ITALEASEFACTORIT

ANNUAL REPORT
2006

Italease Factorit S.p.A.
Company managed and co-ordinated by sole shareholder Banca Italease S.p.A.
Member of the Banca Italease S.p.A. Bank Group

Share capital: € 85,000,000 (fully paid-in)
Milan Companies' Register reg. no. 04797080969
Tax no. / VAT no. 04797080969
General Register of the Italian Foreign Exchange Office reg. no. 36643
Special Register of the Bank of Italy reg. no. 33042

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Member of Factors Chain International

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REPORT AND FINANCIAL STATEMENTS OF ITALEASE FACTORIT S.P.A. FOR FINANCIAL YEAR 2006

Report on Operations by the Board of Directors

Report on Operations by the Board of Directors

Shareholder,

31 December 2006 marked the end of your company's first full operating year, for which it posted results that exceeded the growth plans previously foreseen.

During the year under review, the company pursued a credit policy that was in keeping with the turnover growth plans foreseen in the Group's Industrial Plan, while nevertheless paying constant attention to factoring risks by adopting measures that included special organisational analyses geared to separate commercial activities from credit-oriented activities and a review of the credit evaluation process.

The company, whose share capital is held entirely by the parent company, which as sole shareholder manages and co-ordinates the business operations of its subsidiary, reported growth in its key business and sectorial ratios, despite operating in a domestic business market that has been slow to show any firm signs of recovery.

In 2006, Italease Factorit S.p.A. operated against an international backdrop of acceleration that pervaded the world's large economic area: the United States of America and Eurozone.

The US economy, after enjoying three years of solid growth, moved into a cycle of deceleration. The Federal Reserve put its interest-rate hike programme on hold, while the dollar hit a phase of depreciation relative to the euro.

In the Eurozone, economic cycle indicators were evidence that the growth registered was the highest witnessed over the last five years, thanks to the rise in domestic demand fuelled by the investments of enterprises as well as by domestic consumption.

Turning to Italy, the economic recovery underway since the second half of 2005 entered a phase of consolidation. The fourth quarter of 2006 was also marked by rapid expansion, which helped to narrow the gap between growth in Italy and that in other Eurozone countries.

For around a year now, the recovery of the competitiveness margin of Italian businesses has been encouraging a pick-up in exports, with positive effects on investments and sustained growth in household spending.

A more modest rate of expansion is forecast for 2007, with growth slipping from 1.8% in 2006 to 1.3%, due to the slowdown in the international and European economic cycle, which – coupled with a weakening of the US dollar – will not drive Italian exports forward.

The factoring market and company performance

Against this economic backdrop, Italy's factoring market has now entered a phase of firm recovery, after seeing a fall-off in its development over a number of years, proving - once again – to be an early indicator of the dynamics of the country's economic cycle.

To be more precise, preliminary estimates put the volume of factored receivables outstanding with members of the factoring trade association ASSIFACT at more than euro 110 billion in 2006, representing an increase of around 9% on the euro 101.067 billion registered the previous year.

As part of this scenario, which sees the range of products on offer being increasingly concentrated among just a few large operators, your company stood out by achieving growth of approximately 30%, which exceeded that recorded by the sector, enabling it to gain the number two position in the national rankings and to attain market share of around 15%.

Indeed, the total volume of receivables assigned exceeded euro 16.633 billion in 2006, compared with euro 12.834 billion in 2005.

This impressive result, which characterises the new growth cycle emerging further to the company's joining the Banca Italease Group, was achieved by focusing on established principles founded on offering a product range of optimal quality while striving to strike the right balance between risk and return.

Commercial measures were developed with a view to expanding market share across all client segments with a focus on the corporate clients of the co-operative banks in special partnerships with the company, which remain the most important distribution channel for our product, as well as through the commercial network of other Group companies.
The receivables factored by customers of the cooperative banks that are partners with the company accounted for 37.3% of total factored receivables, representing an 18.6% rise in volumes presented over the level recorded in 2005.

The organisational model for the company's operating structure, adopted as early as the end of 2005, is proving to be an effective one, geared to dedicate greater attention to the portfolio, strengthen relations with the various distribution channels and engage in local supervision and control activities, including at a number of branches belonging to the parent company.

Receivables factored without recourse exceeded euro 10.575 million, accounting for 63.6% of total factored receivables.

Breaking down activities by product, the largest flow of assignments came from the D.Day segment, which reported assignments of euro 6.267 billion (38% of the total for all products). Non-recourse transactions accounted for euro 4.973 billion of this amount.

By breaking down business volumes by geographical area, subdivided into domestic and international activities, we are able to see the sharp increase registered by international activities, which generated assignments totalling euro 1.212 billion, of which euro 916 million related to the export market and euro 296 million to the import market.

The results posted at the end of the company's first full operating year are once again evidence of the company's strategy, which tends to give priority to service-oriented components and the way in which credit risk is distributed. This is further confirmed by the number of active assignor deliberations (2,534 in total), the number of invoices processed in respect of factored receivables and the number of assigned debtors (in excess of 108,000), as well as the high numbers achieved through the guaranteed factoring service.

Amounts outstanding for factored receivables and advances

As at 31 December 2006, the amounts outstanding for factored receivables and advances, excluding non-performing positions, totalled euro 4.801 billion, representing a sharp 34.3% increase in the value of factored receivables on the euro 3.576 billion reported at the end of 2005.

Also of note was the increase in the actual principal balance outstanding, which by 31 December 2006 had reached euro 2.678 billion: firmly up on the euro 2.130 billion reported on 31 December 2005, and thus representing an increase of 25.7%.

Economic performance and earnings trends

The company closed its second business year with a substantial net profit of euro 32.7 million.

In order to provide a clearer picture of the company's economic performance, the tables below provide a comparison between the year's pro-forma results and those reported for the previous year.

€ 000s	**2006**	**2005**
	Italease Factorit S.p.A.	**Italease Factorit S.p.A. Pro forma**
Income in the form of:		
Net fees	42,685	34,115
Net financial income	35,048	29,028
Gross margin	77,733	63,143
Total operating costs, net	17,769	20,915
Gross profit	58,965	42,228
Net result	54,193	31,343

Comparative profitability ratios are presented in the table below.

	2006	2005
	Italease Factorit S.p.A.	**Italease Factorit S.p.A. Pro-forma**
Cost Income	22.86%	33.12%
Annualised ROE	35.54%	27.40%
Interest margin/total income	45.09%	45.97%
Service margin/total income	54.91%	54.03%

The improvement seen in the company's business performance figures was thanks to both the increase in fee margins and the decrease in costs – in particular administrative expenses. This lead to a sharp fall in the incidence of costs on revenue margins and an increase in the return on invested capital.

Company structure

The company's organisational model is founded upon a scheme structured by the functions performed within the company, whereby the General Manager reports directly to the Board of Directors and is responsible for organising and overseeing the company's "Business Development", "Credit" and "Legal and workout" departments.

The General Manager also makes use of the parent company's organisation, with staff assigned to the company, for the outsourcing of control, administrative (general accounting, personnel, treasury), organizational, IT, corporate, auditing, strategic marketing and external relations services, as well as for the definition of policies and tools for the assumption, measurement and management of risks typical of activities undertaken by the company.

Still on the subject of staff on attachment from the parent company, the end of the year saw the creation of a Risk Control Committee, operating under the General Manager's Office.

The maintenance and development of information systems and programmes are handled by a company belonging to the Banca Italease Group, with "borrowed staff" on attachment as necessary.

Risks associated with the company's activities

As highlighted on several occasions in the past – in both the periodic reports for the parent company and the 2005 report on operations – the company's typical activities do not contain any interest-rate or liquidity risks of particular significance, in view of the short-term nature of advances.

Exchange-rate risk is also marginal for the Company, given that any foreign-currency transactions (whose values are nevertheless contained) are usually matched by funding in the same currency.

The operational procedures and controls implemented have enabled the company to limit credit risk, even where there has been a significant increase in the average balance of receivables outstanding over the previous year's figures. This has consequent benefits on the income statement.

Credit risk trends

With the diligent controls implemented by its Auditing Department flanked by the active support constantly provided by the Statutory Board of Auditors, to whom heartfelt thanks should be extended for the activities undertaken, the company has successfully safeguarded credit risk, with the positive effects thereof manifested during 2006 in the limited growth of doubtful or problem debts.

Emerging as a consequence of constant and sustained business development activities during the year under review was a significant rise in amounts due from customers, which as at 31 December 2006 totalled euro 2.678 billion, representing an increase of around 25.7% on the total reported as at 31 December 2005.

However, as at 31 December 2006, non-performing receivables totalled euro 22.7 million before adjustments, thus representing around 0.85% of total principal balances outstanding and a decrease of more than 8% on the previous year.

As of 31 December 2006, the Company had written off euro 5.4 million from principal amounts outstanding due to credit risk. This included euro 3.5 million in the form of amounts due from assignors and euro 1.9 million due from debtors assigned without recourse. Amounts in this regard were charged to the income statement by utilising amounts set aside for this purpose and using them to adjust the amounts concerned.

In 2006, euro 9.2 million of receivables were written off (including euro 3.8 million in respect of actions for revocation that were closed), compared with euro 8.6 million for the whole of 2005.

As part of an established policy for the safeguarding of assets that is constantly observed, the company booked valuation adjustments this year as well - this time for euro 4.4 million, all of which was tax-exempt under current tax laws. (During the year, euro 1.2 million was written back to the value of receivables previously written down.)

Due to the amounts set aside, at the beginning of the current year, valuation adjustments and the reserve for credit risks totalled euro 42.9 million. This total figure includes provisions for past-due interest amounting to euro 0.9 million.

The aforementioned sum is rounded out by the euro 1.2 million set aside at the end of the year for revocatory actions and deemed adequate to cover the related risks. (Euro 2.6 million was set aside during the year.)

During the year under review, the pre-existing reserve enabled the company to perfect a number of settlements, the most significant being the one completed with the receiver for the bankruptcy of Seleco S.p.A.
This settlement entailed a euro 4 million reduction in the reserve, made up of the euro 3,650,000 used for the settlement itself and euro 350,000 as a recovery of value.

With regard to the revocatory action initiated by Parmalat S.p.A (in extraordinary administration), there are no events or circumstances of particular note to report. The case in question, still in its initial stages with the courts, has been adjourned until a hearing set for the end of September of the current year.

With regard to the risk stemming from the company's exposure to Contal S.r.l. (in extraordinary administration), a company controlled by the former Parmalat Group (a factoring deal set up as lead arranger by the factoring company now belonging to the BNL-BNP Paribas Group), we should mention that Parmalat and Contal recently advised that they would be relinquishing the actions taken before the court.
At present, negotiations are underway with the aforementioned factoring company heading the pool of institutions, the aim being to obtaining a formal waiver of the application for indemnification, as filed against Italease Factorit as a result of its participation in the factoring deal in question.
With regard to the largest non-performing debt position, Parmalat S.p.A., the legal action against an assigned debtor was suspended for decision in early February 2007 by the judge appointed to the case.

Investments

The company does not hold any stakes in any other companies.

Concentration of risk and regulatory capital

During the course of the year 2006, the company again took targeted actions to ascertain compliance with the regulatory parameters established with regard to risk concentration and regulatory capital.

Towards the end of the year, the company's share capital was increased to euro 50,860,000 as partial execution of the shareholders' resolution carried during the Special Meeting held on 22 September 2006, with regulatory capital strengthened as a result.

This increase reduced the impact of the bad debt provision, which was partly absorbed by non-equity items appearing in the balance sheet and will be used to cover the progressive decrease of the company's subordinated loan until its natural maturity.

New accounting standards

Legislative Decree 28 of 28 February 2005 requires regulated financial intermediaries to prepare their individual financial statements in accordance with international accounting standards IAS/IFRS, commencing with the year ending 31 December 2006.

These financial statements therefore represent the first accounting situation of the company, drawn up in accordance with international accounting standards IAS/IFRS. The opening balance sheet, produced in conformity to IAS/IFRS, was prepared as at 6 May 2005: the date of first time adoption.

For the purpose of providing complete information, we also wish to point out that on 14 February 2006 the Bank of Italy instructions for the completion of the financial statements of financial intermediaries, which include charts of accounts and notes relating to factoring companies, with which your company complied when preparing its financial statements.

Other information

As at 31 December 2006, the company had a total of 154 employees on its books, including 12 part-time workers and eight employees assigned to other Group companies.

The Board of Directors wishes to highlight the dedication and professional contribution of all of employees who have worked towards achieving its business objectives, while also managing customer relations in a proper and courteous manner, accomplishing IT procedures and fulfilling accounting, tax, corporate and administrative duties.

As at the reporting date of this report, there were no operational or credit risks that would significantly affect the results for the year under review.

The company continues to engage in its activities in line with its parent company's directives.

For further information regarding the items making up the company’s financial statements, please refer to the Explanatory Notes, which constitute an integral part of same financial statements.

The financial statements for operating year 2006, which are being presented to you on this occasion, report a profit for the year of euro 32,693,698.

The information required under paragraph 2, point 2 of Article 2428 of the Italian Civil Code is contained in the section “Other Information” of the Explanatory Notes.

With regard to the information required under paragraph 2, points 3 and 4 of Article 2428 of the Italian Civil

Code, it should be noted that the company does not own, either directly or through fiduciary companies or other intermediaries, any of its own shares or shares of the controlling shareholder. We also wish to point out that during the year under review, the company did not acquire or sell any of its own shares or those of the controlling shareholder either.

Your company does not have any secondary offices.

During the year under review, your company did not engage in any research and development activities.

No significant events took place after the close of the year.

Shareholder,

The financial statements for the year ending 31 December 2006 report a net profit for the year of euro 32,693,698, which we propose be allocated as follows:

• *Net profit for the year*	*euro*	*32,693,698*
• Retained earnings from previous years	euro	2,187
• 5% to the legal reserve	euro	1,634,684
• euro 0.35 allocated as a dividend to each of the 85,000,000 shares in circulation	euro	29,750,000
• Retained earnings for the year	euro	1,311,201

We therefore invite you to approve the financial statements as presented to you, along with the proposed allocation of profit.

We wish to thank the company's shareholder for its active and fruitful collaboration, confident that the company can be developed even further as it strives to achieve increasingly impressive results.

We also wish to extend our thanks to the Statutory Board of Auditors for the diligent work constantly undertaken during the year under review, to all staff who have made an active contribution to the company's operations, to those correspondent institutions that are members of Factors Chain International and to the executive bodies of the factoring trade association ASSIFACT.

Milan, 14 March 2007

For and on behalf of the Board of Directors
The Chairman
Massimo Faenza

Financial statements for the year ending 31 December 2006
Italease Factorit S.p.A.

CONTENTS OF THE FINANCIAL STATEMENTS

The individual financial statements of Italease Factorit S.p.A., prepared in conformity to Legislative Decree 38 of 28 February 2005, consist of a balance sheet, income statement, statement on changes in shareholders' equity, cash flow statement and Explanatory Notes and are accompanied by the Directors' Report on Operations and Situation of the Company, as provided for by international accounting standards IAS/IFRS and the instructions for the preparation of the financial statements of financial intermediaries recognised in the Special List of the Bank of Italy dated 14 February 2006, said instructions having been promulgated pursuant to Article 9 of the aforementioned Legislative Decree.

The company's financial statements have been prepared with clarity and truthfully and correctly represent its balance-sheet situation, financial position and economic result for the year.

It is the purpose of the Explanatory Notes to illustrate, analyse and in certain cases supplement balance-sheet figures. The Explanatory Notes contain the information required under the instructions for the preparation of the financial statements of financial intermediaries dated 14 February 2006. Furthermore, all the complementary information considered necessary to provide a truthful and correct picture has been duly provided.

FIRST-TIME ADOPTION OF IAS/IFRS

These financial statements represent the first situation drawn up in accordance with international accounting standards IAS/IFRS, and therefore - pursuant to the provisions of accounting standard IFRS 1 – the procedures followed for the first-time adoption of IAS/IFRS are outlined accordingly. Specifically, the accounting standard IFRS 1 regulates the switch to the new accounting procedure, requiring that:

- an opening balance sheet as at the transition date be prepared in accordance with the criteria stipulated by IAS/IFRS;
- the accounting standards foreseen by IAS/IFRS be applied in the first set of financial statements prepared in accordance with the new standards and in all periods presented for comparative purposes; and
- information regarding adjustments stemming from the switch to the aforementioned international standards be provided.

The company has prepared an opening balance sheet in conformity to IAS/IFRS as at 6 May 2005, which constitutes the "date of first-time adoption".
The company has utilised the option foreseen by paragraph 24 of IFRS 1 by presenting its assets and liabilities at the same values as those reported to its parent company, which prepared its first consolidated financial statements pursuant to IAS/IFRS from operating year 2005.

RECONCILIATION SCHEDULE

Schedule reconciling equity items and the economic result of Italease Factorit as at 31 December 2005, as well as shareholders' equity as at 1 January 2006, calculated in accordance with national regulations with the amounts calculated in accordance with IAS/IFRS.

Financial statements of Italease Factorit		**Shareholders' equity**	**Result for the period**	**Shareholders' equity**	**Shareholders' equity**
		06/05/2005	1/1-31/12/2005	31/12/2005	01/01/2006
		45,170,364	11,502,092	56,672,456	56,672,456
Adjustments					
a)	*Impairment of receivables (IAS 39)*	6,614,979	159,436	6,774,415	6,774,415
b)	*Goodwill (IFRS3-IAS 36)*	0	157,046	157,046	157,046
c)	*Provision for risks and liabilities (IAS 37)*	331,787	- 230,077	101,710	101,710
d)	*Staff severance indemnity provision (IAS 19)*	468,368	5,003	- 264,436	- 264,436
	Effect gross of taxes	7,415,134	91,408	6,768,735	6,768,735
	Fiscal effect of adjustments	- 2,446,994	- 38,409	- 2,241,927	- 2,241,927
	Effect net of taxes	4,968,140	52,999	4,526,808	4,526,808
Financial statements of Italease Factorit, adjusted as per IFRS standards		50.138.504	11,555,090	61,199,264	61,199,264

The reconciliation schedule presented above has been prepared as part of the process of adaptation to IFRS, which have been ratified by the European Commission and adopted with effect from the company's 2006 financial statements.

Please note that the "international accounting standards" applied when drawing up the company's financial statements for the year ending 31 December 2006, the first to be prepared by adopting said standards, are the "International Accounting Standards (IAS), International Financial Reporting Standards (IFRS)" and the documents regarding their interpretation (SIC and IFRIC), ratified as at the reporting date of the accounts.

