



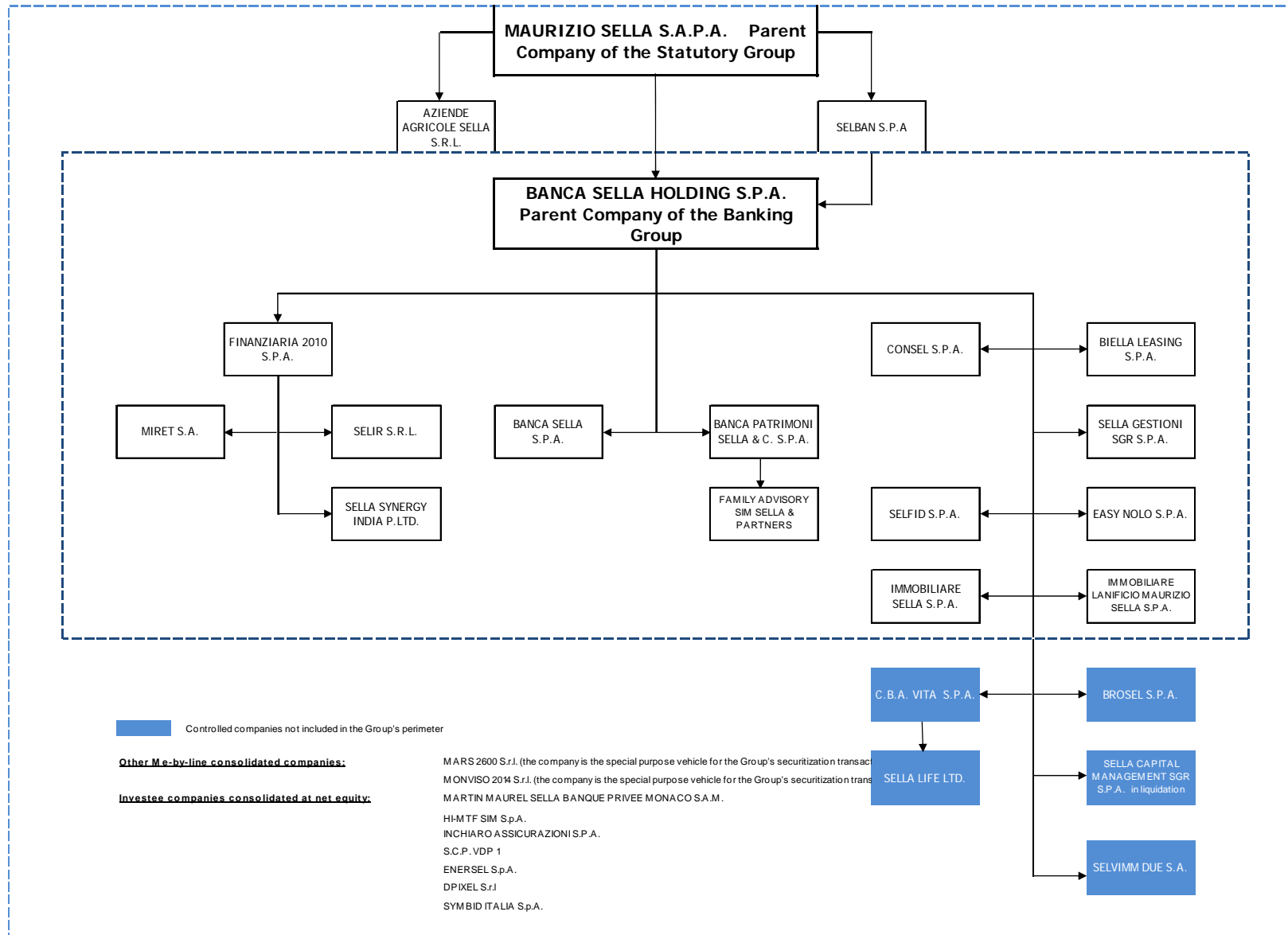
BANCA SELLA

Half-Yearly Financial Statements at June the 30th, 2015

Piazza Gaudenzio Sella 1 - 13900 Biella (Italy)
Tel. 015 35011 – Fax 015 351767 – Swift SELB IT 2B
Website www.sella.it



GRUPPO BANCA SELLA

Map of the Statutory Group at June the 30th, 2015


Geographical distribution of the bank



Valle d'Aosta

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
PONT SAINT MARTIN	0125806121	015/2433051	VIA CIRCONVALLAZIONE 15 /A
AOSTA	0165235465	015/2433056	VIA FESTAZ BONIFACIO 3
VERRES	0125929079	015/2433072	VIA CADUTI DELLA LIBERTA' 13
CHATILLON	0166563086	015/2433085	LOCALITA' SOLEIL 8
AOSTA 1 - VIA MONTE GRIVOLA	0165553431	015/2433162	VIA MONTE GRIVOLA 37
AYAS		015/2433316	STRADA PASQUIER ANTAGNOD 4

Piemonte

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
BIELLA SEDE - VIA ITALIA	01535011	015/2433900	VIA ITALIA 2
BI 04 - CHIAVAZZA	015355237	015/2433001	VIA MILANO 53
COSSATO	015980165	015/2433002	P.ZA CONTE C. B. CAVOUR 8
MONGRANDO	015666261	015/2433003	VIA ROMA 20
PONZONE	015777046	015/2433004	LOCALITA' PONZONE 137
BIELLA - NUOVA SEDE	01535011	015/2433005	PIAZZA GAUDENZIO SELLA 1
VALLEMOSSO	015702935	015/2433006	VIA BARTOLOMEO SELLA 1
VERCELLI SEDE - P.ZZA RISORGIMENTO	0161255600	015/2433007	PIAZZA RISORGIMENTO 23
BI 01 - VERNATO	01528669	015/2433008	VIA GEN. A. LAMARMORA 18
VIGLIANO	015811954	015/2433009	VIA MILANO 163
GAGLIANICO	0152543541	015/2433010	VIA ANTONIO GRAMSCI 75
BI 02 - PIAZZA MARTIRI	015355459	015/2433011	PZA MARTIRI D. LIBERTA' 8
VERGNASCO	0152583012	015/2433012	VIA PAPA GIOVANNI XXIII 50
VALDENGO	015882165	015/2433013	VIA QUINTINO SELLA 28
TOLLEGNO	015421523	015/2433014	VIA 20 SETTEMBRE 6 / 8
POLLONE	01561591	015/2433015	VIA CADUTI 35
BI 03 - PIAZZA ADUA	0158408192	015/2433016	PIAZZA ADUA 12
SANTHIA'	0161930445	015/2433018	C.SO S. IGNAZIO SANTHIA' 2
VIVERONE	0161987392	015/2433019	VIA PROVINCIALE 32
BIELLA - SEDE 20	01535011	015/2433920	VIA ITALIA 2
BI-SUCC. 21 BORSINO	01523291	015/2433921	VIA ITALIA 2
SUCC. 24 - BIELLA		015/33826	VIA ITALIA 2
TORINO SEDE - PIAZZA CASTELLO	0115620738	011/5732404	PIAZZA CASTELLO 127
SETTIMO TORINESE	0118978181	011/5732431	VIA ITALIA 18 /B
CASTIGLIONE	0119818393	011/5732432	PIAZZA VITTORIO VENETO 1
ROMANO	0125712341	015/2433033	VIALE MARCONI 34
CHIAVERANO	012554375	015/2433034	CORSO CENTRALE 67
IVREA	012545847	015/2433035	CORSO COSTANTINO NIGRA 1
TO 01 - CORSO FRANCIA	011752646	011/5732436	CORSO FRANCIA 185
BANCHETTE	0125612766	015/2433037	VIA CASTELLAMONTE 3
ROSTA	0119541241	011/5732438	VIA RIVOLI 63
AVIGLIANA	0119312925	011/5732439	CORSO TORINO 37 / 39 / 43
VOLPIANO	0119951480	011/5732440	VIA UMBERTO I 11 / 13
BUSSOLENO	0122640476	015/2433041	STRADA TORINO 29
SAN FRANCESCO AL CAMPO	0119276848	011/5732442	VIA TORINO 9/2
GRUGLIASCO	011784697	011/5732443	VIA SPANNA C. 3
SANGANO	0119085858	011/5732444	VIA BERT 11
TO 02 - CORSO DE GASPERI	011597533	011/5732446	CORSO ALCIDE DE GASPERI 46
SAN CARLO CANAVESE	0119214820	011/5732447	STRADA CIRIE' 73
FAVRIA	0124348885	015/2433048	V. CAPORAL D. CATTANEO 2
GIAVENO	0119364122	011/5732449	VIA ROMA 15
PINEROLO	0121321787	015/2433050	CORSO TORINO 63 /B
PONDERANO	0152544330	015/2433052	PIAZZA GARIBALDI 1
CALUSO	0119831684	011/5732453	VICOLO BETTOIA 61
MONTANARO	0119193093	011/5732454	VIA MATTEOTTI 8
OCCHIEPPO	0152593686	015/2433055	VIA PAPA GIOVANNI XXIII 1/A
SAVIGLIANO	017233961	015/2433057	PIAZZA DEL POPOLO 25
TO 03 - VIA SAN DONATO	0114373471	011/5732458	VIA SAN DONATO 34 / 36
OVADA	0143833128	015/2433059	PIAZZA GIUSEPPE GARIBALDI 8
ALBA	0173284244	015/2433060	PIAZZA CRISTO RE 12
POCAPAGLIA	0172423669	015/2433061	STRADA MACELLAI 53
TROFARELLO	0116490924	011/5732462	VIA TORINO 84
CUNEO	0171697780	015/2433063	VIA VENTOTTO APRILE 15/17

Piemonte

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
CUORGNE'	0124650434	015/2433064	VIA TORINO 3
TO 04 - CORSO GIULIO CESARE	0112487848	011/5732465	CORSO GIULIO CESARE 56 BIS
RIVOLI - CASCINE VICA	0119574364	011/5732466	CORSO FRANCIA 201 /B
NONE	0119904045	011/5732467	PIAZZA MONS. VIGO 1 /A
ALPIGNANO	0119664431	011/5732468	VIA GIUSEPPE MAZZINI 33
TO 05 - CORSO MONTE CUCCO	0113850305	011/5732469	CORSO MONTE CUCCO 59
SUSA	0122629690	015/2433071	CORSO INGHILTERRA 46
TO 06 - VIA BOLOGNA	0112424063	011/5732473	VIA BOLOGNA 242
NOVARA	0321466611	015/2433074	CORSO TORINO 35 / 37
CHIVASSO	0119172939	011/5732475	VIA ITALIA 2
LESSONA	015981949	015/2433076	PIAZZA GAUDENZIO SELLA 1
ANDORNO	0152475211	015/2433077	V. CAV. VITT. VENETO 77
TORRAZZA	0119180028	011/5732478	VIA MAZZINI 23
SAN GERMANO CHISONE	012158577	015/2433081	PIAZZETTA DELL'ORSO 4
TO 07 - CORSO SOMMEILLER	011593983	011/5732482	CORSO GERMANO SOMMEILLER 25
CIRIE'	0119211265	011/5732483	P. D'ORIA 14/10
CANDELO	0152536815	015/2433084	PIAZZA CASTELLO 17 / 18
BI 05 - VIA ROSSELLI	0158408205	015/2433087	VIA FRATELLI ROSSELLI 108
COSSATO 1 - VIA MARTIRI	015983259	015/2433088	V. MART. DELLA LIBERTA' 177
CASALE	0142454133	015/2433089	VIA AURELIO SAFFI 33
CHIERI	0119412210	011/5732491	VIA VITTORIO EMANUELE 44
RIVOLI	0119580608	011/5732492	P.ZA MART. DELLA LIBERTA' 2
BI 06 - PAVIGNANO	015562676	015/2433093	VIA PETTINGENGO 22
CAVAGLIA'	016196397	015/2433094	VIA RONDOLINO 1
VERRONE	0152558286	015/2433095	VIA ZUMAGLINI 15
TO 08 - CORSO ORBASSANO	011352108	011/5732496	CORSO ORBASSANO 193
IVREA 1	0125616821	015/2433097	CORSO VERCELLI 29
TO 09 - CORSO MATTEOTTI	0115612608	011/5732501	CORSO GIACOMO MATTEOTTI 47
CHIUSA SAN MICHELE	0119643332	011/5732502	V. GEN. A. CANTORE 2
SALUSSOLA	0161997243	015/2433103	VIA MARTIRI DELLA LIBERTA' 45
BI 07 - VIA TORINO	015406287	015/2433105	VIA TORINO 53
CASTELLAMONTE	0124513185	015/2433107	VIA EDUC 48
BRUSNENGO	015985476	015/2433108	PIAZZA UBERTALLI 12
BORGOSIESA	0163200379	015/2433109	PIAZZA CAVOUR 13
TO 10 - CORSO VITTORIO EMANUELE	011885039	011/5732511	CORSO VITTORIO EMANUELE II 12
MONCALIERI	0116406892	011/5732512	PIAZZA CADUTI PER LIBERTA'
RIVAROLO	012429919	015/2433113	CORSO TORINO 54 / 56
SANDIGLIANO	0152493200	015/2433114	VIA MAROINO 7
TO 11 - CORSO SAN MAURIZIO	011888156	011/5732517	CORSO SAN MAURIZIO 47
NICHELINO	0116274438	011/5732518	PIAZZA CAMANDONA 25 / 27
TO 12 - PIAZZA CARDUCCI	0116631636	011/5732519	PIAZZA GIOSUE' CARDUCCI 122 /C
VERCELLI 1 - VIA PAGGI	0161211585	015/2433121	VIA GIUSEPPE PAGGI 29
TRINO	0161828031	015/2433122	C.SO CONTE C. B. CAVOUR 34 / 38
TO 13 - CORSO TRAIANO	011610128	011/5732523	CORSO TRAIANO 82 /A
ORBASSANO	0119031751	011/5732525	VIA ROMA 27
PIANEZZA	0119663741	011/5732526	VIA AMEDEO GIOLITI 7
CRESCENTINO	0161834560	015/2433127	CORSO ROMA 66 / 68
BORGARO TORINESE	0114500276	011/5732528	VIA ANTONIO GRAMSCI 2
ALESSANDRIA	013168154	015/2433129	VIA GIOVANNI MIGLIARA 5
CARMAGNOLA	0119713077	011/5732532	CORSO MATTEOTTI 6/8 ANG. V.GHIFFI
TO 14 - CORSO RACCONIGI	011745726	011/5732533	CORSO RACCONIGI 16
GATTINARA	0163834464	015/2433134	VIALE MARCONI 60
BORGOMANERO	0322835920	015/2433135	CORSO GIUSEPPE GARIBALDI 106

Piemonte

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
CIGLIANO	0161423046	015/2433136	CORSO UMBERTO
TO 16 - VIA ANDREA DORIA	0115611467	011/5732539	VIA ANDREA DORIA 8
CARIGNANO	0119697115	011/5732541	VIA UMBERTO I 27
BEINASCO	0113499873	011/5732542	STRADA TORINO 104
VENARIA	0114593789	011/5732543	V.LE BURIDANI 6 ANG.CORSO MARCONI
TO 17 - VIA NICOMEDE BIANCHI	0117410975	011/5732544	VIA NICOMEDE BIANCHI 42 /E
TO 18 - PIAZZA ADRIANO	0114330233	011/5732547	PIAZZA ADRIANO 5 /H
VERCELLI 2 - VIA CASTELNUOVO	0161211397	015/2433148	V. CASTELNUOVO DELLE LANZE 2 / 4
TORTONA	0131813944	015/2433149	CORSO MONTEBELLO 19/C C
FOSSANO	0172633042	015/2433152	PIAZZA BATTUTI ROSSI 1
TO 19 - CORSO VERCELLI	0112051735	011/5732553	CORSO VERCELLI 168
ACQUI TERME	0144325077	015/2433156	V. GUGLIELMO MARCONI 15 / 17 / 19
COSSATO 2 - VIA MARCONI	0159840067	015/2433157	VIA GUGLIELMO MARCONI 76
BRA	0172432158	015/2433159	VIA GIUSEPPE VERDI 15
BORGO SAN DALMAZZO	0171261947	015/2433163	VIA BOVES 17 /D
PONT CANAVESE	0124860025	015/2433166	VIA ROSCIO 5
SETTIMO TORINESE 1	0118952119	011/5732581	VIA REGIO PARCO 2
TO 23 - CORSO PESCHIERA	0110587942	011/0587942	CORSO PESCHIERA 182/E
SAN MAURO TORINESE	0118222136	011/5732597	PIAZZALE MOCHINO 12
COLLEGNO	0114151680	011/5732598	VIA PRIMO LEVI 1
LANZO TORINESE	0123324100	011/5732591	VIA 11 SETTEMBRE 2001 4
TO 22 - CORSO BELGIO	0118980265	011/5732592	CORSO BELGIO 107
OULX	0122830846	015/2433223	CORSO TORINO 5
BSE CLIENTI TELEMATICI	01535008191	015/2433701	PIAZZA GAUDENZIO SELLA 1
CENTRO COMMERCIALE GLI ORSI	0152535162	015/2433311	VIALE DOMENICO MODUGNO N. 1 H
ASTI	0141390411	0141/390429	VIA BRUNO ALBERTO 9
VILLAREGGIA	0161455104	015/2433313	VIA SAN MARTINO 29
RUBIANA	0119357001	011/9357001	VIA ROMA 84
CASELLE - AEROPORTO	0110825330	011/5732548	STRADA SAN MAURIZIO 12
RONCO BIELLESE	0158462002	-	VIA ROMA 1
VILLAR FOCCHIARDO	0119646837	-	VIA CONTE CARROCCIO 8
BUSANO	0124479014	-	VIA IGONETTI 25

Lombardy

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
MILANO SEDE	024815348	02/43009270	VIA PARMIGIANINO 13/15
MI 1 - VIA BERGOGNONE	0258107132	02/43009286	VIA BERGOGNONE 27
MI 2 - VIA MONTI	024691540	02/43009267	VIA VINCENZO MONTI 33
MI 3 - VIA GONZAGA	0272003420	02/43009268	VIA MAURIZIO GONZAGA 3
MI 4 - VIA MONTE NERO	025517360	02/43009266	VIALE MONTENERO 71
VIGEVANO	038170129	015/2433167	VIA ROMA 4
MILANO 5 - VIALE PIAVE	0276017137	02/43009264	VIALE PIAVE 4
RHO	029307604	02/43009265	VIA DEI MARTIRI 23
BRESCIA	030280268	015/2433172	VIA FRATELLI UGONI 20
SESTO SAN GIOVANNI	022409386	02/43009261	VIA ENRICO FALCK 5
PAVIA	0382304944	015/2433199	VIALE GIACOMO MATTEOTTI 14
MONZA	039326337	015/2433236	VIA GEROLAMO BORGAZZI 13
MILANO 7 - PIAZZALE LORETO	0267020286	02/43009242	P.LE LORETO 1 ANGOLO VIA A.DORIA
SARONNO	0296280192	015/2433250	VIA A. MANZONI 35 ANGOLO V. PAR
CARUGATE	0292151773	015/2433284	VIA CLEMENTE ALBERTI 37
VOGHERA	0383369085	015/2433285	PIAZZA SAN BOVO 27
GALLARATE	0331777707	015/2433308	VIA MAGENTA N. 12
ERBA	0314493026	031/4493028	CORSO XXV APRILE 111/113

Liguria

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
CHIAVARI	0185303027	015/2433164	PIAZZA GIUSEPPE MAZZINI 10
GENOVA	0105957514	015/2433174	SALITA SANTA CATERINA 4
SAN REMO	0184544612	015/2433204	VIA ESCOFFIER 11
GENOVA 1 BOLZANETO	0107411093	015/2433208	VIA PASQUALE PASTORINO 70
IMPERIA	0183767701	015/2433233	PIAZZA GIOACCHINO ROSSINI 10
BORDIGHERA	0184260433	015/2433239	V. CESARE BALBO 1 ANG. V. VITTO
GENOVA 2 - VIA FIESCHI	0105956324	015/2433247	VIA FIESCHI 21/R R
ALBENGA	0182544199	015/2433289	PIAZZA DEL POPOLO 7/8

Veneto

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
MONTEBELLUNA	0423615171	0423/615171	VIA MONTE GRAPPA 74
COVOLO DI PEDEROBBA	0423648244	0423/648244	VIA SEGUSINI G. 25
TREVISO	042223636	0422/23636	VIA MONTEGRAPPA 4
BASSANO DEL GRAPPA	0424220881	0424/220881	VIA DEL BASTION 49
LEGNAGO		0442/600162	C.SO DELLA VITTORIA 31/33
VERONA BORGO TRENTO		045/8350653	VIA CA' DI COZZI 10 /B
PADOVA	0497808478	049/7808478	VIA SAN MARCO 11/C
TREVISO CENTRO	0422582189	0422/582189	V. SANTA MARGHERITA 32/34
VICENZA		0444/966026	VIALE VERONA 12
VERONA	045595189	045/595189	CORSO PORTA NUOVA 32 /A
BOVOLONE	0456901294	045/6901294	VIA DUOMO 9
SAN MARTINO BUON ALBERGO	0458780220	045/8780220	VIA XX SETTEMBRE 81

Friuli Venezia Giulia

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
UDINE		0432/508599	VIA DELLA VITTORIA 15

Emilia Romagna

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
BOLOGNA	051264705	015/2433179	VIA LUIGI CARLO FARINI 28/2
MODENA 1 - VIA EMILIA	059238558	015/2433194	VIA EMILIA EST 121
CASTELFRANCO EMILIA	059958149	015/2433196	VIA CIRCONDARIA SUD 87 / 93
VIGNOLA	059760181	015/2433812	VIA DELLA RESISTENZA 170
MODENA	059340498	015/2433213	VIA PIETRO GIARDINI 436
SASSUOLO	0536800847	015/2433214	VIALE REGINA PACIS 28
FERRARA	0532760538	015/2433224	VIA DEI BALUARDI 29
CASALECCHIO DI RENO	0516133359	015/2433234	VIA BAZZANESE 51/3
BOLOGNA 1 - VIA ROLLI 4/A	051323965	015/2433235	VIA ROLLI GIUSEPPE 4 /A
MODENA 2 - STRADA MORANE	059444188	015/2433241	STRADA MORANE 298
FORMIGINE	059574762	015/2433251	VIA GIUSEPPE MAZZINI 88
MODENA 3 - STRADA NAZIONALE PER CARPI	059330920	015/2433254	STRADA STATALE PER CARPI 126
SERRAMAZZONI	0536957162	015/2433255	VIA ROMA 146
CAVEZZO	053558297	015/2433257	PZA MARTIRI DELLA LIBERTA N. 4
CARPI	0598070745	015/2433312	VIALE GIOSUE' CARDUCCI 31

