

June 2008

Highlights

The Factoring Market and Group Positioning

Strategies

Consolidated Financial and Economic Data

Attachments

Highlights: Business model and growth opportunities

A highly attractive and performing business model for a bank ...

- ◆ Focused on enterprises
- ◆ Excellent credit quality
- ◆ Very short term lending
- ◆ Solid financial position
- ◆ Light cost structure and high operating leverage
- ◆ Close relation to sales force and to branches
- ◆ High historical growth and profitability
- ◆ Large coverage of Italian territory
- ◆ Completely unrelated to the credit crunch and non-cyclical



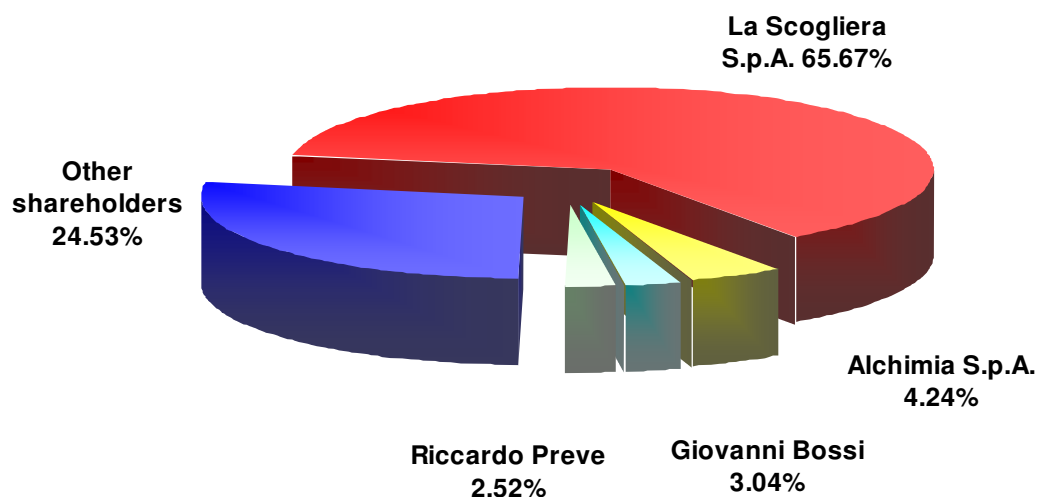
... with extraordinary growth opportunities

- ◆ Strong request of service from enterprises
- ◆ Low competition
- ◆ Excellent capital structure: tier 1 equal to 13%
- ◆ Access to “unlimited” financial resources
- ◆ Cross selling opportunity for third party products
- ◆ Selective growth via external lines
- ◆ Strong growth of the direct sales structure
- ◆ High growth at attractive financial conditions particularly in this economic environment

Highlights: Stable Shareholders and Committed Management

La Scogliera S.p.A. is controlled by Banca IFIS's President - Sebastien Egon Fürstenberg. Giovanni Bossi, the CEO, has been the Bank's third largest shareholder since 1995.

Shareholders



Stock option plans

- ◆ Banca IFIS has introduced 5 stock option plans for all Banca IFIS employees – two of which have already been activated. The directors who have been attributed option rights are only those who have executive roles within the bank (the CEO and the Vice President).
- ◆ Stock option objectives:
 - employee loyalisation;
identification /involvement of employees;
 - attraction for potential resources;
 - management involvement in company results.

Figures as at 14 May 2008

Highlights: Large Reference Market

Italian factoring market

Turnover in Italian factoring market 2007 equal to about 109.1 billion Euro (Source - Assifact); Loan commitments equal to 24 billion Euro (Banca IFIS estimation)

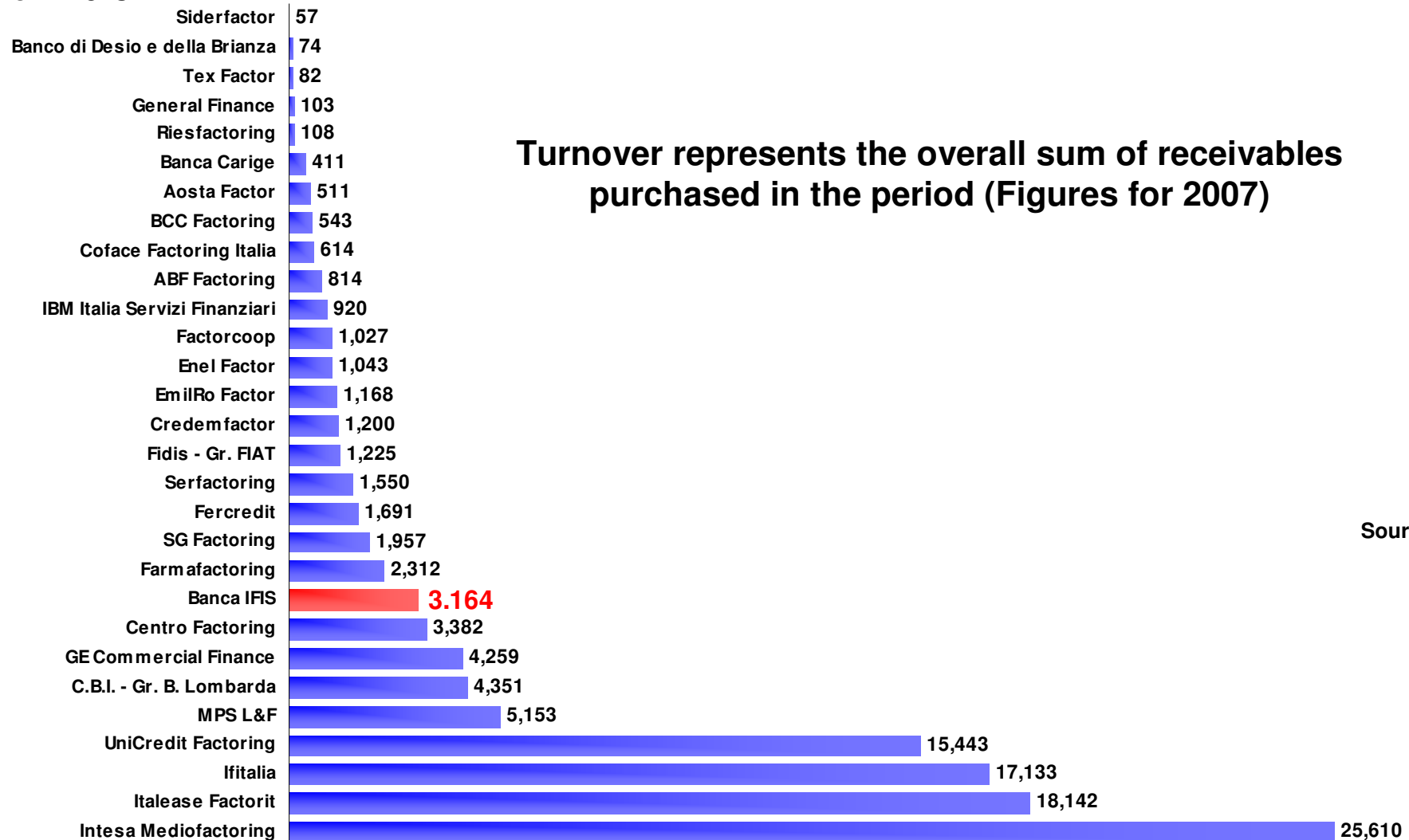
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Italian short term commercial finance market

