



**CONSOLIDATED QUARTERLY REPORT
AS AT 30 JUNE 2006**



Share capital: 28,891,340 Euro fully paid in
Bank License No.: 3205
Tax Identification No.: 02505630109
VAT No.: 02992620274

REGISTERED OFFICE AND HEADQUARTERS

Via Terraglio, 63 – 30174 Mestre – Venice
Internet Address: www.bancaifis.it

BRANCHES

Piazza del Plebiscito, 55 – 60121 Ancona
Via C. Rosalba, 47/z – 70124 Bari
Viale Bonaria, 62 – 09125 Cagliari
Via Lungarno Cellini, 25 – 50125 Florence
Via A. Costa, 62 – 40026 Imola (Bo)
Via Volta, 16 – 20093 Cologno Monzese Milan
Via G. Porzio, 4 – Centro Dir. Isola E7 – 80143 Naples
Via De Paoli, 28/D – 33170 Pordenone
Via B. Croce, 6 – 00142 Rome
Via G. L. Lagrange, 35 – 10123 Turin
Via Terraglio, 63 – 30174 Mestre, Venice

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⁾

Directors Leopoldo Conti
Roberto Cravero
Andrea Martin
Riccardo Preve
Marina Salamon

MANAGING DIRECTOR Alberto Staccione

BOARD OF STATUTORY AUDITORS

President Mauro Rovida

Standing Auditors Erasmo Santesso
Dario Stevanato

Alternate Auditors Luca Giacometti
Francesca Rapetti

INDEPENDENT AUDIT FIRM KPMG S.p.A.

Member of Factors Chain International



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

CONTENTS

CONSOLIDATED QUARTERLY REPORT AS AT 30 JUNE 2006

Consolidated financial statements	page 6
Notes to the financial statements	page 9
Board of Directors' Report and significant events in the period	page 11

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET
(in thousands of Euro)

ASSETS	ACCOUNTING PERIOD		VARIATION		PERIOD
	30/06/2006*	31/03/2006	ABSOLUTE	%	31/12/2005
Cash and cash equivalents	16	10	6	60.0%	9
Available-for-sale financial assets	7,631	8,054	(423)	(5.3)%	5,994
Due from banks	73,604	21,661	51,943	239.8%	128,845
Due from customers	704,538	690,515	14,023	2.0%	710,901
Tangible fixed assets	26,877	25,181	1,696	6.7%	23,562
Intangible fixed assets	765	772	(7)	(0.9)%	745
Tax assets	2,988	3,537	(549)	(15.5)%	3,537
a) current	---	---	---	---	---
b) deferred	2,988	3,537	(549)	(15.5)%	3,537
Other assets	1,967	1,483	484	32.6%	3,113
TOTAL ASSETS	818,386	751,213	67,173	8.9%	876,706

LIABILITIES	ACCOUNTING PERIOD		VARIATION		PERIOD
	30/06/2006*	31/03/2006	ABSOLUTE	%	31/12/2005
Due to banks	627,917	548,005	79,912	14.6%	627,045
Due to customers	17,858	27,812	(9,954)	(35.8)%	93,874
Outstanding securities	43,511	42,905	606	1.4%	35,510
Tax liabilities	1,927	2,162	(235)	(10.9)%	2,090
a) current	357	662	(305)	(46.1)%	662
b) deferred	1,570	1,500	70	4.7%	1,428
Other liabilities	23,830	20,911	2,919	14.0%	16,567
Employee retirement/severance allowance	1,305	1,428	(123)	(8.6)%	1,307
Valuation reserve	3,451	3,863	(412)	(10.7)%	2,575
Capital instruments	611	1,078	(467)	(43.3)%	---
Reserves	28,344	35,256	(6,912)	(19.6)%	20,238
Share premium reserve	35,863	35,153	710	2.0%	34,348
Share capital	28,891	28,779	112	0.4%	28,685
Treasury shares	(1,760)	---	(1,760)	100.0%	(481)
Net profit	6,638	3,861	2,777	71.9%	14,948
TOTAL LIABILITIES	818,386	751,213	67,173	8.9%	876,706

(*) Preliminary results. The Board of Directors will meet to approve the Half Yearly Report for 2006 on 16 October 2006.

