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Mediobanca SpA

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Table Of Contents

Major Rating Factors

Outlook

Rationale

Related Criteria

Related Research

Mediobanca SpA

SACP	bbb		+	Support	0	+	Additional Factors	0
Anchor	bbb-			ALAC Support	0		Issuer Credit Rating	
Business Position	Adequate	0		GRE Support	0		BBB/Negative/A-2	
Capital and Earnings	Adequate	0		Group Support	0		Resolution Counterparty Rating	
Risk Position	Strong	+1		Sovereign Support	0		BBB+/--/A-2	
Funding	Average	0						
Liquidity	Adequate							

Major Rating Factors

Strengths:	Weaknesses:
<ul style="list-style-type: none"> • Sound asset quality ratios. • Satisfactory capitalization. • Diversified business profile. 	<ul style="list-style-type: none"> • Single-name concentration. • Higher reliance on wholesale funding than domestic peers'. • High exposure to Italy.

Outlook: Negative

S&P Global Ratings' negative outlook on Mediobanca SpA and its subsidiary, MB Funding Lux, reflects that we could lower the ratings if we were to lower our ratings on Italy and if we concluded that Mediobanca would be unlikely to withstand a sovereign default without defaulting on its senior debt obligations. We could also take this action if, over the next 12-24 months, operating conditions deteriorated and market pressure rose further for a prolonged period, and we perceived that this could significantly erode Mediobanca's funding profile.

We could revise the outlook on Mediobanca to stable if we took the same action on Italy. We could also revise the outlook to stable if we considered that Mediobanca was unlikely to default if the sovereign defaulted. This could happen if Mediobanca's loss-absorbing capacity from capital and subordinated instruments further increased, and the bank demonstrated that it could roll over its maturing debt without hampering its profitability.

Hybrids

We do not assign outlooks to bank issue ratings. We currently rate Mediobanca's issues by notching down from the stand-alone credit profile (SACP). Therefore, we would expect the issue ratings to move in tandem with the SACP. If we were to lower the rating on Mediobanca, we would also lower the rating on the bank's rated subordinated debt, since we would notch the ratings on the hybrids downward from the bank's already-lowered SACP or the issuer credit rating.

Rationale

The ratings on Mediobanca primarily reflect our view that it will maintain stronger asset quality than peers', and sound capitalization.

We expect Mediobanca's superior asset quality, with a net nonperforming exposure (NPE) on common equity Tier 1 (CET1) at 5.4% (or 10.6 % including purchased NPEs) as of Dec. 31, 2019, to continue to outperform its domestic peers, due to the bank's prudent risk selection process, strict controls, and efficient management of NPEs.

We also anticipate Mediobanca will maintain satisfactory capitalization overall, in relation to its risk profile. Specifically, we forecast that the bank's risk-adjusted capital (RAC) ratio will be between 8.5%-9.0% as of June 2022, versus about 8.9% as of June 2019. Our forecast includes Mediobanca's plans to gradually increase dividends distribution from about €410 million (or about 50% pay-out) as of 2019. We also factor in our expectation that, once economic and social conditions stabilize in Italy after Coronavirus, Mediobanca will continue expanding its activity along all lines of business, with a greater focus on wealth management, although we see intense competition in this sector.

In a context of low for longer interest rates, we believe those efforts to improve the bank's diversification will continue to support further Mediobanca's earning stability. We consequently expect the bank's revenue base to moderately expand over the next two years. While we do not currently anticipate that recent changes in the shareholding structure will materially affect Mediobanca's aforementioned plans, we will monitor how they could affect Mediobanca's governance and strategy.

Our ratings on Mediobanca also reflect the bank's efforts, over the past years, to gradually reduce its recourse to wholesale funding. Mediobanca's increased share of funding primarily derived from deposits or bonds placed with retail investors, reaching about 45% of its total funding base.

We believe Italian banks face constraints on their access to capital markets, due to uncertainties regarding the sovereign, government policy, and economic prospects. We include Mediobanca in this list, given its higher reliance on wholesale funding than peers'.

Anchor: 'bbb-', based on its high exposure to Italy

Our bank criteria use our Banking Industry Country Risk Analysis (BICRA) economic risk and industry risk scores to determine a bank's anchor, the starting point in assigning an issuer credit rating (ICR). Our anchor for a bank operating in Italy is 'bbb-'.

