

# Various Rating Actions Taken On 15 Italian Banks On Sovereign Upgrade And More Resilient Industry Dynamics

April 18, 2025

- On April 11, 2025, S&P Global Rating raised its sovereign rating on Italy to 'BBB+' from 'BBB' thanks to a strengthening external position, strong household and corporate balance sheets, and still high but reducing fiscal imbalances.
- This eases potential sources of economic imbalances Italian domestic financial institutions face.
- We also perceive a structural improvement in Italian banks' profitability, with average return on equity remaining above the cost of capital for most banks. This is on the back of greater operating efficiencies, more resilient business models, and improved asset quality.
- We have, therefore, improved our systemic risk assessment for Italian banks and revised up our BICRA anchor to 'bbb' from 'bbb-'.
- Because of the sovereign action and the improved BICRA assessments, we have taken various rating actions on the 15 Italian banks listed below.

MILAN (S&P Global Ratings) April 18, 2025--S&P Global Ratings said today that it has taken the following rating actions:

- UniCredit SpA: We raised our long-term issuer credit rating to 'BBB+' from 'BBB' and our long-term resolution counterparty ratings (RCRs) to 'A-' from 'BBB+'. We affirmed the 'A-2' short-term issuer credit rating and RCR. The outlook is positive. The stand-alone credit profile (SACP) remains at 'bbb+'.
- Intesa Sanpaolo SpA: We raised our long-term issuer credit rating to 'BBB+' from 'BBB' and our long-term RCR to 'A-' from 'BBB+'. We affirmed the 'A-2' short-term issuer credit rating and RCR. The outlook is stable. We revised up our SACP to 'a-' from 'bbb+' but the issuer credit rating is still capped at the sovereign rating level.
- Mediobanca SpA: We raised our long-term issuer credit rating to 'BBB+' from 'BBB' and our long-term RCRs to 'A-' from 'BBB+'. We affirmed the 'A-2' short-term issuer credit rating and RCR. The outlook is stable. We revised up the bank's SACP to 'bbb+' from 'bbb'.
- FinecoBank SpA: We raised our long-term issuer credit rating to 'BBB+' from 'BBB' and our long-term RCRs to 'A-' from 'BBB'. We affirmed the 'A-2' short-term issuer credit rating and RCR. The outlook is stable. We revised up our SACP to 'bbb+' from 'bbb'.
- Banca Mediolanum: We raised our long-term issuer credit rating to 'BBB+' from 'BBB'. We

## PRIMARY CREDIT ANALYST

**Mirko Sanna**  
Milan  
+ 390272111275  
mirko.sanna  
@spglobal.com

## SECONDARY CONTACTS

**Elena Iparraguirre**  
Madrid  
+ 34 91 389 6963  
elena.iparraguirre  
@spglobal.com

**Francesca Sacchi**  
Milan  
+ 390272111272  
francesca.sacchi  
@spglobal.com

**Regina Argenio**  
Milan  
+ 39 0272111208  
regina.argenio  
@spglobal.com

**Letizia Conversano**  
Paris  
+ 353 (0)1 568 0615  
letizia.conversano  
@spglobal.com

**Marta Gamez**  
Milan  
marta.gamez  
@spglobal.com

affirmed the 'A-2' short-term rating. The outlook is stable. We revised up our SACP to 'bbb+' from 'bbb'.

- BPER Banca SpA: We raised our long-term and short issuer credit ratings to 'BBB/A-2' from 'BBB-/A-3' and our long-term RCR to 'BBB+' from 'BBB'. We affirmed the 'A-2' short-term RCR. The outlook is stable. We revised up our SACP to 'bbb' from 'bbb-'.
- Iccrea Banca SpA: We raised our long- and short-term issuer credit ratings to 'BBB/A-2' from 'BBB-/A-3' and our long-term RCR to 'BBB+' from 'BBB'. We affirmed the 'A-2' short-term RCR. The outlook is stable. We revised up our SACP to 'bbb' from 'bbb-'.
- Banco BPM: We affirmed our 'BBB/A-2' long- and short-term issuer credit ratings and our 'BBB+/A-2' RCRs. The outlook is now positive.
- Istituto per il Credito Sportivo e Culturale SpA: We raised our long- and short-term issuer credit ratings to 'BBB/A-2' from 'BBB-/A-3'. The outlook is stable. We revised up our SACP to 'bbb' from 'bbb-'.
- Mediocredito Centrale - Banca Del Mezzogiorno SpA: We raised our long- and short-term issuer credit ratings to 'BBB/A-2' from 'BBB-/A-3'. The outlook is stable. We revised up our SACP to 'bb+' from 'bb'.
- Banca Popolare di Sondrio SpA: We affirmed our 'BBB-/A-3' long- and short-term issuer credit ratings and 'BBB/A-2' RCRs. The outlook remains positive.
- Banca Popolare dell'Alto Adige Volksbank SpA: We affirmed the 'BBB-/A-3' long- and short-term issuer credit ratings. The outlook remains stable.
- Banco di Desio e della Brianza SpA: We affirmed the 'BBB-/A-3' long- and short-term issuer credit ratings. The outlook remains stable.
- BNP Paribas S.A. (Italy Branch): We raised our RCRs on the branch to 'AA-/A-1+' from 'A+/A-1'. At the same time, we affirmed our 'A+/A-1' issuer credit ratings and maintained the stable outlook on the branch.
- Bank of New York Mellon S.A./N.V. (Italian Branch). We raised our long- and short-term issuer credit ratings and RCRs to 'AA-/A-1+' from 'A+/A-1'. The outlook is stable.

