compel banks to submit rates for the calculation of the LIBOR benchmark after 2021 (the "**FCA Announcement**"). The FCA Announcement indicates that the continuation of LIBOR on the current basis (or at all) cannot and will not be guaranteed after 2021 and that planning a transition to alternative reference rates that are based firmly on transactions, such as reformed SONIA (the Sterling Over Night Index Average), must begin.

On 21 September 2017, the European Central Bank announced that it would be part of a new working group tasked with the identification and adoption of a "risk free overnight rate" which can serve as a basis for an alternative to current benchmarks used in a variety of financial instruments and contracts in the euro area.

Following the implementation of any such potential reforms, the manner of administration of benchmarks may change, with the result that they may perform differently than in the past, or the benchmark could be eliminated entirely, or there could be other consequences that cannot be predicted. The elimination of the LIBOR benchmark or any other benchmark, or changes in the manner of administration of any benchmark, could require or result in an adjustment to the interest calculation provisions of the Conditions, or result in adverse consequences to holders of any

securities linked to such benchmark (including to Floating Rate Notes whose interest rates are linked to LIBOR which may, depending on the manner in which the LIBOR benchmark is to be determined under the Conditions, result in the effective application of a fixed rate based on the rate which applied in the previous period when LIBOR was available). Furthermore, even prior to the implementation of any changes, uncertainty as to the nature of alternative reference rates and as to potential changes to such benchmark may adversely affect such benchmark during the term of the relevant Notes, the return on the relevant Notes and the trading market for securities based on the same benchmark.

Any such consequences could have a material adverse effect on the value of and return on any such Notes. Moreover, any of the above matters or any other significant change to the setting or existence of any relevant reference rate could affect the ability of the Issuer to meet its obligations under the Floating Rate Notes or could have a material adverse effect on the value or liquidity of, and the amount payable under, the Floating Rate Notes. Investors should consider these matters when making their investment decision with respect to the relevant Floating Rate Notes.

### ***Partly paid Notes***

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### ***Notes issued at a substantial discount or premium***

The market value of Notes issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the Notes, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### ***Fluctuations in exchange rates may adversely affect the value of Notes.***

The Issuer will pay principal and interest on the Notes in the Specified Currency (as defined in the applicable Final Terms). This presents certain risks relating to currency conversions if Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Noteholder's Currency**") other than the Specified Currency. These include the risk that there may be a material change in the exchange rate between the Specified Currency and the Noteholder's Currency or that a modification of exchange controls by the applicable authorities with jurisdiction over the Noteholder's Currency will be imposed. The Issuer has no control over the factors that generally affect these risks, such as economic, financial and political events and the supply and demand for the applicable currencies. Moreover, if payments on the Notes are determined by reference to a formula containing a multiplier or leverage factor, the effect of any change in the exchange rates between the applicable currencies will be magnified. In recent years, exchange rates between certain currencies have been volatile and volatility between such currencies or with other currencies may be expected in the future. An appreciation in the value of the Noteholder's Currency relative to the Specified Currency would decrease (i) the Noteholder's Currency equivalent yield on the Notes, (ii) the Noteholder's Currency equivalent value of the principal payable on the Notes and (iii) the Noteholder's

Currency equivalent market value of the Notes. Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, Noteholders may receive less interest or principal than expected, or no interest or principal.

***No physical document of title issued in respect of the Notes***

Notes issued under the Programme will be in dematerialised form and evidenced at any time through book entries pursuant to the relevant provisions of Legislative Decree No. 58 and in accordance with CONSOB and Bank of Italy Regulation. In no circumstance would physical documents of title be issued in respect of the Notes. While the Notes are represented by book entries, investors will be able to trade their beneficial interests only through Monte Titoli and the authorised financial intermediaries holding accounts on behalf of their customers with Monte Titoli. As the Notes are held in dematerialised form with Monte Titoli, investors will have to rely on the procedures of Monte Titoli and the financial intermediaries authorised to hold accounts therewith, for transfer, payment and communication with the Issuer.

***The Representative of the Noteholders may agree to modifications and waivers without convening a meeting of the Noteholders***

Pursuant to the Rules of Organisation of Noteholders, the Representative of the Noteholders for each Series of Notes may, without the consent of the Noteholders of such Series and without regard to the interests of particular Noteholders, agree to certain amendments to, or modifications of, or waivers or authorisations of any breach of the Conditions of the relevant Series of Notes. Any such modification, waiver, authorisation or determination shall be binding upon the Noteholders and, unless the Representative of the Noteholders determines otherwise, any such modification shall be notified to the Noteholders in accordance with Condition 18 (Notices) as soon as possible thereafter.

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders, including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

***Conflicts may arise between the interests of the Calculation Agent and the interests of Noteholders***

The Issuer may appoint a Dealer as Calculation Agent in respect of an issuance of Notes under the Programme. In such a case the Calculation Agent is likely to be a member of an international financial group that is involved, in the ordinary course of its business, in a wide range of banking activities out of which conflicting interests may arise. Whilst such a Calculation Agent will, where relevant, have information barriers and procedures in place to manage conflicts of interest, it may in its other banking activities from time to time be engaged in transactions involving an index or related derivatives which may affect amounts receivable by Noteholders during the term and on the maturity of the Notes or the market price, liquidity or value of the Notes and which could be deemed to be adverse to the interests of the Noteholders.

***Issues of further Series and interests of Noteholders***

Under the Programme, CDP may create and issue new Series of Notes without the consent of the existing Noteholders to raise funds to finance general funding purposes of the Issuer. Both prior to and following the occurrence of an Event of Default, all Notes will rank *pari passu* among themselves. Circumstances could potentially arise in which the interests of the holders of different Series of Notes could differ.

### **Rating**

The Programme has been assigned a rating of "BBB" by Fitch Ratings, "Baa2" by Moody's, "BBB" by S&P and "A-" by Scope. Each of Fitch Ratings, Moody's, S&P and Scope is established in the EEA and registered under the CRA Regulation, and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>. Tranches of Notes issued under the Programme may be rated or unrated and, where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. The rating may not reflect the potential impact of all risks related to the structure, market, additional factors discussed above, and the other factors that may affect the value of the Notes. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. Any adverse change in an applicable credit rating could adversely affect the trading price for the Notes issued under the Programme.

Whether or not each credit rating applied for in relation to the relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation, or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation, will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

### ***Notes issued, if any, as "Green Bonds" or "Social Bonds" may not be a suitable investment for all investors seeking exposure to green assets or social assets***

If so specified in the relevant Final Terms, the Issuer may issue Notes under the Programme described as "green bonds" ("**Green Bonds**") and "social bonds" ("**Social Bonds**") in accordance with the principles set out by the International Capital Market Association ("**ICMA**") (respectively, the Green Bond Principles ("**GBP**") and the Social Bond Principles ("**SBP**").

In such a case, prospective investors should have regard to the information set out at "*Reasons for the Offer, estimated net proceeds and total expenses*" in the applicable Final Terms and must determine for themselves the relevance of such information for the purpose of any investment in the Notes together with any other investigation such investors deem necessary, and must assess the suitability of that investment in light

of their own circumstances. In particular, no assurance is given by the Issuer or the Dealers that the use of such proceeds for the funding of any green project or social project, as the case may be, will satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates. Furthermore, it should be noted that there is currently no clearly established definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, respectively "green" or a "social" project or as to what precise attributes are required for a particular project to be defined as "green" or "social" or such other equivalent label, nor can any assurance be given that such a clear definition or consensus will develop over time. Accordingly, no assurance is or can be given to investors that any green or social project, as the case may be, towards which proceeds of the Notes are to be applied will meet the investor expectations regarding such "green" or "social" performance objectives or that any adverse social, green and/or other impacts will not occur during the implementation of any green or social project.

Furthermore, it should be noted that in connection with the issue of Green Bonds and Social Bonds, the Issuer may request a sustainability rating agency or sustainability consulting firm to issue a second-party opinion confirming that the relevant green and/or social project, as the case may be have been defined in accordance with the broad categorisation of eligibility for green and social projects set out in the GBP and the SBP and/or a second-party opinion regarding the suitability of the Notes as an investment in connection with certain environmental and sustainability projects or certain social projects (any such second-party opinion, a **"Second-party Opinion"**). A Second-party Opinion may not reflect the potential impact of all risks related to the structure, market, additional risk factors discussed above and other factors that may affect the value of the Notes or the projects financed or refinanced toward an amount corresponding the net proceeds of the relevant issue of Green Bonds or Social Bond. A Second-party Opinion would not constitute a recommendation to buy, sell or hold the relevant Green Bonds or Social Bonds and would only be current as of the date it is released. A withdrawal of the Second-party Opinion may affect the value of such Green Bonds or Social Bonds and/or may have consequences for certain investors with portfolio mandates to invest in green or social assets.

While it is the intention of the Issuer to apply the proceeds of Social Bonds and Green Bonds in, or substantially in, the manner described in the applicable Final Terms, there can be no assurance that the green or social projects, as the case may be, will be capable of being implemented in or substantially in such manner and/or in accordance with any timing schedule and that accordingly the proceeds of the relevant Green Bonds or Social Bonds will be totally or partially disbursed for such projects. Nor can there be any assurance that such green or social projects will be completed within any specified period or at all or with the results or outcome as originally expected or anticipated by the Issuer. Any such event or failure by the Issuer will not constitute an Event of Default under the relevant Green Bonds or Social Bonds.

Any such event or failure to apply the proceeds of the issue of the Notes for any green or social projects as aforesaid may have a material adverse effect on the value of the Notes and/or result in adverse consequences for, amongst others, investors with portfolio mandates to invest in securities to be used for a particular purpose.

Any failure by the Issuer to comply with its reporting obligations in relation to Green Bonds or Social Bonds, as applicable, will not constitute an Event of Default under the relevant Notes.

***The Issuer believes that the risks described above are the principal risks inherent in the holding of Notes issued under Programme for holders of the Notes of any Series but the inability of the Issuer to pay interest or repay principal on the Notes of any Series may occur for other reasons. While the various structural elements described in this Base Prospectus are intended to lessen some of these risks for holders of Notes of any Series, there can be no assurance that these measures will be sufficient or effective to ensure payment to the holders of Notes of any Series of interest or principal on such Notes on a timely basis or at all.***

## IMPORTANT INFORMATION RELATING TO OFFERS TO THE PUBLIC OF NOTES

Certain Tranches of Notes with a denomination of less than EUR 100,000 (or its equivalent in any other currency) may be offered in circumstances where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus. Any such offer is referred to as an "**Offer to the Public**".

If, in the context of an Offer to the Public, you are offered Notes by any entity, you should check that such entity has been given consent to use this Base Prospectus for the purposes of making an offer before agreeing to purchase any Notes. The following entities have consent to use this Base Prospectus in connection with an Offer to the Public:

- any entity named as a Dealer or Manager in the applicable Final Terms;
- any financial intermediary specified as being an Initial Authorised Offeror in the applicable Final Terms as having been granted specific consent to use the Base Prospectus;
- any financial intermediary named on the Issuer's website ([www.cdp.it](http://www.cdp.it)) as an Authorised Offeror in respect of the relevant Offer to the Public (if that financial intermediary has been appointed after the date of the applicable Final Terms); and
- if Part B of the applicable Final Terms specifies "General Consent" as "Applicable", any financial intermediary authorised to make such offers under the Markets in Financial Instruments Directive (Directive 2014/65/EU) who has published the Acceptance Statement (set out below) on its website.

The entities listed above have been given consent to use the Base Prospectus only during the Offer Period specified in the applicable Final Terms and only in the Public Offer Jurisdictions specified in the applicable Final Terms. Other than as set out above, the Issuer has not authorised the making of any Offer to the Public by any person and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Offer to the Public of Notes.

Please see below for certain important legal information relating to Offers to the Public.

### ***Offers to the Public of Notes in the European Economic Area***

This Base Prospectus has been prepared on a basis that permits Offers to the Public of Notes. However, any person making or intending to make an offer to the public of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**") may only do so if this Base Prospectus has been approved by the competent authority in that Relevant Member State (or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State) and published in accordance with the Prospectus Directive, provided that the Issuer has consented to the use of this Base Prospectus in connection with such offer as provided under

"*Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)*" below and provided that such person complies with the conditions attached to their consent.

Save as provided above, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any Offer to the Public of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

***Consent given in accordance with Article 3.2 of the Prospectus Directive (Retail Cascades)***

In the context of any Offer to the Public of Notes, the Issuer accepts responsibility, in the jurisdictions to which the consent to use the Base Prospectus extends, for the content of this Base Prospectus under Article 6 of the Prospectus Directive in relation to any person (an "**Investor**") who acquires any Notes in an Offer to the Public made by any person to whom the Issuer has given consent to the use of this Base Prospectus (an "**Authorised Offeror**") where that offer is made during the Offer Period specified in the applicable Final Terms and provided that the conditions attached to that consent are complied with by the Authorised Offeror. The consent and conditions attached to it are set out under "*Consent to the use of this Base Prospectus*" and "*Common Conditions to Consent*" below.

None of the Issuer or any Dealer makes any representation as to the compliance by an Authorised Offeror with any applicable conduct of business rules or other applicable regulatory or securities law requirements in relation to any Offer to the Public and none of the Issuer or any Dealer has any responsibility or liability for the actions of that Authorised Offeror.

**Save as provided below, the Issuer has not authorised the making of any Offer to the Public by any offeror and the Issuer has not consented to the use of this Base Prospectus by any other person in connection with any Offer to the Public of Notes. Any Offer to the Public made without the consent of the Issuer is unauthorised and none of the Issuer and the Dealers accepts any responsibility or liability in relation to such Offer to the Public or for the actions of the persons making any such unauthorised offer. If, in the context of an Offer to the Public, an Investor is offered Notes by a person which is not an Authorised Offeror, the Investor should check with such person whether anyone is responsible for this Base Prospectus for the purposes of the Offer to the Public and, if so, who that person is. If the Investor is in any doubt about whether it can rely on this Base Prospectus and/or who is responsible for its contents it should take legal advice.**

***Consent to the use of this Base Prospectus***

Subject to the conditions set out below under "*Common Conditions to Consent*":

- (a) *Specific Consent*: the Issuer consents to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with an Offer to the Public of Notes during the relevant Offer Period by:
  - (i) the relevant Dealer(s) or Manager(s) stated in the applicable Final Terms;



- (ii) any financial intermediary named as an Initial Authorised Offeror in the applicable Final Terms; and
  - (iii) any other financial intermediary appointed after the date of the applicable Final Terms and whose name is published on the website of the Issuer ([www.cdp.it](http://www.cdp.it)) and identified as an Authorised Offeror in respect of the relevant Offer to the Public; and
- (b) *General Consent*: if (and only if) Part B of the applicable Final Terms specifies "General Consent" as "Applicable", the Issuer hereby offers to grant its consent to the use of this Base Prospectus (as supplemented as at the relevant time, if applicable) in connection with an Offer to the Public of Notes by any other financial intermediary which satisfies the following conditions:
- (i) it is authorised to make such offers under applicable legislation implementing the Markets in Financial Instruments Directive (Directive 2014/65/EU); and
  - (ii) it accepts such offer by publishing on its website the following statement (with the information in square brackets completed) (the "**Acceptance Statement**"):

*"We, [insert legal name of financial intermediary], refer to the offer of [insert title of relevant Notes] (the "**Notes**") described in the Final Terms dated [insert date] (the "**Final Terms**") published by [Cassa depositi e prestiti S.p.A.] (the "**Issuer**"). In consideration of the Issuer offering to grant their consent to our use of the Base Prospectus (as defined in the Final Terms) in connection with the offer of the Notes in accordance with the Authorised Offeror Terms and subject to the conditions to such consent, each as specified in the Base Prospectus, we hereby accept such offer. Accordingly, we confirm that we are using the Base Prospectus in connection with the Offer to the Public in accordance with the consent of the Issuer on the Authorised Offeror Terms and subject to the conditions of such consent."*

**Any financial intermediary falling within this sub-paragraph (b) who wishes to use this Base Prospectus in connection with an Offer to the Public is required, for the duration of the relevant Offer Period specified in the applicable Final Terms, to publish a duly completed Acceptance Statement on its website.**

The consent referred to above relates to Offers to the Public occurring within twelve months from the date of this Base Prospectus.

The "**Authorised Offeror Terms**" are that the relevant financial intermediary:

- (A) will, and it agrees, represents, warrants and undertakes for the benefit of the Issuers and the relevant Dealer that it will, at all times in connection with the relevant Offer to the Public:

- (i) act in accordance with, and be solely responsible for complying with, all applicable laws, rules, regulations and guidance of any applicable regulatory bodies (the "**Rules**") from time to time including, without limitation and in each case, Rules relating to both the appropriateness or suitability of any investment in the Notes by any person and disclosure to any potential Investor;
- (ii) immediately inform the Issuer and the relevant Dealer if at any time such financial intermediary becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
- (iii) comply with the restrictions set out under "*Subscription and Sale*" in this Base Prospectus as if the relevant financial intermediary were a Dealer and with any further relevant requirements as may be specified in the applicable Final Terms;
- (iv) comply with the target market and distribution channels identified under the "MiFID II product governance" legend set out in the applicable Final Terms;
- (v) ensure that any fee (and any other commissions or benefits of any kind) or rebate received or paid by the relevant financial intermediary in relation to the offer or sale of the Notes does not violate the Rules and, to the extent required by the Rules, is fully and clearly disclosed to Investors or potential Investors;
- (vi) hold all licences, consents, approvals and permissions required in connection with solicitation of interest in, or offers or sales of, the Notes under the Rules including, where an offer to the public of Notes is being made in the United Kingdom, authorisation under the FSMA;
- (vii) comply with applicable anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules (including, without limitation, taking appropriate steps, in compliance with such Rules, to establish and document the identity of each potential Investor prior to initial investment in any Notes by the Investor), and will not permit any application for Notes in circumstances where the financial intermediary has any suspicions as to the source of the application monies;
- (viii) retain Investor identification records for at least the minimum period required under applicable Rules, and shall, if so requested, make such records available to the relevant Dealer and the Issuer or directly to the appropriate authorities with jurisdiction over the Issuer and/or the

relevant Dealer in order to enable the Issuer and/or the relevant Dealer to comply with anti-money laundering, anti-bribery, anti-corruption and "know your client" Rules applying to the Issuer and the relevant Dealer, as the case may be;

- (ix) ensure that no holder of Notes or potential Investor in Notes shall become an indirect or direct client of the Issuer or the relevant Dealer for the purposes of any applicable Rules from time to time, and to the extent that any client obligations are created by the relevant financial intermediary under any applicable Rules, then such financial intermediary shall perform any such obligations so arising;
- (x) co-operate with the Issuer and the relevant Dealer in providing relevant information (including, without limitation, documents and records maintained pursuant to paragraph ((vi)) above) and such further assistance as is reasonably requested upon written request from the Issuer or the relevant Dealer in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process. For this purpose, relevant information is information that is available to or can be acquired by the relevant financial intermediary:
  - (a) in connection with any request or investigation by any regulator in relation to the Notes, the Issuer or the relevant Dealer; and/or
  - (b) in connection with any complaints received by the Issuer and/or the relevant Dealer relating to the Issuer and/or the relevant Dealer or another Authorised Offeror including, without limitation, complaints as defined in rules published by any regulator of competent jurisdiction from time to time; and/or
  - (c) which the Issuer or the relevant Dealer may reasonably require from time to time in relation to the Notes and/or as to allow the Issuer or the relevant Dealer fully to comply with its own legal, tax and regulatory requirements,

in each case, as soon as is reasonably practicable and, in any event, within any time frame set by any such regulator or regulatory process;

- (xi) during the primary distribution period of the Notes: (i) only sell the Notes at the Issue Price specified in the applicable Final Terms (unless otherwise agreed with the Issuer and the relevant Dealer); (ii) only sell the Notes for settlement on the Issue Date specified in the relevant Final Terms; (iii)

not appoint any sub-distributors (unless otherwise agreed with the Issuer and the relevant Dealer); (iv) not pay any fee or remuneration or commissions or benefits to any third parties in relation to the offering or sale of the Notes (unless otherwise agreed with the relevant Dealer); and (v) comply with such other rules of conduct as may be reasonably required and specified by the Issuer and the relevant Dealer;

- (xii) either (i) obtain from each potential Investor an executed application for the Notes, or (ii) keep a record of all requests the relevant financial intermediary (x) makes for its discretionary management clients, (y) receives from its advisory clients and (z) receives from its execution-only clients, in each case prior to making any order for the Notes on their behalf, and in each case maintain the same on its files for so long as is required by any applicable Rules;
- (xiii) immediately inform the Issuer and the relevant Dealer if at any time it becomes aware or suspects that it is or may be in violation of any Rules and take all appropriate steps to remedy such violation and comply with such Rules in all respects;
- (xiv) ensure that it does not, directly or indirectly, cause the Issuer, or the relevant Dealer to breach any Rule or subject the Issuer, or the relevant Dealer to any requirement to obtain or make any filing, authorisation or consent in any jurisdiction;
- (xv) comply with the conditions to the consent referred to under "*Common conditions to consent*" below and any further requirements relevant to the Offer to the Public as specified in the applicable Final Terms;
- (xvi) make available to each potential Investor in the Notes the Base Prospectus (as supplemented as at the relevant time, if applicable), the applicable Final Terms and any applicable information booklet provided by the Issuer for such purpose, and not convey or publish any information that is not contained in or entirely consistent with the Base Prospectus; and
- (xvii) if it conveys or publishes any communication (other than the Base Prospectus or any other materials provided to such financial intermediary by or on behalf of the Issuer for the purposes of the relevant Offer to the Public) in connection with the relevant Offer to the Public, it will ensure that such communication (A) is fair, clear and not misleading and complies with the Rules, (B) states that

such financial intermediary has provided such communication independently of the Issuer, that such financial intermediary is solely responsible for such communication and that none of the Issuer and the relevant Dealer accepts any responsibility for such communication and (C) does not, without the prior written consent of the Issuer or the relevant Dealer (as applicable), use the legal or publicity names of the Issuer, or the relevant Dealer or any other name, brand or logo registered by an entity within their respective groups or any material over which any such entity retains a proprietary interest, except to describe the Issuer as issuer of the relevant Notes on the basis set out in the Base Prospectus;

- (B) agrees and undertakes to each of the Issuer and the relevant Dealer that if any of its respective directors, officers, employees, agents, affiliates and controlling persons (each a "**Relevant Party**") incurs any losses, liabilities, costs, claims, charges, expenses, actions or demands (including reasonable costs of investigation and any defence raised thereto and counsel's fees and disbursements associated with any such investigation or defence) (a "**Loss**") arising out of or in relation to, or in connection with, any breach of any of the foregoing agreements, representations, warranties or undertakings by the relevant financial intermediary, including (without limitation) any unauthorised action by the relevant financial intermediary or failure by it to observe any of the above restrictions or requirements or the making by it of any unauthorised representation or the giving or use by it of any information which has not been authorised for such purposes by the Issuer or the relevant Dealer, the relevant financial intermediary shall pay to the Issuer or the relevant Dealer, as the case may be, an amount equal to the Loss. None of the Issuer nor any Dealer shall have any duty or obligation, whether as fiduciary or trustee for any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amounts paid to it under this provision; and
- (C) agrees and accepts that:
- (i) the contract between the Issuer and the relevant financial intermediary formed upon acceptance by the relevant financial intermediary of the Issuer's offer to use the Base Prospectus with its consent in connection with the relevant Offer to the Public (the "**Authorised Offeror Contract**"), and any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract, shall be governed by, and construed in accordance with, Italian law;
  - (ii) subject to (iv) below, the Italian courts have non-exclusive jurisdiction to settle any dispute arising out of or in

connection with the Authorised Offeror Contract (including any dispute relating to any non-contractual obligations arising out of or in connection with the Authorised Offeror Contract) (a **Dispute**) and the Issuer and the relevant financial intermediary submit to the non-exclusive jurisdiction of court of Rome;

- (iii) for the purposes of (C)(ii) and (iv), the Issuer and the financial intermediary waive any objection to the Italian courts on the grounds that they are an inconvenient or inappropriate forum to settle any dispute;
- (iv) this paragraph (iv) is for the benefit of the Issuer and each relevant Dealer. To the extent allowed by law, the Issuer and each relevant Dealer may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

**Any financial intermediary who is an Authorised Offeror falling within (b) above who meets all of the conditions set out in (b) and the other conditions stated in "*Common Conditions to Consent*" below and who wishes to use this Base Prospectus in connection with an Offer to the Public is required, for the duration of the relevant Offer Period, to publish on its website the Acceptance Statement (duly completed) specified at paragraph (b)(ii) above.**

#### ***Common conditions to consent***

The conditions to the consent of the Issuer to the use of this Base Prospectus are (in addition to the conditions described in either sub-paragraph (a) or sub-paragraph (b) under "Consent to the use of this Base Prospectus" above) that such consent:

- (a) is only valid in respect of the relevant Tranche of Notes;
- (b) is only valid during the Offer Period specified in the applicable Final Terms; and
- (c) only extends to the use of this Base Prospectus to make Offers to the Public of the relevant Tranche of Notes in Austria, Belgium, France, Germany, Portugal, Spain, Sweden, the Netherlands and the United Kingdom, as specified in the applicable Final Terms.

The consent referred to above only relates to Offer Periods (if any) occurring within 12 months from the date of this Base Prospectus.

## **ARRANGEMENTS BETWEEN INVESTORS AND AUTHORISED OFFERORS**

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES IN AN OFFER TO THE PUBLIC FROM AN AUTHORISED OFFEROR OTHER THAN THE ISSUER WILL DO SO, AND OFFERS AND SALES OF SUCH NOTES TO AN INVESTOR BY SUCH AUTHORISED OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH AUTHORISED OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS, EXPENSES AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH SUCH INVESTORS (OTHER THAN DEALERS) IN CONNECTION WITH THE OFFER TO THE PUBLIC OR SALE OF THE NOTES CONCERNED AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE RELEVANT AUTHORISED OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION AND THE AUTHORISED OFFEROR WILL BE RESPONSIBLE FOR SUCH INFORMATION. NONE OF THE ISSUER AND THE DEALERS (EXCEPT WHERE THE DEALER IS THE RELEVANT AUTHORISED OFFEROR) HAS ANY RESPONSIBILITY OR LIABILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

**IN THE EVENT OF AN OFFER BEING MADE BY A FINANCIAL INTERMEDIARY, SUCH FINANCIAL INTERMEDIARY WILL PROVIDE INFORMATION TO INVESTORS ON THE TERMS AND CONDITIONS OF THE OFFER AT THE TIME THE OFFER IS MADE.**

### ***Offers to the Public: Issue Price and Offer Price***

Notes to be offered pursuant to an Offer to the Public will be issued by the Issuer at the Issue Price specified in the applicable Final Terms. The Issue Price will be determined by the Issuer in consultation with the relevant Dealer(s) at the time of the relevant Offer to the Public and will depend, amongst other things, on the interest rate applicable to the Notes and prevailing market conditions at that time. The offer price of such Notes will be the Issue Price or such other price as may be agreed between an Investor and the Authorised Offeror making the offer of the Notes to such Investor. The Issuer will not be party to arrangements between an Investor and an Authorised Offeror, and the Investor will need to look to the relevant Authorised Offeror to confirm the price at which such Authorised Offeror is offering the Notes to such Investor.

Save as provided above, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any Offer to the Public of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.

## GENERAL DESCRIPTION OF THE PROGRAMME

*This section must be read as an introduction to this Base Prospectus and any decision to invest in the Notes should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference.*

*Words and expressions defined in the "Conditions of the Notes" below or elsewhere in this Base Prospectus have the same meanings in this section.*

An overview of the terms and conditions of the Programme and the Notes appears below. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer prior to the issue of the Notes. The following general description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This general description constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

The Base Prospectus and any supplement will only be valid for listing Notes on the Luxembourg Stock Exchange during the period of 12 months from the date of this Base Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed EUR 10,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in another currency of denomination (as specified in the applicable Final Terms in relation to the relevant Notes) shall be determined either as of the date on which agreement is reached for the issue of Notes or on the preceding day on which commercial banks and foreign exchange markets are open for business in Milan, in each case on the basis of the spot rate for the sale of the euro against the purchase of such currency of denomination in the Milan foreign exchange market quoted by any leading international bank selected by the Issuer on the relevant day of calculation; and
- (b) the euro equivalent of Zero Coupon Notes (as specified in the applicable Final Terms in relation to the relevant Notes) and other Notes issued at a discount or a premium shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue.

**Issuer:** Cassa depositi e prestiti *società per azioni* (the "**Issuer**" or "**CDP**"), a joint stock company incorporated on 12 December 2003 with limited liability in Italy under Article 5 of Italian Law Decree No. 269 of 30 September 2003, as converted with amendments into Law No. 326 of 24 November 2003 ("**Article 5**" or "**Law Decree 269**"), having its registered office at Via Goito No. 4, 00185 Rome, Italy, registered with No. 80199230584 in the register of companies of Rome.



<b>Joint Arrangers:</b>	CDP and Barclays Bank PLC.
<b>Dealers:</b>	Banca IMI S.p.A., Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, HSBC Bank plc, J.P. Morgan Securities plc, Mediobanca – Banca di Credito Finanziario S.p.A., Merrill Lynch International, Morgan Stanley & Co. International plc, MPS Capital Services Banca per le Imprese S.p.A., Nomura International plc, Société Générale, UBS Limited and UniCredit Bank AG, and any other dealer appointed from time to time by the Issuer either generally in respect of the Programme or in relation to a particular Tranche of Notes (each a " <b>Dealer</b> " and together the " <b>Dealers</b> ").
<b>Principal Paying Agent:</b>	<b>BNP Paribas Securities Services</b> , a company incorporated under the laws of France as <i>société en commandite par actions</i> , having its registered office at 3, Rue d'Antin, 75002 Paris, France and offices at Piazza Lina Bo Bardi No. 3, 20124 Milan, Italy, or any other person for the time being acting as Principal Paying Agent of the Issuer pursuant to the Agency Agreement.
<b>Luxembourg Listing Agent:</b>	<b>BNP Paribas Securities Services</b> , a <i>société en commandite par actions</i> (S.C.A.) incorporated under the laws of France, registered with the <i>Registre du Commerce et des Sociétés</i> of Paris under number 552 108 011, whose registered office is at 3, Rue d'Antin – 75002 Paris, France and acting for the purpose hereof through its <b>Luxembourg Branch</b> whose offices are at 60, avenue J. F. Kennedy, L-1855 Luxembourg and registered with the Luxembourg trade and companies register under number B. 86 862, or any other person for the time being acting as such, is the Luxembourg Listing Agent (in such capacity, the " <b>Luxembourg Listing Agent</b> ").
<b>Calculation Agent:</b>	The Calculation Agent in relation to any Tranche of Notes will be appointed by the Issuer on or prior to the relevant issue date of the Notes.
<b>Representative of the Noteholders:</b>	<b>BNP Paribas Securities Services</b> , a company incorporated under the laws of France as <i>société en commandite par actions</i> , having its registered office at 3, Rue d'Antin, 75002 Paris, France and offices at Piazza Lina Bo Bardi No. 3, 20124 Milan, Italy or any other person for the time being acting as Representative of the Noteholders. The Representative

of the Noteholders, as appointed for each Series of Notes, shall act as such pursuant to the Dealer Agreement, the subscription agreements in respect of the relevant Series of Notes and the Conditions.

**Listing and Admission to Trading:**

Each Series may be admitted to trading on the regulated market of the Luxembourg Stock Exchange and/or admitted to listing, trading and/or quotation by any other listing authority, stock exchange and/or quotation system as may be agreed between the Issuer and the relevant Dealer(s) and specified in the relevant Final Terms or may be issued on the basis that they will not be admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system.

**Programme Amount:**

Up to Euro 10,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding at any one time. The Issuer may increase the amount of the Programme in accordance with the terms of Dealer Agreement (as defined below). In connection with such increase, the Issuer shall prepare a supplement to the Base Prospectus.

**Issuance in Series:**

Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects.

**Final Terms:**

Each Tranche will be the subject of the Final Terms prepared in relation thereto which, for the purposes of that Tranche only, complete the Conditions of the Notes and this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes are the Conditions of the Notes as completed by the relevant Final Terms.

**Forms of Notes:**

The Notes will be in bearer form and will be held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli, for the account of the relevant Monte Titoli account holders. The Notes have been accepted for clearance by Monte Titoli. The Notes will at all times be held in book entry form and title to the Notes and will be evidenced by book entries pursuant to the relevant provisions of Italian Legislative Decree dated 24

February 1998, No. 58 as subsequently amended and supplemented ("**Legislative Decree No. 58**") and in accordance with CONSOB and Bank of Italy Joint Regulation dated 22 February 2008, as subsequently amended and supplemented ("**CONSOB and Bank of Italy Regulation**"). No physical document of title will be issued in respect of the Notes. However, the Noteholders may ask the relevant intermediaries for certification pursuant to Article 83-quinquies of Legislative Decree No. 58.

<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer.
<b>Floating Rate Notes:</b>	Floating Rate Notes will bear interest by reference to the benchmark as may be specified in the relevant Final Terms as adjusted for any applicable margin/multiplier. Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both. Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the Issuer and the relevant Dealer(s), will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the Issuer and the relevant Dealer(s).
<b>Zero Coupon Notes:</b>	Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.
<b>Partly Paid Notes</b>	Partly Paid Notes will be issued in the amount, as specified in the applicable Final Terms, and further instalments will be payable in the amounts and on the dates, as specified in the applicable Final Terms.
<b>Currencies:</b>	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
<b>Issue Price:</b>	Notes may be issued at any price and either on a fully or partly paid basis as specified in the relevant Final Terms.
<b>Maturities:</b>	Any maturity subject, in relation to specific currencies, to compliance with all applicable legal and/or regulatory and/or central bank requirements.

- Redemption:** Subject to any purchase and cancellation or early redemption or repayment, Notes will be redeemable at par as specified in the applicable Final Terms. Unless permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA must have a minimum redemption amount of £100,000 (or its equivalent in other currencies).
- Optional Redemption:** Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
- Tax Redemption:** Early redemption will be permitted for tax reasons as described in Condition 9.2 (*Redemption and Purchase - Redemption for tax reasons*).
- Interest:** Notes may be interest-bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.
- Denominations:** The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer(s) save that the minimum denomination of each Note will be EUR 1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency). Unless otherwise permitted by then current laws and regulations, Notes (including Notes denominated in sterling) which have a maturity of less than one year and in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA will have a minimum denomination of £100,000 (or its equivalent in other currencies).
- Cross Default:** The Notes will have the benefit of a cross default as described in Condition 12 (*Events of Default*).
- Redenomination:** In respect of any Tranche of Notes, if the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State (as defined in the Conditions), the Notes may be redenominated in Euro in accordance with Condition 21 (*Redenomination, Renominalisation and*

*Reconventioning*) if so specified in the relevant Final Terms.

**Ratings:**

The Programme is rated "BBB" by Fitch Ratings, "Baa2" by Moody's, "BBB" by S&P and "A-" by Scope. Each of Fitch Ratings, Moody's, S&P and Scope is established in the EEA and registered under the CRA Regulation, and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme or the rating(s) assigned to Notes previously issued.

