CONSOLIDATED QUARTERLY REPORT AS AT 30 SEPTEMBER 2008

TRANSLATION FROM THE ITALIAN ORIGINAL
WHICH REMAINS THE DEFINITIVE VERSION

Share Capital: Euro 34,299,404 fully paid-in
Bank Association no: 3205.2
Tax and Company Registration Number: 02505630109
VAT number: 02992620274
Bank register no.: 5508

REGISTERED OFFICE AND HEADQUARTERS
Via Terraglio, 63 – 30174 Mestre – Venice
Internet Address: *www.bancaifis.it*

BRANCHES
Ancona, Via Astagno, 3 – 60122
Bari, Via C. Rosalba, 47/z – 70124
Bologna, Viale A. Costa, 62 – 40026, Imola
Brescia, Via Malta 7c – Torre Kennedy, 25124
Cagliari, Viale Bonaria, 62 – 09125 (Ca)
Cuneo, Via Bra 9, Madonna dell'Olmo
Florence, Via Europa, 163 – 50126
Genoa, Via C.R. Ceccardi 3 int 3/A
Milan, Via Volta, 16 – 20093, Cologno Monzese
Naples, Via G. Porzio, 4 – Centro Dir. Isola E7 – 80143
Palermo, Via Monti Iblei 55 – 90146
Pescara, Complesso Piazza Accademia, Viale Pindaro 18/1A
Pordenone, Via De Paoli, 28/D – 33170
Rome, Viale B. Croce, 93 – 00144
Turin, Piazza C.L.N. 255– 10121
Venice, Via Gatta 11 – 30174, Mestre
Vicenza, Via Biron, 102/5/d, Monteviale

REPRESENTATIVE OFFICES
Romania, Boulevard Burebista, 3 – Bucharest
Hungary, Bajza U., 50 – Budapest

OTHER COMPANIES OF THE GROUP
IFIS Finance Sp.Z.o.o.
Pl. Trzech Krzyzy 3, Warsaw, Poland
Immobiliare Marocco S.p.A.
Via Terraglio 65, Mestre, Venice

BOARD OF DIRECTORS

President	Sebastien Egon Fürstenberg
Vice President	Alessandro Csillaghy
C.E.O.	Giovanni Bossi (1)
Directors	Leopoldo Conti Roberto Cravero Andrea Martin Riccardo Preve Marina Salamon

GENERAL MANAGER	Alberto Staccione

BOARD OF STATUTORY AUDITORS

President	Mauro Rovida
Standing Auditors	Erasmo Santesso Dario Stevanato
Alternate Auditors	Luca Giacometti Francesca Rapetti

INDEPENDENT AUDIT FIRM	KPMG S.p.A.

Member of Factors Chain International

(1) The C.E.O. has powers for the ordinary administration of the company.

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CONSOLIDATED QUARTERLY REPORT
AS AT 30 SEPTEMBER 2008

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET
(In thousands of Euro)

ASSETS	PERIOD		VARIATION		PERIOD
	30/09/2008	30/06/2008	ABSOLUTE	%	31/12/2007
Cash and cash equivalents	12	18	(6)	(33.3)%	13
Financial assets held for trading	740	449	291	64.8%	62
Financial assets available for sale	3,134	2,548	586	23.0%	1,216
Due from banks	211,222	168,707	42,515	25.2%	312,091
Due from clients	940,042	953,454	(13,412)	(1.4)%	923,061
Tangible assets	33,895	33,938	(43)	(0.1)%	32,741
Intangible assets	2,612	2,569	43	1.7%	1,927
of which:					
- goodwill	985	996	(11)	(1.1)%	941
Tax assets	783	1,067	(284)	(26.6)%	993
a) current	---	244	(244)	(100.0)%	2
b) deferred	783	823	(40)	(4.9)%	991
Other assets	3,611	4,757	(1,146)	(24.1)%	3,300
TOTAL ASSETS	1,196,051	1,167,507	28,544	2.4%	1,275,404

LIABILITIES	PERIOD		VARIATION		PERIOD
	30/09/2008	30/06/2008	ABSOLUTE	%	31/12/2007
Due to banks	837,649	930,218	(92,569)	(10.0)%	1,010,365
Due to clients	99,623	32,817	66,806	203.6%	57,776
Outstanding shares	62,205	44,850	17,355	38.7%	36,134
Financial liabilities for trading	---	316	(316)	(100.0)%	---
Tax liabilities	3,373	2,936	437	14.9%	2,418
a) current	442	35	407	1.162.9%	171
b) deferred	2,931	2,901	30	1%	2,247
Other liabilities	36,385	16,936	19,449	114.8%	33,616
Post employment benefit	995	1,093	(98)	(9.0)%	1,100
Fair value reserve	107	107	---	---	107
Equity instruments	611	611	---	---	611
Reserves	49,306	50,127	(821)	(1.6)%	39,281
Share premiums	61,035	48,797	12,238	25.1%	44,887
Capital	34,299	31,877	2,422	7.6%	31,154
Treasury shares	(7,499)	(5,062)	(2,437)	48.1%	(1,579)
Net profit for the period	17,962	11,884	6,078	51.1%	19,534
TOTAL LIABILITIES	1,196,051	1,167,507	28,544	2.4%	1,275,404

