Informazione Regolamentata n. 0051-28-2015	Data/Ora Ricezione 02 Luglio 2015 17:43:05	MTA

Societa'	:	BANCA POPOLARE DI SONDRIO
Identificativo Informazione Regolamentata	:	60485
Nome utilizzatore	:	BPOPSONN02 - MORELLI
Tipologia	:	IRAG 10
Data/Ora Ricezione	:	02 Luglio 2015 17:43:05
Data/Ora Inizio Diffusione presunta	:	02 Luglio 2015 17:58:06
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
Capitale Sociale € 1.360.157.331 - Riserve € 833.958.444 (Dati approvati dall'assemblea dei Soci del 18/04/2015)

COMUNICATO STAMPA

Banca Popolare di Sondrio : Fitch Ratings conferma il rating di lungo termine a "BBB", di breve termine a "F3" e il Viability Rating a "bbb". L'outlook è stato rivisto da "negativo" a "stabile".

La Banca Popolare di Sondrio informa che in data odierna l'agenzia londinese Fitch Ratings ha confermato il rating di Long-term a "BBB", di Short-term a "F3" e il Viability Rating a "bbb". L'outlook è stato rivisto da "negativo" a "stabile".

Si allega il comunicato stampa pubblicato da Fitch Ratings.

Sondrio, 2 luglio 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
- indirizzo internet aziendale: www.popso.it

FITCH TAKES RATING ACTION ON 4 ITALIAN MEDIUM-SIZED BANKS

Fitch Ratings-Madrid/Barcelona-02 July 2015: Fitch Ratings has affirmed the ratings of Credito Emiliano (Credem), Banca Popolare di Sondrio (BPS), Banco di Desio e della Brianza (Desio) and Credito Valtellinese (Creval). The Outlooks on Credem and BPS have been revised to Stable from Negative.

Credem's Long-term Issuer Default Rating (IDR) and senior debt ratings are affirmed at 'BBB+'; BPS's and Desio's at 'BBB', and Creval's at 'BB'.

The rating actions follow a periodic review of these four Italian medium-sized banking groups. A full list of rating actions is available at the end of this rating action commentary.

KEY RATING DRIVERS

IDRS, VIABILITY RATINGS (VRs) AND SENIOR DEBT
Credem
Credem's 'BBB+' Long-term IDR reflects the bank's healthy asset quality domestically, sound capitalisation and resilient profitability as captured by the bank's Viability Rating (VR) of 'bbb+'.

Asset quality is the strongest among rated Italian banks, with impaired loans accounting for 5.7% of gross loans at end-1Q15. Coverage of impaired loans is acceptable at 54% and compares well with peers.

Credem reported an operating profit of EUR208m in 2014, with an operating return on average equity (ROAE) of about 9%, and EUR98m in 1Q15. The bank's performance is sustained by strong revenue generation from both interest and commission income and by low loan impairment charges (LICs) as a result of its strong asset quality. Operating expenses, however, remain high.

Capitalisation is sound, with a Fitch Core Capital (FCC) and CET1 ratio of about 11% at end-1Q15. Fitch views the bank's capitalisation as strong also in light of the low level of unreserved impaired loans, which account for only 31% of FCC, significantly lower than other Italian banks.

The Outlook revision to Stable from Negative reflects Fitch's expectations of continued sound financial performance and no material deterioration in asset quality. The Stable Outlook also reflects the normalisation in the operating environment and financial markets in Italy after years of economic recession.

BPS
The Outlook revision to Stable from Negative reflects Fitch's expectation of a stabilisation in BPS's asset quality and of a modest recovery in the profitability of its core lending activities, supported by lower LICs. BPS's IDRs and VR reflect the bank's strengthened capitalisation, a still manageable level of impaired loans, despite the deterioration experienced throughout the domestic recession, and adequate funding.

