MOODY'S
INVESTORS SERVICE

## CREDIT OPINION
21 July 2021

Update

Rate this Research

### RATINGS

**Mediobanca S.p.A.**

| | |
|---|---|
| Domicile | Milan, Italy |
| Long Term CRR | Baa1 |
| Type | LT Counterparty Risk Rating - Fgn Curr |
| Outlook | Not Assigned |
| Long Term Debt | Baa1 |
| Type | Senior Unsecured - Dom Curr |
| Outlook | Stable |
| Long Term Deposit | Baa1 |
| Type | LT Bank Deposits - Fgn Curr |
| Outlook | Stable |

*Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.*


### Contacts

Fabio Iannò +33.1.5330.3356
*VP-Sr Credit Officer*
fabio.ianno@moodys.com

Alain Laurin +33.1.5330.1059
*Associate Managing Director*
alain.laurin@moodys.com

Carola Schuler +49.69.70730.766
*MD-Banking*
carola.schuler@moodys.com


# Mediobanca S.p.A.

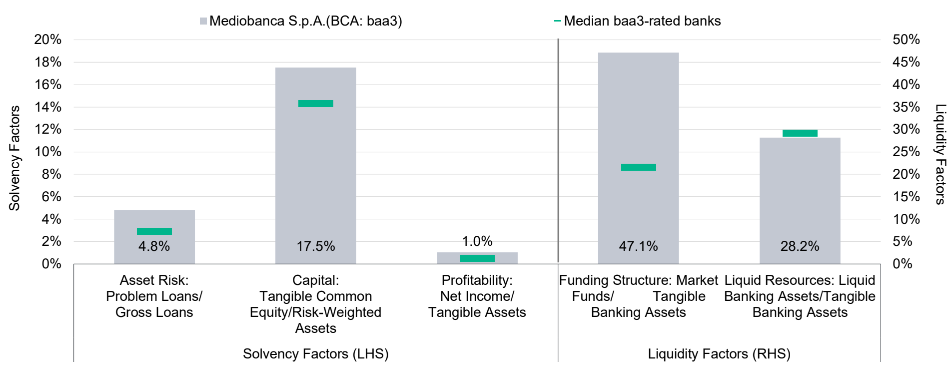
Update to credit analysis


## Summary

Mediobanca S.p.A.'s Baa1 long-term senior unsecured debt and deposit ratings reflect the bank's standalone Baseline Credit Assessment (BCA) of baa3; very low loss given failure resulting in two notches of uplift for both asset classes; and our assessment of a low probability of support from the Government of Italy (Baa3 stable), which results in no further uplift.

The baa3 BCA reflects the bank's good capitalisation, sound and diversified profitability, and high reliance on wholesale funding. The BCA also factors in the bank's large stake in Assicurazioni Generali S.p.A. (Generali, insurance financial strength rating Baa1, stable). This investment exposes Mediobanca to idiosyncratic risk, which is mitigated by the securities' liquidity and contribution to earnings.


Exhibit 1
**Rating Scorecard - Key financial ratios**




*Source: Moody's Financial Metrics™*

This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

## Credit strengths

» Good capitalisation

» Sound and diversified profitability

## Credit challenges

» High reliance on wholesale funding

» High borrower concentration and large stake in Generali

## Outlook

The outlook on Mediobanca's ratings is stable, reflecting the expected recovery in Italy's economy in 2021, as well as our expectation that substantial forward-looking provisions booked last year accompanied by continued government support in various forms will help offset the expected deterioration in asset quality and increased loan defaults after the support measures have been unwound. It also reflects Mediobanca`s good capitalisation that would allow to absorb further asset quality deterioration.

The outlook on the long-term deposit ratings is stable also because even though our Loss Given Failure (LGF) analysis suggests a three-notch uplift from the BCA, these ratings are constrained at two notches above Italy's sovereign rating of Baa3 and, therefore, are unlikely to be downgraded in the event of a potential one-notch downgrade of the BCA.

## Factors that could lead to an upgrade

An upgrade of Mediobanca's ratings is unlikely, as the senior unsecured and deposit ratings already exceed Italy's sovereign rating by two notches and are constrained at that level under our Banks methodology. This reflects our view that the expected losses on the bank's debt and deposits are unlikely to be significantly lower than that of the sovereign's own debt.

## Factors that could lead to a downgrade

A downgrade of Mediobanca's BCA could lead to a downgrade of the bank's senior unsecured and issuer ratings. The senior unsecured ratings could also be downgraded following a material reduction in the bank's stock of bail-in-able debt.

Mediobanca's BCA could be downgraded in case of a material deterioration in its asset quality and profitability, and reduced loss-absorption capacity. A downgrade of the BCA could also be triggered by a significant reduction in capitalisation or a material deterioration in liquidity.

Mediobanca’s ratings and assessments could also be downgraded following a downgrade of Italy’s sovereign debt rating.

This publication does not announce a credit rating action. For any credit ratings referenced in this publication, please see the ratings tab on the issuer/entity page on www.moodys.com for the most updated credit rating action information and rating history.