CONSOLIDATED INCOME STATEMENT

(In thousands of Euro)

	YEAR 2008		YEAR 2007		VARIATION 3rd Q.08 / 3rd Q.07	
	3rd Q.08	30/09/08*	3rd Q.07	30/09/07**	Absolute	%
Interest income and similar	19,762	55,649	14,563	38,093	5,199	35.7%
Interest expense and similar	(11,734)	(34,582)	(9,495)	(25,022)	(2,239)	23.6%
Net interest income	8,028	21,067	5,068	13,071	2,960	58.4%
Commission income	10,647	30,334	9,117	23,958	1,530	16.8%
Commission expense	(653)	(2,362)	(688)	(1,745)	35	(5.0)%
Net commission income	9,994	27,972	8,429	22,213	1,565	18.6%
Dividends and similar	1	27,863	1	46	---	---
Net trading result	(137)	(26,623)	(5)	(33)	(132)	n.s.
Profit (losses) from sale or buybacks of:	9	7	1,515	2,585	(1,506)	(99.4)%
b) available for sale financial assets	---	---	1,515	2,585	(1,515)	(100.0)%
d) financial liabilities	9	7	---	---	9	---
Net banking income	17,895	50,286	15,008	37,882	2,887	19.2%
Net impairment losses on:	(1,912)	(4,710)	(1,290)	(1,753)	(622)	48.2%
a) loans and receivables	(1,912)	(4,710)	(1,290)	(1,753)	(622)	48.2%
Net profit from financial activities	15,983	45,576	13,718	36,129	2,265	16.5%
Administrative expenses:	(6,841)	(19,570)	(4,614)	(14,350)	(2,227)	48.3%
a) personnel expenses	(4,181)	(12,527)	(3,023)	(9,428)	(1,158)	38.3%
b) other administrative expenses	(2,660)	(7,043)	(1,591)	(4,922)	(1,069)	67.2%
Net impairment losses on tangible assets	(342)	(990)	(277)	(807)	(65)	23.5%
Net impairment losses on intangible assets	(167)	(434)	(102)	(286)	(65)	63.7%
Other operating income (expenses)	312	604	(953)	(657)	1,265	(132.7)%
Operating costs	(7,038)	(20,390)	(5,946)	(16,100)	(1,092)	18.4%
Gross profit from continuing operations	8,945	25,186	7,772	20,029	1,173	15.1%
Tax on profit from continuing operations	(2,867)	(7,224)	(2,127)	(6,138)	(740)	34.8%
Parent company net profit for the period	6,078	17,962	5,645	13,891	433	7.7%

(*) Period 01/01/2008-30/09/2008
(**) Period 01/01/2007-30/09/2007

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION

(In thousands of Euro)

	YEAR 2008			YEAR 2007			
	3rd Q.	2nd Q.	1st Q.	4th Q.	3rd Q.	2nd Q.	1st Q.
Interest income and similar	19,762	18,548	17,339	17,640	14,563	12,148	11,382
Interest expense and similar	(11,734)	(11,674)	(11,174)	(10,565)	(9,495)	(7,955)	(7,572)
Net interest income	8,028	6,874	6,165	7,075	5,068	4,193	3,810
Commission income	10,647	10,083	9,604	9,547	9,117	7,687	7,154
Commission expense	(653)	(840)	(869)	737	(688)	(539)	(518)
Net commission income	9,994	9,243	8,735	8,810	8,429	7,148	6,636
Dividends and similar	1	27,862	---	---	1	45	---
Net trading result	(137)	(26,524)	38	51	(5)	(49)	21
Profit (losses) from sale or buybacks of:	9	(2)	---	(100)	1,515	1,070	---
b) available for sale financial assets	---	---	---	---	1,515	1,070	---
d) financial liabilities	9	(2)	---	(100)	---	---	---
Net banking income	17,895	17,453	14,938	15,836	15,008	12,407	10,467
Net impairment losses on:	(1,912)	(1,535)	(1,263)	(717)	(1,290)	(254)	(209)
a) loans and receivables	(1,912)	(1,535)	(1,263)	(717)	(1,290)	(254)	(209)
Net profit from financial activities	15,983	15,918	13,675	15,119	13,718	12,153	10,258
Administrative expenses:	(6,841)	(6,795)	(5,934)	(6,214)	(4,614)	(5,258)	(4,478)
a) personnel expenses	(4,181)	(4,352)	(3,994)	(4,103)	(3,023)	(3,380)	(3,025)
b) other administrative expenses	(2,660)	(2,443)	(1,940)	(2,111)	(1,591)	(1,878)	(1,453)
Net impairment losses on tangible assets	(342)	(346)	(302)	(312)	(277)	(272)	(258)
Net impairment losses on intangible assets	(167)	(170)	(97)	(133)	(102)	(98)	(86)
Other operating income (expenses)	312	362	(70)	193	(953)	194	102
Operating costs	(7,038)	(6,949)	(6,403)	(6,466)	(5,946)	(5,434)	(4,720)
Gross profit from continuing operations	8,945	8,969	7,272	8,653	7,772	6,719	5,538
Tax on profit from continuing operations	(2,867)	(2,332)	(2,025)	(3,010)	(2,127)	(1,978)	(2,033)
Parent company net profit for the period	6,078	6,637	5,247	5,643	5,645	4,741	3,505

NOTES TO THE FINANCIAL STATEMENTS

Criteria for the preparation of financial statements

Banca IFIS Group's Quarterly report as at 30 September 2008 has been prepared in compliance with the provisions as per article 154-ter of Legislative Decree no. 58 of 24 February 1998 and subsequent modifications.
Banca IFIS Group has prepared this Quarterly report according to the IAS/IFRS accounting standards.