BPS's capitalisation was strengthened in 2014 through a EUR342m capital increase. The FCC ratio improved to 10.3% at end-2014 - from 8.4% at end-2013 - which Fitch considers acceptable given BPS's prudent risk appetite and lower impaired loan ratio compared with its immediate peers.

Unreserved impaired loans accounted for 56.4% of FCC at end-2014, which compares well with other domestic peers in the same rating range.

The stock of impaired loans increased at a slower pace in 2014 and amounted to 13.1% of total gross loans at end-1Q15, a level that continues to compare favourably with domestic peers. Coverage of impaired loans improved further to 54% at end-1Q15 from 52% at end-2013 and is among the highest for Italian medium-sized banks rated by Fitch. Loans to the real estate and construction sectors have been declining progressively, signalling a more prudent risk appetite, although exposure to market risk has increased in recent years in view of its large investments in Italian government bonds.

BPS's operating performance has been more resilient throughout the domestic recession than most of its domestic peers. In 2014 revenues from its core lending activities continued to be negatively influenced by low interest rates and low volumes but net interest income benefitted from lower funding costs and interest earned on securities.

Gains from its securities portfolio continued to contribute materially to operating revenues but we believe this is not sustainable. LICs remained high in 2014 but were stable over 2013, including the EUR162m provisions related to the ECB's Asset Quality Review. Fitch expects LICs to reduce in 2015, reflecting the bank's already conservative provisioning and improving quality of new lending. BPS's cost/income ratio was on a moderately improving trend at 39% in 1Q15 (43% at end-2013), showing the bank's ability to keep operating costs under control.

BPS's funding structure is adequate, in Fitch's view. The bank relies on ample and stable retail funding (88% of total non-equity funding at end-1Q15) while ECB funding utilisation is contained (at 3% of total assets). BPS diversified its funding structure through the use of covered bonds in 2014.

Desio
Desio's ratings reflect the bank's acceptable capitalisation, and more resilient profitability than most peers and adequate funding profile. The ratings also reflect deteriorated asset quality after the acquisition of Banca Popolare di Spoleto (BPSpoleto) which, however, remains better than system-average, and the bank's fairly small franchise.

At end-1Q15 Desio's FCC ratio stood at 11% and its tangible equity accounted for a high 7.5% of tangible assets. Fitch considers Desio's capitalisation as acceptable but unreserved impaired loans as a share of FCC which surged above 80% at end-1Q15 from around 40% before the acquisition of BPSpoleto.

Desio's profitability is resilient. The bank's revenue generation capacity should benefit, in the coming quarters, from higher loan volumes and the bank's ability to keep net interest margins stable. Additional benefits to operating revenues should come from aligning BPSpoleto's commercial strategies with those of the parent. Control over operating costs remains strong. LICs, which eroded more than 75% of the pre-impairment operating profit in 2014, should decline but remain exposed to asset quality dynamics.

Desio's funding is adequate. Customer funding accounts for above 90% of total non-equity funding and has a track record of stability, despite the large presence of SME deposits, resulting in liquidity coverage ratios just being above the regulatory minimum. Liquidity is underpinned by unencumbered eligible assets amounting to 12% of total assets at end-1Q15.

Desio's impaired loans ratio reached 15.7% of gross loans at end-1Q15, which is high internationally but still compares adequately with its domestic peers. Desio's prudent lending policies have been implemented at BPSpoleto and should mitigate future asset quality pressure. BPSpoleto's legacy impaired loans remain a risk but are abundantly covered by reserves.

Loan loss reserves for Desio improved to 54% of impaired loans at end-1Q15, one of the highest ratios among direct domestic peers, from 43% at end-2013, and are complemented by adequate collateral. The group's loan book remains well-diversified by borrower and by industry. Geographical diversification has improved with the acquisition of BPSpoleto.