CONSOLIDATED PROFIT AND LOSS ACCOUNT
(in thousands of Euro)

	ACCOUNTING YEAR 2006		ACCOUNTING YEAR 2005		VARIATION 2nd Q.06 / 2nd Q.05	
	2nd Q.06	30/06/06*	2nd Q.05	30/06/05**	Absolute	%
	Receivable interest and similar income	7,969	16,083	6,484	13,052	1,485
Payable interest and similar expenses	(4,236)	(8,618)	(2,542)	(5,173)	(1,694)	66.6%
Interest margin	3,733	7,465	3,942	7,879	(209)	(5.3)%
Commission income	5,758	14,087	5,318	10,360	440	8.3%
Commission expense	(429)	(967)	(1,089)	(1,370)	660	(60.6)%
Net commission	5,329	13,120	4,229	8,990	1,100	26.0%
Dividends and similar income	1	7	2,902	2,902	(2,901)	(100.0)%
Net trading result	13	(50)	(1,915)	(1,881)	1,928	(100.7)%
Profit (loss) from transfer or buyback of: d) financial liabilities	---	---	---	(308)	---	---
Earning margin	9,076	20,542	9,158	17,582	(82)	(0.9)%
Net adjustments on: a) credit	(1,010)	(2,506)	(880)	(2,631)	(130)	14.8%
Net operating revenue	8,066	18,036	8,278	14,951	(212)	(2.6)%
Administration expenses a) personnel costs b) other administrative costs	(3,420) (1,980) (1,440)	(7,215) (4,355) (2,860)	(3,463) (2,079) (1,384)	(6,565) (4,139) (2,426)	43 99 (56)	(1.2)% (4.8)% 4.0%
Net adjustment of value of tangible assets	(100)	(276)	(177)	(275)	77	(43.5)%
Net adjustment of value of intangible assets	(82)	(155)	(50)	(134)	(32)	64.0%
Other operating income (costs)	131	337	34	227	97	285.3%
Operating costs	(3,471)	(7,309)	(3,656)	(6,747)	185	(5.1)%
Pre-tax profit from current operations	4,595	10,727	4,622	8,204	(27)	(0.6)%
Income tax on current operations for the period	(1,818)	(4,089)	(756)	(1,607)	(1,062)	140.5%
Parent company net profit	2,777	6,638	3,866	6,597	(1,089)	(28.2)%

(*) Period 01/01/2006-30/06/2006. Preliminary results. The Board of Directors will meet to approve the first Half Yearly Report for 2006 on 16 October 2006.

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

NOTES TO THE FINANCIAL STATEMENTS

Criteria for the preparation of the Financial Statements

Banca IFIS Group's Quarterly report as at 30 June 2006 has been prepared in compliance with the provisions issued by Consob Regulation No. 11971 of 14 May 1999 and subsequent modifications.

Based on the contents of article 82 of this Consob Regulation, Banca IFIS has prepared this Quarterly report according to the IAS/IFRS accounting standards.

Article 82 also requires that the contents of the Quarterly report can alternatively be aligned with the provisions of Appendix 3D of the Issuing Regulation or with the requirements of IAS 34 in relation to interim financial statements.

Banca IFIS has prepared this Quarterly report in compliance with Appendix 3D.

The financial statements used as a basis for the consolidation are those prepared by the companies of the Group as at 30 June 2006. The result for the period is reported net of income taxes, which reflect the presumed expense for the period based on current and deferred taxes. Current taxes are calculated taking into account current tax rates and any applicable exemptions or tax allowances.

The Quarterly report was not audited by the independent auditing company.

