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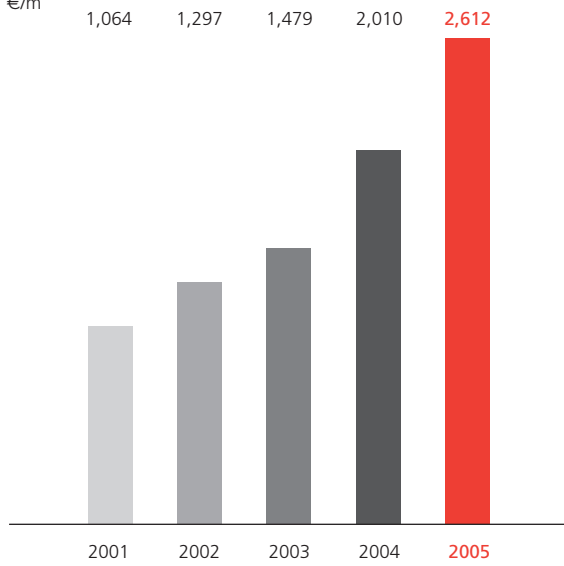
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Key figures

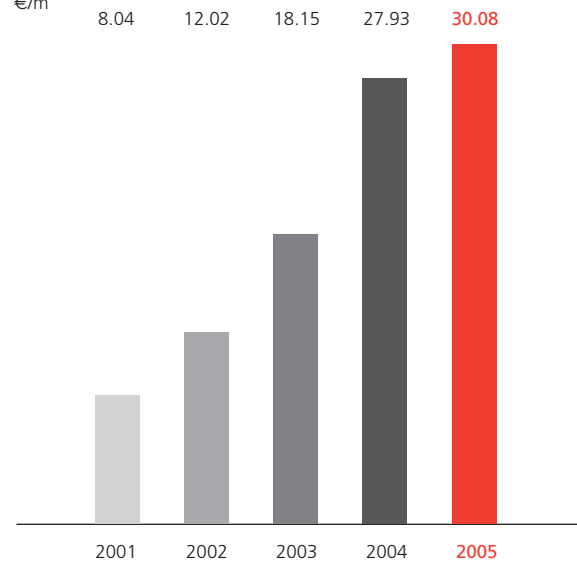
New business

€/m



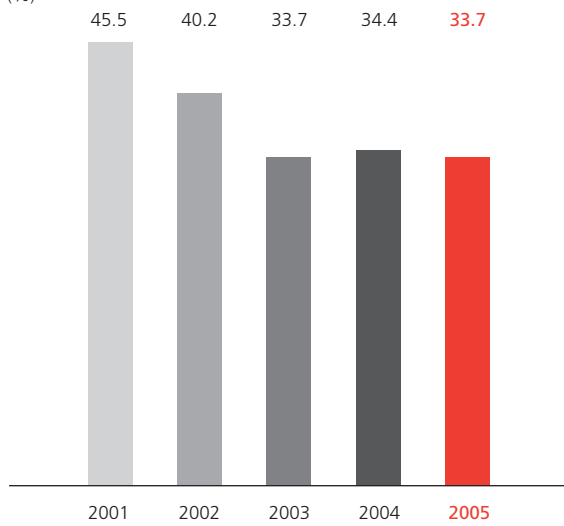
Net income

€/m



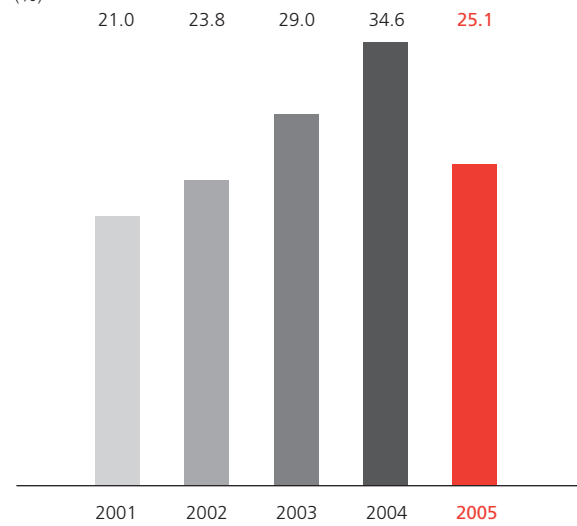
Cost/Income

(%)



Roe

(%)



	2001	2002	2003	2004	2005
Employees	372	456	478	584	670
Branches	22	24	24	39	52
Brokers	11	14	17	7	8



General information

REGISTERED ADMINISTRATIVE OFFICES:

Via Nizza 262, 10126 TURIN
Tel: 011/63.19.111 - Fax 011/63.19.119

SHARE STRUCTURE:

Santander Consumer Finance S.A. (Grupo Santander) 100%

CORPORATE BODIES AND INDEPENDENT AUDITORS:

Board of Directors

Chairman

*Ettore Gotti Tedeschi

Vice-Chairman

*José Manuel Varela Uña

Directors

Natale Farinetti (as of 12 July 2005)

*Piero Antonio Sergio Rumignani

Paul Adrian Verburgt

*Mauro Viotto

Pedro Guijarro Zubizarreta

*Members of the Executive Committee

Board of Auditors

Chairman

Giorgio Ferrino

Statutory Auditors

Alessandro Braja

Roberto Mignanego

Supplementary Auditors

Marco Bosca

Francesco Maria Spano

Management

Managing Director and General Manager

Mauro Viotto

Vice General Managers

Arturo Cardone

Marco Gariglio

Guido Pelissero

Pietro Vailati (as of 29 March 2005)

Maurizio Valfrè

Independent auditors

Deloitte & Touche S.p.A.



Letter of the chairman

Dear Shareholders,

Italy experienced its most difficult economic framework of the past ten years in 2005. The more evident signs of a revival in other euro zone countries were very weak and uncertain in Italy, further decreasing the confidence of businesses and households. In spite of this situation, Finconsumo Banca succeeded in reaching all of its preplanned goals, proving that it is one of the market's top players. This result was also achieved thanks to close collaboration and integration with the Santander Group, a European leader in the Consumer Lending sector.

Some of the market trends of 2005 are described below:

- the reduction in disposable income and the general climate of uncertainty strongly contributed to curbing household consumption; data provided by Prometeia indicates a loss of 1% in disposable income and a propensity to consume by households that fell approximately 2%;
- despite the difficult economic situation, the banking sector continued to benefit from the Italian financial system's development toward European standards thanks to the presence of competitors, especially in the consumer credit sector, belonging to international groups;
- the consumer credit market, in particular, maintained a very positive uptrend, growing 14% compared to the previous year, favored by the low level of borrowing by Italian households compared to other countries;
- of all of the bank's business segments, the most dynamic were personal loans (+25%) and credit cards (+23%); Finconsumo, with its new sales structure, performed better than the market average, consolidating an increase in personal loans of 66.9% and 120% in the credit cards segment;
- the special-purpose loans sector, which felt the general drop in consumption the most, fell 2% while car loans ended the year up 11%, helped along by the recovery of the car market during the second half of the year. Finconsumo experienced 1% growth in the special-purpose and motorcycle loans segment and benefited from the car market's positive trend, growing 13% and becoming the non-captive company with the highest lending;
- in regards to loan quality, the market began to suffer from the difficult economic situation in spite of the improved selection ability of banks and the moderate interest rates which lowered financing costs for households. In particular, non-performing loans of households more than doubled in June compared to the end of 2004, going from 3.4% in December to 7.5% in June.

Finconsumo Banca's performance during the same 2005 period.

- In an increasingly competitive market constantly evolving in terms of product innovation and operating solutions, the Bank was able to achieve its ambitious goals for growth of market share and distribution across the territory.
- 14 new branches were added to the sales network, which had 52 operating desks at the end of the year;
- disbursements increased 30%, reaching 2.612 billion euro, placing the bank fourth (according to ASSOFIN - Italian Consumer Credit and Real Estate Association) in its market with a market share of 6.23%.

Other facts worth mentioning:

- in July, in support of the bank's strong growth, a 50 million euro increase in share capital was finalized, which reached 72 million euro;
- for greater integration within the Santander Group, Finconsumo's old logo was replaced with the new Santander Consumer Bank logo, whose business name will also soon be assumed;
- in a context of continuous innovation and expansion of the product line, we would like to recall that the "Conto Santander Consumer" savings account was launched in 2005 which, thanks to the "6X6" promotional campaign, collected over 500 million euro in just 4 months;

Outlook for 2006:

- industrial production was up in the first quarter of 2006, especially in the car sector where an 8.6% increase in new registrations was recorded in March. Overall, the expectations for growth in 2006 would be little more than 1%;
- the consumer credit sector maintains strong development potential thanks to increased borrowing in Italy and intense innovation by sector operators; these aspects make it reasonable to think that growth recorded in recent years will continue throughout 2006;



- the interest rate policy adopted by the ECB, which has raised the benchmark rate twice in the last three months, and the confirmed outlook for economic growth in the euro zone, make limiting the cost of funding more crucial, with strong pressure on expected financial margins. With these forecasts and expectations, continuing careful management of general expenses, improvement of loan quality and changing the portfolio mix to the most profitable products, such as personal loans, will become important.

The Chairman
Ettore Gotti Tedeschi



Notice of shareholders' meeting

On 28 April 2006 at 2:00 pm at Finconsumo Banca S.p.A., with registered office in Turin, Via Nizza 262, the first meeting and, if necessary, on 29 April 2006, at the same time and place, the second meeting of the Ordinary Shareholders' Meeting is called to discuss and decide on the following

AGENDA

ORDINARY PART

1. 2005 Board of Directors and Board of Auditors Annual Report;
2. Financial Statements and relative deliberations as of 31 December 2005;
3. Replacement of the Board of Directors and the Board of Auditors.

EXTRAORDINARY PART

1. Changing of the company name to Santander Consumer Bank S.p.A.

To participate in the meeting, the Shareholders must deposit their shares with the cashier of the registered office, or at the Banca Sanpaolo IMI registered office in Turin, at least two days before the meeting.

Turin, 22 March 2006

THE CHAIRMAN
OF THE BOARD OF DIRECTORS



History and shareholders

Finconsumo Banca S.p.A. was founded in November 1988 under the initiative of ten deposit banks in northwestern Italy and their subsidiary Leasimpresa S.p.A. di Torino, with the strategic purpose of ensuring member banks a presence on the consumer credit market through a specialized entity.

Some of the main phases of the company's history:

- in 1993 Istituto Bancario San Paolo di Torino (now San Paolo IMI S.p.A.) acquired 15.8% of the bank's capital;
- in February 1998 said bank reached a 50% stake;
- at the same time, CC-Holding GmbH, the holding company of Gruppo CC-Bank AG, a German bank specialized in consumer credit, fully controlled by the Spanish group Banco Santander Central Hispano, acquired the remaining 50%;
- in 1999 Finconsumo founded Fc Factor srl, specialized in acquiring and managing non-performing loans;
- in 2001 Finconsumo obtained a license to carry out banking activities, modifying its Articles of Association and transforming itself into Finconsumo Banca SpA;
- in September 2003 Banca San Paolo IMI sold 20% of Finconsumo Banca's capital to Santander Consumer Finance S.A. (Grupo Santander), which holds all of the Group's shares in Europe's consumer credit sector;
- at the end of 2003 the 50% share of Finconsumo Banca, until then owned by CC-Holding GmbH, was allocated to Santander Consumer S.A.;
- finally, in January 2004, Banca San Paolo IMI sold the remaining 30% share of Finconsumo Banca still in its possession to Santander Consumer S.A.



Ratings

For the second consecutive year, Moody's Investors Services confirmed Finconsumo Banca's rating as proof that the steady expansion on the market is accompanied by solid economic growth and a stable financial structure.

Finconsumo Banca S.p.A. Ratings

Long-Term Debt Rating	A1
Short-Term Debt Rating	P-1
Financial Strength	C-
Outlook	Stable



Corporate governance



Corporate governance

The Bank is directed by the Board of Directors and, as implemented by that body, by the Executive Committee, as provided for by the statutory and regulatory provisions.

General Management is composed of the Managing Director, who also holds the role of General Manager, and five Vice General Managers.

The Permanent Committees contribute to the activities of the executive bodies with support and advisory functions: the Management Committee, Loan Control Committee, Money Laundering Analysis Committee and Emergency Management Committee, to which the Audit Committee and the Asset and Liability Management Committee were added during the year.

The constant flow of information to and from the administrative bodies provides the members with full knowledge of management. These members have proven experience and actively participate in the scheduled meetings, creating positive continuous interaction with the executive structures while carrying out powers/duties connected with governance, coordination, and supervision.

