

CONSOLIDATED INTERIM REPORT AT 31 MARCH 2012

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Corporate bodies

Board of Directors

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

1) The CEO has powers for the ordinary management of the Company.

General Manager	Alberto Staccione
Board of Statutory Auditors	
Chairman	Mauro Rovida
Standing Auditors	Erasmus Santesso
	Dario Stevanato
Alternate Auditors	Luca Giacometti
	Francesca Rapetti
Independent Auditors	KPMG S.p.A.
Corporate Accounting Reporting Officer	Carlo Sirombo



Share Capital: 53,811,095 Euro fully paid in
Bank Licence (ABI) No.: 3205.2
Tax Code and Venice Company Register no. 02505630109
VAT No.: 02992620274
Enrolment in the Register of Banks No.: 5508
Registered and administrative office:
Via Terraglio 63, Mestre, 30174, Venice, Italy
International website: www.bancaifis.it



Member of Factors
Chain International

Group key data

Highlights

KEY DATA ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in thousands of Euro)	AMOUNTS AT		CHANGE	
	31.03.2012	31.12.2011	ABSOLUTE	%
Available for sale financial assets	2.269.595	1.685.163	584.432	34,7%
Held to maturity financial assets	1.676.527	-	1.676.527	n.a.
Due from customers	1.868.370	1.722.481	145.889	8,5%
Total assets	6.396.149	3.914.171	2.481.978	63,4%
Due to banks	626.526	2.001.734	(1.375.208)	(68,7)%
Due to customers	5.403.489	1.657.224	3.746.265	226,1%
Equity	261.983	196.282	65.701	33,5%

KEY DATA ON THE CONSOLIDATED INCOME STATEMENT (in thousands of euro)	PERIOD		CHANGE	
	31.03.2012	31.03.2011	ABSOLUTE	%
Net banking income	52.431	24.237	28.194	116,3%
Net value adjustments on receivables and other financial assets	(5.815)	(5.320)	(495)	9,3%
Net profit from financial activities	46.616	18.917	27.699	146,4%
Operating costs	(15.517)	(10.111)	(5.406)	53,5%
Pre-tax profit from continuing operations	31.099	8.806	22.293	253,2%
Group net profit for the period	19.710	5.586	14.124	252,8%

Results by business sectors

STATEMENT OF FINANCIAL POSITION DATA (in thousands of euro)	TRADE RECEIVABLES (1)	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	GROUP CONSOLIDATED TOTAL
Available for sale financial assets					
Amounts at 31/03/2012	-	-	-	2.269.595	2.269.595
Amounts at 31/12/2011	-	-	-	1.685.163	1.685.163
Held to maturity financial assets					
Amounts at 31/03/2012	-	-	-	1.676.527	1.676.527
Amounts at 31/12/2011	-	-	-	-	-
Due from banks					-
Amounts at 31/03/2012	-	-	-	368.435	368.435
Amounts at 31/12/2011	-	-	-	315.897	315.897
Due from customers					-
Amounts at 31/03/2012	1.570.296	91.754	76.801	129.519	1.868.370
Amounts at 31/12/2011	1.544.963	86.735	74.737	16.046	1.722.481
Due to banks					-
Amounts at 31/03/2012	-	-	-	626.526	626.526
Amounts at 31/12/2011	-	-	-	2.001.734	2.001.734
Due to customers					-
Amounts at 31/03/2012	-	-	-	5.403.489	5.403.489
Amounts at 31/12/2011	-	-	-	1.657.224	1.657.224

(1) Figures are net of eliminations and adjustments

INCOME STATEMENT DATA (in thousands of Euro)	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	GROUP CONSOLIDATED TOTAL
Net banking income					
Amounts at 31/03/2012	22.260	5.461	362	24.348	52.431
Amounts at 31/12/2011	17.304	-	-	6.933	24.237
Net profit from financial activities					
Amounts at 31/03/2012	16.390	5.516	362	24.348	46.616
Amounts at 31/12/2011	11.984	-	-	6.933	18.917

SECTOR KPI (in thousands of Euro)	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES
Turnover				
Amounts at 31/03/2012	1.127.082	n.a.	n.a.	n.a.
Amounts at 31/12/2011	1.193.776	n.a.	n.a.	n.a.
Nominal amount of receivables managed				
Amounts at 31/03/2012	2.163.000	2.939.860	94.412	n.a.
Amounts at 31/12/2011	2.122.981	2.451.270	93.758	n.a.
RWA				
Amounts at 31/03/2012	1.403.711	91.754	37.562	131.505
Amounts at 31/12/2011	1.227.726	87.160	37.917	147.142

Quarterly trend

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION: (in thousands of Euro)	YEAR 2012	YEAR 2011			
	31.03	31.12	30.09	30.06	31.03
ASSETS					
Financial assets held for trading	180	188	239	311	364
Available for sale financial assets	2.269.595	1.685.163	1.509.296	1.160.834	1.087.059
Held to maturity financial assets	1.676.527	-	-	-	-
Due from banks	368.435	315.897	356.967	317.091	325.552
Due from customers	1.868.370	1.722.481	1.858.527	1.844.204	1.669.183
Property, plant and equipment and investment property	39.400	39.224	39.310	39.550	34.238
Intangible assets	5.986	6.096	5.124	5.294	4.440
Other assets	167.656	145.122	160.083	133.982	132.012
Total assets	6.396.149	3.914.171	3.929.546	3.501.266	3.252.848

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION: (in thousands of Euro)	YEAR 2012	YEAR 2011			
	31.03	31.12	30.09	30.06	31.03
LIABILITIES AND EQUITY					
Due to banks	626.526	2.001.734	719.550	867.517	760.963
Due to customers	5.403.489	1.657.224	2.928.877	2.339.634	2.206.962
Post-employment benefits	1.371	1.449	1.486	1.499	982
Tax liabilities	15.258	10.842	13.564	12.651	5.812
Other liabilities	87.522	46.640	58.676	51.150	62.237
Equity:					
- Share capital, share premiums and reserves	242.273	169.747	186.397	215.765	210.306
- Profit for the year	19.710	26.535	20.996	13.050	5.586
Total liabilities and equity	6.396.149	3.914.171	3.929.546	3.501.266	3.252.848

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: (in thousands of Euro)	YEAR 2012	YEAR 2011			
	31.03	31.12	30.09	30.06	31.03
Net interest income	33.178	17.462	12.697	6.309	5.777
Total net commission income	19.316	20.210	20.174	20.051	18.353
Dividends and similar income	-	79	-	82	-
Net result from trading	(63)	(124)	(89)	(139)	107
Profit from sale of available for sale financial assets	-	-	-	504	-
Net banking income	52.431	37.627	32.782	26.807	24.237
Net value adjustments/revaluations due to impairment of receivables	(5.815)	(13.200)	(7.484)	(6.139)	(5.320)
Net profit from financial activities	46.616	24.427	25.298	20.668	18.917
Personnel expenses	(8.129)	(7.740)	(6.835)	(6.473)	(6.187)
Other administrative expenses	(6.328)	(7.294)	(5.563)	(4.829)	(3.841)
Net allocations to provisions for risks and charges	-	86	(103)	-	-
Net value adjustments to property, plant and equipment and investment property and intangible assets	(770)	(847)	(790)	(679)	(632)
Other operating income (expenses)	(290)	849	768	2.086	549
Operating costs	(15.517)	(14.946)	(12.523)	(9.895)	(10.111)
Pre-tax profit from continuing operations	31.099	9.481	12.775	10.773	8.806
Income tax expense for the period	(11.389)	(4.201)	(4.570)	(3.309)	(3.220)
Profit for the year	19.710	5.280	8.205	7.464	5.586
Non-controlling interests	-	259	(259)	-	-
Parent Company profit for the year	19.710	5.539	7.946	7.464	5.586

