HALF-YEARLY REPORTS AND ACCOUNTS AS AT 30 JUNE 2013

MEDIOCREDITO
INVESTITIONSBANK
TRENTINO ALTO ADIGE SÜDTIROL

Presented by the Director General
to the Board of Directors
on 27 August 2013

HALF-YEARLY REPORTS AND ACCOUNTS AS AT 30 JUNE 2013

60° Accounting period

1953-2013

MEDIOCREDITO TRENTINO - ALTO ADIGE – S.P.A.

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Parent company of Gruppo Bancario Mediocredito Trentino – Alto Adige
Registered with the Banking Group Register

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The English version of the half-yearly Report is a translation of the Italian text provided for the convenience of international readers. The original document in Italian prevails over any translation.

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GENERAL OVERVIEW

International and Italian economic situation

In the early months of 2013, the world economy has benefited from the consolidation of the recovery in the U.S. and the expansion in Japan, while in the major emerging countries and particularly in China, growth lost momentum whilst remaining overall strong.

According to projections by the International Monetary Fund released in July, global growth for the whole of 2013 is expected to be 3.1% (stable compared to 2012), due to a slight decline in activity in the Eurozone, offset by slow growth in the U.S. and in emerging countries. For the Eurozone, forecasts for the current year show a decline in GDP of 0.6%, in line with 2012.[1]

In the first quarter, GDP rose by 1.8% in the United States; by 1.1% in the UK; Japan has experienced a marked growth acceleration (4.1%), while in China the GDP growth fell to 7.7% over the corresponding period (from 7.9% in the previous quarter), especially due to slow down in investment demand. As for the countries in the Eurozone, the GDP fell by 0.2% in comparison to the previous quarter and by 1.1% in comparison with the same quarter of 2012, with negative growth trends in all major economies of the Eurozone. The first figures for the second quarter of 2013 saw the Eurozone GDP up by 0.3%, a value higher than expected. It is the first positive figure after six consecutive negative quarters.

In the first quarter, the Italian GDP fell by 0.6% compared to the previous quarter and by 2.4% against the first quarter of 2012 reflecting the continuing decline in household expenditure and investment, not offset by the growth in trade. Preliminary estimates for the second quarter show an improvement, indicating a fall in GDP decline to 0.2% compared to the previous quarter and 2.0% compared to the second quarter of 2012.
For the current year, the Italian GDP is expected to reduce its decline to 1.8-1.9% on an annual basis compared to the data of 2012 (-2.4%). This is partly due to the trend reversal expected in the last months of the year.
The first half of 2013 brings a slight decline in exports trends (-0.4%), while imports are in marked decrease (-7.0%). The positive balance of the period reached € 12.3 billion, net of energy products, close to €40 billion.

At the end of the first half of the year, industrial production in Italy showed the first signs of recovery with an increase of 0.3% in June 2013 figures when compared with May. On average, in the first half of the year production decreased by 4.0% compared to the same period last year, although showing an improvement when compared to the first half of 2012 (-5.3%).
As for business confidence levels, economic surveys conducted in June show that short term estimate of the current economic conditions and expectations by the industry sector have moderately improved, while showing a deterioration in business confidence in the construction, market services and retail trade sector.

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[1] FMI, World Economic Outlook, July 2013.

Starting from June there has been an improvement in consumer confidence.

Regarding employment, in the first part of the year there were no positive signs, with unemployment in Italy continuing to grow at a steady pace. In May, the unemployment rate stood at 12.2%, up by 0.2 percent points compared to April and by 1.8 points over the twelve months period. The increase continues to affect both the male and the female population.
The wide margin of unused capacity and weak demand prospects continue to stifle investment: in the first quarter of 2013 gross fixed capital formation fell by 3.3 percent over the previous period, with the component related to the construction sector scoring the sharper contraction since the end of 2008 (-3.9 percent).

Expectations for 2013 point to a further decline in investments in the year as a whole, although less intense than in 2012 (-3.7 percent in the industry sector and -6.3 in services).[2]

During spring 2013, consumer prices in Italy started decreasing: in June, the change was +1.4% y/y, a value lower than the average in Eurozone (+1.7%)[3], due to containment in profit margins and strong cost moderation, influenced by the reduction in energy prices.

The economic situation in the areas of operation of the bank

Focusing on the manufacturing sector for Trentino in the North-East – that in the previous three quarters had shown a certain degree of resilience – the sector showed major weaknesses in the first quarter of 2013 (-4.4% change in sales on an annual basis, similar to the change in production). This trend is probably due to a loss in exports. Companies in the food and drink sector still showed a highly positive trend, while the chemical, rubber and plastic industries suffered the most.
In Alto Adige, in the first quarter of the year, exports increased by 3.8%. Transport equipment and relative components and agricultural products show particularly positive results; positive figures were reported for metal products, while a slight decrease occurred in the food sector. Data collected up to April shows a decrease in tourism (3.3%), due to a lower presence of Italian tourists in the area.
During the second quarter of 2013 in the Veneto region, the downwards trend in industrial production slowed down with a 1.6% decrease on an annual basis, when compared with the previous quarter the change was +0.2%. Turnover increased when compared to the first quarter (+3.6%), while on an annual basis it is still in decline, especially for small and large enterprises, while the medium ones showed a substantial stability. An uncertain climate persists, but companies are less pessimistic than at the end of 2012 due to export-related opportunities and orders to foreign countries that remain the main drivers of the regional economy.
In Emilia Romagna, the first quarter ended negatively, confirming the recession at the end of 2012: industrial production decreased by 4.7% as did the turnover (-4.8%). The most prominent change is the setback in exports, which stopped the positive trend that started back in the first

[2] Source: Bank of Italy, Bconomic Bullettin July 2013.

[3] Source: EUROSTAT, ICP Indeces.

three months of 2010, especially for large companies and those more open to international markets.
In Lombardy, during the second quarter of 2013 the economic situation was positive: industrial production grew by 1.2%, while the first quarter reported a decline (-2%) less extensive than in other regions of the North East. Similar trends are recorded for revenues and orders, especially from abroad. Construction-related sectors, the paper-printing sector and the ones that are dependent on household consumption showed a further contraction. Entrepreneurs' short-term expectations have improved overall, thanks to foreign demand.

Italian banking activity

As for banking indicators, in Italy the general dynamics of lending to the private sector showed a significant decrease in the first six months of the year, -3.27% y/y in June 2013.
In particular, loans to households and non-financial companies showed an annual change of -3.1%: when one considers the breakdown by loan term, it is noted that the segment of the short-term (up to one year) marked a change of -3.4% y/y, while the medium and long-term (over one year) marked an annual change of -3.1%.

By the end of May 2013, the dynamics of loans to non-financial corporations was -3.6% y/y (-3.5% in the previous month, -0.4% a year earlier), although the total loans to GDP ratio for non-financial corporations remained unchanged. Lending continues to suffer from the weak fund demand by the private sector, but also from the tension in the loans offer market, deriving from the high risk associated to credit in the light of the uncertain economic outlook.[4]

Interest rates on loans to businesses showed a small contraction in the first six months of the year: for new transactions, the average rate applied to companies in June 2013 equals 3.34% (it was 3.62% in January). Overall rates on amounts lent to families and non-financial corporations are in contraction, which reached 3.75% in June (from 3.79% in January).

With regard to bank funding in Italy, the annual rate of growth in June 2013 revealed an increase by 0.66% in funding from existing customers (it was +1.62% at the end of 2012). Considering the dynamics of obtaining funding from different sources, there has been a noted growth of 5.70% in deposits made by existing customers and a strong decline in bonds (-9.19%).

The spread between average interest-bearing assets denominated in Euro to households and non-financial and the average rate on deposits from customers represented by households and non-financial companies in Euros was 1.81% in June 2013, against 1.88% in June 2012. Considering that before the start of the financial crisis the spread exceeded 300 points, it is clear, especially in light of the increased cost of risk, that there is a strong and growing margin squeeze in the profitability of the system.

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[4] Bank of Italy; quarterly Bank Lending Survey in the Eurozone.

During the first half of the year, the quality of bank assets further deteriorated: the number of gross doubtful loans in May 2013 increased by 22.4% on an annual basis. In relation to total loans, doubtful loans amounted to 6.9% against the 5.6% in May 2012, with levels significantly more pronounced at 12.5% for small businesses (10.5% in May 2012) and 10.9% for companies (8.3% a year earlier).

Extraordinary financing market

With regard to the market of extraordinary financing, according to KPMG's periodic surveys there are signs of recovery for the Italian M&A's market. The first half of 2013 confirms the positive signs detected at the end of 2012, with a total transaction value of €10.6bn, more than double than the value of transactions recorded in the first half of 2012 (€5.2bn). Volumes remain substantially unchanged with 135 transactions compared to 129 in the same period last year.[5]
The Italian private equity and venture capital markets, which in the first half of 2012 saw a slowdown both in terms of value and number transactions, has recovered in the second half: throughout 2012 349 new transactions have been recorded in the Italian private equity and venture capital markets, for a total amount of €3,230m, corresponding to a decrease by 10% when compared to 2011. The number of transactions, compared to 2011 saw an increase by 7%. First insights on 2013, according to PEM surveys on the first half of 2013, seem to show a timid recovery of activities.[6]

After a few positive years, the overall market of project finance in which Mediocredito is involved is down, especially in the renewable energy sector, where the attenuation of incentives led to a reduction of new investments and a greater diversification of technologies used.

[5] Data by KPMG Corporate Finance, June 2013.

[6] Carlo Cattaneo University, Observatory Private Equity Monitor.

MEDIOCREDITO IN THE FIRST SIX MONTHS OF 2013

In 2012, in contrast to the Banking System, Mediocredito recorded a growth in lending, particularly in Trentino, as a result of some extraordinary transactions. In the first half of this year, the weakness of the lending markets affected our bank as well, bringing a decrease in typical loans by 3.5% when compared to June 2012. This figure remains absolutely in line with the data of the Banking System for the non-financial companies segment.

In the first half of the year, the sharp decline in credit demand resulting from the continuing negative trend of business activity and investment, resulted in a significant slowdown in the volume of new credit granted and disbursed compared to 2012. Even in the investment banking business, albeit less dramatically, there was a reduction in the revenues component from services and consultancy, especially in the corporate finance segment, set within a framework of general decline throughout the corporate finance transactions sector.

The reduced demand for new loans and modest repayments resulted in a reduction in funding activities, especially when compared with the transactions in the first half of 2012, which benefited from the use of the three-year funding programme from the European Central Bank. The new flows of funding are mainly issues of bonds placed with local institutions, even under the EMTN programme.

The Bank has always kept ample reserves of eligible securities and, for a greater control of liquidity risk, concluded the preparatory activities for the activation of the ABACO procedure in order to manage bank loans amongst the pooling of eligible collateral with the ECB.

In April 2013, Mediocredito obtained the BBB + rating on long-term deposits from Fitch Ratings, in addition to the Baa2 rating awarded by Moody's in July 2012. This is the confirmation that the credit rating of our bank is in line with that of the best national financial institutions.

With reference to loan risks, the progressive intensification of the crisis is reflected tangibly on the portfolio that after two years of slowdown in deterioration, began to manifest a significant growth in anomalous situations in 2012. In the first half of 2013, the overall dynamics of impaired loans showed a moderate increase, both in absolute terms and in relation to total loans. As expected, there has been a significant increase in doubtful loans balanced by a reduction in other types of impaired loans.

The average decay rate of the Bank’s loans to businesses over the five-year crisis period 2008-2012, particularly from 2011 onwards, is significantly lower than that of the System, both at national level and with reference to only the North East area. For a bank that operates primarily with small and medium business, this is the most significant factor in the current difficult context, with serenity arising from the experience in the evaluation of companies and their projects, from the awareness of a traditionally prudent conduct in the disbursement of credit and from an adequate capital base.

From an economic perspective, the first half of 2013 continues to show an increase in revenues compared to 2012, both in the components relating to net interest income and in those relating to services as well as trading activities. In spite of operating expenses been kept under control (with the cost/income ratio further decreasing), the cost of risk, made higher due to the increased number of doubtful loans and the gradual erosion of the values of the guarantees, brings the results for the period to a substantial economic break-even point.

COMPANY'S PERFORMANCE

LENDING OPERATIONS

Outline of financing activities (thousands of Euro)

Activities surveyed	First half 2013	First half 2012	Change %
Applications granted			
number	95	135	-29.6
value	67,223	164,783	-59.2
Disbursements	52,177	121,127	-56.9
	30 June 2013	**31 Dec 2012**	**Variation %**
Total lending	1,398,870	1,430,593	-2.2
- loans to banks	84,236	64,253	+31.1
- loans to customers	1,314,633	1,366,290	-3.8

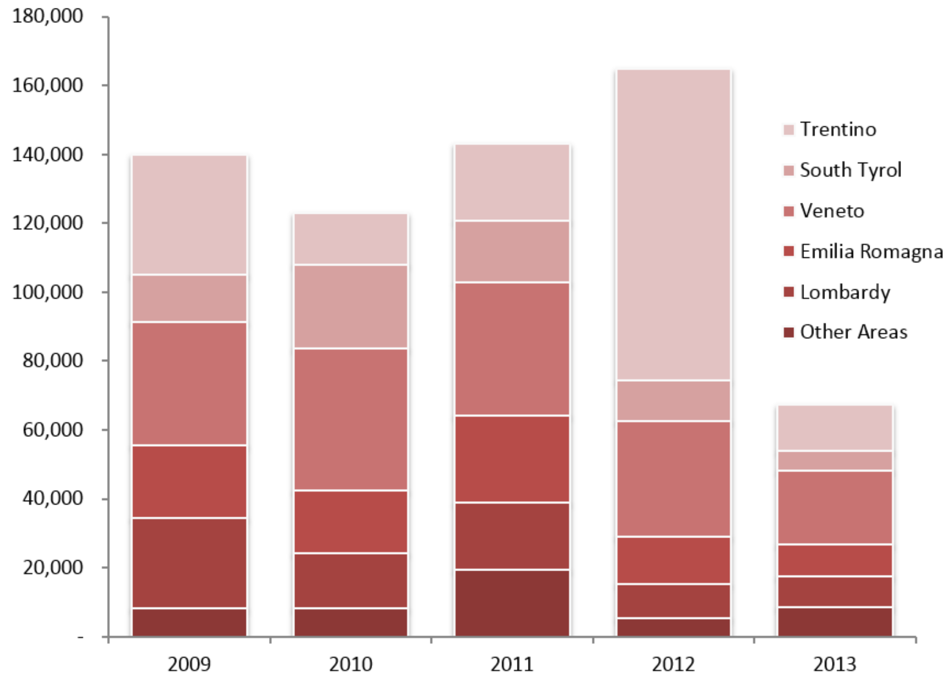
Credit granted

The credit granted during the first half of 2013 reached €67.2m: the remarkable reduction of these amounts compared to the results for the first half of the previous year is due (for half of its value) to the loans granted in 2012 as part of the support given to the real economy undertaken by the Autonomous Province of Trento, through its functional companies. The other half of the value is due to previously mentioned decrease in investment demand during the first months of 2013.
This change in value, although accompanied by a reduction in the number of credits granted, caused a decrease in the average value of loans granted (from €1.2m to €0.7m). The same trend is confirmed, although less prominent (from €0.9 to €0.7m), even when excluding the mentioned operations in 2012.
In 2013, Veneto, Trentino and South Tyrol account for around 30% each of the total credit granted, although diminishing by 36.6% and 81.3% respectively in comparison to the previous year. All other areas of the Bank's operation have credits between €8m and €9m. As mentioned earlier, the contraction in the Province of Trento is due to €40m of transactions with the Province.
Volumes remain stable in Lombardy, while increasing in Other Areas (+€3.2m). Volumes in Emilia Romagna are down (-€4.4m).

Breakdown of credit granted by area (thousands of Euro)

	First half 2013	%	First half 2012	%	Chg.	Chg. %
Trentino	13,216	19.7	90,450	54.9	-77,235	-85.4
South Tyrol	5,848	8.7	11,676	7.1	-5,828	-49.9
Veneto	21,344	31.8	33,687	20.4	-12,343	-36.6
Emilia Romagna	9,200	13.7	13,635	8.3	-4,435	-32.5
Lombardy	9,029	13.4	9,990	6.1	-961	-9.6
Other Areas	8,586	12.8	5,345	3.2	+3,241	+60.6
Total	**67,223**	**100.0**	**164,783**	**100.0**	**-97,560**	**-59.2**

Trend of credit granted by area 2009-2013 (thousands of Euro)



An analysis of the Bank's customers broken down by economic activity shows that loans to public bodies (-€27m) and to financial companies/banks (-€22.5m) felt the effect of the situation described. Loans to companies in the mining/manufacturing sector reduce considerably (-61.0%). Credit granted in the energy sector maintained its level in spite of the incentive reductions in place since 2012, when considering energy projects linked to the agricultural sector. Credits granted to the building and real estate sectors reduce further, while for the other sectors volumes remain stable.

Breakdown of applications granted by counterparty and economic sector (thousands of Euro)

	First half 2013	%	First half 2012	%	Chg.	Chg. %
Non-financial corporations	**61,490**	**91.5**	**109,710**	**66.6**	**-48,220**	**-44.0**
Mining/manufacturing	20,958	31.2	53,769	32.6	-32,811	-61.0
Energy	13,798	20.5	6,600	4.0	+7,198	+109.1
Real estate	6,561	9.8	8,053	4.9	-1,491	-18.5
Market services	6,529	9.7	7,412	4.5	-883	-11.9
Other services	5,850	8.7	5,150	3.1	+700	+13.6
Hospitality	4,120	6.1	3,038	1.8	+1,082	+35.6
Construction	2,124	3.2	7,600	4.6	-5,476	-72.1
Transport services	1,000	1.5	3,015	1.8	-2,015	-66.8
Agriculture	550	0.8	15,073	9.1	-14,523	-96.4
Government Agencies, families and others	**3,233**	**4.8**	**30,073**	**18.2**	**-26,840**	**-89.2**
Financial corporations and banks	**2,500**	**3.7**	**25,000**	**15.2**	**-22,500**	**-90.0**
Total	**67,223**	**100.0**	**164,783**	**100.0**	**-97,560**	**-59.2**

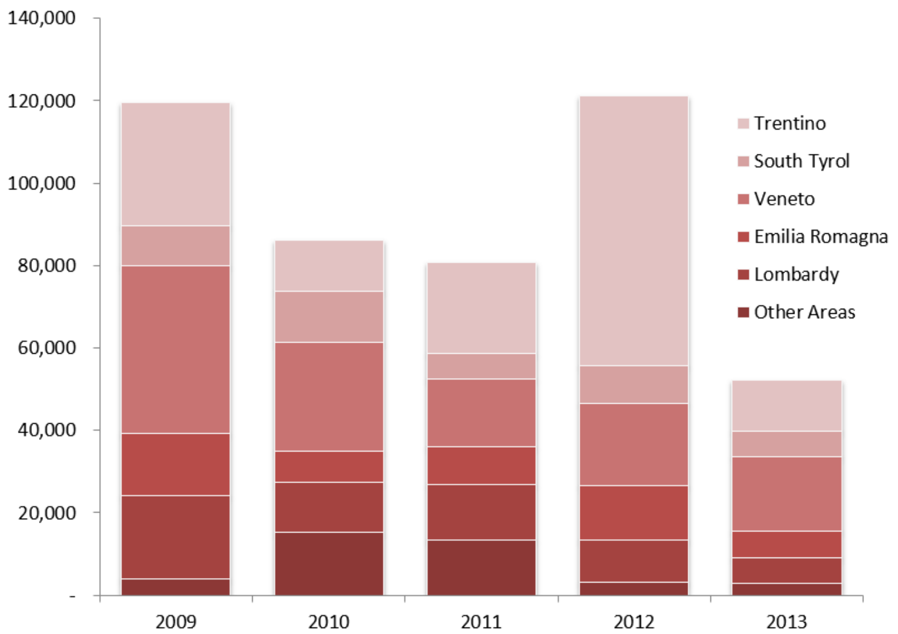
Credit disbursed

Disbursements came to €52.2m over the first six months of 2013, against the €121.1 in the corresponding period for the previous year: net of the operations undertaken with the Autonomous Province of Trento through its functional companies, the decrease reduces to €29m.
Trentino totally absorbs the effect of the operations described (-€53.1m), but all other areas of operations of the Bank show a contraction. In Emilia-Romagna the credit disbursed is down by 52.1% (-€6.6m), in South Tyrol by 31.4 %(-€2.9m) and in Lombardy by 36.6% (-€3.6m).
Veneto and the Other Areas show much smaller contractions in value, confirming the volumes of disbursed credit for the first half of the previous year.

Breakdown of disbursements by area (thousands of Euro)

	First half 2013	%	First half 2012	%	Chg.	Chg. %
Trentino	12,248	23.5	65,379	54.0	-53,131	-81.3
South Tyrol	6,369	12.2	9,282	7.7	-2,913	-31.4
Veneto	18,090	34.7	19,997	16.5	-1,907	-9.5
Emilia Romagna	6,273	12.0	13,099	10.8	-6,825	-52.1
Lombardy	6,445	12.4	10,086	8.3	-3,641	-36.1
Other Areas	2,751	5.3	3,284	2.7	-533	-16.2
Total	**52,177**	**100.0**	**121,127**	**100.0**	**-68,950**	**-56.9**

Trend of credit disbursed by area 2009-2013 (thousands of Euros)



Sector analysis shows that what has been said for credit granted applies also to credit disbursed, with regards to government agencies and financial corporations/banks.
For non-financial corporations, the Bank confirms its support to the mining/manufacturing sector (40.1% of the total credit disbursed) and energy sector, although both compartments do not differ from the general trend. Credit disbursed to the transport sector increases (+€2.6m), while the

other sectors are down: disbursement to market services goes from €8.2m to €3.6m and construction related sectors go from €8.4m to €5.0m.

Breakdown of disbursements by counterparty and sector of economic activity (thousands of Euro)

	First half 2013	%	First half 2012	%	Chg.	Chg. %
Non-financial corporations	**49,035**	**94.0**	**73,517**	**60.7**	**-24,482**	**-33.3**
Mining/manufacturing	20,911	40.1	27,914	23.0	-7,003	-25.1
Energy	8,941	17.1	11,667	9.6	-2,726	-23.4
Agriculture	4,807	9.2	9,672	8.0	-4,865	-50.3
Market services	3,641	7.0	8,212	6.8	-4,571	-55.7
Constructions	3,119	6.0	4,650	3.8	-1,531	-32.9
Transport services	2,800	5.4	178	0.1	+2,622	+1,476.6
Other services	2,783	5.3	5,565	4.6	-2,782	-50.0
Real estate	1,912	3.7	3,759	3.1	-1,847	-49.1
Hospitality	120	0.2	1,900	1.6	-1,780	-93.7
Government Agencies, families and others	**643**	**1.2**	**22,610**	**18.7**	**-21,968**	**-97.2**
Financial corporations and banks	**2,500**	**4.8**	**25,000**	**20.6**	**-22,500**	**-90.0**
Total	**52,177**	**100.00**	**121,127**	**100.0**	**-68,950**	**-56.9**

Operations in synergy with the system of co-operative banks are also down: considering, in addition to applications submitted directly by individual banks, the participation in syndicated loans linked to them or in which they are involved, the percentage of disbursements amounted to 34.0% of the total, against 42.0% for 2012, a year affected by the abovementioned operations in Trentino. Operations of support to the co-operative banks is more sustained in the Trentino region.

Loans and advances

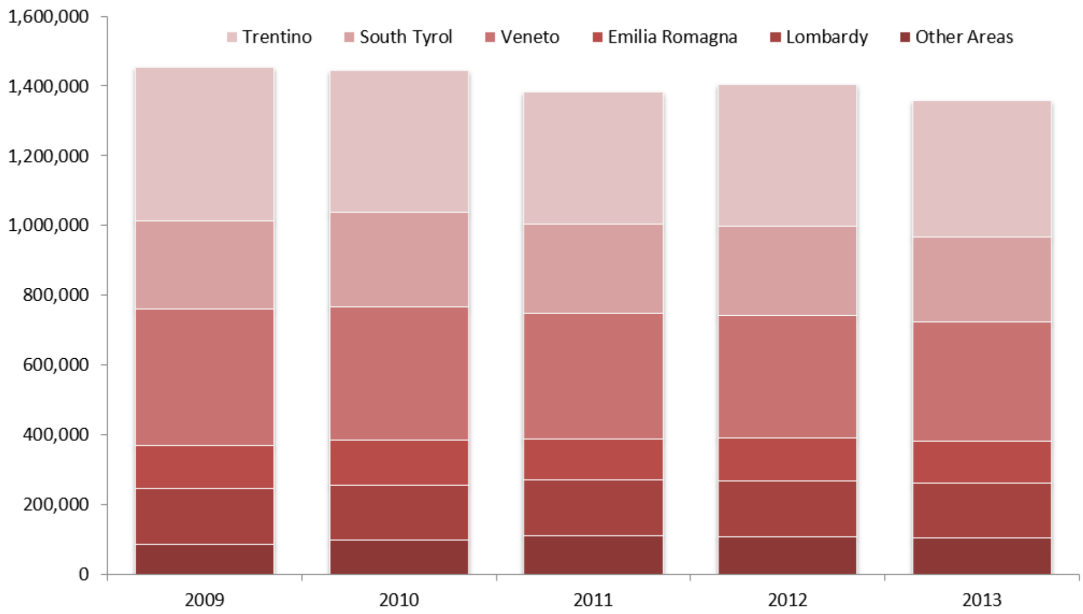
Overall amounts of loans and advances are lower in comparison to 31st December 2012 (-1.4%): the increase of liquidity on current accounts and bank deposits (+€23.0m) has partially counterbalanced the contraction in typical loans (-€44.2m, -3.1%).

The breakdown of the credit by geographical areas shows a contraction similar to the one of overall loans, varying between -2.1% in Lombardy and -3.6% in Trentino-South Tyrol.

Breakdown of gross typical loans and advances [7] per area (thousands of Euro)

	30 Jun 2013	%	31 Dec 2012	%	Chg.	Chg. %
Trentino	391,219	28.8	405,963	28.9	-14,743	-3.6
South Tyrol	244,466	18.0	253,696	18.1	-9,230	-3.6
Veneto	340,613	25.1	351,801	25.1	-11,188	-3.2
Emilia Romagna	120,778	8.9	123,896	8.8	-3,118	-2.5
Lombardy	158,054	11.6	161,436	11.5	-3,382	-2.1
Other Areas	10,927	7.6	106,444	7.6	-2,518	-2.4
Total typical loans and advances	**1,359,058**	**100.0**	**1,403,236**	**100.0**	**-44,178**	**-3.1**
Current account and bank deposits [8]	*101,244*		*78,249*		*+22,995*	*+29.4*
Contributions and other adjustments	*2*		*4*		*-2*	*-50.0*
Total loans and advances	***1,460,304***		***1,481,489***		***-21,185***	***-1.4***

Trend of gross typical loans by area 2009-2013

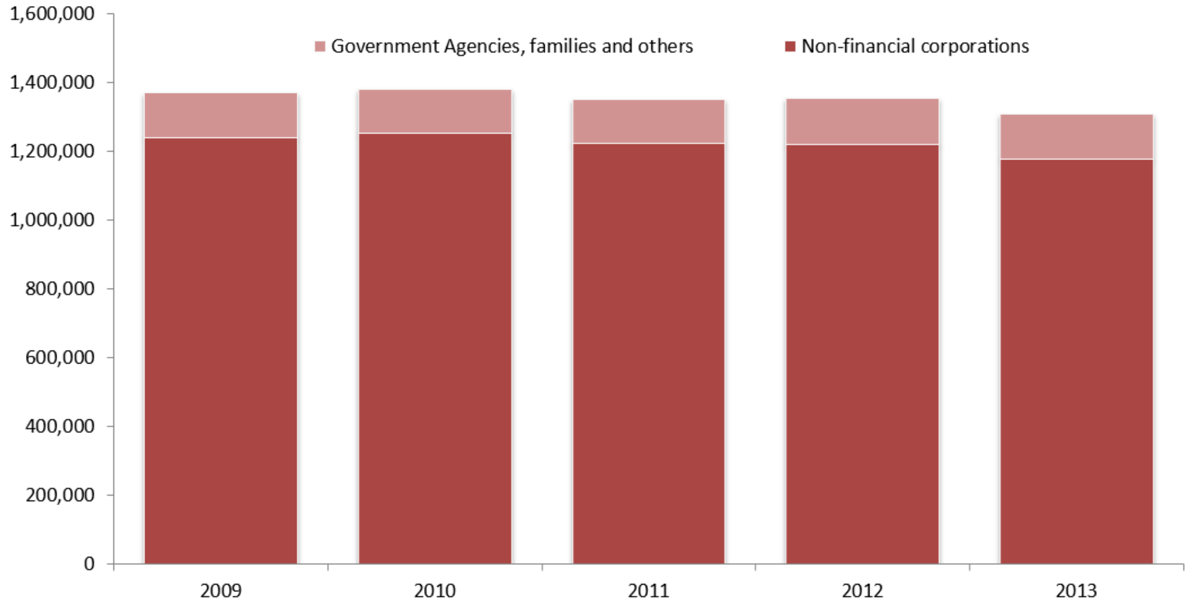


[7] Tables show overall amounts of lending gross of write-downs but net of current accounts and bank deposits and also of contributions stemming from laws providing for facilitated credit.

[8] Data includes €17,015 thousand in 2013 and €27,544 thousand in 2012 of loans to the SPV in relation to a securitisation transaction.

Loans to non-financial corporations settled to €1.179m against €1.219m at the end of the previous year: the contraction is more reasonable in the mining/manufacturing sector (-€19.6m), in other services (-€10.8m) and in hospitality (-€6.5m).
Loans to companies in the energy sector increased, while the situation in the transport and market services remains stable.

Trend of gross typical loans to non-financial corporations, government agencies, families and other operators 2009-2013



Breakdown of typical loans by counterparty and sector of economic activity (thousands of Euro)

	30 Jun 2013	%	31 Dec 2012	%	Chg.	Chg. %
Non-financial corporations	**1,178,857**	**86.7**	**1,219,434**	**86.9**	**-40,577**	**-3.3**
Mining/manufacturing	321,966	23.7	341,523	24.3	-19,558	-5.7
Real estate	141,844	10.4	143,965	10.3	-2,121	-1.5
Agriculture	139,911	10.3	143,353	10.2	-3,442	-2.4
Constructions	125,244	9.2	127,807	9.1	-2,562	-2.0
Energy	106,357	7.8	101,824	7.3	+4,533	+4.5
Market services	102,256	7.5	102,815	7.3	-559	-0.5
Hospitality	95,935	7.1	102,471	7.3	-6,536	-6.4
Other services	87,164	6.4	97,937	7.0	-10,773	-11.0
Transport services	58,181	4.3	57,739	4.1	+442	+0.8
Government Agencies, families and others	**128,886**	**9.5**	**133,888**	**9.5**	**-5,001**	**-3.7**
Financial corporations and banks	**51,315**	**3.8**	**49,914**	**3.6**	**+1,400**	**+2.8**
Total	**1,359,058**	**100.0**	**1,403,236**	**100.0**	**-44,178**	**-3.1**

Performing loans

The trend of performing loans (to customers and banks) shows a contraction of 2.8%, reflecting the trend of the overall portfolio.

The credit distributed by geographical area shows a remarkable negative trend in the main areas of the Bank's activities: volumes in Trentino-South Tyrol are down by €25m and Veneto by €15.5m. In Lombardy performing loans are down by €9m (-7.6%).

Breakdown of gross typical performing loans[9] per area (thousands of Euro)

	30 Jun 2013	%	31 Dec 2012	%	Chg.	Chg. %
Trentino	351,192	31.0	363,933	30.5	-12,740	-3.5
South Tyrol	236,054	20.8	248,762	20.8	-12,708	-5.1
Veneto	266,476	23.5	281,961	23.6	-15,485	-5.5
Emilia Romagna	96,723	8.5	102,462	8.6	-5,739	-5.6
Lombardy	111,732	9.9	120,887	10.1	-9,155	-7.6
Other areas	72,045	6.4	75,277	6.3	-3,231	-4.3
Total typical loans	**1,134,223**	**100.0**	**1,193,282**	**100.0**	**-59,059**	**-4.9**
Current accounts and bank deposits[10]	*101,244*		*78,249*		*+22,995*	*+29.4*
Contributions and other adjustments	*2*		*4*		*-2*	*-50.0*
Total performing loans	***1,235,469***		***1,271,535***		***-36,066***	***-2.8***

The breakdown of typical performing loans by sector of economic activity shows trends similar to those that we have already illustrated in relation to the portfolio of loans as a whole. Changes are more noticeable in the sectors most affected by the crisis: mining/manufacturing (-€21.9m) and construction (-€19.2m).