Information regarding the adjustments included in the above reconciliation schedule follows below:

a) The adjustment incorporates the overall effect of both the analytical and collective impairment of receivables — calculated in conformity to IAS 39.
The purpose of "collective" impairment (valuation relating to the deterioration of exposure portfolios bearing homogeneous risk profiles) according to accounting standard IAS 39 is to quantify losses that could emerge with a certain degree of probability in the future, in respect of amounts receivable by the company. The model is based on the deterioration of the credit quality of homogeneous portfolios and is founded upon statistical techniques related to the probability of insolvency and to the loss incurred in the event of insolvency. The model involves the collective write-down provision being dynamically managed through the adjustment of risk-level and debt-exposure parameters (amortised cost).
"Analytical" impairment (valuation relating to the deterioration of individual risk positions) reflects the amounts that could presumably be realised from non-performing and doubtful debts, time-discounted in keeping with the timeframe forecast for their recovery, by applying the contractual interest rates in force at the time a particular position becomes part of "impaired receivables". The adjustment made substantially reflects this time-discounting effect. Please note that euro 14,575,000 was withdrawn from the company's bad debt provision to set off some of the effects described;
b) Under IAS 36, goodwill – acquired for a fee – should not undergo systematic amortisation but instead a procedure whereby any permanent losses in value are measured (impairment test) at the end of every year. This adjustment represents the reversal of computed amortisation charges. The impairment test did not, however, highlight the need to carry any permanent losses in value.
c) Allocations to the provision for risks and liabilities are recognised in accordance with the conditions set forth in IAS 37. Where the effect of the present value of funding is significant, the amount allocated is represented by the present value of charges expected to be incurred in order to repay the obligation concerned.
d) The company's staff severance indemnity provision, in that it is considered a fund providing defined benefits according to the interpretation provided by IFRIC, has been subjected to an actuarial calculation by adopting the "projected unit credit method" foreseen by IAS 19, an actuarial methodology that allows the present value of the obligation needing to be measured to be estimated as per a set of demographic and financial assumptions. The adjustment recorded reflects the difference between the above actuarial calculation and the amounts set aside under the balance sheet. AS permitted by IAS 19, profits and losses are carried directly under shareholders' equity.

BALANCE SHEET
(amounts expressed in euros)

	Assets	31/12/2006	31/12/2005	VARIATION
10.	Cash and cash equivalents	3,811	6,151	(2,340)
60.	Receivables	2,709,760,013	2,144,441,002	565,319,011
100.	Tangible fixed assets	489,764	614,639	(124,875)
110.	Intangible fixed assets	1,198,658	1,188,362	10,296
140.	Other assets	3,152,434	2,442,212	710,222
	TOTAL ASSETS	**2,714,604,680**	**2,148,692,366**	**565,912,314**

	Liabilities and shareholders' equity	31/12/2006	31/12/2005	VARIATION
10.	Payables	2,455,365,652	1,985,517,360	469,848,292
20.	Securities issued	60,206,079	45,193,641	15,012,438
70.	Fiscal liabilities	21,131,617	11,618,710	9,512,907
	a) current	*17,173,391*	*9,414,345*	*7,759,046*
	b) deferred	*3,958,226*	*2,204,365*	*1,753,861*
90.	Other liabilities	40,235,939	40,410,518	(174,579)
100.	Staff severance indemnity fund	2,791,990	2,397,584	394,406
110.	Provisions for risks and liabilities	1,182,055	2,355,290	(1,173,235)
	b) other provisions	*1,182,055*	*2,355,290*	*(1,173,235)*
120.	Capital	85,000,000	34,140,000	50,860,000
150.	Share premium reserve	11,030,364	11,030,364	
160.	Reserves	4,967,286	4,473,809	493,477
180.	Profit/(Loss) for the year	32,693,698	11,555,090	21,138,608
	TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**2,714,604,680**	**2,148,692,366**	**565,912,314**

INCOME STATEMENT

(amounts expressed in euros)

	Items	31/12/2006	31/12/2005	VARIATION
10.	Interest receivable and similar income	87,080,922	39,209,134	47,871,788
20.	Interest payable and similar expenses	(52,032,562)	(20,287,269)	(31,745,293)
	INTEREST MARGIN	**35,048,360**	**18,921,865**	**16,126,495**
30.	Fee income	55,029,282	31,242,143	23,787,139
40.	Fee expense	(12,346,396)	(8,612,024)	(3,734,372)
	NET FEES	**42,682,886**	**22,630,119**	**20,052,767**
60.	Net result from trading activities	2,293	185	2,108
100.	Profit/Loss from disposal or buyback of:		1,506,362	(1,506,362)
	b) financial assets available for sale		*1,506,362*	*(1,506,362)*
	INTERMEDIATION MARGIN	**77,733,539**	**43,058,531**	**34,675,008**
110.	Net valuation adjustments effected due to the impairment of:	(3,176,527)	(7,449,834)	4,273,307
	a) receivables	*(3,176,527)*	*(7,449,834)*	*4,273,307*
120.	Administrative expenses	(17,913,778)	(13,943,937)	(3,969,841)
	a) staff costs	*(13,049,412)*	*(9,590,189)*	*(3,459,223)*
	b) other administrative expenses	*(4,864,366)*	*(4,353,748)*	*(510,618)*
130.	Net adjustments made to the value of tangible fixed assets	(291,654)	(286,023)	(5,631)
140.	Net adjustments made to the value of intangible fixed assets	(37,403)	(29,204)	(8,199)
160.	Net allocations to provisions for risks and liabilities	(2,594,832)	(331,241)	(2,263,591)
170.	Other operating costs	(36,178)	(7,746)	(28,432)
180.	Other operating income	510,311	179,304	331,007
	NET PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES	**54,193,478**	**21,189,850**	**33,003,628**
200.	Gains/(Losses) on the sale of investments	36,812	11,800	25,012
	PROFIT/(LOSS) OF CURRENT ACTIVITIES BEFORE TAX	**54,230,290**	**21,201,650**	**33,028,640**
210.	Taxation of year’s earnings from current activities	(21,536,592)	(9,646,560)	(11,890,032)
	PROFIT/(LOSS) OF CURRENT ACTIVITIES AFTER TAX	**32,693,698**	**11,555,090**	**21,138,608**
	PROFIT/(LOSS) FOR THE YEAR	**32,693,698**	**11,555,090**	**21,138,608**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31.12.2005

(amounts expressed in euros)

	Balances as at 06.05.05	Adjustment to opening balances	Balances as at 06.05.05	Allocation of previous year's result		Variations during the year						Profit/(Loss) for 2005	Shareholders' equity as at 31.12.05
							Transactions involving shareholders' equity						
				Reserves	Dividends and other allocations	Variations undergone by reserves	New shares issued	Own shares purchased	Extraordinary distribution of dividends	Variations undergone by capital instrument	Other variations		
Capital	34,140,000		34,140,000										34,140,000
Share premium reserve	11,030,364		11,030,364										11,030,364
Reserves: a) composed of earnings b) other		4,968,140	4,968,140								(494,330)		4,473,810
Valuation reserves													
Capital instruments													
Profit/(Loss) for the year												11,555,090	11,555,090
Shareholders' equity	45,170,364	4,968,140	50,138,504									11,555,090	61,199,264

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY AS AT 31.12.2006

(amounts expressed in euros)

	Balances as at 31.12.05	Adjustment to opening balances	Balances as at 01/01/2006	Allocation of previous year's result		Variations during the year						Profit/(Loss) for 2006	Shareholders' equity as at 31.12.06
							Transactions involving shareholders' equity						
				Reserves	Dividends and other allocations	Variations undergone by reserves	New shares issued	Own shares purchased	Extraordinary distribution of dividends	Variations undergone by capital instrument	Other variations		
Capital	34,140,000		34,140,000				50,860,000						85,000,000
Share premium reserve	11,030,364		11,030,364										11,030,364
Reserves: a) composed of earnings				630,291									630,291
b) other	4,473,810		4,473,810			(206,567)					69,752		4,336,995
Valuation reserves Capital instruments													
Own shares													
Profit/(Loss) for the year	11,555,089		11,555,089	(630,291)	(10,924,800)							32,693,698	32,693,698
Shareholders' equity	61,199,263		61,199,263		(10,924,800)	(206,567)	50,860,000				69,752	32,693,698	133,691,348

CASHFLOW STATEMENT

(amounts expressed in euros)

	31/12/2006	31/12/2005
A. FUNDS GENERATED FROM OPERATIONS		
1. ORDINARY OPERATIONS	**35,617,587**	**21,632,682**
- result for the year (+/-)	32,693,698	11,555,090
- net valuation adjustments/write-backs to tangible and intangible fixed assets (+/-)	329,057	472,274
- net allocations to provisions for risks and liabilities and other costs/revenues (+/-)	2,594,832	9,605,318
2. CASHFLOW GENERATED/ABSORBED BY FINANCIAL ASSETS	**(581,435,668)**	**(817,420,154)**
- due from banks: other amounts payable	(3,741,680)	(31,999,000)
- due from customers (1)	(573,661,781)	(783,280,154)
- other assets	(4,032,207)	(2,141,000)
3. CASHFLOW GENERATED/ABSORBED BY FINANCIAL LIABILITIES	**496,742,211**	**801,330,145**
- due to banks: sight	302,132,565	820,640,521
- due to banks: other amounts payable	148,133,421	
- due to customers	19,582,303	(2,541,000)
- securities issued	15,012,438	7,639,000
- other liabilities	11,881,484	(24,408,376)
NET CASHFLOW GENERATED/ABSORBED BY OPERATING ACTIVITIES	**(49,075,870)**	**5,542,673**
B. INVESTMENT ACTIVITIES		
1. CASHFLOW GENERATED	**(214,477)**	**(61,000)**
- sale of tangible fixed assets (1)	(214,477)	(61,000)
2. CASHFLOW ABSORBED	**0**	**0**
NET CASHFLOW GENERATED/ABSORBED BY INVESTMENT ACTIVITIES	**(214,477)**	**(61,000)**
C. FUNDING ACTIVITIES		
- own shares issued/purchased	50,860,000	0
- distribution of dividends and other allocation of funds	(11,061,614)	
NET CASHFLOW GENERATED/ABSORBED BY FUNDING ACTIVITIES	**39,798,386**	**0**
NET CASHFLOW GENERATED/ABSORBED BY DURING THE YEAR	**(9,491,961)**	**5,481,673**

RECONCILIATION	**31/12/2006**	**31/12/2005**
Balance-sheet items		
Cash and cash equivalents at beginning of year	17,103,539	11,621,866
Total net cashflow generated/absorbed during the year	(9,491,961)	5,481,673
Cash and cash equivalents: effect of change in exchange rates		
Cash and cash equivalents at end of year	**7,611,579**	**17,103,539**

EXPLANATORY NOTES
ACCOMPANYING THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31 DECEMBER 2006

PART A – ACCOUNTING POLICIES

A. 1 – GENERAL PART

Section 1 – Declaration of conformity to international accounting standards

The company Italease Factorit S.p.A., a company managed and co-ordinated by sole shareholder Banca Italease S.p.A., hereby represents that these financial statements have been prepared in compliance with all the international accounting standards (IAS/IFRS) promulgated by the International Accounting Standard Board and the relevant interpretations issued by the International Financial Reporting Interpretation Committee, in force as at 31 December 2006 and ratified by the European Commission in accordance with the procedure foreseen by EU Regulation 1606/2002.

Section 2 – General principles adopted when preparing the financial statements

This Report, drawn up in whole units of the euro, has been prepared by applying the following general principles for the preparation of accounts laid down by IAS 1:

1) Ongoing business concern. The financial statements have been prepared on the assumption that the company is an ongoing business concern, meaning that assets, liabilities and off balance sheet transactions are therefore measured according to their ongoing values.
2) Accrual method of accounting. Costs and revenues are recognised, regardless of when they are settled financially, for the period over which they are accrued and in accordance with the criterion for correlation.
3) Consistency of presentation. The presentation and classification of items remain consistent over the period, in order to guarantee the comparability of information, except where the change made to them is required by an International Accounting Standard or by an interpretation, or alternatively where it makes the representation of the values reported therein more appropriate – in terms of significance and reliability. Where a criterion for the presentation or classification of an item is changed, the new criterion is adopted – where possible – retroactively. In this instance, the nature of, and reason for, the change are also indicated, as are the items involved. Items are presented and classified by using the charts provided by the Bank of Italy for the financial statements of Financial Intermediaries recognised in the "Special List" of 14 February 2006.
4) Aggregation and the significance of items/amounts. All significant regroupings of items of a similar nature or function are reported separately. Elements of a different nature or function, where significant, are presented separately with a distinction made between them.
5) Prohibition of set-off. Assets and liabilities, and costs and revenues are not set off against one another, except where set-off is required or permitted by an International Accounting Standard or by an Interpretation, or alternatively by the charts provided by the Bank of Italy for the financial statements of Financial Intermediaries recognised in the "Special List".
6) Comparative information. Comparative information for the previous year is provided for all figures contained in the charts of accounts, unless a particular International Accounting Standard or Interpretation does not require this or permits other treatment. Also included is information of a descriptive or comments, when regarded useful for the understanding of the figures thus presented.

Section 3 – Events taking place after the reporting date

No events have taken place after the reporting date of the financial statements that accounting standards require to be mentioned in the Explanatory Notes.
The draft financial statements were approved by the Board of Directors on 14 March 2007.

Section 4 – Other matters

During the preparation of these financial statements, the accounting standards adopted by the IASB and the IFRC interpretations issued by IAS were used, which led to certain types of transactions to be recognised differently from the way in which they were recognised under the Italian accounting standards adopted previously.
Adopting these standards has also led to a significant change in the charts used to present the company's balance sheet and income statement, compared with those used previously. The principal changes seen concern the following:

Balance sheet

Financial instruments are recognised based on the purposes for which they are held and not based on their nature.
Factored receivables, unlike what was accepted by Italian accounting standards (under which the juridical substance of the contractual relationship prevailed), have only been recognised in the balance sheet where risks and benefits are substantially and effectively assumed.
This has largely led to the recognition of an advance made to an assignor as counterparty, which in the majority of cases has carried the amount receivable in its own balance sheet.
Accrued, deferred and prepaid items have been moved back to their own headings in a more extensive manner than that foreseen under the previous requirements.
Items on the liabilities side of the balance sheet that are part of equity have been re-designated by introducing specific reserves originating from the application of the new international accounting standards.

Income statement

The profit originating from extraordinary operations is no longer recorded separately, meaning that the income and charges that under the previous legislation were treated thus are consequently reallocated by nature.

A. 2 – PART RELATING TO THE PRINCIPAL BALANCE-SHEET AGGREGATES

Section 6 – Receivables

6.1 Classification criteria

The company's receivables portfolio includes all cash balances due to the company – regardless of their technical form – from banks, from financial institutions and from customers, as well as unlisted debt instruments that the company does not intend to sell in the short term.

6.2 Criteria for the recognition and removal of items

Receivables and securities are allocated in the current portfolio at the time the amounts involved are advanced or securities are acquired, and may not be subsequently transferred to other portfolios; the financial instruments of other portfolios may in turn be transferred to the receivables portfolio.
Also figuring among receivables are advances made further to the assignment of receivables with recourse, or rather without recourse where no substantial transfer of risks and benefits is involved.
Also included are those receivables assigned to the company from the assigned debtor in respect of whom the substantial transfer of risks and benefits to the assignor company are recognised.
Where transferred to third parties, receivables and securities are only removed from the accounts if all risks and benefits are substantially transferred, or rather where no control is maintained over them.

6.3 Measurement criteria

At the time amounts are advanced or securities are acquired, said receivables and securities are computed at fair value, which is deemed comparable to the amount advanced or the purchase price. This also applies to receivables and securities with a maturity that extends beyond the short term (considered for such a period as a period of time exceeding the eighteen months running from the date on which a financial instrument is acquired in relation to its actual maturity), with any transaction costs or revenues specifically attributable to each receivable or security.

Valuations are subsequently based on the amortised cost method, where receivables and securities undergo impairment testing where there is symptomatic evidence of the impairment of the solvency of the debtors or issuers concerned. The amortised cost method is not adopted for short-term receivable, in respect of which the logic underlying time-discounting is negligible. With specific reference to receivables, the impairment test carried out is split into two stages as follows:

1) individual valuations, whose objective is to ascertain individual impaired receivables and determine their respective losses in value.
2) collective valuations, whose objective is to identify – by observing the "incurred losses" model – any outstanding receivables portfolios that are impaired and to recognise the losses inherent in within them on a one-off basis.

Based on the criteria laid down by the Bank of Italy impaired receivables that undergo individual valuations are made up of the following:

a) non-performing receivables;
b) bad debts;
c) restructured debts;
d) receivables over due by more than 180 days.

The losses in value attributable to each impaired receivable are formed by the difference between their recoverable value and amortised cost. Recoverable value equates to the present value of the cash flows expected, calculated in consideration of the following elements:

a) the value of contractual cash flows less forecast losses, which are estimated by taking into account both the particular ability of a debtor to fulfil the obligations it has assumed and the amount that may be realised from any tangible security or personal guarantees provided;
b) the time expected to be taken to recover the amount in question, based partly on debt recovery procedures already underway; and
c) the internal rate of return (IRR).

Individual impairment has been undertaken in compliance with the requirements of accounting standard IAS 39, by time-discounting the amounts expected to be realised for the receivables themselves in relation to the debt recovery timeframes projected.

Specifically:

- the following calculation parameters have been used for non-performing receivables:

a) recovery forecasts carried out by debt exposure managers;
b) expected recovery timeframes, estimated by using historical/statistical data; and
c) "historical" time-discounting rates, represented by the contractual rates in force at the time the debt exposure subjected to litigation proceedings is classified.

- the following parameters have been used for doubtful debts:

a) recovery forecasts carried out by debt exposure managers;
b) expected recovery timeframes, estimated by using historical/statistical data; and
c) "historical" time-discounting rates, represented by the contractual rates in force at the time the debt exposure subjected to litigation proceedings is classified.

In consideration of the recognition of the advance made, which by its very nature does not have a specific term, no expired positions have been recognised.

As far as the collective valuations carried out in respect of performing receivables are concerned, the selection of homogeneous portfolios of outstanding receivables that show notable signs of impairment in the quality of the debtors concerned (portfolios that are impaired or have deteriorated), there are – in the presence of increases in their "PD proxy" and LGD (parameter that represents the loss rate in the event of default) - receivables belonging to the same portfolio.

