



**CONSOLIDATED QUARTERLY REPORT
AS AT 30 JUNE 2005**



Fully paid-up capital: 21,450,000 Euro
Bank License No.: 3205
Tax Identification No.: 02505630109
VAT No.: 02992620274

REGISTERED OFFICE AND HEADQUARTERS

Via Terraglio, 65 – 30174 Venice – Mestre
Internet Address: www.bancaifis.it

BRANCHES

Piazza del Plebiscito, 55 – 60121 Ancona
Via C. Rosalba, 47/z – 70124 Bari
Viale Bonaria, 62 – 09125 Cagliari (Ca)
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 E7 – 80143 Naples
Via De Paoli, 28/D – 33170 Pordenone
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

Vice President Alessandro Csillaghy

CEO Giovanni Bossi ⁽¹⁾

Board Members Leopoldo Conti
Roberto Cravero
Andrea Martin

MANAGING DIRECTOR Alberto Staccione

BOARD OF AUDITORS

President Mauro Roviida

Standing Auditors Erasmo Santesso
Dario Stevanato

Alternate Auditors Luca Giacometti
Francesca Rapetti

Auditing Firm KPMG S.p.A

Member of Factors Chain International



(1) The CEO has powers for the ordinary administration of the company.

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BALANCE SHEETS

RECLASSIFIED CONSOLIDATED BALANCE SHEET
(in thousands of euro)

ASSETS	Amounts as at		CHANGE		Amount
	30/06/2005	31/03/2005	Amount	%	31/12/2004
Cash in hand and liquid assets at central banks and post offices	10	6	4	66,7%	8
Due from:					
- customers	594,380	534,404	59,976	11.2%	523,428
- banks	31,035	4,244	26,791	631.3%	13,858
Trading security	14,073	14,067	6	---	8,919
Fixed assets:					
- intangible	793	739	54	7.3%	713
- tangible	19,766	18,861	905	4.8%	18,175
Other asset items	11,167	13,191	(2,024)	(15.3)%	12,250
Total assets	671,224	585,512	85,712	14.6%	577,351

LIABILITIES	Amounts as at		CHANGE		Amount
	30/06/2005	31/03/2005	ABSOLUTE	%	31/12/2004
Payables:					
- due to customers	34,080	35,084	(1,004)	(2.9)%	103,419
- due to banks	506,998	422,994	84,004	19.9%	350,405
- securities in issue	50,000	50,000	---	---	50,000
Provisions with specific utilisation:					
Severance pay (TFR) for employees	1,010	961	49	5.1%	876
Provisions for taxes	2,296	4,453	(2,157)	(48.4)%	4,453
Other liability items:	16,686	11,886	4,800	40.4%	12,079
Net equity:					
Capital, share premiums and reserves	53,116	56,119	(3,003)	(5.4)%	47,107
Gross profit	---	4,015	(4,015)	n.s.	---
Net profit	7,038	---	7,038	n.s.	9,012
Total liabilities	671,224	585,512	85,712	14,6%	577,351

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

	YEAR 2005		YEAR 2004		CHANGE	
	2 nd q. 05	30/06/05*	2 nd q. 04	30/06/04**	2 nd q. 05 / 2 nd q. 04	
					Amount	%
Net interest	5,115	10,160	4,438	8,754	677	15.3%
Dividends and other income	2,902	2,902	6	6	2,896	n.s.
Profits (Losses) from financial operations	(3,154)	(4,170)	(1,060)	(2,228)	(2,094)	n.s.
Net interest income	4,863	8,892	3,384	6,532	1,479	43.7%
Net commissions	4,847	9,449	3,198	6,334	1,649	51.6%
Other operating income	164	294	113	310	51	45.1%
Net non-interest income	5,011	9,743	3,311	6,644	1,700	51.3%
Total revenues	9,874	18,635	6,695	13,176	3,179	47.5%
Personnel expenses	(1,666)	(3,322)	(1,359)	(2,614)	(307)	22.6%
Other administration expenses	(1,527)	(2,874)	(1,015)	(2,054)	(512)	50.4%
Value adjustments of fixed assets	(237)	(427)	(206)	(368)	(31)	15.0%
Operating expenses	(3,430)	(6,623)	(2,580)	(5,036)	(850)	32.9%
Operating profit	6,444	12,012	4,115	8,140	2,329	56.6%
Net writedowns of loans	(1,442)	(3,058)	(627)	(2,148)	(815)	130.0%
Profit before extraordinary items and income tax	5,002	8,954	3,488	5,992	1,514	43.4%
Extraordinary income (charge) net	361	424	(72)	(30)	433	n.s.
Gross profit	5,363	9,378	3,416	5,962	1,947	57.0%
Income tax	(1,338)	(2,340)	(1,604)	(2,573)	266	(16.6)%
Net profit	4,025	7,038	1,812	3,389	2,213	122.1%

