CONSOLIDATED QUARTERLY REPORT AS AT 31 DECEMBER 2007

TRANSLATION FROM THE ITALIAN ORIGINAL WHICH REMAINS THE DEFINITIVE VERSION

Share Capital: Euro 31,161,596 fully paid-in
Bank License No.: 5508
Tax and Company Registration Number: 02505630109
VAT number: 02992620274

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

BRANCHES
Via Astagno, 3 – 60122 Ancona
Via C. Rosalba, 47/z – 70124 Bari
Via Malta, 7/C – Torre Kennedy – 25124 Brescia
Viale Bonaria, 62 – 09125 Cagliari
Viale Europa, 163– 50126 Florence
Via A. Costa, 62 – 40026 Imola (Bo)
Via Volta, 16 – 20093 Cologno Monzese Milan
Via G. Porzio, 4 – Centro Dir. Isola E7 – 80143 Naples
Via Monti Iblei,55 – 90146 Palermo
Via De Paoli, 28/D – 33170 Pordenone
Via B. Croce, 6 – 00142 Rome
Piazza C.L.N., 255 – 10121 Turin
Via Gatta,11 – 30174 Mestre, Venice

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

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 31 DECEMBER 2007

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET
(in thousands of Euro)

ASSETS	PERIOD 31/12/2007*	PERIOD 30/09/2007	VARIATION ABSOLUTE	VARIATION %	PERIOD 31/12/2006
Cash and cash equivalents	13	25	(12)	(48.0)%	14
Available-for-sale financial assets	1,216	1,116	100	9.0%	6,288
Due from banks	312,091	136,739	175,352	128.2%	267,294
Due from clients	923,061	845,336	77,725	9.2%	782,977
Tangible assets	32,741	31,763	978	3.1%	29,324
Intangible assets	1,927	1,836	91	5.0%	1,707
of which:					
goodwill	941	904	37	4.1%	874
Tax assets	993	1,788	(795)	(44.5)%	2,428
a) current	2	---	2	---	22
b) deferred	991	1,788	(797)	(44.6)%	2,406
Other asset items	3,300	3,244	56	1.7%	2,613
Total assets	1,275,342	1,021,847	253,495	24.8%	1,092,645

LIABILITIES	PERIOD 31/12/2007*	PERIOD 30/09/2007	VARIATION ABSOLUTE	VARIATION %	PERIOD 31/12/2006
Due to banks	1,010,365	794,286	216,079	27.2%	836,393
Due to clients	57,776	42,928	14,848	34.6%	82,560
Outstanding shares	36,134	42,121	(5,987)	(14.2)%	42,693
Tax liabilities	2,418	2,487	(69)	(2.8)%	2,452
a) current	171	---	171	---	308
b) deferred	2,247	2,487	(240)	(9.7)%	2,144
Other liabilities	33,554	30,368	3,186	10.5%	18,796
Severance/retirement allowance	1,100	972	128	13.2%	1,433
Valuation reserve	107	73	34	46.6%	3,284
Capital instruments	611	611	---	---	611
Reserves	39,281	38,919	362	0.9%	28,377
Share premiums	44,887	34,937	9,950	28.5%	35,869
Capital	31,154	29,062	2,092	7.2%	28,892
Treasury shares	(1,579)	(8,808)	7,229	(82.1)%	(3,727)
Net profit	19,534	13,891	5,643	40.6%	15,012
Total liabilities	1,275,342	1,021,847	253,495	24.8%	1,092,645

(*) Final figures. The Board of Directors' Meeting to approve the Annual Report for 2007 will be held on 4 March 2008.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

(in thousands of Euro)