The powers of the Board of Auditors do not include audits which, in compliance with the company law reform provisions introduced in September 2004, are the responsibility of the auditing company.

The Board of Directors

The Board of Directors, which according to the provisions of Art. 14 of the Articles of Association is composed of a minimum of 5 and a maximum of 13 Directors, is currently made up of 7 members:

- Ettore Gotti Tedeschi (Chairman)
- Josè Manuel Varela Uña (Vice-Chairman)
- Natale Farinetti (Director, in office as of 12 July 2005)
- Piero Antonio Sergio Rumignani (Director)
- Paul Adrian Verburgt (Director)
- Mauro Viotto (Managing Director/General Manager)
- Pedro Guijarro Zubizarreta (Director)

The term of office expires upon approval of the Financial Statements on 31 December 2005 at the Shareholders' Meeting.

Representatives of the SCH Group's top management are part of the Board of Directors. This proves to be extremely effective within the Parent Bank/subsidiary relationship because it shortens the information chain for carrying out strategic tasks and monitoring related to the developed activities.

The Board of Directors, in general, is responsible for directing, coordinating and supervising the group consisting of Finconsumo Banca and Fc Factor. It fully executes the functions pertaining to the group's overall governance, dealing effectively with the problems outlined under its mandate.

With regard to the system of internal audits, in addition to routine activities of direction and supervision, increasingly greater attention is given to the various implementation activities of the procedures aimed at permitting periodic audits of suitability and actual operation.

Special attention is placed on correctly identifying business risks and mindfully managing the latter by intervening on the organizational structures in which critical points of certain processes lie and through the system of tier-one offices.

In carrying out its mandate the Board of Directors deals with and makes decisions concerning vital aspects of the Bank, always keeping in mind the strategic policies and positions of the Santander Group:

- determining short-term and medium-term management options and approving strategic plans as well as company policies (strategic plan, operating plans, projects);

- defining the Bank's propensity toward the various types of risk in relation to expected business returns;
- approving the capital allocation procedures and macro criteria that must be used in implementing investment strategies;
- approving the budget and watching over general performance of management;
- preparing periodic reports on management performance and the annual report with relative suggestions on the distribution of profits for the subsequent Shareholders' Meeting;
- examining and approving operations that have significant importance regarding business, capital, cash flow, and risk;
- reporting to shareholders at meetings;
- approving the organizational structure and relative rules, inquiring into aspects of adequacy in terms of business;
- approving the system of powers of attorney;
- approving the audits plan and examining the results of the most significant actions.

Among the other powers regularly carried out:

- nomination and/or revocation of the members of the various committees as well as the Managing Director/General Manager and the Vice General Managers;
- definition of the operating rules of the mentioned committees;
- examination and approval of the plan for branches and every other peripheral structure.

Board of Directors meetings are usually called at least five days prior to the latter by the Chairman, or Vice-Chairman in the case of the Chairman's impediment or someone else in authority, based on a predefined agenda. It is held according to the frequency provided for in the Articles of Association.

During 2005 the Board met six times with a participation rate of 78%.

Executive Committee

The Executive Committee, formed in accordance with Article No. 21 of the Articles of Association, as decided by the Board on 28 May 2003, consists of 4 members:

- José Manuel Varela Uña (Chairman)
- Ettore Gotti Tedeschi (Vice-Chairman)
- Piero Antonio Sergio Rumignani (member)
- Mauro Viotto (member)

The term of office lasts three years and expires upon approval of the Financial Statements on 31 December 2005 at the Shareholders' Meeting.

The Executive Committee has wide-ranging ordinary and extraordinary management powers, with the exclusion of the following:

- definition of strategic policies of the Group and the Bank;
- granting of surety bonds, endorsements and guaranties in general in the interest of the concerned parties;
- undertaking of decisions falling under the exclusive power of the Board of Directors (nominations of members of management, purchase/sale of real estate, intervening on equity) - in this case the committee can make proposals.

The Executive Committee meets as often as required for managing the delegated powers. During 2005 the committee met six times with a participation rate of 92%.

The Board of Auditors will participate in Executive Committee meetings.

General Management

The goal and powers of the General Management are regulated by the organizational regulations of the company, which give it a fundamental role in managing the group and liaising between the Board of Directors/Executive Committee and the operating functions as well as, finally, between Finconsumo Banca and its subsidiary FC Factor.

This body currently consists of the Managing Director/General Manager, Mauro Viotto, and five Vice General Managers: Arturo Cardone (Debt Collection Department), Marco Gariglio (Planning and Controls Department),



Guido Pelissero (Systems and Organization Department), Pietro Vailati (Sales Department) and Maurizio Valfrè (Administration and Finance Department).

The members of the General Management, which directly safeguard all of the Bank's departments, ensure the translation of the strategic policies into management and operating decisions. The decision-making process develops in relation to the roles and powers attributed to each member of the Management under the constant coordination of the Managing Director/General Manager.

The General Management carries out the following functions:

- interaction with the structures of the Santander Group for preparing the strategic plan to be submitted for examination by the Board of Directors, as well as all important management issues or highly-strategic studies and projects;
- interaction with the structures of Santander Consumer for formulating operating plans subsequently submitted for approval by the competent bodies as well as for comparing performance and problems concerning the various executive activities;
- supervision of the implementation of the global strategies decided on by the Board of Directors, verifying the consistency of the company's actions in terms of investment policies, use of organizational resources and development of personnel;
- identification and definition, within the strategic guidelines set by the Board of Directors, of the actions for repositioning the organizational and governance model as well as the important project initiatives to be submitted for approval by the supervising administrative bodies;
- formulation of preliminary analyses aimed at defining targets for risk management and returns of the various business activities;
- supervision of relations and contact with markets and institutional investors;
- promotion of all initiatives suitable for strengthening company ethics as a fundamental value of the internal and external conduct of the Bank.

In particular the Managing Director/General Manager, who participates in the meetings of the administrative bodies, is responsible, in addition to other tasks, for making credit decisions based on assigned powers, is head of personnel, represents the Bank in legal proceedings and petitions, is the direct contact of the Auditors, the auditing company and the Bank of Italy, prepares routine audits, inquiries, and administrative investigations in observance of the audits plan, or as suggested by the competent department.

Board of Auditors

The Bank's Board of Auditors consists of three Statutory Auditors and two Supplementary Auditors nominated at the Shareholders' Meeting on 29 April 2003:

- Giorgio Ferrino - Chairman
- Alessandro Braja - Statutory Auditor
- Roberto Mignanego - Statutory Auditor
- Marco Bosca - Supplementary Auditor
- Francesco Maria Spano - Supplementary Auditor

The office for auditors lasts three years and expires upon approval of the Financial Statements on 31 December 2005.

The tasks institutionally assigned to the above mentioned body are aimed at monitoring the formal and substantive correctness of the administrative activities as well as being a qualified contact for regulatory authorities and the auditing company. The Board of Auditors' activities are currently carried out through direct audits and by acquiring information from the members of the administrative bodies and representatives of the auditing company.

In particular, the work of that body is directed toward the following macro activities:

- supervising observance of the law and the Articles of Association regarding the principles of correct management;
- verifying the adequacy of the organizational model, placing special attention on the effect of the system of audits and their proper operation;
- examining the most important problems and criticalities emerging from audits, monitoring the interventions created for overcoming them.

The Board of Auditors participates in the meetings of the Board of Directors and those of the Executive Committee. It meets as required for executing its tasks connected with the office and, in any case, at least quarterly as provided for by the regulations.

Permanent Committees

To optimize operation of the Bank through integration and sharing of problems and opportunities, interfunctional structures represented by Permanent Committees that essentially carry out advisory and constructive functions regarding their competencies were formalized with approval of the Regulations decided upon by the Board.

Decision-making powers are, in any case, limited and can originate from provisions contained within the system of powers of attorney or by conferring mandates for specific activities.

Management Committee

The Management Committee is responsible for verifying proper execution of decisions by the administrative bodies as well as their realization within the company in general and in the individual departments. It plays a central role in monitoring the performance of the Bank and its subsidiary and in the sending of information to the management bodies, to improve the integration and coordination of the activities of the various departments.

The Committee also helps the Managing Director in formulating strategic policies and the development plan as well as in making decisions that affect the Bank's economic statement and capital.

The Committee consists of the Managing Director and the five Vice General Managers and usually meets every two weeks.

During 2005, the committee held 21 meetings with an average participation rate of 94%. Third parties within or outside the company who are able to provide adequate and valuable contributions regarding problems participate in meetings upon invitation by the Chairman.

Loan Control Committee

The Loan Control Committee supports the administrative bodies and the Credit Department in effectively monitoring counterparty credit risk and businesses with agreements through predefined tools of intervention.

The body consists of the Managing Director, the Vice General Manager of Planning and Controls and the Bank Service Manager. The Vice General Manager of Sales, the Vice General Manager of Systems and Organization, the Data Processing Manager and the Auditing and Operating Controls Manager usually provide support and advisory functions at meetings.

The committee mainly:

- defines lending policies and value of sector procedures with possible implementation needs;
- continuous monitoring of the Bank's credit risk;
- analysis and evaluation of sales network audit results and monitoring of the execution of any proposed corrective actions.

During 2005, ten meetings were held with an average participation rate of 100%.

Money Laundering Analysis Committee

The Money Laundering Analysis Committee (CAR) represents Finconsumo Group's top corporate body for preventing money laundering.

It consists of the Managing Director/General Manager (as Chairman) and five Vice General Managers, one of which is the UPA Manager (Money Laundering Prevention Department) with the role of Secretary.

The committee meets at least bimonthly and a copy of the minutes is sent to the Central Department for the Prevention of Money Laundering (DCPBC) of the Santander Group, with which the UPA Department is in constant contact regarding operations and information.



This body essentially carries out the following activities:

- defines the policies, general objectives, rules on conduct of the Group's various bodies/subjects regarding the prevention of money laundering, and coordinates them;
- monitors actions, operations, and problems related to money laundering;
- adopts special preventive measures and updates the related internal regulations;
- decides on suspicious transactions that must be communicated to the authorities;
- defines sensitive transactions that must be analyzed and audited.

The committee met four times during 2005 with an attendance rate of 92%.

Emergency Management Committee

This committee's main task is to ensure, under normal or contingent situations, the continuity of service of operations with special reference to the IT system.

The committee consists of the Managing Director/General Manager, the Vice General Manager of Systems and Organization and the IT Systems Department Manager.

It normally meets each quarter and, among other activities, approves the Business Continuity Plan and the periodic audits of its operation.

The committee met four times during 2005 with an attendance rate of 100%.

Asset & Liability Management Committee (ALCO)

The recently formed Asset & Liability Committee provides the General Management with support and advisory functions pertaining to the management of assets.

In particular, it collaborates with the Management in defining acquirable limits of financial risk in terms of operational autonomy, financial instruments, markets and counterparties, and identifies suitable systems and models for estimating risk as well as actions to take to guarantee the best risk/return equilibrium.

The committee consists of the Managing Director/General Manager, the Vice General Manager of Administration and Finance, the Vice General Manager of Planning and Controls, the Risk Planning and Control Manager, the Treasury Manager and the Finance Manager of the Parent Bank.

Audit Committee

The Audit Committee was formed in December 2005. It reports directly to the Board of Directors, ultimately responsible for the internal control system, with the goal of verifying and evaluating the ongoing suitability, efficiency and effectiveness of internal controls as well as analyzing any critical event which is considered significant in terms of economic impact or risk profile.

The Committee will therefore need to adopt any actions required to improve the operation of the overall system. The Managing Director/General Manager, the Vice General Manager of Planning and Controls and the Auditing and Operating Controls Manager are members of the Committee.



Board of directors annual report



Board of directors annual report

The macroeconomic scenario

During 2005, political tensions, the increasing cost of energy and, last but not least, environmental disasters strongly affected the world economic situation. Even though the global economy grew (global GDP +4.3% compared to the previous year), there were very significant differences in development between the various areas of the world.

While on the one hand 2005 was again characterized by the strong expansion of Asian countries, China and India in the lead, the United States' growth rate fell (GDP at 3.5% instead of 4.2% in 2004). Japan's signs of a gradual recovery alternated with periods of zero growth and Europe's much expected economic revival was slow to take shape while necessary structural reforms were not implemented.

