

# RatingsDirect®

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## Mediobanca SpA

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# Mediobanca SpA

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

## Major Rating Factors

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

**Outlook: Stable**

S&P Global Ratings' stable outlook on Mediobanca SpA reflects our expectation that its asset quality will continue to outperform the Italian financial system average, in line with its track record, while preserving its sound capitalization in the next 24 months. We expect Mediobanca's risk-adjusted capital (RAC) ratio to be about 8.5%-9.0% over the same period.

**Upside scenario**

We could raise the rating on Mediobanca if we raised the ratings on Italy and, at the same time, we considered that Mediobanca's capitalization had materially strengthened, leading our measure of the bank's RAC ratio to increase above 10%. We could also take this action if the operating environment in Italy improved, strengthening Mediobanca's creditworthiness and leading to a higher anchor for the bank.

**Downside scenario**

We could lower the ratings if we downgraded Italy, as we consider Mediobanca unlikely to continue to fulfil its obligations in a timely manner in the event of an Italian sovereign default, given its domestic concentration. Although it appears unlikely at this stage, we could also lower our ratings on Mediobanca if we anticipated that its superior asset quality had deteriorated or if we anticipated that it would not be able to maintain its RAC ratio sustainably above 7%, most likely due to material expansion of its business that is not sustained by internal capital generation.

**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 raise Mediobanca's SACP but not the issuer credit rating--because the rating is capped at the level of the sovereign rating--we would notch down the hybrid instruments from the ICR.

**Rationale**

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

Mediobanca's nonperforming exposures (NPEs) ratio was 4.7% (or 5.3% including purchased NPLs) as of June-end 2018, compared with an average of 15% for Italian banks as of March 2018. We expect it to continue to outperform its domestic peers given its prudent risk selection process, strict controls, and efficient management of NPEs.

We anticipate Mediobanca will maintain satisfactory capitalization overall, in relation to its risk profile. Specifically, we forecast that its RAC ratio will be around 8.5%-9.0% in June 2020, down from about 9.1% as of June 2017 (pro forma our calculation that takes into account our BICRA and sovereign parameters). Our forecast factors in our expectation that Mediobanca will continue expanding its retail and wealth management business as well as the benefits of the ongoing reduction in equity exposure. We expect Mediobanca's pay-out ratio to remain around 40%-50%.

Mediobanca's plan to expand its retail business further in the next 12-18 months would allow it to improve its profitability prospects and its earnings stability, as well as reduce some single-name concentration in its equity and

loan book, which adds some risk, in our view.

At the same time, we anticipate that Mediobanca will continue benefiting from a solid domestic corporate and investment banking franchise.

Compared to its domestic peers, though, Mediobanca has more recourse to wholesale funding with only 63% of funding coming from deposits or bonds placed with retail investors as of end-June 2018. That said, its demonstrated capacity to obtain retail funds partly offsets this risk, in our view.

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

Our view of economic risk for Mediobanca indicates that about around 75% of its exposure is to Italy. Much of its remaining exposure is to countries where we see lower economic risk than in Italy, such as France, Germany, and the U.K.

We expect that the Italian economy will continue to recover from the recent recession, supporting Italian banks' efforts to repair their balance sheets. This process will be gradual, in our view, because Italy's GDP growth could take another four years to return to its prerecession level. High government debt of around 130% of GDP is likely to keep constraining the government's flexibility to adjust its fiscal policy to support economic growth. In such a context, we would need to see more evidence of a substantial further contraction of NPEs before considering that the economic risks faced by Italian banks have reduced.

Industry risks for Italian banks are likely to remain higher than for banks in peer countries.

Better economic conditions, improving asset quality, banks' planned actions on cost-cutting, and the ECB's accommodating measures will help the Italian banking sector to improve its profitability over the next couple of years. However, we expect most banks to report only modest profitability, because ultralow interest rates will continue to weigh on revenues, while investments in digitalization and costs arising from new regulatory requirements will become an increasing burden, particularly for small-to-midsize enterprises (SMEs). Improving efficiency will therefore remain key for the Italian banking sector and could lead to further consolidation in the coming years, in our opinion.

