Banca IFIS

HALF - YEAR REPORT 2003

Corporate Capital: euro 21.450.000 entirely paid
Number of Banks License: 3205
Tax Identification n. 02505630109
VAT n. 02992620274

REGISTERED OFFICE AND HEADQUARTERS
Via Terraglio, 65 – 30174 Mestre – Venezia
Internet Adress: *www.bancaifis.it*

BRANCHES
Piazza del Plebiscito, 55 – 60121 Ancona
Via C. Rosalba, 47/o – 70124 Bari
Via Lungarno Cellini, 25 – 50125 Florence
Via A. Costa, 62 – 40026 Imola (Bo)
Via Volta, 16 – 20093 Cologno Monzese (Mi)
Via G. Porzio, 4 – Centro Dir. Isola E4 – 80143 Naples
Viale America, 93 – 00144 Rome
Via G. L. Lagrange, 35 – 10123 Turin
Via Terraglio, 65 – 30174 Venice – Mestre

REPRESENTATIVE OFFICES
Boulevard Burebista, 3 – Bucharest (Romania)
Bajza U., 50 – Budapest (Hungary)

BOARD OF DIRECTORS

President	Sebastien Egon Fürstenberg [2]
Vice President	Alessandro Csillaghy
CEO	Giovanni Bossi [1] [2]
Board Members	Guido Cefalù Leopoldo Conti [2] Roberto Cravero

GENERAL DIRECTOR	Alberto Staccione

BOARD OF AUDITORS

President	Umberto Trenti
Active Auditors	Franco Giona Mauro Rovida
Substitute Auditors	Stefano Berti Garelli Maurizio Simion

Auditing Firm	Deloitte & Touche S.p.A.

Member of Factors Chain International

(1) The CEO has powers for ordinary administration of the Company
(2) Executive Commitee Members.

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REPORT AND CONSOLIDATED FINANCIAL STATEMENTS FOR THE FIRST HALF OF 2003

BOARD OF DIRECTORS’ REPORT ON GROUP MANAGEMENT

Results and operating trend

Over a year after its transformation into a credit institution, commencing 1 January 2002, Banca IFIS has maintaining its exclusive orientation towards financing circulating capital for small and medium enterprises, primarily through the use of factoring contracts, and thus, substantially presents itself as a single-product operator with the intention of expanding its services to Italian and European small and medium enterprises.
The first half of 2003 closed with decidedly flattering results. Having overcome the anticipated difficulties connected with the *startup* of the new banking operation in 2002, development was unceasingly pursued with excellent results, even in the presence of a general economic situation that was particularly weak.

Profit and net equity

The first half of 2003 was characterized by uncertainty in financial markets and significant difficulties for industrial firms. Despite this unfavorable context, the profit of the group reached 3,010,000 euro, a level which was 56.7% higher than the figure registered in the first half of 2002. This excellent result was due to a strong increase in the revenue items (receivable commissions, receivable interest), which clearly grew more than negative elements of brokerage margin and operating costs. The increase was in turn based on development of operations which caused significant growth rates.
The result was achieved in the presence of reserves and adjustments against bad debts that are still very significant, even taking into consideration the risk caused by the noted adverse elements of the economic situation.
ROE reached a level of 13.9% against 13.4% as of 31 December 2002, with no significant equity increases, if the part of undistributed 2002 dividends are left out.

The organization of the group

The composition of the group did not undergo variations during the year. For this reason, the Banca IFIS group continues to consist, in addition to Banca IFIS S.p.A., of the 100% held company Immobiliare Marocco S.p.A., an instrumental real estate company which holds several valuable properties in Veneto and Liguria.

Formation of the operating result

The operating result shows a significant increase compared to the first half of the preceding fiscal year, from 4,373,000 euro to 7,252,000 euro (+65.8%).
The interest margin registered accentuated dynamics, with an increase of 44.1%, from 4,071,000 euro to 5,867,000 euro. The increase in interest margin is due to the increase in investments and the greater capacity to finance the growth of remunerative economic conditions. The absence of long-term fixed rate debt positions or with a slow variation, as well as subordinated liabilities, made it possible to benefit from the downturn in rates registered during the year.
The commission margin registered a brilliant performance, with an increase of 59.3%, from 3,248,000 euro to 5,174,000 euro.
The increase is adequately counterbalanced in the growth in costs connected with underwriting and credit risk management, diluted primarily among the expenses for personnel. Consequently, the margin for brokering registered an increase equal to 48% from 7,777,000 euro to 11,513,000 euro.
Total operating costs reached 4,261,000 euro, with an increase equal to 25.2% compared to the first half of 2002. In particular, increases were registered for personnel (from 1,709,000 euro in the first half of 2002 to 2,232,000 in the first half of 2003, +30.6%) to reinforce the commercial organization, adapt the risk assessment and credit management area and in general to reinforce the Head Office in order to best conform to the new role of credit institution. Moreover, during most of the first half of 2002, the relations between Banca IFIS and its employees were governed by the less burdensome collective bargaining agreement relative to the commercial sector. The dynamics of other costs and expenses (from 1,385,000 euro in the first half of 2002 to 1,709,000 euro in 2003, +23.4%) is due to costs connected with further de-

veloping the business: consultation and professional assistance, rents for branch offices, information technology system maintenance and assistance, supports for better selection and control of credit. Value adjustments on intangible fixed assets also underwent marginal increases (primarily due to information supports connected with the transformation into a credit institution) as well as tangible fixed assets (primarily due to industrial goods related to company offices).
The growth in revenue broadly exceeded the dynamics of operating costs. Therefore the cost/income ratio was 36.9% compared to 42.9% as of 31 fiscal year 2002.

Formation of net profit

The dynamics of reserves and value adjustments was also steady during the first half of 2003, reaching an ordinary profit equal to 4,879,000 euro, greatly increased (+48%) over the result of the previous fiscal year equal to 3,296,000 euro. In particular, there were value adjustments on receivables and funds for guarantees and commitments for 2,373,000 euro against 1,077,000 euro in the first half of 2002 (+ 120.3%). The larger provision is explained by the opportunity to take into account the seriousness of the situation of the industrial credit market, in particular, with reference to SMEs, despite the attention paid to containing the riskiness of investments.
Part of the gross profit is composed of net extraordinary proceeds of 239,000 euro against net extraordinary charges of 95,000 euro in the half ending 30 June 2002.
After income tax of 1,630,000 euro (1,280,000 euro in the first half of 2002) and with no third-party profit, a net profit of 3,010,000 euro was reached, for a growth of 56.7% compared to the 1,921,000 euro of the first half of 2002.

Commitments

Generally, for the Italian banking system, the past fiscal year was characterized by tensions on credit demand, primarily for short term credit more directly affected by the production activity trend. In terms of supply, some operators decided to reduce their positions in the industrial system, in order to limit credit risk or for various reasons.
In this situation the position of the group improved, with an increase of receivables with customers of 44.1% compared to 30 June 2002 and 19.6% compared to 31 December 2002, to 292,000 euro.
The quality of credit also improved, which as of 30 June 2003 had a net non-performing receivable- commitments ratio equal to 2.8% (3.7% as of 31 December 2002).

Deposits

In the first half of 2003, the interbank and retail deposits market remained substantially very liquid with rates in constant decline.
Banca IFIS, in part based on its origins as a non-bank financial broker, did not focus on retail deposits during the fiscal year, supplying itself almost exclusively with the banking system and a clientele formed by large sized companies. An action aimed at retail deposits was started at the end of 2002, primarily involving companies and in the future qualified individuals, with fixed-term deposit formulas with a good level of profit for depositors.
Total deposits reached 272,000,000 euro (+20.8% compared to 31 December 2002) and is exclusively composed of payables with customers and credit institutions.

Organization

At the end of the half the group had a staff of 85 employees, all concentrated in the parent company Banca IFIS S.p.A.. Compared to the previous fiscal year the number of employees increased by 4 units (and by 15 compared to 30 June 2002), related to the action aimed at expanding the operating organization of the Bank.
Territorial breakdown in Italy includes 9 Branches (Ancona, Bari, Florence, Imola, Milan, Naples, Rome, Turin and Venice) and 2 Representative Offices (Bucharest and Budapest).

MAIN GROUP FIGURES

KEY FIGURES

CONSOLIDATED ASSETS AND LIABILITIES
(in thousands of euro)

	FISCAL YEAR		VARIATION	
	30/06/2003	31/12/2002	ABSOLUTE	%
Receivables with banks	4,201	3,907	294	7.5%
Receivables with customers	291,653	243,891	47,762	19.6%
Assets	21,893	21,700	193	0.9%
Other receivables	5,605	6,612	(1,007)	(15.2)%
Total assets	**323,352**	**276,110**	**47,242**	**17.1%**
Payables with banks	197,328	196,368	960	0.5%
Payables with customers	74,899	29,035	45,864	158.0%
Net assets	46,051	45,185	866	1.9%
Other payables	5,074	5,522	(448)	(8.1)%
Total liabilities	**323,352**	**276,110**	**47,242**	**17.1%**

CONSOLIDATED PROFIT AND LOSS FIGURES
(in thousands of euro)

	FISCAL YEAR		VARIATION	
	30/06/2003	30/06/2002	ABSOLUTE	%
Brokerage margin	**11,513**	**7,777**	**3,736**	**48.0%**
Operating costs	4,261	3,404	857	25.2%
Operating result	**7,252**	**4,373**	**2,879**	**65.8%**
Value adjustments on assets	2,373	1,077	1,296	120.3%
Ordinary profit	4,879	3,296	1,583	48.0%
Net profit	**3,010**	**1,921**	**1,089**	**56.7%**

ECONOMIC-FINANCIAL INDEXES AND OTHER FIGURES

	30/06/2003	31/12/2002	VARIATION
Profit indexes			
ROE (1) (2)	13.9%	13.4%	0.6%
ROA (2)	4.5%	3.5%	0.9%
Cost/income ratio	36.9%	42.9%	(6.0)%
Risk indexes			
Net non-performing receivables/Receivables with customers	2.8%	3.7%	(0.9)%
Net bad debts/Receivables with customers	5.2%	6.4%	(1.2)%
Solvency coefficients			
Base Equity/Weighted activity	17.3%	15.4%	2.0%
Surveillance equity/Weighted activity	17.2%	15.3%	1.9%
Employee figures (3) (4)			
Brokerage margin/Number of employees (2)	270.9	210.9	60.0
Total assets/Number of employees	3,804.1	3,408.8	395.4
Personnel cost/Number of employees (2)	52.5	45.0	7.5

(1) The assets used for the ratio is end of fiscal year (excluding fiscal year profit).
(2) Calculated using an annual projection based on the economic items.
(3) Number of employees-end of period.
(4) Ratios in thousands of euro.

RECLASSIFIED CONSOLIDATED BALANCE SHEET
(in thousands of euro)

ASSETS	FISCAL YEAR 30/06/2003	FISCAL YEAR 31/12/2002	VARIATION ABSOLUTE	VARIATION %
Cash on hand and liquid assets at central banks and post offices	7	7	---	n.s.
Receivables:				
- with Customers	291,653	243,891	47,762	19.6%
- with Banks	4,201	3,907	294	7.5%
Non locked-up securities	782	790	(8)	(1.0)%
Fixed Assets:				
- intangible	511	492	19	3.9%
- tangible	21,382	21,208	174	0.8%
Other asset items	4,816	5,815	(999)	(17.2)%
Total assets	**323,352**	**276,110**	**47,242**	**17.1%**

LIABILITIES	FISCAL YEAR 30/06/2003	FISCAL YEAR 31/12/2002	VARIATION ABSOLUTE	VARIATION %
Payables:				
- with Customers	74,899	29,035	45,864	158.0%
- with Banks	197,328	196,368	960	0.5%
Funds with specific destination:				
Severance pay (TFR) for employees	611	509	102	20.0%
Tax funds	1,851	2,848	(997)	(35.0)%
Other liability items	2,612	2,165	447	20.6%
Net equity:				
Capital, share premiums and reserves	43,041	39,827	3,214	8.1%
Net profit	3,010	5,358	(2,348)	(43.8)%
Total liabilities	**323,352**	**276,110**	**47,242**	**17.1%**

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS STATEMENT
(in thousands of euro)

	FISCAL YEAR		VARIATION	
	30/06/2003	**30/06/2002**	**ABSOLUTE**	**%**
Net interest	5,849	4,062	1,787	44.0%
Dividends and other proceeds	18	9	9	100.0%
Interest margin	**5,867**	**4,071**	**1,796**	**44.1%**
Net commissions	5,174	3,248	1,926	59.3%
Profits (losses) from financial operations	(26)	3	(29)	n.s.
Other operating proceeds	498	455	43	9.5%
Proceeds from brokerage and other	**5,646**	**3,706**	**1,940**	**52.3%**
Brokerage margin	***11,513***	***7,777***	***3,736***	**48.0%**
Expenses for personnel:	(2,232)	(1,709)	(523)	30.6%
Other administration expenses	(1,709)	(1,385)	(324)	23.4%
Value adjustments on fixed assets	(320)	(310)	(10)	3.2%
Operating costs	**(4,261)**	**(3,404)**	**(857)**	**25.2%**
Operating result	***7,252***	***4,373***	***2,879***	**65.8%**
Net adjustments on receivables value	(2,373)	(1,077)	(1,296)	120.3%
Profit on ordinary activity	***4,879***	***3,296***	***1,583***	**48.0%**
Extraordinary Profit (Loss)	**(239)**	**(95)**	**(144)**	**151.6%**
Gross profit	***4,640***	***3,201***	***1,439***	**45.0%**
Income tax	(1,630)	(1,280)	(350)	27.3%
Net profit	***3,010***	***1,921***	***1,089***	**56.7%**

RECLASSIFIED CONSOLIDATED PROFIT AND LOSS STATEMENT: QUARTERLY SITUATION

(in thousands of euro)

	FISCAL YEAR 2003		FISCAL YEAR 2002	
	2nd quarter	**1st quarter**	***4th quarter***	**3rd quarter**
Net interest	2,803	3,046	2,630	2,149
Dividends and other proceeds	18	---	---	---
Interest margin	**2,821**	**3,046**	**2,630**	**2,149**
Net commissions	2,598	2,576	2,130	1,824
Profits (losses) from financial operations	(20)	(6)	34	(29)
Other operating proceeds	280	218	343	224
Proceeds from brokerage and other	**2,858**	**2,788**	**2,507**	**2,019**
Brokerage margin	***5,679***	***5,834***	***5,137***	***4,168***
Expenses for personnel:	(1,105)	(1,127)	(1,029)	(905)
Other administration expenses	(864)	(845)	(994)	(720)
Value adjustments on fixed assets intangible and tangible	(160)	(160)	(159)	(131)
Operating costs	**(2,129)**	**(2,132)**	**(2,182)**	**(1,756)**
Operating result	***3,550***	***3,702***	***2,955***	***2,412***
Net adjustments on receivables value	(1,210)	(1,163)	(972)	(633)
Profit on ordinary activity	***2,340***	***2,539***	***1,983***	***1,779***
Extraordinary Profit (Loss)	**(223)**	**(16)**	**640**	**(18)**
Gross profit	***2,117***	***2,523***	***2,623***	***1,761***
Income tax	(660)	(970)	(251)	(696)
Net profit	***1,457***	***1,553***	***2,372***	***1,065***

Market trends and group activity

The macroeconomic situation

The crisis that struck the world economy beginning in 2001, continued to make its effects felt, even throughout the entire first half of 2003.
The international situation was still uncertain and deteriorated due to the protracted slowdown of the American economy and the failure of Europe to recover.
There are no strong signals of a reversal of this trend that would encourage the flow of investment and drive consumption.
This situation of significant uncertainty also affects the Italian economy: after the rate of GDP growth was equal to 0.4% in 2002, authoritative research centers have estimated growth well below 1% for 2003 as well, in line with the economies of the euro area. The United States, after 2.4% in 2002 are estimated at 2.3% in 2003 and Japan after a setback of 0.3% in 2002, should see an improvement of 0.8% in 2003.
The financial markets have been showing signs of great weakness. Interest rates fell again during 2003, improving the debt burden for public budgets, but posing additional problems for the banking system. The euro reached very high levels against the dollar (up to 1.18), confirming the determination of the United States to transfer abroad, and especially to Europe and Japan, part of the financial problems that afflict the North American private and public economy. In Europe, the ECB intervened to bring the euro interest rate to 2%, a rate that many believe insufficient for purposes of expansion.