Group historical data

<i>(in thousands of Euro)</i>	31.03.2012	31.03.2011	31.03.2010	31.03.2009	31.03.2008
Available for sale financial assets	2.269.595	1.087.059	434.243	3.143	1.216
Due from customers	1.868.370	1.669.183	1.327.473	973.919	896.297
Due to banks	626.526	760.963	707.855	467.417	827.485
Due to customers	5.403.489	2.206.962	1.187.415	499.092	40.752
Equity	261.983	215.892	162.049	154.246	137.259
Net banking income	52.431	24.237	21.104	17.331	14.926
Net profit from financial activities	46.616	18.917	18.273	15.150	13.663
Group net profit	19.710	5.586	5.522	4.850	5.247
Cost/Income ratio	29,6%	41,7%	46,5%	48,8%	42,8%
Cost of credit quality	2,1%	2,0%	2,2%	n.d.	n.d.
Net non-performing loans/Due from	4,0%	2,2%	1,8%	1,4%	0,9%
Net non-performing loans/Equity	28,6%	17,1%	14,4%	8,9%	5,7%
Solvency ratio	10,9%	11,0%	9,0%	10,5%	10,9%
Core Tier 1	11,1%	11,2%	9,1%	10,5%	10,9%

Financial statements

Consolidated Statement of Financial Position

	Assets (in thousands of Euro)	31.03.2012	31.12.2011
10.	Cash and cash equivalents	28.519	67
20.	Financial assets held for trading	180	188
40.	Available for sale financial assets	2.269.595	1.685.163
50.	Held to maturity financial assets	1.676.527	-
60.	Due from banks	368.435	315.897
70.	Due from customers	1.868.370	1.722.481
120.	Property, plant and equipment and investment property	39.400	39.224
130.	Intangible assets	5.986	6.096
	of which:		
	- goodwill	838	792
140.	Tax assets	17.295	33.448
	a) current	1.250	1.024
	b) deferred	16.045	32.424
160.	Other assets	121.842	111.607
	Total assets	6.396.149	3.914.171

	Liabilities and equity (in thousands of Euro)	31.03.2012	31.12.2011
10.	Due to banks	626.526	2.001.734
20.	Due to customers	5.403.489	1.657.224
40.	Financial liabilities held for trading	386	600
60.	Hedging derivatives	34	34
80.	Tax liabilities	15.258	10.842
	a) current	1.507	1.275
	b) deferred	13.751	9.567
100.	Other liabilities	86.804	45.599
110.	Severance indemnities	1.371	1.449
120.	Provisions for risks and charges	298	407
	a) pensions and similar obligations	298	407
140.	Valuation reserves	(337)	(43.737)
170.	Reserves	117.805	91.270
180.	Share premiums	72.782	72.371
190.	Share capital	53.811	53.811
200.	Treasury shares (-)	(1.788)	(3.968)
220.	Profit (loss) for the year (+/-)	19.710	26.535
	Total liabilities and equity	6.396.149	3.914.171

Consolidated Income Statement

Items (in thousands of Euro)		31.03.2012	31.03.2011
10.	Interest receivable and similar income	56.127	17.274
20.	Interest due and similar expenses	(22.949)	(11.497)
30.	Net interest income	33.178	5.777
40.	Commission income	20.418	19.260
50.	Commission expense	(1.102)	(907)
60.	Total net commission income	19.316	18.353
80.	Net result from trading	(63)	107
120.	Net banking income	52.431	24.237
130.	Net value adjustments/revaluations due to deterioration of:	(5.815)	(5.320)
	a) receivables	(5.815)	(5.320)
140.	Net profit from financial activities	46.616	18.917
180.	Administrative expenses:	(14.457)	(10.028)
	a) personnel expenses	(8.129)	(6.187)
	b) other administrative expenses	(6.328)	(3.841)
200.	Net value adjustments/revaluations of plant, property and equipment and investment property	(310)	(294)
210.	Net value adjustments/revaluations of intangible assets	(460)	(338)
220.	Other operating income (expenses)	(290)	549
230.	Operating costs	(15.517)	(10.111)
280.	Pre-tax profit (loss) for the year from continuing operations	31.099	8.806
290.	Income taxes for the year relating to current operations	(11.389)	(3.220)
340.	Profit (loss) for the year attributable to the Parent Company	19.710	5.586

Notes

Basis of preparation

Banca IFIS Group's interim report at 31 March 2012 has been prepared in compliance with both the provisions as per article 154-ter of Legislative Decree no. 58 of 24 February 1998 as amended and with IAS/IFRS.

The consolidated financial statements at 31 March 2012 are compared, in terms of statement of financial position figures, with those at 31 December 2011 and, in terms of income statement results, with those at 31 March 2011.

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

Interim reports are not audited by the Independent Auditors.

Consolidation scope

At 31 March 2012, the Group was composed of the parent company, Banca IFIS S.p.A., and the wholly-owned subsidiaries IFIS Finance Sp. Z o. o., Fast Finance S.p.A. and TF Sec S.r.l., to be liquidated. All the companies are consolidated using the line-by-line method.

The accounts on which the consolidation is based are those prepared by Group companies at 31 March 2012.

Group equity and income situation

Business

The Banca IFIS Group is the only independent banking group in Italy that specialises in the sector of trade receivables, non-performing loans and tax receivables.

The brands and divisions through which the Group operates are:

Banca IFIS, dedicated to supporting the trade receivables of small and medium sized enterprises operating in the Italian market;

Banca IFIS *International*, for companies growing abroad or based abroad and working with Italian customers;

Banca IFIS *Pharma*, supporting the trade receivables of local health services' suppliers;

Toscana Finanza, which brings together all the activities of the business unit operating in the non-performing loans sector;

Fast Finance, focusing on the tax receivables sector.

Listed on the Star segment of Borsa Italiana, the Banca IFIS Group is an innovative and steadily growing company.

Trade receivables

Banca IFIS

In 2011 over 3,000 small and medium sized enterprises received customised answers from Banca IFIS aimed at resolving specific lending problems and ensuring financial support. In particular, Banca IFIS managed to address the financial and credit management needs of companies which, despite in some cases having limited creditworthiness, boast supply relationships with customers of good credit standing. The asset-based method, usually applied for large businesses and which Banca IFIS is the first in applying for SMEs, allowed the Bank to lend to companies by transferring the credit risk to their customer, i.e. to the account debtor. This method's peculiar assessment and authorisation criteria are based on the credit quality and the productive capacity of the company, rather than its equity, leading Banca IFIS to finance not its customers' solidity, but rather their ability to perform well. We at Banca IFIS believe this is what businesses, the economy and Italy need to regain confidence after years of hardships.

The Bank's intervention is based on a key and constant element, which is the transfer of trade receivables from the customer to Banca IFIS, and on financing them in a very short time period. For Banca IFIS financing a customer means providing companies with the resources to run and expand their business. However, the lending business on its own does not explain how the Bank's product range is structured. Leveraging trade receivables to provide companies with the necessary support to develop entails new possibilities, whose mix generates intrinsically better results compared to traditional bank lending. In fact, in the traditional approach to lending, the bank's risk analysis is based on the company-customer and its creditworthiness. In Banca IFIS's approach, the trade receivables the company-customer manages to generate are assessed: this leads to a new way of providing credit, with the inevitable introduction of new features which would be unthinkable in the traditional generalist approach.

For the company-customer, therefore, dialogue with Banca IFIS becomes not only a financial issue, nonetheless crucial as especially small and medium-sized enterprises often need resources urgently to finance their business; it is also a matter of managing credit, and in this sense smaller companies often see an advantage in letting a specialist bank professionally manage their receivables, while also larger companies consider the outsourcing of such a delicate process as managing their accounts receivable as a way to generate value; and it is also a question of controlling the risk of the final debtor, in the sense that Banca IFIS's assessment on the quality of the account debtor, i.e. who in the end must repay the trade receivable, is crucial. Banca IFIS will not act if the final debtor (i.e. the "customer" of the Bank's customer) does not meet the necessary credit requirements. Moreover, the Bank's assessment is a very useful service also for the Bank's customer, who can learn about the quality of its own counterparties and ask Banca IFIS to ringfence it from the risk of losses should its customer default by means of insurance products.

Therefore, intervention by Banca IFIS is not only a question of trade finance. Alongside the purely monetary support, we provide a service to manage account receivables and to assess credit quality which makes it extremely advantageous for the company-customer to use the Bank's services, on terms which are fully in line with other solely financial services.