**A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.**

Whether or not each credit rating applied for in relation to the relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation, or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation, will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation.

**Selling  
Restrictions:**

For a description of restrictions on offers, sales and delivery of the Notes, and on the distribution of offering materials, in the United States of America, the European Economic Area and Japan see "Subscription and Sale" below.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Base Prospectus:

1. Article 5 of Italian Law Decree No. 269 of 30 September 2003, as converted with amendments into Law No. 326 of 24 November 2003, pursuant to which the Issuer has been transformed into a joint stock company, incorporated by reference in its entirety;
2. the By-laws (*Statuto*) of the Issuer, incorporated by reference in its entirety;
3. the audited consolidated annual financial statements (including the auditor's report thereon) of the Issuer in respect of the year ended on 31 December 2017 and the audited non-consolidated annual financial statements (including the auditor's report thereon) of the Issuer in respect of the year ended on 31 December 2017, all as included in the 2017 Annual Report;
4. the audited consolidated annual financial statements (including the auditor's report thereon) of the Issuer in respect of the year ended on 31 December 2016 and the audited non-consolidated annual financial statements (including the auditor's report thereon) of the Issuer in respect of the year ended on 31 December 2016, all as included in the 2016 Annual Report; and
5. the previous Base Prospectus dated 12 May 2017 (the "**2017 Base Prospectus**") prepared by the Issuer in connection with the Programme.

The tables below set out the relevant page references for the auditor's report and for the notes, the balance sheet, the income statement, the statement of comprehensive income, the changes in equity and the cash flow statement, in the Financial Statements above mentioned as set out in the Annual Reports published on the Issuer's website ([www.cdp.it](http://www.cdp.it)):

Any other information incorporated by reference that is not included in the cross-reference tables below is considered to be additional information to be disclosed to Investors rather than information required by the relevant Annexes of the Commission Regulation (EC) no 809/2004, as amended, implementing the Prospectus Directive, save that, for the 2017 Base Prospectus, the information not listed is either not relevant for the investors or covered elsewhere in the Base Prospectus and is not incorporated by reference herein.

## 2017 Annual Report

<b>Non-consolidated financial statements</b>	<b>Page Reference<sup>2</sup></b>	<b>Consolidated financial statements</b>	<b>Page Reference</b>
1. Balance sheet	126-127	1. Balance sheet	296-297
2. Income statement	128	2. Income statement	298
3. Statement of comprehensive income	129	3. Statement of comprehensive income	299
4. Changes in equity	130-131	4. Changes in equity	300-301
5. Cash flow statement	132-133	5. Cash flow	302-303
6. Notes to annual financial statements	134-270	6. Notes to annual financial statements	304-515; 517-520

<b>Independent auditors' report</b>	<b>Page Reference</b>	<b>Independent auditors' report</b>	<b>Page Reference</b>
Auditors' report	284-288	Auditors' report	524-529

## 2016 Annual Report

<b>Non-consolidated financial statements</b>	<b>Page Reference</b>	<b>Consolidated financial statements</b>	<b>Page Reference</b>
1. Balance sheet	148	1. Balance sheet	294-295
2. Income statement	149	2. Income statement	296
3. Statement of comprehensive income	149	3. Statement of comprehensive income	297
4. Changes in equity	150-151	4. Changes in equity	298-299
5. Cash flow statement	152-153	5. Cash flow	300-301
6. Notes to annual financial statements	154-272	6. Notes to annual financial statements	302-484; 486-491

---

<sup>2</sup> Page references refer to the English translation of the Annual Report published on the Issuer's website.

Independent auditors' report	Page Reference	Independent auditors' report	Page Reference
Auditors' report	285-286	Auditors' report	496-497

### 2017 Base Prospectus

	Page Reference
Terms and Conditions of the Notes	65 – 93

This Base Prospectus and the documents incorporated by reference are available for viewing on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

The Issuer will, at the specified offices of the Paying Agent (as defined herein), provide, free of charge, upon oral or written request, a copy of this Base Prospectus (or any document incorporated by reference in this Base Prospectus). Written or telephone requests for such documents should be directed to the specified office of the Paying Agent.

The non-consolidated financial statements of the Issuer as at and for the year ended 31 December 2017 and 31 December 2016, and the consolidated financial statements of the Issuer as at and for the year ended 31 December 2017 and 31 December 2016, have been audited by PricewaterhouseCoopers S.p.A.. The foregoing Financial Statements, which attach those reports, are incorporated by reference into this Base Prospectus.

The Financial Statements referred to above have been prepared in accordance with the International Financial Reporting Standards (IFRSs) issued by IASB (and related IFRIC and SIC interpretations) endorsed by the European Commission and, as applicable, with the Bank of Italy circular no. 262 of 22 December 2005 updated to 15 December 2015, which establishes the required format of the financial statements and related methods of preparation, as well as the content of the related notes.

***Declaration of the Manager responsible for preparing the Company's financial reports pursuant to art. 154-bis, para. 2 of Legislative Decree no. 58/1998 (Consolidated Law on Finance)***

The manager responsible for preparing the corporate financial reports, Mr Fabrizio Palermo, declares pursuant to paragraph 2 of Article 154-bis of the Legislative Decree No. 58 that the accounting information incorporated by reference in this Base Prospectus corresponds to the documents, books and accounting records.



## **SUPPLEMENT TO THE BASE PROSPECTUS**

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus.

The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Base Prospectus which is capable of affecting the assessment of any Notes, prepare a supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of Notes.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (the "**Conditions**") which, subject to completion in accordance with the provisions of the relevant Final Terms will apply to each Series of Notes.*

*In these Conditions, references to the "**holder**" of a Note or to "**Noteholders**" are to the beneficial owners of Notes issued in dematerialised form and evidenced in book entry form with Monte Titoli S.p.A. pursuant to the relevant provisions of Legislative Decree No. 58 and in accordance with CONSOB and Bank of Italy Regulation. No physical document of title will be issued in respect of Notes. Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") are intermediaries authorised to operate through Monte Titoli S.p.A..*

### 1. Introduction

- 1.1 *Programme:* Cassa depositi e prestiti S.p.A. (the "**Issuer**") has established a Debt Issuance Programme (the "**Programme**") for the **issuance** of up to Euro 10,000,000,000 in aggregate principal amount of Notes. Such maximum amount may be increased at any time in accordance with the provisions of the Dealer Agreement (as defined below).
- 1.2 *Final Terms:* Notes issued under the Programme are issued in series (each a "**Series**") comprised of one or more tranches (each a "**Tranche**") of Notes which are (a) expressed to be consolidated and form a single Series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue. Each Tranche is the subject of the Final Terms prepared in relation to such Tranche (each, the "**Final Terms**") which complete these Conditions. The terms and conditions applicable to any particular Series of Notes are these Conditions as completed by the relevant Final Terms.
- 1.3 *Agency Agreement:* On 20 May 2015, the Issuer has entered into an agency agreement (as amended or supplemented from time to time, the "**Agency Agreement**") with BNP Paribas Securities Services as principal paying agent (the "**Principal Paying Agent**", which expression includes any successor principal paying agent appointed from time to time in connection with the Notes), in relation to certain payment services in respect of the Notes.
- 1.4 *The Notes:* References herein to "**Notes**" shall be references to the Notes of the relevant Series which are the subject of the relevant Final Terms. Copies of the relevant Final Terms (where Notes the subject thereof are listed on the Luxembourg Stock Exchange) are available for inspection by Noteholders during normal business hours at the Specified Office of the Listing Agent, the initial Specified Office of which is 60 avenue J.F. Kennedy, L-1855 Luxembourg (Luxembourg).
- 1.5 *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement and are subject to their detailed provisions. The holders of the Notes are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. Copies of the Agency Agreement

are available for inspection by Noteholders during normal business hours at the Specified Offices of the Paying Agent, the initial Specified Offices of which are set out below.

- 1.6 *Rules of Organisation of Noteholders*: The rights and powers of the Noteholders may only be exercised in accordance with the relevant rules of organisation of Noteholders attached to the Agency Agreement (respectively, the "**Rules of Organisation**") which are deemed to form part of these Conditions. The Noteholders are deemed to have notice of and are bound by, and shall have the benefit of, *inter alia*, the terms of the Rules of Organisation.

## 2. Definitions and Interpretation

- 2.1 *Definitions*: In these Conditions the following expressions have the following meanings:

"**Accrual Yield**" has the meaning given thereto in the relevant Final Terms;

"**Additional Business Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Additional Financial Centre(s)**" means the city or cities specified as such in the relevant Final Terms;

"**Article 5**" means article 5 of Italian Law Decree No. 269 of 30 September 2003 (as converted with amendments into Law No. 326 of 24 November 2003), as subsequently amended and restated;

"**CONSOB and Bank of Italy Regulation**" means the regulation issued jointly by the Bank of Italy and CONSOB on 22 February 2008, as subsequently amended and supplemented;

"**Business Day**" means:

- (i) in relation to any sum payable in Euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (ii) in relation to any sum payable in a currency other than Euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

"**Business Day Convention**", in relation to any particular date, has the meaning given thereto in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (i) "**Following Business Day Convention**" means that the relevant date shall be postponed to the first following day that is a Business Day;

- (ii) **"Modified Following Business Day Convention"** or **"Modified Business Day Convention"** means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (iii) **"Preceding Business Day Convention"** means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (iv) **"FRN Convention", "Floating Rate Convention" or "Eurodollar Convention"** means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred *provided, however, that:*
  - (A) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
  - (B) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and
  - (C) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (v) **"No Adjustment"** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

**"Calculation Agent"** means the entity specified in the relevant Final Terms to act as calculation agent in respect of the relevant Notes pursuant to the Conditions, the relevant Final Terms and the Agency Agreement;

**"Calculation Amount"** has the meaning given in the relevant Final Terms;

**"Cap"** means a percentage per annum as specified in the relevant Final Terms;

**"CMS Rate"** shall mean the applicable swap rate for swap transactions in the Reference Currency with a maturity of the Designated Maturity, expressed as a percentage, which appears on the Relevant Screen Page as at the Relevant Time on the Interest Determination Date in question, all as determined by the Calculation Agent;

**"CMS Rate 1"** and **"CMS Rate 2"** shall mean the CMS Rate with a particular Designated Maturity as specified in the relevant Final Terms;

**"CMS Reference Banks"** means (i) where the Reference Currency is Euro, the principal office of five major banks in the Euro-zone inter-bank market, (ii) where the Reference Currency is Sterling, the principal London office of five major banks in the London inter-bank market, (iii) where the Reference Currency is United States dollars, the principal New York City office of five major banks in the New York City inter-bank market, or (iv) in the case of any other Reference Currency, the principal Relevant Financial Centre office of five major banks in the Relevant Financial Centre inter-bank market, in each case selected by the Calculation Agent;

**"Day Count Fraction"** means, in respect of the calculation of an amount for any period of time (the **"Calculation Period"**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (i) if **"Actual/Actual (ICMA)"** is so specified, means:
  - (a) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
  - (b) where the Calculation Period is longer than one Regular Period, the sum of:
    - (1) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
    - (2) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (a) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (ii) if **"Actual/365"** or **"Actual/Actual (ISDA)"** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iii) if **"Actual/365 (Fixed)"** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (iv) if **"Actual/360"** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (v) if **"30/360"** is so specified, means the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis

of a year of 360 days with 12 30-day months (unless (i) the last day of the Calculation Period is the 31 day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Calculation Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month)); and

- (vi) if "**30E/360**" or "**Eurobond Basis**" is so specified means, the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the final Calculation Period, the date of final maturity is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month);

**"Dealer Agreement"** means the dealer agreement entered into on 20 May 2015 by the Issuer, the Dealers and the Representative of the Noteholders setting out the terms of issue of any Series of Notes and the terms of appointment of the Representative of the Noteholders in respect of each such Series, as amended and supplemented from time to time;

**"Early Redemption Amount"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Extraordinary Resolution"** has the meaning given thereto in the Rules of Organisation;

**"Final Redemption Amount"** means, in respect of any Note, its principal amount, subject to any purchase, cancellation, early redemption or repayment;

**"Fixed Coupon Amount"** has the meaning given thereto in the relevant Final Terms;

**"Floor"** means a percentage per annum as specified in the relevant Final Terms;

**"Guarantee"** means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (i) any obligation to purchase such Indebtedness;
- (ii) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (iii) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (iv) any other agreement to be responsible for such Indebtedness;

**"Indebtedness"** means any indebtedness for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (i) amounts raised by acceptance under any acceptance credit facility;
- (ii) amounts raised under any note purchase facility;
- (iii) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (iv) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 60 days; and
- (v) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing.

**"Interest Amount"** means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

**"Interest Commencement Date"** means, in relation to any Series or Tranche of Notes, the Issue Date of such Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

**"Interest Determination Date"** has the meaning given thereto in the relevant Final Terms;

**"Interest Payment Date"** means the date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms, as the same may be adjusted in accordance with the relevant Business Day Convention;

**"Interest Period"** means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

**"ISDA Definitions"** means the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

**"Issue Date"** has the meaning given thereto in the relevant Final Terms;

**"Legislative Decree No. 58"** means the Italian Legislative Decree No. 58 of 24 February 1998, as subsequently amended;

**"Leverage"** means a percentage number as specified in the relevant Final Terms;

**"Margin"** means a percentage per annum as specified in the relevant Final Terms;

**"Maturity Date"** has the meaning given thereto in the relevant Final Terms;

**"Maximum Redemption Amount"** has the meaning given thereto in the relevant Final Terms;

**"Minimum Redemption Amount"** has the meaning given thereto in the relevant Final Terms;

**"Monte Titoli"** means Monte Titoli S.p.A., with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy, or any successor clearing system thereto;

**"Monte Titoli Account Holders"** means any authorised financial intermediary institution entitled to hold accounts on behalf of their customers with Monte Titoli and includes any depositary banks appointed by Euroclear and Clearstream, Luxembourg;

**"Optional Redemption Amount (Call)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Amount (Put)"** means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

**"Optional Redemption Date (Call)"** has the meaning given thereto in the relevant Final Terms;

**"Optional Redemption Date (Put)"** has the meaning given thereto in the relevant Final Terms;

**"Participating Member State"** means a Member State of the European Communities which adopts the Euro as its lawful currency in accordance with the Treaty;

**"Payment Business Day"** means:

- (i) if the currency of payment is Euro, any day which is:
  - (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
  - (B) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (ii) if the currency of payment is not Euro, any day which is:



- (A) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
- (B) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

**"Person"** means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

**"Principal Financial Centre"** means, in relation to any currency, the principal financial centre for that currency provided, however, that:

- (i) in relation to Euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (ii) in relation to Australian dollars, it means either Sydney or Melbourne and, in relation to New Zealand dollars, it means either Wellington or Auckland; in each case as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

**"Put Option Notice"** means a notice to be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

**"Rate of Interest"** means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

**"Redemption Amount"** means, as appropriate, the Final Redemption Amount, the Early Redemption Amount, the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

**"Reference Banks"** has the meaning given thereto in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

**"Reference Currency"** has the meaning given in the relevant Final Terms;

**"Reference Price"** has the meaning given thereto in the relevant Final Terms;

**"Reference Rate"** has the meaning given in the relevant Final Terms;

**"Regular Period"** means:

- (i) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

"**Relevant Date**" means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Principal Paying Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

"**Relevant Financial Centre**" has the meaning given thereto in the relevant Final Terms;

"**Relevant Screen Page**" means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

"**Relevant Swap Rate**" means:

- (i) where the Reference Currency is Euro, the mid-market annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/360 day count basis, is equivalent to EUR-EURIBOR-Reuters (as defined in the ISDA Definitions) with a designated maturity determined by the Calculation Agent by reference to standard market practice and/or the ISDA Definitions;

- (ii) where the Reference Currency is sterling, the mid-market semi-annual swap rate determined on the basis of the arithmetic mean of the bid and offered rates for the semi-annual fixed leg, calculated on an Actual/365 (Fixed) day count basis, of a fixed-for-floating Sterling interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, in each case calculated on an Actual/365 (Fixed) day count basis, is equivalent (A) if the Designated Maturity is greater than one year, to GBP-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of six months or (B) if the Designated Maturity is one year or less, to GBP-LIBOR-BBA with a designated maturity of three months;
- (iii) where the Reference Currency is United States dollars, the mid-market semi-annual swap rate determined on the basis of the mean of the bid and offered rates for the semi-annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating United States dollar interest rate swap transaction with a term equal to the Designated Maturity commencing on the first day of the relevant Interest Period and in a Representative Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Actual/360 day count basis, is equivalent to USD-LIBOR-BBA (as defined in the ISDA Definitions) with a designated maturity of three months; and
- (iv) where the Reference Currency is any other currency or if the Final Terms specify otherwise, the mid-market swap rate as determined in accordance with the applicable Final Terms;

**"Relevant Time"** has the meaning given thereto in the relevant Final Terms;

**"Representative Amount"** means an amount that is representative for a single transaction in the relevant market at the relevant time;

**"Representative of the Noteholders"** means BNP Paribas Securities Services as representative of the Noteholders of a relevant Series of Notes, appointed in the Subscription Agreement entered into in relation to each Series of Notes pursuant to the Dealer Agreement and set out in the relevant Final Terms, or any successor thereto appointed in accordance with the Rules of Organisation;

**"Security Interest"** means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

**"Specified Currency"** has the meaning given thereto in the relevant Final Terms;

**"Specified Denomination(s)"** has the meaning given thereto in the relevant Final Terms;

**"Specified Office"** has the meaning given thereto in the Agency Agreement;

**"Specified Period"** has the meaning given thereto in the relevant Final Terms;

**"Subsidiary"** means, in relation to any Person (the **"first Person"**) at any particular time, any other Person (the **"second Person"**):

- (i) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or
- (ii) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

**"TARGET Settlement Day"** means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open;

**"Treaty"** means the Treaty establishing the European Communities, as amended;

**"Zero Coupon Note"** means a Note specified as such in the relevant Final Terms;

## 2.2 *Interpretation:* In these Conditions:

- (i) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 11 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (ii) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 11 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (iii) references to Notes being "outstanding" shall be construed in accordance with the Agency Agreement;
- (iv) if an expression is stated in Condition 2.1 to have the meaning given thereto in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is "not applicable" then such expression is not applicable to the Notes; and
- (v) any reference to the Agency Agreement shall be construed as a reference to the Agency Agreement as amended and/or supplemented up to and including the Issue Date of the Notes.

### **3. Form, Denomination and Title**

- 3.1 *Form*: The Notes will be in bearer form and will be held in dematerialised form on behalf of the beneficial owners by Monte Titoli for the account of the relevant Monte Titoli Account Holders as of their respective date of issue. Monte Titoli shall act as depository for Euroclear and Clearstream, Luxembourg.
- 3.2 *Book entries*: The Notes will at all times be evidenced by book-entries pursuant to the relevant provisions of Legislative Decree No. 58 and in accordance with CONSOB and Bank of Italy Regulation. No physical document of title will be issued in respect of the Notes.
- 3.3 *Denomination*: The Notes are issued in the Specified Denomination(s) specified in the applicable Final Terms. Each Series of Notes will have one denomination only.
- 3.4 *Types of Notes*: The Notes may be Fixed Rate Notes, Floating Rate Notes, Zero Coupon Notes, Partly Paid Notes or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

### **4. Status**

The Notes constitute direct, general, unconditional and unsubordinated obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

### **5. Fixed Rate Note Provisions**

- 5.1 *Application*: This Condition 5 (*Fixed Rate Note Provisions*) is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- 5.2 *Accrual of interest*: The Notes bear interest on their principal amount (or, if they are Partly Paid Notes, on the aggregate amount paid up) from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition 5 (as well after as before judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.
- 5.3 *Fixed Coupon Amount*: The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- 5.4 *Calculation of interest amount*: The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by the Calculation Agent by applying the Rate of Interest to

the principal amount of such Note (or, if they are Partly Paid Notes, the aggregate amount paid up) multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than Euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of Euro, means one cent.

## **6. Floating Rate Note Provisions**

6.1 *Application:* This Condition 6 (*Floating Rate Note Provisions*) is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.

6.2 *Accrual of interest:* The Notes bear interest on their nominal amount (or, if they are Partly Paid Notes, the aggregate amount paid up) from, and including, the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 10 (*Payments*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

6.3 *Screen Rate Determination (other than CMS Linked Interest Notes):* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:

- (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
- (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:
  - (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and

- (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; *provided, however, that* if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or, as the case may be, the arithmetic mean last determined in relation to the Notes in respect of the immediately preceding Interest Period for which such rate or arithmetic mean was determined.

6.4 *Floating Rate Notes which are CMS Linked Interest Notes:* Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be:

- (a) where "CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{CMS Rate} + \text{Margin}$$

- (b) where "Leveraged CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{CMS Rate}$$

- (c) where "Leveraged CMS Reference Rate 2" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{CMS Rate} + \text{Margin}$$

- (d) where "Steepner CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

Either:

- (i) where "Steepner CMS Reference Rate: Unleveraged" is specified in the applicable Final Terms:

$$\text{CMS Rate 1} - \text{CMS Rate 2}$$

or

- (ii) where "Steepner CMS Reference Rate: Leveraged" is specified in the applicable Final Terms:

$$\text{Leverage} \times [(\text{Min}(\text{CMS Rate 1}; \text{Cap}) - \text{CMS Rate 2}) + \text{Margin}]$$

- (e) where "Call Spread CMS Reference Rate" is specified as the Reference Rate in the applicable Final Terms, determined by the Calculation Agent by reference to the following formula:

$$\text{Leverage} \times \text{Min}[\text{Max}(\text{CMS Rate} + \text{Margin}; \text{Floor}); \text{Cap}]$$

If the Relevant Screen Page is not available, the Calculation Agent shall request each of the CMS Reference Banks to provide the Calculation Agent with its quotation for the Relevant Swap Rate at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the Interest Determination Date in question. If at least three of the CMS Reference Banks provide the Calculation Agent with such quotation, the CMS Rate for such Interest Period shall be the arithmetic mean of such quotations, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If on any Interest Determination Date less than three or none of the CMS Reference Banks provides the Calculation Agent with such quotations as provided in the preceding paragraph, the CMS Rate shall be determined by the Calculation Agent in good faith on such commercial basis as considered appropriate by the Calculation Agent in its absolute discretion, in accordance with standard market practice.

6.5 *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where "**ISDA Rate**" in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
- (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and



- (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) or on the Euro-zone inter-bank offered rate (EURIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- 6.6 *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- 6.7 *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount of such Note (or, if it is a Partly Paid Note, the aggregate amount paid up) during such Interest Period and multiplying the product by the relevant Day Count Fraction and rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit rounded upwards). For this purpose a "**sub-unit**" means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent. Where the Specified Denomination of a Floating Rate Note is the multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amounts (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination without any further rounding.
- 6.8 *Calculation of other amounts:* If the relevant Final Terms specifies that any other amount is to be calculated by the Calculation Agent, the Calculation Agent will, as soon as practicable after the time or times at which any such amount is, as the case may be, to be determined, calculate the relevant amount. The relevant amount will be calculated by the Calculation Agent in the manner specified in the relevant Final Terms.
- 6.9 *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified in accordance with Condition 18 (*Notices*) to the Paying Agent, Monte Titoli, the Issuer, the Representative of the Noteholders, the Luxembourg Stock Exchange or each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders in accordance with Condition 18 (*Notices*). The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period.

- 6.10 *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the other Paying Agent(s), the Representative of the Noteholders and the Noteholders (subject as aforesaid) and no liability to any such person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

## **7. Zero Coupon Note Provisions**

- 7.1 *Application:* This Condition 7 (*Zero Coupon Note Provisions*) is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.

- 7.2 *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:

- (i) the Reference Price; and
- (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder.

## **8. Partly Paid Notes Provisions**

*Accrual of interest.* In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue on the paid-up aggregate nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

## **9. Redemption and Purchase**

- 9.1 *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 10 (*Payments*).

- 9.2 *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:

- (i) at any time (if the Floating Rate Note Provisions are not specified in the relevant Final Terms as being applicable); or
- (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),

on giving not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 18 (*Notices*) and the Representative of the Noteholders (which notice shall be irrevocable), at their Early Redemption

Amount, together with interest accrued (if any) to the date fixed for redemption, if:

- (A) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 11 (*Taxation*) as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the relevant Tranche of the Notes; and
- (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it,

*provided, however*, that no such notice of redemption shall be given earlier than:

- (1) where the Notes may be redeemed at any time, 90 days prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
- (2) where the Notes may be redeemed only on an Interest Payment Date, 60 days prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Representative of the Noteholders (A) a certificate signed by a senior officer of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (B) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition 9.2, the Issuer shall be bound to redeem the Notes in accordance with this Condition 9.2.

- 9.3 *Redemption at the option of the Issuer.* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders and the Representative of the Noteholders in accordance with Condition 18 (*Notices*) (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).

- 9.4 *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition 9.3 (*Redemption at the option of the Issuer*), the Optional Redemption Amount (Call) will be divided among all the Noteholders of the relevant Series pro rata to the principal amount outstanding of the Notes then held by the individual Noteholders.
- 9.5 *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the holder of any Note, redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition 9.5, the holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), deposit with any Paying Agent, with a copy to the Issuer and the Representative of the Noteholders, a duly completed irrevocable Put Option Notice in the form attached to the Agency Agreement. Upon delivery of a Put Option Notice and up to and including the Optional Redemption Date (Put), no transfer of title to the Note(s) for which the Put Option Notice will be allowed. At least 5 Business Days prior to the Optional Redemption Date (Put), the Issuer and the Principal Paying Agent shall notify Monte Titoli of the amount of Notes to be redeemed on the Optional Redemption Date (Put) and the aggregate Optional Redemption Amount (Put).
- 9.6 *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs 9.1 to 9.5 above.
- 9.7 *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
- (i) the Reference Price; and
  - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.
- 9.8 Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition 9.8 or, if none is so specified, a Day Count Fraction of 30E/360.
- 9.9 *Redemption of Partly Paid Notes:* If the Notes are Partly Paid Notes, unless otherwise specified in the applicable Final Terms, they will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition 9 and the applicable Final Terms.
- 9.10 *Purchase:* The Issuer may at any time purchase Notes in the open market or otherwise and at any price. Such Notes may be held, reissued, resold or, at the option of the Issuer, cancelled.

9.11 *Cancellation*: All Notes which are redeemed by the Issuer in accordance with this Condition 9 shall be cancelled and may not be reissued or resold.

## **10. Payments**

10.1 *Principal and interest*: Payment of principal and interest in respect of the Notes will be credited, according to the instructions of Monte Titoli, by the relevant Paying Agent on behalf of the Issuer to the accounts of those banks and authorised brokers whose accounts with Monte Titoli are credited with those Notes and thereafter credited by such banks and authorised brokers from such aforementioned accounts to the accounts of the beneficial owners of those Notes or through Euroclear and Clearstream, Luxembourg to the accounts with Euroclear and Clearstream, Luxembourg of the beneficial owners of those Notes, in accordance with the rules and procedures of Monte Titoli, Euroclear or Clearstream, Luxembourg, as the case may be.

10.2 *Payments subject to fiscal laws*: All payments in respect of the Notes are subject in all cases to (i) any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 11 (*Taxation*), and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing an intergovernmental approach thereto. No commissions or expenses shall be charged to the Noteholders in respect of such payments.

10.3 *Payments on business days*: If the due date for payment of any amount in respect of any Note is not a Payment Business Day, the holder shall not be entitled to payment of the amount due until the next succeeding Payment Business Day and shall not be entitled to any further interest or other payment in respect of any such delay.

10.4 *Principal Paying Agent*: The Issuer reserves the right at any time to vary or terminate the appointment of the Principal Paying Agent and to appoint another Principal Paying Agent. The Issuer will cause at least 30 days' prior notice of any replacement of the Principal Paying Agent to be given in accordance with Condition 18 (*Notices*).

## **11. Taxation**

11.1 *Gross up*: All payments of principal and interest in respect of the Notes by the Issuer, shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatsoever nature imposed, levied, collected, withheld or assessed by the Republic of Italy, as the case may be, or any political subdivision or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts as will result in the receipt by the Noteholders of such amounts as would have been received by them if no such withholding or deduction had been required, except that no such additional amounts shall be payable in respect of any Note:

- (i) held by a relevant holder or beneficial owner of the Notes which is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of its having some connection with the Republic of Italy (including, by way of example, being a resident of the Republic of Italy) other than the mere holding of such Note; or
- (ii) held by any Noteholder who would be entitled to avoid such withholding or deduction by making a declaration of residence or non-residence or other similar claim for exemption and fails to do so in due time;
- (iii) in relation to any payment or deduction on principal, interest or other proceeds of any Note on account of *imposta sostitutiva* pursuant to Italian Legislative Decree No. 239, as amended or supplemented from time to time;
- (iv) in relation to any payments to be requested more than 30 days after the Relevant Date except to the extent that the relevant holder would have been entitled to such additional amounts if it had requested such payment in respect of such Note on the last day of such period of 30 days;
- (v) if such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the Code or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto;
- (vi) in relation to any payment to be requested in the Republic of Italy; and
- (vii) any combination of items (i) through (vi).

11.2 *Taxing jurisdiction:* If the Issuer becomes subject at any time to any taxing jurisdiction other than the Republic of Italy references in these Conditions to the Republic of Italy shall be construed as references to the Republic of Italy and/or such other jurisdiction.

## 12. Events of Default

12.1 If any of the following events (each an "**Event of Default**") occurs and is continuing, then the Representative of the Noteholders at its discretion may and, if so directed by an Extraordinary Resolution of all outstanding Series of Notes, shall (subject, in the case of the occurrence of any of the events mentioned in paragraph (b) (*Breach of other obligations*) below, to the Representative of the Noteholders having certified in writing that the happening of such event is in its opinion materially prejudicial to the interests of the Noteholders and, in all cases, to the Representative of the Noteholders having been indemnified or provided with security to its satisfaction), give written notice to the Issuer declaring the Notes to be immediately due and payable, whereupon they shall become immediately due and payable at their principal amount together with accrued interest without further action or formality:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal in respect of the Notes within one day, or fails to pay any amount of interest in respect of the Notes within three days, in each case, of the due date for payment thereof; or
- (b) *Breach of other obligations*: the Issuer defaults in the performance or observance of any of its other material obligations under or in respect of the Notes and such default (i) is, in the opinion of the Representative of the Noteholders, incapable of remedy or (ii) being a default which is, in the opinion of the Representative of the Noteholders, capable of remedy remains unremedied for 30 days or such longer period as the Representative of the Noteholders may agree upon with the Issuer, after the Representative of the Noteholders has given written notice thereof to the Issuer; or
- (c) Cross-default of Issuer:
  - (1) any Indebtedness of the Issuer which, taken individually or in the aggregate, exceeds EUR 100,000,000 (or its equivalent in any other currency or currencies) (i) is not paid when due or (as the case may be) within any applicable grace period, or (ii) becomes due and payable prior to its stated maturity by reason of default (howsoever described) by the Issuer; or
  - (2) the Issuer fails to pay when due any amount payable by it under any Guarantee of any Indebtedness, taken individually or in the aggregate, in excess of EUR 100,000,000 (or its equivalent in any other currency or currencies); or
- (d) *Unsatisfied judgment*: one or more judgment(s) or order(s) from which no further appeal or judicial review is permissible under applicable law for the payment of any amount/an amount in excess of Euro 10,000,000 (or its equivalent in any other currency or currencies), in aggregate, is rendered against the Issuer and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced*: a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or a substantial (in the opinion of the Representative of the Noteholders) part of the undertaking, assets and revenues of the Issuer, and such taking of possession or appointment is not terminated within 90 days of the date hereof; or
- (f) *Insolvency*: the Issuer:
  - (1) is adjudicated or found bankrupt or insolvent; or
  - (2) becomes subject to any bankruptcy, compulsory liquidation, or otherwise becomes subject to or initiates or consents to judicial or administrative proceedings under any applicable insolvency, liquidation, composition, or other similar laws; or

- (3) ceases generally to pay its debts or admits in writing its inability to pay its debts as they fall due; or
- (4) enters into, or passes any resolution for, or becomes subject to any order by any competent court or administrative agency, or takes any action in relation to:
  - (A) any arrangement with its creditors generally or any calls of creditors; or
  - (B) the appointment of an administrative or other receiver, administrator, trustee, or other similar official in relation to the Issuer of the whole or substantially the whole of its undertakings or assets; or
- (g) *Winding up, etc.*: an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer (otherwise than for the purposes of or pursuant to an amalgamation, reorganisation or restructuring whilst solvent); or
- (h) *Unlawfulness*: it becomes unlawful for the Issuer to perform or comply with any of its obligations under or in respect of the Notes; or
- (i) *Corporate Reorganisation*: the Issuer ceases or threatens to cease to carry on the whole or a substantial part of its business, save for (i) the purposes of a reorganisation, restructuring, merger, amalgamation transfer or contribution of assets or other similar transaction on terms approved by the Representative of the Noteholders or (ii) the purposes of a Permitted Reorganisation.

For the purposes of this provision:

**Permitted Reorganisation** means, in respect of the Issuer, an amalgamation, merger, spin-off, reconstruction, reorganisation, restructuring, transfer or contribution of assets or other similar transaction (a **relevant transaction**) whilst solvent and whereby:

- (a) to the extent that the Issuer is not a surviving entity, the resulting company is a Successor in Business of the Issuer. **Successor in Business** means, in relation to the Issuer, any company which, as a result of relevant transaction, (i) assumes the obligations of the Issuer in respect of the Notes, and (ii) carries on, as a successor to the Issuer, the whole or substantially the whole of the business carried on by the Issuer immediately prior thereto and (iii) beneficially owns the whole or substantially the whole of the undertaking, property and assets owned by the Issuer immediately prior thereto, or (iv) where item (ii) or (iii) is not complied with, no Rating Agency has announced a Rating Downgrade in respect of the Successor in Business or the Notes during the 90-day period following the announcement of a definitive agreement in respect of the relevant transaction, in each case to the extent ratings are assigned at the relevant time; or



- (b) to the extent that the Issuer is the surviving entity, the relevant transaction has no material adverse effect on the ability of the Issuer to perform all its liabilities (payment and otherwise) in respect of all then existing obligations of the Issuer of the Notes. For the purposes of this provision, "**material adverse effect**" will be deemed not to have occurred where no Rating Agency has announced a Rating Downgrade in respect of the Issuer or the Notes during the 90-day period following the announcement of a definitive agreement in respect of the relevant transaction, in each case to the extent ratings are assigned at the relevant time.