Tuscany

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
FIRENZE	055291074	015/2433175	V. CONTE C. B. CAVOUR 74 /R
FIRENZE 1 - VIALE REDI	0553245118	015/2433243	VIALE FRANCESCO REDI 59 / 61
FIRENZE 2 - VIALE DEI MILLE	0555535105	015/2433244	VIALE DEI MILLE 7/9
AREZZO	0575302913	015/2433290	VIA VENTICINQUE APRILE 14/A A

Tuscany

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
SIENA	057751752	015/2433282	VIA PROVINCE
GROSSETO	0564457105	015/2433283	VIALE EUROPA N. 10
MONTEVARCHI	0559850470	015/2433288	V.LE A. DIAZ 142/144 146 148
GROSSETO 1	0564407419	015/2433301	PIAZZA VINCENZO GIOBERTI 9
CASTEL DEL PIANO	0564973263	015/2433304	VIA DEI MILLE 4/A B A
ABBADIA SAN SALVATORE	0577778095	015/2433305	VIA MENTANA 35/37 39

Marche

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
ASCOLI PICENO	073645688	015/2433258	VIA NAPOLI 114/A A
SAN BENEDETTO DEL TRONTO	073584639	015/2433281	PIAZZA TORTORA 7
MACERATA	0733288013	015/2433287	STRADA CLUENTINA 12
CIVITANOVA MARCHE	0733784470	015/2433302	PIAZZA SAN DOMENICO SAVIO 6
PAGLIARE DEL TRONTO	0736890112	015/2433309	VIA SALARIA 20

Lazio

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
ROMA - P.ZZA POLI	0669942140	06/69204679	PIAZZA POLI 38 / 41
ROMA 1 - VIA MARCOLONGO	0655382059	06/69204606	VIA ROBERTO MARCOLONGO 37
ROMA 2 - VIA PEREIRA	0635496149	06/69204615	V. R. R. PEREIRA 194
ROMA 3 - VIA EMO	0639732180	06/69204624	VIA ANGELO EMO 91
ROMA 4 - VIA DI VIGNA STELLUTI	063297514	06/69204631	VIA DI VIGNA STELLUTI 22 / 26
ROMA 5 - P.ZZA S. GIOVANNI DI DIO	065373935	06/69204637	P.ZA SAN GIOVANNI DI DIO 14/A B
ROMA 6 - VIA GALLIA	067001539	06/69204646	VIA GALLIA 83
ROMA 7 - VIALE JONIO	068183631	06/69204658	VIALE JONIO 334 / 340
ROMA 8 - VIA LATINA	067807036	06/69204661	V. NUMANZIA 23 ANG. VIA LATINA
ROMA 9 - OSTIA LIDO	0656305106	06/69204676	PIAZZA STAZIONE VECCHIA 5
ROMA 10 - VIA PORPORA	068073838	06/69204691	VIA NICOLO' PORPORA 1
ROMA 11 - VIA TIBURTINA	064394793	06/69204693	VIA TIBURTINA 447 / 449
ROMA 12 - P.ZZA SANT'EMERENZIANA	068605085	06/69204603	P.ZA S. EMERENZIANA 13 / 14 / 15
ROMA 13 - VIA DEI GRACCHI	063214534	06/69204616	VIA DEI GRACCHI 142 / 144
LATINA	0773660756	06/69204607	VIA CARTURAN 40
ROMA 14 - EUR	065191612	06/69204620	VIA ALESSIO BALDOVINETTI 132
PRIVATE ROMA 4			PIAZZA CAVOUR 10

Molise

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
CAMPOBASSO	087460655	0874 63104	VIA IV NOVEMBRE 135

Abruzzo

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
ALBA ADRIATICA	0861751671	015/2433306	VIA MAZZINI 131

Campania

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
GIFFONI VALLE PIANA	089868309	089 865022	PIAZZA UMBERTO I 31/33
MONTECORVINO PUGLIANO	082851031	0828 52555	VIALE ITALIA 42
SALERNO - VIA G. CUOMO	089253590	089 253594	VIA GIOVANNI CUOMO 9
CAVA DE' TIRRENI	089468550	089 468551	VIALE RICCARDO ROMANO 54
AVELLINO	0825784220	0825 784213	CORSO EUROPA 8/G
BATTIPAGLIA	0828305260	0828/307026	VIA PAOLO BARATTA 126
NAPOLI 1 - VIA DEI MILLE	081410349	015/2433151	VIA DEI MILLE 34/36 38 36

Campania

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
NAPOLI 2 - VOMERO	0813721375	015/2433151	V. ALESSANDRO SCARLATTI 61/63/65
SORRENTO	0818773847	015/2433217	PIAZZA ANGELINA LAURO 35
SAN MARCO EVANGELISTA	0823408999	015/2433240	STRADA STATALE 265 KM. 26 200
NOCERA INFERIORE	0815176612	015/2433253	VIA ATTILIO BARBARULO 110
SALERNO - VIALE G. VERDI	0893867848	015/2433248	VIALE GIUSEPPE VERDI 1
BENEVENTO	0824312043	015/2433280	VIA GODUTI ENNIO 60/62
NOLA	0818214709	015/2433307	PIAZZA CLEMENZIANO

Puglia

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
PRESICCE	0833726004	0833/726007	VIA ROMA 68
ANDRANO	0836926094	0836/926094	VIA MICHELANGELO 32
CASTRIGNANO DEL CAPO	0833751008	0833/751081	VIA GRASSI 7
NOCIGLIA	0836936014	0836/936253	VIA OBERDAN 35
SALVE	0833741001	0833/741041	VIA ROMA 192
SPONGANO	0836945026	0836/945026	VIA SANT' ANGELO 7
TRICASE VIA LEONE XIII	0833545026	0833/545269	VIA LEONE XIII 12
CASTRI' DI LECCE	0832826309	0832/826204	VIA BATTISTI 13
LECCE 1 - VIALE MARCONI	08326981	0832/698205	VIALE GUGLIELMO MARCONI 45
MANDURIA	0999738744	099 9735923	VIALE MANCINI 21
BRINDISI	0831516227	0831 516228	VIA OSANNA 1
MAGLIE	0836428008	0836 424565	VIA VITTORIO EMANUELE 86
BARI 1 - VIA CALEFATI	0805234545	080 5232303	V. ALESSANDRO M. CALEFATI 131
PUTIGNANO	0804059120	080 4059131	VIA NINO BIXIO 21
TRANI	0883480531	0883 485521	VIA ALDO MORO 60
TARANTO	0997302463	099 7302463	VIA SOLITO 45/A
LECCE 2 - VIA LUPIAE	0832312471	0832 317164	VIA LUPIAE 29 ANG VIA FORNARI
BARLETTA	0883518000	0883 519050	VIA A. DE NITTIS 43
SAN MICHELE SALENTINO	0831966962	0831 964751	VIA VITTORIO VENETO 5
FASANO	0804425778	080 4425779	PIAZZA KENNEDY 3
OSTUNI	0831336656	0831/336638	VIA ANTONIO FOGAZZARO 74
MARTINA FRANCA	0804838617	080 4857283	VIA LEONE XIII 2/B B B
MOLFETTA	0803976420	080 3353753	PIAZZA GIUSEPPE GARIBALDI 7
GALLIPOLI	0833263785	0833 262201	CORSO ROMA 123
LECCE 3 - VIALE DE PIETRO	0832277727	0832 240056	VIALE DE PIETRO MICHELE 61
ANDRIA	0883596111	0883 596099	VIALE VENEZIA GIULIA 3
FOGGIA	0881587843	0881/567261	PIAZZA PAVONCELLI GIUSEPPE 2

Sardinia

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
CAGLIARI	070667931	015/2433205	VIALE ARMANDO DIAZ 123/129
SASSARI	079232383	015/2433216	VIA ROMA 11 /A
OLBIA	0789598260	015/2433256	VIALE ALDO MORO 251

Sicily

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
MONREALE	0916402592	091-6402593	VIA UMBERTO I 14
PALERMO 1 - BOCCADIFALCO	0916683760	091-6680868	VIA BOCCADIFALCO 22
ROCCAMENA	0918465544	091-8465049	VIA VINCI 6
SAN GIUSEPPE IATO	0918576833	091-8572159	VIA UMBERTO I N. 208
PALERMO 2 - FALSOMIELE	091446514	091-446775	VIA DEL CIGNO 68
PALERMO 3 - MEZZOMONREALE	0916681624	091-6683380	CORSO CALATAFIMI 981/D

Sicily

OFFICE	PHONE NUMBER	FAX NUMBER	ADDRESS
PALERMO 4 - BORGIO NUOVO	0916733720	091-6733374	VIA CASTELLANA 108/A
PALERMO 5 - VIALE LAZIO	0916701017	091-6701036	VIALE LAZIO 37
PALERMO 6 - VILLAREALE	0916114665	091-6119968	VIA MARIANO STABILE 190
PALERMO 7 - VIA DE GASPERI	091525594	091-525516	VIALE ALCIDE DE GASPERI
PALERMO 8 - VIA DALLA CHIESA	0917301777	091-7300084	V. GEN. DALLA CHIESA 3/A
TRAPANI	0923541061	0923-541061	C.SO PIERSANTI MATTARELLA 37/39
PALERMO 9 - VIA L. DA VINCI	0916827811	091-6830598	VIALE LEONARDO DA VINCI 33
CATANIA 1 - VIA XX SETTEMBRE	0957169353	095-509874	VIALE VENTI SETTEMBRE 41
CAMASTRA	0922950247	0922-950237	CORSO VITTORIO VENETO 45
LICATA	0922801640	0922-804494	VIA RETTIFILO GARIBALDI 76
NARO	0922956044	0922-958668	VIA SPECCHI 35
AGRIGENTO		0922-413866	VIALE VIAREGGIO 45
RAGUSA	0932682239	0932-682358	PIAZZA VIRGILIO 14
SIRACUSA	0931445062	0931-483560	VIA SIMEONE 16
CATANIA 2 - VIA VITTORIO VENETO	095507916	095-509874	V. CAV. DI VITT. VENETO 229

Corporate Officers

BOARD OF DIRECTORS

in office up to the approval of the 2016 financial statements

Chairman

Maurizio Sella

Deputy Chairman

Franco Sella

Managing Director

Claudio Musiari

Director

Elisabetta Galati

“

Luigi Gargiulo

“

Ferdinando Parente

“

Carlo Santini

“

Pietro Sella

“

Sebastiano Sella

“

Silvana Terragnolo

“

Paolo Tosolini

“

Andrea Lanciani

“

Attilio Viola

BOARD OF STATUTORY AUDITORS

in office up to the approval of the 2016 financial statements

Regular Auditor - Chairman

Paolo Piccatti

“

Vincenzo Rizzo

“

Riccardo Foglia Taverna

Alternate Auditor

Daniele Frè

“ “

Michela Rayneri

GENERAL MANAGEMENT

Director General and CEO

Claudio Musiari

Co-Director General and Deputy CEO

Viviana Barbera

Co-Director General

Giorgio De Donno

Deputy Director General

Gianluca Bisognani



Summary and important events during the first half of 2015

Below are the most important events that occurred during the first half of 2015 for Banca Sella:

- in February 2015, Banca Sella, in the context of an inspection of Banca Sella Holding, regarding: "Analysis of the quality of the group's loan portfolio and effectiveness of the relative lending policies," the bank itself was also the subject of an inspection. The inspection was completed on 17 June 2015 and the parent company is awaiting the relative report. Upon the conclusion of the inspection, relative to measurements taken at 31/12/2014 on positions subject to analytical verification, classification and expected loss differences arose, the latter already made independently during the course of 2015, during the inspection. Note that both the reclassifications, with the exception of specific and justified exceptions, and the write-downs, partially made independently by Banca Sella during the first months of 2015 during the inspection, were all recognised by the end of the inspection.
- in May 2015, Banca Sella requested and obtained that a rating be issued by DBRS, holding it an appropriate step in the context of the growth and development foreseen in the Strategic Plan and in line with many of its competitors. This rating was: **BBB (low)** (with negative trend), similar to that expressed for the parent company, taking into account the importance Banca Sella has within the Group;
- on 5 June 2015, the branches of Montecatini Terme, Bari 2 Via Tommaso Fiore, Lecce 4 Via San Cesareo and Grottaminarda were closed. These closures were aimed at, in addition to rationalising presence throughout the territory, freeing up useful professionals to enhance other local branches, increasing overall efficiency and providing better and more professional service to the Bank's customers;
- on 8 June 2015, the new branch in Casalle Torinese opened, at the Caselle Airport, Strada San Maurizio, 12 – 10072 – Caselle Torinese (TO);
- on 10 April 2015, Banca Sella sent a request to Bank of Italy for a capital increase, following the authorisation obtained on 24 July 2015, the extraordinary shareholders' meeting approved the operation. Subsequently, the Prospectus was submitted to Consob for approval, as this is a "general" public offering.

Summary data and economic/financial indicators

Summary data (amounts in Euro thousands)				
BALANCE SHEET DATA	30/06/2015	31/12/2014	Changes	
			absolute	%
Total assets	10,659,091.0	10,566,753.9	92,337.1	0.9%
Financial assets (1)	1,522,817.7	1,338,305.0	184,512.6	13.8%
Cash loans, exclusive of repurchase agreements receivable	6,773,800.5	6,961,360.6	(187,560.0)	-2.7%
<i>repurchase agreements receivable</i>	0.1	-	0.1	0.0%
Total cash loans (2)	6,773,800.7	6,961,360.6	(187,559.9)	-2.7%
Tangible and intangible fixed assets	90,369.2	88,415.9	1,953.4	2.2%
Total deposits	21,253,977.5	21,078,036.7	175,940.8	0.8%
Direct deposits, exclusive of repurchase agreements payable	9,155,710.5	9,212,379.0	(56,668.5)	-0.6%
<i>repurchase agreements payable</i>	204,922.8	297,286.1	(92,363.3)	-31.1%
Total direct deposits (3)	9,360,633.3	9,509,665.1	(149,031.8)	-1.6%
Indirect deposits (4)	11,893,344.2	11,568,371.6	324,972.6	2.8%
Guarantees issued	250,089.1	252,196.4	(2,107.3)	-0.8%
Shareholders' Equity	610,583.7	617,219.9	(6,636.3)	-1.1%
Common Equity Tier 1 (CET 1)	555,707.3	553,373.2	2,334.1	0.4%
Tier 2 Capital (T2)	224,157.6	239,297.9	(15,128.9)	-6.3%
Total own funds	779,864.9	792,671.1	(12,806.2)	-1.6%
RECLASSIFIED ECONOMIC DATA (5)	30/06/2015	30/06/2014	Changes	
			absolute	%
Net interest income	87,265.8	104,889.9	(17,624.1)	-16.8%
Gross income from services (6)	144,598.7	130,324.9	14,273.8	11.0%
Fee expenses	41,263.4	36,666.7	4,596.8	12.5%
Net income from services (net of fee expenses)	103,335.3	93,658.2	9,677.1	10.3%
Net banking income	190,601.0	198,548.1	(7,947.1)	-4.0%
Operating costs net of recovery of stamp duties and other taxes (7)	122,275.1	122,366.8	(91.7)	-0.1%
Operating profit/loss	68,325.9	76,181.3	(7,855.4)	-10.3%
Net value adjustments for impairment losses	(59,722.2)	(47,892.3)	(11,829.9)	24.7%
Income taxes	(2,119.5)	(8,386.9)	6,267.5	-74.7%
Profit (Loss) for the period	4,253.6	18,060.4	(13,806.8)	-76.5%

- (1) The aggregate represents the sum of the following items in the Balance Sheet Assets: item 20 "financial assets held for trading" and item 40 "financial assets available for sale".
- (2) The aggregate represents item 70, "Due from customers", in the Balance Sheet Assets.
- (3) The aggregate represents the sum of the following items from Balance Sheet Liabilities: 20 "Due to customers" and 30 "Securities in issue".
- (4) The aggregate does not include the item 'cash and cash equivalents', relating to asset management, which is included in the item 'direct deposits'. It instead includes the item related to income from insurance activities, as indicated in the note at the foot of the table on Management and Broking for third parties.
- (5) As per items reported in the reclassified Income Statement.
- (6) The aggregate represents the sum of the following items in the Reclassified Income Statement: commission income, net income (loss) from trading and hedging activities, profit (loss) from sale or repurchase of loans, financial assets available for sale, financial assets held to maturity, and financial assets;
- (7) Given by the sum of the following items: "Administrative expenses" item 150, "Value adjustments on tangible assets" item 170, "Value adjustments on intangible fixed assets", item 180 "Other operating income and expenses" item 190.

Staff and branches

Item	30/06/2015	30/06/2014	Changes	
			absolute	%
Employees	2,971	2,938	33	1.1%
Branches	293	293	-	-

Alternative performance indicators

PROFITABILITY RATIOS (%)	30/06/2015	30/06/2014
R.O.E. (return on equity) (1)(5)	1.4%	6.6%
R.O.A. (return on assets) (2)(5)	0.1%	0.4%
Net interest income (3) / Net banking income (3)	45.8%	52.8%
Net income from services (3) / Net banking income (3)	54.2%	47.2%
Cost to income (4)	63.5%	59.3%

PRODUCTIVITY RATIOS (in Euro thousands)	30/06/2015	30/06/2014
Net banking income (3) (5)/ Average no. of employees	254.1	135.8
Operating result (3) (5)/ Average no. of employees	91.1	52.1
Cash loans / No. of employees at period end	2,257.9	2,479.3
Direct deposits (net of repurchase agreements payable) / No. of employees at period end	3,051.9	3,006.7
Total deposits / No. of employees at period end	7,025.2	7,017.0

EQUITY AND LIQUIDITY RATIOS (%)	30/06/2015	31/12/2014
Cash loans / Direct deposits (net of repurchase agreements payable)	74.0%	75.6%
Cash loans / Total assets	63.6%	65.9%
Direct deposits (net of repurchase agreements payable) / Total assets	85.9%	87.2%

CREDIT RISK RATIOS (%)	30/06/2015	31/12/2014
Net impaired assets / Cash loans	8.5%	8.0%
Net non-performing / Cash loans	4.3%	3.6%
Net value adjustments to loans (5) / Cash loans	1.8%	1.5%
Coverage rate for impaired loans	45.7%	44.4%
Coverage rate for non-performing loans	59.0%	59.7%

SOLVENCY RATIOS (%)	30/06/2015	31/12/2014
CET 1 ratio	11.13%	10.81%
Own funds ratio	15.63%	15.48%

(1) Ratio between "Profit for the year" and the sum of items 160 "Reserves", 170 "Share premiums", and 180 "Share Capital" in the Balance Sheet Liabilities.

(2) Ratio between "Net profit" and "Total assets".

(3) As in the reclassified Income Statement.

(4) Ratio between operating costs, after deducting IRAP on personnel costs and net of losses connected to operating risks and net banking income.

(5) Annualised ratio.

Summary of the macroeconomic situation

The world economy continued to grow at a moderate rate during the first half of 2015.

In the United States, the progressive strengthening of internal demand items justifies, after the slowdown seen in the first quarter, the expectations shared by most professional forecasters for GDP growth at levels more or less in line with those seen in 2014. The economy in the Eurozone saw the economic recovery consolidating, thanks to the stimulus provided by the ECB's expansionist actions, the weakening of the Euro and the benefits deriving from the drop in oil prices. Nonetheless, factors persist that hold back the recovery of the monetary union, such as necessary adjustments to public and private sector budgets, widespread fragility in labour markets, and the risks that affect the prospects for growth in foreign economies. In Greece, the quick approval by the Parliament of the sweeping reforms indicated by the Eurosummit on 12 July allowed complex negotiations to begin again between the newly elected Greek government and international institutions, aimed at providing the country with financial support of around Euro 80 - 86 billion, over 3 years, through the European Stability Mechanism. Emerging countries saw GDP growth rates slow slightly, although still registering levels higher than those of the advanced economies. Nonetheless, rates varied in accordance with the prospects of the individual economies.

In regard to consumer prices, the excess unused production capacity and the expectations of a lack of price pressure for raw materials caused inflation to remain at contained levels in the advanced countries, in particular in the Eurozone. The ECB maintained an extremely accommodating monetary policy and the implementation of a program to purchase government securities is contributing to government interest rates remaining at low levels. The Federal Reserve is likely to once again begin raising the policy rate during the course of 2015, provided that growth and inflation conditions are seen in line with their mandate.

While expected credit volumes are recovering slightly, low interest rates will not create the necessary foundation for an adequate increase in the interest margin. As a consequence, banks will need to favour growth in income from services by diversifying outside of lending. Improving the efficiency of operating structures and containing costs is another lever that must be used to protect profitability.

Balance sheet data for the first half 2015

Reclassified balance sheet (in Euro millions)

Assets	30/06/2015	31/12/2014	% change over 31/12/2014
Financial assets (1)	1,522,817.7	1,338,305.0	13.8%
Due from banks	1,724,261.7	1,577,495.5	9.3%
Cash loans, exclusive of repurchase agreements receivable (2)	6,773,800.5	6,961,360.6	-2.7%
Repurchase agreements receivable	0.1	-	0.0%
Tangible and intangible fixed assets (3)	90,369.2	88,415.9	2.2%
Tax assets	155,955.9	168,702.3	-7.6%
Other assets (4)	391,885.8	432,474.7	-9.4%
TOTAL ASSETS	10,659,091.0	10,566,753.9	0.9%
Liabilities and Shareholders' equity	30/06/2015	31/12/2014	% change over 31/12/2014
Due to banks	318,520.4	26,851.4	1086.2%
Direct deposits (5)	9,360,633.3	9,509,665.1	-1.6%
Financial liabilities	27,751.6	24,250.1	14.4%
Tax liabilities	18,835.9	69,994.7	-73.1%
Other liabilities (6)	276,439.4	268,514.2	3.0%
Provisions for specific purposes (7)	46,326.8	50,258.6	-7.8%
Shareholders' equity (8)	610,583.7	617,219.9	-1.1%
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	10,659,091.0	10,566,753.9	0.9%

- (1) Given by the sum of the following balance sheet asset items: 20 "Financial assets held for trading," 40 "Financial assets available for sale" and 50 "Financial assets held to maturity".
- (2) Item 70 "Due from customers" in the balance sheet assets, exclusive of repurchase agreements.
- (3) Given by the sum of the following balance sheet asset items: 110 "Property, plant and equipment" and 120 "Intangible assets".
- (4) Given by the sum of the following balance sheet asset items: 10 "Cash and cash equivalents", 80 "Hedging derivatives", 90 "Value adjustment of financial assets subject to macrohedging" and 150 "Other assets".
- (5) Given by the sum of the following balance sheet liability items: 20 "Due to customers" and 30 "Securities in issue".
- (6) Given by the sum of the following balance sheet liability items: 60 "Hedging derivatives" and 100 "Other liabilities".
- (7) Given by the sum of the following balance sheet liability items: 110 "Employee severance indemnities" and 120 "Provisions for risks and charges".
- (8) Given by the sum of the following balance sheet liability items: 130 "Valuation reserves", 160 "Reserves", 170 "Share premiums", 180 "Share Capital" and 200 "Profit for the year".