	FINANCIAL YEAR 2007		FINANCIAL YEAR 2006		VARIATION 4th Q.07 /4th Q.06	
	4th Q.07	31/12/07*	4th Q.06	31/12/06**	Absolute	%
Receivable interest and similar income	17,640	55,733	11,015	36,018	6,625	60.1%
Payable interest and similar expenses	(10,565)	(35,587)	(7,351)	(21,269)	(3,214)	43.7%
Interest margin	7,075	20,146	3,664	14,749	3,411	93.1%
Receivable commission	9,547	33,505	6,270	26,301	3,277	52.3%
Payable commission	(737)	(2,482)	(643)	(2,111)	(94)	14.6%
Net commission	8,810	31,023	5,627	24,190	3,183	56.6%
Dividends and similar income	---	46	---	7	---	---
Net trading result	51	18	49	(35)	2	4.0%
Profit (loss) from sale or buyback of:	(100)	2,485	2,300	2,300	(2,400)	n.s.
a) credit	---	---	---	---	---	---
b) available for sale assets	---	2,585	2,300	2,300	(2,300)	n.s.
d) financial liabilities	(100)	(100)	---	---	(100)	n.s.
Earning margin	15,836	53,718	11,640	41,211	4,196	36.0%
Net adjustment write-downs on:	(717)	(2,470)	1,053	(1,788)	(1,770)	(168.1)%
a) credit	(717)	(2,470)	1,053	(1,788)	(1,770)	(168.1)%
Net operating revenue	15,119	51,248	12,693	39,423	2,426	19.1%
Administration expenses:	(6,214)	(20,564)	(5,018)	(15,652)	(1,196)	23.8%
a) personnel costs	(4,103)	(13,531)	(3,137)	(9,479)	(966)	30.8%
b) other administrative costs	(2,111)	(7,033)	(1,881)	(6,173)	(230)	12.2%
Net adjustment of value of tangible assets	(312)	(1,119)	(314)	(799)	2	(0.7)%
Net adjustment of value of intangible assets	(133)	(419)	(115)	(361)	(18)	15.3%
Other operating income (costs)	193	(464)	587	1,001	(394)	(67.1)%
Operating costs	(6,466)	(22,566)	(4,860)	(15,811)	(1,606)	33.1%
Gross profit from current operations	8,653	28,682	7,833	23,612	820	10.5%
Income tax on current operations for the period	(3,010)	(9,148)	(2,662)	(8,600)	(348)	13.1%
Parent company net profit	5,643	19,534	5,171	15,012	472	9.1%

(*) Period 01/01/2007-31/12/2007. Final figures. The Board of Directors' Meeting to approve the Annual Report for 2007 will be held on 4 March 2008.
(**) Period 01/01/2006-31/12/2006.

CONSOLIDATED PROFIT AND LOSS ACCOUNT: QUARTERLY EVOLUTION

(in thousands of Euro)

	FINANCIAL YEAR 2007				FINANCIAL YEAR 2006			
	4th Q.	3rd Q.	2nd Q.	1st Q.	4th Q.	3rd Q.	2nd Q.	1st Q.
Receivable interest and similar income	17,640	14,563	12,148	11,382	11,015	8,920	7,969	8,114
Payable interest and similar expenses	(10,565)	(9,495)	(7,955)	(7,572)	(7,351)	(5,300)	(4,236)	(4,382)
Interest margin	7,075	5,068	4,193	3,810	3,664	3,620	3,733	3,732
Receivable commission	9,547	9,117	7,687	7,154	6,270	5,944	5,758	8,329
Payable commission	(737)	(688)	(539)	(518)	(643)	(501)	(429)	(538)
Net commission	8,810	8,429	7,148	6,636	5,627	5,443	5,329	7,791
Dividends and similar income	---	1	45	---	---	---	1	6
Net trading result	51	(5)	(49)	21	49	(34)	13	(63)
Profit (loss) from sale or buyback of:	(100)	1,515	1,070	---	2,300	---	---	---
b) financial assets available for sale	---	1,515	1,070	---	2,300	---	---	---
d) financial liabilities	(100)	---	---	---	---	---	---	---
Earning margin	15,836	15,008	12,407	10,467	11,640	9,029	9,076	11,466
Net adjustment write-downs on:	(717)	(1,290)	(254)	(209)	1,053	(335)	(1,010)	(1,496)
a) credit	(717)	(1,290)	(254)	(209)	1,053	(335)	(1,010)	(1,496)
Net operating revenue	15,119	13,718	12,153	10,258	12,693	8,694	8,066	9,970
Administration expenses:	(6,214)	(4,614)	(5,258)	(4,478)	(5,018)	(3,419)	(3,420)	(3,795)
a) personnel costs	(4,103)	(3,023)	(3,380)	(3,025)	(3,137)	(1,987)	(1,980)	(2,375)
b) other administrative costs	(2,111)	(1,591)	(1,878)	(1,453)	(1,881)	(1,432)	(1,440)	(1,420)
Net adjustment of value of tangible assets	(312)	(277)	(272)	(258)	(314)	(209)	(100)	(176)
Net adjustment of value of intangible assets	(133)	(102)	(98)	(86)	(115)	(91)	(82)	(73)
Other operating income (costs)	193	(953)	194	102	587	77	131	206
Operating costs	(6,466)	(5,946)	(5,434)	(4,720)	(4,860)	(3,642)	(3,471)	(3,838)
Gross profit from current operations	8,653	7,772	6,719	5,538	7,833	5,052	4,595	6,132
Income tax on current operations for the period	(3,010)	(2,127)	(1,978)	(2,033)	(2,662)	(1,849)	(1,818)	(2,271)
Parent company net profit	5,643	5,645	4,741	3,505	5,171	3,203	2,777	3,861