We believe Italian banks continue to face higher economic risk than most European peers, despite the improvement made in the past three years. While most Italian banks started 2020 with their strongest balance sheets of the past decade, Italian banks are among those that could suffer the most from the direct and indirect effects of the coronavirus pandemic. Italy's overall gross stock of NPEs fell to €157 billion as of September 2019, around 10.5% of customer loans compared with €340 billion in 2015, mainly thanks to disposals. While this represents material progress, this large legacy stock would represent a tail-risk if the Italian economy were to further deteriorate. Moreover, the substantial amount of time needed for creditors in Italy to recover collateral and settle lawsuits--due to the less effective insolvency and foreclosure procedures and judicial system--is likely to remain an obstacle to any further material reduction of the stock than we currently envisage.

In our opinion, industry risks for Italian banks are also higher than for banks in peer countries. Many Italian banks' access to the wholesale funding market is likely to remain exposed to a period of volatility amid uncertainties about the sovereign's future policy and economic prospects. We acknowledge that the abundant liquidity provided to Italian banks by the European Central Bank (ECB) over the years, and the banking sector's very low external position--just 5% excluding ECB funding--have so far largely cushioned the damage caused by the most recent periods of constrained or more expensive access to capital markets. Structural problems, such as high cost bases and fragmentation, paired with still very low interest rates, will continue to constrain Italian banks' profitability, in our opinion.

Supportive factors for the Italian banking system are Italy's traditional focus on retail and commercial lending, and our view that its regulatory standards are aligned with international best practices mainly thanks to the ECB's direct supervision of more than 80% of the banking sector.

Table 1

Mediobanca SpA--Key Figures					
--Year ended June 30--					
(Mil. €)	2020*	2019	2018	2017	2016
Adjusted assets	81,553.5	77,343.0	71,560.7	69,893.4	69,365.7
Customer loans (gross)	47,718.5	45,038.5	42,050.4	39,627.4	35,759.1
Adjusted common equity	8,269.8	7,850.8	7,696.3	7,356.6	7,027.4
Operating revenues	1,346.2	2,504.2	2,431.1	2,210.1	2,087.7

Table 1

Mediobanca SpA--Key Figures (cont.)					
--Year ended June 30--					
(Mil. €)	2020*	2019	2018	2017	2016
Noninterest expenses	630.1	1,267.7	1,178.8	1,132.2	983.7
Core earnings	428.7	783.1	822.8	640.1	578.9

*Data as of Dec. 31, 2019.

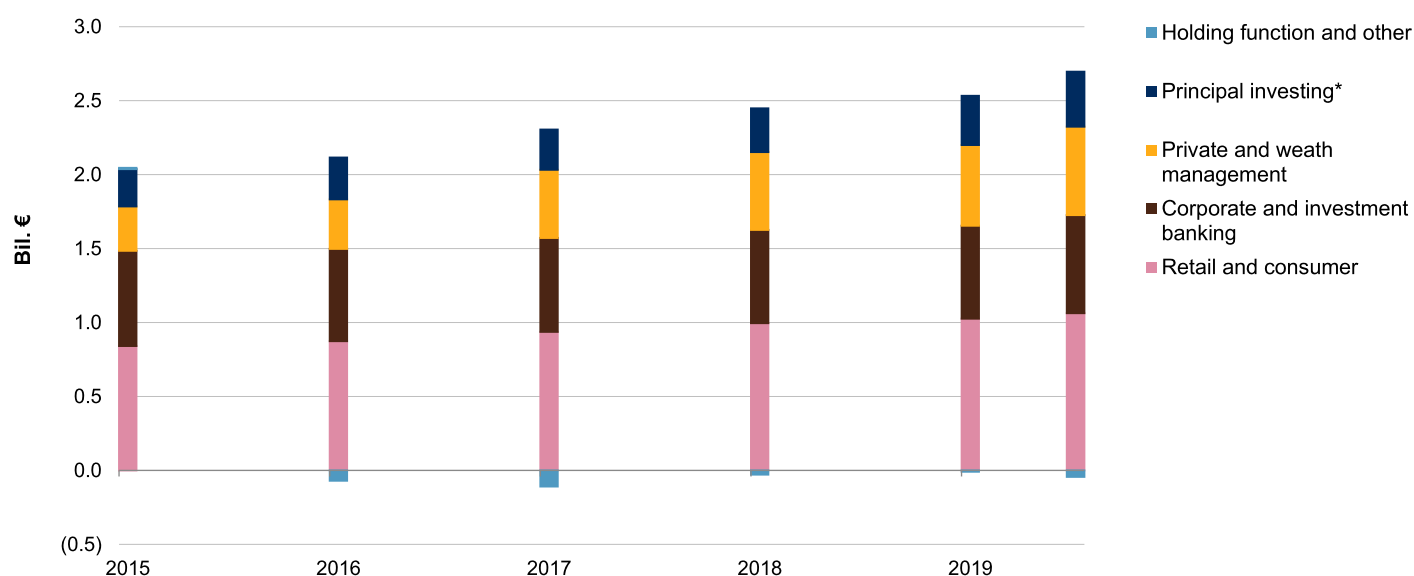
Business position: Strong corporate and investment banking franchise complemented by growing retail banking and wealth management activities

Mediobanca is a unique player in the Italian banking sector. The bank has a strong corporate and investment banking franchise that it has been able to preserve, despite intense competition. In addition, in recent years, Mediobanca has significantly expanded its retail operations, mainly in the consumer finance and wealth management business, while also growing organically and by acquisition. In the mid-term, we expect Mediobanca to continue prudently acquiring new business, in line with its recent track year.

