



HALF-YEARLY REPORT
AS AT 30 JUNE 2015



27 AUGUST 2015

INTERIM REPORT ON OPERATIONS AND HALF-YEARLY CONDENSED FINANCIAL STATEMENTS AS AT 30 JUNE 2015

62nd financial year

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

Full paid capital € 58,484,608

Fiscal code and Trento Register of companies no. 00108470220

Bank Register no. 4764

Parent company of Gruppo Bancario Mediocredito Trentino – Alto Adige

Registered with the Banking Group Register

www.mediocredito.it

mc@mediocredito.it

REGISTERED OFFICE AND HEADQUARTERS

38122 Trento, Via Paradisi 1

Tel. 0461/888511

Fax 0461/888515

SECONDARY HEADQUARTERS

39100 Bolzano, Via Museo 44

Tel. 0471/305111

Fax 0471/970417

BRANCHES

31100 Treviso, Piazza delle Istituzioni 27

Tel. 0422/216411

Fax 0422/216499

40136 Bologna, Viale Panzacchi 17

Tel. 051/3390711

Fax 051/3390799

35131 Padua, Via G. Gozzi 24

Tel. 049/8236011

Fax 049/8236099

25124 Brescia, Piazza Mons. Almici 23

Tel. 030/2284211

Fax 030/2284299

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.

TABLE OF CONTENTS

HALF-YEARLY REPORT ON OPERATIONS.....	7
GENERAL ECONOMICAL OVERVIEW.....	9
MEDIOCREDITO IN THE FIRST HALF OF 2015.....	13
BUSINESS REVIEW	15
PRINCIPAL TRENDS IN THE FINANCIAL STATEMENTS AND STATE OF AFFAIRS.....	37
SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD AND EXPECTED BUSINESS TREND.....	45
INTERIM CONDENSED FINANCIAL STATEMENTS.....	47
NOTES TO THE ACCOUNTS	55
PART A ACCOUNTING POLICIES	57
A.1 General	59
A.2 Illustration of the main financial statement aggregates.....	61
A.3 Information on transfers of financial assets between portfolios	63
A.4 Fair value disclosure.....	63
PART B INFORMATION ON THE STATEMENT OF FINANCIAL POSITION	65
Assets	67
Liabilities	72
PART C INFORMATION ON THE INCOME STATEMENT	77
PART D COMPREHENSIVE INCOME.....	89
PART E INFORMATION ON RISKS AND RELATED HEDGING POLICY	91
Section 1 – Credit risk	93
Section 2 – Market risk.....	97
Section 3 – Liquidity risk	97
Section 4 – Operational risks	100
PART F INFORMATION ON EQUITY	101
Section 1 - Equity	103
Section 2 - Own funds requirements	105
PART H RELATED PARTY DISCLOSURE	109
PART L SEGMENT REPORTING	111
CERTIFICATION PURSUANT TO ART. 81-TER OF CONSOB REGULATION ON ISSUERS.....	115
INDEPENDENT AUDITORS' REPORT	119

HALF-YEARLY REPORT ON OPERATIONS

GENERAL ECONOMICAL OVERVIEW

Italian and international economic situation

The forecasts issued by the International Monetary Fund in July show a slight decrease in the economic activity around the world in the current year, with a growth rate for 2015 estimated at 3.3%, slightly below the rate for 2014 (3.4%) due to the gradual recovery of advanced economies and a slowdown in the emerging countries.

In the United States, the GDP decreased by 0.2% on an annual basis in the first quarter of 2015, after a 2.2% increase in the previous quarter. The decrease was predominantly due to factors of a temporary nature, which affected investments and exports. In the United Kingdom, the economic activity slowed down to 1.5% (from 3.4%), due to the weakness in exports and the strengthening of imports. Japan's GDP, on the other hand, grew above expectations, by 3.9% (from 1.2%), driven by the rise in inventories, fixed investments and, to a lower extent, consumption. In China, finally, the GDP increased by 7.0% in trend terms in the second quarter, the same as in the previous quarter, remaining at the lowest levels of the last six years¹.

In the first half of 2015, the GDP of the Euro area increased at a constant pace compared to the end of last year (+0.4% against the previous period, sustained by household and business consumption). In France, the economic activity returned to growth (+0.6%) and the same happened in Italy (+0.3%), while it slowed down in Germany (+0.3% from +0.7% at the end of 2014), where the new increase in consumption and investments was accompanied by an increase in imports higher than that of exports.

The most recent forecasts by the International Monetary Fund estimate a growth for the Euro Area in 2015 by 1.5% driven by Spain and, to a lower extent, by Germany.

The early data communicated by Eurostat on the performance of the European GDP in the second quarter of 2015 compared to the previous quarter continue to be disappointing: in the 19 Eurozone countries the economy grew by just 0.3%, strongly affected by the trend of the three major economies: Germany (+0.4%), France (unchanged) and Italy (+0.2%).

As for Italy, the trend of its GDP after stabilising towards the end of last year, went back to being positive in 2015. In the first quarter of 2015, it grew by 0.3% on the previous period and in the second quarter, according to the preliminary estimates issued by ISTAT in August, the gross domestic product is expected to have increased by 0.2% compared to the previous quarter and by 0.5% compared to the second quarter of 2014.

On the basis of the information available, the Italian GDP is expected to increase by 0.7% in 2015, to further increase to 1.5% in 2016 mainly due to the gradual strengthening of internal demand².

With reference to the performance of foreign trade, in June 2015 there was an increase in trend terms for both *exports* (+5.6%) and, to a higher extent, *imports* (+8.5%) with a positive balance for the period - an improvement on the previous quarter of 2014 - which amounted to over €18 billion and, net of energy products, over €35 billion.

Industrial production continued its slight recovery in the first half of the year, despite a fluctuating trend, and increased by 0.4% compared to the first half of 2014³.

Also the indicators of entrepreneurs' confidence confirm the growing trend that started in the first half of 2013: in June 2015 the composite business confidence index rose to 104.3 (2010 basis = 100). The overall index shows an improvement in business confidence in all the main sectors of activity: manufacture, market

¹ IMF, World Economic Outlook, July 2015.

² Bank of Italy, Economic Bulletin, July 2015.

³ ISTAT, August 2014

services, construction and retail trading. In particular, the business confidence index for construction companies is improving⁴. The positive trend of consumer confidence continued also in the first half of 2015.

As regards employment, despite the positive factors that lead us to expect an improvement, the unemployment rate for the first half of the year continued to increase slightly, reaching 12.7% in June, 0.3 percentage points more than in June 2014. Still rising is the unemployment rate for 15-24-year-olds, 44.2% in June 2015, up 1.9 percentage points compared to June 2014.

As regards investments, the first quarter of 2015 saw a considerable recovery with a consolidation of the positive trend after a period of negative trend that had continued since 2011, having shown initial signs of recovery in the last quarter of 2014. In the first quarter of the year, gross fixed investments stood at 1.5%, especially driven by transport and construction.

The most recent analyses carried out by businesses⁵ confirm the improvement in the investment outlook, estimated a net increase in investment for 2015 compared to the previous year both in industry and in services, predominantly planned by larger size companies.

During the spring, consumption inflation in Italy showed signs of a slight recovery, with the harmonised consumer price index recording a steady annual growth of 0.2%, perfectly in line with the average in the Eurozone⁶.

Economic situation in the areas of interest for the Bank⁷

Also the regions in which Mediocredito operates showed positive trends in production and turnover for businesses.

With regard to Trentino, the turnover of companies in the first quarter of 2015 increased by 1.7% compared to the same period of the previous year and, in contrast to the trend of the last few years, local demand increased by 0.6%. Exports also rose, albeit at a lower rate than the previous quarters (+0.7%). Some sectors showed significantly positive changes such as manufacturing and service crafts, construction, services to companies and advanced tertiary. Still showing a negative trend were goods transport and manufacturing due to the mentioned slowdown in the growth of exports.

South Tyrol showed a good overall trend driven by exports: the figure for the first quarter of 2015 shows an improvement by 7.4% on the first quarter of the previous year, with increases involving transport and related components, machinery and equipment, metals and metal products. Agriculture products showed instead a decrease.

In Veneto, the upward trend consolidated with a 1.8% increase in production on an annual basis. Total turnover rose by 3% on the same period of the previous year. This performance was mainly due to the increase in sales abroad (+4.1%) but also a recovery of internal demand. However, the recovery is still weak and a certain degree of uncertain remains probably due more to the increased caution shown by entrepreneurs than to an actual worsening of the economic data.

Production and turnover data for the first quarter of 2015 in Emilia Romagna also increased by 1.4% and 1.7% respectively, compared to the same period of 2014. Exports drove production and sales, with a trend increase by 2.5%.

Finally, with regard to Lombardy, the indices for the second quarter of 2015 show an increase in industrial production by 0.7% (+0.4% in the first quarter), turnover by 1.2% (+1.1% in the first quarter) and orders from abroad by 1.4% (+0.6% in the first quarter). Conversely, internal orders decreased by 0.2% after three quarters of growth.

⁴ ISTAT, July 2015.

⁵ Source: Bank of Italy, *Indagine sulle imprese industriali e dei servizi* (Study into manufacturing and service businesses), July 2015.

⁶ Source: EUROSTAT.

⁷ The data was obtained from the Chamber of Commerce reports.

Banking activity in Italy

With regard to the main indicators of banking activities, Italy's general trend of loans to the private sector slowed down its decrease in the first half of 2015, reaching -1.0% on an annual basis in June.

More specifically, the negative trend of loans to non-financial corporations in June 2015 showed a slight reduction by -1.6% on an annual basis (-2.3% the actual rate for 2014). The frequent use of longer-term refinancing by Italian banks and the securities purchase programme in the Eurosystem are gradually affecting credit conditions leading to a more generalised reduction in the cost of loans to companies and easier access to loans also for small and medium-sized enterprises⁸.

Interest rates on loans to corporations decreased slightly in the first half of the year: the average rate applied to new operations in June 2015 was 2.10% (2.52% in January). The reduction in the overall rates on amounts borrowed by families and non-financial corporations was slower and stood at 3.42% in June (3.63% in January).

With regard to funding, the annual growth rate of the amounts borrowed by residential customers in June 2015 (-1.37%) expanded its negative trend of 2014 (-1.21% on an annual basis at the end of 2014). Considering the trend of the various components of funding, residential customer deposits rose by 3.87% on an annual basis, while the bond component showed an ongoing and significant gradual decrease (-14.77%). Moreover, in the first half of the year, the quality of banking assets continued to deteriorate, albeit to a lesser extent: in May 2015, gross doubtful loans increased on an annual basis by approximately 15% despite the slowdown in the first 5 months of 2015 (the increase was +5.5% in May, compared to December 2014). In May 2015, gross doubtful loans accounted for 10.1% of lending, the highest percentage in the last twenty years (8.9% a year earlier), which reaches 17% for small businesses (15.1% in May 2014) and 17.2% for companies, the segments in which Mediocredito operates.

Extraordinary finance

Issues of bond loans and promissory notes made by smaller non-listed companies continued in 2015, a market opened by recent legislative and tax developments introduced by the Development Decree 2012 and the launching of the new Extramot pro segment by the Italian Stock Exchange.

Particularly significant was the development of the new instrument starting from 2014, with the cumulated value of the issues, referred to just the tranches of less than €50 million, going from just over €100 million to approximately 1 billion in June 2015, of which 82.5% were related to issuers from Northern Italy (Trentino-South Tyrol 6%, Veneto 25.5%, Lombardy 19.8% and Emilia Romagna 21.2%). The funding target for the 29 specialised funds is €5.2 billion⁹. In Trentino-South Tyrol a specialised fund has now consolidated, which has so far subscribed bonds issued by 16 companies for approximately €43 million. Always in relation to this Region, the new Fondo Strategico Trentino Alto Adige (Trentino-South Tyrol Strategic Fund) is now in operation and in the current year has made its first 3 investments.

The growth trend of Italian M&A consolidated in the first six months of the year, with 226 transactions concluded for almost €16.5 billion, up 3% compared to the €16 billion in the first half of 2014. The interest of foreign investors towards Italian assets continued, with approximately 89 incoming transactions amounting to approximately €6.4 billion (82 transactions for approximately €5 billion in the first half of 2014)¹⁰.

⁸ Bank of Italy; Main banking financial statement items and Bank Lending Survey.

⁹ Osservatorio sui Mini-Bond (Study on Mini-Bonds), School of Management, Milan Polytechnic.

¹⁰ KPMG Corporate Finance Report, June 2015.

The positive trend of the Italian private equity and venture capital markets, which saw a recovery in investment volumes last year, seems to be confirmed in the first part of 2015. Throughout 2014 there were new private equity and venture capital transactions amounting to €3,528 million (+2.9% compared to 2013), despite a reduction in the number of deals (311 versus 368 in 2013)¹¹. The first data on the performance in 2015, according to the PEM figures for the first quarter, show a positive trend for the indicator, albeit below the 2014 average¹².

The Italian Stock Exchange balance was positive also in the first half of 2015, confirming the development phase of IPOs with 16 new listings (12 in the first half of 2014) and 8 delistings.

Conversely, the project financing market continued to decrease in Europe, particularly in Italy, and especially in the renewable energy sector, where the gradual withdrawal of incentives led to a reduction in new investments and more differentiation in the technologies used. At worldwide level, investments amounted to 127.9 billion US dollars in the first half of 2015 with a particularly positive growth trend in China and in the other Asian countries and a permanent downturn in Europe, particularly in Italy, after years of strong growth¹³.

¹¹ AIFI market data.

¹² Università Carlo Cattaneo, Private Equity Monitor.

¹³ Bloomberg New Energy Finance, July 2015

MEDIOCREDITO IN THE FIRST HALF OF 2015

In a scenario where the signs of recovery are starting to consolidate, in the first half of 2015 Mediocredito, despite the on-going weakness of the credit market, increased its operations volume compared to the previous year, when an initial turnaround was shown in the amounts of new credit disbursed compared to the minimum levels of 2013. The credit disbursed (€66.0 million) increased significantly compared to the first half of 2014 (+25.4%) but due to the rise in early repayments of existing mortgages, this managed only to curtail the decrease in the credit portfolio, which went down by 2.8%.

A considerable increase was shown by revenue from commissions, which was positive in its recurring component and strengthened by the commissions generated by the aforesaid extraordinary early repayments. Still significant is the trading component of revenue, which obtained a remarkable gain on the sale of an equity investment as part of its private equity activity; this made it possible to sustain the net interest and other banking income despite the expected reduction in net interest income.

As regards liabilities, borrowing operations saw the bank focused on covering the need generated by the significant tranches of bond loans expiring in the first half of the year through the issue of new medium-term bonds on the European market, almost entirely placed on the co-operative credit banking network. Mediocredito participated also in the second TLTRO issued by the ECB which made borrowing even easier thanks to a large availability of reserves to choose from.

Following the introduction of the Bank Recovery and Resolution Directive (BRRD), during the first half of the year rating agencies reduced or cancelled the public shareholders support component, which took Mediocredito out of the investment grade area in terms of its financial fundamentals. These actions, which might negatively affect the borrowing conditions for the Bank in the future, should not have an impact on the current year, whose funding needs have already been covered.

In order to avoid the liquidity risk, the Bank regularly maintains adequate reserves of securities eligible as collateral and adequate volumes of collateralised credit assets.

With reference to the lending risk, the trend for the stock of impaired loans continues to show limited growth rates and has done so since 2013, despite the natural flow of this aggregate towards doubtful loans. Finally, the half-yearly economic scenario shows, as already mentioned, reducing margins compared to 2014, with an expected decrease in the components related to the net interest income only partially offset by revenues from trading. Operating costs appear to be in line with expectations at average historical levels, while adjustments to assets, still decreasing in comparison with the first half of 2014 (-19%), bring the net profit for the period to over €1 million.

BUSINESS REVIEW

LENDING OPERATIONS

Outline of lending operations (thousands of Euros)

Surveyed activities		1st half 2015	1st half 2014	Chg. %
Credit granted	number	100	92	+8.7
	amount	72,619	73,287	-0.9
Credit disbursed		66,045	52,678	+25.4
		30 Jun 2015	31 Dec 2014	Chg. %
Total lending		1,237,959	1,350,537	-8.3
- loans to banks		62,431	147,933	-57.8
- loans to customers		1,175,528	1,202,604	-2.3

Credit granted

Credit was granted in the first half of 2015 for €72.6 million: this amount is line with the results for the first half of last year also in terms of average amount approved (€0.7m vs €0.8m).

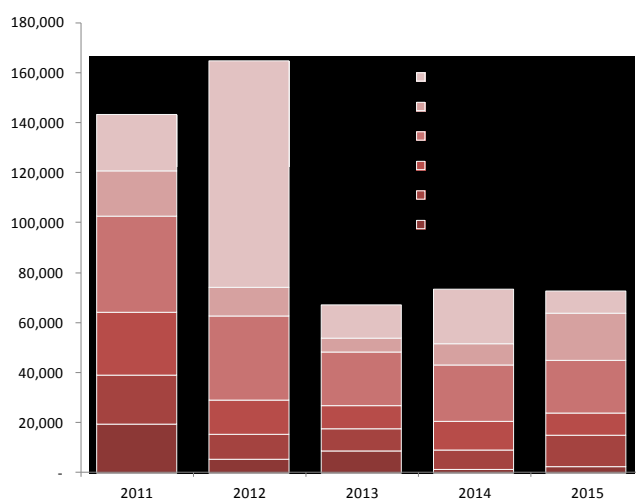
In 2015 Trentino-South Tyrol attracted 38.1% of the lending compared to 41.4% in the first half of 2014. This result was supported by the increase in the province of Bolzano (+€10.2m) which partially offset the reduction in loans granted in the Trento area (-12.8m). Significant increases were also registered in Lombardy (+€4.8m, +60.0%).

Virtually unchanged were the volumes in Veneto, while the credit approved to companies in Emilia Romagna decreased (-€2.7m, -23.6%).

Breakdown of credit granted by area (thousands of Euros)

	1st half 2015	%	1st half 2014	%	Change	Chg. %
Trentino	8,927	12.3	21,722	29.6	-12,795	-58.9
South Tyrol	18,760	25.8	8,610	11.8	+10,150	+117.9
Veneto	20,930	28.8	22,197	30.3	-1,267	-5.7
Emilia Romagna	8,868	12.2	11,600	15.8	-2,733	-23.6
Lombardy	12,655	17.4	7,908	10.8	+4,747	+60.0
Other Areas	2,479	3.4	1,250	1.7	+1,229	+98.3
Total	72,619	100.0	73,287	100.00	-669	-0.9

Trend of credit disbursed by area 2011-2015 (thousands of Euro)



Considering the disbursements of loans to non-financial corporations, the reduction in loans to the energy sector (-€7.1m), agriculture (-€3.9m) and manufacturing (-€2.9m) was mostly offset by the recovery in the sector of households and other financial operators (+€6.2m) and Hotels and Services (+€6.2m).

Breakdown of credit granted by counterparty and economic sector (thousands of Euros)

	1st half 2015	%	1st half 2014	%	Change	Chg. %
Non-financial corporations	65,454	90.1	72,284	98.6	-6,830	-9.4
Mining/manufacturing sector	20,352	28.0	23,257	31.7	-2,905	-12.5
Other services	12,030	16.6	10,390	14.2	+1,640	+15.8
Hospitality	9,216	12.7	7,352	10.0	+1,864	+25.4
Market services	7,411	10.2	6,000	8.2	+1,411	+23.5
Building industry	5,830	8.0	2,301	3.1	+3,529	+153.3
Transport services	4,610	6.3	3,347	4.6	+1,263	+37.7
Real Estate	3,365	4.6	6,087	8.3	-2,722	-44.7
Agriculture	1,891	2.6	5,750	7.8	-3,859	-67.1
Energy	750	1.0	7,801	10.6	-7,051	-90.4
Government Agencies, families and others	6,164	8.5	1,003	1.4	+5,161	+514.6
Financial corporations and banks	1,000	1.4	-	0.0	+1,000	
Total	72,619	100.0	73,287	100.0	-669	-0.9

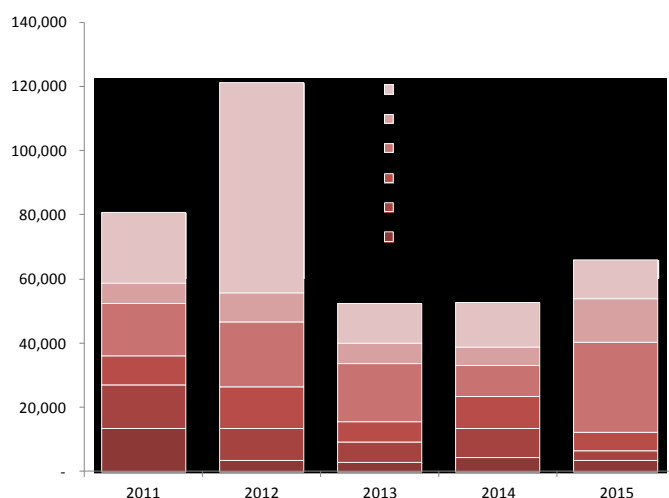
Credit disbursed

Credit disbursed increased in the first half of 2015 (+13.4m, +25.4%) compared to the first half of the previous year. This trend was supported by the improvement shown by South Tyrol (+€7.9m) and above all Veneto (+€18.4m) which counteracted the widespread reductions registered in other areas. Considerable decreases were seen in the disbursements in Emilia Romagna and Lombardy.

Credit disbursed by area (thousand of Euro)

	1st half 2015	%	1st half 2014	%	Change	Chg. %
Trentino	12,101	18.3	13,952	26.5	-1,851	-13.3
South Tyrol	13,754	20.8	5,837	11.1	+7,917	+135.6
Veneto	27,880	42.2	9,510	18.1	+18,370	+193.2
Emilia Romagna	5,850	8.9	9,861	18.7	-4,011	-40.7
Lombardy	3,120	4.7	9,073	17.2	-5,953	-65.6
Other Areas	3,340	5.1	4,445	8.4	-1,105	-24.9
Total	66,045	100.0	52,678	100.0	+13,367	+25.4

Trend of credit disbursed by area 2011-2015 (thousands of Euro)



In the first half of 2015 there were increases between €3m and €5m in disbursements to companies of the mining/manufacturing sector, other services, market services, hospitality and building industry. The sectors of real estate and transport were stable while there was a decrease in credit disbursed to the energy sector and practically a stop in the credit flows to agriculture due to the change in the regulatory framework, at national and provincial level respectively.

Breakdown of credit disbursed by counterparty and economic sector (thousands of Euros)

	1st half 2015	%	1st half 2014	%	Change	Chg. %
Non-financial corporations	61,281	92.8	52,382	99.4	+8,899	+17.0
Mining/manufacturing sector	18,827	28.5	15,114	28.7	+3,713	+24.6
Other services	11,101	16.8	6,873	13.0	+4,228	+61.5
Market services	9,421	14.3	5,970	11.3	+3,451	+57.8
Hospitality	7,353	11.1	2,039	3.9	+5,314	+260.6
Real Estate	4,377	6.6	5,144	9.8	-767	-14.9
Transport services	3,539	5.4	3,982	7.6	-443	-11.1
Building industry	3,443	5.2	177	0.3	+3,266	+1,839.7
Energy	2,867	4.3	8,391	15.9	-5,525	-65.8
Agriculture	353	0.5	4,691	8.9	-4,338	-92.5
Government Agencies, families and others	3,764	5.7	296	0.6	+3,468	+1,169.7
Financial corporations and banks	1,000	1.5	-	0.0	+1,000	
Total	66,045	100.0	52,678	100.0	+13,367	+25.4%

Operations in synergy with the co-operative system were stable. When considering, in addition to direct presentations, participations in syndicated loans linked to the co-operative system or in which it is involved, the percentage of disbursements was 24.3% of the total compared to 24.0% registered by the end of 2014.

