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Insight beyond the rating.

Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Banca Sella Holding SpA	Long-Term Issuer Rating	BBB (low)	Confirmed May '18	Stable
Banca Sella Holding SpA	Short-Term Issuer Rating	R-2 (middle)	Confirmed May '18	Stable
Banca Sella Holding SpA	Intrinsic Assessment	BBB (low)		
Banca Sella SpA	Long-Term Issuer Rating	BBB (low)	Confirmed May '18	Stable
Banca Sella SpA	Short-Term Issuer Rating	R-2 (middle)	Confirmed May '18	Stable
Banca Sella SpA	Intrinsic Assessment	BBB (low)		

See back of report for complete rating list.

Rating Drivers

<p>Factors with Positive Rating Implications</p> <p>Positive rating pressure would require a continued improvement in the Group's asset quality supported by adequate capital buffers and an improvement in Sella's profitability levels.</p>
<p>Factors with Negative Rating Implications</p> <p>Negative rating implications could arise should the Group face challenges in reducing the non-performing loans and experience a significant deterioration in capital levels or franchise.</p>

Rating Considerations

<p>Franchise Strength:</p> <p>Small franchise with a solid retail market position in the home region of Piedmont. The Group benefits from a diversified franchise, with growing private banking and payment system activities.</p>	Good/Moderate
<p>Earnings Power:</p> <p>Modest but resilient profitability, thanks to a diversified revenue structure. Weak operating efficiency.</p>	Moderate/Weak
<p>Risk Profile:</p> <p>Despite improving, the stock of NPLs remains higher than European peers.</p>	Moderate
<p>Liquidity and Funding:</p> <p>Stable funding and liquidity position, underpinned by a large retail and deposit base.</p>	Good
<p>Capitalisation:</p> <p>Adequate capital buffers over minimum requirements.</p>	Moderate

Financial Information

EUR Millions	31/03/2018	31/12/2017	31/12/2016	31/12/2015	31/12/2014
Total Assets	16,027	13,797	13,298	13,968	14,258
Equity	1,068	1,115	1,084	1,043	867
Net Income	8	52	80	29	70
Impaired Loans % Gross Loans	10.84%	11.76%	13.97%	14.33%	15.45%
Loss loan provisions % impaired loans	56.25%	49.85%	51.04%	47.75%	48.15%
CET1 (As-reported)	11.49%	12.23%	12.23%	11.59%	8.95%

Source: Company data, SNL Financial, DBRS; Note: CET1 (phased-in)

Issuer Description

Based in Biella (Italy), [Banca Sella Holding SpA](#) (Sella or the Group) is the parent company of the Banca Sella Group. The Group’s main activities are retail & commercial banking, asset management and private banking via a network of approximately 300 branches and 360 financial advisors at end-2017. Additional operations include a nationwide payment system, leasing and consumer finance.

Rating Rationale

DBRS rates Banca Sella Holding’s Long-Term Issuer Rating and Short-Term Issuer Rating at BBB (low) / R-2 (middle), with a Stable trend. The ratings consider the Group’s resilient and diversified franchise, improving asset quality as well as solid funding and liquidity position. The ratings also incorporate the Group’s modest profitability and efficiency levels as well as the still high stock of non-performing loans (NPLs).

The ratings of Banca Sella SpA, the Group’s main operating subsidiary, are at the same level as the parent, Banca Sella Holding. This reflects an SA1 support assessment, given Banca Sella SpA’s strong integration with the parent and its 79% ownership by Banca Sella Holding SpA.