Breakdown of typical performing loans by counterparty and sector of economic activity (thousands of Euro)

	30 Jun 2013	%	31 Dec 2012	%	Chg.	Chg. %
Non-financial corporations	**962,098**	**84.8**	**1,017,463**	**85.3**	**-55,364**	**-5.4**
Mining/manufacturing	257,677	22.7	279,623	23.4	-21,947	-7.8
Agriculture	130,089	11.5	133,654	11.2	-3,566	-2.7
Energy	104,520	9.2	99,998	8.4	+4,523	+4.5
Real estate	102,124	9.0	112,794	9.5	-10,669	-9.5
Market services	87,518	7.7	89,766	7.5	-2,248	-2.5
Hospitality	82,997	7.3	87,127	7.3	-4,130	-4.7
Other services	74,696	6.6	84,862	7.1	-10,166	-12.0
Construction	65,490	5.8	74,008	6.2	-8,518	-11.5
Transport services	56,986	5.0	55,630	4.7	+1,357	+2.4
Government Agencies, families and others	**126,082**	**11.1**	**131,331**	**11.0**	**-5,249**	**-4.0**
Financial corporations and banks	**46,043**	**4.1**	**44,488**	**3.7**	**+1,555**	**+3.5**
Total	**1,134,223**	**100.0**	**1,193,282**	**100.0**	**-59,058**	**-4.9**

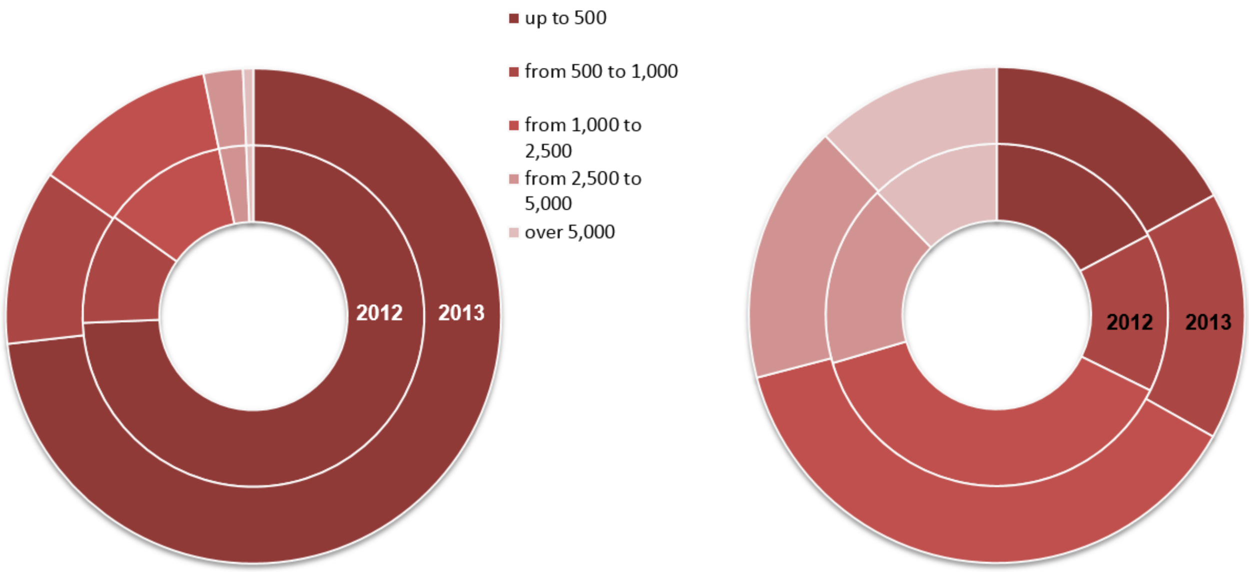
[9] Tables show overall amounts of lending gross of write-downs but net of current accounts and bank deposits and also of contributions stemming from laws providing for facilitated credit.

[10] Data for 2013 includes €17,015 thousand and data for 2012 includes €27,544 thousand to the SPV in relation to a securitisation transaction.

Breakdown of typical performing loans by classes of amount (thousands of Euro)

	No. customers	Amount	% customers	% amount	Average amount
Up to 500	1,628	192,540	73.2	17.0	118.3
from 500 to 1,000	255	183,549	11.5	16.2	719.8
from 1,000 to 2,500	269	428,404	12.1	37.8	1,592.6
from 2,500 to 5,000	57	192,042	2.6	16.9	3,369.2
over 5,000	15	137,687	0.7	12.1	9,179.1
Total	**2,224**	**1,134,223**	**100.0**	**100.0**	**510.0**

Graph of distribution of customers by classes of amount – comparison 2013/2012 (thousands of Euro)



Concentration indexes for performing loans, affected by the contraction of the overall portfolio, show higher results than the ones registered in 2012.

We highlight the following:

- The overall amount of transactions with borrowers with an overall exposure exceeding €2.5m equals 29.0% of the total, slightly down against the values recorded at the end of 2012 (29.5%);
- The average amount for performing loans increased from €501 thousand to €510 thousand;
- The incidence of the highest value transaction on the total is up (from 2.1% to 2.2%), similar to the top twenty transactions (from 10.7% to 11.1%) and the top one hundred (from 27.6% to 28.2%).

Typical gross performing loans: breakdown by major exposures (thousands of Euro)

	Jun 2013	%	Dec 2012	%
Top transaction	25,159	2.2	25,169	2.1
Top 20 transactions	125,581	11.1	127,703	10.7
Top 100 transactions	319,907	28.2	328,733	27.6

With regard to concentration of individual borrowers, the performing loans portfolio shows that:

- overall credit exposure to the top borrower, who also represents the top group of debtors, is up from 2.1% of the total to 2.2%;
- overall credit exposure to the top 20 borrowers is up against 2012 (14.2%) and the same is true for the overall exposure of to the top 100 borrowers (34.8%), in spite of a decrease in total exposures;
- overall credit exposure to the top 20 groups is equal to 16.1% of the total (15.40% at the end of 2012) and to the top 100 groups is equal to 38.5% (37.7% at the end of 2012). In this case, the concentration indexes for the performing loans show higher results in spite of a contraction of the overall credit exposures.

Typical gross performing loans: breakdown by top borrowers (thousands of Euros)

	Jun 2013	%	Dec 2012	%
Top borrower	25,159	2.2	25,169	2.1
top 20 borrowers	161,325	14.2	165,864	13.9
top 100 borrowers	394,348	34.8	407,391	34.1

Typical gross performing loans: breakdown by top groups of borrowers (thousands of Euros)

	Jun 2013	%	Dec 2012	%
Top group of borrowers	40,655	3.6	34,707	2.9
top 20 groups of borrowers	182,873	16.1	184,000	15.4
top 100 groups of borrowers	436,554	38.5	449,334	37.7

It is worth noting that the exposure to the top group of borrowers refers to the system operations mentioned previously on behalf of a group of public entities rated higher than the Italian State by some notches.

High risks

With regard to «high risks», in accordance with current legislation, we can report the following situation as at 30 June 2013:

	Jun 2013		Dec 2012	
Counterparty	**Nominal**	**Weighted**	**Nominal**	**Weighted**
Governments	200,846	0	211,248	0
Public bodies	40,511	20,511	41,388	21,388
Banks	184,459	184,459	203,683	203,683
Total	**425,816**	**204,970**	**456,319**	**225,071**

The exposure to banks and governments relates in general to a total of €281.9m in securities eligible for refinancing with the European Central Bank.

Impaired loans and "country risk"

The overall amount of gross impaired loans grew by €14.9m (+7.1%), due to the increase in the doubtful loans portfolio (+€22.0m). The other impaired loans portfolios show opposite trends: substandard loans are down by €1.9m and past due/overdue down by €5.0m.
The incidence of doubtful loans to the total overall loan portfolio goes from 14.2% at the end of 2012 to 15.4%, due to the decrease in the overall gross loans (-1.4%). Net of overall value adjustments, up by 3.4%, the incidence goes from 11.5% to 12.1%. The rate of coverage of doubtful loans and of the overall portfolio improves, while the coverage of substandard loans decreases.
The tables below make a comparison between overall amounts of loans and advances as at 30th June 2013 and the end of 2012.

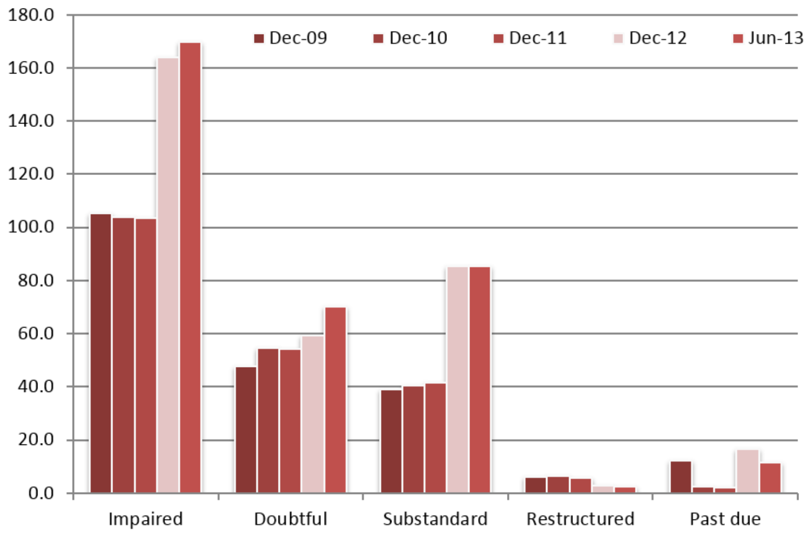
Loans to customers and banks (thousands of Euro)

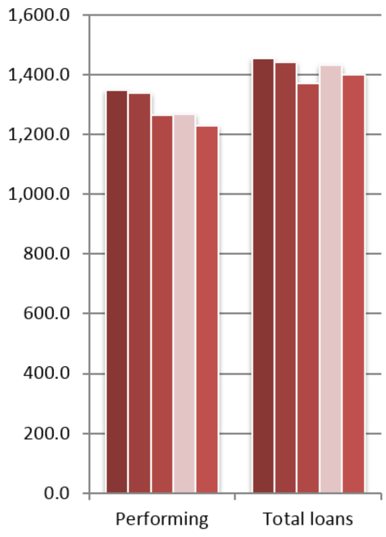
Jun 2013	Gross Exposure	Overall Adjustments	Net Exposure	% gross loans	% net loans	% coverage
Impaired loans and "country risk"	**224,835**	**55,175**	**169,660**	**15.4**	**12.1**	**24.5**
- doubtful	113,136	42,804	70,332	7.7	5.0	37.8
- substandard	97,273	11,775	85,498	6.7	6.1	12.1
- restructured	2,909	459	2,450	0.2	0.2	15.8
- past due	11,478	107	11,372	0.8	0.8	0.9
of which over 180 days	9,083	85	8,998	0.6	0.6	0.9
over 90 days	2,395	21	2,374	0.2	0.2	0.9
- country risk	38	30	8	0.0	0.0	80.0
Performing loans	**1,235,469**	**6,259**	**1,229,210**	**84.6**	**87.9**	**0.5**
Total loans	**1,460,304**	**61,434**	**1,398,870**	**100.0**	**100.0**	**4.2**

Dec 2012	Gross Exposure	Overall Adjustments	Net Exposure	% gross loans	% net loans	% coverage
Impaired loans and "country risk"	**209,954**	**45,806**	**164,148**	**14.2**	**11.5**	**21.8**
- doubtful	91,155	31,717	59,438	6.2	4.2	34.8
- substandard	99,145	13,792	85,353	6.7	6.0	13.9
- restructured	3,112	200	2,912	0.2	0.2	6.4
- past due	16,504	67	16,437	1.1	1.1	0.4
of which over 180 days	8,101	40	8,061	0.5	0.6	0.5
over 90 days	8,403	27	8,376	0.6	0.6	0.3
- country risk	38	30	8	0.0	0.0	80.0
Performing loans	**1,271,535**	**5,140**	**1,266,395**	**85.8**	**88.5**	**0.4**
Total loans	**1,481,489**	**50,946**	**1,430,543**	**100.0**	**100.00**	**3.4**

Changes % 2013/2012	Gross Exposure	Overall Adjustments	Net Exposure
Impaired loans and "country risk"	**+7.1**	**+20.5**	**+3.4**
- doubtful	+24.1	+35.0	+18.3
- sub standard	-1.9	-14.6	+0.2
- past due	-30.5	+59.5	-30.8
Performing loans	**-2.8**	**+21.8**	**-2.9**
Total loans	**-1.4**	**+20.6**	**-2.2**

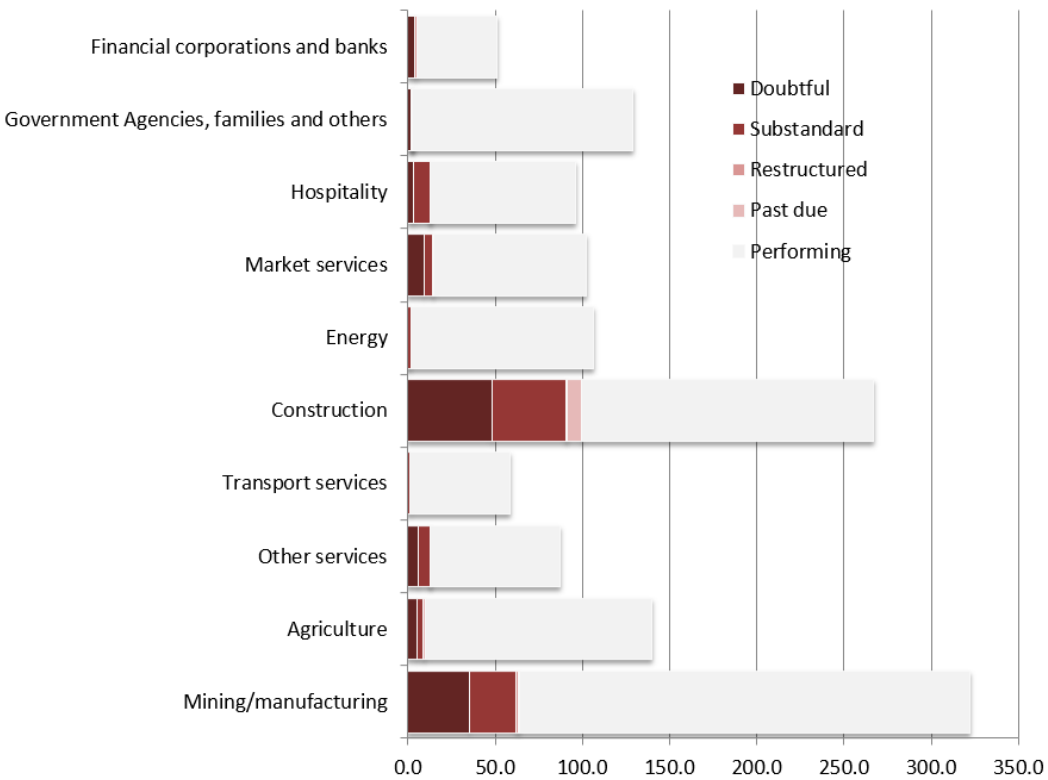
Dynamic of net loans (thousands of Euros)





The breakdown of the incidence of impaired loans on the total typical loans portfolio by sector of economic activity shows a high incidence in the construction sector: just less than 50% of loans to building companies are impaired and 30% of the ones to real estate companies. 20% of loans to mining/manufacturing companies is impaired.

Impaired loans: overall incidence per counterparty and sector of economic activity (millions of Euro)

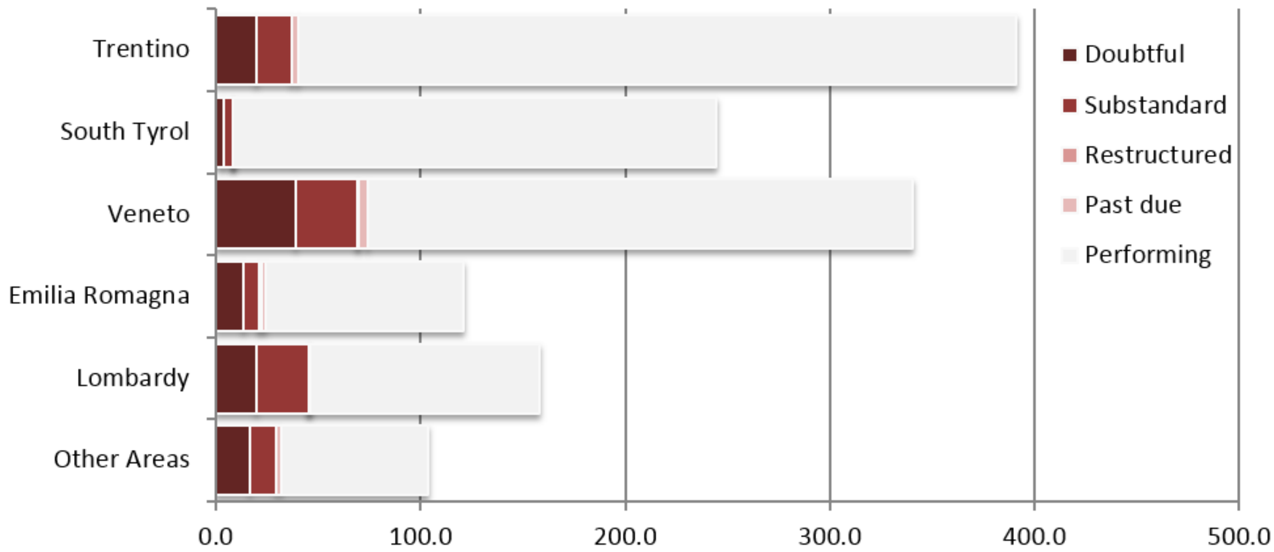


Impaired loans: incidence of single category per counterparty and sector of economic activity (data in %)

	Doubtful	Substandard	Reconstructed	Past due	Total
Non-financial corporations	**9.1**	**8.2**	**0.1**	**1.0**	**18.4**
Mining/manufacturing	11.0	8.1	0.4	0.4	20.0
Agriculture	3.6	2.8	0.0	0.6	7.0
Real estate	11.0	14.4	0.1	2.5	28.0
Energy	0.1	1.7	0.0	0.0	1.7
Market services	8.8	5.0	0.0	0.6	14.4
Hospitality	3.3	10.0	0.0	0.2	13.5
Other services	6.6	7.7	0.0	0.1	14.3
Construction	26.3	17.5	0.0	3.9	47.7
Transport services	0.0	2.1	0.0	0.0	2.1
Government Agencies, families and others	**1.6**	**0.4**	**0.1**	**0.1**	**2.2**
Financial corporations and banks	**7.8**	**0.0**	**2.4**	**0.0**	**10.3**

With regard to the geographical distribution, it can be noticed that impaired loans are mainly concentrated outside the Trentino - South Tyrol area: in Trentino 10% of loans are impaired, in South Tyrol 3%. In the other areas of operation of the Bank, it varies between 20% in Emilia Romagna and 31% in other areas.

Impaired loans: overall incidence per area (millions of Euro)



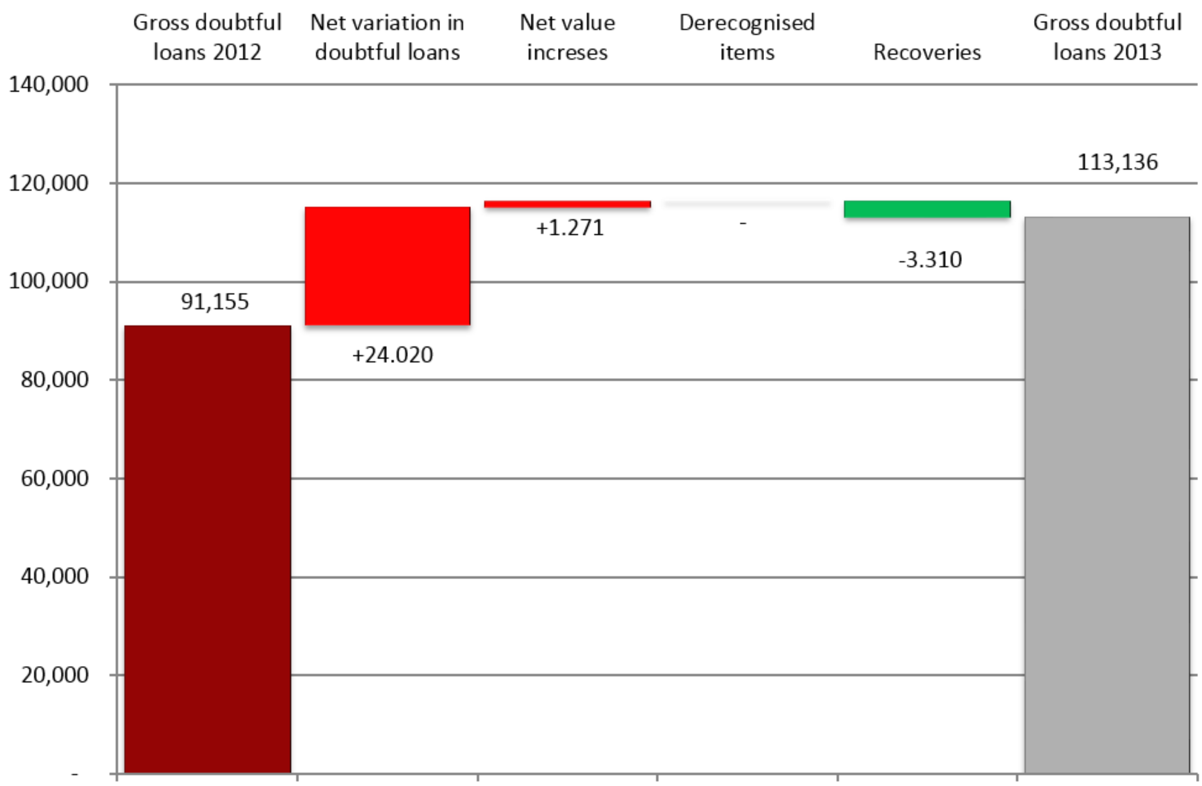
Impaired loans: incidence of single category per area (data in %)

	Doubtful	Substandard	Reconstructed	Past due	Total
Trentino	5.1	4.4	0.0	0.7	10.2
South Tyrol	1.6	1.6	0.1	0.1	3.4
Veneto	11.4	8.8	0.3	1.2	21.8
Emilia Romagna	11.0	6.4	1.3	1.2	19.9
Lombardy	12.7	16.0	0.2	0.4	29.3
Other areas	16.0	12.5	0.0	2.1	30.7

Doubtful loans

Doubtful loans, gross of write-down, amount to €131.1m, up by 24.1% in comparison to 2012. The manufacturing sector although showing only a limited increase (+€1.9m) still accounts for the highest amounts of doubtful loans (31.4% of the total), followed by the construction sector (29.2%) and real estate (13.8%).

Trend of gross doubtful loans by area 2012-2013 (thousands of Euro)



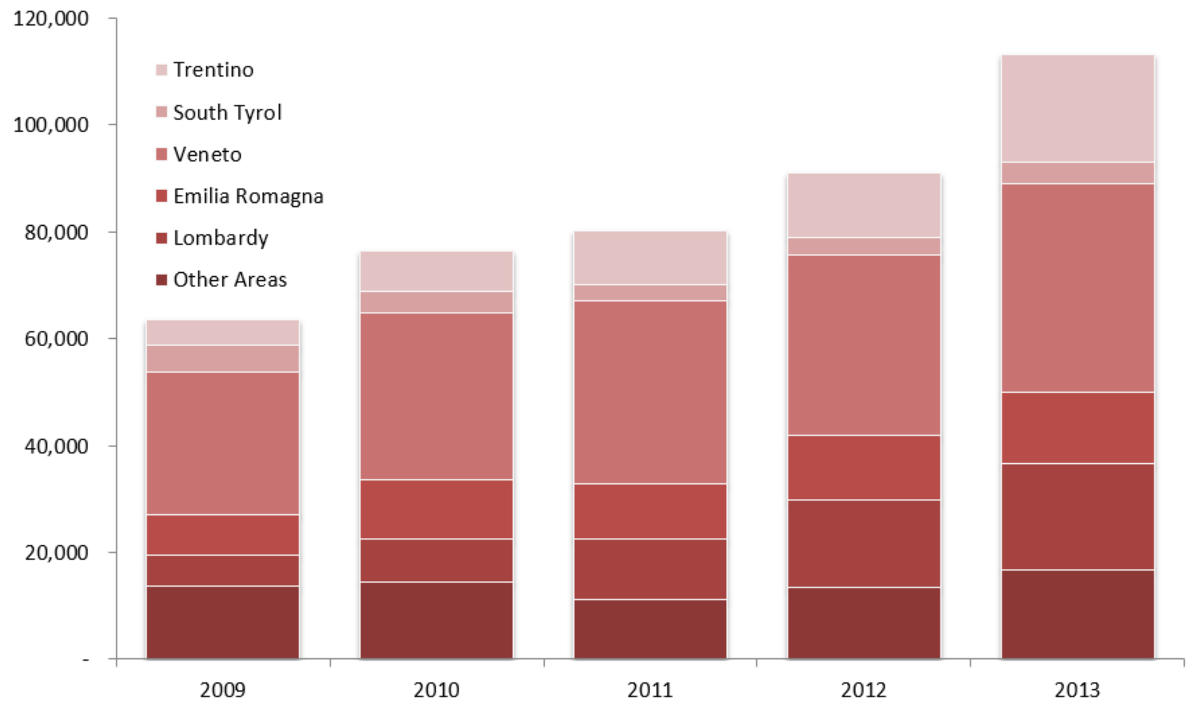
Breakdown of gross doubtful loans by counterparty and economic sector (thousands of Euros)

	30 Jun 2013	%	31 Dec 2012	%	Chg.	Chg. %
Non-financial corporations	**107,047**	**94.6**	**89,284**	**97.9**	**+17,763**	**19.9**
Mining/manufacturing	35,571	31.4	33,719	37.0	+1,852	+5.5
Constructions	33,000	29.2	24,658	27.1	+8,342	+33.8
Real estate	15,588	13.8	10,983	12.0	+4,605	+41.9
Market services	8,994	7.9	7,266	8.0	+1,728	+23.8
Other services	5,728	5.1	5,659	6.2	+69	+1.2
Agriculture	4,988	4.4	5,796	6.4	-808	-13.9
Hospitality	3,120	2.8	1,148	1.3	+1,972	+171.8
Energy	57	0.1	55	0.1	+2	+3.4
Transport services	0	0.0	0	0.0	-	-
Government Agencies, families and others	**2,089**	**1.8**	**1,871**	**2.1**	**+218**	**+11.7**
Financial corporations and banks	**4,000**	**3.5**	**-**	**-**	**+4,000**	
Total	**113,136**	**100.0**	**91,155**	**100.0**	**+21,981**	**+24.1**

Breakdown of gross doubtful loans per area (thousands of Euro)

	30 Jun 2013	%	31 Dec 2012	%	Chg.	Chg. %
Trentino	20,088	17.8	12,268	13.5	+7,819	+63.7
South Tyrol	4,033	3.6	3,110	3.4	+923	+29.7
Veneto	38,969	34.4	33,816	37.1	+5,153	+15.2
Emilia Romagna	13,343	11.8	12,151	13.3	+1,191	+9.8
Lombardy	20,076	17.7	16,480	18.1	+3,596	+21.8
Other Areas	16,628	14.7	13,330	14.6	+3,298	+24.7
Total	**113,136**	**100.0**	**91,155**	**100.0%**	**+21,981**	**+24.1**

Trend of gross doubtful loans per area 2009-2013



The breakdown of doubtful loans by geographical areas shows that Veneto accounts for the highest incidence (34.4%) while Trentino, Emilia Romagna, Lombardy and Other Areas have a percentage of doubtful loans between 12% and 18%. With less than 4% of doubtful loans for an amount of around €4 million, South Tyrol remains consistently the most virtuous area.
Doubtful loans, net of write-down amount to €70.3m up by €10.9m when compared with December 2012.
The ratio of net doubtful loans to net lending was 5.0%, up when compared with 4.2% for the previous business period; the same ratio gross of write-downs goes from 6.2% to 7.7%.
The coverage of doubtful loans is equal to 37.8%, up when compared to the figure recorded at the end of 2012 (34.8%).

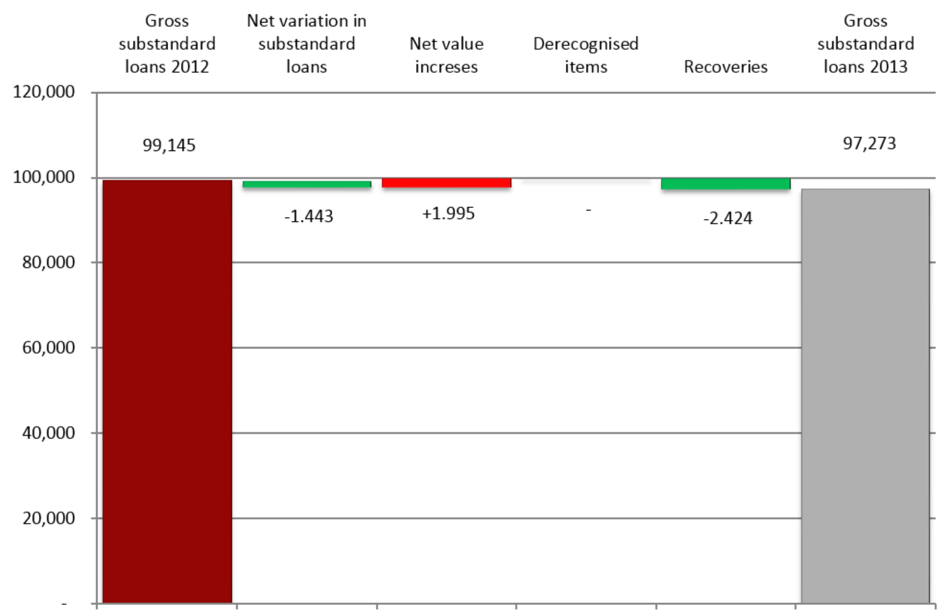
Key ratios relative to doubtful loans

in %	Jun 2013	Dec 2012
Gross doubtful loans / total gross loans	7.7	6.2
Gross doubtful loans /total gross loans to customers	8.2	6.4
Gross doubtful loans / regulatory capital	60.4	48.6
Net doubtful loans / total net loans	5.0	4.2
Net doubtful loans /total net loans to customers	5.3	4.4
Net doubtful loans / regulatory capital	37.5	31.7

Substandard loans

Substandard loans, gross of write-down amount to €97.3m, down when compared to the values recorded at the end 2012 (-€1.9m, -1.9%).
The decrease is the result of the contraction by €5.4m recorded by financial corporations and €2m in the hospitality sector and the increases recorded in the other services sector (+€4.0m), mining/manufacturing sector (+€1.2m) and agriculture (+€1.0m). Substandard loans related to the building sector remain unchanged (+€0.2m).