"**Fitch**" means Fitch Ratings Ltd. or any of its subsidiaries or their successors;

"**Moody's**" means Moody's Investors Service Ltd. or any of its subsidiaries or their successors;

"**Rating Agency**" means any of Fitch, Moody's and S&P and Scope;

"**Rating Date**" means the date falling one business day (being for this purpose a day on which banks are open for business in London) prior to the public announcement of a definitive agreement in respect of the relevant transaction;

"**Rating Downgrade**" means that the rating of the Notes or the Issuer which was assigned or existing as of the Rating Date by any Rating Agency is downgraded by at least one rating category below such rating of the Notes or, as appropriate, of the Issuer by such Rating Agency, and the official statement issued by such Rating Agency announcing the Rating Downgrade refers to the relevant transaction as a reason, in whole or in part, for such downgrade;

"**S&P**" means Standard & Poor's Rating Services, a division of the McGraw Hill Companies, Inc. or any of its subsidiaries or their successors;

"**Scope**" means Scope Ratings AG or any of its subsidiaries or their successors;

- (j) *Failure to Take Action*: at any time any act, condition or thing which is required to be done, fulfilled or performed by the Issuer in order (i) to enable the Issuer lawfully to enter into, exercise its rights under and perform the obligations expressed to be assumed by it under and in respect of the Notes, (ii) to ensure that those obligations are legal, valid, binding and enforceable or (iii) to make the Notes admissible in evidence in the Republic of Italy, is not done, fulfilled or performed.

## 13. Enforcement

- 13.1 No Noteholder may proceed directly against the Issuer to enforce its rights under the Notes unless the relevant action has been previously approved at a Meeting of the holders of all outstanding Series of Notes and the relevant

Representative of the Noteholders has failed to take such action within a reasonable period of time. Following the service of a notice of occurrence of an Event of Default, the Representative of the Noteholders, in its capacity as legal representative of the Noteholders, shall be entitled, pursuant to articles 1411 and 1723 of the Italian Civil Code, and subject to being previously indemnified and secured to its or their satisfaction by the Noteholders, to commence any action against the Issuer in the interest of the Noteholders.

#### **14. Meetings of Noteholders; Modifications, Consents and Waivers; the Representative of the Noteholders**

14.1 *Meetings of Noteholders:* The Rules of Organisation scheduled to the Agency Agreement contain provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of the Noteholders of a modification of the Notes (including these Conditions).

14.2 *Regard to Noteholders:* The Representative of the Noteholders of each Series of Notes is required, in connection with the exercise of its powers, authorities, duties and discretions under or in relation to the relevant Notes (including these Conditions), to have regard to the interests of the Noteholders, it shall have regard to the interests of the Noteholders as a class and, in particular but without prejudice to the generality of the foregoing, shall not have regard to, or be in any way liable for, the consequences of such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory and the Representative of the Noteholders shall not be entitled to require, nor shall any Noteholder be entitled to claim from the Issuer or any other person any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

14.3 *Appointment of the Representative of the Noteholders:* The appointment of the Representative of the Noteholders is made in the relevant Subscription Agreement in connection with any issue of Notes pursuant to the Dealer Agreement and confirmed in the relevant Final Terms. Each Noteholder is deemed to accept such appointment. The Representative of the Noteholders may be replaced in accordance with the provisions set out in the Rules of Organisation.

14.4 *Modification:* The Notes and these Conditions may be amended with the consent of the Representative of the Noteholders but, without the need of convening a meeting of the relevant Noteholders (albeit without prejudice to the right of the Representative of the Noteholders to call such a meeting) to correct a manifest error or to effect a modification which is of a formal, minor or technical nature or to comply with mandatory provisions of law.

#### **15. Prescription**

15.1 Claims against the Issuer for payments in respect of the Notes shall be prescribed and shall become void unless made within ten years (in the case of principal) or five years (in the case of interest) from the Relevant Date in respect thereof.

15.2 In this Condition 15 (*Prescription*), the "**Relevant Date**", in respect of a Note, is the date on which a payment in respect thereof first becomes due and payable or (if the full amount of the monies payable in respect of all Notes and accrued on or before that date has not been duly received by the Principal Paying Agent or the Representative of the Noteholders on or prior to such date) the date on which notice that the full amount of such monies has been received is duly given to the Noteholders in accordance with Condition 18 (*Notices*).

## **16. Agents**

16.1 In acting under the Agency Agreement and in connection with the Notes, the Paying Agent act solely as agent of the Issuer and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders.

16.2 The initial Paying Agent appointed by the Issuer and its initial specified office is listed below. The Paying Agent acts solely as agent of the Issuer and does not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint a successor paying agent or Principal Paying Agent and additional or successor paying agents, provided that the Issuer shall at all times maintain:

- (a) a Principal Paying Agent in Italy whilst the Notes are deposited with Monte Titoli;
- (b) if and for so long as the Notes are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent in any particular place, the Issuer shall maintain a Paying Agent having its specified office in the place required by such listing authority, stock exchange and/or quotation system; and
- (c) a Calculation Agent in relation to each Series of Notes.

Notice of any change in any of the Paying Agents or the Calculation Agent or in their specified offices shall promptly be given to the Noteholders.

## **17. Further Issues**

17.1 The Issuer may from time to time, without the consent of the Noteholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest and the issue price) so as to form a single series with the outstanding Notes.

## **18. Notices**

18.1 *Publication*: Any notice regarding the Notes, as long as the Notes are held through Monte Titoli, shall be deemed to have been duly given through the systems of Monte Titoli, and, as long as the Notes are listed on the Luxembourg Stock Exchange and the rules of such exchange so require, if published on the Luxembourg Stock Exchange website ([www.bourse.lu](http://www.bourse.lu)). Any such notice shall

be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the first date on which publication is made in the manner required in one of the newspapers referred to above.

- 18.2 *Variation*: The Representative of the Noteholders shall be at liberty to sanction some other method of giving notice to Noteholders of the relevant Series if, in its or their opinion, such other method is reasonable having regard to market practice then prevailing and to the rules of the stock exchange on which the Notes are then listed and provided that notice of such other method is given to the Noteholders in such manner as the Representative of the Noteholders shall require.

## 19. Currency Indemnity

- 19.1 If any sum due from the Issuer in respect of the Notes or any order or judgment given or made in relation thereto has to be converted from the currency (the "**first currency**") in which the same is payable under these Conditions or such order or judgment into another currency (the "**second currency**") for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Principal Paying Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

## 20. Rounding

For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

## 21. Redenomination, Renominalisation and Reconventioning

- 21.1 *Application:* This Condition 21 (*Redenomination, Renominalisation and Reconventioning*) is applicable to the Notes only if it is specified in the relevant Final Terms as being applicable.
- 21.2 *Notice of redenomination:* If the country of the Specified Currency becomes or, announces its intention to become, a Participating Member State, the Issuer may, without the consent of the Noteholders, on giving at least 30 days' prior notice to the Noteholders and the Paying Agent, designate a date (the "**Redenomination Date**"), being an Interest Payment Date under the Notes falling on or after the date on which such country becomes a Participating Member State.
- 21.3 *Redenomination:* Notwithstanding the other provisions of these Conditions, with effect from the Redenomination Date:
- (i) the Notes shall be deemed to be redenominated into Euro in the denomination of Euro 0.01 with a principal amount for each Note equal to the principal amount of that Note in the Specified Currency, converted into Euro at the rate for conversion of such currency into Euro established by the Council of the European Union pursuant to the Treaty (including compliance with rules relating to rounding in accordance with European Community regulations); *provided, however, that*, if the Issuer determines, with the agreement of the Principal Paying Agent then market practice in respect of the redenomination into Euro 0.01 of internationally offered securities is different from that specified above, such provisions shall be deemed to be amended so as to comply with such market practice and the Issuer shall promptly notify the Noteholders, each listing authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation and the Paying Agents of such deemed amendments;
  - (ii) all payments in respect of the Notes (other than, unless the Redenomination Date is on or after such date as the Specified Currency ceases to be a sub-division of the Euro, payments of interest in respect of periods commencing before the Redenomination Date) will be made solely in Euro by credit or transfer to a Euro account (or any other account to which Euro may be credited or transferred) maintained by the payee with, a bank in the principal financial centre of any Member State of the European Communities.
- 21.4 *Interest Determination Date:* If the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable and Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, with effect from the Redenomination Date the Interest Determination date shall be deemed to be the second TARGET Settlement Day before the first day of the relevant Interest Period.

## **22. Governing Law and Jurisdiction**

- 22.1 *Governing law:* The Notes are governed by, and shall be construed in accordance with, the laws of the Republic of Italy.
- 22.2 *Jurisdiction:* The courts of Rome are to have exclusive jurisdiction to settle any dispute arising from or connected with the Notes.

## FORMS OF FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR 100,000 (or its equivalent in another currency).*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>3</sup>**

**[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/ each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer ['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer ['s/s'] target market assessment) and determining appropriate distribution channels.]<sup>4</sup>**

**[MIFID II – PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPs TARGET MARKET – Solely for the purposes of each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and [(ii) all channels for distribution of the Notes are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services] / (ii) all channels for distribution to eligible counterparties and professional clients are appropriate] and (iii) the following channels for distribution of the Notes to retail**

---

<sup>3</sup> [(to be inserted if the Notes may constitute "packaged" products and no KID will be prepared)].

<sup>4</sup> [(to be inserted if the Notes are to be offered to professional clients only; to be deleted if the Notes are to be offered also to retail clients)].

clients are appropriate, including; investment advice[, portfolio management and non-advised sales][, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable].<sup>5</sup>

**Final Terms dated [●]  
Cassa depositi e prestiti S.p.A.**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

**under the Euro 10,000,000,000 Debt Issuance Programme**

**PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated [9] May 2018 [and the Supplement[s] to it dated [●] [and [●]]] which [together] constitute[s] a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"), as subsequently amended (including by Directive 2010/73/EU (the "**2010 PD Amending Directive**")) (the "**Base Prospectus**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. However, a summary of the issue of the Notes (which comprises the summary in the Base Prospectus as amended and completed to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the Supplement[s] to the Base Prospectus] [is] [are] available for viewing on the website of CDP [www.cdp.it](http://www.cdp.it), as well as on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu). Copies may be obtained from the Issuer during normal business hours at [address].

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 12 May 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC (the "**Prospectus Directive**"), as

---

<sup>5</sup> [(to be inserted if the Notes are to be offered to professional and retail clients; to be deleted if the Notes are to be offered to professional clients only)].



subsequently amended (including by Directive 2010/73/EU (the "**2010 PD Amending Directive**")) and must be read in conjunction with the Base Prospectus dated [●] May 2018 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. A summary of the Notes (which comprises the summary in the Base Prospectus as amended and completed to reflect the provisions of these Final Terms) is annexed to these Final Terms. The Base Prospectus [and the Supplement[s] to the Base Prospectus] [is] [are] available for viewing on the website of CDP [www.cdp.it](http://www.cdp.it), as well as on the website of the Luxembourg Stock Exchange, [www.bourse.lu](http://www.bourse.lu). Copies may be obtained from the Issuer during normal business hours at [address]].

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

1. [(i) Series Number: [●]
  - [(ii) Tranche Number: [●]
  - [(iii) Date on which the Notes become fungible: [Not Applicable/ The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the with [Tranche [●]] of [Aggregate Nominal Amount of Tranche][Title of Notes] on [insert date/the Issue Date]
2. **Specified Currency or Currencies:** [●]
3. **Aggregate Nominal Amount of Notes [admitted to trading]:** [●]
    - [(i)] Series: [●]
    - [(ii) Tranche: [●]]
4. **Issue Price:** [●] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
5. [(i)] Specified Denominations: [●]
  - [(ii)] Calculation Amount: [●] (*If only one Specified Denomination, insert the Specified Denomination. If more than one*

*Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations)*

6. [(i)] Issue Date: [●]  
[(ii)] Interest Commencement Date: [●]
7. **Maturity Date:** *[Specify date or (for Floating Rate Notes) Interest Payment Date falling in or nearest to [specify month and year]]*
8. **Interest Basis:** [[●] per cent. Fixed Rate]  
[EURIBOR]/[LIBOR] +/- [●] per cent. Floating Rate]  
[Zero Coupon]  
[Floating rate: CMS Linked Interest Rate  
(see paragraph [13/14/15] below)]
9. **Change of Interest:** [Applicable/Not Applicable]  
*(Specify the date when any change from fixed to floating rate or vice versa occurs or cross refer to paragraphs 13 and 14 below and identify there)*
- 10 **Put/Call Options:** [Investor Put]  
[Issuer Call]  
[(see paragraph [16/17] below)]  
[Not Applicable]
- 11 **Partly Paid:** [Applicable] / [Not Applicable]  
[(see paragraph 23 below)]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

- 12 **Fixed Rate Note Provisions** [Applicable] / [Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

- (i) Rate[(s)] of Interest: [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date]
- (ii) Interest Payment Date(s): [●] in each year up to, and including, the Maturity Date (*Amend appropriately in the case of irregular coupons*) [adjusted in accordance with the Business Day Convention set out in (vii) below /not adjusted]
- (iii) Fixed Coupon Amount[(s)]: [●] per Calculation Amount
- (iv) Broken Amount(s): [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]] [Not Applicable]
- [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount[(s)]]*
- (v) Day Count Fraction: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]
- (vi) [Determination Dates: [[●] in each year] [Not Applicable] (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
- (vii) Business Day Convention: [Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention / Not Applicable]
- 13 Floating Rate Note Provisions** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Interest Period(s): [●][, subject to adjustment in accordance with the Business Day Convention set out in (iii) below/not adjusted]
- (ii) Specified Interest Payment Dates: [●][, subject to adjustment in accordance with the Business Day Convention set out in (iii) below/not adjusted]

- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] / [Not Applicable]
- (iv) Additional Business Centre(s) [Not Applicable] / [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination]
- (vi) Calculation Agent responsible for calculating the Rate(s) of Interest and/or Interest Amount(s): [●]
- (vii) Screen Rate Determination:
- Reference Rate: [*For example, LIBOR or EURIBOR*]/[CMS Reference Rate/Leveraged CMS Reference Rate/Leveraged CMS Reference Rate 2/Steepner CMS Reference Rate: [Unleveraged/Leveraged]/Call CMS Reference Rate]
  - Reference Currency: [●]
  - Designated Maturity: [●]/[The CMS Rate having a Designated Maturity of [●] shall be "**CMS Rate 1**" and the CMS Rate having a Designated Maturity of [●] shall be "**CMS Rate 2**"]
  - (*Where more than one CMS Rate, specify the Designated Maturity for each relevant CMS Rate*)
  - Relevant Screen Page: [*For example, Reuters EURIBOR 01*]
  - (*In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions*)
  - Interest Determination Date(s): [●]
  - (*In the case of a CMS Rate where the Reference Currency is euro*): [Second day on

which the TARGET2 system is open prior to the start of each Interest Period]

*(In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period]*

- Relevant Time: *[For example, 11.00 a.m. London time/Brussels time]*
- Relevant Financial Centre: *[For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]*
- Cap: *[[●] per cent. per annum]*
- Floor: *[[●] per cent. per annum]*
- Leverage: *[[●] per cent.]*

(viii) ISDA Determination:

- Floating Rate Option: *[●]*
- Designated Maturity: *[●]*
- Reset Date: *[●]*

*(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked)*

(ix) Margin(s): *[+/-][●] per cent. per annum*

(x) Minimum Rate of Interest: *[0] / [●] per cent. per annum*

(xi) Maximum Rate of Interest: *[●] per cent. per annum*

(xii) Day Count Fraction: *[Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]*

14 **Zero Coupon Note Provisions** **Note** *[Applicable/Not Applicable]*

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Accrual Yield: [●] per cent. per annum
- (ii) Reference Price: [●]
- (iii) Day Count Fraction in relation to early Redemption Amounts: [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]

## **PROVISIONS RELATING TO REDEMPTION**

**15 Call Option** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s) (Call): [●]
- (ii) Optional Redemption Amount(s) (Call): [●] per Calculation Amount
- (iii) If redeemable in part:
  - (a) Minimum Redemption Amount: [●] per Calculation Amount
  - (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or the Representative of the Noteholders)*

**16 Put Option** [Applicable/Not Applicable]

*(If not applicable, delete the remaining subparagraphs of this paragraph)*

- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [●] per Calculation Amount
- (iii) Notice period: [●]

*(N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or the Representative of the Noteholders)*

- 17 **Final Redemption Amount of each Note** The principal amount of each Note, being [●] per Calculation Amount
- 18 **Early Redemption Amount**

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption: [Not Applicable] / [[●] per Calculation Amount]

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 19. **Financial Centre(s):** [Not Applicable/[●]]

*Note that this item relates to the date and place of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of interest]*
- 20. **Talons for future Coupons to be attached to Notes** (and dates on which such Talons mature): [Yes/No.]
- 21. **Redenomination, renominatisation and reconventioning provisions:** [Not Applicable/The provisions [in Condition [●]] apply]
- 22. **Details relating to Partly Paid Notes** (amount of [Not Applicable/[●]])

each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment):

*(N.B. Note that payments of the Issue Price in relation to Partly Paid Notes will be effected in a maximum of 10 instalments during a maximum period of 3 months from the Issue Date)*

23. **Representative of the Noteholders** [BNP Paribas Securities Services]/[●]

Signed on behalf of the Issuer:

By: .....

Duly authorised



## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [the Official List of the Luxembourg Stock Exchange]/ [●] / [None]
- (ii) Admission to trading: [Application has been made to be admitted to trading on the [●] / [Regulated Market of the Luxembourg Stock Exchange] with effect from [●].] [Not Applicable.]

### 2. RATINGS

Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated]:

[Fitch: [●]]

[Moody's: [●]]

[Standard & Poor's: [●]]

[Scope: [●]]

[[Other]: [●]]

*[Need to include a brief explanation of the meaning of the ratings if this has previously been published by the rating provider.]*

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

*[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]/[[Insert credit rating agency] is established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>] / [[Insert credit rating agency] is not established in the European*

*Union and has not applied for registration under Regulation (EU) No 1060/2009 (as amended).]*

*In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the Regulation (EU) No 1060/2009 (as amended) ("**CRA Regulation**") [(or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation) unless (1) the rating is provided by a credit rating agency not established in the EEA but endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation].*

**3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER**

*[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:]*

*"[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)"]*

**4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer      [●] [Not Applicable]

*(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here. If the Notes are Social Bonds or Green Bonds describe the relevant social or green projects to which the net proceeds of the Tranche of Notes will be applied and refer to the relevant social bond framework or green bond framework.)*

- (ii) Estimated net proceeds: [●] [Not Applicable]
- (iii) Estimated total expenses: [●] [*Include breakdown of expenses.*] [Not Applicable]

*(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

5. **YIELD (*Fixed Rate Notes only*)**

Indication of yield: [[●]/Not Applicable]

6. **HISTORIC INTEREST RATES (*Floating Rate Notes only*)-**

Details of historic [LIBOR/EURIBOR/ *replicate other as specified in the Conditions*] rates can be obtained from [Reuters][Not Applicable].

7. **OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

[CFI: [Not Applicable/[●]]]

[FISN: [Not Applicable/[●]]]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")*

Any clearing system(s) other than Monte Titoli, Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s) and addresses: [Not Applicable/*give name(s) and number(s)*]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

8. **DISTRIBUTION**

(i) Method of distribution: [Syndicated/Non-syndicated]

- (ii) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/*give names, addresses and underwriting commitments*]

*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Managers.)*

- (iii) Date of [Subscription] Agreement [●] [Not Applicable]

- (iv) Stabilising Manager(s) (if any): [Not Applicable/ *give name*]

- (v) If non-syndicated, name and address of Dealer: [Not Applicable/ *give name and address*]

- (vi) Total commission and concession: [●] per cent. of the Aggregate Nominal Amount

- (vii) U.S. Selling restriction: Reg. S Compliance Category [1/2/3]; TEFRA Not Applicable

- (viii) Offer to the Public: [Not Applicable] [An offer of the Notes may be made by the Managers [, *insert names of financial intermediaries receiving consent (specific consent)*] (the "**Initial Authorised Offerors**") [and any additional financial intermediaries who have or obtain the Issuer's consent to use the Base Prospectus in connection with the Offer to the Public and who are identified on the Issuer's website at [www.cdp.it](http://www.cdp.it) as an Authorised Offeror] (together [with any financial intermediaries granted General Consent], being persons to whom the issuer has given consent, the "**Authorised Offerors**") other than pursuant to Article 3(2) of the Prospectus Directive, in [Austria], [Belgium], [France], [Germany], [Portugal], [Spain], [Sweden], [the Netherlands], [the United Kingdom] (each, a "**Public Offer Jurisdiction**").]

*(N.B. Offers to the Public may only be made into jurisdictions in which the base*

*prospectus (and any supplement) has been notified/passported.)*

- (ix) Offer Period: [specify date] until [specify date]
- (x) General Consent: [Applicable][Not Applicable]
- (xi) Other conditions to consent: [Not Applicable] [Add here any other conditions to which the consent given is subject].

*(N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make an Offer to the Public [where there is no exemption from the obligation under the Prospectus Directive to publish a prospectus] in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Offers to the Public may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)*

**9. TERMS AND CONDITIONS OF THE OFFER (*delete whole section if subparagraph 8(viii) above is specified as Not Applicable*)**

- (a) Offer Price: [Issue Price/Not Applicable/specify]
- (b) Conditions to which the offer is subject: [Not Applicable/give details]
- (c) Offer Period: See paragraph [8(viii) above]
- (d) Description of the application process: [Not Applicable/give details]
- (e) Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants: [Not Applicable/give details]
- (f) Details of the minimum and/or maximum amount of application: [Not Applicable/give details]
- (g) Details of the method and time limits for paying up and delivering the Notes: [Not Applicable/give details]

- (h) Manner in and date on which results of the offer are to be made public: [Not Applicable/*give details*]
- (i) Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised: [Not Applicable/*give details*]
- (j) Whether tranche(s) have been reserved for certain countries: [Not Applicable/*give details*]
- (k) Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made: [Not Applicable/*give details*]
- (l) Amount of any expenses and taxes specifically charged to the subscriber or purchaser: [Not Applicable/*give details*]
- (m) Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place. [None] / [●]

## 10. CORPORATE AUTHORISATIONS

[Date [Board] approval for [●] [registered with the Companies' issuance of Notes obtained: Registry of [Rome] on [●] [and [●], respectively] [Not Applicable]

*(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

## 11. PROHIBITION OF SALES TO EEA RETAIL INVESTORS

[Applicable] / [Not Applicable]

*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

## 12. BENCHMARK

[Not Applicable] / [[*Benchmark*] provided by [*Benchmark administrator*]. As at the date hereof, [*Benchmark administrator*] [appears] / [does not appear] on

the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). [As far as the Issuer is aware, *EITHER* *[[Benchmark administrator]* does not fall within the scope of the Benchmarks Regulation] OR [the transitional provisions in Article 51 of the Benchmarks Regulation apply, such that *[Benchmark administrator]* is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)].]

## ISSUE-SPECIFIC SUMMARY

[This summary relates to [insert description of Notes] described in the final terms (the "**Final Terms**") to which this summary is annexed. This summary contains that information from the summary set out in the Base Prospectus which is relevant to the Notes together with the relevant information from the Final Terms. Words and expressions defined in the Final Terms and the Base Prospectus have the same meanings in this summary.]

*[Insert completed summary by amending and completing the summary of the Base Prospectus as appropriate to the terms of the specific issue].*



*Set out below is the form of Final Terms which will be completed for each Tranche of Notes with a denomination of at least EUR 100,000 (or its equivalent in another currency) or more issued under the Programme.*

**[PROHIBITION OF SALES TO EEA RETAIL INVESTORS - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended "MiFID II"); (ii) a customer within the meaning of Directive 2002/92/EC ("IMD"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive. Consequently no key information document required by Regulation (EU) No 1286/2014 (the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]<sup>6</sup>**

**MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET – Solely for the purposes of [the/ each manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "MiFID II"); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturer ['s/s'] target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer ['s/s'] target market assessment) and determining appropriate distribution channels.**

**Final Terms dated [●]  
Cassa depositi e prestiti S.p.A.**

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

**under the Euro 10,000,000,000 Debt Issuance Programme**

## **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions of the Notes (the "**Conditions**") set forth in the Base Prospectus dated [9] May 2018 [and the supplement[s] to the Base Prospectus dated [●] [and [●]] which [together] constitute[s] a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the "**Prospectus Directive**"), as subsequently amended (which

---

<sup>6</sup> [(to be inserted if the Notes may constitute "packaged" products and no KID will be prepared)].

includes the amendments made by Directive 2010/73/EU (the "**2010 PD Amending Directive**"). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus [as so supplemented].

Full information on the Issuer and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Supplement[s] to the Base Prospectus] [is] [are] available for viewing on the website of CDP, *www.cdp.it*, as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained from the Issuer during normal business hours at [address].]

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Base Prospectus with an earlier date]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the "**Conditions**") set forth in the Base Prospectus dated 12 May 2017. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Directive 2003/71/EC (the "**Prospectus Directive**"), as subsequently amended (including by Directive 2010/73/EU (the "**2010 PD Amending Directive**")) and must be read in conjunction with the Base Prospectus dated [●] May 2018 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the "**Base Prospectus**"), including the Conditions incorporated by reference in the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Supplement[s] to the Base Prospectus] [is] [are] available for viewing on the website of CDP *www.cdp.it*, as well as on the website of the Luxembourg Stock Exchange, *www.bourse.lu*. Copies may be obtained from the Issuer during normal business hours at [address]].

*[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]*

1. [(i)] Series Number: [●]
  - [(ii)] Tranche Number: [●]
  - [(iii)] Date on which the Notes become fungible: [Not Applicable/ The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the with [Tranche [●]] of [Aggregate Nominal Amount of Tranche][Title of Notes] on [insert date/the Issue Date]
2. **Specified Currency or Currencies:** [●]

3. **Aggregate Nominal Amount of Notes** [admitted to trading]: [•]
- [(i)] Series: [•]
- [(ii)] Tranche: [•]
4. **Issue Price:** [•] per cent of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
5. [(i)] Specified Denominations: [•]  
[•]
- [Notes (including Notes denominated in Sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of Section 19 of the FSMA and which have a maturity of less than one year must have a minimum redemption value of £100,000 (or its equivalent in other currencies)]*
- [(ii)] Calculation Amount: [•] *(If only one Specified Denomination, insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. There must be a common factor in the case of two or more Specified Denominations.)*
6. [(i)] Issue Date: [•]
- [(ii)] Interest Commencement Date [•]
7. **Maturity Date:** *[Specify date or for Floating Rate Notes Interest Payment Date falling in or nearest to [specify month and year]]*
8. **Interest Basis:** [• per cent. Fixed Rate]  
[[EURIBOR]/[LIBOR] +/- • per cent. Floating Rate]  
[Zero Coupon]  
  
[Floating Rate: CMS Linked Interest Rate]  
(see paragraph [13/14/15] below)
9. **Change of Interest:** [Applicable]/[Not Applicable]

(Specify the date when any change from fixed to floating rate or vice versa occurs or cross refer to paragraphs 13 and 14 below and identify there)

10 **Put/Call Options:** [Investor Put]  
 [Issuer Call]  
 [(see paragraph [16/17] below)]  
 [Not Applicable]

11 **Partly Paid:** [Applicable]/[Not Applicable]  
 [(see paragraph 23 below)]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

12 **Fixed Rate Note Provisions** [Applicable / Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*

(i) **Rate(s) of Interest:** [●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear on each Interest Payment Date]

(ii) **Interest Payment Date(s):** [●] in each year up to, and including, the Maturity Date *(Amend appropriately in the case of irregular coupons)* [, adjusted in accordance with the Business Day Convention set out in (vii) below /not adjusted]

(iii) **Fixed Coupon Amount(s):** [●] per Calculation Amount

(iv) **Broken Amount(s):** [[●] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [●]]/[Not Applicable]  
*(Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount(s))*

(v) **Day Count Fraction:** [Actual/Actual (ICMA)] / [Actual/365] / [Actual/Actual (ISDA)] / [Actual/365 (Fixed)] / [Actual/360] / [30/360] / [30E/360] / [Eurobond Basis] / [30E/360 (ISDA)]

(vi) **Determination Dates:** [[●] in each year] [Not Applicable] *(insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first*

or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual ([ICMA])

- (vii) Business Day Convention: [Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/ Not Applicable]
- 13 **Floating Rate Provisions** **Note** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (i) Interest Period(s) [●][, subject to adjustment in accordance with the Business Day Convention set out in (iii) below/not adjusted]
- (ii) Specified Interest Payment Dates: [●][, subject to adjustment in accordance with the Business Day Convention set out in (iii) below/not adjusted]
- (iii) Business Day Convention: [Floating Rate Convention/ Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention] [Not Applicable]
- (iv) Additional Business Centre(s): [Not Applicable]/ [●]
- (v) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA]
- (vi) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [●]
- (vii) Screen Rate Determination:
- Reference Rate: [For example, LIBOR or EURIBOR]/[CMS Reference Rate/Leveraged CMS Reference Rate/Leveraged CMS Reference Rate 2/Steepner CMS Reference Rate: [Unleveraged/Leveraged]/Call CMS Reference Rate]
- Reference Currency: [●]

Designated Maturity: [●]/[The CMS Rate having a Designated Maturity of [●] shall be "CMS Rate 1" and the CMS Rate having a Designated Maturity of [●] shall be "CMS Rate 2"]

*(Where more than one CMS Rate, specify the Designated Maturity for each relevant CMS Rate)*

- Relevant Screen Page: [For example, Reuters EURIBOR 01]  
  
*(In the case of a CMS Linked Interest Note, specify relevant screen page and any applicable headings and captions)*
  - Interest Determination Date(s): [●]  
  
*(In the case of a CMS Rate where the Reference Currency is euro): [Second day on which the TARGET2 system is open prior to the start of each Interest Period]*  
  
*(In the case of a CMS Rate where the Reference Currency is other than euro): [Second (specify type of day) prior to the start of each Interest Period]*
  - Relevant Time: [For example, 11.00 a.m. London time/Brussels time]
  - Relevant Financial Centre: [For example, London/Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the euro)]
  - Cap: [[●] per cent. per annum]
  - Floor: [[●] per cent. per annum]
  - Leverage: [[●] per cent.]
- (viii) ISDA Determination:
- Floating Rate Option: [●]
  - Designated Maturity: [●]
  - Reset Date: [●]

*(In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period. In the case of a CMS Linked Interest Note, if based on euro then the first day of each Interest Period and if otherwise to be checked)*

- (ix) Margin(s): [ +/- ] [ ] per cent per annum
  - (x) Minimum Rate of Interest: [ 0 ] / [ • ] per cent per annum
  - (xi) Maximum Rate of Interest: [ • ] per cent per annum
  - (xii) Day Count Fraction: [ Actual/Actual (ICMA) ] / [ Actual/365 ] / [ Actual/Actual (ISDA) ] / [ Actual/365 (Fixed) ] / [ Actual/360 ] / [ 30/360 ] / [ 30E/360 ] / [ Eurobond Basis ] / [ 30E/360 (ISDA) ]
- 14 **Zero Coupon Note Provisions** [Applicable/Not Applicable]  
*(If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Accrual Yield: [ • ] per cent per annum
  - (ii) Reference Price: [ • ]
  - (iii) Day Count Fraction in relation to Early Redemption Amounts: [ Actual/Actual (ICMA) ] / [ Actual/365 ] / [ Actual/Actual (ISDA) ] / [ Actual/365 (Fixed) ] / [ Actual/360 ] / [ 30/360 ] / [ 30E/360 ] / [ Eurobond Basis ] / [ 30E/360 (ISDA) ]

## **PROVISIONS RELATING TO REDEMPTION**

- 15 **Call Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s) (Call): [ • ]
  - (ii) Optional Redemption Amount(s) (Call): [ • ] per Calculation Amount
  - (iii) If redeemable in part:

- (a) Minimum Redemption Amount: [●] per Calculation Amount
- (b) Maximum Redemption Amount: [●] per Calculation Amount
- (iv) Notice period: [●]
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or the Representative of the Noteholders)*
- 16 **Put Option** [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (i) Optional Redemption Date(s): [●]
- (ii) Optional Redemption Amount(s): [●] per Calculation Amount
- (iii) Notice period: [●]
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Representative of the Noteholders)*
- 17 **Final Redemption Amount of each Note** [The principal amount of each Note, being [●] per Calculation Amount]
- 18 **Early Redemption Amount**
- Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on [[Not Applicable] / [[●] per Calculation Amount]]



event of default or other early redemption:

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 19 **Financial Centre(s):** [Not Applicable/[•]]
- Note that this item relates to the date and place of payment, and not the end dates of Interest Periods for the purposes of calculating the amount of interest]*
- 20 **Talons for future Coupons to be attached to Notes** (and dates on which such Talons mature): [Yes]/[No]
- 21 **Redenomination, renominatisation and reconventioning provisions:** [Not Applicable/The provisions [in Condition [•]] apply]
- 22 **Details relating to Partly Paid Notes** (amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment): [Not Applicable/[•]]
- (N.B. Note that payments of the Issue Price in relation to Partly Paid Notes will be effected in a maximum of 10 instalments during a maximum period of 3 months from the Issue Date)*
- 23 **[Representative of the Noteholders]** [BNP Paribas Securities Services]/[•]]

Signed on behalf of the Issuer:

By: .....

Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing: [The Official List of Luxembourg Stock Exchange] / [●] / [None]
- (ii) Admission to trading: [Application has been made to be admitted to trading on the [●] [Regulated Market of the Luxembourg Stock Exchange] with effect from [●].] [Not Applicable.]
- (iii) Estimate of total expenses related to admission to trading: [●]

### 2. RATINGS

Ratings: The Notes to be issued have been rated:

[Fitch: [●]]

[Moody's: [●]]

[S & P: [●]]

[Scope: [●]]

[[Other]: [●]]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

*[[Insert credit rating agency] is established in the European Union and has applied for registration under Regulation (EU) No 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.] / [[Insert credit rating agency] is established in the European Union and registered under Regulation (EU) No 1060/2009 (as amended) and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>] / [[Insert credit rating agency] is not established in the*

*European Union and has not applied for registration under Regulation (EU) No 1060/2009 (as amended).]*

*In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the Regulation (EU) No 1060/2009 (as amended) ("**CRA Regulation**") [(or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation) unless (1) the rating is provided by a credit rating agency not established in the EEA but endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified under the CRA Regulation].*

3. **[INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]**

*[Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the statement below:]*

*"[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. (Amend as appropriate if there are other interests)"]*

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

[(i) Reasons for the offer                      [●] [Not Applicable]

*(See "Use of Proceeds" wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks, will need to include those reasons here. If the Notes are Social Bonds or Green Bonds describe the relevant social or green projects to which the net proceeds of the Tranche of Notes will be applied and refer to the relevant*

*social bond framework or green bond framework.)*

(ii) Estimated net proceeds: [●] [Not Applicable]

(iii) Estimated total expenses: [●] *[Include breakdown of expenses.]* [Not Applicable]

*(Only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)*

**5. YIELD (*Fixed Rate Notes only*)**

Indication of yield: [●] / [Not Applicable]

**6. HISTORIC INTEREST RATE (*Floating Rate Notes only*)**

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters]. / [Not Applicable]

**7. OPERATIONAL INFORMATION**

ISIN Code: [●]

Common Code: [●]

[CFI: [Not Applicable/[●]]]

[FISN: [Not Applicable/[●]]]

*(If the CFI and/or FISN is not required, requested or available, it/they should be specified to be "Not Applicable")*

Any clearing system(s) other than Monte Titoli, Euroclear Bank S.A./N.V. and Clearstream Banking Société Anonyme and the relevant identification number(s) and addresses: [Not Applicable/*give name(s) and number(s)*]

Delivery: Delivery [against/free of] payment

Names and addresses of additional Paying Agent(s) (if any): [●]

**8. DISTRIBUTION**

(i) Method of distribution: [Syndicated/Non-syndicated]

- (ii) If syndicated, names and addresses of Dealers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]

*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a "best efforts" basis if such entities are not the same as the Dealers.)*

- (iii) Date of [Subscription] Agreement: [●] [Not Applicable]

- (iv) Stabilising Manager(s) (if any): [Not Applicable/ give name]

- (v) If non-syndicated, name and address of Dealer: [Not Applicable/ give name and address]

- (vi) U.S. Selling restriction: [Reg. S Compliance Category [1/2/3]; TEFRA Not Applicable]

## 9. CORPORATE AUTHORISATIONS

[Date [Board] approval for issuance of Notes obtained: [●] [registered with the Companies' Registry of [Rome] on [●] [and [●], respectively] [Not Applicable]

*(N.B Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

## 10. PROHIBITION OF SALES TO EEA RETAIL INVESTORS

[Applicable] / [Not Applicable]

*(If the Notes clearly do not constitute "packaged" products, "Not Applicable" should be specified. If the Notes may constitute "packaged" products and no KID will be prepared, "Applicable" should be specified.)*

## 11. BENCHMARK

[Not Applicable] / [[Benchmark] provided by [Benchmark administrator]. As at the date hereof, [Benchmark administrator] [appears] / [does not appear] on the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority pursuant to article 36 of the Benchmarks Regulation (Regulation (EU) 2016/1011 (the "**Benchmarks Regulation**"). [As far as the Issuer is aware, EITHER [[Benchmark administrator] does not fall within the scope of the Benchmarks Regulation] OR [the transitional

provisions in Article 51 of the Benchmarks Regulation apply, such that [*Benchmark administrator*] is not currently required to obtain authorisation/registration (or, if located outside the European Union, recognition, endorsement or equivalence)].]