Creval

Creval's IDRs and VR reflect the bank's weak asset quality with a high level of gross and unreserved impaired loans in relation to capital, as well as its strengthened capital and adequate funding and liquidity. Profitability remains weak; however, Fitch sees early signs of recovery in pre-impairment profit, reflecting stabilisation in the operating environment and lending volumes, improving operating efficiency and competitive pricing strategies.

Fitch believes asset quality remains Creval's major weakness and a drag on its capital and ratings. The stock of impaired loans rose to a high 23% of gross loans at end-1Q15, above the average for direct peers, from 16% at end-2013. Loan loss reserve coverage of 44% at the same date remains weak in Fitch's view.

Extensive use of collateral means problem loans are fully covered, but collateral is in the form of real estate, which is exposed to the risk of valuation decline and a long disposal process. Creval's larger-than-average exposure to real estate and construction sectors is mitigated by the fragmented nature of individual exposures. Fitch expects impaired loans to continue to increase, albeit at a slower pace, as the legacy portfolio deteriorates further in 2015-2016.

The bank's capital strengthened following a EUR400m capital increase in 1H14. Its phased-in CET1 and total capital ratios stood at 11.1% (8.8% at end-2013) and 13.6%, respectively, at end-1Q15. However, Creval's capitalisation remains under pressure, given the material size of its unreserved impaired loans, which represented a high 134% of FCC at end-1Q15.

Creval reported net losses of EUR322m at end-2014 due to exceptionally high LICs (EUR708m), entirely eroding its pre-impairment profit, but also an extraordinary EUR131m of impairment of its goodwill and intangibles and an additional EUR44m of non-recurring provisions for layoffs. Fitch expects a normalisation of operating profitability in 2015. Fitch acknowledges a stabilisation in net interest income (NII) throughout 2014 and in 1Q15, but this is attributable to cheap ECB funding and interest on securities. Gains from the securities portfolio, which Fitch considers a volatile source of income, continued to support profitability in 1Q15 but less than at other domestic peers.

Funding and liquidity are adequate in Fitch's opinion. The bank benefits from large and stable customers' funding which accounted for 71% of total non-equity funding at end-2014. Liquidity remains acceptable, underpinned by unencumbered ECB eligible assets representing 14% of total assets.

SUPPORT RATING AND SUPPORT RATING FLOOR (ALL BANKS)

The SRs and SRFs reflect Fitch's view that senior creditors can no longer rely on receiving full extraordinary support from the sovereign in the event that a bank becomes non-viable. In Fitch's view, the EU's Bank Recovery and Resolution Directive (BRRD) and the Single Resolution Mechanism (SRM) for eurozone banks are now sufficiently progressed to provide a framework for resolving banks that is likely to require senior creditors participating in losses, if necessary, instead of or ahead of a bank receiving sovereign support.

In the EU, BRRD has been effective in member states since 1 January 2015, including minimum loss absorption requirements before resolution financing or alternative financing (eg, government stabilisation funds) can be used. Full application of BRRD, including the bail-in tool, is required from 1 January 2016.

SUBORDINATED DEBT AND OTHER HYBRID SECURITIES (ALL BANKS)
Subordinated debt and other hybrid capital are all notched down from the banks' respective VRs in accordance with Fitch's assessment of each instrument's respective non-performance and relative loss severity risk profiles.

Credem's subordinated callable Tier 2 debt is rated one notch below the bank's VR of 'bbb+'. The notes are notched down once for loss severity to reflect below-average recovery prospects. No notching is applied for non-performance risk since a write-down of the notes will only occur once the point of non-viability is reached and there is no coupon flexibility prior to non-viability.

RATING SENSITIVITIES

IDRS, VRs AND SENIOR DEBT (ALL BANKS)
Material deterioration in asset quality and capital, which Fitch currently does not expect for any of the banks, could lead to the ratings being downgraded. Similarly, a deterioration of funding and liquidity profiles would put pressure on the ratings.

