

RATING ACTION COMMENTARY**Fitch Downgrades Mediobanca to 'BBB-' on MPS's Takeover; Outlook Stable**

Wed 15 Oct, 2025 - 4:42 AM ET

Fitch Ratings - Milan - 15 Oct 2025: Fitch Ratings has downgraded Mediobanca Banca di Credito Finanziario S.p.A's Long-Term Issuer Default Rating (IDR) to 'BBB-' from 'BBB' and its Viability Rating (VR) to 'bbb-' from 'bbb'. The Outlook on the Long-Term IDR is Stable. A full list of rating actions is below.

The rating action reflects Mediobanca's successful takeover by Banca Monte dei Paschi di Siena S.p.A. (MPS, BBB-/Stable) reaching about 86% of the former's share capital. The change in ownership has led us to withdraw the Government Support Rating of 'no support'. This reflects our view that MPS has become the most likely source of extraordinary support for Mediobanca, leading us to assign a Shareholder Support Rating (SSR) of 'bb'.

The downgrade reflects that, although the structure of the new group remains unclear, Fitch believes Mediobanca's risk of failure cannot be fully separated from that of its new parent. This is due to the significant contagion risk to which Mediobanca would be exposed if MPS were to default or experience severe stress, which we do not expect. This risk is because the two banks operate in the same market, and Mediobanca's confidence-sensitive corporate and investment banking and wealth management franchises, together with its material reliance on wholesale funding, amplify this risk.

Fitch has withdrawn the Government Support Rating because it no longer considers it relevant to its coverage.

KEY RATING DRIVERS

VR-Driven IDRs, Capped by Parent: Mediobanca's Long-Term IDR is driven by its standalone credit strength, as expressed by its VR, despite the takeover by MPS. Mediobanca's VR of 'bbb-' is one notch below the implied VR of 'bbb' to reflect that Mediobanca's business profile is now meaningfully correlated with that of its parent,

MPS, and our expectation of a likely reorganisation of the businesses under the combined group, which means that the two banks' VRs cannot be disentangled.

Link with MPS: Fitch has aligned Mediobanca's business profile score to MPS's at 'bbb-' and it has high influence on its credit profile. This is because although operational integration will take time, Mediobanca is already exposed to contagion risk from changes in its parent's creditworthiness and market perception. The likely business reorganisation further links Mediobanca to group-wide developments, while the impact on its franchise and competitive advantages remains uncertain.

Specialised Franchise: Mediobanca's ratings reflect its specialised and diversified business model in its current form with well-established positions in corporate and investment banking, wealth management and consumer credit in Italy, and a sound risk profile that has consistently resulted in satisfactory asset quality compared with domestic peers. The ratings also take into consideration its solid profitability record and stable funding and liquidity. Fitch also expects Mediobanca to maintain its sound capitalisation, including if it becomes part of MPS's single-point-of-entry resolution group.

RATING SENSITIVITIES

Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Mediobanca's ratings are mainly sensitive to changes in MPS's IDR.

A downgrade of the IDRs is unlikely given the Stable Outlook on the Long-Term IDR. However, the IDRs could be downgraded if Mediobanca's VR is downgraded. The latter could result from a material weakening of Mediobanca's business profile, for example through a loss of franchise or market position, and a weaker risk and financial profile. This could manifest in an impaired loans ratio well above 4%, an operating profit structurally below 1.5% of risk-weighted assets, and a common equity Tier 1 ratio below 13%.

Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade is unlikely as Mediobanca's ratings are aligned with its parent's, both of which have a Stable Outlook. Rating upside would arise from an upgrade of MPS's ratings, due to a better assessment of the group's business profile.

OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

Derivative Counterparty Rating

Fitch has downgraded Mediobanca's Derivative Counterparty Rating (DCR) to 'BBB-' from 'BBB', which is in line with the Long-Term IDR, as derivative counterparties in Italy have no preferential legal status over senior debt in liquidation.

Deposits

Fitch has downgraded the long-term deposit rating to 'BBB' from 'BBB+'. The rating is one notch above Mediobanca's Long-Term IDR to reflect full depositor preference in Italy and protection provided by senior and subordinated debt and equity buffers. The uplift also reflects our expectation that the bank will maintain these buffers given the need to comply with minimum requirement for own funds and eligible liabilities.

