CONDENSED CONSOLIDATED HALF-YEARLY REPORT AS AT 30 JUNE 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 number: 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
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' - Via Gramsci 48 int. B1, Vercelli, 13048
Vicenza - Via Biron 102/5/d, Monteviale, 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
Immobiliare Marocco S.p.A.
Venice - Mestre, Via Terraglio 65

(1) Offices not open to the public

CORPORATE ROLES

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

AUDITING FIRM	KPMG S.p.A

Member of Factors Chain International

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

CONTENTS

BANCA IFIS GROUP'S CONDENSED CONSOLIDATED HALF-YEARLY REPORT AS AT 30 JUNE 2009

GROUP HIGHLIGHTS

FINANCIAL HIGHLIGHTS

RECLASSIFIED CONSOLIDATED BALANCE SHEET

(in thousands of Euro)

ASSETS	PERIOD 30/06/2009	PERIOD 31/12/2008	VARIATION ABSOLUTE	VARIATION %
Due from clients	966,834	1,008,649	(41,815)	(4.1)%
Due from banks	190,605	207,102	(16,497)	(8.0)%
Held for trading financial assets	391	396	(5)	(1.3)%
Available for sale financial assets	3,143	3,134	9	0.3%
Held to maturity financial assets	231,054	---	231,054	n.a.
Tangible fixed assets	34,777	34,217	560	1.6%
Intangible fixed assets	3,759	3,459	300	8.7%
Other asset items	106,814	102,447	4,367	4.3%
Total assets	1,537,377	1,359,404	177,973	13.1%

LIABILITIES	PERIOD 30/06/2009	PERIOD 31/12/2008	VARIATION ABSOLUTE	VARIATION %
Due to clients	615,124	157,855	457,269	289.7%
Due to banks	674,502	924,189	(249,687)	(27.0)%
Outstanding securities	78,146	91,356	(13,210)	(14.5)%
Financial liabilities held for trading	54	2,392	(2,338)	(97.7)%
Post-employment benefit	1,009	1,057	(48)	(4.5)%
Tax liabilities	3,387	2,968	419	14.1%
Other liability items	17,102	26,481	(9,379)	(35.4)%
Equity:				
- Share capital, share premiums and reserves	138,034	130,305	7,729	5.9%
- Net profit for the period	10,019	22,801	(12,782)	(56.1)%
Total liabilities	1,537,377	1,359,404	177,973	13.1%

RECLASSIFIED CONSOLIDATED INCOME STATEMENT
(in thousands of Euro)

	1ST HALF		VARIATION	
	2009	2008	ABSOLUTE	%
Net interest income	12,106	13,039	(933)	(7.2)%
Net commission income	23,856	17,941	5,915	33.0%
Dividends and similar income	12,309	27,862	(15,553)	(55.8)%
Net trading result	(11,777)	(26,486)	14,709	(55.5)%
Losses from buybacks of financial liabilities	(20)	(2)	(18)	900.0%
Net banking income	36,474	32,354	4,120	12.7%
Net impairment losses on loans and receivables	(5,383)	(2,798)	(2,585)	92.4%
Net profit from financial activities	31,091	29,556	1,535	5.2%
Personnel expenses	(10,497)	(8,423)	(2,074)	24.6%
Other administrative expenses	(6,016)	(4,269)	(1,747)	40.9%
Net impairment losses on tangible and intangible fixed assets	(1,086)	(915)	(171)	18.7%
Other operating income/expenses	457	292	165	56.5%
Operating costs	(17,142)	(13,315)	(3,827)	28.7%
Gross profit	13,949	16,241	(2,292)	(14.1)%
Income taxes	(3,930)	(4,357)	427	(9.8)%
Net profit for the period	10,019	11,884	(1,865)	(15.7)%

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUARTERLY EVOLUTION

(in thousands of Euro)

	2009		2008			
	2nd Q.	1st Q.	4th Q.	3rd Q.	2nd Q.	1st Q.
Net interest income	6,232	5,874	6,275	8,028	6,874	6,165
Net commission income	12,466	11,390	11,087	9,969	9,227	8,714
Dividends and similar income	12,309	---	---	1	27,862	---
Net trading result	(11,863)	86	11	(137)	(26,524)	38
Profit (loss) from buybacks of financial liabilities	(1)	(19)	30	9	(2)	---
Net banking income	19,143	17,331	17,403	17,870	17,437	14,917
Net impairment losses on loans and receivables	(3,202)	(2,181)	(1,693)	(1,912)	(1,535)	(1,263)
Net profit from financial activities	15,941	15,150	15,710	15,958	15,902	13,654
Personnel expenses	(5,341)	(5,156)	(5,059)	(4,219)	(4,387)	(4,036)
Other administration expenses	(3,094)	(2,922)	(3,245)	(2,597)	(2,392)	(1,877)
Net impairment losses on tangible and intangible assets	(561)	(525)	(656)	(509)	(516)	(399)
Other operating income/expenses	307	150	362	312	362	(70)
Operating costs	(8,689)	(8,453)	(8,598)	(7,013)	(6,933)	(6,382)
Gross profit	7,252	6,697	7,112	8,945	8,969	7,272
Income taxes	(2,083)	(1,847)	(2,273)	(2,867)	(2,332)	(2,025)
Net profit for the period	5,169	4,850	4,839	6,078	6,637	5,247

