STANDARD
& POOR'S
RATINGS SERVICES

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Various Rating Actions Taken On Italian Banks

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- On July 9, 2013, Standard & Poor's lowered its long-term rating on Italy to 'BBB' from 'BBB+'. The outlook on the long-term rating remains negative.
- As a result of the sovereign action, we are lowering to 'BBB' from 'BBB+' the long-term ratings on nine Italian banks, namely UniCredit SpA and its core subsidiary UniCredit Leasing, Intesa Sanpaolo and its core subsidiary Banca IMI, Banca Fideuram, Mediobanca, Cariparma, Banca Nazionale del Lavoro, and Istituto del Credito Sportivo.
- We anticipate the factors behind the sovereign rating action could have negative implications for our view of the economic and industry risks affecting the Italian banking industry, as well as some of the specific factors that we take into consideration when assessing Italian banks' creditworthiness.
- We are therefore also placing on CreditWatch with negative implications the long-term ratings on 23 Italian banks, including, among others, Mediobanca, Banca Popolare di Milano, Banca Popolare dell'Emilia Romagna, Banca Popolare di Vicenza, Banco Popolare, Credito Emiliano, Veneto Banca, Unione di Banche Italiane Scpa, Popolare dell'Alto Adige, MedioCredito Centrale, Iccrea Holding SpA, and Istituto Centrale delle Banche Popolari Italiane SpA.
- We expect to resolve the CreditWatch placements over the coming weeks once we have concluded our review of the wider impact of the factors behind our sovereign rating action on economic and industry risk in Italy and how this affects our bank ratings.

MILAN (Standard & Poor's) July 12, 2013--Standard & Poor's Ratings Services said today that it has taken various rating actions on Italian banks (see list below for all entities affected). The rating actions follow the lowering of the unsolicited long-term sovereign credit rating on the Republic of Italy to 'BBB' from 'BBB+' on July 9, 2013 (see "Long-Term Ratings On Italy Lowered To

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'BBB'; Outlook Negative," published on RatingsDirect).

In our opinion, the rating action on Italy has direct negative rating implications for the banks that we currently rate above our 'BBB' long-term rating on Italy. These are: UniCredit SpA and its core subsidiary UniCredit Leasing SpA, Intesa Sanpaolo SpA and its core subsidiary Banca IMI SpA, Banca Fideuram, Mediobanca SpA, Cassa di Risparmio di Parma e Piacenza SpA (Cariparma), Banca Nazionale del Lavoro SpA (BNL), and Istituto del Credito Sportivo (ICS).

We have also lowered our issue ratings on the nondeferrable subordinated and hybrid instruments on UniCredit, Intesa, and Mediobanca. According to our criteria, we derive the ratings on a bank's subordinated debt and hybrid instruments by notching down from either the bank's issuer credit rating (ICR) or the stand-alone credit profile (SACP), whichever is lower. UniCredit, Intesa, and Mediobanca now have lower ICRs than SACPs. We therefore base our issue ratings on those banks' nondeferrable subordinated and hybrid securities on their 'BBB' ICR rather than the SACP.

As a result of the rating action on Italy, we have lowered the long-term rating on UniCredit and its core subsidiary, UniCredit Leasing, to 'BBB' from 'BBB+'. Despite UniCredit's diversification outside Italy, under our criteria we rarely rate financial institutions above the foreign currency rating on the sovereign when, as in the case of UniCredit, they have more than 40% of their assets in that country. This reflects our view of the interconnection between a banking system and its related sovereign.

We have also placed our 'A/A-1' long- and short-term counterparty credit ratings on UniCredit Bank AG and our 'A-' long-term counterparty credit rating on UniCredit Bank Austria AG, as well as all our ratings on both banks' subordinated debt and hybrid instruments, on CreditWatch with negative implications. These actions reflect our view that the ongoing deteriorating creditworthiness of their parent, UniCredit, could weaken its subsidiaries' credit profiles. In our opinion, any weakening of the UniCredit group's creditworthiness could constrain our view of the two subsidiaries' business positions, capital, and funding and liquidity positions, as well as their systemic importance and the regulatory environment in their respective countries. We expect to resolve the CreditWatch on these entities in the next three months. We are also placing on CreditWatch with negative implications our 'BBB/A-2' long- and short-term counterparty credit ratings on Bank Austria's subsidiaries, Zao UniCredit Bank and UniCredit Bulbank AD. The CreditWatch mirrors that on the parent.