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

## Key indicators

Exhibit 2
**Mediobanca S.p.A. (Consolidated Financials) [1]**

| | 12-20[2] | 06-20[2] | 06-19[2] | 06-18[2] | 06-17[2] | CAGR/Avg.[3] |
|---|---|---|---|---|---|---|
| Total Assets (EUR Million) | 81,118.5 | 76,997.9 | 76,215.9 | 69,939.7 | 67,957.6 | 5.2[4] |
| Total Assets (USD Million) | 99,253.1 | 86,480.5 | 86,794.4 | 81,658.5 | 77,509.0 | 7.3[4] |
| Tangible Common Equity (EUR Million) | 8,879.5 | 8,457.9 | 8,310.0 | 8,140.2 | 7,685.3 | 4.2[4] |
| Tangible Common Equity (USD Million) | 10,864.5 | 9,499.6 | 9,463.4 | 9,504.1 | 8,765.5 | 6.3[4] |
| Problem Loans / Gross Loans (%) | 4.2 | 4.8 | 5.1 | 5.2 | 5.5 | 5.0[5] |
| Tangible Common Equity / Risk Weighted Assets (%) | 17.5 | 17.0 | 17.4 | 16.0 | 13.8 | 16.3[6] |
| Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%) | 19.3 | 23.0 | 23.5 | 23.1 | 23.9 | 22.6[5] |
| Net Interest Margin (%) | 1.9 | 2.0 | 2.0 | 2.1 | 2.0 | 2.0[5] |
| PPI / Average RWA (%) | 2.6 | 2.0 | 2.0 | 2.0 | 1.7 | 2.1[6] |
| Net Income / Tangible Assets (%) | 1.0 | 0.9 | 1.1 | 1.3 | 1.1 | 1.1[5] |
| Cost / Income Ratio (%) | 49.5 | 56.9 | 56.8 | 53.6 | 56.8 | 54.7[5] |
| Market Funds / Tangible Banking Assets (%) | 48.5 | 47.1 | 48.6 | 49.2 | 49.8 | 48.7[5] |
| Liquid Banking Assets / Tangible Banking Assets (%) | 28.8 | 28.2 | 31.7 | 30.3 | 32.7 | 30.3[5] |
| Gross Loans / Due to Customers (%) | 186.2 | 187.9 | 191.5 | 207.2 | 203.7 | 195.3[5] |

[1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
*Sources: Moody's Investors Service and company filings*

## Profile

Mediobanca is a medium-sized financial group with total assets of €83.8 billion as of March 2021. The group is internationally diversified and provides its clients with lending and other services in financial advisory and asset management. In April 2019, Mediobanca announced the acquisition of 66% of the French corporate finance company, Messier Maris & Associés, through which France will become the group's third-biggest regional investment banking market after Italy and Spain. In 2018, Mediobanca also acquired a majority stake in Ram Active Investments in Switzerland, having previously bought Cairn Capital in the UK. In early 2021 Mediobanca also announced the acquisition ByBrook Capital, an European distressed debt manager based in London. As of March 2021, Italy accounted for 53% of the group's corporate lending portfolio.

Mediobanca's main divisions are:

» Corporate and Investment Banking (CIB), which focuses on lending, capital market activities, and advisory services to large corporate clients — Mediobanca has preserved its traditional leading positioning in Corporate & Investment Banking in Italy, while the franchise has been enhanced in last few years on Italian mid caps and mid/large caps in France and Iberia, also leveraging on synergies with Private Banking. The division provides services in Wholesale Banking[1] and Specialty Finance[2] areas.

» Consumer Banking. This division operates only in Italy, where it is positioned among top three players in the market in terms of lending volumes, in the following main product areas: unsecured consumer loans, secured personal loans with a direct pledge on the borrower's salary, auto-financing, credit cards, and other consumer loans for the purchase of specific goods. It provides retail clients with the complete range of consumer credit products, namely personal loans, salary-backed finance, etc. through its subsidiaries Compass Banca and Compass RE.

» Wealth Management, which includes Premier banking through its subsidiary CheBanca! (wealth management services to affluent and wealth customers including asset management, deposits and residential mortgages); the Mediobanca Private brand, which focuses on high-net-worth individuals/families with a synergic approach with CIB; and Cairn Capital, Mediobanca SGR, Mediobanca Management Company, Compagnie Monégasque de Gestion, CMB Asset Management and RAM Active Investment that focuses on growing its wealth management and alternative business, targeting particularly affluent clients.

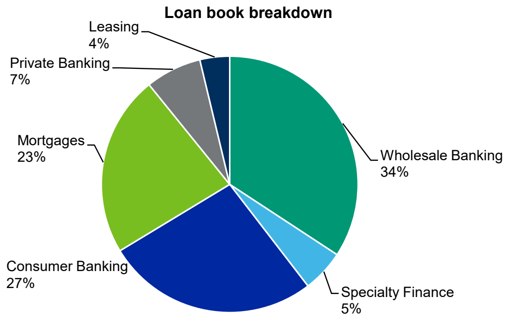
» Principal Investing, that combines the bank's portfolio of equity investments and holdings including the stake in Assicurazioni Generali. The main holding of the division is the 12.9% share in Assicurazioni Generali S.p.A., valued at €3.9 billion — All other investments in this division are valued at less than €0.7 billion in the bank's books and are currently being reduced.



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

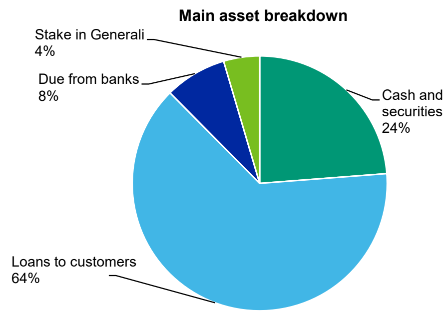
» Holding Function. It consists of the bank's Treasury and Asset and Liability Management operations (as part of Mediobanca S.p.A.), which seek to optimize funding and liquidity processes; it also includes all costs relating to group staffing and management functions based at Mediobanca S.p.A., and continues to include the leasing operations (headed by SelmaBipiemme Leasing S.p.A.) and the services and minor companies (Mediobanca Innovation Services and Prominvestment S.p.A.). Since 1 January 2019, the division also includes the corporate services area (performed by Spafid Connect).