(*) Period 01/01/2005-30/06/2005

(**) Period 01/01/2004-30/06/2004

RECLASSIFIED CONSOLIDATED PROFIT & LOSS STATEMENT: QUARTERLY CHANGES
(in thousands of euro)

	YEAR 2005		YEAR 2004			
	2 nd q.	1 st q.	4 th q.	3 rd q.	2 nd q.	1 st q.
Net interest	5,115	5,045	4,674	4,550	4,438	4,316
Dividends and other income	2,902	---	2,725	---	6	---
Profits (Losses) from financial operations	(3,154)	(1,016)	(3,661)	(329)	(1,060)	(1,168)
Net interest income	4,863	4,029	3,738	4,221	3,384	3,148
Net commissions	4,847	4,602	4,233	3,358	3,198	3,136
Other operating income	164	130	160	97	113	197
Net non-interest income	5,011	4,732	4,393	3,455	3,311	3,333
Total revenues	9,874	8,761	8,131	7,676	6,695	6,481
Administration expenses	(3,193)	(3,003)	(2,945)	(2,377)	(2,374)	(2,294)
Value adjustments of fixed assets	(237)	(190)	(252)	(202)	(206)	(162)
Operating expenses	(3,430)	(3,193)	(3,197)	(2,579)	(2,580)	(2,456)
Operating profit	6,444	5,568	4,934	5,097	4,115	4,025
Net writedowns of loans	(1,442)	(1,616)	(992)	(1,232)	(627)	(1,521)
Profit before extraordinary items and income tax	5,002	3,952	3,942	3,865	3,488	2,504
Extraordinary income (charge) net	361	63	100	(71)	(72)	42
Gross profit	5,363	4,015	4,042	3,794	3,416	2,546
Income tax	(1,338)	(1,002)*	(560)	(1,653)	(1,604)	(969)
Net profit	4,025	3,013	3,482	2,141	1,812	1,577

* Taxes not stated in the Quarterly Report at 31 March 2005 have been indicated here on a proportional basis in relation to 30 June 2005.

EXPLANATORY NOTES

Criteria for preparation of financial information

The Quarterly Report of the Banca IFIS group as of 30 June 2005 was prepared in observance of the provisions set down by Consob with Regulation No. 11971 of 14 May 1999 and subsequent modifications.

On the basis of the permission granted by Art. 82-*bis* of the aforementioned Consob regulation, Banca IFIS has prepared this quarterly report based on the accounting principles laid down for statements of consolidated annual accounts relating to the previous tax year.

The valuation criteria and consolidation methods have remained unchanged from those used for the financial statements of 31 December 2004.

The profit and loss situation and the equity figures are represented in a reclassified and summary form.

The quarterly situation was prepared according to the separation of period criteria, based on which the intra-annual period is considered as a distinct accounting period. In this situation, the intra-annual profit and loss statement reflects the ordinary and extraordinary economic components pertinent to the period based on the accrual method and in accordance with the criteria of prudence.