## Rationale

The rating actions follow the sovereign upgrade of Italy and our reassessment of our Banking Industry Country Risk Assessment (BICRA). In the latter, we concluded that economic and industry risks faced by Italian banks have abated.

### **Improvement of Italy's sovereign creditworthiness is a positive development for Italian bank ratings.**

Our bank ratings in Italy have to a large extent been hemmed in by the sovereign's relatively weaker creditworthiness. First, we generally don't rate banks with predominant exposure and operations in their country of domicile above the sovereign rating of the home country, even if our view of their intrinsic creditworthiness is higher than that of the home sovereign. This is because of the significant exposure of banks to their home country and the low likelihood that they would survive a hypothetical sovereign default scenario. Consequently, the sovereign rating on Italy represents in some cases a cap to the rating on the bank. Second, Italy's high debt and fiscal deficits limit the government's macroeconomic flexibility and ability to support the economy when needed compared with peer sovereigns with similar wealth and levels

of development. Finally, high external risks can weigh on our overall view of economic imbalances faced by the banking sector. As such, diminishing macroeconomic and external risks reduce the economic imbalances Italian banks face.

**Banks and the private sector enter a new phase of potential macroeconomic volatility and an uncertain future in a position of strength.** The corporate sector, the main source of problem loans for banks in the past decade, underwent a period of material deleveraging and now appears better prepared to face more challenging times after a few years of strong performance. Banks have also significantly reduced their exposures to riskier small and midsize enterprises and current exposures are to a large extent benefiting from the government guarantees. Moreover, Italian banks will benefit from more stringent underwriting standards and more active management of riskier exposures and provisioning, under the supervision and guidance of the European Central Bank. Furthermore, Italy has proven one of the most effective markets and frameworks for nonperforming exposures (NPEs), providing additional solutions to banks in managing their riskiest exposures after helping them handle the vast majority of legacy NPEs. We are anticipating some manageable asset quality deterioration in 2025 and 2026, with credit losses gradually rising to a more normalized level, at around 55-60 basis points (bps) compared with historically low 35-40 bps in the past two years.

**Italian banks' structural profitability prospects are better than we previously anticipated.** Most banks reported strong results in 2024, with return on equity (ROE) well in excess of 15% on average. While last year may have been the peak for several institutions, given the interest rate cycle, we anticipate profitability will remain sound over the next two to three years, with ROE above the cost of capital. Mitigating the effect of declining net interest income will be a key challenge, particularly for smaller, less diversified banks. On this front, the difference between institutions will consequently become more apparent. Larger and more diversified players will reap the benefits of past restructuring, ongoing actions on personnel and branch networks, higher digitalization, and strengthening of their wealth management capabilities. In addition, most banks have not made use of meaningful provisioning overlays that can now be used to cover likely increase of cost of risk over the next two years.

**Our revised anchor, the starting point for rating banks operating primarily in Italy is 'bbb'.** The improvement in Italy's BICRA to group 4 from group 5 results in a better anchor, our starting point in assigning ratings to banks mainly operating in Italy. The 'bbb' anchor aligns with our anchor views on Portugal and Poland.

Despite the improvement, Italy's BICRA remains weaker than that of most advanced economies, such as France, Spain, Germany, Korea, the U.K., and Ireland.

## Our Actions

We think most Italian banks benefit from a higher sovereign rating and diminished economic and industry risks. In today's rating actions, though, we account for the differences among Italian banks and their relative strengths, including their business models and balance sheet resilience heading into a potentially more difficult and uncertain macroeconomic cycle.

We summarize our actions and outlook below.

UniCredit SpA

Primary Analyst: Elena Iparraguirre

The upgrade primarily reflects the sovereign upgrade, reduced external risks, and improved operating conditions in Italy.

Outlook

The positive outlook on UniCredit reflects our opinion on the bank's accumulated gone concern loss absorption buffers to support senior bondholders in a resolution scenario and potential upside on the group's SACP given its higher geographic diversification in comparison with its peers. It also reflects our view that UniCredit is potentially eligible to be rated above the Italian sovereign depending on the group's final shape and balance sheet following the resolution of potential Banco BPM and Commerzbank deals.

**Downside scenario:** We could revise the outlook to stable over the next 12-24 months if we were to conclude that the amount of capital and subordinated instruments had eroded to the extent it would be insufficient to withstand a hypothetical sovereign stress test scenario. We could revise the outlook to stable if we no longer see upside in the bank's SACP on the basis of its greater geographic and business model diversification.

**Upside scenario:** We could raise the long-term issuer credit rating over the next 12-24 months if projected additional loss-absorbing capital (ALAC) buffers were to remain sustainably above 3% of S&P Global Ratings' risk weighted assets or our view on the bank's SACP were to improve and we continued to believe the bank could withstand a hypothetical sovereign stress scenario.

**Hybrids:** If we were to raise our long-term issuer credit rating on UniCredit by one notch to 'A-', due to UniCredit passing our sovereign stress test, this would not have implications on the ratings on the senior subordinated and Tier 2 instruments. This is because we assume that in the event of sovereign distress, this would trigger the resolution of the bank and the consequent bail-in of those liabilities.