**Table 1**

<b>Mediobanca SpA Key Figures</b>					
	<b>--Year-ended June 30--</b>				
<b>(Mil. €)</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Adjusted assets	71,561	69,893	69,366	70,300	70,055
Customer loans (gross)	42,050	39,640	35,773	34,915	33,369
Adjusted common equity	N/A	7,357	7,027	6,808	6,537
Operating revenues	2,431	2,210	2,088	2,005	1,791
Noninterest expenses	1,179	1,132	984	917	852
Core earnings	823	640	579	481	232

N/A--Not applicable.

**Business position: Strong corporate and investment banking franchise complemented by growing retail banking activity**

Mediobanca's business and geographic diversification will continue to increase in the next couple of years, as the bank focuses on implementing its 2016-2019 business plan, in our opinion. More specifically, asset management and consumer banking will continue to be the focus of Mediobanca's expansion.

Numerous acquisitions have helped Mediobanca expand its consumer banking and assets management (19% of BFI Finance, a consumer finance company in Indonesia, in August 2018; 50% of Banca Esperia, a private bank, in late 2016; RAM Active Investments S.A., a small investment manager based in Switzerland, in late 2017; and a portion of Barclay's Italian assets in late 2015).

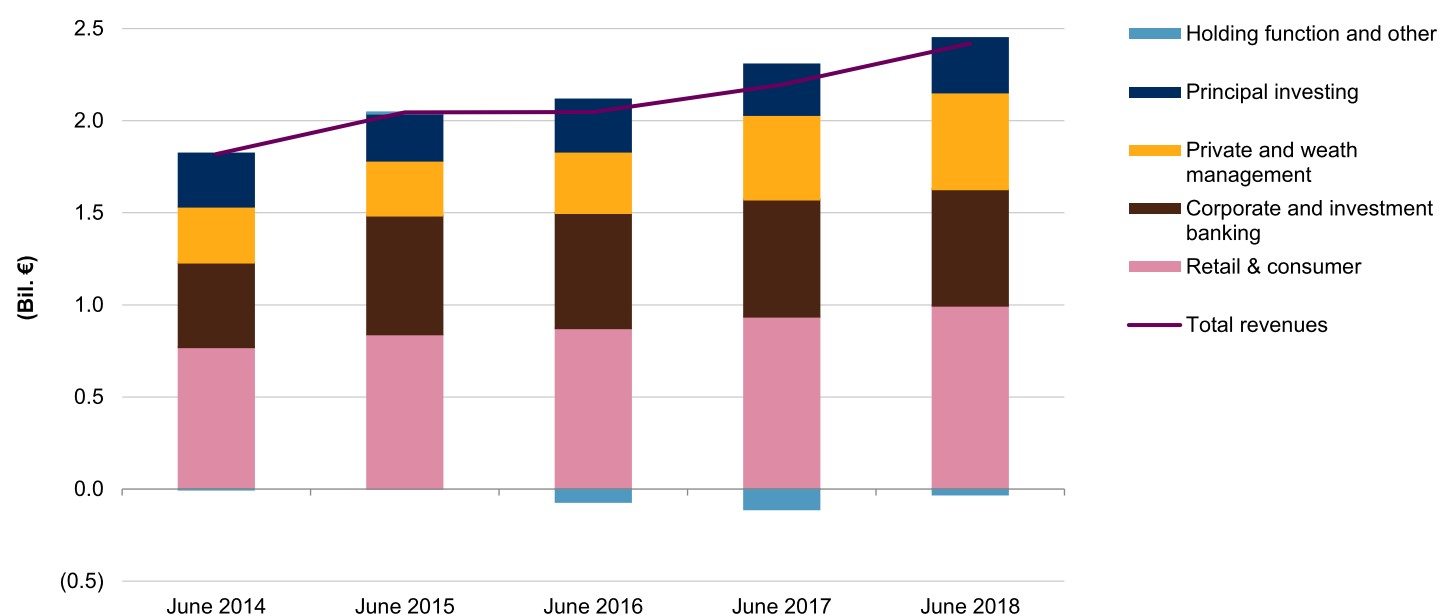
We consider Mediobanca's expansion in these areas to be positive because it would improve its profitability prospects and its earnings stability, while interest rates remain low.