Italian short term commercial finance market 2007 equal to 337 billion Euro (Banca IFIS estimation based on Bank of Italy figures as at September 2007)

Highlights: The Factoring Market and Group Positioning

€ millions

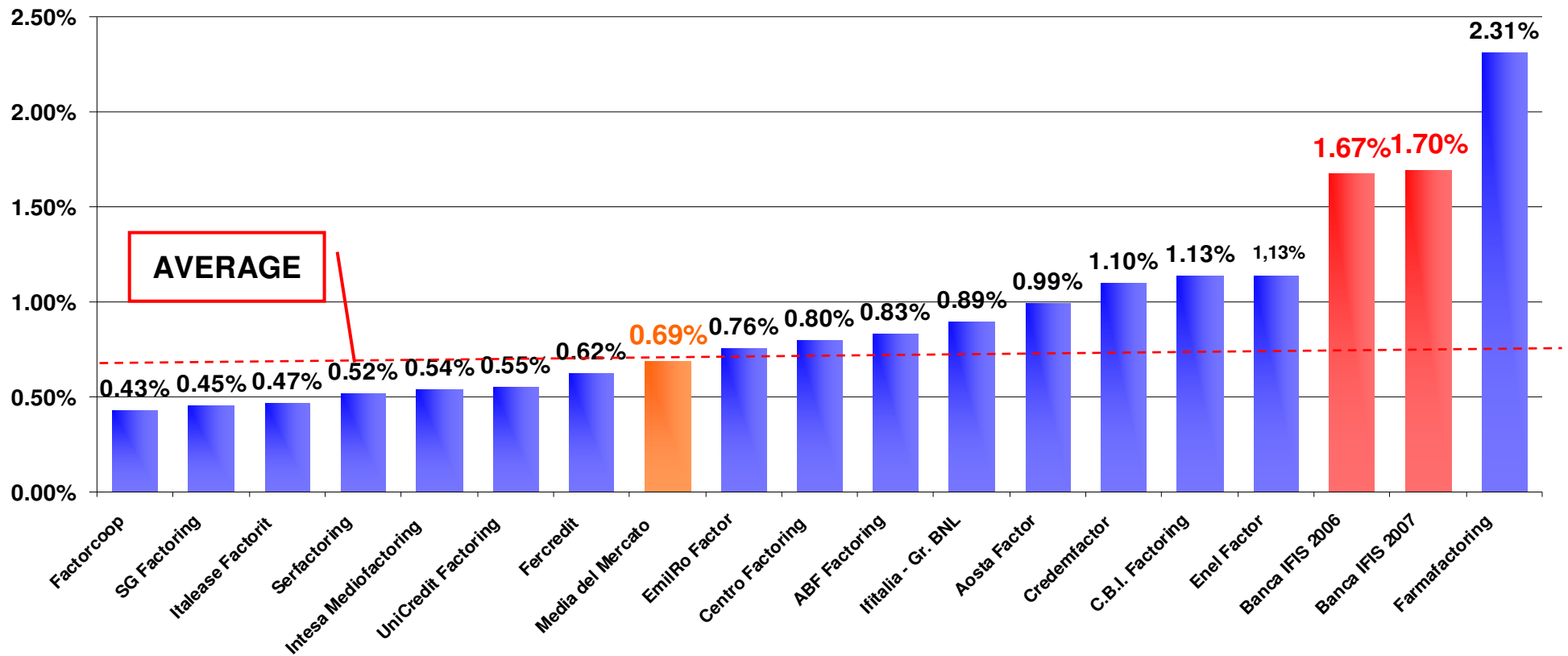


Source: Assifact

Highlights: Earning Margin on Turnover

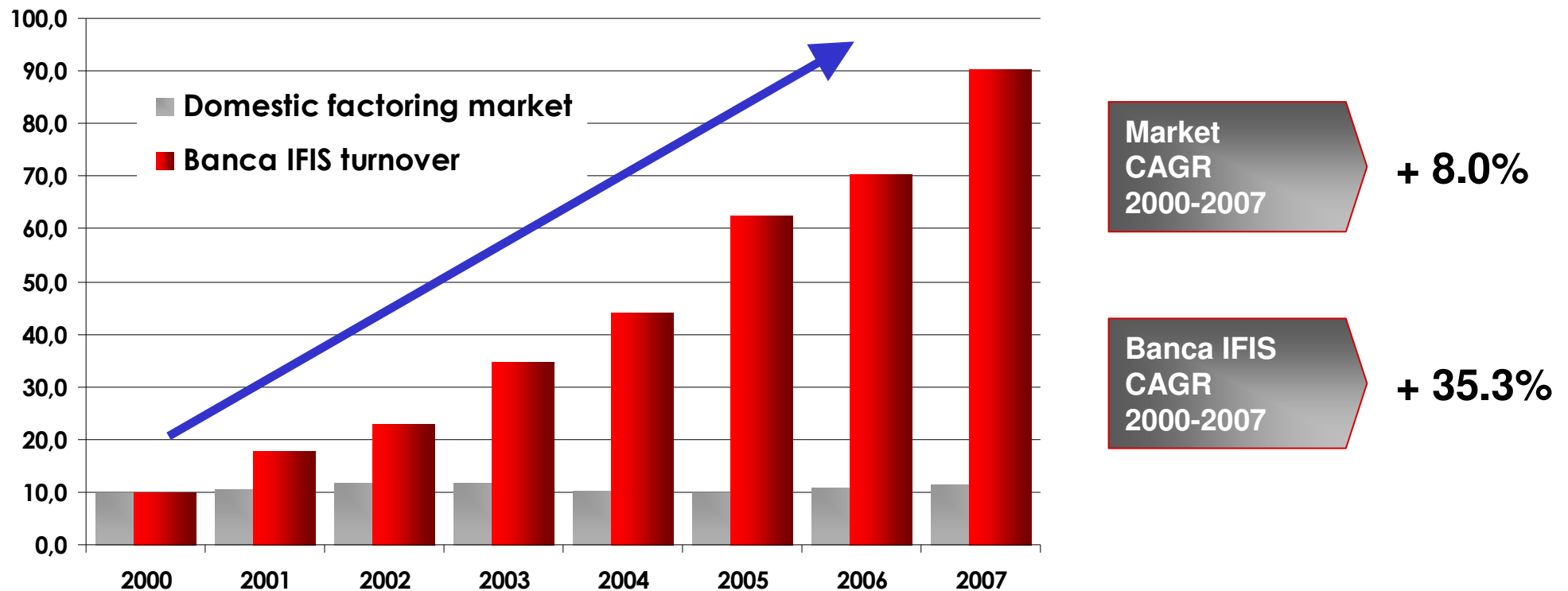
Earning Margin/Turnover

Year 2006



Source: Assifact

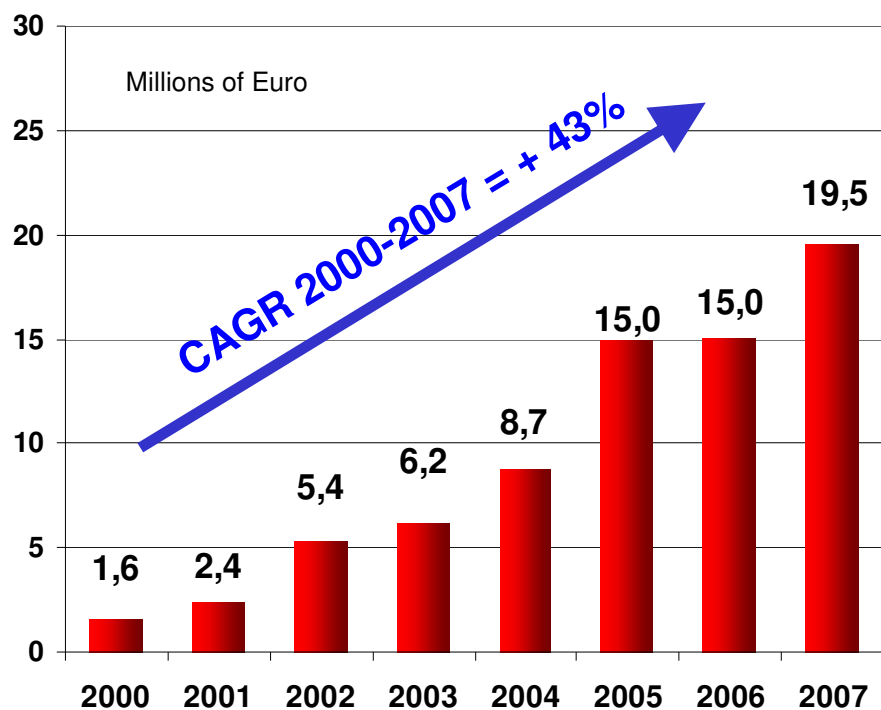
Highlights: Higher Growth than Market



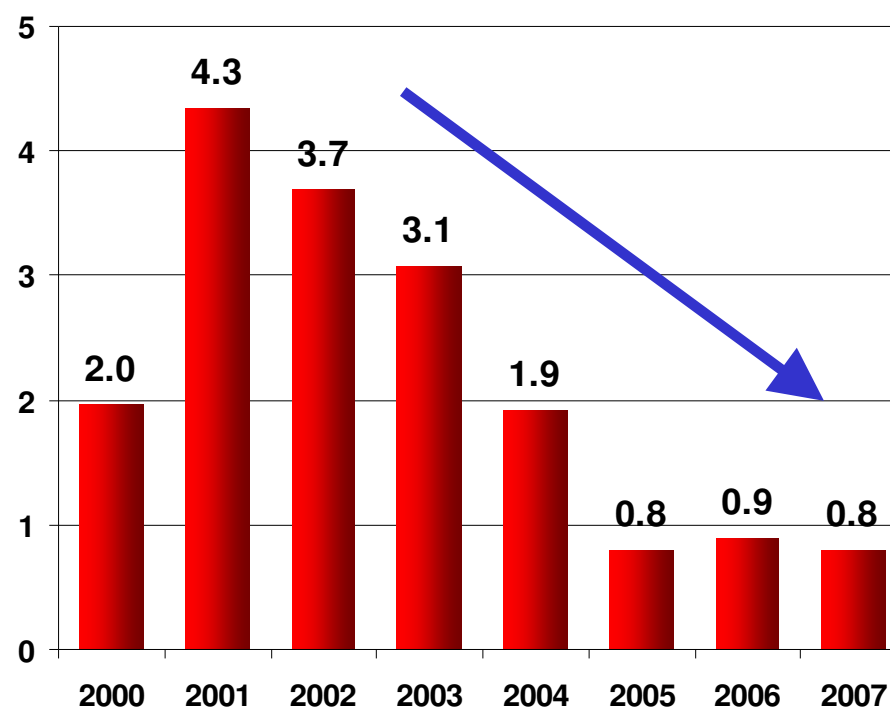
Note: Figures for 2000 equal to 10
Turnover: Amount of receivables purchased by the company

Highlights: High Profitability and Limited Credit Risk

Net profit



Bad debts on loans/Total loans %



Note: since 2002, when the company became a bank, it has adopted stricter credit policies

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The Factoring Market and Group Positioning

The Italian factoring market of today is characterised by three types of operators:

Factoring companies belonging to banks

- Intesa Mediofactoring
- Ifitalia BNL Group
- Italease Factorit
- MPS Leasing & Factoring
- Unicredit Factoring