INDEXES, RATIOS AND OTHER FIGURES

	30/06/2009	31/12/2008	VARIATION
Profitability indexes			
R.O.E [1] [2]	14.0%	17.3%	(3.3)%
R.O.A [2]	1.8%	2.4%	(0.6)%
Cost/income ratio	47.0%	42.8%	4.2%
Risk indexes			
Net non-performing loans/Due from clients	1.7%	1.0%	0.7%
Net non-performing loans/Net equity	11.1%	6.9%	4.2%
Solvency ratios			
Tier 1 capital/Credit risk-weighted assets	10.5%	10.8%	(0.3)%
Regulatory capital/Credit risk-weighted assets	10.0%	10.4%	(0.4)%
Figures for the organisation[3]			
No. of employees	304	270	34
Figures per employee [3] [4]			
Net banking income/Number of employees[2]	240.0	250.5	(10.5)
Total assets/Number of employees	5,057.2	5,034.8	22.4
Personnel cost/Number of employees[2]	69.1	65.6	3.5

(1) Net profit compared with the weighted average of capital, share premiums and reserves excluding fair value reserves.
(2) Calculated using the annual projection of income statement figures.
(3) Number of employees at the end of the period.
(4) Ratios in thousands of Euro.

DIRECTORS' REPORT

THE ACTIVITY, RESULTS AND TRENDS IN GROUP MANAGEMENT

Financing Small and Medium Enterprises through Factoring and new services

The Banca IFIS Group is primarily involved in providing financing and management assistance to Italian and foreign small and medium enterprises through factoring. Together with advanced instruments of credit assessment and monitoring, factoring represents an excellent response to SMEs' need for financial services, above all, but not only, in times of economic and credit changes.

Financing for Banca IFIS Group's activity, aside from its own means, comes from retail client and interbanking funding instruments, mainly short/medium-term, prudently correlated with medium-term commitments which are usually 'on demand' as far as concerns credit to enterprises.

Small and medium enterprises find Banca IFIS's factoring to be a valid instrument for managing and financing working capital, especially where their economic or financial circumstances would normally make it difficult to obtain a traditional bank loan at the desired conditions. Nevertheless, Banca IFIS's factoring service has developed to the favour of all Italian and international enterprises, from the smallest of companies to the medium and large category.

The typical client is an enterprise with a turnover not normally exceeding 100 million Euro (but Banca IFIS does have clients with a turnover of between 1 million and 1 billion Euro) who, through their industrial or commercial activity, generate accounts receivables with another enterprise. Both the enterprises (the client's and the debtor's) are subject to in-depth and continuous risk assessment.

The accounts receivables assigned by the client are the result of the client's enterprise's activity; they are usually of high quality and are short to very short-term (30-150 days). Banca IFIS's purchase of receivables is usually continuous and debtors are normally notified that they must settle their commitment exclusively with the bank.

In general, Banca IFIS's financing goes beyond the typical limits regarding the client's credit standing. This is due to the fact that such financing is also based on the client's debtors' credit ratings. Specifically, the use of factoring is considered the best tool for substantially improving both credit quality and, should the financed party go into default, the chances of credit recovery. This renders factoring the best instrument for lending support to enterprises, especially in the light of regulations on calculating capital requirements, introduced by the Basel 2 Committee.

The group's activity has developed in a segment heavily influenced by economic trends. Indeed, economic trends are frequently amplified for SMEs if compared to the target markets of general banks. A further difficulty is that the activities of Italian enterprises are highly changeable which leads to an increasing need for information allowing the bank to make a knowledgeable decision when assessing whether to assume a risk or otherwise.

The activity is not, however, seasonally affected although, in the fourth Quarter of the year, volumes modestly increase which traditionally leads to a slight increase in profitability.

The Banca IFIS Group is beginning to add the distribution of new services to its traditional factoring activities. Specifically, in 2008, the distribution of leasing was initiated, whilst the first steps towards the distribution of insurance products have now been taken.

Given the recent difficulty that banking and financial operators are experiencing in obtaining the funds necessary to support their loan commitments from the money market, Banca IFIS rapidly changed its funding strategies accordingly. In the second Half 2008 , the bank kicked off the first of its operations involving retail funding from clients and, through such funding, Banca IFIS has, over the first Half 2009, already managed to achieve a high level of independence from the interbanking market, confirming its ability to promptly put its strategies into action. The notable success of this initiative has rendered it advisable to set up a liquidity reserve which has been achieved by putting in place a security management activity for significant amounts in the form of bonds issued by banks, ideal for refinancing with the Eurosystem. Such securities, which have an average duration of two years, have the characteristics necessary to offset, in part, the costs of retail funding without presenting significant risk profiles for the bank.

The Banca IFIS Group continues to distance itself from activities such as asset management (aside from the Rendimax facility mentioned above), operations in favour of subjects other than enterprises and those connected, and the assumption of risks that are not the short-term risks that usually characterise traditional factoring operations. The assumption of risks in foreign currency, securities, derivative instruments and, more generally, all those activities that involve the assumption of market or interest rate risks are limited to supporting continuing operations. The above-mentioned activity of buying bond securities issued by banks does not involve taking

on new market risks, as such securities are classified as held to maturity and their return is almost completely indexed to the 3 month Euribor.
The results that the group has achieved, therefore, are exclusively thanks to the factoring activity, i.e. the funding of working capital and the management of enterprises' accounts receivables, and activities connected to it. Amongst these, the collection of savings and the optimisation of the relative costs through attentive treasury utilisation play an important role.

* * *

The Strategic Plan

The Banca IFIS Group has, for some time, taken 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 who 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, the Banca IFIS Group is now assessing the possibility of distributing insurance products. This new approach will permit the group 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 the 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 Eurosystem. 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.