Outside the euro zone, however, the economic context was more dynamic. Particularly in Asia, Japan excluded, domestic demand continued to expand and growth continued at very high rates in spite of rising oil prices. The economic outlook, especially for China and India, with 2005 growth rates of 9.9% and 7.5%, respectively, remains very positive within a framework of moderate inflationary pressures. Despite the damage caused by atmospheric factors, steady economic expansion continued in the United States even though slower than the previous year. The greatest contributors to growth were private consumption, business investment and government spending. The Federal Reserve maintained a restrictive monetary policy and in December, for the thirteenth consecutive time, raised the benchmark rate 25 basis points to 4.25%, for a total yearly increase of 200 basis points.

Growth in the euro zone slowed due to a rise in energy prices, with an increase in estimated GDP for 2005 of 1.5%, compared to 2.1% in 2004.

Nevertheless, after the first half of the year in which economic expansion was modest, the second half witnessed a few timid signs of strengthening.

Business confidence, which worsened during the second half of 2004, started to improve again in almost all of the zone's main economies. The growth rate of industrial production in December rose 2.5% compared to the same month in 2004 thanks to the positive trend in global demand, which supported euro zone exports, while household consumption remained moderate with an annual growth of 1%.

The growth rate of investments rose 3.8% thanks to favorable financing terms and the marked increase in company earnings.

Still, uncertainty remains concerning the strength of the recovery, which does not yet appear to be strong and generalized, uncertainties especially related to high and variable oil prices, to fears regarding global imbalances and poor consumer confidence in the euro zone.

In regards to prices, higher oil prices affected the inflation rate even though initial estimates for the month of December showed a slight slowing, recording a rate of 2.3% in the second half of 2005. Nevertheless, the effects of past rises in oil prices should have an effect over the medium term on other components of the basket. Furthermore, the moderate economic improvement could affect the wage formation process with ulterior repercussions on prices.

In regards to monetary issues, the euro zone continues to be characterized by strong liquidity. Loans to the private sector, especially mortgages, rose further in the final months compared to already fast growth rates. In this environment, strong expansion of the currency and credit contribute, over the medium term, to increased risks concerning price stability.

During the year the European Central Bank kept the benchmark rate at 2% until December, when it began a declared period of hikes, with an initial increase of 25 basis points to keep inflation expectations in the euro zone solidly anchored to a level consistent with the stability of prices.

The outlook for growth in the euro zone is related to the observance of the presented programs for stability, the realization of solid fiscal policies and credible, clearly-defined restructuring measures that limit expenditure commitments and, most of all, the adoption of reform programs aimed at growth.

The Italian economy was a different story. It continued to slow down throughout 2005 for the fifth consecutive year, with negative foreign trade added to the weak trend in private consumption.

Industrial production also continued to slow in spite of a brief period of recovery during the summer, which reverted during the following months. Provisional data for the year provided by ISTAT (Italian Statistical Institute) shows that manufacturing did not re-emerge from its long period of stagnation. Confirming the trend that has lasted approximately five years, industrial activity continued to contract in sectors that have been traditionally strong for the Italian economy: those having the most difficulty included electronics, transportation, textile-clothing, furniture and footwear. Orders showed timid signs of recovery during the summer, but did not continue through the second half of the year.

ISTAT data regarding GDP indicates zero growth in 2005, signaling a clear decline compared to 1.1% the previous year. The only sectors that showed a positive trend were the services and construction sectors, +0.7% and +0.6%, respectively.

Consumption grew to 0.3%, 0.1% for household consumption, while fixed investments fell. In particular household consumption, after growing during the first six-month period, related to the increase in demand in durable goods mainly in transportation and household products, declined during the second half of the year. Employment data indicates a drop of 0.4% compared to 2004, especially in agriculture and manufacturing, with only construction and services going against the current trend.

In the banking sector the growth rate trend of total loans to families and non-financial businesses was 8.8% in November, with a clear majority of financing going to businesses rather than households, contrary to the European average. In particular, in November 2005 the share of loans to businesses was 62.2% in Italy, compared to 44.8% in the euro zone.

Sector performance

In spite of the difficult economic situation in which household consumption was generally down again this year, the market trend in consumer credit in 2005 was constantly expanding.

Loans to households continuously increased, mainly sustained by a growing awareness of borrowing opportunities, remaining nonetheless significantly below the average of other EU countries.

The major contributors to the market's growth were financial institutions and specialized banks, rather than generic banks; the sector's increasing specialization is evidenced by the market share managed by specialized operators, 74.7% of total consumer credit.

Analyzing the various sectors, the most dynamic were non-special purpose loans, like personal loans, revolving credit cards and loans secured on one-fifth of the borrower's salary.

As a result of the slowdown in consumption there was a drop in special-purpose loans. The only exceptions in this sector were loans for purchasing new digital technology, which grew over 60% for plasma TVs and 30% for digital cameras.

The car loan sector was strongly affected by the crisis in auto sales, even though it recovered during the second half of the year thanks to the launching of new models and promotional campaigns by manufacturers.

The Italian market ended 2005 with a 1.35% drop in registrations, negatively affected by the standstill in May caused by heavy strikes by transporters.

In spite of the underlying market's decline, loans for car and motorcycle purchases grew 11% compared to the previous year.

Value of lending operations in 2005 (€ mio)

Type of financing	Jan-Dec 2005	Breakdown	Change
- Direct loans	11,238	23.6%	25.1%
- Car and motorcycle	20,185	42.4%	11.3%
- Industrial vehicle	218	0.5%	-17.0%
- Other goods	5,559	11.7%	-2.0%
- Credit cards	7,652	16.1%	23.2%
- "V° stipendio" (loans collateralized by a fifth of the employee's salary)	2,747	5.8%	37.9%
Totale Consumer Credit	47,599	100.0%	13.9%

Source: ASSOFIN Survey 31 Dec 2005



In 2005, the sector's net new business surpassed 47 billion euro, for over 75 million transactions, of which 68.4 million credit card transactions.

Finconsumo Banca's market share, regarding specialized operators assessed by ASSOFIN (Italian Consumer Credit and Real Estate Association) with the exclusion of product sectors in which the Bank does not operate, was 6.23%, growing 29.8% compared to 2004. The Bank is currently fourth for business generated in its sector, up two positions compared to the same period in 2004.

2005 results

To complete the description of information useful for better interpreting the company's management performance, below we show the evolution of the income statement items with the results of securitized portfolios included in the original items (in thousands of euro).

	2005	2004	Change
Interest income	270,692	224,963	+20%
Interest expense	(94,195)	(77,840)	+21%
Interest margin	176,497	147,123	+20%
Commission expense	(68,324)	(52,647)	+30%
Commission income	65,916	43,384	+52%
Contribution margin	174,089	137,860	+26%
Net administrative and personnel expenses	(58,627)	(47,410)	+24%
Adjustments to fixed assets	(7,619)	(6,293)	+21%
Gross business income	107,843	84,157	+28%
Net adjustments to loans	(48,855)	(35,641)	+37%
Income before taxes	58,988	48,516	+22%
Extraordinary expenses	(5,429)	-	-
Income taxes and prepaid taxes	(23,482)	(20,582)	+14%
Net income	30,077	27,934	+8%
Average managed loans	3,172	2,353	+35%

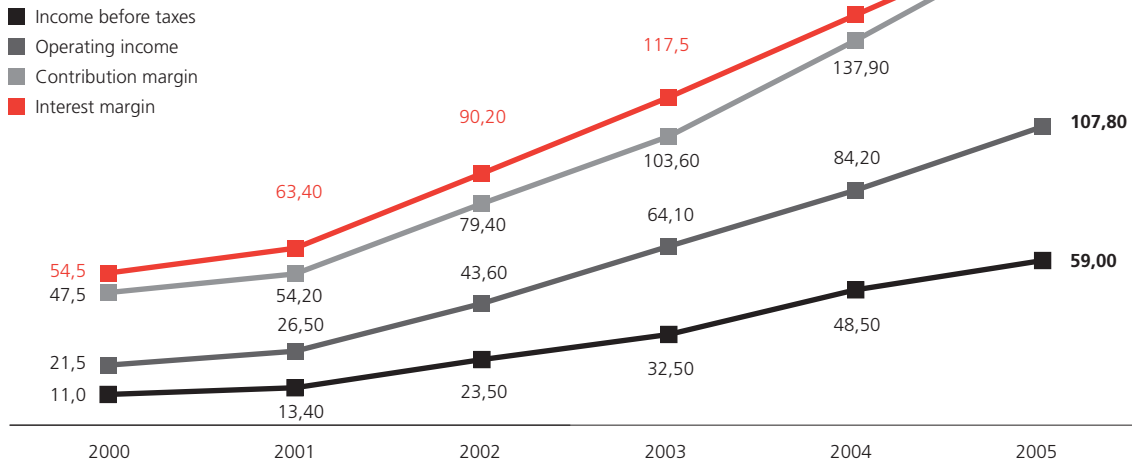
Analyzing the business income statement in detail, where the costs and revenues regarding the securitization of loans are reported in the corresponding original items, the interest margin increased by 20%, corresponding to 5.5% of the average managed loans (6.3% in 2004, demonstrating how strong competition in the consumer credit sector translates into a significant reduction in financial margins).

The result above was achieved thanks to the substantive equilibrium between the growth of interest income on lending operations (+20%, corresponding to 8.5% of loans, down compared to 9.6% in 2004) and the growth of interest expense (+21%, corresponding to 3.0% of loans, again down compared to 3.3% in 2004), which reacted positively to the cautious management policies on interest rate risk even in a bullish market.

The contribution margin (174.1 million euro equal to 5.5% of loans, compared to 5.9% in 2004) marks an increase of 26% compared to 2004 with a significant increase (+52%) in commission income and commissions deriving from the sale of insurance products, which almost reached the absolute value of total commission income. The latter grew 30%, essentially in line with the bank's growth in 2005, in spite of strong competition.

Income margin evolution

€ m



Administrative expenses and personnel costs, together, mark an increase of 24%, which are closely related to the plan for increasing a commercial presence across the territory, and represent 1.9% of loans (slightly lower than the 2.0% in 2004).

As a result, the gross business income grew to 107.8 million euro (+28%), at a level of 3.4% of average loans (3.6% in 2004).

The net adjustments to loans, which includes recorded losses as well as write-downs for credit risks carried out during the financial year, grew by 37% to 48.9 million euro, going on to represent 1.5% of average loans (unchanged from 2004).

The 2005 income before taxes marks a growth of 22% to 59.0 million euro, equal to 1.9% of average loans (2.1% in 2004).

The net business result in 2005, equal to 30.1 million euro, negatively affected by the extraordinary expenses related to the raising of direct deposits via deposit accounts (for which thorough details are provided elsewhere), establishes itself as the Bank's best income performance in its 17 years of business and marks an increase of 2.2 million euro (+8%) compared to 2004. The return on equity (RoE), even though including the effects of the increase in share capital from 22 million euro to 72 million euro, remains at truly interesting levels (25.1% compared to 34.6% of the last financial year).

Finally, the "cost income ratio", calculated as the ratio between the overhead costs and the contribution margin, positioned itself at 33.7%, declining further compared to 34.4% in 2004, confirming the Bank's commitment to achieving maximum operating efficiency.

Capital

The current total capital, as regards Regulatory Rules, amounts to 236.9 million euro as of 31 December 2005 and is:

- € 138.1 million euro in share capital and capital reserves net of intangible fixed assets
- € 100.0 million euro in subordinated liabilities
- € (1.2) million euro shares held in the subsidiary Fc Factor S.r.l.
- € 236.9

The solvency ratio, which is the ratio between regulatory capital and risk weighted assets, at the end of the financial year was equal to 10.2% (5.9% of which only regards Tier I capital), compared to the 7% provided for by current regulations for credit institutions belonging to credit groups.

As of today, all of the subordinated loans granted to the Bank by the shareholders are under Santander Consumer S.A.



Management Strategic guidelines

Finconsumo Banca's strategy is growth aimed at achieving higher critical volume with the goal of further increasing its market share to the detriment of competitors by profiting from economies of scale that gradually become more significant, which will be confirmed and consolidated through stronger momentum and determination.

This decision was also adequately supported by the Santander Group shareholder during 2005. It guaranteed capital and financial strengthening for the immediate future to support strong growth and likewise confirmed its intentions to make other significant investments in future strategic plans, which could also take into consideration external growth.

The Italian consumer credit market still has wide margins for growth, relative portfolio risk and interesting profitability, making it one of the most attractive financial markets in Europe. Nevertheless, new competitors, including Italy's most important banking groups and new foreign operators, make the need to pursue further growth even more crucial and urgent.

At the end of 2005, Assofin ranked Finconsumo Banca fourth in its market, with 31% growth in terms of new business and a market share of 6.23%.