Banking business with customers saw loans amount to 6,773.8 million Euro, with a decrease of 2.7%, compared to 6,961.4 million Euro recorded at the end of the previous financial year.

This item includes intra-group loans to Biella Leasing and Consel for 1,126.9 million Euro, net of which loans came to 5,646.9 million Euro, compared to the 5,735.7 million Euro at 31 December 2014.

Analysis of the balance sheet shows how the change in the management of the liquidity portfolio resulted in the following on the asset-side:

- an increase in financial assets (+13.8%): the decision to make short term investments in the portfolio of financial assets available for sale can be seen in this light;
- an increase in amounts due from banks (+9.3%), mainly due to the increase in deposits with Banca Sella Holding;
- a decrease in cash loans (-2.7%), due to a generalised drop in the demand from households and companies, a drop also confirmed at the system level.

In the liabilities, amounts due to banks increased by around 276 million Euro, mainly following the increase in term deposits with Banca Sella Holding.

Direct deposits including repurchase agreements were essentially stable. The -1.6% drop with respect to 31 December 2014 is due to the decrease in securities in issue following a lack of renewal for matured securities, counteracted by a slightly lower increase in current accounts and free deposits with customers.

Finally, at 30 June 2015 shareholders' equity amounted to 610.6 million Euro, down by 1.1%, equal to 6.6 million Euro, following the distribution of dividends associated with the profits from the previous financial year and the slight worsening in valuation reserves for financial assets available for sale, which was not completely compensated for by the profits achieved during the half.

Total Deposits

Total deposits increased by 0.8% with respect to 31 December 2014, amounting to 21.3 billion Euro. The two types, direct and indirect, recorded opposing trends.

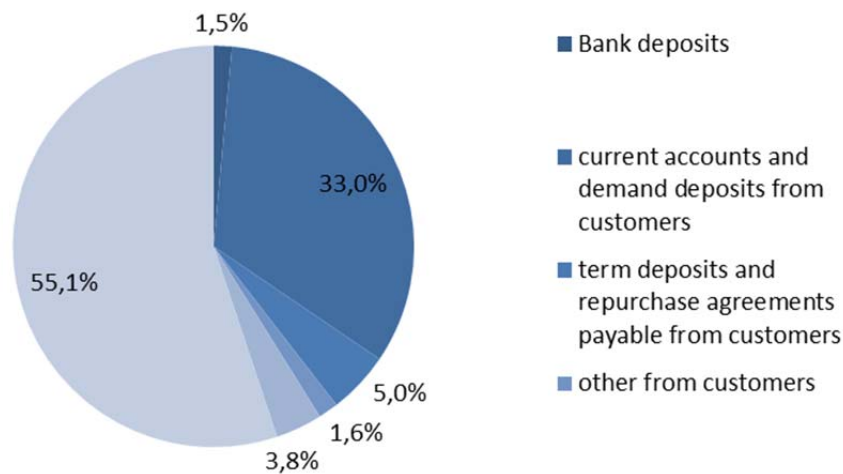
Direct deposits fell ever so slightly (-0.6%), with an increase in deposits and a preference for current accounts and free deposits by customers, as opposed to term deposits. In the first half of 2015, direct deposits accounted for 43.1% of total deposits.

On the other hand, indirect deposits saw a positive trend (+2.8%), with the portfolio management component growing notably, following customers favouring the managed component over the administered component. This result was also achieved thanks to the continuing excellent work of the branches and private bankers, and a climate of greater trust from investors.

Total deposits (in Euro thousands)

Item	30/06/2015	Proportion (%) of total	31/12/2014	Proportion (%) of total	Changes	
					absolute	%
Direct deposits (exclusive of repurchase agreements)	9,155,710.5	43.1%	9,212,379.0	43.7%	(56,668.5)	-0.6%
Repurchase agreements payable	204,922.8	1.0%	297,286.1	1.4%	(92,363.3)	-31.1%
Indirect deposits	11,893,344.2	56.0%	11,568,371.6	54.9%	324,972.6	2.8%
Total deposits	21,253,977.5	100.0%	21,078,036.7	100.0%	175,940.8	0.8%

Total deposits - breakdown



Administered savings

The aggregate of third party securities on deposit, excluding asset management, mutual funds, SICAVs and financial insurance savings, reached an amount of 8,373 million Euro at 30 June 2015, up slightly (approximately +0.8%), with respect to 2014 when the amounted to 8,305 million Euro, mainly thanks to positive figures in the presence of negative net deposits (equal to -220 million Euro in the first half of 2015). With regards to the main trends, we note a decrease in the bond component (-109 million Euro with respect to the end of 2014) and an increase in the equity component (+176 million Euro with respect to the end of 2014).

Asset management

At 30 June 2015, Banca Sella's asset management volumes, including liquid funds, were 1,811.0 million Euro, of which 1,170.4 million (64.6%) were placed by the Private Banking service and 640.6 million (35.4%) were placed by the branch network and financial advisors. Aggregate volumes show an increase of around 7.6% with respect to the figure at 31 December 2014, thanks to the good deposits figure and the positive effect of the markets.

For the first half of 2015, deposits from assets management were positive, thanks above all to the branches which achieved +69.3 million Euro, financial advisors with +24.1 million Euro and private banking with +6.0 million Euro.

The first half of 2015 featured additional growth in the stock markets, which reached new historic highs during the initial months of the period. This growth was supported by the continuation of ultra-expansive monetary policies by all the central banks, which injected enormous amounts of liquidity, pushing the returns on bonds to historic lows. Notable international tensions, the situation in Greece and fears about the slowing in the Chinese economy and that of the emerging countries led to increased volatility, with an up and down trend in the markets, starting in the spring.

Global growth forecasts were reduced, following a first quarter well below expectations for certain countries.

In this market context, management of the Equilibrio Private range and above all the Fondi Retail range saw a positive trend, both in terms of volumes and profits (GPF Globale 0-15 shares, GPF Globale 10-

30 shares, and GPF Profilo 0-30 shares were the most subscribed). The latter is reserved for branches that offer stock market investments. These positive factors compensated for the reduced figure related to profit from management of short-term bonds which is currently providing extremely limited returns. With respect to 2014, Multilinea, which had never been particularly successful given its particular quality of allowing the customer to divide their investment into very specific sectors, markets and financial instruments, with minimum transfer for a medium-high target, grew its management. The initial charges applied to new openings also had a very positive impact.

In regard to returns, 77.8% of accounts had yields gross of tax effects and fees greater than the reference benchmark in the first half of 2015, with 21.4% of accounts having a net yield that exceeded the benchmarks.

In the first half of 2015, the range of Retail asset management was enriched with the Gpm Azionaria Internazionale 50%-100% line, with the following main characteristics: administered tax regime; strong propensity for investment in foreign currencies and flexible equity investments ranging between 50% and 100% of the capital.

The rationalisation of the lines continued, which led to changing of mandates for old lines that can no longer be subscribed in favour of new ones present in the array of products.

The management of the Banca Sella portfolios is entrusted to Banca Patrimoni Sella & Co.

Private banking

The first half of 2015 ended with net deposits totalling 373.5 million Euro, with a growth rate 6.6% over the stock at 31 December 2014. Total deposits at the end of the half amounted to 5.617 billion Euro, also thanks to an important contribution from rates.

The contribution of managed savings was significant, with deposit flows during the first six months amounting to 186.9 million Euro, still mainly due to the subscription of UCITS, but with good growth also seen in the insurance components, in particular segment I, bringing the managed savings component to 45.1% of total deposits.

Also in relation to the acquisition of customers, the half yielded satisfactory results, with a positive net change of 280 openings of new contracts.

Economic results were up again, with net banking income equal to 14.7 million Euro during the first half, up by 15% with respect to the same period the previous year, with the component deriving from net income from services accounting for more than 81% of the total (12 million Euro). In brief, the growth trend was also confirmed in volumetric and economic aggregates, with own income amounting to 9.2 million Euro during the first half.

From an organisational point of view, activities to strengthen the local specialist structures continued, in particular through the addition of an additional resource in the Rome area for external lines. Other negotiations are currently in course to increase staff in other areas. In addition, the second part of the year will feature the implementation of the strategic plan which foresees numerous resources being moved to internal lines, mainly in the affluent market, together with customers with private equity exceeding 300 thousand Euro.

Specialised training activities dedicated to Private Banking employees continued, in accordance with the three-year strategic plan.

Online Trading

The Online Trading market saw a partial increase in volatility in the financial markets during the first 6 months of 2015, mainly due to the Greek crisis.

At the system level, an increase in market volumes was seen. In this context, Banca Sella saw net banking income from online trading drop by 3% with respect to the previous year, with the Italian stocks and foreign derivatives segments increasing with respect to the previous year by 3% and 18%, respectively.

The On Line Trading Service activities developed mainly in the following directions:

- innovation in the array of products offered;
- execution of commercial initiatives aimed at the acquisition of new Trader customers.

In reference to new offerings, during the first half of 2015 the following projects were released:

- online trading of CFD and FOREX, to allow trading of indexes, currencies and commodities;
- multiday leverage, to operate in margins with an eye to multi-day investments;
- "infinite" book, to allow SellaExtreme customers to view the entirety of the Italian stock book.

In reference to activities aimed at commercially developing the customer base, during the first half of 2015 the online campaign to promote the Trader Account and online trading services continued, using external websites, search engines and sending email to groups of users external to the Banca Sella Group.

As in previous years, quality training continued to be provided in regards to issues related to online trading. 38 training classroom training courses were provided, as well as 24 online webinars.

Financial assets

In regards to financial assets held for trading, the debt securities component mainly consisted of Italian government securities and bonds issued by the banks of the Banca Sella Group. At 30 June 2015 the following types of securities were held:

- Italian government securities 14%;
- Banca Sella Group bonds 86%;

The amount of this component decreased during the half by around 2.7 million, going from Euro 26.9 million at 31/12/2014 to Euro 24.2 million at 30/06/2015.

With regard to asset allocation, the variable component was almost entirely eliminated, and almost all of the category was invested in short-term fixed rate securities. Exposure to interest-rate risk was contained for the entire period in question.

In regards to financial assets available for sale, the debt securities component consisted of Italian government securities and bonds issued by the highly rated banks. At 30 June 2015 the following types of securities were held:

- BOT 0.3%;
- CCT 37.8%;
- BTP 55.4%;
- Senior bank bonds 6.5%.

During the half, the amount of debt securities increased by around 182.7 million, amounting to Euro 1,465.5 million at 30/06/2015. The largest changes involved BTP (around Euro +204.2 million), CCT (around Euro -68 million) and bank bonds (around Euro +46.6 million).

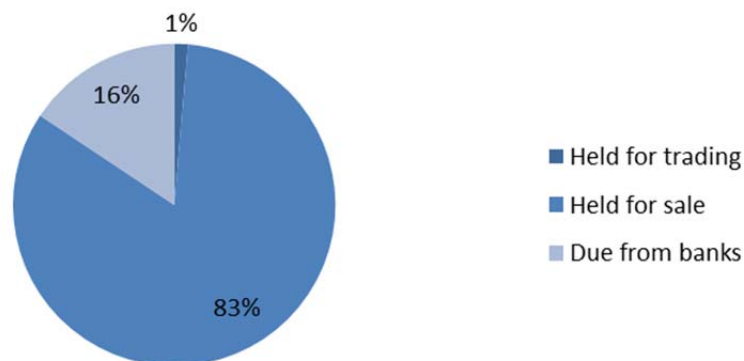
With regard to asset allocation, the variable component, which fell with respect to 31/12/14, represented about 39%, while the remaining 61% was invested in fixed rate securities with short or medium-term maturity. Exposure to interest-rate risk remained at very low levels for the entire period in question.

Relative to amounts due from banks, debt securities were exclusively represented by bonds issued by Banca Sella Holding. During the year, the segment decreased by about Euro 59.2 million. Instead, in the item amounts due from customers, debt securities consisted exclusively of 6% subordinated Confidi bond, maturing on 27 December 2018.

Financial assets (in Euro thousands)

	30/06/2015	31/12/2014	% change over 31/12/2014
Held for trading	24,256.9	26,907.8	-9.9%
Held for sale	1,465,530.4	1,282,824.2	14.2%
Due from banks	276,382.9	335,597.6	-17.6%
Receivables from customers	164.9	212.3	-22.3%
TOTAL	1,766,335.2	1,645,541.9	7.3%

Financial assets - debt securities - breakdown



Economic data for the first half 2015

Reclassified income statement (in Euro thousands)

Item	30/06/2015	30/06/2014	% change over 30/06/2014
10. Interest receivables and similar income	130,688.5	160,537.9	-18.6%
20. Interest liabilities and similar charges	(43,485.7)	(55,727.9)	-22.0%
70. Dividends and similar income	62.9	79.8	-19.3%
NET INTEREST INCOME AND DIVIDENDS	87,265.8	104,889.9	-16.8%
40. Fee income	126,886.2	117,880.8	7.6%
50. Fee expenses	(41,263.4)	(36,666.7)	12.5%
Net fees	85,622.7	81,214.1	5.4%
80. Net gains/(losses) on trading activities	6,085.2	4,589.6	32.6%
90. Net gains/(losses) on hedging activities	(35.8)	(34.6)	3.7%
100. Income (losses) from sale or repurchase of:	11,663.2	7,889.1	47.8%
a) <i>receivables</i>	51.4	-	0.0%
b) <i>financial assets available for sale</i>	11,620.2	8,307.2	39.9%
c) <i>financial assets held to maturity</i>	-	-	0.0%
d) <i>financial liabilities</i>	(8.5)	(418.2)	-98.0%
NET INCOME FROM SERVICES	103,335.3	93,658.2	10.3%
NET BANKING INCOME	190,601.0	198,548.1	-4.0%
150. Administrative expenses			
a) personnel expenses	(78,154.7)	(77,347.3)	1.0%
IRAP on net personnel and seconded personnel expenses (1)	(322.2)	(2,388.1)	-86.5%
Total personnel and IRAP expenses	(78,476.9)	(79,735.4)	-1.6%
b) other administrative expenses	(66,821.3)	(63,771.8)	4.8%
Recovery of stamp duty and other taxes (2)	18,615.7	17,630.3	5.6%
Total administrative expenses and recovery of taxes	(48,205.6)	(46,141.6)	4.5%
170. Value adjustments on fixed assets	(3,780.9)	(3,418.6)	10.6%
180. Value adjustments on intangible fixed assets	(5,834.3)	(5,364.3)	8.8%
190. Other operating expenses/income (after deducting "Recovery of stamp duty and other taxes")	14,022.5	12,293.1	14.1%
Operating costs	(122,275.1)	(122,366.8)	-0.1%
OPERATING PROFIT/LOSS	68,325.9	76,181.3	-10.3%
160. Net provisions for risks and charges	(2,385.8)	(1,455.0)	64.0%
130. Net value adjustments for impairment of:			
a) <i>receivables</i>	(59,722.2)	(47,892.3)	24.7%
b) <i>financial assets available for sale</i>	(6.0)	-	0.0%
c) <i>financial assets held to maturity</i>	-	-	0.0%
d) <i>other financial transactions</i>	148.5	(386.7)	-138.4%
240. Gain/(loss) on disposal of investments	12.6	0.1	25158.0%
PROFIT FROM CONTINUING OPERATIONS BEFORE TAXES	6,373.0	26,447.3	-75.9%
260. Income taxes for the period on continuing operations (after deducting "IRAP on net personnel and seconded personnel expenses")	(2,119.5)	(8,386.9)	-74.7%
PROFIT FROM CONTINUING OPERATIONS NET OF TAXES	4,253.6	18,060.4	-76.5%
280. Profits (losses) on asset disposal groups held for sale after tax	-	-	0.0%
PROFIT (LOSS) FOR THE YEAR	4,253.6	18,060.4	-76.5%

(1) Separated from the item "Income taxes for the year on continuing operations".

(2) Separated from the item "Other operating expenses/income".

Income Statement Classification Criteria

In order to provide a more easily understandable representation of the income results, an income statement has been prepared on the basis of representation criteria most appropriate to represent the content of the items in accordance with principles of management homogeneity.

Reclassifications involved:

- item 70. "dividends and other income", which is included within net interest income;
- IRAP on the costs for personnel, which is separated from the item "Income taxes for the period on continuing operations", and included in personnel expenses;
- the item "recovery of stamp duties and other taxes", which is separated from item 190 "other operating income and expenses," and included in item 150 b) "other administrative expenses".

Net interest income

At 30 June 2015 net interest income amounted to Euro 87.3 million, down by -16.8% compared to the same period in the previous year. In regards to income, lower interest income was recorded, mainly in regards to loans to customers and infragroup loans, in the presence of decreasing volumes and average interest payable rates contracting. Lower interest income came from derivatives and securities, following the transfer in 2014 of securities held in the portfolio of financial assets held to maturity, replaced with securities with lower income.

Said lower interest income was partially compensated for by a reduction in interest expense (-22%), due to the continuing downward trend in the cost of funding, despite higher direct deposit volumes than those seen during the first half of 2014.

Net fees

The trend for net fees was positive during the first half of 2015, with an increase of +5.4% with respect to the first half of 2014. This is mainly due to greater income from investment services, thanks to the increase in indirect deposit volumes and an excellent trend in asset management.

In particular, the trend for funds and SICAVs was very positive, within which the largest contributions came from private channels and branches, with excellent deposit volumes, mainly concentrated in third-party funds.

Income from the life insurance bank was also good, due to an increase in volumes almost entirely from insurance products.

The contribution of asset management was also positive, thanks again to excellent deposit volumes.

Interest and exchange rate operations were also very positive, thanks to high volatility on the foreign exchange markets and satisfying customer desk operations.

On the other hand, revenues from traditional trading fell with respect to 2014, mainly due to lower volumes in the bond segment, due to a notable decrease in returns. Revenues from online trading were also down due to weak volumes in the derivatives and bond segments.

A positive contribution was also provided from electronic payment systems, due to an increase in e-commerce and POS volumes, as well as from increased volumes from foreign payment systems. Revenues

from traditional payment systems fell, mainly due to a reduction in fees paid by the Tax Authorities for F24 tax payment forms, despite increased volumes.

Finally, accessory fees on loans also made a negative contribution, due to a reduction in volumes contracted.

Net income from services: main components (in Euro thousands)

Item	30/06/2015	30/06/2014	Change	
			absolute	%
Payment services	33,042.8	31,535.7	1,507.1	4.8%
Trading for third parties, order collection and placement	12,873.1	11,546.7	1,326.4	11.5%
Asset management	7,008.8	6,148.2	860.6	14.0%
insurance products placing	5,032.1	3,667.8	1,364.3	37.2%
Trading and hedging activities	6,049.4	4,555.1	1,494.3	32.8%
Current account keeping and management	11,450.8	11,484.0	(33.2)	-0.3%
Management of loans granted	11,605.4	11,935.6	(330.2)	-2.8%
Profit (loss) from sales or repurchases of credits, financial assets/liabilities	11,663.2	7,889.1	3,774.1	47.8%
Other	4,609.8	4,896.2	(286.4)	-5.9%
Total	103,335.3	93,658.2	9,677.1	10.3%

Net banking income

The money management margin, together with income from services, led to total income of Euro 190.6 million, down (-4%) with respect to 30 June 2014.

The good result provided by net fees, which increased by +5.4%, together with the performance of trading and hedging activities, up by Euro 1.5 million, +32.6%, was not enough to compensate for the drop in net interest income.

Operating costs

Operating costs, amounting to Euro 122.3 million, net of the positive contribution of Euro 14 million of the item "Other operating expenses/income", were essentially in line with the figure in June 2014.

Personnel expenses, including IRAP relative to the same, decreased overall by -1.6% with respect to 2014. This decrease was mainly due to the elimination of IRAP in permanent employment contracts, which took effect in 2015. Personnel expenses, net of this component, in fact increased by +1.0%, mainly due to the increase in staff at the Bank.

The administrative expenses component saw an increase, in particular, in costs connected to contract work with Selir for outsourced activities, an increase in controls through information and inquiries, advertising, above all for light banking projects, for training and the increase in costs for information provider services.

Other operating expenses are represented by value adjustments on tangible and intangible assets, which increased with respect to the same period in the previous year. Other operating income, net of recovery of indirect taxes, improved (+14.1%) with respect to 30 June 2014.

Breakdown of operating costs (in Euro thousands)

Item	30/06/2015	30/06/2014	Change	
			absolute	%
Administrative expenses:				
a) Personnel expenses	(78,154.7)	(77,347.3)	(807.3)	1.0%
IRAP on net personnel and seconded personnel expenses	(322.2)	(2,388.1)	2,065.9	-86.5%
Total personnel and IRAP expenses	(78,476.9)	(79,735.4)	1,258.6	-1.6%
b) Other administrative expenses	(66,821.3)	(63,771.8)	(3,049.4)	4.8%
Recovery of stamp duty and other taxes	18,615.7	17,630.3	985.5	5.6%
Total administrative and stamp duty expenses	(48,205.6)	(46,141.6)	(2,064.0)	4.5%
Value adjustments on fixed assets	(3,780.9)	(3,418.6)	(362.2)	10.6%
Value adjustments on intangible fixed assets	(5,834.3)	(5,364.3)	(470.0)	8.8%
Other operating expenses/income (after deducting "Recovery of stamp duty and other taxes")	14,022.5	12,293.1	1,729.4	14.1%
Operating costs	(122,275.1)	(122,366.8)	91.8	-0.1%

Write-downs

Net value adjustments on loans and advances amounted to Euro 59.7 million, up by 24.7% compared to the Euro 48 million at 30 June 2014.

During the first half of 2015, indications of deterioration in the quality of Banca Sella's loan portfolio were seen, at a sharper rate with respect to financial year 2014.

In particular, the first half featured a notable increase in incoming flows of impaired positions, as well as an increase in value adjustments on impaired loans.

With respect to the first 6 months of 2014, new watchlist loans without revocation of credit lines increased by +24%, cancellations +24%, and non-performing loans +92%.

This item represents 1,8% of total lending.

Income taxes

The trend for income taxes, which fell considerably (-74.7%) with respect to the previous financial year, can mainly be explained by a reduction in the result before taxes.

Exclusive of IRAP relative to expenses for personnel which was reclassified, increasing said component, the percentage impact of income taxes on continuing operations before taxes was 33,3%.

The notable reduction in IRAP weighing on personnel expenses is due to the new regulations which allow for full deductibility of the cost of staff with permanent employment contracts for IRAP purposes.

The so-called "Robin Hood tax" introduced by Legislative Decree no. 112 25/06/2008 (turned into Law no. 133 of 06/08/08) which foresees that 4% of interest expenses is non-deductible, caused an increase in taxes of approximately Euro 0.4 million, corresponding to about 6 percentage points in the tax rate.

Following the transfer of receivables carried out during the period, a positive effect was seen in terms of IRAP deductibility of value adjustments on the same, carried out from 2008 - 2012, in the amount of around Euro 0.8 million, corresponding to around 13 percentage points in the tax rate.