The macro-economic scenario

Over the first Half 2009, the economic scenario continued to be 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 the ability to pay 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 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 to ruin, as can already be seen today. These interventions have progressively reinstated 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 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 Half-year 2009, did any signs of stabilisation showing that the measures taken by institutions have been effective, become evident. Financial markets, traditionally readier to react, have recouped part of the operations and liquidity lost in the previous period, seemingly signifying that losses on products and of jobs will not reach drastic levels.

Continuing operations

Banca IFIS 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 first Half 2009, the Banca IFIS Group recorded a turnover (volume of receivables purchased in the Half-year) of 1,566 million Euro, substantially stable when compared to 1,574 million Euro as at 30 June 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 Half 2009 has highlighted the following points:

- Stable volumes when compared to the first Half 2008 (-0.5%) thanks to the consistent growth recorded as from March 2009, indicative of the gradual recovery of productivity in enterprises;
- Strong growth in the number of clients (+21% compared to 30 June 2008) forming the basis for future growth in volumes despite negative economic trends;
- Growth in income offset by higher costs for retail funding when compared to the funding sources traditionally utilised by the bank;
- Important steps towards financial independence (the ratio between loans to clients and retail funding from clients currently equals 1.6 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;
- Increased 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.

The combined effect of the above has led to a slight fall in net profit. This fall is in line with forecasts made in the 2009 – 2011 business plan and hence allows a positive outlook as far as concern continuing operations for the year 2009 as a whole.

Over the course of the first Half 2009, the Banca IFIS Group has not carried out any atypical or unusual operations, as per that stated in Consob's notice 6064293 of 28 July 2006.

Profit and Equity

Net profit for the first Half 2009 reached 10,019 thousand Euro, a fall of 15.7% compared to 11,884 thousand Euro for the first Half 2008.
Parent company shareholders' equity as at 30 June 2009 equalled 148,053 thousand Euro, a decrease of 3.3% compared to the 153,106 thousand Euro of 31 December 2008, mainly due to the distribution of dividends and the purchase of treasury shares, but an increase of 7% compared to 138,341 thousand Euro as at 30 June 2008.
Annualised ROE as at 30 June 2009 equalled 14%, against 19.8% as at 30 June 2008 and 17.3% as at 31 December 2008.

Profit from financial activities

Net profit from financial activities increased by 12.7% from 32,354 thousand Euro to 36,474 thousand Euro, confirming the group's ability to generate profit even in difficult macroeconomic scenarios.
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 12,106 thousand Euro in the first Half 2009, against 13,039 thousand Euro for the corresponding period of 2008 (-7.2%). This fall was due, amongst other things, to the higher costs of retail funding as apposed to the funding sources traditionally utilised by the group. The benefits of having initiated retail funding are relevant in terms of diversification in funding sources. The growth in funding costs has been partly mitigated by increases in charges to clients due to the higher risk connected to loan commitments.
Net commission income grew by 33% from 17,941 thousand Euro to 23,856 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 profiles of credit portfolios.

Thanks to significant and stable financial availability, over the first Half 2009, Banca IFIS carried out short-term operations on highly traded securities. These operations, moreover risk free, contributed to net banking income with 143 thousand Euro. In detail, these operations generated dividends for an amount of 12,300 thousand Euro and net losses from trading of 11,890 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, in addition to provision costs equal to 267 thousand Euro.
Losses from the sale of financial liabilities, for an amount of 20 thousand Euro, refer to buybacks on treasury bonds carried out during the Half-year which, as per the International Accounting Standards, are considered as settlement of debt.

Net impairment losses on loans and receivables equalled 5,383 thousand Euro, compared to 2,798 thousand Euro as at 30 June 2008. This increase, which is completely in line with the 2009-2011 Strategic Plan, is due to deterioration on the commercial credit market for SMEs.

Net profit from financial activities grew by 5.2% compared to the corresponding period from the previous year, from 29,556 thousand Euro to 31,091 thousand Euro. This is a satisfactory result given the difficult context in which it was realised.

Profit for the period

Total operating costs stood at 17,142 thousand Euro, an increase of 28.7% compared to 13,315 thousand Euro as at 30 June 2008. This increase is completely expected due to reinforcements in the bank's structure and forecasts and is less significant if compared with the previous Half, that is the second Half 2008 (+9.8%).
Specifically, personnel expenses rose by 24.6%, from 8,423 thousand Euro for the first Half 2008 to 10,497 thousand Euro for the first Half 2009, in the face of an increase in the number of personnel of 22.6%. Other administrative expenses increased by 40.9%, from 4,269 thousand Euro to 6,016 thousand Euro over the same period (but only +5.3% against the second Half 2008).
Impairment losses on intangible and tangible fixed assets went from 915 thousand Euro as at 30 June 2008 to 1,086 thousand Euro as at 30 June 2009 (+18.7%).
Other net operating income amounted to 457 thousand Euro in the first Half 2009 from 292 thousand Euro in the first Half 2008 (+56.5%).
The cost/income ratio for the first Half 2009 stood at 47%, against 41.2% as at 30 June 2008, and 42.8% as at 31 December 2008, due to reinforcing the group's territorial presence, the benefits of which are expected to be realised in the short/medium-term.
Pre-tax profit from continuing operations equalled 13,949 thousand Euro, from 16,241 thousand Euro for the corresponding period of 2008.
After tax on income for an amount of 3,930 thousand Euro (4,357 thousand in the first Half 2008, -9.8%) and in the absence of any profit attributable to minority interests, net profit for the period totalled 10,019 thousand Euro, compared to 11,884 thousand Euro as at 30 June 2008 (-15.7%).