The economic result for the period is expressed net of income taxes, which reflect the presumed tax burden for the period based on current and deferred taxation. Current taxes are calculated in consideration of current tax rates,

taking into account any exemptions or tax relief that may be applicable.

The accounting situations used as a basis for the consolidation process are those prepared by the group companies with reference to 30 June 2005.

The quarterly report is not subject to an audit by the auditing firm.

Consolidation area

The structure of the group as of 30 June 2005 is unchanged compared to 31 March 2005 and is composed of the parent company Banca IFIS S.p.A. and 100% subsidiary Immobiliare Marocco S.p.A., consolidated with the line-by-line, as provided by Circular Letter no. 166 of 30 July 1992 and subsequent modifications of the Banca d'Italia.

Comparison

As required by Consob with regulation no. 11971 of 14 May 1999 and subsequent modifications, the consolidated balance sheets as of 30 June 2005 are compared with the balance sheet items of 31 March 2005 and 31 December 2004; for profit and loss figures the comparison is made between 30 June 2005 and 30 June 2004 and between the reference quarter and the analogous period of the previous financial period. In addition, economic data for the current and previous financial periods are provided.

As of 31 December 2004 the asset and liability leasing transactions are booked according to the financial method required by IAS no. 17. The net positive effect on consolidated profit for the first quarter of 2005

was 80 thousand euro net of the relative fiscal effect.

**BOARD OF DIRECTORS'
REMARKS ON OPERATIONS
AND SIGNIFICANT EVENTS OF
THE PERIOD**

Profit & Loss Account

Formation of operating result

Banca IFIS continues to pursue the development strategy that allowed it, in the second quarter of 2005 as previously, to increase its operating volumes and market share within the sector. The operating income of the group highlights the excellent levels of growth achieved, increasing from 4,115 thousand euro in the first half of 2004 to 6,444 thousand euro in the second quarter of 2005 (+56.6%).

The growth in total revenues is significant, increasing from 6,695 thousand euro in the second quarter of 2004 to 9,874 thousand euro in the second quarter of 2005 (+47.5%).

Operating costs, in turn, increased in line with expectations, as a result of the strengthening of our performance in the field and within our general management. Total operating expenses reached 3,430 thousand euro in the second quarter of 2005 against 2,580 thousand euro in the second quarter of 2004 (+32.9%).

Revenue growth surpassed the increase in operating costs, producing an improvement in the relationship between operating costs and total revenues (*cost/income ratio*), equivalent to 35.5%, down from 36.4% at 31 March 2005 and 38.2% at 30 June 2004.

The increase in **total revenues**, equivalent to 47.5% compared to the same period in the previous tax year, may be explained by the growth in investments and in the volumes transacted and in the capacity of

the Bank to deliver a high-quality service to its customer base.

In detail, **net interest income**, which reached 4,863 thousand euro in the second quarter of 2005, up by 43.7% compared to the same period of the previous tax year.

It should be noted that the composition of the operating result also includes the interest income generated on *Class S Units* underwritten by Banca IFIS in the context of the securitisation of 1,735 thousand euro, alongside the interest expenses corresponding to the share of the discount withheld on the price of the receded credit portfolio to the value of 1,230 thousand euro, and to the losses corresponding to the negative differential on *Class S Units* underwritten by Banca IFIS due to the early reimbursement of those shares at below face value for 1,246 thousand euro. The net effect of the balance sheet entries relating to the securitisation operation, amounting to 741 thousand euro, represents the financial cost of the operation.

Net commissions, for 4,847 thousand euro (+51.6% compared to 3,198 thousand euro in the second quarter of 2004) registered an excellent performance, and demonstrated the capability of factoring activity to generate added value through management and service for credit; the charges connected to this activity are diluted above all among personnel expenses.

Other operating income for 164 thousand euro (45.1% compared to 113 thousand euro of the second quarter of 2004) includes the recovery of expenses from third parties and rental income.

