

BANCA IFIS'S BOARD OF DIRECTORS APPROVES THE FIRST HALF YEARLY REPORT

- Earning Margin for the first half year, 20.5 million Euro (+16.8% in comparison to 17.6 million Euro in the first half year of 2005).
- Gross profit for the first half year, 10.7 million Euro (+30.8% in comparison to 8.2 million Euro in the first half year of 2005).
- Net profit for first half year, 6,638 thousand Euro (+0.6% in comparison to 6,597 thousand Euro in the first half year of 2005).
- Net bad debts on loans/ total loans to customers 0.8%.

CONSOLIDATED RESULTS

(in thousands of Euro)

	1ST HALF YEAR		VARIATION	
	2006	2005	Absolute	%
Earning margin	20,542	17,582	2,960	16.8%
Net operating revenue	18,036	14,951	3,085	20.6%
Pre-tax profit from current operations	10,727	8,204	2,523	30.8%
Parent Company net profit	6,638	6,597	41	0.6%

Mestre, 29 September 2006 – Banca IFIS's Board of Directors' Meeting took place today. Banca IFIS is a banking enterprise, under the chairmanship of Sebastien Egon Fürstenberg, specialising in factoring and listed in the STAR segment of the Italian Stock Exchange. The Board has approved the Consolidated First Half Yearly Report 2006.

Group results as at 30 June 2006

During the first half year of 2006, Banca IFIS recorded a turnover (volume of acquired receivables) of 1,152 million Euro an increase of 16.2% in comparison to the 991 million Euro of the first half year of 2005.

The interest margin for the first half year 2006 fell to 7,465 thousand Euro compared to 7,879 thousand Euro in the first half year of 2005 (-5.3%) while the net commission margin increased by 45.9%, from 8,990 thousand Euro in the first half year 2005 to 13,120 thousand Euro for the corresponding period of 2006. The results for these two items are due to the type of operations put in place, characterized by products with significant commission income on services.

The earning margin changed from 17,582 thousand Euro as at 30 June 2005 to 20,542 thousand Euro as at 30 June 2006, an increase on a Half Yearly basis of 16.8%.

Value adjustments on credit passed from 2,631 thousand Euro in the first half year of 2005 to 2,506 thousand Euro in the half year just concluded (-4.8%).

The increase in operating costs for the half year stood at 8.3%, passing from 6,747 thousand Euro as at 30 June 2005 to 7,309 thousand Euro at 30 June 2006 and is in line with Banca IFIS's business development plans.

Pre-tax profit for the first half year of 2006 equalled 10,727 thousand Euro against 8,204 thousand Euro in the first half year of 2005, an increase of 30.8%.

Net of taxes, which passed from 1,607 thousand Euro to 4,089 thousand Euro (+154.4%), the final net profit for the first half year equalled 6,638 thousand Euro against 6,597 thousand Euro in the first half year of 2005 (+0.6%).



The high quality of credit was confirmed during this period: the ratio of bad debt on loans over total loans to customers as at 30 June 2006 remained stable at 0.8% if compared to 31 December 2005 (1.2% as at 30 June 2005); the ratio of bad debts on loans over total net equity equalled 5.4% (5.9% as at 31 December 2005); Non performing loans over total loans to customers as at 30 June 2006 stood at 1.0% (1.1% as at 31 December 2005).

The cost / income rate improved still further reaching 35.6% on a Half Yearly basis against 35.9% as at 31 December 2005 and 38.4% as at 30 June 2005.

Geographical distribution of loans and turnover:

The following table shows the geographical distribution of clientele with a separate indication for foreign clientele.

GEOGRAPHICAL DISTRIBUTION OF CLIENTELE	LOANS	TURNOVER
Northern Italy	32.0%	43.3%
Central Italy	42.0%	32.6%
Southern Italy	22.2%	10.7%
Abroad	3.8%	13.4%
Total	100%	100%

Banca IFIS's Group balance sheet and profit and loss account tables for the first half year 2006 are as follows:

CONSOLIDATED BALANCE SHEET
(in thousands of Euro)

