

# Rating Report

## Banca Sella Holding SpA

DBRS Morningstar  
27 May 2022

### Contents

3	Franchise Strength
4	Earnings Power
5	Risk Profile
7	Funding and Liquidity
8	Capitalisation
9	ESG Checklist
10	ESG Considerations
11	IA Framework
12	Company Financials
13	Ratings
14	Related Research

Arnaud Journois  
Vice President - Global FIG  
+49 69 8088 3526  
[arnaud.journois@dbrsmorningstar.com](mailto:arnaud.journois@dbrsmorningstar.com)

Elisabeth Rudman  
Managing Director - Head of EU FIG - Global FIG  
+44 20 7855 6655  
[elisabeth.rudman@dbrsmorningstar.com](mailto:elisabeth.rudman@dbrsmorningstar.com)

### Ratings

Issuer	Debt	Rating	Rating Action	Trend
Banca Sella Holding	Long-Term Issuer Rating	BBB (low)	Trend Changed May '22	Stable
Banca Sella Holding	Short-Term Issuer Rating	R-2 (middle)	Trend Changed May '22	Stable
Banca Sella SpA	Long-Term Issuer Rating	BBB (low)	Trend Changed May '22	Stable
Banca Sella SpA	Short-Term Issuer Rating	R-2 (middle)	Trend Changed May '22	Stable
Banca Sella SpA	Intrinsic Assessment	BBB (low)	Maintained May '22	--

### Rating Drivers

#### Factors with Positive Rating Implications

- An upgrade of the Long-Term ratings would require improvements in efficiency levels and in capitalisation levels whilst maintaining current asset quality metrics.

#### Factors with Negative Rating Implications

- A downgrade would arise from a substantial deterioration in capital, a material increase in NPLs or significant negative impact on profitability.

### Rating Considerations

#### Franchise Strength (Moderate/Weak)

- 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.

#### Earnings Power (Moderate/Weak)

- Modest but resilient profitability, thanks to a diversified revenue structure. Weak operating efficiency, but improving. Cost of risk has normalised.

#### Risk Profile (Moderate)

- Stock of NPLs has continued to decrease. Asset quality metrics now more in line with European peers.

#### Funding and Liquidity (Good)

- Stable funding and liquidity position, underpinned by a large retail and deposit base.

#### Capitalisation (Moderate/Weak)

- Adequate capital buffers over minimum requirements. Capital ratios should improve following the implementation of AIRB in 2022. However, they remain at the lower-end of the peer group.

2021	Scorecard Building Block (BB) Assessment	Grids BB Assessment	Combined BB Assessment
Franchise	M/W	M/W	M/W
Earnings	G/M	W	M/W
Risk	G/M	M/W	M
Funding & Liquidity	S	M	G
Capitalisation	M/W	M/W	M/W
Overall Assessment	Intrinsic Assessment Range (IAR)		Assigned IA
M	[BBBL-BBBH]		BBB (low)

## Financial Information

(In EUR Millions unless otherwise stated)	For the Year Ended December 31 (IFRS)				
	2021	2020	2019	2018	2017
Total Assets	20,479	17,846	15,004	14,283	13,797
Gross Loans to Customers	10,066	8,026	7,455	7,063	6,986
Income Before Provisions and Taxes (IBPT)	198	109	115	104	101
Net Attributable Income	108	30	34	25	52
Net Interest Margin	1.3%	1.5%	1.8%	1.9%	1.8%
Cost / Income ratio	75.9%	83.9%	83.7%	84.0%	83.4%
LLP / IBPT	20.5%	50.8%	39.5%	47.6%	47.2%
Cost of Risk	0.42%	0.72%	0.54%	0.64%	0.69%
CET1 Ratio	12.28%	12.29%	11.41%	11.28%	12.23%

## Issuer Description

Based in Biella (Italy), [Banca Sella Holding SpA](#) (Sella or the Group) is the parent company of the Sella Group. The Group's main activities are retail & commercial banking, asset management and private banking, payment systems, leasing and consumer finance.

## Rating Rationale

In reverting the trend to Stable from Negative, we have taken into account that our concerns have reduced regarding the potential impact of COVID-19. In particular, we note the Group's improved profitability driven by capital gains from the deconsolidation of Hype, improved operating efficiency, and lower cost of risk compared to 2020. This also reflects our view that revenues will continue to benefit over the medium term from digital banking, a strong contribution from non-interest income and stabilisation of the cost base, as laid out in its strategic plan. Nevertheless, the Group continues to report relatively weak efficiency ratios relative to peers.

In addition, the change in trend incorporates the continued improvement in asset quality with the Non-Performing Exposure (NPE) ratio now closer to domestic and European peers. Whilst the Russian invasion of the Ukraine brings additional uncertainty, we view the improvement in asset quality gives Sella more flexibility, especially given the absence of asset quality deterioration from the pandemic.

Finally, we also take into account that capital ratios have improved in 2021 and that we expect capital ratios to improve further thanks to the implementation of the AIRB models in 2022. However, we note that capital ratios remain at the low end of the peer group and, as a non-listed bank, the Group has more limited capital flexibility.