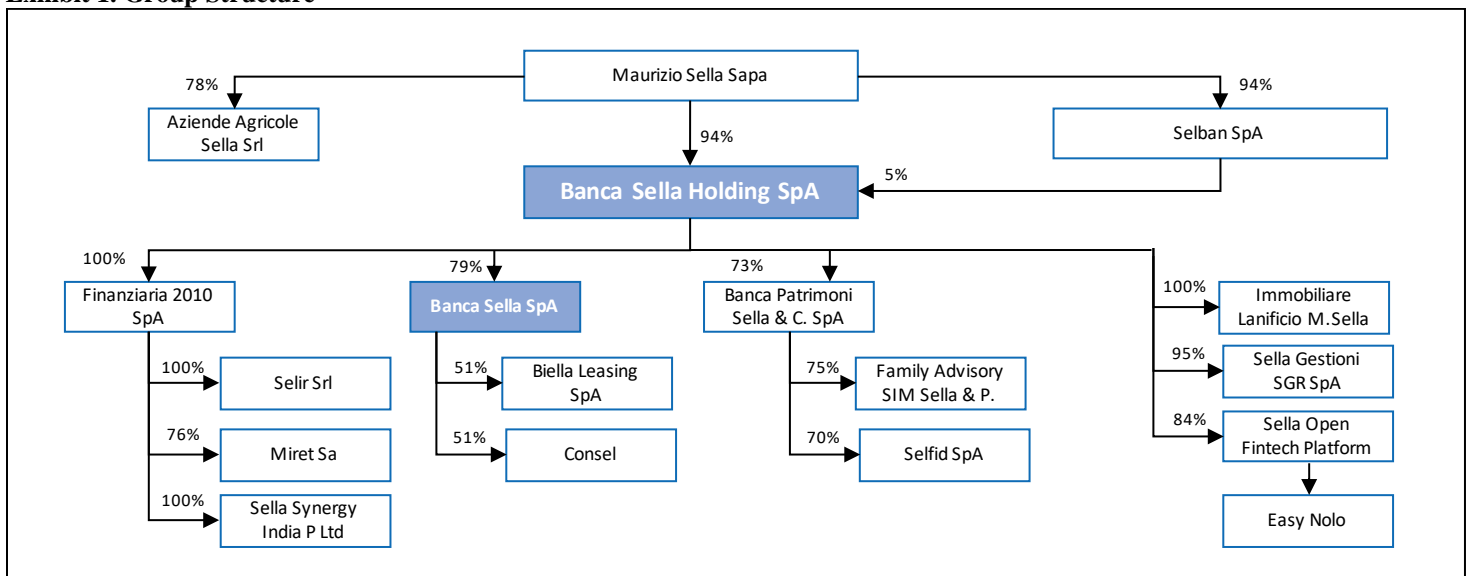
Franchise Strength

Grid Grade: Good/Moderate

Banca Sella Holding is a small Italian bank with EUR 16 billion in total assets at end-March 2018. The bank maintains a solid market position in retail and commercial banking, especially in the home province of Biella. Unlike many peers of similar size, Sella’s franchise is more diversified, thanks to its private banking and asset management activities, nationwide payment system as well as consumer finance and leasing operations.

The Group has been historically controlled by the Sella family which is also broadly involved in the Group’s corporate governance. In DBRS’ view, the corporate governance risks potentially associated with the family ownership are mitigated by the following factors: 1) the Group’s exposure to the Sella family is limited; and 2) the banking business is the main activity of the Sella family. The Sella family controls the Group via Maurizio Sella Sapa which owns 94% of Banca Sella Holding SpA. Legally a bank, Banca Sella Holding SpA acts as the Group’s treasury and manages the funding with the institutional counterparties, including the ECB, the Group’s trading portfolio, as well as the overall business strategy and planning.

Exhibit 1. Group Structure



Sources: Company data, DBRS.

Deposit collection and lending to households and SMEs are provided via the main operating subsidiary, Banca Sella SpA, which comprises the physical branch distribution network, as well as the Group’s expanding electronic banking and internet services. Private banking and asset management products are offered via the private banking unit of Banca Sella SpA and Banca Patrimoni Sella SpA. The acquisition of the Italian wealth management arm of Schroders completed in February 2018 is expected to strengthen the Group’s private banking business and expand its presence in London, Switzerland and Asia. In addition, the Group offers consumer finance and leasing products,

through Consel and Biella Leasing, as well as payments platforms, provided by Banca Sella SpA and Easy Nolo SpA.

In recent years, Sella has stepped up its efforts in digital banking and new technologies. In 2015, Sella created a new mobile app, Hype, which provides digital banking and payments solutions. More recently, the Bank launched the first open banking platform in Italy (platfr.io), in compliance with Europe's Second Payment Services Directive (PSD2). In 2017, the Group also set up Sella Open Fintech Platform SpA, a subsidiary aimed at investing in fintech businesses and innovative payment and banking solutions.

Earnings Power

Grid Grade: Moderate/Weak

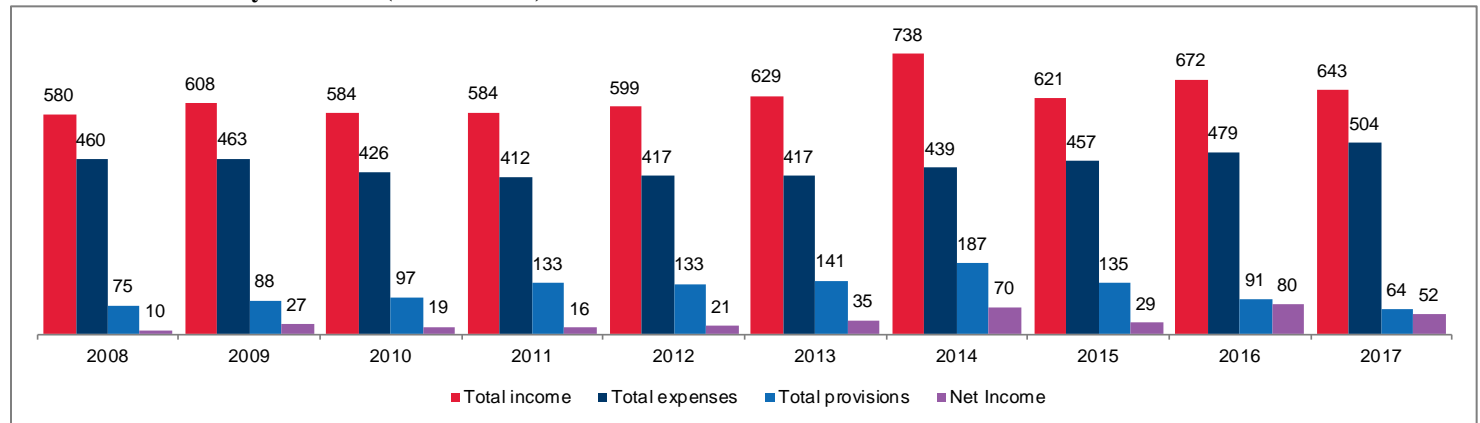
The Group's profitability has experienced some volatility in recent years. In 2017 Sella posted net income of EUR 52.2 million, from EUR 79.6 million in 2016, although both periods were affected by non-recurring items, including net gains of EUR 29 million from the disposal of the stake in Compagnie Financière Martin Maurel in 2017, and net gains totaling EUR 77 million in 2016 from the sale of the insurance subsidiary (C.B.A. Vita) and a minority stake in Visa Europe. On an underlying basis, net income was EUR 27 million, up from EUR 18 million in 2016, on the back of higher fees and commissions and lower cost of risk. Nonetheless, the Group's profitability remained modest, challenged by the low interest environment and modest efficiency levels.