The achieved results fall fully within the strategies for 2004-2006 and are perfectly consistent with the declared general objectives:

- Continued strengthening of the sales network;
- Modification of the portfolio mix, increasing the weight of products with greater profitability, and the possibility of direct and indirect customer retention;
- Sustain and improve the high standard of service for counterparties through the use of more modern and advanced technological instruments;
- Complete the line of products in order to more completely satisfy customer needs (continuously evolving);
- Manage the market through a tight network of sales agreements that considers the large-scale retail channel, as well as national manufacturers, distributors and importers of goods and services, strategic partners in the Bank's growth.

Such strong commercial growth requires continuous management of the relationships with the various distribution channels and the allocation of appropriate resources.

The entire Finconsumo Banca structure is highly involved in this process, aware that the success and achievement of the objectives is also a consequence of continuous adaptation of all of today's Areas/Departments.

On this front, the most significant interventions focus on:

- optimizing management of the business (attentive monitoring of the management of the various expenses and goals for their relative reduction);
- technological innovation, to increase efficiency and the level of service for Dealers and final customers (fax server during data entry, Web applications, outsourced call center);
- the growth of the implicit value of customers by increasing the number of products sold to the same customer (financing, insurance product, deposit, etc.) aimed at the improved and more complete satisfaction of their needs;
- developing and updating business skills in light of continuous regulatory changes, an increasingly competitive market and Santander Group strategies;
- continuously searching for acquisition opportunities, with special attention placed on those operators which, because of standing, loan quality and market share, could be easily integrated into the Bank's current structure and strategy.

The strategic guidelines briefly summarized here are regularly and promptly updated and shared with the direct shareholder Santander Consumer Finance S.A. and Banco Santander, through a steadfast and profitable relationship whose purpose is to integrate and develop, within its various members, the best practices emerging from the Group's various teams.

This relationship's added value is especially demonstrated in those areas of management and monitoring that are common to all of the entities of Santander Consumer, such as:

- Risk management and control;

- Funding techniques and tools;
- Operating procedures;
- New product line implementation;
- Optimization of services provided by third parties.

In 2005 lending volumes grew 30%, reaching 2,612 million euro.

Below are the details of 2005/2004 production by product line, with relative changes:

Value (millions of euro)	2005	2004	change
New car	1,178.5	871.2	35.28%
Used car	258.4	249.4	3.59%
Motorcycle	151.3	130.9	15.6%
Durable goods	315.3	331.1	-4.8%
Personal loans	384.2	230.2	66.9%
Leasing	167.3	125.8	33%
Credit cards	157.5	71.5	120.3%
Total	2,612.4	2,010.0	30%

Number of transactions	2005	2004	change
New car	93,711	74,663	25.51%
Used car	33,210	34,334	-3.27%
Motorcycle	39,103	36,333	7.6%
Durable goods	171,098	227,366	-24.8%
Personal loans	39,202	26,842	46%
Leasing	6,129	4,899	25.1%
Credit cards (no. of transactions)	815,904	527,802	54.6%
Total	1,198,357	932,239	28.6%

The excellent results were due to the significant expansion of the distribution network as well as the increasingly differentiated and complete sales offer. Growth was particularly high in the credit card sector, with an increase of over 120%, the personal loans sector, up 67%, and the car loans sector, which clearly performed above its market reference.

The special-purpose loans sector was affected by the negative trend in consumption and, in particular, by the difficulties experienced within the large-scale retail chain.

The increase in business, compared to the previous year, remained the same in terms of lending operations (+30%) and the number of transactions (+29%).

Again in 2005, the main objectives contained in the 2004-2006 three-year industrial plan were achieved: 14 new branches were added to the sales structure and, thanks to a growth in business of 30%, the bank moved up 2 positions in the ranking compared to the end of last year, placing fourth in its market.

The strong growth was not, however, to the detriment of loan quality and the level of losses and, in general, risk remained within the envisaged limits.

Car loans achieved excellent results thanks, most of all, to important nationwide agreements that contributed to growth of 28% compared to 2004, in spite of the general difficulties of the Italian car market.

The company consolidated its leadership in this sector as the first non-captive company on the Italian market. Within a context of generalized growth, in addition to the car product, the best results came from credit cards and direct loans, where budget forecasts were reached and surpassed. In regards to the excellent credit card results, the company began to profitably issue revolving cards through a series of agreements with leading insurance companies.

Personal loans grew 67% compared to the previous year, with over 384 million euro disbursed thanks to important investments in the sales network and constant financial innovation.

Ambitious goals for growth were set for 2006, especially in the special-purpose and motorcycle loans sector. In addition to the renewal of important and consolidated partnerships, an important agreement in the HiFi sector will become operative in April involving approximately 300 medium-large sales outlets throughout Italy. In the car segment, a three-year collaboration with Yamaha is being finalized, which will give a strong boost to



Finconsumo Banca's role in the motorcycle loans sector, together with the existing consolidated agreements with Harley Davidson, Triumph and Aprilia.

2005 was important for the launching of initial product marketing campaigns, the introduction of a new sales planning tool and for the development of new financial products and insurance services.

An important computerization process for accessing and using sales data led to the introduction of SFA (Sales Force Automation) across the entire sales network.

SFA monitors sales activities, contains all of the data necessary for their planning and verification, and is a tool for managing sales force business.

It is also a tool for supplying aggregate and disaggregate data on sales by branch and geographical area for each Regional Manager and the entire company.

Marketing investments continued with the launching of the first two product campaigns: ZeroUno and Rata Light, both having special personal loan formulas using flexible tables with variable installments and rates. To consolidate the bank's position as a reliable, sound and flexible reference, strong messages focused on its ability to offer extremely adaptable products in response to the obvious needs for customization and flexibility expressed by the market.

Thanks to the use of widely circulated means of advertising (news and sports dailies, family-related magazines), the call center received approximately 18,000 calls and set up approximately 8,000 appointments at the network's branches.

In support of off-line marketing activities, weekly management of direct marketing activities continued with over 5 million mailings offering personal loans to the portfolio of customers primarily acquired from the indirect channel. Redemption was good, especially concerning active customers (with open accounts) who are offered a Top Up solution.

The use of Internet for remote sales of financial products confirms a quickly growing trend thanks to its increasing dissemination, the easiness of requesting financing and relative quick response. At the end of the year, online business represented approximately 9% of total personal loans granted.

Newly opened branches continued to be equipped with common marketing elements including illuminated signs outside and promotional material inside such as posters, brochures, etc.

The second annual Dealer Meeting took place in Athens during May, as usual a success among the numerous business partners that participated.

Sales of insurance services linked with lending were good for consolidated products such as Credit Protection Insurance (CPI) and those recently introduced and marketed like the "Furto-Incendio" and All-In-One insurance.

Nationwide agreements and credit card department

During 2005 the business development of credit cards was transferred to the Nationwide Agreements Department, which therefore changed its name to Nationwide Agreements and Credit Card Department. The structure was improved in terms of resources and its organization was reviewed in order to optimize the activities and increase the number of new agreements. In particular, new sales figures (Account) were introduced in Central and Southern Italy and improved training and support for branches continued nationally.

The business of nationwide agreements grew throughout the year by approximately 128% compared to the previous year.

This increase is essentially attributed to the strong impact of new agreements in the car sector, the excellent results in the furniture sector and the signing of sales agreements with leading insurance companies for credit cards.

The car product had very satisfactory growth (approximately 275 million euro), in spite of agreements being signed the same year.

2005 was characterized by excellent performance in the furniture sector (+63.50%), especially due to the growth of existing agreements and strong focus on this product in collaboration with the branches.

In spite of the excellent performance of certain agreements, the motorcycle sector's overall growth (+7.50%) did not reach expectations.

Finally, the back-office was reorganized throughout the year to guarantee greater efficiency, better service, and higher product specialization of Account figures.

Direct loans department

During 2005, personal loan business increased 66.86%, going from 230 million euro to 384 million euro. Despite this remarkable growth, product profitability remained more than satisfactory, especially when considering the aggressive rates offered to final customers (particularly when related to special marketing campaigns).

The result of the Multimedia Branch through the Web channel, the Internet site www.santanderconsumer.it, and through collaboration with the "Credito on line" site was particularly impressive.

This shows how the Internet, with the right approach, still holds undiscovered potential.

The Direct Channel's positive result is surely attributable to increasingly reliable customer service, well-structured marketing campaigns and more attentive direct marketing strategies.

During the year the department worked on a large number of projects:

- to increase operating efficiency, two new supervisors were introduced for more careful management of the network, bringing the number of territorial areas from 4 to 6;
- branches resembling financial stores continued to be opened, with resources dedicated to personal loans;
- continuous improvements were made to the online agenda for managing branch appointments to make it more efficient and complete;
- an application for managing branch telemarketing was implemented on the company Intranet for monitoring this activity's actual effectiveness.

Network training continued with a program of special courses on sales techniques and direct customer management; this type of training was accompanied by the usual sessions on loan criteria and internal procedures.

2005 was an excellent year for the sale of additional personal loan products with Credit Life making up 91.74% of lending products and All-In-One product penetration of another 86.15%.

Banking products

The opening of current accounts for businesses with agreements as a preferred settlement instrument for directed flow of operations and short-term management of cash continued. These accounts are also supported by Stock Financing operations, introduced during the second half of 2004 and further developed in terms of marketing and management throughout 2005, which offers financing of stock (new cars and motorcycles) for our top businesses with agreements, to support and integrate Finconsumo Banca's core business.

As of 31 December 2005, there were 49 active positions: lines of credit reached a total of 12.7 million euro with an average use of approximately 4.8 million euro.

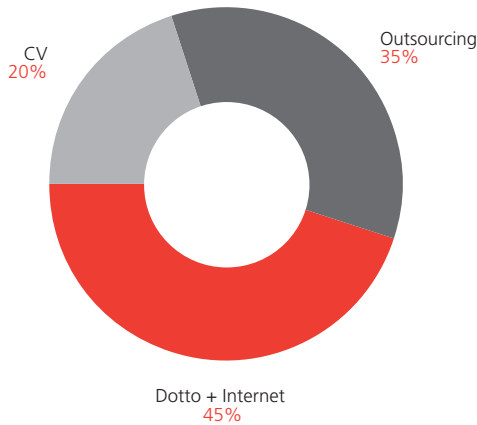
During 2005, as part of a European project promoted by the Parent Bank, a high-yield deposit account with zero management fees called "Conto Santander Consumer" was developed and launched on the Italian market.



The account was a great success with the public, thanks to the “6x6” promotional campaign launched during the summer: a 6% return before taxes was guaranteed on balances for the first 6 months. Remarkable results, much higher than the most optimistic expectations, were achieved in just a few months: as of December 31, open accounts totaled approximately 11,700 with deposits of 522 million euro.

With regard to more traditional business, the Banking Products Department is responsible for examining and approving contracts that have the highest levels of exposure; approximately 10,300 contracts were processed during 2005.

Processing department



Processing department

The Processing Department handled 325,000 contracts through the computer system (“Dotto” + Internet), outsourcing and quick-loading data entry (Caricamento Veloce - CV).

The bank’s project that began last year for outsourcing data entry of consumer credit contracts was completed in October 2005, reducing permanent staff, making the structure more flexible and raising the average skills required from employees.

This reorganization also led to the creation of a department for managing Kia Motors and Smart nationwide agreements.

Contracts without automatic results continue to be examined and evaluated internally.

All data entry personnel were united under a single department to improve efficiency, making the platform for evaluating personal loans and the multimedia platform part of the Processing Department.

Financial management

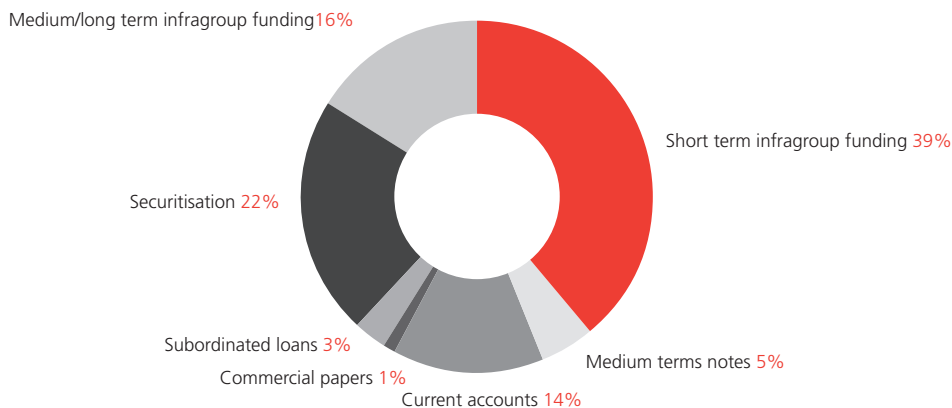
Financial market rates began to be raised in June, anticipating the ECB’s initial increase of the benchmark rate in December.