The ratings continue to reflect Sella's relatively small but solid and diversified franchise. Ratings are also underpinned by Sella's stable funding and liquidity position.

## Franchise Strength

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Moderate / Weak	Moderate / Weak	Moderate / Weak

Banca Sella Holding (Sella or the Group) is a small Italian banking group with EUR 22.2 billion in total assets at end-Q1 2022. The Group 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, and they are also broadly involved in the Group's corporate governance. In DBRS Morningstar's 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 institutional counterparties, including the ECB, as well as the overall business strategy and planning. In April 2020, Massimo Vigo became CEO of Banca Sella SpA (the Bank), succeeding Claudio Musiari who retired.

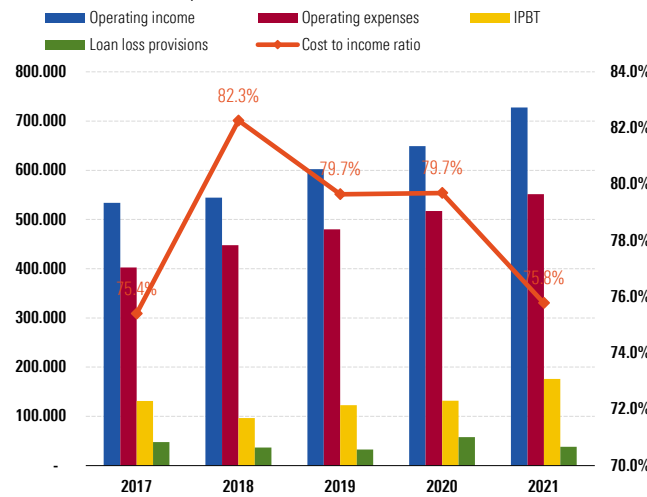
The Group manages the raising of deposits and lending to households and SMEs through the Bank, its main operating subsidiary. Banca Sella includes the Group's branch network as well as the electronic banking and internet services (with the exception of Hype). Private banking and asset management products are offered via both the private banking unit of Banca Sella SpA and Banca Patrimoni Sella SpA, while corporate and investment banking services are provided by Sella CIB, which was created at end-2018. In addition, the Group offers consumer finance and leasing products, through Sella Personal Credit and Sella Leasing, as well as payments platforms, provided by Banca Sella SpA and Axerve SpA.

Sella has stepped up its effort in digital banking and new technologies in recent years. In 2015 the Group created "Hype", a mobile app for digital banking and payments solutions which has gained increasing popularity since its introduction. Sella also launched the first open banking platform in Italy ("platfr.io"), as well as setting up Fabrick SpA, a subsidiary aimed at investing in fintech businesses and innovative payment and banking solutions. In 2018, Sella launched "Sella Evolution" in collaboration with Moneyfarm, an online trading platform for private customers. In 2020, Sella also launched the first industrial consolidation operation in the Italian open banking market, following the signing of the joint venture together with Illimity in Hype, to further boost its growth. The deconsolidation was effective in 2021 and helped boost 2021 profits as well as improving the operating efficiency.

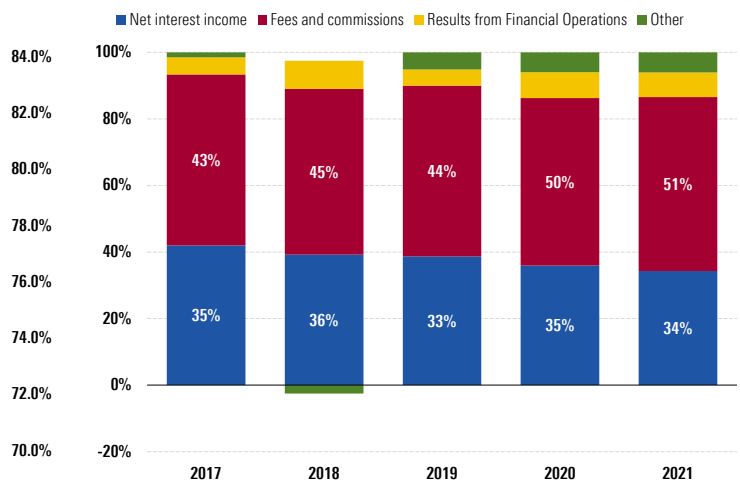


the sale of securities and higher core revenues. Operating costs were up 16.2% YoY, mainly on continued investments in digital and open banking. Loan loss provisions were down by 47.7% YoY, implying a cost of risk of around 24 bps.