Trend of gross substandard loans 2012-2013 (thousands of Euro)

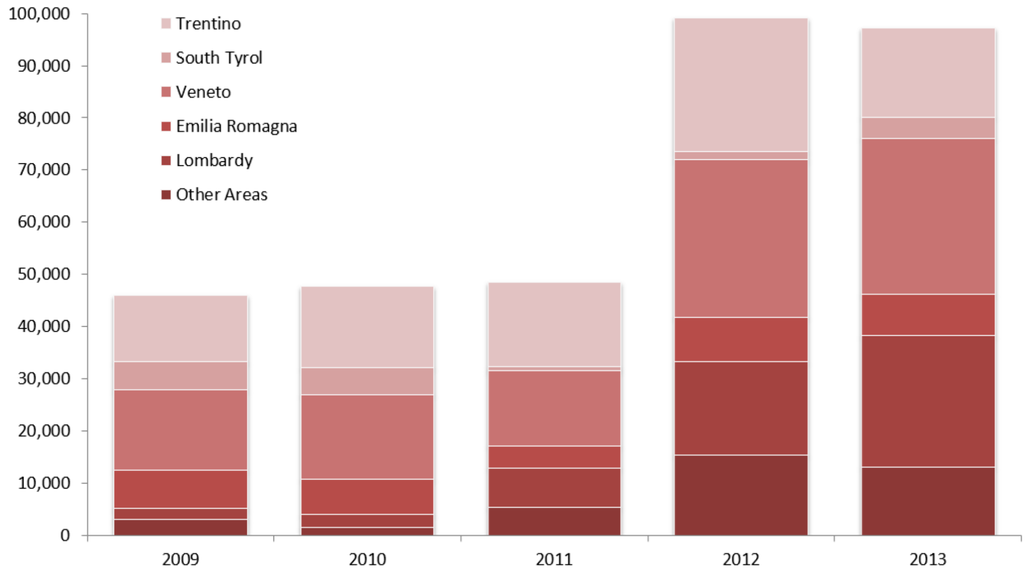


Breakdown of gross substandard loans by counterparty and sector of activity (thousands of Euro)

	30 Jun 2013	%	31 Dec 2012	%	Chg.	Chg. %
Non-financial corporations	**96,787**	**99.5**	**93,440**	**94.2**	**+3,347**	**+3.6**
Mining/manufacturing	26,175	26.9	24,944	25.2	+1,231	+4.9
Construction	21,896	22.5	25,250	25.5	-3,354	-13.3
Real estate	20,415	21.0	16,853	17.0	+3,562	+21.1
Hospitality	9,634	9.9	11,594	11.7	-1,960	-16.9
Other services	6,676	6.9	2,691	2.7	+3,985	+148.1
Market services	5,081	5.2	5,287	5.3	-206	-3.9
Agriculture	3,936	4.0	2,941	3.0	+995	+33.8
Energy	1,779	1.8	1,771	1.8	+8	+0.5
Transport services	1,194	1.2	2,109	2.1	-915	-43.4
Government Agencies, families and others	**486**	**0.5**	**316**	**0.3**	**+170**	**+54.0**
Financial corporations and banks	**-**	**-**	**5,389**	**5.9**	**-5,389**	**-100.0**
Total	**97,273**	**100.0**	**99,145**	**100.0**	**-1,872**	**-1.9**

The breakdown of substandard loans by geographical areas shows an increase in Lombardy (+€7.5m, +41.6%) and South Tyrol where substandard loans more than doubled. These increases are compensated by the contractions recorded in Trentino (-€8.4m, -32.7%) and in the Other Areas (-€2.5m, -16.1%) while volumes maintain their 2012 values in Veneto (first for the concentration of substandard loans with €30m) and Emilia Romagna (about €8m).

Trend of gross substandard loans per area 2009-2013



Breakdown of gross substandard loans per area (thousands of Euro)

	30 Jun 2013	%	31 Dec 2012	%	Chg.	Chg. %
Trentino	17,172	17.7	25,532	25.8	-8,361	-32.7
South Tyrol	3,965	4.1	1,580	1.6	+2,385	+151.0
Veneto	29,989	30.8	30,334	30.6	-346	-1.1
Emilia Romagna	7,790	8.0	8,308	8.4	-518	-6.2
Lombardy	25,367	26.1	17,911	18.1	+7,457	+41.6
Other Areas	12,991	13.4	15,480	15.6	-2,490	-16.1
Total	**97,273**	**100.0**	**99,145**	**100.0**	**-1,872**	**-1.9**

Substandard loans net of write-down are equal to €85.5m, stable against 31 December 2012.
The ratio of net substandard loans compared to total net loans was 6.1% stable when compared with the value at the end of the previous business period (6.0%).

Key ratios relative to substandard loans

in %	Jun 2013	Dec 2012
Gross substandard loans / total gross loans	6.7	6.7
Gross substandard loans / total gross loans to customers	7.1	7.0
Net substandard loans / total net loans	6.1	6.0
Net substandard loans / total net loans to customers	6.5	6.2

Restructured loans

Restructured loans, net of write-down, amount to €2.5m, down by 15.8% against 31st December 2012. This is mainly due to the transfer of one loan to the substandard loans category.
The ratio of net restructured loans to total net loans is 0.2%, stable against end of last year.

Past due loans

This item is made up of all cash loans not secured against real estate by borrowers (not included in the other categories of impaired loans) whose debts are overdue for more than 90 days and individual loans guaranteed by real estate by borrowers whose debts are overdue for more than 90 days according to the criteria established by the supervising authorities.
These loans, net of write-down, equal €11.4m, significantly down against 31st December 2012.
The ratio of "loans past due" to total net loans is 0.8% against 1.1% as recorded at the end of the previous business period.

EQUITY INVESTMENTS ACTIVITY

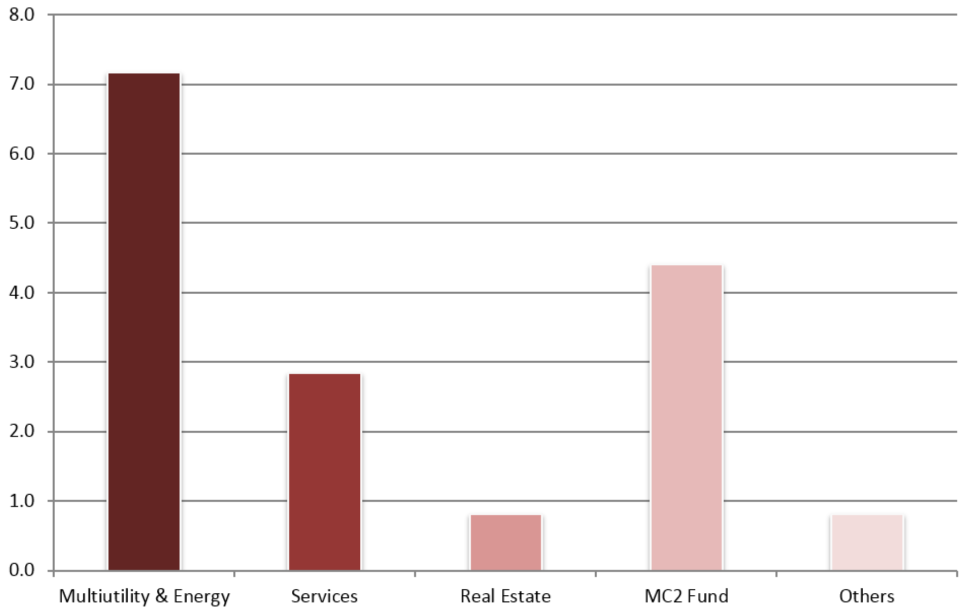
Equity Investment

Equity investment activities both direct and through participation in the closed-end securities investment fund "MC^2 Impresa", show overall amounts of approximately €16.1m, slightly up by 1.9% against the data of December 2012.
During the first six months of the year there have been no new investments and therefore the breakdown of investment by sector remains in line with the one at the end of 2012.

Equity investment (thousands of Euro)

	Jun 2013			Dec 2012		
	Afs	Equity inv.	Total	Afs	Equity inv.	Total
Merchant banking investment	10,389	72	10,461	10,319	79	10,398
Investments in UCITS	5,150	-	5,150	4,935	-	4,935
Other equity investments	349	90	439	345	73	418
Total	**15,888**	**162**	**16,050**	**15,599**	**152**	**15,751**

Breakdown of equity investment by sector (data in million of Euro)



The impairment test on equity securities has led to the opening of a loss considered durable on shares in Trentino Volley for €40 thousand, zeroing its balance. Also noted is a value adjustment of €21 thousand on shares in AEDES S.p.A.

Fair value valuations has led to the recognition with contra-entry to equity of positive fair value change of shares in Alto Garda Servizi S.p.A. for €125.1 thousand, in Fondo Mc2 for €209.1 thousand and in real estate fund Clesio for €5.7 thousand.

Valuations achieved with the equity method for investments in subsidiaries, associates or companies subjected to significant influence led to the revaluation of the investment in Essedi Strategie d'Impresa S.r.l. amounting to €3.5 thousand and the devaluation of the investment in Biorendena S.p.A. for an amount of €6.6 thousand and of investments in Paradisidue S.r.l. for €8.2 thousand.

Equity Investment

(data in thousands of Euro)

	Paradisidue S.r.l. Trento Other equity investments	Essedi S.p.A. Trento Other equity investments	Biorendena S.p.A. Pinzolo Merchant Banking Investments
Balance as at 31/12/2012	**1.5**	**72.0**	**79.0**
Purchases	+21.3	-	-
Sales/Reimbursements	-	-	-
Gains	-	+3.5	-
Losses	-8.2	-	-6.6
Impairment	-	-	-
Balance as at 30/06/2013	**14.6**	**75.5**	**72.4**
Stake held	**100.000%**	**31.869%**	**20.000%**

Other equity investments and stakes available for sale

(data in thousands of Euro)

	Green Hunter S.p.A. – Milano Merchant Banking Investments	Green Hunter Group S.p.A. – Milano Merchant Banking Investments	Hotel Lido Palace S.p.A. Riva del Garda Merchant Banking Investments	Valsugana Energia S.p.A. Pergine Valsugana Merchant Banking Investments
Balance as at 31/12/2012	**1,337.3**	**-**	**528.8**	**300.0**
Purchases	-	+1,337.3	-	-
Sales/Reimbursements	-1,337.3	**-**	-	-
Gain/Losses on disposal	+404	**-**	-	-
Fair value changes	-	**-**	-	-
Reversal of reserve	-404	**-**	-	-
Impairment	-	**-**	-	-
Balance as at 30/06/2013	**-**	**1,337.3**	**528.8**	**300.0**
Stake held	**-**	**3.819%**	**4.840%**	**12.000%**

(data in thousands of Euro)

	Enercoop S.r.l. Trento Merchant Banking Investments	Alto Garda Servizi S.p.A. Riva del Garda Merchant Banking Investments	Alto Garda Servizi Teleriscaldamento S.p.A. Riva del Garda Merchant Banking Investments	Alto S.r.l. Milano Merchant Banking Investments
Balance as at 31/12/2012	**1,720.7**	**2,136.1**	**1,500.0**	**1,555.0**
Purchases	-	-	-	-
Sales/Reimbursements	-	-15.2	-	-
Gain/Losses on disposal	-	-	-	-
Fair value changes	-	+125.1	-	-
Reversal of reserve	-	-	-	-
Impairment	-	-	-	-
Balance as at 30/06/2013	**1,70.7**	**2,246.0**	**1,500.0**	**1,555.0**

Stake held	**15.000%**	**6.051%**	**16.130%**	**10.000**

(data in thousands of Euro)

	S.W.S. Group S.p.A. Trento Merchant Banking Investments	Fondo Immobiliare chiuso Clesio Investments in UCITS	AEDES Società per azioni ligure lombarda per imprese e costruzioni S.p.A. – Milano Other equity investments	Fondo mobiliare chiuso MC^2 – Impresa Investments in UCITS
Balance as at 31/12/2012	**1,201.0**	**731.4**	**75.7**	**4,204.1**
Purchases	-	-	-	-
Sales/Reimbursements	-	-	-	-
Gain/Losses on disposal	-	-	-	-
Fair value changes	-	+5.7	-	+209.1
Reversal of reserve	-	-	-	-
Impairment	-	-	-20.6	-
Balance as at 30/06/2013	**1,201.0**	**737.0**	**+55.2**	**4,413.3**
Stake held	**14.966%**		**0.120%**	

(data in thousands of Euro)

	Cassa Centrale Banca S.p.A. – Trento Other equity investments	P.B. S.r.l. Milano Other equity investments	Trentino Volley S.p.A. Trento Merchant Banking investments	Fondo RETEX Other equity investments
Balance as at 31/12/2012	**50,2**	**3,4**	**40,1**	**100,4**
Purchases	-	-	-	-
Sales/Reimbursements	-	-	-	-
Gain/Losses on disposal	-	-	-	-
Fair value changes	-	-	-	-
Reversal of reserve	-	-	-	-
Impairment	-	-	-40,1	-
Balance as at 30/06/2013	**50,2**	**3,4**	**-**	**100,4**
Stake held	**0,025%**	**0,820%**	**5,363%**	**1,237%**

(data in thousands of Euro)

	Trevefin. S.p.A. Tarzo (TV) Other equity investments	Funivie Madonna di Campiglio S.p.A. – Pinzolo (TN) Other equity investments	Lineapiù S.p.A. Prato Other equity investments	Federazione Trentina delle Cooperative Scarl Trento Other equity investments
Balance as at 31/12/2012	**108.8**	**-**	**-**	**5.1**
Purchases	-	+25.4	-	-
Sales/Reimbursements	-	-	-	-
Gain/Losses on disposal	-	-	-	-
Fair value changes	-	-	-	-
Reversal of reserve	-	-	-	-
Impairment	-	-	-	-
Balance as at 30/06/2013	**108.8**	**25.4**	**-**	**5.1**
Stake held	**4.387%**	**0.033%**	**0.786%**	**0.804%**

(data in thousands of Euro)

	Formazione-Lavoro Società consortile per azioni Trento Other equity investments
Balance as at 31/12/2012	**0.6**
Purchases	-
Sales/Reimbursements	-
Gain/Losses on disposal	-
Fair value changes	-
Reversal of reserve	-
Impairment	-
Balance as at 30/06/2013	**0.6**
Stake held	**0.,042%**

Other corporate & investment banking activities

The generally reduced activity levels, the decline in investment and extraordinary operations and the downsizing of the renewable energy sector have negatively affected the corporate and investment banking activities although with a relatively lower impact than on the disbursement of new credit.

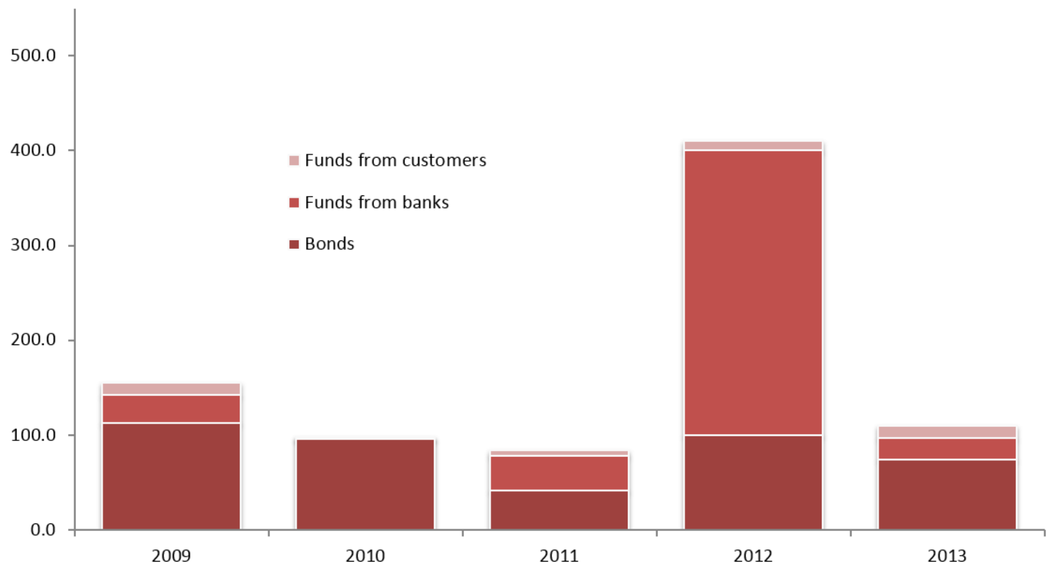
BORROWING OPERATIONS AND TREASURY MANAGEMENT

New funds for the first six months of 2013 (€109.8m) recorded a decrease by €300.7m when compared with the first six months of 2012, as a consequence of the three years financing by the BCE for €300m.
The new flow of bonds recorded is due to the issue of bonds under the EMTN program for €60.0m. The new flow of medium-long term bonds is negligible.

Flows of borrowing operations (thousands of Euro)

TYPE	FLOWS				
	First half 13	%	First half 12	%	chg. %
BONDS	**74,000**	**67.4**	**100,200**	**24.4**	**-26.1**
- Straight bonds	*74,000*	*67.4*	*100,200*	*24.4*	*-26.1*
- Bonds at Fair Value	-	-	-	-	-
- Zero-coupon bonds	-	-	-	-	-
- Special bonds	-	-	-	-	-
FUNDS FROM BANKS AND FROM CDP	**23,000**	**21.0**	**300,000**	**73.1**	**-92.3**
- EIB funds	-	-	-	-	-
- Medium/long term funds from banks	*5,000*	*4.6*	*300,000*	*73.1*	*-98.3*
- Current accounts and deposits	*18,000*	*16.4*	-	-	
FUNDS FROM CUSTOMERS	**12,753**	**11.6**	**10,246**	**2.5**	**+24.5**
- funds from third party	*3,897*	*3.6*	*2,296*	*0.6*	*+69.7*
- other funds	*8,856*	*8.1*	*7,950*	*1.9*	*+11.4*
TOTAL	**109,753**	**100.0**	**410,446**	**100.0**	**-73.3**

Overall amounts of borrowing operations (thousands of Euros)

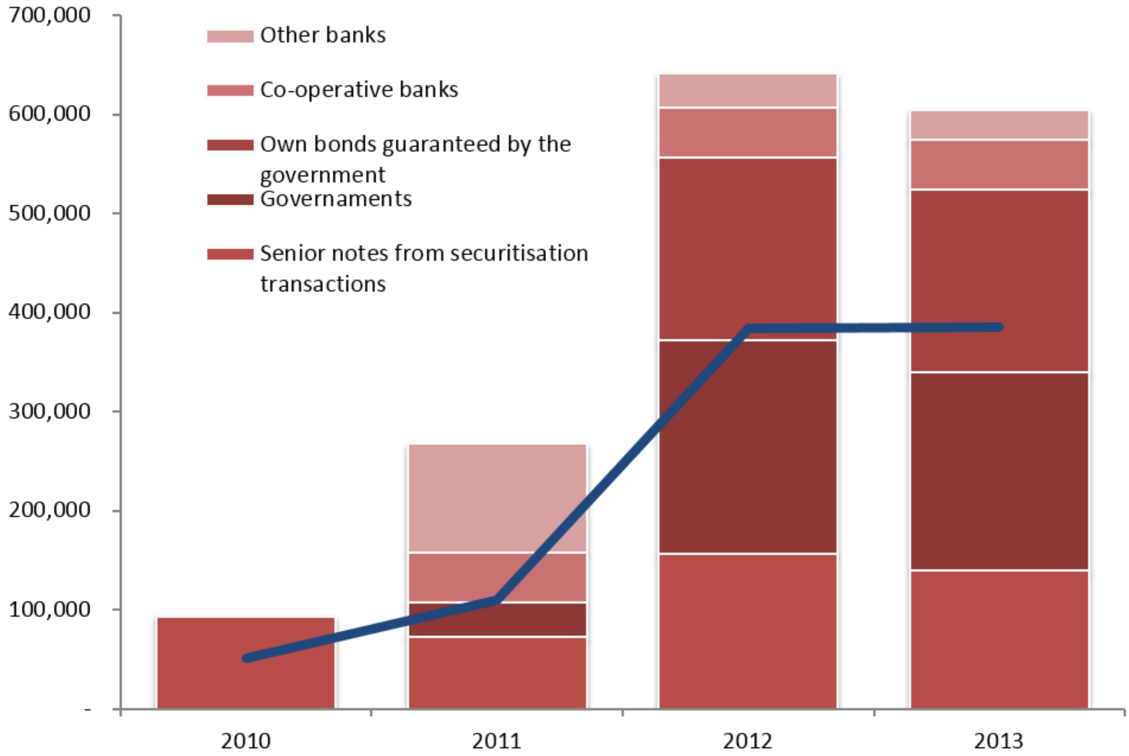


During the first six months of the year, the portfolio of securities eligible for refinancing with the European Central Bank felt the effect of the physiological contraction due the reimbursement to maturity of some title, settling at €604.5m which, net of the two three-year transactions already completed guarantee liquidity reserves estimated at €144.5m (net of haircuts).

Outlook of eligible securities (in thousands of Euro)

Issuer	Available	Constrained
Governments	200,000	192,118
Co-operative banks	5,0,000	39,160
Other banks	30,500	23,796
Senior notes from securitisation transactions	139,341	102,879
Own securities guaranteed by the government	185,000	172,119
Total	**604,841**	**530,072**
Liquidity already drawn		385,600
Residual available liquidity		**144,472**

Graph eligible securities and extracted liquidity (in thousand of Euro)



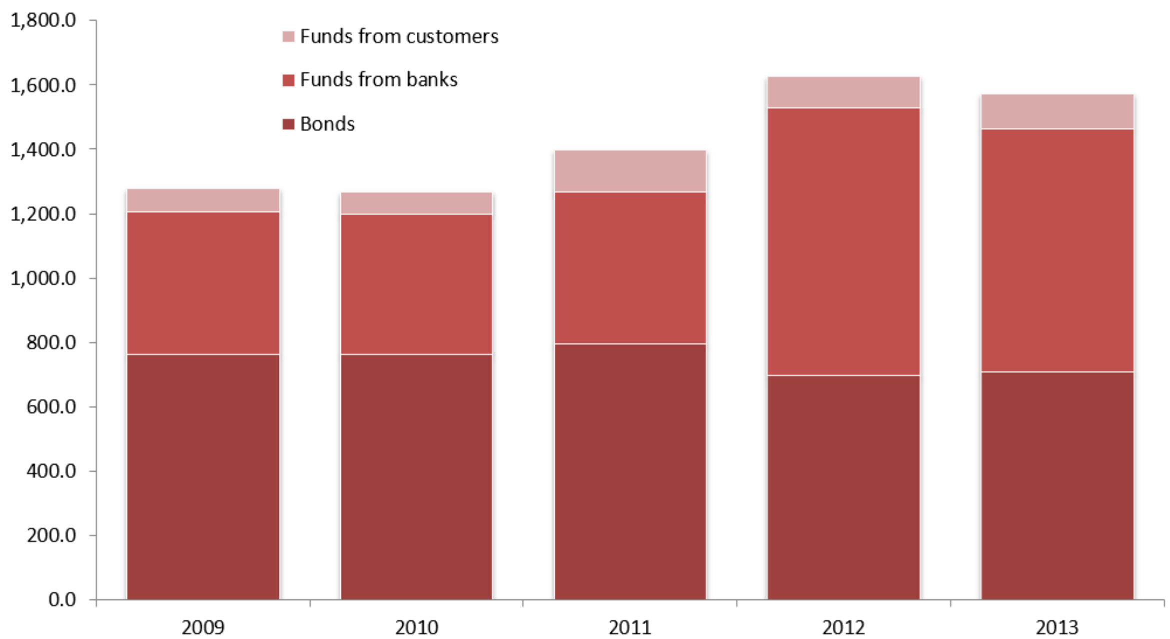
In terms of overall amounts, new bonds issues within the EMTN program balance out the reimbursement of the bonds reaching maturity, confirming the balance of 2012 (+1.2%).
Borrowing declines by €71.7m due for the most part to the decrease in short-term funding.
Third party funds under administration remain stable at around €57m, while other funds from ordinary customers, consisting mostly of short-term deposits increase to about €10m.
Globally funds decreased by 3.3%, amounting to €53.6m.

Overall amounts of borrowing operations (thousands of Euros)

TYPE	OVERALL AMOUNTS				
	Jun 13	%	Dec 12	%	chg. %
BONDS	**706,453**	**44.9**	**698,030**	**42.8**	**+1.2%**
- Straight bonds	*706,205*	*44.9*	*687,627*	*42.2*	*+2.7*
- Bonds at Fair Value (+fv IRS)	*-*	*-*	*10,111*	*0.6*	*-100.0*
- Special bonds	*248*	*-*	*292*	*-*	*-15.1*
FUNDS FROM BANKS AND FROM CDP	**757,680**	**48.1**	**829,409**	**51.0**	**-8.6**
- EIB funds	*101,186*	*6.4*	*108,484*	*6.7*	*-6.7*
- Medium/long term funds from banks[1]	*565,669*	*35.9*	*570,571*	*35.1*	*-0.9*
- Current accounts and deposits	*90,825*	*5.8*	*150,354*	*9.2*	*-39.6*
FUNDS FROM CUSTOMERS	***109,997***	***7.0***	**100,260**	**6.2**	**+9.7**
- funds from third party	*56,693*	*3.6*	*56,665*	*3.5*	*+0.0*
- other funds	*53,304*	*3.4*	*43,595*	*2.7*	*+22.3*
TOTAL	**1,574,130**	**100.0**	**1,627,699**	**100.0**	**-3.3**

[1] of which €54m in 2013 and €56m in 2012 from CDP and €382.0m from the CEB in both years.

Trend of funding operations (millions of Euros)



SECURITIES PORTFOLIO

The portfolio of debt securities available for sale is as follows:

Amounts of portfolio debt securities available for sale (thousands of Euros)

Issuer	Jun 2013		Dec 2012	
	Nominal Value	Fair Value	Nominal Value	Fair Value
Government	210,800	212,076	225,800	222,476
Co-operative banks	50,000	50,655	50,000	51,055
Other banks	70,500	71,419	95,000	96,652
Total	**331,300**	**334,150**	**370,800**	**370,183**

The bonds issued by banks will reach maturities between 2014 and 2016 while government securities (Italian State bonds for €200m and French State for €10.8m) expire between 2013 and 2018.

Chart: allocation of AFS debt securities by maturity date

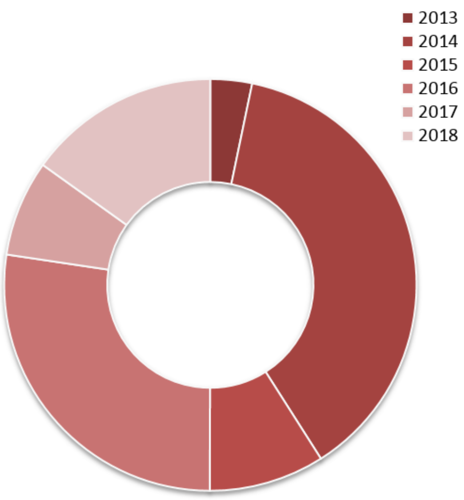
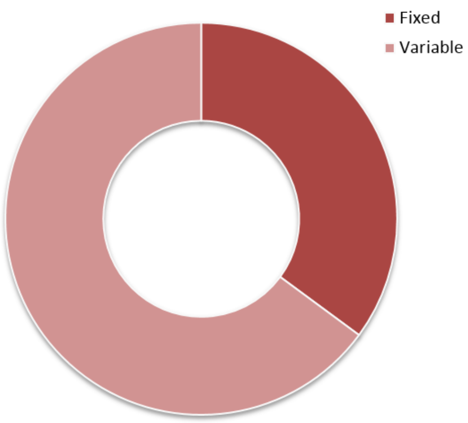


Chart: allocation of AFS debt securities by interest rate type



HEDGING ACTIVITIES AND DERIVATIVES

The table below summarises hedging activities and derivatives and compares the operations carried out during the stated periods and overall notional amounts as at 30th of June 2013 in comparison to the data from the previous year.

Financial derivatives – interest rate swap (in thousands of Euro)

	NEW CONTRACTS		OVERALL NOTIONAL AMOUNTS	
	First half 13	First half 12	Jun 13	Dec 12
- held for trading purposes	-	-	*901*	*1,092*
- acting as coverage of debt securities in issue	-	-	*50,000*	*50,000*
- cash flow	-	-	*50,000*	*50,000*
- linked with FVO	-	-	-	-
- acting as coverage of loans from banks	-	-	-	-
- cash flow	-	-	-	-
TOTAL	**-**	**-**	**50,901**	**51,092**

Financial derivatives – cap options (in thousands of Euro)

	NEW CONTRACTS		OVERALL NOTIONAL AMOUNTS	
	First half 13	First half 12	Jun 13	Dec 12
- sales (customers)	*7,856*	-	*14,318*	*6,567*
- purchases (banks)	*7,856*	-	*14,318*	*6,567*
TOTAL	**15,712**	**-**	**28,636**	**13,134**

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant, equipment and intangible assets are functional investments which amount to €11.8m. They generally consist of buildings (the two premises in Trento, Bolzano and the Treviso branch).

All items show a contraction in value due to depreciation during the six months period. The item electronic equipment is the only exception with a €10 thousand investment for the digtalisation of the meeting of the governing bodies.

Property, plant and equipment and intangible assets (thousands of Euros)

	Jun 2013	%	Dec 2012	%	Chg %
Functional assets	**11,779**	**99.0**	**12,276**	**99.1**	**-4.0**
- *Land and buildings*	9,393	79.0	9,560	77.1	-1.7
- *Furnishings*	976	8.2	1,056	8.5	-7.7
- *IT equipment*	172	1.4	169	1.4	+1.8
- *Other equipment*	843	7.1	890	7.2	-5.2
- *Motor vehicles*	112	0.9	141	1.1	-20.6
- *Software*	282	2.4	460	3.7	-38.7
Land for investments	**116**	**1.0**	**116**	**0.9**	**-**
Total	**11,894**	**100.0**	**12,392**	**100.0**	**-4.0**

OPERATIONAL STRUCTURE

As at 30th June 2013 the number of employees has increased by 1 against 31st December 2012.

The Bank has 85 employees comprising of 66 full-time contracts and 19 part-time contracts.

Situation and changes with regard to employees

	Situation as at 31.12.2012	Resignations	Recruitments	Change of position	Situation as at 30.06.2013
Directors	3	-	-	-	3
Managerial staff 3rd and 4th level	19	-	-	+1	20
Managerial staff 1st and 2nd level	18	-	-	-1	17
3rd professional area	40	-	+1	-	41
2nd professional area	4	-1	+1	-	4
Total	**84**	**-1**	**+2**	**-**	**85**

Breakdown by territorial unit[11]

[11] The item "Other personnel" includes employees belonging to other professional areas and managerial staff of 1st and 2nd level.

Breakdown by age

	Men	Women	Total
< 30 years	2	2	4
> 30 yrs < 45 yrs	19	18	37
> 45 years	29	15	44
Total	**50**	**35**	**85**

Breakdown by length of service

	Men	Women	Total
< 5 years	7	6	13
> 5 yrs < 10 yrs	4	3	7
> 10 yrs < 20 yrs	27	16	43
> 20 yrs	12	10	22
Total	**50**	**35**	**85**

909 hours were devoted to staff training. The following table shows a breakdown of "classroom days" at the Bank's premises and external courses:

Area / Services	Specific training outside the Bank's premises		Relational training at the Bank's premises		Technical training at the Bank's premises	
	Classroom days	No. attendees	Classroom days	No. attendees	Classroom days	No. attendees
General management	-	-	-	-	-	-
Business area	9.08	8	-	-	72.53	31
Legal dept. and contracts	-	-	-	-	7.08	3
Technical admin. Area	17.93	9	-	-	0.39	3
Management support staff	11.53	5	-	-	2.54	3
Total	**38.54**	**22**	**-**	**-**	**82.54**	**40**

The Administrative Board carried out their activities thorough 5 Board of Directors meetings, 6 Executive Committee meetings and 6 Board of Auditors meetings, 1 Ordinary Shareholders' Meeting, 2 Control Committee meetings and 1 meeting of the committee D.Lgs. 231/2001.

PRINCIPAL TRENDS IN THE FINANCIAL STATEMENTS AND STATE OF AFFAIRS

RECLASSIFIED STATEMENT OF FINANCIAL POSITION (ABRIDGED)

(in thousands of Euro)

Assets	30.06.2013	31.12.2012	Chg.	Chg. %
CASH AND CASH EQUIVALENTS	5	5	+1	+13.4
FINANCIAL ASSETS HELD FOR TRADING	683	298	+385	+129.4
FINANCIAL ASSETS AVAILABLE FOR SALE	350,038	385,782	-35,743	-9.3
LOANS AND ADVANCES TO BANKS	84,236	64,253	+19,983	+31.1
LOANS AND ADVANCES TO CUSTOMERS	1,314,633	1,366,290	-51,657	-3.8
HEDGING DERIVATIVES	-	-	-	-
EQUITY INVESTMENTS	162	152	+10	+6.6
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	11,894	12,392	-498	-4.0
TAX ASSETS	6,654	4,989	+1,664	+33.4
OTHER ASSETS	12,265	3,887	+8,378	+215.6
TOTAL ASSETS	**1,780,572**	**1,838,048**	**-57,476**	**-3.1**

Equity and liabilities	30.06.2013	31.12.2012	Chg.	Chg. %
DUE TO BANKS	678,455	758,341	-79,886	-10.5
DUE TO CUSTOMERS	189,221	171,326	+17,895	+10.4
DEBT SECURITIES IN ISSUE	706,453	687,919	+18,534	+2.7
FINANCIAL LIABILITIES HELD FOR TRADING	733	364	+369	+101.4
FINANCIAL LIABILITIES VALUED AT *FAIR VALUE*	-	10,111	-10,111	-
HEDGING DERIVATIVES	329	614	-285	-46.4
TAX LIABILITIES	8,054	8,641	-587	-6.8
OTHER LIABILITIES	9,138	8,851	+287	+3.2
VALUATION RESERVES	4,923	6,130	-1,207	-19.7
CAPITAL RESERVE	183,018	182,692	+327	+0.2
NET INCOME FOR THE PERIOD	247	3,058	-2,811	-91.9
TOTAL EQUITY AND LIABILITIES	**1,780,572**	**1,838,048**	**-57,476**	**-3.1**

The values in the table are calculated rounding off the single values: possible discrepancies are due to rounding off.