In order to carry out collective valuations in respect of performing receivables, measures were taken to:

a) break down the portfolio of performing receivables on the basis of the features of the particular type of risk pertaining to the commercial product offered to the debtor counterparty and its geographical location;
b) estimate statistically the probability of performing assets being transferred to the bad debt/non-performing category (so-called "default rates");
c) determine loss rates in the event of insolvency, based on historical/statistical data, by referring to an archive of non-performing positions.

6.4 Criteria for the recognition of income items

Components of income are allocated to the relevant income-statement headings as per the procedures outlined below:

a) interest receivable on receivables and securities is allocated to the item "interest receivable and similar income";
b) impairment losses and write-backs effected in respect of receivables and securities are allocated to the item "Net valuation adjustments effected due to the impairment of receivables".

Section 10 – Tangible fixed assets

10.1 Classification criteria

This item includes items used for their functional purpose (fixtures and fittings, furniture, plant/systems, hardware and motor vehicles).

10.2 Criteria for the recognition and removal of items

Tangible fixed assets are initially recognised at cost of purchase, which includes any additional charges incurred that are directly imputable to bringing an asset on-stream or improving its productive capacity. Ordinary maintenance costs are recognised in the income statement on an accrual basis.
Tangible fixed assets are removed from the balance sheet at the time they are disposed of, or when their economic functionality has completely run its course, and no future economic benefits are expected.

10.3 Measurement criteria

Tangible fixed assets are recognised in the balance sheet following the one in which they were initially carried at cost less depreciation and any permanent losses in value. Depreciation has a term that is equal to the useful life of the assets concerned. Where there is symptomatic evidence of permanent losses, tangible fixed assets undergo impairment testing, with any losses in value duly recorded. Any value subsequently regained may not however exceed the value of the losses arising from the impairment test that were previously recorded.

10.4 Criteria for the recognition of income items

Components of income are allocated to the relevant income-statement headings as per the procedures outlined below:

a) periodic depreciation, permanent losses in value and valuation write-backs are allocated to the item “net adjustments made to the value of tangible fixed assets”,
b) gains and losses stemming from asset sales are allocated to the item “gains/losses from the sale of investments”.

Section 11 – Intangible fixed assets

11.1 Classification criteria

This item included intangible assets engaged in the production of business that have a long-term usefulness, and are formed in particular by software and goodwill.

11.2 Criteria for the recognition and removal of items

Intangible fixed assets are recognised at cost of purchase, which includes any additional charges and to which are added any expenses incurred to boost their value and initial productive capacity. Goodwill is equal to the positive difference between charges incurred to acquire the underlying business units and the relevant shares in the fair value of the assets and liabilities thus acquired.
Intangible fixed assets are removed from the balance sheet when their economic functionality has completely run its course.

11.3 Measurement criteria

Intangible fixed assets are recognised at cost less amortisation and any losses in value.
Amortisation has a term that is equal to the useful life of the assets needing to be amortised and is applied by the straight-line method. Where there is symptomatic evidence of permanent losses, intangible fixed assets undergo impairment testing, with any losses in value duly recorded. Any value subsequently regained may not however exceed the value of the losses arising from the impairment test that were previously recorded.

Goodwill is not amortised but periodically undergoes impairment tests. Any negative difference between the recoverable value of the area of activity to which the goodwill belongs and the book value of equity for the same area constitutes a loss in the form of impairment. Valuation write-backs may not be recorded.

11.4 Criteria for the recognition of income items

Components of income are allocated to the relevant income-statement headings as per the procedures outlined below:

a) periodic amortisation, permanent losses in value and valuation write-backs are allocated to the item “net adjustments made to the value of intangible fixed assets”.

Section 12 - Fiscal assets and fiscal liabilities

12.1 Classification criteria

Items in this case include current and prepaid fiscal assets and current and deferred fiscal liabilities.

Current fiscal assets include excess payments (current assets) and amounts payable (current liabilities) in respect of the taxation of the period's earnings.
Deferred tax items are instead made up of taxes on earnings that are recoverable in future periods connection with tax-deductible temporary differences (deferred assets) and taxes of earnings that are payable in future periods as a consequence of taxable temporary differences (deferred liabilities).

12.2 Criteria for the recognition, removal and measurement of items

Deferred fiscal assets are only recognised, in accordance with the "balance sheet liability method", providing that tax-deductible temporary differences can be fully absorbed by future taxable earnings, while fiscal liabilities in the form of deferred taxes are computed as normal.

12.3 Criteria for the measurement of income items

Fiscal assets and liabilities are recognised in the income statement under the item "taxation of year's earnings from current activities", except where they stem from transactions whose effects are attributed directly to equity.

LIABILITIES

Section 1 - Payables

1.1 Classification criteria

Amounts due to banks include all financial liabilities, other than trading liabilities that constitute the typical funding operations entered into by the company.
The amounts due to financial institutions and to customers include the value of the fee that is still to be paid to the assignor as part of debt assignment transactions that fulfil the requirement of risks and benefits being transferred to the assignor.

1.2 Criteria for the recognition and removal of items

The aforementioned financial liabilities are recognised at the time they are settled and for their present value, which is usually equal – in the case of amounts due to banks – to the amount collected by the company, and – in the case of amounts due to financial institutions and customers – to the amount of the debt, in view of the short-term duration of the transactions involved.
Financial liabilities are removed from the balance sheet when the contractual rights relating to them expire or when they are repaid.

1.3 Measurement criteria

Subsequent to their initial recognition, financial liabilities remain recognised for the amount collected or the original value del of the debt, in consideration of their short term.

1.4 Criteria for the recognition of income components

Components of income are allocated to the relevant income-statement headings as per the procedures outlined below:

a) Interest payable is allocated to the item "interest payable and similar expenses".

Section 2 Securities issued

2.1 Classification criteria

Securities issued include financial liabilities in the form of debt (different from trading securities), which constitute funding instruments for the company.

2.2 Criteria for the recognition and removal of items

The aforementioned financial liabilities are recognised upon being issued, in accordance with the settlement date principle.
They are initially computed at fair value, which equates to the value of funds raised, partly in consideration of the usually short term of the securities thus issued.
They are removed from the balance sheet when the contractual rights relating to them expire or when they are repaid.

2.3 Measurement criteria

Subsequent to their initial recognition, financial liabilities are measured by the amortised cost principle.
Whenever the computation of amortised cost leads to values that are deemed comparable to the amount collected, in consideration of the usually short term of debt, financial liabilities are recognised per for the value collected.

2.4 Criteria for the recognition of income components

Components of income are allocated to the relevant income-statement headings as per the procedures outlined below:

a) interest payable is allocated to the item “interest payable and similar expenses”.

Section 10 Staff severance indemnity fund

10.1 Classification criteria

This fund reflects the amounts due to all employees in respect of the severance pay due to them whenever the relationship between them and their employer (the company) is terminated.

10.2 Measurement criteria

The staff severance indemnity fund is considered to be a “defined contribution plan”, or rather an obligation to meet defined benefits; therefore, in compliance with the criteria laid down by IAS 19 the value of said obligation was determined by projecting on a forward basis, based on actuarial assumptions, the amount already accrued, in order to estimate the amount payable at the time a relationship between the employer and an employee is terminated and by subsequently proceeding with its time-discounting.
The value in question was determined by developing the quota of obligations accrued as at the date of measurements as well as further quotas due to accrue as a result of the future allocations due for the continuation of an employer-employee relationships.
This development plan was undertaken by projecting the accrued value of the respective positions of individual employees as at the date on which the underlying employer-employee relationship was expected to be terminated on the basis of demographic, economic and financial parameters regarding their work positions.
The future value thus obtained was time-discounted by referring to a rates structure capable of tallying the dates of staff leaving the services of the company with the discount factors needing to be applied to them.
Actuarial analysis was carried out by entrusting the role to an actuary known to the company.

10.3 Criteria for the recognition of income components

Components of income are allocated to the relevant income-statement headings as per the procedures outlined below:

a) the allocations progressively accrued in respect of the company’s staff severance indemnity provision have been carried to the income statement as part of “administrative expenses”.
b) the actuarial gains and losses arising from adjustments to actuarial estimates have been computed as a balancing entry against shareholders’ equity.

Section 11 Provisions for risks and liabilities

11.1 Classification criteria

The provisions for risks and liabilities reflect liabilities that are certain to arise or are likely to arise, but for which the amount or timeframe are currently unknown.

11.2 Criteria for the recognition, removal and measurement of items

Where the effect of the present value of funding is significant, the amount allocated is equal to the present value of charges expected to be incurred in order to fulfil the obligation in question.
The provision is cancelled when utilised, or whenever the conditions that led to its being maintained fail to emerge.

11.3 Criteria for the recognition of income components

Components of income are allocated to the relevant income-statement headings as per the procedures outlined below:

Allocations for provisions for risks and liabilities are allocated to the item "net allocations to the provisions for risks and liabilities".

Foreign-currency transactions

Classification criteria

Foreign-currency transactions are made up of all assets and liabilities denominated in currencies other than the euro.

Criteria for the recognition and measurement of items

The aforementioned assets and liabilities denominated in currency are initially converted into euros by using the spot exchange rate recorded on the date of each transaction.

Measurement criteria

On the reporting date of the accounts, assets and liabilities denominated in currency are converted (into euros) by using the spot exchange rate recorded on said date.

Criteria for the recognition of income components

Transactions denominated in currencies other than the euro are, however, marginal compared with total activities; furthermore, a currency lending transaction is usually matched by funding in the same currency, meaning that foreign-exchange risk is thus avoided.

Any exchange-rate differences, although marginal, are carried under the income-statement item "Net result from trading activities".

Section 12 – Other information

The computation of stock option plans is based on the imputation to the income-statement item "Staff costs" of the costs relating to such plans determined as per the fair value of the stock options allocated as at granting date and in proportion to the fraction of the vesting period lapsed and the number of stock options that are expected (based on an estimate of the probability of vesting conditions being realised) to accrue in the favour of their beneficiaries to the vesting date. As a balancing entry for the above costs, a similar increase is recorded in the balance-sheet item "Reserves".

PART B – INFORMATION REGARDING THE BALANCE SHEET

ASSETS

Section 1 – Cash and cash equivalents - Item 10

Composition of item 10, "Cash and cash equivalents"

This section amounts to euro 3,811. As at 31 December 2005, cash and cash equivalents amounted to euro 6,151.

Section 2 – Financial assets held for trading

There are no amounts to report under this section.

Section 3 – Financial assets measured at fair value

There are no amounts to report under this section.

Section 4 – Financial assets available for sale

There are no amounts to report under this section.

Section 5 – Financial assets held to maturity

There are no amounts to report under this section.

Section 6 – Receivables – Item 60

6.1 – Due from banks

Composition	Total 31/12/2006	Total 31/12/2005
1. Deposits a d current accounts	7,607,769	17,097,389
2. Repurchase agreements		
3. Loans		
3.1 through financial leasing agreements		
3.2 from factoring activities		
- due from assignors		
- due from assigned debtors	1,999,848	1,644,055
3.3. Other loans	21,989,363	26,201,184
4. Debt instruments	416,882	486,136
5. Other assets	7,666,958	
6. Factored assets yet to be cancelled		
6.1 acquired in full		
6.2 acquired in part		
7. Impaired assets		
7.1 through financial leasing agreements		
7.2 from factoring activities		
7.3 other loans		
Total carrying value	**39,680,820**	**45,428,764**
Total fair value	**39,680,820**	**45,428,764**

The euro 7,607,769 recorded for deposits and current accounts reflects the occasional deposit held on a temporary basis with banks, which is made up of sizeable funds (debt collections) received at the end of the year.

The euro 1,999,848 recorded under item 3.2 includes euro 698,993 in the form of transactions without recourse recognised in the balance sheet.

Item 3.3, “Other Loans”, is made up of the amounts advanced to assignors on behalf of banks as part of factoring transactions managed under a syndicate of institutions.

Debt instruments are made up as follows:

- - Italfondiario (now Centrobanca) – Series A.06 – 3.25% 01/01/99-01/01/2013 (euro 392,172);
- - BPN – Divisione Credito Fondiario and OO.PP. 3.25% 2000-2009 (euro 11,588).

The euro 13,122 difference comes from maturing coupons.

Item 5, “Other assets”, is made up as follows:

- euro 7, 397,213 due from Banca Italease for tax consolidation exercises;
- euro 269,745 due from Banca Italease for staff on attachment to said institution.

6.3 – Due from financial institutions

Composition	Total 31/12/2006	Total 31/12/2005
1. Repurchase agreements		
2. Loans		
2.1 through financial leasing agreements		
2.2 from factoring activities		
- due from assignors	33,904,579	
- due from assigned debtors		1,134,289
2.3 other loans		
3. Securities		
4. Other assets	245,164	
5. Factored assets yet to be cancelled		
5.1 acquired in full		
5.2 acquired in part		
6. Impaired assets		
6.1 through financial leasing agreements		
6.2 from factoring activities		
6.3 other loans		
Total carrying value	**34,149,743**	**1,134,289**
Total fair value	**34,149,743**	**1,134,289**

Item 4, “Other assets” is made up as follows:

- euro 33,422 receivable from Mercantile Leasing for staff on attachment to said institution;
- euro 150,829 for invoices to be issued to financial institutions for syndicate transactions in which Italease Factorit is a participant but not lead arranger;
- euro 60,913 represented by balances held in current accounts with the Post Office.

6.5 – Due from customers

Composition	Total 31/12/2006	Total 31/12/2005
1. Financial leasing agreements 1.1 amounts receivable for assets leased under financial leasing agreements		
of which: without final purchase option		
1.2 other receivables		
2. Factoring		
-due from assignors	2,320,064,127	2,074,944,584
-due from assigned debtors	279,695,758	
3. Consumer credit (including revolving cards)		
4. Credit cards		
5. Other loans	22,912,491	10,302,758
of which: from calling of guarantees and commitments		
6. Securities		
7. Other assets	342,858	604,098
8. Factored assets yet to be cancelled		
8.1 acquired in full		
8.2 acquired in part		
9. Impaired assets		
- Financial leasing agreements		
- Factoring	12,907,021	12,017,364
- Consumer credit (including revolving cards)		
- Credit cards		
- Other loans	7,195	9,145
Total	**2,635,929,450**	**2,097,877,949**
Total fair value	**2,635,929,450**	**2,097,877,949**

The item “Other assets” is composed as follows:

- euro 257,138 relating to advances to suppliers;
- euro 43,660 receivable for advance payments made for franking machines;
- euro 30,907 receivable for guarantee deposits;
- euro 7,412 receivable for goods and services;
- euro 3,741 in respect of sundry amounts in the form of credits to be received.

6.7 – Receivables: guaranteed assets

	Total 31/12/2006			Total 31/12/2005		
	Due from banks	Due from financial institutions	Due from customers	Due from banks	Due from financial institutions	Due from customers
1. Performing assets guaranteed by:						
- Leased assets						
- Amounts due from assigned debtors	6,844,326	8,889,940	4,244,624,754	6.168.452	5.661.556	3.551.042.237
- Mortgages						
- Liens						2.070.000
- Personal guarantees	70,873,937	24,467,390	859,459,699	28.207.937	42.107.390	734.914.008
- Derivatives taken out on receivables						
2. Impaired assets guaranteed by:						
- Leased assets						
- Due from assigned debtors			58,238,988			80.099.137
- Mortgages			2,785,097			3.635.895
- Liens			7,810,924			2.065.828
- Personal guarantees	102,000		36,416,578			58.487.904
- Derivatives taken out on receivables						
Total	**5,320,513,633**			**4,514,460,343**		

The item “Due from assigned debtors” indicates the level of receivables underlying the advances made to assignors in debt assignment transactions.

Section 7 – Derivatives for hedging purposes

There are no amounts to report under this section.

Section 8 – Adjustment to the value of financial assets involved in generic hedging operations

There are no amounts to report under this section.

Section 9 – Investments

There are no amounts to report under this section.

Section 10 – Tangible fixed assets – Item 100

10.1 – Composition of item 100, "Tangible fixed assets"

Items/Valuation	Total 31/12/2006		Total 31/12/2005	
	Assets measured at cost	Assets measured at fair value or revalued	Assets measured at cost	Assets measured at fair value or revalued
1. Functional assets				
1.1 Owned by the company				
a) land				
b) buildings				
c) moveable assets	161,486		180.092	
d) instrumental assets	139,834		158.322	
e) other	188,444		276.225	
1.2 Acquired under financial leasing agreements				
a) land				
b) buildings				
c) moveable assets				
d) instrumental assets				
e) other				
Total 1	**489,764**		**614.639**	
2. Assets relating to financial leasing agreements				
2.1 Unopted assets				
2.2 Assets retired following termination of agreement				
2.3 Other assets				
Total 2				
3. Assets held for investment purposes of which: held under operational leasing agreements				
Total 3				
Total (1+2+3)	**489,764**		**614.639**	
Total (assets measured at cost and revalued)	**489,764**		**614,639**	

10.2 – Tangible fixed assets: annual variations

	Land	Buildings	Moveable assets	Instrumental assets	Other	Other assets: immovable assets	Other	**Total**
A. Opening balances			**180,092**	**158,322**	**276,225**			**614,639**
B. Increases			**31,495**	**136,261**				**167,756**
B1. Purchases			31,495	136,261				167,756
a) Other variations			31,495	136,261				167,756
b) Acquisition from mergers, incorporations, transfer of business unit								
B2. Costs capitalised on increase in internal works								
B2. Valuation write-backs								
B3. Positive variations in fair value carried under								
a) shareholders' equity								
b) income statement								
B.5 Positive exchange-rate differences								
B.6 Transfers from immovable assets held for investment purposes								
B4. Other variations								
C. Decreases			**50,101**	**154,749**	**87,781**			**292,631**
C1. Sales			977					977
a) Other variations			977					977
b) Disposal of business unit								
C2. Depreciation			49,124	154,749	87,781			291,654
C3. Valuation adjustments made due to impairment, carried under								
a) shareholders' equity								
b) income statement								
C4. Negative variations in fair value carried under								
a) shareholders' equity								
b) income statement								
C5. Other variations								
D. Closing balances			**161,486**	**139,834**	**188,444**			**489,764**

Section 11 – Intangible fixed assets - Item 110

11.1 – Composition of item 100, “Intangible fixed assets”

	Total 31/12/2006		Total 31/12/2005	
	Assets measured at cost	Assets measured at fair value	Assets measured at cost	Assets measured at fair value
1. Goodwill	**1,111,626**		**1,111,626**	
2. Other intangible fixed assets:				
2.1 owned by the company				
- produced in-house				
- other	87,032		76,736	
2.2 acquired under financial leasing agreements				
Total 2	**87,032**		**76,736**	
3. Assets relating to financial leasing agreements:				
3.1 unopted assets				
3.2 assets retired following termination of agreement				
3.3 other assets				
Total 3				
4. Assets leased under operational leasing agreements				
Total (1+2+3+4)	**1,198,658**		**1,188,362**	
Total (assets measured at cost + assets measured at fair value)	**1,198,658**		**1,188,362**	

11.2 – Intangible fixed assets: annual variations

	Total
A. Opening balances	**1,188,362,00**
B. Increases	**47,699**
B1. Purchases	**47,699**
a) Purchases	**47,699**
b) Acquisition from mergers, incorporations, transfer of business unit	
B2. Valuation write-backs	
B3. Positive variations in fair value	
- carried under shareholders' equity	
- carried under income statement	
B4. Other variations	
C. Decreases	**37,403**
C1. Sales	
a) Sales	
b) Disposal of business unit	
C2. Amortisation	**37,403**
C3. Valuation adjustments	
- carried under shareholders' equity	
- carried under income statement	
C4. Negative variations in fair value	
- carried under shareholders' equity	
- carried under income statement	
C5. Other variations	
D. Closing balances	**1,198,658**

Section 12 – Fiscal assets and fiscal liabilities

Current fiscal assets and liabilities have been set off in the balance sheet, in consideration of the right to act thus, as provided for by current tax laws, with the amounts computed as current fiscal assets set off against the amounts computed as current fiscal liabilities. Just one payment will be effected to settle income taxes due.