**Exhibit 3** Profitability Evolution (EUR million), 2017-2021



**Exhibit 4** Operating Income Breakdown, 2017-2021



Source: DBRS Morningstar, Company Documents

**Risk Profile**

Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Good / Moderate	Moderate / Weak	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 as of end-2021. Most of the lending activity is carried out at the operating Banca Sella SpA, which provides the vast majority of the Group’s net loans to customers. The Group’s lending is primarily to retail, SMEs and corporate clients and is largely represented by mortgages (around 50%), credit cards and personal loans (around 15%) and leasing (around 10%) at end-2021. Sella’s loan book is composed of around 38% of SME exposures, which is twice the average for the Italian banking sector. Interest rate risk is low, with market risk mostly arising from the Group’s fixed-income portfolio, including its large exposure to Italian sovereign debt. NPEs have been declining in recent years but the unprecedented measures put in place by the domestic and European authorities have delayed the formation of NPLs following the COVID-19 pandemic. Therefore, we believe uncertainty remains regarding the full effect of the COVID-19 pandemic on asset quality. In addition, the macroeconomic outlook has been made less clear by Russia’s invasion of Ukraine, although Sella has no direct exposure to Russia and Ukraine. Nevertheless, we understand Sella will proceed with additional bad loans disposals, which should give the Group more flexibility to absorb a potential new influx of NPEs.

**Credit Risk**

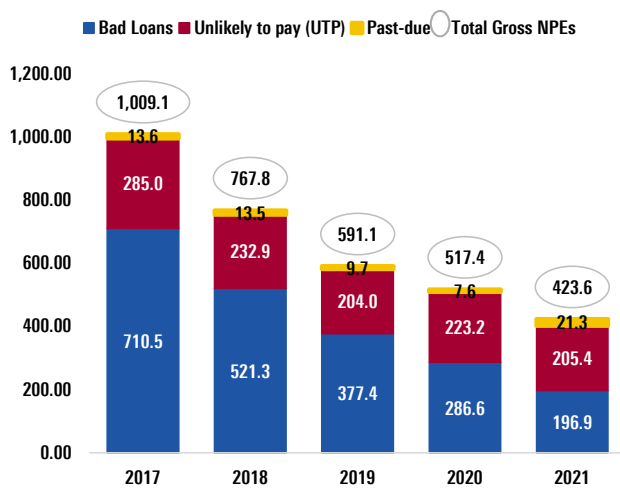
DBRS Morningstar notes that Sella has delivered so far on its announced business strategy to reduce the Group’s stock of NPEs via disposals and internal management actions. As a result, the Group’s asset quality has continued to improve in 2021 with the total stock of gross non-performing

exposures (NPEs) decreasing to EUR 424 million at end-2021 from EUR 517 million at end-2020. The Group’s gross NPE ratio stood at 4.1% at end-Q1 2022, fairly stable from 4.2% at end-2021, but down from 5.7% as of end-2020. We now see this level as now comparing favourably to domestic banks and more in line with the average for European banks. The net NPL ratio was 2.1% at end-Q1 2022 compared to 2.2% at end-2021 and down from 2.9% at end-2020. The Group’s total coverage ratio stood at 49.6% at end-Q1 2022 fairly stable in recent years, with total coverage of bad loans improving to 67.2% from 62.8% at end-2020.

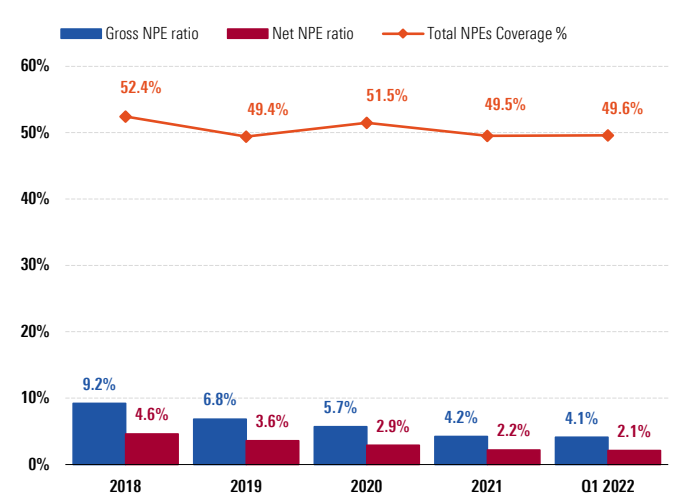
**Sovereign risk**

Sella’s risk profile includes a sizable exposure to the Italian sovereign. At end-2021, the Group’s securities portfolio comprised EUR 3.2 billion of Italian government bonds, corresponding to approximately 16% of the Group’s total assets and 3.0x CET1 capital. Nevertheless, DBRS Morningstar notes that around 71% of Sella’s securities portfolio is classified as held to collect (HTC) to reduce sensitivity to spread widening.

**Exhibit 5** NPE Breakdown (EUR million), 2017-2021



**Exhibit 6** NPE Ratios and Coverage, 2018-Q1 2022



Source: DBRS Morningstar, Company Documents

### Funding and Liquidity

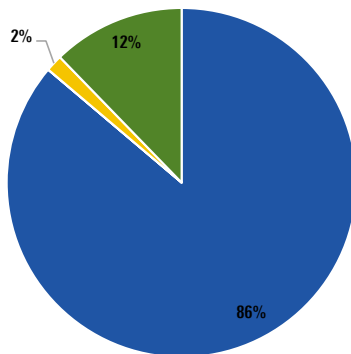
Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Strong	Moderate	Good

DBRS Morningstar views Sella’s funding profile as good, supported by its large deposit retail franchise and limited reliance on wholesale funds. 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. Customer deposits remain the primary source of funding, accounting for 86% of the Group’s total funding. In addition, DBRS Morningstar notes that the Group had EUR 2.2 billion of ECB’s TLTRO III funds, which represents 12% of the Group’s total funding.