RECLASSIFIED INCOME STATEMENT (ABRIDGED)

(in thousands of Euro)

Items	First half 13	First half 12	Chg.	Chg. %
NET INTEREST INCOME	**13,061**	**12,500**	**+561**	**+4.5**
NET FEE AND COMMISSION INCOME	**45**	**742**	**-698**	**-94.0**
DIVIDENDS AND SIMILAR INCOME	2,777	(229)	+3,006	
NET INTEREST AND OTHER BANKING INCOME	**15,883**	**13,013**	**+2,869**	**+22.0**
NET IMPAIRMENT ADJUSTMENTS	(9,765)	(3,280)	-6,485	+197.7
NET INCOME FROM FINANCIAL ACTIVITIES	**6,117**	**9,733**	**-3,616**	**-37.2**
OPERATING COSTS [12]	***(4,885)***	***(5,393)***	***+508***	***-9.4***
PROFIT (LOSS) FROM EQUITY INVESTMENTS AND ON DISPOSAL OF INVESTMENT	(11)	(29)	+18	-60.9
PROFIT BEFORE INCOME TAXES	**1,221**	**4,311**	**-3,091**	**-71.7**
INCOME TAX [12]	(974)	(1,699)	+725	-42.7
NET INCOME FOR THE YEAR	**247**	**2,612**	**-2,365**	**-90.5**

The values in the table are calculated rounding off the single values: possible discrepancies are due to rounding off.

[12] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period deducting from the personnel costs for 2012 €89 thousand and recalculating the corresponding tax charge (€10 thousand).

INCOME STATEMENT DYNAMICS

The income statement as at 30th June 2013 complies with the requirements set out in IAS 34 "Interim Financial Reporting" and includes data relative to 30th June 2012 for comparison purposes.

(in thousands of Euro)

	Items	30.06.2013	30.06.2012	Chg.	Chg. %
10.	INTEREST INCOME AND SIMILAR REVENUES	26,111	29,865	-3,755	-12.6
20.	INTEREST EXPENSE AND SIMILAR CHARGES	(13,050)	(17,365)	+4,315	-24.9
30.	**NET INTEREST INCOME**	**13,061**	**12,500**	**+561**	**+4.5**
40.	FEE AND COMMISSION INCOME	813	1,419	-606	-42.7
50.	FEE AND COMMISSION EXPENSES	(769)	(677)	-92	+13.6
60.	*NET FEE AND COMMISSION INCOME*	**45**	**742**	**-698**	**-94.0**
70.	DIVIDENDS AND SIMILAR INCOME	3	2	+1	+62.6
80.	NET TRADING INCOME	89	(8)	+96	
90.	NET HEDGING GAINS (LOSSES)	-	-	-	
100.	GAINS (LOSSES) ON DISPOSAL OR REPURCHASE	2,671	(14)	+2,685	
110.	NET CHANGE IN FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE	15	(209)	+224	-107.2
120.	**NET INTEREST AND OTHER BANKING INCOME**	**15,883**	**13,013**	**+2,869**	**+22.0**
130.	NET IMPAIRMENT ADJUSTMENTS	(9,765)	(3,280)	-6,485	+197.7
140.	**NET INCOME FROM FINANCIAL ACTIVITIES**	**6,117**	**9,733**	**-3,616**	**-37.2**
150.	ADMINISTRATIVE COSTS:[13]	(4,998)	(4,939)	-59	+1.2
	a) payroll[14]	(3,376)	(3,478)	+102	-2.9
	b) other administrative costs	(1,622)	(1,461)	-161	+11.0
160.	NET PROVISIONS FOR RISKS AND CHARGES	476	(75)	+551	-734.3
170.	NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT [13]	(359)	(313)	-43	+13.5
180.	NET ADJUSTMENTS TO INTANGIBLE ASSETS	(184)	(161)	-13	+14.4
190.	OTHER OPERATING CHARGES/INCOME [13]	181	(98)	+83	+84.3
200.	*OPERATIONAL COSTS*	**(4,885)**	**(5,393)**	**+508**	**-9.4**
210.	PROFIT (LOSS) FROM EQUITY INVESTMENTS	(11)	(29)	+18	-60.9
240.	GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS	0	0	-1	-264.5
250.	**PROFIT (LOSS) ON CURRENT OPERATIONS BEFORE INCOME TAXES**	**1,221**	**4,311**	**-3,091**	**-71.7**
260.	INCOME TAXES ON CURRENT OPERATIONS [14]	(974)	(1,699)	+725	-42.7
290.	**NET INCOME (LOSS) FOR THE YEAR**	**247**	**2,612**	**-2,365**	**-90.5**

[13] The recoveries from customers for indirect expenses and taxes incurred by the Bank (+€50 thousand in 2012, +€1.717m in 2011) were reclassified as a direct adaptation of the same, from item 190. to item 150. Depreciation and amortisation related to leasehold improvements (€2.5 thousands in both semesters) were reclassified from 190. under 170.

[14] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period deducting from the personnel costs for 2012 €89 thousand and recalculating the corresponding tax charge (€10 thousand).

Interest income

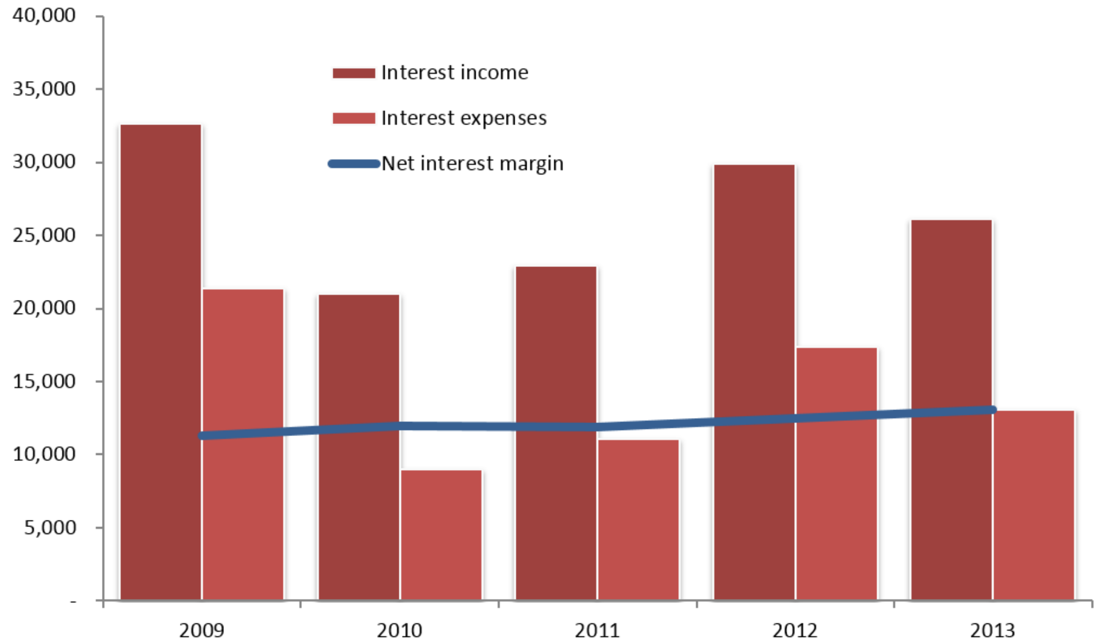
Interest income composition (thousands of Euro)

	Items	30.06.2013	30.06.2012	Chg.	Chg. %
10.	INTEREST INCOME AND SIMILAR REVENUES	26,111	29,865	-3,755	-12.6
20.	INTEREST EXPENSE AND SIMILAR CHARGES	(13,050)	(17,365)	+4,315	-24.9
30.	**NET INTEREST INCOME**	**13,061**	**12,500**	**+561**	**+4.5**

The net interest income shows a positive performance (+€561 thousand; +4.5%) benefiting from a major increase of interest cashed on positions in arrears and bad debts for an amount (€449 thousand against €224 thousand).

The spread of money management (interest income net of interest on arrears and bad debts) also shows a good performance when compared with the Bank's 2012 data, around 1.45%.

Trend of interest income (thousands of Euro)



Net revenues from services, net interest and other banking income

Commissions paid to the Italian Government for the guarantee on bonds issued by the Bank eroded almost entirely the commission income; this brings to a net commission income margin of €45 thousand, down by €688 thousand when compared with the performance in the first six months of 2012.

Net of the above mentioned commission expenses (€688 thousand in 2013 and €589 thousand in 2012) overall commission income reaches €733 thousand, down by 45.0%. The contraction is due to the lack of advisory fees of the closed fund MC^2 Impresa (€68 thousand in 2012), the decrease in corporate finance commission income (-€228 thousand), rebates from other institutions and the loss of some temporary cross-selling activities. Other sources of commission income recorded less significant variations, while commission expenses remain stable.

Net fee and commission income (thousands of Euro)

	Captions	30.06.2013	30.06.2012	Chg.	Chg. %
40.	**FEE AND COMMISSION INCOME**	**813**	**1,419**	**-606**	**-42.7**
	- survey and investigation	271	328	-57	-17.5
	- corporate finance	464	692	-228	-32.9
	- advising for Fondo MC^2 Impresa	-	68	-68	-100.0
	- expense refund in relation to administrative deeds	54	52	+1	+2.5
	- prepayment penalties	2	29	-27	-93.8
	- other	22	249	-226	-91.0
50.	**FEE AND COMMISSION EXPENSES**	**(81)**	**(87)**	**+7**	**-7.9**
	- collection of applications	(34)	(32)	-2	+6.7
	- other	(47)	(56)	+9	-16.3
	NET TYPICAL COMMISSIONS	**733**	**1,332**	**-599**	**-45.0**
	- State guarantees on bond issued	(688)	(589)	-99	+16.8
60.	***NET FEE AND COMMISSION INCOME***	**45**	**742**	**-698**	**-94.0**

The net result of the fair value measurement of derivatives and the corresponding associated liabilities are positive and amount to €15 thousand. The net result from brokerage activities amount to €89 thousand and comes from fair value changes and differentials in relation to trading derivative contracts and net trading income of cap options to ordinary customers.

In the same period the Bank cashed dividends valuing €3 thousand (€2 thousand in the first half of 2012). Securities portfolio management generated a capital gain of €2.2m, while extraordinary transactions involving the subsidiary Green Hunter gave a gain of €404 thousand. Gains have also been recorded from repurchase of bonds issued for €36 thousand.

The above-mentioned results added to net fees and commissions bring net interest and other banking income to €15,883m, up by 22.0% (+€2.9m) against the result for the same period in 2012.

Value adjustments and net income from financial activities

The measurement of the balance sheet assets is summed up in the table below:

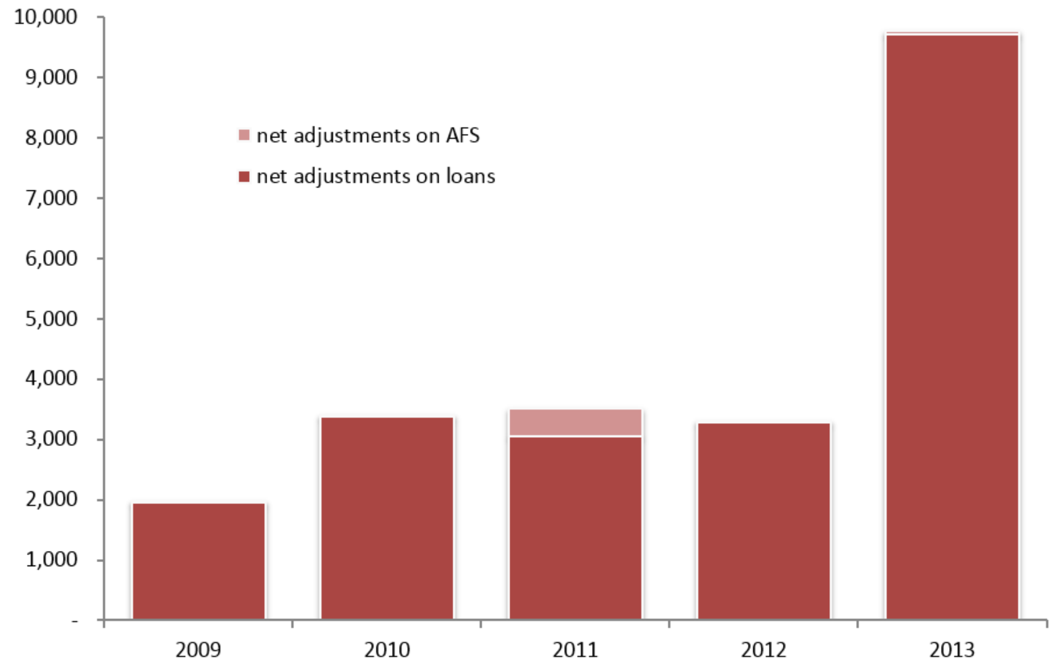
(thousand of Euro)

Items	30.06.2013	30.06.2012	Chg.	Chg. %
130. NET IMPAIRMENT ADJUSTMENTS ON:	(9,765)	(3,280)	-6,485	+197.7
a) loans and advances	(9,708)	(3,281)	-6,427	+195.9
b) financial assets available for sale	(61)	(0)	-60	
c) financial assets held to maturity	-	-	-	-
d) other financial assets	3	1	+2	+123.6

Item 130. Net impairment adjustments: breakdown (thousands of Euros)

		First half 2013			First half 2012		
		Adjustments	Write-back	Net Effect	Adjustments	Write-back	Net Effect
a)	**LOANS AND ADVANCES**	**14,347**	**4,640**	**(9,708)**	**6,699**	**3,418**	**(3,281)**
	- analytical valuation	12,648	2,762	(9,886)	5,464	2,723	(2,741)
	- lump sum valuation	1,699	1,097	(603)	971	112	(859)
	- loan losses	-	-	-	1	-	(1)
	- "country risk" valuation	-	-	-	-	-	-
	- initial FV of loans granted at an interest rate lower than the market rate	0	-	-	263	-	(263)
	- collection from transactions concluded in prior periods	-	781	781	-	583	583
b)	**ASSETS AVAILABLE FOR SALES**	**61**	**-**	**(61)**	**(0)**	**-**	**(0)**
	- valuation of equity securities	61	-	(61)	(0)	-	(0)
c)	**ASSETS HELD TO MATURITY**	**-**	**-**	**-**	**-**	**-**	**-**
d)	**OTHER TRANSACTIONS**	**-**	**3**	**3**	**-**	**1**	**1**
	- valuation financial guarantees	-	3	3	-	1	1
	TOTAL	**14,408**	**4,643**	**(9,765)**	**6,699**	**3,419**	**(3,280)**

Trend of net impairment adjustments (thousands of Euro)



The analytical valuation (for which non-performing loans were carried out by discounting the anticipated inflows) produced value adjustments of €12.648m and write-backs of €2.762m, of which €92,000 are from collections.

Percentages applied to the portfolio were obtained from a specific calculation procedure but prudentially, on account of the continuing economic downturn, the higher percentage adopted as at 31st December 2012 was used for "substandard loans", although the analytical valuation didn't determine any write-backs. Total net write-backs amounted to €603 thousand.

As in the previous period, a write-down percentage of 80% was applied for "country risk" (Algeria), which has not caused any relevant adjustments.
During the first half of the year, collections on doubtful loans have been recorded, which had reverted to losses in previous periods for the amount of €781 thousand, while there are no losses reported in the income statement.
For guarantees issued was calculated a write-back of around €3 thousand (item 130.d) while the impairment test on equities has led to the opening of a loss considered durable totaling €61 thousand, due in part to the zeroing of the share capital in Trentino Volley S.p.A. (€40 thousand).

The net income from financial activities amounted to €6.117m, down by 37.2% against the data of June 2012.

Operating costs

Administrative cost came to €4.885m considerably down (-€508 thousand) against the amount at the end of the first half of 2012 (€5.393m).

Operating costs (thousands of Euro)

Items	30.06.2013	30.06.2012	Chg.	Chg. %
150. ADMINISTRATIVE COSTS:	(4,998)	(4,939)	-59	+1.2
a) payroll:	(3,376)	(3,478)	+102	-2.9
- employees costs [15]	*(3,164)*	*(3,235)*	*+72*	*-2.2*
- directors and auditors costs	*(213)*	*(243)*	*+30*	*-12.5*
b) other administrative costs [16]	(1,622)	(1,461)	-161	+11.0
160. NET ALLOCATIONS TO PROVISIONS FOR RISKS AND CHARGES	476	(75)	+551	-734.3
170. NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT	(359)	(316)	-43	+13.5
180. NET ADJUSTMENTS TO INTANGIBLE ASSETS	(184)	(161)	-23	+14.4
190. OTHER OPERATING CHARGES/INCOME	181	98	+83	+84.3
200. OPERATIONAL COSTS	***(4,885)***	***(5,393)***	***+508***	***-9.4***

Compared to June 2012, personnel costs are down by 2.9%. This change is primarily due to the employees component: the average number of employess went down from 80.9 in 2012 to 79.8.

The increase in other administrative costs (+€161 thousand; +11.0%) was primarily driven by higher legal fees and proceedings costs (+€151 thousand) as well as by expenditure for professional services for the issuance of credit ratings by Fitch Ratings (+€41 thousand) and

[15] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period deducting from the personnel costs for 2012 €89 thousand.

[16] The recoveries from customers for indirect expenses and taxes incurred by the Bank (+ €28 thousand in 2013, + €50 thousand in 2012) were reclassified as a direct adaptation of the same, from item 190. to item 150.. Depreciation and amortisation related to leasehold improvements (€2,500 in both semesters) were reclassified from 190. to 170..

outsourcing services for property valuation (+€44 thousand). These higher costs are offset, in part, by the widespread savings on other expenditures, in particular, on Bank's movable and immovable assets management (-€42 thousand) as well as on IT expenses (-€16 thousand).

Net provisions for risks and charges were affected by the reduction of the potential liability relating to a revocation action initiated in 2008, following a favourable judgment of first degree, for €476 thousand.

Deprecaition for the first half of the year carried on at normal speed after the completion of the modernisation projects of the real estate and technology systems, totalling €541 thousand, an increase compared to June 2012 of €66 thousand.

Considering other net income for €181 thousand, operating expenses showed a net decrease (-€508 thousand), bringing the cost to income ratio to 30.8%, lower than in the first half of 2012 (41.4%) and the year 2012 (36.7%).

Personnel efficiency indices

Captions	First half 2013	First half 2012	Chg.
Operating costs/Net interest and other banking income (%) [17]	30.8	41.4	-10.7
Payroll/Net interest and other banking income (%) [17]	21.3	26.7	-5.4
Average cost per employee (thousands of Euros)[17]	39.7	40.0	-0.3
Net interest and other banking income / average number of employees (thousands of Euros)	199.1	160.8	+38.3
Positive total / average number of employees (thousands of Euros)	22,321.3	22,354.4	-33.1

Income for the period

After recording negative value changes of equity investments to the amount of €11 thousand, net profit before taxes came to €1.221m, down by 71.7% when compared to the first half of 2012.

The net profit for the period was €247 thousand which, after ascertaining income tax has decreased by €2.365m (-90.5%) against the result recorded in June 2012 (€2.612m). Income tax for the period came to €0.974m, equal to a tax rate of 79.8% against 39.4% in the first half of 2012.

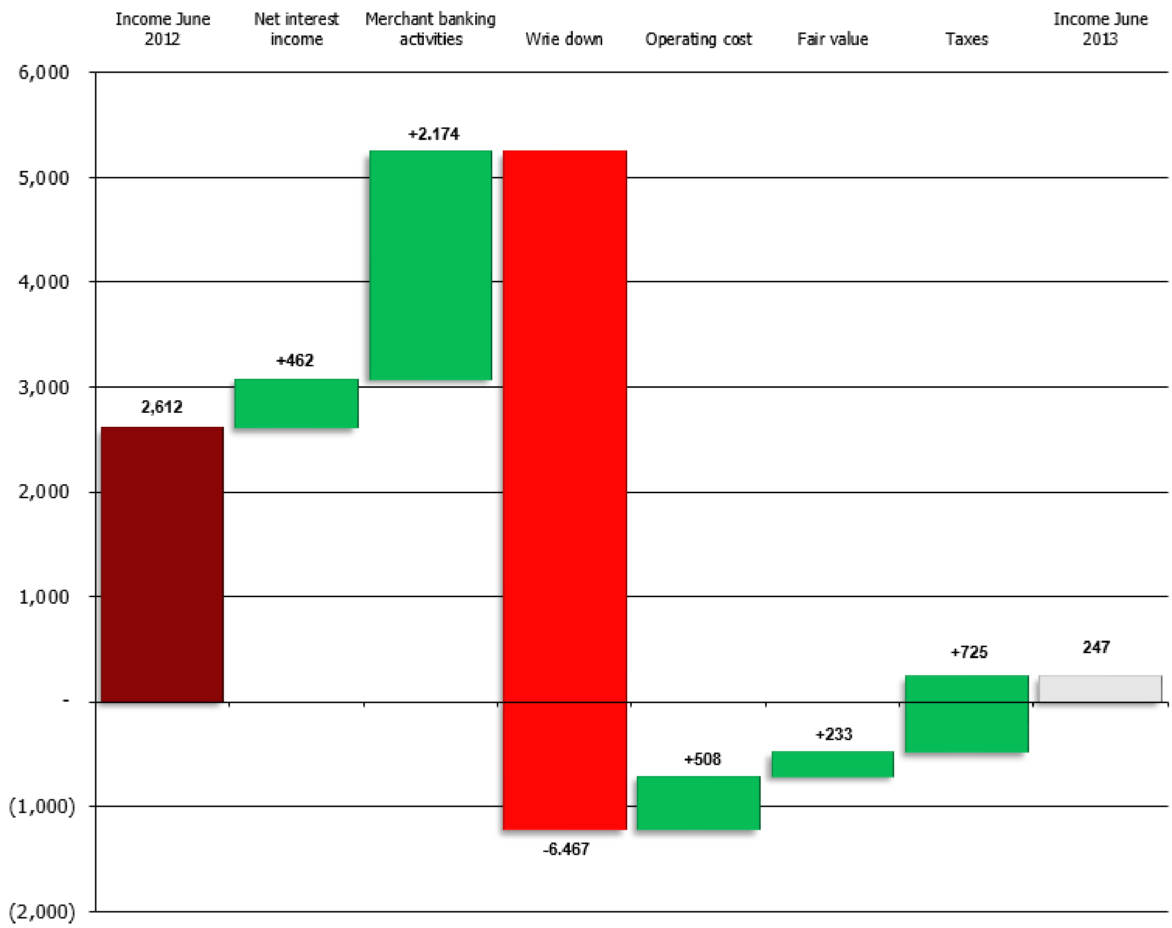
The Bank's performance relative to the two above-mentioned data comparisons can be summed up as follows[18]:

[17] "Operating costs/Net interest and other banking income" and "Payroll/Net interest and other banking income" for the first half of 2012 are ricalcualted accordingly to the new reclassification forllowing the updated IAS 19 (note nr. 14)

[18] For a better representation of the dynamics of the income statement, the commissions recognised to the State for the guarantees on our bond issues (-€99 thousand) was included amongst the changes in net interest income rather than amongst changes in merchant banking activities (which includes entry fee and commission expense). For the same purpose, net trading income from cap derivatives were included in the merchant activities after deducting €87 thousand deriving from their fair value.

Changes against	First half 2012
Net interest income	+462
Merchant banking activities (net commission income, dividends and capital gains on the sale of equity investments)	+2,174
Write down on loans and advances, securities and equity investments	-6,467
Operating costs	+508
Fair value result	+233
Taxes on income for the period	+725
Changes in income for the period	***-2,365***

Net profit dynamic: changes in first half of 2012



EQUITY AND STATE OF AFFAIRS OF THE COMPANY

Equity

Reserves increased by €228 thousand, due to the attribution of the net income for 2012 and €98 thousand as a consequence of the changes to comply with the new IAS 19 "Employee benefits"[19]. Valuation Reserves decreased by €1.2m deriving from the adaptation to fair value of assets available for sale, cash flow hedges and plans for defined benefits (actuarial gains/losses).
As shown in the table below, after taking into account the net income for the period, equity amounts to €188.2m, down by €3.7m.

(in thousands of Euro)

	Items	Jun 2013	Dec 2012	Chg.
130.	Valuation reserves	4,923	6,130	-1,207
160.	Reserves	94,692	94,365	+327
170.	Additional paid-in capital	29,841	29,841	-
180.	Capital stock	58,485	58,485	-
200.	Income for the period	247	3,058	-2,811
	Total equity	**188,189**	**191,880**	**-3,691**

Following the Shareholders' Meeting of 2nd May 2013, dividends on the overall amount of €2,586,819.20 equal to €0.023 on each of the 112,470,400 shares that make up the capital stock of Mediocredito Trentino – Alto Adige S.p.A., were paid out. The dividends were paid with interest running from 10th June 2013.

Regulatory capital and capital ratios

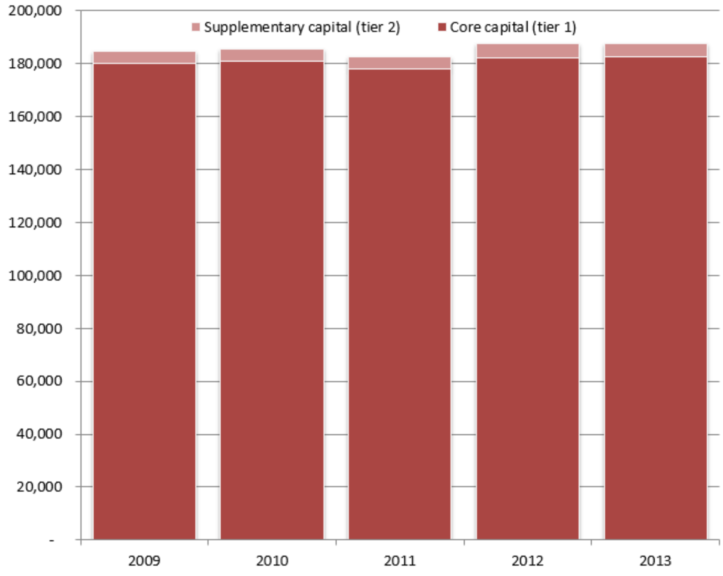
The regulatory capital and the capital ratios were calculated on the data from the half-year financial statements, drawn up in accordance with the new international accounting principles IAS/IFRS and the rules set forth by the supervising authorities.

(in thousands of Euro)

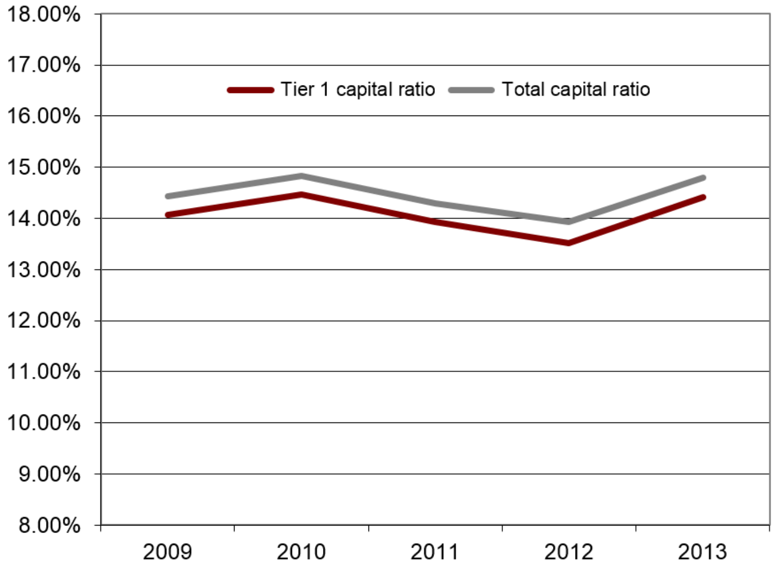
Items	Jun 2013	Dec 2012
Core capital (Tier 1)	182,572	182,051
Supplementary capital (Tier 2)	4,864	5,605
Regulatory capital	**187,436**	**187,656**
Tier 1 capital ratio	14.42	13.52
Total capital ratio	14.80	13.93

[19] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period restating the income, valuation reserves and reserves.

Graph: regulatory capital trend 2009-2013

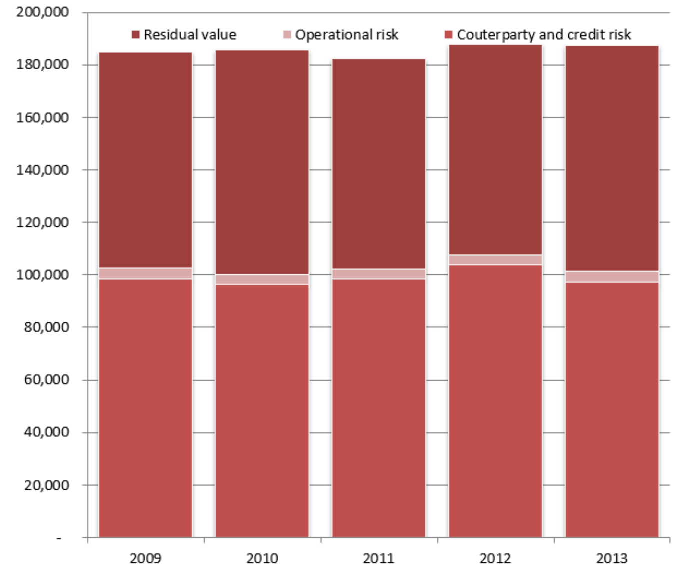


Graph: capital ratios trend



The regulatory capital (equal to the sum of €187.4m) after deducting the amounts representing the minimum regulatory requirements is €86.2m, an amount which is deemed adequate to ensure the growth of business activities.

Trend of capital absorption 2009-2013



Trend of regulatory capital

	2013	2012
Initial core capital (Tier 1)	**182,051**	**177,910**
Capital stock increase (+)	-	-
Capital stock reduction (-)	-	-
Distributed income (-)	-	(2,732)
Dividends paid out in shares (+)	-	-
Income for the year (+)	247	3,058[20]
Change in Bank's creditworthiness (-)	39	(39)
Change in overall profitability:	57	3,246
Assets available for sale	-	3,713
Plans for specific benefits	57	(467) [20]
Other	-	-
Changes in goodwill and other intangible assets	178	239
Other changes	-	369[20]
Final core capital (Tier 1)	**182,572**	**182,051**
Initial supplementary capital (Tier 2)	**5,605**	**4,634**
Increases in capital stock not included in core capital (Tier 1) (+)	-	-
Reductions in capital stock not included in core capital (Tier 1) (-)	-	-
Change in overall profitability:	(741)	971
Assets available for sale	(741)	971
Other	-	-
Depreciation changes	-	-
Other changes	-	-
Final supplementary capital (Tier 2)	**4,864**	**5,605**
Regulatory Capital	**187,436**	**187,656**

[20] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to recalculate the Regulatory Capital.

Rating

Moody's Investor Service

After revisions were made to the Bank's rating during 2012, no further actions were undertaken to date. Therefore, the current rating is as follows:

Category	Moody's Rating
Outlook	Negative
Bank Deposits	Baa2 / P-2
Bank Financial Strength	D+
Senior Unsecured – Dom Curr (Issuer Rating)	Baa2

Fitch ratings

In April 2013, the rating agency Fitch has for the first time assigned a rating to the Bank, as follows:

Outlook	Negative
Short-term Issuer Default Rating	F2
Viability Rating	bb-
Support Rating	2
Long-term Issuer Default Rating	BBB+

SIGNIFICANT EVENTS AFTER PERIOD END AND EXPECTED BUSINESS OUTLOOK

After 30th June 2013 (the date which refers to the present six-monthly abbreviated report of Mediocredito Trentino-Alto Adige S.p.A.) until 27th August 2013 (the date of the report approval from the Board of Directors) relevant events which will influence the economic and financial situation of the Bank have not come to light.

The persistence of the critical economic and financial environment that depresses especially competitiveness and domestic demand, even in the rich areas of the north-east of Italy, will affect the performance of the bank in the second half of 2013. Tensions on the financial markets persist bringing wider yield premiums for countries in Southern Europe and high unemployment rates. Signs of economic recovery are still in their infancy, especially in Italy.