ASSETS	PERIOD		VARIATION	
	30/06/2006	31/12/2005	ABSOLUTE	%
10 Cash and cash equivalents	16	9	7	77.8%
40 Available for sale financial assets	7,631	5,994	1,637	27.3%
60 Due from banks	68,094	128,845	(60,751)	(47.2)%
70 Due from customers	704,538	710,901	(6,363)	(0.9)%
120 Tangible assets	26,877	23,562	3,315	14.1%
130 Intangible assets	765	745	20	2.7%
140 Tax assets	2,988	3,537	(549)	(15.5)%
b) pre-paid	2,988	3,537	(549)	(15.5)%
160 Other assets	1,967	3,113	(1,146)	(36.8)%
TOTAL ASSETS	812,876	876,706	(63,830)	(7.3)%

LIABILITIES AND NET EQUITY	PERIOD		VARIATION	
	30/06/2006	31/12/2005	ABSOLUTE	%
10 Due to banks	627,917	627,045	872	0.1%
20 Due to customers	17,858	93,874	(76,016)	(81.0)%
30 Outstanding securities	43,511	35,510	8,001	22.5%
80 Tax Liabilities	1,927	2,090	(163)	(7.8)%
a) current	357	662	(305)	(46.1)%
b) deferred	1,570	1,428	142	9.9%
100 Other Liabilities	18,320	16,567	1,753	10.6%
110 Employee severance/retirement allowance	1,305	1,307	(2)	(0.2)%
140 Valuation reserve	3,451	2,575	876	34.0%
160 Capital instruments	611	---	611	n.s.
170 Reserves	28,344	20,238	8,106	40.1%
180 Share premiums	35,863	34,348	1,515	4.4%
190 Capital	28,891	28,685	206	0.7%
200 Treasury shares (-)	(1,760)	(481)	(1,279)	265.9%
220 Net profit	6,638	14,948	(8,310)	(55.6)%
TOTAL LIABILITIES AND NET EQUITY	812,876	876,706	(63,830)	(7.3)%

CONSOLIDATED PROFIT AND LOSS ACCOUNT
(in thousands of Euro)

	PERIOD		VARIATION	
	30/06/2006	30/06/2005	ABSOLUTE	%
10 Receivable interest and similar income	16,083	13,052	3,031	23.2%
20 Payable interest and similar expenses	(8,618)	(5,173)	(3,445)	66.6%
30 Interest Margin	7,465	7,879	(414)	(5.3)%
40 Commission income	14,087	10,360	3,727	36.0%
50 Commission expense	(967)	(1,370)	403	(29.4)%
60 Net commission	13,120	8,990	4,130	45.9%
70 Dividends and similar income	7	2,902	(2,895)	(99.8)%
80 Net trading result	(50)	(1,881)	1,831	(97.3)%
100 Profits (losses) on sales or buybacks of:	---	(308)	308	(100.0)%
d) financial liabilities	---	(308)	308	(100.0)%
120 Earning Margin	20,542	17,582	2,960	16.8%
130 Net adjustments on:	(2,506)	(2,631)	125	(4.8)%
a) credit	(2,506)	(2,631)	125	(4.8)%
140 Net operating revenue	18,036	14,951	3,085	20.6%
180 Administrative expenses:	(7,215)	(6,565)	(650)	9.9%
a) personnel costs	(4,355)	(4,137)	(218)	5.3%
b) other administrative costs	(2,860)	(2,428)	(432)	17.8%
200 Net value adjustments on tangible assets	(276)	(275)	(1)	0.4%
210 Net value adjustments on intangible assets	(155)	(134)	(21)	15.7%
220 Other operating income (expenses)	337	227	110	48.5%
230 Operating costs	(7,309)	(6,747)	(562)	8.3%
280 Pre-tax profit from current operations	10,727	8,204	2,523	30.8%
290 Income tax on current operations for the period	(4,089)	(1,607)	(2,482)	154.4%
340 Parent company net profit	6,638	6,597	41	0.6%



Banca IFIS is the only Italian bank specialising in the activity of Factoring. Founded in 1983 and listed in the Star segment of the Italian Stock Exchange, Banca IFIS does business mainly with SMEs, developing increasingly effective services for managing working capital. With the help of Banca IFIS thousands of enterprises every year find the solution to their problems concerning the management of their accounts receivables. The receivables managed by Banca IFIS (its turnover) totals 2 billion Euro a year and the bank is continuously expanding both in Italy and on international markets.

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