- Others

Group factoring

Captive Factoring companies or specialists

- Serfactoring – ENI Group
- Fercredit – FS Group
- ENEL Factor
- Farmafactoring
- Others

Captive factoring

Independent operators

Banca IFIS

**Asset based
business model**

The Factoring Market and Group Positioning (continued)

Dimensional approach

- **The assigning enterprises** are usually of a significant size and good credit standing.
- **The assigned debtors** are not necessarily of a good credit standing.
- **Portfolio** of assigned receivables is of high value and often diversified and divided.
- **Statistical assessment** of the portfolio.
- **Advances** are assessed according to the credit worthiness of the assigning supplier.

Traditional operators

Profitability approach

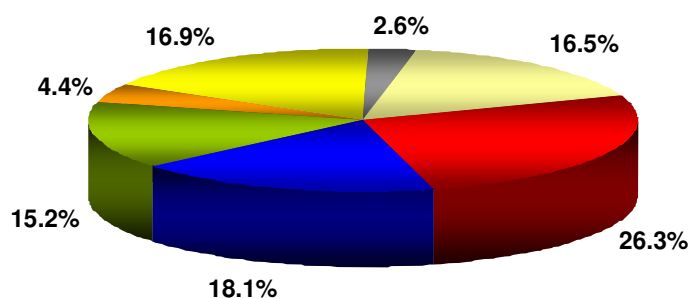
- **The assigning enterprises** are not usually of a significant size.
- **The assigned debtors** must be of a good credit standing.
- **Portfolio** of assigned receivables is not necessarily of high value and is often concentrated.
- **Analytical assessment** of the portfolio.
- **Advances** are assessed according to the credit worthiness of the debtor.