In the absence of this change and the effect of the components cited in the sections above, the tax rate would have been approximately 40.3%.

Note that, in reference to adjustments on amounts due from customers, the IRES and IRAP deductibility rules foreseen in Legislative Decree 85/2015 were applied, published in the Official Journal 147 of 27/06/2015. This regulation applies in regards to the immediate deductibility of a larger portion of value adjustments on receivables (75% in 2015, compared to the 20% foreseen in the previous regulations) and, as a consequence, lower increases in prepaid taxes, without, however, having an impact on the tax rate with respect to the regulatory situation that previously applied.

Banca Sella, as a subsidiary, adheres to the tax consolidation system with the parent company Banca Sella Holding as its controlling and consolidating company.

Risk control

Credit risks

Banca Sella considers the measurement and management of credit risk to be of crucial importance.

The activity of loan disbursement has always been focussed on traditional business forms, supporting family financing needs and providing the necessary support to businesses - in particular small and medium sized enterprises - which have demonstrated that they have, even in the current economic context, adequate prospects in terms of economics and business continuity. The lending policies and processes for the disbursement and monitoring of loans are consequently defined so as to combine customer needs with the need to ensure the maintenance of quality for the lending business.

Specifically, credit risk control activities are the responsibility of the Risk Management Services (Credit Risk Management Unit and Credit Risk Control Unit) of Banca Sella Holding, as well as Banca Sella's Credit Quality and Control Unit.

The Risk Management Service has the task of monitoring and quantifying the credit risk assumed by the Group companies, assessing its sustainability and, through the use of shared instruments, facilitating effective and proactive management. These activities are accompanied by careful verification of individual positions, aimed at determining the appropriateness of classification and allocations, and checking that the recovery process is adequate.

The Credit Quality and Control Unit, which carries out first level controls within the Credit Department, monitors trend data, supervises operations carried out by the distribution network and the Credit Department itself, with particular reference to loan disbursement and management of non-performing positions.

During the first half of 2015, the parent company's Risk Management Service, in addition to continuing with ordinary progressive maintenance of the processes and IT procedures that support measurement of credit risk, also:

- supported the establishment of the Credit Risk Control Committee, with the objective of favouring coordinated monitoring of the credit risk profile of all the entities with credit exposure within the Group. Monitoring activities includes controlling the performance of portfolios against the expected forecasts formalised in the annual/three-year budgets, as well as defining recommendations and controlling proper resolution of anomalies discussed at committee meetings by first level functions;
- mapped all the models used to evaluate creditworthiness at Banca Sella and carried out backtesting;
- developed an analytical report model for monthly closures of the cost of credit risk and began activities to revise trend reporting.

Market risk

Market risk relates to unexpected variations in market factors such as interest rates, exchange rates and share prices that may cause fluctuations in the value of a position held in the trading book and in the values of investments arising from commercial operations and strategic choices (banking book).

For the compilation of this section we consider financial instruments held in the “regulatory trading book”, as defined in the provisions on market risk regulatory reporting (see Bank of Italy Circular no. 286 of 17 December 2013).

This section deals with the risk that a fluctuation in interest rates may have a negative effect on the value of the regulatory trading book arising from the financial positions assumed by the Banca Sella within the assigned limits and powers.

The price risk inherent in the trading book is mainly a result of trading on the bank’s own behalf in debt securities.

The Bank’s trading book includes assets held as financial instruments for its own account. Most of these instruments can be traded on regulated markets (fixed and variable-income securities).

The goals and strategies underlying the trading activity involving the own securities portfolio aim to limit risks and maximise returns on the portfolio itself in the restricted and prudential field of action laid down in the Group rules on the subject.

The management and control of market risks (interest-rate risk, price risk, exchange rate risk) is provided for by Group Regulations which lay down the rules under which the single Group companies may expose themselves to these types of risk.

The Parent Company’s Risk Management Unit is responsible for the market risk monitoring methods of all Group companies, and also has an advisory and recommendatory role in the definition of methodological guidelines for the creation of Group risk measurement and control models.

For prudential purposes to measure the interest rate and price risks inherent in the regulatory trading book, the Banca Sella Group applies the “standardised approach” defined in Circular 285/2013, as updated.

For management purposes, trading book market risk is measured and monitored on the basis of the VaR (value at risk), which is mainly assessed according to the historical simulation approach. VaR measures the maximum potential loss which, within a certain confidence interval, may occur if a certain portfolio is held with positions unchanged for a certain period of time. Historical simulation involves daily revaluation of position on the basis of the market price trends over an appropriate time interval. The empirical distribution of gains/losses that results is analysed to determine the effect of extreme market swings on the portfolios. The percentile distribution corresponding to the confidence interval set gives the VaR.

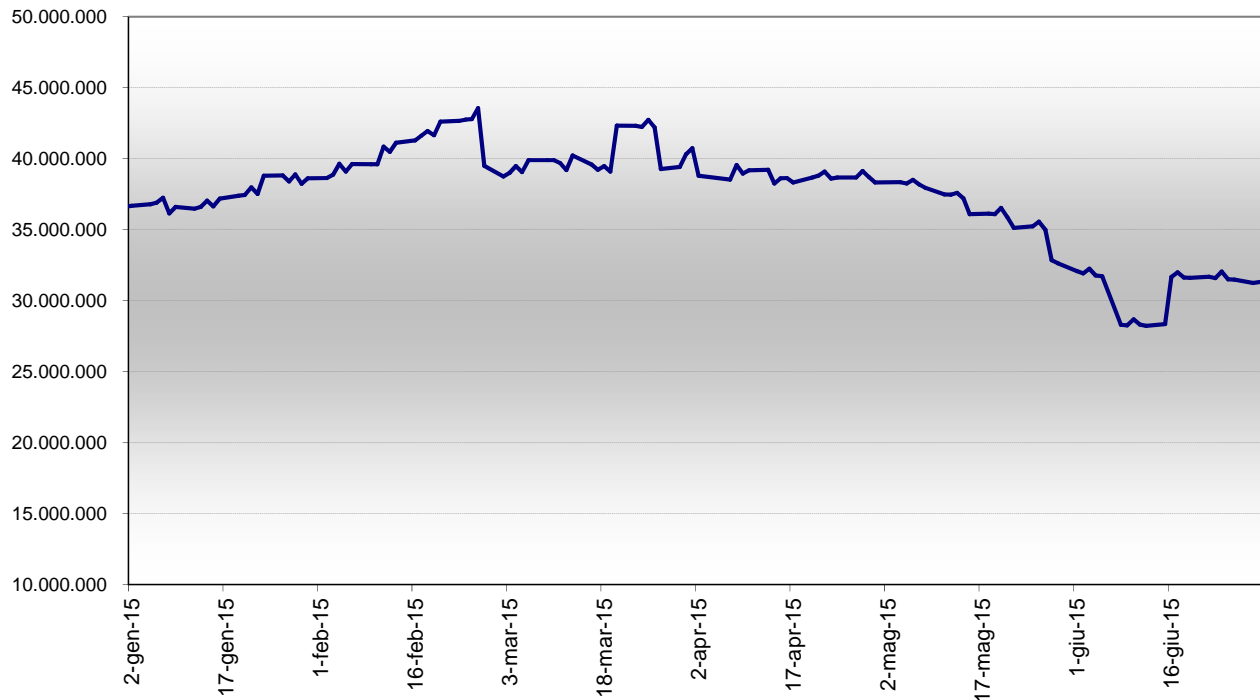
The Group Risk Management service carries out checks on the trend in the VaR (time horizon 10 days and 3 months, confidence interval 99%) for the own portfolios of the companies in the Banca Sella Group and analyses the sensitivity factors including: portfolio duration, effects of sudden interest rate shocks, and finally, checks on the operational limits on investments in securities.

The average duration of the Banca Sella trading book is equal to 0.74 years while sensitivity, estimated on a parallel movement of +100 basis points in the yield curve, is approximately Euro 10.84 million (about 0.74% of the portfolio).

The trend in the VaR of the Banca Sella (confidence interval 99%, time horizon three months, historical method) is shown in the chart below. These values have always remained within the prudential limits set by the Parent Company.

Banca Sella – Trading Book

Market Risks VaR (time horizon three months – confidence interval 99%)



Interest rate and price risks – banking book

The main sources of interest rate risk generated in the banking book can be traced back to:

- maturity mismatches (risk connected with the exposure of positions to changes in the slope and the shape of the yield curve);
- mismatches arising from the imperfect correlation between changes in charged and paid interest rates on the various instruments (indexing risk).

Interest rate risk is mainly generated by fixed and variable rate securities in the banking book, customer deposits (in current accounts, savings accounts and bonds) and loans to customers (mortgages), as well as derivative instruments contracted to mitigate exposure to the fair value rate risk generated by them. The company's policy is aimed at minimising the volatility of the total economic value affected by changes in the structure of interest rates.

Internal interest rate risk management and control processes are based on an organizational structure, which provides that the information is analysed at an operational level and critically assessed by the Group's ALM Committee at least monthly. This Committee also provides appropriate operational guidelines. For management purposes, besides the 20% risk indicator limit defined in the regulations, the internal organisation has been provided with more prudential danger thresholds, which, when exceeded, lead to the assessment of operational strategies aimed at reducing the exposure.

The rate risk is measured using proprietary models for the processing of items in liabilities with undefined contractual due dates. For all other asset and liability items, the rules defined by Bank of Italy Circular no. 285/2013, as subsequently amended, are used. The audit is carried out taking into consideration all the positions assumed on and off the balance sheet, but limited to interest-bearing assets and liabilities.

To calculate the internal capital, parallel shifts are hypothesised to the rate curve, respectively of +200 basis points (rise) and -5 basis points (lowering, compatible with the constraint of a non-negativity of rates).

The sensitivity analysis figures at 30 June 2015 show a low risk for the banking book (see the table below for total and percentage impact on the economic value).

Shift	Total Sensitivity	Regulatory Capital	Sensitivity %
+200 bps / -5 bps	2.23	779.9	0.29%

Amounts in Euro millions

The Banca Sella bank portfolio contains no financial instruments subject to price risk.

Fair value hedging activities

Hedging transaction strategies are mainly aimed at mitigating the exposure to interest-rate risk inherent in financial instruments, deriving predominantly from forms of disbursement of credit (general hedges, such as mortgage loans) or bonds issued (specific hedges).

Exposure to interest-rate risk inherent in the disbursement of loans is hedged by derivative instruments such as amortising interest rate swaps and cap options, on the basis of the amount of the loan portfolio disbursed and the average maturities of this portfolio. Other interest rate swaps are implemented when fixed-rate bond loans are issued. Further hedging is put in place, with third parties, with the aim of mitigating the interest rate risk or the exchange rate risk of simple derivatives such as domestic currency swaps, currency options, overnight interest swaps traded by customers of the Group's banks.

The Bank generally adopts measurement methods and techniques based on the Black-Scholes, Monte Carlo and Net Present Value models using a number of parameters, which vary depending on the financial instrument to be measured. These parameters, which are approved by the Parent Company Risk Management Service, are chosen and set up on the calculation software at the moment of a request for measurement of a new derivative instrument. At every periodic calculation of the fair value of the financial instrument, first and second level controls are carried out on the aforesaid parameters.

Cash flow hedging activities

Due to the substantial balance of assets and liabilities, no hedging is provided for interest-rate risk on cash flow generated by variable rate items.

Foreign investment hedging activities

Due to the small amount of foreign investments, no hedging is put in place for the interest-rate risks arising from them.

Exchange rate risk

Currency transactions mainly take place at the Finance Department of the Parent Company, in which the Treasury carries out lending and inter-bank funding operations in foreign currency, and manages the exchange risk connected with currency imbalances.

Exchange rate risk is monitored through the application of the "standardised approach" defined by Bank of Italy Circular 285/2013 and subsequent amendments, which during the year never showed an absorption greater than 2% of Regulatory Capital.

The Risk Management division of the Group monitors exchange risk exposure values and reports them to the Group's ALM Committee. This body, with the assistance of the Parent Company Treasury, assesses possible hedging actions, if exposures towards currencies are judged to be too high.

Exchange rate risk hedging activities

Banca Sella hedges transactions in foreign currency daily. The only assets of the Bank subject to this risk are loans and deposits in currency which correspond to a minimum part of the banking portfolio.

Liquidity Risk

Liquidity risk corresponds to the risk arising from the inability to meet promises to pay, which may be caused by the inability to raise funds (funding liquidity risk) or by the presence of asset liquidity limits (market liquidity risk).

Liquidity monitoring and management operations for the Banca Sella Group are formalised in the Group's Liquidity Policy, which contains both liquidity risk management guidelines and the strategies to be followed in critical situations. These strategies are an integral part of the emergency plan known as the Contingency Funding Plan.

The governance model defined for managing and controlling the Banca Sella Group's liquidity risk is based on the following principles:

- conformity of liquidity risk management and monitoring processes and methods with prudential regulatory indications;
- decision-sharing and distinction of responsibilities among management, controlling and operating bodies;

The Group's liquidity monitoring follows the directives issued in Circular 285/2013, as amended, adding to the national regulations with the principles governed by the Basel Committee¹ and the EU regulations issued by the European Commission².

The Group's liquidity level is managed by the Banca Sella Holding Finance Department, which in case of need promptly takes remedial actions with the support of the ALM Committee. The second level audits of liquidity risk are performed by the Parent Company Risk Management Service.

The Group Liquidity Policy includes, besides the traditional analysis of short-term liquidity indicators, the constant monitoring of a wide number of indicators focused on the trend of short-term and medium and long-term systemic and specific liquidity.

Below is the trend of the short-term liquidity indicator, which provides indications about the ability to fulfil the obligations taken both with regular customers and banks in case of a sudden liquidity strain. The minimum limit for said indicator was prudentially established at 12%. Throughout the half, the effective level of the indicator was always above this threshold. Liquidity reserves have proven to be sufficient to comply with the commitments made, even under conditions of stress.

¹ Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools, January 2013

² Capital Requirements Directive 4.7. 2013 and EC Directive 2015/61 of 10.10.2014

Figure 1: Banca Sella Group short-term liquidity indicator trend.

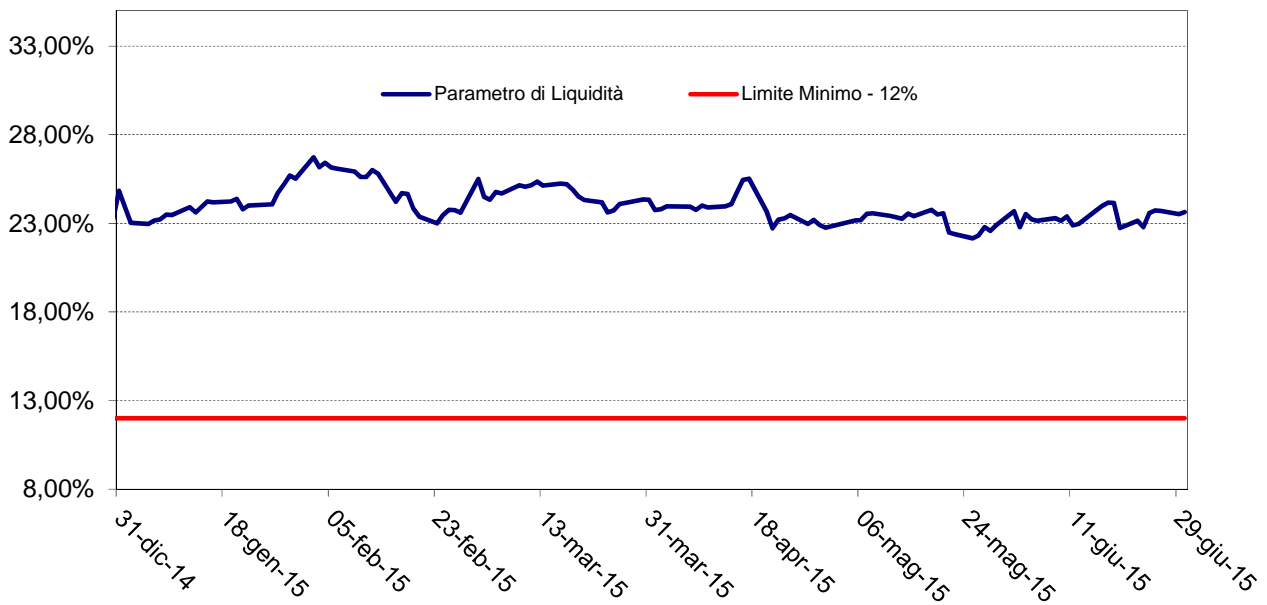
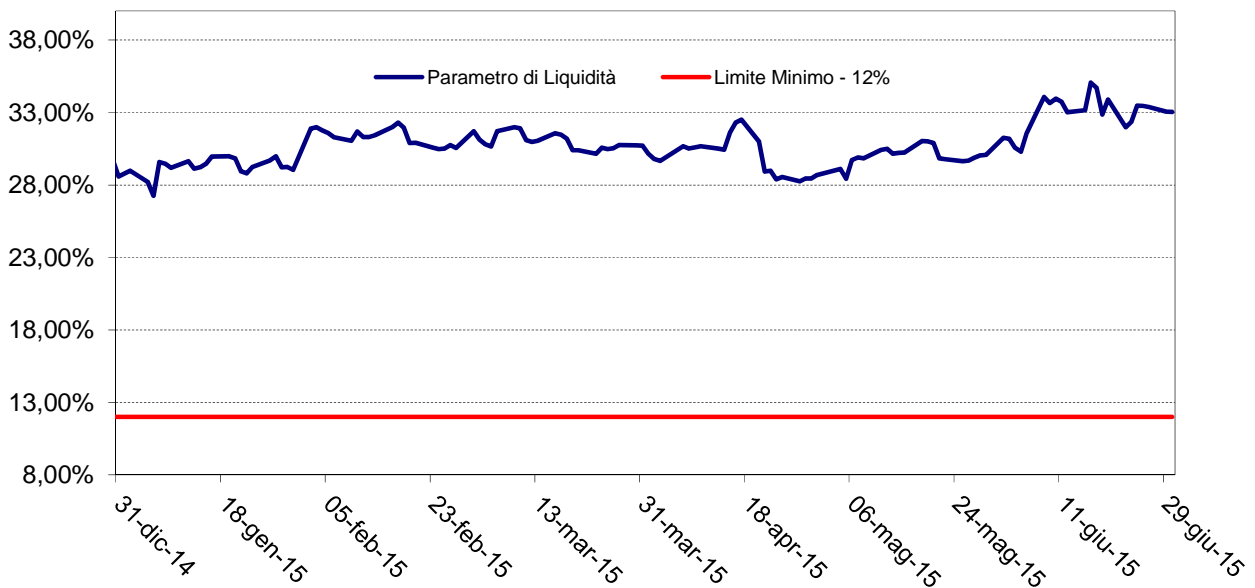


Figure 2: Banca Sella short-term liquidity indicator trend.



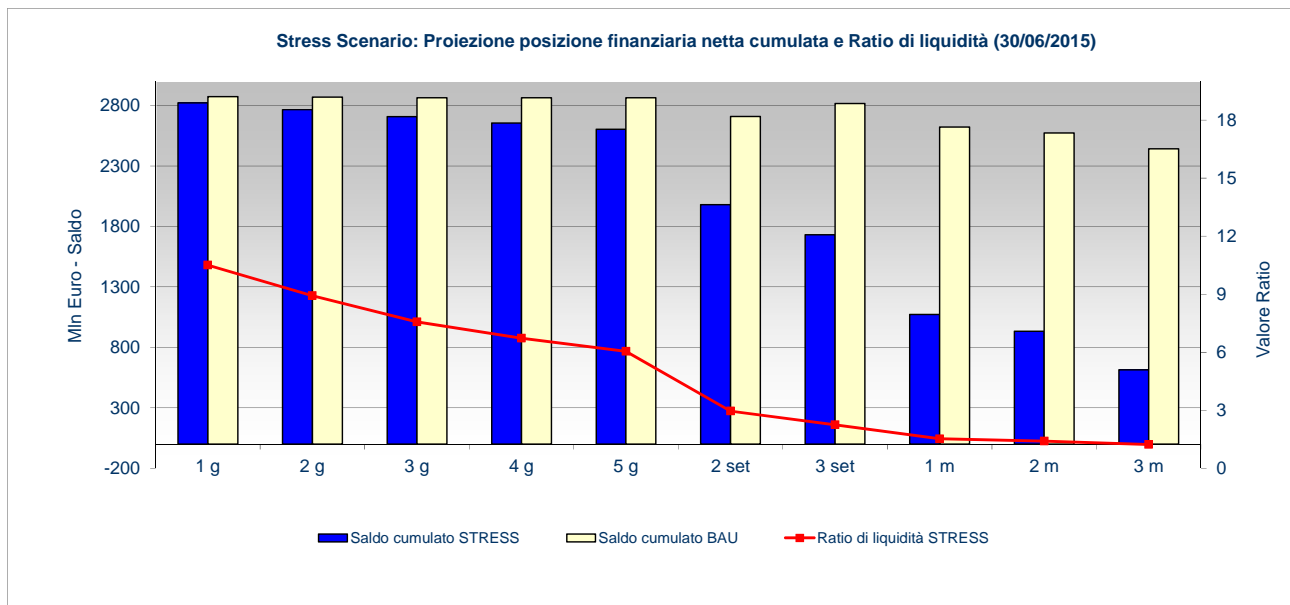
In addition to the information provided by liquidity indicators, the Risk Management service of Banca Sella Holding and the Finance Department of the Banca Sella Group are responsible for carrying out stress analyses on the liquidity reserve of the Group itself.

The approach underlying the stress analysis consists in assessing, through the use of a Maturity Ladder³, the ability to withstand a liquidity crisis (measured in days), of the entire Banca Sella Group if a systemic or specific crisis situation arises. The ability to withstand is calculated under the assumption that the business structure and the capital profile of the Group will not be altered. The stress scenarios used are based on those envisaged in Basel III, integrated with internal hypotheses in order to make the analysis better representative of the Bank's operations.

The Maturity Ladder is realised through the time-band mapping (horizon up to 3 months) of current and expected cash flows, together with items regarded as “potential liquidity reserves”. This instrument allows assessing in various operational scenarios (business as usual and stress scenario) the net financial position as to liquidity in different time buckets.

The stress test has always demonstrated cash and cash equivalents or easily cashed assets for the Group that are adequate to face any crises, of either systemic or specific origin.

Stress Scenario: Projection of cumulative net financial position and liquidity ratio (Stress test at 30 June 2015)



The main hypotheses adopted, which are linked to an equal number of occurrence (frequency of onset) and severity (impact on the bank) configurations, are:

- acute tension in individual banks that requires extraordinary counter-measures, often linked to interventions lying outside the actual bank;
- systemic crisis, involving the market as a whole.

³ A Maturity Ladder is the projection of the net financial position over time.

Operating risk

Operational risk is the risk of suffering losses deriving from the inadequacy or failure of procedures, human resources and internal systems, or from external events. This type includes, among others, losses deriving from internal/external frauds, human errors, business interruptions, unavailability of systems, contractual non-fulfilment and natural catastrophes. Operational risk includes legal risk, but does not include strategic and reputational risks.