For the Italian banks it is still difficult to access the international funding market, without high costs. This is only partially alleviated by the important liquidity support measures put in place by the European Central Bank with medium-term transactions, well known and widely used especially by Italian banks.

In this context (by the evident weakness in demand and the natural selectivity of credit), the Bank has revised its budget targets, at least in terms of disbursements of new finance, accepting a modest decrease of the stocks in the year-end forecast. Impaired loans are expected to record a growing trend.
Income statement trend estimates show an improved consolidation of revenues and a reduction in operating costs, but the likely permanence of a high cost of risk will not allow the achievement of a satisfactory performance in terms of profits.
The low volumes of disbursements allowed the Bank to contain its financial needs and therefore the liquidity risk. It is still necessary to implement policies to diversify funding in light of the repayment of long-term loans from the Central Bank and to enable a progressive structural containment of maturity transformations. Such issue has already been partially mitigated by the bank with the signing of a substantial EIB financing in the medium-long term for €50m and with the preparation of bond issues to be signed as a renewal of maturing transactions with local banks.
As part of treasury and short-term risk management, Mediocredito has setup and made operational a system of collateralisation of credit assets eligible for refinancing with the BbI Bank.
With respect to compliance with regulatory requirements by the Supervisory Authority, the Bank will work towards the development of a system of internal controls in line with the recently issued 15th update of Circular 263/2006 "New provisions on capital requirements for banks."

PROPOSAL FOR THE ALLOCATION OF THE HALF-YEARLY NET INCOME

The net profit for the first half of 2013 equals €247,174.23.

Taking into consideration the instructions of the Bank of Italy in relation to the determination of the regulatory capital and the financial standing of the Company as at 30 June 2013, the following distribution of the net income can be envisaged:

Income for the period	€	**247,174.23**
- non-distributable under article 6 c. 2 Legislative Decree. 38/2005 (Decree IAS)	€	- 3,536.80
Distributable income	**€**	**243,637.43**
- 5% legal reserve	€	-
- at the disposal of the Board of Directors		
for undertakings as per Article 21 of the By-laws	€	-
- dividend to distribute to shareholders	€	-
- further allocation to the extraordinary reserve	€	243,637.43

Following the aforementioned distribution, equity as at 30.06.2013 would be as follows:

- capital stock	€	58,484,608.00
- additional paid-in capital	€	29,841,458.06
- legal reserve	€	18,956,373.30
- statutory reserve	€	54,246,435.93
- valuation reserve	€	4,923,317.60
- reserve from the reclassification of the risk provisions	€	18,936,305.62
- reserve from the FTA as per Legislative Decree 38/2005	€	2,273,855.22
- reserve as for IAS 8	€	467,740.33
- other reserves	€	58,556.99
Total	**€**	**188,188,651.05**

Il Presidente
del Consiglio di Amministrazione
F. Senesi

Il Direttore Generale
L. Scarpa

INTERIM FINANCIAL STATEMENTS OF THE COMPANY

STATEMENT OF FINANCIAL POSITION - ASSETS

	Assets	30.06.2013	31.12.2012
10.	CASH AND CASH EQUIVALENT	5,427	4,784
20.	FINANCIAL ASSETS HELD FOR TRADING	682,782	297,574
40.	FINANCIAL ASSETS AVAILABLE FOR SALE	350,038,249	385,781,554
60.	LOANS AND ADVANCES TO BANKS	84,236,385	64,253,494
70.	LOANS AND ADVANCES TO CUSTOMERS	1,314,633,157	1,366,289,775
80.	HEDGING DERIVATIVES	-	-
100.	EQUITY INVESTMENTS	162,489	152,480
110.	PROPERTY, PLANT AND EQUIPMENT	11,612,119	11,932,059
120.	INTANGIBLE ASSETS	282,297	460,064
	Of which:		
	- goodwill		
130.	TAX ASSETS	6,653,789	4,989,384
	(a) current	-	-
	(b) deferred	6,653,789	4,989,384
	(b.1) of which for Law 214/2011	-	-
150.	OTHER ASSETS	12,264,997	3,886,655
	TOTAL ASSETS	**1,780,571,691**	**1,838,047,823**

The statement of financial position is drawn up in Euros, without decimal places, after carrying out the necessary rounding. The sum of the differences arising from the rounding of assets is equal to +1 euro and was included under "other assets".

STATEMENT OF FINANCIAL POSITION - LIABILITIES

	Equity and Liabilities	30.06.2013	31.12.2012
10.	DUE TO BANKS	678,455,056	758,341,063
20.	DUE TO CUSTOMERS	189,221,032	171,325,797
30.	DEBT SECURITIES IN ISSUE	706,452,675	687,918,931
40.	FINANCIAL LIABILITIES HELD FOR TRADING	733,478	364,181
50.	FINANCIAL LIABILITIES AT FAIR VALUE	-	10,111,328
60.	HEDGE DERIVATIVES	329,149	614,077
80.	TAX LIABILITIES	8,053,757	8,641,114
	(a) current	561,542	719,580
	(b) deferred	7,492,215	7,921,534
100.	OTHER LIABILITIES	6,399,646	5,346,355
110.	PROVISION FOR SEVERANCE INDEMNITIES	1,467,032	1,702,368
120.	PROVISIONS FOR RISKS AND CHARGES	1,271,215	1,802,669
	(a) pension fund and similar provisions	-	-
	(b) other provisions	1,271,215	1,802,669
130.	VALUATION RESERVES [21]	4,923,318	6,129,962
160.	RESERVES [21]	94,692,093	94,365,489
170.	ADDITIONAL PAID-IN CAPITAL	29,841,458	29,841,458
180.	CAPITAL STOCK	58,484,608	58,484,608
200.	NET INCOME (LOSS) FOR THE PERIOD (+/-) [21]	247,174	3,058,423
	TOTAL EQUITY AND LIABILITIES	**1,780,571,691**	**1,838,047,823**

The statement of financial position is drawn up in Euros, without decimal places, after carrying out the necessary rounding. The sum of the differences arising from the rounding of assets is equal to +1 euros and was included under "other liabilities".

[21] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period restating the income, valuation reserves and reserves.

INCOME STATEMENT

	Items	30.06.2013	30.06.2012
10.	INTEREST INCOME AND SIMILAR REVENUES	26,110,773	29,865,306
20.	INTEREST EXPENSE AND SIMILAR CHARGES	(13,050,055)	(17,365,454)
30.	NET INTEREST INCOME	13,060,718	12,499,852
40.	FEE AND COMMISSION INCOME	813,110	1,419,013
50.	FEE AND COMMISSION EXPENSE	(768,585)	(676,698)
60.	NET FEE AND COMMISSION INCOME	44,525	742,315
70.	DIVIDENDS AND SIMILAR INCOME	2,792	1,717
80.	NET TRADING INCOME	88,801	(7,625)
90.	NET HEDGING GAINS (LOSSES)	-	-
100.	GAINS (LOSSES) ON DISPOSAL OR REPURCHASE OF:	2,670,715	(14,153)
	a) loans and advances	-	-
	b) financial assets available for sale	2,634,647	(16,807)
	c) financial assets held to maturity	-	-
	d) financial liabilities	36,068	2,654
110.	NET CHANGE IN FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE	15,039	(208,697)
120.	NET INTEREST AND OTHER BANKING INCOME	15,882,590	13,013,409
130.	NET IMPAIRMENT ADJUSTMENTS ON:	(9,765,393)	(3,280,392)
	a) loans and advances	(9,707,796)	(3,281,290)
	b) financial assets available for sale	(60,695)	(488)
	c) financial assets held to maturity	-	-
	d) other financial transactions	3,098	1,386
140.	NET INCOME FROM FINANCIAL ACTIVITIES	6,117,197	9,733,017
150.	ADMINISTRATIVE COSTS:	(5,029,698)	(4,988,617)
	a) payroll [22]	(3,376,314)	(3,478,444)
	b) other administrative costs	(1,653,383)	(1,510,173)
160.	NET PROVISIONS FOR RISKS AND CHARGES	475,749	(75,000)
170.	NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT	(356,603)	(313,848)
180.	NET ADJUSTMENTS TO INTANGIBLE ASSETS	(184,240)	(161,046)
190.	OTHER OPERATING CHARGES/INCOME	210,092	145,360
200.	OPERATING COSTS	(4,884,699)	(5,393,151)
210.	PROFIT (LOSS) FROM EQUITY INVESTMENTS	(11,293)	(28,918)
240.	GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS	(498)	303
250.	PROFIT (LOSS) ON CURRENT OPERATIONS BEFORE INCOME TAXES	1,220,707	4,311,251
260.	INCOME TAXES ON CURRENT OPERATIONS [22]	(973,533)	(1,698,911)
270.	PROFIT (LOSS) FROM CURRENT OPERATIONS AFTER TAX	247,174	2,612,340
290.	**NET INCOME (LOSS) FOR THE PERIOD**	**247,174**	**2,612,340**

EARNINGS PER SHARE [22]

Earning per share	0.0022	0.0232
Diluted profit per share	0.0022	0.0232

[22] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period deducting from the personnel costs for 2012 €89 thousand and recalculating the corresponding tax charge (€10 thousand). As a consequence also the erning per share had to be recalculated.

STATEMENT OF COMPREHENSIVE INCOME

	Items	First half 2013	First half 2012
10.	NET INCOME (LOSS) FOR THE PERIOD [23]	**247,174**	**2,612,340**
20.	FINANCIAL ASSETS AVAILABLE FOR SALE:	**-1,480,731**	**-3,224,410**
	- Equity securities	-262,897	-108,343
	- Investment fund units	+145,745	+47,555
	- Debt securities	-1,363,579	-3,163,622
60.	CASH FLOW HEDGES	**+217,288**	**-133,448**
90.	TOTAL OTHER POST TAX COMPONENTS OF INCOME [23]	**+56,799**	**-79,231**
110.	TOTAL OTHER POST TAX COMPONENTS OF INCOME	**-1,206,645**	**-3,437,089**
120.	TOTAL COMPREHENSIVE INCOME (Lines 10+110)	**-959,470**	**-824,749**

Disclosures pursuant to paragraph 82A IAS1 "Presentation of Financial Statements"

The components shown in the statement of comprehensive income related to "equity securities", "investment fund units" and "debt securities" may in the future, in the event of a sale, be subject to a reversal in the income statement.

The components related to cash flow hedges will be subject to automatic reversal in the income statement as result of the maturing of the differentials.

The components related to defined benefit plans will never be subject to a reversal in the income statement.

[23] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period removing €79 thousand from the net income and transferring the same amount under "actuarial gains/losses on defined benefit plans".

STATEMENT OF CHANGES IN EQUITY 31/12/2012 – 30/06/2013

	Balance as at 31.12.2012	Changes in opening balance[24]	Balance as at 1.1.2013	Allocation of the previous year's results		Changes for the period								Equity as at 30.06.2013
							Transaction booked to equity							
				Reserves	Dividends and other allocations	Changes of reserves	Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Change in equity instruments	Stock options	Total comprehensive income (Loss) for the first half of year 2013	
Share capital:	58,484,608		58,484,608											**58,484,608**
a) ordinary shares	58,484,608		58,484,608											**58,484,608**
b) other shares	-		-											**-**
Additional paid-in capital reserves	29,841,458		29,841,458											**29,841,458**
Reserves:	93,996,203	+369,286	94,365,489	228,149		98,455								**94,692,093**
a) from profit	93,996,203	+369,286	94,365,489	228,149		98,455								**94,692,093**
- statutory reserves	18,808,620		18,808,620	147,753		-								**18,956,373**
- extraordinary reserves	53,977,422		53,977,422	80,396		-								**54,057,818**
- other profit reserves[25]	21,210,161	+369,286	21,579,447	-		98,455								**21,677,902**
b) others	-		-	-		-								**-**
Valuation reserves:	6,597,703	-467,741	6,129,962										-1,206,664	**4,923,318**
a) assets available for sale	2,572,519		2,572,519										-1,480,731	**1,091,788**
b) financial flow hedge	-293,148		-293,148										+217,288	**-75,860**
c) others	4,318,332	-467,741	3,850,591										+56,799	**3,907,390**
- severance indemnities[24]	-	-467,741	-467,741										+56,799	**-410,942**
- property revaluation Law 413/91	745,631		745,631											**745,631**
- property revaluation Law 342/2000	3,572,701		3,572,701											**3,572,701**
Equity instruments	-		-											**-**
Treasury shares	-		-											**-**
Profit (Loss) for the year	2,959,969	+98,455	3,058,423	-228,149	-2,731,819	-98,455							+247,174	**247,174**
Net equity	**191,879,941**	**-**	**191,879,941**	**-**	**-2,731,819**	**-**							**-959,470**	**188,188,651**

STATEMENT OF CHANGES IN EQUITY 31/12/2011 – 30/06/2012

24 EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period modifying the opening balances and the comprehensive income.

25 The "other profit reserves" include the FTA IAS/IFRS reserve (including the funds for general banking risks and for credit risk).

	Balance as at 31.12.2011	Changes in opening balance [26]	Balance as at 1.1.2012	Allocation of the previous year's results		Changes for the period								Equity as at 30.06.2012
							Transaction booked to equity							
				Reserves	Dividends and other allocations	Changes of reserves	Issue of new shares	Purchase of treasury	Extraordinary distribution of	Change in equity	Change in equity	Stock options	Total comprehensive income (Loss) for the first half of year 2012 [26]	
Share capital:	58,484,608	-	58,484,608	-	-	-	-	-	-	-	-	-	-	**58,484,608**
a) ordinary shares	58,484,608	-	58,484,608	-	-	-	-	-	-	-	-	-	-	**58,484,608**
b) other shares	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Additional paid-in capital reserves	29,841,458	-	29,841,458	-	-	-	-	-	-	-	-	-	-	**29,841,458**
Reserves:	93,595,543	+369,286	93,964,829	400,660	-	-	-	-	-	-	-	-	-	**94,365,489**
a) from profit	93,595,543	+369,286	93,964,829	400,660	-	-	-	-	-	-	-	-	-	**94,365,489**
- statutory reserves	18,483,670	-	18,483,670	324,950	-	-	-	-	-	-	-	-	-	**18,808,620**
- extraordinary reserves	53,901,712	-	53,901,712	75,710	-	-	-	-	-	-	-	-	-	**53,977,422**
- other profit reserves [27]	21,210,161	+369,286	21,579,447	-	-	-	-	-	-	-	-	-	-	**21,579,447**
b) others	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Valuation reserves:	1,465,653	-369,286	1,096,367	-	-	-	-	-	-	-	-	-	-3,437,089	**-2,340,722**
a) assets available for sale	-2,728,372	-	-2,728,372	-	-	-	-	-	-	-	-	-	-3,224,410	**-5,952,782**
b) financial flow hedge	-124,307	-	-124,307	-	-	-	-	-	-	-	-	-	-133,448	**-257,755**
c) others	4,318,332	-369,286	3,949,046	-	-	-	-	-	-	-	-	-	-79,231	**3,869,815**
- severance indemnities [26]	-	-369,286	-369,286										-79,231	**-448,517**
- property revaluation Law 413/91	745,631	-	745,631	-	-	-	-	-	-	-	-	-	-	**745,631**
- property revaluation Law 342/2000	3,572,701	-	3,572,701	-	-	-	-	-	-	-	-	-	-	**3,572,701**
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**
Profit (Loss) for the year	6,549,121	-	6,549,121	-400,660	-6,148,461	-	-	-	-	-	-	-	2,612,340	**2,612,340**
Net equity	**189,936,384**	**-**	**189,936,384**	**-**	**-6,148,461**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-824,749**	**182,963,175**

26 EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period modifying the opening balance and the comprehensive income.

27 The "other profit reserves" include the FTA IAS/IFRS reserve (including the funds for general banking risks and for credit risk).

CASH FLOW STATEMENT (INDIRECT METHOD)[28]

A.	OPERATIONAL ACTIVITIES	First half 2013	First half 2012
1.	**Operations**	**+14,718,612**	**+11,127,099**
-	Profit (loss) for the year	247,174	2,612,340
-	capital gains/losses on financial assets held for trading and on assets/liabilities at fair value	-32,452	+204,303
-	capital gains/losses on hedging activities	-	-
-	net value adjustments/write-backs due to impairment	+10,546,186	+3,599,787
-	net write-downs/write-backs on property, plant and equipment and intangible assets	+540,843	+474,894
-	net provisions for risks and charges and other costs/revenues	-472,925	+87,088
-	unpaid duties and taxes	+973,533	+1,689,051
-	net write-offs/write-backs on discontinued assets net of tax effect	-	-
-	other adjustments	+2,916,253	+2,459,636
2.	**Cash flow generated/absorbed by financial assets**	**+46,991,798**	**-211,765,690**
-	financial assets held for trading	-	-
-	financial assets at fair value	-	-
-	financial assets available for sale	+35,569,064	-164,079,941
-	demand deposits with banks	-6,485,026	+10,338,959
-	loans and advances to banks: other loans and advances	-13,497,803	-28,869,096
-	loans and advances to customers	+41,674,369	-25,170,246
-	other assets	-10,268,806	-3,985,366
3.	**Cash flow generated/absorbed by financial liabilities**	**-58,913,509**	**+208,129,994**
-	amounts due to banks: at sight	+8,165	+37,500,000
-	amount due to banks: loans and advances	-82,280,536	+251,007,524
-	amount due to customers	+17,889,238	-26,428,883
-	debt certificates in issue	+18,044,826	-33,446,302
-	financial liabilities held for trading	-	-
-	financial liabilities at fair value	-10,000,000	-19,500,000
-	other liabilities	-2,575,202	-1,002,345
	Net cash flow generated/absorbed by operating activities	**+2,796,901**	**+7,491,403**

B.	INVESTING ACTIVITIES		
1.	**Cash flow generated by**	**+934**	**+303**
-	sale of equity investments	-	-
-	dividends from equity investments	-	-
-	sale of financial assets held to maturity	-	-
-	sale of property, plant and equipment	+934	+303
-	sale of intangible assets	-	-
-	sale of company divisions	-	-
2.	**Cash flow absorbed by**	**-65,373**	**-1,344,172**
-	purchase of equity investment	-21,302	-31,320
-	purchase of financial assets held to maturity	-	-
-	purchase of property, plant and equipment	-37,597	-1,222,738
-	purchase of intangible assets	-6,474	-90,114
-	purchase of company divisions	-	-
	Net cash flow generated/absorbed by operating activities	**-64,439**	**-1,343,869**

[28] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period modifying the vlues of "Profit/loss for the period" and "Net provisions for risks and charges and other costs/revenues".

C.	**FINANCING ACTIVITIES**		
-	issue/purchase of treasury shares		
-	issue/purchase of equity instruments		
-	distribution of dividends and other objectives	-2,731,819	-6,148,461
	Net liquidity generated/absorbed by funding activities	**-2,731,819**	**-6,148,461**
	NET LIQUIDITY GENERATED/ABSORBED DURING THE PERIOD	**+643**	**-927**

RECONCILIATION

Balance items	First half 2013	First half 2012
Cash and cash equivalent at the beginning of the period	**4,784**	**4,538**
Net liquidity generated/absorbed during the period	+643	-927
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period	**5,427**	**3,611**

NOTES TO ACCOUNTS

PART A

ACCOUNTING POLICES

A.1 GENERAL

SECTION 1 - STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

This half-yearly condensed report of Mediocredito Trentino – Alto Adige S.p.A. has been prepared in compliance with article 154-ter of Legislative Decree 58/1998 (Finance Code) which has incorporated into Italian law the so-called "Transparency Directive" [29] and was compiled according to the rules set forth by IAS 34 "Interim Financial Reporting".

The individual financial statements of Mediocredito Trentino – Alto Adige S.p.A. have been prepared in compliance with the applicable International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board® and the relative interpretations of the International Financial Reporting Interpretations Committee (IFRIC) as endorsed by the European Commission with EU regulation 1606/2002. The said financial statements have been prepared in a condensed form compared with the annual financial statements.

SECTION 2 - GENERAL PRINCIPLES OF PREPARATION

General aspects

The financial statements consist of the statement of financial position, the income statement, the statement of changes in equity, the cash flow statement[30] and the notes to accounts[31].
Also included is a Directors interim report on the management, the economic results and financial position of the Bank.
The financial statements are drawn up in euros, while information in the notes to accounts is expressed in thousands of euro, based on the application of the general principles set forth by
IAS 1: to this end, we refer to the prospective of the company as a going concern (par. 23), the accrual basis of accounting (par. 25 and 26), coherence in the presentation and classification of items (par. 27), the relevance and aggregation of items, the prohibition regarding offsetting, comparative information as well as the specific accounting principles endorsed by the European Commission and illustrated in Part A.2 of the Notes to Accounts. There were no exceptions to the application of IAS / IFRS.

[29] Directive 2004/109/CE, which was incorporated into Italian law by Legislative Decree 195/2007 which changed Legislative Decree 58/1998 (the so-called Finance Code).

[30] The cash flow statement is calculated using the "indirect method", which means it is calculated by taking the company's net income and making a series of adjustments based on accounting conventions. Cash flow is split in cash flow deriving from operating activities, from investing activities and financing activities.

[31] For ease of comparison, the general layout and the tables used to illustrate the notes to financial statements follow the same format as that provided by the Bank of Italy for annual accounts.

Going concern

The Bank of Italy, Consob and Isvap coordination forum on applying IASs/FRSs - with document no.2 of 6 February 2009 "Disclosure in financial reports on the going concern assumption, financial risks, tests of assets for impairment and uncertainties on the use of estimations", and also with document no. 4 of 3 March 2010 "Disclosure in financial reports on impairment of assets, clauses in debt contracts, debt restructuring and on the «fair value hierarchy»" - has asked directors to make an especially accurate assessment of whether the going concern assumption is appropriate.

To this purpose paragraphs 23-24 of IAS 1 state that: "When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. Financial statements shall be prepared on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, those uncertainties shall be disclosed. When financial statements are not prepared on a going concern basis, that fact shall be disclosed, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern".

The current conditions of the financial markets, the real economy and the negative forecasts being made in relation to the short-medium term, requires that an especially accurate assessment be made of whether the going concern assumption is appropriate.

To this regard, the directors of Mediocredito Trentino–Alto Adige, after examining the risks and uncertainties that are correlated to the current macroeconomic context, confirm that they are reasonably certain that the Company will continue in operational existence in the foreseeable future and consequently have prepared the financial statements for the half-yearly period of 2013 on the basis of the going concern assumption.

They also confirm that they have not observed either in the economic and financial structure or in the business trend any symptom that might cast doubts on the ongoing concern assumption and of the actual income generating capacity.

SECTION 3 – EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

In the period following 30th June 2013 and the Statement of Financial Position date of approval, no material events have occurred which could appreciably impinge on the Bank's activities, economic results and portfolio risk.

SECTION 4 – OTHER ASPECTS

Parent company

Exemption from the obligation to prepare consolidated financial statements: the Bank does not prepare consolidated financial statements as the consolidation of the subsidiary Paradisidue S.r.l. (assets as at 31/12/2012 of €2.9m) is not deemed significant to the improvement of the disclosures provided (IAS8 and paragraphs 26, 29, 30 and 44 of the "Framework for the Preparation and Presentation of Financial Statements" or "Framework"). The subsidiary owns a building the value of which, appropriately assessed, corresponds to market values and the equity investment stated in the financial statements of the Bank to the amount of the net worth.

Auditing

PriceWaterhouseCoopers S.p.A. performs a limited audit of the half-yearly accounts.

Risk and uncertainties due to the use of estimates

The Bank has prepared estimation processes, which give support to the value of registration for the most relevant valuation items recorded in the financial accounts as at 30th June 2013, as foreseen by the current accounting principles as well as reference regulations. Such processes are largely based on an estimated future recovery concerning the Statement of Financial Position values, according to regulations dictated by the current norms and are carried out under the ongoing concern assumption, while leaving aside hypotheses about forced liquidation of items which are the subject of valuation. For this information we refer you to the report on operations.

Checks carried out support the registered values of items mentioned on 30th June 2013, although the valuation processes, mostly linked to the credit portfolio, are considerably complex due to the current macro-economic and market context.

A.2 ILLUSTRATION OF MAIN ITEMS IN THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

Disclosure on changes in accounting principle IAS 19

The current accounting standard that governs severance indemnities to employees is the IAS 19 with reference to the "defined benefit plans". In relation to the recognition of the annual changes resulting from actuarial calculations of the components of such "defined benefit plans" IAS 19 presents two options:

1. the recognition in the income statement
2. the recognition in equity (statement of comprehensive income).

The Bank has so far recognised annually in the income statement all changes in the indemnity, a method that has led to a "volatility" of the results, especially due to the impact of actuarial gains and losses.

EC Regulation no. 475 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" accounting standards that became mandatory for the accounting periods beginning on or after 1 January 2013.

The main novelty for defined benefit plans (severance indemnity), is a single method of accounting for actuarial gains and losses to be included immediately in the calculation of net liabilities to employees with an entry in equity (OCI - Other Comprehensive Income), to be included in the statement of comprehensive income for the period.

The Bank applies the new IAS 19 starting from the interim financial statements of 2013, passing from the recognition of actuarial gains and losses in the income statement, to the recognition of such differences directly in equity.

The changes introduced by the new IAS 19 must be applied retrospectively in accordance with IAS 8 and with the transitional provisions contained in the same standard, proceeding to restate the financial statements for the previous period and noting its effects in equity, in the recalculated profits/losses item.

The following table shows the items affected by the restatement as at 30 June 2012 and 31 December 2012 and the related quantitative effects:

	Interim financial report as at 30/06/2012	**Balance as at 31/12/2012**
Valuation reserve for defined benefit plans	-448,516.96	-467,740.33
Reserve IAS8	+369,285.74	+369,285.74
Net profit	+79,231.22	+98,454.59
Total effect on equity	**-**	**-**

For more detailed information concerning the composition and values of the items affected by the estimates in question we refer you to the specific sections of the notes.

Disclosure on changes in accounting principle IAS 1

The above-mentioned EC Regulation no. 475 of 5 June 2012 has approved the amendments to IAS1 "Presentation of Financial Statements", which introduces a different representation of the statement of comprehensive income in order to provide greater clarity. Particular attention is required in separating the components that may not be subject to future reversal to income statement from those that may be subsequently reversed in profit (loss) for the year, subject to certain conditions.
The Statement of Comprehensive Income of the Bank is presented based on the guidelines of the Bank of Italy that in the circular no. 262/2005 sets out compulsory financial statements and the related preparation methods. The Bank indicates what is provided by IAS 1 as a note to the Statement of Comprehensive Income.

The other criteria adopted for classification, recognition, derecognition and measurement of the income components of assets and liabilities have not changed with respect to what is shown and approved in the annual report and accounts for the financial year 2012 (also in regard to the approval of the new IFRS 13) and therefore we refer you to it for further information.
In particular, the IFRS 13, approved by EC Regulation no. 1255 1st December 2012, does not extend the application of fair value, but provides guidance on how to measure the fair value of financial instruments and non-financial assets and liabilities already required or permitted by the other standards.

A.3 FAIR VALUE DISCLOSURES

A.3.1 TRANSFERS BETWEEN PORTFOLIOS

In the course of the first half of 2013, the Bank did not make any transfer of financial assets between portfolios and therefore this table is not reported.

A.3.2 FAIR VALUE HIERARCHY

A.3.2.1 Accounting portfolios: breakdown by fair value levels

	2013			2012		
Financial assets/liabilities measured at fair value	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
1. Financial assets held for trading		683			298	
2. Financial assets at fair value						
3. Financial assets available for sale	212,642	121,563	15,833	227,748	142,511	15,523
4. Hedging derivate assets						
Total	**212,642**	**122,246**	**15,833**	**227,748**	**142,809**	**15,523**
1. Financial liabilities held for trading		733			364	
2. Financial liabilities at fair value		-			10,111	
3. Hedging derivate liabilities		329			614	
Total		**1,062**			**11,089**	

A.3.2.2 Annual changes in financial assets at fair value (level 3)

	FINANCIAL ASSETS			
	Held for trading	**At fair value**	**Available for sale**	**Hedging derivatives**
1. Opening balance			**15,523**	
2. Increases			**2,106**	
2.1 Purchases[1]			1,362	
2.2 Profits in:			744	
2.2.1 Income statement			404	
- of which: capital gains			404	
2.2.2 Equity[2]			340	
2.3 Transfers from other levels				
2.4 Other increases				
3. Decreases			**1,796**	
3.1 Sales[1]			1,337	
3.2 Redemptions			15	
3.3 Losses in:			40	
3.3.1 Income statement			40	
- of which: capital losses[3]			40	
3.3.2 Equity				
3.4 Transfers from other levels				
3.5 Other decreases			404	
4. Closing balance			**15,833**	

[1] The item includes €1.337m for the acquisition of stakes in Hunter Green Group and the sale of stakes in Green Hunter, as the effects of the extraordinary transactions that have affected the group in question. The investment generated by the operation is represented, for €404 thousands, under item "2.2.1 Income Statement - Capital gains". Under item 3.5 is represented for €404 thousands, the reversal of the positive reserve as a result of the realisation of the gain.

[2] This is the revaluation of the investment in the Fund MC[2] Impresa for €209 thousand, of the participation in the fund Clesio for €6 thousand and of the holdings in the Alto Garda Servizi S.p.A. for €110 thousand.

[3] It is the loss resulting from zeroing of the share capital of the investee Trentino Volley S.p.A..

PART B

INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

ASSETS

SECTION 1 – CASH AND CASH EQUIVALENTS - ITEM 10

1.1 Cash and cash equivalents: composition

	2013	2012
a) Cash	5	5
b) Demand deposits with central banks	-	-
Total	**5**	**5**

SECTION 2 - FINANCIAL ASSETS HELD FOR TRADING - ITEM 20

2.1 Financial assets held for trading: breakdown by sector

Item/amounts	2013			2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
A Financial assets						
1. Debt securities						
1.1 Structured securities						
1.2 Other securities						
2. Equity securities						
3. Investments in UCITS						
4. Loans						
4.1 Repurchase agreements						
4.2 Others						
Total A						
B Derivative instruments						
1. Financial derivatives		683			298	
1.1 trading [1]		683			298	
1.2 related to fair value option						
1.3 other						
2. Credit derivatives						
2.1 trading						
2.2 related to fair value option						
2.3 others						
Total B		**683**			**298**	
Total (A+B)		**683**			**298**	

1 These are cap options with banks whose characteristics mirror those with ordinary customers counterparts, as shown in item 40 of liabilities, which should be consulted for a more detailed description.

Financial assets held for trading: annual changes

	Trading derivatives	Trading derivatives related to fair value option	Total
A. Opening balance	**298**	**-**	**298**
B. Increases	**385**	**-**	**385**
B1. Issues	-	-	-
B2. Positive changes in fair value	385	-	385
B3. Other changes	-	-	-
C. Decreases	**-**	**-**	**-**
C1. Purchases	-	-	-
C2. Redemptions	-	-	-
C3. Negative changes in fair value	-	-	-
C4. Other changes	-	-	-
D. Closing balance	**683**	**-**	**683**

SECTION 4 – FINANCIAL ASSETS AVAILABLE FOR SALE – ITEM 40

4.1 Financial assets held for trading: breakdown by sector

Items	2013			2012		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities [1]	212,587	121,563	-	227,672	142,511	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	212,587	121,563	-	227,672	142,511	-
2. Equity instruments	55	-	10,683	76	-	10,588
2.1 Measured at fair value	55	-	10,089	76	-	9,979
2.2 Carried at cost [2]	-	-	594	-	-	609
3. Investments in UCITS	-	-	5,150	-	-	4,935
4. Loans	-	-	-	-	-	-
Total	**212,642**	**121,563**	**15,833**	**227,748**	**142,511**	**15,523**

1 This item is made up of nominal €210.8m in government bonds and €0.5m in bonds issued by banks (level 1) and €120.0m of bonds issued by banks (level 2) purchased by the Bank in order to use them as an appropriate reserve of liquid assets eligible for ECB's refinancing for €320.5m and as a guarantee for the securitisation operation started in 2009 for €10.8m.

2 Unlisted equity instruments carried at cost amounted to €0.6m in 2013 and in 2012: they consist of minority equity investments purchased at less than €0.5m for which a fair value cannot be estimated in a reliable manner.