Loans and advances

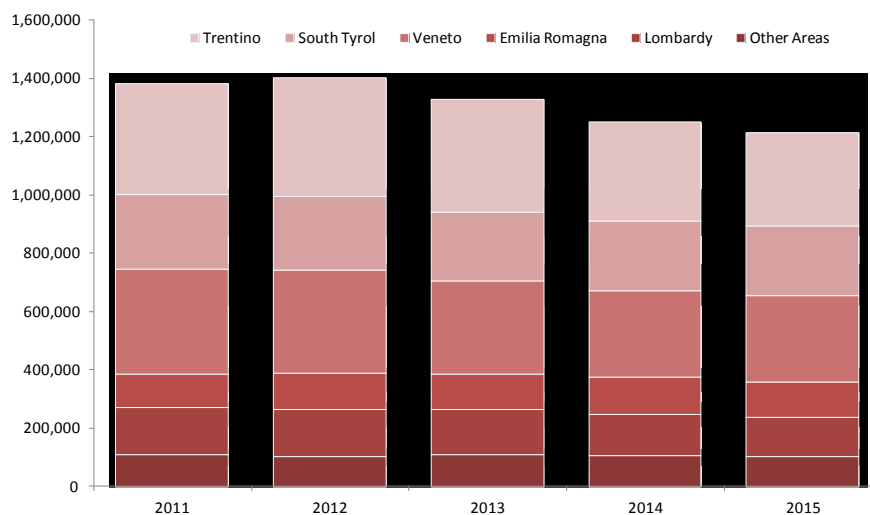
Overall amount of credit stood at levels below the 7.5% of December 2014: the decrease in typical loans, limited to 2.8% thanks also to the good performance in terms of disbursements, was amplified by the decrease in liquidity on current accounts and deposits (-€72.2m).

At geographical level, all the Bank's areas of activity showed decreases except for South Tyrol and Veneto, which remained stable. Worth mentioning is the decrease in the Trento area, partly (€7m) linked to the early repayment of the exposures to public entities in relation to local public finance initiatives.

Breakdown of typical¹⁴ gross loans and advances by area (thousands of Euros)

	30 Jun 2015	%	31 Dec 2014	%	Change	Chg. %
Trentino	321,396	26.4	339,577	27.1	-18,181	-5.4
South Tyrol	238,948	19.6	237,115	19.0	+1,833	+0.8
Veneto	296,208	24.4	296,225	23.7	-17	+0.0
Emilia Romagna	119,057	9.8	128,847	10.3	-9,790	-7.6
Lombardy	135,518	11.1	141,947	11.3	-6,429	-4.5
Other Areas	105,034	8.6	107,320	8.6	-2,286	-2.1
Total typical loans and advances	1,216,160	100.0	1,251,030	100.0	-34,870	-2.8
<i>current accounts and deposits¹⁵</i>	<i>99,800</i>		<i>172,044</i>		<i>-72,244</i>	<i>-42.0</i>
Total credit	1,315,960		1,423,074		-107,114	-7.5

Trend of typical gross loans and advances by area 2011-2015

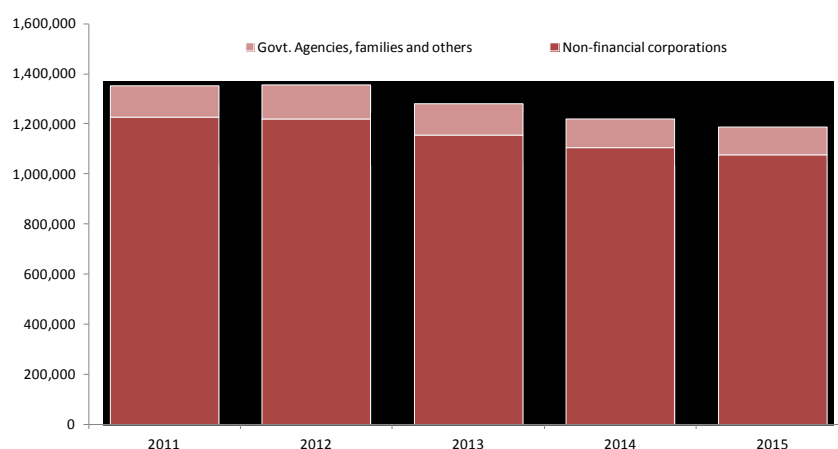


Loans to non-financial corporations amounted to €1.077m against €1.104m at the end of 2014: the decrease was particularly on the mining/manufacturing sector (-€11.7m), agriculture (-€7.8m) and energy (-€5.6m). An increase was registered by the hospitality sector (+€3.2m) and other services (+4.2m).

¹⁴ Loans and advances are shown in the tables relative to overall amounts, gross of depreciation but net of current accounts with bank deposits and of contributions in relation to subsidised credit.

¹⁵ Data for 2015 includes €37,370 thousand and data for 2014 includes €24,111 thousand of credit towards SPV claimed from the securitisation transactions.

Trend of typical gross loans and advances to non-financial corporations, government agencies, families and others 2011-2015



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

	30 Jun 2015	%	31 Dec 2014	%	Change	Chg. %
Non-financial corporations	1,076,513	88.5	1,103,982	88.2	-27,469	-2.5
Mining/manufacturing sector	278,579	22.9	290,328	23.2	-11,749	-4.0
Real Estate	135,428	11.1	137,016	11.0	-1,587	-1.2
Agriculture	111,637	9.2	119,462	9.5	-7,825	-6.6
Energy	105,515	8.7	111,147	8.9	-5,632	-5.1
Building industry	101,795	8.4	105,312	8.4	-3,518	-3.3
Hospitality	99,152	8.2	95,960	7.7	+3,192	+3.3
Market services	97,693	8.0	100,331	8.0	-2,638	-2.6
Other services	87,477	7.2	83,282	6.7	+4,195	+5.0
Transport services	59,237	4.9	61,144	4.9	-1,907	-3.1
Government Agencies, families and others	108,249	8.9	115,740	9.3	-7,490	-6.5
Financial corporations and banks	31,397	2.6	31,308	2.5	+89	+0.3
Total	1,216,160	100.0	1,251,030	100.0	-34,870	-2.8

Performing loans¹⁶

Typical performing loans (customers and banks) continue to show a negative trend (-4% compared to the end of 2014). The breakdown by geographical area shows that the negative trend is particularly relevant in Trentino (-€21.9m), Emilia Romagna (-€9.3m) and Lombardy (-€8.7m). Essentially stable are South Tyrol and Veneto. In the latter area, in particular, the impairment process slowed down.

¹⁶ The figures as at 31 December 2014 were reclassified to take into account the new categories introduced as from 31 January 2015 by the seventh update to Circular no. 272 of 30 July 2008, through which the Bank of Italy updated the definitions of impaired financial assets to bring them in line with the new concepts of Non-Performing Exposures introduced by the implementing technical standards (ITS) on the harmonised supervisory statistical disclosures defined by the European Banking Authority

Breakdown of typical¹⁷ gross performing loans by area (thousands of Euro)

	30 Jun 2015	%	31 Dec 2014	%	Change	Chg. %
Trentino	272,859	27.7	294,755	28.7	-21,896	-7.4
South Tyrol	227,556	23.1	227,308	22.1	+248	+0.1
Veneto	227,797	23.1	226,368	22.0	+1,429	+0.6
Emilia Romagna	94,991	9.6	104,289	10.1	-9,298	-8.9
Lombardy	92,546	9.4	101,211	9.8	-8,665	-8.6
Other Areas	70,576	7.2	73,824	7.2	-3,248	-4.4
Total typical loans and advances	986,325	100.0	1,027,756	100.0	-41,431	-4.0
<i>current accounts and deposits</i> ¹⁸	99,800		172,044		-72,244	-42.0
Total performing loans	1,086,126		1,199,800		-113,674	-9.5

The breakdown by sector of activity confirmed what is already shown for total loans.

Typical performing loans by counterparties and sectors of economic activity (thousands of Euro)

	30 Jun 2015	%	31 Dec 2014	%	Change	Chg. %
Non-financial corporations	856,718	86.9	888,700	86.5	-31,982	-3.6
Mining/manufacturing sector	218,105	22.1	229,733	22.4	-11,628	-5.1
Energy	105,515	10.7	111,147	10.8	-5,632	-5.1
Agriculture	103,745	10.5	111,223	10.8	-7,478	-6.7
Real Estate	95,556	9.7	97,554	9.5	-1,998	-2.0
Hospitality	83,180	8.4	80,983	7.9	+2,196	+2.7
Market services	83,139	8.4	85,553	8.3	-2,414	-2.8
Other services	75,249	7.6	70,920	6.9	+4,329	+6.1
Transport services	55,696	5.6	57,740	5.6	-2,045	-3.5
Building industry	36,533	3.7	43,846	4.3	-7,313	-16.7
Government Agencies, families and others	103,248	10.5	112,808	11.0	-9,560	-8.5
Financial corporations and banks	26,360	2.7	26,249	2.6	+111	+0.4
Total	986,325	100.0	1,027,756	100.0	-41,431	-4.0

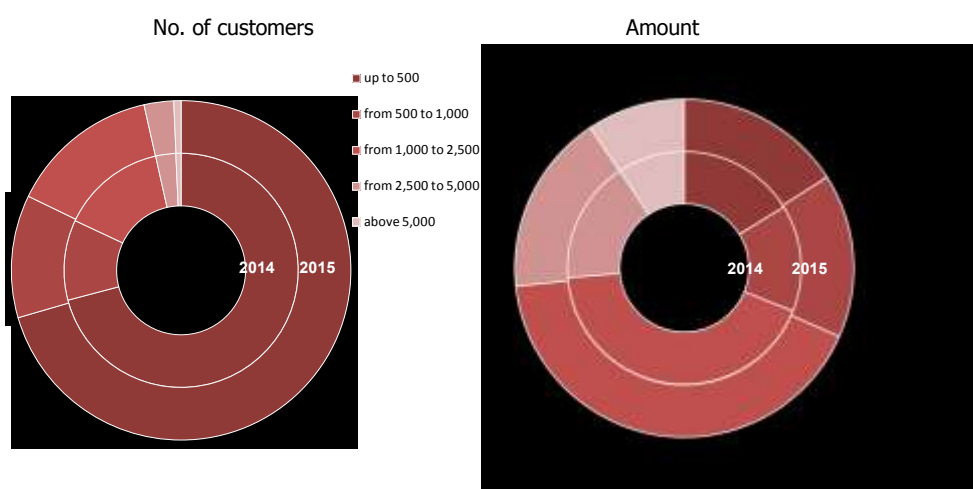
Breakdown of customers by amount loaned (thousands of Euro)

	No. of customers	Amount	% customers	% amount	Average amount
up to 500	1,326	157,314	70.5	15.9	118.6
from 500 to 1,000	220	154,716	11.7	15.7	703.3
from 1,000 to 2,500	269	410,912	14.3	41.7	1,527.6
from 2,500 to 5,000	53	171,140	2.8	17.4	3,229.1
above 5,000	13	92,243	0.7	9.4	7,095.6
Total	1,881	986,325	100.0	100.0	524.4

¹⁷ Loans and advances are shown in the tables relative to overall amounts, gross of depreciation but net of deposits and current accounts at banks and of contributions in relation to subsidised credit.

¹⁸ Data for 2015 includes €37,370 thousand and data for 2014 includes €24,111 thousand of credit towards SPV claimed from the securitisation transactions.

Chart showing breakdown of customers by amount loaned - 2015/2014 comparison (thousands of Euro)



In relation to the indices of the performing loan portfolio, worth mentioning are the following events:

- The overall amount of transactions with borrowers, with an overall exposure exceeding €2.5m was equal to 26.7% of the total, essentially stable against the end of 2014 (26.6%);
- the average amount for performing loans went from €527 thousand down to €524 thousand;
- the incidence of the loans for the top transaction (0.9%) remains stable, that of the top 20 transactions decreases (from 9.6% to 9.4%) while that of the top 100 increases (from 27.0% to 27.4%).

Breakdown of typical gross performing loans: top exposures (thousands of Euro)

	Jun 2015	%	Dec 2014	%
Top transaction	8,751	0.9	8,758	0.9
Top 20 transactions	92,663	9.4	95,212	9.6
Top 100 transactions	270,368	27.4	276,992	27.0

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

- overall exposure to the top borrower, who also belongs to the top group of debtors, rose from 1.3% to 1.4%;
- overall exposure to the top 20 borrowers also rose in comparison to 2014 (12.6%), and so did the exposure to the top 100 borrowers (34.4%);
- overall exposure to the top group of borrowers went up from 1.3% to 1.4%, the top 20 groups equalled 14.5% of the total performing loans portfolio (13.6% at the end of 2014) and the top 100 groups came to 38.8% (37.8% at the end of 2014).

Breakdown of typical gross performing loans: top customers (thousands of Euro)

	Jun 2015	%	Dec 2014	%
top borrower	13,919	1.4	13,662	1.3
top 20 borrowers	123,975	12.6	123,465	12.0
top 100 borrowers	339,121	34.4	343,611	33.4

Breakdown of typical gross performing loans: top groups of borrowers (thousands of Euro)

	Jun 2015	%	Dec 2014	%
top group of borrowers	13,919	1.4	13,662	1.3
top 20 groups of borrowers	142,696	14.5	139,573	13.6
top 100 groups of borrowers	382,403	38.8	388,534	37.8

Exposure to the top group in both periods regards a public body.

High exposures

With regard to «high exposures», in accordance with current legislation we can report the following situation as at 30 June 2015:

Counterpart	Jun 2015		Dec 2014	
	Nominal	Weighted	Nominal	Weighted
Governments	122,549	-	345,753	-
Banks	80,219	80,219	121,018	121,018
Total	202,768	80,219	466,771	121,018

Exposures to Governments refer for the entire amount to securities eligible for refinancing with the European Central Bank.

Impaired loans and country risk¹⁹

The amount of gross impaired loans showed a relative increase (+€6.5m, equal to +2.9%) as a result of the increase in the portfolio of doubtful loans (+€10.6m) and past due loans (+€3.1m), only partially offset by the reduction in the “unlikely to pay” category (-€7.2m).

The increase in impaired loans and, at the same time, the decrease in total gross loans to customers and banks (-7.5%) lead to an increase in the incidence of impaired loans in the total loan portfolio from 15.7% in December 2014 to the current 17.5%. The figure net of overall adjustments is up by 7.3%, going from 11.6% to 12.8%. The coverage of the total portfolio improved significantly (from 29.8% to 31.0%) and so did the individual impaired portfolios: doubtful loans from 38.3% to 38.8%, unlikely to pay from 20.9% to 23.0%.

The loans situation compared with the balance as at 31 December 2014, is shown in the following table.

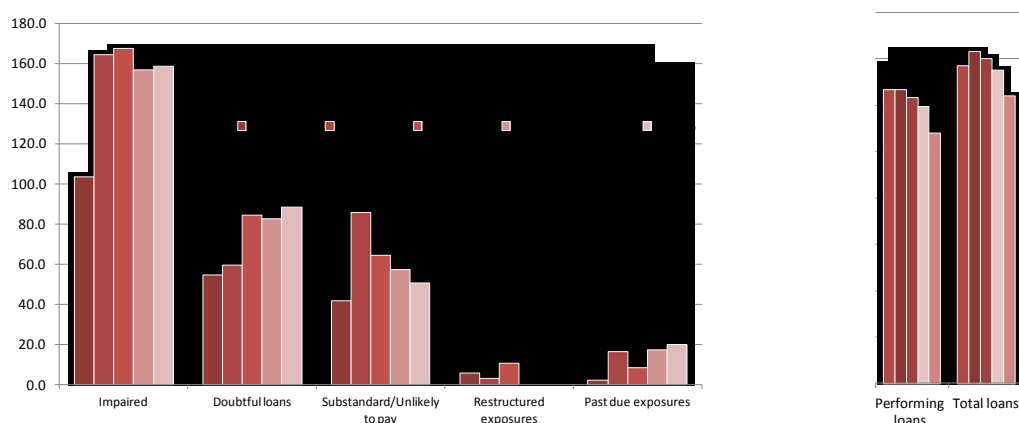
¹⁹ The figures as at 31 December 2014 were reclassified to take into account the new categories introduced as from 31 January 2015 by the seventh update to Circular no. 272 of 30 July 2008, through which the Bank of Italy updated the definitions of impaired financial assets to bring them in line with the new concepts of Non-Performing Exposures introduced by the implementing technical standards (ITS) on the harmonised supervisory statistical disclosures defined by the European Banking Authority.

Loans and advances to customers and banks (thousands of Euro)

Jun 2015	Gross exposure	Overall adjustments	Net exposure	% gross loans	% net loans	% coverage
Impaired loans and country risk	229,835	71,336	158,499	17.5	12.8	31.0
- doubtful	144,147	55,913	88,234	11.0	7.1	38.8
- unlikely to pay	65,299	14,999	50,299	5.0	4.1	23.0
- past due	20,351	385	19,966	1.5	1.6	1.9
- country risk	38	38	-	0.0	0.0	100.0
Performing loans	1,086,126	6,665	1,079,460	82.5	87.2	0.6
Total loans	1,315,960	78,001	1,237,959	100.0	100.0	5.9

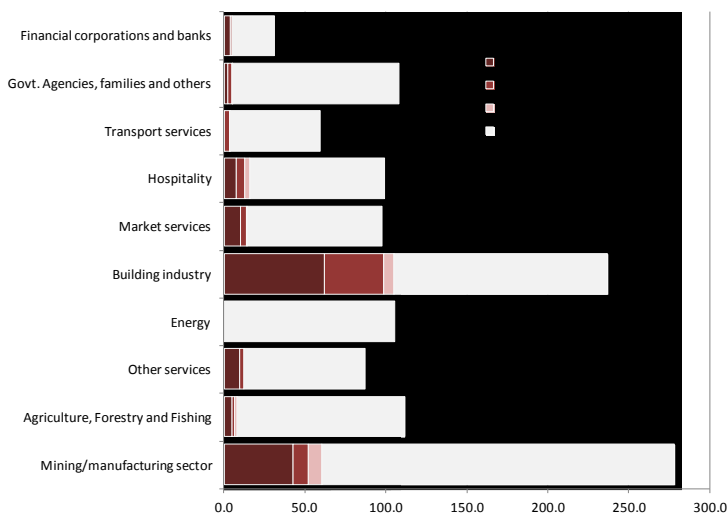
Dec 2014	Gross exposure	Overall adjustments	Net exposure	% gross loans	% net loans	% coverage
Impaired loans and country risk	223,274	66,464	156,810	15.7	11.6	29.8
- doubtful	133,563	51,094	82,469	9.4	6.1	38.3
- unlikely to pay	72,472	15,166	57,306	5.1	4.2	20.9
- past due	17,201	166	17,035	1.2	1.3	1.0
- country risk	38	38	-	-	-	100.0
Performing loans	1,199,800	6,072	1,193,728	84.3	88.4	0.5
Total loans	1,423,074	72,537	1,350,538	100.0	100.0	5.1

Change % 2015/2014	Gross exposure	Overall adjustments	Net exposure
Impaired loans and country risk	+2.9	+7.3	+1.1
- doubtful	+7.9	+9.4	+7.0
- unlikely to pay	-9.9	-1.1	-12.2
- past due	+18.3	+131.7	+17.2
Performing loans	-9.5	+9.8	-9.6
Total loans	-7.5	+7.5	-8.3

Dynamic of net loans (thousands of Euro)


At the sectorial level, the incidence of gross impaired loans on the total typical loan portfolio is particularly relevant in sectors related to constructions: slightly less than 65% of loans to construction companies are deteriorated and 30% of those to real estate businesses. Approximately 22% of loans to companies operating in the extractive industry/manufacturing are also impaired.

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

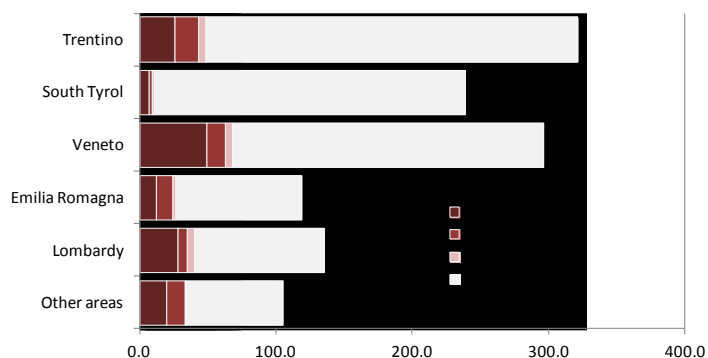


Impaired loans: incidence of each status by counterparty and economic sector (data in %)

	Doubtful loans	Unlikely to pay	Past due	Total
Non-financial corporations	12.8	5.7	1.9	20.4
Mining/manufacturing sector	15.4	3.4	3.0	21.7
Agriculture	4.5	1.3	1.3	7.1
Other services	11.1	2.8	0.0	14.0
Energy	0.0	0.0	0.0	0.0
Real Estate	15.7	10.6	3.1	29.4
Building industry	39.8	22.2	2.1	64.1
Market services	10.7	3.4	0.8	14.9
Hospitality	7.7	5.2	3.2	16.1
Transport services	0.8	4.7	0.5	6.0
Govt. agencies, families & oth.	2.1	2.4	0.1	4.6
Fin. corporations and banks	12.5	3.5	0.0	16.0

The breakdown by area shows that the phenomenon of credit deterioration is concentrated mostly outside the region: in Trentino impaired loans make up for 15.1% of the loans and in South Tyrol 4.7%. In other areas of operation for the Bank there are incidences ranging from 22.3% in Emilia Romagna to 32.8% in Other Areas.

Impaired loans: overall incidence by geographical area (millions of Euro)



Impaired loans: incidence of each status by area (data in %)

	Doubtful loans	Unlikely to pay	Past due	Total
Trentino	8.2	5.2	1.7	15.1
South Tyrol	3.0	1.1	0.6	4.7
Veneto	16.7	4.6	1.8	23.2
Emilia Romagna	10.7	10.1	1.4	22.3
Lombardy	21.0	4.7	4.2	29.9
Other Areas	18.9	13.0	0.8	32.8

Doubtful loans

Doubtful loans gross of write-downs amount to €144.1m, up by €10.6m in comparison to 2014. The building industry and the real estate sector (approximately €62m) and the manufacturing sector (approximately €43m) are the top collectors of doubtful loans and show also the highest increase in absolute terms with +€4.2m and +€4.4m each. Behind them is the hospitality sector, with an increase of €1.7m.