Banca IFIS

Products and Activity of the Group: Clients and Debtors

Breakdown in Loan Commitments as at 31/12/2007

■ XSmall XXSmall ■ Small ■ Medium ■ Large ■ XLarge ■ XXLarge ■ Unclassifiable

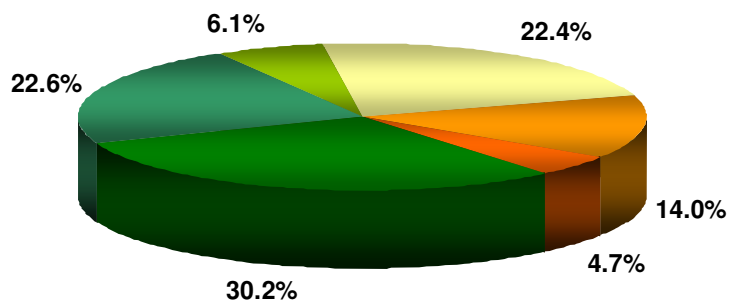


Classes by Turnover

XSmall/XXSmall = from 0 to 5 million Euro
 Small = from 5 to 15 million Euro
 Medium = from 15 to 50 million Euro
 Large = from 50 to 100 million Euro
 XLarge/XXLarge = over 100 million Euro

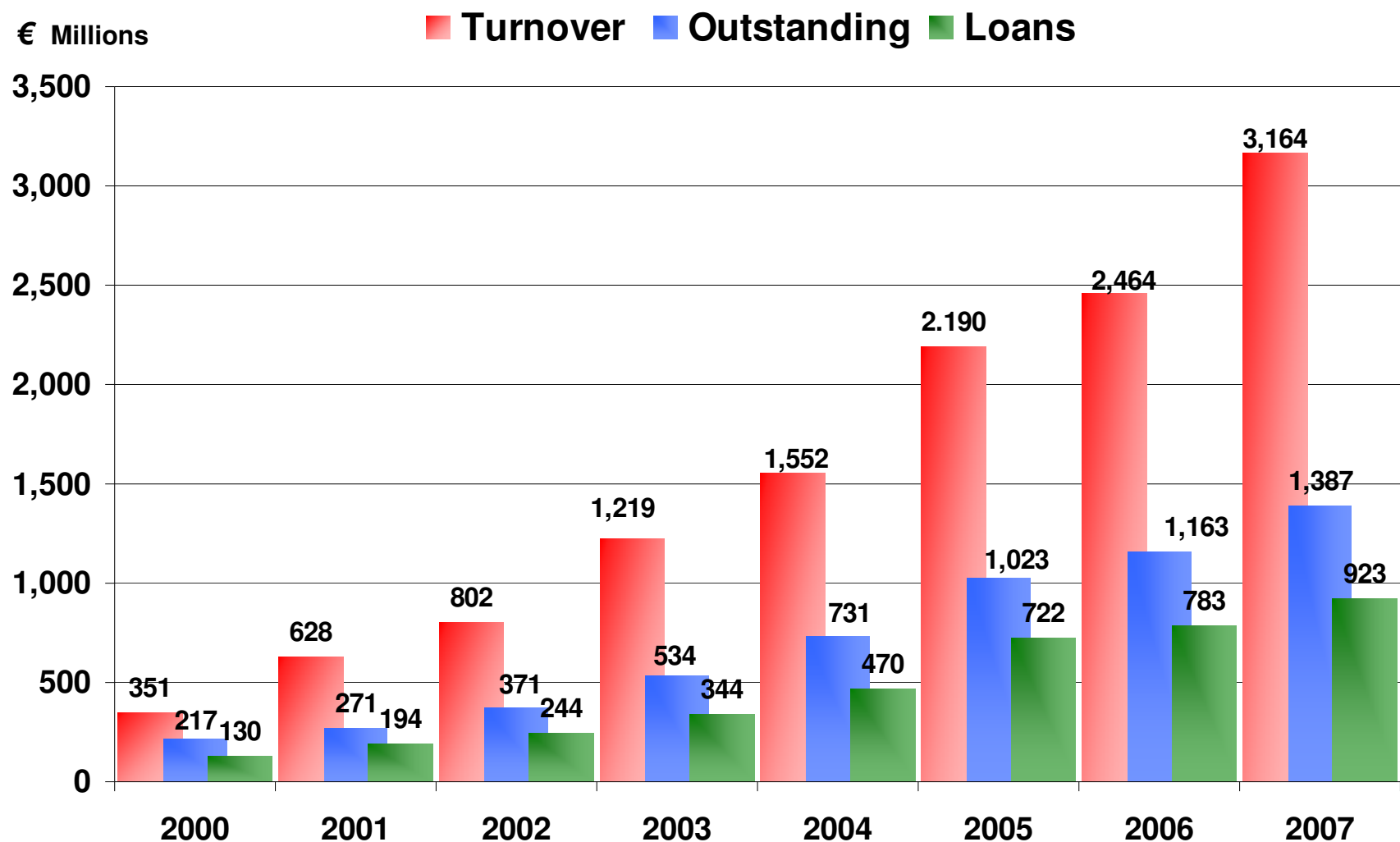
Total Outstanding for Standing Debtors as at 31/12/2007

■ Public Administration ■ Large Groups ■ Excellent ■ Good ■ Medium ■ Poor



81.3% of total outstanding existing at 31/12/2007 is made up of receivables due from debtors of high credit standing. In addition, the duration of factoring operations (90/120 days) is a further guarantee of the solvency of all debtors.

Turnover, Outstanding and Loan Commitments 2000 - 2007



Products and Activity of the Group: The Sales Structure

- ◆ **74 sales staff** work in the branches, which together constitute **the largest specialised network**. Their remuneration is, on average, 35% linked to the achievement of the objectives predetermined by the budget.

- ◆ 30 commercial agreements with banks
- ◆ 4 commercial agreements with the “Confederazioni di Banche di Credito Cooperativo” (Veneto, Friuli Venezia Giulia, Piemonte and Liguria, Emilia Romagna)
- ◆ 79 agreements with brokers and other intermediaries
- ◆ 16 agreements with institutional debtors
- ◆ 10 agreements with associations of the sector



All refer to the local branches
and
receive a part of the income earned by the Bank.

Highlights

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Strategies

Consolidated Financial and Economic Data

Attachments

Strategies: The Guidelines

***“From a specialized bank to a relationship-based bank for SMEs”
capitalising stage cyclical market***

1. Internal growth in core business

2. Internationalisation of core business

3. Widening the range of products offered

4. Expansion in funding sources

Strategies: The New Model

Transaction-based bank

- ◆ Perceived as product specialist for SMEs
- ◆ Relationships with the client necessary to conclude factoring operations and, as such, end with the operation
- ◆ Profitability focused on each individual operation



Relationship-based bank

- ◆ Perceived as the answer to SMEs every financing and service need
- ◆ The client is the most important element: clients are taken care of by a relationship manager
- ◆ Profitability focused on overall relationship with client through diversification of product

Strategies: 1. Internal growth of core business

- ◆ **Reach potential clients through the reinforcement of the bank's own network**
- ◆ **New territorial branches: from 14 at the beginning of 2008 to 28 at the end of 2010**
- ◆ **Internal recruitment and selection**
- ◆ **Agreements with banks (cooperative banks and local banks) spread out over territory**

Strategies: 2. Internationalisation of core business

Lines of development: next steps

- ◆ Opening of a factor in Romania, within the first few months of 2008, replicating action taken in Poland (110 M. turnover in start-up year, with forecasts of double that for 2008)
- ◆ Kick off of the Paris branch operations, within the first months of 2008
- ◆ Small/medium acquisitions of companies in Central European countries and/or companies compatible with Banca IFIS operations
- ◆ Membership of Factors' Chain International as an Italian interlocutor by excellence

Factoring, which allows and requires an asset based approach to risk instead of concentrating on the customer, has enormous room for growth in medium-level economy, industrialization and financialisation countries