We have also lowered the long-term rating on Intesa, and its core subsidiary, Banca IMI, to 'BBB' from 'BBB+', in line with the rating action on Italy. In our view, Intesa is also highly exposed to developments in Italy because more than 80% of its assets are based there and it has a large exposure to Italian government bonds. We also lowered the long-term counterparty credit ratings on Mediobanca and Banca Fideuram to 'BBB' from 'BBB+', as most of their operations are in Italy. We also lowered the rating on government-related entity ICS, as it mainly operates in Italy and has a "very strong" link, according to our criteria, with the Italian government.

We have also lowered the long-term counterparty credit rating on the Italian subsidiaries of BNP Paribas and Credit Agricole--BNL and Cariparma, respectively. We consider these two entities to be "core" to their parents and therefore, as per our criteria, we could rate them at the same level. However, according to our criteria, the long-term rating on a subsidiary is capped by the foreign currency rating on the sovereign where the subsidiary is domiciled, if, in our view, the parent has not demonstrated its capacity and willingness to provide it with sufficient support to withstand the stress associated with a sovereign default. We therefore cap the ratings on both Cariparma and BNL at the level of the Italian long-term rating.

The lowering of the long-term sovereign credit rating on Italy has not affected the amount of extraordinary government support that we currently incorporate into our ratings on Italian banks. As the current Italian sovereign credit rating is 'BBB', we continue to incorporate one notch of uplift for extraordinary government support in the ratings on Banco Popolare Società Cooperativa, reflecting our view of its high systemic importance, and on Banca Carige, based on our view of its moderate systemic importance.

In our opinion, the factors that led to the one-notch lowering of the Italian long-term sovereign credit rating to 'BBB' could potentially affect our view of economic and industry risks affecting the Italian banking industry. As a result, we could also revise our view of some of the specific factors that we take into consideration when assessing Italian banks' creditworthiness--namely business position, capital and earnings, risk position, and funding and liquidity. The action on the Italian sovereign rating reflects our view of a further worsening of Italian economic prospects coming on top of a decade of real growth averaging minus 0.04%. We expect that 2013 per capita GDP will be an estimated €25,000 or US$33,000, which is somewhat below 2007 levels.

While we continue assessing the potential implications of the factors behind the Italian sovereign rating action on our bank ratings, we have placed on CreditWatch with negative implications our long-term ratings on 23 banks in Italy, and on the issue ratings on those banks' nondeferrable subordinated debt and hybrids. (See list below for the entities affected.) In addition, we have placed on CreditWatch with negative implications the short-term ratings on 15 Italian banks, taking into account the typical correlation with the banks' long-term rating. The long-term ratings on Banca Carige and Agos-Ducato remain on CreditWatch with negative implications where they were placed on March 22, 2013 and March 12, 2013, respectively. We expect to resolve the CreditWatch placements over the coming weeks once we have concluded our review of the wider impact of the factors behind the sovereign rating action on economic and industry risk in Italy, and how this affects the specific factors that we take into consideration when assessing Italian banks' creditworthiness.

We have also affirmed the short-term ratings on 16 banks. This is because we do not expect our upcoming review of the Italian banking sector to affect the long-term ratings to such an extent that our criteria would indicate a different correlation with the short-term ratings on those banks.

The outlooks on the long-term ratings on UniCredit and its subsidiary UniCredit Leasing and Intesa and its subsidiary Banca IMI remain negative. We have not placed the long-term ratings on these entities on CreditWatch negative as we consider it unlikely that we would revise downward their SACPs--currently 'bbb+'--by more than one notch as a result of our upcoming review of the Italian banking sector. The negative outlooks on these entities mirror that on the long-term rating on Italy.