In our view, Mediobanca's increasing geographic diversification is a positive rating factor.

Chart 1

Mediobanca Has Strengthened Its Revenue Profile In Recent Years



Note: 2020 figures are six month data annualized. *Mostly Generali. Source: S&P Global Ratings.

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According to its 2019-2023 business plan, Mediobanca aims at increasing its return on tangible equity to 11% by 2023, from 10% as of June 2019. Mediobanca intends to increase its revenues to €3 billion by 2023, at a 4% compound

annual growth rate, up from current €2.5 billion as of June 2019. This goal leverages on the expansion of the wealth management business and geographic diversification of the corporate and investment banking division.

We will monitor the execution of the announced plan as competition remains intense in the segments into which Mediobanca is expanding and the quarantine restrictions will hurt economic conditions in Italy and in Europe.

We consider Mediobanca's expansion in asset management to be positive because it would improve its profitability prospects and its earnings stability, while interest rates remain low. Mediobanca's market share in the wealth management segment remains low compared to its major peers. As such, the bank aims to increase its network and improve efficiency.

Some of Mediobanca's expansion over the past years occurred via acquisitions, and we will monitor the bank's ability to deploy synergies and successfully integrate acquired businesses. Among others, Mediobanca has also signed an agreement to acquire 19% of BFI Finance, a consumer finance company in Indonesia, which, although signed in August 2018, still needs to be finalized.

Italian insurer Assicurazioni Generali SpA (Generali), which accounted for about 37% of net income Mediobanca's in the past two and a half years, will remain another key contributor to the bank's profitability. We think that Mediobanca's incentive to reduce its stake in Generali, from the current 13%, to fund further expansion have diminished amid the extension of the Danish compromise. The latter accounted for about 105 basis points (bps) of its regulatory capital.

Mediobanca's shareholder structure has recently changed, as Mr Delvecchio now owns 9.9% of the bank's capital. The remaining capital is split between 13 investors who signed a consultation agreement, and who account for 12,6% of capital, while institutional investors own 75%, and other retail investors make up the rest. At the moment, we do not anticipate any meaningful change in the bank's strategy because we expect Mediobanca to be committed to implementing the recently announced 2019-2023 business plan. That said, we will monitor any deviation from current strategy.

Table 2

Mediobanca SpA--Business Position					
	--Year ended June 30--				
(% , unless stated otherwise)	2020*	2019	2018	2017	2016
Loan market share in country of domicile	3.4	3.1	2.9	2.6	2.3
Deposit market share in country of domicile	1.3	1.3	1.3	1.3	1.2
Total revenues from business line (Mil. €)	1,402.0	2,571.2	2,557.9	2,633.5	2,203.9
Commercial banking/total revenues from business line	23.6	24.4	24.7	24.1	88.0
Retail banking/total revenues from business line	37.9	39.9	38.9	35.6	N/A
Commercial and retail banking/total revenues from business line	61.6	64.3	63.6	59.7	88.0
Trading and sales income/total revenues from business line	(1.0)	(0.3)	1.6	1.9	2.1
Insurance activities/total revenues from business line	13.1	12.4	10.9	10.0	N/A
Asset management/total revenues from business line	21.3	21.3	20.6	17.4	N/A
Other revenues/total revenues from business line	5.0	2.2	3.3	10.9	5.1
Investment banking/total revenues from business line	(1.0)	(0.3)	1.6	1.9	7.0

Table 2

Mediobanca SpA--Business Position (cont.)					
(% , unless stated otherwise)	--Year ended June 30--				
	2020*	2019	2018	2017	2016
Return on average common equity	9.3	8.5	9.2	8.4	6.9

*Data as of Dec. 31, 2019. N/A--Not applicable.

Capital and earnings: Good profitability and better-than-domestic-peers' capitalization

We expect Mediobanca to maintain its sound capital position in the next few years, even though we expect high economic risk in Italy to continue constraining the bank's overall solvency.