The consolidated financial statements as at 30 September 2008 are compared, in terms of balance sheet figures, with those as at 30 June 2008 and, in terms of income statement results, with those as at 30 September 2007.

The result for the period is reported net of income taxes which reflects the presumed expense for the period based on current and deferred taxes, calculated using the average rate forecasted for the current year.

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

Consolidation area

The structure of the group as at 30 September 2008 is unchanged compared to 30 June 2008 and is composed of the parent company Banca IFIS S.p.A. and the 100% controlled companies: Immobiliare Marocco S.p.A., and IFIS Finance Sp. Z.o.o., both consolidated using the line-by-line method.

The accounts on which the consolidation is based are those prepared by the companies of the group as at 30 September 2008.

BOARD OF DIRECTORS' OBSERVATIONS AND SIGNIFICANT EVENTS IN THE PERIOD

The macro-economic scenario

The economic turbulence, originally recorded as from August 2007, continued to have effect even in 2008, overwhelming multinational credit institutions and creating uncertain forecasts for the medium-term future of liquidity markets.
The middle of 2008 also saw the prospect of an economic recession that is expected to last some time. The crisis worsened drastically with the bankruptcy of one of the world's most important brokers, Lehman Brothers, on September 15. Liquidity markets saw exchanges reduce still further, and stock markets recorded significant losses, slightly held in check in October, thanks to interventions by governments and central banks producing commitments for over 2,500 billion Euro.
The huge investment banking losses recorded by the larger credit institutions have been the core element of the crisis. The losses and subsequent defaults in the United States, and the public rescues in both the United States and Europe, have brought about a climate of general mistrust, both in bank-client relationships and in interbanking relationships.
The coordinated institutional interventions taking place, have the objective, amongst others, of restoring trust, without which credit institutions would go into decline, as can already be seen today.

The Banca IFIS Group is not involved in the activity of investment banking. Furthermore, the international financial crisis has not brought about any losses in the bank's assets. Moreover, Banca IFIS has no exposures in tools considered by the market as high risk or involving a greater risk than that originally believed.

Banca IFIS Group's continuing operations in the third Quarter

The Banca IFIS Group risks are mainly all concentrated in loan portfolios and the group has no financial instruments portfolio for investment purposes. Hence, there are no highly volatile instruments amongst the group's assets and neither are there any of the financial instruments that have led to the losses posted by other financial intermediaries in this particular market context.

The group has continued, despite this difficult context, to provide the financial support and services to enterprises that characterize its business model.
Market conditions have made the granting of credit to enterprises ever-more selective and more onerous, in terms of spread, for the borrowers who resort to financing from banks. Such a phenomenon, far from ending, will presumably keep on characterizing the credit market in the near future, especially for SMEs.

The Banca IFIS Group, aware of its position and the active role that it is able to exercise to its clients' benefit, has not considered it necessary to modify its strategy. Lending financial support to SMEs remains Banca IFIS's core business.
However, taking market conditions, new assessments of credit risk and liquidity conditions into consideration, the group believes it best to orient its actions on growth in profitability in a context of controlled risk, rather than being guided by the volume of receivables purchased. Comparative analysis of the Quarter confirms this variation: an increase in the volume of receivables purchased of only 6.6% (from 764 million Euro in the third Quarter 2007 to 814 million Euro in the third Quarter 2008) is accompanied by a growth in profitability in terms of net banking income of 19.2% (from 15,008 thousand Euro in the third Quarter 2007 to 17,895 thousand Euro for the corresponding period of 2008).
The difference in profitability variables when compared with volume is due to substituting large size, low profitability business with business deriving from new, smaller clients rendering higher profitability levels.
In addition, the new market conditions also allow more room for operators attentive to asset-based lending and historically specialised in factoring activities that maximise efficiency in the face of higher credit spread, such as that expected in the future in Italian and European economies. Furthermore, the reduced willingness of financial institutions to lend financial support to small, medium enterprises allows the group to better select its clients, reaching those clients who can best benefit from the bank's activity but who are low credit risk clients, prepared to pay adequate financial conditions.

The Strategic Plan

In this context, since 2007, the Banca IFIS Group has been taking actions to increase its ability in customer relations, its territorial presence and its sales network by employing young and motivated new resources.