Banca IFIS has a widespread presence throughout Italy, with 28 branches employing over 80 professional staff responsible for customer relations, ensuring an ongoing relationship between the Bank and companies. For Banca IFIS meeting customers at the latter's premises is the norm, as are high in-house standards concerning the speed, effectiveness, and directness of the relationship between the Bank and the customer.

In order to develop relations with the customers, the Bank maintains local contacts with some qualified institutional counterparties, as well as industry trade groups. In this way, it aims to provide customers/associates with a service that is as wide-reaching as possible.

Knowledge of the local area and customers, together with the business model based on factoring mitigating the relevant credit risk, allows the Bank to maintain a relatively high risk profile for its assets. In particular, the assets' quality is markedly better than that normally resulting from banking operations involving small and medium-sized enterprises. Those have been affected by the economic situation, and most recently by the recession and the credit crunch after at least four years of market turmoil. This means that the Bank did indeed record losses on receivables, but those are still outweighed by returns on this activity. Most importantly, the Bank continues to operate in favour of companies, even in the face of markets often compelling credit intermediaries to be very prudent in taking on risk on small and medium-sized enterprises.

Banca IFIS International

The start of the international business of Banca IFIS dates back to the end of the 1990s, when the Bank introduced import factoring services for Italian companies which had moved their production to Hungary and Romania.

In 2002 the Bank started to build an international organisation that could offer the whole range of products: export, import and non-domestic operations. In the same year Banca IFIS joined Factors Chain International, the largest factors chain in the world, which currently numbers 255 operating associates in 69 countries. Banca IFIS has entered cooperation agreements with 167 correspondents, 44 of which operating as of 31 December 2011.

Today Banca IFIS is one of the most active players in this segment and stands out due to the quality of its services and its direct presence in foreign markets, such as Poland, Romania, Hungary and India, with around 15 professional staff dedicated to international business full time.

In its international business, the Bank's ability to act not only as a supplier of factoring services but also as a consultant to those customers who intend to move to new markets or are looking for new operating solutions to propose to their counterparts is crucial. The Bank's knowledge of the markets and of the various industrial sectors validly supports the exporter in defining some contractual operational aspects.

Export Factoring is the product dedicated to Italian export companies and includes both recourse and non-recourse factoring. In order to offer the service most suited to the customer's needs, the Bank, depending on the type of operation proposed and the countries involved, can intervene directly or use the services of its correspondents. The recent economic slowdown and the increase in the risk of insolvency have led exporters to particularly appreciate the possibility of insuring themselves against the risk of default, especially with export non-recourse factoring.

Import Factoring is the service offered to foreign companies exporting to Italy. Also in the case of import, services can be offered directly to foreign companies or to FCI correspondents. In the first case, the three services - management, guarantee against the risk of default and financing of receivables - are almost always present, while in the case of operations notified by correspondents, the focus is usually on management and guarantee against the risk of default. It is important to stress that the Bank has been structured in such a way as to be able to enter into a direct relationship with any foreign company, except for those operating in markets with impediments to the transfer of credit. In the last year, owing to the economic crisis in the euro-zone, the Bank has managed to adjust to the market situation, increasing direct relations with foreign exporters also by offering diversified products dedicated to specific sectors.

In the business segment of non-domestic operations two foreign counterparts are involved: the invoice seller and the account debtor. Generally this type of product envisages the use of non-recourse factoring as the primary choice. Offering non-domestic operations requires a sound knowledge of the law of the countries involved, with particular reference to the conditions required to guarantee that the transfer of the receivable is valid, both for directly managed dealings and for those notified by FCI correspondents. The excellent ongoing relationship with correspondents and the high quality of the service offered by the Bank ensure that overseas correspondents often turn to Banca IFIS for operations involving debtors resident in European countries.

Banca IFIS Pharma

In 2010 Banca IFIS started a new business dedicated to creating new integrated management solutions for pharmaceutical companies wishing to transfer non-recourse receivables due from the Public Administration, thus freeing themselves from the risk of delayed payment. Purchasing these receivables, as they are due from the Public Administration, implies less exposure to impairment and good returns. In 2011 this business continued, building solid relations with the main industry players and laying the foundations for growth in operations as from the first weeks of 2012.

Non-performing loans (NPLs)

Toscana Finanza

This is the division of the Banca IFIS Group dedicated to non-recourse factoring of non-performing loans. Toscana Finanza SpA, which was bought in May 2011, was merged into Banca IFIS S.p.A. in December 2011.

Toscana Finanza is present in two Italian cities, Florence and Milan, and was founded in Florence in 1987. In its twenty year history it has stood out for its ability to value and buy important portfolios and to establish a remarkable database containing specific information relating to more than three hundred thousand debtors.

Today it is one of the market leaders, buying – largely from consumer credit institutions and banks - mainly non-performing and unsecured loans due from individuals.

The business model is based on its ability to optimise both the purchase and management of receivables. As for purchasing, assessing the estimated portfolio risks by using sophisticated proprietary statistics software is crucial.

As for management, the credit portfolio is processed in-house by Toscana Finanza in accordance with the highest standards of ethics, transparency and respect which are the foundations of the company's reputation and renown.

Tax receivables

Fast Finance

Fast Finance is the company within the Banca IFIS Group that specialises in purchasing tax receivables arising from insolvency proceedings: it offers to buy both accrued and accruing tax receivables on which repayment has already been requested or will be requested in the future, and which arose during insolvency proceedings or in prior years.

Based in Bologna, it is a leading company in the services for insolvency proceedings. It was created in 2001 and has been part of the Banca IFIS Group since May 2011.

Receivables are factored without recourse and without any cost for the seller, with Fast Finance taking responsibility for all costs regarding the valuation, transfer and management of the receivables, including those relating to the issue of any surety bond that may be requested as guarantee by the tax authorities before effecting the repayment.

The high level of technical know-how acquired thanks to its long experience in this sector enables Fast Finance to offer the Parties involved in Proceedings qualified assistance and the utmost efficiency in managing operations through detailed analysis of every position, with particular attention to the type of tax, the formation period, the amount, the possibility of collection and the timeframe for the repayment.

Fast Finance has eight Area Managers who work on a daily basis with the courts, offering qualified assistance to the Parties involved in Proceedings by detailing them on the operational aspects, as

well as supporting the Professional in preparing the documentation and working with him to handle and resolve any problems which may arise in the preparatory stage.

Fast Finance is also registered in the ordinary section of the General List of Financial Intermediaries pursuant to art. 106 of the Consolidated Law on Banking, and is therefore subject to Bank of Italy's supervision, which requires, among others, the integrity and professionalism of directors and statutory auditors, as well as strong financials.

Group performance

The first quarter of 2012 was an important stage in the growth of the Banking Group, with the numbers clearly showing the potential of the whole Bank. Speed, team spirit, and strategic choices aimed at sustainable growth all drive the Bank's strengthening: this will become evident quarter after quarter in a market which leaves no room for improvisation, nor for rigid preset schemes.

The highlights of the first quarter are:

- on the funding side, the continuing success of the rendimax savings account, which puts the Group in the best possible position in terms of liquidity to prop up the real economy;
- on the lending side, both in the SME and the Public Administration sectors, Banca IFIS continues to be active and support those who create value through their work;
- in the NPL sector, the Bank has strengthened its presence by acquiring significant portfolios with excellent return prospects;
- the Italian government bonds portfolio, which includes mainly short-term bonds, has been reinforced, allowing the Bank to make enough profits so as to bolster its equity without increasing its share capital. Today, the portfolio's goal is twofold: to guarantee on-demand rendimax funding and to provide an opportunity to invest additional liquidity.

Significant events occurred during the period

Banca IFIS transparently and timely discloses information to the market, constantly publishing information on significant events through press releases. Please refer to the "Investor Relations\Press Releases" section on the website www.bancaifis.it for complete details.

<http://www.bancaifis.it/bancaifis/index.php/en/main/Investor-Relations/Press-releases>

Here below is a summary of the most important events:

Significant purchases of government bonds

On 20 January 2012 Banca IFIS announced that in January 2012 it had made significant purchases of government bonds, more than doubling the value of the sovereign-debt securities portfolio compared with the amount recorded as at 30 September 2011. At the same time, the Bank stated that about 50% of its overall portfolio was composed of securities maturing in 2012 with an additional 25% maturing in 2013; the other maturity dates are apportioned between 2014 and 2017.