Our RAC ratio before diversification was 8.9%, as of June 30, 2019. We expect this ratio to remain fairly stable through June 2021, as a result of profitability, which would counterbalance Mediobanca's announced increase in dividend payment from the current 0.47 dividend per share, and the expansion of its business.

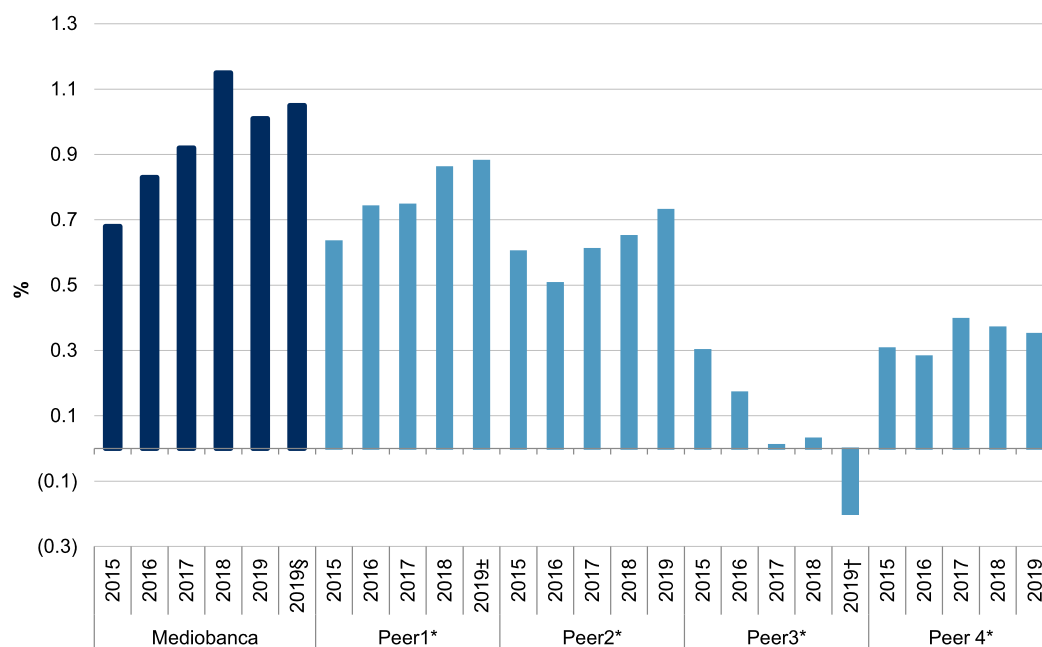
We believe Mediobanca's diversified business mix and controlled cost of risk will support profitability. Given the ultra-low interest rate environment, we anticipate that Mediobanca's operating profitability will only moderately strengthen over the next two years, benefiting from a gradual increase in fees and moderate expansion of the loans book. The bank's provisioning needs are likely to increase after the ultralow 48 bps between 2018-2019. We expect Mediobanca's cost of risk to increase in 2020 and then normalize at about 70 bps, which is still a low level in the domestic context.

In our view, Mediobanca has maintained adequate loss-absorption capacity, taking into consideration its overall contained risk profile. We estimate that the bank's three-year average earnings buffer will remain stable at about 80 bps.

Mediobanca's exposure to market risk has declined in recent years following its disposal of a significant part of its equity stakes. Generali currently accounts for the largest proportion of these stakes and currently benefits from the large unrealized gains that we deduct from the RAC charge. As such, our estimate of Mediobanca's RAC might be impacted by the volatility of Generali's share price.

Chart 2

Mediobanca's Profitability Is Stronger Than Peers'
Core earnings/adjusted assets



*Year-end for Mediobanca is end-June. Peers are: BBVA, Intesa Sanpaolo, Deutsche Bank, and SocGen.
 §Data as of Dec. 31, 2019. †Data as of Sept. 31, 2019. ±Data as of June 30, 2019. Source: S&P Global Ratings.
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Table 3

Mediobanca SpA--Capital And Earnings					
	--Year ended June 30--				
(%)	2020*	2019	2018	2017	2016
Tier 1 capital ratio	14.1	14.1	14.2	13.3	12.1
S&P Global Ratings' RAC ratio before diversification	N/A	N/A	8.7	8.2	N/A
S&P Global Ratings' RAC ratio after diversification	N/A	N/A	8.1	7.6	N/A
Adjusted common equity/total adjusted capital	100.0	100.0	100.0	100.0	100.0
Net interest income/operating revenues	55.2	56.1	56.4	58.0	57.7
Fee income/operating revenues	18.8	17.6	18.8	17.1	15.5
Market-sensitive income/operating revenues	2.1	0.9	1.0	1.0	1.3
Noninterest expenses/operating revenues	46.8	50.6	48.5	51.2	47.1
Preprovision operating income/average assets	1.8	1.6	1.8	1.5	1.6
Core earnings/average managed assets	1.1	1.0	1.2	0.9	0.8

*Data as of Dec. 31, 2019. N/A--Not applicable.

