

Informazione Regolamentata n. 0051-7-2015	Data/Ora Ricezione 26 Febbraio 2015 12:25:05	MTA
---	--	-----

Societa' : BANCA POPOLARE DI SONDRIO  
Identificativo : 53531  
Informazione  
Regolamentata  
Nome utilizzatore : BPOPSONN02 - MORELLI  
Tipologia : IRAG 10  
Data/Ora Ricezione : 26 Febbraio 2015 12:25:05  
Data/Ora Inizio : 26 Febbraio 2015 12:40:06  
Diffusione presunta  
Oggetto : Rating

*Testo del comunicato*

Vedi allegato.



# Banca Popolare di Sondrio

Società cooperativa per azioni - fondata nel 1871  
Sede sociale e direzione generale: I - 23100 Sondrio So - Piazza Garibaldi 16  
Iscritta al Registro delle Imprese di Sondrio al n. 00053810149  
Iscritta all'Albo delle Banche al n. 842  
Capogruppo del Gruppo bancario Banca Popolare di Sondrio  
iscritto all'Albo dei Gruppi bancari al n. 5696.0 - Iscritta all'Albo delle Società Cooperative al n. A160536  
Aderente al Fondo Interbancario di Tutela dei Depositi  
Codice fiscale e Partita IVA: 00053810149  
Al 30 settembre 2014: Capitale Sociale € 1.360.157.331 - Riserve € 775.072.375

## COMUNICATO STAMPA

**Banca Popolare di Sondrio: Dagong Europe attribuisce il rating di lungo termine “BBB”, di breve termine "A-3" e outlook “stabile”.**

La Banca Popolare di Sondrio informa che in data odierna l'agenzia Dagong Europe – affiliata alla casamadre cinese “Dagong Global Credit Rating” e autorizzata dallo scorso anno a operare sul mercato europeo - ha attribuito, per la prima volta, i seguenti giudizi di rating: Long-term Credit rating “BBB“, Short-term Credit rating “A-3”, outlook “stable”.

Si allega il comunicato stampa pubblicato da Dagong Europe.

Sondrio, 26 febbraio 2015

BANCA POPOLARE DI SONDRIO SCPA

## CONTATTI SOCIETARI

- nome: Paolo Lorenzini
- ruolo: responsabile servizio relazioni esterne
- telefono: 0342 528212
- e-mail: [paolo.lorenzini@popso.it](mailto:paolo.lorenzini@popso.it)
- indirizzo internet aziendale: [www.popso.it](http://www.popso.it)

# Dagong Europe Assigns 'BBB' Long Term Credit Rating to Banca Popolare di Sondrio Scpa, Outlook Stable

## *Rating Action Report*

Milan, 26 February 2015

Dagong Europe has assigned a Long Term Credit Rating of 'BBB' and equivalent Short Term Credit Rating of 'A-3' to Italy-based Banca Popolare di Sondrio Scpa (BP Sondrio). The Outlook is Stable.

### RATING RATIONALE

The Long Term Credit Rating takes into account the Individual Financial Strength Assessment (IFSA) at 'bbb', and our External Support Assessment (ESA) of 'Moderate' potential to receive National Systemic Support.

The IFSA reflects BP Sondrio's stable franchise in terms of loans and deposits in its home market of Lombardy in Northern Italy; its historically sustainable and stable traditional banking model; retail-based funding and strong liquidity; as well as strong recently-reinforced capitalisation levels and satisfactory problematic asset<sup>1</sup> coverage. The IFSA is constrained by the bank's relatively small size which has largely grown organically, limiting any material changes in business outreach; and a significant loan concentration in the real estate sector and weak asset quality - albeit better than the Italian average - which has translated into high loan provision expenditure for the last 3 years.

Our credit opinion is based on the following factors:

- **Sustainable and valued franchise, with traditional business model, and focus on lending and deposit-taking in Northern Italy:** BP Sondrio's development strategy focuses on traditional banking services, with a target market related to Northern Italy, which historically has shown better asset quality performance than the Italian banking system on average.
- **Stable funding structure, derived mainly from retail, is a key credit strength:** BP Sondrio's funding is 90%-derived from its retail clients, which is a common strength of local traditional-based banking models, particularly in Italy. BP Sondrio's solid franchise is valued by its retail clients which make-up most of the deposit base, providing a particularly stable and sustainable funding structure in the long term.
- **Capital levels were reinforced in July 2014 to strengthen Tier 1 ratio to 9.8%:** BP Sondrio raised EUR 343Mn in July 2014 in anticipation of the ECB (European Central Bank) and EBA's (European Banking Authority) Comprehensive Assessment, published in October