"Fiscal assets and liabilities / deferred taxes" are recognised by applying the "balance sheet liability method" laid down by IAS 12, in conformity to the special requirements issued by the Bank of Italy.
Measures have also been taken to set off assets against "fiscal liabilities / deferred taxes", given the fulfilment of the requirements set out in IAS 12.

The tables below provide details of the set-off procedures followed for deferred fiscal items and the movements undergone by said items, as highlighted in the balance sheet.

12.2 – Composition of item 70, "Fiscal liabilities: current and deferred"

Description of items	Total 31/12/2006	Total 31/12/2005	Variation
Current fiscal liabilities - balancing entry in shareholders' equity	0	0	0
Current fiscal liabilities - balancing entry in income statement	17,173,391	9,414,345	7,759,046
Deferred fiscal liabilities - balancing entry in shareholders' equity	(289,017)	(243,476)	(45,541)
Deferred fiscal liabilities - balancing entry in income statement	4,247,243	2,447,841	1,799,402
Total	**21,131,617**	**11,618,710**	**9,512,907**

12.4 – Variation in deferred taxes (balancing entry in income statement)

	Total 31/12/2006	Total 31/12/2005
1. Opening balances	**2,447,841**	
2. Increases	**1,473,840**	**2,447,841**
2.1 Deferred taxes recognised during the year	1,473,840	2,447,841
a) relating to previous years		
b) due to change in accounting criteria		
c) other	1,473,840	2,447,841
2.2 New taxes or increases in tax rates		
2.3 Other increases		
a) Other increases		
b) Acquisition from mergers, incorporations, transfer of business unit		
3. Decreases	**325,562**	
3.1 Deferred taxes cancelled during the year	325,562	
a) reversals	325,562	
b) due to change in accounting criteria		
c) other		
3.2 Decreases in tax rates		
3.3 Other decreases		
a) Other decreases		
b) Disposal of business unit		
4. Final amount	**4,247,243**	**2,447,841**

12.6 – Variation in deferred taxes (balancing entry against shareholders' equity)

It has also been considered appropriate to provide the composition of and movements undergone by, deferred fiscal assets and liabilities as computed by the company in paragraphs 12.1 (ii) to 12.6 (ii) below.

12.1 (ii) – Composition of item 120, “Fiscal assets: prepaid taxes”

		Total 31/12/2006	Total 31/12/2005
1.	**Opening balances**	**(243,476)**	
2.	**Increases**	**(45,541)**	
	2.1 Deferred taxes recognised during the year	(45,541)	
	2.2 New taxes or increases in tax rates		
	2.3 Other increases		
	a) Other increases		
	b) Acquisition from mergers, incorporations, transfer of business unit		
3.	**Decreases**		**(243,476)**
	3.1 Deferred taxes cancelled during the year		
	3.2 Decreases in tax rates		
	3.3 Other decreases		(243,476)
	a) Other decreases		(243,476)
	b) Disposal of business unit		
4.	**Final amount**	**(289,017)**	**(243,476)**

Description of items	Total 31/12/2006	Total 31/12/2005
Fiscal assets / prepaid taxes – balancing entry in shareholders’ equity	289,017	243,476
Fiscal assets / prepaid taxes - balancing entry in income statement	491,013	111,837
Total	**780,030**	**355,313**

Assets relate to prepaid taxes generated by costs that are imputed as a balancing entry in the income statement and the balance sheet, whose deductibility against tax is deferred to successive years, in accordance with the requirements of current tax laws, as (principally) allocations to general risk provisions and variations in the actuarial gain/loss recorded by pension funds.

12.2 (ii) – Liabilities in the form of deferred taxes: composition

Description of items	Total 31/12/2006	Total 31/12/2005
Fiscal liabilities / deferred taxes – balancing entry in shareholders’ equity	0	0
Fiscal liabilities / deferred taxes – balancing entry in income statement	4,738,256	2,559,678
Total	**4,738,256**	**2,559,678**

These liabilities are made up of the deferred taxes generated by the revaluation of receivables for IAS purposes, whose deductibility against tax is deferred to successive years.

12.3 (ii) – Variation in prepaid taxes (balancing entry in income statement)

	Total 31/12/2006	Total 31/12/2005
1. Opening balances	**(111,837)**	
2. Increases	**(704,737)**	**(111,837)**
2.1 Prepaid taxes recognised during the year	(704,737)	(111,837)
a) relating to previous years		
b) due to change in accounting criteria		
c) valuation write-backs		
d) other	(704,737)	(111,837)
2.2 New taxes or increases in tax rates		
2.3 Other increases		
a) Other increases		
b) Acquisition from mergers, incorporations, transfer of business unit		
3. Decreases	**325,561**	
3.1 Prepaid taxes cancelled during the year	325,561	
a) reversals	325,561	
b) write-downs due to unrecoverability		
c) changes to accounting criteria		
3.2 Decreases in tax rates		
3.3 Other decreases		
a) Other decreases		
b) Disposal of business unit		
4. Final amount	**(491,013)**	**(111,837)**

The prepaid taxes recognised during the year (2.1) refer to the prepaid taxes that emerged during the year and relate mainly to allocations to generic risk provisions.

The prepaid taxes cancelled during the year (3.1) refer to the share of prepaid taxes that emerged in previous years and were deducted during the year under review, and which relate mainly to allocations to generic risk provisions.

12.4 (ii) Variation in prepaid taxes (balancing entry against shareholders' equity).

		Total 31/12/2006	Total 31/12/2005
1.	**Opening balances**	**(243,476)**	
2.	**Increases**	**(45,541)**	**(243,476)**
	2.1 Prepaid taxes recognised during the year	(45,541)	(243,476)
	a) relating to previous years		
	b) due to change in accounting criteria		
	c) valuation write-backs		
	d) other	(45,541)	(243,476)
	2.2 New taxes or increases in tax rates		
	2.3 Other increases		
	a) Other increases		
	b) Acquisition from mergers, incorporations, transfer of business unit		
3.	**Decreases**		
	3.1 Prepaid taxes cancelled during the year		
	a) reversals		
	b) write-downs due to unrecoverability		
	c) changes in accounting criteria		
	3.2 Decreases in tax rates		
	3.3 Other decreases		
	a) Other decreases		
	b) disposal of business unit		
4.	**Final amount**	**(289,017)**	**(243,476)**

The prepaid taxes recognised during the year (2.1) refer to the prepaid taxes that emerged during the year and relate mainly to variations in the actuarial gain/loss recorded by pension funds.

12.5 (ii) – Variation in deferred taxes (balancing entry in income statement).

	Total 31/12/2006	Total 31/12/2005
1. Opening balances	**2,559,678**	
2. Increases	**2,178,578**	**2,559,678**
2.1 Deferred taxes recognised during the year	2,178,578	2,559,678
a) relating to previous years		
b) due to change in accounting criteria		
c) other	2,178,578	2,559,678
2.2 New taxes or increases in tax rates		
2.3 Other increases		
a) Other increases		
b) Acquisition from mergers, incorporations, transfer of business unit		
3. Decreases		
3.1 Deferred taxes cancelled during the year		
a) reversals		
b) write-downs due to unrecoverability		
c) changes in accounting criteria		
3.2 Decreases in tax rates		
3.3 Other decreases		
a) Other decreases		
b) disposal of business unit		
4. Final amount	**4,738,256**	**2,559,678**

The liabilities that emerged during the year (2.1) are made up of the deferred taxes generated by the revaluation of receivables for IAS purposes.

Section 13 – Non-current assets, groups of assets being disposed of and associated liabilities

There are no amounts to report under this section.

Section 14 – Other assets - Item 140

14.1 – Composition of item 140, "Other assets"

Items/Values	Total 31/12/2006	Total 31/12/2005
Due from Inland Revenue (input tax/VAT)		
Items being processed	2,200,369	2,381,492
Other	952,065	60,720
Total	**3,152,434**	**2,442,212**

The item "Items being processed" includes euro 2,060,963 relating to sums to be collected through bills, the amount for which has already been paid to the assignor (under usual reserve) but the credit entry for which has yet to be received from the bank.

LIABILITIES AND SHAREHOLDERS' EQUITY

Section 1 – Payables – Item 10

1.1 – Due to banks

Items	Total 31/12/2006	Total 31/12/2005
1. Repurchase agreements		
2. Loans	2,411,302,797	1,970,988,704
3. Other payables	8,435,173	6,100,001
Total	**2,419,737,970**	**1,977,088,705**
Fair value	***2,419,737,970***	***1,977,088,705***

The above transactions may be broken down as follows:

Form of debt	Amount
Sight overdrafts	155,298,638
Advances under usual reserve against *RIBA* (electronic bankers' receipts) or *RID* (direct bank-to-bank transfers)	219,502,148
"Hot money" facilities received, to be repaid within 48 hours (very short-term credit facilities to assist with cashflow)	346,500,000
"Hot money" liabilities	1,629,000,000
Foreign currency advances	58,861,477
Commissions to be paid	4,734,200
Invoices to be received from suppliers	1,653,003
Due to Banca Italease – staff on loan	2,044,713
Accrued liabilities relating to "hot money"	2,140,534
Due to principals	3,257
TOTAL	**2,419,737,970**

1.2 – Due to financial institutions

Items	Total 31/12/2006	Total 31/12/2005
1. Repurchase agreements		
2. Loans		
3. Other payables	185,144	6,986
Total	**185,144**	**6,986**
Fair value	***185,144***	***6,986***

The euro 185,144 reported above may be broken down as follows:

- euro 48,806 payable in respect of factoring transactions;
- euro 136,338 due to Banca Italease Group companies.

1.3 – Due to customers

Items	Total 31/12/2006	Total 31/12/2005
1. Repurchase agreements		
2. Loans		
3. Other payables	35,442,538	8,421,669
Total	**35,442,538**	**8,421,669**
Fair value	***35,442,538***	***8,421,669***

The item "Other payables" may be broken down as follows:
- euro 3,186,908 due to suppliers;
- euro 1,288,944 due to Banca Italease Group companies;
- euro 30,966,686 due to customers in respect of factoring transactions.

Section 2 - Securities issued – Item 20

2.1 – Composition of item 20, "Securities issued"

Liabilities	Total 31/12/2006		Total 31/12/2005	
	Carrying value	Fair value	Carrying value	Fair value
1. Listed securities				
- bonds				
- other securities				
2. Unlisted securities	**60,206,079**	**61,384,327**	**45,193,641**	**46,343,109**
- bonds	37,714,388	38,892,636	37,576,918	38,726,386
- other securities	22,491,691	22,491,691	7,616,723	7,616,723
Total	**60,206,079**	**61,384,327**	**45,193,641**	**46,343,109**

The item "Unlisted securities – other securities" is made up of loans received through the issuance of commercial credit policies.

2.2 –Subordinated securities

Liabilities	Total 31/12/2006		Total 31/12/2005		Variations	
	Carrying value	Fair value	Carrying value	Fair value	Carrying value	Fair value
1. Listed securities						
- bonds						
- other securities						
2. Unlisted securities	**37,714,388**	**38,892,636**	**37,576,918**	**38,726,386**	**137,470**	**166,250**
- bonds	37,714,388	38,892,636	37,576,918	38,726,386	137,470	166,250
- other securities						
Total	**37,714,388**	**38,892,636**	**37,576,918**	**38,726,386**	**137,470**	**166,250**

The above item includes euro 37,500,000 in respect of a five-year subordinated bond loan made up of 7,500 bonds with a nominal value of euro 5,000 each, which is to be redeemed as a bullet repayment at maturity on 15 January 2009.
This bond issue is recognised at amortised cost.

Section 3 - Financial liabilities from trading activities

There are no amounts to report under this section.

Section 4 - Financial liabilities measured at fair value

There are no amounts to report under this section.

Section 5 – Derivatives for hedging purposes

There are no amounts to report under this section.

Section 6 – Adjustment to the value of financial liabilities involved in generic hedging operations

There are no amounts to report under this section.

Section 7 - Fiscal liabilities – Item 70

Please see section 12 relating to assets.

Section 8 – Liabilities related to assets being disposed of

There are no amounts to report under this section.

Section 9 – Other liabilities – Item 90

9.1 – Composition of item 90, "Other liabilities"

Items/Values	Total 31/12/2006	Total 31/12/2005
Social welfare charges payable	392,662	411,743
Due to the Inland Revenue	341,517	408,773
Amounts payable for items collected and being processed	33,740,843	33,387,076
Other payables	5,760,917	6,202,926
Total	**40,235,939**	**40,410,518**

The item "Amounts payable for items collected and being processed" is composed of the following in particular:

- euro 21,281,835 relating to direct remittances received but not yet booked under the relevant items;
- euro 12,459,008 relating to bills in the process of being credited.

The item "Other payables" includes an "item to be paid to third parties" amounting to euro 4,081,542.

Section 10 – Staff severance indemnity fund – Item 100

10.1 – Staff severance indemnity fund: annual variations

	Total 31/12/2006	Total 31/12/2005
A. Opening balances	**2,397,584**	
B. Increases	**673,249**	**3,721,691**
B.1 Allocation for the year	364,944	629,789
B.2 Other increases	308,305	3,091,903
C. Decreases	**278,843**	**1,324,107**
C.1 Payment effected	171,146	560,115
C.2 Other decreases	107,697	763,992
D. Closing balances	**2,791,990**	**2,397,584**

The company's staff severance indemnity provision, being considered to be equivalent to a "defined contribution plan" pursuant to the provisions of IAS 19, has been measured by the projected unit credit method.

Actuarial Assumptions

For the purpose of determining the actuarial model adopted, the following were taken into consideration:

- *Legal parameters:* the set of laws and regulations and associated interpretations of said laws;
- *Demographic parameters:* for life expectancy, the life expectancy charts produced by ISTAT for the year 2001 were used;
- *Financial parameters:* the time-discounted curve equal to the zero-coupon curve deducted from swap rates for the same maturity and recorded as at 31 December 2006 (source: Bloomberg).

Section 11 – Provisions for risks and liabilities – Item 110

11.1 – Composition of item 110, "Provisions for risks and liabilities"

Items/Values	Total 31/12/2006	Total 31/12/2005
1. Company pension funds		
2. Other provisions for risks and liabilities	1,182,055	2,355,290
2.1 legal disputes	1,182,055	2,355,290
2.2 charges for staff		
2.3 other		
Total	**1,182,055**	**2,355,290**

11.2 – Variations undergone during the year by item 110, “Provisions for risks and liabilities”

	Pension funds	Other provisions	Total 31/12/2006
A. Opening balances		**2,355,290**	**2,355,290**
B. Increases		**2,594,832**	**2,594,832**
B.1 Allocations for the year		2,511,013	2,511,013
B.2 Variations due to passing of time		83,819	83,819
B.3 Variations due to changes in discount rate			
B.4 Other increases			
a) Other variations			
b) Acquisition from mergers, incorporations, transfer of business unit			
C. Decreases		**3,768,067**	**3,768,067**
C.1 Withdrawal for the year		3,765,880	3,765,880
C.2 Variations due to changes in discount rate			
C.3 Other decreases		*2,187*	*2,187*
a) Other variations		2,187	2,187
b) Disposal of business unit			
D. Closing balances		**1,182,055**	**1,182,055**

Section 12 – Shareholders’ equity – Items 120, 130, 140, 150, 160 and 170

12.1 – Composition of item 120, “Capital”

Type	Amount
1. Capital	
1.1 Ordinary shares	85,000,000
1.2 Other shares	

During the year under review, the company’s capital was increased by euro 50,860,000.

12.2 – Composition of item 130, “Own shares”

As at 31 December 2006 and 31 December 2005, Italease Factorit S.p.A. did not hold any of its own shares.

12.3 – Composition of item 140, “Capital instruments”

As at 31 December 2006 and 31 December 2005, Italease Factorit S.p.A. has not valorised any capital instruments.

12.4 – Composition of item 150, “Share premium reserve”

The above reserve amounts to 11,030,364.

12.5 – Composition of, variations undergone by, item 160, “Reserves”

	Legal reserve	Retained earnings	Undistributed earnings	First-time adoption reserve (‘FTA’)	Stock option reserve	Other	Total
A. Opening balances				4,968,140		-494,330	4,473,810
B. Increases							
B.1 Allocation of earnings	575,105		55,186				630,291
B.2 Other variations					69,752		69,752
C. Decreases							
C.1 Withdrawals							
- coverage of losses							
- distribution							
- transfer to capital							
C.2 Other variations						-206,567	-206,567
D. Closing balances	575,105		55,186	4,968,140	69,752	-700,897	4,967,286

12.6 – Composition of, variations undergone by item 170, “Valuation reserves”

There are no amounts to report under this section.