NOTES TO THE FINANCIAL STATEMENTS

Criteria for the preparation of the financial statements

Banca IFIS Group's Quarterly report as at 31 December 2007 has been prepared in compliance with the provisions issued by Consob Regulation No. 11971 of 14 May 1999 and subsequent modifications.
Based on the contents of article 82 of this Consob Regulation, Banca IFIS has prepared this Quarterly report according to the IAS/IFRS accounting standards.
Article 82 also requires that the contents of the Quarterly report can alternatively be aligned with the provisions of Appendix 3D of the Regulations for Issuers or with the requirements of IAS 34 in relation to interim financial statements.
Banca IFIS has prepared this Quarterly report in compliance with Appendix 3D.

As required by Consob Regulation No. 11971 of 14 May 1999 and subsequent modifications, the consolidated financial statements as at 31 December 2007 are compared with those of 30 September 2007 and of 31 December 2006; in addition, a comparison is made between the profit and loss account results as at 31 December 2007 and that as at 31 December 2006 and the Quarterly results of the corresponding Quarter from the previous financial year.

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. Current taxes are calculated taking into account current tax rates and any applicable exemptions or tax allowances.
The Quarterly report is not audited by the independent auditing company.

Consolidation area

The structure of the group as at 31 December 2007 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 31 December 2007.

BOARD OF DIRECTORS' REPORT AND SIGNIFICANT EVENTS IN THE PERIOD

Development plans

The fourth Quarter 2007 was an extremely difficult one for the banking sector in terms of market scenarios. The turbulence originally recorded in August continued to have effect throughout the whole of the Autumn season, overwhelming multinational credit institutions and creating uncertain forecasts for the medium-term future of liquidity markets.
The fourth Quarter 2007 also saw the prospect of a global deceleration in economic growth, making it possible to hypothesise the start of a recession of unknown duration and consequential effects on the market.
Banca IFIS has continued, despite this difficult context, to provide the financial support and services to enterprises that characterize its business model, improving its market penetration, both on the domestic and international fronts.
These market conditions have made the granting of credit to enterprises ever more selective and more onerous for the borrowers who resort to financing from banks in terms of spread. Such a phenomenon, far from ending, will presumably keep on characterizing the credit market, especially for SMEs, throughout the entire 2008 year.

Banca IFIS, aware of its position and the active role that it is able to exercise to its clients' benefit, did not consider it necessary to modify its strategy as a result of such turbulence. Lending financial support to SMEs remains Banca IFIS's core business and it is working towards the rationalisation of returns from doing business with clients in accordance with the new market expectations and prospective changes as far as concerns counterparty risks. Such 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.

The drive for new clients continued with renewed vigour, together with the introduction of new services for existing clients (although still based on lending working capital support to Italian and international small medium enterprises through factoring).
The preliminary activity of extending the range of products and services offered, even beyond supporting working capital, continued and such products will be offered to enterprises as from the first part of 2008. This will allow an ever more developed sales network to offer the client many different and compatible products of financial support.
The results of actions taken in terms of:

- strengthening the sales network;
- risk analysis and risk management of counterparties;
- increasing the client base and contextual risk spreading;
- the presence of the bank in domestic and international markets;
- increasing operational parameters, volumes of business managed and income and profitability;

are presently being realised and will continue to play an important part in Banca IFIS's near future.
Expansion and strengthening activities in certain organisational and control areas have been carried out by Banca IFIS for some time now. This is also being achieved through the employment of new resources and the adoption of new and more efficient procedures, ideal for supporting the bank's domestic and international growth over the next few accounting years. Over the course of 2007, but in particular in the second Half and the fourth Quarter, the bank began once again to produce impressive growth rates: the volume of receivables purchased in the fourth Quarter 2007 equalled 922 million Euro, an increase of 20.5% when compared to the fourth Quarter 2006.
The strategy of reinforcing Banca IFIS's presence throughout the territory and the strengthening of existing structures continues with the employment and training of many young and enthusiastic sales people. Such activities are also with the view to further expanding activities and introducing new operations.
The total number of employees in the Group as at 31 December 2007 reached 215 – of which 13 work in Banca IFIS's European sites outside of Italy (Poland - care of the controlled company IFIS Finance Sp. Z.o.o. -, Paris, Bucharest and Budapest.)

Profit and Loss account

Operating revenue

Group net operating revenue for the fourth Quarter 2007 equalled 15,119 thousand Euro, an increase of 19.1% when compared to 12,693 thousand Euro in the fourth Quarter 2006.

The **earning margin** grew from 11,640 thousand Euro in the fourth Quarter 2006, to 15,836

thousand Euro in the fourth Quarter 2007, a growth of 36%. The result of the fourth Quarter 2006 included 2,300 thousand Euro of profit from the sale of available for sale financial assets. Net of such a non-recurrent item, the earning margin would have increased by 69.5%.
The individual components making up the earning margin showed differing growth due to the ever increasing 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 profit and loss figures is such that it makes a comparison between the individual components of the margin insignificant.
Nevertheless, in detail, the **interest margin** reached 7,075 thousand Euro in the fourth Quarter 2007, compared to 3,664 thousand Euro in the same period of the previous year, an increase of 93.1%. This augmentation is due to both dynamics in market rates and to action taken to optimise returns on loans.

Net commission, equalled 8,810 thousand Euro, compared to 5,627 thousand Euro in the fourth Quarter 2006 (+56.6%). 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 the strengthening of the sales network which has lead to increased volumes of business. Expenses incurred from this, fall mainly under personnel expenses.
The interest margin and net commission as a percentage of the earning margin were respectively 44.7% and 55.6%.

Losses from buy-backs of financial liabilities, equal to 100 thousand Euro, refer to buy-backs on treasury bonds carried out over the Quarter, which are, in compliance with IAS, treated as extinction of debt. **Profit from the sale of available for sale financial assets** for the fourth Quarter 2006, for 2,300 thousand Euro, refers to the sale of listed shares held in portfolio.

The **net adjustments / write backs on write-downs on credit** in the fourth Quarter 2007 amounted to 717 against net value write-backs in the fourth Quarter 2006, which derived from recoveries on previously written down loans, for 1,053 thousand Euro.
These results for the fourth Quarter 2007 refer to 1,012 thousand Euro of estimated write-downs on performing loans, while the remaining amount is from write-downs and write-backs on bad debts on loans.
Banca IFIS has continued to be particularly rigorous in its valuation of asset quality, booking losses to the profit and loss account as soon as presuppositions to do so arise.

Gross profit from current operations

Gross profit from current operations in the fourth Quarter 2007 amounted to 8,653 thousand Euro, an increase of 10.5% compared to 7,833 thousand Euro in the fourth Quarter 2006. The figures for the fourth Quarter 2006 included 2,300 thousand Euro of profit from the sale of available for sale financial assets. Net of such item, gross profit would have shown an increase of 56.4%.

Operating costs increased by 33.1%, in line with the bank's forecasts for 2007 aimed at strengthening the structure, with particular emphasis on human resources. Operating costs passed from 4,860 thousand Euro in the fourth Quarter 2006 to 6,466 thousand Euro for the fourth Quarter 2007.
The ratio between operating costs and the earning margin (cost/income ratio) as at 31 December 2007 equalled 42% compared to 42.5% as at 30 September 2007.

In detail, **personnel expenses** passed from 3,137 thousand Euro in the fourth Quarter 2006 to 4,103 thousand Euro in the fourth Quarter 2007 (+30.8%). This increase is physiological and corresponds to expectations, taking into consideration the systematic increases in the number of personnel.
During the fourth Quarter 2007, 19 new employees were hired, following on from the 52 new employees taken on in the first nine months of 2007.