Banca IFIS did not have to wait long for the market's response to such actions, as the figures of this Quarterly report and the bank's growth rates clearly show. Based on the market and thanks to its ability to listen to clients' demands, Banca IFIS has drawn up the first steps for a structural change of approach that, far from wanting to abandon the business model that has allowed the bank to reach the levels it has today, can direct the actions of the group over the next three years.

The essence of the 2008-2010 business plan involves integrating, to the advantage of client enterprises and entrepreneurs, the new relationship-based approach to the historical transactional-based approaches of product and bankfactor. Such a change is to be made without abandoning the activity of supporting working capital but rather integrating it with other activities that are better geared to maintaining relationships with the client long-term. This change is very important and does not, at present, require the creation of new products but only the distribution of those already created by third parties through specific ad hoc agreements to the favour of enterprises and entrepreneurs.

The four main supporting pillars to the strategies of the 2008–2010 business plan can be summarised as follows:
- Internal growth
- Internationalisation
- Distribution of new services
- Diversification in funding and deposits

As far as concerns internal growth, the guidelines defined by the strategic plan are represented by the attainment of potential clients through strengthening the sales network and through the diffusion of better knowledge of the factoring product; by opening new branches - light structures with break-even within one year of start-up – which will pass from 14 at the beginning of 2008 to 28 at the end of 2010; and through the selection and in-house training of junior sales staff throughout Italy.
With this aim, during the third Quarter 2008, two territorial offices (in Pescara and Cuneo) were opened, and 9 new employees were taken on, bringing the overall number of employees in the Group to 248, of which 15 work in countries other than Italy (Poland – care of the controlled company IFIS Finance S.p.A. - Paris, Bucharest and Budapest).

The strategy of internationalisation involves the management and financing of working capital in European enterprises through Banca IFIS's own sales network and through excellent knowledge of the global credit market. The internationalisation strategy will continue developing along two main channels: the first one (direct) consists of possible acquisitions of small and medium sized operators in central European countries and the opening of offices in Central-European countries. The second channel (indirect) revolves around expanding existing commercial relationships, and Banca IFIS's current membership of Factors Chain International as an Italian interlocutor by excellence.

The third pillar to the strategic plan involves the distribution of new services to the clientele. To such an end, in the month of March 2008, an agreement for the distribution of leasing was signed with Centro Leasing Banca S.p.A.. This new approach should significantly increase client retention, an essential factor for a product expert, hence allowing Banca IFIS to maintain relationships with the client in the long term, thanks to the multiplicity of the products and services offered.

Lastly, the fourth pillar is the diversification of funding and deposits through: the reinforcement of bilateral relationships with Italian and European banks, thanks to their positive opinion of Banca IFIS's business model; the negotiation of further short or medium term syndicated loans in line with market conditions (given the modest importance of the higher costs of such form of financing in a context where client margins are more important than the containment of funding costs); the start-up of retail funding programmes, also online, such as Rendimax – the high interest savings account launched in July; the kick off of a securitisation programme on commercial receivables aimed at generating 300/400 million securities usable for refinancing purposes; direct access to the Euro system, guaranteeing stability in liquidity conditions.

Income statement

Net profit from financial activities

Net banking income passed from 15,008 thousand Euro in the third Quarter 2007 to 17,895 thousand Euro in the third Quarter 2008, once again showing impressive growth (+19.2%). Moreover, the figures from the third Quarter 2007 included non-recurrent income for an amount of 1,515 thousand Euro. Net of such income, the increase in the third Quarter 2008 would have been 32.6%.
The individual components making up net banking income showed differing growth due to the ever increasing or decreasing client tendency towards products with a significant service component, income from which being classified under factoring commission only.
The effect of such movement on the income statement figures is such that it makes a comparison between the individual components of the margin insignificant.
Nevertheless, in detail, interest income reached 8,028 thousand Euro in the third Quarter 2008, increased by 58.4% compared to 5,068 thousand Euro for the same period in the previous year. This increase is the result of changes in market rates as well as actions taken to optimise profitability from commitments.

Commission income equalled 9,994 thousand Euro, compared to 8,429 thousand Euro in the third Quarter 2007 (+18.6%).
This increase is due not only to Banca IFIS's ability to create added

value during factoring activities through credit management and connected services, but is also thanks to strengthening the sales network which has led to increased volumes of business. Expenses incurred from such, fall mainly under personnel expenses.
Interest income and commission income as a percentage of net banking income were respectively 44.9% and 55.8%.

Net impairment losses on loans and receivables in the third Quarter 2008 amounted to 1,912 thousand Euro, compared to 1,290 thousand Euro for the third Quarter 2007. The figures as at 30 September 2008 refer to 1,611 thousand Euro of collective impairment losses on performing receivables, compared to 1,032 thousand in the third Quarter 2007, whilst the remaining amount refers to write-downs and write-backs on non-performing loans. The group has continued to be rigorous in its assessment of asset quality, booking impairment losses to the income statement in a timely manner, as soon as presuppositions to do so arise.

Net profit from financial activities for the third Quarter 2008 amounted to 15,983 thousand Euro, an increase of 16.5% when compared to 13,718 thousand Euro in the third Quarter 2007.

