



**CONSOLIDATED QUARTERLY REPORT
AS AT 30 SEPTEMBER 2009**

TRANSLATION FROM THE ITALIAN ORIGINAL
WHICH REMAINS THE DEFINITIVE VERSION



Share Capital: Euro 34,300,160 fully paid-in
Bank Association no.: 3205.2
Tax and Company Registration Number: 02505630109
VAT no.: 02992620274
Banks register no.: 5508

REGISTERED OFFICE AND HEADQUARTERS

Venice - Mestre, Via Terraglio 63, 30174

Internet Address: www.bancaifis.it

BRANCHES

Ancona - Via Astagno 3, 60122
Bari - Via C. Rosalba 47/z, 70124
Bologna - Imola, Via U. Lambertini 6, 40026
Brescia - Via Malta 7c, Torre Kennedy, 25124
Cagliari - Viale Bonaria 62, 09125
Florence - Via Europa 163, 50126
Genoa - Via C.R.Ceccardi 3 int 3/A, 16121
Milan - Cologno Monzese, Via Volta 16, 20093
Naples - Via G. Porzio 4, Centro Dir. Isola E7, 80143
Padua - Viale dell'Industria 60, 35129
Palermo - Via Monti Iblei 55, 90146
Pordenone - Via De Paoli 28/D, 33170
Rome - Via B. Croce 6, 00144
Turin - Piazza C.L.N. 255, 10121
Treviso - Silea, Via G. Galilei 1, 31057
Venice - Mestre, Via Gatta 11, 30174

OFFICES ABROAD

France - Paris, Place de la Defence 7

TERRITORIAL OFFICES ⁽¹⁾

Avellino - Contrada Chiaire 13/A, int 3, 83100
Bergamo - Via G. Camozzi 106, 24100
Cuneo - Corso IV Novembre 12, 12100
Catania - Via Teseo, n.13 int.15, 95126
Milan - Assago, Milanofiori, strada 1, Palazzo F1, 20090
Pescara - Complesso Piazza Accademia, Viale Pindaro 18/1A, 65127
Varese - Gallarate, Piazza Buffoni c/o Torre di Ghiaccio int. 2/G, 21013
Santhia' - Vercelli, Via Gramsci 48 int. B1, 13048
Vicenza - Monteviale, Via Biron 102/5/d, 36050

REPRESENTATIVE OFFICES

Romania - Bucharest, Boulevard Burebista 3
Hungary - Budapest, Bajza U. 50

OFFICES OF OTHER COMPANIES OF THE GROUP

IFIS Finance Sp. Z o.o
Poland - Warsaw, Pl. Trzech Krzyży 3

(1) Offices not open to the public

CORPORATE ROLES

BOARD OF DIRECTORS

<i>President</i>	Sebastien Egon Fürstenberg
<i>Vice President</i>	Alessandro Csillaghy
<i>C.E.O.</i>	Giovanni Bossi ⁽¹⁾
<i>Directors</i>	Leopoldo Conti Roberto Cravero Andrea Martin Riccardo Preve Marina Salamon
General Manager	Alberto Staccione

BOARD OF STATUTORY AUDITORS

<i>President</i>	Mauro Rovida
<i>Standing Auditors</i>	Erasmus Santesso Dario Stevanato
<i>Alternate Auditors</i>	Luca Giacometti Francesca Rapetti

AUDITING FIRM	KPMG S.p.A
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Member of Factors Chain International



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

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FINANCIAL HIGHLIGHTS

CONSOLIDATED BALANCE SHEET
(In thousands of Euro)

ASSETS	PERIOD		VARIATION		PERIOD
	30/09/2009	30/06/2009	ABSOLUTE	%	31/12/2008
Cash and cash equivalents	38	18	20	111.1%	15
Financial assets held for trading	389	391	(2)	(0.5)%	396
Financial assets available for sale	3,143	3,143	---	0.0%	3,134
Financial assets held to maturity	289,636	231,054	58,582	25.4%	---
Due from banks	191,427	190,605	822	0.4%	207,102
Due from clients	1,060,267	966,834	93,433	9.7%	1,008,649
Tangible assets	34,731	34,777	(46)	(0.1)%	34,217
Intangible assets of which:	3,857	3,759	98	2.6%	3,459
- goodwill	826	793	33	4.2%	837
Tax assets	1,714	1,679	35	2.1%	1,973
a) current	34	42	(8)	(19.0)%	165
b) deferred	1,680	1,637	43	2.6%	1,808
Other assets	87,154	105,117	(17,963)	(17.1)%	100,459
TOTAL ASSETS	1,672,356	1,537,377	134,979	8.8%	1,359,404

