



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

**TRANSLATION FROM THE ITALIAN
ORIGINAL WHICH REMAINS THE
DEFINITIVE VERSION**



Share Capital: 28,891,362 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, Italy
Internet Address: www.bancaifis.it

BRANCHES

Via Astagno, 3 – 60121 Ancona
Via C. Rosalba, 47/z – 70124 Bari
Viale Bonaria, 62 – 09125 Cagliari (Ca)
Viale Europa, 163 – 50126 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
Via B Croce, 6 – 00142 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

<i>President</i>	Sebastien Egon Fürstenberg
<i>Vice President</i>	Alessandro Csillaghy
<i>CEO</i>	Giovanni Bossi ⁽¹⁾
<i>Board Members</i>	Leopoldo Conti Roberto Cravero Andrea Martin Riccardo Preve Marina Salamon

MANAGING DIRECTOR Alberto Staccione

BOARD OF STATUTORY AUDITORS

<i>President</i>	Mauro Roviida
<i>Standing Auditors</i>	Erasmus Santesso Dario Stevanato
<i>Alternate Auditors</i>	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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FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET
(in thousands of Euro)

ASSETS	PERIOD		VARIATION		PERIOD
	30/09/2006	30/06/2006	ABSOLUTE	%	31/12/2005
Cash and cash equivalents	12	16	(4)	(25.0)%	9
Available-for-sale financial assets	8,670	7,631	1,039	13.6%	5,994
Due from banks	87,051	68,094	18,957	27.8%	128,845
Due from customers	717,864	704,538	13,326	1.9%	710,901
Tangible fixed assets	28,569	26,877	1,692	6.3%	23,562
Intangible fixed assets	1,595	765	830	108.5%	745
Tax assets	3,542	2,988	554	18.5%	3,537
a) current	---	---	---	---	---
b) deferred	3,542	2,988	554	18.5%	3,537
Other assets	3,029	1,967	1,062	54.0%	3,113
TOTAL ASSETS	850,332	812,876	37,456	4.6%	876,706

LIABILITIES	PERIOD		VARIATION		PERIOD
	30/09/2006	30/06/2006	ABSOLUTE	%	31/12/2005
Due to banks	658,483	627,917	30,566	4.9%	627,045
Due to customers	18,063	17,858	205	1.1%	93,874
Outstanding securities	42,172	43,511	(1,339)	(3.1)%	35,510
Tax liabilities	2,160	1,927	233	12.1%	2,090
a) current	687	357	330	92.4%	662
b) deferred	1,473	1,570	(97)	(6.2)%	1,428
Other liabilities	22,432	18,320	4,112	22.4%	16,567
Employee retirement/severance allowance	1,343	1,305	38	2.9%	1,307
Valuation reserve	4,506	3,451	1,055	30.6%	2,575
Capital instruments	611	611	---	---	---
Reserves	28,347	28,344	3	---	20,238
Share premium reserve	35,863	35,863	---	---	34,348
Share capital	28,891	28,891	---	---	28,685
Treasury shares	(2,380)	(1,760)	(620)	35.2%	(481)
Net profit	9,841	6,638	3,203	48.3%	14,948
TOTAL LIABILITIES	850,332	812,876	37,456	4.6%	876,706

CONSOLIDATED PROFIT AND LOSS ACCOUNT
(in thousands of Euro)