Exhibit 3
**Mediobanca has a diversified business model**
**Around half of the group's activities are retail**




*Source: Bank's reports*

Exhibit 4




*Source: Bank's reports*

## Detailed credit considerations

### Macro Profile is Strong-

The weighted Macro Profile for Mediobanca is Strong-, reflecting its strong presence in Italy (Moderate+), as well as its exposures to large cross-border companies that operate in the European Union (Strong). Furthermore, it takes account of Generali's international footprint, with only around one-third of Generali's premiums generated in Italy.

### Moderate asset risk

We assign a ba1 Asset Risk score to Mediobanca, one notch below the Macro-Adjusted score. The score reflects a reported problem loan ratio of 3.4% as of the end of March 2021, lower than the Italian sector average of around 4% but higher than the European Union average of 2.5%, according to European Banking Authority latest published data (Risk Dashboard - Q1 2021). The assigned score also reflects the expected deterioration in asset quality in Italy over the next 12 to 18 months, particularly after loan moratoria have expired in December 2021 and support measures have been unwound.

Mediobanca holds a 12.9% stake in Generali booked at €3.9 billion as of March 2021; however, based on Generali's stock price, the 13% stake had a market value worth around €3.5 billion as of March 2021. Mediobanca deducts €1.7 billion, around 44% of its stake in Generali, from its Common Equity Tier 1 (CET1) capital.

Our ba1 score also reflects:

» the relatively high level of concentration in Mediobanca's corporate loan book

» strict underwriting procedures and a good track record in managing credit risk

» idiosyncratic risk resulting from the stake in Generali

» moderate market risk, trading activities are oriented more towards lower-risk securities than complex products

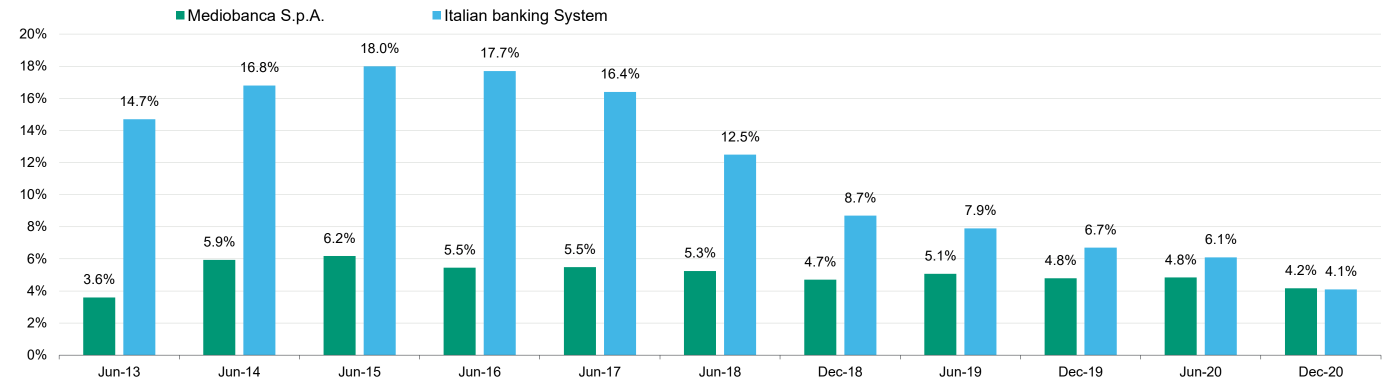


This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

Exhibit 5

**Moody`s adjusted NPLs ratio is in line with the Italian banking system average**

**NPLs as a percentage of gross loans**




*Sources: Moody's Investors Service, Bank of Italy and European Banking Authority*

## Good capitalisation, with large buffers over prudential requirements

We assign a score to Mediobanca's Capital of a3, two notches below the a1 Macro-Adjusted. The assigned score reflects Mediobanca's good capital ratios, its growth strategy, including through acquisitions, and its good track record of internal capital generation owing to its sound profitability.

Mediobanca reported a transitional phased-in 16.3% CET1 ratio and a total capital ratio of 19.0% as of the end of March 2021 (fully loaded ratios at 14.6% and 17.7%, respectively). We consider it strong as it is largely above its minimum CET1 Supervisory Review and Evaluation Process (SREP) requirement of 7.94% for 2021, which includes the Pillar 2 requirement of 1.25%, one of the lowest among the banks supervised by the European Central Bank (ECB), and the capital conservation buffer of 2.50%.

Capital ratios slightly increased from December 2020 when the CET1 ratio was 16.2% mainly because of retained earnings (40 basis points) and RWA reduction (+25 bps) that counterbalanced the negative effects of dividend accruals (-30 bps), deductions linked to higher Generali book value (-15 bps).

## Sound and diversified profitability

The score for Mediobanca's Profitability is baa3, one notch below the Macro-Adjusted score. The assigned score reflects our medium-term view on Mediobanca's return on tangible assets, including a possible reduction in its stake in Generali, which is a material contributor to Mediobanca's profitability: in nine months ending in March 2021[3], principal investing generated a net profit of €199 million, much lower than last year (9M ending March 2020: €225.3 million) mostly attributable to extraordinary charges taken by Assicurazioni Generali in the first half of the last financial year.

Mediobanca presented its 2019-23 business plan in November 2019, which primarily focuses on growth in revenues and earnings, and which might involve the reduction in its stake in Generali to finance acquisitions. The bank did not announce any revision of its business plan guidelines following the coronavirus pandemic.

In the last three years, Mediobanca reported an average return on tangible assets of over 100 bps, which is sound in the Italian and European contexts. Furthermore, despite a difficult operating environment, particularly in Italy, Mediobanca has a good track record of generating profit (see Exhibit 5), even though this is partly due to the material contribution to income from the stake in Generali.