We will monitor the bank's ability to deploy synergies and successfully integrate these businesses as competition is intense in the segments in which Mediobanca is targeting expansion. Mediobanca's market share remains very low compared to main peers.

Mediobanca continues to benefit from a strong corporate and investment banking business position. The bank has been able to preserve a solid domestic franchise, despite intense competition. It has achieved organic international growth over the past few years that we expect to continue. Increasing geographic diversification is a positive rating factor, in our view.

Chart 1

## Revenues Breakdown By Segment



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Mediobanca also announced its intention to reduce to about 10% its stake in Italian insurer Assicurazioni Generali SpA (Generali), from the current 13% by June 2019. As of June 2018, Generali contributed about 11.5% to total revenues. We expect the bank's better profitability prospects to more than offset the lower profits it will report after disposing of part of its Generali stake.

Table 2

## Mediobanca SpA Business Position

(%)	--Year-ended June 30--				
	2018	2017	2016	2015	2014
Loan market share in country of domicile	2.9	2.6	2.3	2.2	2.0
Deposit market share in country of domicile	1.3	1.3	1.2	1.0	1.5
Total revenues from business line (€ mil.)	2,557.9	2,633.5	2,203.9	2,172.9	2,082.7
Commercial banking/total revenues from business line	24.7	24.1	88.0	82.0	N/A
Retail banking/total revenues from business line	38.9	35.6	N/A	N/A	N/A
Commercial & retail banking/total revenues from business line	63.6	59.7	88.0	82.0	82.7
Trading and sales income/total revenues from business line	4.8	7.0	1.8	4.6	(2.0)
Corporate finance/total revenues from business line	N/A	N/A	4.8	5.6	5.3
Asset management/total revenues from business line	20.6	17.4	N/A	N/A	N/A
Other revenues/total revenues from business line	11.0	15.9	5.4	7.9	14.0
Investment banking/total revenues from business line	4.8	7.0	6.6	10.1	3.3

**Table 2**

Mediobanca SpA Business Position (cont.)					
	--Year-ended June 30--				
(%)	2018	2017	2016	2015	2014
Return on average common equity	9.2	8.4	6.9	7.1	6.3

N/A--Not applicable.

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

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

Our pro forma RAC ratio before diversification was 9.1%, as of June 30, 2017. We expect this ratio to remain stable by June 2020, as a result of Mediobanca's announced pay-out of about 40%-50% and our expectation that it will expand in its retail and wealth management business mainly. Our forecast also factors in the disposal of about 3% of its stake in Generali.

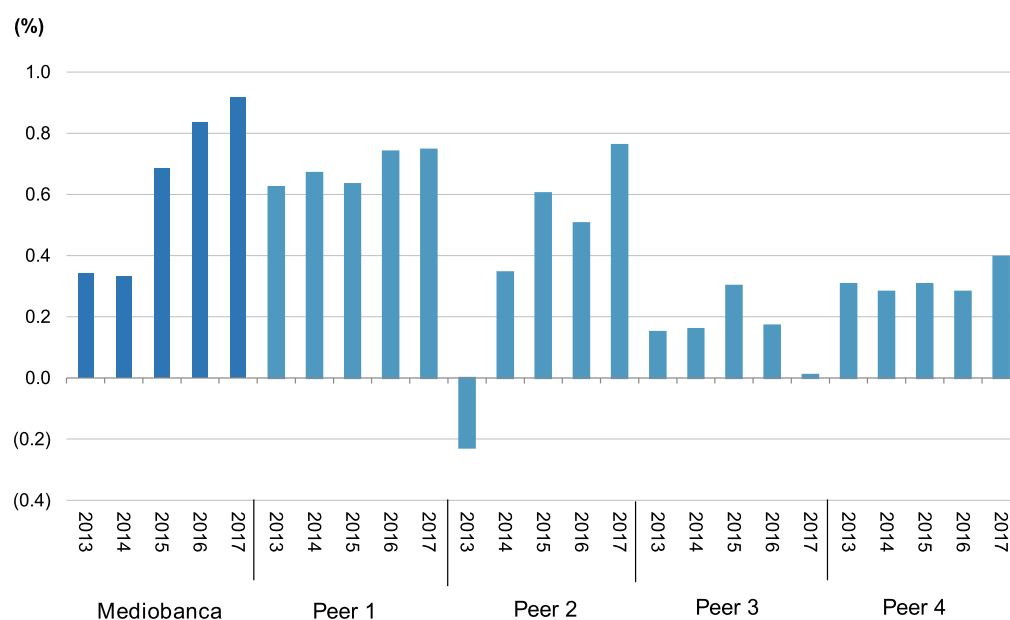
We anticipate that Mediobanca's operating net income (net of extraordinary gains and losses) will strengthen over the next two years. Specifically, we anticipate that Mediobanca's net interest income will progress further on the back of growing lending and reducing funding costs. This will follow the 6% increase reported last year.