The trend of operating expenses also continued to be dynamic, affected by expansion of the business and strengthening of the organization, primarily in terms of quality human resources who joined the Banca IFIS project. In this regard the selection of human resources dedicated to management, control and collection of credit continues to have a primary role. The total amount for this item reached 3,430 thousand euro with an increase of 32.9% compared to the same period of the previous year.

In detail, the increase in **personnel expenses** (which totalled 1,666 thousand euro, +22.6%) is physiological and corresponds to the forecasts even based on the increase in number of employees.

The increase in **other administrative expenses** (which reached 1,527 thousand euro +50.4%) is mainly due to the higher charges connected with higher volume and banking operations.

Formation of net profit

The **changes in net value on credits** are equal to 1,442 thousand euro (+130% compared to 627 thousand euro in the second quarter of 2004); the provisions of the period takes total value adjustments to 3,058 thousand euro at 30 June 2005 (+42.4% compared to 30 June 2004), improving the coverage ratio of gross problem loans which rises from 57.3% at 30 June 2004 to 70.8% at 30 June 2005.

Gross profit is consolidated at 5,363 thousand euro, an increase of 57% over the second quarter of 2004.

Ordinary profit is equal to 5,002 thousand euro, up by 43.4% in comparison with the second period of 2004.

Income tax for the period is estimated at 1,338 thousand euro.

Net profit totals 4,025 thousand euro. In the absence of third party profits, the result refers entirely to the group itself.

Main equity aggregates

The parent company is almost exclusively involved in the factoring industry and books its commitments in receivables owed from customers.

The securitisation programme and the development of interbank collection on the *e-MID* platform and on a direct bilateral negotiation basis have progressively taken their place in an ever more consistent manner alongside traditional collection carried out through the banking system or directly with its own business customers.

Receivables due from customers

At the end of first quarter of 2005 the total of receivables due from customers reached 594 million euro, up from 31 March 2005 (+11.2%). Receivables due from customers include the asset back portion subscribed by Banca IFIS following the revolving type securitisation transaction started in the month of October 2003, which totalled 66 million euro at 30 June 2005.

Total open commitments, not including non-performing debts and the asset back portion, are equal to 520 million euro

against the 458 million euro at 31 March 2005 and against the 461 million euro at 31 December 2004.

Doubtful loans

The total net amount of non-performing loans to customers is 8,271 thousand euro, 1.5% up compared to 31 March 2005 (-8.6% compared to 31 December 2004). As a percentage of total loans to customers and other accounts, non-performing loans are down from 1.7% at 31 March 2005 to 1.6% at 30 June 2005. The changes in value are equal to 70.8% of the gross non-performing loans, up from 69.7% at 31 March 2005.

The total net amount of watchlist loans is equal to 3,482 thousand euro, down by 10.5% from 31 March 2005. As a percentage of total loans to customers and other accounts, watchlist loans account are down to 0.7% at 30 June 2005 from 0.8% at 31 March 2005.

At 30 June 2005, net doubtful loans to customers amount to 11,805 thousand euro, 4.7% down on the figure at 31 March 2005. As a percentage of total loans to customers and other accounts, doubtful loans have decreased from 2.7% at 31 March 2005 to 2.2% at 30 June 2005.

Deposits

Banca IFIS obtains the necessary financial resources for its business primarily from the interbanking market, cash flow from the securitisation transaction effected starting in October 2003, issue of a convertible bond in July 2004 and lastly from its customers. Total gross deposits at 30 June 2005 were 591,078 thousand euro, an increase of 16.3% over 31 March 2005.

Payables owed to banks were composed of interbank deposits for 328,740 thousand euro, with an increase of 27.3% compared to March 2005, and funding from the securitisation transaction for 178,258 thousand euro with an increase of 8.2% over 31 March 2005 (liquid assets net of the Class S Units subscribed by Banca IFIS and the discount withheld on the receivable reassignment price for 110,849 thousand euro, for an increase of 16.9% compared to 31 March 2005).

Collection from customers, equal to 34,080 thousand euro, has been remunerated at conditions that are index-linked or reviewable in the short term, advantageous both for customers when compared with alternative investments, and for the bank in comparison with the average cost of collection.