PART C- INFORMATION REGARDING THE INCOME STATEMENT

Section 1 – Interest – Items 10 and 20

1.1 – Composition of item 10, “Interest receivable and similar income”

Items/Technical forms	Debt instruments	Loans	Impaired assets	Other	Total 31/12/2006	Total 31/12/2005
1. Financial assets held for trading						
2. Financial assets measured at fair value						
3. Financial assets available for sale						
4. Financial assets held to maturity						
5. Receivables						
5.1 Due from banks						
- financial leasing agreements						
- factoring transactions						
- guarantees and commitments						
- other receivables	13,122	452,495			465,617	97,841
5.2 Due from financial institutions						
- financial leasing agreements						
- factoring transactions		2,599,811			2,599,811	17,171
- guarantees and commitments						
- other receivables						
5.3 Due from customers						
- financial leasing agreements						
- factoring transactions		75,210,136	642,212		75,852,348	29,745,873
- consumer credit						
- guarantees and commitments						
- other receivables		8,073,393		89,753	8,163,146	9,348,249
6. Other assets						
7. Derivatives for hedging purposes						
Total	**13,122**	**86,335,835**	**642,212**	**89,753**	**87,080,922**	**39,209,134**

1.2 – Interest receivable and similar income: other information

Items/Values	Total 31/12/2006	Total 31/12/2005
Interest receivable on financial assets denominated in currency	603,225	104,135

1.3 Composition of item 20, “Interest payable and similar expenses”

Items/Technical forms	Loans	Securities	Other	Total 31/12/2006	Total 31/12/2005
1. Due to banks	(49,565,451)			(49,565,451)	(19,149,347)
2. Due to financial institutions					
3. Due to customers	(61,318)			(61,318)	(13,071)
4. Securities issued		(2,405,793)		(2,405,793)	(1,124,850)
5. Financial liabilities from trading activities					
6. Financial liabilities measured at fair value					
7. Other liabilities					
8. Derivatives for hedging purposes					
Total	**(49,626,769)**	**(2,405,793)**		**(52,032,562)**	**(20,287,268)**

Section 2 – Fees – Items 30 and 40

2.1 – Composition of item 30, “Fee income”

Breakdown	Total 31/12/2006	Total 31/12/2005
1. financial leasing transactions		
2. factoring transactions	54,711,247	31,242,143
3. consumer credit		
4. merchant banking activities		
5. guarantees issued	264,035	
6. services provided:		
- fund management for the account of third parties		
- foreign-exchange dealing		
- product distribution		
- other		
7. collection and payment services provided		
8. servicing for securitisation transactions		
9. other fees receivables, of which:		
- for activities involving OTC derivative financial instruments		
- for mortgage activities		
- other	54,000	
Total	**55,029,282**	**31,242,143**

2.2 – Composition of item 40, “Fee expense”

Breakdown by area	Total 31/12/2006	Total 31/12/2005
1. guarantees received	(108,035)	(61,314)
2. distribution of services by third parties		
3. collection and payment services received		
4. other fees payable, of which:		
- for activities involving OTC derivative financial instruments		
- for factoring activities	(12,154,598)	(8,493,130)
- for leasing activities		
- for mortgage activities		
- other	(83,763)	(57,580)
Total	**(12,346,396)**	**(8,612,024)**

Section 3 – Dividends and similar income - Item 50

There are no amounts to report under this section.

Section 4 - Net result from trading activities – Item 60

4.1 – Composition of item 60, “Result from trading activities”

Items/Components of income	Capital gains	Gains from trading activities	Capital losses	Losses from trading activities	Net result
1. Financial assets:					**2,293**
1.1 Debt instruments					
1.2 Equity securities					
1.3 Quotas of UCITS (Undertakings for Collective Investment in Transferable Securities)					
1.4 Loans					
1.5 Other assets					2,293
2. Financial liabilities:					
2.1 Securities issued					
2.2 Other liabilities					
3. Derivatives					
Total					**2,293**

Section 5 – Net result from hedging activities – Item 70

There are no amounts to report under this section.

Section 6 – Net result of financial assets measured at fair value – Item 80

There are no amounts to report under this section.

Section 7 – Net result of financial liabilities measured at fair value – Item 90

There are no amounts to report under this section.

Section 8 – Profit/Loss from disposal and buyback operations – Item 100

There are no amounts to report under this section.

Section 9 – Net valuation adjustments due to impairment – Item 110

9.1 – Composition of sub-item 110.a, "Net valuation adjustments effected due to the impairment of receivables"

Items/Adjustments	Valuation adjustments		Valuation write-backs		Total 31/12/2006	Total 31/12/2005
	individual positions	portfolio	individual positions	portfolio		
1. Due from banks						
- per leasing						
- per factoring						
- guarantees and commitments						
- other receivables						
2. Due from financial institutions						
- per leasing						
- per factoring						
- guarantees and commitments						
- other receivables						
3. Due from customers						
- per leasing						
- per factoring	(3,294,181)	(954,018)	1,217,546		(3,030,653)	(7,449,834)
- per consumer credit						
- guarantees and commitments						
- other receivables	(55,112)	(90,763)			(145,874)	
Total	**(3,349,293)**	**(1,044,781)**	**1,217,546**		**(3,176,527)**	**(7,449,834)**

Section 10 – Administrative expenses - Item 120

10.1 – Composition of item 120.a, "Staff costs"

Items/Areas	Total 31/12/2006	Total 31/12/2005	Variation
1. Employees:			
a) wages and salaries and similar charges	(6,716,123)	(5,343,121)	(1,373,002)
b) social charges	(2,197,112)	(1,493,182)	(703,930)
c) staff severance pay			
d) pension costs			
e) allocation to staff severance indemnity fund	(364,944)	(629,789)	264,845
f) other costs	(517,253)	(322,077)	(195,176)
2. Other staff	(3,170,007)	(1,740,853)	(1,429,154)
3. Directors	(83,973)	(61,167)	(22,806)
Total	**(13,049,412)**	**(9,590,189)**	**(3,459,223)**

As per the requirements set out in the instructions issued by the Bank of Italy on 14 February 2006, staff costs include the following:

- directors' fees;
- expenses recovered for company staff on attachment to other Group companies;
- the fees paid to Group companies for staff attached to the company and for staff on loan (sub-item "Other staff").

The sub-item "Other costs" includes euro 104,108 relating to the stock option plan launched by the parent company as an incentive for executive management.

10.2 – Composition of item 120.b, “Other administrative expenses”

Type of expense/Areas	Total 31/12/2006	Total 31/12/2005
Emoluments payable to the Statutory Board of Auditors	(74,541)	(56,708)
Professional fees	(336,708)	(1,055,947)
Equipment hire and maintenance	(138,864)	(100,586)
EDP systems hire and maintenance	(511,035)	(352,245)
Maintenance costs for fixed assets	(28,513)	(27,383)
Document despatch costs	(374,904)	(254,350)
Insurance premiums	(339,730)	(264,696)
Indirect taxes and duties	(31,852)	(24,708)
Rents paid	(398,278)	(147,645)
Utilities and property management charges	(311,559)	(191,673)
Motor vehicle hire and management costs	(506,697)	(257,739)
Telephone charges	(229,312)	(158,072)
Postal and telex charges	(520,190)	(300,076)
IT services		
Other administrative costs	(1,062,183)	(1,161,920)
Total	**(4,864,366)**	**(4,353,748)**

Section 11 - Net adjustments made to the value of tangible fixed assets – Item 130

11.1 – Composition of item 130, “Net adjustments made to the value of tangible fixed assets”

Items/Adjustments e valuation write-backs	Depreciation	Valuation adjustments effected due to impairment	Valuation write-backs	Net result
1. Functional assets				
1.1 owned by the company				
a) land				
b) buildings				
c) moveable assets	(49,124)			(49,124)
d) instrumental assets	(154,749)			(154,749)
e) other	(87,781)			(87,781)
1.2 acquired under financial leasing agreements				
a) land				
b) buildings				
c) moveable assets				
d) instrumental assets				
e) other				
2. Assets relating to financial leasing agreements				
3. Assets held for investment purposes				
of which: held under operational leasing agreements				
Total	**(291,654)**			**(291,654)**

Section 12 - Net adjustments made to the value of intangible fixed assets – Item 140

12.1 – Composition of item 140, “Net adjustments made to the value of intangible fixed assets”

Items/Adjustments and valuation write-backs	Amortisation	Valuation adjustments effected due to impairment	Valuation write-backs	Net result
1. Goodwill				
2. Other intangible fixed assets				
2.1 owned by the company	(37,403)			(37,403)
2.2 acquired under financial leasing agreements				
3. Assets relating to financial leasing agreements				
4. Assets held under operational leasing agreements				
Total	**(37,403)**			**(37,403)**

Section 13 – Net result of the measurement at fair value of tangible and intangible fixed assets - Item 150

There are no amounts to report under this section.

Section 14 – Net allocations to provisions for risks and liabilities - Item 160

14.1 – Composition of item 160, “Net allocations to provisions for risks and liabilities”

Type of expense/Value	Total 31/12/2006	Total 31/12/2005
Other provisions - Legal disputes	(2,594,832)	(331,241)
Other provisions - Staff costs		
Other provisions - Other		
Total	**(2,594,832)**	**(331,241)**

Section 15– Other operating costs - Item 170

15.1 – Composition of item 170, “Other operating costs “

Type of expense/Value	Total 31/12/2006	Total 31/12/2005
Other operating costs	(36,178)	(7,746)

Section 16 – Other operating income - Item 180

16.1 – Composition of item 180, “Other operating income”

Type of expense/Value	Total 31/12/2006	Total 31/12/2005
Other operating income		
- Income from services and expenses recovered by subsidiaries and affiliates		(38,948)
- Rental income		
- Other income	510,311	218,252
Total	**510,311**	**179,304**

Section 17 – Gains/(Losses) from investments – Item 190

There are no amounts to report under this section.

Section 18 – Gains/(Losses) from the sale of investments – Item 200

	Total 31/12/2006	Total 31/12/2005
1. Fixed assets		
1.1 Gains on disposal		
1.2 Losses on disposal		
2. Other assets		
2.1 Gains on disposal	36,812	11,800
2.2 Losses on disposal		
Net result	36,812	11,800

Section 19 – Taxation of year's earnings from current activities - Item 210

For the 2006 tax year, the Banca Italease Bank Group has adopted the tax consolidation exercise in force in Italy, having exercised the option provided for in Articles 117 to 129 of the Consolidation Act on Income Taxes.

This option, which is valid for the 2005 to 2007 tax periods, has been exercised jointly by the parent company and the following Group companies, which meet the requirements of the aforementioned Act:

ITALEASE NETWORK SPA
MERCANTILE LEASING SPA
UNICO LEASING SPA
ITALEASE FACTORIT SPA
ITALEASE GESTIONE BENI SPA
ITACA SERVICE SPA

The advantages stemming from the exercising of the option to adopt Italy's "tax consolidation exercise" are principally related to the ability to set off the losses of one or more companies belonging to the group with the profits of the other companies, to the complete fiscal exemption of the dividends distributed within group companies and to the income associated with them (interest from "thin capitalisation"), as well as to the ability to set off fiscal liabilities and tax credits among the various companies.

While every subsidiary company remains responsible for what it discloses in its tax return, the companies – controlled and controlling alike – are jointly and severally answerable to the Inland Revenue for tax liabilities arising as a result of tax inspections.

Taxes for the year constitute a reasonable forecast of the charge to be borne by the year, determined as per current tax laws, and are broken down in the table below.

19.1 – Composition of item 210, "Taxation of year's earnings from current activities"

	Total 31/12/2006	Total 31/12/2005
1. Current taxes	(22,082,057)	(9,608,150)
2. Variations in previous years' current taxes		(37,564)
3. Decrease in the year's current taxes		
4. Variation in prepaid taxes	566,054	111,838
5. Variation in deferred taxes	(20,589)	(112,684)
Taxes pertaining to the year	**(21,536,592)**	**(9,646,560)**

19.2 – Reconciliation of theoretical fiscal burden with actual fiscal burden recorded in the financial statements

	IRES (corporation tax)	Tax rates	IRAP (local business tax)	Tax rates
TAXATION OF THE YEAR'S GROSS EARNINGS	17,895,996	33.00%	2,847,090	5.25%
Dividends	0	0.00%	0	0.00%
Other tax-exempt earnings	0	0.00%	0	0.00%
Staff costs	0	0.00%	532,910	0.98%
Adjustments made to receivables	0	0.00%	166,768	0.31%
Other adjustments made to earnings for the purposes of IRES	-237,050	-0.44%		0.00%
Other adjustments made to earnings for the purposes of IRAP		0.00%	330,879	0.61%
Total changes to taxes in relation to those calculated on gross earnings	-237,050	-0.44%	1,030,556	1.90%
Taxation of the year's earnings and effective tax rate applied	17,658,945	32.56%	3,877,647	7.15%
Total taxes	21,536,592	39.71%		

Section 20 – Profit/(Loss) of groups being disposed of, net of taxes - Item 220

There are no amounts to report under this section.

Section 21 – Income statement: other information

21.1 – Analytical composition of interest income and fee income

Items/Counterparty	Interest income			Fee income			Total 31/12/2006	Total 31/12/2005
	Banks	Financial institutions	Customers	Banks	Financial institutions	Customers		
1. Financial leasing agreements								
- immovable assets								
- moveable assets								
- instrumental assets								
- intangible assets								
2. Factoring								
- current receivables		2,082,486	67,189,408		725,476	53,035,936	123,033,306	59,411,897
- future receivables			847,901			562,338	1,410,239	656,729
- receivables acquired definitively								
- receivables acquired below original value								
- other loans		517,325	7,815,039		342,558	44,939	8,719,861	936,561
3. Consumer credit								
- personal loans								
- specific-purpose loans								
- "20% of salary" loans granted to employees								
4. Guarantees and commitments								
- of a commercial nature						264,035	264,035	
- of a financial nature								
Total		**2,599,811**	**75,852,348**		**1,068,034**	**53,907,248**	**133,427,441**	**61,005,187**

21.2 – Other Information

Analytical composition of interest payable and similar expenses

Technical form	Amount
Overdrafts	2,668,236
Advances under usual reserve	4,039,761
Hot money (very short-term credit facilities to assist with cashflow – typically repayable within 48 hours)	42,110,808
Currency advances	416,524
Commercial credit policies	429,609
Bond loans	1,976,184
Non-recurring bank interest charges	32,896
Bank charges and fees	297,226
Sundry interest charges	61,318
Total	**52,032,562**

PART D – OTHER INFORMATION

Section 1 – Specific information regarding the activities undertaken

B. FACTORING AND ASSIGNMENT OF RECEIVABLES

B. 1 – Carrying values

Item	Total 31/12/2006			Total 31/12/2005		
	Gross value	Valuation adjustments	Net value	Gross value	Valuation adjustments	Net value
1. Performing assets						
- Due from assignors	2,371,905,558	17,936,852	2,353,968,706	2,092,937,600	17,993,016	2,074,944,584
- Due from assigned debtors	282,705,788	1,010,182	281,695,606	2,778,344		2,778,344
2. Impaired assets						
2.1 Non-performing receivables						
- Due from assignors	20,084,921	13,643,880	6,441,041	22,777,127	16,299,970	6,477,157
- Due from assigned debtors	2,606,923	2,606,923		2,157,738	2,157,738	
2.2 Bad debts						
- Due from assignors	6,662,599	1,418,475	5,244,124	3,464,437	1,143,212	2,321,225
- Due from assigned debtors	1,980,960	781,183	1,199,777	4,707,446	1,589,687	3,117,759
2.3 Restructured debts						
- Due from assignors						
- Due from assigned debtors						
2.4 Past-due accounts						
- Due from assignors						
- Due from assigned debtors	22,079		22,079	101,223		101,223
Total	**2,685,968,828**	**37,397,495**	**2,648,571,333**	**2,128,923,915**	**39,183,623**	**2,089,740,292**

The table above breaks down the value of receivables recognised under item 60 on the assets side of the balance sheet by specific type of factoring activity.
Receivables are analysed with a distinction made between performing assets and impaired assets and are classified by type of counterparty: assignor and assigned debtor.
By carrying a receivable as “due from assigned debtors”, it is assumed that the factoring of receivables has led to the effective transfer of all risks and benefits to the factoring company. Where this is not the case, the factoring company may carry on the assets side of the balance sheet only the amount receivable from the assignor for the funds advanced to it. Classified as part of amounts due from assignors are therefore those amounts advanced for both receivables factored with recourse and those receivables factored without recourse but under factoring agreements in which the risk mitigation clauses adopted have not actually led to the substantial transfer of all risks and benefits to the factoring company or to its effect control of the receivables involved.

B.2 Classification of advances and fees by type of transaction

B. 2. 1 – Advances

Item	Total 31/12/2006			Total 31/12/2005		
	Gross value	Valuation adjustments	Net value	Gross value	Valuation adjustments	Net value
1. Performing assets						
- factored receivables with recourse	874,857,941	8,032,165	866,825,776	697,167,333	7,262,866	689,904,467
- factored receivables without recourse	1,450,919,067	9,600,815	1,441,318,252	1,373,694,540	10,730,151	1,362,964,389
- future debt assignments	46,128,550	303,872	45,824,678	22,075,728		22,075,728
- other loans						
2. Impaired assets						
2.1 Non-performing receivables						
- factored receivables with recourse	19,816,031	13,504,658	6,311,373	22,777,127	16,299,970	6,477,157
- factored receivables without recourse						
- future debt assignments	268,890	139,222	129,668			
- other loans						
2.2 Bad debts						
- factored receivables with recourse	6,662,599	1,418,475	5,244,124	3,464,437	1,143,212	2,321,225
- factored receivables without recourse						
- future debt assignments						
- other loans						
2.3 Restructured debts						
- factored receivables with recourse						
- factored receivables without recourse						
- future debt assignments						
- other loans						
2.4 Past-due accounts						
- factored receivables with recourse						
- factored receivables without recourse						
- future debt assignments						
- other loans						
Total	**2,398,653,078**	**32,999,207**	**2,365,653,871**	**2,119,179,165**	**35,436,199**	**2,083,742,966**

The table immediately above breaks down the values presented in the previous table (B.1), but refers solely to amounts due from assignors.
While the distinction between performing assets and impaired assets is maintained, advances are broken down in relation to the underlying factoring agreement.