Gross profit from continuing operations

Operating costs were also affected by the increase in business and expansion of the organization, primarily in terms of the quality human resources who joined Banca IFIS. In this regard, particular attention was given to selecting resources dedicated to enhancing, on the one hand, the sales staff and, on the other, Headquarters' staff. The total amount of this item in the third Quarter 2008 reached 7,038 thousand Euro, an increase of 18.4%.
The ratio between operating costs and net banking income (cost /income ratio) as at 30 September 2008 equalled 40.5% compared to 42.5% as at 30 September 2007 and 41.1% as at 30 June 2008.
In detail, personnel expenses passed from 3,023 thousand Euro in the third Quarter 2007 to 4,181 thousand Euro in the third Quarter 2008, an increase of +38.3%. This increase is physiological and corresponds to expectations, taking into consideration the systematic increase in the number of personnel.

Other administrative expenses for the third Quarter 2008 amounted to 2,660 thousand Euro, against 1,591 thousand Euro for the corresponding period of 2007 (+67.2%). This increase is related to costs connected to further developing business, in particular to support for improved selection and control of credit, and general expenses connected to the management of the branches and territorial offices.

Net impairment losses on intangible assets, which stood at 167 thousand Euro as at 30 September 2008, an increase of +63.7% compared to the third Quarter 2007, is entirely due to improvements in IT support, while net impairment losses on tangible assets, equalling 342 thousand Euro as at 30 September 2008, increased by 23.5%, from 277 thousand Euro in the third Quarter 2007.

Other operating income, mainly made up of income deriving from the recovery of third party expenses, amounted to 312 thousand Euro for the third Quarter 2008, compared to net operating expenses for an amount of 953 thousand Euro in the third Quarter 2007. Results for the third Quarter 2007 include the effect of settling a dispute with Parmalat.

Gross profit from continuing operations for the third Quarter 2008 equalled 8,945 thousand Euro, compared to 7,772 thousand Euro in the third Quarter 2007, a rise of 15.1%.

Net profit

Income taxes on continuing operations for the period are estimated at 2,867 thousand Euro, an increase of 34.8% from the 2,127 thousand Euro of the third Quarter 2007.

Net profit for the third Quarter 2008 amounted to 6,078 thousand Euro, an increase of 7.7% from the corresponding period of 2007. In the absence of profit from minority interests, the result refers entirely to the group. Removing the non-recurrent income/expenses from the third Quarter 2007 results, net profit for the third Quarter 2008 recorded an increase of 29.7%.

Main balance sheet captions

The group is almost exclusively involved in financing the working capital of Italian and European enterprises through factoring. Specifically, as far as concerns financing activities such as derivatives and subprime mortgages, the trends of which having negatively affected the recent results of some credit institutions, it is important to state that the Banca IFIS Group has no direct or indirect exposure to subprime mortgages; nor is it exposed to investments in financial products having such mortgages as an underlying activity or referring to them; neither is it in anyway exposed to the granting of guarantees connected to such products.
Furthermore, the Banca IFIS Group has not and does not carry out any investment activities or trading of securities on behalf of third parties and that carried out on its own behalf is limited to hedging instruments against market risk.

Due from clients

Total net due from clients as at 30 September 2008 reached 940 million Euro, a slight decrease from 953 million Euro at 30 June 2008 (-1.4%) but an increase of 1.8% if compared to the 923 million Euro of 31 December 2007.
Total net loans, excluding net non-performing loans for 9 million Euro, totalled 931 million Euro for the period, compared to 945 million Euro as at 30 June 2008 and 916 million Euro as at 31 December 2007.

Impaired loans due from clients

Total non-performing loans due from clients, at net balance sheet values, stood at 8,946 thousand Euro, a growth of 4.2% if compared to 30 June 2008. The percentage of net non-performing loans over total loan commitments to clients equalled 1.0%, a slight increase from 0.9% as at 30 June 2008. The percentage of net non-performing loans on shareholders' equity improved slightly, passing from 6.2% as at 30 June 2008 to 5.7% as at 30 September 2008.
Value adjustments equalled 74.8% of gross non-performing loans, compared to 74.2% as at 30 June 2008.
Total substandard loans for the period, at net balance sheet values, stood at 4,808 thousand Euro, an increase compared to 4,138 thousand Euro as at 30 June 2008 (+16.2%).
The percentage of net substandard loans out of total loans to clients passed from 0.4% as at 30 June 2008 to 0.5% as at 30 September 2008.
Total impaired loans due from clients amounted to 13,754 thousand Euro as at 30 September 2008, a growth of 8.1% compared to the 12,723 thousand Euro of 30 June 2008. The percentage of net impaired loans on total loan commitments equalled 1.5%, a slight increase when compared to the 1.3% of 30 June 2008.
The small rise in the absolute values of non-performing loans and sub-standard loans, in a substantially negative market phase, largely falls in line with forecasts. The results achieved confirm the group's ability to manage credit quality in the best way possible whilst taking into account market conditions, thanks to Banca IFIS's business model which transfers the SME counterparty risk to more reliable counterparties with better creditworthiness (the debtors).