4.2 Financial assets available for sale: breakdown by debtor/issuer

Items	2013	2012
1. Debt securities	**334,150**	**370,184**
a) Governments and central banks	212,076	222,477
b) Other public entities	-	-
c) Banks	122,074	147,707
d) Other issuers	-	-
2. Equity instrument	**10,738**	**10,663**
a) Banks	50	50
b) Other issuers	10,688	10,613
- insurance companies	-	-
- financial corporations	3,267	1,930
- non-financial corporations	7,420	8,683
- others	-	-
3. Investments in UCITS [1]	**5,150**	**4,935**
4. Loans	-	-
a) Governments and central banks	-	-
b) Other public entities	-	-
c) Banks	-	-
d) Other issuers	-	-
Total	**350,038**	**385,782**

1 This item is made up for €4.4m of units of the closed-end investment fund "MC^2 Impresa" which invests mainly in unlisted financial instruments i.e. in shares, convertible bonds and other securities – mainly minority shareholdings but also majority shareholdings; it also includes portions of limited liability companies; furthermore it includes units of the closed-end real estate investment fund Clesio (€0.7m).

4.4 Financial assets available for sale: annual changes

	Debt securities	Equity instrument	Investments in UCITS	Loans	Total
A. Opening balance	**370,183**	**10,664**	**4,935**	**-**	**385,782**
B. Increases	**101,117**	**1,891**	**215**	**-**	**103,223**
B1. Purchases	96,478	1,362[3]	-	-	97,840
B2. Positive changes in fair value	1,367	125	-	-	1,492
B3. Write-backs	-	-	215	-	215
- through profit or loss	-		-	-	-
- in equity	-	-	215	-	215
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	3,272[1]	404	-	-	3,676
C. Decreases	**137,150**	**1,817**	**-**	**-**	**138,967**
C1. Sales	81,272	1,337[3]	-	-	82,609
C2. Redemptions	50,800	15	-	-	50,815
C3. Negative changes in fair value	2,677	-	-	-	2,677
C4. Impairments	-	61	-	-	61
- through profit or loss	-	*61*	-	-	*61*
- in equity	-	-	-	-	-
C5. Transfers to other portfolios	-	-	-	-	-
C6. Other changes	2,401[2]	404	-	-	2,805
D. Closing balance	**334,150**	**10,738**	**5,150**	**-**	**350,038**

Further details on movements are provided in the Report on Operations.

1 This is made up for €34 thousand of the reversal to the income statement from negative reserve of the sale of government bonds, for €2.231m of the gain realised on the sale of government bonds and for €1,008 thousand of positive change in amortised cost.

2 This is made up for €734 thousand of the reversal to the income statement from positive reserve of the sale of government bonds and for €1,667 thousand of negative change in amortised cost.

3 These items include for €1.337m the acquisition of Hunter Green Group and the sale of the Green Hunter as the consequence of the extraordinary transactions that have affected the corporate group in question. The capital gain generated by the transaction is represented, for €404 thousand, under the heading "Increases - B5. Other changes ". Item C.6 represents, for €404 thousand, the reversal of the positive reserve as a result of the realisation of the gain.

Section 6 – Loans and advances to banks – Item 60

6.1 Break down of loans and advances to banks by sector

Type of transaction/Amounts	2013	2012
A. Deposits with central banks	**-**	**-**
1. Time deposit	-	-
2. For reserve requirements	-	-
3. Repurchase agreements	-	-
4. Other	-	-
B. Deposits with banks	**84,236**	**64,253**
1. Current accounts and demand deposits	15,169	8,683
2. Time deposit	69,059	55,562
3. Other loans:	8	8
3.1 Repurchase agreements	-	-
3.2 Finance lease	-	-
3.3 Others	8	8
4. Debt securities	-	-
4.1 Structured securities	-	-
4.2 Other debt securities	-	-
Total (carrying value)	**84,236**	**64,253**
Total (fair value)	**84,236**	**64,253**

Mediocredito has met its obligatory reserve requirements with the Bank of Italy indirectly by means of Cassa Centrale Banca S.p.A., with which it holds a deposit made specifically for this purpose, which equalled €246 thousand on 30th June 2013 and is included in item B.2.

SECTION 7 - LOANS AND ADVANCES TO BANKING CUSTOMERS– ITEM 70

7.1 Breakdown of loans and advances to banking customers by sector

Type of transaction/Amounts	2013			2012		
	Performing	Impaired		Performing	Impaired	
		Purchased	Others		Purchased	Others
1. Current accounts	2,895	-	0	3,539	-	0
2. Repurchase agreements	-	-	-	-	-	-
3. Mortgages	866,488	-	133,995	895,132	-	128,963
4. Credit cards, personal loans including "one-fifth of salary deducted loan"	-	-	-	-	-	-
5. Finance lease[1]	45,824	-	7,670	53,068	-	5,233
6. Factoring	-	-	-	-	-	-
7. Other leases[2]	229,743	-	27,987	250,410	-	29,945
8. Debt securities	31	-	-	-	-	-
8.1 Structured securities	-	-	-	-	-	-
8.2 Other debt securities	31	-	-	-	-	-
Total (carrying value)	**1,144,981**	**-**	**169,652**	**1,202,149**	**-**	**164,141**
Total (fair value)	**1,133,999**	**-**	**169,652**	**1,196,693**	**-**	**164,141**

1 The amount is net of the portion disbursed in relation to third-party funds, which is included in the item "other operations" to the amount of €4.8m in 2013 and €5.1m in 2012.

2 The amount also building leasing turnkey operations for the amount of €6.0m in 2013 and €4.1m in 2012.

7.2 Breakdown of loans and advances to banking customers by debtor/issuer

Type of transaction/Amounts	2013			2012		
	Performing	Impaired		Performing	Impaired	
		Purchased	Others		Purchased	Others
1. Debt securities issued by:	**31**	**-**	**-**	**-**	**-**	**-**
a) Governments	-	-	-	-	-	-
b) Other public entities	-	-	-	-	-	-
c) Other issuers	31	-	-	-	-	-
- non-financial corporations	31	-	-	-	-	-
- financial corporations	-	-	-	-	-	-
- insurance companies	-	-	-	-	-	-
- others	-	-	-	-	-	-
2. Loans to:	**1,144,950**	**-**	**169,652**	**1,202,149**	**-**	**164,141**
a) Governments	-	-	-	-	-	-
b) Other public entities	99,650	-	-	103,721	-	-
c) Other issuers	1,045,300	-	169,652	1,098,428	-	164,141
- non-financial corporations	955,994	-	164,970	1,012,514	-	159,559
- financial corporations	56,936	-	2,213	58,444	-	2,323
- insurance companies	-	-	-	-	-	-
- others	32,370	-	2,469	27,470	-	2,259
Total	**1,144,981**	**-**	**169,652**	**1,202,149**	**-**	**164,141**

SECTION 10 – EQUITY INVESTMENTS – ITEM 100

10.1 Equity investments in subsidiaries, joint ventures or companies under significant influence: information on shareholders' equity

Denomination	Office	held %	held %
A. Subsidiaries			
1. Paradisidue S.r.l.	Trento	100.000	100.000
B. Joint ventures			
C. Companies under significant influence			
1. Essedi Strategie d'Impresa Srl	Trento	31.869	31.869
2. Biorendena Spa	Pinzolo (TN)	20.000	20.000

10.2 Equity investments in subsidiaries, joint ventures or companies under significant influence: information on the accounts [1]

Denomination	Total assets	Total revenues	Net profit (Loss)	Equity [2]	Carrying values	Fair value [3]
A. Subsidiaries						
1. Paradisidue S.r.l.	3,054	-	(8)	15	15	
B. Joint ventures						
C. Companies under significant influence						
1. Essedi Strategie d'Impresa Srl	3,652	1,286	11	237	76	
2. Biorendena Spa	755	-	(33)	362	72	
A. Subsidiaries						
Total	**7,461**	**1,286**	**(30)**	**614**	**162**	

1 Statement of Financial Position data as at 30/06/2013 for the subsidiary Paradisidue S.r.l., and as at 31/12/2012 for Essedi Strategie d'Impresa S.r.l. and Biorendena S.p.A..
2 Equity includes year-end profit and loss result.
3 The fair value of companies under significant influence is not shown as they are unlisted companies.

10.3 Equity investments: annual changes

	2013	2012
A. Opening balance	**152**	**159**
B. Increases	**25**	**43**
B.1 Purchases	21	31
B.2 Write-backs	4	12
B.3 Revaluation	-	-
B.4 Other changes	-	-
C. Decreases	**15**	**50**
C.1 Sales	-	-
C.2 Write-downs	15	50
C.3 Other changes	-	-
D. Closing balance	**162**	**152**
E. Total revaluations	-	-
F. Total write-down	222	211

10.6 Commitments referred to investments in subsidiaries

The Bank has granted to the subsidiary Paradisidue S.r.l. a loan account with a credit limit of €6.000m – for which the amount of €2.892m was been withdrawn as at 30 June 2012 for the purpose of acquiring a building in the context of a bankruptcy proceeding.

SECTION 11 – PROPERTY, PLANT AND EQUIPMENT – ITEM 110

11.1 Property, plant and equipment: breakdown of assets valued at cost

Assets/Amounts	2013	2012
A. Assets for operational use		
1.1 owned	**11,496**	**11,816**
a) land[1]	1,950	1,950
b) buildings[2]	7,443	7,610
c) furniture	976	1,056
d) IT equipment	172	169
e) others	955	1,031
1.2 purchased under finance lease	**-**	**-**
a) land	-	-
b) buildings	-	-
c) furniture	-	-
d) IT equipment	-	-
e) others	-	-
Total A	**11,496**	**11,816**
B. Assets held for investment purposes		
2.1 owned	**116**	**116**
a) land[3]	116	116
b) buildings	-	-
2.2 purchased under finance lease	**-**	**-**
a) land	-	-
b) buildings	-	-
Total B	**116**	**116**
Total (A+B)	**11,612**	**11,932**

1 This is the historical cost of the land, fully owned by the Bank, on which the registered office in Trento stands; under the fifty-eighth paragraph of IAS 16.

2 Subject to revaluation under special laws of which: €106.3 thousand under Law 576/75, €409.6 thousand under Law 72/83, €887.7 thousand under Law 413/91 and €4,410.7 thousand under Law 342/2000.

3 This is a plot of land obtained as a result of debt recovery proceedings.

Depreciation of property, plant and equipment was calculated on the basis of the following annual depreciation charges which are deemed to adequately express the residual useful life of the assets.

Land.. not depreciated (indefinite useful life)
Lands incorporated from buildings owned............................ not depreciated (indefinite useful life)
Buildings for operational use.. 3.00%

Movables, plant and machinery 12.00%
Air conditioning and various equipment... 15.00%
Plants and lifts.. 7.50%
Furnishings 15.00%
Electronic equipment 20.00%
Cars and motor vehicles... 25.00%
Telephones 12.50%

11.3 Assets for operational use: annual changes

	Land	Buildings	Furnishing	IT equipment	Other	Total
A. Gross opening balance	**1,950**	**12,208**	**2,397**	**656**	**2,578**	**19,789**
A.1 Net decreases	-	4,598	1,341	487	1,547	7,973
A.2 Net opening balance	**1,950**	**7,610**	**1,056**	**169**	**1,031**	**11,816**
B. Increases:	-	**-**	**2**	**36**	**7**	**45**
B.1 Purchases	-	-	0	31	7	38
B.2 Capitalised expenditure on improvements	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive fair value changes booked to	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Exchange gains	-	-	-	-	-	-
B.6 Transfers from property held for investment purposes	-	-	-	-	-	-
B.7 Other changes	-	-	2	5	-	7
C. Decreases:	**-**	**167**	**83**	**33**	**82**	**365**
C.1 Sales [1]	-	-	2	7	-	9
C.2 Depreciation	-	167	81	26	82	356
C.3 Impairment charges booked to	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.4 Negative fair value changes booked to	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
C.5 Exchange losses	-	-	-	-	-	-
C.6 Transfers to:	-	-	-	-	-	-
a) property held for investment purposes	-	-	-	-	-	-
b) assets held for sale	-	-	-	-	-	-
C.7 Other changes	-	-	-	-	-	-
D. Net closing balance	**1,950**	**7,443**	**975**	**172**	**956**	**11,496**
D.1 Total net write-downs	-	4,765	1,420	508	1,629	8,322
D.2 Gross closing balance	**1,950**	**12,208**	**2,395**	**680**	**2,585**	**19,818**
E. Carried at cost	-	-	-	-	-	-

1 The values shown in "Sales" refer to the sale of fully or partially amortised assets whose cash flow amounting to €0.4 thousand, is shown in the cash flow statement under "Cash flow generated by sale of property, plant and equipment". For balancing purposes (for item "Total net write-downs") the change of the amortisation fund related to such assets, of equal amount, has been shown in entry "Increases - B.7 – other changes".

All assets for operational use are carried at cost inclusive of monetary revaluation under special laws.

11.4 Property held for investment purposes: annual changes

No changes were recorded during the period in relation to property held for investment purposes (carried at cost). Gross opening balance, net opening balance, gross closing balance and net closing balance and also the valuation at fair value, equal to €116 thousand.

11.5 Commitments to purchase property, plant and equipment (IAS 16/74.c)

At the closing date of this condensed interim financial statements the Bank has no contractual commitments for purchasing property, plant and equipment considered significant.

SECTION 12 – INTANGIBLE ASSETS – ITEM 120

12.1 Intangible assets: breakdown by type of assets

Assets/Amounts	2013		2012	
	Limited duration	Unlimited duration	Limited duration	Unlimited duration
A.1 Goodwill				
A.2 Other intangible assets	**282**	**-**	**460**	**-**
A.2.1 Assets carried at cost:	282	-	460	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	282	-	460	-
A.2.2 Assets carried at fair value	-	-	-	-
a) Intangible assets generated internally	-	-	-	-
b) Other assets	-	-	-	-
Total	**282**	**-**	**460**	**-**

Depreciation was calculated:

- on the basis of the expected useful life at a percentage of 33.33% with regard to application software;
- on the basis of the duration of the outsourcing contract (5 years) with regard to the cost of software for the company's new IT system;
- applying the rate of 20% for the software of the new network infrastructure and internal data.

12.2 Intangible assets: annual changes

	Goodwill	Other intangible assets: Generated internally		Other intangible assets: Other		Total
		Limited duration	Unlimited duration	Limited duration	Unlimited duration	
A. Gross opening balance	**-**	**-**	**-**	**2,854**	**-**	**2,854**
A.1 Net decreases	-	-	-	2,394	-	2,394
A.2 Net opening balance	**-**	**-**	**-**	**460**	**-**	**460**
B. Increases	**-**	**-**	**-**	**6**	**-**	**6**
B.1 Purchases	-	-	-	6	-	6
B.2 Increase in intangible assets generated internally	-	-	-	-	-	-
B.3 Write-backs	-	-	-	-	-	-
B.4 Positive fair value changes booked to	-	-	-	-	-	-
a) equity	-	-	-	-	-	-
b) income statement	-	-	-	-	-	-
B.5 Exchange gains	-	-	-	-	-	-
B.6 Other changes	-	-	-	-	-	-
C. Decreases	**-**	**-**	**-**	**184**	**-**	**184**
C.1 Sales	-	-	-	-	-	-
C.2 Value adjustments	-	-	-	184	-	184
- Amortisations	-	-	-	184	-	184
- Depreciations:	-	-	-	-	-	-
+ equity	-	-	-	-	-	-
+ income statement	-	-	-	-	-	-
C.3 Negative changes in fair value booked to:	-	-	-	-	-	-
- equity	-	-	-	-	-	-
- income statement	-	-	-	-	-	-
C.4 Transfer to non-current assets held for sale	-	-	-	-	-	-
C.5 Exchange losses	-	-	-	-	-	-
C.6 Other changes	-	-	-	-	-	-
D. Net closing balance	**-**	**-**	**-**	**282**	**-**	**282**
D.1 Net adjustment values	-	-	-	2,578	-	2,578
E. Gross closing balance	**-**	**-**	**-**	**2,860**	**-**	**2,860**
F. Carried at cost	-	-	-	-	-	-

Intangible assets are carried at cost.

SECTION 13 – TAX ASSETS AND TAX LIABILITIES - ITEM 130 OF ASSETS AND ITEM 80 OF LIABILITIES

13.1 Deferred tax assets: breakdown

	2013	2012
	6,654	**4,989**
A. With contra-entry to income statement	**6,002**	**4,464**
Payroll	14	28
Adjustment to/Impairment of loans deductible in future years	5,806	4,123
Depreciation of buildings for operational use	36	33
Others[1]	146	279
B. With contra-entry to equity	**651**	**525**
IRS Cash Flow Hedge valuation	550	138
Financial assets held for sale at fair value	44	330
Others[1]	57	57

1 EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period reclassifying deferred tax assets with contra-entry to income statement in the past years (€57 thousand) amongst deferred tax assets with contra-entry to equity.

13.2 Deferred tax liabilities: breakdown

	2013	2012
	7,492	**7,922**
A. With contra-entry to income statement	**6,829**	**6,826**
Reserve for loan losses	5,530	5,530
Loans and advances write-down exceeding the tax deductibility limit	1,164	1,164
Depreciation of buildings for operational use	109	109
Change in provision for severance indemnities	23	23
Others	3	-
B. With contra-entry to equity	**663**	**1,096**
Financial assets held for sale at fair value	663	1,096

Percentages used in the calculation of deferred taxes:

for IRES: 27.50%;
for IRAP[32]: 4.45% for 2013;
4.65% for the following years.

13.3 Change in deferred tax assets (with contra-entry to income statement)

	2013	2012
1. Opening balance for 2012		**2,328**
Balance redefinition [1]		-29
1. Opening balance	**4,464**	**2,299**
2. Increases	**1,807**	**2,403**
2.1 Deferred tax assets recognised during the year	1,807	2,403
a) related to previous years	-	-
b) due to change in accounting policies	-	-
c) write backs	-	-
d) Other increases [1]	1,807	2,403
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**269**	**238**
3.1 Deferred tax assets derecognised during the period	201	205
a) reversals	201	205
b) written down as now considered unrecoverable	-	-
c) change in accounting policies	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	68	33
a) conversion of tax credits pursuant to Law 214/2011	-	-
b) Other decreases [2]	68	33[1]
4. Closing balance	**6,002**	**4,464**

1 EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period reclassifying deferred tax assets with contra-entry to income statement in the past years (€57 thousand) amongst deferred tax assets with contra-entry to equity. In the table have been rectified both the opening balnce and the item "2.1.d" for 2012.

2 The amount refers to the reversal of deferred tax assets recognised in 2010 due to the impairment of an available-for-sale equity that in both years saw a recovery in value recorded with contra-entry to equity (see footnote to Table 18.1 Part C).

13.3.1 Change in deferred tax assets as for Law 241/2011 (with contra-entry to income statement)

The Bank has not recorded deferred tax assets pursuant to Law 241/2011.

13.4 Change in deferred tax liabilities (with contra-entry to income statement)

32 A rate of 4.45% was applied for the determination of deferred tax assets and liabilities only for the year 2013, as the reduction of 0.20% set by the L.P. Trento 27 December 2012 no. 25 is valid only for 2012 and 2013.

	2013	2012
1. Opening balance	**6,826**	**6,830**
2. Increases	**3**	**-**
2.1 Deferred tax assets recognised during the period	-	-
a) related to previous periods	-	-
b) due to change in accounting policies	-	-
c) others	3	-
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**0**	**4**
3.1 Deferred tax assets derecognised during the period	0	4
a) reversals	0	4
b) due to change in accounting policies	-	-
c) others	-	-
3.2 Reduction in tax rates	-	-
3.3 Other decreases	-	-
4. Final balance	**6,829**	**6,826**

13.5 Change in deferred tax assets (with contra-entry to equity)

	2013	2012
1. Opening balance for 2012	**525**	**1,864**
Balance redefinition [1]		+29
1. Opening balance	**525**	**1,893**
2. Increase	**228**	**145**
2.1 Deferred tax assets recognised during the period	228	145
a) related to previous periods	-	-
b) due to change in accounting policies	-	-
c) other increases [1]	228	145
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**102**	**1,513**
3.1 Deferred tax assets derecognised during the period	102	1.510
a) reversals	102	1.510
b) written down as now considered unrecoverable	-	-
c) due to change in accounting policies	-	-
3.2 Reduction in tax rates	-	3
3.3 Other decreases	-	-
4. Final balance	**651**	**525**

1 EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period reclassifying deferred tax assets with contra-entry to income statement in the past years (€57 thousand) amongst deferred tax assets with contra-entry to equity. In the table have been rectified both the opening balnce and the item "2.1.c" for 2012.

13.6 Change in deferred tax liabilities (with contra-entry to equity)

	2013	2012
1. Opening balance	**1,096**	**257**
2. Increases	**219**	**880**
2.1 Deferred tax liabilities recognised during the period	219	880
a) related to previous periods	-	-
b) due to change in accounting policies	-	-
c) others	219	880
2.2 New taxes or increases in tax rates	-	-
2.3 Other increases	-	-
3. Decreases	**652**	**41**
3.1 Deferred tax liabilities derecognised during the period	652	8
a) reversals	652	8
b) due to change in accounting policies	-	-
c) others	-	-
3.2 Reduction in tax rates	-	0
3.3 Other decreases [1]	-	33
4. Closing balance	**663**	**1,096**

13.7 Other information

The item "current tax liabilities" amounts to €562 thousand and relates to the net balance of amounts paid to (€2.085m) and due to (€2.647m) the Revenue with regard to IRES and IRAP; in 2012 the balance of amount paid (€4.556m) and amount due (€5.276m) was included under "current tax liabilities" for €720 thousand.

SECTION 15 – OTHER ASSETS – ITEM 150

15.1 Other assets: breakdown

	2013	2012
Illiquid assets	10,815	2,437
Accrued income and prepayments	423	259
Amounts due for unpaid commissions	266	207
Various prepayments and advances	220	179
Tax assets (indirect taxes and substitute tax)	211	558
Amounts due from subsidiary Paradisidue Srl	142	-
Items awaiting definition1	141	147
Amounts due in relation to invoices (issued and not)	38	84
Leasehold improvements	6	9
Other items	3	7
Total	**12,265**	**3,887**

1 The amount refers to transfers arranged but pending charge.

LIABILITIES

SECTION 1 – AMOUNT DUE TO BANKS – ITEM 10

1.1 Amounts due to banks: breakdown by sector

	Type of transaction/Amounts	2013	2012
1.	**Amounts due to central banks**	**303,180**	**302,161**
2.	**Amounts due to banks**	**375,275**	**456,180**
2.1	Current accounts and demand deposits	8	-
2.2	Time deposits	65,708	135,265
2.3	Loans	309,559	320,915
	2.3.1 Repurchase agreements	-	-
	2.3.2 Others	309,559	320,915
2.4	Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5	Other debts	-	-
	Total	**678,455**	**758,341**
	Fair value	**656,813**	**735,112**

SECTION 2 – AMOUNTS DUE TO BANKING CUSTOMERS – ITEM 20

2.1 Amounts due to banking customers: breakdown by sector

Type of transaction/Amounts	2013	2012
1. Current accounts and demand deposits	4,719	1,132
2. Time deposit	73,693	57,552
3. Loans	54,116	55,978
3.1 Repurchase agreements	-	-
3.2 Others	54,116	55,978
4. Liabilities in respect of commitments to repurchase treasury shares	-	-
5. Other amounts due [1]	56,693	56,664
Total	**189,221**	**171,326**
Fair value	**188,680**	**170,946**

1 Sub-item "Other amounts due", according to supervisory regulations, includes funds managed on behalf of third parties for the amount of €56,436 thousand in 2013 and €56,500 thousand in 2012.

Section 3 – Debt securities in issue – Item 30

3.1 Debt securities in issue: breakdown by sector

Type of transaction/ Amounts	2013				2012			
	Book value	Fair value [2]			Book value	Fair value [2]		
		Lev. 1	Lev. 2	Lev. 3		Lev. 1	Lev. 2	Lev. 3
A. Securities								
1. Bonds	706,423	-	703,757	-	687,889	-	686,868	-
1.1 structured	-	-	-	-	-	-	-	-
1.2 others	706,423	-	703,757	-	687,889	-	686,868	-
2. Other securities	30	-	30	-	30	-	30	-
2.1 structured	-	-	-	-	-	-	-	-
2.2 others [1]	30	-	30	-	30	-	30	-
Total	**706,453**	**-**	**703,787**	**-**	**687,919**	**-**	**686,898**	**-**

1 This item is made up of matured but not redeemed certificates of deposit (not cashed by customers).

2 The Fair Value of debt securities in issue is classified under level 2 because it is determined using measurement models based on market parameters (interest rate curves) other than quotations of the financial instrument. This also refers to bonds that had been issued in the context of the EMTN programme and that are listed on the Luxemburg stock exchange which, according to the rules adopted by the Bank in relation to fair value hierarchy, does not make continuously available at least two recent executable prices with a bid-ask spread under an interval deemed to be congruous.

3.3 Debt securities in issue: securities subject to micro-hedging

	2013	2012
1. Debt securities subject to fair value hedging:	-	-
a) interest rate risk	-	-
b) exchange rate risk	-	-
c) other risks	-	-
2. Debt securities subject to cash flow hedging:	**50,136**	**50,174**
a) interest rate risk [1]	50,136	50,174
b) exchange rate risk	-	-
c) other risks	-	-

1 This is the amortised cost proportional to the amount of bonds covered by IRS under cash flow hedges with a notional value of €50m.

SECTION 4 – FINANCIAL LIABILITIES HELD FOR TRADING – ITEM 40

4.1 Financial liabilities held for trading: breakdown by sector

Type of transaction/Amount	2012					2011				
	NV	FV			FV *	NV	FV			FV *
		Lev. 1	Lev. 2	Lev. 3			Lev. 1	Lev. 2	Lev. 3	
A. Financial liabilities										
1. Amounts due to banks										
2. Amounts due to banking customers										
3. Debt securities										
3.1 Bonds										
3.1.1 structured										
3.1.2 other bonds										
3.2 Other securities										
3.2.1 structured										
3.2.2 others										
Total A										
B. Derivative instruments										
1. Financial derivatives	**15,219**		**733**		**733**	**7,659**		**364**		**364**
1.1 held for trading	15,219		733		733	7,659		364		364
1.2 relating to fair value option										
1.3 others										
2. Credit derivatives										
2.1 held for trading										
2.2 relating to fair value option										
2.3 others										
Total B	**15,219**		**733**		**733**	**7,659**		**364**		**364**
Total (A+B)	**15,219**		**733**		**733**	**7,659**		**364**		**364**

Legend
FV = fair value
FV* =fair value calculated without including value changes due to change in creditworthiness of issuer since the date of issue
NV = nominal value or notional value

Trading financial liabilities: annual changes

	Trading derivatives	Trading derivatives relating to the fair value option	Total
A. Opening balance	**364**	**-**	**364**
B. Increases	**386**	**-**	**386**
B1. Issues	-	-	-
B2. Sales	-	-	-
B3. Positive changes in fair value	385	-	385
B4. Other changes	1	-	1
C. Decreases	**17**	**-**	**17**
C1. Purchases	-	-	-
C2. Redemptions	-	-	-
C3. Negative changes in fair value	17	-	17
C4. Other changes	-	-	-
D. Closing balance	**733**	**-**	**733**

Item “other changes” consists of changes to income/expenses in connection with the said derivatives.

SECTION 5 – FINANCIAL LIABILITIES AT FAIR VALUE – ITEM 50

5.1 Financial liabilities at fair value: breakdown by sector

Type of transaction/Amount	2013					2012				
	NV	FV			FV *	NV	FV			NV
		Lev. 1	Lev. 2	Lev. 3			Lev. 1	Lev. 2	Lev. 3	
1. Amount due to banks										
1.1 Structured										
1.2 Others										
2. Amount due to banking customers										
2.1 Structured										
2.2 Others										
3. Debt securities	**-**		**-**		**-**	**10,000**		**10,111**		**10,151**
3.1 Structured	-		-			10,000		10,111		
3.2 Others	-		-			-		-		
Total	**-**		**-**		**-**	**10,000**		**10,111**		**10,151**

Legend

Lev. = level

FV = fair value

FV* =fair value calculated without including value changes due to change in creditworthiness of issuer since the date of issue

NV = nominal value or notional value

In 2012 the Bank had adopted measurement at fair value (the Fair Value Option) for €10.0m of bond issues hedged by derivative instruments with the aim of improving the information content of the Financial Statements and in order to eliminate the accounting mismatch in the recognition of components attributable to the interest margin (interest income and expenses) and in the recognition and measurement of profits and losses deriving from the measurement of hedged bonds according to the amortised cost method and instruments held as fair value hedges.
These bond issues were paid off in 2013.

5.3 Financial liabilities at fair value: annual changes

	Amount due to banks	Amounts due to banking customers	Debt securities	Total
A. Opening balance	**-**	**-**	**10,111**	**10,111**
B. Increases	**-**	**-**	**11**	**11**
B1. Issues	-	-	-	-
B2. Sales	-	-	-	-
B3. Positive changes in fair value	-	-	-	-
B4. Other changes	-	-	11	11
C. Decreases	**-**	**-**	**10,122**	**10,122**
C1. Purchases	-	-	-	-
C2. Redemptions	-	-	10,000	10,000
C3. Negative changes in fair value	-	-	15	15
C4. Other changes	-	-	107	107
D. Closing balance	**-**	**-**	**-**	**-**

Item "other changes" consists of changes to income/expenses in connection with the said debt securities

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SECTION 6 – HEDGE DERIVATIVES – ITEM 60

6.1 Hedging derivatives: breakdown by type of coverage and hierarchical levels

	Fair Value 2012			NV 2012	Fair Value 2011			NV 2011
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
A) Financial derivatives		**329**		**50,000**		**614**		**50,000**
1) Fair value								
2) Cash flows		329		50,000		614		50,000
3) Foreign investments								
B. Credit derivatives								
1) Fair value								
2) Cash flows								
Total		**329**		**50,000**		**614**		**50,000**

Legend

NV = nominal value or notional value

Hedging derivatives refer to cash flow hedges on floating rate bonds issued by the Bank, through interest rate swap (exchange of a fixed payment for a floating payment).

SECTION 8 – TAX LIABILITIES – ITEM 80

See section 13 of Assets.

SECTION 10 – OTHER LIABILITIES – ITEM 100

10.1 Other liabilities: breakdown

	2013	2012
Amounts due to third parties [1]	3,778	1,505
Items in processing [2]	1,034	1,780
Amounts due to suppliers	614	596
Withholdings made as tax collection agent	340	567
Accrued liabilities and deferred income	255	256
Withholdings on employee compensation	186	234
Commission fees to be paid	178	372
Provision for guarantees issued	9	12
Payables for contributions	-	17
Other liabilities	6	7
	6.400	**5.346**

1 These mainly refer to: rates due on loans to be repaid to the grantor for €2.225m, €752 thousand to be paid to participants in syndicated transactions led by Mediocredito, €244 thousand for monetisation of employees' leave credits, €114 thousand for 2013 bonuses and €30 thousand for rewarding the extra time of managerial staff.

2 This item includes transfers yet to be credited to correspondents for the amount of €611 thousand in 2013 and €944 thousand in 2012.

SECTION 11 – PROVISION FOR SEVERANCE INDEMNITIES – ITEM 110

11.1 Provision for severance indemnities: annual changes

	2013	2012
A. Opening balance	**1,702**	**1,679**
B. Increase	**3**	**151**
B.1 Provisions for the period	3	151
B.2 Other increases	-	-
C. Decreases	**238**	**128**
C.1 Indemnities paid	181	128
C.2 Other decreases[1]	57	-
D. Closing balance	**1,467**	**1,702**

1 This item includes the amount relating to actuarial gains recognised in the specific equity reserve.

SECTION 12 – PROVISIONS FOR RISKS AND CHARGES – ITEM 120

12.1 Provisions for risks and charges: breakdown

Item/Amounts	2013	2012
1 Post retirement benefit obligations	-	-
2. Other provisions for risks and charges	1,271	1,803
2.1 legal disputes	181	657
2.2 personnel expenses	-	100
2.3 others	1,090	1,046
Total	**1,271**	**1,803**

12.2 Provisions for risks and charges: annual changes

	Post retirement benefit obligations	Other funds	Total
A. Initial balance	**-**	**1,803**	**1,803**
B. Increases	**-**	**145**	**145**
B.1 Provisions for the period	-	-	-
B.2 Changes over time	-	-	-
B.3 Changes due to discount rate adjustments	-	-	-
B.4 Other increases [1]	-	145	145
C. Decreases	-	**677**	**677**
C.1 Use during the period [2]	-	201	201
C.2 Changes due to discount rate adjustments	-	-	-
C.3 Other decreases [3]	**-**	476	476
D. Final balance	**-**	**1,271**	**1,271**

1 This amount relates to the portion of the net income for the year that is at the disposal of the Board of Directors for undertakings as per Article 21.