	To	From
Issuer Credit Rating	BBB+/Positive/A-2	BBB/Stable/A-2
Stand-alone credit profile	bbb+	bbb+
Anchor	bbb	bbb
Business position	Strong (+1)	Strong (+1)
Capital and earnings	Adequate (0)	Adequate (0)
Risk position	Adequate (0)	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	0	0
ALAC support	0	0
GRE support	0	0

	To	From
Group support	0	0
Sovereign support	0	0
Additional factors	0	-1

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Intesa Sanpaolo SpA

Primary Analyst: Francesca Sacchi

The upgrade primarily reflects the sovereign upgrade, reduced external risks for the sovereign, and improved operating conditions in Italy. It also reflects our view that Intesa Sanpaolo will remain a positive outlier thanks to its well-diversified business model, more resilient credit risk profile, strong operating efficiency, and solid profitability prospects.

### Outlook

The stable outlook on Intesa Sanpaolo and its core subsidiary Fideuram - Intesa Sanpaolo Private Banking SpA mirrors that on Italy.

**Upside scenario** We would raise our long-term issuer credit rating on Intesa Sanpaolo if we were to upgrade Italy, providing that we maintain our existing view of the bank's SACP.

**Downside scenario** We could lower the long-term issuer credit rating on Intesa Sanpaolo over the next two years if we were to downgrade Italy. This is because we think that the bank would be unable to withstand a hypothetical sovereign stress scenario. However, if we were to revise down our assessment of the bank's SACP by one notch, it would not translate into a downgrade of Intesa Sanpaolo, due to the bank's current 'a-' SACP.

**Hybrids:** We do not assign outlooks to bank issue ratings. However, we will continue to notch down the ratings on Intesa Sanpaolo's hybrids from the lower of the SACP and issuer credit rating. Therefore, if we were to lower the issuer credit rating on the bank, we would also lower the ratings on its rated additional Tier 1 and Tier 2, and senior nonpreferred instruments.

	To	From
Issuer Credit Rating	BBB+/Stable/A-2	BBB/Stable/A-2
Stand-alone credit profile	a-	bbb+
Anchor	bbb	bbb-
Business position	Strong (+1)	Strong (+1)
Capital and earnings	Adequate (0)	Adequate (0)
Risk position	Strong (+1)	Strong (+1)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	0	0

	To	From
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	-1	-1

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Fineco Bank SpA

Primary Analyst: Mirko Sanna

The upgrade reflects the sovereign upgrade and our view Fineco Bank will remain an outlier thanks to its low risk, well-diversified business model, strong profitability prospects, and ample funding and liquidity buffers. We raised the RCRs to reflect our view that the bank has sufficient ALAC buffers to protect RCR liabilities in the event of sovereign stress.

## Outlook

The stable outlook on Fineco Bank mirrors that on Italy and reflects our view that the bank's overall credit profile, characterized by its successful track record as an asset gatherer, will remain resilient over the next two years. We anticipate robust revenue prospects, very low cost of credit risk, and strong cost efficiency will continue to support its creditworthiness.

**Downside scenario:** We could lower the long-term issuer credit rating on Fineco Bank if we lower the long-term sovereign rating on Italy.

**Upside scenario:** We could consider an upgrade if we raised our long-term sovereign rating on Italy and, at the same time, we concluded that Fineco's intrinsic creditworthiness had strengthened. The latter scenario would most likely materialize if we remained confident about the bank's small capital base in absolute terms being strong enough to absorb the risks the bank is facing. This is providing that our projected RAC ratio for Fineco sustainably exceeds 15% over the next two years, its earnings remain strong and higher than European banks' average, and its funding and liquidity profile stay solid.

**Hybrids:** We do not assign outlooks to bank issue ratings. However, we will continue to derive the ratings on Fineco's hybrids by deducting notches from the lower of the SACP and issuer credit rating. Therefore, if we were to lower the issuer credit rating or revise down our assessment of the SACP, we would also lower the rating on the bank's rated additional Tier 1 instruments.

	To	From
Issuer Credit Rating	BBB+/Stable/A-2	BBB/Stable/A-2
Stand-alone credit profile	bbb+	bbb
Anchor	bbb	bbb-

	To	From
Business position	Adequate (0)	Adequate (0)
Capital and earnings	Adequate (0)	Adequate (0)
Risk position	Adequate (0)	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	1	1
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Banca Mediolanum

Primary Analyst: Mirko Sanna

The upgrade of Banca Mediolanum primarily reflects the sovereign upgrade as well as our opinion of the group's limited exposures to credit risk, its sound earning capacity compared with peers, and strong insurance operations.

## Outlook

The stable outlook on Banca Mediolanum mirrors that on the sovereign and reflects our opinion that the bank will remain resilient over the next two years. Even excluding the contribution of any market-related commissions, we anticipate Banca Mediolanum's ROE will likely exceed 20%, well above most Italian and European financial institutions.

**Downside scenario:** We could lower the issuer credit rating over the next 12-24 months if we were to take a similar action on Italy. Similarly, we could lower the issuer credit rating if we saw a meaningful deterioration in the bank's credit portfolio or heightened reputational risks.

**Upside scenario:** We could upgrade Banco Mediolanum if we were to upgrade Italy and conclude Banco Mediolanum's SACP had strengthened. This would likely stem from maintaining strong asset-quality metrics and control of its operational risk while strengthening its capitalization, with RAC remaining sustainably above 10%.