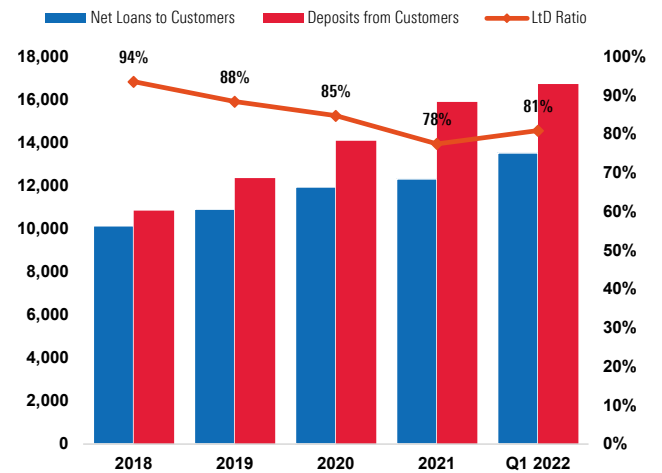
Sella’s liquidity position remains solid with a total stock of unencumbered assets of around EUR 4.0 billion at end-2021, which compares favourably with future bond maturities. At end-Q1 2022, Sella’s liquidity coverage ratio (LCR) and net stable funding ratio (NSFR) remained well above regulatory requirements at respectively 200.8% and 135.1%.

**Exhibit 7** Funding Mix, end-2021

■ Customer Deposits ■ Retail Bonds ■ Institutional Funding ■ ECB



**Exhibit 8** Loan to Deposit Ratio (EUR million), 2018-Q1 2022



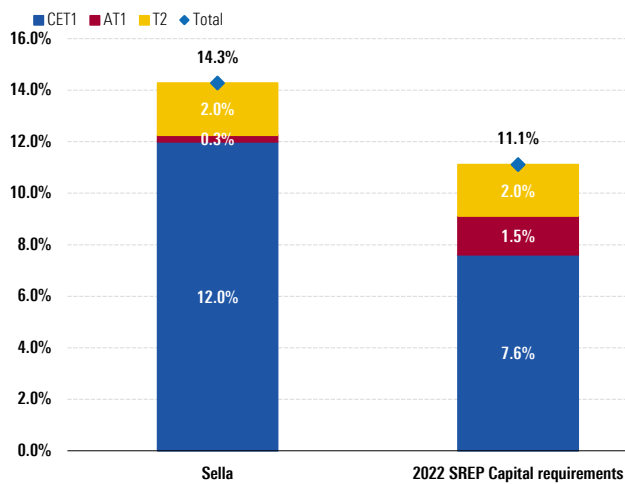
Source: DBRS Morningstar, Company Documents

### Capitalisation

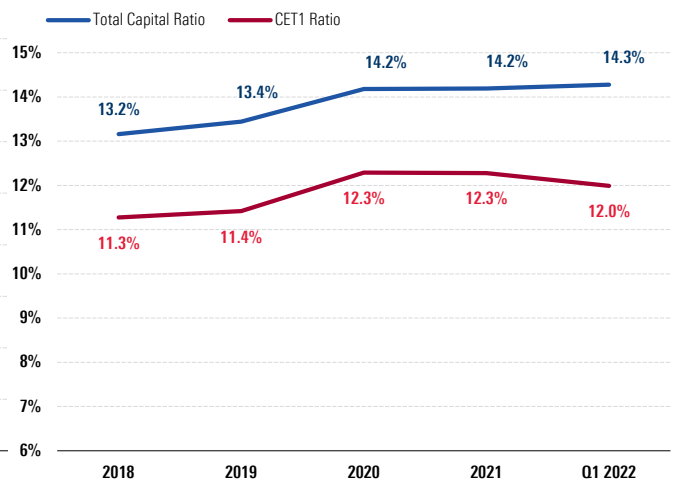
Scorecard BB Assessment	Grids BB Assessment	Combined BB Assessment
Moderate / Weak	Moderate / Weak	Moderate / Weak

Whilst Sella's capitalisation remains modest, capital ratios have improved in 2021 and Q1 2022 thanks to internal capital generation, bad loan disposals and the partial sale of Hype. We expect capital ratios to improve further thanks to the implementation of the AIRB models in 2022. Sella reported at end-March 2022 a phased-in CET1 ratio of 12.0% compared to 12.3% at end-2021. The phased-in Total Capital ratio was 14.3%, up from 14.2% at end-2021. This provides the Group with adequate cushions over the minimum requirements set by the Bank of Italy for 2022 for CET1 of 7.28% and 11.0% for Total Capital according to the Supervisory Review and Evaluation Process (SREP). Sella also reported a transitional leverage ratio of 6.6% at end-March 2022.