Table 4

Mediobanca Banca di Credito Finanziario S.p.A--Risk Adjusted Capital Framework Data					
(€ 000s)	Exposure*	Basel III RWA	Average Basel III RW(%)	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk					
Government and central banks	6,063,497.9	27,628.2	0.5	1,515,831.6	25.0
Of which regional governments and local authorities	4,468.8	893.8	20.0	2,032.2	45.5
Institutions and CCPs	12,870,138.9	2,491,371.0	19.4	3,112,877.1	24.2
Corporate	24,244,771.7	15,385,455.9	63.5	25,773,455.5	106.3
Retail	23,255,445.2	12,301,482.3	52.9	22,695,483.7	97.6
Of which mortgage	8,827,446.9	1,703,740.1	19.3	5,244,002.0	59.4
Securitization§	101,226.7	120,119.9	118.7	127,297.6	125.8
Other assets†	2,510,449.7	2,427,752.3	96.7	5,136,426.9	204.6
Total credit risk	69,045,530.1	32,753,809.6	47.4	58,361,372.4	84.5
Credit valuation adjustment					
Total credit valuation adjustment	--	533,690.8	--	0.0	--
Market Risk					
Equity in the banking book	4,136,834.1	6,440,616.3	155.7	21,445,629.6	518.4
Trading book market risk	--	2,561,216.6	--	3,841,824.8	--
Total market risk	--	9,001,832.9	--	25,287,454.5	--
Operational risk					
Total operational risk	--	4,020,585.0	--	4,259,827.1	--
	Exposure	Basel III RWA	Average Basel II RW (%)	S&P Global Ratings RWA	% of S&P Global Ratings RWA
Diversification adjustments					
RWA before diversification	--	46,309,918.3	--	87,908,654.0	100.0
Total Diversification/ Concentration Adjustments	--	--	--	5,421,357.8	6.2
RWA after diversification	--	46,309,918.3	--	93,330,011.8	106.2
		Tier 1 capital	Tier 1 ratio (%)	Total adjusted capital	S&P Global Ratings RAC ratio (%)
Capital ratio					
Capital ratio before adjustments		6,524,377.0	14.1	7,850,775.0	8.9
Capital ratio after adjustments‡		6,524,377.0	14.1	7,850,775.0	8.4

*Exposure at default. §Securitization Exposure includes the securitization tranches deducted from capital in the regulatory framework. †Exposure and S&P Global Ratings' risk-weighted assets for equity in the banking book include minority equity holdings in financial institutions.

‡Adjustments to Tier 1 ratio are additional regulatory requirements (e.g. transitional floor or Pillar 2 add-ons). RWA--Risk-weighted assets. RW--Risk weight. RAC--Risk-adjusted capital. Sources: Company data, S&P Global Ratings.

Risk position: Prudent risk management

We think Mediobanca will maintain better-than-peers' asset quality, owing to its more prudent lending strategy and effective management of its NPE portfolio.

Mediobanca's net ratio of NPEs to Tier 1 capital as of Dec. 31, 2019 was about 5.4%, or 10.6% including purchased

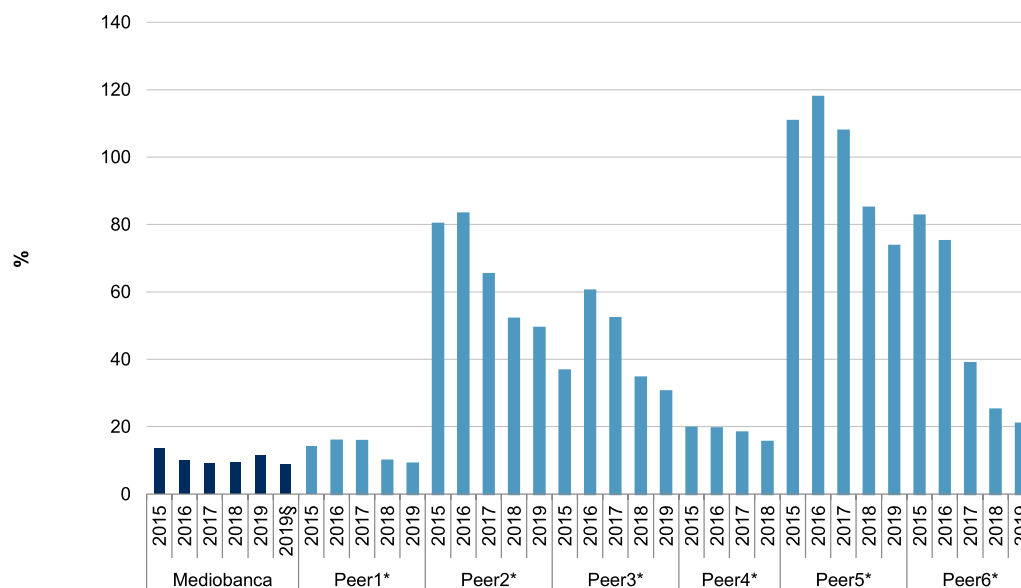
NPEs, which is much lower than the average of its Italian peers, and in line with most international counterparties. This is primarily because Mediobanca avoids lending to riskier borrowers, such as real estate developers and small and midsize enterprises, and strictly controls the performance of its retail loans book. As a result, Mediobanca has a much better track record than domestic peers' in terms of loss experience over the recent crisis. The bank's overall cost of risk has been on average lower than 55 bps over the past 3 years.