	To	From
Issuer Credit Rating	BBB+/Stable/A-2	BBB/Stable/A-2
Stand-alone credit profile	bbb+	bbb
Anchor	bbb	bbb-
Business position	Adequate (0)	Adequate (0)

	To	From
Capital and earnings	Adequate (0)	Adequate (0)
Risk position	Strong (+1)	Strong (+1)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## BPER Banca SpA

Primary Analyst: Mirko Sanna

The upgrade primarily reflects reduced external risk for the sovereign and improved operating conditions in Italy. It also reflects our view BPER Banca's performance will remain resilient over the next two years, with the RAC comfortably above 7%.

### Outlook

The stable outlook reflects our opinion BPER Banca will remain resilient over the next couple of years, maintaining good asset quality metrics while preserving its capitalization.

**Downside scenario:** We could lower the issuer credit rating over the next 12-24 months if we were to see a meaningful deterioration of the bank's financial profile. In particular, if the RAC ratio were to fall sustainably below 7% or BPER Banca's stock of NPEs and credit losses were to materially increase.

**Upside scenario:** We could upgrade BPER Banca if we were to see a significant strengthening of the bank's business position or its capitalization. The latter would require the projected RAC to exceed 10% on a sustainable basis.

	To	From
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Positive/A-3
Stand-alone credit profile	bbb	bbb-
Anchor	bbb	bbb-
Business position	Adequate (0)	Adequate (0)
Capital and earnings	Adequate (0)	Adequate (0)
Risk position	Adequate (0)	Adequate (0)



	To	From
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Istituto per il Credito Sportivo e Culturale SpA (ICSC)

Primary Analyst: Mirko Sanna

The upgrade primarily reflects the sovereign upgrade, which translates into an improved capacity of the sovereign to support ICSC as a government-related entity, as well as the bank's recent progress on reducing legacy problem loans. The bank's large capital buffers are a strong support for the issuer credit rating, with risk adjusted capital now exceeding 35% in 2025.

### Outlook

The stable outlook reflects our expectation that ICSC will maintain its solid capitalization over the next 12-24 months and its asset-quality indicators will continue improving.

**Downside scenario:** We could lower the issuer credit rating if we perceived that the Italian government's commitment toward ICSC had diminished. This could be demonstrated by a request for a capital reduction, decreased funding, or reduced business support.

**Upside scenario** We could upgrade ICSC if we upgrade Italy and concluded that the bank's creditworthiness had strengthened. This would likely stem from the bank materially improving its asset quality, with the NPE ratio approaching the domestic banks average.

	To	From
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Stable/A-3
Stand-alone credit profile	bbb	bbb-
Anchor	bbb	bbb-
Business position	Moderate (-1)	Moderate (-1)
Capital and earnings	Very strong (2)	Very strong (2)
Risk position	Moderate (-1)	Moderate (-1)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0

	To	From
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Banco BPM

Primary Analyst: Francesca Sacchi

We affirmed the rating in Banco BPM because we expect the bank to benefit from diminished industry and external risks Italian banks currently face. At the same time, the action also balances the lower capital base in the near term following the recent acquisition of Anima, for an higher than previously anticipated consideration and higher dividend distributions.

## Outlook

The positive outlook on Banco BPM mirrors that on UniCredit SpA and reflects our view that Banco BPM would benefit from a potential integration within UniCredit, a stronger and higher rated banking group. It also reflects Banco BPM's relative strength we see with most its similarly rated peers, despite the weaker capitalization in the near-term (by our measures) deriving from the Anima acquisition.

**Upside scenario:** We could upgrade Banco BPM if UniCredit were to obtain control of Banco BPM's share capital, and we were to conclude that Banco BPM is likely to become a core subsidiary of UniCredit. We could also upgrade Banco BPM if we conclude that Banco BPM's creditworthiness compares favorably with higher rated peers.

**Downside scenario:** We could revise the outlook to stable if we were to consider that UniCredit would not offer for Banco BPM's share capital, or if we perceived the Anima transaction's benefits for the bank's profitability and business model to be less compelling.

**Hybrids:** We do not assign outlooks to bank issue ratings. However, we will continue to derive the ratings on Banco BPM's hybrid instruments by deducting notches from the lower of the SACP and the long-term issuer credit rating. Given the positive outlook, this means that if we upgrade Banco BPM, we will raise the ratings on Banco BPM's hybrid instruments.

	To	From
Issuer Credit Rating	BBB/Positive/A-2	BBB/Stable/A-2
Stand-alone credit profile	bbb-	bbb-
Anchor	bbb	bbb-

	To	From
Business position	Adequate (0)	Adequate (0)
Capital and earnings	Moderate (-1)	Adequate (0)
Risk position	Adequate (0)	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	1	1
ALAC support	1	1
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## MedioCredito Centrale - Banca Del Mezzogiorno SpA (MCC)

Primary Analyst: Regina Argenio

The upgrade reflects the sovereign upgrade (translating to an improved capacity of the sovereign to support MCC as a government-related entity), as well as MCC's improved capitalization stemming from the positive impact on our RAC ratio of our view of lower risk MCC faces from its domestic exposure. We also anticipate a positive impact from the sale of its subsidiary Cassa di Risparmio di Orivieto (CrO). The ratings on MCC remain constrained by its concentrated business model, challenges linked to turning around BdM Banca SpA, high legal risk, and its weaker than peers' asset quality. We upgraded MCC's subordinated instrument to reflect our better view of the group's SACP.