Due from banks

Total due from banks equalled 211 million Euro as at 30 September 2008, a growth compared to the 169 million Euro of 30 June 2008, whilst a decrease when compared to the 312 million Euro of 31 December 2007.
The utilisation of available financial resources care of other institutes does not represent a core activity for the group. It simply involves very short term deposits (from overnight to one or two weeks), necessary for the Treasury activity.

Funding

The Banca IFIS Group obtains the resources necessary for the financing of its activities, in addition to own resources, from the interbank market, from the convertible bond issued in July 2004 and lastly from its clients.
Over the third Quarter 2008, the conclusion of the revolving reassignment of performing assigned receivables owed by assigned debtors (started in October 2003) was initiated.
In October 2008 and in accordance with Law 130/91, Banca IFIS kicked off a new securitisation operation involving commercial receivables purchased by the bank during its ordinary factoring activities. This operation aims to generate 370 million Euro in bonds eligible with the Eurosystem for funding purposes. It is believed that these securities will be usable in this way by November 2008.
Total funds as at 30 September 2008 amounted to 999,477 thousand Euro, a decrease of 0.8% compared to 1,007,885 thousand Euro as at 30 June 2008.
Due to banks, equalling 837,649 thousand Euro, a decrease of 10% compared to 930,218 thousand Euro as at 30 June 2008, are composed of interbank deposits for 760,647 thousand Euro (-6.1% compared to June 2008), and by the net funding deriving from the reassignment of commercial receivables portfolios for 77,002 thousand Euro (-35.9% compared to June 2008).
In addition, certificates of deposit with bank counterparties for an amount of 28,000 thousand Euro were also issued.
Deposits from clients, as at 30 September 2008, equalled 99,623 thousand Euro, a significant rise when compared to 32,817 thousand Euro as at 30 June 2008.
In fact, in July, Rendimax - the high interest savings account for client deposits – was also launched and has been considerably successful in terms of clients, and volumes too given the fact that it is in a start-up phase. This service, only available on line, is characterised by the high level of return for the investors and is the result of Banca IFIS's desire to diversify its funding. The connected operating costs are particularly contained.

The "Banca IFIS convertible bond 2004-2009", issued in July 2004 for a nominal amount of 50 million Euro, totalled 34,205 thousand Euro as at 30 September 2008 (-7.2% compared to 30 June 2008).
The debt instrument is recognised as a liability, net of buybacks which, in compliance with IAS, are treated as settlement of debt, even though these instruments are intended for later resale. The subsequent resale of such bonds is treated as the issue of a new debt.
The worsening of tension on the money market that characterised the third Quarter 2008 and that will

presumably continue to have an effect on the funding operations of operators in this sector in the near future, has not negatively influenced the group's operations. As can be seen, the difficulty in obtaining resources on the interbanking market has been particularly evident for those banks that create their liquidity through wholesale banking, as apposed to retail banking to families and enterprises. The group's prudent position in terms of Asset Liability Management has allowed the group to face market trends with serenity. Specifically, the group's usual counterparties appreciate the strong correlation between the bank's commitments and the underlying commercial operations and the short horizon of the same. The group's financial position has always been in excess of requirements and is expected to remain so.

Tangible and intangible assets

Intangible fixed assets totalled 2,612 thousand Euro, an increase of 1.7% compared to 30 June 2008, essentially due to reinforcing IT supports.
Tangible fixed assets decreased to 33,895 thousand Euro (-0.1% compared to 30 June 2008).
The property entered among the consolidated tangible assets relates to: the property in Mestre-Venice, acquired under finance lease, which housed the management from 2001 up to December 2005, and was then leased in part to the controlling company, La Scogliera S.p.A.; the important historical building, 'Villa Marocco', located in Mestre, for which a renovation and expansion project was created and approved by the Monuments Office for the region and for which work was completed in April 2008, (this building became the new Banca IFIS Head Office in December 2005); the representative office in Bucharest; a management office building of residual value in Padua; and a building of residual value destined to be sold.
The final value of the property that has become the new Head Office, together with the value of the ex Head Office up until the end of 2005, have been confirmed by professionals in valuing such buildings. 'Villa Marocco' is not depreciated as its estimated residual value at the end of its useful life is expected to be higher than its book value.

Equity

In the absence of minority interests, group net equity as at 30 September 2008 was 155,821 thousand Euro, against 138,341 thousand Euro as at 30 June 2008. In the third Quarter 2008, equity increased as a result of 6,078 thousand Euro of profit for the period, of the exercising of warrants for 13,828 thousand Euro, and of the exercising of stock options for 831 thousand Euro. It decreased due to buybacks for an amount of 2,437 thousand Euro and due to booking some items, for a total amount of 820 thousand Euro, to reserves, as per IAS principles.

Other Information

Fitch rating

On 21 December 2007, Fitch Ratings International confirmed Banca IFIS's rating of BBB– for the third year running. In detail, Fitch confirmed its Long Term Rating of BBB-, its Short Term Rating of F3, and its Individual Rating of C. In addition, Fitch confirmed its Support Rating of 5 with a Stable Outlook.