We also anticipate that fees and commissions income is likely to grow, benefiting from rising activity in corporate and investment banking and in the asset management businesses. Costs should stabilize once the bank has completed the integration of acquired business and strengthened its distribution channels, in our view. Provisioning needs are likely to remain contained, in our view, as nonperforming loans will remain low and we expect Mediobanca's cost of risk to stabilize at about 80 basis points (bps) in the next quarters after being very low over 2017-2018.

**Chart 2**

**Mediobanca's Profitability Compared With Peers**

Core earnings/adjusted assets



Source: S&P Global Ratings. Data for Mediobanca is end-June. Peers are BBVA, Intesa Sanpaolo, Deutsche Bank, and SocGen.

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In our view, Mediobanca has maintained adequate loss-absorption capacity through the cycle, taking into consideration its overall contained risk profile. We estimate that the bank's three-year average earnings buffer will account for about 80-90 bps.

**Table 3**

**Mediobanca SpA Capital And Earnings**

	--Year-ended June 30--				
(%)	2018	2017	2016	2015	2014
Tier 1 capital ratio	14.2	13.3	12.1	12.0	11.1
S&P RAC ratio before diversification	N/A	8.2	N/A	7.0	7.5
S&P RAC ratio after diversification	N/A	7.6	N/A	6.9	7.4
Adjusted common equity/total adjusted capital	N/A	100.0	100.0	100.0	100.0
Net interest income/operating revenues	56.4	58.0	57.7	57.2	59.5
Fee income/operating revenues	18.8	17.1	15.5	18.3	18.7
Market-sensitive income/operating revenues	1.0	1.0	1.3	2.7	(6.1)
Noninterest expenses/operating revenues	48.5	51.2	47.1	45.8	47.6
Provision operating income/average assets	1.7	1.5	1.6	1.5	1.3



**Table 3**

Mediobanca SpA Capital And Earnings (cont.)					
	--Year-ended June 30--				
(%)	2018	2017	2016	2015	2014
Core earnings/average managed assets	1.2	0.9	0.8	0.7	0.3
N/A--Not applicable.					

**Table 4**

Mediobanca SpA Pro Forma RACF [Risk-Adjusted Capital Framework] Data					
(€ 000s)	Exposure*	Basel III RWA	Average Basel III RW (%)	S&P Global RWA	Average S&P Global RW (%)
<b>Credit risk</b>					
Government and central banks	7,699,636	37,121	0	2,253,253	29
Institutions and CCPs	6,009,077	2,151,266	36	1,911,779	32
Corporate	20,790,333	19,509,321	94	21,266,255	102
Retail	20,611,470	12,296,930	60	20,526,545	100
Of which mortgage	6,916,859	2,456,564	36	4,124,147	60
Securitization§	312,679	285,406	91	1,665,427	533
Other assets†	3,326,084	3,650,096	110	6,583,509	198
Total credit risk	58,749,279	37,930,140	65	54,206,768	92
<b>Credit valuation adjustment</b>					
Total credit valuation adjustment	--	758,735	--	986,355	--
<b>Market risk</b>					
Equity in the banking book	3,677,884	8,228,441	224	18,120,187	493
Trading book market risk	--	2,239,129	--	3,358,694	--
Total market risk	--	10,467,570	--	21,478,880	--
<b>Operational risk</b>					
Total operational risk	--	3,551,803	--	4,143,992	--
(€ 000s)		<b>Basel III RWA</b>		<b>S&amp;P Global RWA</b>	<b>% of S&amp;P Global RWA</b>
<b>Diversification adjustments</b>					
RWA before diversification		52,708,248		80,815,996	100
Total Diversification/Concentration Adjustments		--		7,687,829	10
RWA after diversification		52,708,248		88,503,825	110
(€ 000s)		<b>Tier 1 capital</b>	<b>Tier 1 ratio (%)</b>	<b>Total adjusted capital</b>	<b>S&amp;P Global RAC ratio (%)</b>
<b>Capital ratio</b>					
Capital ratio before adjustments		7,017,281	13.3	7,356,552	9.1
Capital ratio after adjustments‡		7,017,281	13.3	7,356,552	8.3