Significant purchase of NPL portfolios

On 27 January, the Bank announced it had completed, between the end of 2011 and the first few weeks of 2012, the purchase of portfolios for a total book value of approximately 1,100 million Euro within the scope of NPL transactions. These transactions, conducted with the consumer credit divisions of two large international banking groups with offices in Italy, amount to more than 100,000 positions overall and represent loans mainly due from Italian natural persons.

Italian government-backed bonds

In January the Bank increased its portfolio of assets eligible for refinancing operations with the Eurosystem by issuing and repurchasing 138 million Euro of bonds that the Italian Government had guaranteed for a three-year period and 69 million Euro of bonds the Government had guaranteed for a five-year period.

Group financial and income results

Statement of financial positions items

MAIN STATEMENT OF FINANCIAL POSITION ITEMS (in thousands of Euro)	BALANCES		CHANGE	
	31.03.2012	31.12.2011	ABSOLUTE	%
Available for sale financial assets	2.269.595	1.685.163	584.432	34,7%
Held to maturity financial assets	1.676.527	-	1.676.527	n.a.
Due from banks	368.435	315.897	52.538	16,6%
Due from customers	1.868.370	1.722.481	145.889	8,5%
Property, plant and equipment and investment property and intangible assets	45.386	45.320	66	0,1%
Other assets	167.836	145.310	22.526	15,5%
Total assets	6.396.149	3.914.171	2.481.978	63,4%
Due to banks	626.526	2.001.734	(1.375.208)	(68,7)%
Due to customers	5.403.489	1.657.224	3.746.265	226,1%
Financial liabilities held for trading	386	600	(214)	(35,7)%
Other liabilities	103.765	58.331	45.434	77,9%
Equity	261.983	196.282	65.701	33,5%
Total liabilities and equity	6.396.149	3.914.171	2.481.978	63,4%

Available for sale (AFS) financial assets

Available for sale financial assets include debt and equity securities and at the end of the quarter stood at 2.269,6 million Euro, up by 34,7% compared to 1.685,2 million Euro in the prior year. This securities portfolio is held for the purposes described in the following paragraph "Securities Portfolio".

Held to maturity (HTM) financial assets

The portfolio of held to maturity financial assets, established after 1 January 2012, stood at 1.676,5 million Euro at the end of the quarter and consists of Italian government bonds with original maturity of over one year.

The securities portfolio is held for the purposes described in the following section "Securities portfolio".

Receivables due from banks

At 31 March 2012 receivables due from banks totalled 368.435 thousand Euro compared to 315.897 thousand Euro at 31 December 2011 (+16,6%).

Some securities not listed on an active market and eligible with the Eurosystem were classified under this item for an amount of 85.547 thousand Euro (-22,8% compared to 31 December 2011). The securities portfolio is held for the purposes described in the following section "Securities portfolio".

The item includes treasury loans with other lenders for 282.888 thousand Euro (+37,9% compared to 31 December 2011) largely related to maintaining levels of liquidity exceeding period-end maturities.

Securities portfolio

In order to provide a comprehensive analysis of the Group's securities portfolio, the debt securities portfolio, represented by several asset items in the statement of financial position, and the equity portfolio are commented on below.

Debt securities portfolio

Between the end of 2011 and the end of the first quarter of 2012, Banca IFIS made significant changes to its debt securities portfolio in terms of both size and composition.

Given successful funding operations, high market volatility, and the Bank's ability and willingness to bolster its capital ratios in order to create further room for investing in the real economy, the Bank seized the opportunity to invest the additional liquidity in low-risk high-yielding securities.

The stock of securities at the end of the quarter stood at 4.017,6 million Euro, +125,5% compared to 31 December 2011. During the period, the Bank purchased exclusively Italian government bonds, both of the fixed-rate short-term and floating-rate medium-term type.

This significant resource allowed Banca IFIS to access funding at reasonable costs during the entire quarter through repurchase agreements on the MTS platform or the Eurosystem.

These securities have been classified as shown in the following table on the basis of their characteristics and in compliance with the provisions of IAS 39.

DEBT SECURITIES PORTFOLIO (in thousands of Euro)	BALANCES		CHANGE	
	31.03.2012	31.12.2011	ABSOLUTE	%
DEBT SECURITIES INCLUDED UNDER:				
Available for sale financial assets	2.255.327	1.670.895	584.432	35%
Held to maturity financial assets	1.676.527	-	1.676.527	n.a.
Receivables due from banks - bonds	85.547	110.790	(25.243)	(22,8)%
Other assets	180	188	(8)	(4,3)%
Total securities held	4.017.581	1.781.873	2.235.708	125,5%

Here below is the breakdown by issuer and by maturity of the debt securities held.

Issuer	up to 3 months	over 3 months up to 6 months	over 6 months up to 1 year	over 1 year up to 5 years	over 5 years up to 10 years	Total
Government securities	1.207.275	333.565	605.004	1.605.494	71.034	3.822.372
% of total	30,0%	8,3%	15,0%	40,0%	1,8%	95,1%
Banks	47.170	-	95.276	51.810	-	194.256
% of total	1,2%	0,0%	2,4%	1,3%	0,0%	4,9%
Other issuers	-	-	-	953	-	953
% of total	-	-	-	0,0%	-	0,0%
Total	1.254.445	333.565	700.280	1.658.257	71.034	4.017.581
% of total	31,2%	8,3%	17,4%	41,3%	1,8%	100%

Equity portfolio

Among the available for sale financial assets are equity securities relating to non-controlling interests in unlisted companies for 14.268 thousand Euro. Those securities are strategic for Banca IFIS.

Receivables due from customers

At period-end total receivables due from customers reached 1.868,4 million Euro, an increase of 8,5% compared to 1.722,5 million Euro at the end of 2011.

Trade receivables increased by 25,3 million Euro (+1,6%), non-performing loans by 5 million Euro (+5,8%), and tax receivables by 2 million Euro (+2,8%). Furthermore, the higher volume of margin lending transactions related to the purchase of government bonds on the MTS platform had a significant impact (+113,5 million Euro).

Receivables due from customers are composed as follows: 30,8% from the Public Administration (compared to 27,8% at 31 December 2011) and 69,2% from the private sector (compared to 72,2% at 31 December 2011).

Geographically, the item is broken down as follows: 98,5 % from customers resident in Italy (98,2% in 2011) and 1,5% from customers resident abroad (1,8% in 2011).

Finally, it should be noted that the item includes 4 positions, for a total of 175.648 thousand Euro, which fall within the category of major risks.

Receivables due from customers, excluding non-performing loans for 75 million Euro, totalled 1.793,3 million Euro, an increase of 8,8% compared to the end of 2011.

Impaired assets

Total net impaired assets for the year totalled 333,6 million Euro, against 277,7 million Euro at the end of 2011 (+20,1%). This increase was largely due to the rise in past due loans; indeed, as from 1 January 2012 the prudential law in force for the purposes of identifying past due loans sets the limit at 90 days, instead of 180 days as up to 31 December 2011. By way of comparison, it is noted that by applying the new limit of 90 days to the loans outstanding at 31 December 2011, past due loans at that date would have totalled 117.529 thousand Euro, against 88.364 thousand Euro at the end of March 2012 (-24,8%).

The increase is also due to receivables in the NPL sector, rising from 86.735 thousand Euro to 91.754 thousand Euro (+5,8%). The Toscana Finanza division's business is by nature closely associated with recovering impaired assets. Therefore, loans in the NPL sector are recognised under non-performing or substandard loans.