2 The amount refers to €101 thousand for donations to initiatives under art. Articles 21 of the By-laws, to €100 in provision for staff to fund the personnel incentive scheme based on results achieved in 2012.

3 The amount refers to the recovery of value for provisions made in 2008 relating to a revocation action, following a favourable judgment of the first degree.

12.4 Provisions for risks and charges: other provisions

Item “legal disputes” is made up of sums set-aside mainly in connection with revocatory actions under disputes.

Item “other” covers the total amount of the fund under Article 21 of the By-laws which is at the disposal of the Board of Directors for supporting initiatives in social-economic, research, study, charitable and promotional fields.

Item “personnel expenses” is made up of amounts set aside to cover the cost of the personnel incentive schemes.

Section 14 – Equity of the company – Items 130, 150, 160, 170, 180, 190, 200

14.1 “Capital stock" and "Treasury shares": breakdown

The capital stock, fully paid up, is set at an amount of €58,484,608 represented by 112,470,400 ordinary shares at €0.52 each.

14.2 Capital stock – Number of shares: annual changes

The number of shares, fully paid-up, did not change in the course of the first half of the year.

Other information

1. Guarantees issued and commitments

Operations	2013	2012
1) Financial guarantees given to	**1,040**	**1,040**
a) Banks [1]	1,040	1,040
b) Banking customers	-	-
2) Commercial guarantees given to	**3,720**	**3,803**
a) Banks	-	-
b) Banking customers	3,720	3,803
3) Irrevocable commitments to disburse funds	**9,741**	**9,350**
a) Banks	-	-
i) a certain usage	-	-
ii) an uncertain usage	-	-
b) Banking customers	9,741	9,350
i) a certain usage	-	-
ii) an uncertain usage	9,741	9,350
4) Commitments underlying credit derivatives: sales of protection	-	-
5) Assets used to guarantee third party obligations	-	-
6) Other commitments	**-**	**-**
Total	**14,501**	**14,193**

1 For both years, the item includes the commitment of €7 thousand Interbank Fund for Deposit Protection against interventions estimated but not yet approved. This amount is recorded amongst the guarantees to banks in accordance with the provisions of the Bank of Italy Circular n. 262/2005 § 2.7.25.

2. ASSETS USED TO GUARANTEE OWN LIABILITIES AND COMMITMENTS

2. Assets used to guarantee own liabilities and commitments

Portfolios	2013	2012
1. Financial assets held for trading	-	-
2. Financial assets at fair value	-	-
3. Financial assets available for sale	173,979	201,516
4. Financial assets held to maturity	-	-
5. Loans and advances to banks	-	-
6. Loans and advances to customers	59,083	61,818
7. Property, plant and equipment	-	-

Eurosystem credit operations

The Bank has entered into two liability-funding operations with the counterparty Cassa Centrale Banca (which acts as a broker for refinancing at the ECB) for a total face value of €382m, guaranteed by securities classified as financial assets available for sale (Item 3. Table 2.), in addition to other securities not reported in the balance sheet, of which:

- €82.0m is guaranteed by securities for an operation concluded on 22/12/2011 (due to expire on 29/01/2015);
- €300.0m is guaranteed by securities for an operation concluded on 01/03/2012 (due to expire on 26/02/2015).

As required by IFRS 7 § 14 we state the following:

a) With the abovementioned contracts, the Bank has transferred the securities used as a guarantee in the property of the counterparty. Such securities, with their full value and related appurtenances, act as full guarantee for the funding and any other amounts due to the counterparty arising from the financing operation, although not liquid or payable, arising before or after disbursement;
b) the value of the guarantee deposit is determined by deducting from the market value, the haircut defined by the European Central Bank ("haircut") for the specific activities, as well as an additional haircut defined by Cassa Centrale Banca, which acts as a broker.

Own liabilities guaranteed by securities not reported in the balance sheet

At the end of the year, the Bank has filed securities with the Bank of Italy for a nominal value of €139.3m that are not reported in the balance sheet. These securities are partly committed to securing funding for €300m for an operation concluded on of 01/03/2012 (see § "Eurosystem credit operations")

During the year the Bank also issued and subscribed bonds guaranteed by the Italian state for €185m: these Securities, which are not reported in the balance sheet and have been filed with the Bank of Italy, are also partially committed to securing funding for €300m for the operation concluded on of 01/03/2012 (see § "Eurosystem credit operations").

Own liabilities guaranteed by loans to customers

The Bank has entered into several contracts of debt assignment (relative to public works financing) with the EIB in order to guarantee two loans signed on 28 November 2005 and 9 December 2008 respectively.

According to the requirements of IFRS 7.14, we state that:

a. the total book value of the financial assets pledged as collateral amounts to €36.9m in relation to the contract signed on 28 November 2005 and to €22.2m in relation to the contract signed on 9 December 2008;
b. by signing the above-mentioned contracts, the Bank irrevocably assigned with recourse to the EIB amounts owed by the municipalities as a guarantee of the full and punctual execution of its financial obligation towards the EIB arising from the loan contracts. The object of the said contracts debt assignment is an amount equal to 110% of the remaining amount of the loan granted by the EIB after each partial repayment made by the Bank, in accordance with the terms of the contract;
c. according to the contract signed on 28 November 2005, the assignation of debts would take effect only in the case of a default from the Bank to fulfil its obligations to the EIB arising from the said loan contract (which is recorded under the liabilities side of the Statement of Financial Position of the Bank); the contracts of assignation of debts are therefore "subject to condition precedent";
d. according to the contract signed on 9 December 2008 the assignation of debts, for the sole purpose of guarantee, takes effect immediately and remains so until the guaranteed obligations are entirely fulfilled. The EIB has also given the Bank, which remains exposed to credit risk in connection with the amounts it is owed by the municipalities, power of attorney for the management of the said credit and (except in case of breach of contract on the part of the Bank) title to the credit will automatically be given back to Bank when it is cashed in.

In November 2012, the Bank obtained by the EIB a new placement of €50m against which a first contract was signed for €16m that has not yet been used. Such contract will be guaranteed by the recourse sale of Mediocredito's receivables to the final beneficiaries. Please note that in July 2013, the Company signed a second contract for the remaining 34 million secured by a surety of the Autonomous Region of Trentino - Alto Adige.

PART C

INFORMATION ON THE INCOME STATEMENT

SECTION 1 - INTEREST – ITEMS 10 AND 20

1.1 Interest income and similar revenues: breakdown

	Items/Technical forms	Debt Securities[1]	Loans[2]	Other assets[3]	Total First half 2013	Total First half 2012
1	Financial assets held for trading					243
2	Financial assets available for sale	5,641			5,641	6,249
3	Financial assets held to maturity					-
4	Loans to banks		507		507	389
5	Loans to banking customers	0	19,963		19,963	22,984
6	Financial assets held at fair value					-
7	Hedging derivatives					-
8	Other assets					-
	Total	**5,641**	**20,470**		**26,111**	**29,865**

Changes in connection with interest income – against the comparison accounting period (first half 2012) – are shown in the Report on Operations in the section "Income statement's dynamics", to which we refer you.

We also state that:

1 Interest income on debt securities consist of:
- coupons cashed on bonds issued by non-banking concerns (see item "loans and advances to customers") that the Bank purchased for the purpose of debt restructuring;
- coupons cashed on securities and bonds issued by banks (see item "assets available for sale") acquired by the Bank with the intent to allocate them to guarantee borrowings by the European Central Bank and the securitisation transactions started in 2009.

Their balances are shown on tables 6.1 and 7.1 of Part B – Sections 6 and 7 respectively.

2 Interest on financing in connection with item "loans and advances to banks" include amounts accrued on current accounts and demand deposits: their balances are shown on table 6.1 of Part B – Section 6.

3 Interest income accrued on other assets relates to amounts collected in relation to the positive balance of differentials on derivatives relating to fair value option that are recorded under item 20. of the asset side and 40. of the liability side in the Statement of Financial Position.

Interest income on impaired assets equals €1.654m (against €1.379m in 2012).
It was calculated referring to interest accrued in the course of the whole period in relation to operations with customers which were classified in the categories of impaired loans (doubtful loans, substandard loans, loans past due and restructured loans) as at 30th June 2013.

1.3 Interest income and similar revenues: other information

1.3.1 Interest income from financial assets denominated in currency

	First half 2013	First half 2012
Interest income from financial assets denominated in currency	13	16

1.3.2 Interest income on finance lease transactions

	First half 2013	First half 2012
Deferred financial income	10,870	12,452
Potential rent recorded as revenues for the period	(415)	(280)

1.4 Interest expenses and similar charges: breakdown

	Items/Technical forms	Debts	Securities[1]	Other Liabilities[2]	Total First half 2013	Total First half 2012
1.	Amount due to central banks	1,315		-	1,315	1,420
2.	Amount due to banks	2,861		-	2,861	3,610
3.	Amount due to banking customers	1,542		-	1,542	1,728
4.	Debt securities in issue		6,951	-	6,951	10,015
5.	Financial liabilities held for trading	-	-	-	-	-
6.	Financial liabilities valued at fair value	-	69	-	69	539
7.	Other liabilities			-	-	-
8.	Hedge derivatives			312	312	53
	Total	**5,718**	**7,020**	**312**	**13,050**	**17,365**

Changes in connection with interest expenses, against the accounting period of comparison (first half 2012), are shown in the Report on Operations in the section "Income statement's dynamics", to which we refer you.

We also state that:

1 interest expenses accrued on securities relates to bonds issued by the Bank and classified under item 30. (fourth line) and 50. (sixth line) of the liability side of the Statement of Financial Position. Interest expenses have been calculated (in relation to items recognised at amortised cost) using the Actual Cost method.

2 interest expenses accrued on other liabilities relate to amounts accrued in relation to the negative balance of differentials on hedging derivatives recorded under item 60. of the liability side of the Statement of Financial Position.

1.5 Interest expense and similar charges: differentials on hedging transactions

Items/Amounts	First half 2013	First half 2012
A. Positive differentials on hedging transactions:	-	-
B. Negative differentials on hedging transactions:	312	53
C. Balance (A-B)	**(312)**	**(53)**

1.6 Interest expenses and similar charges: other information

1.6.1 Interest expense on liabilities denominated in currency

	First half 2013	First half 2012
Interest expense on liabilities denominated in currency	2	5

SECTION 2 – FEES AND COMMISSIONS – ITEMS 40 AND 50

2.1 Fee and commission income: breakdown

Type of service/Amount	First half 2012	First half 2013
a) guarantees issued	17	37
b) credit derivatives		
c) management, brokerage and consultancy services:	-	208
1. trading of financial instruments		
2. dealing in currency		
3. portfolio management		
3.1 individual		
3.2 collective		
4. safekeeping and administration of securities		
5. custodian bank		
6. placement of securities		
7. orders collection		
8. consultancy	-	208
8.1 investments		
8.2 structured finance	-	208
9. distribution of third party services		
9.1 portfolio management		
9.1.1. individual		
9.1.2. collective		
9.2 insurance products		
9.3 other products		
d) collection and payment services	1	1
e) securitisation servicing		
f) services for factoring transactions		
g) tax collection services		
h) management of multilateral trading facilities		
i) management of current accounts		-
j) other services [1]	795	1,173
Total	**813**	**1,419**

Changes of single items against data for the accounting period of reference (first half 2012) are illustrated and explained in the Report on Operations in the section “Income statement dynamics”, to which we refer you.

1 This item is mainly made up of various commissions on loans granted for €326 thousand and commissions for corporate finance activities for €464 thousand.

2.3 Fee and commission expense: breakdown

Services/Amounts	First half 2013	First half 2012
a)) guarantees received [1]	689	596
b) credit derivatives		
c) management and brokerage services:	12	12
1. trading of financial instruments		
2. dealing in currency		
3. portfolio management:		
3.1 own portfolio		
3.2 delegated		
4. safekeeping and administration of securities	12	12
5. placement of financial instruments		
6. door-to-door distribution of financial instruments, products and services		
d) collection and payment services	2	2
e) other services [2]	66	67
	769	**677**

Changes of single items against the data for the accounting period of reference (first half 2012) are illustrated and explained in the Report on Operations in the section "Income statement dynamics", to which we refer you.

1 This item is mainly made up of fees paid to the Bank of Italy for the guarantee of bonds issued by us, for €688 thousand (€589 thousand in 2012).
2 This item is made up from commissions that come from the collection of financing applications for €34 thousand.

Section 3 – Dividends and similar income – Item 70

3.1 Dividends and similar income: breakdown

Items/Incomes	First half 2013		First half 2012	
	dividends	Income from units in investment funds	dividends	Income from units in investment funds
A. Financial assets held for trading	-	-	-	-
B. Financial assets available for sale	3	-	2	-
C. Financial assets held at fair value	-	-	-	-
D. Investment securities	-		-	
Total	**3**	**-**	**2**	**-**

SECTION 4 – NET TRADING INCOME – ITEM 80

4.1 Net trading income: breakdown

Transactions/Income items	Capital gains (A)[1]	Trading profit (B)[2]	Capital losses (C)[3]	Trading losses (D)[4]	Net balance [(A+B) - (C+D)]
1. Financial assets held for trading	**-**	**-**	**-**	**-**	**-**
1.1 Debt securities					-
1.2 Equity instruments					-
1.3 Investments in UCITS.					-
1.4 Loans					-
1.5 Others					-
2. Financial liabilities held for trading	**-**	**-**	**-**	**-**	**-**
2.1 Debt securities					-
2.2 Amount due					-
2.3 Others					
3. Other financial assets and liabilities: exchange difference					**(1)**
4. Derivatives	**403**	**300**	**385**	**228**	**90**
4.1 Financial derivatives:	403	300	385	228	90
- On debt securities and interest rates	403	300	385	228	90
- On equity instruments and share indices					
- On currencies and gold					
- Others					
4.2 Credit derivatives					
Total	**403**	**300**	**385**	**228**	**90**

1 The item "capital gains" includes the positive changes in fair value accrued at 30/06/2013 on IRS classified as "held for trading" for €17 thousand and the positive changes in fair value of cap options sold to customers for €385 thousand.
2 The item "trading profit" includes premiums derived from Cap options sold to customers.
3 The item "capital losses" includes negative changes in fair value on Cap options purchased from banks.
4 The item "trading losses" includes premiums paid for options purchased from banks for €213 thousand and the negative differentials on swap contracts classified under "held for trading" (see Bank of Italy circular 262/2005 chapter 2, paragraph 3) for €15 thousand.

SECTION 6 – GAINS (LOSSES) FROM DISPOSAL/REPURCHASES – ITEM 100

6.1 Gains (losses) from disposal or repurchase: breakdown

Items/Income items	2013			2012		
	Gains	Losses	Net profit	Gains	Losses	Net profit
Financial asset						
1. Loans to banks	-	-	-	-	-	-
2. Loans to banking customers	-	-	-	-	-	-
3. Financial assets available for sale	2,635	-	2,635	-	(17)	-
3.1 Debt securities [1]	2,231	-	2,231	-	(17)	-
3.2 Equity securities [2]	404	-	404	-	-	-
3.3 Investments in UCITS	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets	**2,635**	**-**	**2,635**	**-**	**(17)**	**(17)**
Financial liabilities						
1. Amounts due to banks	-	-	-	-	-	-
2. Amounts due to banking customers	-	-	-	-	-	-
3. Debt securities in issue [3]	36	-	36	-	3	-
Total liabilities	**36**	**-**	**36**	**-**	**3**	**-**

1 The amounts recorded under financial assets item 3.1 refer to gains from the sale of securities issued by banks.

2 The amounts recorded under financial assets item 3.2 refer to gains from extraordinary operations involving the participated company Green Hunter.

3 The amounts recorded under financial liabilities item 3 refer to the repurchase of a bond issued by us.

SECTION 7 – NET CHANGE IN FINANCIAL ASSETS AND LIABILITIES VALUED AT FAIR VALUE – ITEM 110[1]

7.1 Net change in financial assets and liabilities valued at fair value: breakdown

Transactions / Income items	Capital Gains (A)	Gains from Disposal (B)	Capital Losses (C)	Losses from Disposal (D)	Net Result [(A+B) - (C+D)]
1. Financial assets					
1.1 Debt securities					
1.2 Equity securities					
1.3 Investments in UCITS					
1.4 Loans					
2. Financial liabilities	**15**				**15**
2.1 Debt securities [2]	15				15
2.2 Amounts due to banks					
2.3 Amounts due to banking customers					
3. Financial assets and liabilities in foreign currency: exchange differences					
4. Credit and financial derivatives					
Total	**15**				**15**

1 This item includes securities that were issued and for which the fair value option has been elected and the valuation of derivatives to them associated.

2 Amounts in connection with capital gains are shown in table "Financial liabilities valued at fair value: annual changes" item C.3.

SECTION 8 – NET IMPAIRMENT ADJUSTMENT – ITEM 130

8.1 Net value adjustments for impairment of loans: breakdown

Transactions/Income items	Write-downs (1)			Write-backs (2)				Total 2013	Total 2012
	Specific			Specific [1]		Portfolio			
	Write-offs	Others	Portfolio [2]	A	B	A	B		
A. Loans and advances to banks	-	-	-	-	-	-	-	-	-
- loans	-	-	-	-	-	-	-	-	-
- debt securities	-	-	-	-	-	-	-	-	-
B. Loans and advances to banking customers	-	(12,648)	(1,150)	1,146	2,944	-	-	(9,708)	(3,281)
Purchased impaired loans	-	-	-	-	-	-	-	-	-
- loans	-	-	-	-	-	-	-	-	-
- debt securities	-	-	-	-	-	-	-	-	-
Other loans	-	(12,648)	(1,150)	1,146	2,944	-	-	(9,708)	(3,281)
- loans	-	(12,648)	(1,150)	1,146	2,944	-	-	(9,708)	(3,281)
- debt securities	-	-	-	-	-	-	-	-	-
C. Total	-	**(12,648)**	**(1,150)**	**1,146**	**2,944**	**-**	**-**	**(9,708)**	**(3,281)**

Legend

A= from interest

B= other write-backs

1 The total of specific write-backs amounts to €4,090 thousand and differs from the sum of the values reported in the Report on Operations Table 130. "Value adjustments and write-back – analytic valuation – write-downs" (€2,762 thousand) and in "collection from transactions concluded in prior periods" (€781 thousand). The difference in value amounts to €547 thousand and relates to net portfolio write-downs on impaired loans which is shown under "Specific write-down – Other" (in compliance with the provisions of Circular 262/2005 by the Bank of Italy).

2 The value under item "Loans and advances to banking customers –loans – portfolio – write-downs" (€1,150 thousand), net of the transfer described in note 1 for -€547 thousand, corresponds to that reported in the Report on Operations in the section "Income statement dynamics" item 130. "Value adjustments and Write-backs -portfolio valuation- net effect" (€603 thousand write-backs) - (we refer to the amount shown in the column "net effect" because in the table shown in the Report on operations portfolio write downs/write backs are shown with reference to portfolios while in this table the amounts shown are those based on the classification of customers by category).

8.2 Net value adjustments for impairment of financial assets available for sale: break down

Transactions/Income items	Write-downs (1) Specific		Write-backs (2) Specific		Total First half 2013 (3)=(1)-(2)	Total First half 2012 (3)=(1)-(2)
	Write-offs	Others	A	B		
A. Debt securities						-
B. Equity securities		(61)			**(61)**	**(0)**
C. Investments in UCITS						-
D. Loans and advances to banks						-
E. Loans and advances to banking customers						-
F. Total		**(61)**			**(61)**	**(0)**

Legend

A= from interest

B= other write-backs

8.4 Net value adjustments for impairment of other financial transactions: breakdown

Transactions/Income items	Write-downs (1) Specific		Write-downs (1)	Write-backs (2) Specific		Write-backs (2) Portfolio		Total First half 2013 (3)=(1)-(2)	Total First half 2012 (3)=(1)-(2)
	Write-offs	Others	Portfolio	A	B	A	B		
A. Guarantees issued							3	**3**	**1**
B. Credit derivatives									
C. Commitments to disburse funds									
D. Other transactions									
E. Total	**-**	**-**					**3**	**3**	**1**

Legend

A= from interest

B= other write-backs

SECTION 9 – ADMINISTRATIVE COSTS – ITEMS 150

9.1 Payroll breakdown

Type of expense/breakdown	Total First half 2013	Total First half 2012
1) Employees	3,163	3,235
a) wages and salaries	2,213	2,254
b) social insurance	585	602
c) severance indemnities [1]	121	125
d) social security contributions		
e) provision for severance indemnities [2]	5	12
f) provision for post-retirement benefits and other obligations:		
- defined contribution		
- defined benefit		
g) payments to external supplementary pension funds:	74	80
- defined contribution [3]	74	80
- defined benefit		
h) costs deriving from payment agreements based on own capital instruments		
i) other employee benefits	165	162
2) Other personnel currently employed		
3) Directors and Auditors	213	244
4) Retired personnel		
5) Cost recovery in relation to employees transferred to other companies		
6) Cost recovery in relation to third party employees transferred to the company		
Total	**3,376**	**3,479**

1 In accordance with implementing rules issued by the Bank of Italy, this items is made up of amounts of severance indemnities paid out directly to INPS (National Social Security Institute) and to other externally defined contribution.

2 EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period deducting €89 thousandfrom the item “e) provision for severance indemnities” for 2012.

3 This amount includes contributions to supplementary pension schemes.

9.2 Average number of employees by category[1]

	Total First half 2013	Total First half 2012
Employees:	75	76
a) executives	3	4
b) total managers	36	36
- of which: third and fourth level managers	19	19
c) remaining employees	36	36
Other personnel	-	-

1 The annual average is calculated as the simple arithmetic average of the employees at the end of each month.

In order to give a better representation of the workforce within the Bank in the following table we show the average number of employees calculated taking into account the actual number of hours for each part-time contract.

	Total First half 2013	Total First half 2012
Employees:	78.8	80.9
a) executives	3.0	4.0
b) total managers	36.7	37.5
- of which: third and fourth level managers	19.3	19.3
c) remaining employees	40.1	39.4
Other personnel	-	-

9.4 Other employees benefits

	First half 2013	First half 2012
Lunch vouchers	35	38
Insurance policies	58	59
Training courses and travel expenses	30	22
Benefits in kind	11	10
Other short term benefits	31	33
Total	**165**	**162**

9.5 Other administrative expense: breakdown

	Total First half 2013	Total First half 2012
1. IT Costs	**290**	**306**
- outsourcing costs	197	196
- Other EDP (Electronic Data Processing) costs	93	110
2. Property related expenses	**224**	**265**
a) rental expenses	66	80
- property rental expenses	*66*	*80*
b) other expenses	158	185
- office cleaning	*40*	*53*
- building service charges	*14*	*6*
- maintenance and repair costs	*13*	*29*
- electricity, heating, water	*48*	*51*
- motor vehicles maintenance	*43*	*46*
3. Purchase of non-professional goods and services	**163**	**172**
- books, magazines, subscriptions	23	18
- information and cadastral services	34	38
- stationery, printing supplies, storage mediums	8	11
- databases and value-added networks	31	34
- surveillance	42	42
- post and telephones	25	29
4. Purchase of professional services	**607**	**340**
- legal and procedural costs	298	118
- professional fees	309	222
5. Insurance premiums	**40**	**44**
- insurance for the company bodies	18	18
- other insurance policies	22	26
6. Advertising expenses	**109**	**110**
- advertising and sponsorships	100	98
- entertainment and gifts	9	12
7. indirect taxes and duties	**62**	**113**
- local tax on real estate	24	26
- registration tax and dues	3	35
- substitute taxes (advertising, occupation of public soil, stamp duties)	35	52
8. Others	**158**	**160**
- subscriptions and memberships [1]	111	106
- Other expenses	47	54
Total	**1,653**	**1,510**

1 It is mainly due to the subscription to ABI, Consob and to the "Federazione Trentina delle Cooperative".

SECTION 10 - NET PROVISIONS FOR RISKS AND CHARGES – ITEM 160

10.1 Net provisions for risks and charges: breakdown

	Total First half 2013	Total First half 2012
Provision for employee incentive system	0	(75)
Net claw back provisions	476	-
Total	**476**	**(75)**

SECTION 11 – NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT – ITEM 170

11.1 Net adjustments to property, plant and equipment: breakdown

Assets/Income items	Depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a + b - c)
A. Tangible assets				
A.1 Owned	(357)			(357)
- For operational use	(357)			(357)
- For investments				
A.2 Held under finance lease				
- For operational use				
- For investments				
Total	**(357)**			**(357)**

SECTION 12 – NET ADJUSTMENTS TO INTANGIBLE ASSETS – ITEM 180

12.1 Net adjustments to property, plant and equipment: breakdown

Assets/Income items	Depreciation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a + b - c)
A. Property, plant and equipment				
A.1 Owned	(184)			(184)
- For operational use				
- Other	(184)			(184)
A.2 Held under finance lease				
Total	**(184)**			**(184)**

SECTION 13 – OTHER OPERATING CHARGES/INCOME – ITEM 190

13.1 Other operating expense: breakdown

	Total First half 2013	Total First half 2012
Securitisation costs refunded to the SPV company	(270)	(115)
SPV on-going operating expenses	(59)	(33)
Amortisation of leasehold improvement	(3)	(3)
Sundry operating expenses	(27)	(6)
Total	**(359)**	**(157)**

13.2 Other operating income: breakdown

	Total First half 2013	Total First half 2012
Recovery of legal expenses	235	84
Refund / compensation of taxes	31	50
Service commission income in relation to securitisation	270	115
Other income	33	53
Total	**569**	**302**

SECTION 14 – PROFIT (LOSS) FROM EQUITY INVESTMENTS – ITEM 210

14.1 Profit (loss) from equity investments: breakdown

Income items/Amounts	First half 2013	First Half 2012
A. Incomes	**4**	**12**
1. Revaluation	-	-
2. Profit on disposal	-	-
3. Write-backs [1]	4	12
4. Other incomes	-	-
B. Charges	**(15)**	**(41)**
1. Write-downs [2]	(15)	(41)
2. Adjustments due to impairment	-	-
3. Loss from disposal	-	-
4. Other charges	-	-
Net result	**(11)**	**(29)**

1 Incomes recorded as a result of the application of the equity method to the valuation of equity investments refer entirely to the affiliated company Essedi Strategie d'Impresa S.r.l..

2 Charges recorded as a result of the application of the equity method to the valuation of equity investments originate from the affiliated company Biorendena S.p.A and controlled Paradisidue Srl.

SECTION 17 – GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS – ITEM 240

17.1 Gains (losses) on disposal of investments: breakdown

Income items/amounts	2013	2012
A. Buildings		-
- Gains on disposal		-
- Losses on disposal		-
B. Other assets	(0)	0
- Gains on disposal [1]	0	0
- Losses on disposal [2]	(1)	-
Net result	**(0)**	**0**

1 This item relates to the sale of property, plant and equipment completely amortised and of limited value - €83 in 2013 and €303 in 2012.

2 This item relates to losses deriving from the sale of property, plant and equipment only partially amortised and for the modes value of €581.

SECTION 18 – INCOME TAXES ON CURRENT OPERATIONS – ITEM 260

18.1 Income taxes on current operations: breakdown

Items/Amounts	Total First half 2013	Total First half 2012
1. Current taxes (-)	(2,577)	(1,744)
2. Change in current taxes of previous periods (+/-)	-	-
3. Decrease in current taxes of the period (+)	-	-
4. Change in deferred tax assets (+/-)[1]	+1,606	+45
5. Change in deferred tax liabilities (+/-)	(3)	+0
6. Income taxes for the period (-) (-1+/-2+3+/-4+/-5)	**(974)**	**(1,699)**

1 EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period rectifying the item Change in deferred tax assets.

SECTION 20 – OTHER INFORMATION

Parent company: exemption from the requirement of drawing up the consolidated Statement of Financial Position

The Bank, in compliance with current legislation (Legislative Decree No. 356/1990) and with the regulations of the supervising authorities, is the parent company of "Gruppo Bancario Mediocredito Trentino – Alto Adige", duly registered with the Banking Group Register and made up of the parent company and by its 100% controlled subsidiary Paradisidue S.r.l.
The Bank does not compile the Consolidated Statement of Financial Position because any consolidation of the subsidiary Paradisidue S.r.l. (total assets €2.9m as at 31.12.2012) in the Statement of Financial Position of Mediocredito would be irrelevant with regards to providing a true picture of the economic situation, financial position and economic performance of the parent company (IAS 8 and sections 26, 29, 30 and 44 of the IASB Framework for the presentation and preparation of financial statements, the so-called "Framework").
The subsidiary owns a building, the appraised value of which is aligned with market values and the equity investment and booked to equity in the Statement of Financial Position of the Bank. Additionally, since the volume of business of its subsidiary is below the set threshold Mediocredito is not required to submit to the Bank of Italy consolidated disclosures under the existing supervisory regulations.

SECTION 21 – EARNINGS PER SHARE

21.1 Average number of ordinary shares on dilution of the capital stock

During the first half of 2013 there was no dilution of Mediocredito's capital stock as neither the number of its shares nor their nominal value changed.
The profit per share amounted to 0.0225 and is entirely distributable.

EARNING PER SHARE [33]

	30 Jun 2013	30 Jun 2012
Profit per share	0.0022	0.0232
Diluted profit per share	0.0022	0.0232

[33] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period recalculating the earning per share.

PART D

COMPREHENSIVE INCOME

ANALYTICAL STATEMENT OF COMPREHENSIVE INCOME

	Items	Gross amount	Tax	Net amount
10.	NET INCOME (LOSS) FOR THE YEAR			**247**
Other income components				
20.	FINANCIAL ASSETS AVAILABLE FOR SALE:	**(2,074)**	**(594)**	**(1,480)**
	a) fair value changes	(970)	(345)	(625)
	b) reversal to Income Statement	(1,104)	(249)	(855)
	- adjustments due to impairment			
	- capital gains/losses	(1,104)	(249)	(855)
	c) other changes			
60.	CASH FLOW HEDGES	**319**	**102**	**217**
	a) fair value changes	319	102	217
	b) reversal to Income Statement			
	c) other changes			
110.	TOTAL OTHER INCOME COMPONENTS	**57**	**-**	**57**
120.	TOTAL COMPREHENSIVE INCOME (lines 10+110)	**(1,698)**	**(492)**	**(1,206)**
10.	NET INCOME (LOSS) FOR THE YEAR			**(959)**

PART E
INFORMATION ON RISKS AND RELATED HEDGING POLICY

SECTION 1 - CREDIT RISK

QUALITATIVE INFORMATION

No significant events occurred between 31st December 2012 and 30th June 2013 to which reference should be made and we therefore refer you to the section "Impaired loans and country risk".
However we point out that the Bank was not exposed either directly or indirectly to credit products of the ABS (Asset Backed Securities) and CDO (Collateralised Debt Obligation) type linked to subprime and Alt-A loans or to financial products that the market perceives as risky at the date of this condensed half-yearly report and accounts.

QUANTITATIVE INFORMATION

A. CREDIT QUALITY

A.1 Impaired and performing credit exposures: amounts, value adjustments, changes, economic and geographical distribution

A.1.1 Distribution of credit exposures by portfolio and quality (book values)

Portfolio/Quality	Doubtful	Substandard	Restructured	Expired exposures	Other assets	Total
1. Financial assets held for trading					683	683
2. Financial assets available for sale					334,150	334,150
3. Financial assets held to maturity						
4. Loans and advances to Banks					84,236	84,236
5. Loans and advances to banking customers	70,332	85,498	2,450	11,372	1,144,981	1,314,633
6. Financial assets valued at fair value						
7. Financial assets being sold						
8. Hedging derivatives						
Total 2013	**70,332**	**85,498**	**2,450**	**11,372**	**1,564,050**	**1,733,702**
Total 2012	**59,438**	**85,353**	**2,912**	**16,438**	**1,636,883**	**1,801,024**

A.1.2 Distribution of credit exposures by portfolio and quality (gross and net values)

Portfolio/quality	Impaired loans			Other assets			Total (net exposure)
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	Specific adjustments	Net exposure	
1. Financial assets held for trading						683	683
2. Financial assets available for sale				334,150		334,150	334,150
3. Financial assets held to maturity							
4. Loans and advances to banks				84,266	30	84,236	84,236
5. Loans and advances to banking customers	224,797	55,145	169,652	1,151,240	6,259	1,144,981	1,314,633
6. Financial assets held at fair value							
7. Financial assets to be sold							
8. Hedging derivatives							
Total 2013	**224,797**	**55,145**	**169,652**	**1,569,656**	**6,289**	**1,564,050**	**1,733,702**
Total 2012	**209,916**	**45,775**	**164,141**	**1,641,755**	**5,170**	**1,636,883**	**1,801,024**

A.1.3 Balance and off-balance sheet credit exposures to banks: gross and net values

Type of exposure/amounts	Gross exposure	Specific adjustments	General portfolio adjustments	Net exposure
A. BALANCE SHEET EXPOSURES				
a) Doubtful loans	-	-		-
b) Substandard loans	-	-		-
c) Restructured exposures	-	-		-
d) Expired exposures	-	-		-
e) Other assets	206,340		30	206,310
Of which financial assets available for sale [1]	*122,074*		*-*	*122,074*
Loans to banks	*84,266*		*30*	*84,236*
TOTAL A	**206,340**	**-**	**30**	**206,310**
B. OFF-BALANCE SHEET EXPOSURES				
a) Impaired				
b) Other	1,723		-	1,723
Of which derivatives	*683*	*-*	*-*	*683*
Guarantees issued [2]	*1,040*	*-*	*-*	*1,040*
TOTAL B	**1,723**	**-**	**-**	**1,723**

1 These are bonds purchased by the Bank in order to use it as collateral for refinancing of the ECB. More details can be found in the Report of operations chapter "Securities portfolio".