Once again in the first half of 2015 Banca Sella paid careful attention to managing operating risk, through the constant strengthening of organisational measures and tools for mitigation and control, including:

- the so-called Control Cycle, an internal process that has been effectively adopted by the entire Group for several years for the processing of anomalies and removing the effects and the causes that generated them.
- mapping and validation of business processes with an end to end view⁴;
- certification and summary of service levels and line controls;
- the controls carried out through the so-called “alarm bells” (automatic processing with the aim of identifying and/or preventing any internal and/or external anomalies).

Monitoring of the risk translates also into specific reporting functions at all levels of the corporate organisation, in accordance with the legislation which states that timely information must be provided on the subject of operational risks. The Control Cycle provides the information basis which, at the occurrence of the anomaly and according to a precise escalation, generates and sends communication flows to the parties concerned.

In addition, in order to assess management of operational risk, the parent company's Risk Management Service produces regular summary and detailed statements, which summarise the degree of risk assumed by each company in the Group and the Group as a whole, relative to:

- anomalous events and operating losses reported in the Audit Cycle database (highlighting the more serious anomalies);
- the outcome of line audits;
- the trend in service levels;

the trend in the "internal operational risk rating" calculated on the basis of the analysis of some KPIs (Key Performance Indicators) and KRI (Key Risk Indicators). During August 2015, the Bank saw an operating loss of around 1.36 million Euro due to a hedging error (the Issuer has a consolidated policy of neutralising exchange rate positions) in regards to a forex position regarding the Australian dollar.

Anti-money laundering

Banca Sella carries out its activities in accordance with the regulatory provisions related to anti-money laundering and anti-terrorism, in conformance with ethical standards in order to prevent events that could damage the reputation and stability of the Bank and the Group as a whole.

The measures to prevent money laundering and the financing of terrorism are based on the active collaboration of the financial situation, in the implementation of:

- the provisions of the Legislator at national level;

⁴ The process is defined as end-to-end when it is set up in such a way as to form a “value flow” in complete logic of satisfying the intended purposes of the customer, whether internal or external, starting from the request and running through to delivery of the service.

- Bank of Italy circulars and provisions;
- the recommendations of the GAFI (Financial Action Group against money laundering);
- the provisions of Community law;
- decrees and clarifications of the Ministry of the Economy and of Finance;
- communications of the Financial Reporting Unit;
- the indications of the Financial Security Committee of the Treasury Department – the Ministry of the Economy and Finance.

In the first half of 2015, updated training of personnel continued, and classroom testing was done to verify the knowledge acquired through courses attended over the last two years.

In addition, projects were begun with the goal of increasing the efficacy and functionality of internal procedures and processes, in particular with reference to appropriate verification of customers, on a continuing basis, while also refining the automatic procedures used to ensure that the single electronic archive is appropriately maintained.

Outlook

Business continuity: the Bank's strategy, volumes and profitability

With reference to the Bank of Italy, Consob and ISVAP documents no. 2 of 6 February 2009 and no. 4 of 3 March 2010, in relation to information to be provided in financial reports on business prospects, with a particular focus on the company's ability to continue as a going concern, on the financial risks, on tests to reduced the value of assets (impairment tests) and on uncertainties in the use of estimates, the Board of Directors confirms that it has a reasonable expectation that the Bank can continue its operations in the foreseeable future and therefore attests that the half-yearly report has been prepared on the basis of this going concern assumption.

The Bank's equity and financial structure and operating trend do not show any elements or signals that may give rise to any uncertainty on the business as a going concern.

For a disclosure relating to financial risks, impairment tests and uncertainties in the use of estimates, please refer to the information given in this report and the comments on operating trends.

Equity investments and transactions with the companies of the Group

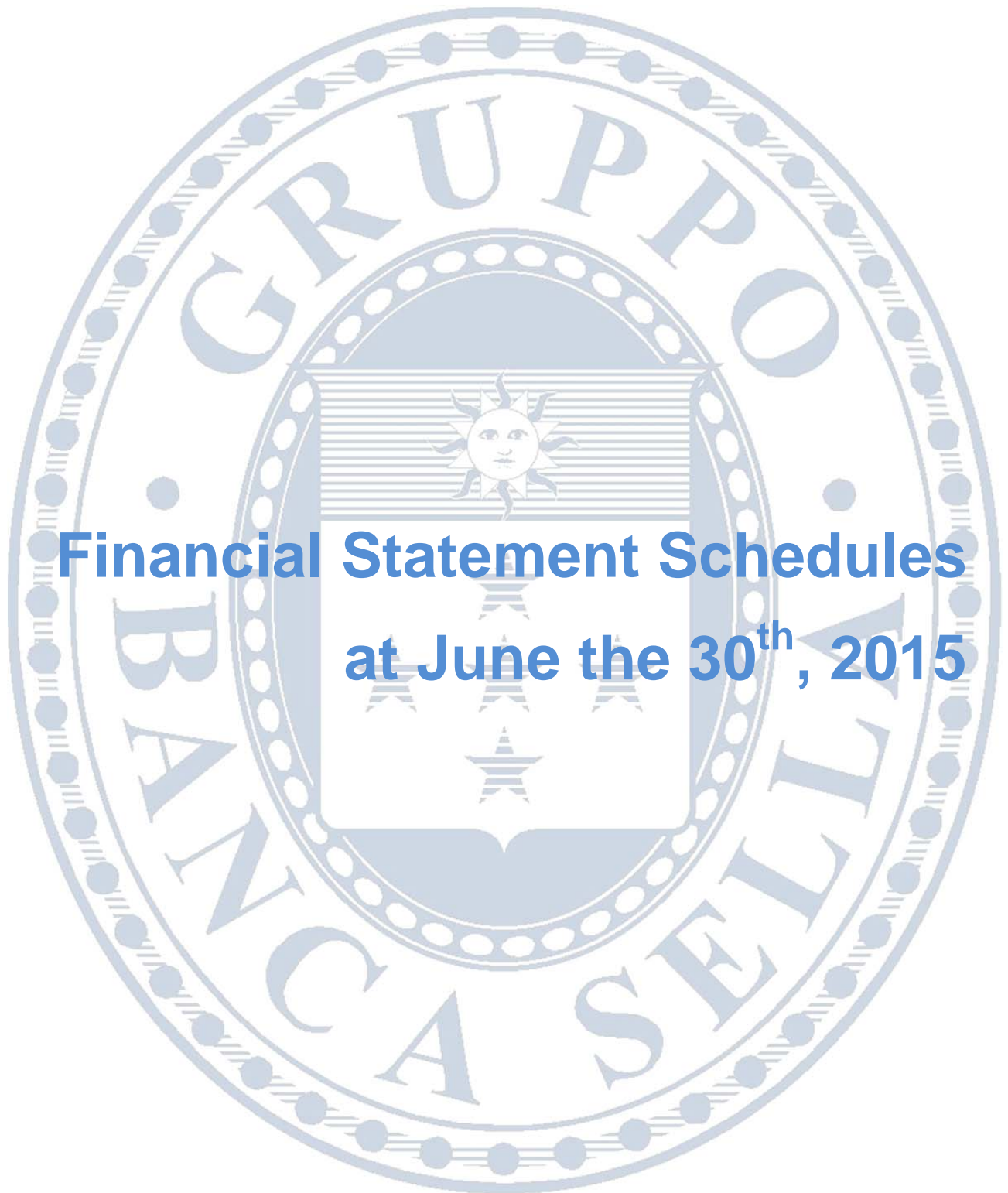
The following table shows the relations between the Bank and the other Group companies in terms of capital and economic figures. Banca Sella supplies most of the outsourced services to the Group companies; it receives outsourced services from the parent company as concerns the services headed by it, in particular: Inspectorate, IT security and the issue of debenture loans.

Banca Sella's relations with the other companies of the Group: equity figures

Company/items	OTHER ASSETS	OTHER LIABILITIES	FINANCIAL ASSETS HELD FOR TRADING	RECEIVABLES FROM BANKS	RECEIVABLES FROM CUSTOMERS	DUE TO BANKS	PAYABLES TO CUSTOMERS	HEDGING DERIVATIVES	FINANCIAL LIABILITIES HELD FOR TRADING
Banca Sella Holding	3.642	2.378	13.338	1.390.585	-	271.641	-	104.572	14.677
Sella Gestioni	2.287	-	-	-	3	-	3.813	-	-
Sella Capital Management	10	-	-	-	-	-	1.013	-	-
Biella Leasing	377	15	-	-	611.639	-	7.788	-	-
Lanificio Sella	17	1	-	-	-	-	6.361	-	-
Immobiliare Lanificio Sella	13	71	-	-	-	-	8.618	-	-
Selfid	38	-	-	-	-	-	2.311	-	-
Consel	372	76	-	-	513.963	-	-	-	-
Banca Patrimoni Sella & C.	1.636	7.210	-	13	-	5.476	-	-	-
Easy Nolo	470	624	-	-	3.280	-	-	-	-
Brosel	36	27	-	-	-	-	995	-	-
C.B.A. Vita	842	-	-	-	-	-	21.709	-	-
Sella Life	501	-	-	-	-	-	1.460	-	-
Selir	25	547	-	-	-	-	2.035	-	-
Family Advisory Sim - Sella & Partners	14	-	-	-	2	-	470	-	-
Miret	-	-	-	-	-	-	150	-	-
Finanziaria 2010	9	-	22	-	2	-	12.953	-	-
Total	10.288	10.950	13.360	1.390.599	1.128.888	277.117	69.676	104.572	14.677

Banca Sella's relations with the other companies of the Group: Economic figures

Company/items	OTHER OPERATING INCOME	COMMISSION INCOME	COMMISSION EXPENSE	INTERESTS AND SIMILAR INCOME	INTERESTS AND SIMILAR EXPENSE	NET GAINS/(LOSSES) ON HEDGING ACTIVITIES	NET GAINS/(LOSSES) ON TRADING ACTIVITIES	ADMINISTRATIVE EXPENSES: other administrative expenses	Recovery of costs of employees on secondment to other companies	Recovery of costs of employees on secondment to other Group companies
Banca Sella Holding	2.654	715	4.228	7.808	15.266	19.287	2.697	-1.139	791	1.308
Sella Gestioni	124	4.576	-	-	4	-	-	-	-	-
Sella Capital Management	8	-	-	-	1	-	-	-	-	-
Biella Leasing	236	103	-	6.099	2	-	337	-	47	4
Lanificio Sella	13	-	-	-	1	-	-	-1.027	1	-
Immobiliare Lanificio Sella	10	-	-	-	1	-	-	-922	-	-
Selfid	26	-	1	-	2	-	-	-	34	-
Consel	179	1.035	-	5.832	-	-	-	-	15	58
Banca Patrimoni Sella & C.	1.652	-	7.872	-	14	-	8	-226	34	7
Easy Nolo	228	13	-	16	-	-	-	-3.685	216	-
Brosel	31	-	-	-	1	-	-	-28	15	1
C.B.A. Vita	115	1.423	-	-	394	-	-	-	-	-
Sella Life	9	902	-	-	7	-	-	-	-	-
Selir	50	-	-	-	-	-	-	-2.344	-	-
Family Advisory Sim - Sella & Partners	11	-	-	-	-	-	-	-140	-1	-
Mret	-	-	-	-	-	-	-	-	-	-
Finanziaria 2010	7	-	-	2	9	-	401	-	-	-
Total	5.354	8.767	12.101	19.757	15.702	19.287	3.444	- 9.511	1.153	1.379



**Financial Statement Schedules
at June the 30th, 2015**

Balance Sheet

BALANCE SHEET

Assets	30/06/2015	31/12/2014	Difference %
10. Cash and cash equivalents	104,285,607	130,631,721	-20.17%
20. Financial assets held for trading	52,006,560	50,194,134	3.61%
40. Financial assets available for sale	1,470,811,093	1,288,110,897	14.18%
60. Due from banks	1,724,261,705	1,577,495,448	9.30%
70. Due from customers	6,773,800,662	6,961,360,565	-2.69%
80. Hedging derivatives	12,941,953	14,177,393	-8.71%
90. Value adjustment of financial assets subject to macrohedging (+/-)	112,067,634	133,802,548	-16.24%
110. Tangible assets	39,829,460	40,192,362	-0.90%
120. Intangible assets	50,539,766	48,223,518	4.80%
of which:			
- goodwill	14,196,993	14,196,993	0.00%
130. Tax assets	155,955,930	168,702,329	-7.56%
a) current	34,638,265	52,012,442	-33.40%
b) deferred	121,317,665	116,689,887	3.97%
of which Law 214/2011	111,231,660	106,251,121	4.69%
150. Other assets	162,590,628	153,863,007	5.67%
Total assets	10,659,090,998	10,566,753,922	0.87%

Liabilities and shareholders' equity	30/06/2015	31/12/2014	Difference %
10. Due to banks	318,520,355	26,851,420	1086.23%
20. Due to customers	8,547,312,559	8,554,816,925	-0.09%
30. Securities in issue	813,320,716	954,848,167	-14.82%
40. Financial liabilities held for trading	27,751,569	24,250,051	14.44%
60. Hedging derivatives	117,514,170	136,676,073	-14.02%
80. Tax liabilities	18,835,937	69,994,677	-73.09%
a) current	9,579,199	57,847,417	-83.44%
b) deferred	9,256,738	12,147,260	-23.80%
100. Other liabilities	158,925,239	131,838,118	20.55%
110. Provision for severance indemnities	31,169,917	35,504,668	-12.21%
120. Provisions for risks and charges:	15,156,876	14,753,896	2.73%
a) retirement and similar obligations	-	-	0.00%
b) other provisions	15,156,876	14,753,896	2.73%
130. Valuation reserves	1,695,629	4,816,620	-64.80%
160. Reserves	24,315,890	(32,145,349)	-175.64%
170. Share premiums	298,722,062	298,722,062	0.00%
180. Capital	281,596,505	281,596,505	0.00%
200. Profit (Loss) for the year (+/-)	4,253,572	64,230,089	-93.38%
Total liabilities and Shareholders' Equity	10,659,090,998	10,566,753,922	0.87%

Income Statement

INCOME STATEMENT

Item	30/06/2015	30/06/2014	Difference %
10. Interest receivables and similar income	130,688,485	160,537,902	-18.59%
20. Interest liabilities and similar charges	(43,485,663)	(55,727,851)	-21.97%
30. Net interest income	87,202,822	104,810,051	-16.80%
40. Fee income	126,886,175	117,880,788	7.64%
50. Fee expenses	(41,263,445)	(36,666,690)	12.54%
60. Net fees	85,622,730	81,214,098	5.43%
70. Dividends and similar income	62,933	79,839	-21.1%
80. Net gains/(losses) on trading activities	6,085,212	4,589,616	32.59%
90. Net gains/(losses) on hedging activities	(35,826)	(34,555)	3.68%
100. Income (losses) from sale or repurchase of:	11,663,154	7,889,050	47.84%
a) receivables	51,425	-	0.00%
b) financial assets available for sale	11,620,203	8,307,210	39.88%
c) financial assets held to maturity	-	-	0.00%
d) financial liabilities	(8,474)	(418,160)	-97.97%
110. Net gains/(losses) on financial assets and liabilities carried at fair value	-	-	0.00%
120. Net banking income	190,601,025	198,548,099	-4.00%
130. Net value adjustments for impairment of:	(59,579,748)	(48,278,977)	23.41%
a) receivables	(59,722,234)	(47,892,296)	24.70%
b) financial assets available for sale	(6,021)	-	0.00%
c) financial assets held to maturity	-	-	0.00%
d) other financial transactions	148,507	(386,681)	-138.41%
140. Net financial operating gains (losses)	131,021,277	150,269,122	-12.81%
150. Administrative expenses:	(144,975,914)	(141,119,159)	2.73%
a) personnel expenses	(78,154,656)	(77,347,325)	1.04%
b) other administrative expenses	(66,821,258)	(63,771,834)	4.78%
160. Net provisions for risks and charges	(2,385,803)	(1,455,033)	63.97%
170. Net value adjustments on tangible assets	(3,780,881)	(3,418,641)	10.60%
180. Net value adjustments on intangible assets	(5,834,281)	(5,364,282)	8.76%
190. Other operating expenses/income	32,638,228	29,923,375	9.07%
200. Operating costs	(124,338,651)	(121,433,740)	2.39%
240. Income (losses) from the disposal of investments	12,629	50	25158.00%
250. Profit/(Loss) on continuing operations before tax	6,695,255	28,835,432	-76.78%
260. Income taxes for the period on continuing operations	(2,441,683)	(10,775,057)	-77.34%
270. Profit/(Loss) on continuing operations after tax	4,253,572	18,060,375	-76.45%
280. Profits/(losses) on asset disposal groups held for sale after tax	-	-	0.00%
290. Profit (Loss) for the period	4,253,572	18,060,375	-76.45%

Overall profitability

COMPREHENSIVE INCOME

	30/06/2015	30/06/2014
10. Profit (Loss) for the period	4,253,572	18,060,377
Other income components net of taxes without reversal to income statement		
40. Defined benefit plans	2,277,628	(2,667,769)
Other income components net of taxes with reversal to income statement		
100. Financial assets available for sale	(5,398,619)	1,794,498
130. Total, other income components after tax	(3,120,991)	(873,271)
140. Comprehensive income (Items 10 +130)	1,132,581	17,187,106

Statement of changes in Shareholders' Equity at 31 December 2014

PROSPETTO DELLE VARIAZIONI DEL PATRIMONIO NETTO AL 31 DICEMBRE 2014

	esistenze al 31/12/13	Modifica saldi apertura	esistenze al 01/01/14	allocazione risultato esercizio		variazioni del periodo							patrimonio netto al 31/12/2014	
				riserve	dividendi e altre destinazioni	operazioni sul patrimonio netto								Redditività complessiva 2014
						variazioni di riserve	emissione nuove azioni	acquisto azioni proprie	distribuzione straordinaria dividendi	variazione strumenti di capitale	derivati su proprie azioni	stock options		
Capitale:														
a) azioni ordinarie	281.596.505	-	281.596.505	-	-	-	-	-	-	-	-	-	-	281.596.505
b) altre azioni	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sovraprezzi di emissione	298.722.062	-	298.722.062	-	-	-	-	-	-	-	-	-	-	298.722.062
Riserve:														
a) di utili	88.861.048	-	88.861.048	17.286.231	-	-	-	-	-	-	-	-	-	106.147.278
b) di utili anno precedente	(4.542.710)	-	(4.542.710)	-	-	-	-	-	-	-	-	-	-	(4.542.710)
b) altre	(133.718.962)	-	(133.718.962)	-	-	(30.956)	-	-	-	-	-	-	-	(133.749.918)
Riserve da valutazione:														
a) disponibili per la vendita	4.889.122	-	4.889.122	-	-	-	-	-	-	-	-	-	5.061.716	9.950.838
b) copertura flussi finanziari	-	-	-	-	-	-	-	-	-	-	-	-	-	-
c) leggi speciali di rivalutazione	-	-	-	-	-	-	-	-	-	-	-	-	-	-
d) altre	(1.028.443)	-	(1.028.443)	-	-	-	-	-	-	-	-	(4.105.776)	-	(5.134.219)
Strumenti di capitale	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Azioni proprie	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utile (Perdita) di periodo	20.408.737	-	20.408.737	(17.286.231)	(3.122.506)	-	-	-	-	-	-	-	64.230.089	64.230.089
Patrimonio netto	555.187.359	-	555.187.359	-	(3.122.506)	(30.956)	-	-	-	-	-	-	65.186.030	617.219.927

Statement of changes in Shareholders' Equity at 30 June 2015

PROSPETTO DELLE VARIAZIONI DEL PATRIMONIO NETTO AL 30 GIUGNO 2015

	esistenze al 31/12/14	Modifica saldi apertura	esistenze al 01/01/15	allocazione risultato		variazioni del semestre						patrimonio netto al 30/06/2015		
				riserve	dividendi e altre destinazioni	operazioni sul patrimonio netto	emissione nuove azioni	acquisto azioni proprie	distribuzione straordinaria dividendi	variazione strumenti di capitale	derivati su proprie azioni		stock options	Redditività complessiva 2015
Capitale:														
a) azioni ordinarie	281.596.505	-	281.596.505	-	-	-	-	-	-	-	-	-	281.596.505	
b) altre azioni	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sovrapprezzi di emissione	298.722.062	-	298.722.062	-	-	-	-	-	-	-	-	-	298.722.062	
Riserve:														
a) di utili	106.147.278	-	106.147.278	56.461.240	-	-	-	-	-	-	-	-	162.608.518	
b) di utili anno precedente	-4.542.710	-	-4.542.710	-	-	-	-	-	-	-	-	-	-4.542.710	
b) altre	-133.749.918	-	-133.749.918	-	-	-	-	-	-	-	-	-	-133.749.918	
Riserve da valutazione:														
a) disponibili per la vendita	9.950.838	-	9.950.838	-	-	-	-	-	-	-	-5.398.619	-	4.552.221	
b) copertura flussi finanziari	-	-	-	-	-	-	-	-	-	-	-	-	-	
c) leggi speciali di rivalutazione	-	-	-	-	-	-	-	-	-	-	-	-	-	
d) altre	-5.134.219	-	-5.134.219	-	-	-	-	-	-	-	2.277.627	-	-2.856.591	
Strumenti di capitale	-	-	-	-	-	-	-	-	-	-	-	-	-	
Azioni proprie	-	-	-	-	-	-	-	-	-	-	-	-	-	
Utile (Perdita) d'esercizio	64.230.089	-	64.230.089	-56.461.240	-7.768.848	-	-	-	-	-	4.253.572	-	4.253.572	
Patrimonio netto	617.219.925	-	617.219.925	-	-7.768.848	-	-	-	-	-	1.132.581	-	610.583.659	

Cash Flow Statement - Direct method

A. OPERATING ACTIVITIES	30/06/2015	30/06/2014
1. Operations	62,632,740	62,795,097
Interest income collected (+)	135,189,179	159,227,326
Interest expense paid (-)	(43,485,662)	(55,727,851)
Dividends and similar income	62,933	-
Net fees (+/-)	85,622,730	81,214,098
Personnel expenses	(78,131,729)	(77,294,961)
Other costs (-)	(66,821,260)	(63,771,834)
Other revenues (+)	32,638,231	29,923,376
Taxes and duties (-)	(2,441,682)	(10,775,057)
2. Liquidity generated (absorbed) by financial assets	(244,008,232)	(100,845,640)
Financial assets held for trading	4,272,787	17,211,314
Financial assets available for sale	(183,647,840)	9,058,122
Due from customers	127,889,092	(152,615,089)
Due from banks	(146,766,259)	46,290,124
Other assets	(45,756,012)	(20,790,111)
3. Liquidity generated (absorbed) by financial liabilities	174,354,104	27,453,691
Due to banks	291,668,935	(172,416,397)
Due to customers	(7,504,366)	187,907,431
Securities in issue	(141,518,977)	(1,213,267)
Financial liabilities held for trading	3,501,517	(7,139,021)
Other liabilities	28,206,995	20,314,945
Net cash provided (used) by operating activities	(7,021,388)	(10,596,852)
B. INVESTMENT ACTIVITIES	30/06/2015	30/06/2014
1. Liquidity generated by:	72,041	111,444
Sales of equity investments	-	-
Dividends collected on equity investments	-	79,839
Sales/redemptions of financial assets held to maturity	-	-
Sales of property, plant and equipment	33,191	24,256
Sales of intangible assets	38,850	7,349
Sales of subsidiaries and company divisions	-	-
2. Liquidity (absorbed) by:	(11,627,919)	(9,794,220)
Purchases of equity investments	-	-
Purchases of financial assets held to maturity	-	-
Purchases of property, plant and equipment	(3,438,539)	(3,252,574)
Purchases of intangible assets	(8,189,380)	(6,541,646)
Sales of subsidiaries and company divisions	-	-
Net cash provided (used) by investing activities	(11,555,878)	(9,682,776)
C. FUNDING ACTIVITIES	30/06/2015	30/06/2014
Issue/purchase of treasury shares	-	-
Issue/purchase of equity instruments	-	-
Distribution of dividends and other purposes	(7,768,848)	(3,122,506)
Net cash provided (used) by financing activities	(7,768,848)	(3,122,506)
NET CASH PROVIDED (USED) IN THE PERIOD	(26,346,114)	(23,402,134)
RECONCILIATION	30/06/2015	30/06/2014
Cash and cash equivalents at start of year	130,631,721	130,208,125
Total net cash provided (used) in the period	(26,346,114)	(23,402,134)
Cash and cash equivalents at end of year	104,285,607	106,805,991



Declaration of compliance with international accounting standards

This half-yearly financial report has been drawn up according to the international accounting standards IAS/IFRS (including the SIC and IFRIC interpretation documents) issued by the International Accounting Standards Board (IASB) and endorsed by the European Union as of 30 June 2015, pursuant to Community Regulation No. 1606 of 19 July 2002. As concerns the schemes and notes to the statements, the financial statements is prepared in application of the decrees of the Bank of Italy in the exercise of the powers established by Art. 9 of Italian Legislative Decree no. 38/2005 with the Provision of 22 December 2014 whereby the third update to Circular no. 262/05 was issued.