The strategic context

Banca IFIS group has identified its *core business* in financing circulating capital for small and medium enterprises by acquiring receivables generated in company activity. For this purpose the use of factoring contracts is deemed to be the suitable instrument to decisively improve the quality of credit and, in the event of a default of the financed company, the collection rate of the investment.
This business was started in 1983, with differentiated procedures and using progressively perfected operating instruments.
The more traditional approach which involves developing a relationship with an assignor company, domestic, in *recourse*, or without issuing any guarantee in favor of the assignor regarding the solvency of the debtor is gradually being replaced with a new method of factoring, where the Bank plays the main role between the assignor and debtor, which requires an assessment of the risk based on the quality of the parties and type of operation with an increasing component of *non-recourse* guarantees. For this reason the role of the factor is highly specialized and requires skills and a high level of professionalism as well as an innovative approach to credit risk.
The room to grow for this type of factoring activity is potentially unlimited.
In Italy, but also in all industrialized and developing countries, the use of assets as commercial credits in order to obtain liquidity often represents a need which cannot be eliminated. In some cases quick liquidation of commercial receivables allows small and medium enterprises to best develop their potential, obtaining the financial resources which otherwise the banking system would no longer be willing to grant in the traditional form of providing credit through a bank account, even if commercial.
In the international credit situation which is evolving towards more sophisticated approaches proposed by the Basel Committee, factoring may become the key for companies which are not able to systematically and consistently obtain risk capital or medium-long term capital on credit.
The group's aim is the increase its presence in favor of domestic, European and international companies, providing financial support and service that often the credit system is unable to guarantee with traditional instruments.

Group position and program

Banca IFIS's approach in the factoring market is primarily innovative: the absence of organizational ties with the major national credit institutions and with the local credit system and the complete independence from the industrial operators of its debtors, makes it possible for Banca IFIS to make quick, independent decisions regarding credit risk and its market orientation. Banca IFIS has defined its own development strategies in recent years, further perfected after the transformation in a credit institution.

At present, Banca IFIS is a candidate for becoming one of the most authoritative independent operators in the Italian and international factoring market, with the knowledge that the factoring business of based on commercial traffic flow and that therefore it must accompany the courses of European and international economic integration courses.

The established programs involve a further rapid increase in the size of the company and number of customers.

Development will be focused along the following lines:

a) further strengthening of historic branches with the aim of consolidating the position achieved in the factoring industry in favor of SME in the specific markets;
b) implementation of new products destined for SMEs, also designed to provide an adequate response to the new challenges of the upcoming application of new laws on the subject of assuming credit risk by banks (new agreement on asset requirements for the so-called "Basel 2" banks).
c) further strengthening of the management organization, with particular reference to credit risk assessment and management, considering the risk the Bank is subject to as most important, and the back office felt to be a key element for correct company operation and for general protection from risks;
d) once the phase defining the organizational and legal aspects is complete, development of international factoring for European Union countries and other countries using the support of Factor Chain International and direct intervention both with and without debtor risk insurance coverage. For this purpose, information exchange agreements and procedures were defined and, in the future, the possibility of acquiring an autonomous ability to evaluate international debtor credit risk will be examined. In the foreign department, development of credit acquisition business of companies located in countries with developing financial markets, confirmed by debtor companies located in advanced countries and of a high quality, in order to maximize profit and limit risk;
e) procedural fine-tuning and launch of the *rating quantification* phase of the internal rating system, procedural and data processing support in which Banca IFIS places its best hopes for maintaining the power of assuming credit risk exclusively concentrated at the Head Office, standardizing the analysts evaluations, accelerating and simplifying the decisions of the bodies assigned to make evaluations, improving credit risk monitoring, and, finally, improving the definition of financing proposals by the units assigned to commercial development both in terms of credit quality and pricing optimization;
f) further integration of ICS (Internal Control System), an indispensable protection against the risks the Bank is exposed to;
g) access to new sources of financing and innovative methods for managing credit. Under this profile, an operation on the interbank deposit market has been defined and the launch process is in an advanced state of development (with launch anticipated in the 2nd half of 2003) for a project aimed at the securitization of *In Bonis* receivables with the primary objective of improving the *funding* of the Bank;
h) strengthen the technological infrastructure by implementing increasingly advanced IT supports and able to provide IT elements for decisions at all levels of the company organization, in real time, reliably, simply and with complete security;
i) renovating the new office of the Bank, carried out by Immobiliare Marocco, destined to house operations development in coming years. Work is planned to start in the 2nd half of 2003 and be completed by 2004.

Risk control

Regulating risks

During 2003 Banca IFIS continued to develop measuring, control and management activity for different types of risk, with particular reference to credit risk, considering the risk the Bank is most exposed to, but without underestimating risk involving operation, market, interest, exchange rate and liquidity.

Internal System Control (ISC) integration interventions have been established in order to ensure a balance between profitability and underwritten risks.

The completion and integration of the ISC are created, in compliance with the Surveillance Instructions issued by Banca d'Italia, as a fundamental requirement within the Administrative and Control bodies, convinced of the opportunity to improve risk control and management compatible with the company size.

Top priority has been given to the Internal Control System, considered as a set of procedures and actions for achieving the following goals:

- effective and efficient company processes (administration, production, distribution etc.);
- safeguard the value of the activity and protect from losses;
- reliability and integrity of accounting and management information;
- operations which are in compliance with the law, surveillance regulations as well as policies, plans, regulations and internal procedures.

Credit risk

Obtaining excellence in underwriting and managing credit risk is a strategic aim for Banca IFIS and it can be pursued by adopting integrated and consistent tools in order to guide credit management on all its phases (investigation, distribution, monitoring and management, intervention with problem credit). The Internal Control System is aimed at regulating credit risk through integration of line and risk management controls and internal auditing activity.

Considering the specific activity of the parent company (acquiring company accounts receivables), credit risk is the most significant risk for the group.

For this reason, parent company Banca IFIS S.p.A. concentrates all phases of credit risk underwriting and control at the Head Office, thus obtaining a high level of homogeneity in granting credit and strong monitoring of individual positions.

The protection of credit risk, in particular, is located with Top Management, in consideration of the importance attributed to it.

Regulation of credit risk is also protected by the use of operating procedures able to quickly identify positions which present irregularities, and to monitor the evolution of the quality of the credit portfolio, by constant and diversified surveys in part based on the economic sector, on the type of assignor/debtor and operation.

It was decided to integrate the new *Internal Rating System* (IRS) into the Credit Risk Management function, with the simultaneous repositioning of the launch of IRS to the second half of the fiscal year. The system will be able to assign a credit *standing* to assignors, debtors and the operation that will be useful for:

- immediately understanding the risk involved with individual financing operations;
- establishing adequate pricing for each class of risk starting in the operation feasibility analysis phase;
- managing investments in terms of portfolio risk;
- benefiting from advantages offered by new minimum asset requirements where possible.

Interest and liquidity risk

Underwriting interest and liquidity risks in principle is not involved with group management, which supplies itself with financial resources using them in a short or very short term, at interest rates which are for the most part indexed or fixed and can be revised on sight or at very short maturity dates.
Control of risks underwritten in the treasury area, in compliance with the strict limits established by the Board of Directors, is guaranteed by stringent operating procedures and by IT tools and reports aimed at further improving monitoring of potential risks that can be underwritten in this area.

Market risk

Underwriting market risk in principle is not involved with group management, which carries out its activity almost exclusively in the field of financing circulating capital to SME with the factoring formula, without underwriting market risk with the sole exception of payable deposits of a modest amount in foreign currency with a high correlation with the euro.

Operating risk

Operating risks are generally defined as economic loss risks due to inadequate or incorrect internal processes and systems, human error or external events. Management of this type of risk is currently Top Management's responsibility. The parent company has started to establish its procedures for this type of event, which will be implemented by setting up tools for measuring operating risk.
The risk of economic loss resulting from facts which affect the only company held 100%, Immobiliare Marocco S.p.A:, a real estate company, are part of this category. Based on the type of business it carries out, Immobiliare Marocco is not involved in other risks (credit, interest, liquidity and market) which characterize the business of a credit institution. Currently monitoring of risk is ensured by systematic communication of information to the parent company's Top Management, which makes decisions regarding the strategies of the held company for risk as well.

Main asset aggregates

The parent company is almost exclusively involved in the factoring industry and expresses its business in credit to customers. Financing essentially derives from the banking market through direct deposits from credit institutions. Customer deposits also grew strong in the half year ending 30 June 2003, primarily made by counterparts identifiable as medium or large sized companies. No subordinated liabilities are present, activation of such was already authorized by the Surveillance Authority and delegated by the parent company Assembly to the Board of Directors in view of its development; however a decision was made to postpone the use of *tier 2* partly in consideration of the high cost of this type of financing and of the adequacy of the margins always largely maintained during the fiscal year in relation to asset obligations.

MAIN ASSET AGGREGATES
(in thousands of euro)

	CASH ON HAND			VARIATION ABSOLUTE BETWEEN	
	30/06/2003	**31/12/2002**	**30/06/2002**	**06/03-12/02**	**12/02-06/02**
Receivables with customers	291,653	243,891	202,384	47,762	41,507
Securities	782	790	503	(8)	287
Assets intangible and tangible	21,893	21,700	21,478	193	222
Balance other items	3,950	4,207	8,977	(257)	(4,770)
Total net assets	**318,278**	**270,588**	**233,342**	**47,690**	**37,246**
Payables with customers	74,899	29,035	6,527	45,864	22,508
Payables with banks	197,328	196,368	185,038	960	11,330
Net assets	46,051	45,185	41,777	866	3,408
Total liabilities	**318,278**	**270,588**	**233,342**	**47,690**	**37,246**

Receivables with customers

At the end of the period the total receivables with customers reached 292,000,000 euro (244,000,000 euro as of 31 December 2002), with an increase during the half of 19.6%. In addition to the organic growth of the parent company's activities in the factoring sector, the accentuated dynamic is also the result of several large factoring operations put into place at the end of the half, whose stability will be verified in periodic reports.
Open commitments which do not include unpaid commitments are equal to around 284,000,000 euro.

TECHNICAL FORMS
(in thousands of euro)

	FISCAL YEAR		VARIATION	
	30/06/2003	**31/12/2002**	**ABSOLUTE**	**%**
Bank accounts and other subsidies	23,147	21,485	1,662	7.7%
Prepayment accounts for assignment of recourse receivables	184,354	122,334	62,020	50.7%
Prepayment accounts for assignment of non-recourse receivables	43,274	67,611	(24,337)	(36.0)%
Receivables with debtors for definitive acquisition	31,600	22,393	9,207	41.1%
Loans	673	470	203	43.1%
Receivables for leasing contracts	531	548	(17)	(3.1)%
Total open investments	**283,579**	**234,841**	**48,738**	**20.8%**
Non-performing receivables	8,074	9,050	(976)	(10.8)%
Total receivables with customers	**291,653**	**243,891**	**47,762**	**19.6%**

The breakdown of customers by geographic area in all micro regions of the country as well as abroad and the breakdown of the customers by product category is shown below.

BREAKDOWN OF CUSTOMERS BY GEOGRAPHIC AREA	**INVESTMENTS**	**TURNOVER**
Northern Italy	42.2%	40.8%
Central Italy	42.1%	42.7%
Southern Italy	12.8%	10.3%
Foreign	2.9%	6.2%
Total	**100%**	**100%**

BREAKDOWN OF CUSTOMER BY PRODUCT CATEGORY

		INVESTMENTS	TURNOVER
1	agricultural, forestry and fish products	0.0%	0.1%
2	energy products	0.5%	0.2%
3	minerals and ferrous and non-ferrous metals	0.2%	0.2%
4	minerals and mineral based products	2.2%	4.9%
5	chemical products	1.2%	1.2%
6	metal products excluding machines and equipment	4.6%	4.5%
7	agricultural and industrial machines	4.0%	2.7%
8	office, data processing and precision machines	0.3%	0.2%
9	electrical material and supplies	4.5%	5.0%
10	transportation means	1.5%	1.0%
11	foodstuffs, beverages	4.8%	5.0%
12	textile and leather products, shoes and clothing	5.2%	6.0%
13	paper, printing and publishing	1.3%	1.3%
14	rubber and plastic products	1.9%	1.6%
15	other industrial products	1.3%	1.1%
16	construction and public works	28.9%	18.2%
17	sales, collection and repair services	9.9%	8.0%
18	hotel and public establishment services	0.2%	0.1%
20	maritime and air transportation services	3.0%	3.1%
21	transportation connected services	0.7%	1.4%
22	telecommunication services	0.9%	0.8%
23	other services for sale	13.0%	27.2%
0	cannot be classified	9.9%	6.2%
	of non-resident companies	*2.9%*	*6.2%*
	of financial institutions	*0.2%*	---
	of others	*6.8%*	---
	Total	**100%**	**100%**

Securitization operations

No securitization operations have been started or are in progress. The launch of an operation is anticipated in the second half of fiscal year 2003, whose impacts will be described beginning with the financial statement as of 31 December 2003.

Bad debt

The total of non-performing receivables with customers is entered at 8,074,000 euro in the financial statement, with a decrease of 10.8% compared to 31 December 2002. A good trend in relation to the total investments was affected by the rapid growth of investments and an effective improvement in the quality of credit registered during the course of the fiscal year, also supported by a stricter policy regarding granting credit.

CREDIT QUALITY
(in thousands of euro)

	CASH ON HAND		VARIATIONS	
	30/06/2003	**31/12/2002**	**ABSOLUTE**	**%**
Non-performing receivables	8,074	9,050	(976)	(10.8)%
Blocked receivables	6,856	6,504	352	5.4%
Being Rescheduled	---	---	---	---
Rescheduled receivables	---	---	---	---
Receivables with countries at risk	127	47	80	170.2%
Total bad debt with customers	**15.057**	**15.601**	**(544)**	**(3.5)%**
In Bonis receivables	276,596	228,290	48,306	21.2%
Total receivables with customers	**291,653**	**243,891**	**47,762**	**19.6%**

Analyzing the variations compared to December 2002, it is possible to observe an improvement in the incidence of non-performing receivables on total receivables. The ratio between non-performing receivables and investments went from 6% to 5.2% in terms of nominal values and 3.7% to 2.8% considering value adjustments. These are equal to 48.4% of gross non-performing receivables (compared to 40.1% at the end of 2002). The incidence of blocked credit was stable, equal to 2.3% of nominal value credits at the end of the half and to 2.4% on the financial statement (to 2.6% of nominal value credits and 2.7% on the financial statement as of December 2002).
In terms of country risk, as of 30 June 2003, investments with customers located in countries at risk was of a marginal amount of international business, still carried out with operating techniques which exclude underwriting risks with countries other than Italy.

BAD DEBTS WITH CUSTOMERS
(in thousands of euro)

	NON-PERFORMING RECEIVABLES	BLOCKED	COUNTRY RISK	TOTAL BAD DEBTS
SITUATION AS OF 30/06/2003				
Nominal value of bad debts	15,647	6,934	127	22,708
Incidence on total receivables	5.2%	2.3%	---	7.5%
Value adjustments	7,573	78		7,651
Incidence on nominal value of bad debts	48.4%	1.1%	---	33.7%
Financial statement value of bad debts	8,074	6,856	127	15,057
Incidence on total receivables	2.8%	2.4%	---	5.2%
SITUATION AS OF 31/12/2002				
Nominal value of bad debts	15,113	6,568	47	21,728
Incidence on total receivables	6.0%	2.6%	---	8.5%
Value adjustments	6,063	64	---	6,127
Incidence on nominal value of bad debts	40.1%	1.0%	---	28.3%
Financial statement value of bad debts	9,050	6,504	47	15,601
Incidence on total receivables	3.7%	2.7%	---	6.4%

Deposits

Total payables with customers and banks underwent a strong increase due to the activity aimed at financing an expansion of operations in the factoring field. In the final part of the year a significant flow of deposits from customers was registered, resulting from the action aimed at stimulating deposits at remunerative economic conditions. Total deposits were equal to 272,000,000 euro with an increase of 20.8% compared to December 2002; non-banking customer deposits were equal to 75,000,000 euro, with an increase of 158%.
No savings management activity was started, as it is not part of the group industrial project. Customer's deposits were remunerated at indexed conditions or revised at short term, advantageous for depositors even for alternative investments.

