

Bulletin:

CreditWatch Developing Maintained On MedioCredito Centrale Pending Regulators' Approval Of Disposal

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MILAN (S&P Global Ratings) May 12, 2017--S&P Global Ratings said today that it is maintaining on CreditWatch developing its long-term rating on MedioCredito Centrale SpA (MC; BB/Watch Dev/B).

The disposal of Banca del Mezzogiorno - MedioCredito Centrale to government-related agency Invitalia--announced by Poste Italiane on Feb. 9, 2017--is still pending approval from both the European Central Bank and the Bank of Italy. The acquisition and new business plan entails a capital reduction for MC of more than €100 million.

As we communicated previously, we could affirm, raise, or lower our long-term 'BB' rating on MC depending on the extent of both extraordinary and ongoing support--particularly capital and funding related--that Invitalia will be able and willing to offer to MC in the future, as part of its new business plan.

We aim to resolve the CreditWatch when the transaction has closed and we receive more detailed information on Invitalia's plans for incorporating MC. Only then will we be able to determine the level of actual ongoing and extraordinary government support that we can expect MC to benefit from and the bank's stand-alone credit profile.

Only a rating committee may determine a rating action and this report does not constitute a rating action.

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