CREDIT QUALITY (in thousands of Euro)	TRADE RECEIVABLES (1)	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	CONSOLIDATED TOTAL
Non-performing loans					
Amounts at 31/03/2012	67.610	7.404	-	-	75.014
Amounts at 31/12/2011	66.199	7.822	-	-	74.021
% Change	2,1%	(5,3)%	-	-	1,3%
Substandard loans					-
Amounts at 31/03/2012	82.331	84.350	-	-	166.681
Amounts at 31/12/2011	79.184	78.913	-	-	158.097
% Change	4,0%	6,9%	-	-	5,4%
Restructured loans					-
Amounts at 31/03/2012	3.502	-	-	-	3.502
Amounts at 31/12/2011	3.897	-	-	-	3.897
% Change	(10,1)%	-	-	-	(10,1)%
Past due loans					-
Amounts at 31/03/2012	88.364	-	-	-	88.364
Amounts at 31/12/2011	41.685	-	-	-	41.685
% Change	112,0%	-	-	-	112,0%
Total net impaired assets					
Amounts at 31/03/2012	241.807	91.754	-	-	333.561
Amounts at 31/12/2011	190.965	86.735	-	-	277.700
% Change	26,6%	5,8%	-	-	20,1%
Net performing loans due from customers					-
Amounts at 31/03/2012	1.328.489	-	76.801	129.519	1.534.809
Amounts at 31/12/2011	1.353.998	-	74.737	16.046	1.444.781
% Change	(1,9)%	-	2,8%	707,2%	6,2%
Total due from customers (cash)					
Amounts at 31/03/2012	1.570.296	91.754	76.801	129.519	1.868.370
Amounts at 31/12/2011	1.544.963	86.735	74.737	16.046	1.722.481
% Change	1,6%	5,8%	2,8%	707,2%	8,5%

(1) Figures are net of eliminations and adjustments

Total **non-performing loans** due from customers, net of adjustments, were 75 million Euro at 31 March 2012, compared with 74 million Euro at the end of December 2011 (+1,3%), of which 7,4 million Euro in the NPL sector (7,8 million Euro at the end of 2011, -5,3%). Non-performing loans deemed as relevant in the trade receivables sector included the cash loan to Fondazione San Raffaele, which applied for composition proceedings, equal to approximately 15 million Euro gross of adjustments and 10 million Euro in net value. They also included a loan due from an insolvent local public body equal to approximately 10,5 million Euro in gross value and 8,2 million Euro in net value.

At the end of March 2012 **substandard loans** totalled 166,7 million Euro, compared to 158,1 million Euro at 31 December 2011 (+5,4%), of which 84,3 million Euro relating to the NPL sector (78,9 million Euro at 31 December 2011, +6,9%). NPLs are classified under substandard loans in cases where the Bank has not ascertained the debtor's state of insolvency.

As envisaged by the instructions of Bank of Italy, the item "substandard loans" also includes the so-called "objective substandard loans with recourse" which, due to the particular business undertaken by the Bank, are not deemed to represent particular problems. Specifically, "objective substandard loans with recourse" relate to loans to invoice sellers, whose account debtors show strong delays in payments. The Bank believes these positions are not particularly problematic, as payment delays on the part of the account debtor do not necessarily correspond to an objective

financial difficulty of the invoice seller. If the Bank finds out that the invoice seller is also facing difficulties in fulfilling its commitments, the position is automatically recorded under substandard loans.

Past due loans totalled 88,4 million Euro, compared with 41,7 million Euro at the end of 2011 (+112%). This increase was due to the reasons set out in the comment on impaired assets. Lastly, it should be noted that net past due loans refer for 35,9 million Euro to receivables due from the Public Administration purchased outright within the factoring activity. Given the quality of credit and debtors, we believe these positions are not subject to impairment.

The ratio of net non-performing loans to loans goes from 4,3% to 4%.

IMPAIRED ASSETS (in thousands of Euro)	NON-PERFORMING	SUBSTANDARD	RESTRUCTURED	PAST DUE	TOTAL
BALANCE AT 31/03/2012					
Nominal value of impaired assets	176.414	169.806	4.019	88.661	438.900
<i>Incidence on total receivables at nominal value</i>	8,9%	8,6%	0,2%	4,5%	22,2%
Adjustments	101.400	3.125	517	297	105.339
<i>Incidence on nominal value</i>	57,5%	1,8%	12,9%	0,3%	24,0%
Carrying amount	75.014	166.681	3.502	88.364	333.561
<i>Incidence on net total receivables</i>	4,0%	8,9%	0,2%	4,7%	17,9%
BALANCE AT 31/12/2011					
Nominal value of impaired assets	169.497	160.508	4.423	41.762	376.190
<i>Incidence on total receivables at nominal value</i>	9,3%	8,8%	0,2%	2,3%	20,6%
Adjustments	95.476	2.411	526	77	98.490
<i>Incidence on nominal value</i>	56,3%	1,5%	11,9%	0,2%	26,2%
Carrying amount	74.021	158.097	3.897	41.685	277.700
<i>Incidence on net total receivables</i>	4,3%	9,2%	0,2%	2,4%	16,1%

(1) As for **non-performing loans**, it should be noted that Banca IFIS enters its gross non-performing loans, recognised in the financial statements net of the related specific value adjustment funds, up to the point in which all legal credit collection procedures have been entirely completed.

Intangible assets and property, plant and equipment and investment property

Intangible assets totalled 5.986 thousand Euro compared to 6.096 thousand Euro at 31 December 2011 (-1,8%). The item refers to software (4.702 thousand Euro) and goodwill (838 thousand Euro) arising from the consolidation process of the investment in IFIS Finance Sp.Z o.o..

Property, plant and equipment and investment property increased by 0,4% to 39.400 thousand Euro.

The property classified under property, plant and equipment and investment property mainly includes: the important historical building Villa Marocco, located in Mestre (Venice) and housing Banca IFIS's registered office, and the property in Mestre (Venice), partly sub-leased to the parent company La Scogliera S.p.A.

The carrying amount of the property above has been confirmed by experts specialising in the appraisal of luxury property. Villa Marocco is not depreciated as its estimated residual value at the end of its useful life is expected to be higher than its carrying amount.

Following the acquisition of the Toscana Finanza Group, the latter's head office in Florence, which was acquired under a finance lease, was recognised at 4.936 thousand Euro.

Some property of minor value is also recognised.

Tax assets and liabilities

These items include current and deferred tax assets and liabilities.

Advance tax assets, amounting to 16.045 thousand Euro at 31 March 2012, largely refer to impairment losses on receivables which can be deducted in the next years.

Deferred tax assets, amounting to 13.751 thousand Euro at 31 March 2012, relate for 7.324 thousand Euro to the measurement of the tax receivables of the subsidiary Fast Finance S.p.A under IAS 39 compared to the recognition under Italian accounting standards; they also refer for 2.209 thousand Euro to the fair value measurement of available for sale financial assets.

Funding

Total funding, which at 31 March 2012 totalled 6.030 million Euro, an increase of 64,8% compared to 31 December 2011, is represented for 89,6% by **Payables due to customers** and for 10,4% by **Payables due to banks**.

Payables due to customers at 31 March 2012 totalled 5.403,5 million Euro, (+226,1% compared to 31 December 2011). Two factors determined this increase: the successful retail funding from the online rendimax savings account, which continues to grow quarter on quarter and even more so since the launch of the new rendimax Like product on December 1, with deposits at quarter-end totalling 2.005,7 million Euro (+28,9% compared to 2011 year-end); and the higher use of repurchase agreements with underlying government bonds and the Cassa di Compensazione e Garanzia (the Italian central counterparty) as counterparty, amounting to 3.230 million Euro (against 49,1 million Euro at 2011 year-end). During the quarter, the Bank turned largely to the MTS platform, rather than Eurosystem auctions, as the former refinancing instrument was more convenient.

Payables due to banks, which totalled 626.5 million Euro (-68,7% compared to December 2011), consist mainly of funds arising from refinancing transactions on the Eurosystem for 500,4 million Euro, markedly down from 1.861,7 million Euro at the end of 2011. These transactions were carried out using part of the debt securities held, as well as the securities obtained from the self-securitisation operation of trade receivables called "Ifis Collection Service". The remainder of the payables due to banks consist of interbank deposits for 126,1 million Euro (-10% compared to the end of 2011).

Capital adequacy and solvency ratios

The equity attributable to the Group was 261.983 thousand Euro at 31 March 2012, compared to 196.282 thousand Euro at 31 December 2011. This increase in equity is shown below:

EQUITY: CHANGES (in thousands of Euro)	
Equity at 31/12/2011	196.282
Increases:	67.092
Group net profit	19.710
Sale of treasury instruments	3.983
Change in valuation reserve:	43.399
- AFS securities	41.516
- exchange differences	1.883
Decreases:	(1.391)
Purchase of treasury instruments	(1.391)
Equity at 31/03/2012	261.983

The change in the valuation reserve for AFS securities refers mainly to the effects of the fair value measurement of government bonds held in the portfolio.