RELATED CRITERIA AND RESEARCH

- Use Of CreditWatch And Outlooks, Sept 14, 2009
- Nonsovereign Ratings That Exceed EMU Sovereign Ratings: Methodology and Assumptions, June 14, 2011
- Bank Capital Methodology And Assumptions, Dec. 6, 2010
- Bank Hybrid Capital Methodology And Assumptions, Nov. 1, 2011
- Group Rating Methodology, May 7, 2013
- Banks: Rating Methodology And Assumptions, Nov. 9, 2011
- Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, Nov. 9, 2011
- Rating Government-Related Entities: Methodology And Assumptions, Dec. 9, 2010

RATINGS LIST

Downgraded

	To	From
UniCredit SpA		
UniCredit Leasing SpA		
Intesa Sanpaolo SpA		
Banca IMI SpA		
Cassa di Risparmio di Parma e Piacenza SpA		
Banca Nazionale del Lavoro SpA		
Counterparty Credit Rating	BBB/Negative/A-2	BBB+/Negative/A-2

CreditWatch Action

	To	From
UniCredit Bank Austria AG		
Long-Term Counterparty Credit Rating	A-/Watch Neg	A-/Negative

UniCredit Bank AG		
Unicredit Luxembourg S.A.		
Counterparty Credit Rating	A/Watch Neg/A-1	A/Negative/A-1
UniCredit Bulbank AD		
ZAO UniCredit Bank		
Counterparty Credit Rating	BBB/Watch Neg/A-2	BBB/Stable/A-2
Credito Emiliano SpA		
Unione di Banche Italiane Scpa		
Counterparty Credit Rating	BBB/Watch Neg/A-2	BBB/Negative/A-2
MedioCredito Centrale SpA		
Iccrea Holding SpA		
Iccrea Banca SpA		
Iccrea BancaImpresa SpA		
Banca Popolare dell'Alto Adige		
Istituto Centrale delle Banche Popolari Italiane SpA		
CartaSi SpA		
FGA Capital SpA		
Counterparty Credit Rating	BBB-/Watch Neg/A-3	BBB-/Negative/A-3
Banca Popolare di Milano SCRL		
Banca Akros SpA		
Veneto Banca SCPA		
Banca Popolare di Vicenza ScpA		
Banca Popolare dell'Emilia Romagna S.C.		
Banco Popolare Societa Cooperativa SCRL		
Banca Aletti & C. SpA		
Credito Bergamasco		
Long-Term Counterparty Credit Rating	BB+/Watch Neg	BB+/Negative
Unipol Banca SpA		
Counterparty Credit Rating	BB/Watch Neg/B	BB/Negative/B
Dexia Crediop SpA		
Counterparty Credit Rating	B+/Watch Neg/B	B+/Negative/B

Downgraded; CreditWatch Action

	To	From
Banca Fideuram		
Mediobanca SpA		
Istituto per il Credito Sportivo		
Counterparty Credit Rating	BBB/Watch Neg/A-2	BBB+/Negative/A-2

Ratings Affirmed

UniCredit Bank Austria AG
Short-Term Counterparty Credit Rating A-2

Banca Popolare di Milano SCRL
Banca Akros SpA
Veneto Banca SCPA
Banca Popolare di Vicenza ScpA
Banca Popolare dell'Emilia Romagna S.C
Banco Popolare Societa Cooperativa SCRLBanca Aletti & C. SpA
Credito Bergamasco
Agos-Ducato Spa
Banca Carige Spa
Short-Term Counterparty Credit Rating B

Ratings Remain On CreditWatch

Banca Carige SpA
Long-Term Counterparty Credit Rating BB/Watch Neg

Agos-Ducato SpA
Long-Term Counterparty Credit Rating BB+/Watch Neg

N.B.—This list does not include all ratings affected.

Complete ratings information is available to subscribers of RatingsDirect at www.globalcreditportal.com and at spcapitaliq.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column. Alternatively, call one of the following Standard & Poor's numbers: Client Support Europe (44) 20-7176-7176; London Press Office (44) 20-7176-3605; Paris (33) 1-4420-6708; Frankfurt (49) 69-33-999-225; Stockholm (46) 8-440-5914; or Moscow 7 (495) 783-4009.