\*Exposure at default. §Securitisation Exposure includes the securitisation tranches deducted from capital in the regulatory framework. †Other assets includes Deferred Tax Assets (DTAs) not deducted from ACE. ‡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 as of June. 30, 2017, S&P Global. Note: RAC data is based on our Sovereign and Banking Industry Country Risk Assessment scores as of February 26, 2018.

### Risk position: Prudent risk management

Mediobanca will maintain better-than-peers' asset quality, in our view, owing to its prudent lending strategy.

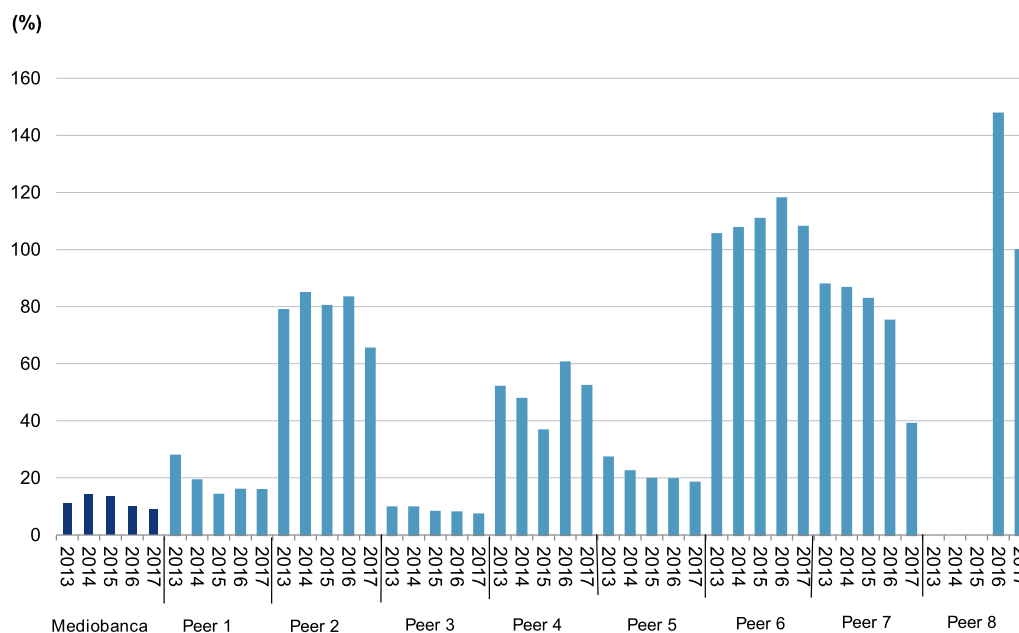
The bank's net NPE/CET1 ratio at 6.3% (or 10.5% including purchased NPLs) as of June 2018, is much lower than the average of its Italian peers and in line with most of international counterparties. This is because, over the past years, Mediobanca avoided lending to riskier borrowers, such as real estate developers and SMEs, and strictly controlled the performance of its retail loans book. This resulted in a much better track record than domestic peers in terms of loss experience over the recent crisis.

Asset quality metrics are homogeneous between the retail and the corporate portfolios. Specifically, the credit quality of Mediobanca's corporate loan book is generally good--net NPEs comprised a low ratio of 2.2% as of June 2018. Mediobanca takes collateral in most operations, which we view as positive because it reduces the risk of losses for the bank. Also, its corporate portfolio is highly geographically diversified, as about 70% of its loans are granted to corporate with turnover mainly outside Italy. That said, Mediobanca shows some single-name concentration in its loan book, which adds some risk, in our view.