Fitch has also downgraded the short-term deposit rating to 'F3' from 'F2', in line with the downgrade of Mediobanca's long-term deposit rating. The rating is the lower of the two options that map to a long-term deposit rating of 'BBB' because the funding and liquidity score is not high enough to achieve a higher short-term rating.

Secured Senior Preferred Debt

Fitch has downgraded the notes' rating to 'BBB-' from 'BBB'. The rating is in line with Mediobanca's 'BBB-' Long-Term IDR to reflect Fitch's view that the collateral does not clearly indicate above-average recovery prospects. This is because the notes would cease to be secured by Italian sovereign debt if a credit event with respect to the sovereign occurred.

Unsecured Senior Debt

Fitch has downgraded the senior preferred long-term debt rating to 'BBB-' from 'BBB' and affirmed the short-term debt rating at 'F3'. The ratings are in line with the IDRs, reflecting our view that the default risk of senior preferred obligations is equivalent to that of the bank, as expressed by the IDRs, and that senior preferred obligations have average recovery prospects. This is based on our expectation that Mediobanca will use senior preferred and more junior debt instruments, and equity, to comply with minimum requirement for own funds and eligible liabilities.

The rating also reflects our expectation that the combined buffer of additional Tier 1, Tier 2 and senior non-preferred debt is unlikely to exceed 10% of the bank's risk-weighted assets in a sustainable manner. The short-term senior preferred debt rating of 'F3' is in line with the Short-Term IDR.

For the same reasons, Mediobanca's senior non-preferred debt is rated one notch below the Long-Term IDR to reflect the risk of below-average recoveries.

Subordinated Debt

Fitch has downgraded the rating of Tier 2 subordinated debt to 'BB' from 'BB+'. Tier 2 debt is rated two notches below the VR for loss severity to reflect poor recovery prospects. We apply no additional notching for incremental non-performance risk because a write-down of the notes will only occur once the point of non-viability is reached and there is no coupon flexibility before non-viability.

Shareholder Support Rating Assigned: Mediobanca's 'bb' SSR is two notches below MPS's Long-Term IDR, reflecting a moderate likelihood of extraordinary support. The combined group's preferred resolution strategy is likely to be a single point of entry, which, together with MPS's high propensity to support Mediobanca, would favour support. However, Mediobanca's large size constrains the parent's ability to provide support. This is because the solvency support that Mediobanca would likely require is high relative to the capital available at MPS, as its equity is about 1x MPS's and it represents about 40% of the combined group's total assets.

MPS's high propensity to support primarily reflects Mediobanca's likely role as the group's corporate investment-banking and wealth management hub and its large consumer finance operations in Italy.

OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES

The deposit, senior secured, senior preferred, and senior non-preferred ratings and DCR are primarily sensitive to changes in the bank's IDRs. The subordinated debt rating is sensitive to changes to the VR.

The rating sensitivities, apart from the implications of the of the MPS transaction, of all debt instruments, including DCR, senior preferred, senior non-preferred debt, deposits and Tier 2 debt are outlined in "Fitch Affirms Mediobanca at 'BBB', Outlook Stable", dated 24 February 2025, available at www.fitchratings.com.

The SSR is primarily sensitive to a change in our view of MPS's ability to support Mediobanca, which could be indicated by a change in MPS's ratings or by a material increase in Mediobanca's size relative to MPS, which would reduce the latter's ability to provide support. The rating is also sensitive to changes in our view of MPS's propensity to provide support.

SUBSIDIARIES & AFFILIATES: KEY RATING DRIVERS

Fitch has downgraded the long-term rating of the senior preferred debt issued by Mediobanca International (Luxembourg) S.A. to 'BBB-' from 'BBB' and affirmed its short-term debt rating at 'F3'. The ratings are equalised with Mediobanca's IDRs, as the debt is unconditionally and irrevocably guaranteed by Mediobanca. Fitch expects the parent to honour this guarantee.