Net interest income (NII) decreased by 6.6% YoY to EUR 224 million in 2017, due to lower customer spreads and increased market competition, which were only partially offset by slightly higher lending volumes and lower cost of funding. Conversely, Sella's diversified business profile continued to support fees and commissions, up 11% YoY to EUR 273 million in 2017, underpinned by growing activity in the asset management and bancassurance divisions as well as payment systems.

Efficiency remains weak, with cost-to-income ratio at 74% in 2017. This in part reflects the higher cost base of the Group's private banking and payment systems businesses. In the near future, DBRS expects Sella's efficiency to remain at current levels as the Group will continue investing in new technologies and innovative banking products.

In 2017 Sella's loan loss provisions decreased by 42% to EUR 47.8 million, from EUR 82 million a year earlier helped by improving asset quality trends. Cost of risk, as a result, went down to 60bps from 110 bps in 2016, and is expected to remain at current levels in 2018, also in consideration of the declining default rates and improving recoveries.

Exhibit 2. Profitability evolution (EUR million)



Sources: Company data, DBRS. Note: Total provisions include LLPs and impairments on financial assets.

Risk Profile

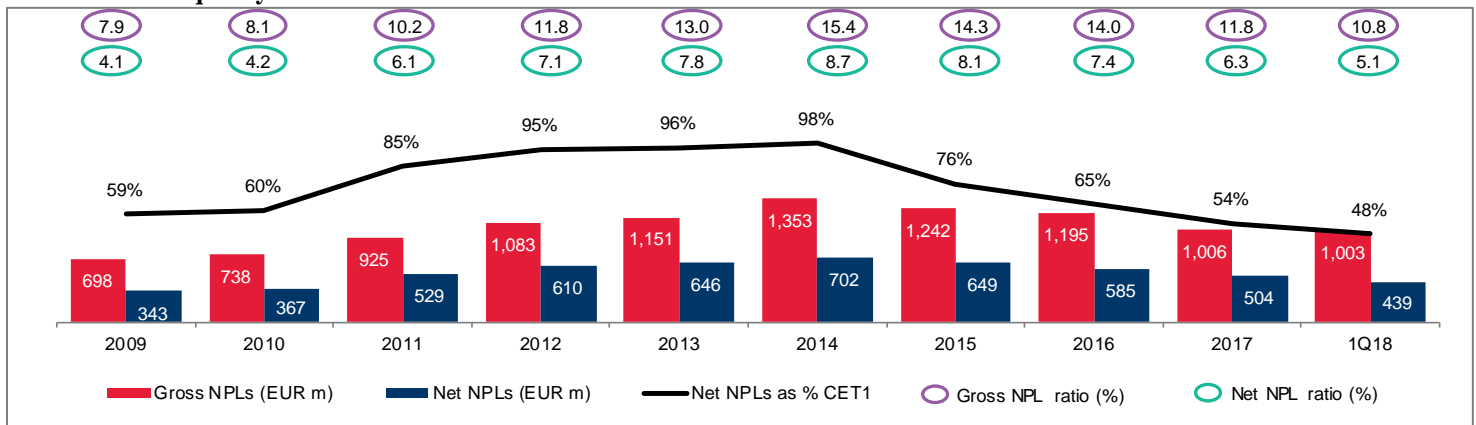
Grid Grade: Moderate

Sella's risk profile is consistent with its retail and commercial banking franchise, with approximately 85% of total risk weighted assets (RWA) linked to credit and counterparty risk. Most of the lending activity is carried out at the operating Banca Sella SpA, which provides 87% of the Group's net loans to customers. The Bank's lending is primarily to retail, SMEs and corporate clients and is largely represented by mortgages (44%), credit cards and personal loans (14%) and leasing (11%) at end-2017. In terms of geography, Banca Sella has a strong concentration of lending in the North West of Italy, especially in the home region of Piedmont.