## DESCRIPTION OF CASSA DEPOSITI E PRESTITI S.P.A.

### INTRODUCTION

Cassa depositi e prestiti società per azioni ("**CDP**" or the "**Issuer**") is a joint stock company (*società per azioni*) incorporated on 12 December 2003 under the laws of the Republic of Italy. The registered office of CDP and its principal place of business is Via Goito 4, Rome, Italy, telephone number +39 06 42211. CDP is enrolled in the Register of Companies of Rome with registration number and fiscal code 80199230584.

CDP's shares are not listed on any stock exchange. The long-term unsecured, unsubordinated and unguaranteed debt obligations of CDP are rated BBB by Fitch Ratings, Baa2 by Moody's BBB by S&P and A- by Scope. A long term, unsecured, unsubordinated and unguaranteed debt securities rating of (i) 'BBB' by Fitch Ratings indicates that expectations of default risk are currently low and that the capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity; (ii) 'Baa' by Moody's indicates that the issuer's debt securities are subject to moderate credit risk - they are considered medium grade and as such may possess certain speculative characteristics. The modifier "2" indicates a mid-range ranking; (iii) 'BBB' by S&P indicates that the Issuer debt securities exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the issuer's capacity to meet its financial commitments with respect to its debt securities; and (iv) "A-" by Scope reflects an opinion of strong credit quality. Each of Fitch Ratings, Moody's S&P and Scope is established in the EEA and registered under the CRA Regulation, and is included in the list of registered credit rating agencies published on the website of the European Securities and Markets Authority at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

Whether or not each credit rating applied for in relation to the relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. In general, European-regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation (or is endorsed and published or distributed by subscription by such a credit rating agency in accordance with the CRA Regulation) unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused.

### HISTORY

CDP is the company resulting from the transformation of the Cassa depositi e prestiti – a national public body (*amministrazione dello Stato*) - into joint stock companies, pursuant to Law Decree No. 269 of 30 September 2003 ("**Law Decree 269**").

Law No. 1270 of 17 May 1863 originally established Cassa depositi e prestiti through the merger of several financial institutions into the Public Debt General Department (*Direzione Generale del Debito Pubblico*). As such, for approximately one century, Cassa depositi e prestiti was a general department of the Ministry of Treasury of the

Republic of Italy. However Cassa depositi e prestiti maintained its financial and accounting autonomy from the Italian state. Pursuant to Law No. 197 of 13 May 1983 ("**Law 197**"), the General Department was abolished and Cassa depositi e prestiti was set up as an independent administration (*amministrazione autonoma*). Legislative Decree No. 284 of 30 July 1999 reformed Cassa depositi e prestiti and classified it as a national public body (*amministrazione dello Stato*) with legal status and regulatory, organisational, economic and accounting autonomy.

Pursuant to Article 5, paragraph 1, of Law Decree 269, Cassa depositi e prestiti was transformed and incorporated, as of 12 December 2003, as a joint stock company under the name "*Cassa depositi e prestiti società per azioni*" and all assets, liabilities, rights and obligations previously owned by or owed to Cassa depositi e prestiti were transferred to CDP, with the exception of certain assets and liabilities which were transferred to the Ministry of Economy and Finance (the "**MEF**"), in accordance with the provisions of Article 5.

The duration of CDP, pursuant to article 4 of CDP's by-laws, is set until 31 December 2100, unless otherwise extended by shareholders' resolution.

In 2015, CDP was appointed as a National Promotional Bank (*Istituto Nazionale di Promozione*) by the Italian government, pursuant to Article 1, paragraph 826 of Law No. 208 of 28 December 2015 (the "**Stability Law 2016**") and applicable EU legislation.

## **REGULATION**

The corporate existence and activity of CDP is mainly regulated by and subject to the following laws and regulatory provisions:

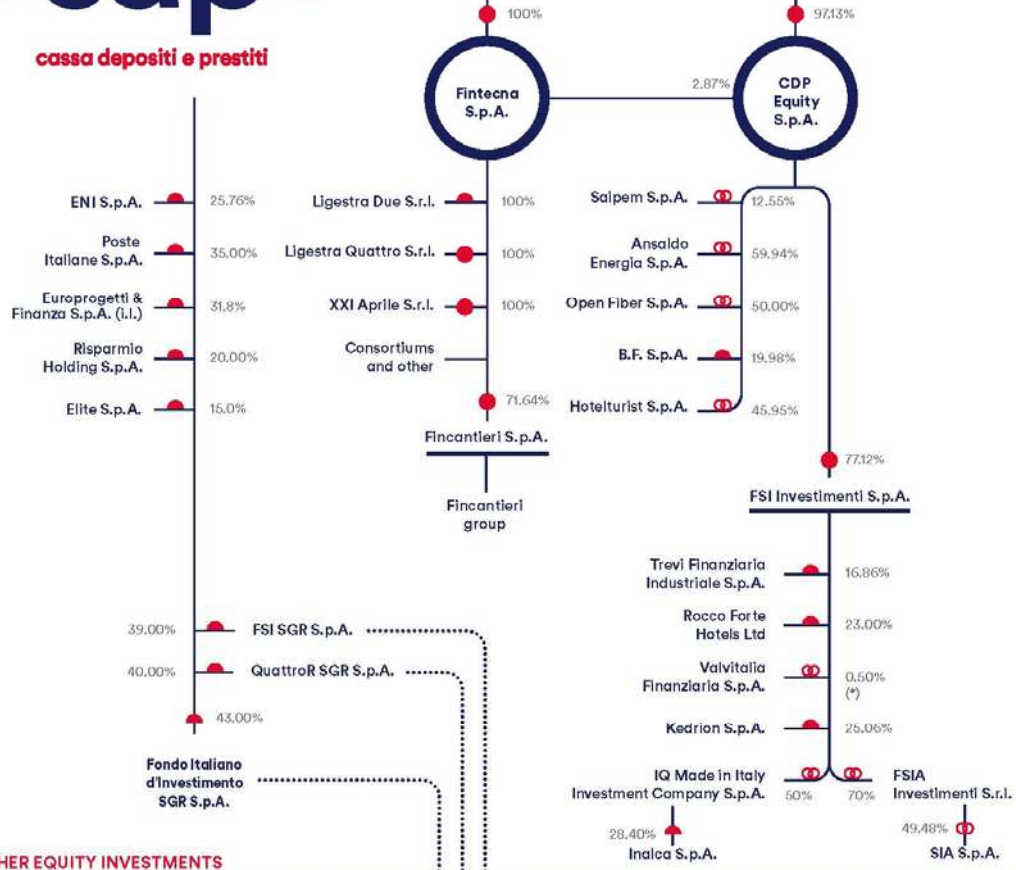
- (i) Article 5 of Law Decree 269 setting out, *inter alia*, (a) the corporate purpose of CDP, (b) the structure of its financial management strategy, and (c) the special powers vested in the MEF in respect of CDP;
- (ii) the provisions of Title V of the Banking Act as set out for intermediaries registered in the register established under Article 106 of the Banking Act, taking into consideration the characteristics of CDP and the special regulation of the Separate Account System (as defined below);
- (iii) the provisions of the Italian Civil Code applicable to Italian companies, to the extent and in relation to aspects that are not regulated by special provisions regarding CDP; and
- (iv) the decrees of the MEF regarding, *inter alia*, CDP's share capital, its shareholdings, the special powers assigned to CDP, the latter's assets and liabilities and its business activities (including without limitation, the ministerial decrees respectively dated 5 December 2003, 18 June 2004, 6 October 2004, 27 January 2005, 12 March 2009, 22 January 2010, 3 May 2011 and 12 April 2016).

CDP is the main shareholder of certain major Italian companies operating in Italy and abroad. The following chart shows the structure of CDP's holdings as of 31 December 2017:

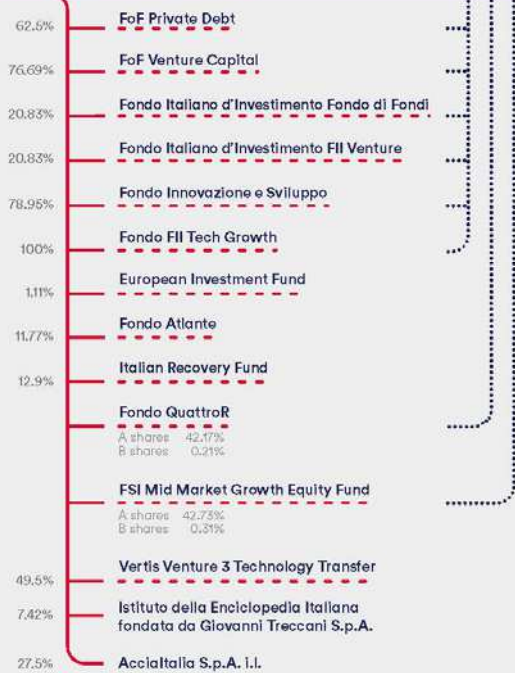




cassa depositi e prestiti



**OTHER EQUITY INVESTMENTS**



**LEGEND**

**Business sectors**

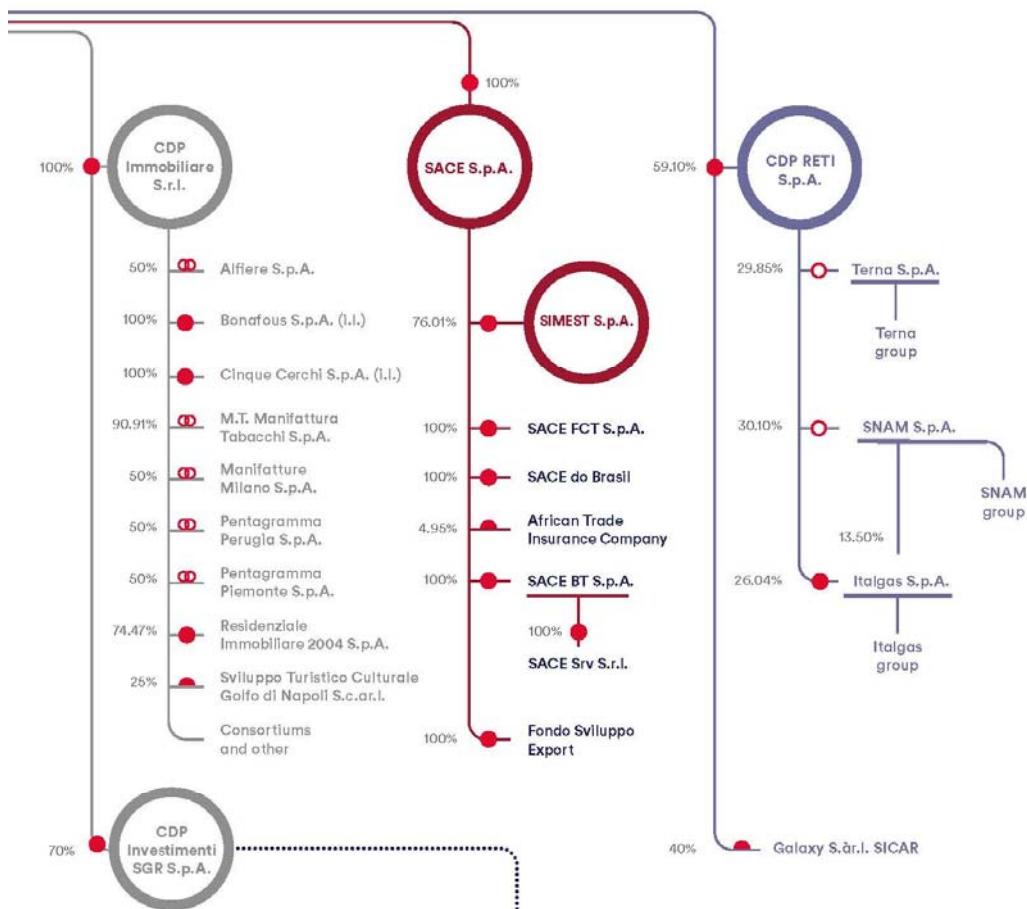
- ENTERPRISES
- REAL ESTATE
- INTERNATIONAL EXPANSION
- INFRASTRUCTURE

**Type of control/influence**

- CONTROL
- DE FACTO CONTROL
- SIGNIFICANT INFLUENCE
- JOINT CONTROL
- INVESTMENT FUNDS
- INVESTMENT VEHICLES
- FUNDS MANAGEMENT RELATIONSHIP

*i.l.: in liquidazione*

(\*) 49.5% pro forma post convertible bond conversion.



## BUSINESS OVERVIEW

### *Main Corporate Activities*

Pursuant to paragraph 7 of Article 5 of Law Decree 269, as recently amended, and pursuant to article 3 of CDP's by-laws, as amended in order to reflect recent legislation, CDP's corporate purpose is the carrying out of the following activities:

- (A1) the granting of financing to the Italian state, its regions, local authorities, public entities and public law bodies (hereinafter, the "**Public Entities**");
- (A2) the granting of financing:
  - (i) in favour of public or private entities, with the exclusion of natural persons, having legal personality, for public-interest initiatives promoted by Public Entities, in accordance with the criteria established in decrees of the MEF adopted pursuant to Article 5, paragraph 11, letter (e);
  - (ii) in favour of private entities, with the exclusion of natural persons, having legal personality, for operations in the sectors of general interest specified in the decrees of the MEF adopted pursuant to Article 5, paragraph 11, letter (e);
  - (iii) in favour of public or private entities, with the exclusion of natural persons, having legal personality, to support the international expansion of enterprises and exports in accordance with the criteria established in decrees of the MEF adopted pursuant to Article 8 of Law Decree No. 78 of 1 July 2009, as converted into law ("**Law Decree 78**"), ratified with amendments by Law Decree No. 102 of 3 August 2009;
  - (iv) in favour of enterprises for the purposes of supporting the economy through (a) the banking system or (b) the subscription of units in investment funds managed by an asset management company, whose corporate purpose achieves one of the institutional missions of CDP;
  - (v) in favour of public or private entities, with the exclusion of natural persons, having legal personality, for international development cooperation activities;
  - (vi) to banks operating in Italy to permit them to grant loans secured by mortgages on residential properties mainly for the purchase of primary residences or for renovation and energy efficiency enhancement works;
- (B) the granting of financing, preferably co-financed with banks, for:
  - (i) works, systems, networks and infrastructure to be used for the public interest;
  - (ii) investments in research, development, innovation, the protection and leveraging of cultural assets, the promotion of tourism, environment and energy efficiency, and the green economy;

- (C) the acquisition of shareholdings transferred to or conferred on CDP by the decree of the MEF referred to in Article 5, paragraph 3, letter (b), whose management is in line, where provided, with the criteria set out in the decree of the MEF referred to in Article 5, paragraph 11, letter (d);
- (D) the direct or indirect acquisition of equity investments in companies of major national interest - having a stable financial position and performance and adequate profit-generating prospects - that meet the requirements established by the MEF in the decree issued pursuant to Article 5, paragraph 8-*bis*.
- (E) the purchase of:
  - (i) bank bonds backed by portfolios of loans secured by mortgages on residential properties and/or securities issued pursuant to the provisions of Law No. 130 of 30 April 1999 ("**Italian Securitisation Law**") as part of securitisations of claims in respect of loans secured by mortgages on residential properties;
  - (ii) securities issued pursuant to the Italian Securitisation Law as part of securitisations of loans to small and medium-sized enterprises, with a view to expanding the volume of lending to small and medium-sized enterprises.
- (F) the management, possibly assigned by the MEF, of CDP's functions, assets and liabilities, outstanding prior to the transformation, which are transferred to the MEF pursuant to Article 5, paragraph 3, letter (a), as well as the management of any other public function and activity of general interest assigned as a consequence of any laws, regulations or agreements;
- (G) the supply of assistance and consultancy services in favour of Public Entities or to support the operations or the entities referred to in letter (A2) points (i), (ii), (iii), (iv) and (v);
- (H) the supply of consultancy services and study, research and analytical activities in the economic and financial fields.

In order to pursue its corporate purpose, the Issuer may also:

- (i) carry out any instrumental, connected and ancillary transactions, including commercial, industrial, mortgage, movable and real property, financial, lending and borrowing transactions;
- (ii) acquire shareholdings and interests in companies, undertakings, consortia and joint ventures, both in Italy and abroad, pursuant to the decree of the MEF dated 27 January 2005;
- (iii) coordinate the participating companies and the subsidiaries from an administrative and financial perspective, and carry out any necessary transaction in their favour, including the granting of loans;
- (iv) grant both *in personam* and *in rem* guarantees with respect to its own and third parties' obligations;

- (v) enter into financial derivatives transactions on its own account; and
- (vi) enter into financial derivatives transactions, also for purposes other than hedging.

Any sort of financing activity, including that conducted indirectly, is carried out in compliance with any applicable laws and it includes, *inter alia*, the purchase of receivables, the issue of guarantees, the acquisition of equity or debt securities and the subscription of units or shares of undertakings for collective investment. Unless otherwise provided by law, the financial transactions referred to in letter (A2) may be carried out directly if the amount is equal to or greater than Euro 25,000,000.00 (twenty-five million/00).

In order to pursue the corporate purpose indicated in letters (A1), (A2), (C), (F) and (G) above, CDP uses funds redeemable by way of passbook savings accounts and postal savings bonds, guaranteed by the Italian state and placed by Poste or its subsidiaries, and funds deriving from the issue of securities, the entering into loans and other financial transactions, which may be guaranteed by the State. These funds may also be used to pursue the purposes indicated in letters (D), (E) and (H) above.

In order to pursue the corporate purpose indicated in letter (B) above, CDP uses funds raised on the capital markets or from banks, deriving from its entry into loans, the issue of securities, other financial transactions or by means of loans granted by public or private entities or by international organisations or by means of any other resource of the Issuer and income consistent with the Issuer's corporate purpose, in any case without a guarantee granted by the state and without first-hand fund-raising. These funds may also be used to pursue the purposes indicated in letters (D), (E) and (H) above.

Pursuant to paragraph 20 of Article 5 of Law Decree 269, CDP's fund-raising activities are not subject to (i) the restrictions of Article 11 of the Banking Act on fund-raising with the public (save for the exclusion of demand deposits and the requirement of placements to and borrowings from institutional investors only, described under paragraph (b) above), or (ii) the maximum thresholds established by Italian laws for bond issuances by joint stock companies and more generally the provisions of the Italian Civil Code on the issuance of bonds.

In connection with any issue of financial instruments by CDP, a representative of the noteholders may be appointed to act on behalf of the noteholders, to exercise the powers vested in it and to approve certain amendments or modifications to the terms and conditions of the relevant transaction.

All interest and other income payable in respect of the financial instruments issued by CDP are subject to the provisions of Legislative Decree No. 239, regardless of their terms and maturity.

## ***LENDING***

In the course of 2017, CDP managed resources totalling around Euro 19 billion, mainly consisting of loans to enterprises to support their international expansion and loans to the infrastructure sector.

Specifically, the resources managed in 2017 mainly relate to the following macro areas:

- (i) financing Public Entities primarily to support regional investments and investments in the infrastructure sectors of transport (totalling an amount equal to Euro 6.3 billion, or 34 per cent. of the total amount of managed resources), (see "*A. Public Entities*" below);
- (ii) financing in order to support the internationalisation of Italian companies (totalling an amount equal to Euro 3.4 billion, or 18 per cent. of the total amount of managed resources), (see "*B. Export credit and internationalisation (internazionalizzazione)*" below);
- (iii) transactions in favour of companies involving new forms of facilities such as risk sharing/capital relief (totalling an amount equal to Euro 9.0 billion, or 48 per cent. of the total amount of managed resources), (see "*C. Financing in support of enterprises and other entities*" below); and
- (iv) investments in real estate sector, targeting in particular social housing and tourism projects (totalling an amount equal to Euro 0.2 billion, or 1 per cent. of the total amount of managed resources), (see "*D. Real Estate*" below).

The resources managed in 2017 showed an increase of 21 per cent. with respect to 2016.

## *A. Public Entities*

### *A.1 Financing of Public Entities*

CDP carries out the traditional activity of financing Public Entities using funds pursuant to Article 5, paragraph 7, letter (a) of Law Decree 269.

By way of Ministerial Decree of 6 October 2004 (*Determinazioni ai sensi dell'art. 5, comma 11, lettere a), b) e c), del D.L. 30 settembre 2003, n. 269 convertito con modificazioni dalla legge 24 novembre 2003, n. 326 ed esercizio del potere di indirizzo della gestione separata della Cassa depositi e prestiti, società per azioni, a norma dell'art. 5, comma 9, del citato decreto-legge*), the MEF has set forth, *inter alia*, the criteria applying to CDP's financing of Public Entities, pursuant to which:

- (i) such financing activity carried out by CDP constitutes a service of general economic interest;
- (ii) the relevant loans shall be granted by CDP as specific purpose loans (*prestiti di scopo*), which may be utilised by Public Entities in connection with the carrying out of public interest investments or in connection with other purposes for which the relevant borrowers may incur indebtedness;
- (iii) the process carried out by CDP for the granting of specific purpose loans is aimed at ascertaining whether the relevant borrower fulfils the requirements set forth by applicable legislation (including, *inter alia*, compliance with the debt ratios provided from time to time by law);

- (iv) in carrying out such financing activity, CDP must ensure that each public borrower is granted, amongst its peers, free access, as well as equal and non-discriminatory contractual treatment, therefore the general terms and conditions applicable to such loans are notified by CDP through regulations (*circolari*) published in the Official Gazette and made available on the website of CDP;
- (v) such loans may be granted on a fixed or floating rate basis and the relevant interest rate is predetermined (currently on a weekly basis) and disclosed by way of publication on the website of CDP and in at least one daily newspaper;
- (vi) the financial equivalent of the interest rates applicable to the above-mentioned specific purpose loans shall not exceed, upon calculation at the relevant computation date, the interest rate referred to in Article 45, paragraph 32, of Law No. 448 of 23 December 1998 (*Misure di finanza pubblica per la stabilizzazione e lo sviluppo*) as subsequently amended, in relation to loans with repayment obligations on the part of the Republic of Italy (i.e. the interest rate determined from time to time by the MEF on the basis of the market conditions by way of specific notices to be published in the Official Gazette);
- (vii) such loans shall be granted by way of a written contract (which may fail to be entered into as a notarised deed (*atto in forma pubblica*)), a copy of which shall be provided to the borrower together with the general terms and conditions applicable thereto;
- (viii) in compliance with the provisions of paragraph 24 of Article 5 of Law Decree 269, any and all acts, deeds, agreements, assignments, performances and/or other formalities relating to specific purpose loans, the relevant performance, amendments or modifications and termination shall be exempt from registration tax (*imposta di registro*), stamp duty (*imposta di bollo*) mortgage and cadastral taxes (*imposte ipotecarie e catastali*) and from any other indirect tax or other charge, levy, imposts or duties; and
- (ix) CDP may grant loans to Public Entities having characteristics other than those referred to in points (ii) to (vii) above, provided that such other loans are granted to the Public Entities and are destined to be used in connection with measures satisfying a public interest. The characteristics of such loans are set forth by CDP taking into account their specific purpose, the features of the investment to be made by the relevant borrower and the characteristics of the borrower.

At 31 December 2017, the stock of loans totalled Euro 76.3 billion<sup>7</sup>, including adjustments for IAS/IFRS purposes, decreasing from the end of 2016 (Euro 78.2 billion). The decline can be attributed to the amount of debt repaid during the period, which more than offset the disbursements of loans. Including commitments to disburse funds, the total stock came to Euro 81 billion, a 2.7 per cent. decrease from 31

---

<sup>7</sup> Loans to customers and banks of Financing of Public Entities (Euro 76.3 billion), Infrastructure (Euro 7.1 billion), Enterprises and Financial Institutions (Euro 15.6 billion), International Financing (Euro 2.4 billion), Equity investment loans (Euro 0.4 billion) included items 60 and 70 of balance sheet – asset, net of liquidity (Euro 175.3 billion), securities (Euro 9.3 billion) and other assets (Euro 7.5 billion).

December 2016 (Euro 83.3 billion). The change can be attributed to the fact that the volume of new lending was lower than principal repayments falling due at 31 December 2017.

New lending in 2017 included new loans and securities granted for an amount equal to Euro 2.2 billion. More specifically, the decline in the volume at the end of 2017 is mainly due to the decrease (Euro 1.0 billion) of the loans with repayment charged to Regions.

The credit quality of the Public Entities area loan portfolio showed virtually no problem areas.

## *A.2. Infrastructure*

The Infrastructure Department is in charge of the financing, in any form, under the Ordinary Account System (as defined below) or the Separate Account System (as defined below) in accordance with regulations and CDP by-laws, in favour of national private and public counterparts in the following sectors: construction and public works (general contractors, plants), social infrastructure (schools, hospitals, prisons, car parks), transport (highways, railways, local public transport, ports, airports), energy and utilities (conventional power, renewable energy, electrical transmission networks, gas supply/transport/distribution/storage, LNG, energy efficiency) environment (water services and waste) and telecommunications (broadband, towers and infrastructure communication systems, data centres, satellites). In addition, the Infrastructure Department promotes the implementation and financing of infrastructure projects through assistance and advice to the public administration.

As at 31 December 2017, the total stock of loans, inclusive of IFRS adjustments, equalled Euro 7.1 billion, with an increase of about 3.2 per cent. compared to the figure recorded at the end of 2016 due to bond subscriptions. This figure has more than offset the amount of debt repaid and the extinction of existing loans. At the same date the credits, inclusive of commitments, were equal to Euro 13.4 billion, with an increase of about 13 per cent. compared to the end of 2016.

### Financing of transactions promoted by Public Entities and transactions related to general interest areas

Pursuant to Article 3, letter (A2) of CDP's by-laws, funds under Article 5, paragraph 7, letter (a) of Law Decree 269 can be used by CDP not only to finance Public Entities but also to finance, *inter alia*,

- (i) transactions of public interest promoted by such Public Entities in accordance with the criteria established by the MEF decree of 12 March 2009; and
- (ii) transactions of public interest related to areas of general interest identified by the MEF decree of 12 April 2016,

upon satisfactory assessment of the economic and financial feasibility of each such transaction.

With regard to the transactions of public interest promoted by Public Entities, the MEF decree of 12 March 2009 provides the following:



- (a) the criteria for identifying the transactions promoted by the Public Entities which may be financed under Article 5, paragraph 7, letter (a) of Law Decree 269, and which includes the following:
  - (iii) transactions which benefit from long-term public or European grants or other forms of public incentives for the realisation of investments or supplies of national interest;
  - (iv) transactions to be carried out in the context of a public concession;
  - (v) transactions carried out in execution of agreements between the Public Entities and (x) third party countries or (y) European Union institutions or Member States;
  - (vi) transactions carried out within the framework of a public-private partnership;
  - (vii) transactions which form part of the plans or other programming instruments of the Public Entities;
  - (viii) transactions which are co-financed by the EIB;
  - (ix) transactions aimed at fulfilling Public Entities' institutional role;
- (b) that the beneficiaries of the financing under Article 5, paragraph 7, letter (a) of Law Decree 269 may be public or private entities, with the exclusion of natural persons, and
- (c) that CDP shall provide funding for the above mentioned transactions under Article 5, paragraph 7, letter (a) of Law Decree 269 on the basis of the creditworthiness of the prospective borrower and of the economic and financial sustainability of the relevant transaction.

As a general principle, funds provided by CDP with reference to the transactions mentioned above should not exceed 50 per cent. of the relevant investment.

With regard to the transactions of public interest related to areas of general interest, the MEF decree of 12 April 2016 provides the following:

- (d) the areas of general interest in which CDP can carry out transactions of public interest towards private entities, under Article 5, paragraph 7, letter (a) of Law Decree 269, are:
  - (i) environment and energy;
  - (ii) communications and digital;
  - (iii) infrastructure, transport and construction;
  - (iv) insurance and financial intermediation aimed at savings protection and credit access;
  - (v) research, innovation, education and training;

- (vi) public services and health;
  - (vii) tourism and hospitality, also through the real estate assets promotion and management;
  - (viii) cultural heritage promotion and management;
  - (ix) areas which benefit from national and European public funds; and
  - (x) areas in which operate plants or productive settlements recognised as strategic interest, as well as companies of relevant national interest.
- (e) the public interest transactions related to the above mentioned areas are carried out:
- (i) on the basis of the economic and financial sustainability and on the basis of the respective public interest; and
  - (ii) preferentially with the joint participation of other market players.

CDP's by-laws provide that the financing of transactions promoted by Public Entities or carried out in general interest areas, using funds under Article 5, paragraph 7, letter (a) of Law Decree 269 must comply with the following requirements: the financing (i) may be conducted either directly by CDP or through the banking system, provided that the financial transactions conducted directly by CDP must involve an amount equal to or greater than Euro 25,000,000.00 (twenty five million), (ii) may be carried out in favour of public or private entities having legal personality, with the exclusion of natural persons, (iii) must fall under the Separate Account System (as defined below) which is based on transparency and economic equilibrium criteria and (iv) requires the assessment of the economic and financial sustainability of each project.

#### Financing of public interest transactions

Pursuant to article 3, letter (B) of CDP's by-laws, CDP also carries out the financing, in any form, of works, systems, networks and infrastructure to be used for public interest and of investments in research, development, innovation, the protection and promotion of cultural heritage, the promotion of tourism, environment and energy efficiency and the green economy.

These activities are carried out through funds raised from investors - only by means of the issuance of notes, borrowings and other financial transactions - or through public or private grants or grants provided by international organisations, in any case without a guarantee granted by the Republic of Italy and without any first-hand fund-raising (the "**Ordinary Account System**").

Under the Ordinary Account System, CDP sets out the terms and conditions applicable to each financing without specific restrictions, acting like any other financial intermediary aiming to achieve an appropriate return and financing, on market terms.

In assuming credit commitments, CDP considers the credit standing of each potential borrower, its financial solidity, its business plan's economic and financial soundness,

cash flow generation capacity, corporate structure and ability to provide adequate guarantees.

CDP offers a wide range of lending and guarantee products, ranging from plain-vanilla corporate loans to project finance transactions.

Taking into consideration the different targets, purposes and regulations of the relevant lending activities, CDP does not, in principle, commit to financing projects using funds falling under the Ordinary Account System as well as funds under Article 5, paragraph 7, letter (a) of Law Decree 269 at the same time.

#### *B. Export credit and internationalisation (internazionalizzazione)*

As mentioned above, Article 8 of Law Decree 78 originally authorised the use of funding sources within the Separate Account System (as defined below), including the use of postal savings, for operations aimed at supporting internationalisation and export credit, provided that the intervention by CDP is supported by guarantee or insurance policies issued by SACE. Article 8 has been implemented through a decree issued by the MEF on 22 January 2010.

Subsequently, Article 1, paragraph 44, of Law No. 147 of 27 December 2013 (the so-called "**Stability Law 2014**") established, through the amendment of Article 8 of Law Decree 78, that the intervention of CDP in internationalisation and export were not limited to transactions guaranteed or insured by SACE but, more generally, by another insurance institution whose obligations are guaranteed by a State.

Consequently, on 23 December 2014, the MEF issued a new decree in respect of the Stability Law 2014, published in the Official Gazette of the Republic of Italy No. 35 of 12 February 2015, implementing the amendments introduced by the Stability Law 2014, pursuant to which CDP is authorised to: (i) provide, at market conditions, the banks with the necessary funding to grant loans in connection with transactions for the internationalisation of enterprises and exportation, provided that such transactions are insured or guaranteed by SACE or other export credit agencies, from national development banks or other financial institutions established pursuant to international agreements; and (ii) directly finance, at market conditions, transactions to support the internationalisation of enterprises and exportation, provided that such transactions are guaranteed or insured by any export credit agencies, national development banks or other financial institutions established pursuant to international agreements, in the case of financing transactions for amounts exceeding Euro 25 million. Such direct lending provides up to 50 per cent. of total funding in the event of co-financing or for a higher percentage should the particular temporal characteristics or dimensions of the financing not be compatible with the intervention of the banking system.

Subject to the above provisions, financial conditions applicable to financing described above are defined on a case by case basis in accordance with market conditions.

With Article 3 of Law Decree No. 3 of 24 January 2015 ("**Law Decree 3**"), as converted with amendments into Law No. 33 of 24 March 2015 ("**Law 33**"), Article 8 of Law Decree 78 has been further amended. The current Article 8 now sets forth that CDP may support export credit and internationalisation transactions also without the insurance or guarantee of SACE or any other export credit agencies, national

development banks or other financial institutions established pursuant to international agreements.

On 29 September 2016, the shareholders' meeting of SACE approved the transfer of 76.005 per cent. of SIMEST's shares from CDP to SACE. This was an important step implementing the 2016-2020 business plan of the CDP Group, which intends to earmark Euro 63 billion for Italian companies by creating a mechanism to support the growth and international competitiveness of the national production system. This integration of two CDP Group companies, which have already been working in close collaboration since the beginning of the year 2016, combines the insurance-financial products, services and expertise of SACE and SIMEST. The objective is to offer Italian companies an integrated support system ("one-door") to meet all their requirements related to exports and internationalisation: from credit insurance to foreign investment protection, from financial guarantees for accessing bank credit to factoring services, from bonds to win competitive contracts to protection against construction risks, from equity investment to low-interest loans and export credit.

### *C. Financing in support of enterprises and other entities*

Pursuant to the recent legislation mentioned above, funds under Article 5, paragraph 7, letter (a) are also used by CDP in other supporting initiatives in favour of enterprises.