**Exhibit 9** Reported Capital Ratios (end-Q1 2022) vs. SREP Requirements (2022)



**Exhibit 10** Phased-in Capital Ratios, 2018-Q1 2022



Source: DBRS Morningstar, Company Documents



## Banca Sella Holding SpA

### ESG Checklist

ESG Factor	ESG Credit Consideration Applicable to the Credit Analysis:	Y/N	Extent of the Effect on the ESG Factor on the Credit Analysis: Relevant (R) or Significant (S)*
<b>Environmental</b>		<b>Overall:</b>	<b>N N</b>
<b>Emissions, Effluents, and Waste</b>	Do we consider the costs or risks result, or could result in changes to an issuer's financial, operational, and/or reputational standing?	N	N
<b>Carbon and GHG Costs</b>	Does the issuer face increased regulatory pressure relating to the carbon impact of its or its clients' operations resulting in additional costs?	N	N
<b>Climate and Weather Risks</b>	Will climate change and adverse weather events potentially disrupt issuer or client operations, causing a negative financial impact?	N	N
<b>Social</b>		<b>Overall:</b>	<b>N N</b>
<b>Social Impact of Products and Services</b>	Do we consider that the social impact of the issuer's products and services could pose a financial or regulatory risk to the issuer?	N	N
<b>Human Capital and Human Rights</b>	Is the issuer exposed to staffing risks, such as the scarcity of skilled labour, uncompetitive wages, or frequent labour relations conflicts that could result in a material financial or	N	N
	Do violations of rights create a potential liability that could negatively affect the issuer's financial wellbeing or reputation?	N	N
<b>Human Capital and Human Rights:</b>		<b>N</b>	<b>N</b>
<b>Product Governance</b>	Does failure in delivering quality products and services cause damage to customers and expose the issuer to financial and legal liability?	N	N
<b>Data Privacy and Security</b>	Has misuse or negligence in maintaining private client or stakeholder data resulted, or could result, in financial penalties or client attrition to the issuer?	N	N
<b>Community Relations</b>	Does engagement, or lack of engagement, with local communities pose a financial or reputational risk to the issuer?	N	N
<b>Access to Basic Services</b>	Does a failure to provide or protect with respect to essential products or services have the potential to result in any significant negative financial impact on the issuer?	N	N
<b>Governance</b>		<b>Overall:</b>	<b>N N</b>
<b>Bribery, Corruption, and Political Risks</b>	Do alleged or actual illicit payments pose a financial or reputational risk to the issuer?	N	N
	Are there any political risks that could impact the issuer's financial position or its reputation?	N	N
<b>Bribery, Corruption, and Political Risks:</b>		<b>N</b>	<b>N</b>
<b>Business Ethics</b>	Do general professional ethics pose a financial or reputational risk to the issuer?	N	N
<b>Corporate / Transaction Governance</b>	Does the issuer's corporate structure limit appropriate board and audit independence?	N	N
	Have there been significant governance failures that could negatively affect the issuer's financial wellbeing or reputation?	N	N
<b>Corporate / Transaction Governance:</b>		<b>N</b>	<b>N</b>
<b>Consolidated ESG Criteria Output:</b>		<b>N</b>	<b>N</b>

\* A **Relevant Effect** means that the impact of the applicable ESG risk factor has not changed the rating or rating trend on the issuer.

A **Significant Effect** means that the impact of the applicable ESG risk factor has changed the rating or trend on the issuer.

## **ESG Considerations**

### *Environmental*

The Environmental factor does not affect the ratings or trend assigned to Sella. The Bank did not sign up for the TCFD disclosures for the time being.

DBRS Morningstar also notes that, according to the results of the ECB economy-wide climate stress test published in September 2021, banks located in south European countries, such as Italy, are significantly more exposed to firms that are subject to high physical risk, not only in comparison with other countries, but also when compared with the euro area average. The ECB will carry out a stress test exercise on climate risk as its annual supervisory stress test for 2022. The output of the climate related stress-test will be integrated into the Supervisory Review and Evaluation Process (SREP) using a qualitative approach as opposed to a quantitative approach, however, there won't be any direct capital impact via the Pillar 2 guidance.

### *Social*

The Social factor does not affect the ratings or trend assigned to Sella. Shortcomings in the Bank's internal process regarding data protection could have a significant impact on Sella's reputation and franchise. However, there has been no similar cases to date involving Sella. Any significant data breach or cybersecurity attack could have significant reputational and financial consequences.

### *Governance*

The Governance factor does not affect the ratings or trend assigned to Sella. Shortcomings regarding business ethics or governance could have a significant impact on Sella's reputation and franchise or income statement. However, there has been no similar cases to date involving Sella. The Bank's current Board of Directors (BoD) consists of 13 members, of which 4 are independent.