### Outlook

The stable outlook reflects our view that MCC can preserve its credit profile over the next 12-24 months. We anticipate the group's capitalization will remain resilient, with its RAC ratio remaining comfortably above 10% over the next 24 months, despite credit losses that still exceed peers', at about 75bps per year, and legal expenses. We also expect potential asset quality deterioration to be generally manageable.

**Downside scenario:** We could lower the long-term issuer credit rating on MCC if the group's asset quality deteriorates more than we currently anticipate and the NPE ratio or credit losses increase significantly indicating significantly weaker performance than peers'. We can also consider a downgrade if the group is not able to restructure BdM Banca as planned and legal costs significantly erode its capital.

**Upside scenario:** Although unlikely at this stage, an upgrade would require a combined improvement of the Italian sovereign rating and MCC's SACP. The latter could flow from if MCC significantly reducing its exposure to legal risks while improving asset quality or if its profitability

improved and pushed its RAC ratio comfortably above 15%. An upgrade could also be possible if we see increased extraordinary support for MCC from the Italian government.

	To	From
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Stable/A-3
Stand-alone credit profile	bb+	bb
Anchor	bbb	bbb-
Business position	Constrained (-2)	Moderate (-1)
Capital and earnings	Strong (1)	Adequate (0)
Risk position	Moderate (-1)	Moderate (-1)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	2	2
ALAC support	0	0
GRE support	2	2
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Banca Popolare di Sondrio SpA (BPS)

Primary Analyst: Letizia Conversano

The affirmation of our ratings on BPS, despite the improved anchor for Italian domestic banks, reflects our view that the current ratings appropriately balance the group's credit strengths and weaknesses.

On the one hand, BPS continues to benefit from a stable funding base, strong local franchise, and prudent capital management, which supports its capitalization. That said, we also account for its concentrated exposure and the potential threat from the digitalization and commoditization of banking products to the bank's business model in the medium term, compared with larger and more diversified peers.

## Outlook

The positive outlook reflects our view that the bank could become an integral part of a potentially higher rated banking group, if the takeover by BPER Banca S.p.A. materializes.

**Upside scenario** We could upgrade BPS over the next 18-24 months if BPER Banca were to acquire control of BPS and we were to see BPS as a having a core strategic role to the group. If the deal were not to materialize, we could consider an upgrade of BPS if the bank's creditworthiness had materially strengthened.

## Downside scenario

We could revise the outlook to stable over the next 12 months if we were to consider that the BPER Banca offer was not going to happen, all else remaining equal.

	To	From
Issuer Credit Rating	BBB-/Positive/A-3	BBB-/Positive/A-3
Stand-alone credit profile	bbb-	bbb-
Anchor	bbb	bbb-
Business position	Moderate (-1)	Adequate (0)
Capital and earnings	Adequate (0)	Adequate (0)
Risk position	Adequate (0)	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Iccrea Banca SpA

Primary Analyst: Letizia Conversano

The upgrade primarily reflects the improved economic and operating conditions we see in the Italian banking sector. The ratings reflect our view that the group's efforts to improve group governance and risks oversight will ultimately lead to a manageable asset quality deterioration during an economic downturn, despite its high exposure to structurally riskier small and midsize enterprises. We consider Iccrea Banca's SACP at 'bbb' as being aligned with other medium-size peers'.

## Outlook

The stable outlook on Iccrea Banca reflects our expectation that the ratings will continue to benefit from strong capitalization, with our RAC ratio at 14.5%-15.0% by end-2026, enhanced risk management practices and risk oversight, and a solid national franchise. It also hinges on our expectations that the bank will continue to diversify its revenue stream and improve its cost efficiency.

**Downside scenario:** We could lower our rating on Iccrea Banca over the next 18-24 months if we were to observe a worsening of the bank's asset quality metrics beyond our expectations and materially above the Italian system average.

**Upside scenario:** Although unlikely at this stage, we could consider an upgrade over the next 18-24 months if we were to consider that Iccrea Banca's creditworthiness were to be seen as on par as higher rated peers. This may follow Iccrea Banca's material improvement of its business and revenue diversification and sustainably strengthened profitability, while maintaining sound risk-management practices and a solid capital base.

	To	From
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Positive/A-3
Stand-alone credit profile	bbb	bbb-
Anchor	bbb	bbb-
Business position	Adequate (0)	Adequate (0)
Capital and earnings	Strong (1)	Strong (1)
Risk position	Moderate (-1)	Constrained (-2)
Funding and liquidity	Strong and Strong (1)	Strong and Strong (1)
Comparable ratings analysis	-1	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Mediobanca SpA

Primary Analyst: Letizia Conversano

The upgrade primarily reflects the sovereign upgrade, the reduced external risk for the sovereign, and improved operating conditions we see in Italy. It also reflects our view that the bank will continue to benefit from an agile, well-diversified business model, good capital base, sound risk-management practices, and stable funding sources.

## Outlook

The stable outlook on Mediobanca and its core subsidiary, MB Funding Lux S.A., mirror that on Italy and reflect our view that Mediobanca's credit profile will remain resilient over the next two years.