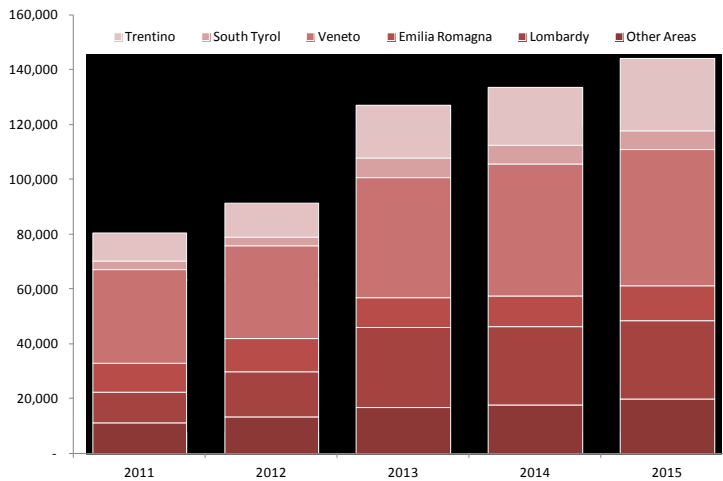
Breakdown of gross doubtful loans by counterparty and economic sector (thousands of Euro)

	30 Jun 2015	%	31 Dec 2014	%	Change	Chg. %
Non-financial corporations	137,986	95.7	127,234	95.3	+10,751	+8.4
Mining/manufacturing sector	42,810	29.7	38,391	28.7	+4,419	+11.5
Building industry	40,563	28.1	37,094	27.8	+3,468	+9.3
Real Estate	21,289	14.8	20,600	15.4	+689	+3.3
Market services	10,440	7.2	10,856	8.1	-416	-3.8
Other services	9,736	6.8	9,737	7.3	-1	-0.0
Hospitality	7,651	5.3	5,919	4.4	+1,732	+29.3
Agriculture	5,020	3.5	4,158	3.1	+862	+20.7
Transport services	477	0.3	479	0.4	-2	-0.4
Energy	-	0.0	-	0.0	-	-
Government Agencies, families and others	3,915	2.7	3,915	2.9	-	-
Financial corporations and banks	2,247	1.6	2,414	1.8	-167	-6.9
Total	144,147	100.0	133,563	100.0	+10,584	+7.9

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

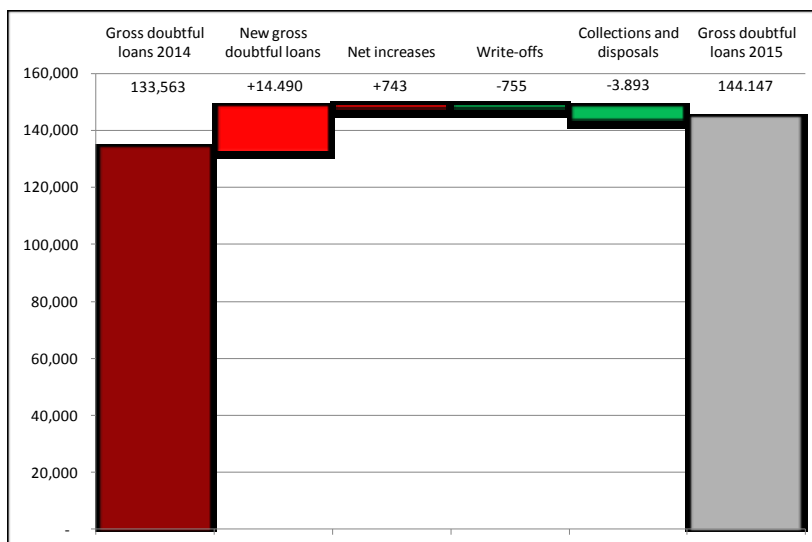
	30 Jun 2015	%	31 Dec 2014	%	Change	Chg. %
Trentino	26,387	18.3	21,091	15.8	+5,296	+25.1
South Tyrol	7,096	4.9	7,083	5.3	+13	+0.2
Veneto	49,508	34.3	47,791	35.8	+1,717	+3.6
Emilia Romagna	12,747	8.8	11,395	8.5	+1,352	+11.9
Lombardy	28,506	19.8	28,326	21.2	+180	+0.6
Other Areas	19,903	13.8	17,877	13.4	+2,026	+11.3
Total	144,147	100.0	133,563	100.0	+10,584	+7.9

Trend of gross doubtful loans by area 2011-2015



From a geographical point of view, the majority of doubtful loans were in Veneto (34.3%) while Trentino increased significantly to €5m approximately. The other areas of operation for the Bank remained on the same levels shown at the end of last year. The South Tyrol area remained on moderate levels, showing less than 5% of loans under analysis, for an amount of approximately €7m.

Trend of gross doubtful loans 2014-2015 (thousands of Euros)



Doubtful loans, net of adjustments amounted to €88.2m, up by €5.8m in comparison with the December 2014 figure.

The ratio of net doubtful loans to total net loans was 7.1%, stable against the 6.1% at the end of the previous year. The same ratio gross of adjustments went from 9.4% in 2014 to 11.0%. The level of coverage of doubtful loans was 38.8%, relatively up on the percentage at the end of 2014 (38.3%).

Key ratios relative to doubtful loans

in %	Jun 2015	Dec 2014
Gross doubtful loans / total gross loans	11.0	9.4
Gross doubtful loans / total gross loans to customers	11.5	10.5
Gross doubtful loans / own funds	76.9	71.3
Net doubtful loans / total net loans	7.1	6.1
Net doubtful loans / total net loans to customers	7.5	6.9
Net doubtful loans / own funds	47.1	44.0

Loans unlikely to be paid

The "unlikely to pay" category gross of write-downs amounted to €65.3m, a reduced volume compared to that at the end of 2014 (-€7.2m, -9.9%).

The aforesaid decrease is spread among all the sectors of non-financial corporations, particularly mining-manufacturing (-€4.9m) and the hospitality sector (-€1.7m), and is only partially offset by the increase in the sector of financial companies.

Breakdown of unlikely to be paid by counterparty and economic sector (thousands of Euro)

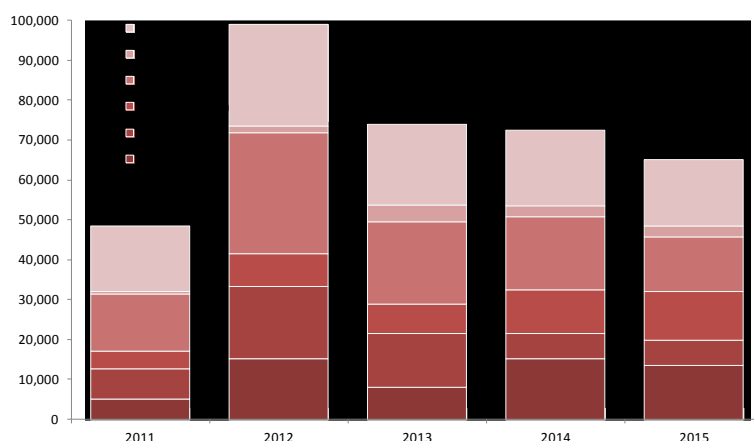
	30 Jun 2015	%	31 Dec 2014	%	Change	Chg. %
Non-financial corporations	61,603	94.3	70,978	97.9	-9,375	-13.2
Building industry	22,594	34.6	23,592	32.6	-999	-4.2
Real Estate	14,383	22.0	15,194	21.0	-811	-5.3
Mining/manufacturing sector	9,415	14.4	14,293	19.7	-4,878	-34.1
Hospitality	5,145	7.9	6,874	9.5	-1,729	-25.2
Other services	2,493	3.8	2,625	3.6	-132	-5.0
Market services	3,333	5.1	3,922	5.4	-589	-15.0
Transport services	2,771	4.2	2,204	3.0	+567	+25.7
Agriculture	1,470	2.3	2,273	3.1	-804	-35.3
Energy	-	0.0	-	0.0	-	-
Government Agencies, families and others	2,611	4.0	387	0.5	+2,224	+574.7
Financial corporations and banks	1,085	1.7	1,107	1.5	-22	-2.0
Total	65,299	100.0	72,472	100.0	-7,173	-9.9

At geographical level, it is worth highlighting the decrease in the unlikely to pay portfolio in Trentino-South Tyrol (-€2.0m), Veneto (-€4.7m) and in the Other areas (-€1.6m). Said portfolio increased in Emilia Romagna (+€1.2m) and remained essentially stable in Lombardy.

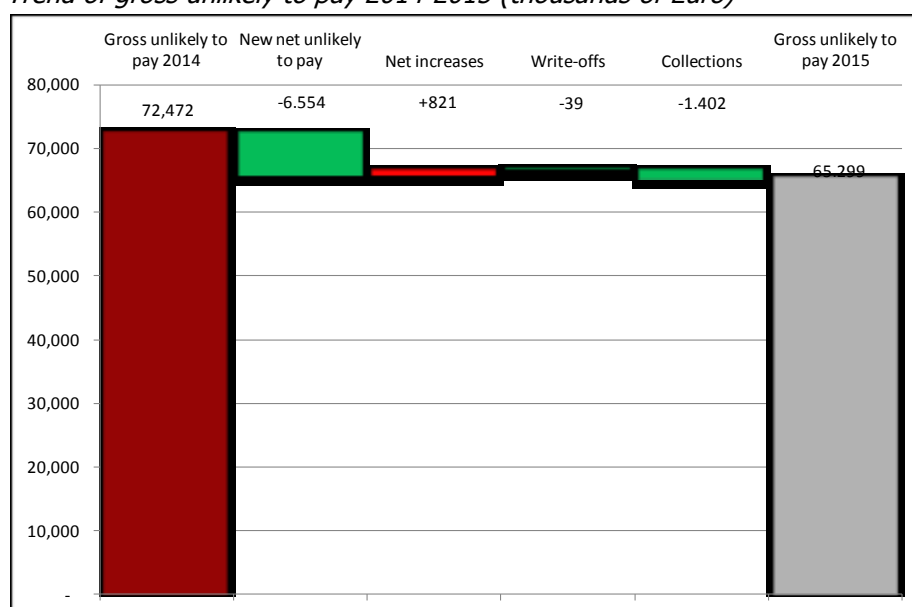
Breakdown of unlikely to pay by area (thousands of Euro)

	30 Jun 2015	%	31 Dec 2014	%	Change	Chg. %
Trentino	16,766	25.7	18,757	25.9	-1,991	-10.6
South Tyrol	2,713	4.2	2,724	3.8	-11	-0.4
Veneto	13,700	21.0	18,374	25.4	-4,674	-25.4
Emilia Romagna	12,071	18.5	10,912	15.1	+1,159	+10.6
Lombardy	6,370	9.8	6,413	8.8	-42	-0.7
Other Areas	13,678	20.9	15,292	21.1	-1,614	-10.6
Total	65,299	100.0	72,472	100.0	-7,173	-9.9

Trend of gross unlikely to pay by area 2011-2015



Trend of gross unlikely to pay 2014-2015 (thousands of Euro)



Unlikely to pay category, net of adjustments, equalled €50.3m, down by 12.2% against 31 December 2014. The ratio of net unlikely to pay to total net loans was 4.1% compared to 4.2% at the end of the previous period.

Key ratios relative to substandard loans

in %	Jun 2015	Dec 2014
Gross unlikely to pay / total gross loans	5.0	5.1
Gross unlikely to pay / gross loans to customers	5.2	5.7
Net unlikely to pay / total net loans	4.1	4.2
Net unlikely to pay / net loans to customers	4.3	4.8

Past due loans

This item is made up of all cash loans to borrowers (not included in the other categories of impaired loans) whose debts are overdue by more than 90 days according to the criteria established by the Supervisory Authority. Net of adjustments these loans equalled €20.0m, a substantial increase against 31 December 2014. The ratio of "loans past due" to total net loans is 1.6% against the 1.3% recorded at the end of the previous business period.

EQUITY INVESTMENT ACTIVITIES

Equity Investment

Equity investment activities, both direct and through participation in the closed-end securities investment funds "MC² Impresa" and APE III showed overall amounts of approximately €13.0m, down against December 2014 (-€1.8m), primarily due to the sale of the investment in Piteco S.p.A., which led to a gain of approximately €1.4m.

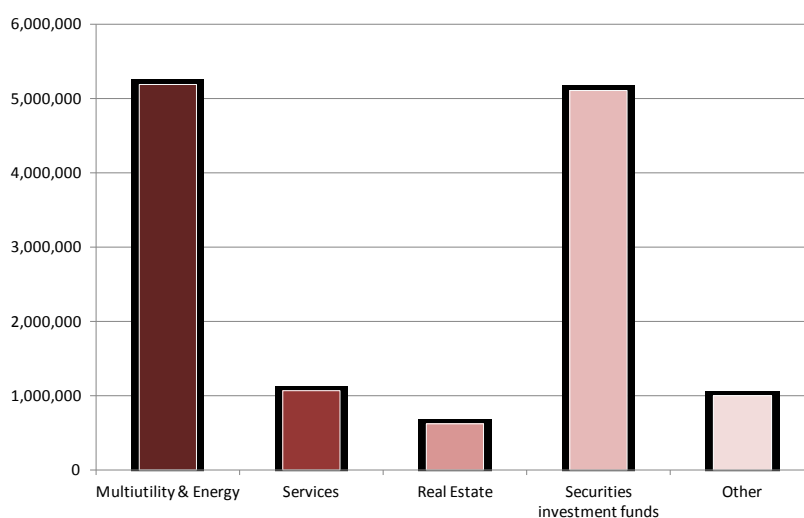
During the first half of the year, a new investment was made, already subscribed in the previous year, of €572 thousand in the closed-end fund Assietta Private Equity III.

In addition, a payment was made in the form of a loan to shareholders to Essedi Strategie d'Impresa S.p.A. for €64 thousand and another to cover losses to Paradisidue S.r.l. for €50 thousand.

Equity Investment (thousands of Euro)

	Jun 2015			Dec 2014		
	AFS	Equity inv.	Total	AFS	Equity inv.	Total
Merchant banking investments	6,808	64	6,872	9,013	68	9,081
Investments in UCITS	5,668	-	5,668	5,311	-	5,311
Other equity investments	360	107	467	388	55	443
Total	12,836	171	13,007	14,712	123	14,835

Equity investments by economic sector (millions of Euro)



The impairment test carried out on the portfolio under analysis led to the entry in the income statement of losses deemed durable on the Closed-end real estate fund Clesio for €113 thousand and to a value adjustment of €28 thousand to the equity investment in AEDES S.p.A. on the basis of the stock exchange prices.

The fair value measurement, conversely, led to the accounting of a contra-entry to the shareholders' equity of a fair value increase in the shares Alto Garda Servizi S.p.A. for €33.5 thousand and a fair value decrease on the Mc2 Impresa Fund for €55.4 thousand and on the Assietta Private Equity III Fund for €46.2 thousand. The measurement according to the equity method of the investments in subsidiaries, affiliates or companies subject to significant influence led to the write-down of the equity investment in Biorendena S.p.A. by €3.7 thousand and in Paradisidue S.r.l. by €61.9 thousand.

Equity investments

(thousands of Euros)

	Paradisidue S.r.l. Trento Other investments	Essedi Strategie d'Impresa S.r.l. Trento Other investments	Biorendena S.p.A. Pinzolo Merchant Banking Investments
Balance at 31/12/2014	54.9	-	67.7
Purchases	+50.0	+63.7	-
Sales/Redemptions	-	-	-
Gains	-	-	-
Losses	-61.9	-	-3.7
Impairment	-	-	-
Balance at 30/06/2015	43.0	63.7	64.1
Stake held	100.000	31.869	20.000

Other equity investments and stakes available for sale

(thousands of Euros)

	Green Hunter Group S.p.A. – Milan Merchant Banking Investments	S.W.S. Group S.p.A. Trento Merchant Banking Investments	Hotel Lido Palace S.p.A. Riva del Garda Merchant Banking Investments	Enercoop S.r.l. Trento Merchant Banking Investments
Opening balance 31/12/2014	900.0	1,000.0	674.0	1,917.2
Purchases	-	-	-	-
Sales/Redemptions	-	-	-	-
Gains/Losses on disposal	-	-	-	-
Fair value changes	-	-	-	-
Reversal of reserve to income statement	-	-	-	-
Impairment	-	-	-	-
Closing balance 30/06/2015	900.0	1,000.0	674.0	1,917.2
Stake held	3.819	14.966	4.840	15.000

(thousands of Euros)

	Alto Garda Servizi S.p.A. Riva del Garda Merchant Banking Investments	Piteco S.p.A. (formerly Alto Srl) Milan Merchant Banking Investments	Close-end securities investment fund MC ² - Impresa Investments in UCITS	Close-ended securities investment fund Assietta Private Equity III Investments in UCITS
Opening balance 31/12/2014	2,283.5	2,238.0	4,336.1	304.5
Purchases	-	-	-	+571.6
Sales/Redemptions	-	-3,000.00	-	-
Gains/Losses on disposal	-	+1,445.00	-	-
Fair value changes	+33.5	-	-55.4	-46.2
Reversal of reserve to income statement	-	-683.0	-	-
Impairment	-	-	-	-
Closing balance 30/06/2015	2,317.0	-	4,280.7	829.9
Stake held	6.051	10.000		

(thousands of Euros)

	Assietta Private Equity SGR S.p.A. Merchant Banking Investments	Closed-end real estate investment fund "Clesio" Investments in UCITS	Cassa Centrale Banca S.p.a. - Trento Other equity investments	P.B. S.r.l. Milan Other investments
Opening balance 31/12/2014	115.0	581.3	50.2	3.4
Purchases	+0.5	-	-	-
Sales/Redemptions	-	-	-	-
Gains/Losses on disposal	-	-	-	-
Fair value changes	-	-	-	-
Reversal of reserve to income statement	-	-	-	-
Impairment	-	-112.9	-	-
Closing balance 30/06/2015	115.5	468.4	50.2	3.4
Stake held	5.000		0.025	0.820

(thousands of Euros)

	Trentino Volley S.r.l. Trento Merchant Banking Investments	Trevefin, S.p.A. Tarzo (TV) Other equity investments	Funivie Madonna di Campiglio S.p.A. – Pinzolo (TN) Other equity investments	Funivie Folgarida Marilleva S.p.A. – Pinzolo (TN) Other equity investments
Opening balance 31/12/2014	-	108.8	25.4	23.3
Purchases	-	-	-	-
Sales/Redemptions	-	-	-	-
Gains/Losses on disposal	-	-	-	-
Fair value changes	-	-	-	-
Reversal of reserve to income statement	-	-	-	-
Impairment	-	-	-	-
Closing balance 30/06/2015	-	108.8	25.4	23.3
Stake held	5.350	3.690	0.033	0.020

(thousands of Euros)

	Koelliker S.p.A. Milan Other investments	Lineapiù S.p.A. Prato Other equity investments	Formazione-Lavoro Società consortile per azioni Trento Other investments	Federazione Trentina delle Cooperative Scarl Trento Other investments
Opening balance 31/12/2014	-	-	0.6	5.1
Purchases	-	-	-	-
Sales/Redemptions	-	-	-	-
Gains/Losses on disposal	-	-	-	-
Fair value changes	-	-	-	-
Reversal of reserve to income statement	-	-	-	-
Impairment	-	-	-	-
Closing balance 30/06/2015	-	-	0.6	5.1
Stake held		1.670	0.042	0.555

(thousands of Euros)

	Aedes rights 2015 Warrants + Ordinary Shares	AEDES Società per azioni ligure lombarda per imprese e costruzioni S.p.A. – Milan Other equity investments	Fondo immobiliare Leopardi - Milan Investments in UCITS
	Other equity investments		
Opening balance 31/12/2014	-	56.3	89.2
Purchases	-	-	-
Sales/Redemptions	-8.2	-	-
Gains/Losses on disposal	+8.2	-	-
Fair value changes	-	-	-
Reversal of reserve to income statement	-	-	-
Impairment	-	-28.4	-
Closing balance 30/06/2015	-	28.0	89.2
Stake held		0.016	

The equity investments in Funivie Madonna di Campiglio S.p.A., Funivie Folgarida Marilleva S.p.A., Koelliker S.p.A., Lineapiù S.p.A., Aedes S.p.A. and Fondo Immobiliare Leopardi (linked to Aedes S.p.A.) derive from the restructuring of impaired loans.

Other corporate & investment banking activities

In the first half of 2015, the ongoing moderate levels of operations, the decline in investments and in extraordinary transactions and the stabilisation of the renewable energy sector led to limited improvements in the commission contribution.

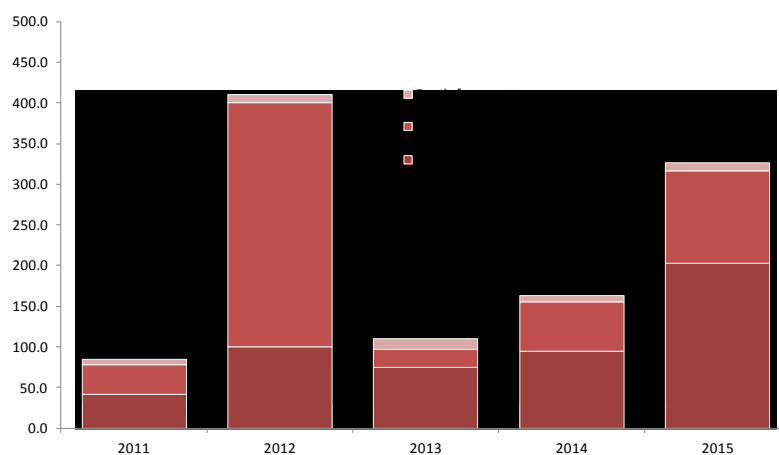
BORROWING OPERATIONS AND TREASURY MANAGEMENT

Borrowing flows for 2015 were essentially represented by bond issues (€203.0m), predominantly as part of the EMTN programme, and by medium/long-term loans for €114.1m (of which €77.4m as part of the Targeted Long Term Refinancing Operation - TLTRO - launched by the European Central Bank, €25.0m from co-operative system banks and €11.7m from Cassa Depositi e Prestiti).

Flows of funds (thousands of Euro)

TYPE	FLOWS				
	1st half 2015	%	1st half 2014	%	Chg.
BONDS	203,000	62.2	94,300	57.8	+115.3
- straight bonds	203,000	62.2	94,300	57.8	+115.3
- special bonds	-	-	-	-	-
FUNDS FROM BANKS AND CDP	114,082	34.9	61,000	37.4	+87.0
- EIB funds	-	-	-	-	-
- other medium/long term bonds	114,082	34.9	61,000	37.4	+87.0
- current accounts and debit deposit	-	-	-	-	-
FUNDS FROM CUSTOMERS	9,535	2.9	7,841	4.8	+21.6
- funds from third parties	2,568	0.8	879	0.5	+192.1
- other funds from customers	6,968	2.1	6,962	4.3	+0.1
TOTAL	326,617	100.0	163,141	100.0	+100.2

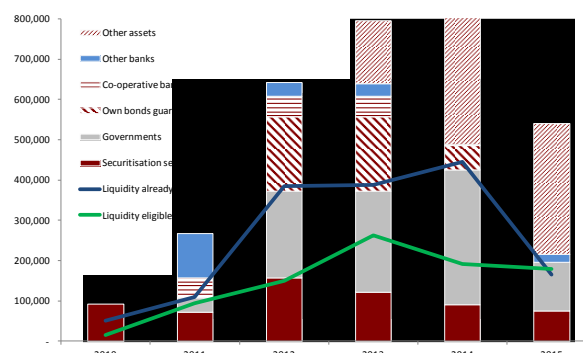
Trend of fund flows (millions of Euro)



The reserves of liquid assets decreased slightly due to the early redemption of the last tranche of own bonds guaranteed by the State and the sale of a portion of Government securities. The liquid assets available to the ECB as at 30 June 2015 amount to approximately €179m. Thanks also to the contribution by collateralised banking assets (approximately €141m), the reserves of liquid assets are adequate to prevent the liquidity risk, also in a stress scenario.