	ACCOUNTING YEAR 2006		ACCOUNTING YEAR 2005		VARIATION 3rd Q 06 / 3rd Q 05	
	3rd Q 06	30/09/06*	3rd Q 05	30/09/05**	Absolute	%
Receivable interest and similar income	8,920	25,003	6,855	19,907	2,065	30.1%
Payable interest and similar expenses	(5,300)	(13,918)	(3,146)	(8,319)	(2,154)	68.5%
Interest margin	3,620	11,085	3,709	11,588	(89)	(2.4)%
Receivable commission	5,944	20,031	6,285	16,645	(341)	(5.4)%
Payable commission	(501)	(1,468)	(457)	(1,827)	(44)	9.6%
Net commission	5,443	18,563	5,828	14,818	(385)	(6.6)%
Dividends and similar income	--	7	--	2,902	--	--
Net trading result	(34)	(84)	(26)	(1,907)	(8)	30.8%
Profit (loss) from reassignment or buyback of:	--	--	86	(222)	(86)	(100.0)%
a) credit	--	--	130	130	(130)	(100.0)%
d) financial liabilities	--	--	(44)	(352)	44	(100.0)%
Earning margin	9,029	29,571	9,597	27,179	(568)	(5.9)%
Net adjustments on:	(335)	(2,841)	111	(2,520)	(446)	(401.8)%
a) credit	(335)	(2,841)	111	(2,520)	(446)	(401.8)%
Net operating revenue	8,694	26,730	9,708	24,659	(1,014)	(10.4)%
Administration expenses	(3,419)	(10,634)	(3,034)	(9,599)	(385)	12.7%
a) personnel costs	(1,987)	(6,342)	(1,948)	(6,087)	(39)	2.0%
b) other administrative costs	(1,432)	(4,292)	(1,086)	(3,512)	(346)	31.9%
Net adjustment of value of tangible assets	(209)	(485)	(132)	(407)	(77)	58.7%
Net adjustment of value of intangible assets	(91)	(246)	(80)	(214)	(11)	14.1%
Other operating income (costs)	77	414	108	335	(31)	(28.7)%
Operating costs	(3,642)	(10,951)	(3,138)	(9,885)	(504)	16.1%
Pre-tax profit from current operations	5,052	15,779	6,570	14,774	(1,518)	(23.1)%
Income tax on current operations for the period	(1,849)	(5,938)	(1,975)	(3,582)	126	(6.4)%
Parent company net profit	3,203	9,841	4,595	11,192	(1,392)	(30.3)%

(*) Period 01/01/2006-30/09/2006

(**) Period 01/01/2005-30/09/2005

NOTES TO THE FINANCIAL STATEMENTS

Criteria for the preparation of the Financial Statements

Banca IFIS Group's Quarterly report as at 30 September 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. As provided by Consob Regulation no 11971 of 14 May 1999 and subsequent modifications, the consolidated financial statements as at 30 September 2006 must be compared, as far as concerns the balance sheet, with the balance sheets of 30 June 2006 and 31 December 2005 and, as far as concerns the profit and loss account, with the profit and loss account of 30 September 2005, and, in addition, the current Quarter and the corresponding Quarter from the year before, all drawn up according to the same accounting principles.

The results for this Quarter are 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.

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

Consolidation scope

The structure of the group at 30 September 2006 is composed of the parent company, Banca IFIS S.p.A., the 100% held subsidiary, Immobiliare Marocco S.p.A., and IFIS Finance Sp.Z.o.o. – bought on 31 July 2006 and later described, all consolidated with the line-by-line method.

The accounting situations forming the basis of the consolidation process are those prepared by the Group companies and refer to the situation as at 30 September 2006.

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

Profit and Loss Account

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 2006, revealed a slow down due to exogenous and endogenous factors that partly effected the Third Quarter too.

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.

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 necessary step 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 is bringing about expected slowdowns in development. Furthermore, it is important to highlight that result-

for the Third Quarter 2005, contrary to those of the current Quarter, were positively affected by value recoveries on credit for 1,402 thousand Euro.

Net result from financial operations

The net result of financial operations for the Group for the Third Quarter 2006, taking into account the considerations set out herein, equalled 8,694 thousand Euro (-10.4% compared to the 9,708 thousand Euro of the Third Quarter of 2005). This result was still higher than that of the Second Quarter of 2006 (+7.8%).

The **earning margin**, fell from 9,597 thousand Euro in the Third Quarter of 2005 to 9,029 thousand Euro in the Third Quarter of 2006 (-5.9%).

The **Interest Margin** equalling 3,620 thousand Euro in the Third Quarter of 2006, decreased if compared to the 3,709 thousand Euro of the corresponding period of 2005 (-2.4%).

It is important to note that 6 million Euro of default interest has been maturing since the end of 2005 on past due credit from the Civil Service. At present, as it is not possible to forecast the recovery percentage as this depends on the outcome of the eventual legal action to be taken, no such item has been booked to the profit and loss account as at 30 September 2006.

Net commissions, equalled 5,443 thousand Euro, compared to 5,828 thousand Euro in the Third Quarter of 2005 (-6.6%). The interest margin and net commission make up the earning margin for 40.1% and 60.3% respectively.

Net adjustment write downs on loans amounted to 335 thou-

sand Euro, compared to 111 thousand Euro of value recoveries in the Third Quarter of 2005.

The results of the Third Quarter 2005 were however, positively effected by value recoveries on credit for 1,402 thousand Euro.