2 The item includes the commitment of €7 thousand Interbank Fund for Deposit Protection against interventions estimated but not yet approved, this amount is recorded amongst the guarantees to banks in accordance with the provisions of Bank of Italy Circular n. 262/2005 § 2.7.25.

A.1.6 Balance-sheet and off-Balance sheet credit exposures to customers: gross and net values

Type of exposure/amounts	Gross exposure	Specific adjustments	General portfolio adjustments	Net exposure
A. BALANCE SHEET EXPOSURES				
a) Doubtful loans	113,136	42,804		70,332
b) Substandard loans	97,273	11,775		85,498
c) Restructured exposures	2,909	459		2,450
d) Expired exposures	11,478	107		11,372
e) Other assets	1,363,316		6,259	1,357,058
Of which loans to customers	*1,151,240*		*6,259*	*1,144,981*
Financial assets available for sale [1]	*212,076*		*-*	*212,076*
TOTAL A	**1,588,114**	**55,145**	**6,259**	**1,526,710**
B. OFF-BALANCE SHEET EXPOSURES				
a) Impaired	531			531
b) other	12,939		9	12,930
Of which commitments	*9,210*			*9,210*
Guarantees issued	*3,729*		*9*	*3,720*
TOTAL B	**13,470**		**9**	**13,461**

1 These are Italian government bonds purchased by the Bank in order to use as collateral for the refinancing of the ECB and French government bonds accrued as a guarantee for the securitisation operation started in 2009. More details can be found in the relation on operations, which is part of the chapter "Security portfolio".

A.1.7 Balance-sheet and off-Balance sheet credit exposure to customers: gross change in impaired exposure

Sources/Categories		Doubtful	Substandard	Restructured exposures	Expired exposures
A.	**Opening balance**	**91,155**	**99,145**	**3,112**	**16,504**
	- of which: exposures sold and not de-recognised	-	-	-	-
B. Increases		**25,313**	**25,665**	**1,252**	**8,292**
B.1	transfers from performing loans	1,552	14,700	-	8,039
B.2	transfers from other categories of impaired loans	22,467	8,952	1,234	18
B.3	other increases [1]	1,293	2,013	18	235
C.	**Decreases**	**3,332**	**27,537**	**1,455**	**13,318**
C.1	transfers to performing loans	-	2,051	-	4,484
C.2	derecognised items	-	-	-	-
C.3	recoveries [1]	3,310	2,424	43	602
C.4	sale proceeds	-	-	-	-
C.5	transfers to other categories of impaired loans	-	23,044	1,412	8,215
C.6	other decreases	22	18	-	17
D.	**Closing balance**	**113,136**	**97,273**	**2,909**	**11,478**
	- of which: exposures sold and not de-recognised	-	-	-	-

1 Doubtful loans account for €781 thousand relating to collections of doubtful loans closed in previous years as specified by the Bank of Italy (Letter "Budget and Supervisory reports" - February 2012).

A.1.8 Balance-sheet credit exposures to customers: change in overall impairments

	Sources/Categories	Doubtful	Substandard	Restructured exposures	Expired exposures	Performing loans	
A.	**Opening balance**	**31,717**	**13,792**	**200**	**67**	**5,140**	
	- of which: exposures sold and not de-recognised	-	-	-	-	-	
B.	**Increases**	**14,054**	**2,790**	**464**	**40**	**1,119**	
B.1	write-downs	10,019	2,603	17	40	1,119	
B.1 bis	losses on disposal	-	-	-	-	-	
B.2	transfers from other categories of impaired loans	3,255	187	447	-	-	
B.3	other increases [1]	780	-	-	-	-	
C.	**Decreases**	**2,967**	**4,807**	**205**	**-**	**-**	
C.1	write-backs from valuations	2,094	1,105	18	-	-	
C.2	collection write-backs [1]	873	-	-	-	-	
C.2 bis	gains on disposal	-	-	-	-	-	
C.3	write-offs	-	-	-	-	-	
C.4	transfers to other categories of impaired loans	-	3,702	187	-	-	
C.5	other decreases	-	-	-	-	-	
D.	**Closing balance**	**42,804**	**11,775**	**459**	**107**	**6,259**	
	- of which: exposures sold and not de-recognised	-	-	-	-	**-**	
	Losses due to below market rates	-	-	-	-		
	Total net credit adjustment	**7,052**	**1,498**	**-1**	**40**	**1,119**	**9,708** [2]

1 Doubtful loans account for €780 thousand relating to collections of doubtful loans closed in previous years as specified by the Bank of Italy (Letter "Budget and Supervisory reports" - February 2012).

2 This amount coincides with the amount shown in table 8.1 Part C.

SECTION 2 - MARKET RISKS

No significant events occurred between 31st December 2012 and 30th June 2013 to which reference should be made, except for the continuation of the policy of strengthening the portfolio of securities eligible for refinancing with the European Central Bank.

The interest rate risk does not show any significant change in relation to the annual report of 2012.

We stress once again that in keeping with its risk profile the Bank was not exposed either directly or indirectly to credit products of the ABS (Asset Backed Securities) and CDO (Collateralised Debt Obligation) type linked to subprime and Alt-A loans or to financial products that the market perceives as risky, at the date of this condensed half-yearly report and accounts.

Price risk assessment is not performed, as the Bank does not have financial instruments sensitive to price risk (equity securities or UCITS) classified in the supervisory trading portfolio.

SECTION 3 - LIQUIDITY RISK

An analysis of the liquidity position as at 30th June 2013 shows a net short-term Interbank position equal to €18.5m which stems from debit current and deposit accounts to the amount of €65.7m and current accounts and deposit accounts to the amount of €84.2m.

Although the situation on the national and international financial markets remains unsettled and funding remain difficult, the Bank enjoys available margins on credit lines with credit entities, mainly Shareholders, besides on the Interbank market of deposits, which remains active only on short-term operations.

The Bank can also obtain liquidity through:

- assets which can be eligible for transactions of repurchase agreements by the Central Bank for approximately €605m (€530 net of ECB haircut) of which €144m free;
- €50m from the European Investment Bank (EIB);
- the European programme for the issue of bonds renewed in March 2013.

To support the monitoring and management of liquidity risk, the Bank shall apply the procedures described in the financial statements at 31 December 2012, to which we refer you, and utilises financial planning tools (the A&LM system) which choose the most suitable funding policies in the short-medium term (maturity ladder): looking at the second half of 2013 the estimated funding requirements are around €93m. This amount is provided by the traditional funding activities, in particular with the EIB and, in the medium term, through the issuance of bonds subscribed by local banks. Liquid assets also derive from securitisation of credit assets, with which we expect to have an available liquidity estimated between €100m and €150.

As at 30 June 2013, the situation of eligible securities was the following:

Type of issuer	Available	Constrained
Governments	200,000	192,118
Co-operative credit banks	50,000	39,160
Other Banks	30,500	23,796
Senior notes from securitisation transactions	139,341	102,879
On Securities guaranteed by the State	185,00	172,119
Total	**604,841**	**530,072**
Liquidity already drawn		385,600
Residual available liquidity		**144,472**

SECTION 4 - OPERATIONAL RISKS

No significant events occurred between 31st December 2012 and 30th June 2013 to which reference should be made.

PART F

INFORMATION ON EQUITY

SECTION 1 - EQUITY

A. QUALITATIVE INFORMATION

The equity is the aggregate of ordinary shares and additional paid-in capital. The reserves are the aggregate of the legal reserve, the extraordinary reserve, and the reserves created in compliance with IAS/IFRS. The valuation reserves are the aggregate of fair value reserves (related to assets available for sale), cash flow hedge reserves, retained earnings / losses relating to defined benefit pension plans and reserves that originate from the monetary revaluation of real estate. The adequacy of the equity is also monitored in relation to the minimum capital requirements specified by the supervising authorities.

B. QUANTITATIVE INFORMATION

B.1 Shareholders' equity: breakdown

Items/Amounts	2013	2012
1. Capital stock	58,485	58,485
2. Additional paid-in capital	29,841	29,841
3. Reserves	94,692	94,365
- profits	94,692	94,365
a) legal	18,956	18,809
b) statutory	54,003	53,977
c) treasury shares	-	-
d) others [1]	21,733	21,579
- others	-	-
4. Equity instruments	-	-
5. (Treasury shares)	-	-
6. Valuation reserves	4,923	6,130
- Financial assets available for sale	1,092	2,573
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flow hedges	(76)	(293)
- Exchange differences	-	-
- Non-current assets classified as held for sale	-	-
- Actuarial gains (losses) on defined benefits plans [1]	(411)	(468)
- Valuation reserves from investments accounted for using the equity method		
- Special revaluation laws	-	-
- Financial assets available for sale	4,318	4,318
7. Profit (loss) for the year [1]	247	3,058
Total	**188,189**	**191,880**

[1] EU regulation no. 475/2012 of 5 June 2012 approved the new version of IAS 19 "Employee Benefits" which amended among other things the accounting rules of the so-called defined benefit plans (which include severance indemnity pay) stating that the actuarial gains/losses are recognised immediately and are included for the full amount in the "statement of comprehensive income" with effect on equity. As a result, and in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", it was also necessary to adjust data for the comparative period rectifying balances for 2012 for items: "3.Reserves-profits others","6.Valuation reserves- Actuarial gains (losses) on defined benefits plans" and "7. Profit (loss) for the year".

B.2 Revaluation reserves for available-for-sale assets: breakdown

Assets/Amounts	2013		2012	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	1,305	1,160	2,183	675
2. Equity securities	702	-	965	-
3. Units in UCITS	263	18	122	22
4. Loans	-	-	-	-
Total	**2,270**	**1,179**	**3,270**	**697**

B.3 Revaluation reserves for available-for-sale assets: annual changes

	Debt securities	Equity securities	Unit in UCITS	Loans
1. Opening balance	**1,508**	**965**	**100**	**-**
2. Positive changes	**951**	**118**	**146**	**-**
2.1 Fair value increases	928	118	146	-
2.2 Reclassification through profit or loss of negative reserves	23	-	-	-
- due to impairment	-	-	-	-
- following disposal	23	-	-	-
2.3 Other changes	-	-	-	-
				-
3. Negative changes	**2,314**	**380**	**-**	**-**
3.1 fair value decreases	1,817	-	-	-
3.2 Adjustments due to impairment	-	-	-	-
3.3 Reclassification through profit or loss of positive reserves:	498	380	-	-
Following disposal	498	380	-	-
3.3 Other changes	-	-	-	-
4. Closing balance	**144**	**702**	**245**	**-**

SECTION 2 - REGULATORY CAPITAL AND CAPITAL RATIOS

2.1 REGULATORY CAPITAL

A. Qualitative information

1. Tier 1 capital

Mediocredito's Tier 1 capital consists of the share capital (€58.485m), additional paid-in capital (€29.841m) and the reserves (the aggregate of the legal reserve, the extraordinary reserve and the reserve created in compliance with IAS/IFRS) for an overall amount of €94.692m and reinvested profits (€247 thousand). The capital amount is adjusted to take into consideration the negative elements due to intangible assets (€282 thousand) and actuarial gains/losses on severance indemnities for €411 thousand.

2. Tier 2 capital

Mediocredito's Tier 2 capital consists of the valuation reserves created in compliance with special legislation (€4.318m) and of the fair value reserves related to assets available for sale (€1,092 thousand) minus negative prudential filters (calculated by applying the asymmetric approach[34]) related to the portion of positive reserves of assets available for sale that cannot be included (€546 thousand).

3. Tier 3 capital

There are no values to be disclosed.

[34] With regard to valuation reserves allocated to the portfolio of assets available for sale, the asymmetric approach provides full deduction of capital losses from Tier 1 capital and the partial inclusion (50%) of capital gains in Tier 2 capital.

B. Quantitative information

			2013	2012
A.	**Tier 1 capital before the application of prudential filters**		**182,572**	**182,090**
B.	Prudential filters of Tier 1 capital:		-	-39
B1	- positive Ias/Ifrs prudential filters	(+)	-	-
B2	- negative Ias/Ifrs prudential filters	(-)	-	-39
C.	**Tier 1 capital gross of items to be deducted**	**(A+B)**	**182,572**	**182,051**
D.	**Items to be deducted from Tier 1 capital**		**-**	**-**
E.	**Total Tier 1 capital**	**(C-D)**	**182,572**	**182,051**
F.	**Tier 2 capital before the application of prudential filters**		**5,410**	**6,891**
G.	**Prudential filters of Tier 2 capital:**		**-546**	**-1,286**
G1	- positive Ias/Ifrs prudential filters	(+)	-	-
G2	- negative Ias/Ifrs prudential filters	(-)	-546	-1,286
H.	**Tier 2 capital gross of items to be deducted**	**(F+G)**	**4,864**	**5,605**
I.	**Items to be deducted from Tier 2 capital**		**-**	**-**
L.	**Total Tier 2 capital**	**(H-I)**	**4,864**	**5,605**
M.	**Items to be deducted from total Tier 1 and 2 capital**		**-**	**-**
N.	**Regulatory capital**	**(E+L-M)**	**187,436**	**187,656**
O.	**Tier 3 capital**		**-**	**-**
P.	**Regulatory capital including Tier 3 capital**	**(N+O)**	**187,436**	**187,656**

The net profit for the period (€247 thousands) is fully included in the calculation of the regulatory capital.

2.2 CAPITAL ADEQUACY

A. Qualitative information

The regulatory capital is the first safeguard against risks that a bank has to deal with and in perspective a company's equity is a powerful lever for developing the main activity of the Bank whilst maintaining its stability.
The statement included in part B shows in detail the single items which concur in determining the "risk-weighted assets" which in turn, concur in determining the "solvency ratio", applying the standard methods, as for rules dictated by Basel I, in particular:

- tier 1 capital ratio: Tier 1 capital / risk-weighted assets;
- total capital ratio: Regulatory capital / risk-weighted assets.

As at 30th June 2013 these ratios (respectively equal to 14.42% and 14.80%) were more than adequate in relation to the solvency limits set forth by the supervising authorities for individual companies and as an indicator of the adequacy of the equity in relation to the size of the Bank and of the characteristics of its activities.

During the course of May 2013, the Bank has prepared and published the disclosure document in accordance with the requirements of Basel 2 Pillar 3, i.e. public disclosure as at 31/12/2012. The

Bank does not use internal methods for the calculation of capital requirements in relation to credit risk and operational risks and therefore disclosures will be issued on an annual basis by publishing (within the time set for the publication of the annual report and accounts) on the website of the Bank (www.mediocredito.it) the Synoptic Tables of Circular No. 263 of 27 December 2006 – Title IV – Chapter 1 Section II Attachment A of the Bank of Italy – duly adapted to the operational characteristics of the Company.

B. Quantitative information

Categories/Amounts	Non-weighted amounts		Weighted/required amounts	
	2013	2012	2013	2012
A. RISK-WEIGHTED ASSETS				
A.1 Credit risk and counterparty risk				
1. Standardised approach	1,824,754	1,907,895	1,215,761	1,296,383
2. Internal ratings-based approach				
2.1 Basic				
2.2 Advanced				
3. Securitisation framework				
B. MINIMUM CAPITAL REQUIREMENTS				
B.1 Credit risk and counterparty risk			97,261	103,711
B.2 Market risk				
1. Standardised approach				
2. Internal models				
3. Concentration risk				
B.3 Operational risk				
1. Basic approach			4,025	4,025
2. Standard approach				
3. Advanced approach				
B.4. Other capital requirements				
B.5. Other calculation elements				
B.6 Total capital requirements			**101,286**	**107,736**
C. RISK-WEIGHTED ASSETS AND CAPITAL RATIOS				
C.1 Risk-weighted assets			1,266,077	1,346,699
C.2 Tier 1 capital/Risk-weighed assets (Tier 1 capital ratio)			14.42	13.52
C.3 Regulatory capital (including Tier 3)/Risk-weighted assets)			14.80	13.93

PART H

RELATED PARTY DISCLOSURES

1. INFORMATION ON REMUNERATION OF DIRECTORS AND MANAGERS

The remuneration shown below refers to Directors and to the management team (General Managers and Vice Managers, i.e. key management personnel with strategic responsibilities) who held these positions in 2013, as per the sixteenth paragraph of IAS 24 § 17.

The remuneration paid to members of the Board of Directors and to the Board of Auditors was agreed at the Shareholders' Meeting.

	Emoluments and social security contributions	Bonuses and other incentives	Severance indemnities and provident fund
Managers	147,944	-	-
Managers with strategic responsibilities	278,308	13,451	21,412
Auditors	64,804	-	-

2. RELATED PARTY DISCLOSURES

The following tables were prepared according to IAS 24 and in particular, a breakdown of transactions made with related parties was undertaken following the instructions outlined in paragraphs 18 and 19 of the same document.

Payables and receivables

Related parties	Assets available for sale	Loans and advances to banks	Loans and advances to customers	Other assets	Due to banks	Due to customers	Debt securities in issue	Derivatives (notional)	Debts
Entities that have joint control and significant influence over the company	50,655	62,079	45,324	13,133	84,188	79,593	130,722	1,389[2]	9
Subsidiary companies			2,892	142					
Affiliated companies									
Joint venture									
Managers with strategic responsibilities									
Other related parties									
Total	**50,655**	**62,079**	**48,216**	**13,275**	**84,188**	**79,593**	**130,722**	**1,389**	**9**

Assets available for sale

A debt security issued by Cassa Centrale Raiffeisen for a nominal €50.0m.

Due from banks

For €11.1m of cash on current accounts and €50.3m in transactions on the Interbank deposit market (MID) with Cassa Centrale Banca.

Due from customers

With regard to the amounts shown under "Entities that have joint control and significant influence over the company", they are operations granted to companies functional to the two autonomous provinces, including the aforementioned operations in support of the local economic system in the Province of Trento.

The item "subsidiary companies" relates to a credit facility granted by the bank to the subsidiary Paradisidue srl, based in Trento - Via Paradisi 2 CF 01856850225, functional to the acquisition and renovation of properties within an insolvency proceedings. €6.0m of credit has been granted with a maturity at withdrawal of 1M Euribor +50 bp.

Other assets

These are mainly illiquid assets on a current account with Cassa Centrale Banca for €13.1m.

Due to banks

It is for €83.1m from the ECB's three-year funding brokered by Cassa Centrale Banca.

Due to customers

For €36.1m relating to a deposit by a company functional to the Autonomous Province of Trento and for €42.9m in funds of the Autonomous Province of Bolzano under administration.

Debt securities in issue

These are our securities signed by the two Casse Centrali and a company functional to the Autonomous Province of Trento.

Derivatives

These are two swap contracts written in the statement of financial position at a negative fair value for €51 thousand and a cap contract written in the statement of financial position at a positive fair value of €20 thousand.

Costs and revenues

Related Items	Interest income	Fees and commissions income	Sundry proceeds	Interest expenses	Fees and commissions expenses	Other expenses	Related Items
Entities that have joint control and significant influence over the company	2,363	3	2	3,645	5	-	6
Subsidiary companies	9						
Affiliated companies							6
Joint venture							
Managers with strategic responsibilities							
Other related parties							
Total	**2,372**	**3**	**2**	**3,645**	**5**	**-**	**12**

Transactions with entities that have joint control and significant influence over the Company refer to relations with those shareholders who have joint control over the Bank because of an agreement amongst themselves. Transactions with these shareholders were made on terms equivalent to those that prevail in arm's length transactions.
Additionally, the autonomous provinces of Trento and Bolzano provide surety ship for us to the EIB to the amount of €9.441m; the Bank pays to the two Provinces a commission of 0.08% paid every 6 months.

PART L

SEGMENT REPORTING

The Bank belongs to the category of listed issuers; therefore under transparency regulations it must provide disclosure related to segment reporting in spite of the single sector character of its business operations and of the fact that its operations and customers are largely concentrated in a single geographical area (the North-eastern regions of Italy).
The present disclosure was prepared according to the requirements of IFRS 8, on the basis of internal reports for the management and the Board of Directors: the primary basis of segmentation refers to the classification of activities as they originated from commercial territorial units and the secondary basis of segmentation refers to the breakdown by product. The primary segment reporting basis is therefore by geographical segments and the secondary reporting basis is by business segment.Data of less significant units are reported to comply with the logic of reporting.
Segment results and segment assets are determined on the basis of the following principles:

- Identification of the interest income of the segments has been determined according to internal transfer rates that are adequate in relation to the financial characteristics of the products;
- Net commissions are punctually attributed to the customer/area/product who/which has generated them;
- Direct costs and manufacturing costs have been respectively charged in a punctual manner and on the basis of criteria of reversal of actual costs and (only with reference to the primary segment) in keeping with internal data processing;
- Central services costs (such as managing, auditing, planning and control, compliance, risk management, administration,…) have been charged to Head Office;
- Assets relate to amounts managed by the respective organisational units and are expressed in terms of generated profits at the closing of the business period.

SEGMENT REPORTING (notes)

The tables that were provided (and that have been prepared on the basis of internal reports and applying the above-mentioned criteria) show a balanced distribution of margins amongst by-now historical territorial units while the area of Emilia Romagna still feels the effects of dependence on intermediaries and delays in market penetration. The area of Veneto shows higher costs because it is characterised by a credit portfolio made up by a higher number of loans with respect to other areas. The area of South Tyrol is the best performer in terms of costs. The higher risk cost is concentrated in the real estate and building sectors.

The primary segment and the secondary segment appear to benefit respectively from a significant contribution to the margins by the "Head Office" (for the primary segment) and by "other activities" (for the secondary segment). This is due to the low credit risk of operations conducted by the Head Office, the important capital effect and to a lesser extent to the maturity transformation enacted by the treasury management team.

PRIMARY SEGMENT REPORTING BASIS

A.1 Breakdown by geographical segment: Statement of Income first half 2013

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amounts
Net interest income	**2,148**	**1,799**	**1,914**	**1,073**	**640**	**5,487**	**13,060**
Net commissions	131	89	122	66	58	-422	**45**
Dividends and other trading and hedging income						2,777	***2,777***
Net interest and other banking income	**2,279**	**1,888**	**2,036**	**1,139**	**698**	**7,843**	**15,883**
Net adjustments/write-backs	(1,200)	95	(2,819)	(4,094)	(1,637)	(111)	**(9,765)**
Net income from financial activities	**1,079**	**1,983**	**(783)**	**(2,955)**	**(939)**	**7,732**	**6,117**
Total operating expenses	(381)	(436)	(754)	(319)	(270)	(2,725)	**(4,885)**
Profit (Loss) from associates and investment securities						(12)	**(12)**
Profit before income taxes	**698**	**1,547**	**(1,537)**	**(3,274)**	**(1,209)**	**4,995**	**1,221**

A.1 Breakdown by geographical segment: Statement of Income first half 2012

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amounts
Net interest income	**1,425**	**1,506**	**1,763**	**977**	**559**	**6,270**	**12,500**
Net commissions	169	57	147	59	44	266	**742**
Dividends and other trading and hedging income						(229)	***(229)***
Net interest and other banking income	**1,594**	**1,563**	**1,910**	**1,036**	**603**	**6,307**	**13,013**
Net adjustments/write-backs	491	(898)	(1,566)	(409)	(346)	(553)	**(3,280)**
Net income from financial activities	**2,085**	**665**	**345**	**627**	**257**	**5,755**	**9,733**
Total operating expenses	(400)	(381)	(682)	(413)	(260)	(3,257)	**(5,393)**
Profit (Loss) from associates and investment securities						(29)	**(29)**
Profit before income taxes	**1,685**	**284**	**(338)**	**213**	**(3)**	**2,291**	**4,311**

A.2 Breakdown by geographical segment: Statement of Financial Position June 2013

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amounts
Lending operations	326,262	308,868	274,559	192,395	92,319	616,101	**1,810,504**
Borrowing operations						1,574,129	**1,574,129**

A.2 Breakdown by geographical segment: Statement of Financial Position December 2012

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amounts
Lending operations	341,262	320,403	286,986	198,227	94,624	625,921	**1,867,423**
Borrowing operations						1,627,697	**1,627,697**

SECONDARY SEGMENT REPORTING BASIS

B.1 Breakdown by business segment: Statement of Income First Half 2013

	Investment credit	Building	Credit leasing	Agricultural credit and facilitated credit	Other activities	Total
Net interest income	**6,167**	**987**	**362**	**1,286**	**4,259**	**13,060**
Net commissions	*626*	*24*	*10*	*50*	*(665)*	***45***
Dividends and similar incomes					2,777	**2,777**
Net interest and other banking income	**6,793**	**1,011**	**372**	**1,336**	**6,371**	**15,883**
Adjustments/write backs	(5,642)	(3,167)	(479)	(420)	(58)	**(9,765)**
Net income from financial activities	**1,151**	**(2,157)**	**(107)**	**916**	**6,313**	**6,117**

B.1 Breakdown by business segment: Statement of Income First Half 2012

	Investment credit	Building	Credit leasing	Agricultural credit and facilitated credit	Other activities	Total
Net interest income	**4,119**	**1,032**	**292**	**1,521**	**5,536**	**12,500**
Net commissions	*920*	*43*	*14*	*14*	*(248)*	***742***
Dividends and similar incomes					(229)	**(229)**
Net interest and other banking income	**5,039**	**1,075**	**306**	**1,534**	**5,059**	**13,013**
Adjustments/write backs	(2,272)	(1,125)	(253)	368	1	**(3,280)**
Net income from financial activities	**2,767**	**(50)**	**53**	**1,903**	**5,060**	**9,733**

B.2 Breakdown by business segment: Statement of Financial Position June 2013

	Investment credit	Building	Credit leasing	Agricultural credit and facilitated credit	Other activities	Total
Lending operations	893,234	129,016	67,401	266,484	454,370	**1,810,504**
Borrowing operations					1,574,129	**1,574,129**

B.2 Breakdown by business segment: Statement of Financial Position December 2012

	Investment credit	Building	Credit leasing	Agricultural credit and facilitated credit	Other activities	Total
Lending operations	907,446	137,284	65,981	284,848	471,864	**1,867,423**
Borrowing operations					1,627,697	**1,627,697**

CERTIFICATION PURSUANT TO ARTICLE 81-TER OF CONSOB REGULATION

Certification of the Financial Statements for the period pursuant to Article 81-ter of CONSOB Regulation No. 11971 of 14 May 1999 and its subsequent amendments and additions.

1. The undersigned Franco Senesi, chairman of the Board of Directors and Leo Nicolussi Paolaz, manager responsible for the preparation of Mediocredito Trentino – Alto Adige S.p.A.'s financial reports, in consideration of the requirements of Article 154-bis, paragraphs 3 and 4, of Legislative Decree No. 58 of 24 February 1998 herewith attest to:
- the appropriateness given the characteristics of the business and
- the actual application

   of the administrative and accounting procedures followed for the formation of condensed financial statements during the first half of 2013.

2. No significant matters arose in this respect. However, the parties state that Mediocredito Trentino – Alto Adige S.p.A. is now subject to the obligation pursuant mentioned earlier Article 154-bis of Legislative Decree 58/98 of contemplating the figure of "Manager responsible for preparing the company's financial reports". This is because the Bank (in the context of the EMTN programme) has issued bonds that are listed on the Luxemburg stock exchange whilst choosing Italy as the country of origin. The assessment of the administrative and accounting procedures for preparing the financial reports for the business period closed on 30th June 2013 and has been based on procedures consistent with the reference standards of the internal control system of the Bank.

3. The parties further declare that:
   - 3.1. The financial statements:
     - a) have been prepared in accordance with the applicable international accounting standards as endorsed by the European Union under EC Regulation No. 1606/2002 of the European Parliament and Council of 19th July 2002;
     - b) agree with the results of the accounting records and entries;
     - c) are such as to provide a true and accurate representation of the Statement of Financial Position, Income Statement and financial position of the Issuer;
   - 3.2. the Interim Management Report refers to important events that occurred in the first six months of the financial year and to their impact on the half-yearly condensed financial statements, whilst also describing the main risks and uncertainties for the remaining six months of the financial year.

Trento, 27 agosto 2013

Il Presidente
del Consiglio di Amministrazione
Franco Senesi

Il Dirigente Preposto alla redazione dei
documenti contabili societari
Leo Nicolussi Paolaz

INDEPENDENT AUDITOR REPORT

RELAZIONE DELLA SOCIETA' DI REVISIONE SULLA REVISIONE CONTABILE LIMITATA DEL BILANCIO SEMESTRALE ABBREVIATO

Agli Azionisti di
Mediocredito Trentino – Alto Adige SpA

1 Abbiamo effettuato la revisione contabile limitata del bilancio semestrale abbreviato, costituito dallo stato patrimoniale, dal conto economico, dal prospetto della redditività complessiva, dal prospetto delle variazioni del patrimonio netto, dal rendiconto finanziario e dalle relative note esplicative specifiche di Mediocredito Trentino – Alto Adige SpA al 30 giugno 2013. La responsabilità della redazione del bilancio semestrale abbreviato in conformità al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea compete agli Amministratori di Mediocredito Trentino – Alto Adige SpA. E' nostra la responsabilità della redazione della presente relazione in base alla revisione contabile limitata svolta.

2 Il nostro lavoro è stato svolto secondo i criteri per la revisione contabile limitata raccomandati dalla Consob con Delibera n°10867 del 31 luglio 1997. La revisione contabile limitata è consistita principalmente nella raccolta di informazioni sulle poste del bilancio semestrale abbreviato e sull'omogeneità dei criteri di valutazione, tramite colloqui con la direzione della società, e nello svolgimento di analisi di bilancio sui dati contenuti nel predetto bilancio. La revisione contabile limitata ha escluso procedure di revisione quali sondaggi di conformità e verifiche o procedure di validità delle attività e delle passività ed ha comportato un'estensione di lavoro significativamente inferiore a quella di una revisione contabile completa svolta secondo gli statuiti principi di revisione. Di conseguenza, diversamente da quanto effettuato sul bilancio di fine esercizio, non esprimiamo un giudizio professionale di revisione sul bilancio semestrale abbreviato.

Per quanto riguarda i dati relativi al bilancio dell'esercizio precedente ed al bilancio semestrale abbreviato dell'anno precedente presentati ai fini comparativi, si fa riferimento alle nostre relazioni rispettivamente emesse in data 5 aprile 2013 e in data 28 agosto 2012.

Come indicato nelle note illustrative, gli Amministratori hanno riesposto alcuni dati comparativi relativi al bilancio semestrale abbreviato dell'anno precedente, rispetto ai dati precedentemente presentati e da noi assoggettati a revisione contabile limitata. Le modalità di rideterminazione dei dati comparativi e la relativa informativa presentata nelle note esplicative sono state da noi esaminate ai fini dell'emissione della presente relazione sul bilancio semestrale abbreviato al 30 giugno 2013.

PricewaterhouseCoopers SpA

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3 Sulla base di quanto svolto, non sono pervenuti alla nostra attenzione elementi che ci facciano ritenere che il bilancio semestrale abbreviato di Mediocredito Trentino – Alto Adige SpA al 30 giugno 2013 non sia stato redatto, in tutti gli aspetti significativi, in conformità, al principio contabile internazionale applicabile per l'informativa finanziaria infrannuale (IAS 34) adottato dall'Unione Europea.

Padova, 28 agosto 2013

PricewaterhouseCoopers SpA

Alessandra Mingozzi
(Revisore legale)