Intangible and tangible assets

Intangible Fixed Assets amounted to 511,000 euro, with a marginal increase compared to 31 December 2002.
Tangible Fixed Assets increased by 0.8% compared to 31 December 2002 to 21,382,000 euro. During the fiscal year assets were acquired needed to carry out the activity.
Some floors of an important office building in Genoa, leased to primary companies in good economic conditions, and several minor properties in Padua and the Province of Venice, remain entered among the assets. All the mentioned property which is not instrumental to the group's banking activity has been put up for sale.

The other property entered among the tangible assets are the headquarters which houses Management in Mestre (Venice), renovated in 1999 and occupied in 2001; the important historic building ("Villa Marocco") destined to become the permanent headquarters of the Bank starting in 2004. A renovation and expansion project has been created and approved by the Monuments Office for the region, work is planned to start by the end of summer; the headquarters for the representative office is in Bucharest.

Equity and solvency coefficient

In the absence of equity attributable to third parties, the net equity of the group as of 30 June 2003 was registered at 46,051,000 euro, against 45,185,000 euro at the end of the previous fiscal year. The increase is due to the period profit, this effect is in part compensated by the distribution of dividends related to fiscal year 2002.
The extraordinary assembly of Banca IFIS on 30 April 2002 delegated the Board of Directors to execute an increase in paid capital of 2,145,000 shares at nominal value with share premium and 2,145,000 free of charge shares, to be effected within 5 years from the date of deliberation, as well as an increase in capital for a *stock option* plan for a total of 429,000 shares with a nominal value of 1 euro. The Board did not decide to avail itself of the delegations, with the exception of the what is clarified in the next paragraph with reference to the stock option plan deliberated in partial activation by the assembly deliberation.

NET EQUITY
(in thousands of euro)

Net equity as of 31/12/2002	**45,185**
Increases: Fiscal year profit	3,010
Decreases: Distributed dividends	**2,144**
Net equity as of 30/06/2003	**46,051**

The extraordinary assembly of Banca IFIS on 30 April 2002 also delegated the Board of Directors to issue, in one or more times, a subordinate bond convertible in shares for a total amount not to exceed 10,000,000 euro. The Board has not yet decided to avail itself of the delegations based on the existing levels of equity and market opportunities.

The consolidated surveillance equity is 44,150,000 euro. It is composed of base equity and negative elements of the supplementary equity affected by the flat rate devaluation related to "country risk" only effected for calculation of the surveillance equity. Based on the trend of weighted risk activity, the total consolidated solvency coefficient is 17.2%.
Equity surplus as of 30 June 2003, taking into account the 8% minimum required, was therefore equal to 23,588,000 euro.

EQUITY COEFFICIENTS
(in thousands of euro)

	30/06/2003	31/12/2002
Surveillance equity		
Base equity	44,359	42,442
Supplementary equity	(209)	(197)
Elements to deduct	---	---
Total equity	**44,150**	**42,245**
Surveillance equity requirements		
Credit risk	20,493	22,045
Market risk	68	64
Total prudential requirements	**20,562**	**22,109**
Solvency coefficients		
Base equity/Weighted activities for credit risk	17.3%	15.4%
Total equity/Weighted activities for credit risk	17.2%	15.3%
Base equity/Total weighted activity	17.3%	15.4%
Total equity/Total weighted activity	17.2%	15.3%
Equity surplus compared to minimum required	**23,588**	**20,136**

Profit and loss statement

Formation of the operating result

The operating result of the group remained positive for the first two quarters, with a substantially stable trend during the half, which registered very satisfactory operating volumes and economic conditions.
The interest margin had a significant dynamic going from 4,071,000 euro as of 30 June 2003 to 5,867,000 euro (+44.1%), while the growth of net commissions was decidedly excellent, from 3,248,000 euro as of 30 June 2002 to 5,174,000 euro (+59.3%), due to the expansion of operations and focus placed on collecting receivables owed by customers in the face of increasingly complex credit collection activities, which was aided by the increased charged in this area of activity.
The composition of brokerage margin is very significant with the growth in relative terms of the weight of the margin of only the commissions which exceeded 44.9% against the 51% represented by interest margin.
Operating costs registered an expansion, however in line with forecasts, due to the effect of strengthening activity in the field and Management. There total was equal to 4,261,000 euro (+25.2%) compared to 30 June 2002.
These dynamics determined a further improvement in the ratio between operating costs and brokerage margin which reached 36.9% as of 30 June 2003, compared to 42.9% for all of 2002 and 43.8% for the first half of 2002.

FORMATION OF OPERATING RESULT
(in thousands of euro)

	FISCAL YEAR		VARIATION	
	30/06/2003	**30/06/2002**	**ABSOLUTE**	**%**
- Net interest	5,849	4,062	1,787	44.0%
- Dividends and other proceeds	18	9	9	100.0%
Interest margin	**5,867**	**4,071**	**1,796**	**44.1%**
- Net commissions	5,174	3,248	1,926	59.3%
- Profits from financial operations	(26)	3	(29)	n.s.
- Other operating proceeds	498	455	43	9.5%
Proceeds from brokerage and other	**5.646**	**3.706**	**1.940**	**52.3%**
Brokerage margin	**11,513**	**7,777**	**3,736**	**48.0%**
Operating costs	(4,261)	(3,404)	(857)	25.2%
Operating result	**7,252**	**4,373**	**2,879**	**65.8%**

In detail, the **interest margin**, equal to 5,867,000 euro, registered an increase of 44.1% compared to 30 June 2002, and is based on both the increase in receivable interest and the decrease in payable interest. In fact, receivable interest increased by 23.3%, while payable interest were reduced 2.2%, primarily due to the improvement attributable to the banking *status* as well as the general downturn in economic conditions available on the market.

Net commissions registered an excellent performance, and demonstrated the capability of factoring activity to generate added value through management and service for credit; the added charges connected to this activity are diluted above all among personnel expenses.
Payable commissions equal to 306,000 euro resulted from:
- banking activity with designated banks which submit factoring operations for companies not within their competence;
- non-banking financial/insurance companies which submit factoring operations for companies not within their competence.
- from credit broker activity.

Receivable commissions equal to 5,480,000 euro essentially from factoring commissions on turnover generated by individual customers (in *non-recourse* or in *recourse*, in the *flat* or monthly formula) as well as other payments usually charged to customers for services

NET COMMISSIONS
(in thousands of euro)

	FISCAL YEAR		VARIATION	
	30/06/2003	**30/06/2002**	**ABSOLUTE**	**%**
Signatory credit	(1)	(6)	5	n.s.
Management and brokerage services	(2)	(3)	1	n.s.
Collection and payment services	124	73	51	69.9%
Other services	5,053	3,184	1,869	58.7%
Net commissions	**5,174**	**3,248**	**1,926**	**59.3%**

Other operating proceeds equal to 498,000 euro include, among other things, revenue from leasing group property.

OPERATING COSTS
(in thousands of euro)

	FISCAL YEAR		VARIATION	
	30/06/2003	**30/06/2002**	**ABSOLUTE**	**%**
Expenses for personnel:	2,232	1,709	523	30.6%
Other administration expenses	1,709	1,385	324	23.4%
Value adjustments on tangible and intangible fixed assets	320	310	10	3.2%
Total operating costs	**4,261**	**3,404**	**857**	**25.2%**

The trend of **operating costs** was also affected by expansion of the activity and strengthening of the organization, primarily in terms of quality human resources who joined the Banca IFIS project. In this regard particular attention was paid in selecting resources dedicated to developing new products in new territorial markets and strengthening the area dedicated to management, control and collection of credit. The total amount for this item reached 4,261,000 euro with an increase of 25.2% compared to the same period of 2002.

The increase in **expenses for personnel** (which amounted to 2,232,000 euro, +30.6% compared to the first half of 2002) is physiological in consideration of the increased number of employees functional for corporate development; the change from the National Collective Labor Agreement for commercial employees (in force for most of the 1st half of 2002) to the National Collective Labor Agreement for credit employees, belonging to the banking sector; and, finally, contractual increases registered during the period.

OTHER ADMINISTRATION EXPENSES
(in thousands of euro)

	FISCAL YEAR		VARIATION	
	30/06/2003	30/06/2002	ABSOLUTE	%
Expenses for professional services	627	450	177	39.3%
Corporate bodies	444	271	173	63.8%
Legal expenses and consultation	155	150	5	3.3%
Auditing	28	29	(1)	(3.4)%
Indirect taxes and taxes	110	87	23	26.4%
Maintenance expenses	26	32	(6)	(18.8)%
Car operations and servicing	136	89	47	52.8%
Expenses for acquiring non-professional goods and services	514	488	26	5.3%
Office management	196	167	29	17.4%
Telephone expenses	86	93	(7)	(7.5)%
Various office supplies	66	67	(1)	(1.5)%
Postal and tax stamp expenses	60	47	13	27.7%
Business travel	55	44	11	25.0%
Software assistance	51	70	(19)	(27.1)%
Other expenses	296	239	57	23.8%
Customer information	118	91	27	29.7%
Advertising and inserts	31	34	(3)	(8.8)%
Other different expenses	147	114	33	28.9%
Total other administration expenses	**1,709**	**1,385**	**324**	**23.4%**

The increase in **other administrative expenses** (which reached 1,709,000 euro, +23.4% compared to the first half of 2002) is mainly due to the higher charges connected with higher volume and banking operation.

Formation of net profit

The table below shows the details of the formation of the group's net profit starting from the operating result, described above and compared with the previous year.

FORMATION OF NET PROFIT
(in thousands of euro)

	FISCAL YEAR		VARIATION	
	30/06/2003	**30/06/2002**	**ABSOLUTE**	**%**
Operating result	7,252	4,373	2,879	65.8%
Proceeds and extraordinary charges	(239)	(95)	(144)	151.6%
Total liquid assets	**7,013**	**4,278**	**2,735**	**63.9%**
Net value adjustments on receivables and funds for guarantees and commitments	(2,373)	(1,077)	(1,296)	120.3%
Gross profit	**4,640**	**3,201**	**1,439**	**45.0%**
of which ordinary profit	***4,879***	***3,296***	***1,583***	***48.0%***
Income tax	(1,630)	(1,280)	(350)	27.3%
Net profit	**3,010**	**1,921**	**1,089**	**56.7%**

The **net adjustments on receivables** are equal to 2,373,000 euro (+120.3% compared to the first half of 2002); the increase in net adjustments is the result of the opportunity to take into account the general worsening of credit quality, despite the great care taken in assuming credit risk. No allotments were made to risk funds on receivables, as occurred in 2002.

Extraordinary results, whose negative contribution is equal to 239,000 euro, are broken down as follows:
- non-existence of payables related to entries from previous fiscal years for 99,000 euro;
- windfall gain for 112,000 euro;
- windfall losses per 200,000 euro;
- fiscal amnesty charges *under Law* 289 of 27 December 2002 for 250,000 euro.

Gross profit reached 4,640,000 euro, growth of 45.0% compared to the first half of 2002. Ordinary profit is equal to 4,879,000 euro and grew 48.0% compared to the first half of 2002.

Income tax amounted to 1,630,000 euro. The increase is proportionally less than the increase in gross profit, especially due to the half-year tax benefit received on the consolidated report deriving from the adjustment of the value of the stake in the held company Immobiliare Marocco S.p.A., which will presumably be taken on the fiscal year financial statements as of 31 December 2003, as allowed by article 1 of DL 209/2002, and which has been taken on the consolidated half-year repot for the part of competence to the half-year.

Net profit totaled 3,010,000 euro for an increase of 56.7%. In the absence profit from third parties, the result is entirely referred to the group.

Other information

Research and development

Due to its specific activity, the group did not undertake research and development activities during the half-year requiring express indication of the cost in asset entries due to its organization or size.

Corporate governance regulations

Following issue of the Self-Regulatory Code for Listed Companies issued by Borsa Italiana S.p.A., the Bank compared its corporate governance system with the provisions contained in the Code, and found it basically in compliance, in terms of company size, with the indications described in the Board of Directors' report required by Borsa Italiana S.p.A.
The Board of Directors' Report comparing the group's current Corporate governance system, and the "Self-Regulatory Code of Listed Companies" was approved on 27 March 2003 and is available on the company Internet site *www.bancaifis.it.*

Insider dealing regulations

Parent company Banca IFIS has instituted a self-regulatory code aimed at regulating, in a legally binding manner, informative obligations and limitations related to operations effected by board members, auditors and managers on Bank shares.
The Self-regulatory Code is available at Borsa Italiana S.p.A., at the Company and on the company Internet sit *www.bancaifis.it.*

Relationships with non-consolidated group companies and associated parties

Existing relationships as of 30 June 2003 with non-consolidated group companies and associated parties are shown below:

(in thousands of euro)	RECEIVABLES WITH	PAYABLES WITH	ISSUED GUARANTEES
Holding company:			
La Scogliera S.p.A.	1,224	---	835
Associated parties:			
Cofin Investimenti Immobiliari S.r.l.	3,193	---	---
Egon von Fürstenberg S.r.l.	87	---	---
Total	**4,504**	**---**	**835**

The following operations were effected with holding, non-consolidated controlled or associated companies during the fiscal year:

- The current account relationship continued, entered in the financial statement as "Receivables with customers", with holding company La Scogliera S.p.A. Banca IFIS's receivable balance as of 31 December 2001 equal to 1,174,000 changed due to collection of dividends and other financing operations. Banca IFIS's receivable balance as of 30 June 2003 is equal to 1,224,000 euro. Banca IFIS also issued a security guarantee for La Scogliera S.p.A. in favor of the Financial Administration for tax debts of a former 100% controlled company, related to settlement of installments with final installment in March 2005. Relationships with La Scogliera S.p.A. are governed by market conditions;
- Credit extended to Cofin Investimenti Immobiliari S.r.l. was confirmed for 2,506,000 euro as of 30 December 2003, to pursue real estate initiatives in Veneto and Lombardy, with expected market realization. The financing bears interest in line with what Banca IFIS S.p.A. usually obtains on the market. The company has undertaken the irrevocable commitment to grant Banca IFIS S.p.A., upon simple request, the mandate to register a mortgage on all the real estate property. Banca IFIS continues to hold a suitable guarantee issued by the shareholder in the event

that the sale of the real estate asset does not provide for complete recovery of this credit. Banca IFIS's interest in this operation consists in the profitable commitment of available financial resources;

- The residual credit extended to Egon Von Furstenberg S.r.l. is based on temporary financing granted to the Company, connected with necessities for ordinary operations. The position was closed in the month of July 2003. Banca IFIS's interest in this operation consists in the commitment of available financial resources, at market rates.

In addition, financing for an unimportant amount was provided to employees in the form of covering current account overdrafts. This financing, by cancelling fees, bears interest greater than the Bank's marginal cost of deposits.

As of 30 June 2003 no guarantees other than those mentioned above existed for the holding, controlled, non-consolidated or associated companies.