Breakdown of eligible securities (thousands of Euro)

Issuer	Eligible	Potential liquidity
Governments	120,000	121,981
Banks	20,000	16,811
Securitisation senior bonds	75,969	63,407
Total bonds	215,969	202,200
Collateralised banking assets	323,579	140,946
Total bonds and other assets	538,548	343,146
Liquidity already drawn		164,585
Residual available liquidity		178,561



In terms of overall amounts, the bond issues increased by 2.3% as net result of the new issues described above and the repayments of matured bonds.

Borrowing declined by €342.0m in the medium/long term component, primarily as an effect of the €250.0m repayment of a tranche of the ECB loan (LTRO).

Funds from third parties remained stable settling at around €54m, and so did the funds from other customers, mainly consisting of short-term deposits, which continued to stay at about €90m.

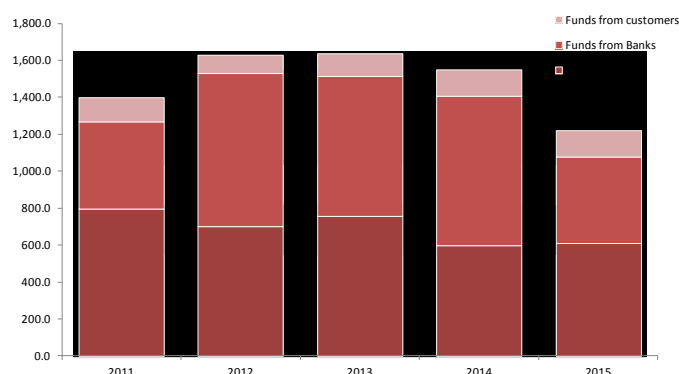
Overall amount of funding registered a decrease of 21.2%, equal to €328.1m.

Overall amounts of borrowing operations (in thousands of Euros)

TYPE	OVERALL AMOUNTS				
	30/06/2015	%	31/12/2014	%	Chg.
BONDS	608,220	49.9	594,827	38.4	+2.3
- straight bonds	608,109	49.9	594,690	38.4	+2.3
- special bonds	111	0.0	137	-	-19.0
FUNDS FROM BANKS AND CDP	467,975	38.4	810,027	52.3	-42.2
- EIB funds	106,246	8.7	113,110	7.3	-6.1
- other medium/long term bonds ¹	336,534	27.6	547,621	35.4	-38.5
- current accounts and debit deposit	25,195	2.1	149,296	9.6	-83.1
FUNDS FROM CUSTOMERS	143,107	11.7	142,556	9.2	+0.4
- funds from third parties	54,167	4.4	57,093	3.7	-5.1
- other funds from customers	88,940	7.3	85,463	5.5	+4.1
TOTAL	1,219,302	100.0	1,547,410	100.0	-21.2

¹ of which €39m in 2015 and €43m in 2014 from Cassa Depositi e Prestiti and €145m in 2014 and €317.0m in 2014 from ECB.

Evolution of overall amounts of funds (millions of Euro)



SECURITIES PORTFOLIO

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

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

Issuer	Jun 2015		Dec 2014	
	Nominal Value	Fair Value	Nominal Value	Fair Value
Governments	120,000	122,549	345,500	356,536
Banks	20,900	21,418	2,900	3,012
Total	140,900	143,967	348,400	359,548

The bonds issued by banks have an average life of 0.5 years while government securities (Italian State bonds) have an average life of 1.9 years. 75% of the portfolio is represented by floating rate securities.

HEDGING TRANSACTIONS AND DERIVATIVES

The situation of hedging transactions and derivatives is summarised in the table below, which shows the transactions concluded in the period under review and the nominal amounts at the end of June 2015 compared with the results in the previous year.

Financial derivatives (in thousands of Euros)

	NEW CONTRACTS		OVERALL NOMINAL AMOUNTS	
	1st half 2015	1st half 2014	Jun 2015	Dec 2014
<i>Interest Rate Swap</i>				
- held for trading purposes	-	-	172	381
TOTAL IRS	-	-	172	381
<i>Cap options</i>				
- sales (customers)	944	2,500	31,505	31,473
- purchases (banks)	944	2,500	31,505	31,473
TOTAL OPTIONS	1,888	5,000	63,010	62,946

PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant, equipment and intangible assets are functional investments that amount to €10.5m, mainly buildings (headquarters in Trento and Bolzano and the Treviso branch).

"Vehicles" was affected by the partial renewal of the company cars fleet, while "IT equipment" was affected by investments in preparation for the fibre optic connection. All the items show a reduction due to the depreciation for the year.

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

	Jun 2015	%	Dec 2014	%	Chg. %
Functional assets	10,519	98.9	10,762	98.9	-2.3
- Land and buildings	8,733	82.1	8,901	81.8	-1.9
- Furnishing	698	6.6	755	6.9	-7.5
- IT equipment	145	1.4	132	1.2	9.8
- Other equipment	707	6.6	757	7.0	-6.6
- Vehicles	85	0.8	43	0.4	97.7
- Software	151	1.4	174	1.6	-13.2
Investment land	116	1.1	116	1.1	0.0
Total	10,635	100.0	10,878	100.0	-2.2

OPERATIONAL STRUCTURE

As at 30 June 2015, the number of employees increased by 1 unit compared to 31 December 2014. There were 86 employees, 5 of whom with a temporary contract: 65 contracts are full-time and 21 part-time.

Position and movement of employees

	Situation 31.12.2014	Resignation	Recruitments	Change of positions	Situation 30.06.2015
Managerial staff	3	-	-	-	3
Managerial staff 3rd and 4th level	20	-	-	-	20
Managerial staff 1st and 2nd level	19	-	-	-	19
3rd professional area	36	- 1	-	-	35
2nd professional area	7	- 1	+ 3	-	9
Total	85	- 2	+ 3	-	86

PRINCIPAL TRENDS IN THE FINANCIAL STATEMENTS AND STATE OF AFFAIRS

RECLASSIFIED STATEMENT OF FINANCIAL POSITION (ABRIDGED)

(in thousands Euro)

Assets	30.06.2015	31.12.2014	Change	Chg. %
CASH AND CASH EQUIVALENTS	5	6	-2	-26.4
FINANCIAL ASSETS HELD FOR TRADING	557	696	-140	-20.1
FINANCIAL ASSETS AVAILABLE FOR SALE	156,804	374,260	-217,456	-58.1
LOANS AND ADVANCES TO BANKS	62,431	147,933	-85,503	-57.8
LOANS AND ADVANCES TO CUSTOMERS	1,175,528	1,202,604	-27,076	-2.3
EQUITY INVESTMENTS	171	123	+48	+39.3
PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	10,635	10,878	-243	-2.2
TAX ASSETS	13,407	12,909	+498	+3.9
OTHER ASSETS	2,106	1,567	+539	+34.4
TOTAL ASSETS	1,421,643	1,750,977	-329,334	-18.8
Equity and liabilities	30.06.2015	31.12.2014	Change	Chg. %
DUE TO BANKS	429,089	766,585	-337,497	-44.0
DUE TO CUSTOMERS	181,993	185,998	-4,005	-2.2
DEBT SECURITIES IN ISSUE	608,220	594,827	+13,393	+2.3
FINANCIAL LIABILITIES HELD FOR TRADING	544	709	-164	-23.2
TAX LIABILITIES	6,481	6,711	-230	-3.4
OTHER LIABILITIES	6,587	5,982	+605	+10.1
VALUATION RESERVES	4,336	5,740	-1,404	-24.5
CAPITAL AND RESERVES	183,117	183,038	+79	+0.0
NET INCOME FOR THE PERIOD	1,276	1,386	-110	-8.0
TOTAL EQUITY AND LIABILITIES	1,421,643	1,750,977	-329,334	-18.8

Each amount reported is rounded: any possible discrepancies are due to rounding.

RECLASSIFIED INCOME STATEMENT (ABRIDGED)²⁰

The income statement as at 30 June 2015 applies the rules set out in IAS 34 "Interim Financial Reporting" and provides comparative data as at 30 June 2014.

(in thousands Euro)

Items	1st half 2015	1st half 2014	Change	Chg. %
NET INTEREST INCOME	7,774	9,567	-1,794	-18.7
Net fee and commission income	1,161	648	+512	+79.1
Dividends	67	83	-16	-19.6
Income from trading	3,918	5,999	-2,081	-34.7
NET INTEREST AND OTHER BANKING INCOME	12,919	16,298	-3,379	-20.7
OPERATING COSTS	(5,216)	(5,244)	+28	-0.5
GROSS OPERATING INCOME	7,703	11,054	-3,351	-30.3
NET IMPAIRMENT ADJUSTMENTS	(6,452)	(7,822)	+1,370	-17.5
PROFIT BEFORE INCOME TAXES	1,251	3,232	-1,981	-61.3
INCOME TAXES	25	(1,309)	+1,334	-101.9
NET INCOME FOR THE PERIOD	1,276	1,923	-647	-33.7

Each amount reported is rounded: any possible discrepancies are due to rounding.

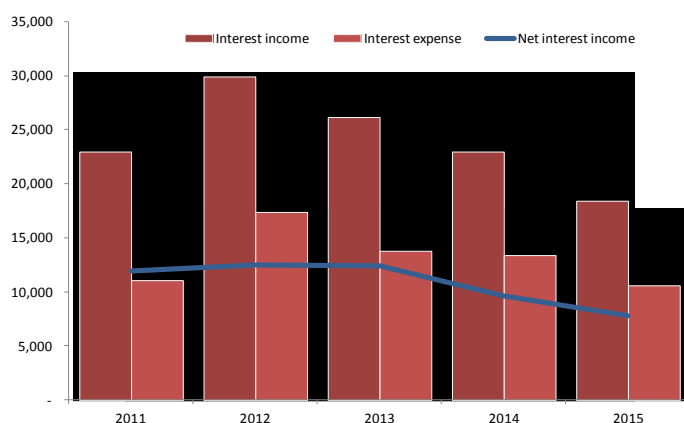
Net interest income

Breakdown of the net interest income (thousands of Euros)

Items	30.06.2015	30.06.2014	Change	Change
10. INTEREST INCOME AND SIMILAR REVENUES	18,360	22,963	-4,603	-20.0
20. INTEREST EXPENSE AND SIMILAR CHARGES	(10,586)	(13,396)	+2,810	-21.0
30. NET INTEREST INCOME	7,774	9,567	-1,794	-18.7

The net interest income recorded a negative performance (-€1.8m, -18.7%). The decline in profitability of the securities portfolio (approximately €2.2m) as a result of the turnover which, at the same time, generated significant profit from sales (€2.4m) was essentially offset by the lower total cost of borrowing due to lower interest rates. Moreover, the reduction in the average interest-bearing balances for typical loans (-7.1%), combined with the reduction in average profitability of the portfolio, led to lower interest income by about €1.4m. Therefore, the spread of money management (net interest income net of interest on arrears and doubtful loans) went from 0.96% to 1.08% recorded by the Bank in the first half of 2014.

²⁰ The reclassified income statement results are presented here to highlight the gross operating income by separating the components related to the business from those arising from impairment values. This result was obtained by reclassifying the profit from the sale of loans from "Net interest and other banking income" to "Net impairment adjustments" for €137 thousand (2014). In addition, in order to highlight the cost of borrowing, the commissions paid to the Italian State for the guarantee on bonds issued by the Bank (€26 thousand in 2015, €688 thousand in 2014) have been reclassified from "Net fee and commission expense" to "Net interest income" (interest expense). Gains on the sale of assets for €11 thousand (€3 thousand in 2014) have been reclassified as "Operating costs" and net losses on equity investments for €66 thousand (€10 thousand in 2014) amongst "Net impairment adjustments".

Trend of net interest income (thousands of Euro)

Net revenues from services and net interest and other banking income

Net commission and fee income (expense) benefited from an initial recovery in typical activities and increased by 79.1% on the performance in the comparison period. Even net of the extraordinary component represented by the commissions for the early repayment of mortgages to local public bodies (€0.4m), the improvement compared to the first half of the previous year continues to be significant (+21.5%).

The total value of net commissions was €1.161m. This increase was principally generated by the commission on the early repayment of loans to the public bodies in the province of Trento, but there were also relevant increases in the commission income component due to credit disbursement (survey and investigation +€134 thousand). Corporate finance commissions continued to show significant values due to the agency fee component (+€29 thousand).

Net revenue from services (thousands of Euro)

Items	30.06.2015	30.06.2014	Change	Change
FEE AND COMMISSION INCOME	1,239	735	+504	+68.6
- survey and investigation	295	162	+134	+82.6
- corporate finance	517	488	+29	+5.9
- expense refunds in relation to administrative deeds	36	47	-12	-24.3
- prepayment penalties	381	6	+375	+6,57.6
- others	10	31	-21	-67.9
FEE AND COMMISSION EXPENSE	-78	-87	+9	-9.9
NET COMMISSIONS	1,161	648	+512	+79.1

In the course of 2015, the Bank cashed dividends valuing €67 thousand (€83 thousand in 2014) while the management of the securities portfolio generated a gain of €2.4m. The sale of the equity investment in Piteco S.p.A. generated a gain of €1.4m.

The net result from brokerage activities amounts to €28 thousand and is due to the fair value changes and differentials in relation to trading derivative contracts and net income from cap options to customers.

The above-mentioned results, when added to net fees and commissions, bring net interest and other banking income to €12.919m, down by 20.7% (-€3.4m) against the result for the same period in 2014.

Operating costs

Operating costs came to €5.216m, stable (-€28 thousand) if compared the same period of the previous year (€5.244m).

More in detail, payroll cost increased by 4.3% (+€135 thousand) compared to the first half of 2014, mainly due to the increase in the average number of employees from 78.0 to 79.9 units.

The trend of other administrative costs (-€157 thousand) was virtuous: the slight increase in advertising expenses (€7 thousand) and indirect taxes (€6 thousand net of recoveries from customers) was more than offset by the savings on professional fees (-€148 thousand, primarily due to the absence of the cost to renew the EMTN programme) and on the management of the Bank's intangible assets and property, plant and equipment (-€24 thousand).

Operating costs (thousands of Euros)

Items	30.06.2015	30.06.2014	Change	% Chg.
ADMINISTRATIVE COSTS:	(4,744)	(4,721)	-23	+0.5
a) payroll:	(3,554)	(3,374)	-180	+5.3
- employees costs	(3,277)	(3,141)	-135	+4.3
- directors and auditors costs	(277)	(232)	-45	+19.2
b) other administrative costs ²¹	(1,190)	(1,347)	+157	-11.7
NET ALLOCATIONS TO PROVISIONS FOR RISKS AND CHARGES	(73)	(103)	+30	-28.7
NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS	(366)	(385)	+19	-4.9
OTHER OPERATING CHARGES/INCOME	(32)	(35)	+2	-6.9
OPERATING COSTS	(5,216)	(5,244)	+28	-0.5

Net provisions for risks and charges cover any risk related to legal disputes underway.

Amortisation and depreciation for the period totalled €440 thousand, down by €19 thousand compared to June 2014. Considering the other net charges for €32 thousand, operating costs decreased by €28 thousand taking the cost to income ratio to 40.4% compared to 32.2% in the first half of 2014 and 36.5% in the entire 2014.

Efficiency indices

Items	1st half 2015	1st half 2014	Change
Operating costs/Net interest and other banking income (%)	40.4	32.2	+8.2
Payroll/Net interest and other banking income (%)	27.5	20.7	+6.8
Average cost per employee (thousands of Euros)	41.0	40.3	+0.8
Net interest and other banking income/average number of employees (thousands of Euros)	161.8	208.9	-47.1
Positive total/average number of employees (thousands of Euros)	17,803.9	22,439.8	-4,635.9

Net of the operating costs the Operating Income stood at €7.703m, a decrease by 30% compared to the performance of the past year.

²¹ The recoveries from customers for indirect expenses and taxes incurred by the Bank (+€205 thousand in 2015, +€244 thousand in 2014) were reclassified as a direct adaptation of the same, from item "Other operating charges/income" to item "Administrative costs". Depreciation and amortisation related to leasehold improvements (€0.3 thousand in 2015, €2.0 thousand in 2014) were reclassified from item "Other operating charges/income" to item "Net adjustments to property, plant and equipment" and "Net adjustments to intangible assets", as well as for the item "Gains/losses on disposal of investments" (+€10.5 thousand in 2015, -€3.3 thousand in 2014).

Value adjustments and net income from financial activities

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

(thousands of Euro)

Items	30.06.2015	30.06.2014	Change	Chg. %
NET IMPAIRMENT ADJUSTMENTS ON:	(6,387)	(7,949)	+1,562	-19.7
a) loans and advances	(6,244)	(7,665)	+1,420	-18.5
b) financial assets available for sale	(141)	(286)	+144	-50.5
c) financial assets held to maturity	-	-	-	-
d) other financial transactions	(1)	1	-2	-188.5
NET GAINS (LOSSES) ON DISPOSAL OR REPURCHASE OF	-	137	-137	-100.0
a) loans and advances	-	137	-137	-100.0
NET PROFIT (LOSS) FROM EQUITY INVESTMENTS	(66)	(10)	-56	+569.4
TOTAL NET ADJUSTMENTS ON FINANCIAL ASSETS	(6,452)	(7,822)	+1,370	-17.5

The analytical valuation (for which the valuation of impaired loans was carried out by discounting the anticipated inflows) produced value adjustments of €11.048m and write-backs of €4.012m of which €62 thousand came from collections.

The percentages applied to the value adjustment of portfolios resulted from a specific calculation procedure: this resulted in total net write-backs of €803 thousand.

During the period, collections on doubtful loans were recorded, which reverted to losses in previous periods for €15 thousand, while losses reported in the income statement amounted to approximately €27 thousand.

A write-down of around €1 thousand was recorded in relation to guarantees provided (item 130.d).

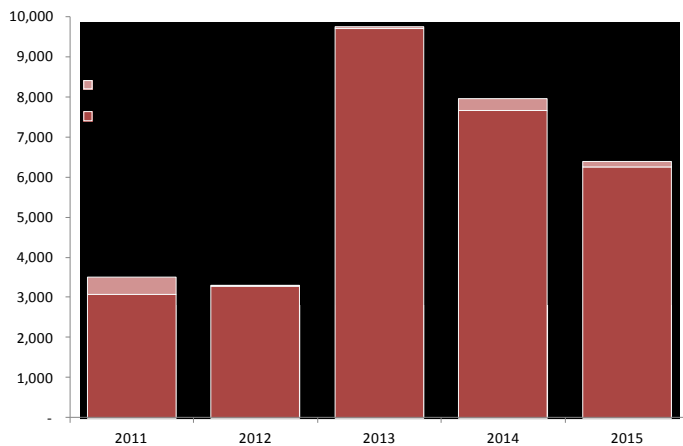
The impairment test on equities available for sale led to a loss on equity investments considered durable for €141 thousand, due to the write-down of the Closed-end real estate fund Clesio for €113 thousand and of the investee company Aedes Spa for €28 thousand. The valuation of equity investments with the equity method generated a net loss of €66 thousand (of which €62 thousand related to Paradisidue Srl).

The total net adjustments on financial assets reached €6.452m, compared to €7.822m in the previous period (-17.5%).

Details of Net impairment adjustments (thousands of Euro)

	1st half 2015			1st half 2014		
	Adjust.	Write-backs	Net effect	Adjust.	Write-backs	Net effect
a) LOANS AND ADVANCES	11,949	5,705	(6,244)	14,267	6,602	(7,665)
- analytical valuation	11,048	4,012	(7,035)	14,170	2,896	(11,274)
- collective valuation	875	1,678	803	67	3,423	3,356
- loan losses	27	-	(27)	20	-	(20)
- initial FV of loans granted at an interest rate lower than the market rate	0	-	(0)	10	-	(10)
- collection from transactions concluded in prior periods	-	15	15	-	284	284
b) ASSETS AVAILABLE FOR SALE	141	-	(141)	286	-	(286)
- valuation of equity securities	141	-	(141)	286	-	(286)
c) ASSETS HELD TO MATURITY	-	-	-	-	-	-
d) OTHER TRANSACTIONS	1	-	(1)	-	1	1
- valuation of financial guarantees	1	-	(1)	-	1	1
e) NET GAINS (LOSSES) ON DISPOSAL OF:	-	-	-	-	137	137
loans	-	-	-	-	137	137
f) NET PROFIT (LOSS) FROM EQUITY INVESTMENTS	66	-	(66)	13	3	(10)
TOTALS	12,157	5,705	(6,452)	14,565	6,743	(7,822)

Trend of adjustments to loans and advances (thousands of Euro)

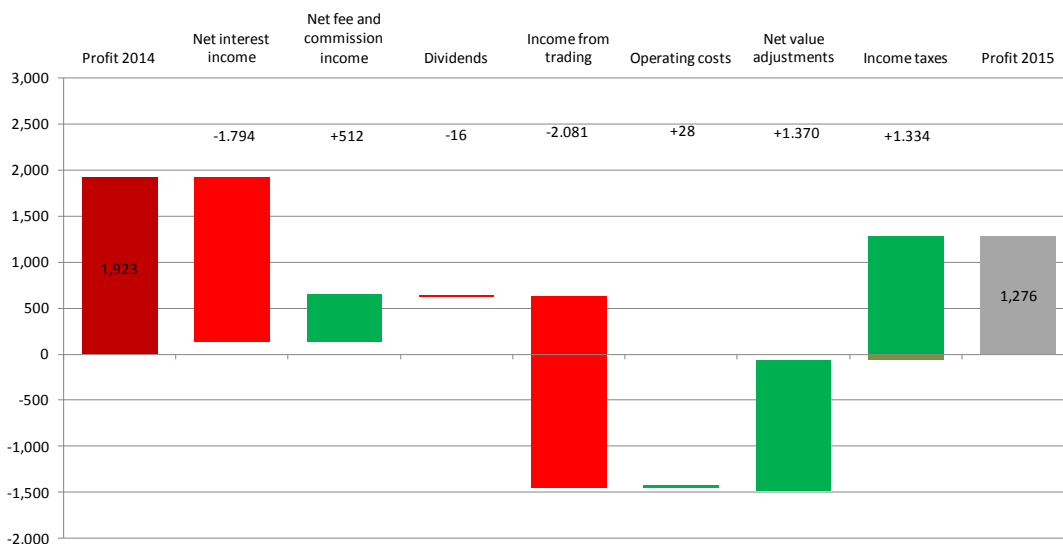


Income for the period

The current income before taxes was €1.251m, down by €1.981m compared to the first half of 2014.