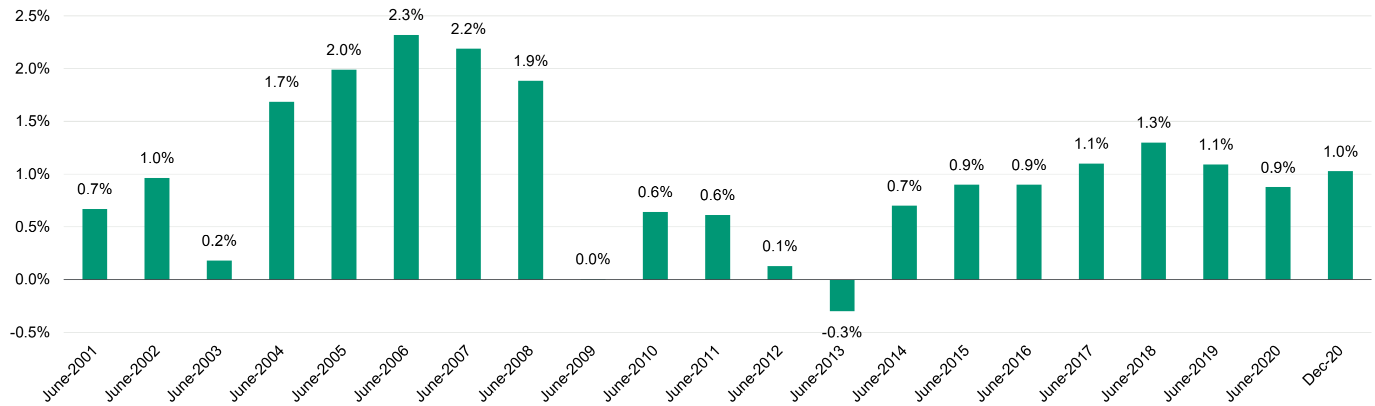


This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

Exhibit 6

**Good track record of profit**

**Return on tangible assets**



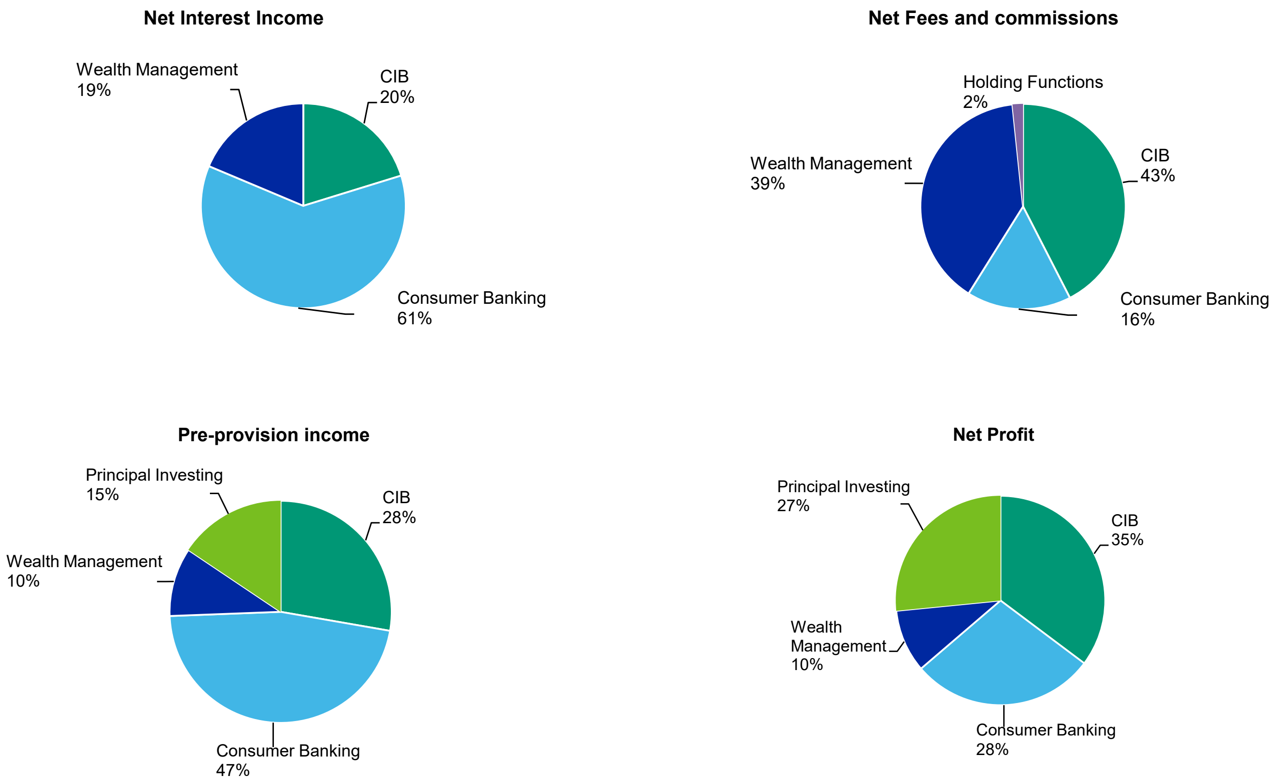

*Sources: Moody's Investors Service and bank's reports*

Mediobanca's diversified business model has supported the bank's earnings and the group has also significantly expanded its retail business over the last few years by growing its retail bank subsidiary CheBanca!. Nevertheless, the high concentration in Generali represents a material dependence for its earnings. In the nine months ending March 2021, net income from principal investing amounted to €199 million.



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

Exhibit 7
**Income breakdown by business line**




*Sources: Moody's Investors Service and bank's reports*

## High reliance on wholesale funding

Our score for Mediobanca's Funding Structure is b2, in line with the b2 Macro-Adjusted score, reflecting the relatively high reliance on wholesale funding compared to other Italian banks.