The change in the currency translation reserve refers mainly to exchange differences deriving from the consolidation of the subsidiary IFIS Finance Sp. Z o.o.

CAPITAL ADEQUACY RATIOS (in thousands of Euro)	AMOUNTS AT	
	31.03.2012	31.12.2011
Regulatory capital		
Tier 1 capital	221.978	214.527
Tier 2 capital	(4.868)	(6.752)
Deductibles	-	-
Total capital	217.110	207.775
Prudential regulatory requirement		
Credit risk	141.706	136.829
Market risk	2.150	1.930
Operating risk	16.187	14.835
Total prudential requirements	160.043	153.594
Solvency ratios		
Tier 1 capital/total weighted assets	11,10%	11,17%
Total capital/Total weighted assets	10,85%	10,82%
Capital surplus in excess of minimum requirements	57.067	54.181

Pursuant to Bank of Italy's Regulation dated 18 May 2010, the Banca IFIS Group calculated its regulatory capital at 31 December 2011 by adopting the so-called "symmetric filter", which allows to neutralise both gains and losses on securities issued by the Central Administrations of EU Member States included under available for sale financial assets, as if they were valued at cost.

Income statement items

The comparison of income statement items with the first quarter of the previous year was influenced by the acquisition of the former Toscana Finanza Group, which contributed to the results of the Banca Ifis Group as from 1 July 2011.

Formation of net banking income

Net banking income increased from 24.237 thousand Euro to 52.431 thousand Euro (+116,3%). This strong growth derived from the greater contribution of the trade receivables sector (+28,6%, 22.260 thousand Euro), the profit arising from treasury operations (net interest income on the securities portfolio of 26.896 thousand Euro in the quarter, compared to 3.035 thousand Euro in the first quarter of the previous year), and non-performing loans and tax receivables, which contributed 5.822 thousand Euro to net banking income in the first quarter of 2012.

Net banking income is made up of commission income (36,8%), interest income (63,3%) and other components (-0,1%).

The development of products with high-value related services, income from which is represented by commission income only, leads to marked volatility between net interest income and commission income, such as to make comparisons between periods meaningless. For information purposes, however, a detailed analysis is provided below.

NET BANKING INCOME (in thousands of Euro)	PERIOD		CHANGE	
	01.01.2012 31.03.2012	01.01.2011 31.03.2011	ABSOLUTE	%
Net interest income	33.178	5.777	27.401	474,3%
Net commission income	19.316	18.353	963	5,2%
Net result from trading	(63)	107	(170)	(158,9)%
Net banking income	52.431	24.237	28.194	116,3%

Net interest income went from 5.777 thousand Euro at 31 March 2011 to 33.178 thousand Euro at 31 March 2012 (+474,3%).

Net interest income was bolstered by the returns on the securities portfolio, which rose to 26.896 thousand Euro from 3.035 thousand Euro at 31 March 2011 on the back of higher volumes.

The increase was also due to the NPL and tax receivables sectors, which contributed 5.823 thousand Euro to net interest income.

At 31 March 2012, interests on arrears accrued on amounts due from the Public Administration relate to already collected debts (15 million Euro) and non collected debts (28,9 million Euro). Such amounts, which are calculated based on current regulations and contract law, were not recognised in the financial statements, because, as of today, the Bank does not have the necessary information to ascertain their recoverability.

Interest expense relating to the rendimax savings accounts amounts to 16.297 thousand Euro overall.

Net commission income rose by 5,2% compared to the previous year's quarter. This result is due in particular to the higher charges for the factoring service offered by the Group, owing to the management complexity involved and offsetting the increase in credit risk.

Commission income, totalling 20.418 thousand Euro compared to 19.260 thousand Euro at the end of the first quarter, came primarily from factoring commission on the turnover generated by individual customers (with or without recourse, in a flat or monthly formula) as well as other fees usually charged to customers for services.

Commission expense, totalling 1.102 thousand Euro compared to 907 thousand Euro at the end of the first quarter of 2011, came primarily from approved banks' brokering, the work of other credit brokers, and commissions paid to correspondent factors.

Formation of net profit from financial activities

Net profit from financial activities of the Group totalled 46.616 thousand Euro compared to 18.917 thousand Euro at 31 March 2011, up by 146,4%.

Based on the data concerning the trends in banking income and impairment losses on loans and receivables, we can state that the Bank manages to generate enough returns to achieve a high and stable level of profitability, despite a receding market.

FORMATION OF NET PROFIT FROM FINANCIAL ACTIVITIES (in thousands of Euro)	PERIOD		CHANGE	
	01.01.2012 31.03.2012	01.01.2011 31.03.2011	ABSOLUTE	%
Net banking income	52.431	24.237	28.194	116,3%
Net impairment losses on:				
loans and receivables	(5.815)	(5.320)	(495)	9,3%
Net profit from financial activities	46.616	18.917	27.699	146,4%

Net value adjustments due to impairment of receivables totalled 5.815 thousand Euro, slightly up from 5.320 thousand Euro at 31 March 2011 (+9,3%), reflecting constant general unstable economic conditions.

Given the still difficult economic conditions, the Banca IFIS Group continues to be rigorous in measuring assets, recognising value adjustments in the income statement in a timely manner as soon as conditions to do so arise.

Formation of profit for the period

The table below shows the formation of the Group's profit for the period starting from the previously mentioned profit from financial activities, compared with the same period of the previous year.

FORMATION OF PROFIT FOR THE YEAR (in thousands of Euro)	PERIOD		CHANGE	
	01.01.2012 31.03.2012	01.01.2011 31.03.2011	ABSOLUTE	%
Net profit from financial activities	46.616	18.917	27.699	146,4%
Operating costs	(15.517)	(10.111)	(5.406)	53,5%
Pre-tax profit from continuing operations	31.099	8.806	22.293	253,2%
Income tax expense for the period	(11.389)	(3.220)	(8.169)	253,7%
Net profit for the period	19.710	5.586	14.124	252,8%

The trend in **operating costs** was affected by the expansion of the business and the acquisition of the Toscana Finanza Group.

Total operating costs stood at 15.517 thousand Euro, up 53,5% compared to 31 March 2011. This increase was mainly due to the acquisition of the new companies Toscana Finanza and Fast Finance on 30 June 2011, which expanded the Group's scope, as well as the new corporate structure.

The cost/income ratio improved markedly, falling from 41,7% in the first quarter of 2011 to 29,6% in the reporting period.

OPERATING COSTS (in thousands of Euro)	PERIOD		CHANGE	
	01.01.2012 31.03.2012	01.01.2011 31.03.2011	ABSOLUTE	%
Personnel expenses	8.129	6.187	(1.942)	31,4%
Other administrative expenses	6.328	3.841	(2.487)	64,7%
Value adjustments on property, plant and equipment and investment property and intangible assets	770	632	138	21,8%
Other operating charges (income)	290	(549)	839	(152,8)%
Total operating costs	15.517	10.111	5.406	53,5%

Personnel expenses, amounting to 8.129 thousand Euro, rose by 31,4% compared to the first quarter of 2011, in particular due to the acquisition of the Toscana Finanza Group: the number of Group employees, also thanks to this acquisition, rose at quarter-end to 441 (compared to 339 at the end of March 2011).

Other administrative expenses at 31 March 2012 reached 6.328 thousand Euro, compared to 3.841 thousand Euro in the prior year period (+64,7%).

The increase was caused, among other things, by the higher organisational complexity following the acquisition of the former Toscana Finanza Group.

This item includes some entries relating to the management of the rendimax account, especially costs for the stamp duty on account statements, which rise in direct correlation to the number of operating customers and, as a result of a commercial policy decision, are not charged back to customers.

Please note that part of the expenses included in this item (in particular legal expenses and indirect taxes) is charged back to customers and the relevant revenue is recognised under other operating income. Net of this component, other administrative expenses totalled 5.743 thousand Euro, compared to 3.288 thousand Euro at 31 March 2011 (+74,7%).