Banca IFIS extraordinary assembly deliberations of 30 April 2002 relative to capital increases

The extraordinary Assembly of 30 April 2002 gave the Board of Directors the faculty of increasing corporate capital, both free of charge and by payment, within a maximum period of five years, up to a maximum nominal amount of 2,145,000 euro for free of charge increase and nominal 2,145,000 euro for the paid increase. Increase of capital free of charge and paid may occur by means of issue of ordinary shares with a nominal value of 1 euro each, to be assigned and respectively offered as a stock option to those who can exercise this right, with the faculty of the Board of Directors to establish the following on a time to time basis: share premium of shares issued for payment, in a range between 30% and 70% of the difference between the average stock exchange price registered in the month prior to the deliberation to increase and the nominal value of the share; possession; time frames; methods and conditions of the offering; division of the increase itself.
In addition, the Assembly gave the Board of Directors the faculty to issue, in one or more times, for a total value not exceeding 10,000,000 euro and not exceeding limits provided by current legislation, a subordinate bond convertible in Banca IFIS shares , to be offered as an option to those who can exercise this right, with a correlated increase in corporate capital for a total amount not exceeding 10,000,000 euro, within a period of five years, establishing the methods, terms, conditions, related regulations and division.
Finally the Assembly, after excluding the option right former art. 2441, paragraph 5 and 6 of the Italian Civil Code, gave the Board the right to increase, in one or more times, within a maximum period of five years, corporate capital up to a maximum nominal amount of 429,000 euro by issuing a maximum number of 129,000 ordinary shares with a nominal value of 1 euro each for a total of 129,000 euro to be offered for subscription to board members and a maximum number of 300,000 ordinary shares with a nominal value of 1 euro each for a total of 300,000 euro to be offered for subscription to all Bank employees as part of the Stick Option Plan.
The Board of Directors has not yet taken advantage of any of the attributions assigned to it by the extraordinary assembly of 30 April 2002, with the exception of the partial use of the delegation connected to the stock plan explained below.

The stock option plan

By a deliberation dated 27 March 2003, the Board of Directors decided to make partial use of the delegation issued by the assembly of 30 April 2002, increasing the Bank's corporate capital by a total of 214,500 by issuing 214,500 new shares (of which 150,000 reserved for employees tied to the Bank by employee work contracts and 64,500 to board members) at a price of euro 9.43 (the greater between: the average market price for the half-year preceding the assignment; the average market price for the month preceding the assignment; net accounting equity per share from the preceding financial statements with respect to the date of the assignment). The objective of the plan, among others, is to increase the medium to long-term loyalty of the recipients. For this reason, in full observance of the assembly deliberation, the options can only be exercised in the period between 1 January and 31 December 2006.

Shareholders

The parent company's corporate capital amounts to 21,450,000 euro and is divided into 21,450,000 shares with a nominal value of 1 euro.
Shareholders who have declared stakes over 2% of Company capital are as follows:

	NUMBER OF SHARES	% CORPORATE CAPITAL
La Scogliera S.p.A.	15,432,764	71.9%
Giovanni Bossi	542,750	2.5%

Listing on the Mercato Telematico Azionario

The extraordinary assembly of 30 April 2002 deliberated, among other things, to give the Board a mandate to proceed to listing the shares of Banca IFIS on the Mercato Telematico Azionario, by transferring the stock from the current listing market, the Mercato Ristretto of Borsa Italiana S.p.A.
As a result of the difficult conditions on the stock market as well as the opportunity to verify the Bank's progress during its first year of activity, the Board decided to postpone in the first instance, delaying listing on the Mercato Telematico Azionario to a later time when an improvement in market conditions would be accompanied by an improved organizational structure of the Bank.
The above prerequisites having been generally fulfilled, following informal meetings that involved the Bank in the final phase of the half, the Board of Directors deliberated on 4 July 2003 to approve the application for admission of the shares of Banca IFIS S.p.A. to trading on the Mercato Telematico Azionario (MTA) of Borsa Italiana S.p.A., following the approval of its application to be excluded from trading on the Mercato Ristretto. The application for exclusion is, obviously, subordinate to the approval of the request for listing on the MTA.
The applications referred to above were presented to CONSOB and Borsa Italiana S.p.A. in a timely manner. It is reasonable to suppose that the shares of Banca IFIS S.p.A. will be traded on the Mercato Telematico Azionario by the end of 2003.

Operations on own shares

The assembly of Banca IFIS shareholders on 14 April 2003 renewed the authorization to acquire and transfer own shares according to articles 2357 and subsequent of the Italian Civil Code as well as Italian Legislative Decree 58/98, establishing a price range within which the shares may be acquired between a minimum of 3 euro and a maximum of 30 euro for a maximum amount of 4,000,000 euro. The Assembly also established a new deadline for the duration of the authorization equal to 18 months from the date the deliberation was made.

Previously, own share operations were regulated by the Banca IFIS shareholders' assembly decision that, on 14 April 2002 had already renewed the authorization to acquire and transfer own shares under the same conditions but for a maximum amount of 2,145,000 euro.

Stock as of 31 December 2002 was equal to 10,756 shares, entered for a total value of 106,000 euro and a nominal value of 10,756 euro.

During the course of the half-year ending 30 June 2003, Banca IFIS acquired an additional 6,476 own shares, at an average price of euro 8.4, selling 3,911 own shares at an average price of euro 8.23. As a result of the operations carried out during the half-year, stock is equal to 13,321 shares, entered for a value of 108,000 euro and a nominal value of 13,000 euro. The value of the shares at the end of the half includes a value adjustment for a total amount of 20,000 euro.

Factors subsequent to the half-year closing

Management has continued normally during the period between the closure of the half-year and the drafting of the half-year financial statements; there were no relevant events, except that communicated with reference to the list of the shares of Banca IFIS S.p.A. on the Mercato Telematico Azionario.

Forecast evolution of operations

Economic trend forecasts for 2003 continue to be not positive for the second half of 2003; the banking system's attitude towards financing SMEs will continue to be modest, both in the second half of 2003 and, presumably, during the course of 2004, allow broad room for factoring operators, in a situation strongly conditioned by credit risk.

The prospects for Banca IFIS are still confirmed as positive. The new products and services introduced to the market during the last part of 2002 and the first half of 2003, together with initiatives in an advanced phase of implementation, as well as the strengthening of the corporate structure, allow forecasting a strengthening of Banca IFIS in a market that could increase the value of the assets of a dynamic, entrepreneurial operator. Further incentives will be given for pursuing the strategic goals (increased specialization, profit, and maximum focus on credit quality).

The premises are thus comforting and permit a cautiously optimistic outlook for the overall operating trend. Nevertheless, significant elements of uncertainty still remain relative to the macroeconomic environment of reference, represented by the industrial SMEs, Banca IFIS's typical customer.

Venice-Mestre, 7 August 2003

President
Sebastien Egon Fürstenberg

Managing Director
Giovanni Bossi

CONSOLIDATED FINANCIAL STATEMENT AS AT 30th JUNE 2003

CONSOLIDATED BALANCE SHEET

(in thousands of euro)

ASSETS

		30/06/2003		31/12/2002		30/06/2002	
10	**Cash on hand and liquid assets at central banks and post offices**		**7**		**7**		**4**
30	**Receivables with banks**		**4.201**		**3.907**		**10.817**
	(a) on sight		3.634		3.791		10.705
	(b) other receivables		567		116		112
40	**Receivables with customers**		**291.653**		**243.891**		**202.384**
50	**Bond and other receivables securities**		**433**		**441**		**441**
	(a) issued by government		433		441		441
60	**Share, stakes and other capital securities**		**349**		**349**		**62**
110	**Intangible fixed assets**		**511**		**492**		**554**
	of which:						
	- cost of systems	87		102		99	
120	**Tangible Fixed Assets**		**21.382**		**21.208**		**20.924**
140	**Own shares and stakes**		**108**		**106**		**---**
	euro nominal values	13.321		10.756		---	
150	**Other assets**		**4.336**		**5.551**		**2.710**
160	**Prepayments and accrued income**		**372**		**158**		**260**
	(a) prepayments		134		2		107
	(b) accrued income		238		156		153
	TOTAL ASSETS		**323.352**		**276.110**		**238.156**

LIABILITIES

		30/06/2003	31/12/2002	30/06/2002
10	**Payables with banks:**	**197.328**	**196.368**	**185.038**
	(a) on sight	118.495	135.228	124.729
	(b) term or upon notice	78.833	61.140	60.309
20	**Payables with customers:**	**74.899**	**29.035**	**6.527**
	(a) on sight	74.899	29.035	6.527
50	**Other payables**	**2.466**	**2.094**	**2.315**
60	**Accrued expenses and deferred income:**	**146**	**71**	**683**
	(a) accrued expenses	95	37	646
	(b) deferred income	51	34	37
70	**Employee severance pay (TFR)**	**611**	**509**	**474**
80	**Funds for risks and charges:**	**1.851**	**2.848**	**1.342**
	(b) tax funds	1.851	2.848	1.342
150	**Capital**	**21.450**	**21.450**	**21.450**
160	**Share premiums**	**13.450**	**15.305**	**16.675**
170	**Reserves:**	**7.848**	**3.072**	**1.731**
	(a) legal reserve	1.162	1.021	1.021
	(b) reserve for own shares or stakes	4.000	2.145	775
	(d) other reserves	2.686	(94)	(65)
190	**Profits (losses) carried forward**	**293**	**---**	**---**
200	**Profits (losses) for the period**	**3.010**	**5.358**	**1.921**
	TOTAL LIABILITIES	**323.352**	**276.110**	**238.156**

	GUARANTEES AND COMMITMENTS	30/06/2003		31/12/2002		30/06/2002	
10	**GUARANTEES GIVEN**		**2.912**		**3.041**		**2.813**
	of which:						
	- other guarantees	2.912		3.041		2.813	
20	**COMMITMENTS**		**59.538**		**39.364**		**41.976**

CONSOLIDATED PROFIT AND LOSS STATEMENT

(in thousands of euro)

		30/06/2003		30/06/2002		31/12/2002	
10	**Receivable interest and similar proceeds**		**9.062**		**7.348**		**15.572**
	of which:						
	- on receivables with customers	9.035		7.312		15.508	
	- on payable securities	5		8		18	
20	**Payable interest and similar charges**		**(3.213)**		**(3.286)**		**(6.731)**
	of which:						
	- on payables with customers	(110)		(40)		(80)	
30	**Dividends and other proceeds:**		**18**		**9**		**9**
	(a) on shares, stakes		18		9		9
40	**Receivable commissions**		**5.480**		**3.536**		**7.834**
50	**Payable commissions**		**(306)**		**(288)**		**(632)**
60	**Profits (losses) from financial operations**		**(26)**		**3**		**8**
70	**Other operating proceeds**		**498**		**455**		**1.022**
80	**Administrative expenses:**		**(3.941)**		**(3.094)**		**(6.742)**
	(a) expenses for personnel		(2.232)		(1.709)		(3.643)
	of which:						
	- wages and salaries	(1.653)		(1.279)		(2.692)	
	- social security charges	(451)		(341)		(753)	
	- severance pay (TFR)	(117)		(88)		(180)	
	(b) other administrative expenses		(1.709)		(1.385)		(3.099)
90	**Value adjustments on intangible and tangible fixed assets**		**(320)**		**(310)**		**(600)**
120	**Value adjustments on receivables and funds for guarantees and commitments**		**(2.373)**		**(1.077)**		**(2.682)**
180	**Profit (loss) on ordinary activity**		**4.879**		**3.296**		**7.058**
190	**Extraordinary proceeds**		**211**		**9**		**760**
200	**Extraordinary charges**		**(450)**		**(104)**		**(233)**
210	**Extraordinary profits (losses)**		**(239)**		**(95)**		**527**
240	**Income tax**		**(1.630)**		**(1.280)**		**(2.227)**
260	**Profit (loss) for the period**		**3.010**		**1.921**		**5.358**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT

The purpose of the notes is to provide an illustration and analysis of the contents of the consolidated financial statement and contain the information required by the provisions of Legislative Decree no. 87/92 and the Regulation of Banca d'Italia no. 14 dated 16 January 1995 and subsequent modifications. In addition, all supplementary information deemed opportune to integrate the representation of the data in the consolidated financial statements, even if not required by law.
A summary of the variations in the consolidated net assets and the consolidated financial statement are attached to the six monthly consolidated report.
The half-year consolidated report is submitted to Deloitte & Touche S.p.A. for an auditing procedure.
The consolidated notes are broken down into four parts:

Part A – Evaluation criteria
Section 1 – Explanation of evaluation criteria
Section 2 – Adjustments and fiscal funds
Section 3 – Additional information

Part B – Information on the consolidated Balance Sheet
Section 1 – Receivables
Section 2 – Securities
Section 3 – Stakes
Section 4 – Tangible and intangible fixed assets
Section 5 – Other receivables
Section 6 – Payables
Section 7 – Funds
Section 8 – Capital, reserves, fund for general banking risk and subordinated payables
Section 9 – Other payables
Section 10 – Guarantees and commitments
Section 11 – Concentration and distribution of receivables and payables
Section 12 – Management and brokering for third parties

Part C – Information on the consolidated Profit and Loss Statement
Section 1 – Interest
Section 2 – Commissions
Section 3 – Profits and losses from financial operations
Section 4 – Administrative expenses
Section 5 – Adjustments, reinstatements and funds
Section 6 – Other items in the profit and loss statement
Section 7 – Additional information on the profit and loss statement

Part D – Other information
Section 1 – Board member and auditors

Consolidation area

The six monthly consolidated financial statement was drafted based on the half-year financial statement as of 30 June 2003 prepared by the company board members included in the consolidation area.

Pursuant to the full consolidation method, the six monthly financial report as of 30 June 2003 includes the half year financial statement of the parent company Banca IFIS S.p.A. as well as the half year financial statement of controlled company Immobiliare Marocco S.p.A.:

	Headquarters	Net equity	Net result as of 30/06/03	% of direct stake
Immobiliare Marocco S.p.A.	Mestre (VE)	989	(64)	100

Consolidation principles and criteria

The accounting value of the stake held in the controlled companies is eliminated during consolidation, against the related net equity in relation to underwriting of receivables and payables of the held company according to the full method. Any positive differences which emerge from this elimination (cost of the stake higher than the pertinent net equity) are charged where possible to the receivable and payable elements of the controlled company and the residual charged to other reserves. Where the difference is charged to payable elements, where possible this is amortized according to the criteria applicable for the specific item.

PART A EVALUATION CRITERIA

SECTION 1 DESCRIPTION OF EVALUATION CRITERIA

The evaluation criteria used to prepare the six month report are listed below.

1.1 Receivables, guarantees and commitments

Receivables

Receivables are entered at their nominal value less the presumed realizable value.
Receivables are calculated distinguishing between current and blocked receivables and non-performing receivables.
Current and blocked receivables are calculated together by providing an adjustable fund, this fund is created by applying a flat-rate abatement percentage that takes into account the physiological risk involved in the mass of receivables in part based on historical-statistical indicators.
Non-performing receivables are calculated analytically. Analytical value adjustments are divided into "devaluations" and "losses on receivables". A devaluation occurs in the presence of a non-definitive reduction in value; if opportune, the amount of the devaluation is put in an analytical fund adjusting the receivable it effects. A loss on receivables occurs in the presence of a certain and definitive reduction in the value, all or part of the amount of the loss is removed from the receivable.
If the value adjustments involve receivables classified as current or blocked at the end of the previous fiscal year, or receivables from the current half-year, they are shown as a reduction of the abated adjustment fund in previous fiscal years according to flat rate criteria, and the profit and loss statement is charged with the surplus amount.
For the sole purpose of representing the receivables in the notes, value adjustments relative to flat rate calculated receivables have been conventionally attributed to receivables in proportion to the value of each receivable category.

Receivable assignment operations

Receivables from financing granted to customers for receivable assigning operations according to law no. 52/91 are entered as assets. The nominal value of the acquired receivables is shown in "Receivables with customers for factoring operations" in the notes.".
Receivables which have been definitively acquired are recorded as assets at their purchase price. If they were underwritten for a value inferior to their normal value, the purchase price is entered as assets, while the nominal value of these receivables is shown in the notes among the details of the "Receivables with customers for factoring operations" item.
Receivables for which only a collection service was provided are not indicated in the items of the financial statement and are indicated at their nominal value in the notes among the details of the "Receivables with customers for factoring operations" item.
Receivables from financing contracts are entered as assets for the amount paid.

Guarantees and commitments

Specific credit risks regarding guarantees and commitments are calculated using the same criteria for calculating receivables.
The guarantees issued are entered at the contractual value of the commitment underwritten for the beneficiary.

1.2 Securities and "off balance sheet" operations (other than those involving foreign currencies)

Locked up securities

The group does not possess locked up securities in its portfolio.

Non locked-up securities

Securities not destined for stable company investment are calculated at the lesser between purchase price and market value.