SUBSIDIARIES AND AFFILIATES: RATING SENSITIVITIES

The ratings of the senior preferred debt issued by Mediobanca International (Luxembourg) S.A. are sensitive to the same factors that affect the senior preferred debt issued by Mediobanca.

VR ADJUSTMENTS

The VR of 'bbb-' is below the implied VR of 'bbb' due to the following adjustment reason: business profile (negative).

The operating environment score of 'bbb+' is below the 'a' implied category score due to the following adjustment reason: sovereign rating (negative).

The funding and liquidity score of 'bbb-' is above the 'b and below' category implied score due to the following adjustment reason: non-deposit funding (positive).

REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING

The principal sources of information used in the analysis are described in the Applicable Criteria.

PUBLIC RATINGS WITH CREDIT LINKAGE TO OTHER RATINGS

Mediobanca's Shareholder Support Rating is linked to the Long-Term IDR of MPS.

ESG CONSIDERATIONS

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit <https://www.fitchratings.com/topics/esg/products#esg-relevance-scores>.

RATING ACTIONS

ENTITY / DEBT ⚡	RATING ⚡			PRIOR ⚡
Mediobanca Banca di Credito Finanziario S.p.A	LT IDR	BBB- Rating Outlook Stable		BBB Rating Watch Negative
	Downgrade			
	ST IDR	F3	Affirmed	F3 Rating Watch Negative
	Viability	bbb-	Downgrade	bbb Rating Watch Negative
	DCR	BBB-(dcr)	Downgrade	BBB(dcr) Rating Watch Negative
	Government Support		WD	ns
	Withdrawn			
	Shareholder Support		bb	New Rating
subordinated	LT	BB	Downgrade	BB+ Rating Watch Negative
long-term deposits	LT	BBB	Downgrade	BBB+ Rating Watch Negative
senior secured	LT	BBB-	Downgrade	BBB Rating Watch Negative
Senior preferred	LT	BBB-	Downgrade	BBB Rating Watch Negative

[VIEW ADDITIONAL RATING DETAILS](#)**FITCH RATINGS ANALYSTS****Valeria Pasto**

Director

Primary Rating Analyst

+39 02 9475 8304

valeria.pasto@fitchratings.com

Fitch Ratings Ireland Limited Sede Secondaria Italiana

Via Morigi, 6 Ingresso Via Privata Maria Teresa, 8 Milan 20123

Paolo Comensoli

Director

Secondary Rating Analyst

+39 02 9475 6550

paolo.comensoli@fitchratings.com

Cristina Torrella Fajas

Senior Director

Committee Chairperson

+34 93 323 8405

cristina.torrellafajas@fitchratings.com

MEDIA CONTACTS**Matthew Pearson**

London

+44 20 3530 2682

matthew.pearson@thefitchgroup.com

Additional information is available on www.fitchratings.com

PARTICIPATION STATUS

The rated entity (and/or its agents) or, in the case of structured finance, one or more of the transaction parties participated in the rating process except that the following issuer(s), if any, did not participate in the rating process, or provide additional information, beyond the issuer's available public disclosure.

APPLICABLE CRITERIA

[Bank Rating Criteria \(pub. 21 Mar 2025\) \(including rating assumption sensitivity\)](#)

ADDITIONAL DISCLOSURES

[Dodd-Frank Rating Information Disclosure Form](#)

[Solicitation Status](#)

[Endorsement Policy](#)

ENDORSEMENT STATUS

Mediobanca International (Luxembourg) S.A.

EU Issued, UK Endorsed

DISCLAIMER & DISCLOSURES

All Fitch Ratings (Fitch) credit ratings are subject to certain limitations and disclaimers. Please read these limitations and disclaimers by following this link:

<https://www.fitchratings.com/understandingcreditratings>. In addition, the following <https://www.fitchratings.com/rating-definitions-document> details Fitch's rating definitions for each rating scale and rating categories, including definitions relating to default. ESMA and the FCA are required to publish historical default rates in a central repository in accordance with Articles 11(2) of Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 and The Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019 respectively.