Finally, the net income for the period after income taxes went from €1.923m as at 30 June 2014 to €1.276m. The tax impact was positive for €25 thousand, having applied a -2.0% tax rate compared to 40.5% in the first half of 2014.

Comparison of net income in the 1st half of 2015 with net income in the 1st half of 2014



EQUITY AND THE STATE OF AFFAIRS OF THE COMPANY

Equity

Reserves increased by €79 thousand due to attribution of the net profit for 2014, while valuation reserves decreased by €1.404m due to the adaptation of fair value of assets available for sale and the defined benefit plans (actuarial gains/losses).

As shown in the table below, after taking into account the net income for the period, equity amounted to €188.7m, down by €1.435m.

(in thousands Euro)

	Items	Jun 2015	Dec 2014	Change
130.	Valuation reserves	4,336	5,740	-1,404
160.	Reserves	94,791	94,712	+79
170.	Additional paid-in capital	29,841	29,841	-
180.	Capital stock	58,485	58,485	-
200.	Income for the period	1,276	1,386	-110
	Total equity	188,729	190,164	-1,435

Following the Shareholders' Meeting of 20 April 2015, dividends for 2014 were paid out for a total of €1,237,174.40, equal to €0.011 on each of the 112,470,400 shares that make up the capital stock of Mediocredito Trentino – Alto Adige S.p.A. The dividends were paid with interest running from 15 June 2015.

Own funds requirements

Own funds as well as the capital ratios were calculated on the data taken from the financial statements prepared in application of the international accounting standards IAS/IFRS and the regulatory framework.

(in thousands Euro)

	Items	Jun 2015	Dec 2014
	Common Equity Tier 1 (CET1)	187,153	186,794
	Additional Tier 1 (AT1)	-	-
	Total Tier 1 capital	187,153	186,794
	Tier 2 capital (T2)	249	601
	Own funds	187,402	187,396
	CET1 ratio	17.17	16.34
	T1 ratio	17.17	16.34
	Total capital ratio	17.19	16.40

Own funds amounted to €187.4m; net of the minimum regulatory requirements, their residual value was as follows:

- €138.1m with respect to the 4.5% threshold set for CET1, reduced to €110.9m to take into account the 2.5% additional conservation buffer;
- €121.8m with respect to the 6.0% threshold set for total tier 1 capital and
- €100.2m with respect to the 8.0% threshold set for own funds

which are considered adequate to ensure the development of the business activity and future compliance of the minimum equity requirements established by Basel III.

Dynamics of own funds

	2015	2014
Opening tier 1 capital	186,794	186,824
Capital stock increase (+)	-	-
Capital stock reduction (-)	-	-
Non-distributed income (+)	-	+79
Change in Bank's creditworthiness (-)	(18)	-
Change in overall profitability:	(639)	(577)
Assets available for sale	(674)	(443)
Defined benefit plans	+36	(134)
Other	-	-
Changes in goodwill and other intangible assets	+23	+25
Changes in the impact of the transitional regime	+1,006	+443
Losses not incurred measured at fair value	-	-
Profit not obtained measured at fair value	+1,006	+443
Deduction of deferred tax assets that depend on future profitability and do not derive from temporary differences	-	-
Deferred tax assets that depend on future profitability and derive from temporary differences in existence as at 1st January 2014	-	-
Changes in additional tier 1 capital (AT1)	-	-
Other changes	(13)	+0
Closing tier 1 capital	187,153	186,794
Opening tier 2 capital	601	779
Share capital increases that cannot be included in tier 1 capital (+)	-	-
Share capital decreases that cannot be included in tier 1 capital (-)	-	-
Changes in the impact of transitional regime:		
Filters and deductions provided for by national regulations in accordance with Basel II (so-called prudential filters)	(352)	(177)
Depreciation changes	-	-
Other changes	-	-
Closing tier 2 capital	249	601
Own funds	187,402	187,396

Rating

In the first half of 2015, rating agencies updated their methodologies to rate the banks, reducing or removing the component related to the support by public shareholders, in the light of the introduction in the EU of the "Bank Recovery and Resolution Directive" (BRRD). For Mediocredito this meant a review to BB-Stable by Fitch and a review to Ba1 Stable by Moody's. Subsequently, the rating by Fitch was withdrawn.

SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD AND EXPECTED BUSINESS TREND

After 30 June 2015, the date in which the half-yearly report of Mediocredito Trentino - Alto Adige S.p.A. was closed, and up to the 27 August 2015, date in which the half-yearly report was approved by the Board of Directors, no significant events occurred that affected the economic and equity situation described herein.

The Bank's operations and management performance in the second half of 2015 will continue to be affected by the complicated status of the credit market linked to the economic framework that is only starting to give the first signs of recovery. Financial markets are and will be characterised by a high degree of uncertainty, while for most Italian banks access to the international funding markets will continue to be selective and with relatively high costs. Therefore, given the likely decrease in lending rates, the margins for the banking system will remain under pressure.

For Mediocredito, in particular, the introduction of the Bank Recovery and Resolution Directive (BRRD) in the EU and the subsequent lowering of the rating suggests a further potential increase in the cost of procurement for future years.

In this context - still characterised by a certain weakness of demand and the selectivity, appropriately so, in the granting of credit - the Bank maintains its budget objectives both in terms of disbursement of new loans and performance of the stock, which will continue to be decreasing in the year-end forecast. As already seen in the last two half-years, we expect a less negative trend of impaired loans.

As regards the trend of the income statement, net interest and other banking income will probably decrease due to the gradual reduction in the interest margin not offset by further revenues on sales of securities in the portfolio, a limiting of operating costs on the recent historical level and an ongoing high cost of risk but significantly decreasing compared to the previous years. This will make it possible to maintain a positive performance in terms of income.

The financial requirements, with the related liquidity risk will be moderate, thanks to the implementation of policies on structural funding repositioning policies and on reducing the transformation of maturities by using medium/long-term IEB funds, issuing specific tranches of medium-term bond loans and taking advantage of the instruments supporting the real economy launched by the European Central Bank (so-called Targeted Longer-Term Refinancing Operations). The last instrument, moreover, is an important way to reduce the cost of procurement.

With respect to the strategic objectives, the forecast period of the business plan 2010-2013 was concluded some time ago. The preparatory activities aimed at creating a new corporate and organisational structure for the Bank have been under way since early 2014 between members of the Government of the Region and of the Autonomous Provinces and the Cooperative Credit, which will lead to the drawing up of the new Business Plans.

INTERIM CONDENSED FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION – ASSETS

Assets		30.06.2015	31.12.2014
10.	CASH AND CASH EQUIVALENTS	4,538	6,162
20.	FINANCIAL ASSETS HELD FOR TRADING	556,591	696,311
40.	FINANCIAL ASSETS AVAILABLE FOR SALE	156,804,119	374,259,960
60.	LOANS AND ADVANCES TO BANKS	62,430,787	147,933,436
70.	LOANS AND ADVANCES TO CUSTOMERS	1,175,528,374	1,202,604,294
100.	EQUITY INVESTMENTS	170,825	122,600
110.	PROPERTY, PLANT AND EQUIPMENT	10,484,013	10,704,290
120.	INTANGIBLE ASSETS	150,587	173,773
	of which:		
	- goodwill	-	-
130.	TAX ASSETS	13,406,767	12,908,649
	(a) current	1,715,966	1,799,768
	(b) deferred	11,690,801	11,108,881
	as for Law 214/2011	-	-
150.	OTHER ASSETS	2,106,455	1,567,149
	TOTAL ASSETS	1,421,643,056	1,750,976,624

STATEMENT OF FINANCIAL POSITION – EQUITY AND LIABILITIES

Equity and liabilities		30.06.2015	31.12.2014
10.	DUE TO BANKS	429,088,692	766,585,399
20.	DUE TO CUSTOMERS	181,993,237	185,998,107
30.	DEBT SECURITIES IN ISSUE	608,220,265	594,827,413
40.	FINANCIAL LIABILITIES HELD FOR TRADING	544,441	708,615
80.	TAX LIABILITIES	6,480,892	6,711,213
	(a) current	-	-
	(b) deferred	6,480,892	6,711,213
100.	OTHER LIABILITIES	4,127,515	3,307,186
110.	PROVISION FOR SEVERANCE INDEMNITIES	1,488,191	1,546,435
120.	PROVISIONS FOR RISKS AND CHARGES	971,138	1,128,390
	(a) pension fund and similar provisions	-	-
	(b) other provisions	971,138	1,128,390
130.	VALUATION RESERVES	4,336,078	5,739,789
160.	RESERVES	94,790,836	94,711,986
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 (+/-)	1,275,705	1,386,025
	TOTAL EQUITY AND LIABILITIES	1,421,643,056	1,750,976,624

The Financial Statements were drawn up in Euro units with no decimal numbers as figures were previously rounded.

INCOME STATEMENT

	Items	30.06.2015	30.06.2014
10.	INTEREST INCOME AND SIMILAR REVENUES	18,359,987	22,963,214
20.	INTEREST EXPENSE AND SIMILAR CHARGES	(10,560,392)	(12,707,750)
30.	NET INTEREST INCOME	7,799,595	10,255,464
40.	FEE AND COMMISSION INCOME	1,238,611	734,713
50.	FEE AND COMMISSION EXPENSE	(103,922)	(774,613)
60.	NET FEE AND COMMISSION INCOME (EXPENSE)	1,134,689	(39,900)
70.	DIVIDENDS AND SIMILAR INCOME	66,595	82,796
80.	NET TRADING INCOME	28,280	18,658
90.	NET HEDGING GAINS (LOSSES)	-	-
100.	GAINS (LOSSES) ON DISPOSAL OR REPURCHASE OF:	3,889,672	6,117,507
	a) loans and advances	-	137,019
	b) financial assets available for sale	3,889,672	5,980,488
	c) financial assets held to maturity	-	-
	d) other financial liabilities	-	-
110.	NET CHANGE IN FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE	-	-
120.	NET INTEREST AND OTHER BANKING INCOME	12,918,831	16,434,525
130.	NET IMPAIRMENT ADJUSTMENTS ON:	(6,386,868)	(7,949,196)
	a) loans and advances	(6,244,378)	(7,664,747)
	b) financial assets available for sale	(141,335)	(285,754)
	c) financial assets held to maturity	-	-
	d) other financial transactions	(1,155)	1,305
140.	NET INCOME FROM FINANCIAL ACTIVITIES	6,531,963	8,485,329
150.	ADMINISTRATIVE COSTS:	(4,949,204)	(4,965,228)
	a) payroll:	(3,553,751)	(3,373,742)
	b) other administrative costs	(1,395,453)	(1,591,486)
160.	NET PROVISIONS FOR RISKS AND CHARGES	(73,634)	(103,322)
170.	NET ADJUSTMENTS TO PROPERTY, PLANT AND EQUIPMENT	(328,771)	(342,464)
180.	NET ADJUSTMENTS TO INTANGIBLE ASSETS	(47,586)	(37,178)
190.	OTHER OPERATING CHARGES/INCOME	172,856	207,722
200.	OPERATING COSTS	(5,226,339)	(5,240,470)
210.	PROFIT (LOSS) FROM EQUITY INVESTMENTS	(65,512)	(9,787)
240.	GAINS (LOSSES) ON DISPOSAL OF INVESTMENTS	10,579	(3,272)
250.	PROFIT (LOSS) FROM CURRENT OPERATIONS BEFORE INCOME TAXES	1,250,691	3,231,800
260.	INCOME TAXES ON CURRENT OPERATIONS	25,014	(1,308,879)
270.	PROFIT (LOSS) FROM CURRENT OPERATIONS AFTER TAX	1,275,705	1,922,921
290.	NET INCOME (LOSS) FOR THE PERIOD	1,275,705	1,922,921

The Financial Statements were drawn up in Euro units with no decimal numbers as figures were previously rounded. The algebraic sum of discrepancies due to rounding off is equal to +2 Euro and is booked to "other operating charges/income".

EARNINGS PER SHARE

Earnings per share	0.0113	0.0171
Diluted earnings per share	0.0113	0.0171

During the first half of 2015 there was no dilution of Mediocredito's capital stock as neither the number of its shares nor their nominal value changed.

The earnings per share amounted to €0.0113 and are entirely distributable.

STATEMENT OF COMPREHENSIVE INCOME

Items		1st half 2015	1st half 2014
10.	NET INCOME (LOSS) FOR THE PERIOD	1,275,705	1,922,921
Other comprehensive income, net of taxes without reversal to income statement			
40.	DEFINED BENEFITS PLANS	+35,745	-45,703
Other comprehensive income, net of taxes with reversal to income statement			
100	FINANCIAL ASSETS AVAILABLE FOR SALE:	-1,439,456	+15,410
	- Equity securities	-610,353	+173,206
	- Investments in UCITS	-68,895	+119,463
	- Debt securities	-760,208	-277,262
130.	TOTAL OTHER POST TAX COMPONENTS OF INCOME	-1,403,711	-30,293
140.	TOTAL COMPREHENSIVE INCOME (Item 10+130)	(128,005)	1,892,628

Disclosures pursuant to paragraph 82A IAS 1 "Presentation of Financial Statements"

The components related to "equity securities", "investments in UCITS" and "debt securities" shown in the statement of comprehensive income may be subjected to reversal in the income statement, in the event of any future sale.

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

STATEMENT OF CHANGES IN EQUITY 31/12/2014 – 30/06/2015

	Balance on 31.12.2014	Changes in opening balance	Balance on 1.1.2015	Allocation of the previous year's results		Change for the year							Balance on 30.06.2015
				Reserves	Dividends and other allocations	Changes of reserves	Transaction booked to equity					Total comprehensive income (loss) 1st half 2015	
							Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares		
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	29,841,458	-	29,841,458	-	-	-	-	-	-	-	-	-	29,841,458
Reserves:	94,711,986	-	94,711,986	78,850	-	-	-	-	-	-	-	-	94,790,836
a) from profit	94,711,986	-	94,711,986	78,850	-	-	-	-	-	-	-	-	94,790,836
- legal reserve	19,020,778	-	19,020,778	72,229	-	-	-	-	-	-	-	-	19,093,007
- extraordinary reserve ²²	54,100,351	-	54,100,351	6,621	-	-	-	-	-	-	-	-	54,106,972
- other profit reserves ²³	21,590,856	-	21,590,856	-	-	-	-	-	-	-	-	-	21,590,856
b) other	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reserves:	5,739,787	-	5,739,787	-	-	-	-	-	-	-	-	-1,403,711	4,336,078
a) assets available for sale	1,887,078	-	1,887,078	-	-	-	-	-	-	-	-	-1,439,456	447,623
b) financial flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
c) others	3,852,711	-	3,852,711	-	-	-	-	-	-	-	-	+35,745	3,888,456
- severance indemnities	-465,621	-	-465,621	-	-	-	-	-	-	-	-	+35,745	-429,876
- property reval. Law 413/91	745,631	-	745,631	-	-	-	-	-	-	-	-	-	745,631
- prop. reval. Law 342/2000	3,572,701	-	3,572,701	-	-	-	-	-	-	-	-	-	3,572,701
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) for the year	1,386,025	-	1,386,025	-78,850	-1,307,174	-	-	-	-	-	-	1,275,705	1,275,705
Equity	190,163,865	-	190,163,865	-	-1,307,174	-	-	-	-	-	-	-128,005	188,728,685

STATEMENT OF CHANGES IN EQUITY 31/12/2013 – 30/06/2014

	Balance on 31.12.2013	Changes in opening balance	Balance on 1.1.2014	Allocation of the previous year's results		Change for the year							Balance on 30.06.2014
				Reserves	Dividends and other allocations	Changes of reserves	Transaction booked to equity					Total comprehensive income (loss) 1st half 2014	
							Issue of new shares	Purchase of treasury shares	Extraordinary distribution of dividends	Change in equity instruments	Derivatives on treasury shares		
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	29,841,458	-	29,841,458	-	-	-	-	-	-	-	-	-	29,841,458
Reserves:	94,605,048	-	94,605,048	106,938	-	-	-	-	-	-	-	-	94,711,986
a) from profit	94,605,048	-	94,605,048	106,938	-	-	-	-	-	-	-	-	94,711,986
- legal reserve	18,956,373	-	18,956,373	64,405	-	-	-	-	-	-	-	-	19,020,778
- extraordinary reserve ²²	54,057,818	-	54,057,818	42,533	-	-	-	-	-	-	-	-	54,100,351
- other profit reserves ²³	21,590,856	-	21,590,856	-	-	-	-	-	-	-	-	-	21,590,856
b) other	-	-	-	-	-	-	-	-	-	-	-	-	-
Valuation reserves:	5,933,773	-	5,933,773	-	-	-	-	-	-	-	-	-30,293	5,903,478
a) assets available for sale	1,947,084	-	1,947,084	-	-	-	-	-	-	-	-	+15,410	1,962,494
b) financial flow hedge	-	-	-	-	-	-	-	-	-	-	-	-	-
c) others	3,986,689	-	3,986,689	-	-	-	-	-	-	-	-	-45,703	3,940,986
- severance indemnities	-331,643	-	-331,643	-	-	-	-	-	-	-	-	-45,703	-377,346
- property reval Law 413/91	745,631	-	745,631	-	-	-	-	-	-	-	-	-	745,631
- prop. reval. Law 342/2000	3,572,701	-	3,572,701	-	-	-	-	-	-	-	-	-	3,572,701
Equity instruments	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury shares	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income (loss) for the period	1,291,642	-	1,291,642	-106,938	-1,184,704	-	-	-	-	-	-	1,922,921	1,922,921
Equity	190,156,530	-	190,156,530	-	-1,184,704	-	-	-	-	-	-	1,892,628	190,864,452

²² The item includes the non-distributable reserve under article 6, paragraph 2 of Legislative Decree no. 38/2005.

²³ 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)

A. OPERATING ACTIVITIES	1st half 2015	1st half 2014
1. Operations	+6,044,871	+11,015,916
- profit/loss for the period	1,275,705	1,922,921
- capital gains/losses on financial assets held for trading and on assets/liabilities at fair value	-23,449	-10,515
- capital gains/losses on hedging activities	-	-
- net adjustments /write-backs due to impairment	+6,375,140	+8,204,317
- net adjustments/write-backs to property, plant and equipment and intangible assets	+365,777	+382,915
- net provision for risks and charges and other costs/revenues	+76,147	-484,486
- non-refunded taxes	-25,014	+1,308,879
- other adjustments	-1,999,435	-308,115
2. Cash flow generated/absorbed by financial assets	+319,299,228	+35,527,557
- financial assets held for trading	-	-
- financial assets at fair value	-	-
- financial assets available for sale	+215,728,681	+35,610,780
- loans and advances to banks: on demand	+19,021,540	-33,789,430
- loans and advances to banks: other	+65,000,000	-39,987,093
- loans and advances to customers	+20,831,390	+75,764,333
- other assets	-1,282,383	-2,071,033
3. Cash flow generated/absorbed by financial liabilities	-323,802,499	-45,353,213
- due to banks: on demand	-9,000,000	+1,000,000
- due to banks: other debts	-324,795,039	+116,462,262
- due to customers	-4,016,216	+2,530,891
- debt certificates in issue	+12,973,836	-164,682,372
- financial liabilities held for trading	-	-
- financial liabilities at fair value	-	-
- other liabilities	+1,034,920	-663,994
Net cash flow generated/absorbed by operating activities	+1,541,600	+1,190,260
B. INVESTING ACTIVITY		
1. Cash flow generated by	+10,610	+239
- sale of equity investments	-	-
- dividends from equity investments	-	-
- sale of financial assets held to maturity	-	-
- sale of property, plant and equipment	+10,610	+239
- sale of intangible assets	-	-
- sale of company divisions	-	-
2. Cash flow absorbed by	-246,662	-4,135
- purchase of equity investments	-113,738	-
- purchase of financial assets held to maturity	-	-
- purchase of property, plant and equipment	-108,524	-3,500
- purchase of intangible assets	-24,400	-635
- purchase of company divisions	-	-
Net cash flow generated/absorbed by operating activities	-236,052	-3,896
C. FINANCING ACTIVITY		
- issue/purchase of treasury shares	-	-
- issue/purchase of equity instruments	-	-
- distribution of dividends and other objectives	-1,307,174	-1,184,704
Net liquidity generated/absorbed by financing activities	-1,307,174	-1,184,704
NET LIQUIDITY GENERATED/ABSORBED IN THE PERIOD	-1,624	+1,661

RECONCILIATION

Balance items	1st half 2015	1st half 2014
Cash and cash equivalents at the start of the period	6,162	2,008
Net liquidity generated/absorbed in the period	-1,624	+1,661
Effect of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the end of the period	4,538	3,669

NOTES TO THE ACCOUNTS

PART A ACCOUNTING POLICIES

- A.1 General
- A.2 Illustration of the main financial statement aggregates
- A.3 Information on transfers of financial assets between portfolios
- A.4 Fair value disclosure

PART B INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

- Assets
- Liabilities

PART C INFORMATION ON THE INCOME STATEMENT

PART D COMPREHENSIVE INCOME

PART E INFORMATION ON RISKS AND RELATED HEDGING POLICY

- Section 1 – Credit risk
- Section 2 – Market risk
- Section 3 – Liquidity risk
- Section 4 – Operational risks

PART F INFORMATION ON EQUITY

- Section 1 - Equity
- Section 2 - Own funds requirements

PART H RELATED PARTY DISCLOSURE

PART L SEGMENT REPORTING

PART A

ACCOUNTING POLICIES

A.1 GENERAL

SECTION 1 – STATEMENT OF COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

These half-yearly condensed financial statements of Mediocredito Trentino - Alto Adige S.p.A. were prepared in accordance with article 154-ter of Legislative Decree no. 58/1998 (Italian Consolidated Finance Act), which implements the so-called "Transparency Directive"²⁴ and in application of IAS 34 "Interim Financial Reporting".

By virtue of the possibilities given by the aforesaid standard, the half-yearly condensed financial statements - prepared in accordance with the International Accounting Standards (IAS/IFRS) issued by the International Accounting Standards Board® and related interpretations by the International Financial Reporting Interpretations Committee (IFRIC) in effect and approved by the European Commission, as set forth in the EU Regulation no. 1606/2002 - are presented in a short form and therefore do not contain the complete information included in the annual financial statements.

SECTION 2 – GENERAL PRINCIPLES OF PREPARATION

General aspects

The half-yearly condensed financial statements consist of the Statement of Financial Position, the Income Statement, the Statement of changes in equity, the Statement of comprehensive income, the Cash flow statement²⁵ and the Notes to the accounts²⁶. They are also accompanied by an interim report on operations illustrating the economic results which were achieved and the Bank's financial position.

The financial statements are drawn up in Euros, while information in the Notes is expressed in thousands of Euros, 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 in the Notes.

There were no departures from the application of the IAS/IFRS.

Going concern assumption

The international accounting standards - recalled by the coordination table with The Bank of Italy, Consob and Isvap coordination forum on applying IAS/IFRS 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

²⁴ EU Directive 2004/109/EC adopted in the Italian legislation through Legislative Decree no. 195/2007 which amended Legislative Decree no. 58/1998 so-called Italian Consolidated Finance Act.