Strategies: 3. Widening the range of products offered

Products/Services for the new policy of cross-selling and customer retention:

- ◆ Distribution of leasing (agreement with Centro Leasing Banca for Italy)
- ◆ Insurance (already initiated as a corollary to leasing)
- ◆ Medium/long term finance (with distribution agreements with specialists)
- ◆ Services for enterprises (support to the cycle) and entrepreneurs

**Strong demand by enterprises and the sales network
for completion of the offer**

Strategies: 4. Expansion in funding sources

Banca IFIS's financial need is short-term:

- ◆ On average, the duration of loans to clients is 110 days
- ◆ Loans to banks are at sight

According to a further diversification of funding:

- ◆ Reinforcement of bilateral relationships with Italian and European banks
- ◆ Direct access to the Eurosystem
- ◆ Negotiation of other 18 month syndicated loans
- ◆ Preparation of an EMTN programme
- ◆ Initiation of retail funding
- ◆ Expansion of receivables securitisation programmes

Strategies: 2010 Targets

2007		Target 2010
Turnover 3.2 billion Euro	▶	+ 100%
No. of Clients approx. 1,900	▶	+ 100%
Earning margin/Turnover 1.70%	▶	Between 1.60% - 1.70%
Cost/Income ratio 42%	▶	In line with period 2003-2006
Net profit 19.5 million Euro	▶	+ 100%

Targets do not include the effects from the increase in the range of products offered

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Strategies

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Attachments

Consolidated Profit and Loss account: 1st Q 2007/1st Q 2008

Consolidated Profit and Loss account

<i>€ thousands</i>	1 st Quarter		VARIATION	
	2008	2007	ABSOLUTE	%
Earning margin	14,926	10,467	4,459	42.6%
Net value adjustments on write downs on receivables	(1,263)	(209)	(1,054)	504.3%
Net trading result	13,663	10,258	3,405	33.2%
Operating cots	(6,391)	(4,720)	(1,671)	35.4%
Pre-tax profit	7,272	5,538	1,734	31.3%
Net profit	5,247	3,505	1,742	49.7%

Consolidated Profit and Loss account 2004 - 2007

Consolidated Profit and Loss account

€ thousands	YEAR				CAGR
	2007	2006	2005	2004	2004/2007
Earning margin	53,718	41,211	38,182	27,958	24.3%
Net value adjustments on write downs on receivables	(2,470)	(1,788)	(3,976)	(4,054)	-15.2%
Net trading result	51,248	39,423	34,206	23,904	28.9%
Operating cost	(22,566)	(15,811)	(13,691)	(10,526)	28.9%
Pre-tax profit	28,682	23,612	20,515	13,378	29.0%
Net profit	19,534	15,012	14,948	8,734	30.8%
Cost/Income Ratio	42.0%	38.4%	35.9%	37.6%	

Financial Figures: Analysis by Quarter

In 2H 2007, risk repricing started to show its effects,
increasing client profitability

Profitability: Quarterly evolution

€ thousands	2008	2007			
	1 st Q	4 th Q	3 rd Q	2 nd Q	1 st Q
Earning margin	14,836	15,836	15,008	12,407	10,467
Profit (loss) from sale or buyback of:	-	-	1,515	1,070	-
a) available for sal financial assets	-	-	1,515	1,070	-
No. of Clients		1,917	1,775	1,744	1,547
Adjusted earning margin	14,836	15,836	13,493	11,337	10,467
Earning margin/Turnover	2.07%	1.73%	1.77%	1.50%	1.46%

Client average 1H 2007 = 1,645; Client average 2H 2007 = 1,846



+ 12% circa

Average adjusted earning margin 1H 2007 = Euro 10,902 m.



+ 35% circa

Average adjusted earning margin 2H 2007 = Euro 14,665 m.

Note: The Earning margin/Turnover ratio is calculated using the adjusted earning margin

Consolidated Balance Sheet 2004 – 1st Q. 2008

Consolidated Balance Sheet

<i>€ millions</i>	PERIOD				
	31/03/08	31/12/07	31/12/06	31/12/05	31/12/04
Due from banks	135.1	312.1	267.3	128.8	13.90
Due from clients	896.3	923.1	783.0	710.9	468.20
Fixed assets	35.3	34.7	31.0	24.3	18.80
Other assets items	6.7	5.5	11.3	12.7	7.80
Total Assets	1,073.3	1,275.3	1,092.6	876.7	0.36
Due to banks	827.5	1,010.4	836.4	627.0	295.80
Due to clients	40.8	57.8	82.6	93.9	103.42
Outstanding shares	36.6	36.1	42.7	35.5	41.36
Shareholders' equity	137.3	134.0	108.3	103.3	54.24
Other liability items	31.3	37.1	22.7	20.0	13.80
Total Liabilities	1,073.3	1,275.3	1,092.6	879.7	0.36

Consolidated Financial Figures: Funding

- Substantial stability in availability (from 1,242 to 1,184 million Euro, a slight decrease in availability following merger processes in the banking market)
- An increase in committed medium term lines, from 70 to 211 million Euro
- Weighted average duration passed from 102 days to 165 days
- Weighted average cost of funding is 16 bps higher than the average of the Euribor 3M in the same period

