

# Banca Popolare di Sondrio Upgraded To 'BBB/A-2' On Majority Acquisition By BPER; Outlook Stable; BPER Rating Affirmed

July 21, 2025

- On Friday July 11, 2025, BPER Banca (BPER) announced its acquisition of 58.5% of Banca Popolare di Sondrio's (BPS) total shares following the tender offer made earlier.
- We expect that the two banks will likely merge over the next 12 months. This would make BPS an integral part of BPER's group and strategy.
- We are therefore raising our long- and short-term ratings on BPS to 'BBB/A-2' from 'BBB-/A-3', aligning them with our ratings on BPER. At the same time, we affirmed the 'BBB/A-2' ratings on BPER.
- The outlooks on both banks are stable.

PARIS/MILAN (S&P Global Ratings) July 21, 2025, S&P Global Ratings today raised its long- and short-term issuer credit ratings on Banca Popolare di Sondrio SpA (BPS) to 'BBB/A-2' from 'BBB-/A-3', the long-term resolution counterparty credit rating to 'BBB+' from 'BBB', the issue ratings on its senior non-preferred debt to 'BBB-' from 'BB+', and the ratings on its subordinated debt to 'BB+' from 'BB'. The outlook is stable.

At the same time, we affirmed our 'BBB/A-2' long- and short-term issuer credit ratings on BPER Banca SpA (BPER) and maintained the stable outlook.

**The upgrade of BPS reflects our view that it will likely be fully integrated into BPER over the next 12 months.** Following the tender offer, BPER now owns about 58.5% of BPS and plans to call the shareholder meeting to vote to approve the merger of the two institutions. We understand that a minimum of two-thirds of the capital represented at the shareholder meeting would be sufficient to approve the merger. Although current BPER ownership of BPS is below that threshold, we consider there is a high likelihood that the merger proposal will receive the necessary two-thirds majority vote at the shareholder meeting. This consideration reflects our view that BPER already owns a significant share of BPS' capital and our view that the whole BPS capital will not likely be represented at the meeting, rather mostly the retail shareholders. . Consequently, we anticipate that BPS will become an integral part of the new combined group given the strong strategic rationale for the merger for BPER's growth strategy. Therefore, we now consider BPS a core strategic subsidiary of BPER, and we have aligned our ratings on BPS with those on BPER.

## Primary contacts

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**We consider the acquisition of BPS will strengthen BPER's market positions and support its business growth strategy.** This reflects our view of the strong strategic rationale for BPER, the geographic and business fit, and limited overlaps. We think that BPER's expectation of €290 million in synergies by 2027 appears achievable. In our view, the acquisition of BPS would not materially affect BPER's asset quality in the years to come. However, the acquisition will expand BPER's exposure to corporates and small and midsize enterprises compared with BPER's current portfolio composition, taking into account BPS' established positions in this segment. Both banks have sound funding and liquidity positions. The overall capital impact will be manageable, in our view, likely 30-40 basis points in 2027 compared with pre-acquisition expectations, all else being equal. We anticipate that the combined entity's risk-adjusted capital will remain comfortably above 7% over the next two years.

**Preserving BPS' franchise and customers could be BPER's main challenge, in our view.** BPS has a strong and established franchise in Lombardy, one of Italy's wealthiest regions, and maintains longstanding ties with local businesses and communities. The bank has benefited from a good track record of prudent management and effective strategies over the past decade. That said, we expect BPER will be able to manage well the risks related to potential franchise disruption coming from the acquisition.

## BPER Banca SpA

### Primary Credit Analyst: Mirko Sanna

The stable outlook reflects our opinion that BPER will remain resilient over the next couple of years, preserving its solid capital base and asset quality. It also reflects our view that BPS' acquisition and operational integration will be smooth and will not pose major execution risks.

### 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. Although we see it unlikely at this stage, this could occur if, for example, the risk-adjusted capital ratio were to fall sustainably below 7% or BPER's stock of nonperforming exposures and credit losses were to materially increase.

### Upside scenario

Although unlikely at this stage, we could upgrade BPER over the next 12-24 months, if we were to see a material improvement in the operating and economic risks Italian banks are subject to, all else equal. We could also consider an upgrade if we were to conclude that BPER's own creditworthiness had materially improved, to become more in line with higher rated peers.

## Banca Popolare di Sondrio SpA

### Primary Credit Analyst : Letizia Conversano

The stable outlook reflects our view that BPS will become an integral part of BPER's operations and growth strategy over the next 18-24 months.

### Downside scenario

We could lower our rating on BPS over the next 18-24 months if we were to lower the rating on BPER or conclude that BPS is not integral to BPER's strategy.

## Upside scenario

We could upgrade BPS over the next 18-24 months if we were to upgrade BPER.

## Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 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
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

## Related Research

- [Banca Popolare di Sondrio SpA Mostly Completes Remedial Actions To Address Findings From ECB](#), May 15, 2025
- [Banca Popolare di Sondrio Outlook Revised To Positive Following BPER Banca Offer; Ratings On Both Banks Affirmed](#), Feb. 13, 2025

## Ratings List

### Ratings list

Banca Popolare di Sondrio SpA		
Upgraded; Outlook Action		
	To	From
<b>Banca Popolare di Sondrio SpA</b>		
Issuer Credit Rating	BBB/Stable/A-2	BBB-/Positive/A-3
Upgraded		
	To	From
<b>Banca Popolare di Sondrio SpA</b>		
Resolution Counterparty Rating	BBB+/-/A-2	BBB/--/A-2
Senior Unsecured	BBB	BBB-
Subordinated	BB+	BB
<b>BPER Banca SpA</b>		
Ratings Affirmed		
<b>BPER Banca SpA</b>		

**Ratings list**

Issuer Credit Rating	BBB/Stable/A-2
Resolution Counterparty Rating	BBB+/-/A-2
Senior Unsecured	BBB

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