Consolidation scope

The structure of the group as at 30 June 2006 was unchanged compared to 31 March 2006 and is composed of the parent company Banca IFIS S.p.A. and the 100% held subsidiary Immobiliare Marocco S.p.A., consolidated with the line-by-line method.

Comparison

As required by Consob Regulation No. 11971 of 14 May 1999 and subsequent modifications, the consolidated financial statements as at 30 June 2006 are compared with those of 31 March 2006 and 31 December 2005; in addition, a comparison is made between the profit and loss account results at 30 June 2006 and 30 June 2005 and between the relevant quarter and the same quarter of the previous year.

The figures as at 30 June 2005 have been drawn up again according to the IAS/IFRS International Accounting Standards. For the reconciliation between net equity and the profit ex Decree legislation 87/92 and that according to IAS/IFRS, please refer to the appendix in the explanatory notes to the first Half Yearly Report as at 30 June 2005.

**BOARD OF DIRECTORS' REPORT AND
SIGNIFICANT EVENTS IN THE PERIOD**

Profit and Loss Account

Net result from financial operations

Banca IFIS continues to pursue its strategy of increasing market share by further developing its customer base and reinforcing its relationship with existing clients by focusing on products with the highest added value.

Development and expansion activities over the course of the second Quarter, revealed a slow down due to exogenous and endogenous factors.

Under the first point of view, this slow down was caused by the lack of certain operations with Public debtor counterparts, which had positively contributed to the results of 2005 as a whole and the first Quarter of 2006. It is reasonable to presume that such operations will be reinstated, at least in part, over the course of the second Half of the Year and hence a recovery is expected.

Under the second point of view, due to the planned growth of Banca IFIS S.p.A., defined in the strategic plans, the bank is concentrating on strengthening certain organisational and control functions. This is being achieved through the implementation of a sufficient number of new resources, and the adoption of new and more efficient procedures necessary to support the growth in the bank's perimeters, including the international sectors, over the next few accounting years. Such organisational implementation represents a natural path, following operations carried out on own instruments at the end of 2005 (Free and paid capital increases and cum-warrants) and in 2004 (through the issue of a convertible bond loan).

These were, in turn, the result of a defined short-medium term strategy of strong growth in activities. The implementation has brought about an expected slowdown in development. A recovery in operational efficiency is expected during the second part of the year.

In the light of that explained above, the result generated over the Quarter showed a decrease when compared to the previous Quarter but was more or less in line with the results of the second Quarter of 2005.

The net result of financial operations for the Group equalled 8,066 thousand Euro in the second Quarter of 2006 (-2.6% compared to the 8,278 thousand Euro of the second Quarter of 2005).

The **earning margin**, fell from 9,158 thousand Euro in the second Quarter of 2005 to 9,076 thousand Euro in the second Quarter of 2006 (-0.9%).

The changes in the interest margin itself are due to the fact that customers are moving towards products characterised by a high service component, income from which comes mainly from factoring commission as opposed to interest.

The **Interest Margin** which reached 3,733 thousand Euro in the second Quarter of 2006, decreased by 5.3% if compared to the 3,942 thousand Euro of the corresponding period of 2005.

Net commissions, equal to Euro 5,329 thousand Euro, compared to the results of the second Quarter of 2005 less 783 thousand Euro of payable commission relating to operations on securities, show an increase of 6.3% and illustrate the

capacity of the factoring business to generate added value through management and service for credit; the expenses connected to this activity are diluted, above all, among personnel expenses.

In the second Quarter of 2006, the interest margin and net commissions as a percentage of the earning margin were respectively 41.1% and 58.7%.

Net adjustments on loans amounted to 1,010 thousand Euro, an increase of 14.8% compared to 880 thousand Euro in the second Quarter of 2005. The variation is physiological and is due to normal dynamics.