Loans

Following the noted crisis which affected financial markets worldwide and which reached a peak in the third Quarter 2008, the willingness of credit institutions to provide enterprises with the financial support necessary to satisfy their requirements has reduced dramatically, whilst charges payable by such enterprises for such support has increased.
In this scenario, Banca IFIS has succeeded in benefiting from increases in financial conditions attached to loan commitments, concentrating on smaller enterprises with the credit risk transferred to the larger and more creditworthy assigned debtor. This corporate model has allowed the bank to maintain a totally satisfactory risk profile, even in a particularly difficult economic phase. Specifically, loans to clients decreased by 4.1% to 967 million Euro, compared to 1,009 million Euro at the end of 2008 but increased against 953 million Euro as at 30 June 2008.
The ratio of non-performing loans to total loan commitments at the end of the first Half 2009 equalled 1.7%, compared to 1.1% at year-end 2008 and 0.9% as at 30 June 2008.

Over the course of the second Quarter 2009, the bank put together a portfolio of bond securities totalling 231 million Euro and classified under held to maturity financial assets. The purpose of such portfolio is to better face fluctuations in retail funding and to maintain a high level of liquidity thanks to the possibility of utilising these securities for refinancing with the Eurosystem.

Funding

As can be seen, the difficulty in obtaining resources on the interbanking market has been particularly evident for those banks that create their liquidity through wholesale banking as apposed to retail banking with families and enterprises. The introduction, in the second Half 2008, of retail funding by the bank has proved to be an optimum strategic choice: indeed, the group's position in terms of asset liability management has allowed Banca IFIS to face market trends with serenity. Its liquidity position has always been in excess of requirements and is expected to remain so.

At the end of the Half-year, total funding reached 1,368 million Euro, a rise of 16.6% compared to 1,173 million Euro as at 31 December 2008. In detail, 675 million Euro were the result of transactions with banking counterparts, of which 141 million Euro from refinancing care of the Eurosystem; 615 million Euro from funding from clients; 50 million Euro from the issue of deposit certificates to banking counterparts and lastly, 28 million resulting from the issue of a convertible bond in July 2004. The latter, issued for a total of 50 million Euro, is booked under liabilities, net of the buybacks on such which are considered, according to the IFRS, as settlement of debt, whilst consequent resale is treated as the issue of a new debt. This bond loan was entirely redeemed upon its maturity on 16 July 2009.

Consolidation scope

The composition of the group as at 30 June 2009 was composed of the parent company, Banca IFIS S.p.A., and the wholly owned companies, Immobiliare Marocco S.p.A. - an instrumental estate agency - and IFIS Finance Sp.Z.o.o.- a factoring company located in Poland.

The parent company and the effects of consolidation

The parent company, Banca IFIS S.p.A., closes the first Half 2009 with a net profit for the period of 9,341 thousand Euro, drawn up in compliance with the International Financial Reporting Standards.
The instrumental subsidiary, Immobiliare Marocco S.p.A., recorded a net loss for the period of 20 thousand Euro, restated according to IFRS for consolidation purposes.
The subsidiary, IFIS Finance Sp.Z.o.o. had a net profit for the period of 698 thousand Euro, restated according to IFRS for consolidation purposes.
The reconciliation between parent company profit and equity and consolidated profit and equity is shown in the table set out later in this report.

The structure

At the end of the first Half 2009, the group had a total of 304 employees, of which 298 work in the parent company, Banca IFIS, and 6 in the subsidiary, IFIS Finance Sp.z.o.o..
The structure of the group is made up of 14 Branches spread out over Italy (Ancona, Bari, Brescia, Cagliari, Florence, Genoa, Imola, Cologno Monzese, Naples, Palermo, Pordenone, Rome, Turin and Venice-Mestre), an office in France (Paris), 2 foreign representative offices (Bucharest and Budapest) and the subsidiary in Warsaw, Poland.

STOCK MARKET LISTINGS AND INDEXES

Listings from 2002 to date

As from 29 November 2004, Banca IFIS's ordinary shares have been traded in the STAR segment of the Italian Stock Exchange. This transfer to STAR occurred after a year of having been quoted on the Equity Share market (MTA) of the Italian Stock Exchange. Previously, as from 1990, the shares were traded on the Restricted market (IMR) of the Italian Stock Exchange.
Here follow the listings at the end of the period in question:

OFFICIAL SHARE PRICE
In Euro

	1st H. 2009	2008	2007	2006	2005	2004	2003	2002
Share price at end of period	7.70	6.16	9.01	10.13	10.04	9.76	10.24	9.69

Price/book value

Here follows the ratio between the stock market value at the end of the period and consolidated net equity against the shares outstanding:

PRICE / BOOK VALUE (1)
In Euro

	1st H 2009	2008	2007	2006	2005	2004	2003	2002
Share price at period end	7.70	6.16	9.01	10.13	10.04	9.76	10.24	9.69
Consolidated net equity per share	4.54	4.62	4.32	3.80	3.50	2.53	2.30	2.11
Price / book value	1.69	1.33	2.08	2.67	2.87	3.86	4.46	4.60

(1) Accounting values referring to fiscal years prior to 2004 are shown according to the national accounting standards.

	1st H 2009	2008	2007	2006	2005	2004	2003	2002
Number of shares outstanding (1) (in thousands)	32,577	31,359	30,992	28,540	28,637	21,450	21,450	21,450

(1) Outstanding shares are net of treasury shares held in portfolio.