Other administrative expenses for the fourth Quarter 2007 amounted to 2,111 thousand Euro, against 1,881 thousand Euro for the corresponding period of 2006 (+12.2%). This growth is physiological and in line with expectations due to costs connected to the further development of the business: professional consultancy and assistance, maintenance and IT assistance, and lastly, support for improved selection and control of credit.

The **net value adjustments on intangible assets** also increased (+15.3% compared to the fourth Quarter 2006) mainly due to improvements in IT support, while **net value adjustments on tangible assets** equalled 312 thousand Euro in the fourth

Quarter 2007, against 314 thousand Euro in the fourth Quarter 2006 (-0.7%).

Other income amounted to 193 thousand Euro for the fourth Quarter 2007, against 587 thousand Euro in the fourth Quarter 2006, mainly due to recovery of third party expenses.

Net profit

Income taxes on current operations for the period are estimated at 3,010 thousand Euro, (+13.1% from the 2,662 thousand Euro of the fourth Quarter 2006).

Net profit for the fourth Quarter 2007 totalled 5,643 thousand Euro, an increase of 9.1% from the 5,171 thousand Euro from the corresponding period of 2006. In the absence of third party profit, the result refers entirely to the group.
The figures for the fourth Quarter 2006 included 2,300 thousand Euro of profit from the sale of available for sale financial assets. Net of such item, net profit would have shown an increase of 50.6%.

The main capital aggregates

The group is almost exclusively involved in financing the working capital of Italian and European enterprises through factoring. Specifically, as far as concerns financial activities (subprime, derivatives) that have negatively affected the recent results of some credit institutions, it is important to note that Banca IFIS has no direct or indirect exposure to subprime mortgages; it is not exposed to investments in financial products having such mortgages as an underlying activity or referring to them; it is not exposed to the granting of guarantees connected to such products.
In addition, Banca IFIS has never carried out activities in derivative financial products for third parties and has limited its own activities in this field to instruments hedging market risks. This is due to the fact that the financial risk profile of the Group essentially originated from a banking portfolio, not habitually carrying out trading in financial instruments.

Due from clients

Total due from clients as at 31 December 2007 reached 923 million Euro net, an increase of 9.2% compared to 845 million Euro as at 30 September 2007 and of 17.9% from 783 million Euro as at 31 December 2006.
Total net loan commitments, excluding net bad debts for 7 million Euro, totalled 916 million Euro, against 839 million Euro as at 30 September 2007 and 776 million Euro as at 31 December 2006.

Doubtful loans to clients

Total bad debts on loans due from clients, at net balance sheet values, stood at 7,385 thousand Euro, an increase of 10.5% if compared to 30 September 2007 (+6.4% if compared to 31 December 2006). The percentage of net bad debts on loans over total loan commitments to clients equalled 0.8%, no change from 30 September 2007 and slightly less than the 0.9% of 31 December 2006. Value adjustments equalled 75.3% of gross bad debts on loans, compared to 77.9% as at 30 September 2007 and to 76.5% as at 31 December 2006.
Total difficult/potential problem loans, at net balance sheet values, stood at 2,143 thousand Euro for the period, against 1,943 thousand Euro for the previous Quarter, an increase of 10.3%.
The percentage of net difficult/ potential problem loans over total loans to clients remained unchanged from the result as at 30 September 2007 and as at 31 December 2006, standing at 0.2%.
Total non-performing loans due from clients, at net book values, for the period stood at 9,528 thousand Euro, an increase of 10.4% compared to 8,629 thousand Euro as at 30 September 2007, and to 13.7% compared to 8,381 thousand Euro as at 31 December 2006.
The percentage of total non-performing loans due from clients over total loans to clients equalled 1%, unchanged when compared with 30 September 2007.
The percentage of net non-performing loans on shareholders' equity equalled 7.1% as at 31 December 2007, a decrease compared to 7.9% as at 30 September 2007 and 7.7% as at 31 December 2006.

