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## Fitch Upgrades Banca Popolare di Sondrio to 'BBB'/Positive on BPER Upgrade

Fitch Ratings - Milan - 05 Dec 2025: Fitch Ratings has upgraded Banca Popolare di Sondrio - Societa per Azioni's (BPSO) Long-Term Issuer Default Rating (IDR) to 'BBB' from 'BBB-'. The Outlook on the Long-Term IDR is Positive. Fitch has also upgraded the bank's Shareholder Support Rating (SSR) to 'bbb' from 'bbb-'. A full list of rating actions is below.

The rating actions follow the upgrade of the Long-Term IDR of the bank's parent, BPER Banca S.p.A. to 'BBB'/Positive (see 'Fitch Upgrades BPER to 'BBB'; Outlook Positive' dated 5 December 2025 on [www.fitchratings.com](http://www.fitchratings.com)).

BPSO's Viability Rating (VR) is unaffected by this rating action.

For BPSO's VR Key Rating Drivers and Sensitivities, see 'Fitch Places Banca Popolare di Sondrio on Rating Watch Positive on BPER's Exchange Offer' dated 4 April 2025 on [www.fitchratings.com](http://www.fitchratings.com).

### Key Rating Drivers

**Support-Driven IDRs:** BPSO's IDRs and SSR reflect Fitch's view of a high probability of support from BPER and are aligned with BPER's. The Positive Outlook on BPSO's Long-Term IDR mirrors that on the parent.

**Strategically Important Subsidiary:** BPSO's SSR reflects our view that BPSO is a key and integral part of BPER's group, as it adds scale and strengthens its market position in the domestic banking sector. We also believe a default of BPSO would create huge reputational risk for BPER, and that the Italian authorities would favour support for BPSO from BPER. In addition, we expect BPSO to be merged into BPER by mid-April 2026.

### Rating Sensitivities

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

BPSO's IDRs and SSR could be downgraded if BPER's Long-Term IDR was downgraded. They could also be downgraded if BPER changes its plan to merge BPSO, which would likely lead to a reconsideration of the execution risks posed by the integration and BPSO's role in the group, neither of which we expect.

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

BPSO's SSR and IDRs could be upgraded if BPER's Long-Term IDR was upgraded. Fitch also expects to

withdraw BPSO's issuer ratings on completion of the merger into BPER as the bank will cease to exist as a separate legal entity.

## **OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS**

### **DEPOSITS**

BPSO's long-term deposit rating, which we have upgraded to 'BBB+' from 'BBB' following the IDR upgrade, is one notch above its Long-Term IDR, reflecting full depositor preference in Italy and the bank's use of senior preferred debt and more junior debt to meet its minimum requirement for own funds and eligible liabilities (MREL, 26% for 2025), resulting in a lower probability of default on deposits relative to its Long-Term IDR. Over the medium term, we expect BPSO to benefit from the buffers built up at its parent. The short-term deposit rating, which we have upgraded to 'F2' from 'F3', is aligned with the bank's Short-Term IDR.

### **SENIOR AND SUBORDINATED DEBT**

BPSO's senior preferred debt, which we have upgraded to 'BBB' from 'BBB-', is rated in line with the bank's Long-Term IDR because the bank uses senior preferred debt to meet its MREL and the buffer of subordinated debt and other junior instruments is lower than 10% of risk-weighted assets.

We notch subordinated Tier 2 debt down from BPSO's Long-Term IDR because we believe support from BPER will extend to BPSO's subordinated creditors. The subordinated Tier 2 debt is rated two notches below the Long-Term IDR for loss severity to reflect poor recovery prospects. No notching is applied for incremental non-performance risk because 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.

## **OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES**

The deposit and senior preferred debt ratings are mainly sensitive to changes in the IDRs and MREL compliance strategy at BPER and BPSO.

BPSO's subordinated Tier 2 notes are primarily sensitive to changes in the bank's Long-Term IDR from which they are notched.

## **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**

BPSO's IDRs and SSR are linked to BPER's IDRs.

### **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>.

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## Rating Actions

ENTITY/DEBT	RATING		RECOVERY	PRIOR
Banca Popolare di Sondrio - Societa per Azioni	LT IDR	BBB 	Upgrade	BBB- 
	ST IDR	F2	Upgrade	F3

ENTITY/DEBT		RATING		RECOVERY		PRIOR
		Shareholder Support	bbb	Upgrade		bbb-
• Senior preferred	LT	BBB	Upgrade			BBB-
• subordinated	LT	BB+	Upgrade			BB
• long-term deposits	LT	BBB+	Upgrade			BBB
• short-term deposits	ST	F2	Upgrade			F3

**RATINGS KEY   OUTLOOK   WATCH**

<b>POSITIVE</b>	⊕	◊
<b>NEGATIVE</b>	⊖	◊
<b>EVOLVING</b>	⊕	◆
<b>STABLE</b>	⊙	

**Applicable Criteria**

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

**Additional Disclosures**

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