In 2017 and 1Q2018, the Group continued to make progress in reducing the stock of gross non-performing loans (NPLs), which decreased to EUR 1 billion at end-March 2018, from EUR 1.2 billion at end-2016. The improvement was supported by disposals of bad loans for a total of EUR 183 million and positive trends in inflows and internal workout measures. Inflows from performing loans continued to reduce throughout 2017, particularly in the unlikely to pay (UTP) and past due categories, whilst outflows increased supported by growing bad loan recovery rates as well as higher UTP&PD cure rates. In relative terms, the Group’s gross NPL ratio improved to approx. 11% at end-March 2018, from 14% at end-2016, whilst the net NPL ratio decreased to 5%, from 7%. Despite the improvement, the Group’s asset quality metrics continue to compare unfavourably with European peers.

In line with the new business strategy, DBRS expects Sella to continue reducing its stock of NPLs via further disposals and internal management actions. This will be supported by higher coverage levels, which recently improved also thanks to the first-time adoption of IFRS 9 in January 2018. Sella’s NPL cash coverage increased to 56% at end-March 2018, from 51% at end-2016, whilst the coverage of bad loans strengthened to 67% from 62%. A sale of a portfolio of gross bad loans for EUR 214 million was announced in July 2018.

Exhibit 3. Asset quality trends



Sources: Company data, DBRS.

Market risk

The Group maintains a significant exposure to Italian sovereign risk via its security portfolio. At end-2017, Sella had a portfolio of government bonds of EUR 1.4 billion, accounting for 1.5x the Group’s CET1 capital, and mostly comprising Italian sovereign bonds. The Group’s security portfolio includes also a trading book of EUR 340 million, with a duration of 1.7 years, interest rate sensitivity of EUR 34 million to a 100-bps parallel shift in the yield curve and a Value at Risk (3 months, 99% confidence) of circa EUR 60 million.

Funding and Liquidity

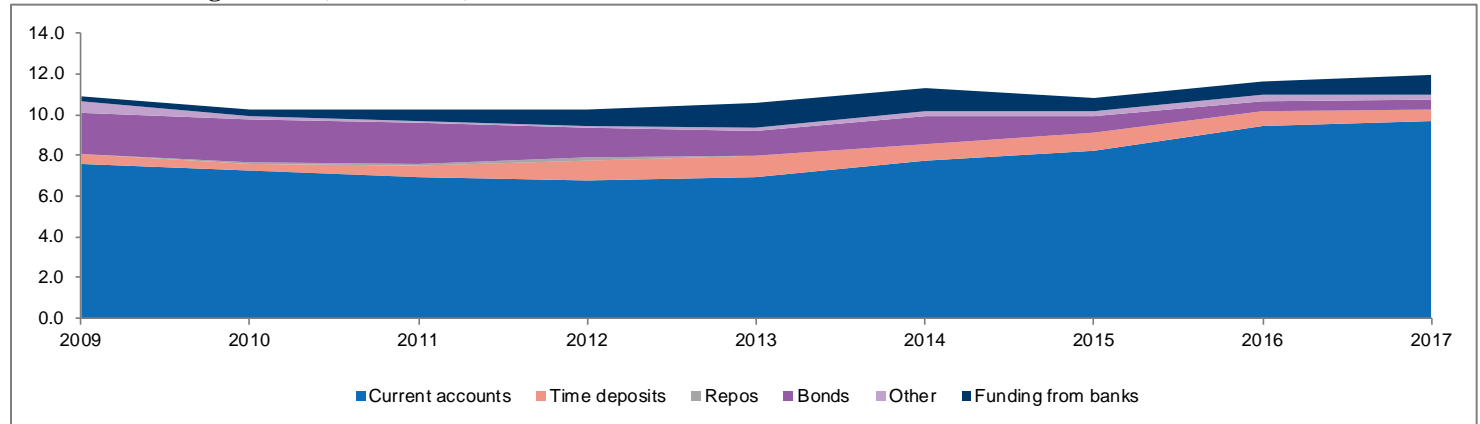
Grid Grade: Good

Sella maintains a good funding profile, underpinned by a resilient deposit base and limited reliance on wholesale funds. At end-2017 customer deposits accounted for 88% of direct funding and the net loan-to-deposit ratio stood at 71.8%. The majority of Sella’s deposits are generated by Banca Sella SpA, the commercial bank of the Group, whilst Banca Sella Holding acts as treasurer and manages the institutional funding.

Current accounts and time deposits were stable at EUR 10.2 billion at end-2017 (2016: EUR 10.1 billion), whilst retail bonds decreased to EUR 220 million, from EUR 312 million, as the Group did not roll over the bonds maturing during the year, in line with Sella’s strategy to reduce funding expenses and increase assets under management. Thanks to the large stock of retail deposits, the Group’s reliance on wholesale funds is limited, and mainly comprised ECB’s TLTRO II funds (EUR 730 million) and asset backed securities. Furthermore, in September 2017 Banca Sella SpA issued subordinated bonds (Tier 2) for a total consideration of EUR 100 million.

The Group’s liquidity position is solid, with a stock of unencumbered eligible assets of EUR 3 billion at end-2017, which compares favourably with future bond maturities. Additionally, at end-1Q18 Sella reported a liquidity coverage ratio (LCR) of 174% and a net stable funding ratio (NSFR) of 131%.