Due from banks

Total due from banks equalled 312 million Euro as at 31 December 2007, an increase of 128.2% compared to the 137 million Euro of 30 September 2007 and a growth of 16.8% in comparison with 267 million Euro as at 31 December 2006.
The utilisation of available financial resources care of other institutes does not represent a core activity for the bank but is rather a contingent activity connected to maintaining surplus liquidity for end of year expiries.
The bank's aim is to utilise available resources in order to increase financing operations in the favour of clients.

Funding

Banca IFIS obtains the resources necessary for the financing of its activities, in addition to its own resources, from the inter-bank market, from the net cash flow from the revolving reassignment of performing assigned receivables owed by assigned debtors (initiated in October 2003), from the convertible bond (issued in July 2004) and lastly from its clients.
Total funds as at 31 December 2007 amounted to 1,104,275 thousand Euro, an increase of 25.6% compared to 879,335 thousand Euro as at 30 September 2007 and of 14.8% compared to 31 December 2006.
Due to banks, equalling 1,010,365 thousand Euro, an increase of 27.2% compared to 794,286 thousand Euro as at 30 September 2007, is composed of Interbank deposits for 865,763 thousand Euro (+26.8% compared to September 2007), and of the net funding deriving from the reassignment of commercial receivables portfolios for 144,602 thousand Euro (+29.4% compared to September 2007).
In the month of December, Banca IFIS undersigned a syndicated loan on the international monetary market ("Mandated Arranger" Intesa Sanpaolo Spa, Natixis and Raiffeisen Zentralbank) for a counter value of 171 million Euro with an 18 month expiry and a spread of 55 basis points over the reference Euribor, confirming the importance attributed by international credit institutions to Banca IFIS's operational model, even in a period of strong turbulence on liquidity markets.
Deposits from clients, equal to 57,776 thousand Euro, increased by 34.6% from 42,928 thousand Euro as at 30 September 2007. Deposits from clients are remunerated at indexed conditions or revisable in the short term, and advantageous for clients compared with alternative investments, and for the bank compared to the average deposit cost.
The "Banca IFIS Convertible Bond 2004-2009" issued in July 2004 for a nominal amount of 50 million Euro, totalled 36,134 thousand Euro as at 31 December 2007 (-14.2% compared to 30 September 2007). The debt instrument is recognised as a liability, net of the buyback of own bonds which are treated, in compliance with the IAS standards, as settlement of debt, even though these instruments are intended for later resale.
The tension on the money market that characterised the second Half 2007 and that will presumably continue to have an effect on the funding operations of operators in this sector in the near future, have not had an effect on Banca IFIS's operations. As can be seen, the difficulty in obtaining resources on the interbanking market has been particularly evident for those financial institutes that create their liquidity through wholesale banking as apposed to retail banking to families and enterprises.
The bank's position in terms of Asset Liability Management has allowed Banca IFIS to face market trends with serenity. Specifically, the bank's usual counterparties have appreciated the strong correlation between the bank's commitments and the underlying commercial operations and the short horizon of the same. The financial position of the bank has always been in excess of requirements and is expected to remain so.

Tangible and intangible assets

Intangible fixed assets totalled 1,927 thousand Euro, an increase of 5% compared to 30 September 2007, due to reinforcing IT support.
Tangible fixed assets increased from 31,763 thousand Euro to 32,741 thousand Euro (+3.1%), due to restructuring costs of the important historic building "Villa Marocco" for which a renovation and expansion plan was designed and approved by the Eastern Veneto Arts and Monuments Office and which was substantially completed in December 2007.
The building is not depreciated, as its residual value, calculated on its expected useful life, is higher than its book value.
The building in which Banca IFIS had its Headquarters from 2001 to December 2005, and leased since 2006, is also recorded under tangible assets, as are the representative office at Bucharest, a building in Padua and a property of residual value.

Equity

In the absence of assets attributable to third parties, Group net equity as at 31 December 2007 was 133,995 thousand Euro against 108,685 thousand Euro as at 30 September 2007 and 108,318 thousand Euro as at 31 December 2006.
During the fourth Quarter 2007, Equity increased due to profit for the period of 5,643 thousand Euro, to the exercising of stock options for 12,355 thousand Euro, to the sale of treasury shares equal to 7,155 thousand Euro and to the exercising of stock options for 258 thousand Euro. It decreased due to purchasing treasury shares for 505 thousand Euro. It has also increased as a result of booking some items, for a total amount of 404 thousand Euro, to reserves, in compliance with IAS principles.