# Banca Sella Holding SpA

	1		2	3	4	5	
2021	Scorecard Indicator	Scorecard Indicator Data	Scorecard Indicator Assessment	Scorecard Building Block (BB) Assessment	Grids BB Assessment	Combined BB Assessment	
<b>Franchise</b>	Adjusted Assets	16	M/W	<b>M/W</b>	<b>M/W</b>	<b>M/W</b>	
	Sovereign Rating	13	G/M				
<b>Earnings</b>	Return on Equity	6.30%	G/M	<b>G/M</b>	<b>W</b>	<b>M/W</b>	
	Return on Assets	0.43%	G/M				
	IBPT/Avg.Assets	0.85%	G/M				
<b>Risk</b>	Net NPLs/Net Loans	2.94%	M	<b>G/M</b>	<b>M/W</b>	<b>M</b>	
	Provisions/IBPT	36.10%	G				
<b>Funding &amp; Liquidity</b>	Sovereign-Adjusted Funding Ratio	79.4%	S	<b>S</b>	<b>M</b>	<b>G</b>	
	Sovereign-Adjusted Capital Ratio	7.83%	W				
<b>Capitalisation</b>	NPL/Equity + Loan Loss Reserves	40.59%	G/M	<b>M/W</b>	<b>M/W</b>	<b>M/W</b>	
	5-Year Accumulated Net Income/Total Assets	1.55%	G/M				
		<b>6</b>		<b>7</b>		<b>8</b>	
		<b>Overall Assessment</b>		<b>Intrinsic Assessment Range (IAR)</b>			<b>Assigned IA</b>
		M		BBB (high)	BBB	BBB (low)	<b>BBB (low)</b>

Notes: (1) based on financial data as of 2021. (2) For more information see Global Methodology for Rating Banks and Banking Organisations published on 19 July 2021.

**Annual Financial Information**

	For the Year Ended December 31 (IFRS)				
	2021	2020	2019	2018	2017
<b>Balance Sheet (EUR Millions)</b>					
Cash & Cash Equivalents*	4,936	3,288	1,928	2,470	3,245
Investments in Financial Assets	1,962	5,175	4,491	3,674	2,541
Gross Loans to Customers	10,066	8,026	7,455	7,063	6,986
Loan Loss Reserves	(210)	(326)	(338)	(447)	(535)
Net Lending to Customers	9,856	7,700	7,117	6,616	6,451
Total Assets	20,479	17,846	15,004	14,283	13,797
Deposits from Customers	15,900	14,095	12,356	10,852	10,543
Debt & Capital Lease Obligations	214	322	430	791	584
Total Liabilities	19,171	16,659	13,857	13,204	12,682
Total Equity	1,308	1,187	1,147	1,079	1,115
<b>Income Statement (EUR Millions)</b>					
Net Interest Income	244	230	246	238	224
Non Interest Income	575	443	458	410	387
Equity Method Results	1	2	0	3	(0)
Total Operating Income	820	675	704	652	611
Total Operating Expenses	622	567	589	547	510
Income Before Provisions and Taxes (IBPT)	198	109	115	104	101
Loan Loss Provisions	41	55	45	50	48
Irregular Income/Expenses	3	1	3	6	(21)
Net Attributable Income	108	30	34	25	52
<b>Growth (%) - YoY Change</b>					
Net Interest Income	5.86%	-6.25%	3.29%	6.08%	-6.62%
Total Operating Income	21.38%	-4.05%	8.01%	6.61%	-2.45%
Total Operating Expenses	9.79%	-3.80%	7.62%	7.36%	5.52%
IBPT	81.91%	-5.32%	10.06%	2.85%	-29.32%
Net Attributable Income	266.10%	-13.09%	38.72%	-52.99%	-34.39%
Gross Loans & Advances	53.54%	7.67%	5.55%	1.10%	0.84%
Deposits from Customers	12.81%	14.07%	13.86%	2.93%	1.56%
<b>Earnings (%)</b>					
Net Interest Margin	1.35%	1.50%	1.82%	1.90%	1.83%
Non-Interest Income / Total Revenue	70.08%	65.63%	65.06%	62.97%	63.31%
Cost / Income ratio	75.91%	83.92%	83.71%	84.01%	83.43%
LLP / IBPT	20.51%	50.85%	39.53%	47.55%	47.20%
Return on Avg Assets (ROAA)	0.65%	0.22%	0.28%	0.22%	0.42%
Return on Avg Equity (ROAE)	10.42%	3.09%	3.72%	2.74%	5.75%
IBPT over Avg RWAs	NA	1.35%	1.44%	1.35%	1.35%
Internal Capital Generation	8.65%	3.02%	2.80%	1.84%	5.13%
<b>Risk Profile (%)</b>					
Cost of Risk	0.42%	0.72%	0.54%	0.64%	0.69%
Gross NPLs over Gross Loans	3.44%	6.45%	7.93%	10.87%	14.45%
NPL Coverage Ratio	49.5%	62.9%	57.2%	58.3%	53.0%
Net NPLs over Net Loans	1.74%	3.13%	4.02%	5.17%	7.26%
NPLs to Equity and Loan Loss Reserves Ratio	38.98%	53.17%	62.46%	86.31%	109.25%
<b>Funding &amp; Liquidity (%)</b>					
Net Loan to Deposit Ratio	77.50%	56.94%	60.33%	65.08%	66.25%
Liquidity Coverage Ratio	199%	218%	192%	179%	178%
Net Stable Funding Ratio	134%	135%	137%	132%	130%
<b>Capitalization (%)</b>					
CET1 Ratio	12.28%	12.29%	11.41%	11.28%	12.23%
Tier1 Ratio	12.54%	12.57%	11.69%	11.57%	12.47%
Total Capital Ratio	14.19%	14.18%	13.44%	13.16%	14.47%
Leverage Ratio	NA	6.28%	6.10%	6.03%	6.64%
Dividend Payout Ratio	16.9%	2.2%	24.9%	32.8%	10.7%