LIABILITIES	PERIOD		VARIATION		PERIOD
	30/09/2009	30/06/2009	ABSOLUTE	%	31/12/2008
Due to banks	753,057	674,502	78,555	11.6%	924,189
Due to clients	710,442	615,124	95,318	15.5%	157,855
Outstanding shares	21,308	78,146	(56,838)	(72.7)%	91,356
Financial liabilities for trading	319	54	265	490.7%	2,392
Tax liabilities	3,952	3,387	565	16.7%	2,968
a) current	814	301	513	170.4%	25
b) deferred	3,138	3,086	52	1.7%	2,943
Other liabilities	30,030	17,102	12,928	75.6%	26,481
Post employment benefit	999	1,009	(10)	(1.0)%	1,057
Fair value reserve	(5,220)	(6,393)	1,173	(18.3)%	(4,840)
Equity instruments	---	611	(611)	(100.0)%	611
Reserves	72,918	72,249	669	0.9%	49,170
Share premiums	49,775	49,772	3	0.0%	60,766
Capital	34,300	34,300	---	0.0%	34,299
Treasury shares	(14,083)	(12,505)	(1,578)	12.6%	(9,701)
Net profit for the period	14,559	10,019	4,540	45.3%	22,801
TOTAL LIABILITIES and NET EQUITY	1,672,356	1,537,377	134,979	8.8%	1,359,404

CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

	FIRST NINE MONTHS		VARIATION	
	2009	2008	Absolute	%
Interest income and similar	42,644	55,649	(13,005)	(23.4)%
Interest expense and similar	(26,643)	(34,582)	7,939	(23.0)%
Net interest income	16,001	21,067	(5,066)	(24.0)%
Commission income	39,838	30,334	9,504	31.3%
Commission expense	(2,795)	(2,424)	(371)	15.3%
Net commission income	37,043	27,910	9,133	32.7%
Dividends and similar	17,325	27,863	(10,538)	(37.8)%
Net trading result	(16,733)	(26,623)	9,890	(37.1)%
Profit (losses) from sale or buybacks of:	(20)	7	(27)	n.s.
b) available for sale financial assets	---	---	---	---
d) financial liabilities	(20)	7	(27)	n.s.
Net banking income	53,616	50,224	3,392	6.8%
Net impairment losses on:	(8,121)	(4,710)	(3,411)	72.4%
a) loans and receivables	(8,121)	(4,710)	(3,411)	72.4%
Net profit from financial activities	45,495	45,514	(19)	0.0%
Administrative expenses:	(23,923)	(19,508)	(4,415)	22.6%
a) personnel expenses	(15,172)	(12,642)	(2,530)	20.0%
b) other administrative expenses	(8,751)	(6,866)	(1,885)	27.5%
Net impairment losses on tangible assets	(958)	(990)	32	(3.3)%
Net impairment losses on intangible assets	(748)	(434)	(314)	72.4%
Other operating income (expenses)	935	604	331	54.8%
Operating costs	(24,694)	(20,328)	(4,366)	21.5%
Gross profit from continuing operations	20,801	25,186	(4,385)	(17.4)%
Tax on profit from continuing operations	(6,242)	(7,224)	982	(13.6)%
Parent company net profit for the period	14,559	17,962	(3,403)	(18.9)%

CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

	3 RD QUARTER		VARIATION	
	2009	2008	Absolute	%
Interest income and similar	12,937	19,762	(6,825)	(34.5)%
Interest expense and similar	(9,042)	(11,734)	2,692	(22.9)%
Net interest income	3,895	8,028	(4,133)	(51.5)%
Commission income	14,084	10,647	3,437	32.3%
Commission expense	(897)	(678)	(219)	32.2%
Net commission income	13,187	9,969	3,218	32.3%
Dividends and similar	5,016	1	5,015	n.s.
Net trading result	(4,956)	(137)	(4,819)	n.s.
Profit (losses) from sale or buybacks of:				
b) available for sale financial assets	---	9	(9)	(100.0)%
d) financial liabilities	---	---	---	---
	---	9	(9)	(100.0)%
Net banking income	17,142	17,870	(728)	(4.1)%
Net impairment losses on:				
a) loans and receivables	(2,738)	(1,912)	(826)	43.2%
	(2,738)	(1,912)	(826)	43.2%
Net profit from financial activities	14,404	15,958	(1,554)	(9.7)%
Administrative expenses:				
a) personnel expenses	(7,410)	(6,816)	(594)	8.7%
b) other administrative expenses	(4,675)	(4,219)	(456)	10.8%
	(2,735)	(2,597)	(138)	5.3%
Net impairment losses on tangible assets	(336)	(342)	6	(1.8)%
Net impairment losses on intangible assets	(284)	(167)	(117)	70.1%
Other operating income (expenses)	478	312	166	53.2%
Operating costs	(7,552)	(7,013)	(539)	7.7%
Gross profit from continuing operations	6,852	8,945	(2,093)	(23.4)%
Tax on profit from continuing operations	(2,312)	(2,867)	555	(19.4)%
Parent company net profit for the period	4,540	6,078	(1,538)	(25.3)%

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION
(In thousands of Euro)