Consolidated Financial Figures: Net Equity

Number of shares

Actual no. of
shares

**no. 31.5 mil.
shares**

Post warrants
exercise *

**no. 34.2 mil.
shares**

Post convertible
bond loan **

**no. 38.8 mil.
shares**

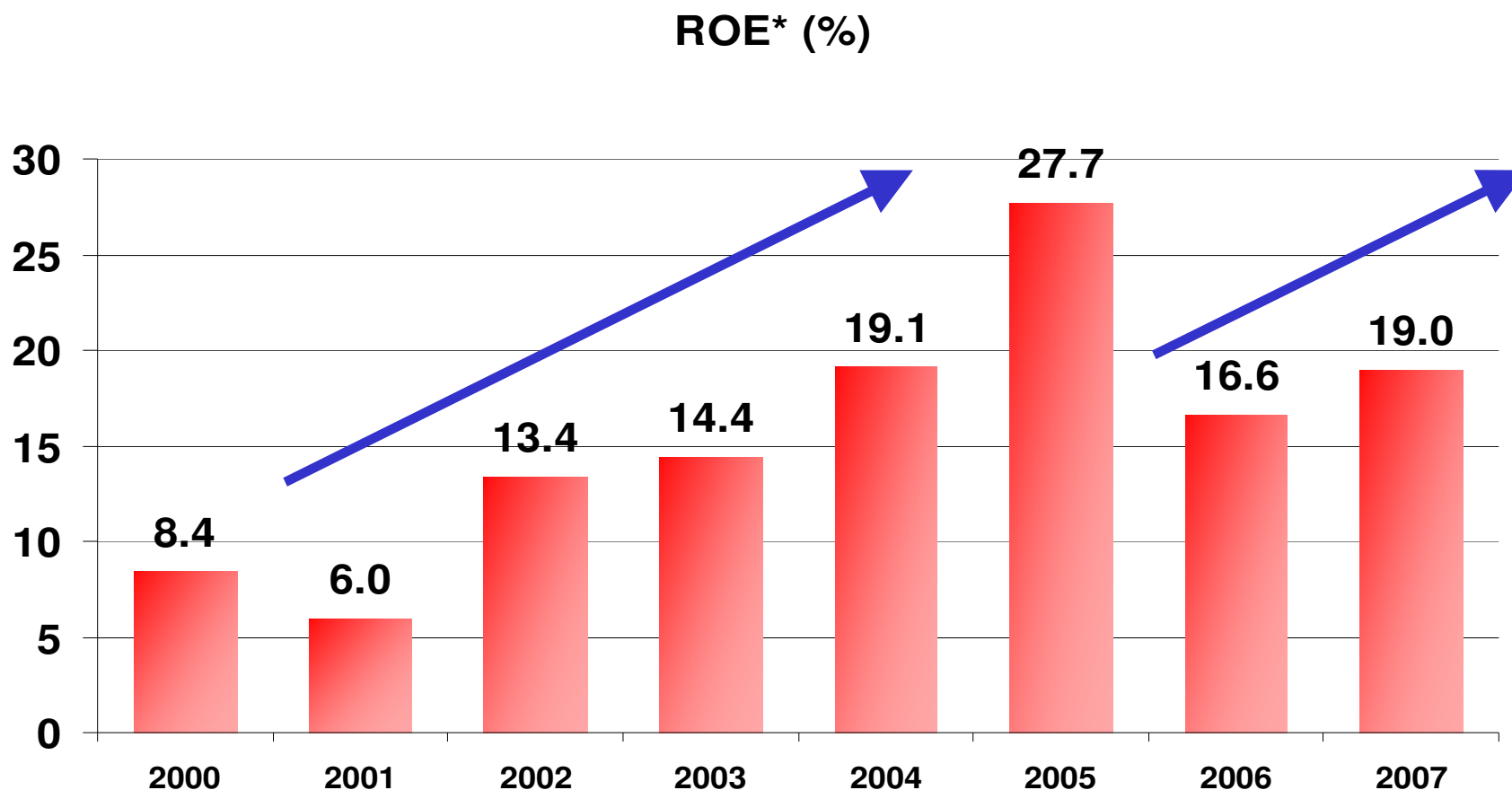
**Net Equity as at 31
December 2009 is
estimated between
220/240 million Euro**

(*) As at 25 June 2008 n. 2.7 mil. of warrants are outstanding. Each warrant circulates autonomously and offers the right to subscribe one share at an exercise price of 6 Euro. Exercise period terminates 31 July 2008

(**) Should the convertible loan bond totally converted

ROE % 2000 - 2007

- ◆ The reduction in ROE between 2005 and 2006 is due to the increase in Net Equity resulting from the capital increase, carried out in December 2005.



* The ROE 2005 and 2006 is calculated as Net Profit over the weighted average of Net Equity, excluding valuation reserves.

The ROE 2007 is an estimation based on drafted figures as at 31/12/2007

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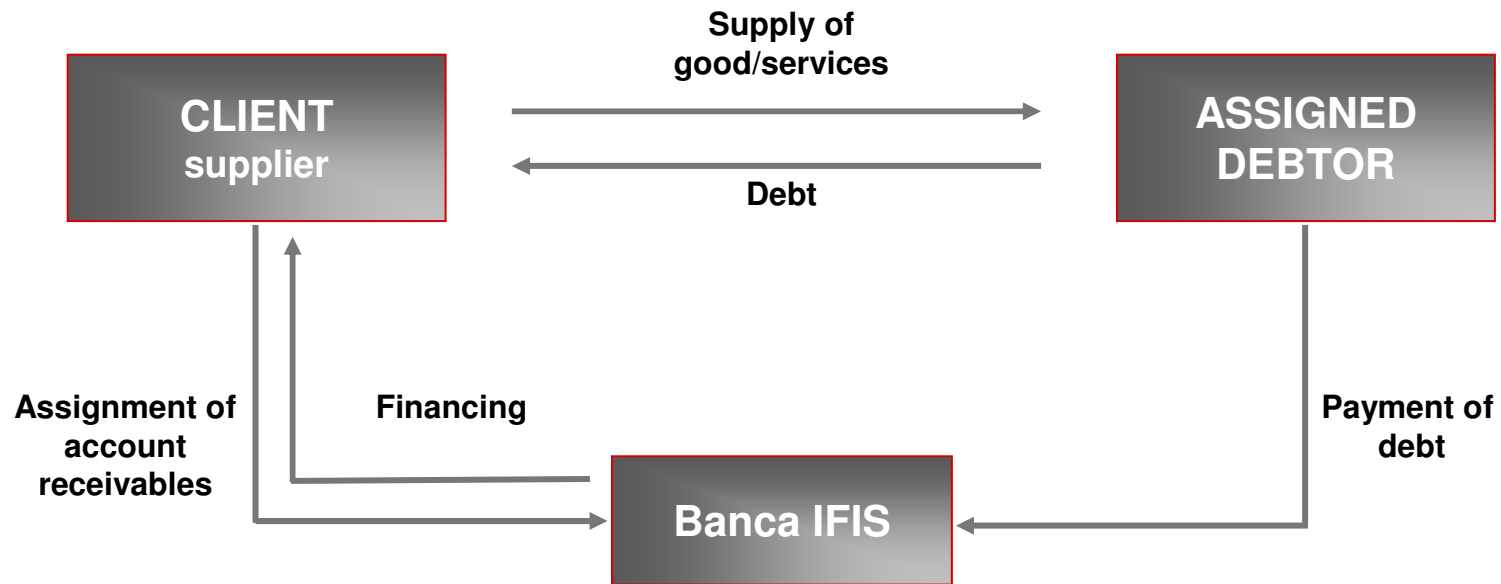
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Attachments