Net of such recoveries, the physiological value adjustment write downs for the Third Quarter of 2006 were less than those for the corresponding period of 2005. This is thanks both to the constant attention that Banca IFIS has been paying to the granting of credit lines and the monitoring of trends in operations, and to the decision to continue to book value adjustments as soon as presuppositions to do so arise.

Pre-tax profit from current operations

Pre-tax profit from current operations in the Third Quarter of 2006 amounted to 5,052 thousand Euro, against 6,570 thousand Euro in the Third Quarter of 2005 (-23.1%).

Operating costs increased by 16.1%, in line with the expansion in business and the strengthening of Banca IFIS's structure, changing from 3,183 thousand Euro for the Third Quarter 2005 to 3,642 thousand Euro for the Third Quarter of 2006.

The ratio between operating costs and the earning margin (the cost /income ratio) at 30 September 2006 stood at 37% against 36.4% at 30 September 2005.

Personnel expenses amounted to 1,948 thousand Euro, in the Third Quarter of 2005 and to 1,987 thousand Euro in the Third Quarter 2006, an increase of 2%. This is due to the combined effect of a lesser provision for the retirement / severance allowance caused by in-

creases in market interest rates used for actualisation, together with increases in the number of personnel.

The increase in **other administrative expenses** for the Third Quarter 2006 amounted to 1,432 thousand Euro, against 1,086 thousand Euro for the corresponding period of 2005 (+31.9%). This increase is physiological and is related to costs connected to the further development of the business: professional consultancy and assistance, maintenance and IT assistance, support for the improved selection and control of credit and, lastly, general costs for site expansion.

The **net value adjustments on intangible assets** also increased (+14.1% compared to the Third Quarter of 2005) and are mainly due to improvements in IT support, while **net value adjustments on tangible assets** equalled 91 thousand Euro, against 80 thousand Euro in the Third Quarter of 2005 (+14.1%).

Other operating income amounted to 77 thousand Euro (compared to 108 thousand Euro in the Third Quarter of 2005) and mainly includes the recovery of third party expenses.

Net profit

The **income taxes on current operations** for the period are estimated at 1,849 thousand Euro, a decrease from the 1,975 thousand Euro of the Third Quarter of 2005.

Net profit for the Third Quarter of 2006 amounted to 3,203 thousand Euro. In the absence of third party profit, 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 September 2006 reached 718 million Euro, an increase from the 705 million Euro at 30 June 2006 (+1.9%) and from 711 million Euro at 31 December 2005 (+1.0%). This augmentation, when compared to the year end results of 2005, is still more significant when considering the fact that the year end is often typified by a large loan commitments to customers.

Total net loans, excluding net bad debts for 6 million Euro, totalled Euro 712 million for the period, compared to 700 million Euro at 30 June 2006 and 705 million Euro at 31 December 2005.

Doubtful loans to customers

Total bad debts on loans due from customers, at net balance sheet values, stood at 5,719 thousand Euro, an increase of 4.1% compared to 30 June 2006 and a decrease of 3.4% compared to 31 December 2005. The percentage of net bad debts on loans over total loan commitments to customers remained stable at 0.8% from 30 June 2006 and 31 December 2005. The adjustments equalled 80.9% of gross bad debts on loans, against 81.3% as at 30 June

2006 and 77.9% as at 31 December 2005.

Total difficult loans at net book values for the period stood at 1,444 thousand Euro, compared to 1,698 thousand Euro as at 30 June 2006, a decrease of 14.9%. The percentage of net difficult loans out of total loans to customers remained at the 0.2% of 30 June 2006.

Total non performing loans due from customers amounted to 7,163 thousand Euro at 30 September 2006, substantially unvaried from the 7,142 thousand Euro of 30 June 2006. The percentage of net non performing loans on total loan commitments stayed at the 1.0% of 30 June 2006. The percentage of net non performing loans on shareholders' equity decreased from 7% as at 30 June 2006 to 6.8% as at 30 September 2006.

Funding

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. Total funds at 30 September 2006 amounted to 718,718 thousand Euro, an increase of 4.3%, compared to 30 June 2006.

Payables due to banks equalling 658,483 thousand Euro, an increase of 4.9% compared to 30 June 2006, are composed of interbank deposits for 540,848 thousand Euro, an increase of 8.9% compared to June 2006, and by the net funding deriving from the reassignment of commercial receivables portfolios for 117,635 thousand Euro, a decrease of 10.3% compared

to 30 June 2006.