	YEAR 2009			YEAR 2008			
	3rd Q.	2nd Q.	1st Q.	4th Q.	3rd Q.	2nd Q.	1st Q.
Interest income and similar	12,937	15,391	14,316	18,883	19,762	18,548	17,339
Interest expense and similar	(9,042)	(9,159)	(8,442)	(12,608)	(11,734)	(11,674)	(11,174)
Net interest income	3,895	6,232	5,874	6,275	8,028	6,874	6,165
Commission income	14,084	13,581	12,173	11,666	10,647	10,083	9,604
Commission expense	(897)	(1,115)	(783)	(579)	(678)	(856)	(890)
Net commission income	13,187	12,466	11,390	11,087	9,969	9,227	8,714
Dividends and similar	5,016	12,309	---	---	1	27,862	---
Net trading result	(4,956)	(11,863)	86	11	(137)	(26,524)	38
Profit (losses) from sale or buybacks of:							
b) available for sale financial assets	---	(1)	(19)	30	9	(2)	---
d) financial liabilities	---	(1)	(19)	30	9	(2)	---
Net banking income	17,142	19,143	17,331	17,403	17,870	17,437	14,917
Net impairment losses on:							
a) loans and receivables	(2,738)	(3,202)	(2,181)	(1,693)	(1,912)	(1,535)	(1,263)
Net profit from financial activities	14,404	15,941	15,150	15,710	15,958	15,902	13,654
Administrative expenses:							
a) personnel expenses	(7,410)	(8,435)	(8,078)	(8,304)	(6,816)	(6,779)	(5,913)
b) other administrative expenses	(4,675)	(5,341)	(5,156)	(5,059)	(4,219)	(4,387)	(4,036)
Net impairment losses on tangible assets	(2,735)	(3,094)	(2,922)	(3,245)	(2,597)	(2,392)	(1,877)
Net impairment losses on intangible assets	(336)	(308)	(314)	(361)	(342)	(346)	(302)
Other operating income (expenses)	(284)	307	150	362	312	362	(70)
Operating costs	478	(7,552)	(8,453)	(8,598)	(7,013)	(6,933)	(6,382)
Gross profit from continuing operations	6,852	7,252	6,697	7,112	8,945	8,969	7,272
Tax on profit from continuing operations	(2,312)	(2,083)	(1,847)	(2,273)	(2,867)	(2,332)	(2,025)
Parent company net profit for the period	4,540	5,169	4,850	4,839	6,078	6,637	5,247

NOTES TO THE FINANCIAL STATEMENTS

Criteria for the preparation of financial statements

Banca IFIS Group's Quarterly report as at 30 September 2009 has been prepared both in compliance with the provisions as per article 154-ter of Legislative Decree no. 58 of 24 February 1998 and subsequent amendments and with the International Accounting Standards.

The consolidated financial statements as at 30 September 2009 are compared, in terms of balance sheet figures, with those as at 30 June 2009. In terms of income

statement results, the first nine months of 2009 are compared with the first nine months as at 30 September 2008 and the third Quarter 2009 is compared with the corresponding Quarter of 2008.

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

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

Consolidation area

The structure of the group as at 30 September 2009 is unchanged compared to 30 June 2009 and is composed of the parent company Banca IFIS S.p.A. and the 100% controlled companies: Immobiliare Marocco S.p.A., and IFIS Finance Sp. Z.o.o., both consolidated using the line-by-line method.

The accounts on which the consolidation is based are those prepared by the companies of the group as at 30 September 2009.

BOARD OF DIRECTORS' REPORT

The macro-economic scenario

In the first nine months of 2009, the microeconomic scenario was characterised by persistently negative trends. The crisis, which began in the second Half 2007 with the serious destruction of wealth caused by the subprime bubble bursting, spread firstly within the international banking system (culminating with the bankruptcy of Lehman Brothers in October 2008) and then immediately propagated throughout the international real economy.

The crisis was caused by overestimating assets but also, in general, by overestimating production capacity, generation of savings, and ability to support debts.

As from the end of 2008, the attention of policy makers, of Supervisory and Regulatory Bodies and of Credit Institutions has concentrated on finding the best solutions in order to face the adverse trends in terms of costs / benefits, also on an international level.

The coordinated institutional interventions taking place have the objective, amongst others, of restoring trust, without which credit institutions would go into decline, as can already be seen today.

These interventions have progressively reinstated some minimum operational levels on financial and money markets but have not succeeded in preventing the start of a sharp, worldwide fall in both manufacturing output and the GDP of industrialized economies.

Faced with this scenario, credit institutions active in the industrialized world, and more specifically in Europe and Italy, have considerably restricted access to credit, mainly penalizing the smaller and most fragile clients. In addition, they have also increased, in a similarly significant way, the financial conditions payable by the financed clients, so as to take the changed perception of credit risk into account.

The combined effect of these two actions doesn't yet constitute the much-feared credit squeeze, known as the 'credit crunch', which is the moment in which there will be a complete breakdown in bank/enterprise relationships, but, as from the first Half 2008, *has* made it decidedly more complicated for enterprises to get the financing necessary to support their growth or even, in some cases, guarantee their mere survival.

Only at the end of the first Half 2009 have any signs of stabilisation become evident, confirming, at the very least, the effectiveness of the measures adopted by credit institutions. Financial markets, traditionally readier to react, have recouped part of the operations and liquidity lost in the previous period, seemingly signifying that losses from production and of jobs will not reach drastic levels.