More specifically, the credit quality of Mediobanca's corporate loan book benefits from high geographic diversity in its portfolio of large clients. We acknowledge that Mediobanca grants about 75% of its loans to corporates, with turnover mainly outside Italy. In addition, Mediobanca takes collateral in most operations, which we view as positive because it reduces the risk of losses for the bank, resulting in a low net NPE ratio of 2.1% as of Dec. 31, 2019. That said, Mediobanca shows some single-name concentration in its loan book, with top 20 groups accounting for about 1.2x its regulatory capital, which adds some risk, in our view, particularly if the economic impact of the pandemic spreading across Europe is significantly more profound than what is currently anticipated.

Mediobanca's retail portfolio predominantly comprises consumer finance loans, which make up 60%, with mortgages accounting for the remaining 40%. Mediobanca's consumer finance segment has had a contained cost of risk of about 192 bps for the past three quarters, while its retail portfolio benefits from the proactive management of NPEs. The bank initiates collection activities at a very early stage past due, and write-offs or disposals of consumer NPEs after about 12 months, on average.

Chart 3

Mediobanca's Net Non-Performing Assets To TAC Indicates Better Asset Quality Than Peers



TAC--Total adjusted capital. Year-end for Mediobanca is end-June. Peers are: BBVA, Intesa Sanpaolo, Deutsche Bank, Caixabank, UBI, Unicredit, AIB, and SocGen. *2018 data is as of December 2018. §Data as of December 2019. Source: S&P Global Ratings.

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Mediobanca does not have a complex balance sheet, although it operates in the investment banking business. The bank has a low asset-liability mismatch, and it limits its underwriting risk to short periods. We therefore consider that our RAC ratio adequately captures all of Mediobanca's risks.

Table 5

Mediobanca SpA--Risk Position					
	--Year ended June 30--				
(% , unless stated otherwise)	2020*	2019	2018	2017	2016
Growth in customer loans	11.9	7.1	6.1	10.8	2.5
Total diversification adjustment/S&P Global Ratings' RWA before diversification	N/A	6.2	7.7	9.0	N/A
Total managed assets/adjusted common equity (x)	10.0	10.0	9.4	9.6	9.9
New loan loss provisions/average customer loans	0.6	0.5	0.5	0.8	1.1
Net charge-offs/average customer loans	N.M.	(0.4)	(0.1)	(0.5)	0.0
Gross nonperforming assets/customer loans + other real estate owned	4.6	5.1	5.3	5.6	6.0
Loan loss reserves/gross nonperforming assets	67.2	60.2	68.1	69.9	67.4

*Data as of Dec. 31, 2019. N/A--Not applicable. N.M.--Not meaningful.