Despite Mediobanca's efforts in recent years to increase its share of deposit funding by creating CheBanca! in 2008, the bank is still highly reliant on wholesale funding, with a loan to deposit ratio well above 100%. Market funds as of December 2020 accounted for 48.5% of tangible banking assets, which is a key weakness. This risk is mitigated by the maturity profile of its funding, the short duration of its loan book and its adequate liquidity. Mediobanca has a MREL requirement of 21.85% of risk-weighted assets.

Mediobanca has also drawn €7 billion of ECB funding (TLTRO III) as of end March 2021, increased from the €6.2 billion as of December 2020, which finances around 8.4% of total assets. In our banks' ratings and assessments analysis, we deduct the part of ECB TLTRO that is deposited back at the ECB (in excess to the ordinary amount) from banks' funding ratios, liquidity ratios, and total banking assets (TBAs). We consider that this ressource, which is not used to fund a bank's normal activity but rather to benefit from current attractive remuneration terms, will only be relied upon temporarily.

Mediobanca's Liquid Resources score is baa2, in line with the Macro-Adjusted score, reflecting the bank's strong liquidity. As of the end of March 2021, the bank reported a liquidity coverage ratio of 153% and a net stable funding ratio of 109%.

## Environmental, social and governance considerations

In line with our general view for the banking sector, Mediobanca has low exposure to environmental risks. See our environmental risk heat map for further information.



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

We expect Mediobanca to face moderate social risks, in line with our view on the banking sector. The most relevant social risks for banks arise from the way they interact with their customers. Social risks are particularly high in the area of data security and customer privacy, which are mitigated by sizeable technology investments and banks' long track record of handling sensitive client data. Fines and reputational damage because of product mis-selling or other types of misconduct are a further social risk. Moreover, we regard the coronavirus pandemic as a social risk under our ESG framework, given the substantial implications for public health and safety.

Social trends are also relevant in a number of areas, such as shifting customer preferences towards digital banking services increasing information technology costs, ageing population concerns in several countries affecting demand for financial services or socially driven policy agendas that may translate into regulations that affect banks' revenue base. See our social heat map for further information.

Corporate governance is highly relevant to all banks' creditworthiness. Corporate governance weaknesses can lead to a deterioration in a bank's credit quality, while governance strengths can benefit its credit profile. When credit quality deteriorates because of poor governance, such as breakdown in controls resulting in financial misconduct, it can take a long time to recover. In more extreme cases, a loss of confidence among clients and creditors following the disclosure of a major governance breach can result in a bank's default.

Mediobanca's governance changed in the last twelve months: in November 2019, Leonardo Del Vecchio (executive chairman of EssilorLuxottica) gradually increased his stake in the bank and as of March 2021 he is the main single shareholder with an almost 20% stake, while Unicredit entirely divested its participation in Mediobanca in 2019. These changes in the shareholding structure could have an impact on the bank's strategy going forward. Overall, 50% of shareholders are institutional investors (mainly from Italy, UK and the US) and 21.9% are retail investors. 10.6% belongs to Consultation agreement and 2.1% Bollorè Group.

## Support and structural considerations

### Loss Given Failure (LGF) analysis

Mediobanca is subject to the EU Bank Recovery and Resolution Directive, which we consider an operational resolution regime. Our analysis assumes residual tangible common equity of 3% and post-failure losses equivalent to 8% of tangible banking assets, a 25% run-off in junior wholesale deposits, a 5% run-off in preferred deposits and 26% of junior deposits over total deposits. These assumptions are in line with our standard assumptions. Furthermore, we expect deposits to rank above senior debt in a resolution, given the introduction of full deposit preference in Italy in 2019.

In our LGF analysis, we deduct the from banks' TBAs, the part of ECB TLTROs that is deposited back at the ECB, in excess to the ordinary amount of ECB deposits. We consider that these amounts are not used by banks to fund their balance sheet activities but rather to benefit from attractive remuneration terms.

Under these assumptions, Mediobanca's deposits are likely to face extremely low loss given failure because of the loss absorption provided by the residual equity that we expect in resolution, (3%), subordinated debt and senior unsecured debt, as well as the volume of deposits themselves. This is supported by the combination of deposit volume and subordination. This would have resulted in an uplift of three notches from the bank's baa3 BCA to the deposit rating in the absence of the constraint that ratings are typically constrained to two notches above the sovereign bond rating. Hence uplift from the current BCA is limited to two notches (Baa1).

We believe that Mediobanca's senior unsecured debt is likely to face very low loss given failure because of the loss absorption provided by the residual equity that we expect in resolution and by subordinated debt, as well as the volume of senior unsecured debt itself. This results in an uplift of two notches from the bank's baa3 BCA (Baa1).

### Counterparty Risk Ratings (CRRs)

#### Mediobanca's CRRs are Baa1/Prime-2

Mediobanca's CRRs benefit from considerable subordination and would be three notches above the baa3 BCA, but we constrain this uplift to two notches above Italy's Baa3 sovereign debt rating. In accordance with our Banks methodology, CRRs are typically constrained to two notches above the sovereign bond rating, reflecting our view that the expected loss of rated bank instruments is unlikely to be significantly lower that of the sovereign's own debt.

The Baa1 CRRs of Mediobanca do not include any further uplift resulting from our expectation for low probability of government support.



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

### Counterparty Risk (CR) Assessment

Because the CR Assessment captures the probability of default on certain senior operational obligations, rather than expected loss,we focus purely on subordination and take no account of the volume of the instrument class.

**Mediobanca's CR Assessment is Baa2(cr)/Prime-2(cr)**

This is one notch above the bank's standalone BCA of baa3.

According to our methodology, CR Assessments do not typically exceed by more than one notch the rating of the sovereign in which the bank is domiciled, reflecting our view that the probability of default of counterparty obligations is unlikely to be significantly below that of the sovereign's own debt.