In this more problematic situation, financial management within the bank becomes particularly important. To optimize results, the Santander Group strengthened its position as majority shareholder.

At the end of the year, the Bank’s total outstanding debt, direct and indirect (securitization), reached 3,742 million euro, up 31.44% compared to 2,847 million euro as of December 2004.

Debt broken down by funding source at year’s end:

Funding



Short-term financing, representing approximately 40% of total debt at the end of the year, mainly includes funds (at market rates) from the reference shareholder.

Direct funding from customers increased considerably, reaching 14% of total debt, following the "6x6" promotional campaign of "Conto Santander Consumer", for which details are offered elsewhere in this report.

In the medium- and long-term segment, other subordinated "Upper Tier II" and "Lower Tier II" loans were placed with the shareholder, growing from 41.6 million euro at the end of 2004 to 100 million euro. These loans fulfill the requirements of the Regulatory Rules for computing the Bank's Regulatory Capital.

As part of the Securitization Program launched in 2003, to optimize regulatory capital, a third transfer of 700 million euro in loans to the special purpose vehicle Golden Bar was finalized in November with the help of Santander de Titulacion as Sole Arranger. To take advantage of improved market conditions, securities were issued and placed on the market with the support of Merrill Lynch in February 2006.

Security	Notional amount	Rating (S&P and Moody's)	Coupon
Class A	658,000,000	AAA/Aaa	EURIBOR 3 months + 13 bps
Class B	28,000,000	A/A2	EURIBOR 3 months + 28 bps
Class C	10,500,000	BBB/ Baa2	EURIBOR 3 months + 53 bps
Class D	3,500,000	Not rated	

In January 2005, the redemption of securities (242 million euro throughout the year) issued during the first securitization transaction (Golden Bar I) began in 2000 and will be concluded in 2006.

Management policies on financial risks

In compliance with the provisions of Article 7, paragraph 1, of Legislative Decree No. 394 of 30 December 2003, the Bank has always adopted a prudent approach to rate risk for a portfolio of fixed-rate loans with approximate durations of 18 months and funding with variable or fixed rate contracts with shorter durations.

With regard to the Group's macro strategies and well-defined formalized limits for exposure to risk, the Bank used and uses financial instruments (mainly Interest Rate Swap contracts) finalized with leading banks as tools for managing mismatch.

The Bank "synthetically" increases the contractual duration of certain portfolios of funds by means of swap contracts that generally last between two to four years and use the 3-month EURIBOR variable rate as a reference.

Precise limits for exposure to rate risk (measured in terms of effects on the portfolio's Net Present Value and the interest margin, from a hypothetical move of 100 basis points of market rate curves), liquidity risk and counterparty credit risk, the latter limited to operations in financial instruments (derivatives), are defined in collaboration with the Group.

To share responsibilities, the monitoring of exposure to rate, liquidity and counterparty risk is entrusted to an autonomous department (Risk Planning and Control) rather than the Treasury Department, which is instead responsible for financial management of operations.

Detailed evidence of exposure to financial risks is prepared twice a month and periodically submitted to the Board of Directors or the Executive Committee. The Bank's financial policies are discussed with the Asset & Liability Committee (ALCO), whose operation is explained elsewhere in this report.

Credit approach

With regards to credit risk, the automated decision-making process supporting the constant selective power of the internal rating system during evaluation of loan requests was continuously maintained and improved. Management of the credit card segment's operating process was planned and improved and special decision support systems are now being constructed for this business segment.

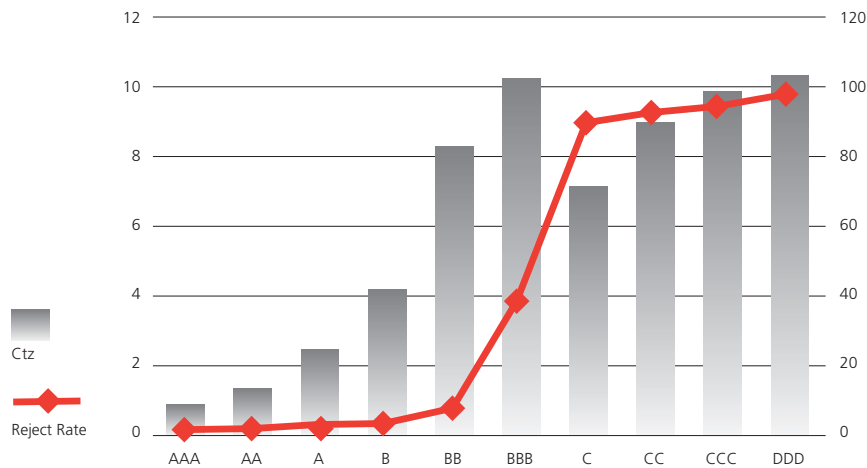
In regards to behavior, the system of evolution of the existing portfolio's behavioral management (called "Stratagem V2") was begun. At the same time, new scoring grids were activated for determining pre and post default PD and LGD for accounts and customers.

During the year intense fraud (suffered and averted) control and cataloging took place, culminating in the creation of a special database which, during the coming year, will permit analyses of the phenomenon and the development of statistical prevention systems. This work was used and developed by a team of associations



(Assofin - Italian Consumer Credit and Real Estate Association and ABI - Italian Bankers' Association) collaborating with MEF-UCAMP (Italian Ministry of Economy and Finance - Anti-Counterfeiting Office) to institute a system for controlling and preventing consumer credit fraud in Italy.

Performances ("ctz) and denials (reject rate) by rating segments

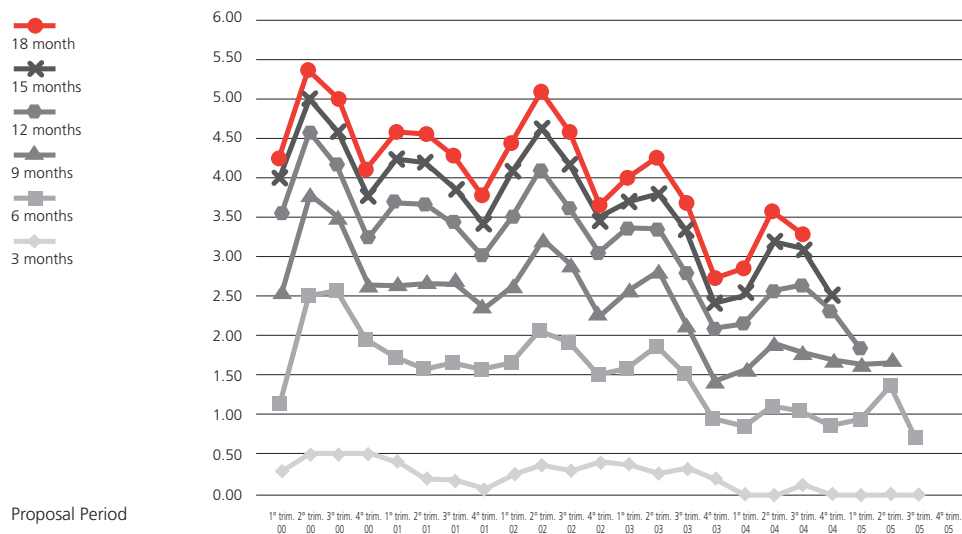


The graph shows the trend of denials (Reject rate) and performances (Ctz) in relation to the various rating segments. Notice how the reject rate is closely related to the risk of segments with a clear difference between the segments above the cutoff (AAA - BB) and those below the cutoff (BBB - DDD). The performances also highlight a quite linear trend in relation to the segments (cf. AAA to BBB histograms); the trend of the bars of segments C to DDD are influenced by exceptional treatment in terms of approval which, notwithstanding, maintain a significant level of risk. Finally, it should be noted that the performances indicator shows the maximum historic peak of 3 unpaid installments, regardless of the result of collection activities.

Quality of the portfolio

The graph below shows an essential equalizing of the bad rate lines; a bearish trend can also be noted during this medium term.

2000 - 2005 production quarters "bad rate" trend



The graph begins in 2000 to emphasize the stable and cyclic nature of the results over the medium- and long-term (graphically shown by the repeated "waves"), obtained through the introduction of the "NBSM" operating platform and from evaluation systems based on statistics (credit scoring).

Considering the bank's general framework, characterized by particularly significant growth over the last three years, the data is clearly positive. Nonetheless, the short-term phenomenon must not be ignored which, because the average 6-month due date coincides with the 2nd 2005 production quarter, begins to invert compared to the bearish trend of 2004.

In-depth analysis shows that the bad rate moves toward more consolidated due dates even if the long-term trend signals a continuous and constant level of decisively moderate credit risk.

Risk management

Efficient monitoring and controlling of risks remains one of the Bank's fundamental principles: in reference to IAS/IFRS accounting principles and those established by the Basel Committee (BII), Finconsumo Banca further developed risk management and control tools during 2005.

With regard to analysis techniques for credit risk/provisions (LLR - Loan Loss Reserves), tools were adapted according to the regulations and relative interpretations while keeping in mind the decisions and activities actually underway within the financial system. The LLR model was implemented to keep in mind two new concepts introduced by IAS principles: impairment (amount for which an asset's book value is above the net assets value) and incurred loss (only the loss incurred or actually quantifiable following an event of credit deterioration is considered).

As part of the "Basel II Project", the Parent Bank communicated the following instructions: the standard approach represents the initial regulatory scheme that must be adopted as defined by the Parent Bank. A profitable collaboration has been established with the Santander Group - Madrid contacts concerning the project on operating risks.

Cash flow hedging is being adopted for interest rate risk and relative compliance with IAS 39: this operational decision and relative efficiency verification permit adequate and linear management. From an accounting point of view, the relationship between the Interest Rate Swap and the variable rate liabilities, whose flow was stabilized by the hedge, can be defined. The internal tools for monitoring this risk had already been adapted to carry out the mentioned efficiency test.

The Planning and Management Control Department coordinated the ITACA Project during the year, now being implemented throughout the Group. This project's goal is the preparation of a series of reports on the bank's most significant indicators providing an overview of the most important aspects of business, capital, cash flow and operations. The reports are centrally managed by the Parent Bank and are made official on the M.I.S. Intranet site (Management Information System).

Call center

Various projects of absolute importance involved the Call Center during the year.

Outsourcing of the Call Center, begun in 2004, was consolidated with the outsourcing of After Sale Leasing and Pre Sale activities of Personal Loans (those related to mailings and deriving from press campaigns).

New channels were activated in the Contact Center; in particular, some customer calls were replaced with SMS messages. This choice was determined by the competitive cost and the level of customer approval.

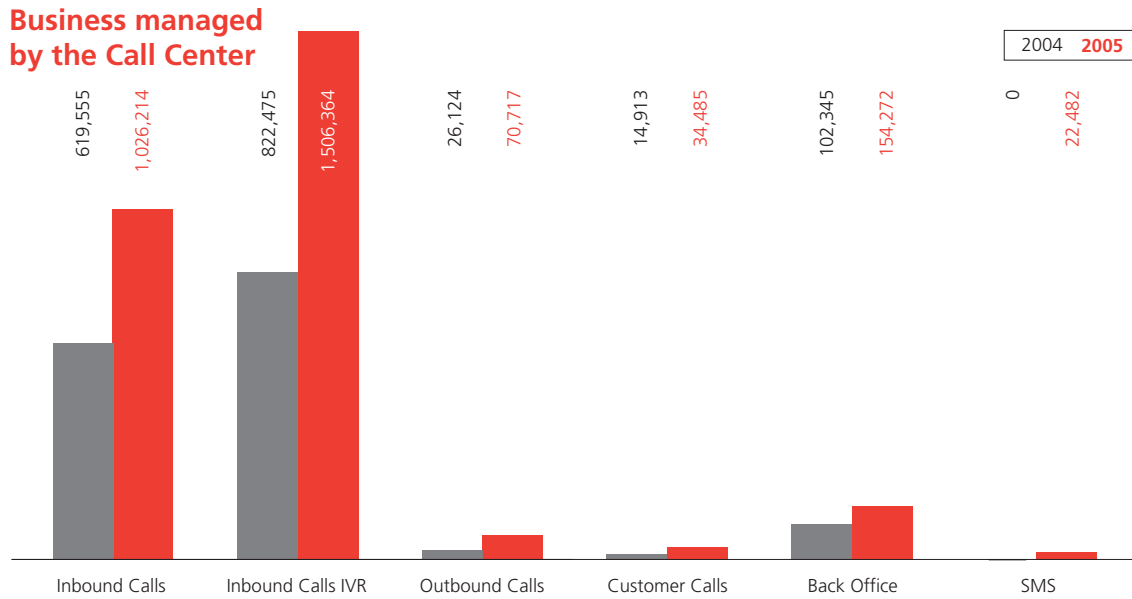
The Nationwide Agreements Department launched a service for the new AXA Assicurazioni and Generali Assicurazioni agreements.