Exhibit 4. Funding sources (EUR billion)



Sources: Company data, DBRS.

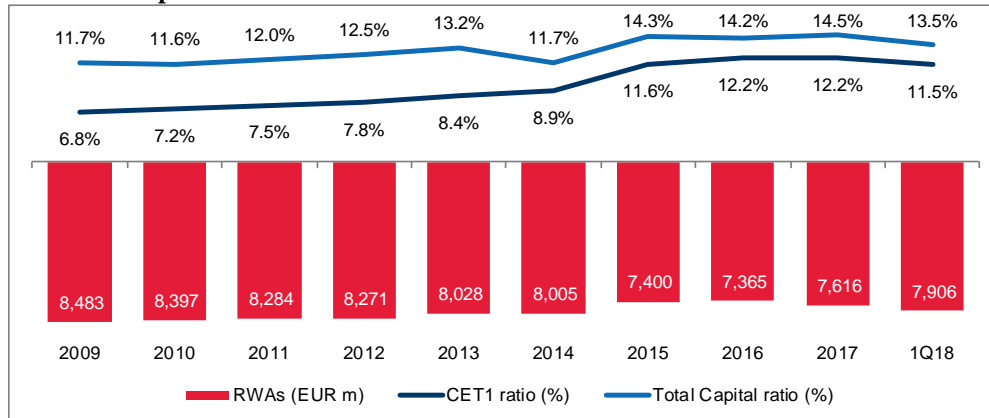
Capitalisation

Grid Grade: Moderate

At end-2017 the Group’s CET1 ratio (phased-in) stood at 12.2%, unchanged from end-2016, while the total capital ratio improved to 14.5%, from 14.2% at end-2016, thanks to the issuance of Tier 2 subordinated bonds. In 1Q18 the Group’s capital position weakened slightly, with the CET1 ratio decreasing to 11.5% and the Total Capital ratio down to 13.5%, mainly due to higher RWAs, following increased lending volumes and the acquisition of Schroder Italy, as well as the impact of the first time adoption of IFRS 9, which is expected to have an impact of approx 74bps and to be diluted over 5 years. At end-March 2018, Banca Sella SpA, the main operating subsidiary, reported a CET1 ratio of 14.6% and a total capital ratio of 18.6%.

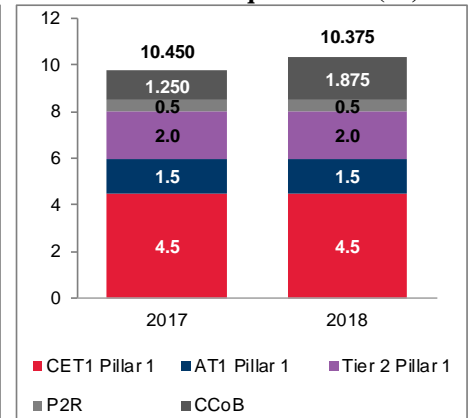
Nonetheless, the Group’s capital ratios continues to provide adequate buffers over the minimum SREP requirements set by the Bank of Italy for 2018, which include a CET1 ratio of 6.625% and a total capital requirement of 10.375%. DBRS notes that these requirements increased by 0.625% compared to the previous year, due to the gradual implementation of the Capital conservation buffer (Exhibit 6).

Exhibit 5. Capital ratios and RWAs



Sources: Company data, DBRS. Notes: Core Tier 1 (%) from 2009-2013, CET1 (%) from 2014 (phased-in)

Exhibit 6. SREP Requirements (%)