OTHER ADMINISTRATIVE EXPENSES (in thousands of Euro)	PERIOD		CHANGE	
	01.01.2012 31.03.2012	01.01.2011 31.03.2011	ABSOLUTE	%
Expenses for professional services	2.084	802	1.282	159,9%
Legal and consulting services	918	528	390	73,9%
Auditing	180	86	94	109,3%
Outsourced services	986	188	798	424,5%
Direct and indirect taxes	1.021	595	426	71,6%
Expenses for purchasing goods and other services	3.223	2.292	931	40,6%
Property expenses	699	645	54	8,4%
Postage of documents	441	270	171	63,3%
Advertising and inserts	318	195	123	63,1%
Customer information	253	169	84	49,7%
Telephone and data transmission expenses	251	202	49	24,3%
Software assistance and leasing	164	163	1	0,6%
Other sundry expenses	1.097	800	297	37,1%
Total administrative expenses	6.328	3.841	2.487	64,7%
Expense recoveries	(585)	(553)	(32)	5,8%
Total other administrative expenses, net	5.743	3.288	2.455	74,7%

Expenses for outsourced services include for 775 thousand Euro fees paid to debt collection companies for the collection of receivables in the NPL sector. The fees paid are proportioned to the sums recovered.

Other sundry expenses refer for 118 thousand Euro to expenses for managing the special purpose vehicles set up for the current securitisation operations.

Value adjustments on property, plant and equipment and investment property totalled 310 thousand Euro compared to 294 thousand Euro at 31 March 2011 (+5,4%).

Value adjustments on intangible assets largely refer to IT devices, and as of 31 March 2012 stood at 460 thousand Euro, up 36,1% compared to the end of March 2011.

Other net operating expenses totalled 290 thousand Euro and refer mainly to contractual indemnities and revenue from recoveries of expenses charged to third parties. The relevant cost item is included in other administrative expenses (legal expenses and indirect taxes).

Pre-tax profit for the period stood at 31.099 thousand Euro, an increase of 253,2% compared to 31 March 2011.

Income tax expense amounted to 11.389 thousand Euro, compared to 3.220 thousand Euro at 31 March 2011.

Profit for the period totalled 19.710 thousand Euro compared to 5.586 thousand Euro at the end of March 2011 (+252,8%). This result allows the Group to face the coming quarters calmly and steadily.

In the absence of profit attributable to non-controlling interests, these results refer entirely to the Group.

Contribution of business sectors to Group results

The organisational structure

The model for segment reporting is in line with the organisational structure used by the Head Office to analyse Group results and is broken down into the following sectors: Trade Receivables, Non-Performing Loans (NPL), Tax Receivables, Governance and Services.

Here below are the results achieved in the first quarter of 2012 by the various business sectors, which will be analysed in the sections dedicated to the individual sectors.

The Non-Performing Loans and Tax Receivables sectors, which were added to the Group's scope after the acquisition of the Toscana Finanza Group, contributed to the results starting from 30 June 2011, the date on which the business combination formally took effect.

INCOME STATEMENT DATA (in thousands of Euro)	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	GROUP CONSOLIDATED TOTAL
Net banking income					
Amount at 31.03.2012	22.260	5.461	362	24.348	52.431
Amounts at 31.03.2011	17.304	-	-	6.933	24.237
Net profit from financial activities					
Amount at 31.03.2012	16.390	5.516	362	24.348	46.616
Amounts at 31.03.2011	11.984	-	-	6.933	18.917

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	TRADE RECEIVABLES (⁽¹⁾)	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	GROUP CONSOLIDATED TOTAL
Available for sale financial assets					
Amounts at 31.03.2012	-	-	-	2.269.595	2.269.595
Amounts at 31.12.2011	-	-	-	1.685.163	1.685.163
Held to maturity financial assets					
Amounts at 31.03.2012	-	-	-	1.676.527	1.676.527
Amounts at 31.12.2011	-	-	-	-	-
Due from banks					
Amounts at 31.03.2012	-	-	-	368.435	368.435
Amounts at 31.12.2011	-	-	-	315.897	315.897
Due from customers					
Amounts at 31.03.2012	1.570.296	91.754	76.801	129.519	1.868.370
Amounts at 31.12.2011	1.544.963	86.735	74.737	16.046	1.722.481
Due to banks					
Amounts at 31.03.2012	-	-	-	626.526	626.526
Amounts at 31.12.2011	-	-	-	2.001.734	2.001.734
Due to customers					
Amounts at 31.03.2012	-	-	-	5.403.489	5.403.489
Amounts at 31.12.2011	-	-	-	1.657.224	1.657.224

⁽¹⁾ Figures are net of eliminations and adjustments

Trade Receivables

This item includes the activities performed by the structures dedicated to the brands:

- Banca IFIS, dedicated to supporting the trade receivables of SMEs operating in the domestic market;
- Banca IFIS International, for companies growing abroad or based abroad and working with Italian customers;
- Banca IFIS Pharma, supporting the trade receivables of local health services' suppliers.

INCOME STATEMENT DATA (in thousands of Euro)	31.03.2012	31.03.2011	CHANGE	
			ABSOLUTE	%
Net interest income	2.362	(1.334)	3.696	(277,1)%
Total net commission income	19.898	18.638	1.260	6,8%
Net banking income	22.260	17.304	4.956	28,6%
Net impairment losses on receivables	(5.760)	(5.320)	(440)	8,3%
Net profit from financial activities	16.500	11.984	4.516	37,7%

STATEMENT OF FINANCIAL POSITION DATA ⁽¹⁾ (in thousands of Euro)	31.03.2012	31.12.2011	CHANGE	
			ABSOLUTE	%
Non-performing loans	67.610	66.199	1.411	2,1%
Substandard loans	82.331	79.184	3.147	4,0%
Restructured loans	3.502	3.897	(395)	(10,1)%
Past due loans	88.364	41.685	46.679	112,0%
Total impaired assets due from customers	241.807	190.965	50.842	26,6%
Net performing loans	1.328.489	1.353.998	(25.509)	(1,9)%
Total due from customers (cash)	1.570.296	1.544.963	25.333	1,6%

⁽¹⁾ Figures are net of eliminations and adjustments

The increase in past due loans is largely due to the implementation as from 1 January 2012 of the 90-day limit, instead of the 180-day one as up to 31 December 2011, pursuant to the prudential law in force. By way of comparison, it is noted that by applying the new limit of 90 days to the loans outstanding at 31 December 2011, past due loans at that date would have totalled 117.529 thousand Euro, against 88.364 thousand Euro at the end of March 2012 (-24,8%).

KPI q/q	31.03.2012	31.03.2011	CHANGE	
			ABSOLUTE	%
Turnover	1.127.082	1.193.776	(66.694)	(5,6)%
Net banking income/Turnover	2,0%	1,4%	-	0,6%

KPI y/y	31.03.2012	31.12.2011	CHANGE	
			ABSOLUTE	%
Net non-performing loans/Due from customers	4,3%	4,3%	-	0,0%
Impaired assets/Due from customers	15,4%	12,4%	-	3,0%
Total RWA per sector	1.403.711	1.227.726	175.985	14,3%

The following table shows the nominal value of receivables purchased (operating data not recognised in the statements) for factoring transactions outstanding at the end of the year (Total Receivables), broken down into receivables with or without recourse and receivables purchased outright. Please note that the breakdown of purchased receivables in the following table is based on the contract form used by the Bank.

TOTAL RECEIVABLES (in thousands of Euro)	BALANCES		CHANGE	
	31.03.2012	31.12.2011	ABSOLUTE	%
Receivables without recourse	144.268	146.464	(2.196)	(1,5)%
<i>of which due from the Public Administration</i>	12.384	10.976	1.408	12,8%
Receivables with recourse	1.473.702	1.496.402	(22.700)	(1,5)%
<i>of which due from the Public Administration</i>	466.225	464.710	1.515	0,3%
Outright purchases	545.030	480.115	64.915	13,5%
<i>of which due from the Public Administration</i>	478.592	397.412	81.180	20,4%
Total receivables	2.163.000	2.122.981	40.019	1,9%
<i>of which due from the Public Administration</i>	957.201	873.098	84.103	9,6%

The breakdown of customers by geographic area in Italy, with a separate indication for those abroad, and the breakdown of customers by product sector are as follows:

BREAKDOWN OF CUSTOMERS BY GEOGRAPHIC AREA	LOANS	TURNOVER
Northern Italy	43,6%	56,9%
Central Italy	26,6%	24,2%
Southern Italy	28,1%	12,7%
Abroad	1,7%	6,2%
Total	100,0%	100,0%

Non-performing loans (NPL)

This is the division of Banca IFIS Group currently dedicated to non-recourse factoring and managing non-performing loans. It operates under the Toscana Finanza brand.