The uplift to Mediobanca's CR Assessment derives from the buffer against default provided to the operating obligations by substantial bail-in-able debt and deposits. The main difference with our Advanced LGF approach used to determine instrument ratings is that the CR Assessment captures the probability of default on certain senior obligations, rather than expected loss, and therefore, we focus purely on subordination and take no account of the volume of the instrument class

### Government support considerations

We assess the probability of government support to Mediobanca's depositors and senior bondholders as Low and hence we assign no rating uplift.

Mediobanca is a modestly sized bank domestically, and not a key participant in global financial markets. As such, its debt or deposits are unlikely to benefit from government support.

## Methodology and scorecard

### About Moody's scorecard

Our scorecard is designed to capture, express and explain in summary form our Rating Committee's judgement. When read in conjunction with our research, a fulsome presentation of our judgement is expressed. As a result, the output of our scorecard may materially differ from what suggested by raw data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

## Rating methodology and scorecard factors

Exhibit 8

**Mediobanca S.p.A.**

| **Macro Factors** | | |
|---|---|---|
| **Weighted Macro Profile** | **Strong -** | **100%** |

| Factor | Historic Ratio | Initial Score | Expected Trend | Assigned Score | Key driver #1 | Key driver #2 |
|---|---|---|---|---|---|---|
| Solvency | | | | | | |
| Asset Risk | | | | | | |
| Problem Loans / Gross Loans | 4.8% | baa3 | ↓ | ba1 | Single name concentration | |
| Capital | | | | | | |
| Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in) | 17.5% | a1 | ↔ | a3 | Expected trend | Stress capital resilience |
| Profitability | | | | | | |
| Net Income / Tangible Assets | 1.0% | baa2 | ↔ | baa3 | Expected trend | |
| Combined Solvency Score | | baa1 | | baa2 | | |
| Liquidity | | | | | | |
| Funding Structure | | | | | | |
| Market Funds / Tangible Banking Assets | 47.1% | b2 | ↔ | b2 | Term structure | Market funding quality |
| Liquid Resources | | | | | | |
| Liquid Banking Assets / Tangible Banking Assets | 28.2% | baa2 | ↔ | baa2 | Expected trend | |
| Combined Liquidity Score | | ba2 | | ba2 | | |
| Financial Profile | | | | baa3 | | |
| Qualitative Adjustments | | | | Adjustment | | |
| Business Diversification | | | | 0 | | |
| Opacity and Complexity | | | | 0 | | |
| Corporate Behavior | | | | 0 | | |
| Total Qualitative Adjustments | | | | 0 | | |
| Sovereign or Affiliate constraint | | | | Baa3 | | |
| BCA Scorecard-indicated Outcome - Range | | | | baa2 - ba1 | | |
| Assigned BCA | | | | baa3 | | |
| Affiliate Support notching | | | | 0 | | |
| Adjusted BCA | | | | baa3 | | |

| **Balance Sheet** | **in-scope (EUR Million)** | **% in-scope** | **at-failure (EUR Million)** | **% at-failure** |
|---|---|---|---|---|
| Other liabilities | 38,656 | 48.1% | 43,262 | 53.9% |
| Deposits | 25,904 | 32.3% | 23,262 | 29.0% |
| Preferred deposits | 19,169 | 23.9% | 18,211 | 22.7% |
| Junior deposits | 6,735 | 8.4% | 5,051 | 6.3% |
| Senior unsecured bank debt | 10,822 | 13.5% | 8,108 | 10.1% |
| Junior senior unsecured bank debt | 500 | 0.6% | 1,000 | 1.2% |
| Dated subordinated bank debt | 1,994 | 2.5% | 2,244 | 2.8% |
| Equity | 2,409 | 3.0% | 2,409 | 3.0% |
| Total Tangible Banking Assets | 80,285 | 100.0% | 80,285 | 100.0% |



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

| Debt Class | De Jure waterfall | | De Facto waterfall | | Notching | | LGF Notching Guidance vs. Adjusted BCA | Assigned LGF notching | Additional Notching | Preliminary Rating Assessment |
|---|---|---|---|---|---|---|---|---|---|---|
| | Instrument volume + subordination | Sub-ordination | Instrument volume + subordination | Sub-ordination | De Jure | De Facto | | | | |
| Counterparty Risk Rating | 23.4% | 23.4% | 23.4% | 23.4% | 3 | 3 | 3 | 3 | 0 | baa1 |
| Counterparty Risk Assessment | 23.4% | 23.4% | 23.4% | 23.4% | 3 | 3 | 3 | 3 | 0 | baa2 (cr) |
| Deposits | 23.4% | 7.0% | 23.4% | 17.1% | 2 | 3 | 3 | 3 | 0 | baa1 |
| Senior unsecured bank debt | 23.4% | 7.0% | 17.1% | 7.0% | 2 | 2 | 2 | 2 | 0 | baa1 |
| Junior senior unsecured bank debt | 7.0% | 5.8% | 7.0% | 5.8% | -1 | -1 | -1 | 0 | 0 | baa3 |
| Dated subordinated bank debt | 5.8% | 3.0% | 5.8% | 3.0% | -1 | -1 | -1 | -1 | 0 | ba1 |

| Instrument Class | Loss Given Failure notching | Additional notching | Preliminary Rating Assessment | Government Support notching | Local Currency Rating | Foreign Currency Rating |
|---|---|---|---|---|---|---|
| Counterparty Risk Rating | 3 | 0 | baa1 | 0 | Baa1 | Baa1 |
| Counterparty Risk Assessment | 3 | 0 | baa2 (cr) | 0 | Baa2(cr) | |
| Deposits | 3 | 0 | baa1 | 0 | Baa1 | Baa1 |
| Senior unsecured bank debt | 2 | 0 | baa1 | 0 | Baa1 | (P)Baa1 |
| Junior senior unsecured bank debt | 0 | 0 | baa3 | 0 | Baa3 | (P)Baa3 |
| Dated subordinated bank debt | -1 | 0 | ba1 | 0 | Ba1 | (P)Ba1 |