	<u>2017Y</u>		<u>2016Y</u>		<u>2015Y</u>		<u>2014Y</u>		<u>2013Y</u>	
Banca Sella Holding SpA	31/12/2017		31/12/2016		31/12/2015		31/12/2014		31/12/2013	
EUR Millions	EUR		EUR		EUR		EUR		EUR	
	IFRS		IFRS		IFRS		IFRS		IFRS	
Balance Sheet										
Cash and deposits with central banks	2,090	15.15%	1,542	11.60%	131	0.94%	131	0.92%	131	0.98%
Lending to/deposits with credit institutions	262	1.90%	300	2.25%	304	2.18%	1,199	8.41%	327	2.45%
Financial Securities*	2,409	17.46%	2,604	19.58%	2,997	21.46%	3,790	26.58%	3,632	27.18%
- Trading portfolio	321	2.33%	409	3.07%	359	2.57%	370	2.59%	470	3.52%
- At fair value	0	0.00%	0	0.00%	0	0.00%	594	4.17%	628	4.70%
- Available for sale	1,919	13.91%	2,195	16.51%	2,638	18.89%	2,826	19.82%	1,320	9.88%
- Held-to-maturity	169	1.23%	0	0.00%	0	0.00%	0	0.00%	1,213	9.08%
- Other	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Financial derivatives instruments	118	0.85%	148	1.11%	152	1.09%	189	1.32%	151	1.13%
- Fair Value Hedging Derivatives	98	0.71%	125	0.94%	133	0.96%	165	1.16%	128	0.96%
- Mark to Market Derivatives	19	0.14%	24	0.18%	19	0.13%	23	0.16%	23	0.17%
Gross lending to customers	8,560	62.04%	8,563	64.39%	8,675	62.10%	8,764	61.47%	8,867	66.37%
- Loan loss provisions	535	3.88%	652	4.90%	639	4.58%	701	4.91%	549	4.11%
Insurance assets	NA	-	NA	-	0	0.00%	54	0.38%	52	0.39%
Investments in associates/subsidiaries	2	0.02%	12	0.09%	11	0.08%	16	0.11%	13	0.10%
Fixed assets	248	1.80%	203	1.53%	210	1.50%	207	1.45%	201	1.51%
Goodwill and other intangible assets	90	0.66%	86	0.64%	85	0.61%	81	0.57%	73	0.55%
Other assets	552	4.00%	492	3.70%	2,042	14.62%	527	3.70%	462	3.46%
Total assets	13,797	100.00%	13,298	100.00%	13,968	100.00%	14,258	100.00%	13,360	100.00%
Total assets (USD)	16,567		14,025		15,171		17,259		18,408	
Loans and deposits from credit institutions	924	6.70%	604	4.54%	639	4.58%	1,178	8.26%	1,227	9.18%
Repo Agreements in Deposits from Customers	19	0.14%	12	0.09%	18	0.13%	41	0.29%	54	0.41%
Deposits from customers	10,641	77.12%	10,549	79.33%	9,353	66.96%	8,794	61.68%	8,231	61.61%
- Demand	9,670	70.09%	9,400	70.68%	8,190	58.63%	7,721	54.15%	6,931	51.88%
- Time and savings	574	4.16%	745	5.60%	909	6.51%	815	5.72%	1,026	7.68%
Issued debt securities	131	0.95%	215	1.61%	476	3.41%	1,019	7.15%	780	5.84%
Financial derivatives instruments	117	0.85%	143	1.07%	147	1.06%	177	1.24%	140	1.05%
- Fair Value Hedging Derivatives	98	0.71%	122	0.92%	129	0.92%	154	1.08%	115	0.86%
- Other	19	0.14%	21	0.15%	19	0.14%	23	0.16%	26	0.19%
Insurance liabilities	NA	-	NA	-	NA	-	1,315	9.22%	1,231	9.22%
Other liabilities	494	3.58%	379	2.85%	1,937	13.87%	517	3.63%	475	3.55%
- Financial liabilities at fair value through P/L	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Subordinated debt	356	2.58%	313	2.35%	355	2.54%	349	2.45%	427	3.20%
Hybrid Capital	0	0.00%	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Equity	1,115	8.08%	1,084	8.15%	1,043	7.46%	867	6.08%	795	5.95%
Total liabilities and equity funds	13,797	100.00%	13,298	100.00%	13,968	100.00%	14,258	100.00%	13,360	100.00%
Income Statement										
Interest income	286		309		345		428		464	
Interest expenses	62		69		93		123		155	
Net interest income and credit commissions	224	34.88%	240	38.64%	253	40.67%	305	41.28%	309	49.06%
Net fees and commissions	274	42.61%	246	39.58%	228	36.75%	217	29.40%	219	34.81%
Trading / FX Income	28	4.30%	20	3.26%	27	4.39%	27	3.68%	24	3.76%
Net realised results on investment securities (available for sale)	42	6.56%	12	1.95%	51	8.16%	123	16.61%	10	1.52%
Net results from other financial instruments at fair value	0	0.00%	0	0.00%	0	0.00%	1	0.20%	5	0.74%
Net income from insurance operations	0	0.00%	0	0.00%	0	0.00%	-10	-1.30%	-17	-2.68%
Results from associates/subsidiaries accounted by the equity method	0	0.00%	1	0.19%	1	0.15%	1	0.16%	0	0.06%
Other operating income (incl. dividends)	75	11.65%	102	16.38%	61	9.88%	74	9.98%	80	12.74%
Total operating income	643	100.00%	621	100.00%	621	100.00%	738	100.00%	629	100.00%
Staff costs	246	48.84%	237	49.42%	230	50.48%	225	51.38%	220	52.67%
Other operating costs	221	43.87%	209	43.63%	195	42.71%	184	41.97%	168	40.25%
Depreciation/amortisation	37	7.29%	33	6.95%	31	6.81%	29	6.65%	30	7.09%
Total operating expenses	504	100.00%	479	100.00%	457	100.00%	439	100.00%	417	100.00%
Pre-provision operating income	139		142		165		300		212	
Loan loss provisions**	64		91		134		186		141	
Post-provision operating income	75		51		30		114		71	
Impairment on tangible assets	0		0		0		0		0	
Impairment on intangible assets	0		0		0		1		0	
Other non-operating items***	0		50		0		0		0	
Pre-tax income	75		101		30		113		71	
(-)Taxes	18		9		8		43		34	
(-)Other After-tax Items (Reported)	0		0		0		0		0	
(+)Discontinued Operations (Reported)	1		2		10		0		1	
(-)Minority interest	6		14		3		-1		3	
Net income	52		80		29		70		35	
Net income (USD)	59		88		32		94		46	