Mediobanca's retail portfolio, with net NPEs at about 1.5% as of June 2018, benefits from the bank's proactive management of nonperforming loans. The bank initiates collection activities at a very early stage past due, and write-offs or disposals of consumer nonperforming loans after about 12 months, on average.

**Chart 3**

**Mediobanca's Net Nonperforming Assets/TAC Compared With Peers**



Peers are: BBVA, Intesa Sanpaolo, Deutsche Bank, Caixa, UBI, Unicredit, AIB and SocGen. Data for Mediobanca refers to end-June. \*Data for 2013-2015 is N/A. Source: S&P Global Ratings. Copyright © 2018 by Standard & Poor's Financial Services LLC. All rights reserved.

Mediobanca has historically been significantly exposed to market risk through its portfolio of equity stakes. However, it has already disposed of a significant part of these stakes, and will continue reducing them in the coming months. 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--				
(%)	2018	2017	2016	2015	2014
Growth in customer loans	6.1	10.8	2.5	4.6	(5.6)
Total diversification adjustment / S&P RWA before diversification	N/A	9.0	N/A	0.7	1.1
Total managed assets/adjusted common equity (x)	N/A	9.6	9.9	10.4	10.8
New loan loss provisions/average customer loans	0.5	0.8	1.1	1.4	2.0
Net charge-offs/average customer loans	(0.1)	(0.5)	0.0	(0.6)	0.1
Gross nonperforming assets/customer loans + other real estate owned	5.3	5.6	6.0	6.8	6.8
Loan loss reserves/gross nonperforming assets	68.1	70.4	68.0	62.1	58.8

N/A--Not applicable.

### **Funding and liquidity: Mainly retail-financed, though reliance on wholesale funding remains high**

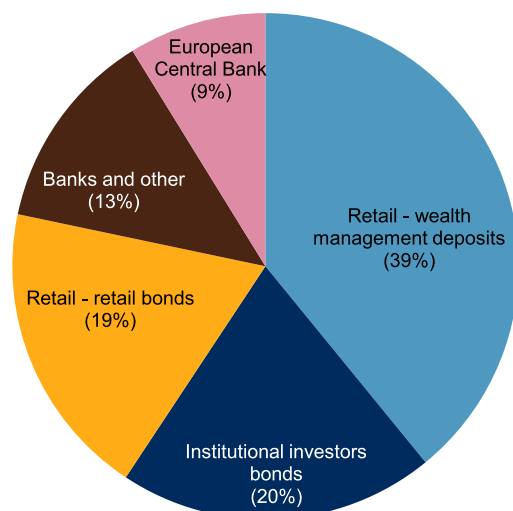
We expect that Mediobanca will continue to sustainably finance its long-term funding needs through stable sources.

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 bank subsidiary CheBanca!, the Italian post office, Italian commercial banks, and the regulated debt market (MOT). We consider that Mediobanca remains more reliant on wholesale funding than most of its domestic peers. That said, Mediobanca's long-term funding maturities are well spread over time, in our view. Moreover, Mediobanca has demonstrated its capacity to access capital markets even under tight conditions.

**Chart 4**

**Mediobanca Funding Composition**

As of June 2018



Source: Mediobanca SpA.

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Mediobanca will likely retain its comfortable liquidity buffers. We expect that liquid assets will continue to cover the bank'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.