#### Transactions in favour of small and medium-sized enterprises

As mentioned above, pursuant to article 3, paragraph 4-*bis* of Law Decree No. 5 of 10 February 2009 ("**Law Decree 5**"), as integrated by the Budget Law 2010, among the transactions listed in the amendment to letter (a) of paragraph 7 of Article 5, CDP may also carry out transactions in favour of small and medium-sized enterprises ("**SMEs**") for the purpose of supporting the economy.

Pursuant to such legislation and CDP's by-laws, transactions in favour of SMEs may be conducted through the banking system or through the subscription of participations in investment funds managed by asset management companies authorised to carry out collective portfolio management activities pursuant to Article 33 of Legislative Decree No. 58 of 24 February 1998 whose corporate purpose fulfils one or more of the institutional objectives of CDP.

In the context of transactions conducted through the banking system, CDP assumes the risk of insolvency of the banks through which the funding is granted to the SMEs. In 2009, an amount of up to Euro 8 billion (the "**Plafond PMI**") was allocated to funds to the banking system for the granting of loans in favour of SMEs, for investments and the increase of working capital. In July 2012, CDP completed the distribution of the entire amount of Euro 8 billion.

In 2012, given the continuing difficulties of access to borrowing for SMEs, CDP deemed it necessary to strengthen its commitment to support the economy, by making available a further amount up to Euro 10 billion (the "**New Plafond PMI**"), Euro 8 billion of which has the same purpose as the Plafond PMI (the "**New Plafond PMI – Investments**"), but, with respect to the first *plafond*, the exposure of CDP towards the banks is guaranteed by the granting of security. CDP has also allocated Euro 2 billion of the New Plafond PMI in order to contribute towards solving the issues concerning the delays in payment by the public administration (the "**New Plafond PMI - Claims**").

**vs. PA**"). Through the resources provided by CDP, the banking system will carry out transactions in favour of SMEs having one or more claims against the public administration, arising out of contracts for works, services and supplies that have been certified as liquid and enforceable.

In August 2014, in consideration of the Italian government's initiatives aimed at reducing stock of claims against the public administration (e.g. Law Decree No. 35 of 2013), CDP closed the operation of the New Plafond PMI - Claims vs. PA and allocated its resources to the tranche of the *Piattaforma Imprese* dedicated to SMEs (as further described below).

Pursuant to Article 2 of Law Decree No. 69 of 21 June 2013 ("**Law Decree 69**"), an amount of up to Euro 2.5 billion of funds under Article 5, paragraph 7, letter (a) may be used for providing funds to the financial system for the granting of loans in favour of SMEs, to be allocated to investments in new machinery, plants and equipment (the "**Plafond Beni Strumentali**"). The Ministry of Economic Development will directly grant a subsidy to those SMEs that are granted such loans, in order to reduce borrowing costs. As well as in the New Plafond PMI, the exposure of CDP towards the banks is guaranteed by the granting of security. Considering the great success of the measure, the budget law for 2015 (Law No. 190 of 23 December 2014) authorised CDP to double the resources of the Plafond Beni Strumentali; consequently, in January 2015, CDP increased its resources to an amount of up to Euro 5 billion.

Article 8 of Law Decree 3, converted into law with amendments by Law 33, amended Law Decree 69, by providing, among other things, that government grants may be provided to SMEs that have obtained a loan under Law Decree 69 that need not necessarily be drawn on the so-called reserves of the Separate Account System (as defined below) of the Cassa depositi e prestiti. In order to implement this provision, on 17 March 2016, the Ministry of Economic Development, the ABI and CDP entered into a further addendum to the agreement dedicated to the Plafond Beni Strumentali. With the introduction of this addendum, important process and product improvements have been made, in particular through the introduction of a special line of funding that banks and financial institutions can use when loans granted with CDP's funds are guaranteed by the guarantee fund for SMEs. Again with reference to the Plafond Beni Strumentali, on 4 November 2016, CDP signed a loan agreement with the Council of Europe Development Bank ("CEB") for an amount of Euro 150 million, in order to reduce the costs of CDP's funding.

The budget law for 2014 (Law No. 147 of 27 December 2013) extended the perimeter of operations for the purpose of supporting the economy, by amending Article 3, paragraph 4-bis of Law Decree 5, by introducing the possibility of providing funds, through banking intermediaries, for the granting of loans also in favour of large enterprises.

Pursuant to such provisions and to CDP's by-laws, in January 2014, CDP launched several initiatives that, in continuity with the New Plafond PMI, have been the subject of a new agreement with the ABI in August 2014, dedicated to the *Piattaforma Imprese*.

First of all, in order to broaden the base of the potential beneficiaries, CDP adopted - both for the New Plafond PMI and the *Piattaforma Imprese* - a new definition of SME

(from the EU-wide definition to the EIB definition, i.e. enterprises with less than 250 employees, regardless of the economic data).

Furthermore, in consideration of the imminent completion of the distribution of the entire amount of Euro 8 billion of the New Plafond PMI - Investments (that occurred in April 2015) - CDP enclosed all products (activated in accordance with Article 3, paragraph 4-bis of Law Decree 5) dedicated to promoting access to credit for enterprises through the intermediation of the banking system in the *Piattaforma Imprese*. The *Piattaforma Imprese*, of an amount of up to Euro 5 billion, is composed of: (i) a fund, dedicated to the same purpose as the previous Plafond PMI, for an amount of Euro 2 billion (coming from the resources of the New Plafond PMI - Claims vs. PA); (ii) a new fund, dedicated to "mid-cap" enterprises (i.e. those with up to 3,000 employees), in an amount of Euro 2 billion for the granting of loans for investments and the increase of working capital; (iii) a new fund dedicated to SME networks, for an amount of up to Euro 500 million, aimed at supporting SMEs' consolidation and scale growth; (iv) a new fund, originally dedicated only to post-financing of letters of credit, for an amount of up to Euro 500 million. With reference to the fund referenced under (iv) above, in February 2015 CDP extended its purpose to all types of export financing of Italian enterprises and increased its resources to an amount of up to Euro 1 billion in order to enhance the supply of CDP in support of export and internationalisation of the enterprises.

As well as in the New Plafond PMI, the exposure of CDP towards the banks in the *Piattaforma Imprese* is guaranteed by the granting of security. Furthermore, for the tranche dedicated to export, banks may constitute a pledge on Italian government bonds.

On the basis of levels of application of the *Piattaforma Imprese*, and in order to increase its potential and efficiency, in March 2016 the Board of Directors resolved to:

- (a) increase the maximum overall amount of the *Piattaforma Imprese* (bringing it to Euro 10,000 million), through the increase of Plafond PMI (i.e. medium/long-term funding to the Italian banking system dedicated to the financing of investments and working capital to SMEs i.e. enterprises with a workforce of up to 249 employees) and Plafond MID (i.e. medium/long-term funding to the Italian banking system dedicated to the financing of investments and working capital to so-called Mid Caps i.e. enterprises with a workforce from 250 to 3,000 employees); in particular, the amount of Plafond PMI has been increased to Euro 6 billion (of which approximately Euro 984 million results from the transfer to *Plafond PMI* of the remaining amount available under the funding provided by CDP for operations aimed at supporting internationalisation and export credit), and the amount of the *Plafond MID* has been increased to Euro 3.5 billion;
- (b) introduce in the *Plafond PMI*, *Plafond MID* and *Plafond Reti PMI* (i.e. medium/long-term funding to the Italian banking system dedicated to the financing of investments and working capital for those SMEs that subscribe a networking contract with other enterprises, aimed at supporting their growth process) further maturity or duration (12 years) - beyond the maximum duration ordinarily offered (10 years) - providing, in order to encourage extending the

duration of term loans, that the minimum duration of the loans in favour of enterprises by the banks with such funding is fixed at 10 years;

- (c) redefine the scope of activity of the *Plafond Reti PMI* (now renamed *Plafond Reti e Filiere*), through the broadening of its capacity to finance; in particular, the financing of other forms of business combinations and also of companies such as Mid Caps.

Such amendments to *Piattaforma Imprese* were implemented through an addendum to the agreement between CDP and the ABI, signed on 17 May 2016. Moreover, in order to boost the use of the funds, the *Plafond Reti e Filiere* benefits from a specific line of funding made available by the EIB.

In addition, following the completion of the reform of Title V of the Banking Act, which has subjected non-bank financial intermediaries to a supervisory regime equivalent to that applicable to banks, in May 2016 CDP approved an amendment to its by-laws, in order to include these intermediaries in those qualified to operate in the programs dedicated to supporting the economy. When such reform will be consolidated, CDP and the ABI will make the consequent changes to the existing agreements.

For the same purpose of enhancing SMEs' access to bank lending, on 25 May 2016, CDP launched a specific Euro 1 billion purchase programme of asset-backed securities guaranteed by SME loans originated by Italian banks.

The initiative follows on from the provisions of the Stability Law 2014, which enabled the purchase of SME loan-backed securities – issued within the framework of the Italian Securitisation Law – by CDP.

In the field of securitisation, CDP has also joined the so-called ENSI platform ("**ENSI Platform**") (EIF-NPIs Securitisation Initiative), an initiative set up in cooperation between the European Investment Fund ("**EIF**") and the main EU National Promotional Institutions, including CDP, with the aim of facilitating SMEs' access to bank lending through securitisation.

Within the ENSI Platform, CDP purchased mezzanine tranches of SME loan-backed securities for about Euro 159 million in 2016 and about Euro 73 million in 2017, in four different transactions, all covered by a first-demand guarantee issued by the EIF. Along with that which is provided for by the *Plafond Casa* (as defined below) (in the purchase of Italian covered bonds and residential mortgage-backed securities), originators participating in the ENSI Platform are requested to commit themselves – by means of a side letter – to disburse new SME loans for an amount at least equal to the securitisation tranches purchased by CDP. Out of the scope of the ENSI Platform, in 2017, CDP purchased senior tranches of SME loan-backed securities for Euro 210 million.

#### Transactions for financial institutions' capital optimization in favour of SMEs' access to bank lending

In the field of financial institutions' capital optimisation, in the second quarter of 2016, CDP started a cooperation with the EIF aimed at implementing an investment platform named "EFSI Thematic Investment Platform for Italian SMEs" (the "**EFSI Thematic Investment Platform**") for the provision of guarantees in favour of SMEs. The EFSI

Thematic Investment Platform, approved within the "Juncker Plan" framework on 23 September 2016, allows CDP to issue guarantees on 80 per cent. of newly originated bank loan/guarantee portfolios, up to Euro 3.1 billion, with a loss cap equal to 9 per cent. of the guaranteed amount. The EFSI Thematic Investment Platform was officially launched on 16 December 2016.

The guarantee will cover a portfolio of up to Euro 2.5 billion, with a loss cap set at Euro 225 million. The scheme features the activation of two forms of counter-guarantees in favour of CDP: 1) by the EIF, granted free of charge and backed by COSME funds, on the 50 per cent. of CDP's exposure; 2) by the MEF, granted upon consideration and backed by the monetary fund provided for by Article 1, paragraph 825 of the Stability Law 2016, on the 30 per cent. of CDP's exposure.

The first transaction to be performed on the EFSI Thematic Investment Platform – which started in June 2017 – relates to a new portfolio of SME guarantees originated by the Italian SME Guarantee Fund (established by Article 2, paragraph 100, letter (a) of Law No. 662 of 23 December 1996), that are being counter-guaranteed by CDP for up to Euro 3 billion, with the above mentioned thresholds in terms of guarantee rate and loss cap. More transactions of the same kind, with market operators other than the SME Guarantee Fund, will follow in the near future, for the remaining Euro 125 million.

Aiming to further increase access to credit by enterprises, in 2017, CDP has further developed a new business line consisting of direct lending to specialized financial institutions so to enhance their capability to finance the real economy. In this way, about Euro 2.2 billion have been lent so far by CDP to Italian enterprises through banks and other financial intermediaries.

#### Other transactions in favour of enterprises and other entities under special law provisions

Funds under Article 5, paragraph 7, letter (a) are also used by CDP in other supporting initiatives in favour of enterprises and other entities established under special law provisions, such as the funds indicated below.

Pursuant to Article 1, paragraphs 354 to 361, of Law No. 311 of 30 December 2004 (the budget law for 2005) which reformed certain public incentives in order to (i) transform such incentives from the Italian state's sunk contribution to subsidised loans granted by CDP (in some cases in addition to a sunk contribution granted directly by the Italian state), and (ii) to involve the banking system in the evaluations relating to the granting of public incentives, providing for its direct participation in the related risks through the necessary complementary granting of medium/long-term loans under market conditions - a revolving reserve fund (*Fondo rotativo per il sostegno alle imprese e gli investimenti in ricerca*) (the "**Revolving Fund for Enterprises**") was implemented, within the Separate Account System (as defined below), for the granting of fixed rate subsidised loans with CDP funding (the "**Subsidised Loans**").

The Revolving Fund for Enterprises initial resources have been established by law for an amount equal to Euro 6,000 million and such funds are distributed among various incentive programs by CIPE (the Inter-Ministerial Committee for Economic Programming) that determines also, *inter alios*, the general criteria for the issuance of Subsidised Loans and the minimum interest rate applicable to the beneficiaries of the



Subsidised Loans. The minimum annual interest rate applicable to the beneficiaries of the Subsidised Loans currently provided for is 0.50 per cent. with their maximum duration being 30 years.

The interest rate payable on amounts disbursed by CDP as Subsidised Loans is determined by virtue of a MEF decree as interest due to CDP. The difference between the rate thus established and the Subsidised Loans interest rate due by the relevant beneficiary is charged to the Italian state, together with an overall amount equal to 0.40 per cent. of the amount granted annually as Subsidised Loans by way of reimbursement of the expenses incurred by CDP in managing the fund.

As to the involvement of the banking system in the granting of public incentives, the above-mentioned reform provides that having access to a medium/long-term loan granted under market conditions by a banking institution (the "**Lender**") is an eligibility requirement to obtain CDP Subsidised Loans. The evaluation of the duration, amount and conditions (including the security package, if necessary) of the bank loan and the CDP Subsidised Loan are entrusted to the Lender, which is therefore responsible for the evaluation of the creditworthiness of the beneficiary, provided that the bank loan and the Subsidised Loan shall be guaranteed by the same security package, if any.

The obligation of reimbursing the Subsidised Loan and related interests may be assisted, as a final and residual resource, by a guarantee granted by the Italian state, provided for by decree of the MEF and issued in accordance with the criteria, conditions and patterns established in the decree.

Currently the highest quota (58.3 per cent.) of the Revolving Fund for Enterprises' resources is allocated to the research and pre-competitive development sectors. Pursuant to Article 30 of Law Decree No. 83 of 22 June 2012 ("**Law Decree 83**"), as converted into law, the competent public authorities carried out a survey of the unused resources of the Revolving Fund for Enterprises, 70 per cent. of which shall be set aside for the purposes of a fund constituted by the Ministry of Economic Development (the "**Fund for Sustainable Growth**").

On 17 March 2016, the Ministry of Economic Development, the ABI and CDP entered into a framework agreement setting out, *inter alia*, procedures for the granting of facilitated loans further to the implementation of measures of the Fund for Sustainable Growth that has access to the resources of the Revolving Fund for Enterprises.

On 28 July 2016, CDP, ABI and the Ministry of Economic Development signed two addenda to the aforementioned framework agreement, for the activation of two measures in the context of the Fund for Sustainable Growth ("**Agenda Digitale Italiana**" and "**Industria Sostenibile**"), for an amount of up to Euro 450 million. By decree of the Ministry of Economic Development dated 18 October 2017, an additional Euro 350 million of resources of the Revolving Fund for Enterprises were allocated for the activation of the two measures.

On 28 July 2017, the Ministry of Economic Development, the ABI and CDP entered into a framework agreement setting out, *inter alia*, procedures for the granting of facilitated loans to support a specific measure of the Revolving Fund for Enterprises, for an amount of up to Euro 200 million, promoting the creation and growth of companies for the pursuit of purposes of social utility.

On 19 October 2017, the Ministry of Agricultural, Food and Forestry Policies and CDP signed a framework agreement defining, *inter alia*, procedures for the granting of facilitated loans for an amount of up to Euro 200 million of the Revolving Fund for Enterprises, intended to favour the integration of the supply chain of the agricultural and agri-food system and the strengthening of the agri-food districts.

Furthermore, Law Decree No. 39 of 28 April 2009 as converted with modifications into law ("**Law Decree 39**") introduced some urgent provisions in favour of the population of the Region of Abruzzo which was affected by earthquakes in April 2009. Pursuant to Article 3, paragraph 3 of Law Decree 39, funds under Article 5, paragraph 7, letter (a) may be used, in an amount of up to Euro 2 billion, for the granting of funds to banks which operate in the areas affected by the earthquakes in order for them to grant subsidised loans to the people residing in such affected areas for the reconstruction or repair of estates classifiable as main home which have been destroyed or declared inhabitable or for the purchase of new estates also to be used as main homes in substitution of those destroyed by the earthquakes. The reimbursement of the loans by the final beneficiaries to the banks will be guaranteed by the Republic of Italy pursuant to terms and modalities to be established by decree of the MEF. Pursuant to Article 3, paragraph 3-*bis* of Law Decree 39, introduced by Article 4, paragraph 8-*bis* of Law Decree No. 133 of 2014, converted into Law No. 164 of 2014, the reimbursement of the loans by the banks to CDP is guaranteed by the Republic of Italy pursuant to the terms and practicalities established by decree of the MEF. In particular, the decree established that this public guarantee is on first demand, irrevocable and unconditional. In December 2012, CDP completed the distribution of the entire amount of Euro 2 billion.

In order to remedy the damage caused by the earthquake of May 2012 which affected some of the northern regions of Italy, the Italian government adopted two provisions in favour of the population of the regions of Emilia-Romagna, Lombardy and Veneto, allowing for the creation of two additional CDP funds in the aggregate amount of Euro 12 billion. The first one (the "**Plafond Moratoria Sisma 2012**", equal to Euro 6 billion), introduced by Article 11 of Law Decree No. 174 of 10 October 2012, as converted into law, and Article 1 of Law Decree No. 194 of 16 November 2012, as integrated by Article 1, paragraphs 365-373, of Law No. 228 of 24 December 2012 and Article 6 of Law Decree No. 43 of 26 April 2013, as converted into law, is dedicated to the granting of funds to banks which operate in the areas affected by the earthquakes in order for them to grant subsidised loans (with a maximum duration of two years, later extended to 8 years by several regulatory provisions) to the enterprises and workers operating in such affected areas for the deferment of payment of taxes. The second one (the "**Plafond Ricostruzione Sisma 2012**", for an additional amount of Euro 6 billion), introduced by Article 3-*bis* of Law Decree No. 95 of 6 July 2012, may be used for the granting of funds to banks which operate in the areas affected by the earthquakes in order for them to grant subsidised loans (with a maximum duration of 25 years) to the people residing and the enterprises operating in such affected areas for the reconstruction or repair of estates for residential and productive use, including plants and equipment. In both cases, the reimbursement of the loans by the banks to CDP is guaranteed by the Republic of Italy pursuant to the terms and practicalities established by decrees of the MEF. In particular, the decrees established that these public guarantees are on first demand, irrevocable and unconditional.

Moreover, in order to remedy the damage caused by the flooding in the region of Sardinia in November 2013, the Italian government adopted provisions in favour of the population of the region of Sardinia. Pursuant to Article 7 of Law Decree No. 151 of 30 December 2013, CDP made available a maximum amount of Euro 90 million, analogous to the Plafond Moratoria Sisma 2012. Even in this case, the reimbursement of the loans by the banks to CDP is guaranteed by the Republic of Italy in accordance with the terms and practicalities established by a decree of the MEF. In particular, the decree established that this public guarantee is also on first demand, irrevocable and unconditional.

In addition, to implement the provisions of Article 1, paragraphs 422 to 428 of the Stability Law 2016, CDP approved, on 25 May 2016, the establishment of a new plafond of up to Euro 1.5 billion (the "**Plafond Eventi Calamitosi**"), dedicated to the financing of interventions of private and productive reconstruction after natural disasters that occurred throughout Italy from 2013. The guidelines and application rules of the Plafond Eventi Calamitosi were defined through an agreement with ABI, signed on 17 November 2016.

Moreover, in order to remedy the damage caused by several earthquakes that struck the territories of Central Italy from 24 August 2016, Article 5 of Law Decree No. 189 of 17 October 2016 introduced a new instrument (the "**Plafond Sisma Centro Italia**"), that replicates the mechanisms of the Plafond Ricostruzione Sisma 2012. In particular, it may be used for the granting of funds to banks which operate in the areas affected by the earthquakes in order for them to grant subsidised loans (with a maximum duration of 25 years) to the people residing and the enterprises operating in such affected areas for the reconstruction or repair of estates for residential and productive purposes, including plants and equipment. The reimbursement of the loans by the banks to CDP is guaranteed by the Republic of Italy pursuant to the terms and practicalities established by a decree of the MEF. In particular, the decree established that these public guarantees are on first demand, irrevocable and unconditional. The maximum amount of the Plafond Sisma Centro Italia falls within the annual limit set by the budget law for 2017 (currently estimated at about Euro 4 billion). The guidelines and application rules of the Plafond Sisma Centro Italia were defined with an agreement with ABI, signed on 18 November 2016.

As part of the initiatives in favour of the territories of Central Italy affected by the earthquakes from 24 August 2016, the CDP Board of Directors, on 27 February 2017, approved the establishment of a plafond of an amount of up to Euro 560 million (the "**Plafond Moratoria Sisma Centro Italia**"), dedicated to the granting of funds to banks in order for them to grant subsidised loans (with a maximum duration of 8 years) to the enterprises and workers operating in such affected areas for the deferment of payment of taxes in accordance with Article 11 of Law Decree No. 8 of 9 February 2017 ("**Law Decree 8**"). The reimbursement of the loans by the banks to CDP is guaranteed by the Republic of Italy pursuant to the terms and practicalities that will be established by a decree of the MEF. The guidelines of the instrument will be defined through a special agreement with ABI, when Law Decree 8 will be converted into law.

Article 2, paragraph 1, letters (a) and (b) of Law Decree No. 102 of 31 August 2013, introduced the possibility for CDP to use funds under Article 5, paragraph 7, letter (a) for the residential sector. In particular, the provisions allowed CDP to (a) provide funds to the banking system for the granting of mortgages in favour of individuals, dedicated

to the purchase of residential property, with priority given to principal houses, and to restructuring costs destined to improve energy efficiency; and (b) to purchase cover bonds and asset backed securities, with underlying residential mortgages. Such legislation allowed CDP to launch, respectively, two initiatives, for a total amount of Euro 5 billion, allocated as follows: (i) Euro 2 billion dedicated to the so-called "**Plafond Casa**", and (ii) Euro 3 billion to the purchase of securities.

On the basis of levels of application of the resources of the Plafond Casa, in March 2016 the Board of Directors resolved to increase the maximum amount of (i) Plafond Casa to Euro 3 billion, implemented by an addendum to the agreement between CDP and ABI, executed on 7 April 2016; and (ii) the programme of purchase of securities, from Euro 3 to 5 billion.

Finally, the Kyoto Fund, established by Article 1, paragraphs 1110 to 1115 of Law No. 296 of 27 December 2006, is a fund consisting of an amount of up to Euro 600 million of public resources, for the granting of subsidised loans in order to reduce emissions responsible for the greenhouse effect and energy efficiency. The aforementioned legislation confers the management of the fund to CDP.

Through the Kyoto Fund, subsidised loans may be granted, at a rate of 0.50 per cent. per annum, with maturities ranging from three to six years (15 years for the public sector). The other beneficiaries can be enterprises, individuals, condominiums and private legal entities.

The first cycle of the Kyoto Fund has been active since March 2012.

The purposes of the Kyoto Fund have been redefined by Article 57 of Law Decree 83. The new purposes will be adopted in the future cycles of the fund. In particular, funds reserved for enterprises (ESCos included) shall be used for granting subsidised loans for projects in green economy sectors and connected to the safety of the territory from hydrogeological and seismic risks. The second cycle of the Kyoto Fund was launched in January 2013.

More recently, pursuant to Article 9 of Law Decree No. 91 of 2014 ("**Law Decree 91**"), converted into Law No. 116 of 2014, the Kyoto Fund has been subject to further reform: the remaining resources of the Kyoto Fund, for an amount of up to Euro 350 million, may be used for the granting of subsidised loans to Public Entities in order to implement measures to increase the energy efficiency of school buildings, including kindergartens and university end-use efficiency, with CDP being confirmed as manager of the fund. The effective implementation of this provision is remanded to a decree of the Minister of the Environment and the MEF, in consultation with the Minister of Economic Development and the Minister of Education, University and Research.

Finally, Article 26 of the aforementioned Law Decree 91 provides for the involvement of CDP in an additional measure, under which the beneficiaries of incentives connected to photovoltaic can access bank loans for a maximum amount equal to the difference between the incentive already due and the incentive reformulated in accordance with the same Article 26. These loans can benefit, cumulatively or alternatively, on the basis of agreements with the banking system, of dedicated funding or of guarantees granted by CDP (using funds under Article 5, paragraph 7, letter (a)). Pursuant to this provision, the exposure of CDP is guaranteed by the

Republic of Italy, according to criteria and procedures established by decree of the MEF, enacted on 29 December 2014. The implementation of the initiative is subject to the signing of two agreements (with MEF and with the ABI).

### Enterprises ("*Imprese*")

The Enterprises ("*Imprese*") Department, previously known as Industrial Department was established in 2016 following a reorganisation of the business. Its mission is to finance initiatives promoted by counterparties in any industrial sector (including the agri-food, automotive, chemical and pharmaceutical, manufacturing, mechanical, commercial, defence and services sectors), excluding sectors reserved to other departments, through loan products of any kind, under the Ordinary Account System and the Separate Account System (as defined below) depending on the provisions of relative laws.

New loan agreements and corporate bonds subscribed over the year totalled Euro 0.9 billion. The rise compared to 2016 was mainly due to the definitive implementation of the new department which had been established in 2016.

Disbursements in 2017 in respect of new loans and corporate bonds amounted to Euro 0.8 billion, showing a significant increase on the corresponding period of the previous year that was in line with the rise in new loan volumes.

As at 31 December 2017, the stock of loans totalled Euro 1.7 billion, including IAS/IFRS adjustments, recording an increase of 50 per cent. over the stock at the end of 2016 (Euro 1.1 billion). Growth in the stock of loans was mainly driven by the subscription of new securities and disbursement over the year.

### *D. Real Estate*

In 2016 a reorganisation of the Real Estate Department of the CDP Group was commenced. Such reorganisation provides a simplification of the overall model and the centralisation of the stages of development and tuning of the assets income through the structuring of different funds depending on the intended use of the properties.

The CDP Board of Directors meeting of 3 August 2016 approved the guidelines of the new operating model of real estate business (the "**Business RE**") based on the following principles: (i) optimisation of the process through which decisions are taken; (ii) rationalisation and simplification of business processes, also aimed to reduce operating risks; (iii) coordination of management of real estate assets; and (iv) opening to the market outside CDP Group.

The implementation phase of the process has subsequently been started, also with the support of external consultants, aimed at investigating major issues such as economic, financial, legal, tax, accounting and organisational issues, which are necessary to accurately define the operating model of the Business RE and its instrumental corporate structure. The implementation phase was finalised by resolution of the CDP Board of Directors approving the reorganisation plan.

## **CDP ACTIVITIES UNDER THE SEPARATE ACCOUNT SYSTEM**

### **A. The Separate Account System**

Pursuant to paragraph 8 of Article 5 of Law Decree 269 and to article 6 of CDP's by-laws, CDP has established a separate account system in which the activities under letters (A1), (A2), (C), (D) where applicable, (E) where applicable, (F), (G) and (H) of article 3 of CDP's by-laws where applicable, as well as any other instrumental, connected or ancillary activity carried out using funds pursuant to Article 5, paragraph 7, letter (a), are to be registered and managed (the "**Separate Account System**"). The Separate Account System is established for accounting and organisational purposes only, so that from a legal point of view, CDP remains a single legal entity and any creditors of CDP may recover their claims by attaching them to all of CDP's assets (except for those segregated in favour of certain creditors only pursuant to Article 5, paragraph 18).

The Separate Account System is managed in line with applicable transparency and economic safeguard criteria. Article 6 of CDP's by-laws has been amended in order to specify that, for the transactions referred to in letter (A2) of paragraph 1 of article 3 of CDP's by-laws, the economic and financial sustainability of each project shall be assessed.

Such organisational and accounting separation aims at highlighting the economic balance of the Separate Account System and at enabling the MEF to exercise its powers to issue guidelines thereon and to ensure compliance with EU legislation on State Aid, competition and transparency.

Pursuant to paragraphs 9 and 11 of Article 5 of Law Decree 269, the MEF has the power to determine the general policies of the Separate Account System and to issue decrees on, *inter alia*, the determination of the criteria for the definition of general economic terms of the demand of passbook savings accounts, postal savings bonds, other securities and other financial transactions guaranteed by the Republic of Italy, as well as those for the granting of loans by means of funds pursuant to Article 5, paragraph 7, letter (a) of Law Decree 269 and for the management of the shareholdings and participations held by CDP.

The implementation by CDP of the decrees or guidelines issued by the MEF in connection with the Separate Account System is ensured by the attendance of Additional Directors (as defined below) at the meetings of the board of directors of CDP (the "**Board of Directors**") convened to resolve on matters relating to the Separate Account System (for details on the Additional Directors see paragraph "*Board of Directors, Managing Director and General Manager*" below). To pass a valid resolution involving the management of the Separate Account System, at least two Additional Directors are required to be present at the board meeting and to vote for its adoption.

In addition, the Supervisory Board (as defined below) is composed of four members of the Italian Senate (*Senato della Repubblica*), four members of the Italian Chamber of Deputies (*Camera dei Deputati*), three judges of the Council of State (*Consiglio di Stato*), and one judge of the Court of Accounts (*Corte dei Conti*), and supervises the Separate Account System of CDP pursuant to paragraph 9 of Article 5 and Royal Decree No. 453 of 2 January 1913 ("**Royal Decree 453**").

CDP and Poste entered into a new agreement (the "**Poste Italiane Distribution Agreement**") for the distribution of postal savings instruments, on 14 December 2017 for a three-year term ending on 31 December 2020. The Poste Italiane Distribution Agreement consolidates the relationships between CDP and Poste, strengthening their partnership to serve Italian investors and supporting the Italy's economic growth.

Pursuant to the Poste Italiane Distribution Agreement, the remuneration of Poste, which is the only distributor of postal savings instruments issued by CDP, is proportionate to the stock of postal savings products (passbook savings accounts and postal savings bonds) and the annual flows of bond subscriptions. In particular, the remuneration will be established by a *running* and an *up-front* fee, to promote the new fund-raising. Safeguard mechanisms and reductions in remuneration due to Poste are also foreseen in case the net funding deviates from the objectives set for each year.

Postal savings, which allow CDP to pursue its institutional mission, constitute the main source of funding in the Separate Account System for CDP. As at 31 December 2017, postal savings represented 74.2 per cent. of CDP's total funding in the Separate Account System (equal to Euro 252.8 billion out of a total of Euro 340 billion).

Any and all transactions and business activities entered into by CDP in connection with funding and lending under the Separate Account System are exempt from registration tax, stamp duty, mortgage tax and other indirect taxes.

### ***B. Equity Investments and Investment Funds under the Separate Account System***

The following table sets out the equity investments and the investment funds under the Separate Account System of CDP as at 31 December 2017 and the carrying amount reported in the audited non-consolidated annual financial statements as at the same date:

(thousands of Euro)

	31/12/2017			
	Percentage of shareholdings (%)	Main Activity	Residual Commitment	Carrying Amount
<b>A. Equity Investments</b>				
<b><i>a. Listed companies</i></b>				
1. ENI S.p.A	25.76%	Energy	-	15,281,632
2. Poste Italiane S.p.A.	35.00%	Financial services	-	2,930,258
<b><i>b. Unlisted companies</i></b>				
3. CDP RETI S.p.A.	59.10%	Energy/Infrastructure	-	2,017,339
4. SACE S.p.A.	100%	Finance/Export Credit	-	4,584,074

5. Fintecna S.p.A.	100%	Industrial / Litigations&Restructurings	-	1,864,000
6. CDP Immobiliare S.r.l.	100%	Real Estate	-	293,622
7. Europrogetti & Finanza S.p.A. in liquidazione	31.80%	Bank/Finance	-	-
8. CDP Equity S.p.A.	97.13%	Industrial	-	3,419,512
9. FSI SGR S.p.A.	39.00%	Management Company	-	1,170
10. Fondo Italiano d'Investimento SGR S.p.A.	43.00%	Management Company	-	5,848
11. QuattroR SGR S.p.A.	40.00%	Management Company	-	400
12. Elite S.p.A.	15.00%	Financial services	-	8,000
13. Risparmio Holding S.p.A.	20.00%	Financial	-	218
<b>Other investments</b>				
<b>a. Unlisted companies</b>				
14. Istituto per il Credito Sportivo	2.21%	Infrastructure	-	2,066
15. Acciaitalia S.p.A. in liquidazione*	27.50%	Industrial	-	-
16. QuattroR SGR S.p.A. – Participating financial instruments	40,00%	Management Company	-	400
<b>B. Investment vehicles</b>				
1. Inframed Infrastructure società par actions simplifiée à capital variable (Fondo Inframed)		Infrastructure/Industrial		
-Quote A	38.92%		26,611	131,200
-Quote B	-		-	-
2. 2020 European Fund for Energy, Climate Change and Infrastructure SICAV- FIS Sa (Fondo Marguerite)	14.08%	Infrastructure	15,700	54,336
3. Marguerite II SCSp (Fondo Marguerite II)	14,08%	Infrastructure	100,000	-
4. European Energy Efficiency Fund SA,		Energy		



SICAV-SIF(Fondo EEEF)				
-Quote A	10.63%		37,312	14,602
-Quote B	1.67%		5,693	2,294
<b>C. Investment funds</b>				
Fondo Investimenti per l'Abitare	49.31%	Social Housing	577,254	338,952
2. FIV Plus	100%	Real Estate	161,400	99,633
3. FIV Extra	100%	Real Estate	331,100	612,094
4. Fondo Italiano d'Investimento	-	SME	-	-
5. Fondo Italiano d'Investimento – Fondo di Fondi	20.83%	SME	23,383	28,061
6. Fondo Italiano d'Investimento – FII Venture	20.83%	Venture Capital	7,673	7,588
7. FoF Private Debt	62.50%	SME	181,655	59,327
8. FoF Venture Capital	76.69%	Venture Capital	111,494	7,856
9. European Investment Fund	1.11%	Private Equity/SME	40,000	21,610
10. Fondo Atlante	11.77%	Banks/NPL	39,159	61,527
11. Italian Recovery Fund (formerly Fondo Atlante II)	12.90%	NPL	156,860	162,358
12. Fondo Investimenti per il Turismo	100%	Real Estate	36,615	59,317
13. Fondo QuattroR		Tournaround		
Quote A	42.17%		282,404	12,413
- Quote B	0.21%		1,447	63
- 14. FSI Mid Market Growth Equity Fund		SME		
Quote A	42.73%		491,627	1,790
- Quote B	0.31%		3,565	13
- 15. Fondo FIA 2	100%	Real Estate	89,100	10,275
16. Fondo Innovazione e Sviluppo	78.95%	SME	148,733	590

17. Fondo FII Tech Growth	100%	Venture Capital	46,173	3,433
18. Vertis Venture 3 Technology Transfer	49.50%	Venture Capital	19,809	-

\* *Accialtalia S.p.A. in liquidazione was reported as Equity Investment until the date on which CDP withdrew from the company*

### B.1 Equity Investments

During 2017, CDP's equity investments' portfolio under the Separate Account System changed as a consequence of the following transactions:

- in February 2017, CDP subscribed participating financial instruments in QuattroR SGR S.p.A. for Euro 1 million and later, in October 2017, CDP completed the disposal of participating financial instruments for Euro 600,000 (equal to the nominal value).
- the capital increase in QuattroR SGR S.p.A. equal to Euro 150.000, reserved and subscribed by CDP, finalized on 15 February 2017. The capital of QuattroR SGR S.p.A. as of 31 December 2017 is divided between CDP (40 per cent.) and the management (60 per cent.);
- the acquisition, in May 2017, of 18 per cent. of Fondo Italiano d'Investimento SGR from ABI and Confindustria (respectively 9 per cent. each). At 31 December 2017, the capital is divided as follows: 43.0 per cent. CDP, 12.5 per cent. Unicredit; 12.5 per cent. Intesa San Paolo; 12.5 per cent. Monte dei Paschi di Siena; 12.5 per cent. Nexi, 3.5 per cent. ABI, 3.5 per cent. Confindustria;
- the sale, in May 2017, of the stake held by CDP in Sinloc, equal to n. 605,727 shares, representing 11.29 per cent. of the share capital, at a unit price of 9.6 Euro / share, for a total amount of Euro 5.8 million;
- the capital increase of Euro 48 million made by CDP to CDP Immobiliare with the aim of supporting the development of subsidiaries' real estate assets;
- the acquisition, in July 2017, of 10 per cent. of FSI SGR by Magenta 71 s.r.l. from CDP. At the end of 2017 the capital is divided as follows: 51.1 per cent. Magenta 71 s.r.l. (company owned by the managers); 39.0 per cent. CDP and 9.9 per cent. Poste Vita S.p.A..
- the acquisition, during October 2017, of a 15 per cent. stake by CDP in Elite S.p.A., an Italian company actively engaged in the development of private capital markets in support of small and medium-sized enterprises and operating primarily as a platform dedicated to helping fast-growing companies prepare and structure for further growth through the sharing of best practices, access to financing opportunities and education;

- the transfer, on 28 December 2017, of FIV Plus shares owned by CDP Immobiliare to CDP, previously assigned to CDP Immobiliare in exchange of the contribution of some real estate assets to the fund finalized in July 2017.