To continuously improve the level of service through constant technological innovation, VOIP (Voice Over Internet Protocol) was introduced in the Contact Center for monitoring the volume of inbound calls and the level of real-time service and, therefore, to monitor the operators of the outsourcers as if they were Finconsumo Banca operators in all respects.

Customer Service business increased 76% and outsourced in-bound calls went from 60% in 2004 to 85%, without negative repercussions on the level of service, stabilizing at 93%.



The graph below compares 2005/2004 business managed by the Call Center.



In 2005, the level of service, understood as average response time to calls, improved; the 2006 goal also aims to improve the quality of customer relations.

2006 projects include a Web site for outsourcers for continuous updates on Customer Service products and procedures. The site will contain e-learning sections, post-training feedback questionnaires, document galleries and a mailing list for distributing updates as well as a section so that operators can request additional information.

IT systems

In addition to the continuous commitment to maintaining the systems and supporting other company departments, IT Systems developed numerous projects with the dual objective of streamlining internal procedures and offering improved products and services to the Bank's business partners and customers.

Among these is the Multiconto Project, launched at the end of the year, for providing the credit card product with all of the consumer credit functions and flexibility and the development of a new negative rate product, which will be launched soon with a new campaign.

Furthermore, throughout the year the variable installment "Flex" product, the insurance recall offering customers the possibility of signing up for insurance services even after taking out a loan and the Super Conto Santander fixed rate deposit account with zero fees were designed and introduced.

To make managing the various products easier and more efficient, consumer credit, leasing and credit card data entry forms were standardized.

Technological improvements include the transition from traditional telephone and data network systems to VOIP (Voice Over Internet Protocol), which reduced costs and increased and improved the level of service.

Legal department

During the year the Legal Department focused special attention on the following aspects:

- **Privacy:** The Bank adjusted its contracts and procedures according to the "Personal Data Protection Code", issued by the privacy guarantor on 1 January 2005, which introduced some important changes for consumer credit activities.
In particular, it clarified what data can be legally collected, how long it can be held and how news on loans, financing, installment purchases of consumer goods and credit card requests for consumers and businesses can be legally communicated.
- **Money laundering prevention:** the Bank implemented the new directives of the Italian Exchange Office and the Shareholder; in particular, the company's Money Laundering Prevention Manual and the Money

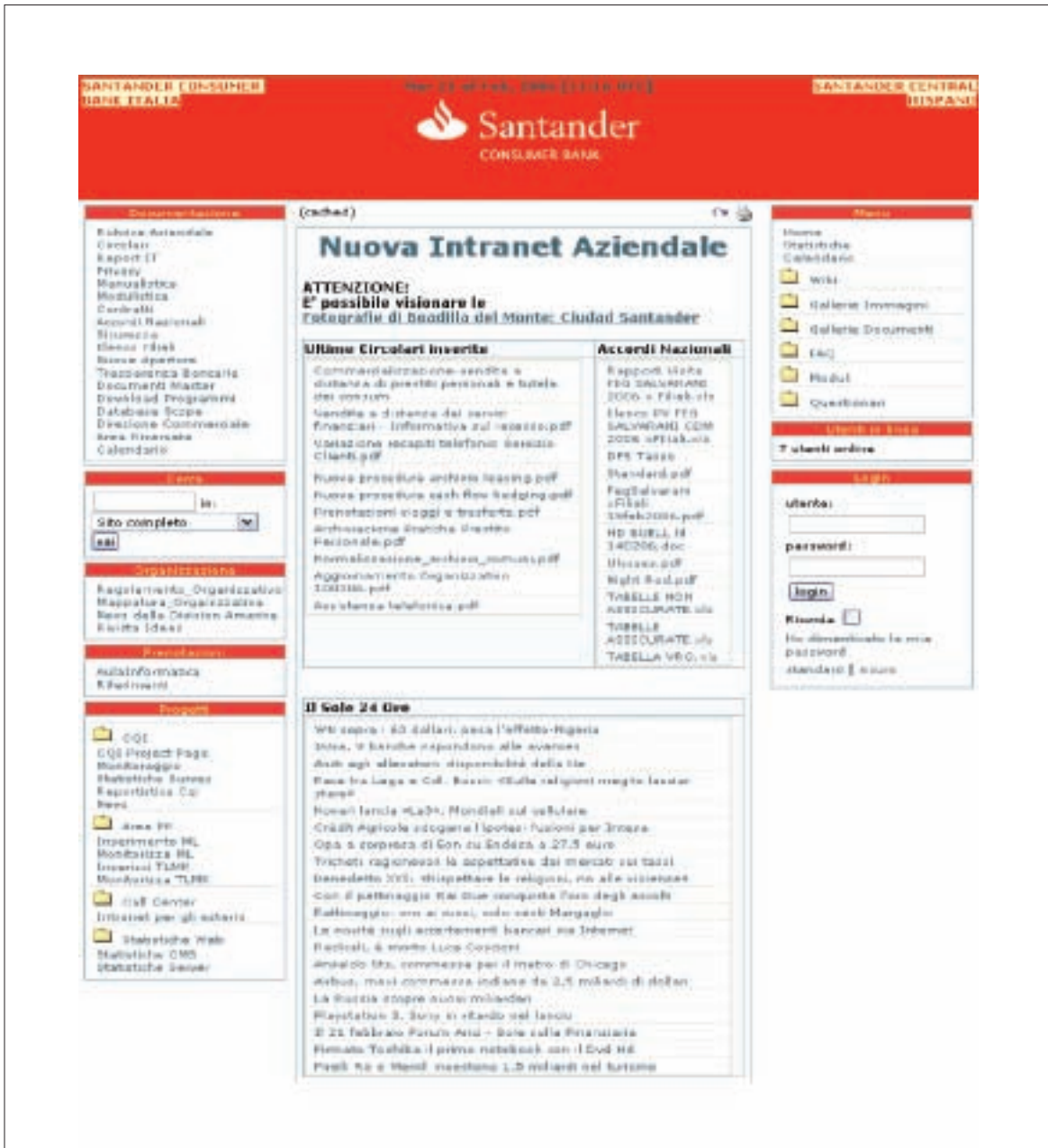
Laundering Prevention Department increased the frequency of controls on all of the products offered by the Bank and to the customers of the Fc Factor S.r.l. subsidiary sold by third-party companies.

Organization

The Organization Department was involved in optimizing outsourced processes and creating services connected to them, aimed at improving their efficiency and effectiveness.

In collaboration with the involved company departments, it developed and launched certain projects strategically important to the objectives set by the shareholder, including the Conto Deposito Santander and monitoring of the quality of data during data entry of contracts.

The graphics and especially the content of the Intranet site, entirely managed by the Department, were updated. The radical update had the goal of continuing to supply all internal information useful for carrying out each activity as well as to enhance it with a daily overview of the main news from abroad, with updates by the leading Italian business newspaper, "Il Sole 24 Ore".



"Information and service pages" were also implemented with user access control for managing and monitoring



certain sales and management activities (Sales Department, Nationwide Agreements, Scope database, etc.), as well as supporting outsourcers (Finco Help and Uc Sede).

The Department coordinated the organizational changes during the year, informing all employees through the publication of the Organizational Regulations and updating of the organizational mapping.

Finally, it continued updating the image with the restructuring and opening of new offices all over Italy, according to the authorizations received by the Regulatory Authorities, encouraging strong growth of overall sales.

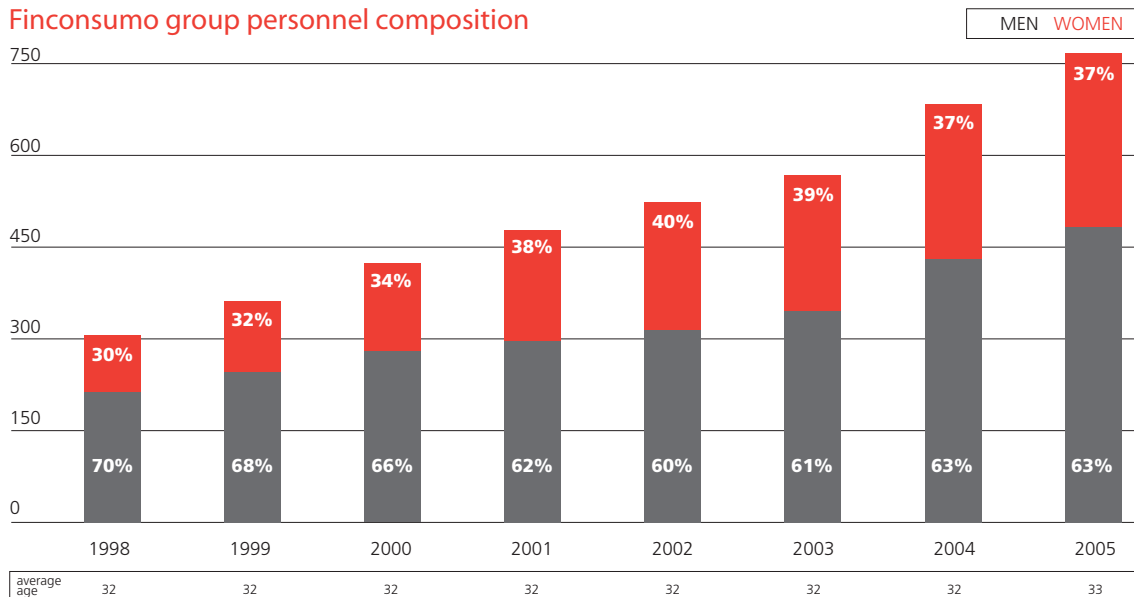
Human resources

Hiring during the year brought the Bank's total personnel to 670 employees, of which 11 directors, 126 managers and 533 staff members, for a total increase of 15% compared to 2004. Staff member contracts include 13 training contracts and 86 integration contracts. Furthermore, at the end of the financial year there were 12 temporary employment contracts and 5 personnel were carrying out post-graduate internships.

61% of employees worked in the Sales Department and the rest in the various General Management departments.

Compared to 2004, the average age was 33 years (32 years was the average in 2004) and female personnel represented 37% (the same as in 2004) of the total workforce.

Finconsumo group personnel composition



The total cost of personnel was equal to 30.8 million euro, with an average cost per employee of 48.4 thousand euro compared to 48 thousand of the previous financial year.

Training activities continued intensely for a total of 22,235 hours, of which 3,500 were online. Distance learning allowed for the development of new content for courses on privacy, money laundering and workplace safety.

Collaboration with leading Italian universities continued with excellent results, with 30 recent graduates carrying out internships within the company, the majority of whom were then hired by the Bank.

As in previous financial years, all of the results were obtained thanks to the receptiveness, professional maturity and dedication of all Group personnel, who must be sincerely thanked.

Recovery department

The Bank's growth in business produced the physiological rising of the number of recovery actions, which were handled by the Recovery Department thanks to improvements and repositioning of the structure during the last financial year.

The number of contracts under management increased in line with the loans portfolio, as did the structure's stock at the end of each month.

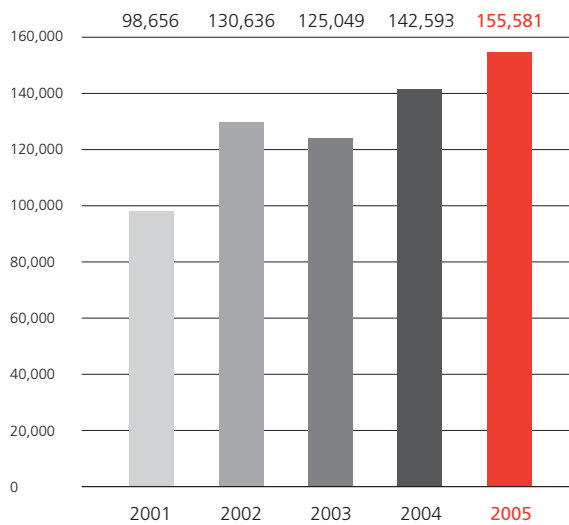
The achieved results are consistent with the Bank's program for growth; the validity of the reorganization, started in 2003, for creating a flexible and consolidated structure, able to manage customer problems under litigation with a special customized approach, was proven.