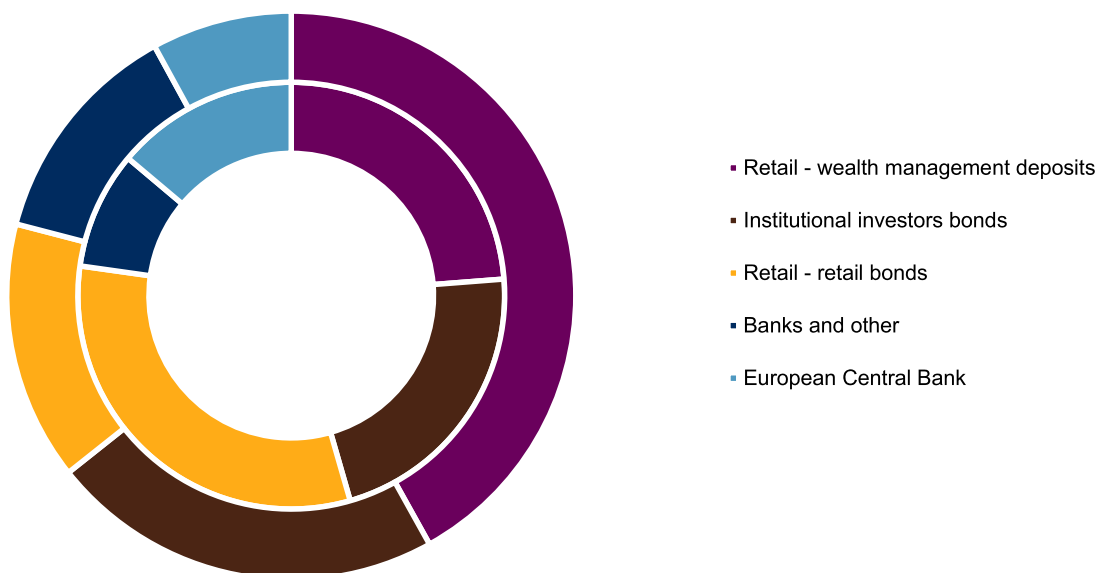
Funding and liquidity: Reliance on wholesale funding remains high, despite increased retail financing

We expect that Mediobanca will continue to sustainably finance its long-term funding needs through stable sources.

In the past few years, Mediobanca has progressively rebalanced its funding position and increased retail funding--which is now its main financing source--through its retail and private banking subsidiaries, Italian commercial banks, and the regulated debt market. In our view, Mediobanca has spread its long-term funding maturities well. In addition, Mediobanca's recourse to ECB financing only represented 6.6% of its funding base as of December 2019, compared with about 13% as of June 2012.

Chart 4

Mediobanca Retail Funding Increased Over the Past Years
2012 versus 2019



Data as of Dec. 31, 2019. Inner circle refers to 2012 data. Outer circle refers to 2019 data. Source: Mediobanca SpA. Copyright © 2020 by Standard & Poor's Financial Services LLC. All rights reserved.

We believe uncertainties regarding the sovereign, government policy, and economic prospects weigh on Italian banks, constraining their access to capital markets. This includes Mediobanca, given its higher reliance on wholesale funding than peers'.

We believe Mediobanca will likely retain its comfortable liquidity buffers. We calculate that its broad liquid assets covered its short-term wholesale funding by more than 1.2x as of December 2019, and we expect this ratio will remain stable. We expect that liquid assets will continue to cover Mediobanca's short-term wholesale funding. We base our view on Mediobanca's liquidity policy, which requires the bank to maintain a large buffer of liquid assets that are eligible for refinancing with the ECB. This more than covers the amount of wholesale funding coming due in the next

12 months. We note that Mediobanca's liquid assets are highly diversified, with only €2.7 billion--or about 41% of its CET1--accounting for Italian government bonds, the lowest level among its domestic peers.

Table 6

Mediobanca SpA--Funding And Liquidity					
	--Year ended June 30--				
(%)	2020*	2019	2018	2017	2016
Core deposits/funding base	43.2	47.7	48.2	49.4	46.7
Customer loans (net)/customer deposits	163.6	146.9	147.9	139.1	137.3
Long-term funding ratio	79.4	83.0	85.6	86.4	76.7
Stable funding ratio	100.1	105.0	107.3	112.2	105.2
Short-term wholesale funding/funding base	23.6	19.4	16.7	15.8	27.0
Broad liquid assets/short-term wholesale funding (x)	1.2	1.5	1.8	2.1	1.3
Net broad liquid assets/short-term customer deposits	18.1	29.0	37.0	50.2	30.8
Short-term wholesale funding/total wholesale funding	41.5	37.1	32.2	31.2	50.6

*Data as of Dec. 31.

Support: No uplift for additional loss-absorbing capacity (ALAC)

We assess the resolution regime in Italy as effective. Mediobanca is likely to be subject to a resolution that entails a bail-in if it reaches nonviability. However, we do not apply uplift for ALAC because we currently expect the amount of ALAC on S&P Global Ratings' risk-weighted assets to remain below our 5% threshold for one notch of uplift, at around 350 bps-400 bps. In our ALAC calculation, we include capital instruments issued by Mediobanca that have the capacity to absorb losses without triggering a default on senior obligations--namely subordinated debt, including €500 million senior nonpreferred notes, which was issued recently. We also include in this ALAC calculation common equity that we already count in total adjusted capital. Specifically, we include the amount exceeding the minimum required for Mediobanca to maintain a RAC ratio of 7%, consistent with our assessment of the bank's capital and earnings.