SIGNIFICANT EVENTS OVER THE HALF-YEAR

Opening of branch in Paris

On 1 January 2009, having obtained clearance from the Bank of Italy, the Paris branch officially commenced its activity, as part of the plan to reinforce the Banca IFIS Group's territorial presence in Europe, an important objective of the Strategic plan. This branch's activities will allow better monitoring and management of work flows originated in France in the face of Italian enterprises, and those originated in Italy and other areas where the bank is present, in the face of French enterprises.

The Fixed Rendimax Savings Account

As from 4 May 2009, the bank has extended its retail offer to include the Fixed Rendimax Savings Account where clients can choose the return, duration and amount (minimum 5,000 Euro) of the sums to be fixed, according to their needs. Interest matured on the capital fixed is credited in advance, directly to the Basic Rendimax Account.

Both the Basic Rendimax Savings Account and the Fixed Rendimax Savings Account are online accounts with no costs for the client.

Amendments to the Articles of Incorporation and definition of remuneration policies

Banca IFIS's Extraordinary Shareholders' Meeting of 30 June 2009 approved the project to modify the Articles of incorporation; in enactment of the 'Supervisory regulations on organisation and corporate governance of banks', issued by the Governor of the Bank of Italy with Regulation 264010 of 4 March 2008.

The Ordinary Shareholders' Meeting of the same date approved policies for the remuneration of Board members, employees and collaborators of the Banca IFIS Group, revised due to both the revised version of article 10 of the Articles of incorporation and due to complying with the above-mentioned Supervisory regulations for the organisation and corporate governance of banks.

Merger of Immobiliare Marocco S.p.A.

On 30 June 2009, having obtained clearance from the Supervisory authorities, Banca IFIS deposited, care of the Bank of Italy and the Italian Stock Exchange, its merger project for the incorporation of its subsidiary, Immobiliare Marocco S.p.A.. The aim of this merger is to streamline the corporate structure of the group so as to achieve cost savings on the administration and management of the incorporated company.

SIGNIFICANT EVENTS SUBSEQUENT TO CLOSURE OF THE HALF-YEAR

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 expected.

Redemption of the Banca IFIS Convertible Bond Loan

On 16 July 2009, the 'Banca IFIS Convertible Bond Loan' reached its expiry. 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 Padova and Treviso

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

Others

Operations continued normally in the period between the close of the Half-year and the date this report was drawn up. No significant events occurred after closing that are not explained in this report.

OTHER INFORMATION

Trading on STAR

Ordinary Banca IFIS shares (ISIN Code IT0003188064) have been traded on the STAR segment of the Italian Stock Exchange since November 2004. Previously, as from 1990, they were tradable on the restricted market of the same.

The 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.

Management and coordin-ation by the controlling company

In accordance with articles 2497- 2497 *sexies* of the Italian Civil Code, it is important to note that the controlling company, La Scogliera S.p.A., does not manage or coordinate Banca IFIS, as the management or coordination of investee banks and financial institutions is explicitly excluded from La Scogliera's corporate purpose, expressly departing from article 2497 sexies of the Italian Civil Code.

Shareholders

The share capital of the parent company as at 30 June 2009 amounts to 34,299,932 Euro and is broken down into 34,299,932 shares with a nominal value of 1 Euro.
Shareholders who, at 30 June 2009, held shares representing more than 2% of share capital are as follows:

	NUMBER OF SHARES	% SHARE CAPITAL
La Scogliera S.p.A.	21,342,202	62.22%
Alchimia S.p.A.	1,443,005	4.21%
Giovanni Bossi	1,007,071	2.94%
Riccardo Preve	879,562	2.56%

Transactions on treasury shares

Banca IFIS's Ordinary Shareholders' Meeting of 9 April 2009 renewed authorization to buy back and sell treasury shares according to articles 2357 and thereafter of the Italian Civil Code, as well as article 132 of the Italian Legislative Decree 58/98, establishing a purchase price range of between 2 Euro and 40 Euro for a maximum amount of 20 million Euro. The shareholders also established that the duration of the authorization is equal to 18 months from the date the deliberation was effected.
At 31 December 2008, Banca IFIS held 1,167,350 treasury shares for a counter value of 9,701 thousand Euro and a nominal value of 1,167,350 Euro.
Over the first Half 2009, Banca IFIS bought back 788,902 treasury shares at an average price of 6.52 Euro for a counter value of 5,141 thousand Euro and sold 233,801 treasury shares, at an average price of 5.72, for a counter value of 1,338 thousand Euro, realising a loss of 999 thousand Euro which, in accordance with IFRS, was booked under equity reserves, net of the relative taxes.
The remaining amount at the end of the Half-year equalled 1,722,451 treasury shares, for a counter value of 12,505 thousand Euro and a nominal value of 1,722,451 Euro.

Transactions on own bonds

At 31 December 2008, the bank held 1,440,708 treasury bonds entered for a counter value of 18,015 thousand Euro and a nominal value of 18,008,850 Euro.
Over the first Half 2009, Banca IFIS bought 375,862 treasury bonds for a counter value of 4,700 thousand Euro and a nominal value of 4,698,275 Euro.
The remaining amount at 30 June 2009 equalled 1,816,570 treasury bonds for a counter value of 22,715 thousand Euro and a nominal value of 22,707,125 Euro.

Stock option plans for Board members and employees of the bank

As at 30 June 2009, the following stock option plans were still in place:
- 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.

Related-party transactions

Please refer to the explanatory notes for information on related-party transactions.