## *B.2 Investments Vehicles and Investments Funds*

The size of CDP's investment funds and investments vehicles portfolio under the Separate Account System increased by about Euro 232 million in the course of 2017 with respect to 2016. This increase has been determined by the changes in the fair value valuations and the drawdowns and distributions carried out by the funds in portfolio.

During 2017, CDP continued to focus on its management of investments funds. In particular:

- in February 2017, CDP subscribed a commitment of Euro 100 million (corresponding to a 100 per cent. stake) in FIA 2 fund. The fund invests in real estate assets with a focus on smart housing, smart working, innovation and education;
- the subscription of a commitment of Euro 300 million in QuattroR Fund corresponding to 42.38 per cent. of the total size of the fund. The QuattroR Fund aims to re-launch medium and large Italian companies in temporary economic/financial distress with proper industrial and market perspectives. The Fund has finalised the first closing on 5 April 2017 with total subscription exceeding Euro 700 million (target size of Euro 1,5 billion);
- the subscription, in May 2017, of Euro 75 million in Fondo di Fondi Venture Capital (FoF VC). This subscription brings the CDP commitment in FoF VC equal to Euro 125 million, compared to Euro 163 million of the total size of the fund;
- the subscription of a commitment of Euro 500 million in FSI Mid Market Growth Equity Fund, corresponding to 43.03 per cent. of the total size of the fund. The FSI Mid Market Growth Equity Fund aims to support the companies in their growth until the listing process and it finalised the first closing on 29 June 2017 with total subscriptions equal to approximately Euro 1 billion. In December 2017 the fund received further subscriptions reaching a size equal to Euro 1,2 billion;
- the writedown of the units held in Fondo Atlante. The investment in this fund is classified under financial assets available for sale. In line with accounting principles, it is measured at fair value. At 30 June 2017, the value of the units, as communicated by Quaestio Capital SGR S.p.A., entailed an adjustment of the book value approximately of Euro 106 million<sup>8</sup>, to reflect the full writedown

---

<sup>8</sup> Of which Euro 183.8 million for adjustments recognised under item 130.b "Net impairment adjustments to financial assets available for sale", in part offset by the writeback of Euro 78,2 million made on the line 130.d "Net impairment adjustments to other financial transactions" to reflect the reversal to the income statement of adjustments made as at December 2016, 31<sup>st</sup> on commitments called-up and paid in January 2017.

of the equity investments in Banca Popolare di Vicenza and Veneto Banca, which were placed under compulsory administrative liquidation pursuant to Decree Law 99/2017. At 31 December 2017, the value of the units, as communicated by Quaestio Capital SGR S.p.A., was Euro 61,5 million (unit value Euro 123,053.51);

- in July 2017, CDP subscribed an additional commitment in FIV Plus fund of Euro 96 million and, subsequently, in December 2017, CDP Immobiliare completed the transfer of its FIV Plus shares to CDP for Euro 76,6 million;
- the subscription, through the ITAtech Platform, of a commitment of Euro 20 million in Vertis Venture 3 Technology Transfer Fund, corresponding to 49.5 per cent. of the total size of the fund. The fund finalised its first closing on 30 August 2017 with a total subscription of more than Euro 40 million (target size Euro 60 million) and it is the first technology transfer fund launched under ITAtech Platform (joint initiative launched by CDP and EIF on December 2016 to finance technology transfer funds in Italy);
- the signing of a commitment equal to Euro 50 million in FII Tech Growth Fund. The Fund aims to support start-ups and small and medium size companies in the late stage venture capital phase and it completed the first closing on 21 September 2017 with the sole participation of CDP (target size of Euro 150 million);
- the signing of a commitment of Euro 150 million in Innovazione e Sviluppo Fund, corresponding to 79 per cent. of the total size of the fund. The fund aims to strengthen the global competitiveness of Italian companies by encouraging consolidation and integration processes; it has finalised the first closing on 21 September 2017 with the sole participation of CDP. In December 2017 the Fund received further subscriptions reaching a total size of Euro 190 million (target size of Euro 700 million);
- the subscription, in December 2017, of Euro 70 million in Italian Recovery Fund (formerly Fondo Atlante II). This subscription brings the CDP commitment equal to Euro 320 million, compared to Euro 2,480 million of the total size of the fund;
- during 2017, CDP and EIF have been strengthening their relations in various areas of intervention of the fund, including, but not limited to, technology transfer and impact investing, to promote and encourage investments in SMEs and in new companies, giving a major boost to the implementation of the "European Investment Plan";
- during November 2017, CDP and EIF jointly launched Social Impact Italia, investment Platform dedicated to the development of the Italian inclusive finance market in support of social entrepreneurship ("**SII Platform**"). SII Platform's overall resources amount to Euro 100,000,000, equally committed by CDP and EIF, to be deployed in risk capital investments in investment funds and vehicles dedicated to impact investing and in financial intermediaries specialised in social lending and microfinance;

- Finally, on 30 November 2017 the first closing of Marguerite II SCSp ("**Marguerite II Fund**") occurred, "successor fund" of the Marguerite Fund, which will pursue an investment strategy similar to that of the first fund, with a focus on the greenfield segment and a pan-European approach, encouraging the launch of new infrastructure projects and the expansion of existing projects in line with the objectives of the Investment Plan for Europe (the "**Juncker Plan**"). The Marguerite II Fund collected underwriting commitments for Euro 705 million, of which Euro 100 million each from CDP and other primary European National Promotion Institutions (CDC, KfW, ICO, BGK), for a total amount of Euro 500 million, and Euro 200 million from the European Investment Bank of which Euro 100 million related to the European Fund for Strategic Investments ("**EFSI**").

For a detailed description of the equity investments and the investment funds of CDP, please see section 4.3.1.2 of the report on operations and Part B, section 10 of the Notes to CDP's audited non-consolidated annual financial statements as of 31 December 2017, incorporated by reference in this Base Prospectus.

## **C. Funding**

### *C.1 Bilateral financing contracts with European financial institutions*

In addition to the postal savings instruments and the issue of Notes under the Programme, the funding required by CDP for carrying out the activities falling under the Separate Account System, as further described below, is raised by CDP by entering into loans with European financial institutions, such as the EIB, Kreditanstalt für Wiederaufbau ("**KfW**") and the CEB.

During 2017, CDP requested and obtained (i) new disbursements on credit facilities from the EIB for an aggregate amount of Euro 532 million mainly for the financing of the 2012 earthquake reconstruction fund and school building measures and (ii) new disbursement on credit facilities from CEB for an aggregate amount of Euro 75 million for the financing of the liquidity platform for granting loans in favour of SMEs, to be allocated to investments in new machinery, plants and equipment (the "**Plafond Beni Strumentali**").

During 2018, CDP also obtained new disbursements for an aggregate amount of Euro 66 million from the EIB for the financing of school buildings.

### *C.2 Multi-Currency Commercial Paper Programme (Programma di Cambiali Finanziarie)*

At the beginning of 2014, CDP set up a new Euro 3 billion multi-currency Commercial Paper Programme (*Programma di Cambiali Finanziarie*) governed by Italian Law pursuant to Law No. 43 of 13 January 1994, as amended by Law No. 134 of 7 August 2012. The commercial papers issued by CDP may be listed on ExtraMOT PRO, a non-regulated market organised and managed by Borsa Italiana S.p.A. The proceeds may also be used to finance the Ordinary Account System. As of 31 December 2017 the nominal amount of outstanding issues under the Separate Account System was equal to Euro 2.417 million.

### *C.3 Debt Issuance Programme*

With reference to medium-long term funding under the Programme, during 2017, CDP issued Notes for a nominal amount of Euro 1,640 million, including Euro 500 million inaugural CDP Social Bond, in order to support the Separate Account System.

#### *C.4 Domestic Retail Programme*

In March 2015, CDP launched a domestic bond-issuance programme approved by CONSOB and reserved to retail investors (individuals residing in Italy). The purpose of the programme is to expand the funding sources dedicated to the financing of projects of public interest, which were previously funded by postal savings products.

The first bond issued under the domestic retail programme was launched in March 2015. This bond – issued with a notional amount of Euro 1.5 billion – will expire on 20 March 2022 and bears a fixed-to-floating interest rate, paying interest at a fixed rate for the first two years and at a floating rate for the subsequent five years.

### **CDP ACTIVITIES UNDER THE ORDINARY ACCOUNT SYSTEM**

#### **A. Funding**

##### *A.1 Bilateral financing contracts with European financial institutions*

In addition to the issue of Notes under the Programme, the funding required by CDP for carrying out the activities falling under the Ordinary Account System is raised by CDP by contracting loans with financial institutions, such as the EIB.

##### *A.2 Multi-Currency Commercial Paper Programme (Programma di Cambiali Finanziarie)*

With regard to the Euro 3 billion multi-currency Commercial Paper Programme (*Programma di Cambiali Finanziarie*) established by CDP at the beginning of 2014, as of 31 December 2017 the nominal amount of outstanding issues under the Ordinary Account System was equal to Euro 355 million.

##### *A.3 Debt Issuance Programme*

With reference to medium to long-term funding under the Programme, during 2017, CDP has been very active in issuing private placements under the Programme for a nominal amount of Euro 995 million in order to support the Ordinary Account System.

#### **B. Equity Investments and Investment Funds under the Ordinary Account System**

The following table sets out the equity investments and the investment funds under the Ordinary Account System of CDP as at 31 December 2017 and the carrying amount reported in the audited non-consolidated annual financial statements at the same date:

*(thousands of Euro)*

	31/12/2017

	Percentage of shareholdings (%)	Main Activity	Residual Commitment	Carrying amount
<b>A. Equity Investments</b>				
<b>a. Unlisted companies</b>				
1. Galaxy S.à.r.l. SICAR	40.00%	Infrastructure	-	3,665
2. CDP Investimenti SGR S.p.A.	70.00%	Bank/Finance/Management Company	-	1,400
<b>Other Investments</b>				
<b>a. Unlisted companies</b>				
3. F2i SGR S.p.A.	14.01%	Bank/Finance/Management Company	-	3,619
4. Istituto della Enciclopedia Italiana fondata da Giovanni Treccani S.p.A.	7.42%	Culture	-	5,000
<b>B. Investment Funds</b>				
1. Fondo PPP Italia	14.58%	Infrastructure	2,054	10,537
2. Fondo Immobiliare di Lombardia - Comparto Uno	3.83%	Social Housing	8,700	9,537
3. Secondo Fondo F2i		Infrastructure		
-Quote A	8.05%		50,828	68,272
-Quote C	0.02%		132	178
4. Terzo Fondo F2i*	4.77%	Infrastructure	52,528	97,582

\*The F2i Primo Fondo was merged by incorporation, on December 2017, into F2i - Terzo Fondo per le Infrastrutture ("Terzo Fondo F2i")

\*The portfolio also included equity instruments consisting of non-controlling interests acquired as part of the broader series of reorganisation transactions involving the Sorgenia Group and Tirreno Power S.p.A.. The financial instruments are recognised at fair value (equal to zero).

## B.1 Equity Investments

The portfolio of equity investments under the Ordinary Account System has changed by an overall amount of around Euro 486 million, mainly due to merger by incorporation of CDP Gas S.r.l. into CDP S.p.A. and to the investment in Istituto della Enciclopedia Italiana fondata da Giovanni Treccani S.p.A. ("**Treccani**").

With regard to CDP Gas, the holding fully controlled by CDP (book value of around Euro 467 million) which had equity investments in Snam (1.12 per cent.) and Italgas (0.97 per cent.), it was merged by incorporation into CDP with legal effect from 1 May 2017 (and accounting and tax effects from 1 January 2017). The main aim of such merger was to achieve a more efficient organizational structure of the CDP's equity portfolio, by eliminating a vehicle (CDP Gas) which was no longer functional for its original purpose with a consequent reduction of the overall operating costs. After the merger, CDP sold to CDP Reti, which is under the Separate Account System, the abovementioned stakes held in Snam and Italgas, previously held by CDP Gas, with effect as of 19 May 2017 and for an overall price of Euro 188 million. The consideration was based on the average official stock exchange prices of the Snam and Italgas shares in the 90 calendar days running up to 16 May 2017. To finance the transaction, CDP Reti was granted a loan for the whole amount (45 per cent. funded by CDP and 55 per cent. by a pool of banks).

With respect to new investments, during October 2017, CDP acquired a 7.4 per cent. stake in Treccani, a company historically operating in the publishing of scientific and valuable editorial works, such as art and historical volumes, engaged - through multiple activities - in the dissemination, enhancement and preservation of the Italian humanist, literary and scientific cultural heritage.

In 2017 F2i SGR continued to manage *F2i - Fondo Italiano per le Infrastrutture* ("**F2i Fondo I**") and *F2i - Secondo Fondo Italiano per le Infrastrutture* ("**F2i Fondo II**") and successfully pursued investment opportunities both in new sectors and in the ones in which F2i SGR has already invested. Furthermore during December 2017, the first closing of *F2i - Terzo Fondo per le Infrastrutture* ("**F2i Fondo III**") occurred through the merger by incorporation of F2i Fondo I into F2i Fondo III and the subscription of new commitments.

## *B.2 Investments Funds*

In 2017, the portfolio of investment funds under the Ordinary Account System decreased by about Euro 11.7 million compared to 2016, mainly due to drawdowns, distributions and valuation differences in relation to related to the funds in portfolio.

On December 2017, the first closing of F2i Fondo III occurred through the merger by incorporation of F2i Fondo I (which has invested almost all its resources equal to the 98.5 per cent. of the total size of the fund) and subscription of new commitments, for a total fund size of Euro 3,142 million. F2i Fondo III will continue in the management and development of the important infrastructure platforms held by the F2i Fondo I and will also invest in new infrastructure projects with potential for improving the performance of the portfolio and maintaining the focus on brownfield infrastructures. CDP, in the context of the merger, has underwritten a commitment of Euro 150 million, liquidating the residual component of the units received in exchange in the context of the aforementioned transaction.



Moreover, in 2017, F2i Fondo II – with regard to the major transactions – acquired, (i) through the vehicle held by F2i Fondo II and Marguerite respectively with 80 per cent. and 20 per cent. stakes, the 94.12 per cent.<sup>9</sup> of Infracom Italia S.p.A., the 100 per cent. of MC-link S.p.A and the 90 per cent. of KPNQWEST Italia<sup>10</sup>; (ii) San Marco Bionenergie S.p.A., company that owns a power generation plant powered by woody biomass; (iii) six wind companies of Veronagest S.p.A. operating in the wind-power sector. With regard to the disinvestments, it is worth mentioning the sale of the investment in Alerion, held by F2i Fondo II, following the participation in the public tender offer promoted by the competitor Fri – EL S.p.A. (the sale also involved the share held by the F2i Fondo I).

For a detailed description of the equity investments and the investments funds of CDP, please see section 4.3.1.2 of the report on operations and Part B, section 10 of the Notes to CDP's audited non-consolidated annual financial statements as at 31 December 2017, incorporated by reference in this Base Prospectus.

### **CDP GROUP'S 2016 – 2020 BUSINESS PLAN**

The economic and the financial crisis of recent years appears to have ended and we are starting to see signs of recovery that seem to be consolidated also in Italy. In this scenario, efforts have necessarily focused on growth and reforms.

CDP is committed to supporting nationwide initiatives with a systemic and anti-cyclical approach, working with a long-term view towards sustainable goals, as a market player would. As a player and promotional institution, CDP aims to overcome the limitations of the market and act alongside existing market players. The CDP Group's ambition is to play a key role in driving growth by acting on all the key levers for economic growth. Over 2016-2020, the CDP Group can potentially release around Euro 160 billion in new funding for the country, through a strategy focused on four key business drivers: (i) Government & PA and Infrastructure; (ii) International expansion; (iii) Enterprises; (iv) Real estate.

#### **Government & PA and Infrastructure (Euro 39 billion)**

For the Government & PA sector, the objective is to mobilise around Euro 15 billion to target: the expansion of public finance; the development of public assets; a new role for international cooperation and direct action to optimise the management of European structural funds and fast-track access to those funds for entities by leveraging to CDP's designation as national promotional institution.

As regards infrastructure, the objective is to help fasten the pace of infrastructure work by facilitating new major infrastructure projects and identifying new strategies for the development of smaller-scale infrastructure (approximately Euro 24 billion mobilised).

#### **International expansion (Euro 63 billion)**

---

<sup>9</sup> As of the 31<sup>st</sup> December 2017, the participation in Infracom through 2i Fiber S.p.A. reached the 97.33 per cent. following the purchase of some minority interests.

<sup>10</sup> The closing of the transaction occurred in January 2018.

The CDP Group's goal is to boost support for exports and internationalisation by creating a single system with one-door access to the CDP Group's services and reviewing the range of services to optimise support.

### **Enterprises (Euro 54 billion)**

CDP Group is committed to supporting Italian business throughout their life cycle through initiatives to promote the start-up, innovation and growth of companies and sectors and facilitated access to credit. The CDP Group has reaffirmed its role in the development of key national assets through the long-term perspective taken in the management of equity investments of systemic importance and the capital provided to support business growth

### **Real estate (Euro 4 billion)**

The ambition is to contribute to the development of real estate assets through initiatives targeted at: enhancing the value of buildings used by the PA; developing a new model to promote affordable housing and the creation of public spaces for social integration; implementing urban redevelopment and growth projects for strategic areas of the country; and the development of accommodation facilities, also focusing on ancillary assets, to promote the tourism industry.

The funds mobilised by CDP will act as a catalyst for the investments by the private sector, local institutions, supranational organisations and international investors, enabling approximately additional Euro 105 billion to be channelled into the sector. The approximately Euro 265 billion earmarked overall will be used to support a major part of the Italian economy.

## **CDP SHARE CAPITAL AND SHARE OWNERSHIP**

The Issuer's authorised and fully paid in share capital, as at the date of this Base Prospectus, is equal to Euro 4,051,143,264.00 and is divided into 342,430,912 ordinary shares with no par value. As at the date of this Base Prospectus, the MEF owns 82.775 per cent. of the share capital of CDP and 15.925 per cent. is owned by 61 banking foundations (*fondazioni bancarie*). The remaining 1.3010 per cent. was repurchased by CDP after two banking foundations exercised their withdrawal right related to the conversion of preferred shares.

Pursuant to Article 5, paragraph 2, of Law Decree 269 and to article 7, paragraph 2, of CDP's by-laws, the majority of the shares with voting rights must be owned by the MEF. No shareholder of CDP, other than the MEF, may hold, directly or indirectly, shares equal to more than 5 per cent. of the share capital. Any voting rights attached to the shares held in excess of such shareholding, may not be exercised, without prejudice to the fact that the shares for which the right to vote may not be exercised will in any case be included in the calculation of the quorum required to constitute the shareholders' meeting. Pursuant to article 8, paragraph 1, of CDP's by-laws, shares may only be owned by the foundations referred to in Article 2 of Legislative Decree No. 153 of 17 May 1999, banks and supervised financial intermediaries, which fulfil the stability of assets and regular management requirements.

As at the date of this Base Prospectus, the shareholders of CDP are as follows:

<b>Shareholders</b>	<b>Share Capital Owned (%)</b>
Ministero dell'economia e delle finanze (MEF)	82.775
Fondazione di Sardegna	1.670
Compagnia di San Paolo	1.609
Fondazione Cassa di Risparmio delle Province Lombarde	1.558
Fondazione Cassa di Risparmio di Torino	1.500
Fondazione Cassa di Risparmio di Lucca	0.852
Fondazione Cassa di Risparmio di Trento e Rovereto	0.650
Fondazione Cassa di Risparmio di Cuneo	0.741
Fondazione Cassa di Risparmio di Firenze	0.601
Fondazione Cassa di Risparmio di Perugia	0.601
Fondazione Cassa di Risparmio di Padova e Rovigo	0.599
Fondazione di Venezia	0.417
Fondazione Banca del Monte di Lombardia	0.417
Fondazione Cassa dei Risparmi di Forlì	0.431
Fondazione Cassa di Risparmio di Genova e Imperia	0.371
Fondazione Cassa di Risparmio di Alessandria	0.371
Fondazione Cassa di Risparmio di Pistoia e Pescia	0.351
Fondazione Agostino De Mari	0.275
Fondazione Cassa di Risparmio di Trieste	0.256
Fondazione di Piacenza e Vigevano	0.330
Fondazione Cassa di Risparmio di Ravenna	0.167
Istituto Banco di Napoli Fondazione	0.142
Fondazione Friuli	0.136
Fondazione Cassa di Risparmio della Spezia	0.109
Fondazione Cassa di Risparmio di Macerata	0.100

<b>Shareholders</b>	<b>Share Capital Owned (%)</b>
Fondazione Cassa di Risparmio di Bolzano	0.089
Fondazione Cassa di Risparmi di Livorno	0.089
Fondazione Cassa di Risparmio di Gorizia	0.083
Fondazione Cassa di Risparmio di Modena	0.149
Fondazione Cassa di Risparmio della Provincia dell'Aquila	0.083
Fondazione Cassa di Risparmio di Terni e Narni	0.083
Fondazione Cassa di Risparmio di Asti	0.083
Fondazione Cassa di Risparmio di Imola	0.086
Fondazione Cassa di Risparmio di Carpi	0.083
Fondazione Cassa di Risparmio di Biella	0.083
Fondazione Cassa di Risparmio di Reggio Emilia - Pietro Manodori	0.083
Fondazione Cassa di Risparmio di Teramo	0.083
Fondazione Cassa di Risparmio di Pesaro	0.067
Fondazione Pescarabruzzo	0.042
Fondazione Cassa di Risparmio di Mirandola	0.033
Fondazione del Monte di Bologna e Ravenna	0.033
Fondazione Cassa di Risparmio di Vercelli	0.033
Fondazione Cassa di Risparmio della Provincia di Viterbo CA.RI.VIT.	0.033
Fondazione Banca del Monte di Lucca	0.013
Fondazione Sicilia	0.033
Fondazione Cassa di Risparmio di Calabria e di Lucania	0.025
Fondazione dei Monti Uniti di Foggia	0.025
Fondazione Cassa di Risparmio di Fabriano e Cupramontana	0.033
Fondazione Cassa di Risparmio di Saluzzo	0.033
Fondazione Cassa di Risparmio di Savigliano	0.019

<b>Shareholders</b>	<b>Share Capital Owned (%)</b>
Fondazione Cassa di Risparmio di Fossano	0.017
Fondazione Cassa di Risparmio di Carrara	0.017
Fondazione Cassa di Risparmio di Fermo	0.017
Fondazione Cassa di Risparmio di Orvieto	0.019
Fondazione Cassa di Risparmio e Banca del Monte di Lugo	0.017
Fondazione Cassa di Risparmio Salernitana	0.017
Fondazione Cassa di Risparmio di Spoleto	0.017
Fondazione Cassa di Risparmio di Volterra	0.016
Fondazione Cassa di Risparmio di Ferrara	0.014
Fondazione Banca del Monte e C.R. Faenza	0.008
Fondazione Cassa di Risparmio di Bra	0.005
Fondazione Banca del Monte di Rovigo	0.002
CDP – Own shares	1.300

## ***CDP ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES***

### ***Board of Directors, Managing Director and General Manager***

The shareholders' meeting held on 10 July 2015 elected a new Board of Directors for the 2015, 2016 and 2017 financial years, appointing as directors: Claudio Costamagna (Chairman), Mario Nuzzo (Vice Chairman), Fabio Gallia (Chief Executive Officer and General Manager), Maria Cannata, Carla Patrizia Ferrari, Stefano Micossi, Alessandro Rivera and Alessandra Ruzzu.

On 13 July 2015, the Board of Directors appointed Mario Nuzzo as Vice Chairman and Fabio Gallia as Chief Executive Officer.

In addition, the Board of Directors' meeting held on 3 August 2015 appointed Fabio Gallia – Chief Executive Officer at the time – to replace Andrea Novelli (who resigned from office in order to take on the role of SIMEST Chief Executive Officer) as CDP's new General Manager.

Furthermore, on 29 October 2015, pursuant to Article 2386 of the Italian civil code, the Board of Directors appointed Giuseppe Sala as director in charge until the next Shareholders' Meeting. Giuseppe Sala was subsequently appointed as director in the Shareholders' Meeting held on 30 May 2016, however, he resigned from office on 20

June 2016. Following Giuseppe Sala's resignation, on 14 December 2016 the Board of Directors appointed Andrea Sironi, as director in charge until the next Shareholders' Meeting, pursuant to Article 2386 of the Italian Civil Code. Andrea Sironi was subsequently appointed as director in the Shareholders' Meeting held on 16 May 2017.

Pursuant to CDP's bylaws, the Board of Directors is composed of nine members, elected for a period no longer than three financial years. They may be re-elected.

The Director Stefano Micossi resigned from office on 4 April 2018.

As at the date hereof, the members of the Board of Directors are:

Claudio Costamagna	<i>(Chairman)</i>
Mario Nuzzo	<i>(Vice Chairman)</i>
Fabio Gallia	<i>(Chief Executive Officer and General Manager)</i>
Maria Cannata	
Carla Patrizia Ferrari	
Alessandro Rivera	
Alessandra Ruzzu	

Pursuant to article 15 of CDP's by-laws, for matters relating to the Separate Account System (as described above), the Board of Directors consists of the members listed in letters (c), (d) and (f) of Article 7, paragraph 1, of Law 197 (the "**Additional Directors**").

The Director Andrea Sironi resigned from office on 26 April 2018.

The Additional Director Piero Fassino resigned from office on 3 April 2018.

The Additional Director Massimo Garavaglia resigned from office on 5 April 2018.

As at the date hereof, the Board of Directors consists of the following Additional Directors:

Roberto Ferranti	<i>(Delegate of the State Accountant General)</i>
Vincenzo La Via	<i>(General Director of the Treasury)</i>
Achille Variati	

In addition to their respective positions held within CDP, as at the date hereof, the Directors listed below hold the following offices outside CDP:

Claudio Costamagna	Chairman of FSI SGR S.p.A. Chairman of CC & Soci
--------------------	---

	Member of the board of directors and Chairman of the Compensation Committee of FTI Consulting
	Member of the board of directors of Athena Partecipazioni S.r.l.
Mario Nuzzo	Owner of the law firm Prof. Avv. Mario Nuzzo and Associates
	Full professor of civil law at LUISS University
	Member of the Board of Directors of Istituto della Enciclopedia Italiana fondata da Giovanni Treccani S.p.A.
Fabio Gallia	Member of the Board of Directors of COESIA S.p.A.
	Member of the Board of Directors of Ariston Thermo S.p.A.
	Member of the Board of Directors of Risparmio Holdings S.p.A.
	Member of the Board of Directors of Elite S.p.A.
	Member of the Board of Directors of Fondazione Museo delle Antichità Egizie
	Member of the Board of Directors of Fondazione Telethon
Maria Cannata	No significant offices
Carla Patrizia Ferrari	Chairman of the Board of Directors of Equiter S.p.A.
	Chairman of the Board of Directors of Compagnia di San Paolo Sistema Torino S.c.r.l.
	Chief Financial Officer of Compagnia di San Paolo
	Member of the board of directors of Prima Industrie S.p.A.
Alessandro Rivera	Member of the Supervisory Board of STMicroelectronics
	General Manager – Chief of the Direction IV of the Ministry of the Economy and Finance
	Member of the board of directors of Banca d'Italia
Alessandra Ruzzu	No significant offices

Vincenzo La Via	General Director of the Treasury Department, MEF
Roberto Ferranti	Member of the Board of Statutory Auditors of Cassa di Previdenza Forense
Achille Variati	No significant offices

No conflict of interest exists between duties owed to the Issuer by the members of the Board of Directors, as listed above, and their private interests.

The business address of the members of the Board of Directors is at CDP's registered office at Via Goito 4, 00185 Rome, Italy.

The Chairman of the Board of Directors is the legal representative of CDP and is empowered to sign on its behalf, to chair shareholders' meetings and to convene and chair the Board of Directors. The Vice-Chairman will substitute for the Chairman in case of his/her absence or inability. The Chief Executive Officer is the legal representative of CDP in respect of the powers vested in him by the Board of Directors.

Directors are elected through the voting list system; only the shareholders who represent, alone or together with other shareholders, at least 10 per cent. of shares with voting rights in the ordinary shareholders' meeting have the right to present a list. The first candidate on the list which obtains the greatest number of votes is appointed Chief Executive Officer, while the first candidate on the list which obtains the second greatest number of votes is appointed Chairman. Unless already done by the shareholders' meeting, the Board of Directors elects a Chairman; furthermore the Board of Directors elects a Vice-Chairman and appoints a Secretary and a Vice-Secretary.

The majority of the directors in office shall be present at a meeting in order for the Board of Directors to pass valid resolutions at such meeting, without prejudice to the provisions of article 30, paragraph 3, of CDP's by-laws, and for the adoption of the resolutions referred to in article 21, paragraph 1, letter (m) and article 21, paragraph 2, of CDP's by-laws, which are adopted in the presence of at least seven directors elected by the shareholders' meeting.

Resolutions shall be passed by the majority of the directors attending and voting in favour, without prejudice to the provisions of article 30, paragraph 3, of CDP's by-laws, and for the adoption of the resolutions referred to in article 21, paragraph 1, letter (m) and article 21, paragraph 2, of CDP's by-laws, which are adopted in the presence of at least seven directors elected by the shareholders' meeting.

Resolutions concerning the Separate Account System shall be passed by the favourable vote of at least two of the Additional Directors attending the meeting. In the event of a tied number of votes, the vote of the Chairman of the meeting prevails.

In addition to the matters reserved to the Board of Directors by law, the following matters, among others, fall within its exclusive authority: (a) the set-up of the strategic policies of CDP and the approval of related plans, (b) the determination of CDP's general organisational structure, (c) any appointment and determination of the powers of a General Manager and one or more Deputy General Managers and the dismissal of such officers, having obtained the opinion of the Chief Executive Officer; (d) the



determination of the operative terms and conditions for implementing the guidelines issued by the Bank of Italy; (e) the acquisition or transfer of shareholdings; (f) the granting of loans in amounts exceeding Euro 500,000,000.00; (g) the borrowing of amounts exceeding Euro 500,000,000.00; (h) the creation of separate assets; (i) the setting up of administrative and representative branches and representative and executive offices, both in Italy and abroad; (l) the determination of the operative terms and conditions for implementing the guidelines of the Separate Account System; and (m) the establishment of risk objectives, of any tolerance thresholds and risk governance and management policies and the associated risk detection procedures, which shall be specified in appropriate rules.

### ***Board of Statutory Auditors***

The board of statutory auditors of CDP (the "**Board of Statutory Auditors**") is composed of five effective auditors and two alternate auditors. The auditors are appointed in compliance with Italian law and regulations by the shareholders' meeting for a term of three years and may be re-elected.

As at the date hereof, the members of the Board of Statutory Auditors are:

Carlo Corradini	<i>(Chairman)</i>
Luciano Barsotti	<i>(Effective auditor)</i>
Giusella Finocchiaro	<i>(Effective auditor)</i>
Ines Russo	<i>(Effective auditor)</i>
Alessandra dal Verme	<i>(Effective auditor)</i>
Giandomenico Genta	<i>(Alternate auditor)</i>
Angela Salvini	<i>(Alternate auditor)</i>

In addition to their respective offices held at CDP, as at the date hereof, the members of the Board of Statutory Auditors listed below hold the following offices:

Carlo Corradini	Chairman of Banor Sim
	Member of the Board of Directors of PLT Energia S.p.A.
	Member of the Board of Directors of Quaestio capital SGR
	Member of the Board of Directors of Quaestio Holding S.A.
	Member of the Board of Directors of YLF S.p.A.

	Sole Director of Corradini & C
Alessandra dal Verme	General Manager of the general accounting of the State (MEF)
Ines Russo	Chairman of the Board of Statutory Auditors of ITALFERR S.p.A. Member of the Board of Statutory Auditors of Equitalia S.p.A.
Giusella Finocchiaro	No significant offices
Luciano Barsotti	No significant offices
Angela Salvini	Auditor at CONI-FED-GOLF Auditor at Istituto Superiore Sanità Chairman of the Board of Statutory Auditors of SACBO S.p.A.
Giandomenico Genta	Chairman of the Board of Statutory Auditors of: <ul style="list-style-type: none"> <li>- Finanziaria Sviluppo Impresa S.p.A.</li> <li>- Mec S.p.A.</li> </ul> Effective Auditor of: <ul style="list-style-type: none"> <li>- Autostrade per l'Italia S.p.A.</li> <li>- Equitalia S.p.A.</li> <li>- EsseDiesse S.p.A.</li> <li>- Infoblu S.p.A.</li> <li>- Società Italiana per Azioni per il Traforo del Monte Bianco</li> <li>- Rav Raccordo Autostradale Valle d'Aosta S.p.A.</li> <li>- Italgas S.p.A.</li> <li>- Chairman of the Board of Directors of Satsipay S.p.A.</li> <li>- Chairman of the Board of Directors of Fondazione Cassa di Risparmio di Cuneo</li> </ul>

Statutory auditors are elected by the same voting list system as the one applicable to the election of Directors. The Chairman of the Board of Statutory Auditors shall be the first candidate elected from the list which obtained the greatest number of votes.