Source: Morningstar Inc., Company Documents

\*Includes Loans to Banks

## Methodologies

The applicable methodologies are the *Global Methodology for Rating Banks and Banking Organisations* (19 July 2021), and *DBRS Morningstar Criteria: Approach to Environmental, Social, and Governance Risk Factors in Credit Ratings* (3 February 2021) which can be found on our website under Methodologies.

## Ratings

Issuer	Obligation	Rating Action	Rating	Trend
Banca Sella Holding SpA	Long-Term Issuer Rating	Trend Changed	BBB (low)	Stable
Banca Sella Holding SpA	Short-Term Issuer Rating	Trend Changed	R-2 (middle)	Stable
Banca Sella Holding SpA	Long-Term Senior Debt	Trend Changed	BBB (low)	Stable
Banca Sella Holding SpA	Short-Term Debt	Trend Changed	R-2 (middle)	Stable
Banca Sella Holding SpA	Long-Term Deposits	Trend Changed	BBB	Stable
Banca Sella Holding SpA	Short-Term Deposits	Trend Changed	R-2 (high)	Stable
Banca Sella S.p.A.	Long-Term Issuer Rating	Trend Changed	BBB (low)	Stable
Banca Sella S.p.A.	Short-Term Issuer Rating	Trend Changed	R-2 (middle)	Stable
Banca Sella S.p.A.	Long-Term Senior Debt	Trend Changed	BBB (low)	Stable
Banca Sella S.p.A.	Short-Term Debt	Trend Changed	R-2 (middle)	Stable
Banca Sella S.p.A.	Long-Term Deposits	Trend Changed	BBB	Stable
Banca Sella S.p.A.	Short-Term Deposits	Trend Changed	R-2 (high)	Stable
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS1311567314)	Trend Changed	BB	Stable
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS1687277555)	Trend Changed	BB	Stable
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS2030489632)	Trend Changed	BB	Stable

## Ratings History

Issuer	Obligation	Current	2021	2020	2019
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)	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	BBB	BBB	BBB
Banca Sella Holding SpA	Short-Term Deposits	R-2 (high)	R-2 (high)	R-2 (high)	R-2 (high)
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)	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	BBB	BBB	BBB
Banca Sella S.p.A.	Short-Term Deposits	R-2 (high)	R-2 (high)	R-2 (high)	R-2 (high)
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS1311567314)	BB	BB	BB	BB
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS1687277555)	BB	BB	BB	BB
Banca Sella S.p.A.	Mandatory Pay Subordinated Debt (ISIN: XS2030489632)	BB	BB	BB	BB

## Previous Action

- [DBRS Morningstar Confirms Banca Sella's LT Issuer Rating at BBB \(low\), Trend Now Stable, 6 May 2022.](#)

**Related Research**

- [ESG Factors for Banks, Part Three: Social Factors](#), 11 April 2022.
- [European Banks: Lower Cost of Risk in FY21; However, Likely to Worsen After Ukraine War](#), 22 March 2022.
- [European Banks' Direct Exposure to Russia and Ukraine Is Manageable, But Risks Have Increased](#), 16 March 2022.
- [Italian Banks: FY 2021 Results Heading Towards Pre-COVID Levels as Risks from the Pandemic Remain Under Control](#), 14 February 2022.
- [European Banks: Rating Outlook Stable for 2022](#), 27 January 2022.
- [Italian Banks: Improved Operating Environment and Better Asset Quality Dynamics Underpinned 9M 2021 Results](#), 11 November 2021.
- [ESG Factors for Banks, Part Two: Governance Factors](#), 19 October 2021.
- [Italian Banks: H1 2021 Results Supported by Revenue Rebound and LLP Reduction](#), 10 August 2021.
- [ESG Factors for Financial Institutions, Part One: Environmental Factors](#), 27 April 2021.
- [Gender Diversity at European Banking Boards: Still a Long Way to Go](#), 22 February 2021.

**Previous Report**

- [Banca Sella Holding SpA: Rating Report](#), 18 June 2021.
- [Banca Sella Holding SpA: Rating Report](#), 7 July 2020.
- [Banca Sella Holding SpA: Rating Report](#), 3 July 2019.

**European Bank Ratios & Definitions**

- [Bank Ratio Definitions](#), 14 March 2022

### About DBRS Morningstar

DBRS Morningstar is a full-service global credit ratings business with approximately 700 employees around the world. We're a market leader in Canada, and in multiple asset classes across the U.S. and Europe.