B. 2. 2 – Fees

Item	Total 31/12/2006				Total 31/12/2005			
	Fee paid	Global exposure			Fee paid	Global exposure		
		Gross value	Valuation adjustments	Net value		Gross value	Valuation adjustments	Net value
FACTORED RECEIVABLES WITHOUT RECOURSE								
1. Performing assets	260,575,371	280,339,776	1,010,182	279,329,594				
2. Impaired assets								
2.1 Non-performing receivables								
2.2 Bad debts								
2.3 Restructured debts								
2.4 Past-due accounts								
OTHER ASSIGNMENTS								
1. Performing assets								
- receivables acquired definitively	2,366,012	2,366,012		2,366,012	2,778,345	2,778,344		2,778,344
2. Impaired assets								
2.1 Non-performing receivables								
- receivables acquired definitively	2,606,923	2,606,923	2,606,923		1,893,896	2,157,738	2,157,738	
- receivables below original value								
2.2 Bad debts								
- receivables acquired definitively	1,980,959	1,980,960	781,183	1,199,777	1,930,052	4,707,446	1,589,687	3,117,759
- receivables below original value								
2.3 Restructured debts								
- receivables acquired definitively								
- receivables below original value								
2.4 Past-due accounts								
- receivables acquired definitively								
- receivables below original value	22,079	22,079		22,079	101,223	101,223		101,223
Grand total	**267,551,344**	**287,315,750**	**4,398,288**	**282,917,462**	**6,703,516**	**9,744,751**	**3,747,425**	**5,997,326**

The table immediately above breaks down the values presented in the previous table (B.1), but refers solely to amounts due from assigned debtors.

While the distinction between performing assets and impaired assets is maintained, advances are broken down in relation to the underlying factoring agreement. Highlighted in particular are receivables acquired under factoring agreements on a non-recourse basis, which given the absence of risk mitigation clauses have led to the substantial transfer of all risks and benefits to the factoring company.

For receivables recognised on the assets side of the balance sheet (global exposure), the value of the fee paid as at the date of the accounts is also shown. The difference between exposure and the fee paid expresses the amount payable by the factoring company to the assignors in respect of the sums outstanding for receivables that have been factored and recognised in the balance sheet.

B.3 – Classification of factored receivables

B. 3. 1 – Factored receivables with recourse

Item	Banks		Financial institutions		Customers	
	Total 31/12/2006	Total 31/12/2005	Total 31/12/2006	Total 31/12/2005	Total 31/12/2006	Total 31/12/2005
Amounts	*4,988,021*	*3,215,667*	*1,263,204*		*2,373,115,933*	*1,608,505,674*
Term						
Up to 3 months	812,484	123,357	282,886		838,098,407	806,640,152
Between 3 months and 1 year	3,092,310	3,092,310	702,000		399,210,010	337,799,248
Between 1 year and 5 years					119,921,106	32,601,810
More than 5 years					161,231,737	11,280,047
Indefinite term	1,083,227		278,318		854,654,673	420,184,417
Total	**4,988,021**	**3,215,667**	**1,263,204**		**2,373,115,933**	**1,608,505,674**

The table above provides a breakdown of the amounts outstanding on receivables for which the factoring company has assumed the role of assignee, retaining the guarantee of the assignor as to the solvency of the assigned debtor.
The amounts reported are broken down by residual term and by the type of assigned debtor involved: banks, financial institutions and customers. Past-due accounts are classified as having an “indefinite term”.

B. 3. 2 - Due in the form of factored receivables without recourse and other assignments

	Banks		Financial institutions		Customers	
	Total 31/12/2006	Total 31/12/2005	Total 31/12/2006	Total 31/12/2005	Total 31/12/2006	Total 31/12/2005
Type						
- factored receivables without recourse	2,496,071	2,952,785	5,195,698	5,661,556	2,482,173,653	1,945,458,426
- receivables acquired definitively	2,495,082	2,838,282		4,387,425	8,872,648	
- receivables below original value					22,079	101,223
Total	**4,991,153**	**5,791,067**	**5,195,698**	**10,048,981**	**2,491,068,380**	**1,945,559,649**
Term						
Up to 3 months	2,328,898	2,952,785	5,050,430	5,568,839	1,547,639,187	975,596,154
Between 3 months and 1 year	165,000		130,000		372,081,846	408,553,488
Between 1 year and 5 years					18,971,607	39,430,470
More than 5 years					6,861,463	13,642,725
Indefinite term	2,497,255	2,838,282	15,268	4,480,142	545,514,277	508,336,812
Total	**4,991,153**	**5,791,067**	**5,195,698**	**10,048,981**	**2,491,068,380**	**1,945,559,649**

The table above provides a breakdown of the amounts outstanding on receivables, with a distinction made between receivables without recourse and other assignments, or which the factoring company has assumed the role of assignee while also assuming the risk of the assigned debtor proving to be insolvent. The values indicated therein also include those receivables that have not been recognised in the balance sheet due to risk mitigation clauses.
The amounts reported are broken down by residual term and by the type of assigned debtor involved: banks, financial institutions and customers. Past-due accounts are classified as having an “indefinite term”.

B.4 Valuation adjustments

Item	Balance 31/12/2005	Increases	Decreases	Balance 31/12/2006
1. Individual positions				
1.1 Adjustments to performing assets				
- Due from assignors				
- Due from assigned debtors				
1.2 Adjustments to impaired assets				
Due from assignors				
- Non-performing receivables	16,299,970	1,215,732	3,871,822	13,643,880
- Restructured debts				
- Other	1,143,212	1,022,193	746,930	1,418,475
Due from assigned debtors				
- Non-performing receivables	2,157,738	1,220,627	771,442	2,606,923
- Restructured debts				
- Other	1,589,687		808,504	781,183
2. Portfolio				
2.1 Adjustments to performing assets				
- Due from assignors	17,993,016		56,164	17,936,852
- Due from assigned debtors		1,010,182		1,010,182
2.2 Adjustments to impaired assets				
Due from assignors				
- Non-performing receivables				
- Restructured debts				
- Other				
Due from assigned debtors				
- Non-performing receivables				
- Restructured debts				
- Other				
Total	**39,183,623**	**4,468,734**	**6,254,862**	**37,397,495**

B.5 – Other Information

B.5.1 Turnover of factored receivables

	Total 31/12/2006	Total 31/12/2005
1. Factored receivables with recourse	6,057,424,880	3,254,962,991
2. Factored receivables without recourse and other debt assignments		
- Factored receivables without recourse	10,575,483,736	5,869,759,184
- Receivables acquired definitively		
- Receivables acquired below original value		
Total	**16,632,908,616**	**9,124,722,175**

The table above breaks down the turnover of factored receivables, making a distinction among transactions, depending on whether or not the assignor has assumed a guarantee as to the solvency of the assigned debtor.
Please note that the turnover reported for operating year 2005 refers to a limited period of 240 days.

B.5.2 Services purely of a collection nature

In years 2005 and 2006, the company did not engage in services purely of a collection nature.

B.5.3 Original value of receivables acquired "below original value"

	Total 31/12/06	Total 31/12/05
- Receivables acquired below original value	1,027,381	3,216,069

B.5.4 – Value of agreements for future factored receivables

	Total 31/12/06	Total 31/12/05
1. Turnover of agreements for future factored receivables (**)	631,142,752	106,171,664
2. Residual value of agreements for future factored receivables	501,219,159	93,136,665

The table above presents values relating to factoring activities carried out during the year in respect of the assignment of future receivables. Indicated therein therefore are both turnover during the year and the residual value of agreements that were still open as at the reporting date of these financial statements.
Please note that the turnover reported for operating year 2005 refers to a limited period of 240 days.

B.5.5 – Due in the form of factored receivables without recourse, supported by risk mitigation clauses

	Original value of amounts due in the form of factored receivables without recourse		Original value of amounts due the form of factored receivables without recourse, supported by risk mitigation clauses	
		of which: recognised in the balance sheet		of which: recognised in the balance sheet
Credit risk - excesses	2,081,318,313	280,339,777	1,800,978,536	
Credit risk – limitation on assumption of first risk	7,839,361		7,839,361	
Liquidity risk – late payment assumed by assignor	208,721,802		208,721,802	
Other risks	191,985,946		191,985,946	
Total	2,489,865,422	280,339,777	2,209,525,645	

The total reported in the table above is equal to the outstanding amount for non-recourse receivables as at 31 December 2006.
This global total is analysed by type of risk mitigation clause, using the prevalent clause contained in each contract for reference. Since every clause refers back to the particular type of risk mitigated, the table highlights how the contractual agreements reached by the company are principally geared to mitigate credit risk, this being the prevalent risk within factoring activities.
The company has therefore evaluated each agreement individually, verifying whether or not – in keeping with the actual mitigation clauses adopted – all risks and benefits have been transferred to the factoring company.
The figures reported in the table highlight the effectiveness of these clauses when it comes to containing the risks assumed by the company (just 11.26% of receivables without recourse have been recognised in the balance sheet).
Including risk mitigation clauses therefore leads to receivables without recourse being treated in the same way as those with recourse, with only the amount receivable from the assignor for the advances made to him being carried in the balance sheet.

D. Guarantees and commitments

D.1 – Value of guarantees and commitments

	Total 31.12.06						Total 31.12.05					
	Global values	Carrying values					Global values	Carrying values				
		Original value	Variations	Of which: Per valuation adjustments		Carrying value		Original value	Variations	Of which: Per valuation adjustments		Carrying value
				Individual positions	Portfolio					Individual positions	Portfolio	
1. Guarantees												
a) of a financial nature												
- Banks												
- Financial institutions												
- Customers	63,602,310	63,602,310				63,602,310	34,606,376	34,606,376				34,606,376
b) of a commercial nature												
- Banks												
- Financial institutions												
- Customers												
2. Commitments												
a) to advance funds (irrevocable)												
- Banks												
- Financial institutions of which: funds whose utilisation is certain												
- Customers of which: funds whose utilisation is certain												
b) Other												
- Banks												
- Financial institutions												
- Customers	733,062,211	2,489,836,091				733,062,211	579,686,869	2,014,551,651				579,686,869
Total												

Guarantees of a financial nature are made up of guarantees issued to customers.

The amounts indicated under the "Global values" column for the item "Other commitments" consist of guarantees issued by the company in respect of assigned debtors taken on without recourse, for the portion that has yet to generate proceeds in favour of the assignor.
The original value instead reflects total risk limits assumed towards assigned debtors taken on without recourse.
The amounts set out in the table above relate to both non-recourse operations that are recognised and non-recourse operations that are not recognised, due to risk mitigation clauses.

D.2 – Guarantees and commitments in place for customers with impaired exposure

	Total 31.12.2006						Total 31.12.2005					
		Carrying values						Carrying values				
			Variations						Variations			
				Of which: valuation adjustments						Of which: valuation adjustments		
	Global values	Original value		Individual positions	Portfolio	Carrying value	Global values	Original value		Individual positions	Portfolio	Carrying value
1. Guarantees												
a) of a financial nature												
b) of a commercial nature												
2. Commitments												
a) to advance funds (irrevocable)												
of which: funds whose utilisation is certain												
- Customers												
of which: funds whose utilisation is certain												
b) Other	400,104	1,244,374				400,104	21,761	49,220				21,761
Total												

D.3 – Receivables recognised in the balance sheet due to calling-in of debt

There are no amounts to report in this regard.

Section 3 – INFORMATION REGARDING RISK AND RISK HEDGING POLICIES

3.1 CREDIT RISK

INFORMATION OF A QUALITATIVE NATURE

1. General aspects

Credit risk is the main type of risk characterising the activities of Italease Factorit.
By constantly renewing the process by which it grants, manages and monitor credit, the company is able to contain this particular kind of risk.
Credit quality is controlled by monitoring both the particular counterparty risk involved and portfolio risk.
As regards ascertaining the component of credit risk for a specific position, the procedure currently adopted is capable of evaluating a risk profile for an individual client (assignor and assigned debtor(s)) and the group of clients linked to him, while quantifying the potential risk inherent in the parties being funded.
As regards ascertaining the component of credit risk for a portfolio, an analysis has bee carried out on the entire portfolio of both Italease Factorit and the Banca Italease Group. Special attention was paid to what is known as “concentration risk”, which is involved in exposures to major business and/or juridical groups.

2. Credit risk management policies

2.1 Organisational aspects

The credit process adopted by Italease Factorit is regulated under its Internal Audit System stage-by-stage, the aim being to identify the criteria to be followed when managing risk profiles, the activities to be implemented in order for said criteria to be applied properly, the units to be put in charge of carrying out these activities and the procedures supporting them. The entire process is broken down into stages and activities are assigned to the various structures within the organisation by focusing on the process’s actual functionality, or rather its ability to achieve the pre-set objectives (effectiveness) and realise them for a reasonable cost (efficiency).

The credit process may be broken down into the following stages:
- credit policy;
- evaluation of the creditworthiness of credit applicants;
- granting of credit facilities;
- auditing of credit performance/trends;
- problem debt management;
- measurement and control of credit risk.

CREDIT POLICY

The objective of the company’s credit policy is to implement short-term and long-term strategies, in order to determine the level of financial resources needing to be allocated to its Credit Department. Specifically, this level of resources is established by considering the outcome of the analyses undertaken in respect of the following:
- the financial requirements of customers;
- the growth rate of receivables;
- the competition and the positioning of Italease Factorit in relation to said competition, in terms of products and pricing;
- the structure adopted for the raising of financial resources;
- public restrictions of various kinds and/or regulations stipulated by regulatory authorities/compliance bodies;
- the level of business and financial risk presents and, therefore, the ability to generate the income and capital needed to cover both current and foreseen risks;
- structural and internal/organisational features.

The business functions delegate to credit policy carry out the aforementioned activities and are predominantly concentrated within the parent company.

To be more precise:

a. the function responsible for planning business objectives sets about acquiring external and internal information and forwarding it to the units responsible for analysing market segments;
b. the function responsible for analysing market segments obtains information regarding the markets for which it is responsible as well as the relevant customers and ascertains the evolution undergone by the company's relations with current and potential clientele. Said function forwards this information to the unit responsible for defining credit policy;
c. the function responsible for defining credit risk policies, by using the information obtained directly as well as that provided by the function responsible for analysing market segments, defines internal and external scenarios with regard to foreseeable debt portfolio trends. Specifically, it ascertains the size of receivables and their underlying risks and the goes on to allocate the capital assigned for this purpose, define the credit risk limits that may be supported during the year and define profitability by bearing the aforementioned risks in mind. As part of this process, same function:

   - identifies segments of current and potential customers for the attainment of pre-established goals in terms of business volumes, risks and return, subject to the necessary capital being allocated to the Credit Department;
   - prepares a summary of the results arising from the analyses conducted, proposes guidelines for the definition of a company credit policy, the allocation of capital and the definition of a risk/return profile for the Credit Department;
   - forwards the findings of the analyses and guidelines subsequently defined to the company's Chief Executive Officer.

EVALUATION OF THE CREDITWORTHINESS OF CREDIT APPLICANTS

The evaluation of creditworthiness is geared to ascertain the repayment ability of credit applicants as well as verify the level of compatibility between individual credit facility applications and choices concerning the size and composition of receivables. The objective of the evaluation process is to quantify the level of business risk associated with the probability of the potential borrower becoming insolvent, and the financial risk stemming from the non-repayment of amounts falling due on the agreed maturity dates.
The evaluation process focuses on analysing the creditworthiness of both the assignor and the assigned debtor(s).

The business functions within Italease Factorit responsible for evaluating creditworthiness undertake the activities described above. Specifically, the function responsible for evaluating the creditworthiness of customers:

- contacts the client and/or receives an application for finance;
- gathers all the documentation needed to examine the respective balance-sheet situations, financial positions and earnings profiles of the counterparties involved in the factoring deal (assignor and/or debtors) and to steer credit application procedures;
- ascertains the reliability of the above documentation and information as well as the figures and data contained within them;
- formulates, in consideration of the assessments undertaken, an opinion as to the creditworthiness of the credit applicant;
- establishes the amount of borrowing and the technical form that the credit facility will take in order to be utilised, as well as the guarantees/security needing to be obtained in respect of the credit, in quantitative and qualitative terms;
- draws up a summary of evaluations regarding the reliability (or otherwise) of the credit applicant, as well as the adequacy of the guarantees offered, and formulates an opinion as to whether or not the credit application should be accepted.

GRANTING OF CREDIT FACILITIES

Credit facilities are granted by taking into due consideration the degree of risk inherent in the transaction itself. This degree of risk may be determined by referring to the following:

1. the amount of the credit facility requested;
2. the amount of the credit facility requested and the technical form that the credit facility will take in order to be utilised (*with recourse* or *without recourse*);
3. the amount of the credit facility requested and the level of risk assigned to the applicant at the time his creditworthiness is evaluated.

Based on the risk thus determined, powers are allocated in respect of the decisions to be made for the granting of credit facilities, in accordance with the criteria established for the managements of risks inherent in the decision-making process.

The business functions within Italease Factorit responsible for granting credit facilities undertake the activities described above.

To be more precise:

a. central functions grant credit to customers. In this regard, said functions:
   - evaluate the credit proposal and verify the reliability of the preliminary assessments undertaken;
   - verify the documentation obtained;
   - approve/reject the credit proposal in keeping with the powers granted to them, or forward it to their superior within the company's decision-making system, providing therein their own unbinding opinion.

Each function involved in the credit granting process assumes the role of "proposer" in relations with the unit or committee superior to them within the company's decision-making system, in keeping with the terms set out in the Operating Procedure for the company's decision-making system;

b. the function responsible for carrying out centralised administrative checks on credit facilities undertakes a periodic check to ensure that credit facilities have been perfected in the correct manner and that the particular forms adopted by said facilities are managed properly;

c. the function responsible for managing guarantees ensures that the completeness and correctness of the guarantees provided are checked and that they are perfected and maintained properly.

AUDITING OF CREDIT PERFORMANCE/TRENDS

The objective of credit control and management activities is to verify constantly the continuous fulfilment, by the borrower and his guarantors, of the necessary economic, financial and balance-sheet conditions. In order for this stage to be carried out properly, measures need to be taken to:

1. define any technical anomalies recorded by debt positions within a defined time period prior to the date on which performance is audited.
2. select and examine those debt positions that have followed an anomalous trend (positions with anomalies), with regard to both the technical aspects of operations and the qualitative features of the borrower;
3. classify the positions thus examined as "performing receivables" or "problem debts".

Those debt positions considered to constitute "problem debts" are placed, with reference to the level of risk detected, in the risk categories foreseen within the company and in accordance with the general principles regulated by the relevant instructions issued by the regulatory authorities.

The business functions within Italease Factorit responsible for auditing the performance of receivables carry out the activities described above. Specifically:

a. the local functions responsible for auditing the performance of receivables monitor outstanding receivables on a continuous basis and renew credit facilities, subject to the ongoing reliability of the debtors concerned being verified. These functions also propose the transfer of receivables to the risk categories foreseen within the company (bad debts and non-performing receivables);
b. the central function responsible for managing bad debts, restructured debts, and/or debts in excess of the limits set examine the proposals to transfer exposure to the risk categories formulated by local units and make the necessary decisions in this regard;
c. the function responsible for auditing credit risk monitors outstanding receivables on a continuous basis and periodically audits their performance as well;
d. for balance-sheet purposes, the function responsible for managing performing receivables assesses said receivables.