**Table 6**

**Mediobanca SpA Funding And Liquidity**

(%)	--Year-ended June 30--				
	2018	2017	2016	2015	2014
Core deposits/funding base	48.2	49.4	46.7	45.8	53.4
Customer loans (net)/customer deposits	147.9	139.1	137.3	135.9	111.7
Long term funding ratio	N/A	86.4	76.7	66.9	73.8
Stable funding ratio	N/A	112.2	105.2	89.4	96.8
Short-term wholesale funding/funding base	N/A	15.8	27.0	38.3	29.9
Broad liquid assets/short-term wholesale funding (x)	N/A	2.1	1.3	0.9	1.2
Net broad liquid assets/short-term customer deposits	N/A	50.2	30.8	(16.0)	18.9
Short-term wholesale funding/total wholesale funding	N/A	31.2	50.6	70.8	64.2
Narrow liquid assets/3-month wholesale funding (x)	N/A	N/A	N/A	N/A	1.9

**Table 6**

<b>Mediobanca SpA Funding And Liquidity (cont.)</b>					
	<b>--Year-ended June 30--</b>				
(%)	2018	2017	2016	2015	2014

N.A.--Not available. N/A--Not applicable. N.M.--Not meaningful.

### **Support: No uplift for additional loss-absorbing capacity**

We assess the resolution regime as effective in Italy. The bank is likely to be subject to a resolution that entails a bail-in if it reaches nonviability. However, we do not apply uplift for additional loss-absorbing capacity (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. 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. ALAC also includes common equity that is already counted in total adjusted capital, up to the amount by which it exceeds the minimum needed to maintain a RAC ratio consistent with our assessment of the bank's capital and earnings (which for Mediobanca is 7%).

### **Subsidiaries**

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

### **Resolution Counterparty Ratings (RCR)**

We have assigned RCRs to entities within the group at one notch above the 'BBB' long-term issuer credit rating. This means we currently rate at 'BBB+' the banks' collateralized notes. 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 banks' RCR liabilities. This reflects our view that, in a hypothetical stress scenario, the authorities will initiate a resolution of the group, bailing in eligible liabilities that are in sufficient quantity to help the banks absorb the impact of such an adverse scenario on their balance sheets. We assume that, as part of the resolution process, such banks would receive sufficient and timely liquidity support primarily from the European Central Bank, but possibly also from a highly rated parent, to meet the likely meaningful liquidity outflows they would face.

### **Hybrid Instruments**

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

This means we currently rate at 'BB+' the bank's subordinated liabilities such as non-deferrable Tier II. We apply one notch for subordination and one additional notch to reflect the risk that regulators may force the write-down/conversion to equity of those instruments even outside a resolution/liquidation scenario.

### **Additional rating factors: None**

No additional factors affect this rating.

## Related Criteria

- 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
- Criteria - Financial Institutions - Banks: Bank Hybrid Capital And Nondeferrable Subordinated Debt Methodology And Assumptions, Jan. 29, 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
- General Criteria: Group Rating Methodology, 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
- Criteria - Financial Institutions - Banks: Bank Capital Methodology And Assumptions, Dec. 6, 2010
- Criteria - Financial Institutions - Banks: Commercial Paper I: Banks, March 23, 2004

## Related Research

- Banking Industry Country Risk Assessment: Italy, Nov. 2017
- Positive Actions Taken On Italian Banks On Reduced Economic Risks And Sovereign Upgrade, Oct. 31, 2017
- Italy-Based Mediobanca 'BBB' Rating Unaffected By News It Will Acquire A Stake In BFI Finance, Aug. 3, 2018
- Criteria For Assigning Resolution Counterparty Ratings To Financial Institutions Published, April 19, 2018
- Guidance: Methodology For Assigning Financial Institution Resolution Counterparty Ratings , April 19, 2018
- RFC Process Summary: Methodology For Assigning Financial Institution Resolution Counterparty Ratings, April 19, 2018

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 October 5, 2018)

#### Mediobanca SpA

Issuer Credit Rating	BBB/Stable/A-2
Resolution Counterparty Rating	BBB+/-/A-2
Senior Unsecured	BBB
Short-Term Debt	A-2
Subordinated	BB+

#### Issuer Credit Ratings History

31-Oct-2017	BBB/Stable/A-2
18-Dec-2014	BBB-/Stable/A-3
24-Jul-2013	BBB/Negative/A-2

#### Sovereign Rating

Italy	BBB/Stable/A-2
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#### Related Entities

##### MB Funding Lux S.A.

Issuer Credit Rating	BBB/Stable/A-2
Resolution Counterparty Rating	BBB+/-/A-2

##### Mediobanca International (Luxembourg) S.A.

Commercial Paper	
Local Currency	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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