Banca IFIS Group's continuing operations in the third Quarter

The Banca IFIS Group has continued, despite this difficult context, to provide enterprises with the financial support and services that characterize its corporate model, improving its market penetration, both on domestic and international fronts.

In addition, the new market conditions 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 real economies.

Over the third Quarter 2009, Banca IFIS recorded a turnover (volume of receivables purchased over the Quarter) of 801 million Euro, a slight reduction when compared to 816 million Euro in the third Quarter 2008 (-1.9%), whilst for the first nine months of the year, turnover stood at 2,367 million Euro, sub-

stantially stable when compared to 2,389 million Euro for the corresponding period of 2008.

Banca IFIS, consistent with its role of supporting small and medium enterprises, continues to concentrate its financing activities on these enterprises which offer higher levels of profitability from lower volumes.

A brief study of trends in continuing operations over the first nine months of 2009 has highlighted the following points:

- Stable volumes when compared to September 2008 (-0.9%) due to the growth in the number of clients, despite less demand;
- Strong growth in the number of clients (+20% compared to 30 September 2008) forming the basis for future growth in volumes despite negative economic trends;
- Maintenance of good profitability levels in a largely negative macroeconomic scenario (extremely low interest rates) penalised by the higher costs involved in retail funding;
- Important steps towards financial independence (the ratio between loans to clients and retail funding from clients currently equals 1.5 compared to 5.3 as at 31 December 2008 and is expected to improve still further);
- High level of impairment losses on loans and receivables due to the negative, economic trends;
- Higher costs incurred due to reinforcing the territorial and organizational structure of the bank with the aim of being a key player in the economic recovery which will follow the current recessive phase.

It is important to note that the third Quarter 2008, with which this third Quarter is compared, was the last quarter before the crisis hit the international economy.

The combined effect of all the above led to a fall in profit as fore-

seen in the 2009 – 2011 business plan but still allows a positive outlook for continuing trends over 2009 as a whole.

The Strategic Plan

Banca IFIS Group continues to take actions to increase its ability in customer relations, its territorial presence and its sales network by employing young and motivated new resources.

The 2009-2011 business plan, approved by the Board of directors on 9 April 2009, confirms the integration, to the advantage of client enterprises and entrepreneurs, of new relationship-based activities to the historical transactional-based activities of product and bank-factor. Such a change is to be made without abandoning the activity of supporting working capital but rather integrating it with other activities that are better geared to maintaining relationships with the client long-term.

The strategy for the three years running from 2009 – 2011 confirms the aims set out in the 2008 – 2010 business plan and can be summarised as follows:

- 1) Internal growth;
- 2) Internationalisation;
- 3) Distribution of new services;
- 4) Diversification in funding and deposits.

Internal growth foresees reinforcement of the sales network and the diffusion of better knowledge of the factoring product; the opening of new branches and offices; the selection and in-house training of junior sales staff throughout Italy; and the drawing up of agreements with co-operative credit banks and medium-sized banks with a widespread presence over the territory. All this, paying attention to small enterprises with high growth potential that are less attended to by traditional banks but more profitable, weaker but with the credit risk

always being transferred to the assigned debtor with a better credit standing.

The strategy of internationalisation of the group, through the management and financing of working capital in European enterprises through Banca IFIS's own sales network, has been slowed down due to the current market context in the target countries. Reinforcement of existing commercial relationships and an ever-more active participation in Factors Chain International - an international interlocutor by excellence - will be given particular attention in the short-term.

As far as concerns the distribution of new services to clientele, after having put into action the agreement for the distribution of leasing, Banca IFIS is now assessing the possibility of distributing insurance products. This new approach will permit the bank to significantly increase client retention, allowing relationships with the client to be maintained in the long-term, thanks to the multiplicity of services offered.

As regards diversification of funding and deposits and the optimisation of financing sources, the business plan foresees diversification of the Rendimax savings facilities and, in order to face the risk of fluctuations in this retail funding, the setting up of a buffer of available and immediately liquidable reserves, made up of securities eligible with the Euro system. The realisation of this buffer was achieved in a very short period of time (within the second Quarter 2009).

Among the remaining medium-term objectives of the bank stands the lengthening of the average duration of interbanking and retail financing and the negotiation of syndicated or bilateral loans where market conditions render such type of stabilisation feasible.

Income statement

Net profit from financial activities

Net banking income fell from 17,870 thousand Euro in the third Quarter 2008 to 17,142 thousand Euro in the third Quarter 2009 (-4.1%). This modest fall is due to interest income having halved, coupled with a significant increase in commission income. Such changes were affected by exogenous and non-recurrent factors which will be explained later in this report.

It is worth mentioning that the increasing or decreasing client tendency over time towards products with a significant service component, income from which being classified under factoring commission only (that is without expressly indicating the costs of the financial funding necessary to support the client), can bring about accentuated changes in the individual components making up net banking income (net interest income and net commission income) and makes a comparison between them senseless.