In order to facilitate interpretation of the international accounting standards reference was also made to the documents prepared by the OIC and the ABI.

The financial statements, therefore, are clearly set out and give a true and fair picture of the economic and financial situation of Banca Sella.

General drafting principles

The half-yearly report consists of a brief management report, accompanied by tables outlining the main capital and economic figures, the Balance Sheet, Income Statement, Statement of Comprehensive Income and the Statement of Changes in Shareholders' Equity. The schedules are prepared in Euro and the tables are prepared in thousands of Euro.

The schedules report the corresponding comparison figures relative to the balance sheet at the end of the previous financial year, while the income statement figures refer to the corresponding period of the previous financial year. The accounting schedules correspond to those in the annual financial statements.

Preparation is carried out in respect of the general standards foreseen in IAS 1 and in compliance with the general assumptions of the Systematic Framework. Accounting schedules comply with that foreseen in Bank of Italy Circular no. 262/2005. During the preparation of this report, certain typographical errors and number rounding that in no way effect the clear and truthful reporting of the economic and capital situation were corrected. This is specifically in reference only to some slight differences in the document containing the accounting schedules from 30 June 2015 under limited review by Deloitte & Touche.

The half-yearly report was prepared using the same accounting standards and criteria as in the last financial year, as well as the following IFRS accounting standards, amendments and interpretations applied as of 1 January 2015.

On 20 May 2013, an interpretation of IFRIC 21 – Levies was published, which provides clarifications about the time a liability should be recognised which is connected to taxes (other than income taxes) imposed by a government body. The standard applies to both liabilities for taxes that fall under the area of application of IAS 37 - Provisions, contingent liabilities and contingent assets and those for taxes for which the timing and amount are certain. The interpretation applies retroactively for financial years starting at the latest on 17 June 2014 or subsequently. The adoption of this new interpretation did not have any effects on the Bank's financial statements.

On 12 December 2013, the IASB published the document, "Annual Improvements to IFRSs: 2011-2013 Cycle" which implements changes to certain standards in the context of the annual process intended to improve said standards. The main changes involve:

- IFRS 3 Business Combinations – Scope exception for joint ventures. The amendment clarifies that section 2(a) of IFRS 3 excludes from the scope of application of IFRS 3 the formation of all types of joint arrangements, as defined in IFRS 11.

- IFRS 13 Fair Value Measurement – Scope of portfolio exception (par. 52). The amendment clarifies that the portfolio exception included in paragraph 52 of IFRS 13 applies to all contracts included under the scope of application of IAS 39, regardless of whether they meet the definition of financial assets and liabilities provided in IAS 32.

- IAS 40 Investment Properties – Interrelationship between IFRS 3 and IAS 40. The amendment clarifies that IFRS 3 and IAS 40 do not exclude each other and that, in order to determine whether the purchase of a real estate property falls under the scope of IFRS 3 or IAS 40, it is necessary to make reference to the respective indications provided in IFRS 3 or IAS 40.

The amendments apply for financial years starting on or after 1 January 2015. The adoption of these amendments had no effects on the financial statements.

The update of Circular 272 of 20/01/2015 introduced a new classification for impaired loans, eliminating the categories of watchlist and restructured loans, and introducing the category of unlikely to pay.

Additionally, the Bank of Italy requested a parallel running period of 6 months, ending at 30/6/2015, during which reporting was done using both the old categories of watchlist and restructured and the new category of unlikely to pay.

The following categories of impaired loans were reclassified among unlikely to pay:

- restructured (represented by restructuring in pool and objective restructured - positions that have repayment agreements solely with Banca Sella);
- subjective watchlist (positions classified as watchlist due to a judgement by the bank, with a specific resolution);
- revoked watchlist (positions classified as watchlist with credit lines revoked);
- watchlist due to group default (positions classified as impaired due to similar classification by other companies in the Banca Sella Group);
- watchlist with forbearance (forborne non-performing positions classified as watchlist at December 2014 due to measures applied due to the deterioration of the loan for which a period of 12 months of regular payment without any overdue payments exceeding 30 days has not passed).

Objective watchlist, instead, were mainly reclassified among impaired past due exposures.

Note that this half-yearly report is subjected to limited auditing by Deloitte & Touche S.p.A.

Main risks and uncertainties

The Group carried out the impairment tests on equity investments at 30 June 2015, no test gave indications of losses in value. In addition, no evidence was found to indicate a need to carry out write-downs

of the goodwill recognised in the assets in the Balance Sheet connected to the acquisitions of bank branches.

Note that the impairment tests are carried out in the same way as that done in the financial statements as at 31 December 2014 (for more details, please refer to the published document), and in respect of the standards contained in the Impairment Test Policy, issued by the Group within March 2012, with Circular 09/2012.

FAIR VALUE INFORMATION

Fair value levels 2 and 3: measurement techniques and input used

Relative to the measurement techniques, input and relative adjustments used in measuring the fair value of instruments in level 2 and level 3, below we provide an extract of that specified in the Fair Value Policy adopted by the Group and currently in effect.

The asset swap spread model is used for the valuation of fixed-rate bonds, while the discount margin model is adopted for floating rate bonds. Having recourse to said models is motivated by the consideration that they represent the market standard for these types of securities in Europe.

The Euro swap rate curve used as the pricing input for fixed-rate bonds derives from the info-providers used in the Bank, while the spread levels used derive from the elaboration of variables connected with credit spread reported by info-providers. The purpose of such processing is to consider various variables that may affect pricing processes.

If the bonds contain an optional component, when possible the Bloomberg pricing model is used, so as to guarantee an estimate based on the method most widely used on the market. For this purpose, similarly to the previous cases, the option-adjusted-spread (OAS) used is the spread level deduced from the elaboration of variables connected with credit spreads reported by info-providers.

The bonds with a structure that cannot be priced with Bloomberg models are priced by dividing their structure into simpler components.

The valuation of said components is carried out using some valuations deduced from those provided by counterparties for the hedging instrument or, if they are not available, Monte Carlo simulations, using as inputs the values of the variables reported by the main info-providers.

The OTC derivatives that can typically be found in the financial statements concern swaps, rate options and exchange options.

Rate swaps are evaluated according to the discounted cash flow (DCF) method, which is the market standard and uses the swap rate curve relative to the contract currency as the input data. This curve is periodically drawn from the curve published by the main info-providers (Bloomberg/Reuters) in the Bank. If the swap structure is more complex, and such as to prevent a reasonable certainty in the estimate of the contract value, a valuation of the contract is requested to the counterparty of the transaction.

At present, rate options for BSG include only caps and floors and are measured using the Black model. This choice is based on the consideration that alternative models would present the problem of adjusting pricing parameters and would not provide significant improvement to the price estimate. Further elements supporting this choice are connected with the consideration that a wide amount of implicit volatility

is reported by the main info-providers, together with the price of options themselves for standard maturity dates.

Both “plain vanilla” and “exotic” exchange options (European or American barrier options) are evaluated according to the Black&Scholes model. The necessary volatility curves for the calculation of implicit volatility for each option as well as the market rate and exchange quotations used for contract valuations are taken from the main info-providers in the Bank (Bloomberg). In the case of exotic options structures that are more complex and do not allow reasonable certainty about the value of the contract, when possible a measurement algorithm is developed internally or, when possible, an evaluation of the same is requested from a third party external to the transaction. These evaluations, when available, are part of the determination of the price together with the measurement provided by the counterpart in the transaction.

The fair value of ABS securities in the portfolio is measured according to Bloomberg pricing models. These models are based on a DCF (Discounted Cash Flow) method, using as input data the latest data provided by the company in charge of the securitisation.

The discount margin level used is deduced from the one reported by research, according to secondary market spreads for similar securities as to underlying security, country and rating. This level may be rectified to take into consideration external factors (and typical factors of the security) such as the different quality of assets, the performance of the underlying security, etc.

The techniques adopted for evaluating AFS investments each time are:

- the income approach, which determines the value of the company on the basis of its ability to yield income; to that end, the value of the company is calculated by discounting the expected income; average future earnings are estimated on the basis of corporate data (financial statements, interim reports, budgets, industrial plans); in addition to risk-free securities, the discount rate considers a premium for investments in business activities;
- multiple of earnings, which determines the company value on the basis of specific indicators relating market prices to financial statement values; multiple of earnings are expressed by a sample of quoted companies as similar as possible to the company to be evaluated; a number of factors are taken into account to establish sample homogeneity: belonging to the same economic sector, the size of the company, financial risks deriving from the corporate financial structure, market shares, geographical diversification, and so on.
- other measurement techniques commonly used by those participating in the market to give a price to companies if these techniques have demonstrated that they provide reliable estimates of the prices practices in current market transactions (these include the use of the equity method, which determines the value of the company on the basis of the algebraic balance between assets and liabilities; analysis on the basis of historic data obtained from company information; financial statements, half-yearly reports, budgets, industrial plans).

Unquoted close-end funds and private equity funds are evaluated on the basis of the data provided by the issuer or, if these data are not provided, according to the amount appropriated to the fund. Special attention will be paid to ABS funds where, as far as possible, the investor reports for the individual ABS will be analysed, which are available for individual funds in most cases.

In relation to the loans issued that are subject to hedging, the determination of the fair value for the purposes of evaluating the efficacy of the same, is done by using the discounted cash flow method. To that end, the same risk-free curve utilised to measure the hedges is used, and the spread paid is obtained from the security coupon according to that indicated in the hedging contract.

Relative to hedged fixed-rate loans, fair value measurement requires financial consistency between the assets hedged and the IRSs agreed upon for the hedge. At every measurement of the fair value, the cumulative stock of hedging IRSs and the cumulative stock of hedged loans are prepared, making sure that the amortization profile of the IRSs corresponds to the amortization profile of the hedged loans;

Subsequently, the weighted average fixed rate of hedging IRSs is calculated. Said rate represents the average effective market rate at the time of the agreement of the various IRSs and reflects the interest that was meant to be hedged at the time of loan hedging. In other words, such rate represents the actual part of interest hedged by the IRS, distinguishing it from the part of interest that is not hedged and corresponds to the spread (expressing customer risk rather than rate risk).

At this point, it is appropriate to prepare, beginning from the residual amortization plan of the principal of all loans hedged, the amortization plan of loans to be used for measuring the fair value. This plan shall be made up of loan principal flows (the difference between the residual debt of a period and the residual debt of the previous period according to the contractual amortisation plan) and the interest obtained applying the weighted average rate of hedging IRSs (expressing the hedged interest) to the residual debt for the period.

The instalments obtained can then be updated adopting the same yield curve used for measuring the fair value of hedging IRSs, and decreased in proportion to the actual hedging percentage at the date of the valuation (ratio between the “surfaces” – i.e. the sum of remaining principals for the respective duration days – of amortisation plans for the remaining IRS amount divided by the remaining loan credit), so as to obtain the current value of hedged loans. The remaining credit (multiplied by the hedging percentage) at the date of loan valuation shall be deducted from this value.

According to this procedure (current value of the instalments minus residual debt reduced by the hedging percentage), the fair value at the end of financial year T and the fair value at the end of financial year T-1 is calculated. The difference between these two figures is the fair value delta of the loans, which is then compared with the fair value delta of the IRSs.

Measurement processes and sensitivity

The use of the above described measurement techniques and models requires the selection and quantification of certain parameters, which vary based on the financial instrument to be measured.

These parameters are chosen and set up on the calculation software at the moment of a request for measurement of a new instrument.

The Risk Management service is responsible for validating the parameters defined.

Every time the fair value of the financial instrument is calculated, the above parameters are rechecked and updated both by the area that performs the calculation and by the Risk Management service.

By way of example, the main observable parameters can be linked to:

Rate Curve

This is a combination of yield rates for zero coupon synthetic securities, ordered in increasing order relative to the maturity dates of the same. These rates are obtained using consolidated “bootstrapping” methods from the market rates for deposits (for maturities no greater than 12 months) and market rates for IRSs (for maturities of no less than 2 years). For the purposes of the measurements, the mid rates are used. This is at the base of the measurement of all OTC derivatives.

Volatility Matrix

This consists of a table that indicates, for every maturity date and strike for the options considered, the relative value of the mid volatility quoted on the market. This table is the same for all cap/floor type options.

Spread

To measure bonds issued by the Group (structured or not), two types of spread are taken into consideration:

- *Rate spread*: represents the margin on the variable rate subject to indexing (for variable rate securities) or the IRS rate for the same maturity dates (for fixed rate securities).
- *Price spread*: represents the differential to be subtracted from the theoretical price to take into account the riskiness of the structure.

Implicit Volatility

This is the volatility of the option prices quoted for a specific underlying instrument.

For every maturity date, the value of the at-the-money options is considered, or a weighted average of the volatility of the prices of the options quoted (even with different strikes) for the same maturity date.

Dividend Yield

In the measurement methodologies, this is obtained as the annualised logarithm of the ratio between dividend and price, as reported by the main information providers (Bloomberg, Reuters, etc.), for maturity dates analogous to those of the derivative in question.

By way of example, the main non-observable parameters can be linked to:

Correlations

To calculate correlations, the logarithmic variations in the prices of the two assets (exchange rate and price of the underlying instrument) considered are used. To that end, data relative to the last 6 months is generally used.

Historic Volatility

In the case that the implicit volatility of the options is not quoted, the historic volatility of the underlying instrument is used, measured on the basis of the standard deviation of the logarithmic variations of the prices of the same.

There is no significant observable input used for fair value measurement of assets and liabilities in level 3.

Fair value hierarchy

Any transfers from a fair value hierarchy level to another occurs as a function of the evolution of the characteristics of each security and in relation to the criteria which determine classification in the various levels of the fair value hierarchy. They are identified twice a year, at the time of the half-yearly and annual financial statements. The input levels which determine classification in a given fair value level are listed in this report, in the section Input for the determination of fair value.

Other information

The Bank does not manage groups of financial assets or liabilities on the basis of their net exposure to market risks or credit risk.



Financial assets held for trading - Item 20

Financial assets held for trading: Product breakdown

Item/Value	Total 30/06/2015			Total 31/12/2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A. Cash assets						
1. Debt securities	3,390	20,865	2	6,181	20,725	2
1.1 Structured securities	1	-	-	1	-	-
1.2 Other debt securities	3,389	20,865	2	6,180	20,725	2
2. Equities	-	-	-	-	-	-
3 UCITS units	-	-	-	-	-	-
4. Loans	-	-	-	-	-	-
4.1 Reverse repurchase	-	-	-	-	-	-
4.2 Others	-	-	-	-	-	-
Total A	3,390	20,865	2	6,181	20,725	2
B. Derivative instruments						
1. Financial derivatives:	334	27,416	-	16	23,270	-
1.1 Held for trading	334	27,339	-	16	23,203	-
1.2 linked to fair value option	-	-	-	-	-	-
1.3 others	-	77	-	-	67	-
2. Credit Derivatives:	-	-	-	-	-	-
2.1 for trading	-	-	-	-	-	-
2.2 linked to fair value option	-	-	-	-	-	-
2.3 other	-	-	-	-	-	-
Total B	334	27,416	-	16	23,270	-
Total (A+B)	3,724	48,281	2	6,197	43,995	2

The debt securities component mainly consisted of Italian government securities and bonds issued by the banks of the Banca Sella Group. At 30 June 2015 the following types of securities were held:

- Italian government securities 14%;
- Banca Sella Group bonds 86%;

The amount of this component decreased during the half by around 2.7 million, going from Euro 26.9 million at 31/12/2014 to Euro 24.2 million at 30/06/2015.

With regard to asset allocation, the variable component was almost entirely eliminated, and almost all of the category was invested in short-term fixed rate securities. Exposure to interest-rate risk was contained for the entire period in question.

Volumes from trading derivatives also increased following trading operations.

Financial assets available for sale - Item 40

Financial assets available for sale: product breakdown

Item/Value	Total 30/06/2015			Total 31/12/2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities	1,460,140	5,390	-	1,277,486	5,338	-
1.1 Structured securities	7,123	-	-	3,040	-	-
1.2 Other debt securities	1,453,017	5,390	-	1,274,446	5,338	-
2. Equities	-	-	3,141	-	-	3,141
2.1 Carried at fair value	-	-	-	-	-	-
2.2 Carried at cost	-	-	3,141	-	-	3,141
3. UCITS units	-	-	-	-	-	-
4. Loans	-	-	2,140	-	-	2,146
Total	1,460,140	5,390	5,281	1,277,486	5,338	5,287

The item, featuring the presence of an increase in debt securities, consisted of Italian government securities and bank bonds of high creditworthiness. At 30 June 2015 the following types of securities were held:

- BOT 0.3%;
- CCT 37.8%;
- BTP 55.4%;
- Senior bank bonds 6.5%.

During the half, the amount of debt securities increased by around 182.7 million, amounting to Euro 1,465.5 million at 30/06/2015. The largest changes involved BTP (around Euro +204.2 million), CCT (around Euro - 68 million) and bank bonds (around Euro +46.6 million).

With regard to asset allocation, the variable component, which fell with respect to 31/12/14, represented about 39%, while the remaining 61% was invested in fixed rate securities with short or medium-term maturity. Exposure to interest-rate risk remained at very low levels for the entire period in question.

The item loans refers to the "Comital Saiag S.P.A." position, for which a restructuring agreement was signed in 2009 which generated a partial conversion of the total amount owed to the Bank equal to Euro 9 million, of which Euro 4.7 million in restructured loans and Euro 4.3 million in equity instruments. The write-down on these instruments totalled 2.5 million Euro. At 30 June 2015, the book value of the remaining credit on the Comital position was equal to Euro 1.8 million.

Equity securities also include minority interests, which according to the requirements of the IFRS, were subjected to impairment tests continuing that done in the financial statements at 31 December 2014 and did not show any substantial differences.

Due from banks - Item 60

Loans to banks: Product breakdown

Type of transaction/Value	Total 6/30/2015				Total 12/31/2014			
	BV	FV			BV	FV		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Due from Central Banks	-	-	-	-	-	-	-	-
1. Term deposits	-	X	X	X	-	X	X	X
2. Statutory reserve	-	X	X	X	-	X	X	X
3. Repurchase agreements receivable	-	X	X	X	-	X	X	X
4. Other	-	X	X	X	-	X	X	X
B. Due from banks	1,724,262	-	276,800	1,447,879	1,577,495	-	336,188	1,241,898
1. Loans	1,447,879	-	-	1,447,879	1,241,897	-	-	1,241,898
1.1 Current accounts and demand deposits	1,267,289	X	X	X	1,043,349	X	X	X
1.2 Term deposits	80,508				79,308			
1.3. Other loans and advances:	100,082	X	X	X	119,240	X	X	X
- Reverse repurchase agreements	-	X	X	X	-	X	X	X
- Financial leasing	-	X	X	X	-	X	X	X
- Others	100,082	X	X	X	119,240	X	X	X
2. Debt securities	276,383	-	276,800	-	335,598	-	336,188	-
2.1 Structured securities	-	X	X	X	-	X	X	X
2.2 Other debt securities	276,383	X	X	X	335,598	X	X	X
Total	1,724,262	-	276,800	1,447,879	1,577,495	-	336,188	1,241,898

Key:
FV = fair value
BV = book value

Almost all current accounts and demand deposits are held by Banca Sella Holding, as is the term deposit of 80.5 million used to hold the compulsory reserve, which it manages on the Bank's account. Other loans includes the balance of the current account, again held by Banca Sella Holding, in which Banca Sella deposits the margins for existing derivatives.

Debt securities were exclusively represented by bonds issued by Banca Sella Holding. During the year, the segment decreased by about Euro 59.2 million.

Due from customers - Item 70

Due from customers: product breakdown

Type of transaction/Value	Total 6/30/2015						Total 12/31/2014					
	Book value			Fair Value			Book value			Fair Value		
	Impaired						Impaired					
	In bonis	Acquired	Other	L1	T2	T3	In bonis	Acquired	Other	L1	T2	T3
Loans	6,196,255	- 577,381	-	-	6,930,106	6,400,814	- 560,334	-	-	7,137,619		
1. Current accounts	773,116	- 144,194	X	X	X	841,980	- 148,796	X	X	X		
2. Repurchase agreements receivable	-	-	X	X	X	-	-	X	X	X		
3. Mortgage loans	3,609,689	- 317,324	X	X	X	3,581,966	- 281,268	X	X	X		
4. Credit cards, personal loans and loans on wage	248,926	- 8,896	X	X	X	269,717	- 8,493	X	X	X		
5. Financial leasing	-	-	X	X	X	-	-	X	X	X		
6. Factoring	-	-	X	X	X	-	-	X	X	X		
7. Other loans and	1,564,524	- 106,967	X	X	X	1,707,151	- 121,777	X	X	X		
Debt securities	165	-	-	165	-	212	-	-	212	-		
8. Structured	-	-	X	X	X	-	-	X	X	X		
9. Other debt	165	-	X	X	X	212	-	X	X	X		
Total	6,196,420	- 577,381	-	165	6,930,106	6,401,026	- 560,334	-	212	7,137,619		

The item amounts due from customers did not see any significant changes, falling by -2.7%, mainly due to an extremely small decrease in current accounts and credit cards, personal loans and salary-backed loans, while the mortgages item grew minimally.