Relationships with customers focus on "problem solving" with the main goal of maintaining a good relationship with the customer.

The partners who are responsible for the Recovery Department's various outsourced activities are increasingly more integrated in our processes and operational logic; their level of quality also improved thanks to effective coordination by personnel responsible for their management.

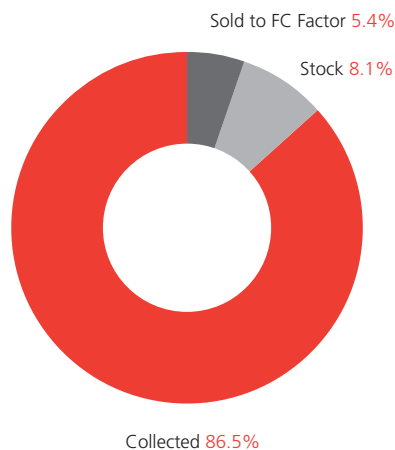
The number of contracts under legal dispute increased; worth noting, the number of leasing contracts, which have a higher average unit risk, decreased.

Phone collection



155,581 contracts were part of recovery procedures (phone collection) in 2005, an increase of 9.11% compared to the previous year.

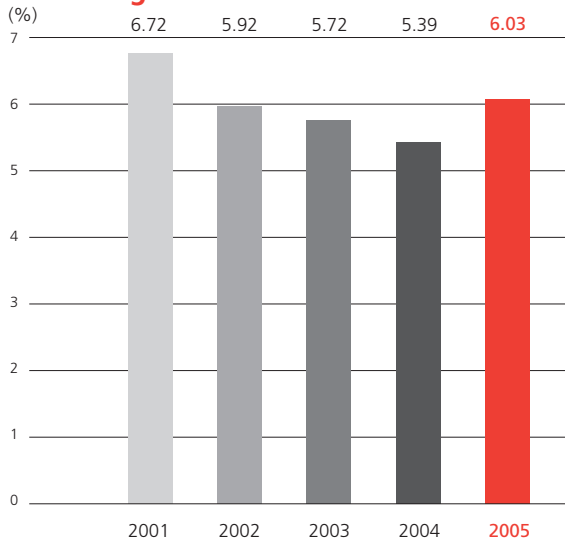
Stock



The success of interventions on stocks at the beginning of each month and new stock was 89.9%. As shown in the graph below, in terms of value, collection was successful for 86.5% of the contracts managed during 2005, for which there is a residual stock being managed of 8.1% as of 31 December 2005.



Nominal value of sold contract on managed cash balance ratio



The total loans transferred to the subsidiary Fc Factor S.r.l. corresponds to 5.4% of the managed risk. During the financial year, the percentage ratio between the value of contracts unsuccessfully collected and the value of those involved in the recovery procedure was 6.03%.

Staff remained unchanged, with an internal recovery structure of personnel specialized according to product and managed risk.

The technologies and computerized procedures are continuously being developed to improve the cost-benefit ratio of the actions carried out, aimed at increasingly profitable contact with customers through proper communication.

FC Factor S.r.l.

During its sixth financial year, the company finalized the non-recourse purchase of a total of 19,509 non-performing loans with a nominal value of 64.616 million euro in addition to interest on arrears of 1.918 million euro, against a payment of 14.426 million euro.

The proceeds resulting from management of the acquired loans total 11.810 million euro.

The income from 2005 operations regards 7.035 million euro of capital gains on the purchased portfolio, 0.849 million euro of interest on arrears charged to the transferred customers and paid by them during the year and, finally, 0.293 million euro of debt collection penalties and expenses collected during the financial year.

The management costs of the business total 4.354 million euro. Net losses on loans were equal to 0.081 million euro and adjustments on loans total 3.151 million euro.

The operating costs/proceeds ratio is equal to 36.9%, (against 34.33% of the previous financial year).

During the financial year which just ended, the most important business partners with which the company worked were the Parent Bank Finconsumo Banca S.p.A. together with Golden Bar Securitisation S.r.l., the special purpose vehicle used by the parent company itself for the securitization transactions finalized according to law 130/99.

Some norms and regulations were enacted that could affect, in a significant manner, the market scenario in which the company does business. Banks will need to transfer their portfolios with collection problems in an increasingly structured and systematic way, since they do not always have internal organizations suitable for the volume and complexity of management.

Throughout 2005, the company's business development continued in the non-recourse factoring sector of problem and non-performing loans through the purchase of important portfolios belonging to the financial and banking sector.

This permitted the acquisition of 5,406 loans, equal to a loan capital of 17.054 million euro, during the year.

As of 31 December 2005, total residual loans amounted to 135.292 million euro for a residual purchase cost recorded in the financial statements equal to 26.853 million euro.

As of 31 December 2005, the permanent staff totaled 29 (6 Managers and 23 staff members) as well as one employee of the parent company's legal department.

The 2005 financial year ended with a profit of 14,112 euro after recording net losses on loans equal to 80,767 euro and adjustments on loans of 3,151,412 euro, and net of 329,122 euro in income taxes.

Adoption of international financial reporting standards (IFRS)

As envisaged by the European Parliament and the European Council in regulation No. 1606/2002/CE of 19 July 2002, the 2005 financial statements of all companies listed in markets regulated by the European Union, as well as banks, companies issuing listed financial instruments, companies with financial instruments circulating among the public, supervised financial institutions and listed and unlisted insurance companies must be drawn up according to International Financial Reporting Standards (IFRS). The same subjects can draw up individual 2005 financial statements using the new principles, which will become obligatory for 2006 financial statements.

Finconsumo Banca SpA, as part of a listed banking group (Santander Central Hispano Group), began contributing its data for drawing up the Parent Bank's financial statements according to the new accounting principles already in 2005 and will adopt the new principles for its own individual financial statements starting in 2006.

Fiscal disputes

Below is an account of the fiscal audits by the Revenue Office - Regional Administrative Department of Piedmont (Agenzia delle Entrate - Direzione Regionale del Piemonte) for the period of December 2003 - March 2004.

On 19 January 2005, "tax assessment settlement" petitions were lodged according to Article 6, paragraph 2 of Legislative Decree No. 218/1997, following the debt notification letter (1999) and the report on findings (2000, 2001 and 2002).

On 15 April 2005, the Regional Director of the Revenue Office conveyed that the tax authorities did not intend to agree to the "tax assessment settlement" petition formulated by the Bank; on April 19, we therefore proceeded by formally closing the unsuccessful "tax assessment settlement" procedure.

On 22 April 2005, according to the terms envisaged by current regulations, a formal petition was filed for opening a fiscal case concerning the debt notification letter of fiscal year 1999. On November 24, the hearing of the proceedings of first instance was held before the Provincial Tax Court, whose ruling was made public on 22 December 2005.

The ruling was totally in favor of Finconsumo as the Court:

1. recognized the plea of nullity of the notification as well-founded concerning the re-examination for the purposes of taxation of the losses on loans, since the disputed notification was issued in violation of the provisions stated in Article 37 bis of Presidential Decree No. 600/73; the other preliminary plea regarding the partial illegitimacy of the debt notification letter because of radical invalidity of grounds and the objection to the alleged non-deductibility of losses according to Article 66, paragraph 3 of Presidential Decree No. 917/86 were declared covered by the recognition of the notification's nullity;
2. concerning the observation of the omitted regularization of purchases (Article 6, paragraph 8 of Legislative Decree No. 471/97), even though in the belief that the June 2003 ruling of the EU Court of Justice leaves no doubt concerning payments subject to VAT (understood as the difference between the nominal value of the transferred loan and amount due for the transfer), the Court held that fair grounds exist for application of the case for unpunishability as stated in Article 6, paragraph 2 of Legislative Decree No. 472/97, which provides unpunishability when the violation is caused by objective conditions of uncertainty on the scope and extent of a norm's application;
3. with reference to the re-examination for taxation purposes of the accelerated depreciations, the Court agrees with the objection raised concerning the improbability of the statements of the inspectors on the functional autonomy of the equipment for which the costs object of the accelerated depreciation were sustained;
4. with regards to services rendered for issuing credit/loyalty cards that were not subjected to VAT, the Court deems the grounds raised by Finconsumo valid, as they are services attributable to the objective scope of



financial operations ex Article 10, paragraph 1 of Presidential Decree No. 633/72 and as such are exempt from tax.

Nevertheless, on 22 December 2005 the Bank was served a request for payment (for a total of 2,423,019.74 euro) of IRPEG (corporate income tax), IRAP (regional income tax) and VAT for 1999 as stated in the debt notification letter of 24 November 2004, annulled by the ruling amply referred to above.

On 9 January 2006, a petition was filed for canceling the docket attributed to the request for payment and consequent tax reduction. Notification of the disposition of the tax reduction was received by the Bank on 20 March 2006.

At the same time, on 16 December 2005, the Bank was served:

- a debt notification letter for the audit in 2000, with a request for 4.8 million euro in tax, 0.8 million euro in interest and 1.2 million euro in sanctions;
- a debt notification letter for the audit in 2001, with a request for 4.4 million euro in tax, 0.5 million euro in interest and 1.1 million euro in sanctions;
- a debt notification letter for the audit in 2002, with a request for 4.3 million euro in tax, 0.3 million euro in interest and 1.1 million euro in sanctions.

In the above notifications, the tax authorities essentially made the same observations that were in the 1999 debt notification letter, without including, following the previously established case, the sanctions deriving from amounts due not subjected to VAT resulting from the transfer of loans (conversely included in the report on findings formulated in 2004 after the audits were completed).

We are still in contact with the tax authorities in order to pursue an amicable settlement of the dispute that does not entail significant charges to the Bank.

Finally, on 16 December 2005, the Bank was served a debt notification letter with the statement "Violation of the permitted deadline for offsetting tax credits and VAT refunds allocated to the fiscal account", with a request for 77,468.54 euro. It refers to a dispute (begun some time ago) regarding a double refund mistakenly carried out by the tax authorities (by two different offices) following the moving of the Bank's registered office in 2000 and the consequent variation of the competent office. A suitable procedure was immediately initiated against this debt notification letter.

Important facts that emerged after the financial year ended and predictable evolution of management

The beginning of 2006 was characterized by the adoption of a new logo by the Bank, which after over 15 years abandons the name Finconsumo and fully integrates with the Santander Group with the new name Santander Consumer Bank, which will soon become the new business name.

With regard to the outlook for the markets, it is hoped that the Italian economy's trend of recent years will reverse during 2006 and start to grow even if moderately, driven by the improved performance of other euro zone countries. This would mainly favor those sectors that depend most on the economic trend of the rest of Europe, such as consumer goods.

If this situation occurs, the consumer credit sector will, on the one hand, be able to count on a stronger economy and higher consumption and, on the other hand, will need to face rising deposit rates, which will make identifying policies able to safeguard financial margins even more challenging.

The Italian market's potential for growth, in any case, remains high because it is still quite undeveloped compared to European standards and because of increased competition and financial innovation.

During the first two months of the year, volume was approximately 28% higher than the first half of 2005, with excellent performance in the furniture sector (+47%), personal loans sector (+49%) and credit cards sector.

On 22 March 2006, the Bank's capital was further increased from 72 million euro to 100 million euro, to strengthen it against anticipated growth.

Following the acquisition in progress of Unifin SpA, a leader in the sector for loans secured on one-fifth of the borrower's salary or delegation of payment, by the Parent Bank Santander Consumer Finance, Finconsumo Banca will extend its operations to this sector having impressive risk/return profiles.

Transactions with related parties

Information on transactions with related parties is provided in the Explanatory Notes with the concerned principal items of the balance sheet and income statement.

This information is considered exhaustive as required by Article 2428 of the Civil Code.

Management and coordination

Concerning transactions between those who carry out management and coordination activities (as required by the OIC 1 accounting principle), note that all of the transactions carried out with the Parent Bank Santander Consumer Finance S.A. and the other companies of the Santander Central Hispano Group were concluded under normal market conditions.

The main transactions established with other companies of the Group are shown in the table below:

Name	2005 Financial year					
	Receivables	Payables	Garanties	Derivates Contracts	Expenses	Income
SCF	-	1,592,436,055	-	-	32,586,691	-
SCH	2,637,520	3,682,245	-	1,143,745,020	5,436,131	6,148
MADESANT	-	609,795,240	-	-	20,989,800	-
OPEN BANK	-	43,750	-	40,000,000	218,700	-
Total	2,637,520	2,205,957,290	-	1,183,745,020	59,231,323	6,148

A schedule summarizing the essential data of the last financial statements of the subject that carries out management and coordination activities (Santander Consumer Finance S.A.) has been attached to the Explanatory Notes, as provided for by Articles 2497 bis and ter of the Civil Code (modifications introduced by Legislative Decree 6/2003 on Company Law Reform).