Still, in detail, net interest income came to 3,895 thousand Euro in the third Quarter 2009, a decrease of 51.5% against 8,028 thousand Euro for the corresponding period of 2008. This fall was influenced by:

- The considerable reduction in commission on maximum over limit amounts;
- The higher costs of retail funding as apposed to the funding sources traditionally utilised by the group, also due to promotions which ended on 30 September 2009 exactly;
- The fact that operations on the guaranteed interbanking market have not yet been finalised, the full effect of which will be seen as from early October 2009.

The benefits of retail funding can be seen mainly in terms of diversification in funding sources and allow the bank to face the market with completely new perspectives than those of the past.

This growth in funding costs has been partly mitigated by increases in charges to clients due to the higher risks connected to loan commitments as well as the ever-increasing contribution of returns on the portfolio of securities eligible for refinancing with the Euro system. Indeed, as from the second Quarter 2009, the bank has progressively purchased a securities portfolio containing short-term, highly creditworthy, variable rate banking bonds. Such portfolio, equalling an amount of 311 million Euro at the beginning of the third Quarter and 370 at the end of the same, generated interest income during this Quarter in the amount of 3,042 thousand Euro.

Net commission income grew by 32.3% from 9,969 thousand Euro to 13,187 thousand Euro. This increase is attributable both to the rise in the number of existing clients and to increased commission and fees due from clients as a result of the complexity involved in the management service and to the higher risk of anomalies in credit portfolios.

Thanks to significant and stable financial availability, over the third Quarter 2009, Banca IFIS carried out short-term operations on highly traded securities. These operations generated dividends for an amount of 5,000 thousand Euro and net losses from trading for an amount of 4,913 thousand Euro, which corresponds to the profit/loss on the trading of these securities, as well as the profit/loss from the conclusion of correlated risk hedging instruments.

Net impairment losses on loans and receivables in the third Quarter 2009 equalled 2,738 thousand

Euro, against 1,912 thousand Euro in the third Quarter 2008. This increase, which is completely in line with the 2009-2011 business plan, is due to deterioration on the commercial credit market for SMEs.

Net profit from financial activities in the third Quarter 2009 decreased by 9.7% compared to the corresponding period of the previous year, from 15,958 thousand Euro to 14,404 thousand Euro.

Gross profit from continuing operations

Operating costs were also affected by the increase in business and expansion of the organization, primarily in terms of quality human resources who joined Banca IFIS. In this regard, particular attention was given to selecting resources dedicated to enhancing, on the one hand, sales staff and, on the other, Headquarters' staff. The total amount of this item in the third Quarter 2009 reached 7,552 thousand Euro, an increase of 7.7%.

The ratio between operating costs and net banking income (cost /income ratio) as at 30 September 2009 equalled 46.1%, compared to 40.5% as at 30 September 2008 and 46.7% as at 30 June 2009.

In detail, personnel expenses passed from 4,219 thousand Euro in the third Quarter 2008 to 4,675 thousand Euro in the third Quarter 2009 (+10.8%). This increase is physiological and corresponds to expectations, taking into consideration the systematic increase in the number of personnel.

Other administrative expenses in the third Quarter 2009 amounted to 2,735 thousand Euro, against 2,597 thousand Euro for the corresponding period of 2008 (+5.3%). This increase is related to costs connected to further developing

business, in particular in terms of support for improved selection and control of credit, and in terms of general expenses connected to management of branches and territorial offices.

Net impairment losses on intangible assets, which stood at 284 thousand Euro as at 30 September 2009, an increase of +70.1% compared to the third Quarter 2008, is entirely due to improvements in IT support, while net impairment losses on tangible assets stood at 336 thousand Euro as at 30 September 2009, from 342 thousand Euro in the third Quarter 2008 (-1.8%).

Other operating income, mainly made up of income deriving from the recovery of third party expenses, amounted to 478 thousand Euro in the third Quarter 2009, compared to 312 thousand Euro in the third Quarter 2008.

Gross profit from continuing operations in the third Quarter 2009 equalled 6,852 thousand Euro, compared to 8,945 thousand Euro in the third Quarter 2008, a fall of 23.4%.

Net profit

Income taxes on continuing operations in the third Quarter 2009 are estimated at 2,312 thousand Euro, a fall of 19.4% from the 2,867 thousand Euro of the third Quarter 2008.

Net profit in the third Quarter 2009 amounted to 4,540 thousand Euro, a reduction of 25.3% from the corresponding period of 2008. In the absence of profit from minority interests, the result refers entirely to the group.

Main balance sheet captions

The group is almost exclusively involved in financing the working capital of Italian and European

enterprises through factoring. Specifically, as far as concerns financing activities such as derivatives and subprime mortgages, the trends of which having negatively affected the recent results of some credit institutions, it is important to state that Banca IFIS has no direct or indirect exposure to subprime mortgages; nor is it exposed to investments in financial products having such mortgages as an underlying asset or referring to them; neither is it in anyway exposed to the granting of guarantees connected to such products. Furthermore, Banca IFIS S.p.A. has never carried out transactions on derivative financial instruments on behalf of third parties and that carried out on its own behalf is limited to hedging instruments against market risk. This is because the group's financial risk profile originated as a banking portfolio due to the fact that the group does not habitually carry out trading activities on financial instruments. Funding for the group's activity, aside from its own, comes from interbanking funding, Euro system funding, funding from clients and, lastly, from certificates of deposit with banks.