Pre-tax profit from current operations

Pre-tax profit from current operations in the second Quarter of 2006 amounted to 4,595 thousand Euro, more or less in line with the 4,622 thousand Euro of the second Quarter of 2005 (-0.6%).

Operating costs decreased slightly despite the expansion in business and the strengthening of Banca IFIS's structure, due to decreases in costs relating to personnel, despite administrative expenses increasing by +4% in line with expectations. Total operating costs equalled 3,471 thousand Euro for the second Quarter 2006 against 3,656 thousand Euro for the second Quarter of 2005 (-5.1%).

The ratio between operating costs and the earning margin (the cost /income ratio) as at 30 June 2006 shows an improvement, reaching 35.6% against 38.4% for the corresponding period of 2005.

The decrease in **personnel expenses** (which amounted to 1,980 thousand Euro, -4.8% compared to the same period last year) is due to increases in the parameters of incentive plans for directly employed employees, together with the effect of actualising/discounting back retirement and severance allowance as according to the IAS/IFRS standards, mainly due to increases in market interest rates. Such decreases were partially offset by increases in the number of personnel.

The increase in **other administrative expenses** which amounted to 1,440 thousand Euro, (+4% compared to the second Quarter of 2005) is physiological and is related to costs connected to the further development of the business: professional consultancy and assistance, maintenance and IT assistance, and lastly, support for improved selection and control of credit.

The **net value adjustments on intangible assets** also increased (+64.0% compared to the second quarter of 2005) and are mainly due to the improvements of IT support, while **net value adjustments on tangible assets** equalled 100 thousand Euro (against 177 thousand Euro in the second quarter of 2005).

Other operating income amounted to 131 thousand Euro (compared to 34 thousand Euro in the second quarter of 2005) and mainly includes the recovery of expenses from third parties.

Net profit

The **income taxes on current operations** for the period are estimated at 1,818 thousand Euro, an increase from the 756

thousand Euro of the second Quarter of 2005.

Net profit for the second Quarter of 2006 amounted to 2,777 thousand Euro. In the absence of minority interest holdings, the result refers entirely to the group.

The main capital aggregates

The parent company is almost exclusively involved in the factoring activity and books its loans/advances on assigned receivables under 'due from customers'. In addition to the typical deposits made with the banking system, or wholesale in terms of client companies, securitisation continued to play an ever more significant role, along with interbank deposits on the *e-MID* platform and on direct bilateral contractual bases.

Loans to customers

Total due from customers at 30 June 2006 amounted to 705 million Euro, an increase from the 691 million Euro of 31 March 2006 (+2.0%) and a decrease from the 711 million Euro at 31 December 2005 (-0.9%). This reduction when compared to the year end results of 2005 is physiological and is due to the fact that the year end is often typified by a large loan commitments to customers.

Total net loans, excluding net bad debts of 5 million Euro, totalled 700 million Euro, compared to 686 million Euro at 31 March 2006 and 705 million Euro at 31 December 2005.

Doubtful loans to customers

Total bad loans due from customers at net balance sheet values stood at 5,496 thousand Euro, an increase of 6.5% com-

pared to 31 March 2006 while a decrease of 7.2% compared to 31 December 2005. The percentage of net bad loans out of total loan commitments to customers equalled 0.8% at 30 June 2006 against 0.7% at 31 March 2006 and 0.8% at 31 December 2005. The adjustments equal 81.3% of gross bad debts on loans, against 81.4% at 31 March 2006 and 77.9% as at 31 December 2005.

Total difficult loans at net book values stood at 1,646 thousand Euro, compared to 1,015 thousand Euro as at 31 March 2006. The percentage of net difficult loans out of total loans to customers increased from 0.1% as at 31 March 2006 to 0.2% as at 30 June 2006.

Total net non performing due from customers amounted to 7,142 thousand Euro at 30 June 2006, an increase of 15.6% compared to 31 March 2006. The percentage of net non performing loans on total loan commitments passed from 0.9% as at 31 March 2006 to 1.0% as at 30 June 2006. The percentage of net non-performing loans on shareholders' equity increased from 5.7% as at 31 March 2006 to 7% as at 30 June 2006.