MANAGEMENT OF PROBLEM DEBTS

The aim of problem debt management activities (non-performing receivables, bad debts, restructured debts, past-due accounts and/or debts in excess of the limits set) should be to take on the initiatives and implement the measures needed to restore receivables to a normal situation, or rather recover them in the presence of in situations that prevent a relationship from continuing.

The business functions within the company responsible for managing problem debts classified as past-due accounts/debts in excess of limits, restructured debts, bad debts and non-performing receivables carry out the activities described above. Specifically:

a. the head of problem debt management, with regard to those positions for which he/she is responsible, contacts the client concerned, proposing the review of exposure or possible settlement, in order to remove the reasons for this classification. When a position is successfully or unsuccessfully remedied, the individual responsible for the position classified as a bad debt, restructured debt, past-due account and/or debt in excess of the limit set proposes its transfer to performing or non-performing receivables;
b. the central function responsible for managing bad debts supports the individuals responsible and periodically examines the evolution of credit positions, checks that the repayment schedules established for managed positions are observed and proposes their transfer from bad debts, restructured debts, past-due accounts and/or debts in excess of limits to performing or non-performing receivables;
c. the function responsible for *en masse* debt recovery manages the credit arrangements put in place with outside companies for the recovery procedures in question.

MEASUREMENT AND CONTROL OF CREDIT RISK

Credit risk should be measured pursuant to the requirements of the Bank of Italy regarding the financial statements of financial intermediaries recognised in its "Special List" and the related instructions issued by the regulatory authorities. Specifically, current and potential losses lying within receivables are divided into the following:

- (expected) losses for specific positions or an entire portfolio, as a result of the evaluation of bad debts;
- (expected) losses for an entire portfolio, as a result of the evaluation of performing receivables and those associated with country risk;
- unexpected losses, depending on the variability of insolvency rates for counterparties and recovery rates in the event of their becoming insolvent, as well as the geographical and sectorial diversification of the receivables portfolio.

The functions within the company responsible for risk control and management activities undertake the activities detailed above. Specifically, the function responsible for evaluating problem debts and performing receivables periodically evaluates such exposure, partly for the purposes of the company's financial statements and other periodic information produced for the market.

2.2 Management, measurement and control systems

As part of the company's del credit process and the various stages of said process, adequate internal systems are used to identify, measure, manage and control credit risk.

In determining credit policy and short/long-term development strategies, the following are identified and outlined in detail:

- current risks originating from credit activities that have generated losses for the Group;
- potential risks originating from credit activities that could, with a certain probability, generate losses for the Group;
- the sustainability of development strategies from an equity perspective, with regard to the aforementioned risks; and
- sustainability of development strategies with regard to the Group's organisational structure.

Current risks relating to problem debts are carefully assessed according to an individual logic, monitoring the Group's exposure to bad debts included as part of "past-due accounts/debts in excess of limits, receivables restructured debts, bad debts and non-performing receivables". This monitoring process is carried out not only in respect of the evolution of these groupings but also by verifying that the degree of risk inherent in said positions is matched by adequate coverage of them through the allocation of adequate write-down provisions.

The sustainability of development strategies from an equity perspective is verified from time to time by overseeing current risks and monitoring potential risks with regard to the capital base of the Group and Italease Factorit, ensuring that it is sufficient for the operations foreseen within the Credit Department.

The sustainability of development strategies from an organisational point of view is maintained by periodically checking the adequacy and functionality (effectiveness and efficiency) of company processes as part of plans to provide the most general internal audit system. Such sustainability is also verified on a continuous basis by analysing the budgets of individual business units from a risk/return perspective.

As part of preliminary assessments carried out in respect of creditworthiness, credit applicants are evaluated on the basis of the information held by the person evaluating them at the time the credit facilities in question are granted/renewed. Information is obtained directly from the client, as well as indirectly by using databases available within the bank group and/or via outside information providers.

Credit facilities are granted in accordance with the delegated powers and authorities approved by the company's Board of Directors.
Concentration risk is managed in compliance with the requirements of the relevant laws regulating risk concentration and states that:

- any exposure for an amount that is equal to, or more than, 15% of regulatory capital should be considered a "large risk";
- the global amount if large risks is to remain within the limit of eight times regulatory capital;
- each risk position is to remain within 60% of regulatory capital. With effect from 1 January 2007, this limit was reduced to 40%.

Performance auditing involves:

a. constantly monitoring outstanding receivables with regard to the outcome of past-due accounts and the approach adopted by the debtor when managing his credit accounts; and

b. continuously classifying receivables into the appropriate risk categories (past-due accounts/debts in excess of limits, restructured debts, bad debts and non-performing receivables).

The above activities are undertaken by determining the technical performance of all receivables not classified as non-performing receivables, bad debts, restructured debts, past-due accounts and/or debts in excess of limits. The technical performance of individual credit accounts with regard to facility utilisation is determined by establishing specific indicators reflecting technical anomalies. Once an anomaly has been detected, other information regarding the economic performances, financial positions and balance-sheet situations of those clients whose accounts have followed an anomalous technical trend, in order to carry examine the receivables thus selected. Once this analysis has been carried out, the receivables involved are classified as "performing" or "problem".

Technical anomalies are detected and, in this connection, the receivables needing to be assessed and classified are selected by using tried and tested performance monitoring systems that act as an early warning by detecting any technical anomalies and by focusing the attention of those assessing receivables on phenomena that could be an indication of the erosion of the credit quality and liquidity of the counterparties affected by these phenomena.

As part of performance auditing activities, performing receivables are also assessed collectively.

During the credit risk measurement and control process, the following aspects are considered:

a. the evaluation of credit risk for the purposes of the company's financial statements and other periodic information produced for the market, whilst identifying:

    - the length of time expected for debt recovery procedures when it comes to evaluating non-performing receivables, bad debts and past-due accounts/debts in excess of limits;
    - repayment factors for performing receivables when it comes to evaluating bad debts and past-due accounts/debts in excess of limits;

b. the periodic checking of the compliance of credit activities with the prudent limits set by the instructions issued by the regulatory authorities and other requirements regarding liquidity ratios, large risks and the risk of concentration.

2.3 Credit risk mitigation techniques

The essential features of a factoring transaction (several parties involved, assignment of receivables from a supply contract) enable the company to resort to the technical form of the loan as the best instrument available for the mitigation of the risks assumed by the company.
The first form of risk mitigation is the assumption of the guarantee from the assignor as to the solvency of the assigned debtor (with recourse). Within non-recourse agreements, there are also, however, several mitigation clauses available that may be adopted by the factoring company:

- limitation of credit risk assumed in respect of each debtor;
- application of excesses;
- limitation of risk in relation to the business volumes dealt with and therefore the profitability of the relationship (annual ceiling);
- assignment obligations assumed by the assignor.

The effectiveness of these clauses is demonstrated by the outcome of the analysis carried out on agreements with recourse, in order to ascertain whether or not all risks and benefits associated with the factored receivables have been transferred to the factoring company, which is essential for the purpose of carrying receivables in the balance sheet. This analysis has indeed highlighted how such a transfer took place in the case of just 11.26% of receivables without recourse outstanding as at 31 December 2006.
The various forms of product used to utilise funding also enable the advancing of funds to be conditional upon documents being obtained that demonstrate the existence of the credit and the acknowledgement by the assigned debtor of his undertaking to pay. These clauses boost the effectiveness of recovery activities undertaken by the factoring company, in the event that debt positions are eroded, reducing the losses expected upon default (LGD = loss given default).
Another instrument that mitigates risk significantly is the diversification of exposure across several assigned debtors.
Factoring companies also resort frequently to reinsurance policies for the risks assumed in connection with transactions without recourse.

2.4 Impaired financial assets

The technical and organisational procedures followed to manage and control impaired receivables are broken down in relation to how problematic a particular debt is.

As far as bad debts, restructured debts and past-due accounts/debts in excess of limits are concerned, a performance monitoring exercise is carried out with a view to:

- ascertaining whether or not the economic/financial difficulties in which counterparties find themselves are reversible;

- entrusting exposure to internal and external recovery executives for phone and script collection activities as well as for the collection of funds;

- evaluating the repayment plans presented by debtors with reference to their ability to repay their debts within the timeframes foreseen by the plans themselves, while also considering requests to reduce the conditions (i.e. rates/pricing) applied to the debt positions being examined;

- examining the outcome of the measures embarked upon to normalise/recover the debts themselves (repayment plans, reviews of the products used to borrow funds, etc.), as well as the reasons for their failure (where this is the case);

- analytically determining loss projections for bad debts and restructured debts, and on a one-off basis for past-due accounts/debts in excess of limits;

Risk control for non-performing receivables is accomplished by carrying out the following activities:

- revoking facilities, in the case of new positions, and calling upon the debtors concerned to remedy their accounts;

- entrusting new positions to in-house and/or external lawyers in order for rigorous measures to be taken against the debtors and their guarantors;

- verifying, in the case of positions that are already undergoing recovery procedures, that the debtors concerned are complying with the undertakings assumed;

- analytically estimating expected losses on the various positions;

- periodically verifying the adequacy of loss forecasts and the recoverability conditions for debt positions.

Generally speaking, debt positions are classified as “doubtful” on the basis of how long a debt has been overdue, while debt positions are classified as “non-performing” whenever a state of insolvency is not considered to be temporary or eliminable within a reasonable amount of time.

Included in this category are the following:

- “objective non-performing receivables”;
- positions in breach of terms and conditions that have given rise to competitive proceedings;
- positions in breach of terms and conditions for which a bankruptcy petition has been filed by the factoring company;
- “subjective non-performing receivables”;
- positions in breach of terms and conditions for which the execution of asset recovery measures have been announced, together with the evident situation of a breach or the counterparty’s being unreachable;
- other positions in breach of terms and conditions that, whilst not falling into the above categories should be considered “non-performing” due to their seriousness; for example, analysed in this case are those clients included in the information provided by the Bank of Italy in respect of parties with non-performing debts with other banks and not with the factoring company (registering an increase on the previous month).

Past-due accounts/debts in excess of limits may be classified as “performing” further to the settlement of the overdue/excess portion, while in the case of bad debts and non-performing receivables in addition to the settlement of the overdue/excess portion, the intervention of the manager who decides whether a change in classification is appropriate or not is also necessary.

Every month, exposure lists relating to non-performing receivables, bad debts, restructured debts and past-due accounts/debts in excess of limits are analysed, after being put in order by the length of time they have been overdue, in order to evaluate the adequacy of their respective classifications and the adjustments made to them.

INFORMATION OF A QUANTITATIVE NATURE

1. Distribution of financial assets by the type of portfolio to which they belong and by credit quality (carrying values)

Portfolios/Quality	Non-performing receivables	Bad debts	Restructured debts	Past-due accounts	Other assets	Total
1. Financial assets held for trading						
2. Financial assets measured at fair value						
3. Financial assets available for sale						
4. Financial assets held to maturity						
5. Due from banks					39,680,820	39,680,820
6. Due from financial institutions					34,149,743	34,149,743
7. Due from customers	6,441,041	6,451,097		22,079	2,623,015,234	2,635,929,450
8. Other assets					3,152,434	3,152,434
9. Derivatives for hedging purposes						
Total 31/12/2006	**6,441,041**	**6,451,097**		**22,079**	**2,699,998,230**	**2,712,912,447**
Total 31/12/2005	**6,477,155**	**5,448,130**		**101,223**	**2,134,856,704**	**2,146,883,214**
Variation	**(36,115)**	**1,002,966**		**(79,145)**	**565,141,526**	**566,029,233**

2. Exposure to customers

2.1 Exposure: gross and net values

Type of exposure/Values	Gross exposure	Valuation adjustments made to individual positions	Valuation adjustments made to portfolio	Net exposure
A. IMPAIRED ASSETS				
1) Non-performing receivables				
- Loans	22,738,875	16,297,834		6,441,041
- Securities				
- Endorsement credits				
- Commitments to advance funds				
- Other assets				
2) Bad debts				
- Loans	9,015,561	2,564,465		6,451,096
- Securities				
- Endorsement credits				
- Commitments to advance funds				
- Other assets				
3) Restructured debts				
- Loans				
- Securities				
- Endorsement credits				
- Commitments to advance funds				
- Other assets				
4) Past-due accounts				
- Loans	22,079			22,079
- Securities				
- Endorsement credits				
- Commitments to advance funds				
- Other assets				
Total A	31,776,515	18,862,299		12,914,216
B. PERFORMING RECEIVABLES				
- Loans	2,642,271,958		19,599,584	2,622,672,374
- Securities				
- Endorsement credits				
- Commitments to advance funds				
- Other assets	342,859			342,859
Total B	2,642,614,817		19,599,584	2,623,015,233
Total (A+B)	2,674,391,332	18,862,299	19,599,584	2,635,929,449

3. Concentration of credit

3.1 Distribution of loans to companies

Area of business activity	
Business services, recoveries and repairs	700,457,618
Other services for sale	385,860,069
Construction and public works	184,365,443
Metal products	145,397,921
Agricultural and industrial machines	109,384,784
Other branches of business	866,640,400
Total	**2,392,106,235**

3.2 Large risks

	Amount
a) amount	334,882,432
b) number	10

4. Models and other methodologies used to measure and manage credit risk

Please refer to the information already provided in section 3.1.

3.2 MARKET RISK

Within its own portfolio, Italease Factorit does not hold any products that expose it to high levels of market risk; exchange-rate risk is the only for of market risk to which its activities are marginally subjected.

3.2.1 INTEREST-RATE RISK

INFORMATION OF A QUALITATIVE NATURE

1. General aspects

Interest-rate risk is caused by the differences in maturities and repricing timeframes of the interest rate of assets and liabilities. In the presence of these differences, interest-rate fluctuations lead to both a change in the interest margin expected and a change n the value of assets and liabilities, and therefore the value of shareholders' equity.

Italease Factorit follows the Asset & Liability Management ('ALM') process (a centralised function located within the parent company) to measure, control and manage its financial flows in an integrated fashion, both in a static environment (with valuations regarding the current composition of its portfolio) and by simulating the prospects of the current situation.

The objective of the ALM process is to evaluate the impact that predefined variations in interest rates have on the forecast interest margin as well as on shareholders' equity, in order to identify the appropriate management measures that enable the company's exposure to this type of risk to be controlled.

The goal set by the company's risk management policy is to implement short-term and long-term strategic policies, in order to quantify the resources needing to be allocated within the section dealing with credit and financial institutions, in terms of exposure to the interest-rate risks inherent in its overall banking book with regard to the volatility of the interest margin and the economic value of shareholders' equity. The resources needing to be allocated to the above sections are quantified by taking into account both the above mentioned market risks and liquidity risk. Said quantification process involves using the findings of the analyses conducted into forecasts for the trends followed by the principal macro-economic variables, key target markets, domestic and international monetary policies, the features of the company's financial structure, the features of its banking book, public restrictions and regulatory/compliance requirements.

The limits imposed on exposure to structural interest rate risk are defined within a pre-defined time horizon, with regard to the maximum exposure that may be supported towards structural interest rates, in terms of the impact on the company's interest margin/risk capital, the variance allowed in relation to the above exposure, and the tools that may be used, or rather the policies that may be implemented to manage the risk in question.

The interest-rate risk measurement stage involves creating a measure that provides an indication of the risks arising from the composition, structure and features of the company's banking book.

Structural interest rate risk - that is to say, the risk that expected and unexpected changes in market interest rates have a negative impact on the interest margin and assets/liabilities portfolio – is measured by way of the maturity gap and duration gap. The former, formed by the difference between sensitive assets and sensitive liabilities, should measure the exposure of the interest margin to the risk in question. The latter, formed by the difference between the average duration of assets and the average duration of liabilities, should measure the exposure of the market value of the assets/liabilities portfolio to interest rate risk. To be precise, while techniques focused on the maturity gap analyse the impact of a change in interest rates on the interest margin, duration-oriented techniques estimate the impact that a change in interest rates has on the market value of assets and liabilities.

Risk is measured continuously by the Risk Management Department of the parent company, which also produces the reporting schedules sent to the supervisory authorities and company functions of the controlling company and the subsidiaries involved in the structural interest-rate risk and liquidity risk management process.

Risk control activities are also undertaken periodically by Risk Management and the units involved in the structural interest-rate risk and liquidity risk management process, in order to verify the following:

- the adequacy and functionality of the financial process;
- compliance with approved rules and criteria for risk management;
- that the activities and checks put in place to oversee and monitor risks are undertaken properly;
- the presence of any criticalities needing to be removed promptly.

Exposure to interest rate risk is periodically estimated by adopting an approach based on current earnings (for a short-term view) and by adopting an approach based on the economic value of shareholders' equity (for a medium/long-term view) by using a scenario where rates increase/decrease by 100 basis points.

The approach based on current earnings (gap analysis) involves estimating the impact – on a stochastic and deterministic basis – on the Group's risk-sensitive assets and liabilities (with a maturity or repricing date included within the gapping" period of 12 months) following a change in interest rates.

The approach based on the economic value of shareholders' equity (duration gap and sensitivity analysis) involves estimating the impact on the market value of shareholders' equity following an unexpected change in interest rates.

Factoring operations are, by nature, focused on the short term. The credit facilities granted are of the self-liquidating type and have a short residual life related to the time taken to collect factored receivables of a commercial nature.
Furthermore, the factoring company has the ability to:

- amend rates at any time, in line with changes in the cost of funding;
- request repayment of the amounts advanced against the fee for factored receivables.

These features have a favourable impact on interest rate risk.

INFORMATION OF A QUANTITATIVE NATURE

1. Distribution by residual duration (repricing date) of financial assets and liabilities

The Asset & Liability Management system enables the sensitivity of the value of capital and the interest margin to different shocks along the interest rate curve to be estimated at monthly intervals. Structural rate risk is maintained at modest levels - considerably below the extreme thresholds indicated by the Basle Committee, so that any shifts (including significant shifts) in the rates curve would cause only modest changes to the economic value of capital. This effect is the result of the company's shrewd rate-risk hedging policy.

	+100 BPS	-100 BPS
IMPACT ON THE INTEREST MARGIN	4,926,701	(4,052,150)
IMPACT ON THE PRESENT VALUE OF CAPITAL	(647,397)	688,811

2. Models and other methodologies used to measure and manage interest-rate risk

Please refer to the information already provided in section 3.2.1.