*Includes derivatives when breakdown unavailable, **LLP includes Impairments on financial assets, ***Incl. Other Provisions

Off-balance sheet and other items	31/12/2017	31/12/2016	31/12/2015	31/12/2014	31/12/2013
Asset under management	5,068	4,455	4,213	3,672	3,178
Derivatives (notional amount)	3,510	4,182	5,013	5,587	6,004
BIS Risk-weighted assets (RWA)	7,616	7,365	7,400	8,005	8,028
No. of employees (end-period)	4,103	4,130	4,152	4,161	4,042

Earnings and Expenses

Earnings					
Net interest margin [1]	1.78%	2.00%	2.03%	2.37%	2.50%
Yield on average earning assets	2.27%	2.57%	2.77%	3.31%	3.75%
Cost of interest bearing liabilities	0.51%	0.59%	0.86%	1.08%	1.46%
Pre-provision earning capacity (total assets basis) [2]	1.03%	1.04%	1.17%	2.17%	1.60%
Pre-provision earning capacity (risk-weighted basis) [3]	1.86%	1.93%	2.14%	3.74%	2.60%
Net Interest Income / Risk Weighted Assets	2.94%	3.26%	3.41%	3.81%	3.84%
Non-Interest Income / Total Revenues	65.12%	61.36%	59.33%	58.72%	50.94%
Post-provision earning capacity (risk-weighted basis)	1.00%	0.69%	0.40%	1.42%	0.87%
Expenses					
Efficiency ratio (operating expenses / operating income)	78.34%	77.13%	73.48%	59.39%	66.35%
All inclusive costs to revenues [4]	78.34%	71.37%	73.53%	59.39%	66.36%
Operating expenses by employee	122,767	116,068	109,948	105,390	103,264
Loan loss provision / pre-provision operating income	46.06%	64.11%	81.51%	62.02%	66.53%
Provision coverage by net interest income	349.73%	263.56%	188.15%	163.88%	219.17%
Profitability Returns					
Return on equity	5.65%	8.89%	3.43%	9.11%	4.98%
Return on average total assets	0.39%	0.58%	0.20%	0.51%	0.26%
Return on average risk-weighted assets	0.70%	1.08%	0.37%	0.88%	0.43%

Growth

Loans	1.44%	-1.55%	-0.34%	-3.06%	-3.55%
Deposits	0.93%	12.71%	6.07%	6.63%	2.44%
Net interest income	-6.62%	-4.94%	-17.11%	-1.24%	-1.23%
Fees and commissions	11.37%	7.73%	5.19%	-0.86%	4.08%
Expenses	5.08%	5.01%	4.10%	5.06%	0.08%
Pre-provision earning capacity	-2.04%	-13.73%	-45.06%	41.68%	16.41%
Loan-loss provisions	-29.63%	-32.14%	-27.80%	32.08%	8.41%
Net income	-34.39%	179.14%	-59.56%	101.98%	66.41%

Risks

RWA% total assets	55.20%	55.38%	52.98%	56.15%	60.09%
Credit Risks					
Impaired loans % gross loans	11.76%	13.97%	14.33%	15.45%	12.98%
Loss loan provisions % impaired loans	49.85%	51.04%	47.75%	48.15%	43.83%
Liquidity and Funding					
Customer deposits % total funding	88.30%	90.31%	86.41%	77.55%	77.18%
Total wholesale funding % total funding [5]	11.70%	9.69%	13.59%	22.45%	22.82%
- Interbank % total funding	7.67%	5.17%	5.91%	10.39%	11.50%
- Debt securities % total funding	1.09%	1.84%	4.40%	8.99%	7.31%
- Subordinated debt % total funding	2.95%	2.68%	3.28%	3.08%	4.01%
Short-term wholesale funding % total wholesale funding	71.51%	64.29%	61.98%	85.14%	63.13%
Liquid assets % total assets	34.51%	33.43%	24.57%	35.91%	30.60%
Net short-term wholesale funding reliance [6]	-41.53%	-42.00%	-23.92%	-32.31%	-27.53%
Adjusted net short-term wholesale funding reliance [7]	-78.28%	-77.15%	-56.15%	-68.38%	-64.55%
Customer deposits % gross loans	124.30%	123.19%	107.82%	100.34%	92.83%

Capital [8]

Tier 1	12.47%	12.37%	11.68%	8.96%	8.42%
Tier 1 excl. All Hybrids	12.23%	12.23%	11.59%	8.95%	8.42%
Core Tier 1 (As-reported) [9]	12.23%	12.23%	11.59%	8.95%	8.42%
Tangible Common Equity / Tangible Assets	6.08%	6.13%	5.38%	4.89%	4.72%
Total Capital	14.47%	14.16%	14.29%	11.72%	13.18%
Retained earnings % Tier 1	73.56%	71.53%	66.26%	75.71%	70.53%

[1] (Net interest income + dividends) % average interest earning assets.

[2] (Operating & non-op. costs) % (op. & non-op. revenues)

[3] Paid dividend % net income.

[4] (Net income - dividends) % shareholders' equity at t-1.

[5] Whole funding excludes corporate deposits.