#### Primary Analyst

Christina Sterr  
Director Financial Institutions  
[christina.sterr@dagongeuropa.com](mailto:christina.sterr@dagongeuropa.com)

#### Back-up Analyst

Carola Saldias  
Sector Head  
Senior Director Financial Institutions  
[carola.saldias@dagongeuropa.com](mailto:carola.saldias@dagongeuropa.com)

#### Committee Chairperson

Richard Miratsky  
Sector Head  
Senior Director Corporates

<sup>1</sup> Problematic assets include: non-performing loans (sofferenze), watch list (incagli), restructured (ristrutturate), and expired deteriorated (scadute deteriorate).

2014. Capital levels are now above those of peers and provide a sufficient buffer for potential increases in credit risk, as well as for expected lending growth.

- **Credit risk remains the greatest challenge for BP Sondrio. We caution especially on the bank's real estate portfolio, which accounts for about 30% of the loan book:** Loan loss provision expenditure has increased substantially in the last three years, has substantially affected profitability levels, and hence the bank's internal capital generation. We expect the Italian economy to start to recover in the second half of 2015, and hence also expect asset quality to improve with a lagged effect. Growth prospects remain limited and any larger-than-expected increase in provisions will negatively affect the bank's profitability.
- **Limitations in terms of geographic diversification and competitive positioning:** We value BP Sondrio's entrenched position in a comparably strong region. However, geographic diversification and competitive positioning is constrained by its small size and predominant presence in Lombardy. Because of the bank's growth strategy mainly in its home region, we expect these relative limitations to persist.

We assess the possibility of national systemic support to be 'Moderate' for BP Sondrio, however this does not result in any rating uplift from the IFSA. Our view on moderate support takes into account the bank's limited importance to the Italian banking system (market share of about 1.5% for deposits and 1.1% for loans). However, we recognise that BP Sondrio's traditional banking business model provides valuable lending and deposit-taking services to the economy, and also benefits from a relative significance within the domestic payment system (designated bank for pension payments for expat Italians). We also recognise that for BP Sondrio – now under direct supervision from the ECB and being part of the Banking Union – any forthcoming direct support is to be structured through the Banking Resolution Mechanism, using a variety of tools including the bailout fund from the centralised Single Resolution Fund.

## OUTLOOK - STABLE

BP Sondrio's ratings carry a 'Stable' outlook, and reflect our view on the bank's expected stable financial performance, with internal capital generation sufficient to cover potential losses from current and expected problematic assets, whilst keeping capital ratios at their currently sufficient levels. The stable outlook incorporates what we expect will be a cautious organic growth strategy within the bank's current geographic outreach.

## UPSIDE - DOWNSIDE POTENTIAL FOR THE RATING

The ratings could be upgraded if we see a material and sustainable improvement in core profitability levels in a more resilient and growing economic context, further strengthened capital, and/or by a material reduction of problematic assets.

The ratings could be downgraded if capital ratios weaken, most likely triggered by a worse-than-expected evolution of the bank's asset quality and hence weaker-than-expected profitability. They could also be downgraded if we see a weakening of coverage levels of problematic assets.

## BANCA POPOLARE DI SONDRIO BUSINESS PROFILE

BP Sondrio was established and incorporated in 1871 in Sondrio as a 'banca popolare': a cooperative bank where single shareholders have one vote, no matter how many shares they hold<sup>2</sup>.

<sup>2</sup> For BP Sondrio, 'società cooperativa per azioni' applies the respective law shareholder voting law '1° comma dell'art. 30 del TUB (decreto legislativo 24 febbraio 1998 n. 58 - Testo Unico della Finanza)'.

Currently, BP Sondrio has about 185,000 shareholders. The bank follows a traditional banking model, providing banking products mainly to households, and local small and medium-size corporates in its home territory, Lombardy. Products are distributed predominately through its 327 branches, which are located mainly in Northern Italy (284) and Rome (43).