The Basel 2 Accord

Following the application of the new prudential supervisory provisions for banks laid down in Bank of Italy's Circular 263 of 27 December 2006, the Banca IFIS Group has adapted its internal processes for calculating capital requirements for supervisory purposes and for calculating capital adequacy according to the different types of risk. In particular, Banca IFIS has used the standardised approach for calculating capital requirements in the face of credit and counterparty risks, the BIA (Basic Indicator Approach) for operational risks and the standard method for market risks.
In May 2009, Banca IFIS sent the Supervisory Authorities its first ICAAP document referring to 31 December 2008. In addition to first pillar risks (credit and counterparty, market and operational), already subject to quarterly measurement and reporting, second pillar risks have also been subjected to measurement, particularly those for which the Basel 2 provides calculation methods: interest rate and concentration risks. Adequate stress test scenarios applied to credit, concentration and interest rate risks were simulated with the aim of measuring the effect of unexpected shock on the ability to face the main risks. The outcome shows that Banca IFIS has not come across any particular difficulties as far as concerns solvency ratios, both current and expected. From a prospective point of view, in the face of Banca IFIS's extensive expansion plan, the bank considers it opportune to maintain a solvency ratio well above the minimum required, supported by increases in own equity so as to maintain a level that is suited to the expected growth in the group.
In May 2009, in compliance with the applicable regulations (Basel 2 – third pillar), Banca IFIS published its notification to the public as regards its capital adequacy, exposure to risks, and characteristics of the system put in place for the individualisation, measurement and management of such risks. This document is available on the company site www.bancaifis.it in the Investor Relations section.

Privacy measures

In compliance with article 34, paragraph 1, letter g) of Lgs. Decree 196 of 30 June 2003 (the Data Protection Act), the group periodically updates the so-called 'Programmatic Protection of Data Document' in which the measures taken to guarantee the protection of personal data are set out.

Research and development

Due to its activity, the group did not undertake any research and development activities during the Half-year.

OUTLOOK FOR CONTINUING OPERATIONS AND MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING SIX MONTHS OF THE YEAR

Trends in the economy for the second Half 2009 appear to be continuing in a negative direction, even if the general situation seems to be stabilising and many observers forecast improvements as from 2010. The European Commission forecasts a 4.4% fall in GDP in Italy in 2009, slightly higher than in the Euro zone, remaining around the zero mark in 2010, sealing the worst and most wide-reaching recession since the World War.

The attitude of the banking system as regards granting credit to SMEs 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, the increase in revenue for intermediaries, due to increasing spreads and commission, does not seem able to offset, on the one hand, reduced profitability from traditional bank funding from over the counter and, on the other, the increase in risks in general banking commitments with enterprises. This greater risk can 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 the 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 Eurosystem, 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.

The main risks and uncertainties for the next six months essentially lie in the aspects which are dependent on economic trends. An increase in insolvencies in SMEs on the credit market, larger than that originally forecasted, risks reducing group profit through rising losses on loans and receivables. Furthermore, additional worsening of the economic climate in comparison to forecasts could lead to a decrease in SMEs demand for credit too which would, in turn, reduce profit margins.

Another risk possible is, in a scenario of significantly reduced credit granting, also to smaller banks, the group could experience difficulty in obtaining the liquidity necessary to finance its clients' enterprises. In this case, a case which appears, at present, remote, the bank would be forced to lessen the amount of financing granted to the clientele, decreasing, in this way, the earnings obtainable from such operations.

In general, however, despite the above-mentioned potential and systemic risks, prospects for the Banca IFIS Group remain moderately positive and allow optimism as far as concern continuing operations for the second Half 2009.

Venice-Mestre, 27 August 2009

For the Board of directors

The President	*The C.E.O.*
Sebastien Egon Fürstenberg	Giovanni Bossi

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1. Consolidated financial statements

CONSOLIDATED BALANCE SHEET

(in thousands of Euro)

ASSETS		PERIOD 30/06/2009	PERIOD 31/12/2008
10	Cash and cash equivalents	18	15
20	Financial assets held for trading	391	396
40	Financial assets held for sale	3,143	3,134
50	Financial assets held to maturity	231,054	---
60	Due from banks	190,605	207,102
70	Due from clients	966,834	1,008,649
120	Tangible assets	34,777	34,217
130	Intangible assets	3,759	3,459
	of which:		
	- goodwill	*793*	*837*
140	Tax assets	1,679	1,973
	a) current	42	165
	b) deferred	1,637	1,808
160	Other asset items	105,117	100,459
	TOTAL ASSETS	1,537,377	1,359,404

LIABILITIES AND EQUITY		PERIOD 30/06/2009	PERIOD 31/12/2008
10	Due to banks	674,502	924,189
20	Due to clients	615,124	157,855
30	Outstanding securities	78,146	91,356
40	Financial liabilities held for trading	54	2,392
80	Tax liabilities	3,387	2,968
	a) current	301	25
	b) deferred	3,086	2,943
100	Other liabilities	17,102	26,481
110	Post-employment benefit	1,009	1,057
140	Fair value reserves	(6,393)	(4,840)
160	Equity instruments	611	611
170	Reserves	72,249	49,170
180	Share-premiums	49,772	60,766
190	Share capital	34,300	34,299
200	Treasury shares(-)	(12,505)	(9,701)
220	Net profit for the period	10,019	22,801
	TOTAL LIABILITIES AND EQUITY	1,537,377	1,359,404

CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)