1.3 Stakes

Stakes

Minor stakes are calculated at cost, established based on the purchase or subscription price. The cost is reduced for lasting losses in value if the controlled companies have sustained losses and proceeds sufficient to absorb these losses are not foreseen for the immediate future. A stake is considered to be held when there is ownership of at least a tenth of the rights to vote in ordinary assembly.

1.4 Currency assets and liabilities (including "off balance sheet" operations)

Currency Assets and Liabilities

Currency assets and liabilities are converted into euro with the end of period exchange rate.
The effect of these calculation is recorded in the profit and loss statement in the item "profits/losses from financial operations". Currency costs and proceeds are obtained with the existing exchange rate at the time of entry.

1.5 Tangible fixed assets

Tangible fixed assets

Tangible assets are entered at purchase cost including direct charge fees as well as expenses of an incremental nature, and are systematically depreciated by calculating certain amounts referred to rate that represent the useful life cycle of the assets. The depreciation process is interrupted for assets destined to be transferred, their net accounting value is presumed not to be inferior to the market value. Depreciation on costs related to the building being renovated to house the new company headquarters were not calculated. It is important to note that the depreciation rates for the fiscal year for the asset are 50%.
Ordinary maintenance and repair expenses are charged to the profit and loss statement.

Leasing operation receivables and payables

The group is no longer active in the leasing sector. The accounting data for the only remaining position is effected according to the equity method, described in the accounting principle IAS no. 17.
Assets held in leasing are represented by the building used by the head office, current headquarters of Banca IFIS and another property located in San Donà di Piave (VE) destined to be sold.
The effects on the balance sheet and profit and loss statement resulting from application of this financial method are commented on in the items of the balance sheet assets 40 "Receivables with customers", 110 "Intangible fixed assets", 120 "Tangible fixed assets", 160 "Prepayments and accrued income", in the items of balance sheet liabilities 10 "Payables with banks", 60 "Accrued expenses and deferred income" 80 "Funds for risks and charges", 200 "Fiscal year profit", in the guarantees and commitments items 20 "Commitments" and in the items of the profit and loss statement 10 "Receivable interest and similar proceeds", 20 "Payable interest and similar charges", 70 "Other operating proceeds", 90 "Value adjustments on intangible and tangible fixed assets", 110 "Other operating charges", 190 "Extraordinary proceeds", 200 "Extraordinary charges" and 240 "Fiscal year income taxes" highlighting.

1.6 Intangible fixed assets

Intangible fixed assets

Are entered in the balance at the sustained and amortized cost at constant amounts, for a period not exceeding 5 years, with the straight line method.

1.7 Other aspects

Own shares

Own shares are calculated at the lesser between purchase price and market value. The cost is determined by applying the "Lifo" method.

Accruals and deferrals

These are calculated according to an accrual period principle, in order to correctly identify the economic components of the period.

Payables

Payables are entered at their nominal value.

Employee severance pay (TFR) reserve

This item includes employee severance pay benefits accrued by the employees at the close of the period, calculated in compliance with legal provisions and statutory labor contracts.

Funds for risks and charges

Funds for risks and charges are destined to cover losses, charges or payables of a certain nature, with a probable or certain existence and an amount and maturity date that is unknown as of the closing date.
The tax fund contains reserves for current and deferred taxes for the specific period.

Costs and proceeds

Interest and commissions as well as other costs and proceeds, are entered according to the principle of accrual date.

Income tax

Current taxes are calculated using current tax rates, taking into account any possible applicable exemptions and tax benefits.
The criteria used for entering deferred taxes is the "income statement liability method".
Liabilities for deferred taxes originate from taxable temporary differences and represent deferred taxes that will be paid in subsequent fiscal years. Assets for prepaid taxes originate from deductible temporary differences and represent taxes paid ahead of time that can be recovered in subsequent fiscal years.
Accounting of deferred tax liabilities is subject to a *probability test*, meaning a verification that presuppositions exist that the latent fiscal expense will become an effective expense, so allocation is only made for deferred tax liabilities related to temporary differences with a predetermined "inversion" time profile.
Prepaid taxes for temporary differences with predetermined "inversion" times are recorded as assets when the "reasonable certainty" requirement of their recovery is met.
For the nominal values of time differences, the theoretical rates have been applied when the time differences reverse. Separate calculations have been made for Irpeg and Irap. In the case of Irpeg, given the impossibility of establishing certain future applicable rates subjectively applied in the presence of tax benefits which permanently reduce the tax, the effective average rate from the last half year was used, equal to 31%, as this was felt to be an adequate estimate of the average tax rate for future fiscal years. For Irap, a tax rate applied is 4.25%.

SECTION 2 ADJUSTMENTS AND FISCAL ALLOTMENTS

2.1 Value adjustments effected solely for application of tax regulations

The financial statement of the parent company Banca IFIS expresses the devaluation of the stake in the held company Immobiliare Marocco S.p.A., effected by adjusting the value pursuant to art. 61, paragraph 3, letter b) of the Presidential Decree 971/86, in order to use the favorable fiscal provisions (making avail of the option provided by art. 2426, second paragraph of the Civil Code) introduced by art. 1 of Legislative Decree no. 209/2002, by satisfying all the requirements for using it. In the presence of a loss without a lasting value, the devaluation in the consolidated financial statement has been entirely recovered and the tax benefit remains.

2.2 Fiscal allotments effected solely for application of tax regulations

No fiscal allotments were effected solely for application of tax regulations.

SECTION 3 OTHER INFORMATION

3.1 Modification of drafting and evaluation criteria

In the half-year statement as of 30 June 2003 the same drafting and evaluation and criteria as previous fiscal years were observed.

PART B — INFORMATION ON CONSOLIDATED BALANCE SHEET

The amounts indicated in the prospectuses, unless otherwise specified, are expressed in thousands of euro.

ASSETS

SECTION 1 — RECEIVABLES

Composition of item 10 "Cash on hand and liquid assets at central banks and post offices"

		30/06/2003	31/12/2002
(a)	Banknotes and coins	7	7
	Total	**7**	**7**

Composition of item 30 "Receivables with banks"

		30/06/2003	31/12/2002
	On sight	**3.634**	**3.791**
(a)	Current accounts	3.634	3.791
	Other receivables	**567**	**116**
(b)	Receivables with central banks	567	116
	Total	**4.201**	**3.907**

1.1 Detail of item 30 "Receivables with banks"

		30/06/2003	31/12/2002
(a)	Receivables with central banks	567	116
(b)	Bills which can be refinanced at central banks	---	---
(c)	Bonds	---	---
(d)	Security loans	---	---

The amount in point (a) represents the balance of the obligatory operating reserve account at the Banca d'Italia.
The consolidated receivables situation with banks does not include any non-performing receivables, therefore tables 1.2, 1.3 and 1.4. were not used.

Composition of item 40 "Receivables with customers"

		30/06/2003	31/12/2002
(a)	Ordinary current accounts and other financing	32.046	29.059
(b)	Prepayment accounts for assignment of recourse receivables	186.480	123.556
(c)	Prepayment accounts for assignment of non-recourse receivables	43.773	68.287
(d)	Receivables with debtors for definitive acquisition	31.964	22.617
(e)	Prepayment accounts for assignment of future receivables	7.014	7.753
(f)	Open loans	682	474
(g)	Other receivables	531	548
(h)	Value adjustments	(10.837)	(8.403)
	Total	**291.653**	**243.891**

Receivables with customers are entered at their presumed realization value, determined according to the procedure described in Part A – Section 1 of these notes.

Posting leasing operations in the consolidated financial statement as of 30 June 2003 with the financial method compared to posting with the equity method results in an increase in the item "Receivables with customers" of 531 thousand euro.

1.5 Details of item 40 "Receivables with customers

		30/06/2003	31/12/2002
(a)	Bills which can be refinanced at central banks	---	---
(b)	Bonds	---	---
(c)	Security loans	---	---

1.6 Guaranteed receivables with customers

		30/06/2003
(a)	From mortgages	2.221
(b)	From pledges on:	
	1. Cash deposits	55.314
	2. Securities	---
	3. Other collateral	---
(c)	From guarantees of:	
	1. States	---
	2. Other public institutions	---
	3. Banks	---
	4. Other operators	97.794
	Total	**155.329**

For receivables partly backed by guarantee, only the guaranteed amount is indicated.

Non-performing receivables (including interest on arrears)

	30/06/2003	31/12/2002
Non-performing receivables	8.074	9.050

The incidence of these net non-performing receivables on total receivables with customers as of 30 June 2003 is equal to 2,77% (3,71% as of 31 December 2002 at the same conditions).

Receivables from interest on arrears

		30/06/2003	31/12/2002
(a)	Non-performing receivables	118	148
(b)	Other receivables	---	---
	Total	**118**	**148**

1.7 Situation of cash receivables with customers

The situation as of 30 June 2003 is shown below for cash receivables with customers, by degree of risk as well as the related dynamics of bad debts and overall value adjustments made during the half-year.

	Categories/Values	Gross exposure	Total value adjustments	Net exposure
A.	**Bad debts**	**22.708**	**7.651**	**15.057**
A.1	Non-performing	15.647	7.573	8.074
A.2	Blocked	6.934	78	6.856
A.3	Receivables being rescheduled	---	---	---
A.4	Rescheduled receivables	---	---	---
A.5	Non-guaranteed receivables with risky countries	127	---	127
B.	**In bonis receivables**	**279.782**	**3.186**	**276.596**
	Totals	**302.490**	**10.837**	**291.653**

1.8 Dynamics of bad debt with customers

	Descriptions/Categories	Non-performing	Blocked	Being rescheduled	Rescheduled	Non-guaranteed with risky countries	Total
A.	**Initial gross exposure**	**15.113**	**6.568**	**---**	**---**	**47**	**21.728**
A.1	of which: *for interest on arrears*	*1.080*	---	---	---	---	*1.080*
B.	**Increased variations**	**1.356**	**1.569**	**---**	**---**	**1.606**	**4.531**
B.1	increase from in bonis receivables	1.035	1.065	---	---	---	2.100
B.2	interest on arrears	73	---	---	---	---	73
B.3	transfer from other bad debt categories	37	---	---	---	---	37
B.4	other increased variations	211	504	---	---	1.606	2.321
C.	**Decreased variations**	**822**	**1.203**	**---**	**---**	**1.526**	**3.551**
C.1	outlay for in bonis receivables	296	---	---	---	---	296
C.2	cancellations	6	---	---	---	---	6
C.3	collections	314	1.166	---	---	---	1.480
C.4	realized through assignment	---	---	---	---	---	-
C.5	transfer to other bad debt categories	---	37	---	---	---	37
C.6	other decreased variations	206	---	---	---	1.526	1.732
D.	**Final gross exposure**	**15.647**	**6.934**	**---**	**---**	**127**	**22.708**
D.1	of which: *for interest on arrears*	*1.143*	---	---	---	---	*1.143*

1.9 Dynamics of overall value adjustments with customers

Descriptions/Categories		Non-performing	Blocked	Being Rescheduled	Rescheduled	Non-guaranteed receivables with risky countries	In bonis receivables	Total
A.	**Initial overall adjustments**	**6.063**	**64**	**---**	**---**	**---**	**2.276**	**8.403**
A.1	of which: *for interest on arrears*	*932*	---	---	---	---	---	*932*
B.	**Increased variations**	**1.516**	**14**	**---**	**---**	**---**	**1.062**	**2.592**
B.1	value adjustments	1.364	14	---	---	---	1.062	2.440
B.1.1	of which: *for interest on arrears*	*93*	---	---	---	---	---	*93*
B.2	use of risk funds on receivables	---	---	---	---	---	---	---
B.3	transfer from other receivables categories	152	---	---	---	---	---	152
B.4	other increased variations	---	---	---	---	---	---	---
C.	**Decreased variations**	**6**	**---**	**---**	**---**	**---**	**152**	**158**
C.1	reinstatement from valuation	---	---	---	---	---	---	---
C.1.1	of which: *for interest on arrears*	---	---	---	---	---	---	---
C.2	value reinstatement from collection	---	---	---	---	---	---	---
C.2.1	of which: *for interest on arrears*	---	---	---	---	---	---	---
C.3	cancellations	6	---	---	---	---	---	6
C.4	transfer to other receivables categories	---	---	---	---	---	152	152
C.5	other decreased variations	---	---	---	---	---	---	---
D.	**Final overall adjustments**	**7.573**	**78**	**---**	**---**	**---**	**3.186**	**10.837**
D.1	of which: *for interest on arrears*	*1.025*	---	---	---	---	---	*1.025*

Overall value adjustments represent all the direct or straight line devaluations made on receivables, as defined by the Surveillance instructions for compiling Accounting Matrices.

Receivables with customers for factoring operations

Operation details for the factoring business in existence at the closing of the fiscal year are provided below:

		30/06/2003
A.	**Existing receivables**	**454.509**
(a)	Current recourse receivables	298.455
(b)	Current non-recourse receivables	113.189
(c)	Definitively acquired receivables	35.464
(d)	Only managed receivables	7.401
B.	**Commitments**	**269.231**
(a)	On recourse current receivables	186.480
(b)	On non-recourse current receivables	43.773
(c)	On definitively acquired receivables	31.964
(d)	On future receivables	7.014

SECTION 2 SECURITIES

Securities owned by Banca IFIS are classified as follows:

		30/06/2003	31/12/2002
A.	**Bonds**	**433**	**441**
	Treasury securities and other similar securities for refinancing at central banks	---	---
	Bonds and other types of flat rate securities	433	441
B.	**Shares, stakes and other capital securities**	**349**	**349**
	Total	**782**	**790**

of which:

		30/06/2003	31/12/2002
1.	Locked-up securities	---	---
2.	Non locked-up securities	782	790
	Total	**782**	**790**

Composition of item 50 "Bonds and other flat rate securities"

	30/06/2003	31/12/2002
CCT (Italian treasury bond)	433	441
Total	**433**	**441**

The securities indicated in this item are primarily locked up to provide a bank guarantee issued to third parties upon request of the holding company in its own and its customers' interest.

Composition of item 60 “Shares, stakes and other capital securities”

	30/06/2003	31/12/2002
no. 500 Banca di Genova e S. Giorgio shares	1	1
no. 9,075 Banca Antoniana Popolare Veneta shares	61	61
no. 62,500 Banca Passadore & C. shares	287	287
Total	**349**	**349**

The “Banca Antoniana Popolare Veneta” shares existing as of 30 June 2003 are locked up to provide a bank guarantee issued to third parties upon request of the holding company in its own and its clientele's interest.

2.1 Locked-up securities

Locked up securities are destined to be held for a stable company investment.
As of 30 June 2003 the group did not hold locked-up securities, nor did it hold any as of 31 December 2002. Therefore tables 2.1 and 2.2 were not used.

2.3 Non locked-up securities

		Valore di bilancio	Valore di mercato
1.	**Flat rate securities**	**433**	**439**
1.1	Government securities	433	439
	- listed	433	439
	- not listed	---	---
1.2	Other securities	---	---
	- listed	---	---
	- not listed	---	---
2.	**Capital securities**	**349**	**428**
	- listed	61	133
	- not listed	288	295
	Total	**782**	**867**

Comparison of the purchase cost of the shares and market value as of 30 June 2003 results in latent capital gain of approximately 85 thousand euro.

2.4 Variation in non locked-up securities during the six month period

A.	**Initial in existence**	**790**
B.	**Increases**	**151**
B1.	Purchases	151
	- Flat rate securities	151
	+ Government securities	151
	+ other securities	---
	- Capital securities	---
B2.	Reinstatements and revaluations	---
B3.	Transfers from locked-up portfolio	---
B4.	Other variations	---
C.	**Decreases**	**159**
C1.	Sales and reimbursements	159
	- Flat rate securities	159
	+ Government securities	159
	+ other securities	---
	- Capital securities	---
C2.	Value adjustments	---
C3.	Transfers to locked-up portfolio	---
C5.	Other variations	---
D.	**Final balance**	**782**

SECTION 3 STAKES

3.1 Significant stakes

	Name	Office	Relationship	Net Equity	Profit/loss	Stake ratio		Votes in Ordinary Assembly	Value in cons. fin. statement
						Held company	Share %		
A	Companies included in consolidation								
A.1	Full method:								
1.	Immobiliare Marocco S.p.A.	Mestre (VE)	(1)	989	(64)	Banca IFIS S.p.A.	100,00	100,00	---
A.2	Proportional method:	---	---	---	---	---	---	---	---
B.	Stakes valued at net equity:	---	---	---	---	---	---	---	---
C.	Other significant stakes:	---	---	---	---	---	---	---	---

(1) = control ex art. 2359 c.c., paragraph 1, no. 1

3.2 Assets and liabilities with group companies

As of 30 June 2003 the Banca IFIS group had not registered assets or liabilities with group companies that were not consolidated by the full consolidation method. Therefore table 3.2 was not used.