Due from clients

Total net due from clients as at 30 September 2009 reached 1,060 million Euro, an increase of 9.7% from 967 million Euro as at 30 June 2009 and of 5.1% if compared to the 1,009 million Euro of 31 December 2008.

Total net loans, excluding net non-performing loans for 18 million Euro, totalled 1,042 million Euro for the period, compared to 950 million Euro as at 30 June 2009 and 998 million Euro as at 31 December 2008.

Impaired loans due from clients

Total non-performing loans due from clients, at net balance sheet values,

stood at 18,309 thousand Euro, a growth of 11.9% if compared to 30 June 2009. The percentage of net non-performing loans over total loan commitments to clients equalled 1.7%, no change from 30 June 2009. The percentage of net non-performing loans on shareholders' equity passed from 11.1% as at 30 June 2009 to 12% as at 30 September 2009.

Value adjustments equalled 65.7% of gross non-performing loans, compared to 67.7% as at 30 June 2009. Total substandard loans for the period, at net balance sheet values, stood at 9,796 thousand Euro, an increase compared to 6,954 thousand Euro as at 30 June 2009 (+40.9%).

The percentage of net substandard loans out of total loans to clients passed from 0.7% as at 30 June 2009 to 0.9% as at 30 September 2009.

Total impaired loans due from clients amounted to 28,105 thousand Euro as at 30 September 2009, a growth of 20.5% compared to 23,314 thousand Euro as at 30 June 2009. The percentage of net impaired loans on total loan commitments equalled 2.7%, a slight increase when compared to the 2.4% of 30 June 2009.

The small rise in the absolute values of non-performing loans and substandard loans, in a substantially negative market phase, is largely in line with forecasts. The results achieved confirm the group's ability to manage credit quality in the best way possible whilst taking into account market conditions, thanks to Banca IFIS's business model which transfers the SME counterparty risk to more reliable counterparties with better creditworthiness (the debtors).

Due from banks

Total due from banks equalled 191 million Euro as at 30 September 2009, no change compared to 30 June 2009, whilst a decrease when compared to the 207 million Euro of 31 December 2008.

The utilisation of available financial

resources care of other institutes does not represent a core activity for the bank, and is due to maintaining a high level of liquidity to cover year-end expiries.

The bank's aim remains only to utilise available resources in order to increase financing operations in the favour of clients.

Funding

Total funds as at 30 September 2009 amounted to 1,484,807 thousand Euro, an increase of 8.6% compared to 30 June 2009.

Deposits from clients make up 47.8% of total funding compared to 47.1% as at 30 June 2009.

Interbanking deposits made up 42.7% as at 30 June 2009 against 50.7% as at 30 September 2009.

In detail, due to banks equalled 753,057 thousand Euro, a rise of 11.6% compared to June 2009, and consist of:

- 730,793 thousand Euro of interbanking deposits (+36.9% compared to June 2009) of which 384,500 thousand Euro regulated on the E-mid platform;
- 22,264 thousand Euro of funding from the Euro system (-84.2% compared to June 2009), realised through repurchase agreements, for which purpose both securities obtained thanks to the securitisation transaction on performing receivables started in October 2008 and banking bonds included in assets held to maturity category were used.

Deposits from clients amounted to 710,442 thousand Euro (+15.5% compared to June 2009) and refer mainly to funding obtained from the Rendimax platform, which has been extremely successful, recording over 16 thousand clients.

Furthermore, deposit certificates with banking counterparts have been issued for an amount of 21,308 thousand Euro (-57.2% compared to June 2009).

Tangible and intangible assets

Intangible fixed assets totalled 3,857 thousand Euro, an increase of 2.6% compared to 30 June 2009, essentially due to reinforcing IT supports.

Tangible fixed assets decreased to 34,731 thousand Euro (-0.1% compared to 30 June 2009).

The property entered among the consolidated tangible assets relates to the important historical building, 'Villa Marocco', in Mestre-Venice, now Banca IFIS's Headquarters and to the property in Mestre-Venice, acquired under financial leasing and sublet in part to the controlling company, La Scogliera S.p.A.. Further property entered for insignificant amounts include the representative office in Bucharest. The final value of the property that has become the new Head Office, together with the value of property sublet to the controlling company, have been confirmed by professionals in valuing such buildings. 'Villa Marocco' is not depreciated as its estimated residual value at the end of its useful life is expected to be higher than its book value.

Equity

In the absence of minority interests, group net equity as at 30 September 2009 was 152,249 thousand Euro, against 148,053 thousand Euro as at 30 June 2009. In the third Quarter 2009, equity increased as a result of 4,540 thousand Euro of profit for the period, of exchange differences from consolidating the subsidiary IFIS Finance Sp.Z.o.o. and of other increases equalling 61 thousand Euro. It decreased due to buybacks for an amount of 1,578 thousand Euro.