**Downside scenario:** We could lower the issuer credit ratings on Mediobanca and MB Funding Lux over the next 18-24 months if we lower the long-term sovereign rating on Italy. This is because we believe the bank is unlikely to withstand the effects of a hypothetical sovereign default stress scenario, given its high exposure to the Italian economy. In addition, we could eventually consider a negative rating action if the deal with Monte dei Paschi were to finally materialize and if, in that occasion, we were to assess this event as bringing risks to Mediobanca's creditworthiness.

**Upside scenario:** Although unlikely at this stage, we could consider an upgrade over the next 18-24 months if we raised our long-term sovereign rating on Italy and concluded that Mediobanca's creditworthiness had further strengthened. In particular, in the event of a sovereign upgrade, we would consider raising the issuer credit rating on Mediobanca if our two-year projections for the bank's RAC ratio sustainably and materially remained above 10%, owing to a less generous distribution policy, and, at the same time, the bank maintained a stronger operating performance than peers and its risk profile remaining resilient to macroeconomic uncertainty. We could also consider an upgrade if we were to assess that the bank was able and willing to maintain an ALAC buffer sustainably and consistently above 275bps points, all else remaining equal.

	To	From
Issuer Credit Rating	BBB+/Stable/A-2	BBB/Stable/A-2
Stand-alone credit profile	bbb+	bbb
Anchor	bbb	bbb-
Business position	Adequate (0)	Adequate (0)
Capital and earnings	Adequate (0)	Adequate (0)
Risk position	Strong (1)	Strong (1)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Volksbank Banca Popolare dell'Alto Adige SpA (Volksbank)

Primary Analyst: Francesca Sacchi

The affirmation of the ratings on Volksbank reflects our view that the current ratings appropriately balance the group's credit strengths and weaknesses versus those of peers, despite the risks for the Italian banking system having eased.

## Outlook

The stable outlook reflects our view that, in the next 12-24 months, Volksbank's operating performance and balance sheet will remain resilient. We expect the bank's RAC ratio will reach about 9.5%-10% by end-2026. We also anticipate the bank's asset-quality deterioration will remain manageable.

**Upside scenario:** We could consider an upgrade if the bank significantly improves its financial profile to compensate for its limited scale and diversification. Specifically, this might occur if the bank's capitalization strengthens further, so that its RAC ratio will sustainably exceed the 10% threshold, provided that the bank's operating profitability and efficiency proves resilient, even as interest rates decline, and its asset quality metrics do not deteriorate materially.

**Downside scenario:** We could lower our ratings on Volksbank if, contrary to our base-case expectations, the bank's business and financial profiles materially deteriorated, significantly departing from those of investment-grade-rated peers.

	To	From
Issuer Credit Rating	BBB-/Stable/A-3	BBB-/Stable/A-3
Stand-alone credit profile	bbb-	bbb-
Anchor	bbb	bbb-
Business position	Moderate (-1)	Moderate (-1)
Capital and earnings	Adequate (0)	Adequate (0)
Risk position	Adequate (0)	Strong (1)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	0
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Banco di Desio e della Brianza SpA (Banco Desio)

Primary Analyst: Francesca Sacchi

The affirmation of the rating on Banco Desio reflects our view that the current ratings appropriately balance the group's credit strengths and weaknesses versus those of peers, despite the risks for the Italian banking system having eased.



## Outlook

The stable outlook reflects our view that Banco Desio's operating performance and balance sheet will remain resilient in the next 12-24 months. We expect the bank will continue to execute a measured growth strategy, which should gradually diversify its revenue base. The outlook also reflects our expectation that the bank will continue to rely on a solid capital base, with a projected RAC ratio sustainably above 7%, and maintain its track record of prudent risk management and sound asset quality.

**Upside scenario:** We could consider an upgrade if the bank significantly improves its financial profile to compensate for its limited scale and diversification. Specifically, this might occur if the bank's capitalization strengthens further, so that its RAC ratio sustainably exceeds the 10% threshold, provided that the bank's operating profitability and efficiency proves resilient, even as interest rates decline, and its asset quality metrics do not deteriorate materially.

**Downside scenario:** We could lower the rating on Banco Desio if, contrary to our base-case expectation, the bank's business and financial profiles materially deteriorated, significantly departing from those of investment-grade-rated peers.

	To	From
Issuer Credit Rating	BBB-/Stable/A-3	BBB-/Stable/A-3
Stand-alone credit profile	bbb-	bbb-
Anchor	bbb	bbb-
Business position	Moderate (-1)	Moderate (-1)
Capital and earnings	Adequate (0)	Adequate (0)
Risk position	Adequate (0)	Adequate (0)
Funding and liquidity	Adequate and Adequate (0)	Adequate and Adequate (0)
Comparable ratings analysis	0	1
Support	0	0
ALAC support	0	0
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity.

## Bank of New York Mellon S.A./N.V. (Italian Branch) (BNY Italian Branch)

Primary analyst: Clement Collard

The stable outlook on BNY Italian Branch mirrors that on its parent, Bank of New York Mellon S.A./N.V.

**Downside scenario:** We would lower our rating on BNY Italian Branch following a similar action on its parent or on Italy. This reflects our view that we would not rate BNY Italian Branch more than four notches above the sovereign credit rating.