Debt securities consists exclusively of a 6% Confidi subordinate bond with maturity at 27 December 2018.

Credit quality

The update of Circular 272 of 20/01/2015 introduced a new classification for impaired loans, eliminating the categories of watchlist and restructured loans, and introducing the category of unlikely to pay.

Additionally, the Bank of Italy requested a parallel running period of 6 months for the banking system, solely for reporting purposes, ending at 30/6/2015, during which reporting was done using both the old categories of watchlist and restructured and the new category of unlikely to pay.

The following categories of impaired loans were reclassified among unlikely to pay:

- restructured (represented by restructuring in pool and objective restructured - positions that have repayment agreements solely with Banca Sella);
- subjective watchlist (positions classified as watchlist due to a judgement by the bank, with a specific resolution);
- revoked watchlist (positions classified as watchlist with credit lines revoked);
- watchlist due to group default (positions classified as impaired due to similar classification by other companies in the Banca Sella Group);
- watchlist with forbearance (forborne non-performing positions classified as watchlist at December 2014 due to measures applied due to the deterioration of the loan for which a period of 12 months of regular payment without any overdue payments exceeding 30 days has not passed)

Objective watchlist, instead, were mainly reclassified among impaired past due exposures.

As indicated above, starting in December 2014, forborne non-performing positions were classified among impaired loans, that is loans subject to concessions (which may consist in a change in the contractual terms and conditions), carried out in order to overcome difficulties in fulfilling financial commitments which have already arisen or will arise soon.

This classification remains unchanged, until the following requirements are met:

- the conditions of the customer do not decline further;

- at least one year has passed from the last forbearance operation;
- the debtor repays the debt regularly on the newly established maturity dates, without delays exceeding 30 days.

During the first half of 2015, changes were made to the policy used to measure and manage impaired loans, which led to updating of the Credit Regulations.

Specifically, in May 2015 new more stringent timeframes were introduced in regards to the management of unlikely to pay positions with revocation of credit lines, in order to improve monitoring and collection. This change reduced the timeframe from 12 to 6 months, starting as of June 2015, with the consequent earlier movement to non-performing of a larger number of positions.

In fact, we note that during the half the stock of revoked unlikely to pay fell by 22%, going from Euro 124.3 million to Euro 95.8 million, and consequently flows moving to non-performing increased, going from Euro 63 million in the first half of 2014 to Euro 122 million in the first half of 2015.

Additionally, in June 2015 discounting at 13 months was introduced for non-revoked unlikely to pay, with the consequent adjustment of this timeframe for revoked unlikely to pay, as well. For the latter, the discounting times, when foreseen, went from 18 months to 13 months.

Application of discounting prior to the revocation of credit lines was carried out for the following cases:

- absence of forbearance measures;
- forbearance measures with overdue amounts exceeding 90 days;
- absence of cash flows, without prejudice to the need for discounting for greater periods in the case of SAL transactions, for positions with debt restructuring with all of the banks and, in any case, in the case that the need to apply greater times is determined after analytical assessment;

On the other hand, discounting is not foreseen in the case of positions with regular forbearance measures or with overdue amounts not exceeding 90 days.

As a whole, the change in discounting parameters produced an economic impact due to increased value adjustments equal to Euro -1.3 million.

During May 2015, a transfer of non-performing positions without recourse was carried out with Banca IFIS, which involved 2,129 positions totalling Euro 33.7 million, with funds received amounting to 3.92%.

The coverage ratio on anomalous loans, understood as total write-downs booked on total impaired cash loans over gross loans disbursed stood at 45.88%, while at 31/12/2014 it came to 44.6% and at 31/12/2013 it was 41.7%.

During the course of 2015, positions classified as forborne saw an increase of Euro 35.7 million, while outgoing flows to forborne performing, meaning those with 12 months of regular payment after forbearance conditions were granted, came to only Euro 3.1 million. The flows of loans which saw revocation due to a lack of respect for the forbearance measures were much larger, totalling around Euro 35 million.

As a whole, the stock of forborne non-performing loans went from Euro 160.4 million in December to Euro 157.8 million in June 2015.

Starting in February 2015, Banca Sella, in the context of an inspection of Banca Sella Holding, regarding: "Analysis of the quality of the group's loan portfolio and effectiveness of the relative lending policies," also became the subject of an inspection by Bank of Italy. The inspection activity was completed on 17 June 2015.

Upon the conclusion of the inspection, relative to measurements taken at 31/12/2014 on positions subject to analytical verification, classification and expected loss differences arose, the latter in an amount totalling around Euro 26.5 million, in part already made independently by Banca Sella during the initial months of 2015, during the inspection.

Note that both the reclassification, with the exception of certain specific and justified exceptions, and the value adjustments were recognised before the completion of the inspection.

Note that the changes in the valuation of sampled exposures were mainly due to deterioration in credit risk, which arose during the initial months of 2015.

In particular, the elements which led to an increase in provisions were:

- classification from unlikely to pay to non-performing through application of more stringent parameters with respect to the previous classification;
- updating of appraisals of properties concerned by our mortgage guarantee;
- application of prudential haircuts on properties guaranteeing certain watchlist loans or non-performing positions, for certain types of properties;
- presence of auctions with no bids during the half;

- admission to bankruptcy proceedings and/or revocation of admission to other similar proceedings, such as settlement agreements;
- commencing of foreclosures;
- lack of cash flow for watchlist positions without revocation of credit lines and/or participation in negotiations together with the banks, with negotiations of a significant duration.

These aspects required adjusting provisions both in terms of measurement and in terms of discounting. In some cases, adjustments were more stringent with respect to the risk category in which the positions were classified, in that they better complied with the principles of prudence and risk supervision in reference to the specific situations being analysed.

With reference to the following tables, the term "credit exposure" is used excluding capital securities and units of UCITS, while the term "exposures" includes those elements.

Breakdown of credit exposure by portfolio and credit quality (book values)

Portfolio/Quality	Non-performing loans	Unlikely to pay	Impaired past due loans	Non-impaired past due loans	Other assets	Total
1. Financial assets held for trading	-	163	22	-	51,821	52,006
2. Financial assets available for sale	-	1,818	-	-	1,465,852	1,467,670
3. Financial assets held to maturity	-	-	-	-	-	-
4. Due from banks	-	-	-	-	1,724,262	1,724,262
5. Due from customers	292,715	266,363	18,303	23,569	6,172,850	6,773,800
6. Financial assets carried at fair value	-	-	-	-	-	-
7. Non-current assets held for sale	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	-	12,942	12,942
Total 30/06/2015	292,715	268,344	18,325	23,569	9,427,727	10,030,680
Total 31/12/2014	253,834	289,123	19,392	25,953	9,299,895	9,888,197

Breakdown of credit exposure by portfolio and credit quality (gross and net amounts)

Portfolio / Quality	Non-performing assets			Performing			Total (net exposure)
	Gross exposure	Specific write-downs	Net exposure	Gross exposure	Portfolio write-downs	Net exposure	
1. Financial assets held for trading	185	-	185	x	x	51,821	52,006
2. Financial assets available for sale	1,818	-	1,818	1,465,852	-	1,465,852	1,467,670
3. Financial assets held to maturity	-	-	-	-	-	-	-
4. Due from banks	-	-	-	1,724,659	397	1,724,262	1,724,262
5. Due from customers	1,063,942	486,561	577,381	6,228,124	31,705	6,196,419	6,773,800
6. Financial assets carried at fair value	-	-	-	x	x	-	-
7. Non-current assets held for sale	-	-	-	-	-	-	-
8. Hedging derivatives	-	-	-	x	x	12,942	12,942
Total 30/06/2015	1,065,945	486,561	579,384	9,418,635	32,102	9,451,296	10,030,680
Total 31/12/2014	1,010,637	448,288	562,349	9,298,158	36,490	9,325,848	9,888,197

Credit exposure of cash and off balance sheet to banks: gross and net amounts

Type of exposure/amounts	Gross exposure	Specific value adjustments	Portfolio adjustments	Net exposure
A. CASH EXPOSURES				
a) Non-performing loans	-	- x	-	-
b) Unlikely to pay	-	- x	-	-
c) Impaired past-due loans	-	- x	-	-
d) Non-impaired past-due loans	-	- x	-	-
e) Other assets	1,813,306	-	397	1,812,909
TOTAL A	1,813,306	-	397	1,812,909
B. OFF BALANCE SHEET EXPOSURES				
a) Impaired	-	-	x	-
b) Other	44,194	x	3	44,191
TOTAL B	44,194	-	3	44,191
TOTAL A+B	1,857,500	-	400	1,857,100

Credit exposure of cash and off balance sheet to customers: gross and net amounts

Type of exposure/amounts	Gross exposure	Specific value adjustments	Portfolio adjustments	Net exposure
A. CASH EXPOSURES				
a) Non-performing loans	713,845	421,129	x	292,716
b) Unlikely to pay	331,638	63,457	x	268,181
c) Impaired past-due loans	-	-	x	-
d) Non-impaired past-due loans	20,278	1,975	x	18,303
e) Other assets	7,629,587		31,705	7,597,882
TOTAL A	8,695,348	486,561	31,705	8,177,082
B. OFF BALANCE SHEET EXPOSURES				
a) Impaired	9,808	-	x	9,808
b) Other	567,876	x	1,289	566,587
TOTAL B	577,684	-	1,289	576,395
TOTAL A+B	9,273,032	486,561	32,994	8,753,477

Hedging derivatives - Item 80

Hedging derivatives: breakdown by hedge type and level

	FV 30/06/2015			NV 30/06/2015	FV 30/06/2014			NV 30/06/2014
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	A) Financial derivatives							
1) Fair value	-	12,942	-	230,740	-	14,177	-	270,356
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B) Credit derivatives								
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	12,942	-	230,740	-	14,177	-	270,356

Key:
 NV = notional value
 FV = fair value

Fair value adjustment of financial assets in hedged portfolios - Item 90

Fair value adjustments of hedged assets: breakdown by hedged portfolio

Value adjustments of hedged assets / Values	Total 30/06/2015	Total 31/12/2014
1. Increases	112,068	133,803
1.1 of specific portfolios:	112,068	133,803
a) receivables	112,068	133,803
b) financial assets available for sale	-	-
1.2 total	-	-
2. Decreases	-	-
2.1 of specific portfolios:	-	-
a) receivables	-	-
b) financial assets available for sale	-	-
2.2 total	-	-
Total	112,068	133,803

The item represents the fair value adjustment for the interest rate risk component of all fixed rate loans hedged for said risk using specific derivative contracts, under "macro fair value hedging". The change during the course of the financial year is due to the increase in variable rates on the market with respect to fixed rates for loans.



Due to banks - Item 10

Due to banks: product breakdown

Type of transaction/Value	Total 30/06/2015	Total 31/12/2014
1. Due to central banks	-	-
2. Due to banks	318,520	26,851
2.1 Current accounts and demand deposits	21,613	5,664
2.2 Term deposits	296,464	20,418
2.3 Loans and advances	23	23
2.3.1 Repurchase agreements	-	-
2.3.2 Others	23	23
2.4 Liabilities for repurchase commitments of own equity instruments	-	-
2.5 Other payables	420	746
Total	318,520	26,851
Fair value - level 1	-	-
Fair value - level 2	-	-
Fair value - level 3	318,520	26,851
Total fair value	318,520	26,851

The item increased due to the increase in term deposits, which were mainly with the parent company.

Due to customers - Item 20

Due to customers: product breakdown

Type of transaction/Value	Total 30/06/2015	Total 31/12/2014
1. Current accounts and demand deposits	7,121,520	7,070,459
2. Term deposits	875,882	809,034
3. Loans	257,533	339,494
3.1 Repurchase agreements	204,923	297,286
3.2 Others	52,610	42,208
4. Liabilities for repurchase commitments of own equity instruments	-	-
5. Other payables	292,378	335,830
Total	8,547,313	8,554,817
Fair value - level 1	-	-
Fair value - level 2	-	-
Fair value - level 3	8,547,313	8,554,817
Fair value	8,547,313	8,554,817

The first half of 2015 confirmed the positive trend for deposits, with an increase in both current accounts and demand deposits, as well as term deposits.

Securities in issue - Item 30

Securities in issue: product breakdown

Type of securities / Values	Total 30/06/2015					Total 31/12/2014				
	Book Value	Fair Value			Book Value	Fair Value				
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3		
A. Securities										
1. Bonds	813,254	-	840,116	-	954,781	-	971,462	-		
1.1 structured	-	-	-	-	-	-	-	-		
1.2 others	813,254	-	840,116	-	954,781	-	971,462	-		
2. Other securities	67	-	-	67	68	-	-	68		
2.1 structured	-	-	-	-	-	-	-	-		
2.2 other	67	-	-	67	68	-	-	68		
Total	813,321	-	840,116	67	954,849	-	971,462	68		

Financial liabilities held for trading - Item 40

Financial liabilities held for trading: product breakdown

Type of transaction/Value	Total 30/06/2015					Total 31/12/2014				
	NV	FV			FV*	NV	FV			FV*
		L1	T2	T3			L1	T2	T3	
A. Cash liabilities										
1. Due to banks	-	-	-	-	-	-	-	-	-	-
2. Due to customers	-	-	-	-	-	-	-	-	-	-
3. Debt securities	-	-	-	-	-	-	-	-	-	-
3.1 Bonds	-	-	-	-	-	-	-	-	-	-
3.1.1 Structured	-	-	-	-	X	-	-	-	-	X
3.1.2 Other bonds	-	-	-	-	X	-	-	-	-	X
3.2 Other securities	-	-	-	-	-	-	-	-	-	-
3.2.1 Structured	-	-	-	-	X	-	-	-	-	X
3.2.2 Others	-	-	-	-	X	-	-	-	-	X
Total A	-	-	-	-	-	-	-	-	-	-
B. Derivative instruments										
1. Financial derivatives	x	148	27,603	-	x	x	15	24,235	-	x
1.1 Held for trading	x	148	27,603	-	x	x	15	24,235	-	x
1.2 Linked to fair value option	x	-	-	-	x	x	-	-	-	x
1.3 Others	x	-	-	-	x	x	-	-	-	x
2. Credit derivatives	x	-	-	-	x	x	-	-	-	x
2.1 Held for trading	x	-	-	-	x	x	-	-	-	x
2.2 Linked to fair value option	x	-	-	-	x	x	-	-	-	x
2.3 Others	x	-	-	-	x	x	-	-	-	x
Total B	x	148	27,603	-	x	x	15	24,235	-	x
Total (A+B)	x	148	27,603	-	x	x	15	24,235	-	x

Key

FV= fair value;
after the issue date.

FV*= fair value calculated excluding changes in value due to changes in the creditworthiness of the issuer

NV = nominal or notional value;

L1= level 1;

L2= level 2;

Level 3 = level 3

Hedging derivatives - Item 60

6.1 Hedging derivatives: breakdown by hedge type and hierarchy level

	Fair Value			NV	Fair Value			NV
	L1	T2	T3		L1	T2	T3	
A. Financial derivatives	-	117,514	-	501,587	-	136,676	-	526,445
1) Fair value	-	117,514	-	501,587	-	136,676	-	526,445
2) Cash flows	-	-	-	-	-	-	-	-
3) Foreign investments	-	-	-	-	-	-	-	-
B. Credit derivatives	-	-	-	-	-	-	-	-
1) Fair value	-	-	-	-	-	-	-	-
2) Cash flows	-	-	-	-	-	-	-	-
Total	-	117,514	-	501,587	-	136,676	-	526,445

The item consists of interest rate swap contracts hedging interest rate risks for all fixed-rate loans under “macro fair value hedging”.

The change during the course of the financial year is due to the increase in variable rates on the market with respect to fixed rates for derivative contracts.

Other information

Guarantees Given and Commitments

Transactions	Amount 30/06/2015	Amount 31/12/2014
1) Financial guarantees issued	61,976	64,431
a) Banks	16,837	16,837
b) Customers	45,139	47,594
2) Commercial guarantees issued	188,112	187,765
a) Banks	1,074	454
b) Customers	187,038	187,311
3) Irrevocable commitments to disburse funds	282,544	276,456
a) Banks	1,328	6,015
i) usage certain	1,328	6,015
ii) usage uncertain	-	-
b) Customers	281,216	270,441
i) usage certain	26	122
ii) usage uncertain	281,190	270,319
4) Commitments underlying credit derivatives: protection sales	-	-
5) Assets used in guarantee of third-party obligations	500	500
6) Other commitments	-	-
Total	533,132	529,152

Management and broking for customer accounts:

Type of services	Amount 30/06/2015	Amount 31/12/2014
1. Orders carried out on behalf of customers	-	-
a) purchases	-	-
1. settled	-	-
2. not settled	-	-
b) sales	-	-
1. settled	-	-
2. not settled	-	-
2. Portfolio management	1,732,453	1,621,176
a) Individual	1,732,453	1,621,176
b) Collective	-	-
3. Custody and administration of securities	22,865,193	22,364,257
a) third-party securities on deposit as custodian bank (exclusive of portfolios managed)	-	-
1. securities issued by the reporting bank	-	-
2. other securities	-	-
b) third party securities on deposit (excluding portfolio management): other	9,631,720	9,123,479
1. securities issued by the reporting bank	426,768	178,903
2. other securities	9,204,952	8,944,576
c) third-party securities deposited with third parties	10,798,307	10,765,484
d) own securities deposited with third parties	2,435,166	2,475,294
4. Other transactions	60,577,935	105,134,135

Indirect deposits, breakdown

	30/06/2015	31/12/2014
a) Indirect deposits from management and broking for third parties (see previous table)		
- Portfolio management	1,732,453	1,621,176
- Custody and administration of securities:		
- third-party securities on deposit as custodian bank (exclusive of assets managed) - Other securities	-	-
- other third party securities on deposit (excluding asset management): other - Other securities	9,204,952	8,944,576
b) Indirect deposits from insurance policies	955,939	823,717
Total indirect deposits	11,893,344	11,389,469



Interest - Items 10 and 20

Interest receivables and similar income: breakdown

Item/Technical type	Debt securities	Loans	Other transactions	Total 30/06/2015	Total 30/06/2014
1. Financial assets held for trading	168	-	406	574	426
2. Financial assets available for sale	8,701	12	-	8,713	5,529
3. Financial assets held to maturity	-	-	-	-	14,988
4. Due from banks	1,022	2,251	-	3,273	4,238
5. Due from customers	5	113,879	-	113,883	131,260
6. Financial assets carried at fair value	-	-	-	-	-
7. Hedging derivatives	x	x	4,239	4,239	4,009
8. Other assets	x	x	6	6	88
Total	9,896	116,142	4,651	130,688	160,538

Interest liabilities and similar expenses: breakdown

Item/Technical type	Payables	Securities	Other transactions	Total 30/06/2015	Total 30/06/2014
1. Due to central banks	-	x	-	-	-
2. Due to banks	141	x	-	141	593
3. Due to customers	19,763	x	-	19,763	29,020
4. Securities in issue	x	10,400	-	10,400	13,665
5. Financial liabilities held for trading	-	-	344	344	99
6. Financial liabilities carried at fair value	-	-	-	-	-
7. Other liabilities and reserves	x	x	44	44	1
8. Hedging derivatives	x	x	12,793	12,793	12,349
Total	19,904	10,400	13,181	43,485	55,727

Fees - Items 40 and 50

Fee income: breakdown

Type of service/Value	Total 30/06/2015	Total 30/06/2014
a) sureties issued	1,935	1,680
b) credit derivatives	-	-
c) asset management, brokerage and advisory services:	39,169	33,905
1. financial instruments trading	6	-
2. currency trading	810	605
3. portfolio management	7,009	6,148
3.1. individual	7,009	6,148
3.2 collective	-	-
4. custody and administration of securities	838	932
5. depositary bank	7	-
6. placement of securities	12,549	8,831
7. activities related to receiving and sending orders	12,365	13,067
8. consultancy activities	39	25
8.1 regarding investments	39	25
8.2 regarding financial structure	-	-
9. distribution of third party services	5,546	4,297
9.1 portfolio management	-	-
9.1.1. individual	-	-
9.1.2. collective	-	-
9.2 insurance products	5,032	3,668
9.3 other products	514	629
d) collection and payment services	54,762	50,559
e) servicing of securitisation transactions	1	102
f) services for factoring transactions	-	-
g) tax collection services	-	-
h) activities for management of multilateral trading facilities	-	-
i) current account keeping and management	11,451	11,484
j) other services	19,568	20,151
Total	126,886	117,881

Below is the breakdown of the subitem relative to other services:

Fee income: breakdown of subitem "Other services"

	30/06/2015	30/06/2014
- credit and debit cards	5,312	5,531
- expense recovery on loans to customers	574	629
- fees and commissions on relations with credit institutions	309	283
- safe deposit box leasing	96	86
- recovery of postal, printing and similar expenses	901	904
- fees on loans to customers	10,130	10,403
Other	2,246	2,315
Total "other services"	19,568	20,151

Fee expense: breakdown

Service/Amount	Total 30/06/2015	Total 30/06/2014
a) sureties received	184	193
b) credit derivatives	-	-
c) asset management and brokerage services:	13,082	11,174
1. financial instruments trading	3,648	3,458
2. currency trading	-	-
3. portfolio management:	-	-
3.1 own	-	-
3.2 delegated by third-parties	-	-
4. custody and administration of securities	225	218
5. placement of financial instruments	-	-
6. off-site sales of financial instruments, products and services	9,209	7,498
d) collection and payment services	27,031	24,552
e) other services	966	748
Total	41,263	36,667

Below is the breakdown of the subitem relative to other services:

Fee expense: breakdown of subitem "Other services"

	30/06/2015	30/06/2014
Relations with banks	357	152
Loans	95	385
Other	610	211
Total "Other services"	967	748

Dividends and similar income - Item 70

Dividends and similar income: breakdown

Item/Income	Total 30/06/2015		Total 30/06/2014	
	Dividends	Income from UCITS units	Dividends	Income from UCITS units
A. Financial assets held for trading	-	-	-	-
B. Financial assets available for sale	63	-	80	-
C. Financial assets carried at fair value	-	-	-	-
D. Equity investments	-	x	-	x
Total	63	-	80	-

