

Research Update:

Italy-Based Mediobanca Downgraded To 'BBB' On Higher Risks; Outlook Positive

March 18, 2026

Overview

- We now consider Mediobanca S.A. (MB) to be an integral part of the consolidated Banca Monte dei Paschi di Siena (BMPS) group.
- In our view, the consolidation of MB into a banking group with a higher risk profile and different corporate culture and business model will negatively affect its creditworthiness.
- We therefore lowered our ratings on MB and its core subsidiary, MB Funding Lux S.A., to 'BBB' from 'BBB+'.
- The positive outlook reflects our view that we could upgrade MB and MB Funding Lux over the next 18-24 months if we were to consider that MB's successful integration into BMPS results in the creation of a stronger consolidated group whose creditworthiness is in line with higher rated peers.

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Rating Action

On March 18, 2026, S&P Global Ratings lowered its long-term issuer credit rating on Mediobanca S.A. (MB) and its core subsidiary, MB Funding Lux S.A., to 'BBB' from 'BBB+'. At the same time, we affirmed our 'A-2' short-term issuer credit rating on MB and MB Funding Lux.

Additionally, we lowered our issue ratings on MB's hybrid and senior secured debt facilities by one notch.

Rationale

We see MB as an integral part of the consolidated Banca Monte dei Paschi di Siena (BMPS) group. As a result, we now consider MB's creditworthiness strictly interconnected with that of BMPS. As a result, the absorption of MB into a banking group with a comparatively higher risk profile negatively affects MB's creditworthiness, in our view. In particular, MB's credit portfolio has proven extremely resilient in previous downturns and its asset quality track record has been among the best within the Italian banking sector. This is thanks to its strong underwriting standards, risk-management practices, and comparatively lower exposure to riskier segments

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than peers. However, we consider that the combined entity is exposed to higher complexity and credit risk than MB stand alone. This includes some legacy legal risks and relatively high exposure to small and midsize enterprises, which we see as naturally more vulnerable than larger corporate clients to potential economic downturns.

The successful integration of MB into the broader BMPS group lays the basis for a stronger credit profile in the longer term, in our view. If MB's integration into BMPS is well managed, we consider that the combined entity could benefit from a profitable and highly diversified business model, with stronger contribution from capital-light and yet highly profitable businesses. These include the asset management and the advisory services, where MB brings strong expertise and sizable business volumes, and its leading market share in several corporate and investment banking lines. This would support the resilience of the new group through the credit cycle, leveraging both entities' respective strengths and areas of expertise. The final result will depend on the group's sound execution of the merger and industrial plan to see the potential benefits from the merger materialize.

Outlook

The positive outlooks on MB and its core subsidiary, MB Funding Lux, reflect our view that the integration of MB into the commercial banking group BMPS could potentially benefit the combined entities' group credit profile in the longer term.

Downside scenario

We could revise the outlook on MB and MB Funding Lux over the next 18-24 months to stable, if we were to consider that the risks implied by MB's integration into BMPS, which we currently see as carrying a higher risk profile versus MB stand alone as a commercial banking group, would still outweigh any potential benefit resulting from the merger.

Upside scenario

We could consider an upgrade over the next 18-24 months if the potential benefits implied in MB's integration into BMPS were to materialize, resulting in a well-diversified, well-capitalized, and sustainably profitable banking group, in line with higher rated peers.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Oct. 13, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017

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- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Related Research

- [Italy-Based Mediobanca 'BBB+/A-2' Ratings Affirmed On Banca Generali Tender Offer; Outlook Stable](#), April 29, 2025
- [Monte dei Paschi's Offer For Mediobanca Is Further Evidence Of Banks' Strong M&A Appetite In Italy](#), Jan. 27, 2025

Ratings List

Ratings List

Downgraded; Outlook Action

	To	From
Mediobanca SpA		
MB Funding Lux S.A.		
Issuer Credit Rating	BBB/Positive/A-2	BBB+/Watch Neg/A-2
Resolution Counterparty Rating	BBB+/A-2	A-/Watch Neg/A-2
Mediobanca SpA		
Senior Unsecured	BBBp	BBB+p/Watch Neg
Senior Subordinated	BBB-	BBB/Watch Neg
Subordinated	BB+	BBB-/Watch Neg
MB Funding Lux S.A.		
Resolution Counterparty Liability	BBB+	A-/Watch Neg
Mediobanca SpA		
Mediobanca International (Luxembourg) S.A.		
Senior Unsecured	BBB	BBB+/Watch Neg
Ratings Affirmed		
Mediobanca SpA		
Mediobanca International (Luxembourg) S.A.		
Commercial Paper	A-2	

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