Operations on treasury shares

The Ordinary Shareholders' Meeting of 17 April 2008 renewed the authorisation to purchase and sell treasury shares, in accordance with Article 2357 and thereafter of the Civil Code, and Article 132 of Legislative Decree No. 58/98, establishing a price for which the shares may be acquired as between a minimum of Euro 3 and a maximum of Euro 30, for a maximum amount of 10 million Euro. The Shareholders' Meeting also established the duration of the authorisation as 18 months from the date of the resolution.
At 30 June 2008, Banca IFIS held 517,287 treasury shares for a counter value of 5,062 thousand Euro (average booking price = 9.79 Euro per share) and a nominal value of 517,287 Euro.
During the third Quarter 2008, Banca IFIS purchased, at the weighted average price of 8.60 Euro, 283,522 treasury shares at a counter value of 2,437 thousand Euro and a nominal value of 283,522 Euro
The remainder in portfolio at the end of the third Quarter 2008 stood at 800,809 treasury shares for a counter value of 7,499 thousand Euro (average booking price = 9.36 Euro per share) and a nominal value of 800,809 Euro.

Transactions on treasury bonds

At 30 June 2008, the bank held 1,154,086 own bonds entered for a counter value of 14,495 thousand Euro and a nominal value of 14,426,075 Euro. During the third Quarter 2008, Banca IFIS purchased 122,038 treasury bonds for a counter value of 1,505 thousand Euro and a nominal value of 1,525,475 Euro.
The remainder in portfolio at the end of the third Quarter 2008 stood at 1,276,124 treasury bonds for a counter value of 16,000 thousand Euro and a nominal value of 15,951,550 Euro.

Stock options plans for directors and personnel

On 30 September 2008, the following stock option plans remained standing:

-Plan A3/D3, (deliberated 15 December 2004) that amounts to a value of 214,500 shares at a nominal value of 1 Euro, subscribable at a price of 7.05 Euro, exercisable in the period between 1 January 2008 and 31 December 2008, of which 64,500 for directors and 150,000 for employees.
- Plan 4 (deliberated 30 April 2007) which amounts to a total of 204,500 shares of a nominal value of 1 Euro, subscribable at a price of 10.10 Euro and exercisable between 1 September and 31 December 2010 of which 64,500 shares for directors and 140,000 shares for Banca IFIS employees in general.
- Plan 5 (deliberated 30 April 2007) which amounts to a total of 240,000 shares of a nominal value of 1 Euro, subscribable at a price of 10.10 Euro and exercisable between 1 January and 30 April 2011 of which 59,200 shares for directors and 180,800 shares for Banca IFIS employees in general.
To the date of this Quarterly report, 151,675 options relating to the A3/D3 plan have been exercised whilst 27,400 options have been cancelled.

Significant events during the period

Exercising of Banca IFIS warrants 2005-2008

On 31 July 2008, the period for exercising Banca IFIS warrants 2005-2008 expired. All together 5,052,217 warrants, corresponding to 99.3% of the total warrants outstanding, were exercised. The remaining 37,783 warrants have expired and are therefore no longer valid.

Launch of Rendimax, the high interest savings account

On 15 July 2008, Banca IFIS launched Rendimax, a high interest savings account for enterprises but also extended to private investors. This initiative makes up part of the 2008-2010 three-year plan, presented to the market during the 2008 STAR Conference. The aim of such plan is to help the bank evolve from being a bank specialized in factoring to a relational bank, which satisfies SMEs financing needs in general by offering its services globally to enterprises and entrepreneurs.

Share capital increase of subsidiary, IFIS Finance

On 12 August 2008, Banca IFIS increased share capital of the Polish subsidiary, IFIS Finance, for an amount of 68 million Zloty (20.8 million Euro), as per previously approved by the Board of Directors' Meeting of 17 April 2008. This amount will be used to sustain growth in loan commitments to small/medium sized industrial clients in Poland, according to the model already developed by the bank in Italy and as part of the plan to export the bank's operations to other European markets.

Significant events after 30 September 2008

Initiation of new securitisation transaction

On 13 October 2008, Banca IFIS started a 5-year revolving securitisation transaction of a commercial receivables portfolio due from a block of assigned debtors.
The securitisation transaction foresees the transfer of the receivables, as per Law 130/1999, from Banca IFIS (as the Seller) to a vehicle company, set up specifically for the operation. Following the transfer, on 21 October, the vehicle issued securities quoted on the Dublin Exchange with an A+ rating for an amount of 280 million Euro. Banca IFIS maintains its role of Servicer as far as concerns the management of such receivables.
These securities have been purchased by Banca IFIS and will be used as soon as the necessary "eligibility" has been obtained for refinancing with the European Central Bank.
In compliance with the IAS/IFRS bookkeeping principles, the securitisation transaction does not involve the substantial transfer of all risks and rewards, not satisfying the derecognition requisites of IAS 39.

No other significant events occurred after the closure of the period and up to the date in which the present report was approved.