Toscana Finanza's business is by nature closely associated with measuring impaired loans. Therefore, most loans in the NPL division are included among non-performing and substandard loans: this classification is the logical consequence of the business model, based on how to measure those assets in the best possible way.

NPLs are classified under non-performing loans in cases where the Bank has ascertained the debtor's state of insolvency.

INCOME STATEMENT DATA (in thousands of Euro)	31.03.2012	31.03.2011	CHANGE	
			ABSOLUTE	%
Net interest income	5.461	-	5.461	n.a.
Total net commission income	-	-	-	-
Net banking income	5.461	-	5.461	n.a.
Net impairment losses on receivables	(55)	-	(55)	n.a.
Net profit from financial activities	5.406	-	5.406	n.a.

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	31.03.2012	31.12.2011	CHANGE	
			ABSOLUTE	%
Non-performing loans	7.404	7.822	(418)	(5,3)%
Substandard loans	84.350	78.913	5.437	6,9%
Restructured loans	-	-	-	-
Past due loans	-	-	-	-
Total impaired assets due from customers	91.754	86.735	5.019	5,8%
Net performing loans	-	-	-	-
Total due from customers (cash)	91.754	86.735	5.019	5,8%

KPI	31.03.2012	31.12.2011	CHANGE	
			ABSOLUTE	%
Nominal amount of receivables managed	2.939.860	2.451.270	488.590	19,9%
Total RWA per sector	91.754	87.160	4.594	5,3%

Tax receivables

It is Banca IFIS Group's sector specialised in purchasing tax receivables arising from insolvency proceedings; it operates under the Fast Finance brand and offers to buy both accrued and accruing tax receivables on which repayment has already been requested or which shall be requested in the future, and that arose during insolvency proceedings or in prior years.

INCOME STATEMENT DATA (in thousands of Euro)	31.03.2012	31.03.2011	CHANGE	
			ABSOLUTE	%
Net interest income	410	-	410	n.a.
Total net commission income	(48)	-	(48)	n.a.
Net banking income	362	-	362	n.a.
Net impairment losses on receivables	-	-	-	-
Net profit from financial activities	362	-	362	n.a.

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	31.03.2012	31.12.2011	CHANGE	
			ABSOLUTE	%
Non-performing loans	-	-	-	-
Substandard loans	-	-	-	-
Restructured loans	-	-	-	-
Past due loans	-	-	-	-
Total impaired assets due from customers	-	-	-	-
Net performing loans	76.801	74.737	2.064	2,8%
Total due from customers (cash)	76.801	74.737	2.064	2,8%

KPI	31.03.2012	31.12.2011	CHANGE	
			ABSOLUTE	%
Nominal amount of receivables managed	94.412	93.758	654	0,7%
Total RWA per sector	37.562	37.917	(355)	(0,9)%

Governance and services

Within the scope of its management and coordination activities, the Governance and Services (G & S) sector exercises strategic, managerial, and technical-operational control over operating segments and subsidiaries. Furthermore, it provides the operating segments and subsidiaries with the financial resources and services necessary to perform their respective business activities. The Internal Audit, Compliance, Risk Management, Communications, Strategic Planning, Administration and Management Control, Organisation and ICT departments, as well as the structures responsible for raising, allocating (to operating segments and subsidiaries), and managing financial resources are centralised in the Parent Company.

The G&S sector charges only the refinancing costs of lending operations to the operating segments based on the internal transfer rates as defined by the Group's policy.

INCOME STATEMENT DATA (in thousands of Euro)	31.03.2012	31.03.2011	CHANGE	
			ABSOLUTE	%
Net interest income	24.945	7.111	17.834	250,8%
Total net commission income	(534)	(285)	(249)	87,2%
Net banking income	24.348	6.933	17.415	251,2%
Net impairment losses on receivables	-	-	-	-
Net profit from financial activities	24.348	6.933	17.415	251,2%

STATEMENT OF FINANCIAL POSITION DATA (in thousands of Euro)	31.03.2012	31.12.2011	CHANGE	
			ABSOLUTE	%
Available for sale financial assets	2.269.595	1.685.163	584.432	34,7%
Due from banks	1.676.527	-	1.676.527	n.a.
Due from customers	368.435	315.897	52.538	16,6%
Due to banks	129.519	16.046	113.473	707,2%
Due to customers	626.526	2.001.734	(1.375.208)	(68,7)%
Available for sale financial assets	5.403.490	1.657.224	3.746.266	226,1%

KPI	31.03.2012	31.12.2011	CHANGE	
			ABSOLUTE	%
Total RWA per sector	131.505	147.142	(15.638)	(10,6)%

Significant subsequent events

Opening of the branch in Pisa

On 11 April 2012, the branch in Pisa was opened, continuing the process of enhancing local services. There are thus 28 Banca IFIS branches in Italy focused on lending to businesses.

Merger application for Fast Finance S.p.A.

As already reported in the previous paragraph concerning the acquisition and merger of Toscana Finanza, on 19 January 2012 the Board of Directors of Banca IFIS approved the project to merge Fast Finance S.p.A. into Banca IFIS S.p.A. and on 23 January the related authorisation application was submitted to the Bank of Italy.

On 18 April 2012 the Bank of Italy authorised the operation.

There were no other significant events after the end of the period and up to the approval of this interim report.

Outlook

The prospects for the remaining months of 2012 are good.

Operations in support of businesses could be positively influenced by both the opportunities to acquire new customers and new loans in an economic setting burdened by the adverse economic situation, and the lower amount of credit available on the market in the light of non-specialist banks' reluctance to assist companies with traditional credit instruments.

All in all, it is reasonable to anticipate a positive trend in the Bank's profitability, which should strongly increase above all, but not exclusively, due to the additional returns arising from trading in securities, and a concomitant increase in solvency due to the capitalisation of profits. As for the Bank's traditional and newly added operating sectors, we expect: a positive profitability trend in the trade receivables area, with the economic situation and its impact on credit quality representing an element of risk; growing operational effectiveness and profitability in the non-performing loans segment; recovering returns and the addition of products and services not yet explored in favour of procedures concerning the operations of the investee company Fast Finance, which is currently being incorporated in the Parent Company (the merger should be completed by this summer); further funding through rendimax, which will reasonably continue to generate cash flows exceeding the Bank's core commitments; and, finally, more interventions in the government bonds portfolio, so as to seize fresh opportunities to bolster the Bank.

Other information

Transactions on treasury shares

The Shareholders' Meeting of 27 April 2012 renewed the authorisation to buy and sell treasury shares, pursuant to article 2357 ff of the Italian Civil Code, as well art. 132 of Leg. Decree 58/98, establishing a price interval within which the shares can be bought, in this case between a minimum of 2 Euro and a maximum of 20 Euro, for a total amount of 20 million Euro. The Meeting also established that the authorisation lapses after 18 months from the date the resolution was passed.

At 31 December 2010, the bank held no. 997.190 treasury shares for a value of 3.968 thousand Euro and a nominal amount of 997 thousand Euro.

During the period Banca IFIS made the following transactions on treasury shares:

- it bought, at an average price of 4,12 Euro, 337.491 treasury shares worth 1.391 thousand Euro and a nominal value of 337 thousand Euro;
- it sold, at an average price of 4,45 Euro, 895.380 treasury shares worth 3.983 thousand Euro and a nominal value of 895 thousand Euro, making profits of 412 thousand Euro which, in compliance with international accounting standards, were recognised under capital reserves.

The remaining balance at 31 March 2012 totalled 439.301 treasury shares for a value of 1.788 thousand Euro and a nominal value of 439 thousand Euro.

Venice - Mestre, 10 May 2012

For the Board of Directors

The Chairman
Sebastien Egon Fürstenberg

The C.E.O.
Giovanni Bossi

**Declaration as per article 154-bis of Legislative Decree no. 58
of 24 February 1998**