Deposits

Banca IFIS obtains the resources necessary for the financing of its activities, in addition to own resources, from the inter-bank market, from the net cash flow from the revolving reassignment of performing assigned receivables owed by assigned debtors (initiated in October 2003), from the convertible bond (issued in July 2004) and lastly from its customers. The total deposits at 30 June 2006 amounted to 689,286 thousand Euro, with an increase of 11.4%, compared to 31 March 2006. The payables due to banks are composed of inter-

bank deposits of 496,802 thousand Euro, with an increase of 23.2% compared to March 2006, and by the net funding deriving from the sale of the commercial receivables portfolio, of 131,115 thousand Euro with an decrease of 9.5% compared to 31 March 2006.

Deposits from customers, equal to 17,858 thousand Euro (-35.8% compared to 31 March 2006) were remunerated at indexed conditions or revisable in the short term, and advantageous for customers compared with alternative investments, and for the bank compared to the average deposit cost.

The "Banca IFIS 2004-2009" convertible bond, issued in July 2004 for a nominal amount of 50 million Euro, totalled 43,511 thousand Euro at 30 June 2006 (+1.4% compared to 31 March 2006). The debt instrument is recognised as a liability net of the buyback of own bonds which are treated, in compliance with the IAS standards, as settlement of the debt, even though these instruments are intended for later resale.

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

Tangible and intangible assets

Intangible fixed assets totalled 765 thousand Euro, a decrease of 0.9% compared to 31 March 2006.

Tangible fixed assets recorded a slight increase, from 25,181 thousand Euro to 26,877 thousand Euro (+6.7%), due to renovation costs of the important historic building ("Villa Marocco"); a renovation and expansion plan has been designed and approved by the Eastern Veneto Arts and Monuments Office. In December 2005, a part of the building

for which the above-mentioned restructuring work was concluded, became the new headquarters of Banca IFIS. The final value of the building has been confirmed by experts in the valuation of historic buildings.

The building in which Banca IFIS had its Head Quarters until December 2005 is also recorded under tangible assets (restructured in 1999 and occupied since 2001), as are the representative office at Bucharest, a building in Padua and other buildings of a residual value.

Equity

In the absence of assets attributable to third parties, the net equity of the group at 30 June 2006 was 102,038 thousand Euro, against 107,990 thousand Euro at 31 March 2006 and 100,313 thousand Euro at 31 December 2005. In the second Quarter, the share capital increased by a total amount of 819 thousand Euro, following employees and directors exercising the stock option assigned with the A1/D1 stock option plan, deliberated by the Board of Directors on 27 March 2003. In addition, net equity was also affected by the profit for the period, by dividend payment and by the effects of providing reserves for some items according to the new International Accounting Standards.

Activity

Banca IFIS continued its business in a profitable manner; it is primarily engaged in financial and management assistance to Italian and international small and medium enterprises through factoring.

In combination with advanced credit risk assessment and monitoring instruments, factor-

ing represents an optimal answer to the financial service needs of SMEs, primarily in light of the new rules for calculating capital absorption for Banks which will come into effect starting in 2007 (Basel 2). Focus continued to be placed on the selection of credit and geographical and industrial diversification, aimed at spreading credit risk.

International development, considered a medium-long term strategic goal of Banca IFIS, also continued.

Other Information

Trading on the STAR

Banca IFIS's ordinary shares and convertible bonds have been traded in the high-standard mid-cap segment (STAR) since November 2005. Previously, from 1990, the shares were traded on the Restricted Market (IMR) of the Italian Stock Exchange.