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
*Source: Moody's Investors Service*

## Ratings

Exhibit 9

| Category | Moody's Rating |
|---|---|
| **MEDIOBANCA S.P.A.** | |
| Outlook | Stable |
| Counterparty Risk Rating | Baa1/P-2 |
| Bank Deposits | Baa1/P-2 |
| Baseline Credit Assessment | baa3 |
| Adjusted Baseline Credit Assessment | baa3 |
| Counterparty Risk Assessment | Baa2(cr)/P-2(cr) |
| Issuer Rating | Baa1 |
| Senior Unsecured -Dom Curr | Baa1 |
| Junior Senior Unsecured -Dom Curr | Baa3 |
| Junior Senior Unsecured MTN | (P)Baa3 |
| Subordinate -Dom Curr | Ba1 |
| Other Short Term | (P)P-2 |
| **MEDIOBANCA INTERNATIONAL (LUXEMBOURG) SA** | |
| Outlook | Stable |
| Bkd Senior Unsecured | Baa1 |
| Bkd Commercial Paper -Dom Curr | P-2 |
| Bkd Other Short Term | (P)P-2 |

*Source: Moody's Investors Service*

## Endnotes

1 comprising investment banking (including lending, advisory and capital market activities) and proprietary trading (businesses performed by Mediobanca and Mediobanca International, Mediobanca Securities and Messier Maris & Associés).

2 comprises factoring and credit management (including nonperforming loan portfolio acquisition and management) performed by MBFACTA and MBCredit Solutions.

3 Mediobanca report full year financial statements in June and not in December like most other banks



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

© 2021 Moody's Corporation, Moody's Investors Service, Inc., Moody's Analytics, Inc. and/or their licensors and affiliates (collectively, "MOODY'S"). All rights reserved.

**CREDIT RATINGS ISSUED BY MOODY'S CREDIT RATINGS AFFILIATES ARE THEIR CURRENT OPINIONS OF THE RELATIVE FUTURE CREDIT RISK OF ENTITIES, CREDIT COMMITMENTS, OR DEBT OR DEBT-LIKE SECURITIES, AND MATERIALS, PRODUCTS, SERVICES AND INFORMATION PUBLISHED BY MOODY'S (COLLECTIVELY, "PUBLICATIONS") MAY INCLUDE SUCH CURRENT OPINIONS. MOODY'S DEFINES CREDIT RISK AS THE RISK THAT AN ENTITY MAY NOT MEET ITS CONTRACTUAL FINANCIAL OBLIGATIONS AS THEY COME DUE AND ANY ESTIMATED FINANCIAL LOSS IN THE EVENT OF DEFAULT OR IMPAIRMENT. SEE APPLICABLE MOODY'S RATING SYMBOLS AND DEFINITIONS PUBLICATION FOR INFORMATION ON THE TYPES OF CONTRACTUAL FINANCIAL OBLIGATIONS ADDRESSED BY MOODY'S CREDIT RATINGS. CREDIT RATINGS DO NOT ADDRESS ANY OTHER RISK, INCLUDING BUT NOT LIMITED TO: LIQUIDITY RISK, MARKET VALUE RISK, OR PRICE VOLATILITY. CREDIT RATINGS, NON-CREDIT ASSESSMENTS ("ASSESSMENTS"), AND OTHER OPINIONS INCLUDED IN MOODY'S PUBLICATIONS ARE NOT STATEMENTS OF CURRENT OR HISTORICAL FACT. MOODY'S PUBLICATIONS MAY ALSO INCLUDE QUANTITATIVE MODEL-BASED ESTIMATES OF CREDIT RISK AND RELATED OPINIONS OR COMMENTARY PUBLISHED BY MOODY'S ANALYTICS, INC. AND/OR ITS AFFILIATES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT CONSTITUTE OR PROVIDE INVESTMENT OR FINANCIAL ADVICE, AND MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT AND DO NOT PROVIDE RECOMMENDATIONS TO PURCHASE, SELL, OR HOLD PARTICULAR SECURITIES. MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS DO NOT COMMENT ON THE SUITABILITY OF AN INVESTMENT FOR ANY PARTICULAR INVESTOR. MOODY'S ISSUES ITS CREDIT RATINGS, ASSESSMENTS AND OTHER OPINIONS AND PUBLISHES ITS PUBLICATIONS WITH THE EXPECTATION AND UNDERSTANDING THAT EACH INVESTOR WILL, WITH DUE CARE, MAKE ITS OWN STUDY AND EVALUATION OF EACH SECURITY THAT IS UNDER CONSIDERATION FOR PURCHASE, HOLDING, OR SALE.**

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS, AND PUBLICATIONS ARE NOT INTENDED FOR USE BY RETAIL INVESTORS AND IT WOULD BE RECKLESS AND INAPPROPRIATE FOR RETAIL INVESTORS TO USE MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS OR PUBLICATIONS WHEN MAKING AN INVESTMENT DECISION. IF IN DOUBT YOU SHOULD CONTACT YOUR FINANCIAL OR OTHER PROFESSIONAL ADVISER.

ALL INFORMATION CONTAINED HEREIN IS PROTECTED BY LAW, INCLUDING BUT NOT LIMITED TO, COPYRIGHT LAW, AND NONE OF SUCH INFORMATION MAY BE COPIED OR OTHERWISE REPRODUCED, REPACKAGED, FURTHER TRANSMITTED, TRANSFERRED, DISSEMINATED, REDISTRIBUTED OR RESOLD, OR STORED FOR SUBSEQUENT USE FOR ANY SUCH PURPOSE, IN WHOLE OR IN PART, IN ANY FORM OR MANNER OR BY ANY MEANS WHATSOEVER, BY ANY PERSON WITHOUT MOODY'S PRIOR WRITTEN CONSENT.