History: Banca IFIS Milestones

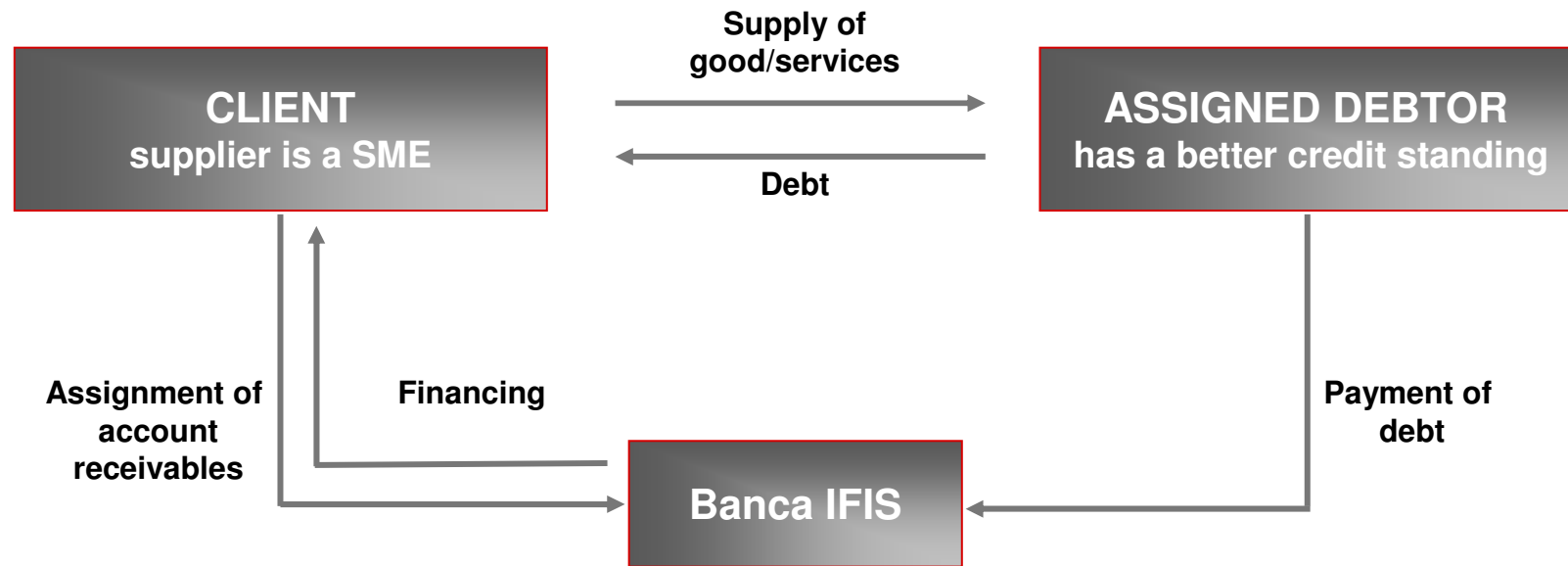
- 1983** The company, I.Fi.S. - Istituto di Finanziamento e Sconto S.p.A. -, was incorporated.
- 1989** IFIS shares received listing admission on the over-the-counter market of Milan.
- 1997** Registration in the list of financial intermediaries ex art 107 of the TULB (Consolidation Act for banks).
- 2001** Authorised to carry out banking activities as from 1st January 2002.
- 2003** Listing admission on the Mercato Telematico Azionario (telematic stock market).
- 2004** Listing admission in the STAR segment of the Italian Stock Exchange.
- 2005** Capital increase, Equity equal to 100 million Euro.
- 2006** Fitch rating agency assigns an 'investment grade' (BBB -). Internationalisation: opening of an office in Paris. Acquisition of IFIS Finance in Poland (previously known as FIDIS FACTORING POLSKA).
- 2008** 215 employees, 14 branches in Italy, representative offices in Bucharest and Budapest, an office in Paris and IFIS Finance.

What is factoring?



- ◆ The client can gain quick access to credit for its liquidity needs
- ◆ A flexible tool that “educates” the client to a better management of working capital

What is factoring for Banca IFIS?



- ◆ The **current economic scenario**, with a high sensitivity for credit risk, encourages Banca IFIS's business model
- ◆ Banca IFIS's business model configures the **application of financial/economic conditions to the supplier** (SME) while transferring **the risk** to the assigned debtor company of a better credit standing

Products and Activity of the Group: Services Offered

Granting of advances / financing service

- ◆ The client can obtain a total or partial advance on the receivables assigned.
- ◆ It is possible to give advances on future receivables (common in cases of contract work).

Guarantee service

- ◆ Allows the client to obtain a total or partial guarantee against the risk of debtor insolvency.
- ◆ The risk of insolvency is commonly shared between the factor and the client requesting the guarantee (which still remains partial).

Management service

- ◆ Administration, management and collection of the enterprise's assigned receivables. This service does not include financing or guarantees and does not entail the assumption of risk by Banca IFIS. It is not commonly used alone.

Products and Activity of the Group: Profit per Product

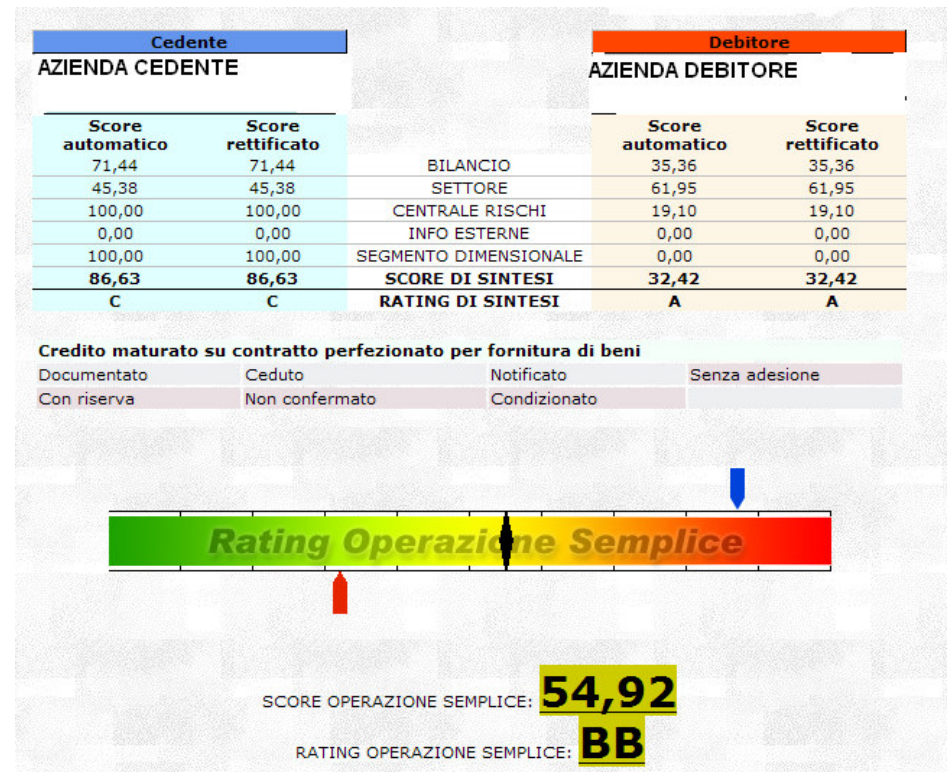
Management service	→	Recourse factoring commission (flat, monthly)	from 0.10% to 1% on total receivables
Guarantee	→	Non recourse factoring commission	from 0.10% to 1.50% on total receivables guaranteed
Advances	→	Interest margin, spread on 3 month Euribor	from 50 bps to 350 bps on the effective financial commitment
Full definitive purchase service	→	Total commission for guarantee, management and advance services	from 2% to 9% on total receivables purchased