BP Sondrio has two important subsidiaries that help to complement the business on a consolidated basis. BP Sondrio controls 100% of Banca Popolare di Sondrio (SUISSE) SA, established in 1995, headquartered in Lugano, Switzerland, incorporated under Swiss law and supervised by the Swiss National Bank. It provides lending to individuals and corporates, as well as private banking and asset management services, through 20 branches in Switzerland and one branch in Monaco. BP Sondrio also holds 60.5% of Factorit, a factoring company which operates mainly in Italy. Other shareholders of Factorit are Banca Popolare di Milano (30.0%) and Banco Popolare (9.5%). Factorit was established in 1978 and distributes its factoring products through the Italian 'banche popolari' network of about 7,500 branches, and 6 direct branches. BP Sondrio acquired the control in 2010. BP Sondrio reported a net income of EUR 115Mn at YE14 (net income for YE13 at EUR 53Mn), and a Tier 1 ratio of 9.8% (YE13 at 7.9%).

#### FULL LIST OF RATINGS, SOLICITED AND DISCLOSED TO THE ISSUER(S):

<b>Banca Popolare di Sondrio Scpa</b>	
Long-Term Credit Rating (FC & LC)	BBB
Outlook	Stable
Short-Term Credit Rating (FC & LC)	A-3
IFSA	bbb

**FC & LC:** Foreign Currency and Local Currency

#### CRITERIA APPLIED

- [Dagong Europe Criteria for Rating Financial Institutions, published on 2 August 2013](#)
- [Dagong Europe Ratings Definitions, published on 13 May 2014](#)

#### CONTACTS

##### Primary Analyst

Christina Sterr  
*Director Financial Institutions*  
Tel +39 02 727460 22  
[christina.sterr@dagongeuropa.com](mailto:christina.sterr@dagongeuropa.com)

##### Back-up Analyst

Carola Saldias  
*Sector Head*  
*Senior Director Financial Institutions*  
Tel +39 02 727460 29  
[carola.saldias@dagongeuropa.com](mailto:carola.saldias@dagongeuropa.com)

##### Committee Chairperson

Richard Miratsky  
*Sector Head*  
*Senior Director Corporates*  
Tel + 39 02 727460 11  
[richard.miratsky@dagongeuropa.com](mailto:richard.miratsky@dagongeuropa.com)

#### OTHER REGULATORY DISCLOSURES

- The List of Ratings included in this Rating Action Report were solicited and disclosed to the issuer(s).

- Dagong Europe uses public and non-public information provided by the issuer, public information from reliable third-party sources and internally developed models and analytical tools. Dagong Europe analytical team does not take into consideration sources of information deemed not reliable.
- This Rating Action Report was disclosed to the rated entity before being issued. Dagong Europe had provided a one advance copy to the issuer to review factual errors and unintentional release of confidential information. Dagong Europe maintains editorial control over the Rating Action Report, representing its independent opinion.

For any further information on criteria and procedures, please refer to the following links:

<http://www.dagongeuropa.com/ratingcriteria>

<http://www.dagongeuropa.com/procedures>

#### External Communications

Sidney Shin-Yi Dung

*Chief Communications Officer*

Tel +39 02 727460 38

[sidney.dung@dagongeuropa.com](mailto:sidney.dung@dagongeuropa.com)

© 2015 DAGONG EUROPE CREDIT RATING SRL (COLLECTIVELY, "DAGONG EUROPE").

ALL RIGHTS RESERVED

#### DISCLAIMERS

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 DAGONG EUROPE. DAGONG EUROPE DOES NOT INTEND TO ASSUME, AND IS NOT ASSUMING, ANY RESPONSIBILITY OR LIABILITY TO ANY PARTY ARISING OUT OF, OR WITH RESPECT TO, THIS CONTENT. THIS CONTENT IS NOT INTENDED TO, AND DOES NOT, FORM A PART OF ANY CONTRACT WITH ANYONE, EITHER DIRECTLY OR INDIRECTLY. THE CONTENT SHALL NOT BE USED FOR ANY UNLAWFUL OR UNAUTHORIZED PURPOSES. DAGONG EUROPE DO NOT GUARANTEE THE ACCURACY, COMPLETENESS, TIMELINESS OR AVAILABILITY OF THE CONTENT AND IS NOT RESPONSIBLE FOR ANY ERRORS OR OMISSIONS (NEGLIGENT OR OTHERWISE), REGARDLESS OF THE CAUSE, FOR THE RESULTS OBTAINED FROM THE USE OF THE CONTENT.