3.3 Assets and liabilities with jointly held companies (different than group companies)

As of 30 June 2003 the Banca IFIS group had not registered assets or liabilities with jointly held companies different than the group. Therefore table 3.3 was not used.

3.4 Composition of item 70 “Stakes”

The group holds a minority stake, equal to 25,000 euro in an unlisted company, Cofin Aviation S.r.l. in liquidation, which however is devalued for the entire entry of the stake.

3.5 Composition of item 80 “Stakes in group companies”

As of 30 June 2003 the Banca IFIS group did not possess stakes in companies that were not consolidated, therefore table 3.5 was not used.

3.6 Annual variations in stakes

3.6.1 Group company stakes

As of 30 June 2003, Banca IFIS did not possess stakes in non-consolidated group companies, therefore table 3.6.1 was not used.

3.6.2 Other stakes

A.	**Initial in existence**	**---**
B.	**Increases**	**---**
B1.	Purchases	---
B2.	Reinstatements	---
B3.	Revaluations	---
B4.	Other variations	---
C.	**Decreases**	**---**
C1.	Sales	---
C2.	Value adjustments	---
	of which:	
	- prolonged devaluations	---
C3.	Other variations	---
D.	**Final balance**	**---**
E.	**Total revaluations**	**---**
F.	**Total adjustments**	**25**

SECTION 4 TANGIBLE AND INTANGIBLE FIXED ASSETS

Composition of item 120 "Tangible fixed assets"

This item includes the tangible assets directly possessed by the group.

	31/12/2002	Increases	Decreases	30/06/2003
Real estate				
- historic cost	20.863	329	---	21.192
- depreciation reserve	(739)	(50)	---	(789)
- net value	20.124	279	---	20.403
Withdrawn real estate				
- historic cost	206	89	(295)	---
- depreciation reserve	(89)	---	89	---
- net value	117	89	(206)	---
Furniture and furnishings				
- historic cost	465	8	(6)	467
- depreciation reserve	(236)	(42)	2	(276)
- net value	229	(34)	(4)	191
Machinery and various equipment				
- historic cost	67	---	---	67
- depreciation reserve	(40)	(5)	---	(45)
- net value	27	(5)	---	22
Electronic office machines				
- historic cost	410	81	(6)	485
- depreciation reserve	(268)	(59)	4	(323)
- net value	142	22	(2)	162
Vehicles				
- historic cost	839	192	(110)	921
- depreciation reserve	(270)	(82)	35	(317)
- net value	569	110	(75)	604
Total				
- Historic cost	**22.850**	**699**	**(417)**	**23.132**
- Depreciation reserve	**(1.642)**	**(238)**	**130**	**(1.750)**
- Net value	**21.208**	**461**	**(287)**	**21.382**

The item real estate refers to office property located in Genoa, the property where Banca IFIS has its registered office, the property being renovated held by the controlled company Immobiliare Marocco which will become the new headquarters of the group, as well as the property in Bucharest (Romania), parent company representative office and other property of residual value.
The Board of Directors of Banca IFIS deliberated to sell the property in Genoa and Padua as well as other non-instrumental property; consequently depreciation processes were interrupted based on the realization value. The property owned by Immobiliare Marocco which will be renovated during the second half of 2003 has not been depreciated.
Regarding the posted tangible fixed assets, it is important to note that in the past revaluations have been effected pursuant to specific laws, with the exception of the

property in Padua and other non-instrumental property, the net value results as follows

- historic cost	207
- merger deficit allocation	258
- extraordinary maintenance	10
- adjustments for depreciations	(130)
Net value	**345**

The effects on net equity and profit from thee application of the financial method pursuant to IAS no. 17 on consolidated financial statement items is shown below.

	Financial statement items	Positive effect	Negative effect
	Balance sheet		
	Assets		
40	Receivables with customers	531	---
110	Intangible fixed assets	---	365
120	Tangible fixed assets	2.507	---
160 b	Accrued income	---	743
	Liabilities		
10	Payables with banks	---	1.353
60 b	Deferred income	9	---
80 b	Tax funds	---	188
	Total effects on net equity	**398**	
	Profit and loss statement		
10	Receivable interest and similar proceeds	12	---
20	Payable interest and similar charges	---	28
70	Other operating proceeds	---	30
90	Value adjustments on intangible and tangible fixed assets	27	---
110	Other operating charges	177	---
240	Fiscal year income taxes	---	53
	Total effects on net profit	**105**	

The positive effect on net profit and consolidated net equity for the period was equal to 105 thousand euro and 398 thousand euro.

4.1 Variations in tangible fixed assets

The variation in tangible fixed assets which occurred during the six month are shown below:

A.	**Initial in existence**	**21.208**
B.	**Increases**	**699**
B.1.	Purchases	699
B.2.	Reinstatements	---
B.3.	Revaluations	---
B.4.	Other variations	---
C.	**Decreases**	**525**
C.1.	Sales	287
C.2.	Value adjustments	238
	of which:	
	a) depreciations	*238*
	b) prolonged devaluations	---
C.3.	Other variations	---
D.	**Final balance**	**21.382**
E.	**Total revaluations**	**---**
F.	**Total adjustments**	**1.750**
	a) depreciations	1.750
	b) prolonged devaluations	---

Composition of item 110 "Intangible fixed assets"

	31/12/2002	Increases	Decreases	30/06/2003
Software installation and acquisition costs	289	90	(52)	327
System costs and expansion	102	---	(15)	87
Costs to improve third party assets	75	---	(9)	66
Other intangible fixed assets	26	10	(5)	31
Total	**492**	**100**	**(81)**	**511**

Posting of the leasing operations in the half-year consolidated financial statement as of 30 June 2003 with the financial method rather than posting with the equity method resulted in a lower figure in the item "Costs to improve third party assets" of 365 thousand euro.

4.2 Variations in intangible fixed assets

		System costs	Other fixed assets	Total
A.	**Initial in existence**	**102**	**390**	**492**
B.	**Increases**	**---**	**100**	**100**
B1.	Purchases	---	100	100
B2.	Reinstatements	---	---	---
B3.	Revaluations	---	---	---
B4.	Other variations	---	---	---
C.	**Decreases**	**15**	**66**	**81**
C1.	Sales	---	---	---
C2.	Value adjustments	15	66	81
	of which:			
	a) depreciations	*15*	*66*	*81*
	b) prolonged devaluation	---	---	---
C3.	Other variations	---	---	---
D.	**Final balances**	**87**	**424**	**511**
E.	**Total revaluations**	**---**	**---**	**---**
F.	**Total adjustments**	**70**	**324**	**394**
	a) depreciations	70	304	374
	b) prolonged devaluations	---	20	20

SECTION 5 OTHER ASSET ITEMS

5.1 Composition of item 150 “Other assets”

		30/06/2003	31/12/2002
(a)	**Credits with Inland Revenue**	**3.297**	**4.819**
	- Irpeg prepayment	945	2.171
	- Irap prepayment	218	465
	- Credits for prepaid taxes	1.314	1.302
	- IVA Credits	148	163
	- Prepayment on severance pay tax (TFR)	3	3
	- Other prepayments	662	711
	- Other credits	7	4
(b)	**Debtors by invoice**	**349**	**470**
(c)	**Down payments**	**42**	**26**
(d)	**Other items**	**648**	**236**
	Total	**4.336**	**5.551**

5.2 Composition of item 160 "Prepayments and accrued income"

		30/06/2003	31/12/2002
	Prepayments	**134**	**2**
	on interest and amounts related to:		
(a)	Loans, financing and other receivables to customers	132	1
(b)	Other operations	2	1
	Accrued income on interest and amounts related to:	**238**	**156**
(a)	Interests on leasing fees	45	48
(b)	Commissions on financing	95	44
(c)	Insurance premiums	20	20
(d)	Other operations	78	44
	Total	**372**	**158**

Posting of the leasing operations in the half-year consolidated financial statement as of 30 June 2003 with the financial method rather than posting with the equity method resulted in a lower figure in the item "Accrued income" of 743 thousand euro.

5.3 Adjustments for prepayments and accrued income

Adjustments made to the assets and liabilities items for prepayments and accrued income are shown below.

		30/06/2003	31/12/2002
	Prepayments	**---**	**142**
	on interest and amounts related to:		
(a)	Relationships with banks	---	142
	Total	**---**	**142**

5.4 Distribution with subordinated activities

Banca IFIS group does not possess liabilities with credit institutions and with customers or securities that present subordination clauses so the table in question was not used.

SECTION 6 PAYABLES

Composition of the item 10 "Payables with banks"

		30/06/2003	31/12/2002
	On sight	**118.495**	**135.228**
(a)	Current accounts	15.168	6.696
(b)	Overdrafts	103.327	128.532
	At maturity or on notice	**78.833**	**61.140**
(a)	Financing and other funding	76.064	58.200
(b)	Loans	2.769	2.940
	Total	**197.328**	**196.368**

Posting of the leasing operations in the half-year consolidated financial statement as of 30 June 2003 with the financial method rather than posting with the equity method resulted in a higher figure in the item "Payables with banks" of 1.353 thousand euro.

6.1 Detail of item 10 "Payables with banks"

		30/06/2003	31/12/2002
(a)	Bonds	---	---
(b)	Security loan	---	---

Composition of item 20 "Payables with customers"

		30/06/2003	31/12/2002
	On sight	**74.899**	**29.035**
(a)	Current accounts	74.850	28.984
(b)	Payables for definitive acquisition	49	51
	Total	**74.899**	**29.035**

6.2 Details of item 20 "Payables with customers"

		30/06/2003	31/12/2002
(a)	Bonds	---	---
(b)	Security loan	---	---

SEZIONE 7 I FONDI

Variations in the amount of item 70 "Employee severance pay (TFR)" during the six month

(a)	**Initial in existence**	**509**
(b)	**Increases**	**117**
	- Allotments	117
	- Other variations	---
(c)	**Decreases**	**15**
	- Uses	14
	- Other variations	1
(d)	**Final balance**	**611**

7.1 Composition of item 90 "Funds for credit risk"

As of 30 June 2003 Banca IFIS group had not entered funds for credit risks, therefore tables 7.1 and 7.2 were not used.

7.3 Composition of item 80 "Funds for risks and charges"

		30/06/2003	31/12/2002
(a)	Retirement and similar funds	---	---
(b)	Tax funds	1.851	2.848
(c)	Funds for risks and charges: other funds	---	---
	Total	**1.851**	**2.848**

Posting of the leasing operations in the half-year financial statement as of 30 June 2003 with the financial method rather than posting with the equity method resulted in a higher figure in the item "Fund for risks and charges" of 188 thousand euro.

The composition of these funds and their movements during the period are shown below.

- Sub-item a) "Retirement and similar obligatory funds"

Banca IFIS has not instituted any internal social security fund for its employees.

- Sub-item b) "Tax fund"

Composition of item 80 b) "Tax fund"

		30/06/2003	31/12/2002
(a)	Irpeg	1.303	2.127
(b)	Irap	311	520
(c)	Deferred taxes	237	201
	Total	**1.851**	**2.848**

Prepayment for taxes paid during the period equal to 945 thousand euro for Irpeg and 218 thousand euro for Irap are posted in the item "Other assets".

Variations made to item 80 b) "Tax fund" during the six month

(a)	**Initial in existence**	**2.848**
(b)	**Increases**	**1.659**
	- Allotments	1.659
	- Other variations	---
(c)	**Decreases**	**2.656**
	- Uses	2.656
	- Other variations	---
(d)	**Final balance**	**1.851**

Allotments are related to taxes for the period which have not been paid yet.

7.4 Variations made to "Activity for prepaid taxes" during the half-year

1.	**Initial amount**	**1.302**
2.	**Increases**	**20**
	2.1 Taxes prepaid during the fiscal year	20
	2.2 Other increases	---
3.	**Decreases**	**8**
	3.1 Prepaid taxes cancelled during the fiscal year	8
	3.2 Other decreases	---
4.	**Final amount**	**1.314**

The taxes prepaid and cancelled during the period were entered, with the pertinent algebraic sign in "Half-year income taxes".
The main cases in point related to prepaid tax activity are shown below.

Activity for prepaid taxes	
Value adjustments on receivables with customers deductible in various fiscal years	664
Value adjustments on financial assets deductible in various fiscal years	660
Other	(10)
Total	**1.314**

7.5 Variations made in "Liabilities for deferred taxes" during the six month

1.	**Initial amount**	**201**
2.	**Increases**	**53**
	2.1 Deferred taxes occurring during the six month period	53
	2.2 Other increases	---
3.	**Decreases**	**17**
	3.1 Cancelled deferred taxes during the six month period	17
	3.2 Other decreases	---
4.	**Final amount**	**237**

The main cases in point related to liabilities for deferred tax activity are shown below:

Liability for deferred taxes	
Installment payments for capital gains from fixed asset transfer	49
Net adjustments from posting pursuant to IAS n. 17 of leased property	188
Total	**237**

Please note that no activity for prepaid taxes and liability for deferred taxes was recorded that can be charged to net equity.

- Sub-item c) "Funds for risks and charges: other funds"

Banca IFIS group did not create any funds for risks and charges
A tax case has been started against a former 100% controlled company, the outcome of which appears positive, therefore it was not deemed necessary to effect any allotments.

SECTION 8 CAPITAL, RESERVES, GENERAL BANK RISK FUND AND SUBORDINATED LIABILITIES

Consolidated half-year net equity was composed of the following items:

		30/06/2003	31/12/2002
150	Capital	21.450	21.450
160	Share premium	13.450	15.305
170	Reserves	7.848	3.072
190	Profit for the period	293	---
200	Profit	3.010	5.358
	Total consolidated net equity	**46.051**	**45.185**

The following refers to the single items:

Composition of item 150 “Capital”

		30/06/2003	31/12/2002
150	Corporate capital	21.450	21.450
	Number of ordinary shares	21.450.000	21.450.000
	Nominal value of ordinary shares	1 euro	1 euro

Composition of item 160 “Share premium”

		30/06/2003	31/12/2002
160	Share premium	13.450	15.305

Composition of item 170 “Reserves”

		30/06/2003	31/12/2002
(a)	Legal reserve	1.162	1.021
(b)	Reserve for own shares	4.000	2.145
(c)	Statutory reserve	---	---
(d)	Other reserves	2.686	(94)
	Total	**7.848**	**3.072**

Composition of item 190 “Profit (loss) carried forward”

		30/06/2003	31/12/2002
190	Profit (loss) carried forward	293	---

Composition of item 200 “Profit (loss)” for the period

		30/06/2003	31/12/2002
200	Profit (loss) for the period	3.010	5.358

Posting of the leasing operations with the financial method rather than posting with the equity method resulted in a higher figure in the item “Half year profit” of 105 thousand euro.

Composition of item 140 “Own shares or stakes”

The group acquired or sold own shares during the half-year as shown below,.

		Number of shares	Financial statement value
A.	**Initial**	**10.756**	**106**
B.	Acquired	6.476	54
C.	Sold	3.911	32
D.	Devaluation	---	20
E.	**Final balance**	**13.321**	**108**

8.1 Equity and surveillance requirements

The composition of equity and surveillance requirements as of 30 June 2003 is shown below.