The business addresses of the member of the Board of Statutory Auditors are specified below:

Carlo Corradini	Via Goito 4, 00185 Rome
Alessandra dal Verme	Via Goito 4, 00185 Rome
Ines Russo	Via Goito 4, 00185 Rome
Giusella Finocchiaro	Via Goito 4, 00185 Rome
Luciano Barsotti	Via Goito 4, 00185 Rome
Angela Salvini	Via Goito 4, 00185 Rome
Giandomenico Genta	Via Goito 4, 00185 Rome

### ***Court of Accounts' supervision***

Pursuant to Article 5, paragraph 17, of Law Decree 269, CDP is supervised by the Italian Court of Accounts (*Corte dei Conti*) in accordance with Article 12 of Law No. 259 of 21 March 1958. The supervision is exercised by one of the Court of Accounts' members, appointed by the Court's President, who is entitled to attend the meetings of the Board of Directors and of the Board of Statutory Auditors. The member of the Court of Accounts who is currently in office for CDP's supervision is Angelo Buscema, while Giovanni Comite is the alternate member.

### ***Auditing Firm***

Upon proposal of the Board of Directors and having consulted with the Board of Statutory Auditors, an auditing firm was appointed for a period of nine years during the shareholders' meeting of 25 May 2011.

The auditing firm appointed by CDP is PricewaterhouseCoopers S.p.A., with registered offices at Via Monte Rosa 91, Milan, Italy, whose term of office will expire upon approval of the financial statements for the year 2019.

PricewaterhouseCoopers S.p.A. is a company enrolled with the Register of Certified Auditors (*Registro dei Revisori Legali*) held by the MEF.

### ***Committee of Minority Shareholders***

Pursuant to article 22 of CDP's by-laws, the committee of minority shareholders of CDP (the "**Committee of Minority Shareholders**") is composed of nine members appointed by the minority shareholders. The committee shall be appointed with the quorums to convene and to deliberate as provided by the regulations applicable to the ordinary shareholders' meeting and its term shall end on the date of the shareholders' meeting convened to appoint the Board of Directors. The Committee of Minority Shareholders appoints a chairman who has the power to convene the meetings, to set the agenda and to chair the meetings. The chairman receives in advance from CDP analytical reports on the (i) level of financial liquidity, (ii) lending commitments, (iii)

shareholdings and participations, (iv) current and prospective investments, (v) most relevant business transactions entered into by CDP, (vi) updated accounting information, (vii) the auditing company's reports and the internal auditing reports relating to the organisation and to the functioning of CDP and (viii) minutes of the Board of Statutory Auditors.

The chairman may request additional information from the Chairman of the Board of Directors, from the Chief Executive Officer, from the General Manager, where appointed, or from the Chairman of the Board of Statutory Auditors. The minutes of the Committee of Minority Shareholders are notified to the Board of Directors and the Board of Statutory Auditors. The members of the committee are subject to a duty of confidentiality with respect to the information on business activities provided by CDP.

As of the date hereof, the members of the Committee of Minority Shareholders are the following:

Matteo Melley (Chairman)

Ezio Falco

Sandro Fioravanti

Anna Chiara Invernizzi

Michele Iori

Arturo Lattanzi

Luca Iozzelli

Roberto Pinza

Umberto Tombari

"

### **Parliamentary Supervisory Committee**

The parliamentary supervisory committee of CDP (the "**Parliamentary Supervisory Committee**") is composed of four members of the Italian Senate (*Senato della Repubblica*), four members of the Italian Chamber of Deputies (*Camera dei Deputati*), three judges of the Council of State (*Consiglio di Stato*), and one judge of the Court of Accounts (*Corte dei Conti*). Pursuant to Article 5, paragraph 9 of Law Decree 269 and Royal Decree 453, the Parliamentary Supervisory Committee supervises the Separate Account System of CDP.

As at the date hereof, the members of the Parliamentary Supervisory Committee are the following:

Anna Cinzia Bonfrisco (Chairman) Senate

Paolo Naccarato (Vice Chairman) Senate

Raffaella Mariani (Vice Chairman) Chamber of Deputies

Ferdinando Aiello	Chamber of Deputies
Dore Misuraca	Chamber of Deputies
Davide Zoggia	Chamber of Deputies
Bruno Astorre	Senate
Luigi Marino	Senate
Stefano Fantini	Council of State
Pancrazio Savasta	Council of State

***Parliamentary Supervisory Committee pursuant to Article 56 of Law No. 88 of 9 March 1989 ("Law 88")***

Article 1, paragraph 253, of the Stability Law 2014 has conferred to the Parliamentary Supervisory Committee for the "*oversight of entities managing mandatory pension and welfare services*" – established by Law 88 – the specific task of supervising the Separate Account System of CDP, with respect to the financial operations and the operations supporting the public sector achieved in the pension and welfare field.

***Supervisory Board pursuant to Legislative Decree No. 231 of 8 June 2001 ("Decree 231")***

CDP established a supervisory board in compliance with Decree 231 for the purpose of monitoring the risks of potential criminal and administrative liabilities (the "**Supervisory Board**"). Decree 231 established the criminal and administrative liability of a corporation in the event that an employee violates criminal provisions in the interest and for the benefit of the corporation. For the purpose of avoiding and reducing the risk of such liability, Decree 231 requires corporations to adopt an organisational model in order to monitor business activities and internal procedures in order to prevent any kind of violation.

Pursuant to Article 6, paragraph 4-*bis*, of Decree 231 and in accordance with the Bank of Italy regulations in force, the meeting of the Board of Directors, held on 25 January 2017, resolved to transfer all the functions and duties of the previously appointed Supervisory Board to the Board of Statutory Auditors, with effect from 27 February 2017.

The activity of the Board of Statutory Auditors acting as Supervisory Board is supported by the Chief Audit Officer structure of CDP (See "*Internal Controls*" below).

***Board committees***

The following are brief descriptions of the board committees of CDP which have been set up for the specific purpose of providing support to CDP's management in either an advisory capacity or by making proposals for the consideration of the entire Board of Directors. Such committees are (i) the Strategic Committee; (ii) the Risk Committee; (iii) the Related Parties Committee and (iv) the Compensation Committee.

### *Strategic Committee*

The Strategic Committee is established, pursuant to article 20, paragraph 2, of CDP's by-laws, within the Board of Directors and is composed of the Chairman, the Vice-Chairman and the Chief Executive Officer. The Strategic Committee supports the organisation and coordination of the Board of Directors and supports the strategic oversight of the activity of the company. The Strategic Committee meets at least once a month and in any case before each Board of Directors' meeting.

As at the date hereof, the Strategic Committee is composed of the following members: Claudio Costamagna (Chairman), Mario Nuzzo and Fabio Gallia.

### *Risk Committee*

The Risk Committee is established, pursuant to article 21, paragraph 2, of CDP's by-laws, by the Board of Directors and is chaired by the Vice-Chairman of the Board of Directors. In addition to the Vice-Chairman, the Risk Committee shall be composed by at least two and up to a maximum of three members of the Board of Directors elected by the shareholders' meeting. The Risk Committee has responsibility over the control and development of policy recommendations in the field of risk management and for the assessment of the adoption of new products. The Chief Risk Officer and the Chief Audit Officer of CDP attend the Committee's meetings.

The Director Andrea Sironi resigned from office on 26 April 2018.

As at the date hereof, the Risk Committee is composed of the following members: Mario Nuzzo (*Chairman*), Maria Cannata and Carla Patrizia Ferrari.

### *Related Party Committee*

The Related Party Committee is appointed by the Board of Directors and is composed of three non-executive directors. The committee's role is to analyse related party transactions and to produce a preliminary report thereon, setting out whether it is in CDP's interest to carry out such transaction, how CDP will benefit from the same and evaluating whether the conditions applicable to the transaction are substantially and procedurally correct.

The Director Stefano Micossi resigned from office on 4 April 2018.

As at the date hereof, the Related Party Committee is composed of the following members: Mario Nuzzo (*Chairman*), Alessandro Rivera and Alessandra Ruzzu.

### *Compensation Committee*

The Compensation Committee is appointed by the Board of Directors and is composed by three non-executive directors. The committee is tasked with assisting in the evaluation of the compensation of the Chairman, the Chief Executing Officer and the General Manager and, where possible, of the other administrative bodies of the company required by law or by virtue of CDP's by-laws, including those established by the Board of Directors (i.e. the committees). The proposals made by the Compensation Committee are submitted for the approval of the Board of Directors, upon prior opinion of the Board of Statutory Auditors.

As at the date hereof, the Compensation Committee is composed of the following members: Carla Patrizia Ferrari (Chairman), Alessandro Rivera e Alessandra Ruzzu.

### ***Internal controls, risk management and compliance***

CDP has developed an internal control framework consisting of a set of rules, procedures, and organisational structures aimed at ensuring compliance with the applicable regulations, in accordance with its corporate strategies and the achievement of targets set by company management.

In particular, CDP has implemented the internal control system according to the three lines of defence model. The so-called "first level controls" (line controls) are carried out by business departments, including the back office department and, where possible, are correlated by IT procedures. These controls are detailed in internal written procedures and are designed to ensure that transactions are carried out correctly.

The so-called "second level controls" (risk management and compliance controls) are carried out by dedicated and independent departments that are not in charge of front office activities, i.e. the risk management function, the compliance function and the anti-money laundering function. According to the relevant regulations and best practices, these independent, separate and permanent second level functions are both under the direction of an independent Chief Risk Officer.

The risk management controls are designed, *inter alia*, to establish risk measurement methodologies and verify that the operational limits set for the different areas are respected, as well as to ensure the coherence between the risks taken by the business departments and the risk policy approved by the Board of Directors.

The risk management division of CDP provides outsourcing and co-sourcing services for a number of subsidiaries that are subject to the management and coordination (*direzione e coordinamento*) of CDP, pursuant to specific service agreements with CDP for risk management activities.

Three Risk Committees are established: (i) the Board of Directors Risk Committee which is composed of members of the Board of Directors and supports the Board of Directors regarding risks and system of internal controls; (ii) the Internal Risk Committee, in support of the Chief Executive Officer, which has responsibilities in controlling and formulating proposals concerning risk managements matters and the evaluation over the adoption of new products and (iii) a Group Risk Committee recently established, which is responsible for the CDP Group governance in risk management matters.

In addition, so called "second level controls" (compliance controls) are carried out by the CDP compliance function. The CDP compliance function ensures, on a risk based approach, the compliance risk management, which can be defined as the risk of legal or administrative sanctions, financial loss, or reputational risk a company may suffer as a result of its failure to comply with all applicable laws and regulations or self-regulatory arrangements (*i.e.* codes of conduct, codes of ethics, internal procedures).

The primary duties of the compliance function include:

- identifying, on an on-going basis, the relevant laws and regulations applicable to CDP and assessing the related impact on the internal processes and procedures, and more generally, within the whole organisation;
- identifying the appropriate internal procedures in order to manage the compliance risk and verifying its effectiveness and adequacy;
- making proposals related to organisational and procedural changes in order to ensure that compliance risks identified are managed appropriately;
- reporting appropriately and periodically to the governing bodies and corporate structures involved;
- verifying the effectiveness and adequacy of the organizational measures suggested to manage compliance risk;
- coordinating the compliance functions of the companies subject to the management and coordination (*direzione e coordinamento*) of CDP, in order to guarantee an integrated management of the risk of non-compliance within the CDP Group.

The compliance function, on an on-going basis, prevents reputational risk in order to ensure the protection of the CDP Group's reputation according to the risk appetite framework established by the Board of Directors.

Furthermore, pursuant to Italian Decree No. 231 of 21 November 2007 ("**Decree 231/2007**") and the measures issued by the Bank of Italy, CDP appointed the head of the Compliance & Anti-Money Laundering Area as the company's legal representative concerning anti-money laundering compliance. As a result, the Compliance & Anti-Money Laundering Area includes a separate anti-money laundering function. Such function carries out additional controls in order to appropriately know the relevant "customers" involved in transactions with CDP as well as any suspicious transactions and promptly inform the supervisory authority.

Finally, the so-called "third level controls" are performed by the Internal Audit department, a permanent, autonomous function, under the direction of an independent Chief Audit Officer, that reports hierarchically to the Board of Directors, through its Chairman.

Within the Internal Audit department provides an independent and objective evaluation of the completeness, adequacy, functionality and reliability of the organisational structure and of the overall system of internal controls of the CDP Group and reports to the Board of Directors on possible improvements.

Therefore, the third levels controls performed by Internal Audit department with a risk-based approach aim to prevent or detect risks and anomalies to highlight any critical issue preventing the achievement of corporate goals, and to promote initiatives of continuous improvement of the effectiveness and efficiency of the organization.

Specifically, the Internal Audit department assesses the ability of the overall internal control system to ensure that CDP's corporate processes are efficient and effective, safeguard company and investor assets, guarantee the reliability and integrity of



accounting and management information, as well as compliance with internal and external regulations and management guidelines.

For the execution of its activities, annually the Internal Audit department prepares, updates and presents to the Board of Directors an audit plan for its approval. The Audit Plan is consistent with the reference regulation, with the risks associated to the activities run for the achievement of the corporate goals, as well as with the guidelines provided by the corporate bodies. It sets out the activities to be carried out and the objectives to be pursued, defining the timeframe and the necessary resources.

The Internal Audit reports to the Board of Directors and the Board of Statutory Auditors on a quarterly basis on the activities carried out, the main issues detected and the progress of corrective actions taken, after examination by the Board of Directors Risk Committee. Annually it also prepares an overall opinion on the reliability of the Internal Control System. The issues identified during each audit engagement are immediately reported to the relevant company units so that they can implement corrective actions.

The Internal Audit department also performs control activities over a number of subsidiaries (CDP Equity, CDP Reti, CDP Investimenti S.G.R., CDP Immobiliare, Fintecna and related subsidiaries) in accordance with specific service agreements and oversees the Internal Audits departments of the other companies of the Group. The Internal Audit department also assists the supervisory body (in CDP and in the subsidiaries mentioned above) established pursuant to Decree 231 in carrying out its work.

Furthermore, the Internal Audit department may provide consulting services to other corporate functions with the purpose of improving the management of risks and the organisation efficiency, without taking management responsibilities to avoid any situation of potential conditioning of its independence and objectivity.

Finally, the Internal Audit department monitors regularly the effectiveness of anti-money laundering and terrorist financing controls, as well as the effectiveness of the internal capital adequacy assessment process.

## **EMPLOYEES**

As at the date hereof, CDP has 770 employees.

## **ORGANISATIONAL STRUCTURE**

CDP's organization is structured as follows as at the date hereof:

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

The following structures report to the Chief Executive Officer & General Manager: Public Affairs; Group Identity & Communications and Sustainability; Chief Legal Officer; Chief Operating Officer; Chief Risk Officer; Chief Financial Officer; Chief Strategic Equity Officer; Chief Business Officer; Group Real Estate.

The Chief Audit Officer is in charge of managing the following structures: Central Operating Audit, Subsidiaries Audit Coordination, Methods & Audit Lab, Supervisory Body Support.

The Chief Legal Officer is in charge of managing the following structures: Group Legal Coordination & Litigation; Corporate & Institutional Affairs; Business & Financing Legal Support; Finance & Equity Investments Legal Support.

The Chief Operating Officer is in charge of managing the following structures: Procurement; ICT; Human Resources & Logistics; Organization, Processes & Back Office.

The Chief Risk Officer is in charge of managing the following structures: Compliance & Anti-Money Laundering; Risk Operations; Risk Management; Risk Governance.

The Chief Financial Officer is in charge of managing the following structures: Administration, Financial Statement and Regulatory Reporting; Finance; Tax; Planning & Control; Investor Relations & Rating Agencies; Staff of the Manager Responsible for Preparing the Company's Financial Reports.

The Chief Business Officer is in charge of managing the following structures: Lending Portfolio Management; International Development Cooperation; Research and Studies; Public Sector; Infrastructure Finance; Corporate & Financial Institutions; Business Development; International Financing.

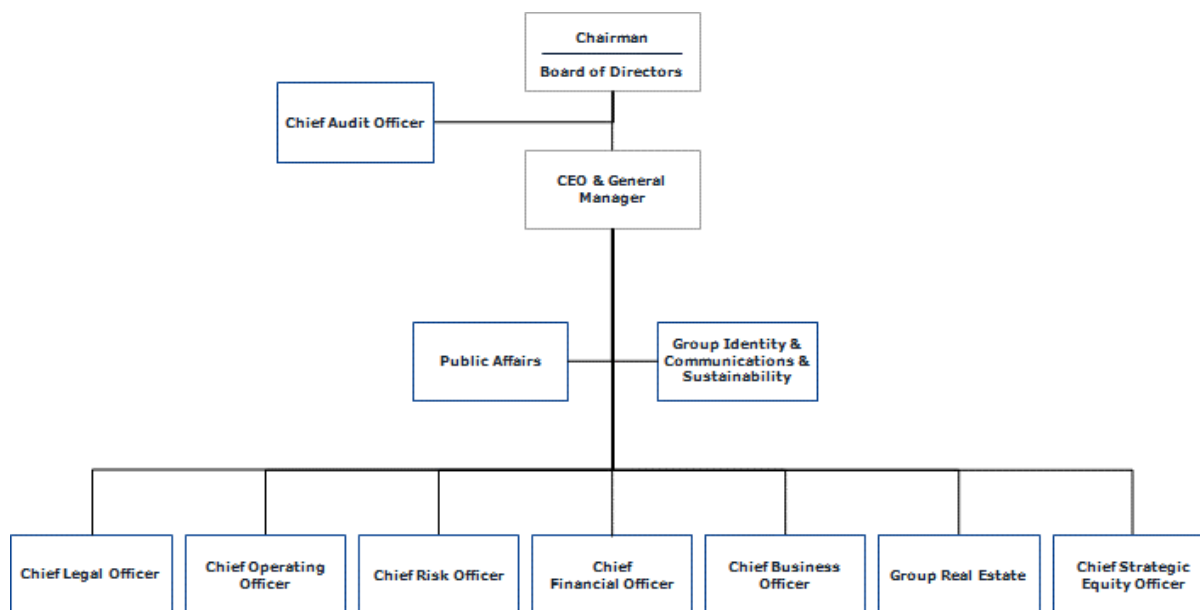
The Chief Strategic Equity Officer is in charge of managing the following structures: Investment Funds & International Development; Equity Investments Energy, Industrial & Real Estate.

Group Real Estate is in charge of managing the following structure: Real Estate Planning & Valuation.

Group Identity & Communications and Sustainability is in charge of managing the following structures: Business Communications & Sustainability; Reputation Management & Press Office.

Public Affairs is in charge of managing the following structures: European Affairs; International Affairs; International & European Projects.

Accordingly, the organisational structure of CDP is set out in the chart below:



## CORPORATE GOVERNANCE

CDP complies with Italian laws and regulations regarding corporate governance.

## MATERIAL CONTRACTS

The Issuer has not entered into any material contracts during the years 2017 and 2016 outside of its ordinary course of business that have been or may reasonably be expected to be material to the Issuer's ability to meet its obligations to the Noteholders.

## RECENT EVENTS

Following on the resolution of the Board of Directors held the 5<sup>th</sup> of April 2018, CDP has acquired a share in Telecom Italia S.p.A. of more than 4%, having communicated its position to the Consob authority on the 11<sup>th</sup> of April 2018. The acquisition has involved ordinary shares of Telecom Italia S.p.A. that have been collected on the market. Telecom Italia S.p.A. is the main telecommunication company in Italy, and operates through the whole value chain: fixed, mobile and internet telecommunication, multimedia and television, office and system solutions, research and development. It has an international footprint, with presence also in Europe, Americas, Africa and Asia. Telecom Italia S.p.A. stock is traded on the Italian stock exchange, with a market capitalization of more than EUR 15 billion, being present in more than 50 national and international indexes

## LEGAL PROCEEDINGS

### *Legal disputes of the Issuer*

With regard to the pending legal disputes relevant to the Separate Account System, as at 31 December 2017, the total estimated liability is of about Euro 30,000.00.

The main pending lawsuit has been filed before the Tribunal of Rome by Fondazione Cassa di Risparmio di Verona, Vicenza, Belluno e Ancona in 2013 and concerns the

conversion of preference shares into ordinary shares, following the exercise of the right of withdrawal. The relevant claim is of about 432 million Euro, increased to 651 million Euro according to the last brief filed by the Fondazione. Such new claim has been strongly opposed by CDP as newly proposed and not admissible. With regard to the judgement of the Court of first instance, the legal team appointed by CDP considered the involved risk as "possible" and then as "probable". The legal team reasonably expects positive outcomes in the following levels of the proceeding.

As of the date of the Base Prospectus, there are no pending disputes relevant to the Ordinary Account System and, therefore, no potential liabilities for CDP.

As far as employment disputes are concerned, as at 31st December 2017, the total estimated liability is of about Euro 3 million.

### ***Legal disputes concerning some CDP's subsidiaries***

#### **SACE**

As at 31 March 2018, SACE is involved in no.14 passive disputes relating to insurance commitments, mostly arisen prior 2003, *i.e.* before SACE's transformation in a joint stock company (no. 11 cases for a total amount of Euro 28.3 million) and in no. 3 minor litigations with suppliers (total amount of Euro 0.9 million). SACE is also involved in active litigations (no. 7 cases for a total amount of Euro 170.41 million – including a recovery action against Hungarian Republic for Euro 150 million.) as well as in further no. 57 cases against bankruptcy proceedings for recognition of right of preference pursuant to Legislative Decree No. 123 of 31 March 1998. Lastly, SACE is involved also in no. 5 labour disputes.

As to SACE's subsidiaries, SACE BT S.p.A. is involved in no. 193 passive disputes concerning insurance matters (for a total amount of Euro 84.5 million), no. 5 generic cases against former agents and suppliers (total amount of Euro 1.7 million), no. 3 active litigations (for a total amount of Euro 9.62 million) and one labour dispute.

SACE Fct S.p.A. is involved in no. 5 passive disputes (total amount of Euro 5 million) while is dealing with several active litigations (total amount of Euro 15.2 million) and extra-judicial recovery actions for Euro 77.7 million.

#### **SIMEST**

In relation to employment disputes, as at 31 March 2018, three lawsuits were pending: two of them of a total potential claim of approximately Euro 0.28 million, the other one consists of an employee's appeal claiming an unlawful dismissal.

With respect to tax litigation, SIMEST succeeded the appeal stage on a tax assessment (concerning registration tax), related to the transfer by *Banca del Mezzogiorno Mediocredito Centrale S.p.A.* ("**Mediocredito Centrale**") to SIMEST of its subsidised fund business. It is now expected a similar conclusion in a parallel proceeding pending before the High Court (cancellation of the tax liquidation notice) in line with the favourable decision already taken for its joint obligor Mediocredito Centrale.

#### **CDP Immobiliare**

As at 31 March 2018, CDP Immobiliare was involved in no. 82 civil and administrative disputes. In particular, 60 claims involved directly CDP Immobiliare and 22 involved its subsidiaries.

As at 31 March 2018, there was a downward trend in terms of number of proceedings, which were mostly related to the transactions and to the management of real estate assets (e.g. clearing of buildings occupied without title, purchase and sale agreements and other commercial transactions, debt recovery, environment, administrative procedures).

Furthermore, as at 31 March 2018, CDP Immobiliare was involved in 8 tax disputes. In particular, 5 of them were related to revenue taxes and 3 were related to local taxes on buildings.

Specific provisions have been made in financial statements, taking into account the assessment on the potential outcome of such proceedings.

### **Fintecna**

As at 31 March 2018, Fintecna is monitoring and managing the legal strategies set up by the lawyers handling the disputes concerning several matters as a consequence of a number of corporate transactions; this includes specific targeted assessment of the key threats posed by each dispute.

In particular, in this framework Fintecna has liabilities and is party in civil litigations inherited from its legal predecessors in legal proceedings filed by former employees (or their heirs) who have been in the past exposed to asbestos and claim damages due to illnesses allegedly caused by unsafe conditions at the workplace.

The key aim of streamlining and settling the bulk of the litigations has been achieved by means of out of court settlements of the cases that match certain financial and legal conditions. The results achieved are cost effective, especially if compared with the potential losses for the company in the event of adverse judicial outcomes; in order to do so, the differences of the reported illnesses and the case laws decided by different courts have been taken into account. The costs of these settlements were fully covered by the risk provisions for litigation.

Currently, the number of new claims is decreasing as well as the number of pending litigations, nevertheless the amount related to the damage compensations requested are increasing.

With respect to the number of civil/administrative/tax disputes, the number of new lawsuits served in 2017 was limited and the stock of pending cases is slightly reduced, also as a consequence of several settlements. In any case, such proceedings are inevitably affected by the timing and complexity of the Italian proceedings system.

In view of the uncertainty of the pending litigations' outcomes, also due to the different orientations of the Italian Courts, claims against the company are covered by appropriate allocation of funds to the litigation risk provision.

### **FINCANTIERI**

As at 31 December 2017, Fincantieri was directly involved in 5 foreign disputes.

Relating to Italian legal disputes, Fincantieri is mainly involved in: (i) proceedings for collection of receivables from customers that are insolvent, bankrupt or undergoing other insolvency procedures that could be not resolved commercially; (ii) litigation with suppliers; (iii) employment litigation involving Fincantieri under the "customer co-liability" principle pursuant article 1676 of the Italian Civil Code and Article 29 of Legislative Decree no. 276/2003; and (iv) other legal disputes, including environmental law disputes with government and municipal bodies, appeals against claims by social security authorities, compensation for direct and indirect damages arising from the production process and civil actions for injury compensation claims.

Furthermore, Fincantieri is currently involved in five criminal cases pursuant to Italian Legislative Decree no. 231 of 2001 before the Gorizia Court.

## SELECTED FINANCIAL INFORMATION RELATING TO CDP

The following tables set out in summary form balance sheet and income statement information relating to CDP. Such information is derived from the audited non-consolidated annual financial statements of CDP at 31 December 2017 and 31 December 2016. Such financial statements together with the reports of the auditors and the certification of the manager responsible for preparing the corporate financial reports, are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with such financial statements and reports.

On 28 March 2018, the Board of Directors of CDP approved the separate financial statements of CDP for the financial year ended on 31 December 2017.

Assets - Euros	Year ended 31 December 2017	Year ended 31 December 2016
Loans to banks	38,599,568,670	23,964,631,584
Loans to customers	255,280,626,453	258,642,911,172
Equity investments	30,411,137,574	30,896,644,341
<b>Total assets</b>	<b>367,265,268,483</b>	<b>357,709,713,264</b>

Liabilities and equity Euros	Year ended 31 December 2017	Year ended 31 December 2016
Due to banks	16,626,997,896	14,487,457,832
Due to customers	306,499,360,318	305,798,520,321
Securities issued	17,364,495,113	12,031,653,582
<b>Equity</b>	<b>24,435,072,762</b>	<b>23,206,815,013</b>

Euros	Year ended 31 December 2017	Year ended 31 December 2016
Net interest income	2,964,685,755	2,368,563,031
Net commission income	(1,471,383,416)	(1,484,204,808)
Gross income	2,893,496,403	2,486,155,181
Financial income (expense), net	2,784,149,820	2,029,043,167
Operating costs	(146,580,539)	(140,590,656)
Income (loss) before tax from continuing operations	2,666,195,208	1,618,438,676
<b>Income (loss) for the period</b>	<b>2,203,445,268</b>	<b>1,662,672,023</b>

## SELECTED FINANCIAL INFORMATION RELATING TO CDP GROUP

The following tables set out in summary form balance sheet and income statement information relating to CDP Group. Such information is derived from the audited consolidated annual financial statements of CDP Group at 31 December 2017. Such financial statements together with the reports of the auditors and the certification of the manager responsible for preparing the corporate financial reports, are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with such financial statements and reports.

On 28 March 2018, the Board of Directors of CDP approved the consolidated financial statements of the CDP Group for the financial year ended on 31 December 2017.

Assets - thousands of Euros	Year ended 31 December 2017	Year ended 31 December 2016 (*)
Loans to banks	43,137,745	27,730,603
Loans to customers	257,183,231	261,956,715
Equity investments	19,769,766	20,666,813
Total assets	419,533,748	410,522,023

(\*) Figures as at 31 December 2016 have been restated as indicated in the audited consolidated annual financial statements for the year ended 31 December 2017 of the Issuer (pages 296 and 326)

Liabilities - thousands of Euros	Year ended 31 December 2017	Year ended 31 December 2016 (*)
Due to banks	25,934,885	25,692,215
Due to customers	300,331,654	302,189,543
Securities issued	37,237,527	28,107,767
Group's Equity	23,061,093	22,624,790

(\*) Figures as at 31 December 2016 have been restated as indicated in the audited consolidated annual financial statements for the year ended 31 December 2017 of the Issuer (pages 297 and 326)

thousands of Euros	Year ended 31 December 2017	Year ended 31 December 2016 (*)
Net interest income	2,760,691	2,106,406
Net commission income	(1,468,441)	(1,463,204)
Gross income	1,020,537	673,025
Financial income (expense), net	879,226	194,448
Net income from financial and insurance operations	1,744,005	526,360
Operating costs	2,268,317	2,025,382
Income (loss) before tax from continuing operations	5,658,432	1,991,370
Income (loss) after tax on continuing operations	4,461,658	1,225,148
Net income (loss) for the year	4,461,658	1,225,148
Net income (loss) for the year pertaining to shareholders of the Parent Company	2,943,314	249,825

(\*) Figures as at 31 December 2016 have been restated as indicated in the audited consolidated annual financial statements for the year ended 31 December 2017 of the Issuer (pages 298 and 326)



## TAXATION

### Italian taxation

*The following is a general summary of current Italian law and practice relating to certain Italian tax considerations concerning the purchase, ownership and disposition of the Notes. It does not purport to be a complete analysis of all tax considerations that may be relevant to a decision to purchase, own or dispose of the Notes and does not purport to deal with the tax consequences applicable to all categories of prospective beneficial owners of Notes, some of which may be subject to special rules. The following summary does not discuss in details the treatment of Notes that are held in connection with a permanent establishment or fixed base through which a non-Italian resident beneficial owner carries on business or performs professional services in Italy.*

*This summary is based upon tax laws in force in Italy in effect as at the date of this Base Prospectus, which may be subject to any changes in law occurring after such date potentially with retroactive effect. Prospective purchasers of Notes should consult their tax advisers as to the consequences under Italian tax law, under the tax laws of the country in which they are resident for tax purposes and of any other potentially relevant jurisdiction of acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes, including in particular the effect of any state, regional or local tax laws. This paragraph does not intend and cannot be construed as a tax advice to prospective purchaser of the Notes.*

### Italian Tax treatment of the Notes

Italian Legislative Decree no. 239 of 1 April, 1996 ("**Decree No. 239**") regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price) (hereinafter collectively referred to as "**Interest**") deriving from Notes falling within the category of bonds (*obbligazioni*) and securities similar to bonds (pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, as amended and supplemented ("**Decree No. 917**") issued, *inter alia*, by CDP pursuant to the provisions of Article 5, paragraph 25, of Law Decree No. 269 of 30 September 2003, converted with amendments into Law No. 326 of 24 November 2003, as supplemented from time to time.

For these purposes, securities similar to bonds ("*titoli similari alle obbligazioni*") are securities that incorporate an unconditional obligation of the issuer to pay at maturity an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

### Italian Resident Noteholders

Pursuant to Decree No. 239, payments of Interest relating to Notes is subject to the *imposta sostitutiva*, levied at the rate of 26 per cent. if the Noteholder is:

- (i) an individual resident in the Republic of Italy for tax purposes, holding the Notes otherwise than in connection with entrepreneurial activities; or
- (ii) Italian resident partnership (other than *società in nome collettivo*, *società in accomandita semplice* or similar partnerships), or a de facto partnership not carrying out commercial activities and professional associations; or
- (iii) Italian resident public and private entities other than companies, trusts not carrying out mainly or exclusively commercial activities, the Italian State and public and territorial entities; or
- (iv) Italian resident entities exempt from Italian corporate income tax.

All the above categories are usually referred as "net recipients" unless the Noteholders referred to under (i), (ii) and (iii) above have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so called "*regime del risparmio gestito*" (the "**Asset Management Regime**" or *Risparmio Gestito* regime) according to Article 7 of Italian Legislative Decree No. 461 of 21 November 1997 as amended ("**Decree No. 461**").

In the event that the Italian resident Noteholders mentioned above hold the Notes in connection with an entrepreneurial activity (*attività d'impresa*), the *imposta sostitutiva* applies as a provisional tax. Interest will be included in the relevant beneficial owner's Italian income tax return and will be subject to Italian ordinary income taxation and the *imposta sostitutiva* may be recovered as a deduction from Italian income tax due.

Interest accrued on the Notes must be included in the relevant Noteholder's annual corporate taxable income (and in certain circumstances, depending on the "status" of the Noteholders, also in the net value of production for purposes of regional tax on productive activities ("**IRAP**")) if the Noteholder is an Italian resident corporation or permanent establishment in Italy of foreign corporation to which the Notes are effectively connected, subject to tax in Italy in accordance with ordinary tax rules.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the *imposta sostitutiva*, on Interest if the Notes are included in a long-term savings account (*piano di risparmio a lungo termine*) that meets the requirements set forth in Article 1, paragraph 100-114 of Law No. 232 of 11 December 2016 ("**Law No. 232**").

Pursuant to Decree No. 239, the *imposta sostitutiva* is levied by banks, *società di intermediazione mobiliare* ("**SIM**"), fiduciary companies, *società di gestione del risparmio* ("**SGR**") and other entities identified by the Ministry of Finance (each, an "**Intermediary**"). An Intermediary must (a) be resident in Italy, or be a permanent establishment in Italy of a non-Italian resident financial intermediary, and (b) participate, in any way, in the collection of Interest or in the transfer of the Notes.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applied and withheld by the relevant Italian financial intermediary (or permanent establishment in Italy of a non-Italian resident financial intermediary) paying the Interest to a Noteholder, or, in its absence, by the Issuer.