Subsidiaries

We align our ratings on MB Funding Lux with our rating on Mediobanca, reflecting our assessment of its core status to the parent bank. We base this on the company's integration into its parent, and the unconditional and irrevocable guarantees provided by Mediobanca, among other factors.

Resolution Counterparty Ratings (RCRs)

Our RCRs on Mediobanca are one notch above the 'BBB' long-term ICR. RCRs exceed the foreign currency long-term sovereign rating on Italy by one notch, because we see a considerable likelihood that a sovereign default would not immediately trigger a default on the RCR liabilities. This reflects our view that, in a hypothetical stress scenario, the authorities would initiate a resolution of Mediobanca, bailing in eligible liabilities that are sufficient to help the bank absorb the impact of such an adverse scenario. We assume that, as part of the resolution process, Mediobanca would receive sufficient and timely liquidity support, primarily from the ECB, to meet the likely meaningful liquidity outflows it would face. This means we rate MB Funding Lux's collateralized notes 'BBB+'.

Hybrid Instruments

We currently rate Mediobanca's hybrid instruments by applying our standard notching-down from the bank's 'bbb'

SACP.

This means we currently rate the bank's senior non preferred notes at 'BBB-', one notch below its SACP, owing to our view that such notes are subordinated to more senior obligations, and do not carry additional default risk relative to that represented by the SACP. We anticipate that the senior nonpreferred notes would be subject to a possible conversion or write-down only in resolution (see Mediobanca's SpA's Senior Nonpreferred Notes Assigned 'BBB-' Issue Rating, Jan. 17, 2020).

Our 'BB+' ratings on Mediobanca's Tier 2 instruments are two

notches lower than its SACP. This reflects the deduction of one notch for subordination and one notch to reflect the risk that these issues could be written down or converted into equity in a bail-in outside the scenario of resolution--for example, when applying rules on state aid.

Additional rating factors:None

No additional factors affect this rating.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, July 1, 2019
- General Criteria: Group Rating Methodology, July 1, 2019
- Criteria | Financial Institutions | General: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, July 20, 2017
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- Criteria | Financial Institutions | Banks: Bank Rating Methodology And Assumptions: Additional Loss-Absorbing Capacity, April 27, 2015
- General Criteria: Principles For Rating Debt Issues Based On Imputed Promises, Dec. 19, 2014
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- Criteria | Financial Institutions | Banks: Quantitative Metrics For Rating Banks Globally: Methodology And Assumptions, July 17, 2013
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Criteria | Financial Institutions | Banks: Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009
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Related Research

- COVID-19 Countermeasures May Contain Damage To Europe's Financial Institutions For Now
- The Coronavirus Pandemic Is Set To Test The Resiliency Of Italy's Banks, March 13, 2020
- Coronavirus Impact: Key Takeaways From Our Articles
- COVID-19 Macroeconomic Update: The Global Recession Is Here And Now, March 17, 2020
- What's Next For Resolution Counterparty Ratings?, March 2, 2020
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Anchor Matrix										
Industry Risk	Economic Risk									
	1	2	3	4	5	6	7	8	9	10
1	a	a	a-	bbb+	bbb+	bbb	-	-	-	-
2	a	a-	a-	bbb+	bbb	bbb	bbb-	-	-	-
3	a-	a-	bbb+	bbb+	bbb	bbb-	bbb-	bb+	-	-
4	bbb+	bbb+	bbb+	bbb	bbb	bbb-	bb+	bb	bb	-
5	bbb+	bbb	bbb	bbb	bbb-	bbb-	bb+	bb	bb-	b+
6	bbb	bbb	bbb-	bbb-	bbb-	bb+	bb	bb	bb-	b+
7	-	bbb-	bbb-	bb+	bb+	bb	bb	bb-	b+	b+
8	-	-	bb+	bb	bb	bb	bb-	bb-	b+	b
9	-	-	-	bb	bb-	bb-	b+	b+	b+	b
10	-	-	-	-	b+	b+	b+	b	b	b-

Ratings Detail (As Of March 20, 2020)*

Mediobanca SpA

Issuer Credit Rating

BBB/Negative/A-2

Resolution Counterparty Rating

BBB+/-/A-2

Ratings Detail (As Of March 20, 2020)*(cont.)

Senior Unsecured	BBB
Short-Term Debt	A-2
Subordinated	BB+
Issuer Credit Ratings History	
30-Oct-2018	BBB/Negative/A-2
31-Oct-2017	BBB/Stable/A-2
18-Dec-2014	BBB-/Stable/A-3
Sovereign Rating	
Italy	BBB/Negative/A-2
Related Entities	
MB Funding Lux S.A.	
Issuer Credit Rating	BBB/Negative/A-2
Resolution Counterparty Rating	BBB+/-/A-2

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.

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