It is important to note that, as at 31 December 2008, the bank reclassified, under the item 'fair value reserves', exchange differences equal to 4,947 thousand Euro and relating to the foreign subsidiary, IFIS Finance Sp.Z.o.o., previously

booked under the item 'reserves'.

Other Information

Fitch rating

On 17 July 2009, Fitch Ratings International confirmed 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.

Operations on treasury shares

The Ordinary Shareholders' Meeting of 9 April 2009 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 2 Euro and a maximum of 40 Euro, for a maximum amount of 20 million Euro. The Shareholders' Meeting also established the duration of the authorisation as 18 months from the date of the resolution.

At 30 June 2009, Banca IFIS held 1,722,451 treasury shares for a counter value of 12,505 thousand Euro (average booking price 7.26 Euro per share) and a nominal value of 1,722,451 Euro.

During the third Quarter 2009, Banca IFIS purchased, at the average price of 8.15 Euro, 193,618 treasury shares at a counter value of 1,578 thousand Euro and a nominal value of 193,618 Euro.

The remainder in portfolio at the end of the third Quarter 2009 stood at 1,916,069 treasury shares for a counter value of 14,083 thousand Euro (average booking price 7.35 Euro per share) and a nominal value of 1,916,069 Euro.

Transactions on treasury bonds

At 30 June 2009, the bank held

1,816,570 own bonds entered for a counter value of 22,715 thousand Euro and a nominal value of 22,707,125 Euro.

The 'Banca IFIS Convertible Bond Loan' was entirely redeemed upon its maturity on 16 July 2009, net of the treasury bonds held in portfolio.

Stock option plans for Board members and personnel

On 30 September 2009, the following stock option plans remained standing:

- Plan 4 (deliberated 30 April 2007) which amounts to a total of 204,500 shares of a nominal value of 1 Euro, subscribable at a price of 10.10 Euro and exercisable between 1 September and 31 December 2010 of which 64,500 shares for directors and 140,000 shares for Banca IFIS employees in general.

- Plan 5 (deliberated 30 April 2007) which amounts to a total of 240,000 shares of a nominal value of 1 Euro, subscribable at a price of 10.10 Euro and exercisable between 1 January and 30 April 2011 of which 59,200 shares for directors and 180,800 shares for Banca IFIS employees in general.

Significant events during the period

Voluntary take over bid for Toscana Finanza

On 9 July 2009, Banca IFIS deposited, care of Consob, the request as per article 102 of the 'Testo Unico Finanziaria' (the Consolidated Law on Finance), in which it states its intention to launch a voluntary total takeover bid on the ordinary shares of Toscana Finanza S.p.A., a company specialised in the purchase and management of fiscal, financial and commercial 'difficult' credit and listed on the MTA (the Telematic Shares Market) of the Italian Stock Exchange. The purpose of the bid

is for Banca IFIS to purchase Toscana Finanza S.p.A.'s entire share capital.

The reference shareholders of Toscana Finanza, representing about 66.10% of its share capital, are irrevocably committed to accepting the takeover bid in question.

The Bid is conditioned by Banca IFIS S.p.A. purchasing a shareholding stake of at least 66.67% of Toscana Finanza S.p.A.'s share capital. This condition may be totally or partially withdrawn or changed by the Bidder, at any time, provided the limits and formalities stated in article 43 of the Regulations on Issuers are respected.

Approval of the Bid, and consequent enactment, are subordinate to the necessary clearance from the Bank of Italy, as per articles 53 and 67 of Legislative Decree no. 385/93 and to the ensuing declaration of no impediment by Consob to publish the take over bid itself as per article 102, paragraph 4 of the Consolidated Law on Finance.

Should the Bid have a positive outcome, the delisting of the Issuer's shares from the 'MTA' is foreseen.

Redemption of the Banca IFIS Convertible Bond Loan

On 16 July 2009, the 'Banca IFIS Convertible Bond Loan' reached maturity. Unconverted bonds were redeemed at their nominal value without charges and/or commission, together with payment of interest calculated on the nominal value of the bond itself.

Opening of branches in Padua and Treviso

On 17 August 2009, having achieved clearance from the applicable Supervisory bodies, two new branches in Padua and Treviso were opened as part of the bank's territorial expansion plan, as set out in the 2009 – 2011 Strategic plan.

Significant events after 30 September 2009

Merger of Immobiliare Marocco S.p.A. into Banca IFIS S.p.A.

On 21 October 2009, the merger of Immobiliare Marocco S.p.A. into Banca IFIS S.p.A., which took place on 19 October 2009, was registered in the Company Register for the Venice area.

The company, Immobiliare Marocco S.p.A., owns the property that houses Banca IFIS S.p.A.'s Headquarters and is instrumental for the performance of Banca IFIS S.p.A.'s activities. The sole aim of the merger is the reorganisation of this investment.

For accounting and fiscal purposes only, the merger is effective as from 1 January 2009.