The "Banca IFIS 2004-2009" convertible bond, entirely subscribed for a nominal amount of 50 million euro, added funding, net of guaranty and placement commissions and supplementary charges for 48.2 million euro.

The bond has been partly repurchased, in several tranches between October 2004 and February 2005, for a total countervalue of 13,346 thousand euro at an average price of 101,76, in consideration of the opportunity offered by the investment at advantageous conditions of excess liquidity. The current value of the bonds is 13,640 thousand euro at 30 June 2005 (reference price 104.00 euro) with a latent capital gain of 294 thousand euro.

Considerations relative to the use of excess liquidity have additionally led to the undertaking of operations in the stock markets. This activity, which involves a moderate assumption of market

risks in the very short term and interesting rates of return, is carried out under the direct control of upper management and is expected to continue also in the second half of 2005.

No savings management activity was started, as it is not part of the group industrial project.

Intangible and tangible fixed assets

Intangible fixed assets totalled 739 thousand euro, with an increase of 7.3% compared to 31 March 2005 due to enhancing IT supports.

Tangible fixed assets also rose, increasing from 18,861 to 19,766 thousand euro (+4.8%) primarily against renovation costs of the important historic building ("Villa Marocco") which will become the permanent headquarters of the Bank starting in the second half of 2005, for which a renovation and expansion design has been designed and approved by the Eastern Veneto Arts and Monuments Office.

Also booked to tangible fixed assets is the building where Banca IFIS has its registered office, renovated in 1999 and occupied in 2001, the representation office in Bucharest, a rented building in Padua and other property units of a residual value.

Equity

In the absence of assets attributable to third parties, the net equity of the group at 30 June 2005 was at 60,154 thousand euro, against 56,119 thousand euro at 31 December 2004. In the second quarter equity increased as a result of profit created over the period and decreased as a result of dividends being distributed on

5 May 2005.

Business

Banca IFIS profitably continued its business, aimed primarily at financial and management assistance to Italian and international small and medium enterprises using the factoring instrument.

In combination with advanced credit risk evaluation and monitoring instruments, factoring represents an excellent answer to the financial service needs of SME's, primarily in light of the new rules for calculating capital absorption for the Banks which will go into effect starting in 2007 (Basle 2).

Focus continued to be placed on the selection of credit and geographical and industry diversification aimed at dispersing credit risk.

International development, considered a medium-long term strategic goal of Banca IFIS, witnessed a continuation of actions to complete the offer

Other information

STAR Trading

Since 29 November 2004, Banca IFIS's ordinary shares and exchangeable bonds are traded in the high-standard mid-cap segment (STAR). The transfer to the STAR segment occurred after a year of being listed on the Equity Share Market (MTA) of the Italian Stock Exchange. Previously, from 1990, the shares were traded on the Restricted Market (IMR) of the Italian Stock Exchange.

Fitch rating

On 15 December 2004 Fitch Ratings Limited assigned Banca

IFIS a Long Term Rating BB+, Short Term Rating B, Individual Rating C/D and Support Rating 5 with an Outlook of stable. The Rating Company has already stated its rating for the Convertible Bond as BB+ on 15 June 2004.

Impact of Basle 2

Banca IFIS has started an evaluation of the impact of the new rules for measuring Capital and Capital ratios (Basle 2) which go into effect 1 January 2007.

Based on its business, Banca d'Italia should benefit from a non-marginal reduction for equity requirements against credit risk; this is due to the relative lower risk in providing loans for factoring activity, which was recognized by the Basle Committee, also due to the average duration of the transactions, normally less than a year and concentrated around 3-6 months.

The equity absorption connected with operating risk, even if additional compared to the current situation, should not greatly worsen the situation in terms of total equity absorption. The first quality evaluations following the new Agreement on capital thus lead to an overall improved result.