Published ratings, criteria, and methodologies are available from this site at all times. Fitch's code of conduct, confidentiality, conflicts of interest, affiliate firewall, compliance, and other relevant policies and procedures are also available from the Code of Conduct section of this site. Directors and shareholders' relevant interests are available at <https://www.fitchratings.com/site/regulatory>. Fitch may have provided another permissible or ancillary service to the rated entity or its related third parties. Details of permissible or ancillary service(s) for which the lead analyst is based in an ESMA- or FCA-registered Fitch Ratings company (or branch of such a company) can be found on the entity summary page for this issuer on the Fitch Ratings website.

In issuing and maintaining its ratings and in making other reports (including forecast information), Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public

information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings and reports should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating or a report will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings and its reports, Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings and forecasts of financial and other information are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings and forecasts can be affected by future events or conditions that were not anticipated at the time a rating or forecast was issued or affirmed. Fitch Ratings makes routine, commonly-accepted adjustments to reported financial data in accordance with the relevant criteria and/or industry standards to provide financial metric consistency for entities in the same sector or asset class.

The complete span of best- and worst-case scenario credit ratings for all rating categories ranges from 'AAA' to 'D'. Fitch also provides information on best-case rating upgrade scenarios and worst-case rating downgrade scenarios (defined as the 99th percentile of rating transitions, measured in each direction) for international credit ratings, based on historical performance. A simple average across asset classes presents best-case upgrades of 4 notches and worst-case downgrades of 8 notches at the 99th percentile. For more details on sector-specific best- and worst-case scenario credit ratings, please see [Best- and Worst-Case Measures](#) under the Rating Performance page on Fitch's website.

The information in this report is provided "as is" without any representation or warranty of any kind, and Fitch does not represent or warrant that the report or any of its contents will meet any of the requirements of a recipient of the report. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion and reports made by Fitch are based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings and reports are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating or a report. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch

reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at any time for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US\$1,000 to US\$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US\$10,000 to US\$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of the United Kingdom, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

For Australia, New Zealand, Taiwan and South Korea only: Fitch Australia Pty Ltd holds an Australian financial services license (AFS license no. 337123) which authorizes it to provide credit ratings to wholesale clients only. Credit ratings information published by Fitch is not intended to be used by persons who are retail clients within the meaning of the Corporations Act 2001. Fitch Ratings, Inc. is registered with the U.S. Securities and Exchange Commission as a Nationally Recognized Statistical Rating Organization (the "NRSRO"). While certain of the NRSRO's credit rating subsidiaries are listed on Item 3 of Form NRSRO and as such are authorized to issue credit ratings on behalf of the NRSRO (see <https://www.fitchratings.com/site/regulatory>), other credit rating subsidiaries are not listed on Form NRSRO (the "non-NRSROs") and therefore credit ratings issued by those subsidiaries are not issued on behalf of the NRSRO. However, non-NRSRO personnel may participate in determining credit ratings issued by or on behalf of the NRSRO.

dv01, a Fitch Solutions company, and an affiliate of Fitch Ratings, may from time to time serve as loan data agent on certain structured finance transactions rated by Fitch Ratings.

Copyright © 2025 by Fitch Ratings, Inc., Fitch Ratings Ltd. and its subsidiaries. 33

Whitehall Street, NY, NY 10004. Telephone: 1-800-753-4824, (212) 908-0500.

Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved.

[READ LESS](#)

SOLICITATION STATUS

The ratings above were solicited and assigned or maintained by Fitch at the request of the rated entity/issuer or a related third party. Any exceptions follow below.

Fitch's solicitation status policy can be found at www.fitchratings.com/ethics.

ENDORSEMENT POLICY

Fitch's international credit ratings produced outside the EU or the UK, as the case may be, are endorsed for use by regulated entities within the EU or the UK, respectively, for regulatory purposes, pursuant to the terms of the EU CRA Regulation or the UK Credit Rating Agencies (Amendment etc.) (EU Exit) Regulations 2019, as the case may be. Fitch's approach to endorsement in the EU and the UK can be found on Fitch's [Regulatory Affairs](#) page on Fitch's website. The endorsement status of international credit ratings is provided within the entity summary page for each rated entity and in the transaction detail pages for structured finance transactions on the Fitch website. These disclosures are updated on a daily basis.