		PERIOD 30/06/2009	PERIOD 30/06/2008
10	Interest and similar income	29,707	35,887
20	Interest and similar expenses	(17,601)	(22,848)
30	Net interest income	12,106	13,039
40	Commission income	25,754	19,687
50	Commission expenses	(1,898)	(1,746)
60	Net commission income	23,856	17,941
70	Dividends and similar income	12,309	27,862
80	Net trading result	(11,777)	(26,486)
100	Profit (losses) from sale or buy-backs of:	(20)	(2)
	d) financial liabilities	(20)	(2)
120	Net banking income	36,474	32,354
130	Net impairment losses on:	(5,383)	(2,798)
	a) loans and receivables	(5,383)	(2,798)
140	Net profit from financial activities	31,091	29,556
180	Administrative expenses:	(16,513)	(12,692)
	a) personnel	(10,497)	(8,423)
	b) other	(6,016)	(4,269)
200	Net impairment losses on tangible assets	(622)	(648)
210	Net impairment losses on intangible assets	(464)	(267)
220	Other operating income (expenses)	457	292
230	Operating costs	(17,142)	(13,315)
280	Gross profit from continuing operations	13,949	16,241
290	Taxes on profit from continuing operations	(3,930)	(4,357)
340	Parent company net profit for the period	10,019	11,884

	PERIOD 30/06/2009	PERIOD 30/06/2008
Earnings per share (Euro)	0.30	0.38
Diluted earnings per share (Euro)	0.30	0.34

STATEMENT OF COMPREHENSIVE INCOME
(in thousands of Euro)

		PERIOD	
		30/06/2009	30/06/2008
10	Net profit	10,019	11,884
	Other profit items, net of taxes		
70	Exchange differences	(1,553)	507
110	Total of other profit items, net of taxes	(1,553)	507
120	Other comprehensive income (item 10 + 110)	8,466	12,391

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS AT 30 JUNE 2009

(In thousands of Euro)

	Balance at 31.12.2008 [1]		Changes in opening balances	Balance at 1.1.2009		Allocation of profit for previous period			Variations of period												Equity at 30.06.2009	
						Reserves		Dividends and other destinations	Variations in reserves		Equity transactions								Profit (loss) as at 30.06.2009			
											Issue of new shares		Buy back of treasury shares		Distribution extraordinary dividends	Variations on capital instruments	Derivatives on treasury shares	Stock options				
	Attirbutable to parent co. shareholders	Minority interests		Attirbutable to parent co. shareholders	Minority interests	Attirbutable to parent co. shareholders	Minority interests		Attirbutable to parent co. shareholders	Minority interests	Attirbutable to parent co. shareholders	Minority interests	Attirbutable to parent co. shareholders	Minority interests					Attirbutable to parent co. shareholders	Minority interests	Attirbutable to parent co. shareholders	Minority interests
Share capital:																						
a) ordinary shares	34,299	_	_	34,299	_	_	_	_	_	_	1	_	_	_	_	_	_	_	_	_	**34,300**	_
b) other shares	–	_	_	–	_	_	_	_	–	_	_	_	_	_	_	_	_	_	_	_	–	_
Share premiums	60,766	_	_	60,766	_	_	_	_	(10,000)	_	(994)	_	_	_	_	_	_	_	_	_	**49,772**	_
Reserves:																						
a) earnings-related	37,936	_	_	37,936	_	12,963	_	_	(15)	_	_	_	_	_	_	_	_	_	_	_	**50,884**	_
b) others	11,234	_	_	11,234	_	_	_	_	10,014	_	_	_	_	_	_	_	_	117	_	_	**21,365**	_
Fair value reserves:																						
a) available for sale	107	_	_	107	_	_	_	_	–	_	_	_	_	_	_	_	_	_	_	_	**107**	_
b) cash flow hedges	–	_	_	–	_	_	_	_	–	_	_	_	_	_	_	_	_	_	_	_	–	_
c) others	(4,947)	_	_	(4,947)	_	_	_	_	(1,553)	_	_	_	_	_	_	_	_	_	_	_	**(6,500)**	_
Equity instruments	611	_	_	611	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	_	**611**	_
Treasury shares	(9,701)	_	_	(9,701)	_	_	_	_	_	_	2,337	_	(5,141)	_	_	_	_	_	_	_	**(12,505)**	_
Profit (loss) for period	22,801	_	_	22,801	_	(12,963)	-	(9,838)	_	_	_	_	_	_	_	_	_	_	10,019	_	**10,019**	_
Equity	**153,106**	_	_	**153,106**	_	_	_	**(9,838)**	**(1,554)**	_	**1,344**	_	**(5,141)**	_	_	-	-	**117**	**10,019**	_	**148,053**	_

(1) 'Opening balances as at 31.12. 2008' differ from those published due to the reclassification of exchange differences on the foreign subsidiary IFIS Finance Sp. Z.o.o.

STATEMENT OF CHANGES IN CONSOLIDATED EQUITY AS AT 30 JUNE 2008

(In thousands of Euro)