Changeover to new international accounting principles (IFRS)

By the end of 2005, Banca IFIS, like all groups in the EU traded on stock exchanges, will be required to prepare its financial statement based on the IAS, due to the Regulation of the European Commission no. 1606/02 and the options given by the Italian Government in Community Law 2003.

The main innovations of the international accounting principles are described below which, based on current accounting entries, or short term balance sheets, may produce impacts on the consolidated financial statement of the group.

- the obligation to book derivatives at their fair value in the Balance Sheet and the different and stricter procedure for verifying the effectiveness of derivative hedging operations. As of 31 March 2005 the group did not have any of these types of transactions;

- greater regulation of cases subject to impairment verification aimed at preventing underlying losses from remaining over time in tangible and intangible fixed assets. In calculating the writedown to apply to these assets, when their market price is not available, the residual cash flow they are able to generate must be used and the discount back rate. The same thing applies to forecasts on receivable collections which show signs of impairment, for example bad and doubtful debt, the time in which they are collected must be used to discount them back;

- booking according to the financial method for leasing asset and liability entries. The group has booked the transactions in question according to the method required by IAS starting with fiscal year 2002.

- the introduction of new information requirements on financial instruments and the risks connected with them and greater information on the equity and profit and loss nature of various company business segments in order to provide a better representation of risks and value creation procedures through the financial statement.

On the date the IAS goes into effect, the overall effects due to application of the new international accounting principles will be booked as adjustments to starting net equity as of 1 January 2005.

In response to the introduction of the IAS/IFRS international accounting principles, Banca IFIS S.p.A. has initiated a study dedicated to analysing the impact that the new standards will have on the different functions of the company and to implementing the relevant operational and procedural modifications.

Banca IFIS S.p.A. intends to distribute the quantitative disclosure document based on the international accounting principles starting with the half-year report at 30 June 2005.

In addition, in accordance with the provision of Art. 82-*bis* of Consob Regulation number 11971 of 14 May 1999, at the foot of this report there is a reconciliation of the final balances indicated in the financial reports determined according to the drafting criteria used for the previous balance sheet, compared to the value that they assume by applying the international accounting standards adopted according to the procedure set out in Art. 6 of regulation number 1606/2002 (CE).

Forecast evolution of operations

The forecasts in the trend of the economy for 2005 do not show tangible signs of improvement compared to previous years. The attitude of the banking system to financing SME's will continue to be presumably modest, on one hand generating presumable stress on the financial situation of companies, but on the other allowing a wide opening for

factoring operators which intend to acquire market shares in the small and medium enterprise sector.

The prospects for Banca IFIS continue to be positive and permit an optimistic outlook for the overall operating trend, despite the remaining uncertainties related to the macroeconomic situation for industrial SME's, Banca IFIS's typical customer.

Significant events occurring after 31 March 2005

Commissioning of Auditors

The General Assembly of Banca IFIS, held on 28 April 2005 and following the expiry of the contract with auditors Deloitte & Touche S.p.A., commissioned KPMG S.p.A. to be the company's auditors for the three-year period 2005-2007.

Approval of 2004 Statement

The shareholder's meeting of 28 April 2005 approved the consolidated financial statement at 31 December 2004. The meeting also approved the distribution to the shareholders of a dividend of 0.14 euro per share.

Significant events after 30 June 2005

No other significant events occurred after the closing date for the period up to approval of this report.

Venice-Mestre, 3 August 2005

For the Board of Directors

President

Sebastien Egon Fürstenberg

Managing Director

Giovanni Bossi

ECONOMIC – FINANCIAL INDEXES AND OTHER FIGURES

	30/06/2005	31/3/2004	CHANGE
Profit indexes			
ROE ^{(1) (2)}	26.5%	22.7%	3.8%
ROA ⁽²⁾	3.6%	3.8%	(0.2)%
Cost/income ratio	35.5%	36.4%	(0.9)%
Risk ratios			
Net non-performing loans/Loans to customers	1.6%	1.7%	(0.1)%
Net doubtful debts/ Loans to customers	2.2%	2.7%	(0.5)%
Employee Figures^{(3) (4)}			
Total revenues/Number of employees ⁽²⁾	338.8	354.0	(15.2)
Total assets/Number of employees	6,102.0	5,914.3	187.7
Personnel cost/Number of employees ⁽²⁾	60.4	66.9	(6.5)

- (1) The assets used for the ratios is end of fiscal year (excluding fiscal year profit)
 (2) Calculated using the projection on an annual basis of the profit and loss statement items.
 (3) Number of employees-end of fiscal year.
 (4) Ratios in thousands of euro.