Forecasts for the future

Trends in the economy for the remaining months of 2008 appear to be continuing in a negative direction. The consequences of the economic slow-down, already in progress at the beginning of 2008, which was the starting point for the more severe stages of the financial crisis, would seem to indicate that a worsening in gross domestic product in Europe and developed countries is to be expected, with Italy's GDP estimated at around 0.5% by some research institutes.
The willingness of the banking system to finance small, medium enterprises appears to be reducing still further, being conditioned by compliance with Basel 2 requirements, the new, increased sensitivity to credit risk and, above all, by the seriousness of the liquidity crisis that has struck some parts the credit system leading to a considerable slow-down in exchanges on the interbanking money market and a lack of willingness by credit institutions to fully satisfy clients' financial needs.
In this context, an increase in profit margins for intermediaries willing to lend is expected, but will be accompanied by increased risk in general bank commitments with enterprises; such greater risk can

however be contained by operations such as factoring, where risk is transferred to debtors of a good credit standing.
As a result of recent trends in the credit market and liquidity, the Banca IFIS Group has selected its clientele concentrating on counterparties that are smaller with greater profitability, where the risk is controlled and, particularly, transferred to the assigned debtor counterparty who usually has better credit worthiness than the assigning client has.
Strategic orientation and organisation of the group remains pointed in this direction; dimensional growth in the last Quarter of 2008 will focus on the SME sector, needier of support and not adequately catered to by general banks. This orientation - which Banca IFIS will continue to follow - being understood, the bank will consider, in the face of adequate liquidity, the opportunity of selecting larger counterparties as long as suitable financial conditions apply, as, indeed, it already began to do over the first nine months of 2008.
The main risks and uncertainties essentially lie in the aspects which are dependent on economic trends. An increase in insolvencies in SMEs on the credit market, larger than that already forecasted, will compromise group profit by causing more losses on receivables. Furthermore, additional worsening of the economic climate in comparison to forecasts could lead to a decrease in demand for credit also by SMEs which would, in turn, lower profit margins.
Another risk is possible: in a scenario of significant curtailment in the granting of credit which also extends to smaller banks, the group could experience difficulty in obtaining the liquidity necessary to finance its clients' companies. In this case, a case which appears completely remote at present, the bank would be forced to cut the amount of financing granted to the clientele, reducing, in this way, the earnings obtainable from such operations.
In general, nevertheless, and net of the above potential risks, the outlook for the Banca IFIS Group is positive and allows optimism as far as concern management trends for the fourth Quarter 2008.

Mestre, Venice – 23 October 2008

For the Board of Directors

The President
Sebastien Egon Fürstenberg

The C.E.O.
Giovanni Bossi

BREAKDOWN OF CLIENTS BY GEOGRAPHIC AREA	LOANS	TURNOVER
North Italy	43.2%	44.0%
Central Italy	31.2%	24.6%
South Italy	19.6%	17.0%
Abroad	6.0%	14.4%
Total	100%	100%

	BREAKDOWN OF CLIENTS BY PRODUCT CATEGORY	LOANS	TURNOVER
051	Agriculture, forestry and fish products	0.9%	0.8%
052	Energy products	1.6%	0.5%
053	Minerals and ferrous and non-ferrous metals	0.2%	0.2%
054	Minerals and mineral based products	0.5%	0.3%
055	Chemical products	0.3%	0.4%
056	Products in metal excluding machines and equipment	8.2%	10.2%
057	Agricultural and industrial machines	2.6%	2.6%
058	Machines for offices, data processing and precision machinery	0.5%	0.3%
059	Electrical material and supplies	1.7%	1.9%
060	Transportation vehicles	4.8%	8.7%
061	Food and beverage products	1.1%	1.5%
062	Textile, leather, shoe and clothing products	4.4%	3.0%
063	Paper, printing and publishing	0.5%	0.6%
064	Rubber and plastic products	1.6%	2.2%
065	Other industrial products	1.1%	1.5%
066	Construction and public works	11.1%	11.4%
067	Wholesale and retail trade. recoveries and repair	12.6%	15.2%
068	Hotel and public establishment services	0.8%	0.7%
069	Internal transportation services	1.5%	1.9%
070	Maritime and air transportation services	0.8%	0.1%
071	Transportation related services	1.5%	0.6%
072	Telecommunications services	1.9%	0.2%
073	Other services for sale	21.9%	20.7%
000	Non classifiable	17.9%	14.5%
	of which non-resident subjects	*6.0%*	*14.4%*
	of which financial institutions	*2.1%*	---
	of which others (1)	*9.8%*	*0.1%*
	Total	100%	100%

(1) The item in question includes Banca IFIS's commitments in companies operating in healthcare and auxiliary services sectors

STATEMENT AS PER ARTICLE 154-*bis* OF LEGISLATIVE DECREE NO. 58 OF 24 FEBRUARY 1998

Statement by the 'Manager responsible for preparing corporate financial documents'

The undersigned, Carlo Sirombo, '**Manager responsible for preparing corporate financial documents' for Banca IFIS S.p.A.** declares, as per paragraph 2, article 154 bis of the Consolidation Act on financial intermediation, that the financial information contained in the present consolidated Quarterly Report as at 30 September 2008 corresponds to the documentable figures and results contained in Banca IFIS's accounting and bookkeeping documents, books and registers.

Manager responsible for preparing
corporate financial documents

Carlo Sirombo

Mestre, 23 October 2008