Other Information

Trading on the STAR segment

Banca IFIS's listed financial instruments are the following:

- Banca IFIS ordinary shares (ISIN IT0003188064);
- Banca IFIS Convertible Bond 2004-2009 (ISIN IT0003664122);
- Banca IFIS Warrants 2005-2008 (ISIN IT0003938443).

The Banca IFIS Warrants 2005-2008 are exercisable during the period stretching from 1 August 2007 through to 31 July 2008: Every warrant gives the right to subscribe an ordinary share of a nominal value of 1 Euro, including share-premium for 6 Euro.

The conversion shares subscribed in the exercising of the warrants can be enjoyed as from 1 January of the year in which the issue takes place, as per article 1 and 2 of the Regulations governing the Banca IFIS Warrants 2005-2008, deliberated by the Extraordinary Shareholders' Meeting of 10 October 2005.

Fitch rating

On 21 December 2007, Fitch Ratings International confirmed, for the third year running, Banca IFIS's rating of BBB –.

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.

Fitch highlights, in particular, satisfactory risk management and the credibility of further organisational expansion plans re Banca IFIS's expansion in Italy and abroad.

The impact of Basel 2 and the Solvency Ratio

Banca IFIS opted for the delayed application of the new rules for measuring Capital and Capital ratios (Basel 2) which came into effect on 1 January 2008. Banca IFIS believes the best approach in the first phase would be to follow a standardised method of calculating capital requirements to face credit risks. At a later date, subject to approval from supervisory authorities, Banca IFIS intends on using its own internal rating system to define such requisites.

At present, the bank has not come across any particular difficulties as far as concerns the solvency ratio, both immediate and medium term, despite the rapid growth of the company. The ratio is much higher than the minimum required with an increase in own equity designed to maintain the ratio at a favourable level.

Operations on treasury shares

The Ordinary Shareholders' Meeting of 30 April 2007 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 3 Euro and a maximum of 30 Euro, 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 September 2007, Banca IFIS held 862,502 treasury shares for a counter value of 8,808 thousand Euro (average book price per share - 10.21 Euro) and a nominal value of 862,502 Euro.

During the fourth Quarter 2007, Banca IFIS purchased, at the weighted average price of 9.18 Euro, no. 55,113 treasury shares at a counter value of 505 thousand Euro and a nominal value of 55,113 Euro and sold at the weighted average price of 10.23 Euro, no. 755,702 treasury shares at a counter value of 7,734 thousand Euro and a nominal value of 755,702 Euro.

The remainder in portfolio at the end of the fourth Quarter 2007 stood at 161,913 treasury shares for a counter value of 1,579 thousand Euro (average book price of transaction in portfolio - 9.75 Euro per share) and a nominal value of 161,913 Euro.

Transactions on own bonds

At 30 September 2007, the bank held 602,522 own bonds entered for a counter value of 7,598 thousand Euro and a nominal value of 7,531,525 Euro.

During the fourth Quarter 2007, Banca IFIS bought no. 538,800 own bonds for a counter value of 6,738 thousand Euro and a nominal value of 6,735,000 Euro.

The remainder in portfolio at the end of the fourth Quarter 2007 stood at 1,141,322 treasury bonds for a counter value of 14,336 thousand Euro and a nominal value of 14,266,525 Euro.

Outlook

Forecasts on economic trends for 2008 allow some optimism as far as concerns Banca IFIS's positioning in a significantly unsteady scenario that some describe as pre-recession.

The attitude of the banking system as regards granting credit to

SMEs appears moderate and decreasing, being conditioned by both compliance with Basel 2 requirements and the fast re-valuation of credit risks on the market as a result of the liquidity crisis and the systematic slowing down in growth levels that characterised international and domestic markets in the Summer and Autumn, with effects that threaten to continue well into 2008.
This situation generally leads to less availability of credit for enterprises, whilst in all cases it leads to higher costs in terms of spread, above all for clients with a medium or modest credit standing.
Hence, it is possible to forecast an increase in margins for operators doing business in this sector, which could be accompanied by increased risk in terms of general bank loan commitments to enterprises; this increased risk, in turn, could be contained through factoring operations which transfer the risk to credit-worthy counterparties.
Presumably then, there will be much more space for factoring in general and, in particular, for independent factoring companies not belonging to large banking groups, intent on acquiring market share.