²⁵ 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.

²⁶ To make the financial trends easier to identify, the presentation structure and the tables illustrating the specific notes are the same as those required by the Bank of Italy for the financial statements.

financial reports on impairment of assets, clauses in debt contracts, debt restructuring and on the “fair value hierarchy” require 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: “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 intend to liquidate the entity or to cease trading, or has no realistic alternative but to do so. In making its assessment, when management is aware 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”.

Despite the economic growth forecast and the performance of the financial markets are showing the first signs of optimism, the ongoing critical conditions of the real economy require a very accurate assessment of the existence of the going concern basis.

Relating to this, the directors of Mediocredito Trentino-Alto Adige S.p.A., 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 its operational existence in the near future. Consequently, they have prepared the half-yearly condensed financial statements based on the going concern assumption.

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

SECTION 3 – EVENTS AFTER THE REPORTING PERIOD

In the period between 30 June 2015 and the date of approval of these half-yearly condensed financial statements, there were no material events that have occurred such as to 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 Paradisiudue S.r.l. (assets as at 31/12/2014 of €8.2m) is not deemed significant to the improvement of the disclosures provided (*IAS 8 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 is booked in the financial statements of the Bank to the amount of the net worth.

Auditing

The half-yearly report was audited by PricewaterhouseCoopers S.p.A.

Risk and uncertainties due to the use of estimates

The Bank has prepared the completion of the estimation processes which give support to the value of registration of the most relevant valuation items recorded in the half-yearly condensed financial statements as at 30 June 2015, as foreseen by the current accounting principles as well as reference regulations. Such

processes are largely based on the estimated future possible 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 reference is made to the report on operations.

Checks carried out support the registered values of items mentioned at the closing of this half-yearly report, although the valuation processes, mostly linked to the credit portfolio, are considerably complex due to the ongoing difficult current macroeconomic and market context.

A.2 ILLUSTRATION OF THE MAIN FINANCIAL STATEMENT AGGREGATES

ACCOUNTING STANDARDS

The classification criteria used to draw up these half-yearly condensed financial statements for the entry, valuation, derecognition and recognition of the income components of assets and liabilities did not change in comparison to the data presented and approved in the financial statements as at 31 December 2014, to which reference is therefore made.

UNUSUAL ITEMS

During the half-year, no unusual items were recognised which - due to their nature, extent or effect - affected assets, liabilities, equity, net income or financial flows.

A.3 INFORMATION ON TRANSFERS OF FINANCIAL ASSETS BETWEEN PORTFOLIOS

A.3.1 TRANSFERS BETWEEN PORTFOLIOS

In the first half of 2015, the Bank did not make any transfers of financial assets between portfolios and therefore this table is not completed.

A.4 FAIR VALUE DISCLOSURE

The methods for determining fair value, in relation to the types of assets and liabilities of the Bank, did not change in comparison with the information provided in the financial statements as at 31 December 2014.

QUALITATIVE INFORMATION

FAIR VALUE HIERARCHY

Assets and liabilities measured at fair value on a recurring basis, on a non-recurring basis or not measured at fair value: breakdown by fair value levels

Financial assets/liabilities measured at fair value	2015			2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets held for trading	-	557	-	-	696	-
Financial assets available for sale	123,094	20,901	12,809	359,189	416	14,655
Loans and advances to banks	-	29,560	32,355	-	51,159	96,770
Loans and advances to customers	-	1,019,018	166,910	-	1,053,461	171,305
Total	123,094	1,070,036	212,074	359,189	1,105,732	282,730
Due to banks	-	393,624	25,196	-	614,558	149,297
Due to customers	-	38,675	143,107	-	43,324	142,556
Debt securities in issue	-	611,937	-	-	601,739	-
Financial liabilities held for trading	-	544	-	-	709	-
Total	-	1,044,780	168,303	-	1,260,330	291,853

In the first half of 2015, the Bank did not undertake transfers of assets/liabilities between level 1 and level 2.

PART B

INFORMATION ON THE STATEMENT OF FINANCIAL POSITION

ASSETS

SECTION 2 – FINANCIAL ASSETS HELD FOR TRADING - ITEM 20

Financial assets held for trading:

	Financial trading derivatives
A. Opening balance	696
B. Increases	41
B1. Purchases	-
B2. Positive changes in fair value	41
B3. Other changes	-
C. Decreases	181
C1. Sales	-
C2. Redemptions	-
C3. Negative changes in fair value	181
C4. Transfers to other portfolios	-
C5. Other changes	-
D. Closing balance	557

These consist of cap options with banks as counterparties whose characteristics mirror those with ordinary customers as counterparties, shown in item 40 of liabilities. The fair value takes into account the CVA for €11 thousand in 2015 and €10 thousand in 2014.

Items in "other changes" consist of changes to accrued expenses and deferred income in connection with these derivatives.

SECTION 4 – FINANCIAL ASSETS AVAILABLE FOR SALE – ITEM 40

4.1 Financial assets available for sale: breakdown by type

Items/amounts	2015			2014		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
1. Debt securities ¹	123,066	20,901	-	359,132	416	-
1.1 Structured securities	-	-	-	-	-	-
1.2 Other debt securities	123,066	20,901	-	359,132	416	-
2. Equity securities	28	-	7,140	56	-	9,345
2.1 Measured at fair value	28	-	6,808	56	-	9,013
2.2 Carried at cost ²	-	-	332	-	-	332
3. Investments in UCITS	-	-	5,668	-	-	5,311
4. Loans	-	-	-	-	-	-
Total	123,094	20,901	12,809	359,189	416	14,655

1 These consist of €120.0m of government securities and €0.5m of bonds issued by banks (Level 1) and €20.4m of bonds issued by banks (level 2), of which €140.0m purchased by the Bank to create adequate reserves of assets readily available for refinancing with the ECB .

2 Unlisted equity securities carried at cost amounted to €0.3m in both periods: they consist of minority equity investments purchased at less than €0.5m for which fair value cannot be estimated in a reliable manner.

4.4 Financial assets available for sale: annual changes

	Debt securities	Equity securities	Investments in UCITS	Loans	Total
A. Opening balance	359,548	9,401	5,311	-	374,260
B. Increases	316,255	1,487	572	-	318,314
B1. Purchases	313,600	-	572	-	314,172
B2. Positive changes in fair value	-	34	-	-	34
B3. Write-backs	-	-	-	-	-
- through profit or loss	-	-	-	-	-
- in equity	-	-	-	-	-
B4. Transfers from other portfolios	-	-	-	-	-
B5. Other changes	2,655 ¹	1,453 ³	-	-	4,108
C. Decreases	531,836	3,720	215	-	535,771
C1. Sales	484,393	3,008	-	-	487,401
C2. Redemptions	42,500	-	-	-	42,500
C3. Negative changes in fair value	661	-	102	-	762
C4. Impairments	-	28	113	-	141
- through profit or loss	-	28	113	-	141
- in equity	-	-	-	-	-
C5. Transfers to other portfolios	-	-	-	-	-
C6. Other changes	4,283 ²	683 ⁴	-	-	4,966
D. Closing balance	143,967	7,168	5,668	-	156,804

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

- 1 This originates from the profit realised on the sale of government bonds for €2.436m and from the positive change in amortised cost for €0.219m.
- 2 This originates for €460 thousand for the reversal to income of the positive reserve following the sale of government bonds and for €3.823m of the negative change in amortised cost.
- 3 This originates in the gain on the sale of the equity investment in Piteco (€1.445m) and in the income (€8 thousand) on the sale of the option rights during the share capital increase for Aedes S.p.A.
- 4 This originates, for the entire amount, in the reversal of the positive reserve following the sale of Piteco S.p.A.

SECTION 6 – LOANS AND ADVANCES TO BANKS – ITEM 60

6.1 Loans and advances to banks: breakdown by type

Type of transaction/Amount	2015				2014			
	BV	FV			BV	FV		
		Level 1	Level 2	Level 3		Level 1	Level 2	Level 3
A. Deposits with central banks	-	-	-	-	-	-	-	-
1. Time deposits	-	-	-	-	-	-	-	-
2. For reserve requirements	-	-	-	-	-	-	-	-
3. Repurchase agreements	-	-	-	-	-	-	-	-
4. Other	-	-	-	-	-	-	-	-
B. Deposits with banks	62,431	-	29,560	32,355	147,933	-	51,159	96,770
1. Loans	62,431	-	29,560	32,355	147,933	-	51,159	96,770
1.1 Current accounts and demand deposits	32,138	-	-	-	51,159	-	-	-
1.2 Time deposits	218	-	-	-	45,611	-	-	-
1.3 Other loans:	30,075	-	-	-	51,163	-	-	-
- Repurchase agreements	-	-	-	-	-	-	-	-
- Finance lease	-	-	-	-	-	-	-	-
- Other	30,075	-	-	-	51,163	-	-	-
2. Debt securities	-	-	-	-	-	-	-	-
2.1 Structured securities	-	-	-	-	-	-	-	-
2.2 Other debt securities	-	-	-	-	-	-	-	-
Total (book value)	62,431	-	29,560	32,355	147,933	-	51,159	96,770

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 for this purpose equal to €218 thousand as at 30 June 2015 (was €214 thousand as at 31 December 2014) and included in item B.1.2.

SECTION 7 – LOANS AND ADVANCES TO CUSTOMERS - ITEM 70

7.1 Loans and advances to customers: breakdown by type

Type of transaction/Amount	2015						2014					
	Book value			Fair value			Book value			Fair value		
	Performing	Impaired		L1	L2	L3	Performing	Impaired		L1	L2	L3
		Purchas ed	Other					Pur cha sed	Other			
Loans	1,014,912	-	158,499	-	1,016,707	166,910	1,039,440	-	162,121	-	1,052,315	171,305
1. Current accounts	8,411	-	0	-	-	-	9,185	-	0	-	-	-
2. Repurchase agreements	-	-	-	-	-	-	-	-	-	-	-	-
3. Mortgages	798,370	-	131,868	-	-	-	814,043	-	132,949	-	-	-
4. Credit cards, personal loans including "one-fifth of salary deducted loan"	-	-	-	-	-	-	-	-	-	-	-	-
5. Finance lease ¹	37,823	-	6,739	-	-	-	38,545	-	8,210	-	-	-
6. Factoring	-	-	-	-	-	-	-	-	-	-	-	-
7. Other loans ²	170,308	-	19,892	-	-	-	177,667	-	20,962	-	-	-
Debt securities	2,118	-	-	-	2,311	-	1,043	-	-	-	1,146	-
8 Structured securities	-	-	-	-	-	-	-	-	-	-	-	-
9 Other debt securities	2,118	-	-	-	-	-	1,043	-	-	-	-	-
Total (book value)	1,017,030	-	158,499	-	1,019,018	166,910	1,040,483	-	162,121	-	1,053,461	171,305

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 €8.3m in 2015 and €8.8m in 2014.

2 The amount includes building leasing turnkey operations for €2.5m in 2015 and €1.9m in 2014.

SECTION 10 – EQUITY INVESTMENTS – ITEM 100

10.5 Equity investments: annual changes

	2015	2014
A. Opening balance	123	171
B. Increases	114	100
B.1 Purchases	114	100
B.3 Write-backs	-	-
B.3 Revaluations	-	-
B.4 Other changes	-	-
C. Decreases	66	148
C.1 Sales	-	-
C.2 Value adjustments	66	148
C.3 Other changes	-	-
D. Closing balance	171	123
E. Total revaluations	-	-
F. Total adjustments	445	379

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 €9.000m – for which the amount of €8.340m was withdrawn as at 30 June 2015 for the purpose of acquiring and renovating a building in the context of a bankruptcy proceeding.

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

13.1 Deferred tax assets: breakdown

	2015	2014
	11,691	11,109
A. With contra-entry to income statement	11,368	10,953
Payroll	21	41
Adjustments to loans deductible in future years	11,077	10,695
Depreciation of buildings for operational use	49	46
Other	221	171
B. With contra-entry to equity	323	156
Financial assets held for sale at fair value	258	74
Other	65	82

13.2 Deferred tax liabilities: breakdown

	2015	2014
	6,481	6,711
A. With contra-entry to income statement	6,402	6,402
Reserve for loan losses	5,530	5,530
Adjustments to loans exceeding the tax deductibility limit	741	741
Depreciation of buildings for operational use	108	108
Change in employee leaving indemnity	23	23
B. With contra-entry to equity	79	309
Financial assets held for sale at fair value	79	309

Percentages used in the calculation of deferred taxes:

for IRES: 27.50%;
for IRAP: 4.65%

LIABILITIES

SECTION 1 – DUE TO BANKS – ITEM 10

1.1 Due to banks: breakdown by type

Type of transaction/Amount	2015	2014
1. Due to central banks	164,585	440,780
2. Due to banks	264,504	325,805
2.1 Current accounts and demand deposits	9	9,008
2.2 Time deposits	5,187	20,289
2.3 Loans	259,308	296,508
2.3.1 Repurchase agreements	-	-
2.3.2 Other	259,308	296,508
2.4 Liabilities in respect of commitments to repurchase treasury shares	-	-
2.5 Other amounts due	-	-
Total	429,089	766,585
<i>Fair value – level 1</i>	-	-
<i>Fair value – level 2</i>	393,624	614,558
<i>Fair value – level 3</i>	25,196	149,297
Total fair value	418,820	763,855

SECTION 2 – DUE TO CUSTOMERS – ITEM 20

2.1 Due to customers: breakdown by type

Type of transaction/Amount	2015	2014
1. Current accounts and demand deposits	32,654	28,828
2. Time deposit	56,286	56,635
3. Loans	38,887	43,442
3.1 Repurchase agreements	-	-
3.2 Others	38,887	43,442
4. Liabilities in respect of commitments to repurchase treasury shares	-	-
5. Other amounts due ¹	54,166	57,094
Total	181,993	185,998
<i>Fair value – level 1</i>	-	-
<i>Fair value – level 2</i>	38,675	43,324
<i>Fair value – level 3</i>	143,107	142,556
Total fair value	181,782	185,880

1 Sub-item "Other amounts due" includes funds managed on behalf of third parties to the amount of €54,119 thousand in 2015 and €57,016 thousand in 2014, according to supervisory regulations.

SECTION 3 – DEBT SECURITIES IN ISSUE – ITEM 30

3.1 Debt securities in issue: breakdown by type

Type of transaction/ Amounts	2015			2014				
	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	608,190	-	611,907	-	594,797	-	601,709	
1.1 structured	-	-	-	-	-	-	-	
1.2 others	608,190	-	611,907	-	594,797	-	601,709	
2. Other securities	30	-	30	-	30	-	30	
2.1 structured	-	-	-	-	-	-	-	
2.2 others ¹	30	-	30	-	30	-	30	
Total	608,220	-	611,937	-	594,827	-	601,739	

1 This item is made up of matured but not redeemed certificates of deposit (not cashed in 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 (yield curve) 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 Luxembourg 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.

SECTION 4 – FINANCIAL LIABILITIES HELD FOR TRADING – ITEM 40

4.4 Financial liabilities held for trading (excluding uncovered short positions): annual changes

	Financial trading derivatives
A. Opening balance	709
B. Increases	39
B1. Issues	-
B2. Sales	-
B3. Positive changes in fair value	39
B4. Other changes	-
C. Decreases	204
C1. Purchases	-
C2. Redemptions	-
C3. Negative changes in fair value	202
C4. Other changes	2
D. Closing balance	544

Item "other changes" consists of changes to accrued expenses and deferred income in connection with the said derivatives.

SECTION 8 – TAX LIABILITIES – ITEM 80

See section 13 of Assets.

SECTION 11 – PROVISION FOR SEVERANCE INDEMNITIES – ITEM 110

11.1 Provision for severance indemnities: annual changes

	2015	2014
A. Opening balance	1,546	1,405
B. Increases	3	190
B.1 Provisions for the period ¹	3	5
B.2 Other changes	-	185
C. Decreases	61	49
C.1 Indemnities paid	12	49
C.2 Other changes ²	49	-
D. Closing balance	1,488	1,546

1 The amount corresponds to the provisions shown in table 9.1 "Payroll: breakdown" in part C "Information on the income statement".

2 This item includes the amount of the actuarial gains recognised in the specific equity reserve. In 2014, actuarial losses were recognised under "B.2 Other increases"

SECTION 12 – PROVISIONS FOR RISKS AND CHARGES – ITEM 120

12.1 Provisions for risks and charges: breakdown

Items/amounts	2015	2014
1 Post retirement benefit obligations	-	-
2. Other provisions for risks and charges	971	1,128
2.1 legal disputes	138	92
2.2 personnel expenses	-	150
2.3 others	833	886
Total	971	1,128

12.2 Provisions for risks and charges: annual changes

	Post- retirement benefit obligations	Other funds	Total
A. Opening balance	-	1,128	1,128
B. Increases	-	146	146
B.1 Provisions for the period ¹	-	76	76
B.2 Changes over time	-	0	0
B.3 Changes due to discount rate adjustments	-	-	-
B.4 Other changes ²	-	70	70
C. Decreases	-	303	303
C.1 Use during the period ³	-	300	300
C.2 Changes due to discount rate adjustments	-	-	-
C.3 Other changes ⁴	-	3	3
D. Closing balance	-	971	971

1 This amount relates to the provision for legal disputes underway.

2 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 of the By-laws.

3 This amount is made up of €123 thousand for donations as for article 21 of the By-laws, for €150 thousand in provision to fund the personnel incentive scheme and for €28 thousand for the payment for a legal dispute that was settled against the Bank.

4 The amount related to the write-back on the provision for a legal dispute that was settled in favour of the Bank.

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.

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 transactions	Total 1st half 2015	Total 1st half 2014
1 Financial assets held for trading					
2 Financial assets available for sale	791			791	2,998
3 Financial assets held to maturity					
4 Loans and advances to banks		397		397	1,089
5 Loans and advances to customers	38	17,134		17,172	18,876
6 Financial assets at fair value					
7 Hedging derivatives					
8 Other activities					
Total	829	17,531		18,360	22,963

Changes in connection with interest income – against the comparison accounting period (1st half of 2014) – are shown in the Report on Operations in the section “Income statement dynamics”, to which reference is made.

We also state that:

- Interest income on debt securities consist of:
 - paid coupons of bonds issued by non-banking concerns (see item “loans and advances to customers”) that the Bank purchased for the purpose of financing the issuers and hence classified as credits;
 - paid coupons of government bonds and bonds issued by banks (see item “assets available for sale”) purchased by the Bank with the intention of using them as collateral for loans by the European Central Bank and the securitisation operation started in 2009.
 Their balances are shown on tables 6.1 and 7.1 of Part B – Sections 6 and 7 respectively.
- 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.

1.4 Interest expense and similar charges: breakdown

Items/Technical Forms	Debits	Securities ¹	Other transactions	Total 1st half 2015	Total 1st half 2014
1. Amounts due to central bank	125			125	521
2. Due to banks	2,139			2,139	2,890
3. Due to customers	1,385			1,385	1,586
4. Debt securities in issue		6,911		6,911	7,711
5. Financial liabilities held for trading					-
6. Financial liabilities at fair value					-
7. Other liabilities					-
8. Hedging derivatives					-
Total	3,649	6,911	-	10,560	12,708

Changes in interest expense – against the comparison accounting period (1st half of 2014) – are shown in the Report on Operations in the section “Income statement dynamics”, to which reference is made.

We also state that:

- Interest expense accrued on securities relates to the bonds issued by the Bank and classified under item 30. (fourth line) of the liabilities side of the Statement of Financial Position.

SECTION 2 - FEES & COMMISSIONS – ITEMS 40 & 50

2.1 Commission income: breakdown

Type of service/Amount	1st half 2015	1st half 2014
a) guarantees issued	7	3
b) credit derivatives	-	-
c) management, brokerage and consultancy services:	-	25
8. consultancy	-	25
8.1 investments	-	-
8.2 structured finance	-	25
d) collection and payment services	1	0
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	1,231	707
Total	1,239	735

Changes in the individual components against the comparison accounting period (1st half of 2014) – are shown and explained in the Report on Operations in the section "Income statement dynamics", to which reference is made.

1 This item is mainly made up of various commissions on loans granted for €703 thousands and of commissions for corporate finance activities for €517 thousands.

2.3 Commission expense: breakdown

Services/Amounts	1st half 2015	1st half 2014
a) guarantees received ¹	48	698
b) credit derivatives	-	-
c) management and brokerage services:	7	10
4. safekeeping and administration of securities	7	10
d) collection and payment services	1	1
e) other services	48	66
Total	104	775

Changes in the individual components against the comparison accounting period (1st half of 2014) – are adequately shown and explained in the Report on Operations in the section "Income statement dynamics", to which reference is made.

1 This item is largely made up from commissions paid to the Bank of Italy for the guarantee on bonds issued by the Bank for a value of €26 thousand in 2015 and €688 thousand in 2014.

SECTION 3 – DIVIDENDS AND SIMILAR INCOME – ITEM 70

Items/Income	1st half 2015		1st half 2014	
	dividends	Income from investments in UCITS	dividends	Income from investments in UCITS
A. Financial assets held for trading	-	-	-	-
B. Financial assets available for sale	67	-	83	-
C. Financial assets at fair value	-	-	-	-
D. Equity investment	-	-	-	-
Total	67	-	83	-

SECTION 4 – NET TRADING INCOME – ITEM 80

Transactions/Income items	Capital gains (A) ¹	Trading profits (B) ²	Capital losses (C) ³	Trading losses (D) ⁴	Net result [(A+B) - (C+D)]
1. Financial assets held for trading	-	-	-	-	-
2. Financial liabilities held for trading	-	-	-	-	-
3. Other financial assets and liabilities: exchange differences					0
4. Derivatives	243	35	220	30	28
4.1 Financial derivatives:	243	35	220	30	28
- On debt securities and interest rates	243	35	220	30	28
- On equity securities and share indices					
- On currencies and gold					
- Other					
4.2 Credit derivatives					
Total	243	35	220	30	28

- 1 The item "Capital gains" includes negative fair value changes at 30 June 2015, accrued on IRS classified as "held for trading" for €5 thousand, the positive fair value changes on Cap options purchased by customers for €41 thousand and the negative fair value changes on Cap options sold to customers for €197 thousand.
- 2 The item "Trading gains" includes premiums received in relation to Cap options sold to customers.
- 3 The item "Capital losses" includes negative fair value changes accrued on Cap options bought by banks for €181 thousand and the positive fair value changes on Cap options sold to customers for €39 thousand.
- 4 The item "Trading losses" includes premiums paid in relation to Cap options bought from banks for €25 thousand and negative differentials accrued on swap contracts classified as "held for trading" (Circular of the Bank of Italy 262/2005 chapter 2 – paragraph 3) for €5 thousand.