Net income (losses) from trading activities -Item 80

Net income (losses) from trading activities: breakdown

Transactions/Income components	Capital gains (A)	Trading profits (B)	Capital losses (C)	Trading losses (D)	Net gains (losses) [(A+B) - (C+D)]
1. Financial assets held for trading	184	81	(9)	(16)	240
1.1 Debt securities	184	81	(9)	(16)	240
1.2 Equity securities	-	-	-	-	-
1.3 UCITS units	-	-	-	-	-
1.4 Loans and advances	-	-	-	-	-
1.5 Others	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
2.1 Debt securities	-	-	-	-	-
2.2 Payables	-	-	-	-	-
2.3 Others	-	-	-	-	-
3. Financial assets and liabilities: exchange rate differences	x	x	x	x	4,482
4. Derivative instruments	3,071	1,617	(2,574)	(1,659)	1,364
4.1 Financial derivatives:	3,071	1,617	(2,574)	(1,659)	1,364
- On debt securities and interest rates	3,071	1,617	(2,574)	(1,659)	455
- On equity securities and stock indices	-	-	-	-	-
- On currencies and gold	x	x	x	x	909
- Others	-	-	-	-	-
4.2 Credit derivatives	-	-	-	-	-
Total	3,255	1,699	(2,583)	(1,675)	6,085

Net income (losses) from hedging activities - Item 90

Net income (losses) from hedging activities: breakdown

Income components/Amounts	Total 30/06/2015	Total 30/06/2014
A. Income from:		
A.1 Fair value hedging derivatives	22,243	2,466
A.2 Hedged financial assets (fair value)	-	21,114
A.3 Hedged financial liabilities (fair value)	2,412	-
A.4 Cash flow hedging derivatives	-	-
A.5 Assets and liabilities in foreign currencies	-	-
Total hedging income (A)	24,655	23,580
B. Expenses from:		
B.1 Fair value hedging derivatives	2,956	22,860
B.2 Hedged financial assets (fair value)	21,735	-
B.3 Hedged financial liabilities (fair value)	-	755
B.4 Cash flow hedging derivatives	-	-
B.5 Assets and liabilities in foreign currencies	-	-
Total expenses for hedging activities (B)	24,691	23,615
C. Net gains/(losses) on hedging activities (A-B)	(36)	(35)

Profit (losses) from sales/repurchases - Item 100

Profit (losses) from sales/repurchases: breakdown

Item/Income component	Total 30/06/2015			Total 30/06/2014		
	Gains	Losses	Net income/losses	Gains	Losses	Net income/losses
Financial assets						
1. Due from banks	-	-	-	-	-	-
2. Due from customers	54	3	51	-	-	-
3. Financial assets available for sale	12,628	1,008	11,620	8,677	370	8,307
3.1 Debt securities	12,628	1,008	11,620	8,677	370	8,307
3.2 Equity securities	-	-	-	-	-	-
3.3 UCITS units	-	-	-	-	-	-
3.4 Loans and advances	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets	12,682	1,011	11,671	8,677	370	8,307
Financial liabilities						
1. Due to banks	-	-	-	-	-	-
2. Due to customers	-	-	-	81	-	81
3. Securities in issue	6	15	(9)	16	515	(499)
Total liabilities	6	15	(9)	97	515	(418)

Net value adjustments for impairment - Item 130

Net value adjustments for impairment of loans: breakdown

Transactions/Income components	Write-downs (1)			Write-backs (2)				Total	
	Specific		Portfolio	Specific		Portfolio		30/06/2015	30/06/2014
	Write-offs	Other		To	B	To	B		
A. Due from banks									
- Loans	-	-	-	-	-	-	-	-	45
- Debt securities	-	-	-	-	-	-	-	-	-
B. Due from customers									
Impaired loans acquired									
- Loans	-	-	x	-	-	x	x	-	-
- Debt securities	-	-	x	-	-	x	x	-	-
Other receivables									
- Loans	(692)	(80,183)	-	7,801	8,988	-	4,364	(59,722)	(47,937)
- Debt securities	-	-	-	-	-	-	-	-	-
C. Total	(692)	(80,183)	-	7,801	8,988	-	4,364	(59,722)	(47,892)

Net impairment losses on financial assets available for sale: breakdown

Transactions/Income components	Write-downs (1)		Write-backs (2)		Total 30/06/2015	Total 30/06/2014
	Specific		Specific			
	Write-offs	Other	To	B		
A. Debt securities	-	-	-	-	-	-
B. Equity securities	-	-	-	-	-	-
C. UCITS units	-	-	x	x	-	-
D. Lending to banks	-	-	x	-	-	-
E. Lending to customers	-	(6)	-	-	(6)	-
F. Total	-	(6)	-	-	(6)	-

Key: A=from interest B=other write-backs

Net impairment losses on other financial transactions: breakdown

Transactions/Income components	Write-downs (1)			Write-backs (2)				Total	
	Specific		Portfolio	Specific		Portfolio		30/06/2015	30/06/2014
	Write-offs	Other		To	B	To	B		
A. Sureties issued	-	-	-	-	-	-	148	148	(368)
B. Credit derivatives	-	-	-	-	-	-	-	-	-
C. Commitments to disburse funds	-	-	-	-	-	-	-	-	-
D. Other operations	-	-	-	-	-	-	-	-	(19)
E. Total	-	-	-	-	-	-	148	148	(387)

Key: A=from interest B=other write-backs

Administrative expenses - Item 150

Expenses for personnel: breakdown

Type of expense/Amount	Total	Total
	30/06/2015	30/06/2014
1) Employees	77,446	76,699
a) Wages and Salaries	56,704	56,274
b) Social security contributions	13,807	14,436
c) Severance indemnities	1,652	2,011
d) Pension expenses	550	-
e) Provision for severance indemnities	23	53
f) Provision for pension fund and similar commitments:	-	-
- defined contribution	-	-
- defined benefit	-	-
g) Payments into external supplementary pension funds:	2,290	2,213
- defined contribution	2,290	2,213
- defined benefit	-	-
h) Costs deriving from share-based payment agreements	-	-
i) other employee benefits	2,420	1,712
2) Other current personnel	208	135
3) Directors and auditors	276	362
4) Retired personnel expenses	-	-
5) Recovery of costs of employees on secondment to other companies	(1,152)	(993)
6) Recovery of costs of employees on secondment within the Company	1,379	1,144
Total	78,155	77,347

Other employee benefits

Type of expense/Amount	Total	Total
	30/06/2015	30/06/2014
- early retirement incentives and provision to support income	98	21
- benefits for dependent children	21	22
- benefits in kind	768	656
- insurance expenses	715	683
- professional training courses	385	207
- travel expenses	52	40
Other	381	83
Total	2,420	1,712

Other administrative expenses: breakdown

Type of service/Value	Total 30/06/2015	Total 30/06/2014
Legal and notarial expenses	2,723	2,922
IT assistance and sundry advice	1,596	1,556
Other expenses for professional services	24	6
Printing and stationery	240	202
Leasing of electronic machines and software licences	251	173
Sundry rentals and expenses for services provided by third parties	16,492	14,232
Fees for data transmission and telephone	1,644	1,478
Postal and telegraphic expenses	1,682	1,917
Transport expenses	200	311
Cleaning of premises	444	473
Surveillance and escort of valuables	1,267	1,164
Electricity and heating	1,535	1,554
Rent of premises	9,177	9,302
Sundry insurance policies	487	489
Advertising and promotion	1,425	1,199
Entertainment expenses	100	66
Donations	70	207
Membership fees	369	411
Subscriptions and books	49	30
Information and inspections	1,315	858
Travelling expenses	1,015	797
Expenses for interbank network service	325	311
Expenses for web site	5	3
Pension expenses for financial promoters	-	-
Other fees payable	-	-
Other	841	1,078
Maintenance and repair expenses	3,657	3,940
- Properties owned	99	106
- Movables	1,319	1,280
Hardware and software	2,239	2,554
Indirect taxes	19,890	19,093
- Stamp duty	18,616	17,881
- Substitute tax Pres. Dec. 601/73	695	573
- Single municipal tax (IMU)	140	123
- Other indirect taxes and duties	439	516
Total	66,821	63,772

Net provisions for risks and charges - Item 160

Net provisions for risks and charges: breakdown

	Balances as of: 30/06/2015	Balances as of: 30/06/2014
Provisions for risks and charges for revocations	115	-
Provisions for personnel	1,290	-
Provisions for legal disputes	1,001	692
Provisions for customer complaints	76	6
Provisions for employee disloyalty	1	1
Provisions for FISC	15	11
Other provisions	339	907
Reattributions to Income Statement relative to provisions for revocations	(10)	-
Reattributions to Income Statement relative to provisions for personnel	(5)	-
Reattributions to Income Statement relating to legal disputes	(332)	(41)
Reattributions to Income Statement relating to customer complaints	(64)	(121)
Reattributions to Income Statement relating to other provisions	(39)	-
Total	2,387	1,455

Net value adjustments on tangible assets - Item 170

Net value adjustments on tangible assets: breakdown

Asset/Income component	Amortisation/depreciation (a)	Impairment losses(b) (b)	Write- backs (c)	Net income/losses
				(a + b + c) 30/06/2015
A. Tangible assets				
A.1 Company owned	3,781	-	-	3,781
- For business purposes	3,666	-	-	3,666
- For investment	115	-	-	115
A.2 Assets acquired through financial leasing	-	-	-	-
- For business purposes	-	-	-	-
- For investment	-	-	-	-
Total	3,781	-	-	3,781

Net value adjustments on intangible assets - Item 180

Net value adjustments on intangible assets: breakdown

Asset/Income component	Amortisation/depreciation (a)	Impairment losses(b) (b)	Write- backs (c)	Net income/losses
				(a + b + c) 30/06/2015
A. Intangible assets				
A.1 Company owned	5,834	-	-	5,834
- Generated internally by the company	1,240	-	-	1,240
- Other	4,594	-	-	4,594
A.2 Assets acquired through financial leasing	-	-	-	-
Total	5,834	-	-	5,834

Other operating income and expenses - Item 190

Other operating expenses: breakdown

	Total 30/06/2015	Total 30/06/2014
Amortization of expenses for improvements on third party assets	240	408
Losses connected to operating risk	941	2,291
Refunds of interest on collection and payment transactions	-	8
Penalties payable for contract defaults	2	1
Restitution of Fund/SICAV incentives to customers (MIFID)	-	221
Other charges	204	310
Total	1,387	3,239

Other operating income: breakdown

	Total 30/06/2015	Total 30/06/2014
Rents and instalments receivable	288	224
Charges to third parties and refunds received:	18,634	17,876
- taxes recovered	18,615	17,630
- insurance premiums and refunds	19	246
Expenses recovered and other revenues on current accounts and deposits	4,825	5,156
Income for software services	2,817	2,598
Recoveries of interest on collection and payment transactions	4	5
POS fees receivable	1,192	1,284
Administrative services rendered to third parties	3,155	2,847
Penalties receivable for contract defaults	13	5
Expenses recovered for services rendered in relation to credit recovery	1,365	1,538
Recovery of other expenses	3	-
Income from the sale of the business unit	-	-
Other income	1,729	1,629
Total	34,025	33,162

Income taxes for the year on continuing operations - Item 260

Income taxes for the year on continuing operations: breakdown

Income components/Amounts	Total 30/06/2015	Total 30/06/2014
1. Current taxes (-)	(7,232)	(19,741)
2. Change in current taxes of previous years (+/-)	(63)	2,771
3. Decreases in current taxes for the year (+)	2	9
3. bis Reduction in current taxes for the year for tax credits pursuant to law 214/2011 (+)	-	-
4. Changes in prepaid taxes (+/-)	4,423	5,810
5. Changes in deferred taxes (+/-)	429	376
6. Taxes for the year (-) (-1+/-2+3+3bis+/-4+/-5)	(2,441)	(10,775)



Own funds and bank capital adequacy ratios

Below are the main features of the shares included in Banca Sella's Common Equity Tier 1 – CET1 at 30 June 2015:

- 563,193,010 ordinary shares with a nominal value of Euro 0.50 (zero point fifty) each, including share premiums, reserves and profits accrued for a calculable value of Euro 608,847,817;

There were not calculable financial instruments in Additional Tier 1 Capital at 30 June 2015.

Tier 2 - T2 included subordinated loans issued by Banca Sella at 30 June 2015 for a calculable amount of Euro 224,157,646.

	Total 06 2015	Total 12 2014
A. Common Equity Tier 1 - CET1 before application of prudential filters	608,848	609,451
of which CET1 instruments subject to transitional provisions	-	-
B. CET1 prudential filters (+/-)	(659)	(539)
C. CET1 gross of elements to be deducted and the effects of the transitional regime (A +/- B)	608,188	608,912
D. Elements to be deducted from CET1	47,842	45,588
E. Transitional regime - Impact on CET1 (+/-)	(4,639)	(9,951)
F. Total Common Equity Tier 1 (Common Equity Tier 1 - CET1) (C - D +/- E)	555,707	553,373
G. Additional Tier 1- AT 1, gross of elements to be deducted and the effects of the transitional regime	130	-
of which AT1 instruments subject to transitional provisions	-	-
H. Elements to be deducted from AT1	-	-
I. Transitional regime - Impact on AT1 (+/-)	(130)	-
L. Total Additional Tier 1 (Additional Tier 1 - AT1) (G - H +/- I)	-	-
M. Tier 2- AT 2, gross of elements to be deducted and the effects of the transitional regime	224,158	239,287
of which T2 instruments subject to transitional provisions	45,163	37,333
N. Elements to be deducted from T2	-	-
O. Transitional regime - Impact on T2 (+/-)	-	11
P. Total Tier 2 - T2 (M - N +/- O)	224,158	239,298
Q. Total own funds (F + L + P)	779,865	792,671

On the basis of prudential regulatory provisions, the total requirement is equal to the sum of the capital requirements prescribed against credit and counterpart, adjustment of credit measurement, regulatory, market and operating risk.

In general, methods used to calculate capital requirements refer to the standardised approach and basic indicator approach (BIA), in terms of operating risk.

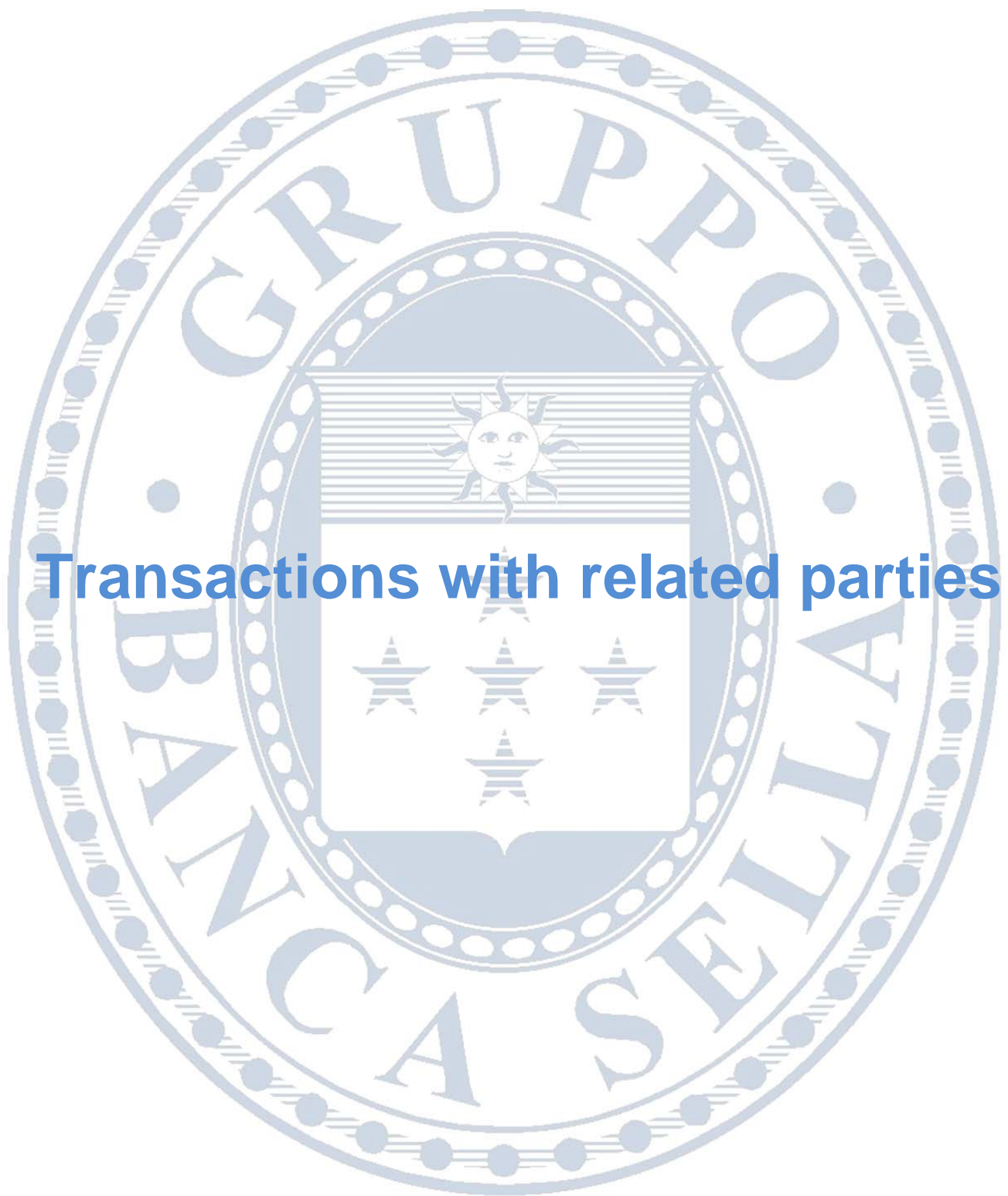
Banca Sella's capital management policies have the goal of guaranteeing that the capital base is in line with the level of risk taken on, while complying with regulatory requirements and company development plans.

Capital adequacy

Categories/Amounts	Non-weighted amounts		Weighted amounts/requirements	
	30/06/2015	31/12/2014	30/06/2015	31/12/2014
A. RISK ASSETS				
A.1 Credit and Counterparty Risk	10,636,601	10,563,872	4,210,672	4,296,555
1. Standard method	10,636,601	10,563,872	4,210,672	4,296,555
2. Methodology based on internal ratings	-	-	-	-
2.1 Basic	-	-	-	-
2.2 Advanced	-	-	-	-
3. Securitisations	-	-	-	-
B. REGULATORY CAPITAL REQUIREMENTS				
B.1 Credit and counterparty risk			336,854	343,724
B.2 Credit evaluation adjustment risk			945	4,119
B.3 Regulatory risk			-	-
B.4 Market risks			1,903	2,194
1. Standard method			1,903	2,194
2. Internal models				
3. Concentration risk			-	-
B.5 Operating risk			59,588	59,588
1. Basic method			59,588	59,588
2. Standard method				
3. Advanced method				
B.6 Other capital requirements				
B.7 Other calculation elements				
B.8 TOTAL PRUDENTIAL REQUIREMENTS			399,290	409,624
C. RISK ASSETS AND CAPITAL RATIOS				
C.1 Risk-weighted assets			4,991,121	5,120,302
C.2 Common equity Tier 1/Risk-weighted assets (CET1 capital ratio)			11.13%	10.81%
C.3 Tier 1 capital/Risk weighted assets (Tier 1 capital ratio)			11.13%	10.81%
C.4 Total own funds/Risk-weighted assets (Total capital ratio)			15.63%	15.48%

At 30 June 2015, the capital ratios exceeded the minimum requirements foreseen in the regulations in effect as of the reporting date:

- Common Equity Tier 1 ratio: 11.13%, against a minimum level of 5.125%;
- Tier 1 ratio: 11.13%, against a minimum level of 6.625%;
- Total Capital ratio: 15.63%, against a minimum level of 8.625%.



Information on the remuneration of managers with strategic responsibility

In accordance with IAS 24, the types of related parties, with reference to the specific organisational structure and governance, comprise:

- a) Banca Sella Holding S.p.A. as the parent company of the banking Group which controls Banca Sella S.p.A.;
- b) directors, statutory auditors and top management of Banca Sella S.p.A. (managers with strategic responsibilities);
- c) companies controlled by or associated with one of the subjects referred to in point b);
- d) close family members of one of the subjects referred to in point b);
- e) directors, statutory auditors and top management of the controlling company Banca Sella Holding (managers with strategic responsibilities);
- f) the companies of the Group in as much as, together with Banca Sella S.p.A., subject to the direction and coordination of Banca Sella Holding S.p.A.;

With the 9th update, on 12 December 2011, the Bank of Italy introduced into Circular no. 263 "New regulations for the prudential supervision of banks", the new TITLE V - Chapter 5 (Section IV) "Risk activities and conflict of interest with regards to related parties" in application of CICR Resolution no. 277 of 29 July 2008 and Art. 53, paragraphs 4, 4-ter and 4-quater of Italian Legislative Decree no. 385 of 1 September 1993.

The Bank introduces these provisions, explaining that "The regulation of related party transactions aims to monitor the risk that the nearness of some subjects to the bank's decision-making units may compromise the objectivity and impartiality of the decisions relating to the granting of loans and other transactions with regards to said subjects, with possible distortion of the resource allocation process, exposure of the bank to risks that have not been adequately measured or monitored and potential damages for investors and shareholders".

As parent company of the banking Group, Banca Sella Holding S.p.A. has prepared suitable group procedures to ensure compliance with the above provisions, the general rules of which are dictated by two internal regulatory documents: the "Group Regulation for the management of related party transactions" and the "Internal Controls Policies". Both documents have been approved by the Board of Directors of the parent company and subsequently enacted by the Bank.

The table below indicates the fees received by managers with strategic responsibilities. The managers with strategic responsibilities also include directors and statutory auditors.

Fees paid to managers with strategic responsibilities *in Euro thousands*

Item	Total 30/06/2015
a) Short-term employee benefits	377
b) Post-employment benefits	-
c) Other long-term benefits	-
d) Severance indemnities	22
e) Share-based payments	-
Total	399

Fees paid to Directors and Statutory Auditors *in Euro thousands*

Item	Total 30/06/2015
Directors	200
Statutory Auditors	80
Total	280

Information on transactions with related parties

Transactions with related parties were carried out, as a rule, on the basis of terms equivalent to those applied for operations performed with independent third parties.

Related party transactions *(in Euro thousands)*

Type of related party	Assets	Liabilities	Income	Expenses	Guarantees received	Guarantees granted
Parent Company	-	13,393	1	54	-	-
Entity exercising significant influence on the companies	-	-	-	-	-	-
Directors and managers with strategic responsibilities	1,464	23,271	54	100	217	-
Subsidiaries	-	-	-	-	-	-
Associated companies	-	-	-	-	-	-
Jointly-controlled companies	-	-	-	-	-	-
Other related parties	1,744	8,502	281	539	153	156
Total	3,208	45,166	336	692	370	156

Banca Sella has offered some services to the companies in the Group. Those relative to Corporate Secretarial, Inspectorate, Computer Security and Bond Loan Issues continue to be fulfilled by Banca Sella Holding. These activities, which are governed by specific contracts, are carried out following assessments of mutual benefit, in line with market terms, with the aim of creating value within the Group.