Deposits from customers, equal to 18,063 thousand Euro (+1.1% compared to 30 June 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 Euro 50 million, totalled 42,172 thousand Euro at 30 September 2006 (-3.1% compared to 30 June 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 1,595 thousand Euro, an increase of 108.5% compared to 30 June 2006. Such an increase reflects the posting of goodwill resulting from the consolidation of IFIS Finance Sp.Z.o.o., equal to 826 thousand Euro.

Tangible fixed assets increased from 26,877 thousand Euro to 28,569 thousand Euro (+6.3%), due to renovation costs of the important historic building "Villa Marocco" for which 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 had been concluded, became the new Head Quarters 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, restructured in 1999 and occupied in 2001, is also recorded under tangible assets, 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 September 2006 was 105,679 thousand Euro, against 102,038 thousand Euro at 30 June 2006 and 100,313 thousand Euro at 31 December 2005. In the Third Quarter 2006, equity increased as a result of the profit for the period and was effected 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, factoring represents an optimal answer to the financial service needs of SMEs, primarily in light of the new rules for calculating capital consumption 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, con-

sidered 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 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 capital consumption connected to the operating risk should not greatly worsen the situation in terms of total capital consumption.

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 regulatory 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 30 June 2006, Banca IFIS held 159,128 treasury shares for a counter value of 1,760 thousand Euro and a nominal value of 159,128 Euro.

During the Third Quarter of 2006, Banca IFIS purchased, at the weighted average price of 10.26 Euro, no. 60,390 treasury shares at a counter value of 620 thousand Euro and a nominal value of 60,390 Euro.

Transactions on own bonds

At 30 September 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 Euro. During the Third 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

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% stake 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 for a sum of 5.5 million Euro, in correspondence with the controlled company's accounting net equity at the acquisition date of 4.7 million Euro; the difference, equalling 0.8 million Euro, has been booked to goodwill in the consolidated financial statements under intangible assets.

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 cre-

ates a feeling of participation in the company's success but also encourages loyalty.

In this way, the Board of Directors has 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, 206,900 options relating to the A1/D1 have been exercised, while, due to some employees leaving the company, 7,200 options have been debarred. 400 options from the A1/D1 plan have not yet been exercised.

Inspection under TUB rules

Over the course of the Half Year, the Bank of Italy carried out a general inspection of Banca IFIS, effected under the Consolidation Act for banks and credit institutions. During the same period, Banca IFIS was duly notified of the conclusions to such an inspection.

Following the inspectorial results, Banca IFIS is moving, as already planned, towards a gen-

eral 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 September 2006

No other significant events occurred between closing the Third Quarter and the date of this financial report.

Mestre, Venice, 9 November 2006

For the Board of Directors

The President

Sebastien Egon Fürstenberg

The C.E.O.

Giovanni Bossi

BREAKDOWN OF CUSTOMERS BY GEOGRAPHIC AREA
LOANS
TURNOVER

Northern Italy	32.1%	43.5%
Central Italy	43.5%	32.5%
Southern Italy	21.8%	13.3%
Overseas	2.6%	10.7%
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	0.4%	0.4%
054	Minerals and mineral based products	0.5%	0.7%
055	Chemical products	0.2%	0.4%
056	Products in metal excluding machines and equipment	8.4%	9.6%
057	Agricultural and industrial machines	1.9%	2.0%
058	Machines for offices, data processing and precision machinery	0.1%	0.4%
059	Electrical material and supplies	2.5%	2.9%
060	Transportation vehicles	5.4%	10.7%
061	Food and beverage products	1.0%	1.0%
062	Textile, leather, shoe and clothing products	3.9%	3.3%
063	Paper, printing and publishing	0.1%	0.3%
064	Rubber and plastic products	1.0%	3.0%
065	Other industrial products	0.6%	0.5%
066	Construction and public works	6.5%	8.1%
067	Wholesale and retail trade. recoveries and repair	9.1%	10.9%
068	Hotel and public establishment services	0.6%	0.6%
069	Internal transportation services	0.9%	1.0%
070	Maritime and air transportation services	0.6%	0.4%
071	Transportation related services	0.6%	1.0%
072	Telecommunications services	0.3%	0.2%
073	Other services for sale	16.7%	29.0%
000	Non classifiable	38.3%	13.5%
	<i>of which non-resident subjects</i>	5.0%	13.5%
	<i>of which financial institutions</i>	0.1%	0.0%
	<i>of which others ⁽¹⁾</i>	33.2%	0.0%
	Total	100%	100%

⁽¹⁾ The item in question includes Banca IFIS's commitments with companies operating in the healthcare and ancillary services sectors.