SECTION 6 – GAINS (LOSSES) ON DISPOSAL/REPURCHASE – ITEM 100

Items/Income items	2015			2014		
	Gains	Losses	Net result	Gains	Losses	Net result
Financial assets						
1. Loans and advances to banks	-	-	-	-	-	-
2. Loans and advances to customers	-	-	-	137	-	137
3. Financial assets available for sale	3,890	-	3,890	5,981	-	5,981
3.1 Debt securities ¹	2,437	-	2,437	5,848	-	5,848
3.2 Equity securities ²	1,453	-	1,453	133	-	133
3.3 Investments in UCITS	-	-	-	-	-	-
3.4 Loans	-	-	-	-	-	-
4. Financial assets held to maturity	-	-	-	-	-	-
Total assets	3,890	-	3,890	6,118	-	6,118
Financial liabilities						
1. Due to banks				-	-	-
2. Due to customers				-	-	-
3. Debt securities in issue				-	-	-
Total liabilities				-	-	-

- 1 The amounts recorded under item 3.1. of the financial assets relate to the gain realised on the sale of Government securities.
- 2 The amounts recorded under item 3.2. of the financial assets relate to the gain realised on the disposal of the investee company Piteco S.p.A. for €1.445m and on the sale of the rights to subscribe shares and warrants of Aedes S.p.A. for €8 thousand.

SECTION 8 – NET IMPAIRMENT ADJUSTMENTS – ITEM 130

8.1 Net value adjustments for impairment of loans: breakdown

Transactions/Income items	Adjustments (1)			Write-backs (2)				Total 2015	Total 2014
	Specific			Specific ¹		Portfolio			
	Write-offs	Other	Portfolio ²						
				A	B	A	B		
A. Loans and advances to banks	-	-	-	-	-	-	-	-	-
- loans	-	-	-	-	-	-	-	-	-
- debt securities	-	-	-	-	-	-	-	-	-
B. Loans and advances to customers	(27)	(11,051)	(755)	1,855	3,734	-	-	(6,244)	(7,665)
Purchased impaired loans									-
- loans									-
- debt securities									-
Other loans	(27)	(11,051)	(755)	1,855	3,734	-	-	(6,244)	(7,665)
- loans	(27)	(11,051)	(755)	1,855	3,734	-	-	(6,244)	(7,665)
- debt securities									-
C. Total	(27)	(11,051)	(755)	1,855	3,734	-	-	(6,244)	(7,665)

Legend

A= from interests

B= other write-backs

- 1 The total value of specific write-backs equals €5,588 thousand which differs from the sum of the value reported in the Report on Operations in the section devoted to the dynamics of the income statement, Table "Details of item 130. Net impairment adjustments" under item "Analytical valuation – write-backs" (€4,012 thousand) e "Collections from transactions concluded in prior periods" (€15 thousand) and for €1,561 thousand related to portfolio write-backs on impaired loans which is shown under "Write-backs - portfolio - other" (in compliance with the provisions of Circular 262/2005 by the Bank of Italy).
- 2 The total amount shown under item "Loans and advances to customers – loans – portfolio adjustments" (€755 thousand) net of the transfer of -€1,561 thousand described in note 1, differs from what is displayed in the Report on operations in the section devoted to the dynamics of the income statement, Table "Details of item 130. Net impairment adjustments" – portfolio - net effect (€803 thousand of write-backs) - we refer to the amount shown in the column "net effect" because in the table shown in the Report on operations portfolio adjustments/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 - for €3 thousand related to the net portfolio adjustments to impaired loans as shown in the Circular 262/2005 by the Bank of Italy were recognised under "Adjustments - specific - other".

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

Transactions/Income items	Adjustments (1)		Write-backs (2)		Total 1st half 2015 (3)=(1)-(2)	Total 1st half 2014 (3)=(1)-(2)
	Specific		Specific			
	Write-offs	Other	A	B		
A. Debt securities						-
B. Equity securities		(28)			(28)	(139)
C. Investments in UCITS		(113)			(113)	(147)
D. Loans and advances to banks						
E. Loans and advances to customers						
F. Total		(141)			(141)	(286)

Legend

A= from interests

B= other write-backs

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

Transactions/Income items	Adjustments (1)			Write-backs (2)				Total 1st half 2015 (3)= (1)-(2)	Total 1st half 2014 (3)= (1)-(2)
	Specific			Specific		Portfolio			
	Write-offs	Other	Portfolio	A	B	A	B		
A. Guarantees issued			(1)					(1)	1
B. Credit derivatives									
C. Commitments to disburse funds									
D. Other assets									
E. Total	-	-	(1)					(1)	1

Legend

A= from interests

B= other write-backs

SECTION 9 – ADMINISTRATIVE COSTS – ITEMS 150

9.1 Payroll: breakdown

Type of expenses/Amounts	Total 1st half 2015	Total 1st half 2014
1) Employees	3,277	3,142
a) wages and salaries	2,263	2,198
b) social insurance	603	593
c) severance indemnities ¹	126	121
d) social security contributions		
e) provision for severance indemnities	3	3
f) provision for post-retirement benefits and other obligations:		
- defined contribution		
- defined benefit		
g)) payments to external supplementary pension funds:	78	75
- defined contribution ²	78	75
- defined benefit		
h) costs deriving from payment agreements based on own capital instruments		
i) other employee benefits	204	152
2) Other personnel currently employed		
3) Directors and Auditors	277	232
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	3,554	3,374

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

2 This amount includes contributions to the supplementary pension schemes.

9.2 Average number of employees by category¹

	Total 1st half 2015	Total 1st half 2014
Employees:	75	73
a) executives	3	3
b) total managers	38	34
- of which: 3rd and 4th level	20	19
c) remaining employees	34	35
Other personnel	-	-

1 The annual average is obtained by calculating the average number of 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 1st half 2015	Total 1st half 2014
Employees:	79.9	78.0
a) executives	3.0	3.0
b) total managers	38.5	35.6
- of which: 3rd and 4th level	20.0	19.0
c) remaining employees	38.4	39.4
Other personnel	-	-

9.4 Other employee benefits

	1st half 2015	1st half 2014
Lunch vouchers	36	35
Insurance policies	69	70
Training courses and travel expenses	25	24
Benefits in kind	10	10
Costs for early termination of employment	50	-
Other short term benefits	14	13
Total	204	152

9.5 Other administrative costs: breakdown

	Total 1st half 2015	Total 1st half 2014
1. IT costs	308	304
- outsourcing costs	207	201
- Other EDP (Electronic Data Processing) costs	101	103
2. Property related expenses	206	229
a) rental expenses	59	61
- <i>property rental expenses</i>	59	61
b) other expenses	147	168
- <i>office cleaning</i>	40	48
- <i>building service charges</i>	11	24
- <i>maintenance and repair costs</i>	13	18
- <i>electricity, heating, water</i>	42	38
- <i>motor vehicles maintenance</i>	41	40
3. Purchase of non-professional goods and services	166	162
- books, magazines, subscriptions	18	20
- information and cadastral services	39	39
- stationery, printing supplies, storage mediums	2	6
- databases and value-added networks	45	31
- surveillance	44	42
- post and telephones	18	24
4. Purchase of professional services	376	566
- legal and procedural costs	206	301
- professional fees	170	265
5. Insurance premiums	16	19
- other insurance policies	16	19
6. Advertising expenses	112	105
- advertising and sponsorships	107	99
- entertainment and gifts	5	6
7. Indirect taxes and duties	53	44
- local tax on real estate	28	28
- registration tax and dues	9	8
- other taxes and duties (advertising, occupation of public property)	16	8
8. Other	158	162
- subscriptions and memberships ¹	112	116
- other expenses	46	46
Total	1,395	1,591

1 It is mainly due to the subscription to ABI (Italian Bank Association), 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 1st half 2015	Total 1st half 2014
Provision for employee incentive system	-	(75)
Provisions for legal risks	(74)	(28)
Total	(74)	(103)

Contingent liabilities

On 2 July 2015, the Italian Parliament approved the Government Delegation Law to adopt Directive no. 2014/59/EU, called Bank Recovery and Resolution Directive (BRRD) and aimed at banks and investment companies, and Directive no. 2014/49/EU on Deposits Guarantee Schemes (DGS). More specifically, these directives envisage the setting up of two funds: a single resolution fund (SRF) for the BRRD and a fund to guarantee the reimbursement of depositors for the DGS. In the adoption process, no provision was made against risks for potential amounts to pay into these funds, estimated in €483 thousand for the year 2015.

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. Property, plant and equipment				
A.1 Owned	(329)			(329)
- For operational use	(329)			(329)
- For investments				
A.2 Purchased under finance lease				
- For operational use				
- For investments				
Total	(329)			(329)

SECTION 12 – NET ADJUSTMENTS TO INTANGIBLE ASSETS – ITEM 180

12.1 Net adjustments to intangible assets: breakdown

Assets/Income items	Amortisation (a)	Impairment adjustments (b)	Write-backs (c)	Net result (a + b - c)
A. Intangible assets				
A.1 Owned	(48)			(48)
- Generated internally by the company				
- Others	(48)			(48)
A.2 Purchased under finance lease				
Total	(48)			(48)

SECTION 13 – OTHER OPERATING CHARGES/INCOME – ITEM 190

13.1 Other operating charges/income: breakdown

	1st half 2015	1st half 2014
Securitisation costs refunded to the SPV company	(175)	(224)
SPV on-going operating expenses	(59)	(62)
Depreciation of leasehold improvement	(0)	(3)
Sundry operating expenses	(0)	(8)
Total	(234)	(297)

13.2 Other operating income: breakdown

	1st half 2015	1st half 2014
Recovery of legal expenses	173	232
Tax refund/recovery	19	10
Servicer commission income in relation to securitisation	175	224
Other income	40	39
Total	407	505

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

Income items/Amounts	1st half 2015	1st half 2014
A. Income	-	3
1. Write-ups	-	-
2. Gain on disposal	-	-
3. Write-backs	-	3
4. Other positive changes	-	-
B. Charges	(66)	(13)
1. Write-downs ¹	(66)	(13)
2. Adjustments due to impairment	-	-
3. Loss on disposal	-	-
4. Other negative changes	-	-
Net result	(66)	(10)

1 Losses recorded because of the application of the equity method to the valuation of equity investments refer entirely to the affiliated company Biorendena S.p.A. (€4 thousand) and subsidiary Paradisidue Srl (€62 thousand).

SECTION 18 – INCOME TAXES ON CURRENT OPERATIONS – ITEM 260

Items/Amounts	Total 1st half 2015	Total 1st half 2014
1. Current taxes (-)	(372)	(1,789)
2. Change in current taxes of previous periods (+/-)	-	-
3. Decrease in current taxes of the period(+)	-	-
4. Change in deferred tax assets (+/-)	+397	+343
5. Change in deferred tax liabilities (+/-)	-	+137
6. Income taxes for the period (-) (-1+/-2+3+/-4+/-5)	25	(1,309)

PART D

COMPREHENSIVE INCOME

ANALYTICAL STATEMENT OF COMPREHENSIVE INCOME

Items	Gross amount	Tax	Net amount
10. INCOME (LOSS) FOR THE YEAR			1,276
Other comprehensive income without reversal to income statement			
40. DEFINED BENEFIT PLANS	49	(14)	36
Other comprehensive income with reversal to income statement			
100. FINANCIAL ASSETS AVAILABLE FOR SALE:	(1,872)	432	(1,440)
a) fair value changes	(729)	243	(486)
b) reversal to income statement	(1,143)	189	(954)
- adjustments due to impairment	-	-	-
- capital gains/losses	(1,143)	189	(954)
c) other changes	-	-	-
130. TOTAL OTHER INCOME COMPONENTS	(1,823)	419	(1,404)
140. TOTAL COMPREHENSIVE INCOME (Item 10+130)			(128)

PART E

INFORMATION ON RISKS AND RELATED HEDGING POLICY

SECTION 1 – CREDIT RISK

QUALITATIVE INFORMATION

Compared to the information provided in the financial statements as at 31 December 2014, no significant events occurred in the first half of the year that are worth mentioning; reference is made to the paragraph “Impaired loans and country risk”.

However, we point out that at the date of these half-yearly condensed financial statements the Bank was not exposed either directly or indirectly to the credit products of the ABS (Asset Backed Securities) and CDO (Collateralised Debt Obligation) type linked to sub-prime and Alt-A loans or to financial products that the market perceives as risky.

QUANTITATIVE INFORMATION

A. CREDIT QUALITY

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

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

Portfolio/quality	Impaired assets			Other activities			Total (net exposure)
	Gross exposure	Specific adjustments	Net exposure	Gross exposure	General portfolio adjustments	Net exposure	
1. Financial assets held for trading						557	557
2. Financial assets available for sale				143,967		143,967	143,967
3. Financial assets held to maturity							
4. Loans and advances to banks				62,469	38	62,431	62,431
5. Loans and advances to customers	229,797	71,298	158,499	1,023,695	6,665	1,017,030	1,175,528
6. Financial assets at fair value							
7. Financial assets to be sold							
8. Hedging derivatives							
Total 2015	229,797	71,298	158,499	1,230,131	6,703	1,223,984	1,382,483
Total 2014 ¹	223,236	66,426	156,810	1,559,387	6,110	1,553,972	1,710,782

1 The amounts related to 2014 were reclassified according to the new categories of impaired loans. See the transition matrix provided in the heading of tables A.1.7 and A.1.8 in Part E.

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

Type of exposure/Amounts	Gross exposure	Specific adjustments	General portfolio adjustments	Net exposure
A. BALANCE SHEET EXPOSURES				
a) Doubtful loans	-	-		-
b) Unlikely to pay	-	-		-
c) Past due exposures	-	-		-
d) Other assets	83,887		38	83,849
<i>of which Financial assets available for sale</i> ¹	21,418		-	21,418
<i>Loans and advances to banks</i>	62,469		38	62,431
TOTAL A	83,887	-	38	83,849
B. OFF-BALANCE SHEET EXPOSURES				
a) Impaired				
b) Other	1,609		-	1,609
<i>Of which derivatives</i>	557	-	-	557
<i>Guarantees issued</i> ²	1,052	-	-	1,052
TOTAL B	1,609	-	-	1,609

1 This refers to bank bonds eligible for ECB refinancing. For details please refer to the report on operations chapter "The securities portfolio".

2 The item also includes €18 thousand paid to the Interbank Deposit Protection Fund for estimated interventions not yet approved; this amount is represented amongst loans and advances to banks in compliance with the provisions of the Bank of Italy Circular no. 262/2005 § 2.7.25.

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

Type of exposure/Amounts	Gross exposure	Specific adjustments	General portfolio adjustments	Net exposure
A. BALANCE SHEET EXPOSURES				
a) Doubtful loans	144,147	55,913		88,234
b) Unlikely to pay	65,299	14,999		50,299
c) Past due exposures	20,351	385		19,966
d) Other assets	1,146,244		6,665	1,139,579
<i>Of which Loans and advances to customers</i>	1,023,695		6,665	1,017,030
<i>Financial assets available for sale</i> ¹	122,549		-	122,549
TOTAL A	1,376,041	71,298	6,665	1,298,078
B. OFF-BALANCE SHEET EXPOSURES				
a) Impaired	156			156
b) Other	8,902		6	8,897
<i>Of which commitments</i>	7,844		6	7,844
<i>Guarantees issued</i>	1,058		6	1,052
TOTAL B	9,059	-	6	9,053

1 These are securities issued by the Italian Government eligible for ECB refinancing. For details please refer to the report on operations chapter "The securities portfolio".

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

Sources/Categories	Doubtful loans	Unlikely to pay	Past due exposures	Substandard loans	Restructured exposures
A. Closing balance 2014	133,563	-	10,854	68,863	15,424
Reclassified to performing loans				(2,769)	(2,698)
Reclassified to other categories of impaired exposures				(66,094)	(12,725)
Reclassified to other impaired categories		72,472	6,347	-	-
A. Opening balance 2015	133,563	72,472	17,201	-	-

Sources/Categories	Doubtful loans	Unlikely to pay	Past due exposures
A. Opening balance	133,563	72,472	17,201
- of which: exposures sold and not de-recognised	-	-	-
B. Increases	15,358	8,939	8,333
B.1 transfers from performing loans	-	5,478	7,800
B.2 transfers from other categories of impaired exposures	14,607	2,575	-
B.3 other increases ¹	751	886	533
C. Decreases	4,774	16,112	5,183
C.1 transfers to performing loans	118	-	1,899
C.2 derecognitions	756	35	-
C.3 collections ¹	3,893	1,252	700
C.4 sale proceeds	-	150	-
C.4.bis losses on disposal	-	4	-
C.5 transfers to other categories of impaired exposures	-	14,607	2,575
C.6 other decreases	7	64	9
D. Closing balance	144,147	65,299	20,351
- of which: exposures sold and not de-recognised	-	-	-

1 The column doubtful loans also includes €15 thousand related to cashing in of doubtful loans expired in the previous year as directed by the Bank of Italy (Letter "Budget and Supervision reports" - February 2012).

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

Sources/Categories	Doubtful loans	Unlikely to pay	Past due exposures	Substandard loans	Restructured exposures
A. Closing balance 2014	51,094	-	105	12,160	3,223
Reclassified to performing loans				(11)	(145)
Reclassified to other categories of impaired exposures				(12,149)	(3,078)
Reclassified to other impaired categories		15,166	61	-	-
A. Opening balance 2015	51,094	15,166	166	-	-

Sources/Categories	Doubtful loans	Substandard loans	Past due exposures	Performing loans
A. Opening balance	51,094	15,166	166	6,072
- of which: exposures sold and not de-recognised	-	-	-	-
B. Increases	8,024	4,526	326	720
B.1 value adjustments	6,247	4,504	326	720
B.1bis losses on disposal	-	-	-	-
B.2 transfers from other categories of impaired exposures	1,762	22	-	-
B.3 other increases ¹	15	-	-	-
C. Decreases	3,205	4,693	107	127
C.1 write-backs from valuations	2,373	2,890	85	127
C.2 write-backs from collections ¹	76	2	-	-
C.2bis gains on disposal	-	-	-	-
C.3 derecognitions	756	35	-	-
C.4 transfers to other categories of impaired exposures	-	1,762	22	-
C.5 other decreases	-	4	-	-
D. Closing balance	55,913	14,999	385	6,665
Losses due to below market rates	-	-	-	-
Total net credit adjustments	3,798	1,612	241	593
				6,244 ²

1 The column doubtful loans includes €15 thousand related to cashing in of doubtful loans expired in the previous year as directed by the Bank of Italy (Letter "Budget and Supervision reports" - February 2012).

2 The amount corresponds to the amount in table 8.1 part C.

SECTION 2 – MARKET RISK

Compared to the information provided in the financial statements as at 31 December 2014, no significant events occurred in the first half of the year that are worth mentioning except for the ongoing application of the management policies for the securities eligible for refinancing with the European Central Bank, which reduced significantly. The interest rate risk, measured by the duration indicator, decreased significantly compared to the percentage shown in the financial statements for 2014 (from 4.17 to 0.76) as a result of the fixed rate procurement policy. The banking portfolio price risk showed a parametric VaR (99% at 10 days) amounting to €1.1m (€1.4m as at 31 December 2014). The VaR, expressed as a percentage of the value of the portfolio, was 0.8% and stood at a clearly lower level than the average one of the banking system (2.2%).

SECTION 3 – LIQUIDITY RISK

The analysis of the liquidity position as at 30 June 2015 shows a positive net short-term interbank financial position of €7.2m, deriving from current accounts and debit deposits for €25.2m and from current accounts and credit deposits for €32.4m.

To support the monitoring and management of the liquidity risk the Bank applies the procedures described in the financial statements as at 31 December 2014, to which reference is made, and avails itself of the A&LM instrument that produces the status of the short and medium-term financial need (maturity ladder). Taking the second half of 2015 as time span, it is estimated that the financial need will be around €67m, whose coverage is guaranteed by the funding activity and also by the availability of liquid assets readily available.

Disclosure on balance sheet assets pledged as a guarantee

Technical form	Pledged		Not Pledged		Total 2015	Total 2014
	Book value	Fair value	Book value	Fair value		
1. Cash and cash equivalents	-	-	5	-	5	6
2. Debt securities	68,046	68,046	78,039	78,232	146,085	360,591
3. Equity securities	-	-	7,339	7,339	7,339	9,523
4. Loans ¹	371,168	-	864,673	-	1,235,841	1,349,495
5. Other financial assets	-	-	6,225	-	6,225	6,008
6. Non-financial assets	-	-	10,635	-	10,635	10,878
Total 2015	439,214	68,046	966,916	85,571	1,406,130	
Total 2014	741,318	248,390	995,183	121,828		1,736,501

1 In addition to the loans pledged as guarantees for liabilities, loans also include assets sold to the SPV and not derecognised from the balance sheet to €121.4m (€138.9m in 2014).

Disclosure on off-balance sheet own assets pledged as a guarantee

Technical form	Pledged	Not Pledged	Total 2015	Total 2014
1. Financial assets	75,970	68,396	144,366	218,789
- Securities	75,970	68,396	144,366	218,789
- Others	-	-	-	-
2. Non-financial assets	-	-	-	-
Total 2015	75,970	68,396	144,366	
Total 2014	150,393	68,396		218,789

Pledged assets include the senior securities from the securitisation transactions; non-pledged securities include the junior securities.

Eurosystem credit operations

The Bank has entered into three liability-funding operations with ECB for a total face value of €164.5m, guaranteed by securities classified as financial assets available for sale (Table 2. Item 2.), in addition to other securities not reported in the statement of financial position, of which:

- €67.1m for a transaction concluded on 17/12/2014 (minimum and maximum expiry 29/09/2016 and 26/09/2018 respectively²⁷);
- €77.4m for a transaction concluded on 25/03/2015 (minimum and maximum expiry 29/09/2016 and 26/09/2018 respectively²⁷);
- €20.0m for a transaction concluded on 24/06/2015 (expiry 01/07/2015).

According to the requirements of IFRS 7 § 14, we state that:

- a) With the above mentioned contracts, the Bank has transferred the securities used as a guarantee in the property of Cassa Centrale Banca. Such securities, with their full value and related appurtenances, act as full guarantee for the funding, and any other amounts due to Cassa Centrale Banca 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 for the specific activities, as well as an additional haircut defined Cassa Centrale Banca, which acts as a broker.

Own liabilities guaranteed by securities not reported in the statement of financial position

At the year's end, the Bank has €76.0m in securities that are not reported in the statement of financial position filed with the Bank of Italy. Such securities serve in part as a guarantee for the €164.5m financing (see paragraph "Eurosystem credit operations" for details).

Own liabilities guaranteed by loans to customers

At the year's end, the Bank has filed with the Bank of Italy, through the ABACO procedure, €323.6m in a loan portfolio, such loans serve in part as a guarantee for the €164.5m financing (see paragraph "Eurosystem credit operations" for details).

Own liabilities guaranteed by loans to customers

The Bank has entered into several contracts of assignment of debts (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 €15.6m in relation to the contract signed on 28 November 2005 and to €27.8m 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 it is 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 credit disposal amounts to at least 110% of the loan liabilities to the EIB, from time to time remaining as the result of principal payments made by the Bank under the loan contract itself;
 1. according to the contract signed on 28 November 2005, the assignment of debts would take effect only in the case of a default from the Bank to fulfil its obligations to the EIB arising from

²⁷ This transaction is one of the so-called targeted refinancing operations (TLTRO) which includes the obligation for the borrower of a partial or total early repayment when specific conditions no longer apply.

the said loan contract (which is recorded under the liabilities side of the Statement of Financial Position of the Bank); the contracts of assignment of debts are therefore "subject to condition precedent";

2. according to the contract signed on 9 December 2008 the assignment 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 granted the Bank a mandate for the management of the assigned receivables. The credit risk remains with the Bank and, unless the Bank defaults, the credits will be automatically transferred back to the Bank ownership at the time of their withdrawal.