**Upside scenario:** We are unlikely to raise our ratings on BNY Italian Branch over the next two years.

## BNP Paribas S.A. (Italy Branch)

Primary analyst: Francois Moneger

Under our methodology, the creditworthiness of the Italian branch of BNP Paribas is the lower of four notches above the foreign-currency rating on the Italian sovereign and the issuer credit rating on the bank. Following the upgrade of Italy to 'BBB+' from 'BBB', this cap increased to 'AA-' from 'A+'. Therefore, we raised our RCRs on BNP Paribas (Italy Branch) to 'AA-/A-1+' from 'A+/A-1'.

## Outlook

The stable outlook reflect that of the parent BNP Paribas.

Any upgrade or downgrade of BNP Paribas would translate into the same rating action on its Italian branch.

## BICRA Score Snapshot

### Italy BICRA

	To	From
BICRA group	4	5
Economic risk	4	5
Economic resilience	Intermediate risk	Intermediate risk
Economic imbalances	Low risk	Intermediate risk
Credit risk in the economy	High risk	High risk
Trend	Stable	Stable
Industry risk	4	5
Institutional framework	Intermediate risk	Intermediate risk
Competitive dynamics	Intermediate risk	High risk
Systemwide funding	Intermediate risk	Intermediate risk
Trend	Stable	Positive

Banking Industry Country Risk Assessment (BICRA) economic risk and industry risk scores are on a scale from 1 (lowest risk) to 10 (highest risk). For more details on our BICRA scores on banking industries across the globe, please see "Banking Industry Country Risk Assessment Update," published monthly on RatingsDirect.

Related Criteria

- General Criteria: Hybrid Capital: Methodology And Assumptions, Feb. 10, 2025
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- General Criteria: National And Regional Scale Credit Ratings Methodology, June 8, 2023
- Criteria | Financial Institutions | General: Financial Institutions Rating Methodology, Dec. 9, 2021
- Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions, 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
- General Criteria: Guarantee Criteria, Oct. 21, 2016
- General Criteria: Rating Government-Related Entities: Methodology And Assumptions, March 25, 2015
- General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions, Nov. 19, 2013
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Economic Outlook Eurozone Q2 2025: A World In Limbo, March 25, 2025
- The Top Trends Shaping European Bank Ratings In 2025, Jan. 27, 2025
- Italian Banking Sector Outlook 2025: Big changes ahead, Jan. 15, 2025
- Banking Industry Country Risk Assessment: Italy, June 19, 2024
- Iccrea Banca Outlook Now Positive On Improved Domestic Operating Conditions; Seven Italian Banks Affirmed At 'BBB-/A-3', June 18, 2024

Ratings List

***** BNP Paribas S.A. (Italy Branch)*****	
Ratings Affirmed	
BNP Paribas SA (Italy Branch)	
Issuer Credit Rating	A+/Stable/A-1

## Various Rating Actions Taken On 15 Italian Banks On Sovereign Upgrade And More Resilient Industry Dynamics

### Upgraded

	To	From
<b>BNP Paribas SA (Italy Branch)</b>		
Resolution Counterparty Rating	AA-/-/A-1+	A+/-/A-1

\*\*\*\*\* BPER Banca S.p.A. \*\*\*\*\*

### Upgraded; Outlook Action

	To	From
<b>BPER Banca S.p.A.</b>		
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Positive/A-3

### Upgraded; Ratings Affirmed

	To	From
<b>BPER Banca S.p.A.</b>		
Resolution Counterparty Rating	BBB+/-/A-2	BBB/-/A-2

\*\*\*\*\* Banca Mediolanum \*\*\*\*\*

### Upgraded; Ratings Affirmed

	To	From
<b>Banca Mediolanum</b>		
Issuer Credit Rating	BBB+/Stable/A-2	BBB/Stable/A-2

\*\*\*\*\* Banca Popolare dell'Alto Adige Volksbank S.p.A. \*\*\*\*\*

### Ratings Affirmed

#### Banca Popolare dell'Alto Adige Volksbank S.p.A.

Issuer Credit Rating	BBB-/Stable/A-3
----------------------	-----------------

\*\*\*\*\* Banca Popolare di Sondrio SpA \*\*\*\*\*

### Ratings Affirmed

#### Banca Popolare di Sondrio SpA

Issuer Credit Rating	BBB-/Positive/A-3
Resolution Counterparty Rating	BBB/-/A-2

\*\*\*\*\* Banco BPM \*\*\*\*\*

### Ratings Affirmed

#### Banco BPM

Resolution Counterparty Rating	BBB+/-/A-2
--------------------------------	------------

### Ratings Affirmed; Outlook Action

	To	From
<b>Banco BPM</b>		
Issuer Credit Rating	BBB/Positive/A-2	BBB/Stable/A-2

\*\*\*\*\* Banco di Desio e della Brianza S.p.A. \*\*\*\*\*

### Ratings Affirmed

#### Banco di Desio e della Brianza S.p.A.

Issuer Credit Rating	BBB-/Stable/A-3
----------------------	-----------------

\*\*\*\*\*Bank of New York Mellon S.A./N.V. (Italian Branch)\*\*\*\*\*

Upgraded

	To	From
<b>Bank of New York Mellon S.A./N.V. (Italian Branch)</b>		
Issuer Credit Rating	AA-/Stable/A-1+	A+/Stable/A-1
Resolution Counterparty Rating	AA-/--/A-1+	A+/--/A-1