MOODY'S CREDIT RATINGS, ASSESSMENTS, OTHER OPINIONS AND PUBLICATIONS ARE NOT INTENDED FOR USE BY ANY PERSON AS A BENCHMARK AS THAT TERM IS DEFINED FOR REGULATORY PURPOSES AND MUST NOT BE USED IN ANY WAY THAT COULD RESULT IN THEM BEING CONSIDERED A BENCHMARK.

All information contained herein is obtained by MOODY'S from sources believed by it to be accurate and reliable. Because of the possibility of human or mechanical error as well as other factors, however, all information contained herein is provided "AS IS" without warranty of any kind. MOODY'S adopts all necessary measures so that the information it uses in assigning a credit rating is of sufficient quality and from sources MOODY'S considers to be reliable including, when appropriate, independent third-party sources. However, MOODY'S is not an auditor and cannot in every instance independently verify or validate information received in the rating process or in preparing its Publications.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability to any person or entity for any indirect, special, consequential, or incidental losses or damages whatsoever arising from or in connection with the information contained herein or the use of or inability to use any such information, even if MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers is advised in advance of the possibility of such losses or damages, including but not limited to: (a) any loss of present or prospective profits or (b) any loss or damage arising where the relevant financial instrument is not the subject of a particular credit rating assigned by MOODY'S.

To the extent permitted by law, MOODY'S and its directors, officers, employees, agents, representatives, licensors and suppliers disclaim liability for any direct or compensatory losses or damages caused to any person or entity, including but not limited to by any negligence (but excluding fraud, willful misconduct or any other type of liability that, for the avoidance of doubt, by law cannot be excluded) on the part of, or any contingency within or beyond the control of, MOODY'S or any of its directors, officers, employees, agents, representatives, licensors or suppliers, arising from or in connection with the information contained herein or the use of or inability to use any such information.

NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE ACCURACY, TIMELINESS, COMPLETENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF ANY CREDIT RATING, ASSESSMENT, OTHER OPINION OR INFORMATION IS GIVEN OR MADE BY MOODY'S IN ANY FORM OR MANNER WHATSOEVER.

Moody's Investors Service, Inc., a wholly-owned credit rating agency subsidiary of Moody's Corporation ("MCO"), hereby discloses that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by Moody's Investors Service, Inc. have, prior to assignment of any credit rating, agreed to pay to Moody's Investors Service, Inc. for credit ratings opinions and services rendered by it fees ranging from $1,000 to approximately $5,000,000. MCO and Moody's Investors Service also maintain policies and procedures to address the independence of Moody's Investors Service credit ratings and credit rating processes. Information regarding certain affiliations that may exist between directors of MCO and rated entities, and between entities who hold credit ratings from Moody's Investors Service and have also publicly reported to the SEC an ownership interest in MCO of more than 5%, is posted annually at www.moodys.com under the heading "Investor Relations — Corporate Governance — Director and Shareholder Affiliation Policy."

Additional terms for Australia only: Any publication into Australia of this document is pursuant to the Australian Financial Services License of MOODY'S affiliate, Moody's Investors Service Pty Limited ABN 61 003 399 657AFSL 336969 and/or Moody's Analytics Australia Pty Ltd ABN 94 105 136 972 AFSL 383569 (as applicable). This document is intended to be provided only to "wholesale clients" within the meaning of section 761G of the Corporations Act 2001. By continuing to access this document from within Australia, you represent to MOODY'S that you are, or are accessing the document as a representative of, a "wholesale client" and that neither you nor the entity you represent will directly or indirectly disseminate this document or its contents to "retail clients" within the meaning of section 761G of the Corporations Act 2001. MOODY'S credit rating is an opinion as to the creditworthiness of a debt obligation of the issuer, not on the equity securities of the issuer or any form of security that is available to retail investors.

Additional terms for Japan only: Moody's Japan K.K. ("MJKK") is a wholly-owned credit rating agency subsidiary of Moody's Group Japan G.K., which is wholly-owned by Moody's Overseas Holdings Inc., a wholly-owned subsidiary of MCO. Moody's SF Japan K.K. ("MSFJ") is a wholly-owned credit rating agency subsidiary of MJKK. MSFJ is not a Nationally Recognized Statistical Rating Organization ("NRSRO"). Therefore, credit ratings assigned by MSFJ are Non-NRSRO Credit Ratings. Non-NRSRO Credit Ratings are assigned by an entity that is not a NRSRO and, consequently, the rated obligation will not qualify for certain types of treatment under U.S. laws. MJKK and MSFJ are credit rating agencies registered with the Japan Financial Services Agency and their registration numbers are FSA Commissioner (Ratings) No. 2 and 3 respectively.

MJKK or MSFJ (as applicable) hereby disclose that most issuers of debt securities (including corporate and municipal bonds, debentures, notes and commercial paper) and preferred stock rated by MJKK or MSFJ (as applicable) have, prior to assignment of any credit rating, agreed to pay to MJKK or MSFJ (as applicable) for credit ratings opinions and services rendered by it fees ranging from JPY125,000 to approximately JPY550,000,000.

MJKK and MSFJ also maintain policies and procedures to address Japanese regulatory requirements.

REPORT NUMBER 1288820



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.

## CLIENT SERVICES


| | |
|---|---|
| Americas | 1-212-553-1653 |
| Asia Pacific | 852-3551-3077 |
| Japan | 81-3-5408-4100 |
| EMEA | 44-20-7772-5454 |


MOODY'S INVESTORS SERVICE



This document has been prepared for the use of Luisa Demaria and is protected by law. It may not be copied, transferred or disseminated unless authorized under a contract with Moody's or otherwise authorized in writing by Moody's.