The financial statements, as in previous years, were audited by Deloitte & Touche S.p.A.

Appropriation of the net income

Dear Shareholders,

After allocating to the Income Statement the provisions whose details are supplied in the Explanatory Notes, the financial year ends with a total of (in euro)

of which we propose allocating to the Legal Reserve
with the following balance
with a payment of dividends to the Shareholders of

30,077,088
(1,503,854)
28,573,234
(28,573,234)

Turin, 22 March 2006

THE BOARD OF DIRECTORS



Balance sheet as of 31 december 2005

(€/thousands)

ASSETS	31/12/05	31/12/04
10 Cash and deposits with central banks and post offices	4,188,402	2,755,773
30 Due from banks	6,525,688	4,132,727
a) repayable on demand	6,525,688	4,132,727
40 Loans to customers	2,110,257,032	1,679,775,013
50 Bonds and other debt securities	5,540,000	5,540,000
60 Shares, quotes and others stocks	18,295	-
80 Investments in Group companies	1,239,497	1,239,497
90 Intangible fixed assets	8,128,750	5,405,358
100 Tangible fixed assets including:	212,862,349	153,457,484
- leased assets	207,997,727	149,496,275
130 Other assets	806,134,770	60,831,088
140 Accrued income and prepaid expenses	132,948,079	95,698,853
a) accrued income	20,276,232	13,592,493
b) prepaid expenses including:	112,671,847	82,106,360
- discounts on bonds issues	52,727	284,226
TOTAL ASSETS	3,287,842,862	2,008,835,793

Balance sheet as of 31 december 2005

(€/thousands)

LIABILITIES AND SHAREHOLDER'S EQUITY		31/12/05	31/12/04
10	Due to banks	2,091,661,966	1,403,541,004
	a) repayable on demand	11,661,966	4,541,004
	b) time deposit with notice period	2,080,000,000	1,399,000,000
20	Due to customers	541,491,973	58,042,817
	a) repayable on demand	541,491,973	58,042,817
30	Securities issued:	211,875,954	295,531,657
	a) bonds	47,500,000	47,500,000
	c) other	164,375,954	248,031,657
50	Other liabilities	87,359,373	38,804,807
60	Accrued expenses and deferred income:	41,111,815	31,419,232
	a) accrued expenses	30,609,651	20,753,558
	b) deferred income	10,502,164	10,665,674
70	Provisions for termination indemnities	5,620,282	4,944,782
80	Provisions for risks and charges:	33,871,895	26,278,978
	b) taxation	33,871,895	26,278,978
110	Subordinated liabilities	100,000,000	41,600,000
120	Capital	72,000,000	22,000,000
140	Reserves:	72,772,516	58,738,369
	a) legal reserve	4,913,723	3,517,016
	d) other reserves	67,858,793	55,221,353
170	Net income for the year	30,077,088	27,934,147
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY		3,287,842,862	2,008,835,793
GUARANTEES AND COMMITMENTS		31/12/05	31/12/04
10	Guarantees granted including:	-	-
	- acceptances	-	-
	- other guarantees	-	-
20	Commitments including:	8,710,000	-
	- repurchase agreements	-	-



2005 Business Income Statement

(€/thousands)

	2005		2004	
10 Interest income and similar revenues including:		215,172,155		176,678,025
- loans to customers	170,247,981		137,947,800	
- debt securities	44,505,723		38,465,719	
20 Interest expenses and similar charges including:		(69,857,418)		(50,615,945)
- deposits from customers	(4,875,173)		(1,128,761)	
- debt securities	(4,446,699)		(10,200,932)	
40 Commission income		65,058,035		42,628,883
50 Commission expenses		(71,328,882)		(55,526,767)
60 Other financial income		(379,500)		
70 Other operating income including:		130,591,828		98,307,187
- revenues on leased assets	103,346,446		78,921,254	
- revenues on leased assets redemption	804,351		520,253	
80 Administrative costs:		(69,464,830)		(52,213,901)
a) payroll including:		(31,069,140)		(25,870,158)
- wages and salaries	(22,408,710)		(18,588,541)	
- social security charges	(6,053,808)		(5,073,919)	
- termination indemnities	(1,601,096)		(1,319,853)	
b) other		(38,395,690)		(26,343,743)
90 Adjustments to tangible and intangible assets including:		(99,173,718)		(75,628,492)
- on leased assets	(91,346,433)		(69,334,983)	
110 Other operating expenses including:		(8,293,149)		(5,599,761)
- on leased assets	(3,518,380)		(2,648,986)	
- collection expenses	(1,416,948)		(600,658)	
120 Adjustments to loans and provisions for guarantees and commitments		(43,678,568)		(32,046,246)
- loss on customer's loans for the year	(9,472,159)		(8,637,323)	
- adjustments on loans to customers	(34,206,409)		(23,408,923)	
130 Write backs of adjustments to loans and provisions for guarantees and commitments		1,942,700		1,654,675
170 Income from operating activities		50,588,653		47,637,658
180 Extraordinary income		4,210,207		1,481,250
190 Extraordinary expenses		(1,240,726)		(580,149)
200 Net Extraordinary items		2,969,481		901,101
220 Income taxes		(23,481,046)		(20,604,612)
230 Net income for the year		30,077,088		27,934,147

Statement of Cash Flows as of 31 december 2005

(€/thousands)

FONDS GENERATED AND TAKEN	31/12/05	31/12/04
Net Income	30,077	27,934
Adjustments to intangible assets	4,765	3,781
Adjustments to tangible assets	3,063	2,512
Adjustments to leased assets	91,346	69,335
Provisions for termination indemnities	1,564	1,299
Adjustments to loans	34,206	23,409
Funds generated by operations	165,021	128,270
Subordinated liabilities	58,400	-
Medium-long term loans from third parties	(6,000)	-
Short term loans	610,465	237,978
Increase (decrease) other liabilities, accrued expenses deferred income	541,696	77,026
Intangible assets disinvestments	23	5
Net tangible assets disinvestments	118	71
Net leased assets disinvestments	18,254	12,100
Provisions for risks and charges	30,158	23,768
Capital increase	50,000	-
TOTAL FUNDS GENERATED AND TAKEN	1,468,135	479,218

APPLICATION OF FUNDS

Increase (decrease) of loans to customers net of deferred income and of adjustments on interests on delayed payments (ex. Art. 71 D.P.R. 917/86)	441,887	511,443
Investments on shares, quotes	18	-
Bonds and other debt securities	-	2,200
Investment on intangible assets	7,512	5,517
Investments on tangible assets	4,084	3,563
Investments on leased assets	168,102	127,256
Increase (decrease) other receivables, accrued income and deferred expenses	786,378	(205,060)
Use of reserves for termination indemnities	889	654
Use of reserves for adjustments to loans	22,800	17,633
Use of provisions for risks and charges	22,565	16,012
Dividend paid	13,900	-
Use of reserves for capital increase	-	-
TOTAL APPLICATION OF FUNDS	1,468,135	479,218



Statement of Reclassification of the Balance sheet

(€/thousands)

ASSETS	31/12/05	31/12/04
CURRENT ASSETS:		
Cash, postal and banks accounts	10,714	6,889
Loans to customers expiring within 12 months net of adjustments to loans for interest on delayed payments (ex Art. 71 D.P.R. 917/86):		
- Customers	800,790	748,526
- Deferred income	(89,455)	(83,277)
- Adjustments to loans	(14,396)	(12,067)
Various account receivables and accrued income	808,541	63,231
Deferred charges (within 12 months)	37,211	31,927
Total current assets	1,553,405	755,229
LONG TERM ASSETS:		
Loans to customers expiring beyond 12 months net of adjustments to loans for interest on delayed payments (ex art. 71 D.P.R. 917/86)		
- Customers	1,623,916	1,176,445
- Deferred income	(181,405)	(130,886)
- Adjustments to loans	(29,193)	(18,965)
Deferred charges (beyond 12 months) and other credits	75,461	50,179
Various Credits	17,870	11,193
Bonds and other debts securities	5,540	5,540
Shares, quotes	18	-
Investments	1,239	1,239
Net fixed assets for own use	4,865	3,961
Net leased assets	207,998	149,496
Net multiyear charges	8,129	5,405
Total long terms assets	1,734,438	1,253,607
TOTAL ASSETS	3,287,843	2,008,836

Statement of Reclassification of the Balance sheet

(€/thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY	31/12/05	31/12/04
CURRENT LIABILITIES:		
Due to banks and financial institutions	2,091,662	1,403,541
Short term financial operations	33,376	111,032
Various account payables, accrued expenses, invoices to be received	669,963	128,267
Provisions for risks and charges	33,872	26,279
Total current liabilities	2,828,873	1,669,119
MEDIUM-LONG TERM LIABILITIES:		
Medium-long term loans due to banks	178,500	184,500
Termination indemnities	5,620	4,945
Total medium-long term liabilities	184,120	189,445
Subordinated Liabilities	100,000	41,600
TOTAL LIABILITIES	3,112,993	1,900,164
SHAREHOLDERS' EQUITY:		
Capital stock	72,000	22,000
Reserves	72,773	58,738
Net income	30,077	27,934
Total shareholders' equity	174,850	108,672
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	3,287,843	2,008,836



Statement of Reclassification of the Income Statement

(€/thousands)

	31/12/05	31/12/04
REVENUES FROM OPERATIONS		
Interest revenues on loans to customers	169,138	137,023
Interest revenues on leases	12,568	9,594
Interest revenues on debt securities	44,506	38,466
Commission revenues	65,058	42,629
Interest on arrears	1,529	1,189
Total revenues	292,799	228,901
OPERATING EXPENSES:		
Interest and banking expenses	(69,857)	(50,616)
Adjustments on loans to customers	(13,349)	(7,431)
Net losses on loans	(28,387)	(22,961)
Commission expenses	(71,329)	(55,527)
Total expenses	(182,922)	(136,535)
Operating net income	109,877	92,366
OTHER EXPENSES AND CHARGES:		
Overhead expenses and administrative cost	(77,292)	(58,507)
Net various expenses and income	21,353	14,680
Losses on financial operations	(380)	-
Income before taxes	53,558	48,539
Income Taxes	(23,481)	(20,605)
Net income	30,077	27,934

Statement of Changes in Shareholders' Equity

(€/thousands)

Equity items by origin distribution and availability

Description	Amount	Utilization options	Quote	Utilisation during the three previous years	
				To capital losses	Other reasons
Capital	72,000				
Capital Reserves I					
Net income	72,773				
Legal reserve	4,914	B*			
Other reserves (art. 2424)	67,859	A, B, C	67,859		
Total	144,773		67,859		
Not distributable reserve**	17,870		(17,870)		
Distributable reserve			49,989		

Legend: "A" increase capital; "B" coverage losses; "C" dividends distribution

*Whether exhausted reserves

**Receivables for advanced tax as of 31/12/2005

MOVEMENTS OF EQUITY'S ITEMS

	Capital Stock	Legal Reserve	Surplus Reserve	Profit carried forward	Dividends to shareholders	Profit/loss of the year	Total Equity
BALANCE AS OF 31/12/2002	22,000,000	2,008,602	26,561,495	-	-	12,018,968	62,589,065
2003 financial year							
2002 profit capitalisation as for resolution of the shareholders meeting of 29/04/03		600,949	11,418,019	-	-	(12,018,968)	-
Net income of the year	-	-	-	-	-	18,149,304	18,149,304
BALANCE AS OF 31/12/2003	22,000,000	2,609,551	37,979,514	-	-	18,149,304	80,738,369
2004 financial year							
2003 profit capitalisation as for the resolution of the shareholders meeting of 27/04/04		907,465	17,241,839	-	-	(18,149,304)	-
Net income of the year	-	-	-	-	-	27,934,147	27,934,147
BALANCE AS OF 31/12/2004	22,000,000	3,517,016	55,221,353	-	-	27,934,147	108,672,516
2005 financial year							
2004 profit capitalisation as for the resolution of the shareholders meeting of 29/04/05		1,396,707	12,637,440	-	13,900,000	(27,934,147)	-
Dividends payment to shareholders	-	-	-	-	(13,900,000)	-	(13,900,000)
Capital increase as for resolution of the shareholders meeting of 12/07/05	50,000,000						50,000,000
Net income of the year	-	-	-	-	-	30,077,088	30,077,088
BALANCE AS OF 31/12/2005	72,000,000	4,913,723	67,858,793	-	-	30,077,088	174,849,604