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

OUTLOOK FOR CONTINUING OPERATIONS

Despite improvements in financial markets, economic trends for the remaining months of 2009 appear to be continuing in a negative direction, even though the situation seems to be stabilising and the more optimistic observers foresee improvements as from 2010.

The willingness of the banking system to grant credit to SMEs still appears moderate and decreasing, being conditioned by compliance with Basel 2 requirements, by the rapid reassessment of credit risks on the market and by considerations regarding the better allocation of available resources.

In a context where interest rates on monetary markets are at their lowest in 50 years, it is difficult for intermediaries to obtain the increase in revenue necessary to offset the increase in risks in general banking commitments with enterprises. This greater risk can, however, be contained by operations such as factoring, where the risk is transferred to good credit-rated debtors.

As a result of recent trends in the credit market and liquidity, the Banca IFIS Group has selected its clientele concentrating on counterparties that are smaller with greater profitability, where the risk is controlled and, more importantly, transferred to the assigned debtor counterparty, who usually has better creditworthiness than the assigning client.

Strategic orientation and organisation of the group remains pointed in this direction; dimensional growth in the remaining months of 2009 will be confirmed through the SME sector, needier of support and not adequately catered to by general banks. This orientation - which Banca IFIS will continue to follow - being understood, should market prospects for credit and liquidity improve, the bank may consider the opportunity of selecting larger counterparties as long as suitable financial conditions apply.

As far as concerns liquidity, the group has put in place the actions necessary and opportune in order

to better face, not only eventual situations of tension, but also the increase expected in demand for credit.

It is reasonable to expect the success of the online retail funding realised through Rendimax to continue, as well as the acquisition of credit lines necessary to better financially support the products and services offered to enterprises. Development of a buffer of liquid assets eligible with the Euro system, in line with the growth in short-term funding, is forecasted. Returns from such activity are ideal for the mitigation, in part, of the higher costs of retail funding.

Mestre-Venice, 27 October 2009

For the Board of Directors

The President
Sebastien Egon Fürstenberg

The C.E.O.
Giovanni Bossi

**BREAKDOWN OF LOANS AND
TURNOVER BY GEOGRAPHIC
AREA AND INDUSTRIAL SECTOR**

BREAKDOWN OF CLIENTS BY GEOGRAPHIC AREA

LOANS

TURNOVER

North Italy	42.5%	47.9%
Central Italy	31.1%	27.1%
South Italy	18.0%	15.6%
Abroad	8.4%	9.4%
Total	100%	100%

BREAKDOWN OF CLIENTS BY PRODUCT CATEGORY (1)

LOANS

TURNOVER

051	Agriculture, forestry and fish products	0.9%	0.6%
052	Energy products	1.1%	4.2%
053	Minerals and ferrous and non-ferrous metals	0.8%	0.9%
054	Minerals and mineral based products	0.5%	0.4%
055	Chemical products	0.2%	0.4%
056	Products in metal excluding machines and equipment	7.5%	8.2%
057	Agricultural and industrial machines	2.1%	2.3%
058	Machines for offices, data processing and precision machinery	0.7%	0.6%
059	Electrical material and supplies	2.4%	4.8%
060	Transportation vehicles	4.6%	7.2%
061	Food and beverage products	1.4%	1.3%
062	Textile, leather, shoe and clothing products	4.2%	3.1%
063	Paper, printing and publishing	0.7%	1.0%
064	Rubber and plastic products	1.0%	1.3%
065	Other industrial products	0.9%	1.3%
066	Construction and public works	12.4%	13.1%
067	Wholesale and retail trade, recoveries and repair	13.0%	12.6%
068	Hotel and public establishment services	0.8%	1.0%
069	Internal transportation services	1.5%	2.8%
070	Maritime and air transportation services	0.0%	0.0%
071	Transportation related services	1.6%	1.0%
072	Telecommunications services	1.9%	0.2%
073	Other services for sale	22.8%	22.0%
000	Non classifiable	17.0%	9.7%
	<i>of which non-resident subjects</i>	8.4%	9.4%
	<i>of which financial institutions</i>	1.7%	0.0%
	<i>of which others (2)</i>	6.9%	0.3%
	Total	100%	100%

(1) List based on Bank of Italy's Circular 140 of 11/02/1991

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

**DECLARATION AS PER ARTICLE
81-ter OF CONSOB REGULATION
11971 OF 14 MARCH 1999 and
ENSUING AMENDMENTS**

Statement by the ‘Manager responsible for preparing corporate financial documents’

The undersigned, Carlo Sirombo, ‘**Manager responsible for preparing corporate financial documents’ for Banca IFIS S.p.A.** declares, as per paragraph 2, article 154 bis of the Consolidation Act on financial intermediation, that the financial information contained in the present consolidated Quarterly Report as at 30 September 2009 corresponds to the documentable figures and results contained in Banca IFIS’s accounting and bookkeeping documents, books and registers.

**Manager responsible for preparing
corporate financial documents**

Carlo Sirombo

Mestre, 27 October 2009