Banca IFIS's prospects therefore remain positive and permit an optimistic outlook for the overall operating trend in 2008 as a whole.

Significant events during the period

Exercising of Banca IFIS Warrants 2005-2008

Over the course of the last Quarter, 2,059,121 'Banca IFIS Warrants 2005-2008' were exercised with an increase in equity of 12,355 thousand Euro.

Exercise of stock options

Over the course of the last Quarter 2007, the exercising of the second stock option plan A2/D2 was completed, amounting to a total of 214,500 shares at a nominal value of 1 Euro, subscribable at a price of 7.42. In total, 202,750 shares were exercised while 11,750 were debarred.
The following stock option plans remain 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 January and 31 December 2010 of which 64,500 shares for directors and 140,000 shares for Banca IFIS employees in general.
-Plan 5 (deliberated on 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, 3,540 options relating to the A3/D3 plan have been exercised.

Closure of controversy with Parmalat S.p.A.

On 10 October, Banca IFIS reached an agreement with Parmalat S.p.A..
In performance of such an agreement, Parmalat permanently renounced any revocatory action and any future compensation claims. More generally, both parties renounced all claims arising from operations carried out in the period prior to Parmalat being placed under Extra-ordinary administration.
All the effects of such settlement from a financial and equity point of view were shown in the third Quarter report as 30 September 2007.

Significant events after 31 December 2007

Product leasing distribution

On 24 January 2008, the Board of Directors approved Banca IFIS's entry into the product leasing distribution sector, aimed at enterprises, with particular attention to SMEs that have always characterised the target market of Banca IFIS. Such activity will take place through Banca IFIS's direct sales network. Partnership agreements with a leading operator in this sector are at an advanced stage.

No other significant events occurred after closing the period and up to the approval of the present report.

Mestre, Venice-12 February 2008

For the Board of Directors

The President
Sebastien Egon Fürstenberg

The C.E.O.
Giovanni Bossi

BREAKDOWN OF CUSTOMERS BY GEOGRAPHIC AREA	LOANS	TURNOVER
Northern Italy	42.6%	43.5%
Central Italy	31.4%	27.4%
Southern Italy	20.7%	15.1%
Abroad	5.3%	14.0%
Total	100%	100%

	BREAKDOWN OF CUSTOMER BY PRODUCT CATEGORY	LOANS	TURNOVER
051	Agriculture, forestry and fish products	1.1%	0.8%
052	Energy products	0.2%	0.3%
053	Minerals and ferrous and non-ferrous metals	0.3%	0.2%
054	Minerals and mineral based products	0.4%	0.3%
055	Chemical products	0.7%	0.2%
056	Products in metal excluding machines and equipment	8.9%	9.8%
057	Agricultural and industrial machines	1.5%	1.4%
058	Machines for offices, data processing and precision machinery	0.5%	0.3%
059	Electrical material and supplies	2.5%	1.9%
060	Transportation vehicles	6.4%	13.1%
061	Food and beverage products	2.3%	1.7%
062	Textile, leather, shoe and clothing products	4.0%	2.9%
063	Paper, printing and publishing	0.5%	0.8%
064	Rubber and plastic products	1.4%	1.3%
065	Other industrial products	0.9%	1.0%
066	Construction and public works	12.4%	11.2%
067	Wholesale and retail trade. recoveries and repair	11.1%	12.7%
068	Hotel and public establishment services	0.6%	0.6%
069	Internal transportation services	1.2%	1.5%
070	Maritime and air transportation services	0.7%	0.4%
071	Transportation related services	1.6%	0.5%
072	Telecommunications services	0.4%	0.1%
073	Other services for sale	20.5%	22.4%
000	Non classifiable	19.9%	14.6%
	of which non-resident subjects	*5.3%*	*14.0%*
	of which financial institutions	*1.8%*	*0.2%*
	of which others (1)	*12.8%*	*0.4%*
	Total	100%	100%

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

Declaration from 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 31 December 2007 corresponds to the documentable figures and results contained in Banca IFIS's accounting and bookkeeping documents, books and registers.

The Manager responsible for preparing corporate financial documents

CARLO SIROMBO

Mestre, 12 February 2008