Fitch rating

On 10 February 2006, Fitch Ratings International assigned Banca IFIS with a BBB -, improving its rating by one notch. This notch, the most important because it takes Banca IFIS's rating from 'speculative' to 'investment', opens up new scenarios and opportunities. In detail, Fitch improved its Long Term Rating from BB+ to BBB-, its Short Term Rating from B to F3, and its Individual Rating from C/D to C. In addition Fitch confirmed its Support Rating of 5 with a Stable Outlook.

The impact of Basel Concordat 2

Banca IFIS has started an evaluation of the impact of the

new rules for measuring Capital and Capital ratios (Basel 2) which will come into effect on January 1, 2007.

Banca IFIS believes the best approach in the first phase would be to follow a standardised method of calculating capital requirements to face credit risks. At a later date, subject to approval from supervisory authorities, Banca IFIS intends on using its own internal rating system to define such requisites.

In the first phase, a slight worsening in solvency ratios is expected, though still well above the regulatory minimum, in order to take in account requisites of operational risks.

Once this system for measuring credit risks based on internal ratings is put into action and considering the type of activity carried out, Banca IFIS should benefit from a non-marginal reduction for equity requirements against credit risk; this is due both to the relatively lower risk in providing loans for factoring activities, which was recognised by the Basel Committee, and also to the average duration of transactions - normally less than a year and more often than not, 3-6 months.

The equity absorption connected to the operating risk 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 result that has slightly worsened in the short-term and slightly improved in the medium-term. Such a change appears consistent with the present solvency ratio situation, which is, to date, extremely favourable but destined to worsen over the next few years due to the planned business expansion, compared to the growth in regu-

latory capital.

Operations on treasury shares

The Shareholders' Meeting of 10 October 2005 renewed the authorisation to purchase and sell treasury shares, in accordance with Article 2357 and thereafter of the Civil Code, and Article 132 of Legislative Decree No. 58/98, establishing a price for which the shares may be acquired as between a minimum of Euro 3 and a maximum of Euro 30, for a maximum amount of Euro 8 million. The Shareholders' Meeting also established the duration of the authorisation as 18 months from the date of the resolution.

At 31 March 2006, Banca IFIS did not hold any treasury shares.

During the second Quarter of 2006, Banca IFIS acquired, at the weighted average price of 11.06 Euro, n.159,128 own shares at a counter value of 1,760 thousand Euro and a nominal value of 159,128 Euro.

Transactions on own bonds

At 30 June 2006, the Bank held 602,522 own bonds entered for a counter value of 7,598 thousand Euro and a nominal value of 7,531,525 thousand Euro. During the second Quarter of 2006, Banca IFIS did not carry out any purchase or sales of its own bonds.

Outlook

The outlook for 2006 does not show tangible signs of improvement compared to previous years. The attitude of the banking system to financing SMEs will presumably continue to be modest, on the one hand generating stress on the financial situation of companies, but on the other, allowing a wide

opening for factoring operators who wish to improve their market share in the small and medium enterprise sector.

Despite the points presented in the opening part of the Directors' report regarding management trends, 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 SMEs, Banca IFIS's typical customer.

Significant events during the period

Exercise of stock options

Banca IFIS believes that capital increases in favour of the management and staff of the Bank, through the subscription and assignment of shares at current market values to be exercised after some time, not only creates a feeling of participation in the company's success but also encourages loyalty.

In this way, the Board of Directors have effected 3 distinct stock option plans: The first of these, the A1/D1 plan, (deliberated 27 March 2003) amounted to a total of 214,500 shares at a nominal value of 1 Euro, subscribable at 7.31 Euro to be exercised in the period stretching from 1 January - 31 December 2006, of which 64,500 for directors and 150,000 for employees. The second, Plan A2/D2 (deliberated 5 May 2004), amounts to another 214,500 shares at a nominal value of 1 Euro, subscribable at a price of 7.42 to be exercised between 1 January and 31 December 2007, of which 64,500 for directors and 150,000 for employees. The third stock option plan, A3/D3, (deliberated

15 December 2004) amounts to a value of 214,500 shares at a nominal value of 1 Euro, subscribable at a price of 7.05 Euro exercisable period between 1 January 2008 and 31 December 2008 of which 64,500 for directors and 150,000 for employees.