BREAKDOWN OF CUSTOMERS BY GEOGRAPHIC AREA

INVESTMENTS

TURNOVER

Northern Italy	34.5%	43.4%
Central Italy	34.6%	26.1%
Southern Italy	24.8%	14.2%
Foreign	6.1%	16.3%
Total	100%	100%

**BREAKDOWN OF CUSTOMER
BY PRODUCT CATEGORY**

INVESTMENTS

TURNOVER

051	Agriculture, forestry and fish products	0.2%	0.2%
052	Energy products	0.2%	0.0%
053	Minerals and ferrous and non-ferrous metals	0.9%	1.1%
054	Minerals and mineral based products	1.2%	1.6%
055	Chemical products	0.5%	0.6%
056	Products in metal excluding machines and equipment	6.8%	7.6%
057	Agricultural and industrial machines	2.7%	2.9%
058	Machines for offices data processing and precision machinery	0.1%	0.4%
059	Electrical material and supplies	3.9%	5.9%
060	Transportation vehicles	4.2%	2.5%
061	Food and beverage products	1.4%	1.0%
062	Textile, leather, shoe and clothing products	3.7%	2.7%
063	Paper, printing and publishing	0.4%	0.4%
064	Rubber and plastic products	1.6%	2.8%
065	Other industrial products	0.6%	0.4%
066	Construction and public works	5.9%	7.0%
067	Wholesale and retail trade, recoveries and repair	7.8%	8.3%
068	Hotel and public establishment services	0.5%	0.6%
069	Internal transportation services	0.8%	1.1%
070	Maritime and air transportation services	0.7%	0.7%
071	Transportation related services	0.7%	1.4%
072	Telecommunications services	0.9%	0.1%
073	Other services for sale	17.4%	34.4%
000	Non classifiable	36.9%	16.3%
	<i>of which non-resident subjects</i>	6.1%	16.3%
	<i>of which financial institutions</i>	0.5%	0.0%
	<i>of which others ⁽¹⁾</i>	30.3%	0.0%
	Total	100%	100%

⁽¹⁾ The item in question includes Banca IFIS's investment in companies operating in the healthcare and auxiliary services sectors

**FIRST ADOPTION OF INTERNATIONAL FINANCIAL REPORTING STANDARDS
RECONCILIATION OF NET EQUITY AT 30 JUNE 2005**

	Net equity 31/12/2004	Dividends distributed 2005	Income statement 30/06/2005	Movements of reserves 2005	Net equity 30/06/2005
Italian accounting standards	56,119	(3,003)	7,038	---	60,154
Gross effects:	35	---	580	(384)	231
Value of saleable financial activities on a fair value basis	297		53		350
Application of amortised cost to credits to customers	(139)		151		12
Offsetting of fixed intangible assets	(89)		21		(68)
Application of amortised cost to convertible bond loan	16		17		33
Actuarial value of severance pay for employees	(50)		(46)		(96)
Stock Options	---		384	(384)	---
Fiscal effects:	(15)	---	(202)	127	(90)
Value of saleable financial activities on a fair value basis	(111)		(20)		(131)
Application of amortised cost to credits to customers	52		(56)		(4)
Offsetting of fixed intangible assets	33		(8)		25
Application of amortised cost to convertible bond loan	(6)		(6)		(12)
Actuarial value of severance pay for employees	17		15		32
Stock Options	---		(127)	127	---
IFRS	56,139	(3,003)	7,416	(257)	60,295