Payments of Interest in respect of Notes will not be subject to the *imposta sostitutiva* if made to beneficial owners who are:

- (i) Italian resident corporations or permanent establishments in Italy of non-resident corporations to which the Notes are effectively connected;
- (ii) Italian resident partnerships carrying out commercial activities ("*società in nome collettivo*" or "*società in accomandita semplice*")
- (iii) Italian resident investors holding Notes otherwise than in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes to an authorised financial intermediary and have opted for the *Risparmio Gestito* regime; Italian resident investors holding Notes otherwise than in connection with entrepreneurial activity who have opted for the *Risparmio Gestito* regime are subject to an annual substitutive tax of 26 per cent. (the "**Asset Management Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which increase would include interest and other proceeds accrued on the Notes). The Asset Management Tax is applied by authorised Intermediaries;
- (iv) Italian resident pension funds referred to in Legislative Decree No. 252 of 5 December 2005 ("**Decree No. 252**"). Italian resident pension funds subject to the regime provided by Articles 17, of Legislative Decree No. 252 of 5 December 2005 are subject to an annual substitutive tax of 20 per cent. (the "**Pension Fund Tax**") on the increase in value of the managed assets accrued at the end of each tax year (which would include Interest accrued on the Notes, if any). Subject to certain conditions, Interest in respect of the Notes may be excluded from the taxable base of the Pension Fund Tax pursuant to Article 1, paragraph 92, of Law No. 232 if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraph 100 – 114, of Law No. 232;
- (v) open ended or closed ended investment funds, investment companies with fixed capital (SICAFs) or investment companies with variable capital (SICAVs) established in Italy when either (i) the fund, the SICAF or the SICAV or (ii) their manager is subject to the supervision of a regulatory authority (the "**Fund**") and the relevant Notes are held by an authorised intermediary. In such case, interest, premium and other income accrued during the holding period on the Notes will not be subject to *imposta sostitutiva*, but must be included in the management results of the Fund. The Fund will not be subject to taxation on such results, but a withholding tax of 26 per cent. may apply on income of the Fund derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares;
- (vi) Italian resident real estate investment funds (complying with the definition as amended pursuant to Law Decree No. 78 of 31 May 2010, converted into Law No. 122 of 30 July 2010) established after 26 September 2001 pursuant to Article 37 of Legislative Decree No. 58 and Article 14-bis of Law No. 86 of 25 January 1994, or in any case subject to the tax treatment provided for by Law Decree No. 351 of 25 September 2001, converted into law with amendments by Law No. 410 of 23 November 2001 ("**Decree No. 351**") and Italian resident SICAFs to which

the provisions of Article 9 of Legislative Decree No. 44 of 4 March 2014 (the "**Decree No. 44**") apply, hereinafter the ("**Real Estate Investment Funds**"); and

### **Non-Italian Resident Noteholders**

- (i) Where the Noteholder is a non-Italian resident (with no permanent establishment in the Republic of Italy to which the Notes are effectively connected), provided that the non-Italian resident beneficial owner is:
  - (a) resident, for tax purposes, in a State or territory included in the list of States or territories allowing an adequate exchange of information with the Italian tax authorities and listed in the Decree of the Minister of Finance dated 4 September 1996, as amended and supplemented by Italian Ministerial Decree dated 23 March 2017 (the "**White List**") and updated every six month period according to Article 11, par. 4, let. c) of Decree 239; or
  - (b) an international body or entity set up in accordance with international agreements which have entered into force in Italy; or
  - (c) an "institutional investor", whether or not subject to tax, which is established in a country which allows for a satisfactory exchange of information with Italy; or
  - (d) a Central Bank or an entity which manages, *inter alia*, the official reserves of a foreign State;

all the requirements and procedures set forth in Decree No. 239 and in the relevant application rules, as subsequently amended and supplemented, in order to benefit from the exemption from *imposta sostitutiva* are timely met and complied with.

Such categories are usually referred as "gross recipients". To ensure payment of Interest in respect of the Notes without the application of *imposta sostitutiva*, gross recipients must (i) be the beneficial owners of payments of Interest on the Notes; (ii) timely deposit the Notes together with the coupons relating to such Notes, if any, directly or indirectly with an Italian authorised financial intermediary (or permanent establishment in Italy of a foreign intermediary); and (iii) in the event of non-Italian resident beneficial owners timely file with the relevant depository (which may be a non-Italian resident entity participating in a centralised securities management system connected via telematic link with the Italian Ministry of Economy and Finance) a self-declaration (*autocertificazione*) stating their residence, for tax purposes, in a State listed in the White List. Such self-declaration – which must comply with the requirements set forth by Ministerial Decree of 12 December 2001 (as amended and supplemented) – is valid until withdrawn or revoked and may not be filed in the event that a certificate, declaration or other similar document with an equivalent purpose has previously been filed with the same depository. The self-declaration (*autocertificazione*) is not required for non-Italian resident investors that are international entities and organisations established in accordance with international agreements ratified in Italy and Central Banks or entities which manage, *inter alia*, the official reserves of a foreign state.

Failure of a non-resident holder of the Notes to comply in due time with the procedures set forth in Decree No. 239 and in the relevant implementation rules will result in the application of *imposta sostitutiva* on Interests payments to a non-resident holder of the Notes.

Non-resident holders of the Notes who are subject to substitute tax might, nevertheless, be eligible for a total or partial relief under an applicable tax treaty between the Republic of Italy and the country of residence of the relevant holder of the Notes.

### **Atypical Securities**

Interest payments relating to Notes that are not deemed to be bonds (*obbligazioni*), debentures similar to bonds (*titoli similari alle obbligazioni*), shares or securities similar to shares pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986 may be subject to a withholding tax, levied at the rate of 26 per cent. under Law Decree No. 512 of 30 September 1983. For this purpose, debentures similar to bonds are securities that incorporate an unconditional obligation of the issuer to pay at maturity an amount not lower than their nominal value, with or without the payment of periodic interest, and do not give any right to directly or indirectly participate in the management of the issuer or to the business in connection to which the securities were issued, nor to control the same.

Subject to certain limitations and requirements (including a minimum holding period), Italian resident individuals not acting in connection with an entrepreneurial activity may be exempt from any income taxation, including the withholding tax on interest, premium and other income relating to the Notes not falling within the category of bonds (*obbligazioni*) or debentures similar to bonds (*titoli similari alle obbligazioni*), shares or securities similar to shares pursuant to Article 44 of Presidential Decree No. 917 of 22 December 1986, if such Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) that meets the requirements set forth in Article 1 (100-114) of Law No. 232.

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (b) an Italian company or a similar Italian commercial entity, (c) a permanent establishment in Italy of a foreign entity, (d) an Italian commercial partnership or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax. In all other cases the withholding tax is a final withholding tax. For a non-Italian resident Noteholders, the withholding tax rate may be reduced by any applicable tax treaty.

### **Taxation of Capital Gains**

Any capital gain realised upon the sale for consideration, transfer or redemption of the Notes would be treated as part of the taxable business income (and, in certain cases depending on the status of Noteholder, may also be included in the taxable net value of production for IRAP purposes), subject to tax in Italy according to the relevant tax provisions, if derived by Noteholders who are:

- (a) Italian resident corporations;

- (b) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or
- (c) Italian resident individuals carrying out a commercial activity, as to any capital gains realised within the scope of the commercial activity.

Pursuant to Legislative Decree No. 461, any capital gain realised by Italian resident individuals holding Notes otherwise than in connection with entrepreneurial activity and certain other persons upon sale for consideration or redemption of the Notes would be subject to a substitute tax at the current rate of 26 per cent..

Under the tax return regime (the "**Regime della Dichiarazione**"), which is the standard regime for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activity, substitute tax on capital gains will be chargeable, on a cumulative basis, on all capital gains, net of any relevant incurred capital loss, realised by Italian resident individual Noteholders holding Notes otherwise than in connection with entrepreneurial activity pursuant to all disposals of Notes carried out during any given tax year. Italian resident individuals holding Notes not in connection with entrepreneurial activity must report total capital gains realised in any tax year, net of any relevant incurred capital loss, in the annual tax return to be filed with the Italian tax authorities for such year and pay substitute tax on such gains together with any balance income tax due for such year. Capital losses in excess of capital gains may be carried forward against capital gains of the same kind realised in any of the four succeeding tax years. Capital losses realised from 1 January 2014 to 30 June 2014 may be offset against capital gains realised after that date for an amount equal to 76.92 per cent. of the same capital losses.

As an alternative to the tax return regime depicted above, Italian resident individual Noteholders holding Notes otherwise than in connection with entrepreneurial activity, Italian resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities, may elect to pay 26 per cent. substitute tax separately on capital gains realised on each sale, transfer or redemption of the Notes (the "**Risparmio Amministrato**" regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian banks, *società di intermediazione mobiliare* (SIM) or certain authorised financial intermediaries; and (ii) an election for the *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The financial intermediary is responsible for accounting for substitute tax in respect of capital gains realised on each sale, transfer or redemption of the Notes (as well as in respect of capital gains realised at revocation of its mandate), net of any relevant incurred capital loss, and is required to pay the relevant amount to the Italian tax authorities on behalf of the taxpayer, deducting a corresponding amount from proceeds to be credited to the Noteholder. Under the *Risparmio Amministrato* regime, the Noteholder is not required to declare capital gains in its annual tax return and remains anonymous. Capital losses realised from 1 January 2014 to 30 June 2014 may be offset against capital gains realised after that date for an amount equal to 76.92 per cent. of the same capital losses. Any capital gains on Notes held by Italian resident individuals otherwise than in connection with entrepreneurial activity, Italian resident partnerships not carrying out commercial activities and Italian private or public institutions not carrying out mainly or exclusively commercial activities, who have elected for the *Risparmio Gestito* regime will be included in the computation of the annual increase in value of

the managed assets accrued, even if not realised, at year end, subject to the Asset Management Tax to be applied on behalf of the taxpayer by the managing authorised intermediary. Under the *Risparmio Gestito* regime, any depreciation of the managed assets, accrued at year end, may be carried forward against any increase in value of the managed assets accrued in any of the four subsequent years. Under the *Risparmio Gestito* regime, the Noteholder is not required to report capital gains realised in its annual tax return and remains anonymous. Depreciations of managed assets reported during the period from 1 January 2014 to 30 June 2014 may be offset against increases in value of the managed assets accrued after that date for an amount equal to 76.92 per cent. of the same depreciation.

Subject to certain limitations and requirements (including a minimum holding period), capital gains in respect of Notes realised upon sale, transfer or redemption by Italian resident individuals holding the Notes not in connection with an entrepreneurial activity may be exempt from taxation, including the 26 per cent. *imposta sostitutiva*, if the Notes are included in a long-term individual savings account (*piano individuale di risparmio a lungo termine*) pursuant Article 1, paragraph 100 – 114, of Law No. 232.

Any capital gains on Notes held by Noteholders who are Italian resident pension funds subject to the regime provided by Article 17 of Decree No. 252, will be included in the computation of the taxable basis of Pension Fund Tax. Any capital gains realised by a Noteholder which is a Fund will not be subject to *imposta sostitutiva*, but will be included in the result of the relevant portfolio. The Fund will not be subject to taxation on such result but a withholding tax of 26 per cent. may apply on income of the Fund derived by unitholders or shareholders through distribution and/or redemption or disposal of the units and shares. Subject to certain conditions, capital gains realised in respect to the Notes may be excluded from the taxable base of the Pension Fund Tax pursuant to Article 1, paragraph 92, of Law No. 232 if the Notes are included in a long-term savings account (*piano individuale di risparmio a lungo termine*) pursuant to Article 1, paragraph 100 – 114, of Law No. 232.

Capital gains on Notes held by Italian Real Estate Investment Funds are not taxable at the level of same Real Estate Investment Funds.

The 26 per cent. substitute tax on capital gains may, in certain circumstances, be payable on capital gains realised upon sale for consideration or redemption of the Notes by non-Italian resident persons or entities without a permanent establishment in Italy to which the Notes are effectively connected, if the Notes are held in Italy.

Capital gains realised by non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of Notes are exempt from taxation in Italy to the extent that the Notes are traded on a regulated market in Italy or abroad and in certain cases subject to prompt filing of required documentation (in particular, a self-declaration of non-residence in Italy for tax purposes) with Italian qualified intermediaries (or permanent establishments in Italy of foreign intermediaries) with whom the Notes are deposited, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are not traded on a regulated market in Italy or abroad:

- (a) pursuant to the provisions of Decree No. 461, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from taxation in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if (a) they are resident, for tax purposes, in a state or territory included in the White List and (b) all the requirements and procedures set forth in Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are met or complied with in due time. In this case, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* regime or the *Risparmio Gestito* regime, exemption from Italian taxation on capital gains will apply upon condition that they file in due time with the authorised financial intermediary an appropriate self-declaration (*autocertificazione*) stating that they meet the requirement reported above.
- (b) in any event, non-Italian resident persons or entities without a permanent establishment in Italy to which the Notes are effectively connected that may benefit from a double taxation treaty with the Republic of Italy, providing that capital gains realised upon sale or redemption of Notes are to be taxed only in the country of tax residence of the recipient, will not be subject to taxation in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of Notes.

In this case, exemption from Italian taxation on capital gains will apply upon condition that they file in due time with the authorised financial intermediary appropriate documentation attesting that the requirements for the application of the relevant double taxation treaty are met.

The *Risparmio Amministrato* regime is the ordinary regime automatically applicable to non-resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident Noteholders retain the right to waive this regime. Such waiver may also be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

### **Inheritance and gift tax**

Pursuant to Law Decree No. 262 of 3 October, 2006, converted into Law No. 286 of 24 November, 2006 as amended by Law No. 296 of 27 December 2006, the transfers of any valuable asset (such as the Notes) by reason of gift, donation or succession proceedings is subject to Italian gift and inheritance tax as follows:

- (a) transfers in favour of spouses and direct descendants or direct ancestors are subject to an inheritance and gift tax applied at a rate of 4 per cent. on the value of the inheritance or the gift exceeding Euro 1,000,000.00 (per beneficiary);
- (b) transfers in favour of relatives to the fourth degree or relatives-in-law to the third degree are subject to an inheritance and gift tax at a rate of 6 per cent. on the entire value of the inheritance or the gift;



- (c) transfers in favour of brothers/sisters are subject to the 6 per cent. inheritance and gift tax on the value of the inheritance or the gift exceeding Euro 100,000.00 (per beneficiary); and
- (d) any other transfer is subject to an inheritance and gift tax applied at a rate of 8 per cent. on the entire value of the inheritance or the gift.
- (e) If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding Euro 1,500,000.

Moreover, an anti-avoidance rule is provided for by Law No. 383/2001 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains to the "*imposta sostitutiva*" provided for by Italian Decree No. 461/1997. In particular, if the donee sells the Notes for consideration within 5 years from the receipt thereof as a gift, the donee is required to pay the relevant "*imposta sostitutiva*" on capital gains as if the gift was not made.

### **Transfer tax**

Contracts relating to the transfer of securities are subject to the registration tax as follows: (i) public deeds and notarized deeds (*atti pubblici e scritture private autenticate*) are subject to fixed registration tax at rate of €200; (ii) private deeds (*scritture private non autenticate*) are subject to registration tax at rate of €200 only in case of use or voluntary registration or occurrence of the so-called *enunciazione*.

### **Stamp duty on financial instruments**

Pursuant to Article 13 par. 2/ter of the tariff Part I attached to Presidential Decree No. 642 of 26 October 1972, a proportional stamp duty applies on an annual basis to any periodic reporting communications which may be sent by a financial intermediary to their clients in respect of any Notes which may be deposited with such financial intermediary in Italy. The stamp duty applies at a rate of 0.2 per cent. and it cannot exceed €14,000 for taxpayers which are not individuals. This stamp duty is determined on the basis of the market value or – if no market value figure is available – the nominal value or redemption amount of the Notes held.

The statement is considered to be sent at least once a year, even for instruments for which is not mandatory nor the deposit nor the release or the drafting of the statement. In case of reporting periods of less than 12 months, the stamp duty is payable pro-rata.

Based on the wording of the law and the implementing decree issued by the Italian Ministry of Economy on 24 May 2012, the stamp duty applies to any investor who is a client (as defined in the regulations issued by the Bank of Italy on 20 June 2012) of an entity that exercises in any form a banking, financial or insurance activity within the Italian territory.

### **Wealth tax on financial assets deposited abroad**

According to Article 19 of Law Decree No. 201 of 6 December 2011, Italian resident individuals holding financial assets – including the Notes – outside of the Italian territory are required to pay in its own annual tax declaration a wealth tax at the rate

of 0.2 per cent. This tax is calculated on the market value at the end of the relevant year or – if no market value figure is available – on the nominal value or redemption value, or in the case the nominal or redemption values cannot be determined, on the purchase value of any financial asset (including the Notes) held outside of the Italian territory. A tax credit is granted for any foreign property tax levied abroad on such financial assets. The Italian tax authority clarified (Circular No. 28/E of 2 July 2012) that financial assets held abroad are excluded from the scope of the wealth tax if they are administered by Italian financial intermediaries.

### **Tax monitoring obligations**

Pursuant to Law Decree No. 167 of 28 June 1990, converted by Law No. 227 of 4 August 1990, as amended by Law No. 97 of 6 August 2013 and subsequently amended by Law No. 50 of 28 March 2014 and Law No. 186 of 15 December 2014, individuals, non-profit entities and certain partnerships (*società semplici* or similar partnerships in accordance with Article 5 of Decree No. 917) resident in Italy who hold investments abroad or have financial activities abroad or are the beneficial owners, under the Italian money-laundering law, provided by Italian Legislative Decree No. 231 of 21 November 2007, of investments abroad or foreign financial assets must, in certain circumstances, disclose the aforesaid to the Italian tax authorities in their income tax return (or, in case the income tax return is not due, in a proper form that must be filed within the same time as prescribed for the income tax return).

Furthermore, the above reporting requirement is not required to comply with respect to: (i) Notes deposited for management with qualified Italian financial intermediaries; (ii) contracts entered into through Italian financial intermediaries intervention, upon condition that the items of income derived from the Notes have been subject to tax by the same intermediaries; or (iii) if the foreign investments are only composed by deposits and/or bank accounts and their aggregate value does not exceed a €15,000 threshold throughout the year.

### **Luxembourg Taxation**

*The following information is of a general nature and is based on the laws currently in force in Luxembourg. It specifically contains information on taxes on the income from the Notes withheld at source and provides an indication as to whether the Issuer assumes responsibility for the withholding of taxes at the source. It does not purport to be, nor should it be construed as, a complete analysis of all tax considerations relating to the Notes, whether in Luxembourg or elsewhere, or legal or tax advice. Prospective purchasers of the Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of the Notes payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of Luxembourg. This information is based upon the law as in effect on the date of this Base Prospectus. The information contained within this section is limited to Luxembourg withholding taxation issues, and prospective investors should not apply any information set out below to other areas, including (but not limited to) the legality of transactions involving the Notes.*

*Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference*

*in the present section to a withholding tax or a tax of a similar nature refers to Luxembourg tax law and/or concepts only.*

## **Withholding tax**

### **(i) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

### **(ii) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Relibi Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of currently 20 per cent.. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to a withholding tax at a rate of currently 20 per cent..

## **Other Taxation issues**

### **The proposed financial transactions tax (FTT)**

On 14 February 2013, the European Commission published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States). The proposed FTT has a very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

Joint statements issued on 8 December 2015 by participating Member States, except Estonia, indicate an intention to implement the FTT by the end of June 2016. On 16 March 2016, Estonia completed the formalities required to leave the enhanced co-operation on FTT. On 7 December 2017, the Council of the European Union announced that further work on FTT will be required before a final agreement on this dossier can be reached among the Member States participating in the enhanced co-operation.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

### **United States Foreign Account Tax Compliance Act**

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a "foreign financial institution" may be required to withhold on certain payments it makes ("foreign passthru payments") to persons that fail to meet certain certification, reporting, or related requirements. The Issuer does not expect to be treated as a foreign financial institution for these purposes. A number of jurisdictions (including Italy) have entered into, or have agreed in substance to, intergovernmental agreements with the United States to implement FATCA ("IGAs"), which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as the Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, are uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as the Notes, such withholding would not apply prior to 1 January 2019 and Notes that are treated as debt for U.S. federal income tax purposes and issued on or prior to the date that is six months after the date on which final regulations defining "foreign passthru payments" are filed with the U.S. Federal Register generally would be "grandfathered" for purposes of FATCA withholding unless materially modified after such date. However, if additional notes (as described under "Terms and Conditions of the Notes—Further Issues") that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes. In the event any withholding would be required pursuant to FATCA or an IGA with respect to payments on the Notes, no person will be required to pay additional amounts as a result of the withholding.

**FATCA** is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and model IGAs, all of which are subject to change or may be implemented in a materially different form. Prospective investors should consult their tax advisers on how these rules may apply to payments they may receive in connection with the Notes.

## SUBSCRIPTION AND SALE

### Dealer Agreement

Notes may be sold from time to time by the Issuer to any one or more of Banca IMI S.p.A., Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank AG, London Branch, HSBC Bank plc, J.P. Morgan Securities plc, Mediobanca – Banca di Credito Finanziario S.p.A., Merrill Lynch International, Morgan Stanley & Co. International plc, MPS Capital Services Banca per le Imprese S.p.A., Nomura International plc, Société Générale, UBS Limited, and UniCredit Bank AG (the "**Dealers**"). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and purchased by, Dealers are set out in a dealer agreement dated 20 May 2015 as amended by an amendment agreement dated 12 May 2017 and by a second amendment agreement dated 9 May 2018 (as further amended and supplemented from time to time, the "**Dealer Agreement**") and made between the Issuer, the Representative of the Noteholders and the Dealers, as amended and supplemented from time to time. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as "Non-Syndicated" and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as "Syndicated", the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

### Subscription Agreements

Any agreement between CDP, the Representative of the Noteholders and any one or more of the Dealers and/or any additional or other dealers, from time to time for the sale and purchase of Notes (a "**Subscription Agreement**" and each Dealer party thereto, a "**Relevant Dealer**") will *inter alia* make provision for the price at which the relevant Notes will be purchased by the Relevant Dealers and the commissions or other agreed deductibles (if any) payable or allowable by CDP in respect of such purchase.

Each Subscription Agreement will also provide for the appointment of the Representative of the Noteholders by the Relevant Dealer(s) as initial holder(s) of the Notes then being issued.

The Dealers are entitled in certain circumstances to be released and discharged from their obligations under the Subscription Agreement prior to the closing of the issue of the Notes.

## **Selling restrictions**

### ***General selling restrictions***

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will comply to the best of its knowledge and belief with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither CDP nor any other Dealer shall have responsibility therefor. Persons into whose hands the Base Prospectus or any Final Terms comes are required by CDP and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in this paragraph.

Selling restrictions may be supplemented or modified with the agreement of CDP. Any such supplement or modification will be set out in a supplement to this Base Prospectus or in the relevant Final Terms (in case of a supplement or modification only to a particular Tranche of Notes).

### ***Republic of Italy***

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of the Base Prospectus and any other document relating to the Notes in the Republic of Italy except:

- (1) to "qualified investors", as defined in Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended ("**Decree No. 58**") and defined in Article 34-ter, paragraph 1, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended ("**Regulation No. 11971**"); or

- (2) that it may offer, sell or deliver Notes or distribute copies of any prospectus relating to such Notes in an offer to the public in the period commencing on the date of publication of such prospectus, provided that such prospectus has been approved in another Relevant Member State and notified to CONSOB, all in accordance with the Prospectus Directive, as implemented in Italy under Decree No. 58 and Regulation No. 11971, and ending on the date which is 12 months after the date of publication of such prospectus; or
- (3) in any other circumstances where an express exemption from compliance with the offer restrictions applies, as provided under Article 100 of Decree No. 58 and Article 34-ter of Regulation No. 11971.

Any such offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by investment firms, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 385 of 1 September 1993 as amended (the "**Banking Act**"), Decree No. 58, CONSOB Regulation No. 20307 of 15 February 2018, as amended and any other applicable laws and regulations; and
- (b) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including, to the extent applicable to such Dealer, the reporting requirements pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

*Investors should also note that, in any subsequent distribution of the Notes on the secondary market in the Republic of Italy, Article 100-bis of Decree No. 58 may require compliance with the law relating to offers to the public of securities and with the prospectus requirement rules under Decree No. 58 and Regulation No. 11971. Furthermore, where the Notes are placed solely with "qualified investors" and are then systematically resold on the secondary market at any time in the 12 months following such placing, purchasers of Notes who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and, in addition, to claim damages from any authorised person at whose premises the Notes were purchased, unless an exemption provided for under Decree No. 58 applies.*

### **United States of America**

The applicable Final Terms will confirm whether the Issuer is Category 1, Category 2 or Category 3 for the purposes of Regulation S under the Securities Act.

The Notes have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or if Category 2 is specified in the Final Terms to, or for the account or benefit of, U.S. persons except in certain transactions exempt from, or subject to, the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes do not require compliance with U.S. Treasury regulations under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"). If Category 2 is specified in the Final Terms, each Dealer has severally agreed and each additional Dealer appointed under the Programme will be required to severally agree that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the date of commencement of the offering of the Notes and the issue date hereof, as certified to the Issuer by such Dealer (or, in the case of a sale of a Series to or through more than one Dealer, by each of such Dealers as to the Notes of such Series purchased by or through it, in which case the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will be required to agree that it will send to each Dealer to which it sells Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

Accordingly, if Category 2 is specified in the Final Terms, the Notes are being offered and sold only outside the United States in offshore transactions in reliance on, and in compliance with, Regulation S.

In addition, until 40 days after the commencement of the offering of Notes comprising any Series, any offer or sale of Notes within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948), as amended (the "**FIEA**"). Accordingly, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer to sell any Notes in Japan or to, or for the benefit of, a resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident in Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, FIEA and other relevant laws and regulations of Japan.

### ***United Kingdom***

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of



their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by the Issuer;

- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

### ***Offers to the Public under the Prospectus Directive***

If the Final Terms in respect of any Notes specifies "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", in relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "**Relevant Member State**"), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the "**Relevant Implementation Date**") it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of Notes to the public in that Relevant Member State:

- (a) **Approved Prospectus:** if the Final Terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (an "**Offer to the Public**"), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, **provided that** any such prospectus has subsequently been completed by the Final Terms contemplating such Offer to the Public, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of that Offer to the Public;
- (b) **Qualified investors:** at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) **Fewer than 150 offerees:** at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) **Other exempt offers:** at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

*provided that* no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- (a) the expression an "**offer of Notes to the public**" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State;
- (b) the expression the "**Prospectus Directive**" means Directive 2003/71/EC as amended, including by Directive 2010/73/EU.

### ***Prohibition of Sales to EEA Retail Investors***

Unless the Final Terms in respect of any Notes specifies the "Prohibition of Sales to EEA Retail Investors" as "Not Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area. For the purposes of this provision:

- (a) the expression "retail investor" means a person who is one (or more) of the following:
  - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "**MiFID II**"); or
  - (ii) a customer within the meaning of Directive 2002/92/EC as amended, where that customer would not qualify as a professional client as defined in point (10) of Article 4.1 of MiFID II; or
  - (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an "offer" includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

## **GENERAL INFORMATION**

### **Listing and Admission to Trading**

Application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange.

However, Notes may be issued pursuant to the Programme which will not be listed on the Luxembourg Stock Exchange or any other stock exchange or which will be listed on such stock exchange as the Issuer and the relevant Dealer(s) may agree.

The Luxembourg Stock Exchange's Regulated Market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

### **Authorisations**

The establishment of the Programme was authorised by the resolution of the Board of Directors of the Issuer passed on 15 April 2015 which is valid and effective at the date hereof. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes.

### **Clearing of the Notes**

The Notes will be in bearer form and held in dematerialised form on behalf of the beneficial owners, until redemption or cancellation thereof, by Monte Titoli S.p.A. (with registered office and principal place of business at Piazza degli Affari 6, 20123 Milan, Italy), for the account of the relevant Monte Titoli Account Holders (including Euroclear and Clearstream, Luxembourg). The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information. The Notes have been accepted for clearance by Monte Titoli S.p.A.

### **Common codes and ISIN numbers**

The appropriate common code and the International Securities Identification Number in relation to the Notes of each Series will be specified in the Final Terms relating thereto.

### **Use of proceeds**

Unless otherwise specified in the applicable Final Terms, the net proceeds from each Tranche of Notes will be used by the Issuer for its general funding purposes.

If the Tranche of Notes to be issued is described as Green Bonds, the applicable Final Terms will describe the relevant green projects to which the net proceeds of the Tranche of Notes will be applied also by making reference to the relevant green bond framework.

If the Tranche of Notes to be issued is described as Social Bonds, the applicable Final Terms will describe the relevant social projects to which the net proceeds of the Tranche of Notes will be applied also by making reference to the relevant social bond framework.

### **The Representative of the Noteholders**

A Representative of the Noteholders for each Series of Notes shall be appointed by the Dealers in the Subscription Agreement entered into in connection with such Series and in accordance with the Dealer Agreement, at the time of issue of such Series of Notes and set out in the relevant Final Terms.

### **Legal Proceedings**

Save as disclosed in the section "*Description of Cassa depositi e prestiti S.p.A. - Legal Proceedings*" at pages 179-182 of this Base Prospectus, there are no other governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened, to which the Issuer is aware) which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer.

### **No material adverse and no significant change**

There has been no material adverse change in the prospects of the Issuer since 31 December 2017, nor has there been any significant change in the trading position or the financial position of the Issuer, which has occurred since 31 December 2017.

### **Documents available for inspection**

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and (where applicable) English translations of the following documents may be inspected during normal business hours at the specified office of the Principal Paying Agent for the time being in Milan, and copies of the documents referred below can be obtained free of charge from the Principal Paying Agent during normal business hours on request of the Noteholders, namely:

- (a) the Article 5 and By-laws (*Statuto*) of the Issuer;
- (b) the Agency Agreement;
- (c) the Programme Manual;
- (d) the non-consolidated audited annual financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ending on 31 December 2017 and 31 December 2016;
- (e) the consolidated audited financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ending on 31 December 2017 and 31 December 2016;
- (f) the 2017 Base Prospectus;
- (g) this Base Prospectus together with any supplement to this Base Prospectus;

- (h) as necessary, reports, letters, balance sheets, valuations and statements of experts included or referred to in the Base Prospectus (other than consent letters); and
- (i) any Final Terms relating to Notes which are admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system. In the case of any Notes which are not admitted to listing, trading and/or quotation by any listing authority, stock exchange and/or quotation system, copies of the relevant Final Terms will only be available for inspection by the relevant Noteholders.

### **Financial statements available**

For so long as the Programme remains in effect or any Notes shall be outstanding, copies and, where appropriate, English translations of the most recent publicly available audited annual financial statements and unaudited interim financial information of the Issuer may be obtained during normal business hours at the specified office of the Principal Paying Agent.

### **Certificate**

No request has been made for a certificate permitting offers to the public of the Notes in other member states of the European Union.

### **Publication on the Internet**

This Base Prospectus, any supplement thereto and the Final Terms will be available on the internet site of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

### **Auditors**

Each of the consolidated and non-consolidated financial statements of the Issuer have been audited without qualification for the years ended 31 December 2017 and 31 December 2016 by PricewaterhouseCoopers S.p.A., who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included.

PricewaterhouseCoopers S.p.A. is registered under No. 119644 in the Register of Accountancy Auditors (*Registro Revisori Legali*) by the Italian Ministry of Economy and Finance, in compliance with the provisions of the Legislative Decree of 27 January 2010, No. 39. PricewaterhouseCoopers S.p.A., which is located at Via Monte Rosa 91, 20149 Milan, Italy, is also a member of ASSIREVI (the Italian association of audit firms).

### **Conditions for determining price**

The price and amount of Notes to be issued under the Programme will be determined by the Issuer and the relevant Dealer at the time of issue in accordance with prevailing market conditions.

### **Yield**

In relation to any Tranche of Fixed Rate Notes, an indication of the yield in respect of such Notes will be specified in the applicable Final Terms. The yield is calculated at the Issue Date of the Notes on the basis of the relevant Issue Price. The yield indicated will be calculated as the yield to maturity as at the Issue Date of the Notes and will not be an indication of future yield.

### **2006 ISDA Definitions**

Investors should consult the Issuer should they require a copy of the 2006 ISDA Definitions.

### **Passporting**

The Issuer may, on or after the date of this Base Prospectus, make applications for one or more certificates of approval under Article 18 of the Prospectus Directive as implemented in Luxembourg to be issued by the CSSF to the competent authority in any Member State.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates (including parent companies) have engaged, and may in the future engage, in financing, in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistently with their customary risk management policies. For the purpose of this paragraph the term "affiliates" includes also parent companies.

### **The Legal Entity Identifier**

The Legal Entity Identifier (LEI) code of the Issuer is 81560029E2CE4D14F425.

## REGISTERED OFFICE OF THE ISSUER

### CASSA DEPOSITI E PRESTITI S.P.A.

Via Goito, 4  
00185 Rome  
Italy

## JOINT ARRANGERS

### Cassa depositi e prestiti S.p.A.

Via Goito, 4  
00185 Rome  
Italy

### Barclays Bank PLC

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

## DEALERS

### Banca IMI S.p.A.

Largo Mattioli, 3  
20121 Milan  
Italy

### J.P. Morgan Securities plc

25 Bank Street  
Canary Wharf  
London E14 5JP  
United Kingdom

### Barclays Bank PLC

5 The North Colonnade  
Canary Wharf  
London E14 4BB  
United Kingdom

### Mediobanca – Banca di Credito Finanziario S.p.A.

Piazzetta Enrico Cuccia, 1  
20121 Milan  
Italy

### BNP PARIBAS

10 Harewood Avenue  
London NW1 6AA  
United Kingdom

### Merrill Lynch International

2 King Edward Street  
London EC1A 1HQ  
United Kingdom

### Citigroup Global Markets Limited

Citigroup Centre Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

### Morgan Stanley & Co. International plc

25 Cabot Square  
Canary Wharf  
London E14 4QA  
United Kingdom

### Commerzbank Aktiengesellschaft

Kaiserstrasse 16 (Kaiserplatz)  
60311 Frankfurt am Main  
Germany

### MPS Capital Services Banca per le Imprese S.p.A.

Via Leone Pancaldo, 4  
50127 Firenze  
Italy

### Crédit Agricole Corporate and Investment Bank

12, Place des Etats-Unis  
CS 70052, 92547 MONTROUGE  
CEDEX

### Nomura International plc

1 Angel Lane  
London EC4R 3AB  
United Kingdom

France

**Credit Suisse Securities (Europe)  
Limited**

One Cabot Square  
London E14 4QJ  
United Kingdom

**Société Générale**  
29 boulevard Haussmann  
75009 Paris  
France

**Deutsche Bank AG, London Branch**

Winchester House  
1 Great Winchester Street  
London EC2N 2DB  
United Kingdom

**UBS Limited**  
5 Broadgate  
London EC2M 2QS  
United Kingdom

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**UniCredit Bank AG**  
Arabellastrasse 12  
81925 Munich  
Germany

**PRINCIPAL PAYING AGENT**

**BNP Paribas Securities Services**

Piazza Lina Bo Bardi, 3  
20124 Milan  
Italy

**LISTING AGENT**

**BNP Paribas Securities Services**

60 avenue J.F. Kennedy  
L-1855 Luxembourg

**LEGAL ADVISERS**

*To the Issuer:*

**Hogan Lovells Studio Legale**

Via Marche, 1-3  
00187 Rome  
Italy

*To the Joint Arrangers and the Dealers:*

**Clifford Chance Studio Legale  
Associato**

Piazzetta M. Bossi, 3  
20121 Milano  
Italy

**AUDITORS TO THE ISSUER**

**PricewaterhouseCoopers S.p.A.**

Via Monte Rosa, 91  
20149 Milan  
Italy