3.2.2 PRICE RISK

INFORMATION OF A QUALITATIVE NATURE

The financial institution does not usually assume price fluctuation risk.

3.2.3 EXCHANGE-RATE RISK

INFORMATION OF A QUALITATIVE NATURE

The exchange-rate risk borne by Italease Factorit is marginal, given the company's policy for the systematic matching of items denominated in currency. Lending in currency is matched by funding in the same currency.
This risk exists mainly - but only for extremely limited volumes - in respect of the following:

- fees and the share of interest receivable not offset by interest charges expressed in a currency other than the euro;
- guarantees received in foreign currency to transactions denominated in euros.

INFORMATION OF A QUANTITATIVE NATURE

1. Distribution of assets, liabilities and derivatives by currency of denomination

Items	Currencies as at 31/12/2006					
	US dollar	Pound sterling	Yen	Canadian dollar	Swiss franc	Other currencies
1. Financial assets	**51,254,037**					**7,577,063**
1.1 Debt instruments						
1.2 Equity securities						
1.3 Loans granted	51,254,037					7,577,063
1.4 Other financial assets						
2. Other assets						
3. Financial liabilities	**51,201,320**					**7,577,063**
3.1 Payables	51,201,320					7,577,063
3.2 Debt instruments						
3.3 Other financial liabilities						
4. Other liabilities						
5. Derivatives						
Total assets	**51,254,037**					**7,577,063**
Total liabilities	**51,201,320**					**7,577,063**
Shortfall (+/-)	**52,717**					

2. Models and other methodologies used to measure and manage exchange-rate risk

Please refer to the information already provided in section 3.2.3.

3.3 OPERATING RISKS

INFORMATION OF A QUALITATIVE NATURE

1. Operating risk: general aspects, management processes and measurement methods

Under the definition provided by Basle II, subsequently incorporated by ABI (Italian Banking Association) and the Bank of Italy, operating risk is the risk of losses originating from inadequate or ineffective processes, information systems, personnel or external events.
The management of operating risk requires the ability to identify the risk present in all products, activities, processes and important systems that could compromise the financial intermediary's ability to accomplish its objectives.
The internal audit function is presently responsible for reporting to Executive Management on the organisational structure devised to control and manage operating risks.

At Italease Factorit, the operational risk evaluation process is undertaken by a dual procedure as follows:

- recognition of all risks related to individual micro-activities, through periodic audits conducted with operational staff and the heads of individual units within the organisation;
- recognition of losses determined by operating risk.

The financial institution also participates, as part of ASSIFACT activities, in the "Project GRIFO" (Governance of Operating Risks in Factoring), the aim being to determine methodologies and tools for the measurement of operating risks associated with the activities undertaken.

Section 4 – Transactions with related parties

4.1 Information regarding the emoluments of Directors and Executives

Emoluments paid to Directors: euro 83,973.
No other cost for the year relates to Directors.

Emoluments paid to Statutory Auditors: euro 74,541.

Executives: emoluments amount to euro 769,699 (of which euro 104,108 relates to the company's stock option plan); other costs: euro 56,995.

4.2 Loans and guarantees issued in favour of Directors and Statutory Auditors

There is nothing to report under this heading for operating year 2006.

4.3 Information regarding transactions with related parties

Due from banks

Banca Italease	Amount
Tax consolidation exercise	7,397,213
Staff on attachment	269,745
Total	7,666,958

Due to banks

Banca Italease	Amount
Hot money	699,000,000
Commissions to be paid	62,638
Staff on loan	1,942,125
Staff on attachment	102,588
Charges accrued on hot money	658,103
Total	701,765,454

Costs – banks

Banca Italease	Amount
Interest payable and similar expenses	14,151,586
Commissions	371,922
Staff on loan	1,942,125
Staff on attachment	102,588
Directors' emoluments	55,390
Other administrative expenses	1,021
Other administrative costs	358,750
Total	16,983,382

Revenues – banks

Banca Italease	Amount
Staff on loan	54,000
Staff on attachment	269,745
Total	323,745

Due from financial institutions

Mercantile Leasing – staff on attachment euro 33,422

Due to financial institutions

		Amount
Unico Leasing	Commissions payable	11,423
Mercantile leasing	Commissions payable	80,228
Italease Network	Commissions payable	42,125
Italease Network	Rents	2,562
Total		136,338

Costs - financial institutions

		Amount
Unico Leasing	Commissions	31,011
Mercantile Leasing	Commissions	120,964
Italease Network	Commissions	83,401
Italease Network	Rents	2,562
Total		237,938

Revenues – financial institutions

Mercantile leasing – staff on attachment euro 33,422

Due from customers

		Amount
Italease Gestione Beni	Prepaid expenses	1,790
Itaca Service S.p.A.	Prepaid expenses	812
Total		2,602

Due to customers

		Amount
Itaca Service S.p.A.	Staff on loan	1,027,464
Italease Gestione Beni	Invoices to be received from suppliers	261,480
Total		1,288,944

Costs – customers

		Amount
Itaca Service S.p.A.	Staff on loan	1,027,464
Itaca Service S.p.A.	Other administrative expenses	18,694
Italease Gestione Beni	Rents payable	277,970
Italease Gestione Beni	Professional fees	20,990
Italease Gestione Beni	Other administrative costs	442
Total		1,345,560

Section 5 – Other information

5.1 Average number of employees by staff category

Employees by staff category/Numbers	Total 31/12/2006	Total 31/12/2005
5.1. Employees:	**148**	**149**
a) executives	4	4
b) total management staff	67	62
- of which level 3 and level 4	45	39
c) remaining employees	77	83
5.2. Other staff	**3**	

Other

In compliance with the information requirements set forth in Article 2497 (ii) of the Italian Civil Code, essential figures taken from the last set of approved financial statements of the parent company Banca Italease are presented below.

FINANCIAL STATEMENTS OF THE PARENT COMPANY FOR THE YEAR ENDING 31/12/2005

	31/12/2005
Assets	
10. CASH AND CASH EQUIVALENTS	124,610
20. FINANCIAL ASSETS HELD FOR TRADING	243,504,554
30. FINANCIAL ASSETS MEASURED AT FAIR VALUE	
40. FINANCIAL ASSETS FOR SALE	2,059,226
50. FINANCIAL ASSETS HELD TO MATURITY	1,416,312
60. DUE FROM BANKS	200,347,322
70. DUE FROM CUSTOMERS	9,659,211,618
80. DERIVATIVES FOR HEDGING PURPOSES	109,891,720
90. ADJUSTMENT TO THE VALUE OF FINANCIAL ASSETS INVOLVED IN GENERIC HEDGING OPERATIONS (+/-)	
100. INVESTMENTS	258,445,357
110. TANGIBLE FIXED ASSETS	508,108,619
120. INTANGIBLE FIXED ASSETS	6,362,438
of which:	
- Goodwill	
130. FISCAL ASSETS	*17,937,547*
a) current	
b) prepaid	*17,937,547*
140. NON-CURRENT ASSETS AND GROUPS OF ASSETS BEING DISPOSED OF	
150. OTHER ASSETS	678,706,258
TOTAL ASSETS	**11,686,115,581**

		31/12/2005
Liabilities and shareholders' equity		
10.	DUE TO BANKS	1,374,994,087
20.	DUE TO CUSTOMERS	4,185,180,519
30.	SECURITIES ISSUED	5,083,115,647
40.	FINANCIAL LIABILITIES HELD FOR TRADING	238,244,427
50.	FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	
60.	DERIVATIVES FOR HEDGING PURPOSES	96,442,455
70.	ADJUSTMENT TO THE VALUE OF FINANCIAL LIABILITIES INVOLVED IN GENERIC HEDGING OPERATIONS (+/-)	
80.	FISCAL LIABILITIES	13,083,153
	a) current	*13,083,153*
	b) deferred	
90.	LIABILITIES ASSOCIATED WITH GROUPS OF ASSETS BEING DISPOSED OF	
100.	OTHER LIABILITIES	30,143,011
110.	STAFF SEVERANCE INDEMNITY FUND	5,795,777
120.	PROVISIONS FOR RISKS AND LIABILITIES	24,998,976
	a) pension fund and similar obligations	*24,907,861*
	b) other provisions	*91,115*
130.	VALUATION RESERVES	3,741,010
140.	REDEEMABLE SHARES	
150.	CAPITAL INSTRUMENTS	
160.	RESERVES	67,650,058
170.	SHARE PREMIUM RESERVE	99,421,918
180.	CAPITAL	393,411,955
190.	OWN SHARES (-)	(26,471)
200.	PROFIT/[LOSS) FOR THE YEAR (+/-)	69,919,059
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**11,686,115,581**

INCOME STATEMENT	**31/12/2005**
10. INTEREST RECEIVABLE AND SIMILAR INCOME	334,773,757
20. INTEREST PAYABLE AND SIMILAR EXPENSES	(220,208,613)
30. INTEREST MARGIN	**114,565,144**
40. FEE INCOME	128,071,779
50. FEE EXPENSE	(73,956,980)
60. NET FEES	**54,114,799**
70. DIVIDENDS AND SIMILAR INCOME	19,344,440
80. NET RESULT OF TRADING ACTIVITIES	12,056,549
90. NET RESULT OF HEDGING ACTIVITIES	(4,115,083)
100. GAINS/(LOSSES) FROM SALE OR BUYBACK OF:	(2,582)
a) Receivables	
b) Financial assets available for sale	*(2,582)*
c) Financial assets held to maturity	
d) Financial liabilities	
110. NET RESULT OF FINANCIAL ASSETS AND LIABILITIES MEASURED AT FAIR VALUE	
120. INTERMEDIATION MARGIN	**195,963,267**
130. NET VALUATION ADJUSTMENTS/ WRITE-BACKS EFFECTED DUE TO THE IMPAIRMENT OF :	(31,240,388)
a) Receivables	*(31,240,388)*
b) Financial assets available for sale	
c) Financial assets held to maturity	
d) Other financial transactions	
140. NET RESULT OF FINANCIAL OPERATIONS	**164,722,879**
150. ADMINISTRATIVE EXPENSES	(62,001,459)
a) Staff costs	*(31,787,357)*
b) Other administrative expenses	*(30,214,102)*
160. NET ALLOCATIONS TO THE PROVISIONS FOR RISKS AND LIABILITIES	(196,181)
170. NET VALUATION ADJUSTMENTS/ WRITE-BACKS TO TANGIBLE FIXED ASSETS	(1,638,147)
180. VALUATION ADJUSTMENTS/ WRITE-BACKS TO INTANGIBLE FIXED ASSETS	(2,519,010)
190. OTHER OPERATING INCOME/CHARGES	5,259,750
200. OPERATING COSTS	**(61,095,047)**
210. GAINS/(LOSSES) ON INVESTMENTS	
220. NET RESULT OF THE MEASUREMENT AT FAIR VALUE OF TANGIBLE AND INTANGIBLE FIXED ASSETS	
230. VALUATION ADJUSTMENTS TO GOODWILL	(221,870)
240. GAINS/(LOSSES) ON THE SALE OF INVESTMENTS	(4,887,335)
250. PROFIT/(LOSS) OF CURRENT ACTIVITIES BEFORE TAX	**98,518,627**
260. TAXATION OF YEAR'S EARNINGS FROM CURRENT ACTIVITIES	(28,599,568)
270. PROFIT/(LOSS) OF CURRENT ACTIVITIES AFTER TAX	**69,919,059**
280. PROFIT/(LOSS) OF NON-CURRENT ASSETS BEING DISPOSED OF, NET OF TAXES	
290. PROFIT/(LOSS) FOR THE YEAR	**69,919,059**

Report of the Statutory Board of Auditors regarding the financial statements for the year ending 31 December 2006

Report of the Statutory Board of Auditors regarding financial statements for the year ending 31.12.2006

Shareholder,

With the coming into force of Legislative Decree 6 of 17 January 2004, which made fundamental changes to current company laws, the Meeting of Shareholders held on 17 March 2005 approved a Statute for the company, which provides for the adoption of the traditional system referred to in Article 2380, paragraph 1, of the Italian Civil Code.

With effect from said date, auditing has been entrusted to the auditing firm Deloitte & Touche S.p.A. in Milan.

Pursuant to the provisions of Article 2423, paragraph 2, of the Italian Civil Code, below we are providing our comments and proposals regarding the results for the operating year ending 31 December 2006, while also informing you on the institutional activities undertaken by ourselves during same year.

The preliminary financial statements for the year ending 31 December 2006, which are now being presented by the Board of Directors for your examination and subsequent approval, have been prepared in conformity to current legal provisions and may be summarised with the following highlights (expressed in euros):

Total assets	2,714,604,680
Liabilities	2,580,913,332
Share capital	85,000,000
Share premium reserve	11,030,364
Reserves	4,967,286
Profit for the year	***32,693,698***

Off balance sheet items represent commitments assumed by the company:

Guarantees of a financial nature	*63,602,310*
Commitments	*733,462,315*

The year’s result is confirmed in the Income statement, which contained the following values:

Revenues	142,659,620
Costs	
	109,965,922
Profit for the year	***32,693,698***

We hereby confirm for our part that we have agreed on the carrying of values for which the opinion or consent of the Statutory Board of Auditors is required with the Board of Directors.

During the year under review, the Statutory Board of Auditors ensured that the company complied with the law and its Statute, as well as with the principles for correct business administration.

We also ensured that the organisational, administrative and accounting set-up adopted by the company was adequate and that it actually operated properly. To this end, both by acting collectively as the Statutory Board of Auditors and through individual actions, we obtained the various elements of information needed in order to verify its adequacy in relation to business management requirements as well as its reliability when it comes to representing business events, by directly examining company documents, gathering information from the respective heads of the functions concerned, and exchanging data and information with the company charged with auditing.

The Statutory Board of Auditors took part in two Shareholders' Meetings, six Board meetings and ten Executive Committee meetings, which were held in accordance with both the statutory and legislative/regulatory requirements that regulate the way in which said meetings are organised. We are in a position to assure you that resolutions were carried in conformity to legal requirements and the company's Statute, and that they were not patently imprudent, risky, likely to cause a potential conflict of interest or in conflict with the resolutions carried by the Meeting of Shareholders, or such to compromise the integrity of the company's assets.

During the course of the year 2006, we oversaw the company's business operations and monitored risk performance with 18 audits.

No denouncements pursuant to the provisions of Article 2408 of the Italian Civil Code were received by the Statutory Board of Auditors.

Contact was maintained with the parent company's Statutory Board of Auditors, which we have provided with the company's Report on Operations for 2006.

With specific reference to the company's financial statements for the year ending 31 December 2006, we wish to inform you of the following:

- since we were not charged with the analytical auditing of the financial statements, we oversaw the general structure given to them and verified their general compliance with the law (as regards their formation and structure), and in this regard have no particular observations to make;
- we verified compliance with legal requirements regarding the preparation of the Report on Operations and its consistence with the resolutions adopted by the Board of Directors, as well as with the events reported in the company's individual financial statements;
- to the best of our knowledge, in preparing the financial statements and Explanatory Notes, the company's Directors have not adopted any departure from legal requirements pursuant to the provisions of the fourth paragraph of Article 2423 of the Italian Civil Code;
- we have checked that the financial statements tally with the information of which we have become aware when performing our duties, and do not believe that any particular observations need to be made in this regard.

We are especially keen to report the following events to you:

1) As at 31 December 2006, exposure to the PARMALAT Group was as follows:
    - a favourable settlement would get underway for exposure to "Contal S.r.l. (in extraordinary administration)", while position relating to revocatory actions and the direct action initiated against the Lega Nazionale Professionisti (National Association of Professionals), as an assigned debtor in a factoring arrangement entered into between Parma A.C. and Factorit, remain to be defined during the legal proceedings underway.

2) Evolution of situation regarding receivables acquired, by way of assignment in December 1995, from S.G.C. S.p.A. Società Gestione Crediti:
    - As at the year-end, the amounts receivable from BNL/S.A.C.F. totalled euro 2,237,664, representing

a decrease of euro 343,200 on the previous year. The write-down reserve amounts to euro 1,194,227. Debt recovery forecasts remain unchanged, however;

- As at the year-end, “FONSPA” receivables, entrusted for management to Credit Servicing S.p.A. (formerly S.I.B. Servizi Immobiliari Banks), which sees to their collection under a special arrangement that was redefined in October 2001, amounted to euro 4,251,237 following the receipt of proceeds totalling euro 102,661. The write-down reserve in this case remains unchanged at euro 3,219.609.

3) At the year-end, the provision for risks and liabilities amounted to euro 1,182,055. This amount is used to cover potential risks in respect of revocatory actions and lawsuits brought against the company.

Shareholder,

After taking cognizance also of the findings of the activities undertaken by the independent auditing firm, as contained in its report accompanying the financial statements reviewed herein, we recommend that the Shareholder approve the individual financial statement for the year ending 31 December 2006, as drawn up by the company’s Directors, and agree with the proposal made by same Directors with regard to the allocation of earnings.

In ending this Report, we wish to join with the Board of Directors in expressing our appreciation for the positive and fruitful work performed by the General Manager, Mr Antonio De Martini, while also extending our thanks to company staff of every level and category for the services provided.

Milan, 21 March 2007

The Statutory Board of Auditors

Flavio DEZZANI, Chairman

Vincenzo Mosca

Alfio Poli

Report of the Independent Auditing Firm

Deloitte.

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AUDITORS' REPORT PURSUANT TO ARTT. 156 AND 165 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998

To the Shareholder of
ITALEASE FACTORIT S.p.A.

1. We have audited the financial statements of Italease Factorit S.p.A., which comprise the balance sheet as at December 31, 2006, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These financial statements are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these financial statements based on our audit. These financial statements represent Italease Factorit S.p.A.'s first annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   The financial statements present for comparative purposes the corresponding data for the year 2005 prepared in accordance with IFRS. In addition, a section of the explanatory notes to the financial statements explains the effects of transition to IFRS as adopted by the European Union. The information presented in the above section have been audited by us for the purpose of expressing our opinion on the financial statements as of December 31, 2006.

3. In our opinion, the financial statements present fairly the financial position of Italease Factorit S.p.A. as of December 31, 2006, and the results of its operations and its cash flows for the year then ended in accordance with IFRS as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

DELOITTE & TOUCHE S.p.A.

Signed by
Umberto Lombardini
Partner

Milan, Italy
March 26, 2007

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

ITALEASEFACTORIT
GRUPPOBANCAITALEASE

ITALEASEFACTORIT
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