[6] (Short-term wholesale funding - liquid assets) % illiquid assets

[7] (Short-term wholesale funding - liquid assets - loans maturing within 1 year) % illiquid assets

[8] Capital ratios of Interim results exclude profits for the year

[9] Core Tier 1 up to 2013; CET1 from 2014

Rating Methodology

The applicable methodology is the Global Methodology for Rating Banks and Banking Organisations (July 2018), which can be found on our website under Methodologies.

Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Banca Sella Holding SpA	Long-Term Issuer Rating	BBB (low)	Confirmed	Stable
Banca Sella Holding SpA	Short-Term Issuer Rating	R-2 (middle)	Confirmed	Stable
Banca Sella Holding SpA	Long-Term Senior Debt	BBB (low)	Confirmed	Stable
Banca Sella Holding SpA	Short-Term Debt	R-2 (middle)	Confirmed	Stable
Banca Sella Holding SpA	Long-Term Deposits	BBB (low)	Confirmed	Stable
Banca Sella Holding SpA	Short-Term Deposits	R-2 (middle)	Confirmed	Stable
Banca Sella S.p.A.	Long-Term Issuer Rating	BBB (low)	Confirmed	Stable
Banca Sella S.p.A.	Short-Term Issuer Rating	R-2 (middle)	Confirmed	Stable
Banca Sella S.p.A.	Long-Term Senior Debt	BBB (low)	Confirmed	Stable
Banca Sella S.p.A.	Short-Term Debt	R-2 (middle)	Confirmed	Stable
Banca Sella S.p.A.	Long-Term Deposits	BBB (low)	Confirmed	Stable
Banca Sella S.p.A.	Short-Term Deposits	R-2 (middle)	Confirmed	Stable
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS1311567314)	BB	Confirmed	Stable
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS1687277555)	BB	Confirmed	Stable

Ratings History

Issuer	Obligation	Current	2017	2016	2015
Banca Sella Holding SpA	Long-Term Issuer Rating	BBB (low)	BBB (low)	BBB (low)	BBB (low)
Banca Sella Holding SpA	Short-Term Issuer Rating	R-2 (middle)	R-2 (middle)	-	-
Banca Sella Holding SpA	Long-Term Senior Debt	BBB (low)	BBB (low)	BBB (low)	BBB (low)
Banca Sella Holding SpA	Short-Term Debt	R-2 (middle)	R-2 (middle)	R-2 (middle)	R-2 (middle)
Banca Sella Holding SpA	Long-Term Deposits	BBB (low)	BBB (low)	-	-
Banca Sella Holding SpA	Short-Term Deposits	R-2 (middle)	R-2 (middle)	-	-
Banca Sella S.p.A.	Long-Term Issuer Rating	BBB (low)	BBB (low)	BBB (low)	BBB (low)
Banca Sella S.p.A.	Short-Term Issuer Rating	R-2 (middle)	R-2 (middle)	-	-
Banca Sella S.p.A.	Long-Term Senior Debt	BBB (low)	BBB (low)	BBB (low)	BBB (low)
Banca Sella S.p.A.	Short-Term Debt	R-2 (middle)	R-2 (middle)	R-2 (middle)	R-2 (middle)
Banca Sella S.p.A.	Long-Term Deposits	BBB (low)	BBB (low)	-	-
Banca Sella S.p.A.	Short-Term Deposits	R-2 (middle)	R-2 (middle)	-	-
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS1311567314)	BB	BB	BB (high)	BB (high)
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS1687277555)	BB	BB	-	-

Previous Actions

- [DBRS Confirms Banca Sella Holding SpA and Banca Sella SpA at BBB \(low\); Stable Trend, May 21, 2018.](#)
- [DBRS Assigns BB Rating to Banca Sella's EUR 100 million Tier 2 Subordinated Debt, September 18, 2017.](#)
- [DBRS Harmonises its Ratings Nomenclature for Banks in Europe and Asia-Pacific, July 14, 2017.](#)
- [DBRS Publishes Global Banking Methodology Grid Summaries for 91 Banking Groups Globally, July 7, 2017.](#)

Related Research

- [DBRS: Italian Banks' NPLs – Trending down, May 2, 2018](#)
- [DBRS: New Coverage Rules for NPLs Positive, but Uncertainty Remains, April 9, 2018](#)
- [DBRS: Italian Banks Make Progress on Restructuring in 2017 and Raise Targets for NPL Reduction, March 8, 2018.](#)
- [DBRS Publishes Commentary on the ECB's New NPL Proposal, October 23, 2017.](#)
- [DBRS Comments on Italian Banks' 1Q 2017 Earnings, May 25, 2017.](#)

Previous Report

- Banca Sella Holding SpA, [Rating Report](#), June 9, 2017.
- Banca Sella Holding SpA, [Rating Report](#), June 9, 2016.

Notes: All figures are in EUR unless otherwise noted.

For the definition of Issuer Rating, please refer to Rating Definitions under Rating Policy on www.dbrs.com.

Generally, Issuer Ratings apply to all senior unsecured obligations of an applicable issuer, except when an issuer has a significant or unique level of secured debt

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