\*\*\*\*\*FinecoBank S.p.A. \*\*\*\*\*

Upgraded; Ratings Affirmed

	To	From
<b>FinecoBank S.p.A.</b>		
Issuer Credit Rating	BBB+/Stable/A-2	BBB/Stable/A-2
Resolution Counterparty Rating	A-/--/A-2	BBB/--/A-2

\*\*\*\*\*Iccrea Banca SpA \*\*\*\*\*

Upgraded; Outlook Action

	To	From
<b>Iccrea Banca SpA</b>		
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Positive/A-3

Upgraded; Ratings Affirmed

	To	From
<b>Iccrea Banca SpA</b>		
Resolution Counterparty Rating	BBB+/--/A-2	BBB/--/A-2

\*\*\*\*\*Intesa Sanpaolo SpA \*\*\*\*\*

Upgraded; Ratings Affirmed

	To	From
<b>Intesa Sanpaolo SpA</b>		
<b>Fideuram - Intesa Sanpaolo Private Banking SpA</b>		
Issuer Credit Rating	BBB+/Stable/A-2	BBB/Stable/A-2
Resolution Counterparty Rating	A-/--/A-2	BBB+/--/A-2

\*\*\*\*\*Istituto per il Credito Sportivo e Culturale SpA \*\*\*\*\*

Upgraded

	To	From
<b>Istituto per il Credito Sportivo e Culturale SpA</b>		
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Stable/A-3

\*\*\*\*\*Mediobanca SpA \*\*\*\*\*

Upgraded; Ratings Affirmed

	To	From
<b>Mediobanca SpA</b>		
<b>MB Funding Lux S.A.</b>		
Issuer Credit Rating	BBB+/Stable/A-2	BBB/Stable/A-2

Resolution Counterparty Rating	A-/--/A-2	BBB+/--/A-2
***** Mediocredito Centrale - Banca Del Mezzogiorno SpA *****		
Upgraded		
	To	From
Mediocredito Centrale - Banca Del Mezzogiorno SpA		
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Stable/A-3
***** UniCredit SpA *****		
Upgraded; Outlook Action; Ratings Affirmed		
	To	From
UniCredit SpA		
Issuer Credit Rating	BBB+/Positive/A-2	BBB/Stable/A-2
Upgraded; Ratings Affirmed		
	To	From
UniCredit SpA		
Resolution Counterparty Rating	A-/--/A-2	BBB+/--/A-2

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at <https://disclosure.spglobal.com/ratings/en/regulatory/ratings-criteria> for further information. A description of each of S&P Global Ratings' rating categories is contained in "S&P Global Ratings Definitions" at <https://disclosure.spglobal.com/ratings/en/regulatory/article/-/view/sourceld/504352>. Complete ratings information is available to RatingsDirect subscribers at [www.capitaliq.com](http://www.capitaliq.com). All ratings referenced herein can be found on S&P Global Ratings' public website at [www.spglobal.com/ratings](http://www.spglobal.com/ratings).

-

Copyright © 2025 by Standard & Poor's Financial Services LLC. All rights reserved.

No content (including ratings, credit-related analyses and data, valuations, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of Standard & Poor's Financial Services LLC or its affiliates (collectively, S&P). The Content shall not be used for any unlawful or unauthorized purposes. S&P and any third-party providers, as well as their directors, officers, shareholders, employees or agents (collectively S&P Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Parties are not responsible for any errors or omissions (negligent or otherwise), regardless of the cause, for the results obtained from the use of the Content, or for the security or maintenance of any data input by the user. The Content is provided on an "as is" basis. S&P PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages.

Some of the Content may have been created with the assistance of an artificial intelligence (AI) tool. Published Content created or processed using AI is composed, reviewed, edited, and approved by S&P personnel.

Credit-related and other analyses, including ratings, and statements in the Content are statements of opinion as of the date they are expressed and not statements of fact. S&P's opinions, analyses and rating acknowledgment decisions (described below) are not recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P does not act as a fiduciary or an investment advisor except where registered as such. While S&P has obtained information from sources it believes to be reliable, S&P does not perform an audit and undertakes no duty of due diligence or independent verification of any information it receives. Rating-related publications may be published for a variety of reasons that are not necessarily dependent on action by rating committees, including, but not limited to, the publication of a periodic update on a credit rating and related analyses.

To the extent that regulatory authorities allow a rating agency to acknowledge in one jurisdiction a rating issued in another jurisdiction for certain regulatory purposes, S&P reserves the right to assign, withdraw or suspend such acknowledgment at any time and in its sole discretion. S&P Parties disclaim any duty whatsoever arising out of the assignment, withdrawal or suspension of an acknowledgment as well as any liability for any damage alleged to have been suffered on account thereof.

S&P keeps certain activities of its business units separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain business units of S&P may have information that is not available to other S&P business units. S&P has established policies and procedures to maintain the confidentiality of certain non-public information received in connection with each analytical process.

S&P may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P reserves the right to disseminate its opinions and analyses. S&P's public ratings and analyses are made available on its Web sites, [www.spglobal.com/ratings](http://www.spglobal.com/ratings) (free of charge), and [www.ratingsdirect.com](http://www.ratingsdirect.com) (subscription), and may be distributed through other means, including via S&P publications and third-party redistributors. Additional information about our ratings fees is available at [www.spglobal.com/usratingsfees](http://www.spglobal.com/usratingsfees).

STANDARD & POOR'S, S&P and RATINGSDIRECT are registered trademarks of Standard & Poor's Financial Services LLC.