We rate more than 3,000 issuers and nearly 60,000 securities worldwide, providing independent credit ratings for financial institutions, corporate and sovereign entities, and structured finance products and instruments. Market innovators choose to work with us because of our agility, transparency, and tech-forward approach.

DBRS Morningstar is empowering investor success as the go-to source for independent credit ratings. And we are bringing transparency, responsiveness, and leading-edge technology to the industry.

That's why DBRS Morningstar is the next generation of credit ratings.

Learn more at [dbrsmorningstar.com](https://www.dbrsmorningstar.com).



The DBRS Morningstar group of companies consists of DBRS, Inc. (Delaware, U.S.)(NRSRO, DRO affiliate); DBRS Limited (Ontario, Canada)(DRO, NRSRO affiliate); DBRS Ratings GmbH (Frankfurt, Germany)(EU CRA, NRSRO affiliate, DRO affiliate); and DBRS Ratings Limited (England and Wales)(UK CRA, NRSRO affiliate, DRO affiliate). For more information on regulatory registrations, recognitions and approvals of the DBRS Morningstar group of companies, please see: <https://www.dbrsmorningstar.com/research/225752/highlights.pdf>.

The DBRS Morningstar group of companies are wholly-owned subsidiaries of Morningstar, Inc.

© 2022 DBRS Morningstar. The information upon which DBRS Morningstar credit ratings and other types of credit opinions and reports are based is obtained by DBRS Morningstar from sources DBRS Morningstar believes to be reliable. DBRS Morningstar does not audit the information it receives in connection with the analytical process, and it does not and cannot independently verify that information in every instance. The extent of any factual investigation or independent verification depends on facts and circumstances. DBRS Morningstar credit ratings, other types of credit opinions, reports and any other information provided by DBRS Morningstar are provided "as is" and without representation or warranty of any kind and DBRS Morningstar assumes no obligation to update any such ratings, opinions, reports or other information. DBRS Morningstar hereby disclaims any representation or warranty, express or implied, as to the accuracy, timeliness, completeness, merchantability, fitness for any particular purpose or non-infringement of any of such information. In no event shall DBRS Morningstar or its directors, officers, employees, independent contractors, agents, affiliates and representatives (collectively, DBRS Morningstar Representatives) be liable (1) for any inaccuracy, delay, loss of data, interruption in service, error or omission or for any damages resulting therefrom, or (2) for any direct, indirect, incidental, special, compensatory or consequential damages arising from any use of credit ratings, other types of credit opinions and reports or arising from any error (negligent or otherwise) or other circumstance or contingency within or outside the control of DBRS Morningstar or any DBRS Morningstar Representative, in connection with or related to obtaining, collecting, compiling, analyzing, interpreting, communicating, publishing or delivering any such information. IN ANY EVENT, TO THE EXTENT PERMITTED BY LAW, THE AGGREGATE LIABILITY OF DBRS MORNINGSTAR AND THE DBRS MORNINGSTAR REPRESENTATIVES FOR ANY REASON WHATSOEVER SHALL NOT EXCEED THE GREATER OF (A) THE TOTAL AMOUNT PAID BY THE USER FOR SERVICES PROVIDED BY DBRS MORNINGSTAR DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE EVENT GIVING RISE TO LIABILITY, AND (B) U.S. \$100. DBRS Morningstar does not act as a fiduciary or an investment advisor. DBRS Morningstar does not provide investment, financial or other advice. Credit ratings, other types of credit opinions and other analysis and research issued by DBRS Morningstar (a) are, and must be construed solely as, statements of opinion and not statements of fact as to credit worthiness, investment, financial or other advice or recommendations to purchase, sell or hold any securities; (b) do not take into account your personal objectives, financial situations or needs; (c) should be weighed, if at all, solely as one factor in any investment or credit decision; (d) are not intended for use by retail investors; and (e) address only credit risk and do not address other investment risks, such as liquidity risk or market volatility risk. Accordingly, credit ratings, other types of credit opinions and other analysis and research issued by DBRS Morningstar are not a substitute for due care and the study and evaluation of each investment decision, security or credit that one may consider making, purchasing, holding, selling, or providing, as applicable. A report with respect to a DBRS Morningstar credit rating or other credit opinion is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. DBRS Morningstar may receive compensation for its credit ratings and other credit opinions from, among others, issuers, insurers, guarantors and/or underwriters of debt securities. This publication may not be reproduced, retransmitted or distributed in any form without the prior written consent of DBRS Morningstar. ALL DBRS MORNINGSTAR CREDIT RATINGS AND OTHER TYPES OF CREDIT OPINIONS ARE SUBJECT TO DEFINITIONS, LIMITATIONS, POLICIES AND METHODOLOGIES THAT ARE AVAILABLE ON <https://www.dbrsmorningstar.com>. Users may, through hypertext or other computer links, gain access to or from websites operated by persons other than DBRS Morningstar. Such hyperlinks or other computer links are provided for convenience only. DBRS Morningstar does not endorse the content, the operator or operations of third party websites. DBRS Morningstar is not responsible for the content or operation of such third party websites and DBRS Morningstar shall have no liability to you or any other person or entity for the use of third party websites.