Improvements in the profitability of the banks' commercial activities and a material reduction in the level of impaired loans and capital at risk could over time lead to the ratings being upgraded. For Credem, an upgrade of the VR to the 'a' category is unlikely since we consider its business model as a regional commercial bank as a constraint.

The banks' Long-term IDRs are potentially sensitive to Fitch's assessment of the level of protection offered to senior creditors by outstanding loss-absorbing junior instruments.

In the case of Creval, the size of its junior debt buffer, which was close to 7% of risk-weighted assets at end-2014 was therefore fairly close to the minimum EU Pillar I total capital requirement. Further strengthening of this buffer could eventually justify a one-notch uplift of the IDR from the VR. However, a lack of plans to enlarge the junior debt buffer currently does not warrant an IDR upgrade.

SUPPORT RATING AND SUPPORT RATING FLOOR (ALL BANKS)
Any upgrade to the SRs and upward revision to the SRFs would be contingent on a positive change in the sovereign's propensity to support its banks. While not impossible, this is highly unlikely in Fitch's view.

SUBORDINATED DEBT AND OTHER HYBRID SECURITIES (ALL BANKS)
The ratings of the instruments are primarily sensitive to a change in the banks' VRs, which drive the ratings, but also to a change in Fitch's view of non-performance or loss severity risk relative to the respective banks' viability.

The rating actions are as follows:

Credito Emiliano
Long-term IDR: affirmed at 'BBB+'; Outlook Revised to Stable from Negative
Short-term IDR: affirmed at 'F2'
Viability Rating: affirmed at 'bbb+'
Support Rating: affirmed at '5'
Support Rating Floor: affirmed at 'No Floor'
Long-term senior unsecured debt (EMTN): affirmed at 'BBB+'
Subordinated Tier 2 debt: affirmed at ''BBB''

Banco di Desio e della Brianza
Long-term IDR: affirmed at 'BBB'; Outlook Stable
Short-term IDR: affirmed at 'F3'

Viability Rating: affirmed at 'bbb';
Support Rating: affirmed at '5'
Support Rating Floor: affirmed at 'No Floor'

Banca Popolare di Sondrio
Long-term IDR: affirmed at 'BBB'; Outlook Revised to Stable from Negative
Short-term IDR: affirmed at 'F3'
Viability Rating: affirmed at 'bbb'
Support Rating: affirmed at '5'
Support Rating Floor: affirmed at 'No Floor'

Credito Valtellinese
Long-term IDR: affirmed at 'BB'; Outlook Stable
Short-term IDR: affirmed at 'B'
Viability Rating: affirmed at 'bb'
Support Rating: affirmed at '5'
Support Rating Floor: affirmed at 'No Floor'
Senior unsecured notes and EMTN: affirmed at 'BB'/'B'

Contact:
Primary Analysts
Francesca Vasciminno (BPS)
Senior Director
+39 02 87 90 87 225
Fitch Italia S.p.A.
Via Privata Maria Teresa, 8
20123 Milan

Fabio Ianno (Credem)
Director
+44 20 3530 1232
Fitch Ratings Ltd
30 North Colonnade
E14 5GN London

Alessandro Musto (Creval, Desio)
Director
+39 02 879087 201
Fitch Italia S.p.A.
Via Privata Maria Teresa, 8
20123 Milan

Secondary Analysts
Manuela Banfi (Credem, Desio)
Associate Director
+39 02 879087 202

Valeria Pasto (BPS, Creval)
Analyst
+39 02 879087 202

Committee Chairperson
Erwin Van Lumich
Managing Director

+34 93 32 38 403

Media Relations: Elaine Bailey, London, Tel: +44 203 530 1153, Email: elaine.bailey@fitchratings.com.

Additional information is available on www.fitchratings.com

Applicable Criteria
Global Bank Rating Criteria (pub. 20 Mar 2015)
https://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=863501

Fine Comunicato n.0051-28	Numero di Pagine: 9