To the date of this Quarterly Report, 206,300 options relating to the A1/D1 have been exercised, while, due to some employees leaving the company, 7,200 options have been debarred. 1000 options from the A1/D1 plan have not yet been exercised.

Inspection under TUB rules

Over the course of the period, the general inspection assessment, effected under the Bank of Italy's Consolidation Act for banks and credit institutions, was completed. In addition, the formalities to communicate the

conclusions of such an inspection were also completed.

Following the inspectorial results, Banca IFIS is moving, as already expected, towards a general reinforcement of its structure, with particular but not exclusive attention to organisational and control functions. This is also in order to plan in advance Banca IFIS's domestic and international expansion, forecasted in the qualitative and quantitative plans defined.

Significant events after 30 June 2006

Acquisition of Fidis Faktoring Polska

In actuation of the agreement stipulated during the first few months of 2006 and following the Bank of Italy's authorisation to do so, the transfer of a 100% shareholding in Fidis Faktoring Polska Sp.z.o.o. from Fidis to Banca IFIS was concluded on 31 July 2006. Fidis Faktoring

Polska is a Polish operator specialising in factoring, mainly to give financial support to the Fiat Group's suppliers in Poland.

The acquisition is fully consistent with the strategic objectives of the Bank, which aim to realise a specialized international factoring network in Europe and in other areas of potential interest.

The acquisition was achieved using Banca IFIS's available resources and entails a financial commitment slightly above 5 million Euro (a maximum of 0.7 million Euro higher than the accounting net equity at the acquisition date) together with the financial commitments connected to financing the activities of this equity investment.

Mestre, Venice, 4 August 2006

For the Board of Directors

The President

Sebastien Egon Fürstenberg

The CEO

Giovanni Bossi

BREAKDOWN OF CUSTOMERS BY GEOGRAPHIC AREA
LOANS
TURNOVER

North Italy	32.0%	43.3%
Central Italy	42.0%	32.6%
South Italy	22.2%	10.7%
Overseas	3.8%	13.4%
Total	100%	100%

BREAKDOWN OF CUSTOMER BY PRODUCT CATEGORY
LOANS
TURNOVER

051	Agriculture, forestry and fish products	0.2%	0.1%
052	Energy products	0.2%	0.0%
053	Minerals and ferrous and non-ferrous metals	0.7%	0.4%
054	Minerals and mineral based products	0.3%	0.7%
055	Chemical products	0.4%	0.5%
056	Products in metal excluding machines and equipment	7.6%	9.2%
057	Agricultural and industrial machines	2.0%	2.1%
058	Machines for offices, data processing and precision machinery	0.1%	0.5%
059	Electrical material and supplies	2.2%	3.1%
060	Transportation vehicles	4.3%	10.7%
061	Food and beverage products	0.8%	0.9%
062	Textile, leather, shoe and clothing products	4.0%	3.5%
063	Paper, printing and publishing	0.1%	0.2%
064	Rubber and plastic products	1.7%	3.3%
065	Other industrial products	0.7%	0.5%
066	Construction and public works	6.0%	8.4%
067	Wholesale and retail trade. recoveries and repair	8.3%	10.1%
068	Hotel and public establishment services	0.8%	0.6%
069	Internal transportation services	1.1%	0.9%
070	Maritime and air transportation services	0.6%	0.4%
071	Transportation related services	1.0%	1.1%
072	Telecommunications services	0.3%	0.2%
073	Other services for sale	15.9%	29.2%
000	Non classifiable	40.7%	13.4%
	<i>of which non-resident subjects</i>	3.8%	13.4%
	<i>of which financial institutions</i>	0.1%	0.0%
	<i>of which others ⁽¹⁾</i>	36.8%	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.