#### USERS OF RATINGS

USERS OF RATINGS SHOULD BE AWARE THAT DAGONG EUROPE'S RATINGS ARE OPINIONS REFLECTING THE ABILITY OF AN ENTITY OR A SECURITIES ISSUE TO MEET FINANCIAL COMMITMENTS SUCH AS INTEREST, PREFERRED DIVIDENDS AND REPAYMENT OF PRINCIPAL, IN ACCORDANCE WITH THEIR TERMS. IN PARTICULAR, THE USERS OF RATINGS SHOULD BE AWARE THAT A 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. DAGONG EUROPE'S OPINIONS, ANALYSES AND RATING ACKNOWLEDGEMENT 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.

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. DAGONG EUROPE ASSUMES NO OBLIGATION TO UPDATE THE CONTENT FOLLOWING PUBLICATION IN ANY FORM OR FORMAT.

#### ISSUING RATINGS

CREDIT RATINGS DO NOT DIRECTLY ADDRESS ANY RISK OTHER THAN CREDIT RISK. IN PARTICULAR, RATINGS DO NOT DEAL WITH THE RISK OF LOSS DUE TO CHANGES IN INTEREST RATES AND OTHER MARKET CONSIDERATIONS. DAGONG EUROPE CANNOT GUARANTEE THE FULL ACCURACY OF ALL INFORMATION PROVIDED BY AN ENTITY FOR THE RATING PROCESS.

IN ISSUING AND MAINTAINING ITS RATINGS, DAGONG EUROPE RELIES ON FACTUAL INFORMATION IT RECEIVES FROM ISSUERS AND UNDERWRITERS AND FROM OTHER SOURCES DAGONG EUROPE BELIEVES TO BE CREDIBLE. DAGONG EUROPE DOES NOT PERFORM AN AUDIT AND UNDERTAKES NO DUTY OF DUE DILIGENCE OR INDEPENDENT VERIFICATION OF ANY INFORMATION IT RECEIVES. WHERE DAGONG EUROPE DECIDES, AT ITS OWN DISCRETION, TO PERFORM AN ENHANCED FACTUAL INVESTIGATION OR AN INDEPENDENT VERIFICATION ON THE INFORMATION RECEIVED, THE USERS SHOULD BE AWARE THAT NEITHER AN ENHANCED FACTUAL INVESTIGATION NOR ANY THIRD-PARTY VERIFICATION CAN ENSURE THAT ALL OF THE INFORMATION DAGONG EUROPE RELIES ON IN CONNECTION WITH A RATING WILL BE ACCURATE AND COMPLETE.

ULTIMATELY, THE ISSUER AND ITS ADVISERS ARE RESPONSIBLE FOR THE ACCURACY OF THE INFORMATION THEY PROVIDE TO DAGONG EUROPE AND TO THE MARKET IN OFFERING DOCUMENTS AND OTHER REPORTS.

*RELATIONSHIP WITH ANY ISSUER*

DAGONG EUROPE DOES NOT HAVE A FIDUCIARY RELATIONSHIP WITH ANY ISSUER, SUBSCRIBER OR OTHER INDIVIDUAL. NOTHING IS INTENDED TO OR SHOULD BE CONSTRUED AS CREATING A FIDUCIARY RELATIONSHIP BETWEEN DAGONG EUROPE AND ANY ISSUER OR BETWEEN DAGONG EUROPE AND ANY USER OF ITS RATINGS. RATINGS MAY BE CHANGED, QUALIFIED, PLACED ON RATING WATCH OR WITHDRAWN AS A RESULT OF CHANGES IN, ADDITIONS TO, CORRECTNESS OF, UNAVAILABILITY OF OR INADEQUACY OF INFORMATION OR FOR ANY REASON DAGONG EUROPE DEEMS SUFFICIENT.

DAGONG EUROPE DOES NOT PROVIDE TO ANY PARTY ANY CONSULTANCY SERVICE, FINANCIAL ADVICE OR LEGAL, AUDITING, ACCOUNTING, APPRAISAL, VALUATION OR ACTUARIAL SERVICES. A RATING SHOULD NOT BE VIEWED AS A REPLACEMENT FOR SUCH ADVICE OR SERVICES. THE ASSIGNMENT OF A RATING BY DAGONG EUROPE SHALL NOT CONSTITUTE CONSENT BY DAGONG EUROPE TO USE ITS NAME AS AN EXPERT IN CONNECTION WITH ANY REGISTRATION STATEMENT, OFFERING DOCUMENT OR OTHER FILINGS UNDER ANY RELEVANT SECURITIES LAWS.

Fine Comunicato n.0051-7

Numero di Pagine: 8