In November 2012, the Bank obtained a new placement of €50m by the EIB, against which a first contract for €16m has been signed and fully utilised. Such a contract will be guaranteed by the sale of receivables due to Mediocredito from the final beneficiaries.

According to the requirements of IFRS 7 § 14, we state that:

- a. the book value of the financial assets pledged as collateral amounted to €12.0m;
- b. with the contract referred to above, the Bank transferred irrevocably without recourse to the European Investment Bank, the claims of any nature against the final beneficiaries, to guarantee the full and punctual fulfilment of all the obligations of a pecuniary nature entered into by the Bank under the loan agreement with the EIB. The credit disposal amounts to at least 100% of the loan liabilities to the EIB, from time to time remaining as the result of principal payments made by the Bank under the loan contract itself;

The contract provides that (for the exclusive purpose of guarantee) the effectiveness of the supply of credit is immediate and remains valid until the full and complete performance of the obligations guaranteed. The EIB has also granted the Bank a mandate for the management of the assigned receivables. The credit risk remains with the Bank and, unless the Bank defaults, the credits will be automatically transferred back to the Bank ownership at the time of their withdrawal.

In July 2013, a second contract for the remaining €34m was signed, secured by a surety from the Autonomous Region of Trentino-South-Tyrol. The contract has been spent for €20m. The surety from the Autonomous Region of Trentino-South Tyrol is counter-secured by the sale without recourse of the amounts due to Mediocredito from the final beneficiaries.

According to the requirements of IFRS 7 § 14, we state that:

- a. the book value of the financial assets pledged as collateral amounted to €16.3m;
- b. through the aforesaid guarantee contract the Bank sold without recourse to the Autonomous Region of Trentino-South Tyrol the amounts of any nature, including reimbursement or repayment, owned by the final beneficiaries on the basis of the loan agreement that benefits from the EIB resources and of the related guarantee by the Region.

In accordance with the agreement, the effectiveness of the assignment of the loan is dependent on the actual disbursement by the Region of a payment in favour of EIB.

In March 2013, the Bank signed an agreement with Cassa Depositi e Prestiti for the granting of one or several loans on a ceiling amount to be used for granting loans to SMEs. Loans for a residual amount of €22.6m had been granted as at 30 June 2015.

These loans will be guaranteed by the sale without recourse of receivables due to Mediocredito from the final beneficiaries.

According to the requirements of IFRS 7 § 14, we state that:

- a. the book value of the financial assets pledged as collateral amounted to €22.8m;

- b. by signing the above mentioned contract, the Bank transferred without recourse to Cassa Depositi e Prestiti its future credit rights, of any nature, and any other advantageous legal position in relation to these credit rights towards Assigned Debtors and Guarantors regarding these credits.
- The contract provides that (for the exclusive purpose of guarantee) the effectiveness of the supply of credit is immediate and remains valid until the full and complete performance of the obligations guaranteed. The CDP has also granted the Bank a revocable mandate for the management of the assigned receivables. The credit risk remains with the Bank and, unless the Bank defaults, the credits will be automatically transferred back to the Bank ownership at the time of their withdrawal.

SECTION 4 – OPERATIONAL RISKS

Compared to the information provided in the financial statements as at 31 December 2014, no significant events occurred in the first half of the year that are worth mentioning.

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, reserves from actuarial profit/loss related to defined benefit pension plans (severance indemnities) and those 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 Supervisory Authority.

B. QUANTITATIVE INFORMATION

B.1 Equity: breakdown

Items/amounts	2015	2014
1. Capital stock	58,485	58,485
2. Additional paid-in capital	29,841	29,841
3. Reserves	94,791	94,712
- profits	94,791	94,712
a) legal	19,093	19,021
b) statutory	54,107	54,100
c) treasury shares	-	-
d) other	21,591	21,591
- others	-	-
4. Equity instruments	-	-
5. (Treasury shares)	-	-
6. Valuation reserves	4,336	5,740
- Financial assets available for sale	448	1,887
- Property, plant and equipment	-	-
- Intangible assets	-	-
- Hedges of foreign investments	-	-
- Cash flow hedges	-	-
- Exchange differences	-	-
- Non-current assets classified as held for sale	-	-
- Actuarial gains (losses) on defined benefits plans	(430)	(466)
- Valuation reserves from investments accounted for using the equity method	-	-
- Special revaluation laws	4,318	4,318
7. Profit (loss) for the year	1,276	1,386
Total	188,729	190,164

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

Items/Amount	2015		2014	
	Positive reserve	Negative reserve	Positive reserve	Negative reserve
1. Debt securities	37	395	441	38
2. Equity securities	954	192	1,564	192
3. Investments in UCITS	174	130	211	99
4. Loans	-	-	-	-
Total	1,165	717	2,216	329

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

	Debt securities	Equity securities	Investments in UCITS	Loans
1. Opening balance	403	1,372	112	-
2. Positive changes	-	31	-	-
2.1 Fair value increases	-	31	-	-
2.2 Reclassification through profit or loss of negative reserves	-	-	-	-
- due to impairment	-	-	-	-
- following disposal	-	-	-	-
2.3 Other changes	-	-	-	-
3. Negative changes	760	642	69	-
3.1 Fair value decreases	448	-	69	-
3.2 Adjustments due to impairment	-	-	-	-
3.3 Reclassification through profit or loss of positive reserves:				
following disposal	312	642	-	-
3.4 Other changes	-	-	-	-
4. Closing balance	(357)	762	43	-

B.4 Valuation reserves relating to defined benefit plans: annual changes

	2015	2014
A. Opening balance	(466)	(332)
B. Increases	36	-
B.1 Actuarial losses	36	-
C. Decreases	-	134
C.1 Actuarial gains	-	134
D. Closing balance	(430)	(466)

SECTION 2 - OWN FUNDS REQUIREMENTS

Own fund requirements were resolved by the Board of Directors on 31 July 2015 and subsequently disclosed to the Bank of Italy by 11 August 2015 in application of the supervisory regulations.

2.1 OWN FUNDS

A. Qualitative information

1. Common Equity Tier 1 (CET1)

Mediocredito's Tier 1 capital consists of the share capital (€58.485m), additional paid-in capital (€29.841m), 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 €99.1m.

It includes also the valuation reserves related to the equity securities, the investments in UCITS and just the debt securities issued by banking counterparties classified as available for sale amounting to €0.829m (positive) and the actuarial gains/losses on defined benefit plans amounting to €430 thousand (negative).

This is adjusted to take into account negative elements due to intangible assets (€151 thousand), value adjustments due to the requirements for prudent valuation (€15 thousand), fair value change in cap derivatives sold to customers attributable to the change in our creditworthiness (€18 thousand) and the impact of the rules for the interim period 2014-2017 (€498 thousand). The latter item refers entirely to the 60% deduction of the valuation reserves related to equity securities, investments in UCITS and just the debt securities issued by banking counterparties classified as available for sale.

2. Additional Tier 1 capital (AT1)

The financial structure of the Bank does not reveal elements that need to be included in the Additional Tier 1 capital.

3. Tier 2 capital (T2)

Tier 2 capital amounts to €249 thousand and entirely corresponds to the effects of the rules expected for the transitional period. More specifically, the amount refers to 60% of the valuation reserves of equity securities, investments in UCITS and just the debt securities issued by banking counterparties classified as available for sale and admissible in the Tier 2 capital in accordance with the regulations previously in force²⁸.

²⁸ According to regulations previously in force, valuation reserves of assets included in the available for sale portfolio were accounted for in the Tier 2 capital following the asymmetrical approach which provided for the inclusion of 50% of the capital gains.

B. Quantitative information

	2015	2014
A1. CET 1 before the application of prudential filters	187,835	188,473
of which CET1 instruments subject to transitional provisions	829	1,504
B. Prudential filters of the CET1 (+/-)	-33	-1
C. CET1 gross of the elements to be deducted and of the effects of the transitional regime (A+/- B)	187,802	188,472
D. Elements to be deducted from CET1	+151	+174
E. Transitional regime – Impact on CET1 (+/-)	-498	-1,504
F. Total CET 1 (C-D+/-E)	187,153	186,794
G. AT1 gross of the elements to be deducted and of the effects of the transitional regime	-	-
of which AT1 instruments subject to transitional provisions	-	-
H. Elements to be deducted from AT1	-	-
I. Transitional regime - impact on AT1 (+/-)	-	-
L. Total AT1 (G-H+/-I)	-	-
M. T2 gross of the elements to be deducted and of the effects of the transitional regime	-	-
of which T2 instruments subject to transitional provisions	-	-
N. Elements to be deducted from T2	-	-
O. Transitional regime - Impact on T2 (+/-)	+249	+601
P. Total T2 (M-N+/-O)	+249	+601
Q. Total own funds (F+L+P)	187,402	187,396

On 31 July 2015 the Board of Directors resolved the full distribution of the net profit for the period which, therefore, has not been included in the calculation of the own funds.

2.2 OWN FUNDS REQUIREMENTS

A. Qualitative information

The Own Funds are 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 contribute in determining the "risk-weighted assets" which in turn concur in determining the "solvency ratios", applying the standard methods, as for rules dictated by Basel III;

In details:

- CET1 ratio: CET1 data / risk-weighted assets;
- T1 ratio: Tier 1 capital data / risk-weighted assets;
- Own funds ratio: Own funds data / risk-weighted assets.

At 30 June 2015 these ratios (respectively equal to 17.17%, 17.17% and 17.19%) were more than adequate in relation to the solvency limits set forth by the Supervisory Authority 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.

In the course of May 2015, the Bank prepared and published the disclosure document in accordance with the requirements of Basel 2 Pillar 3, i.e. public disclosure as at 31 December 2014. The disclosures are issued on an annual basis by publishing on the Bank's website (www.mediocredito.it) the information required by Title II "Technical criteria on transparency and disclosure" of Part 8 "Disclosures by entities" of

EU Regulation 575/2013 on the basis of the articles herein included related to information deemed relevant for the Bank.

B. Quantitative information

Category/amounts	Non-weighted amounts		Weighted amounts	
	2015	2014	2015	2014
A. RISK-WEIGHTED ASSETS				
A.1 Credit risk and counterparty risk				
1. Standardised approach	1,470,940	1,810,189	1,043,636	1,095,934
2. Internal ratings-based approach				
2.1 Basic				
2.2 Advanced				
3. Securitisation framework				
B. OWN FUNDS REQUIREMENTS				
B.1 Credit risk and counterparty risk			83,491	87,675
B.2 Credit valuation adjustment risk				
B.3 Settlement risk				
B.2 Market risk				
1. Standardised approach				
2. Internal models				
3. Concentration risk				
B.5 Operational risk				
1. Basic approach			3,713	3,760
2. Standard approach				
3. Advanced approach				
B.6 Other calculation elements				
B.7 Total capital requirements			87,204	91,434
C. RISK-WEIGHTED ASSETS AND CAPITAL RATIOS				
C.1 Risk-weighted assets			1,090,045	1,142,931
C.2 CET1/Risk-weighted assets (CET1 capital ratio)			17.17	16.34
C.3 Tier 1 capital/Risk-weighted assets (Tier 1 capital ratio)			17.17	16.34
C.4 Total own funds/Risk-weighted assets (Total capital ratio)			17.19	16.40

PART H

RELATED PARTY DISCLOSURE

1. INFORMATION ON REMUNERATION OF DIRECTORS AND MANAGERS

The remuneration shown below refers to the Directors and the Management Team (General Managers and Vice Managers, i.e. key management personnel with strategic responsibilities) who held these positions in 2015, as per IAS 24 paragraph 17.

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

	Emoluments and social security contributions	Bonuses and other incentives	Severance indemnities and provident fund
Managers	154,148		
General manager and managers with strategic responsibilities	280,182	20,314	21,988
Statutory Auditors	101,085		

2. RELATED PARTY DISCLOSURES

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

Payables & receivables

Related parties	Assets available for sale	Loans and advances to banks	Loans and advances to customers	Other activities	Due to banks	Due to customers	Debt securities in issue	Derivatives (notional)	Debts
Entities that have joint control and significant influence over the Company	-	59,523	9,473	5,589	1,134	92,110	30,208	611	11
Subsidiary companies			8,239	-					
Affiliated companies									
Joint venture									
Managers with strategic responsibilities			15						
Other related parties									
Total	-	59,523	17,727	5,589	1,134	92,110	30,208	611	11

Loans and advances to banks

It is made up for €29.4m of cash on current accounts and for €30.1m of deposits with Cassa Centrale Banca SpA as the counterparty.

Loans and advances to customers

With regard to the amounts shown in the "Entities that have joint control and significant influence over the Company", these refer to functional operations that are granted to the two Autonomous Provinces.

Under the heading "Subsidiary companies", the value refers to a credit facility granted by the Bank to the subsidiary Paradisidue srl (based in Trento - Via Paradisi 2, CF 01856850225), for the functional acquisition and renovation of properties in the context of a bankruptcy proceeding. The loan was granted for €9.0m with a revoked maturity at Euribor 1M.

Other activities

It is mostly related to illiquid assets in a bank account with Cassa Centrale Banca for €5.6m.

Due to banks

It is made up of currency deposits.

Due to customers

Consists of €48.2m of deposits from a company functional to the Autonomous Province of Trento and for €43.9m of the funds of the Autonomous Province of Bolzano in administration.

Debt securities in issue

It is our own bond issues signed by a company functional to the Autonomous Province of Trento.

Derivatives

This is one swap contract written in the Statement of Financial Position at a negative fair value of €6 thousand and a cap contract with positive fair value of €5 thousand.

Costs and revenues

Related parties	Interest income	Commission income	Dividends/ other revenues	Interest expense	Commission expense	Trading expenses	Other expenses
Entities that have joint control and significant influence over the Company	252	3	3	1,711	23	-	13
Subsidiary companies	19						
Affiliated companies							
Joint venture							
Managers with strategic responsibilities	0						
Other related parties							
Total	271	3	3	1,711	23	-	13

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.

In addition, the Autonomous Provinces of Trento and Bolzano provide a surety in the Bank's interest in favour of EIB to the amount of €2.024m; the Bank pays a commission every six months to both Provinces equal to 0.08% per year.

The Autonomous Region of Trentino-South Tyrol provides further surety on behalf of the Bank to the EIB for €20.0m; the Bank pays a commission of 0.4% per annum to the Region.

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, based on 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 by geographical segmentation and the secondary reporting basis is by business segmentation. Less significant data is also reported to respect the managing and reporting process.

Segment results and segment assets are determined based on the following principles:

- Identification of the net 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 Management, 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 are provided, prepared on the basis of internal reports and applying the above-mentioned criteria, show the distribution of margins among the main territorial units described below.

The area of Veneto shows a higher cost fraction because it is characterised by a credit portfolio made up by a higher number of loans with respect to the other areas, while Trentino and Lombardy have, in absolute terms, the highest cost of risk. From this point of view, South Tyrol is the best performer, even though less obviously so than in the comparison period. From a sector perspective the cost of the risk is concentrated mostly in the real estate and construction sectors.

The primary segment and the secondary segment, appear to benefit respectively from a significant contribution to the margins by the "Head Office" (primary segment) and by "other activities" (second segment) due to the presence of significant gains on the securities portfolio from trading activities, the low risk of operations managed by the head office and to a lesser extent, to the maturity transformation enacted by the treasury management team.

PRIMARY SEGMENT REPORTING BASIS

A.1 Distribution by geographical area of activity: economic data for the 1st half of 2015

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amounts
Net interest income	1,969	1,603	1,620	933	676	972	7,774
<i>Net commissions</i>	571	176	75	40	29	270	1,161
Dividends and other trading and hedging gains						3,985	3,985
Net interest and other banking income	2,540	1,779	1,695	973	705	5,227	12,919
Adjustments/write-backs	(1,571)	(956)	(1,328)	(1,528)	(901)	(168)	(6,452)
Net income from financial activities	969	823	367	(555)	(196)	5,059	6,466
Total operating costs	(584)	(517)	(685)	(351)	(215)	(2,864)	(5,216)
Profit before income taxes	385	306	(318)	(906)	(411)	2,195	1,251

A.1 Distribution by geographical area of activity: economic data for the 1st half of 2014

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amounts
Net interest income	2,120	1,530	1,637	962	626	2,692	9,568
<i>Net commissions</i>	109	82	82	58	19	298	648
Dividends and other trading and hedging gains						6,082	6,082
Net interest and other banking income	2,229	1,613	1,719	1,020	645	9,072	16,298
Adjustments/write-backs	(2,586)	(421)	(2,250)	(1,249)	(876)	(439)	(7,822)
Net income from financial activities	(358)	1,192	(531)	(229)	(231)	8,633	8,476
Total operating costs	(580)	(398)	(697)	(378)	(237)	(2,954)	(5,244)
Profit before income taxes	(938)	794	(1,228)	(607)	(468)	5,679	3,232

A.2 Distribution by geographical area of activity: equity data for the 1st half of 2015

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amounts
Lending operations	298,507	289,239	240,371	147,909	84,303	412,606	1,472,935
Borrowing operations						1,219,302	1,219,302

A.2 Distribution by geographical area of activity: equity data for the 1st half of 2014

	Trentino	South Tyrol	Veneto	Lombardy	Emilia	Structure/ Head office	Overall amounts
Lending operations	340,966	292,760	242,275	158,886	91,521	670,927	1,797,334
Borrowing operations						1,547,411	1,547,411

SECONDARY SEGMENT REPORTING BASIS

B.1 Distribution by sectors of activity: economic data for the 1st half of 2015

	Investment credit	Building	Credit leasing	Agricultural credit and facilitated credit	Other activities	Total
Net interest income	5,695	664	330	1,063	22	7,774
<i>Net commissions</i>	<i>710</i>	<i>27</i>	<i>15</i>	<i>374</i>	<i>34</i>	1,161
Dividends and similar income					3,985	3,985
Net interest and other banking income	6,405	691	345	1,437	4,041	12,919
Adjustments/write-backs	(4,932)	(994)	(114)	(205)	(208)	(6,452)
Net income from financial activities	1,473	(303)	231	1,232	3,833	6,466

B.1 Distribution by sectors of activity: economic data for the 1st half of 2014

	Investment credit	Building	Credit leasing	Agricultural credit and facilitated credit	Other activities	Total
Net interest income	5,641	742	331	1,040	1,812	9,567
<i>Net commissions</i>	<i>617</i>	<i>16</i>	<i>12</i>	<i>5</i>	<i>(2)</i>	648
Dividends and similar income					6,083	6,083
Net interest and other banking income	6,258	758	343	1,045	7,892	16,298
Adjustments/write-backs	(5,403)	(2,760)	416	220	(294)	(7,822)
Net income from financial activities	856	(2,002)	759	1,265	7,598	8,476

B.2 Distribution by sectors of activity: equity data for the 1st half of 2015

	Investment credit	Building	Credit leasing	Agricultural credit and facilitated credit	Other activities	Total
Lending operations	846,137	96,044	58,137	205,485	267,132	1,472,935
Borrowing operations						1,219,302

B.2 Distribution by sectors of activity: equity data Dec. 2014

	Investment credit	Building	Credit leasing	Agricultural credit and facilitated credit	Other activities	Total
Lending operations	856,711	103,504	60,156	222,144	554,819	1,797,334
Borrowing operations						1,547,411

CERTIFICATION PURSUANT
TO ART. 81-TER OF
CONSOB REGULATION ON ISSUERS

**Certification of the half-yearly condensed financial statements pursuant to Article 81-ter of
CONSOB Regulation No. 11971 of 14th 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 24th February 1998 herewith attest to:
 - the appropriateness given the characteristics of the business and
 - the actual applicationof the administrative and accounting procedures followed for formation of the half-yearly report during the first half of 2015.

2. No significant matters arose in this respect. The parties however state that Mediocredito Trentino – Alto Adige S.p.A. is now subject to the obligation pursuant in 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 - European Medium Term Notes Programme) has issued bonds that are listed on the Luxembourg stock exchange whilst choosing Italy as country of origin.
The assessment of the administrative and accounting procedure for preparing the half-yearly report for the half year ended on 30 June 2015 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 half-yearly condensed 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 report on operations includes a reliable analysis of the references to the significant events that occurred in the first six months of the year and their incidence on the half-yearly condensed financial statements, combined with a description of the main risks and uncertainties for the remaining six months of the year. The interim report on operations includes also a reliable analysis of the information on relevant related party disclosure.


Trento, 27 August 2015

Il Presidente
del Consiglio di Amministrazione
Franco Senesi



Il Dirigente Preposto alla redazione dei
documenti contabili societari

Leo Nicolussi Paolaz



INDEPENDENT AUDITORS' REPORT



AUDITORS' REPORT ON THE REVIEW OF THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2015

To the Shareholders of
Mediocredito Trentino – Alto Adige SpA

Introduction

We have reviewed the accompanying condensed interim financial statements of Mediocredito Trentino – Alto Adige SpA as of 30 June 2015, comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in shareholders' equity, cash flows statement and related explanatory notes. The directors of Mediocredito Trentino – Alto Adige SpA are responsible for the preparation of the condensed interim financial statements in compliance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the condensed interim financial statements based on our review.

Scope of review

We conducted our review in accordance with the criteria for a review recommended by Consob, the national stock exchange commission, with Resolution No. 10867 of 31 July 1997. A review of interim financial statements consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit performed in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim financial statements of Mediocredito Trentino – Alto Adige SpA as of 30 June 2015 have not been prepared, in all material respects, in accordance with the international accounting standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Padua, 28 August 2015

PricewaterhouseCoopers SpA

Signed by

Alessandra Mingozi
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers

PricewaterhouseCoopers SpA

Sede legale e amministrativa: Milano 20140 Via Monte Rosa 91 Tel. 0277851 Fax 027785240 Cap. Soc. Euro 6.800.000,00 I.v., C.F. e P.IVA e Reg. Imp. Milano 12979880155 Iscritta al n° 110644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 0712132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 0805640211 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 0516186211 - **Brescia** 25123 Via Borgo Pietro Wulfer 23 Tel. 0303697501 - **Catania** 95120 Corso Italia 302 Tel. 0957532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 0554482811 - **Genova** 16121 Piazza Pieropietri 9 Tel. 01029041 - **Napoli** 80121 Via del Mille 16 Tel. 08136181 - **Padova** 35138 Via Venezia 4 Tel. 049873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091349737 - **Parma** 43100 Viale Tanara 20/A Tel. 0521275911 - **Roma** 00154 Largo Fochetti 29 Tel. 06570251 - **Torino** 10122 Corso Palestro 10 Tel. 011556771 - **Trento** 38122 Via Grazioli 73 Tel. 0461237004 - **Treviso** 31100 Viale Felisetti 90 Tel. 0422696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 0403480781 - **Udine** 33100 Via Poscelle 43 Tel. 043225789 - **Verona** 37135 Via Francia 21/C Tel. 0458263001

www.pwc.com/it