	Categories/Values	30/06/2003	31/12/2002
A.	**Surveillance equity**		
A.1	Base equity	44.359	42.442
A.2	Supplementary equity	(209)	(197)
A.3	Elements to deduct	---	---
A.4	Surveillance equity	44.150	42.245
B.	**Surveillance requirements**		
B.1	Credit risks	20.493	22.045
B.2	Market risks	68	64
	of which:		
	- non locked-up portfolio risks	*68*	*64*
	- exchange risks	---	---
B.3	3rd level subordinated loans	---	---
B.4	Other surveillance requirements	---	---
B.5	Total surveillance requirements	20.562	22.109
C.	**Risk activity and surveillance coefficient**		
C.1	Weighted risk assets	257.019	276.357
C.2	Base equity / Weighted risk assets	17,3%	15,4%
C.3	Surveillance equity / Weighted risk assets	17,2%	15,3%

SECTION 9 OTHER LIABILITIES ITEMS

9.1 Composition of item 50 “Other liabilities”

		30/06/2003	31/12/2002
(a)	Sums available to customers	249	359
(b)	Payables with suppliers	901	842
(c)	Payables with personnel	588	431
(d)	Payables with Inland Revenue and Social Security	511	414
(e)	Other entries	217	48
	Total	**2.466**	**2.094**

9.2 Composition of item 60 “Accrued expenses and deferred income”

		30/06/2003	31/12/2002
	Accrued expenses	**95**	**37**
	on interest and amounts related to:		
(a)	Relationships with banks	---	---
(b)	Personnel costs	25	15
(c)	Other operations	70	22
	Deferred income	**51**	**34**
	on interest and amounts related to:		
(a)	Relationships with customers	11	16
(b)	Other operations	40	18
	Total	**146**	**71**

Posting of the leasing operations with the financial method rather than posting with the equity method resulted in a lower figure in the item "Deferred income" of 9 thousand euro.

9.3 Adjustments for accrued expenses and deferred income

The adjustments made to the assets and liabilities of accrued expenses and deferred income are shown below.

		30/06/2003	31/12/2002
	Accrued expenses	**652**	**1.384**
	on interest and amounts related to:		
(a)	Relationships with banks	237	1.384
(b)	Personnel costs	365	---
(c)	Other operations	50	---
	Total	**652**	**1.384**

SECTION 10 GUARANTEES AND COMMITMENTS

10.1 Composition of item 10 "Issued guarantees"

		30/06/2003	31/12/2002
(a)	**Commercial nature signatory credit**	**---**	**---**
	- documentary credits	---	---
	- commercial nature acceptances	---	---
	- commercial nature backing and guarantees	---	---
(b)	**Financial nature signatory credit**	**2.912**	**3.041**
	- financial nature backing and guarantees	2.912	3.041
	- financial nature acceptances	---	---
(c)	**Activities guarantees**	**---**	**---**
	Total	**2.912**	**3.041**

Financial nature signatory credits refer to 759 thousand euro for guarantees issued in the previous fiscal years by banks for third parties upon request of the holding company for itself or customers, these guarantees for 600 thousand euro are counter-guaranteed by government securities and shares. They also refer to 1.509 thousand euro of guarantees issued by Banca IFIS, in for parent company La Scogliera S.p.a. for 835 thousand euro, for controlled company Marocco S.p.A. for 640 thousand euro and for other companies for 34 thousand euro. Finally, they refer to 644 thousand euro for commitments in favor of insurance companies against guarantee policies issued as guarantee for tax credit refunds.

10.2 Composition of item 20 "Commitments"

		30/06/2003	31/12/2002
(a)	**Commitments to pay funds for a certain use**	**---**	**---**
	- future leasing payments	---	---
(b)	**Commitments to pay funds for an uncertain use**	**59.538**	**39.364**
	- approvals of issued recourse credit	59.538	39.364
	Total	**59.538**	**39.364**

Posting of the leasing operations with the financial method rather than posting with the equity method resulted in a lower figure in the item "Commitments" of 1.330 thousand euro.

10.3 Activities established to guarantee own payables

The activities established as a guarantee by the group against its own obligations are represented by the property in Genoa owned by the group and mortgaged against payable loans for the amount indicated below (balance sheet value):

		30/06/2003	31/12/2002
(a)	Against payable loans	2.769	2.940
	Total	**2.769**	**2.940**

10.4 Receivable margins useable on lines of credit

		30/06/2003	31/12/2002
(a)	Central banks	---	---
(b)	Other banks	83.132	46.559

10.5 Term operations

No term operations existed at the end of the period. Therefore, the table in question has been omitted.

10.6 Contracts derived on receivables

No contracts derived on receivables existed at the end of the period. Therefore, the table in question has been omitted.

SECTION 11 CONCENTRATION AND DISTRIBUTION OF ASSETS AND LIABILITIES

11.1 Major risks

		30/06/2003
(a)	amount	33.656
(b)	number	6

11.2 Distribution of receivables with customers by main categories of debtors

		30/06/2003
(a)	States	278
(b)	Other public agencies	19.373
(c)	Non-financial companies	266.513
(d)	Financial companies	2.548
(e)	Manufacturing families	2.280
(f)	Other operators	661
	Total	**291.653**

11.3 Distribution of receivables with non-financial companies and resident manufacturing companies

		30/06/2003
(a)	Construction and public works	83.225
(b)	Other services destined for sales	38.641
(c)	Sales, recovery and repair services	27.943
(d)	Textile products, leather and shoes, clothing	15.110
(e)	Foodstuffs, beverages	14.403
(f)	Other fields	82.530
	Total	**261.852**

11.4 Distribution of guarantees issued by main counterpart category

		30/06/2003
(a)	States	---
(b)	Other public agencies	---
(c)	Banks	---
(d)	Non-financial companies	1.509
(e)	Financial companies	---
(f)	Manufacturing families	---
(g)	Manufacturing families	---
	Total	**1.509**

The amounts shown refer to guarantees issued directly by the parent company.

11.5 Territorial distribution of assets and liabilities

	Voci / Paesi	Italia	Other E.U. Countries	Other Countries
1.	**Assets**	**287.880**	**4.515**	**4.241**
1.1	Receivables with banks	4.201	---	---
1.2	Receivables with customers	282.897	4.515	4.241
1.3	Securities	782	---	---
2.	**Liabilities**	**267.568**	**5**	**4.654**
2.1	Payables with banks	193.928	---	3.400
2.2	Payables with customers	73.640	5	1.254
2.3	Payables represented by securities	---	---	---
2.4	Other accounts	---	---	---
3.	**Guarantees and commitments**	**62.450**	**---**	**---**

11.6 Temporal distribution of assets and liabilities

Items/residual duration	Durata determinata							Undetermined duration
	at sight	up to 3 months	over 3 months up to 12 months	over 1 year and up to 5 years		over 5 years		
				fixed rate	indexed rate	fixed rate	indexed rate	
1. Assets								
1.1 Refinanciable treasury bonds	---	---	---	---	---	---	---	---
1.2 Receivables with banks	3.634	---	---	---	---	---	---	567
1.3 Receivables with customers	42.799	89.259	75.501	124	170	---	349	83.451
2.3 Bonds and other fixed rate securities	---	---	---	---	433	---	---	---
1.5 "Off balance sheet" operations	---	---	---	---	---	---	---	---
Total Assets	**46.433**	**89.259**	**75.501**	**124**	**603**	**---**	**349**	**84.018**
2. Liabilities								
2.1 Payables with banks	118.495	42.747	352	32.700	1.842	596	596	---
2.2 Payables with customers	74.899	---	---	---	---	---	---	---
2.4 Payables represented by securities:								
- bonds	---	---	---	---	---	---	---	---
- certificates of deposit	---	---	---	---	---	---	---	---
- other securities	---	---	---	---	---	---	---	---
2.4 Subordinated liabilities	---	---	---	---	---	---	---	---
2.5 "Off balance sheet" operations	---	---	---	---	---	---	---	---
Total Liabilities	**193.394**	**42.747**	**352**	**32.700**	**1.842**	**596**	**596**	**---**

The table shows the breakdown of assets and liabilities with reference to their residual life, i.e. the difference between the balance sheet reference date and the maturity of each operation, taking into account any modifications made to the original agreements. For operations with an amortization plan the breakdown is effected taking into account the residual life of the individual installments.

The obligatory reserve deposit is included among the receivables with banks of "undetermined duration".

Non-performing receivables and other past due receivables with customers are shown among the receivables with clientele with "undetermined duration".

The "at sight" section includes all receivables and payables with banks and customers entered in company assets in the "at sight" sub-items. Past due payables are considered "at sight".

11.7 Currency assets and liabilities

		30/06/2003	31/12/2002
(a)	**Assets**	**2.260**	**5.338**
	1. Receivables with banks	10	---
	2. Receivables with customers	2.250	5.338
	3. Securities	---	---
	4. Stakes	---	---
	5. Other accounts	---	---
(b)	**Liabilities**	**2.188**	**5.364**
	1. Payables with banks	2.188	5.364
	2. Payables with customers	---	---
	3. Payables represented by securities	---	---
	4. Other accounts	---	---

11.8 Securitization operations

Banca IFIS did not effect any securitization operations during the half-year.

SECTION 12 MANAGEMENT AND BROKERING FOR THIRD PARTIES

The group does not directly manage assets for other subjects. Therefore the related tables were not used.

PART C INFORMATION ON THE PROFIT AND LOSS STATEMENT

SECTION 1 INTEREST

1.1 Composition of item 10 “Receivable interest and similar proceeds”

		30/06/2003	30/06/2002
(a)	On receivables with banks	10	6
	of which:		
	- on receivables with central banks	*5*	---
(b)	On receivables with customers	9.035	7.311
	of which:		
	- on receivables with funds of third parties in administration	---	---
(c)	On fixed rate securities	5	9
(d)	Other receivable interest	12	22
(e)	Positive balance of spread on hedge operations	---	---
	Total	**9.062**	**7.348**

Interest on receivables with customers include interest on arrears for the half-year of 73 thousand euro, the amount matured during the half-year directly adjusted in the profit and loss statement as deemed unrecoverable is 67 thousand euro.
Posting of the leasing operations with the financial method rather than posting with the equity method resulted in a higher figure in the item “Receivable interest and similar proceeds” of 12 thousand euro.

1.2 Composition of item 20 “Payable interest and similar charges”

		30/06/2003	30/06/2002
(a)	On payables with banks	3.103	3.216
(b)	On payables with customers	110	70
(c)	On payables represented by securities	---	---
	of which	---	
	- on certificates of deposit	---	---
(d)	On third party funds in administration	---	---
(e)	On subordinated payables	---	---
(f)	Negative balance of spread on hedge operations	---	---
	Total	**3.213**	**3.286**

Posting of the leasing operations with the financial method rather than posting with the equity method resulted in a higher figure in the item “Payable interest and similar proceeds” of 28 thousand euro.

1.3 Details of item 10 “Receivable interest and similar proceeds”

		30/06/2003	30/06/2002
(a)	on activity in currency	70	---

1.4 Details of item 20 “Payable interest and similar charges”

		30/06/2003	30/06/2002
(a)	on foreign currency payables	21	26

SECTION 2 COMMISSIONS

2.1 Composition of item 40 "Receivable commissions"

		30/06/2003	30/06/2002
(a)	Issued guarantees	1	1
(b)	Resulting from receivables	---	---
(c)	Management, brokerage and consultation services		
	1. negotiating securities	---	---
	2. negotiating currencies	---	---
	3. asset management	---	---
	3.1 individual	---	---
	3.2 collective	---	---
	4. custody and administration of securities	---	---
	5. deposit bank	---	---
	6. placement of securities	---	---
	7. taking orders	---	---
	8. consultation activities	---	---
	9. distribution of third party services	---	---
	9.1. asset management	---	---
	9.1.1. individual	---	---
	9.1.2. collective	---	---
	9.2. insurance products	---	---
	9.3. other products	---	---
(d)	Collection and payment services	143	114
(e)	Securitization services	---	---
(f)	Tax collection	---	---
(g)	Other services	5.336	3.421
	Total	**5.480**	**3.536**

Receivable commissions in other services refer to 5.054 thousand euro for commissions on factoring operations.

2.2 Details of item 40 "Receivable commissions"

	Product and service distribution channels	30/06/2003	30/06/2002
(a)	At own agencies:	---	---
	1. asset management	---	---
	2. placement of securities	---	---
	3. third party products and services	---	---
(b)	Offered off-site:	---	---
	1. asset management	---	---
	2. placement of securities	---	---
	3. third party products and services	---	---

2.3 Composition of item 50 "Payable commissions"

		30/06/2003	30/06/2002
(a)	Received guarantees	2	7
(b)	Resulting from receivables	---	---
(c)	Management and brokerage services		
	1. security negotiation	---	---
	2. currency negotiation	---	---
	3. asset management	---	---
	3.1. own portfolio	---	---
	3.2. third party portfolio	---	---
	4. custody and administration of securities	2	3
	5. placement of securities	---	---
	6. off-site offer of securities, products and services	---	---
(d)	Collection and payment services	19	41
(e)	Other services	283	237
	Total	**306**	**288**

SECTION 3 PROFITS AND LOSSES FROM FINANCIAL OPERATIONS

3.1 Composition of item 60 "Profits/losses from financial operations"

	Items/Operations	Operations on securities	Operations on currencies	Other operations
A.1	Revaluations	---	---	---
A.2	Devaluations	(20)	---	---
B.	Other profits/losses	---	(6)	---
	Totals	**(20)**	**(6)**	**---**
1.	Government securities	---		
2.	Other fixed rate securities	---		
3.	Capital securities	(20)		
4.	Contracts resulting from securities	---		

SECTION 4 ADMINISTRATIVE EXPENSES

4.1 Average number of employees per category

	Average number of employees	30/06/2003
a)	Management	2
b)	3rd and 4th level middle management	15
c)	Remaining personnel	66
	Total	**83**

The average number of group employees as of 30 June 2003 was calculated as the arithmetic average of employees on the job at the start of the half-year period (81) and at the end of the period (85).

Details of sub-item 80 a) “Personnel expenses”

		30/06/2003	30/06/2002
(a)	Wages and salaries	1.653	1.279
(b)	Social security contributions	451	341
(c)	Severance pay (TFR)	117	88
(d)	Retirement pay and similar	---	---
(e)	Other personnel related expenses	11	1
	Total	**2.232**	**1.709**

Details of sub-item 80 b) “Other administrative expenses”

This sub-item, equal to a total of 1.709 thousand euro, is shown in detail below:

		30/06/2003	30/06/2002
(a)	**Expenses for professional services**	**627**	**450**
	- Social security charges	444	271
	- Legal and consultation	155	150
	- Auditing	28	29
(b)	**Indirect taxation and taxes**	**110**	**87**
(c)	**Maintenance expenses**	**26**	**32**
(d)	**Vehicle operation and maintenance**	**136**	**89**
(e)	**Expenses for purchase of non-professional goods and services**	**514**	**488**
	- Office and branch management	196	167
	- Telephone expenses	86	93
	- Office supplies	66	67
	- Postal expenses and tax stamps	60	47
	- Business trips	55	44
	- Software assistance	51	70
(f)	**Other expenses**	**296**	**239**
	- Client information	118	91
	- Advertising	31	34
	- Other expenses	147	114
	Total	**1.709**	**1.385**

SECTION 5 ADJUSTMENTS, REINSTATEMENTS AND ALLOCATIONS

Composition of item 90 “Value adjustments on tangible and intangible fixed assets”

As also shown in the tables in Part B – Section 4, the following adjustments in the value of depreciation for tangible and intangible fixed assets have been charged to the profit and loss statement:

		30/06/2003	30/06/2002
(a)	Intangible fixed assets	82	99
(b)	Tangible fixed assets	238	211
	Total	**320**	**310**

Posting of the leasing operations with the financial method rather than posting with the equity method resulted in a lower figure in the item "Adjustments on intangible fixed assets" of 53 thousand euro and a higher figure in the item "Adjustments on tangible fixed assets" of 26 thousand euro.
Depreciations have been calculated based on the rate believed to represent the remaining possibility of using the relative tangible fixed assets and are shown below:

	%
Real estate	3
Furniture and furnishings	12-24
Machinery and various equipment	15-30
Electronic office machines	20-40
Vehicles	12,5 - 25
Work on third party goods	20
Software installation and purchase costs	20
System and expansion costs	20
Other intangible fixed assets	20

5.1 Composition of item 120 "Value adjustments on assets and revenues for guarantees and commitments

		30/06/2003	30/06/2002
(a)	**Value adjustments on assets**	**2.373**	**1.077**
	of which:		
	- flat rate adjustments for country risk	---	---
	- other flat rate adjustments	*1.076*	*550*
(b)	**Allotments for guarantees and commitments**	**---**	**---**
	of which:		
	- flat rate adjustments for country risk	---	---
	- other flat rate adjustments	---	---
	Total	**2.373**	**1.077**

SECTION 6 OTHER PROFIT AND LOSS STATEMENT ITEMS

6.1 Composition of item 70 "Other operating proceeds"

This item refers to the following components:

		30/06/2003	30/06/2002
(a)	Reinstatement of third party expenses	165	143
(b)	Receivable rents	315	312
(c)	Other proceeds	18	---
	Total	**498**	**455**

Posting of the leasing operations with the financial method rather than posting with the equity method resulted in a lower figure in the item "Other operating proceeds" of 30 thousand euro.