Products and Activity of the Group: Internal Rating System

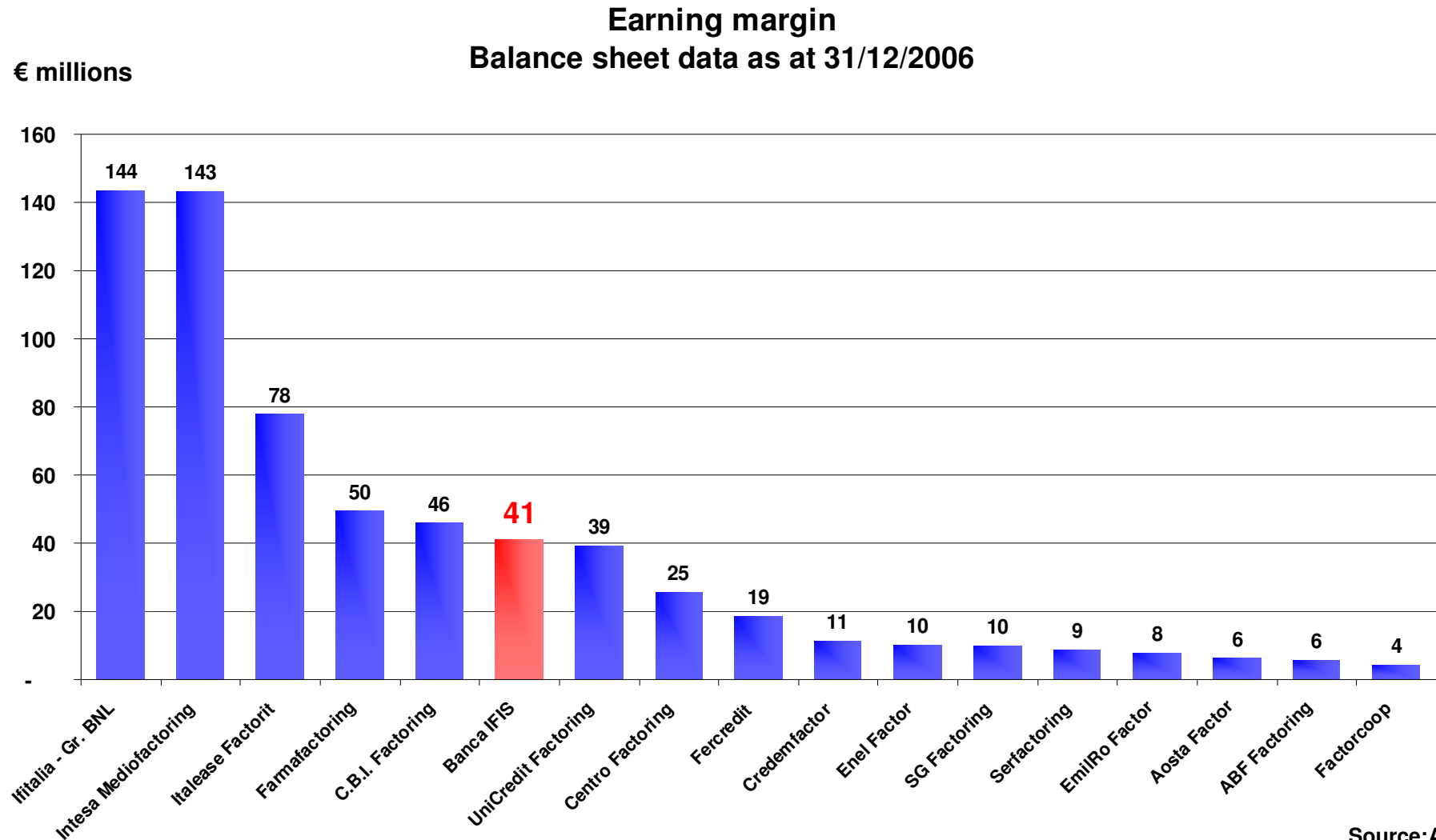
◆ Banca IFIS has set up its own system of Internal Rating (SIR)

◆ The SIR allows:

- Immediate rating of the debtor, the assigning supplier and the operation
- Definition of pricing in relation to the risk involved
- Monitoring of the counterpart's rating



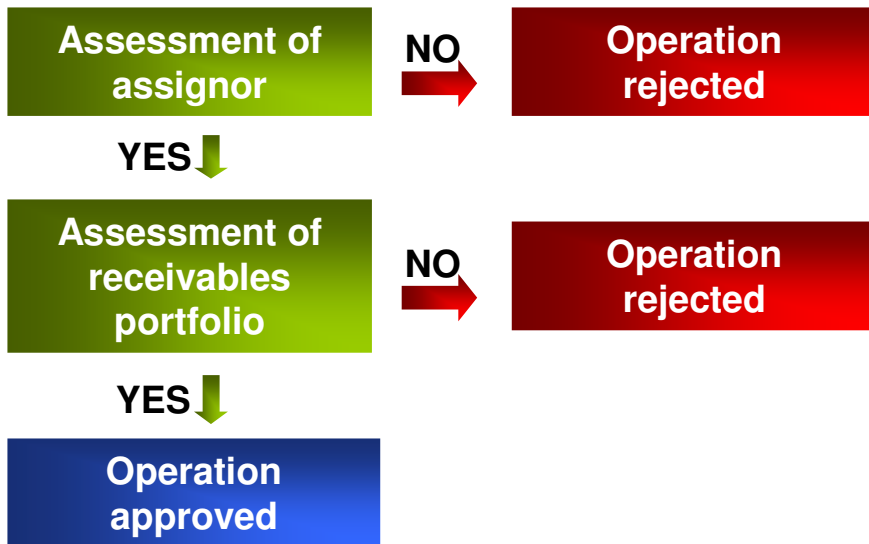
The Factoring Market and Group Positioning



Source: Assifact

Risk Assessment in Factoring: The Different Approaches

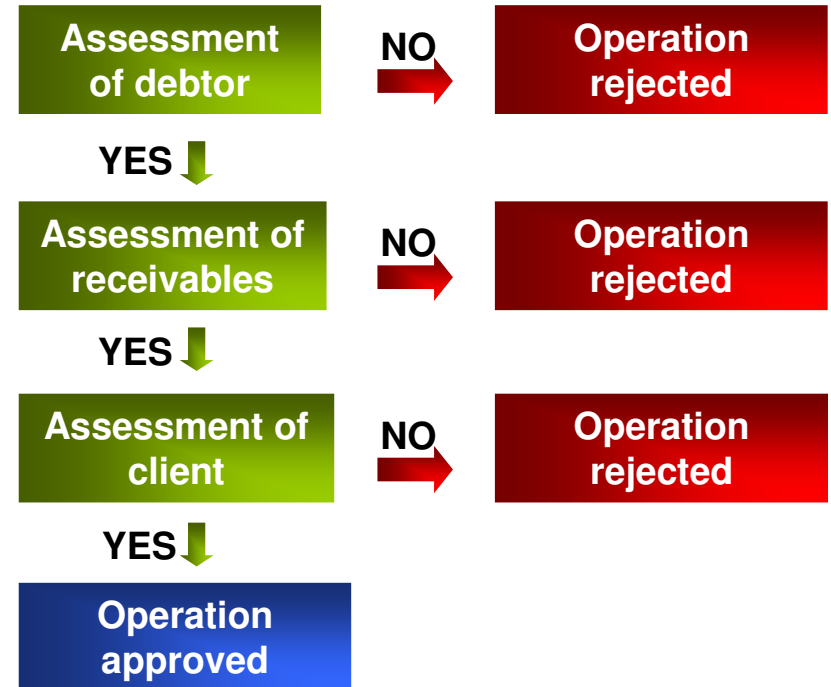
Traditional risk assessment



Focus on ASSIGNOR

Banca IFIS risk assessment

The 3 pillars of risk assessment



Focus on DEBTOR