6.2 Composition of item 110 "Other operating proceeds"

Posting of the leasing operations with the financial method rather than posting with the equity method resulted in a lower figure in the item "Other operating charges" of 177 thousand euro.

6.3 Composition of item 190 "Extraordinary proceeds"

This item is composed as follows:

		30/06/2003	30/06/2002
(a)	Windfall gain and unsubstantiated liability	205	8
(b)	Proceeds from realization of tangible fixed assets	6	1
	Total	**211**	**9**

6.4 Composition of the item 200 "Extraordinary charges"

		30/06/2003	30/06/2002
(a)	Windfall losses and unsubstantiated asset	438	104
(b)	Losses from realization of tangible fixed assets	12	---
	Total	**450**	**104**

The "windfall losses and unsubstantiated assets" refer to 250 thousand euro to cost of fiscal indemnity under law 289 del 27 December 2002 and for 73 thousand euro to a difference in tax calculation of the previous year.

6.5 Composition of item 240 "Income tax for the period"

The details of the item which totals 1.630 thousand euro are shown below:

		Irpeg	Irap	Altre imposte	Totale
(a)	Current taxes	(1.303)	(303)	---	(1.606)
(b)	Variations in prepaid taxes	20	(8)	---	12
(c)	Variations in deferred taxes	(29)	(7)	---	(36)
(d)	Half- year income taxes	(1.312)	(318)	---	(1.630)

Posting of the leasing operations with the financial method rather than posting with the equity method resulted in a higher figure in the item "Fiscal half-year income taxes" of 53 thousand euro.

SECTION 7 OTHER INFORMATION ON THE PROFIT AND LOSS STATEMENT

7.1 Territorial distribution of proceeds

The distribution by geographic markets for proceeds related to items 10, 30, 40, 60 and 70 of the profit and loss statement are shown below.

	30/06/2003
Italy	14.283
Foreign	757

7.2 Data for contribution to the National Guarantee Fund

The group does not carry out real estate business, therefore this information is not provided.

PART D — OTHER INFORMATION

SECTION 1 — BOARD MEMBERS AND AUDITORS

1.1 Remuneration

Remuneration for Board Members, Auditors and General Manager

The remuneration in euro paid to the Board Members, Auditors and Managing Directors as of 30 June 2003 is shown below as per Consob Regulation n. 11971/99

BOARD OF DIRECTORS

Name	Position	Duration of appointment	Emoluments for appointment	Fringe benefits	Bonuses and other incentives	Other
Furstenberg Sebastien Egon	President	Approval financial statement 31/12/03	57	---	---	---
Csillaghy Alessandro	Vice President	Approval financial statement 31/12/03	108	---	---	---
Bossi Giovanni	General Director	Approval financial statement 31/12/03	145	---	50	---
Cefalù Guido	Board Member	Approval financial statement 31/12/03	7	---	---	---
Conti Leopoldo	Board Member	Approval financial statement 31/12/03	7	---	---	9*
Cravero Roberto	Board Member	Approval financial statement 31/12/03	7	---	---	---

* consultation

BOARD OF AUDITORS

Name	Position	Duration of appointment	Emoluments for appointment	Fringe benefits	Bonuses and other incentives	Other
Trenti Umberto	President	Approval financial statement 31/12/03	12	---	---	---
Giona Franco	Auditor	Approval financial statement 31/12/03	8	---	---	---
Rovida Mauro	Auditor	Approval financial statement 31/12/03	8	---	---	---

GENERAL MANAGER

Name	Position	Duration of appointment	Emoluments for appointment	Fringe benefits	Bonuses and other incentives	Other
Staccione Alberto	General Manager	Open	65	2	25	---

Stakes held by the Board Members, Auditors and General Managers

BOARD OF DIRECTORS

Name	Holding in	Number of shares possessed at end of previous fiscal year	Number of shares acquired	Number of shares sold	Number of shares possessed at year end
Furstenberg Sebastien Egon	---	---	---	---	---
Csillaghy Alessandro	---	---	---	---	---
Bossi Giovanni	Banca IFIS S.p.A	542.750	---	---	542.750
Cefalù Guido	---	---	---	---	---
Conti Leopoldo	---	---	---	---	---
Cravero Roberto	---	---	---	---	---

BOARD OF AUDITORS

Name	Holding in	Number of shares possessed at end of previous fiscal year	Number of shares acquired	Number of shares sold	Number of shares possessed at year end
Trenti Umberto	---	---	---	---	---
Giona Franco	---	---	---	---	---
Rovida Mauro	---	---	---	---	---

GENERAL MANAGER

Name	Holding in	Number of shares possessed at end of previous fiscal year	Number of shares acquired	Number of shares sold	Number of shares possessed at year end
Staccione Alberto	Banca IFIS S.p.A.	18.750	---	---	18.750

1.2 Credits and guarantees issued

At the end of the period no credit had been extended or guarantees issued to the Bank and controlled company Board Members and Auditors.

Venice - Mestre, 7 agosto 2003

For the Board of Directors

Il Presidente
Sebastien Egon Fürstenberg

L'Amministratore Delegato
Giovanni Bossi

ATTACHMENTS TO THE HALF-YEAR CONSOLIDATED FINANCIAL STATEMENT

PROSPECTUS OF VARIATIONS IN CONSOLIDATED NET EQUITY
IN HALF YEAR ENDING 30 JUNE 2003 (in thousands of euro*)*

	Corporate capital	Share premium	Legal reserve	Own share reserve	Other reserves	Profits (Loss) carried forward	Net profit	Total
BALANCE AS OF 31/12/2002	**21.450**	**15.305**	**1.021**	**2.145**	**(94)**	**---**	**5.358**	**45.185**
Destination of 2002 profit								
- to legal reserve			141				(141)	---
- to dividends							(2.144)	(2.144)
- to extraordinary reserve					2.780		(2.780)	---
- profit carried forward						293	(293)	---
Integration of own share purchase reserve (as per deliberation on 14/04/2003)		(1.855)		1.855				---
Net income at 30/06/2003							3.010	3.010
BALANCE AS OF 30/06/2003	**21.450**	**13.450**	**1.162**	**4.000**	**2.686**	**293**	**3.010**	**46.051**

CONSOLIDATED FINANCIAL REPORT

AS OF 30 June 2003
(in thousands of euro)

	30/06/2003
GENERATED AND COLLECTED FUNDS	
FUNDS GENERATED FROM OPERATIONS	
Net profit	3.010
Funds for unused vacation and leave	89
Funds for severance pay (TFR)	117
Value adjustments on intangible and tangible fixed assets	319
Value adjustments on receivables	2.440
Net funds for taxes	20
Total funds generated	1.630
OTHER FUNDS COLLECTED	**7.625**
increase in payables with banks	
increase in payables with clients	960
Decrease in other liabilities	45.864
Increase in accrued expenses and deferred income	283
Total other funds collected	75
FUNDS GENERATED FROM OPERATIONS	**47.182**
Total funds generated and collected	**54.807**
FUNDS USED	
Decrease in cash on hand and receivables with banks	294
Increase in receivables with customers	50.202
Increase in securities	14
Increase in intangible and tangible fixed assets	512
Increase in other activities	(1.227)
Increase in prepayments and accrued income	214
Uses of severance pay fund (TFR)	15
Uses of tax fund	2.639
Distributed dividends	2.144
Total funds used	**54.807**

INDEPENDENTAUDITORS' REPORT REVIEW ON THE CONSOLIDATED FINANCIAL STATEMENT

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Deloitte

AUDITORS' REVIEW REPORT ON THE INTERIM FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED JUNE 30, 2003

To the Shareholders
of BANCA IFIS S.p.A.

We have reviewed the accompanying interim financial information for the six months ended June 30, 2003, made up of the accounting consolidated schedules (consolidated balance sheet and income statement), and of the related footnotes of **BANCA IFIS S.p.A**. In addition, we have verified the consistency of the footnotes with the related information contained in the above accounting schedules.

Our review was carried out in accordance with the auditing standards recommended by Consob under Resolution n. 10867 of July 31, 1997. Our review consisted principally in applying analytical procedures to the underlying financial data, assessing whether accounting policies have been consistently applied and making enquiries of management responsible for financial and accounting matters. The review excluded audit procedures such as tests of controls and verification of assets and liabilities and was therefore substantially less in scope than an audit performed in accordance with auditing standards. Accordingly, unlike our report on the year-end financial statements, we do not express an audit opinion on the interim financial information.

As regards comparable consolidated data for the year ended December 31, 2002, and for the interim financial information for the six months ended June 30, 2002, reference is made to our report issued on March 18, 2003 and on September 11, 2002 respectively.

Based on our review, we are not aware of any material modifications that should be made to the interim financial information mentioned in paragraph 1 above in order for it to be in conformity with the criteria provided by Consob regulations for the preparation of the interim financial information for the six months approved with Resolution n. 11971 of May 14, 1999 and subsequent modifications.

DELOITTE & TOUCHE S.p.A.

Signed by
Guido Zanardi
Partner

Padova, 03 September 2003

This report has been translated into the English language solely for the convenience of international readers.

BANCA IFIS – PARENT COMPANY FINANCIAL STATEMENT AS AT 30th JUNE 2003

BALANCE SHEET

	ASSETS		30/06/2003		31/12/2002		30/06/2002
10	**Cash on hand and liquid assets at central banks and post offices**		**5.531**		**5.334**		**2.918**
30	**Receivables with banks:**		**4.191.249**		**3.876.635**		**10.785.802**
	(a) on sight		3.624.150		3.760.666		10.673.802
	(b) other receivables		567.099		115.969		112.000
40	**Receivables with customers**		**294.938.650**		**247.040.324**		**205.224.114**
50	**Bonds and other receivable securities:**		**433.380**		**441.379**		**441.379**
	(a) issued by government		433.380		441.379		441.379
60	**Shares, stakes and other capital securities**		**349.113**		**349.113**		**61.613**
80	**Investments in group companies**		**6.875.449**		**7.435.793**		**9.835.793**
90	**Intangible fixed assets**		**875.551**		**908.457**		**857.477**
	of which: - cost of systems	86.619		102.283		99.267	
100	**Tangible fixed assets**		**5.233.185**		**5.150.513**		**5.157.368**
	of which: - immobilizzazioni in leasing finanziario	508.710		526.786			
120	**Own shares and stakes**		**107.836**		**105.918**		**---**
	nominal value euro	13.321		10.756		---	
130	**Other activities**		**3.841.318**		**4.936.886**		**2.006.320**
140	**Prepayments and accrued income:**		**1.065.555**		**910.319**		**1.049.555**
	(a) prepayments		133.844		2.034		106.626
	(b) accrued income		931.711		908.285		942.929
	TOTAL ASSETS		**317.916.817**		**271.160.671**		**235.422.339**

	LIABILITIES	30/06/2003	31/12/2002	30/06/2002
10	**Payables with banks:**	**194.589.667**	**193.464.121**	**181.852.072**
	(a) on sight	118.495.253	135.227.447	124.729.454
	(b) term or upon notice	76.094.414	58.236.674	57.122.618
20	**Payables with customers:**	**74.898.944**	**29.034.509**	**6.526.543**
	(a) on sight	74.898.944	29.034.509	6.526.543
50	**Other payables**	**2.397.069**	**2.033.952**	**2.265.452**
60	**Accrued expenses and deferred income:**	**131.832**	**59.587**	**637.149**
	(a) accrued expenses	90.490	33.250	607.851
	(b) deferred income	41.342	26.337	29.298
70	**Employee severance pay (TFR)**	**611.235**	**509.358**	**474.017**
80	**Funds for risks and charges:**	**1.603.258**	**2.639.179**	**1.201.344**
	(b) tax funds	1.603.258	2.639.179	1.201.344
120	**Capital**	**21.450.000**	**21.450.000**	**21.450.000**
130	**Share premiums**	**13.449.787**	**15.304.787**	**16.675.102**
140	**Reserves:**	**6.376.535**	**3.849.793**	**2.479.478**
	(a) legal reserve	1.161.554	1.020.785	1.020.785
	(b) reserve for own shares or stakes	4.000.000	2.145.000	774.685
	(d) other reserves	1.214.981	684.008	684.008
170	**Profits (losses)**	**2.408.490**	**2.815.385**	**1.861.182**
	TOTAL LIABILITIES	**317.916.817**	**271.160.671**	**235.422.339**

	GUARANTEES AND COMMITMENTS	30/06/2003		31/12/2002		30/06/2002	
10	**GUARANTEES GIVEN**		**2.911.889**		**3.040.947**		**3.452.745**
	of which:						
	- other guarantees	2.911.889		3.040.947		3.452.745	
20	**COMMITMENTS**		**60.800.881**		**40.710.734**		**42.670.499**

PROFIT AND LOSS STATEMENT	30/06/2003		30/06/2002		31/12/2002	
10 Receivable interest and similar proceeds		**9.198.751**		**7.458.556**		**15.816.783**
of which:						
- on receivables with customers	9.183.653		7.445.052		15.790.476	
- on payable securities	4.896		8.428		17.477	
20 Payable interest and similar proceeds		**(3.156.514)**		**(3.220.751)**		**(6.601.811)**
of which:						
- on payables with customers	(109.797)		(39.564)		(79.807)	
30 Dividends and other proceeds:		**18.274**		**8.509**		**8.509**
(a) on shares, stakes		18.274		8.509		8.509
40 Receivable commissions		**5.481.947**		**3.535.702**		**7.834.484**
50 Payable commissions		**(304.607)**		**(287.360)**		**(629.754)**
60 Profits (losses) from financial operations		**(26.269)**		**3.135**		**8.219**
70 Other operating proceeds		**328.226**		**270.359**		**653.207**
80 Administrative expenses:		**(3.884.761)**		**(3.022.020)**		**(6.600.501)**
(a) expenses for personnel		(2.231.531)		(1.709.352)		(3.643.016)
of which:						
- wages and salaries	(1.653.025)		(1.278.776)		(2.692.119)	
- social security charges	(450.930)		(340.561)		(752.846)	
- severance pay (TFR)	(117.360)		(88.406)		(179.853)	
(b) other administrative expenses		(1.653.230)		(1.312.668)		(2.957.485)
90 Value adjustments on intangible and tangible fixed assets		**(341.707)**		**(285.815)**		**(641.077)**
110 Other operating charges		**(146.578)**		**(156.226)**		**(302.390)**
120 Value adjustments on receivables and funds for guarantees and commitments		**(2.373.042)**		**(1.077.111)**		**(2.682.225)**
150 Value adjustments on financial fixed assets		**(560.344)**		**---**		**(2.400.000)**
170 Profit (loss) on ordinary activity		**4.233.376**		**3.226.978**		**4.463.444**
180 Extraordinary proceeds		**211.710**		**6.639**		**700.019**
190 Extraordinary charges		**(445.638)**		**(119.254)**		**(214.838)**
200 Extraordinary profits (losses)		**(233.928)**		**(112.615)**		**485.181**
220 Income tax		**(1.590.958)**		**(1.253.181)**		**(2.133.240)**
230 Profit (loss)		**2.408.490**		**1.861.182**		**2.815.385**