	Balance at 31.12.2007		Changes in opening balances [1]	Balance at 1.1.2008		Allocation of profit for previous period			Variations of period												Equity at 30.06.2008	
						Reserves		Dividends and other destinations	Variations in reserves		Equity transactions								Profit (loss) as at 30.06.2008			
											Issue of new shares		Buy back of treasury shares		Distribution extraordinary dividends	Variations on capital instruments	Derivatives on treasury shares	Stock options				
	Attributable to parent co. shareholders	Minority interests		Attributable to parent co. shareholders	Minority interests	Attributable to parent co. shareholders	Minority interests		Attributable to parent co. shareholders	Minority interests	Attributable to parent co. shareholders	Minority interests	Attributable to parent co. shareholders	Minority interests					Attributable to parent co. shareholders	Minority interests	Attributable to parent co. shareholders	Minority interests
Share capital:																						
a) ordinary shares	31,154	–	–	31,154	–	–	–	–	–	–	723	–	–	–	–	–	–	–	–	–	**31,877**	–
b) other shares	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	–
Share premiums	44,887	–	–	44,887	–	–	–	–	–	–	3,910	–	–	–	–	–	–	–	–	–	**48,797**	–
Reserves:																						
a) earnings-related	28,280	–	(565)	27,715	–	10,221	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**37,936**	–
b) others	11,001	–	–	11,001	–	–	–	–	–	–	–	–	–	–	–	–	–	118	–	–	**11,119**	–
Fair value reserves:																						
a) available for sale	107	–	–	107	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**107**	–
b) cash flow hedges	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**	–
c) others	–	–	565	565	–	–	–	–	507	–	–	–	–	–	–	–	–	–	–	–	**1,072**	–
Equity instruments	611	–	–	611	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**611**	–
Treasury shares	(1,579)	–	–	(1,579)	–	–	–	–	–	–	8,133	–	(11,616)	–	–	–	–	–	–	–	**(5,062)**	–
Profit (loss) for period	19,534	–	–	19,534	–	(10,221)	-	(9,313)	–	–	–	–	–	–	–	–	–	–	11,884	–	**11,884**	–
Equity	**133,995**	–	–	**133,995**	–	–	–	**(9,313)**	**507**	–	**12,766**	–	**(11,616)**	–	–	–	-	**118**	**11,884**	–	**138,341**	–

[1] 'Changes in opening balances' as at 31 December 2008 are affected by the reclassification of exchange differences on the foreign subsidiary IFIS Finance Sp. Z.o.o.. Consequently, the column 'Equity as at 30.06.08' has been modified as well.

CASH FLOW STATEMENT *(in thousands of Euro)*

Indirect Method	1st H 2009	1st H 2008
A. OPERATING ACTIVITIES		
1. Operations	17,576	21,930
- Profit for period (+/-)	10,019	11,884
- profit/loss on financial assets held for trading and on financial assets/liabilities at fair value (-/+)	(2,333)	21
- profit/loss on hedging activities	-	-
- net impairment on loans (+/-)	-	-
- net impairment on tangible and intangible assets (+/-)	5,383	2,798
- net provisions for risk and charges and other costs/revenues (+/-)	1,118	907
- taxes unpaid (+)	29	62
- other adjustments (+/-)	4,190	5,379
	(830)	879
2. Cash flows generated/absorbed by financial assets	(184,005)	106,169
- financial assets held for trading	(229,595)	(408)
- financial assets at fair value	_	-
- financial assets available for sale	(9)	(1,332)
- due from banks on demand	22,511	35,080
- other due from banks	(5,885)	108,304
- due from clients	36,432	(33,191)
- other assets	(7,459)	(2,284)
3. Cash flows generated/absorbed by financial liabilities	183,526	(117,810)
- due to banks on demand	51,363	6,079
- other due to banks	(301,050)	(86,226)
- due to clients	457,269	(24,959)
- outstanding securities	(13,924)	7,837
- financial liabilities held for trading	_	-
- financial liabilities at fair value	_	-
- other liabilities	(10,132)	(20,541)
Net cash flows generated/absorbed by operations A (+/-)	**17,097**	**10,289**
B. INVESTING ACTIVITIES		
1. Cash flows generated by:	111	173
- sale of equity investments	-	-
- dividends collected on equity investments	_	-
- sale of financial assets held to maturity	-	-
- sale of tangible assets	111	42
- sale of intangible assets	_	131
- sale of business activities	_	-
2. Cash flows absorbed by:	(2,133)	(2,919)
- purchase of equity investments	-	-
- purchase of financial assets held to maturity	_	-
- purchase of tangible assets	(1,325)	(1,879)
- purchase of intangible assets	(808)	(1,040)
- purchase of business activities	-	-
Net cash flows generated/absorbed by investment activities B (+/-)	**(2,022)**	**(2,746)**
C. FINANCING ACTIVITIES		
- issue/buyback of treasury shares	(2,804)	(3,483)
- issue/acquisitions of capital instruments	(876)	4,751
- distribution of dividends and other	(11,392)	(8,806)
Net cash flows generated/absorbed by funding activities C (+/-)	**(15,072)**	**(7,538)**
NET CASH FLOWS GENERATED /ABSORBED DURING PERIOD D = A +/- B +/- C	**3**	**5**

RECONCILIATION

OPENING CASH AND CASH EQUIVALENTS E	**15**	**13**
NET CASH FLOWS GENERATED/ABSORBED DURING ACCOUNTING PERIOD D	**3**	**5**
CASH AND CASH EQUIVALENTS: EXCHANGE RATE EFFECTS F		
CLOSING CASH AND CASH EQUIVALENTS: G=E+/-D+/-F	**18**	**18**

2. Accounting policies

Statement of compliance with IFRS

As per article 154-ter of the T.U.F. (the Italian Consolidated Law on Finance) and the Regulation on Issuers no. 11971/99 and ensuing amendments, the condensed interim consolidated financial statements as at 30 June 2009 have been drawn up according to the International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and the relative interpretational documents (IFRIC and SIC), and approved by the European Commission as per European Union Regulation no. 1606/2002 of 19 July 2002. These regulations were enforced in Italy with Legislative Decree 38 of 28 February 2005.
Adoption of the International Financial Reporting Standards was carried out referring also to IASB's "Framework for the preparation and presentation of financial statements", even though not approved.
The contents of this consolidated Half-yearly report adhere to IAS 34 for interim financial reports; in addition, in accordance with paragraph 10 of said principle, the group availed itself of the option to prepare the Half-yearly report in condensed form.
The consolidated Half-yearly report is subjected to limited auditing by the independent auditing company, KPMG S.p.A..

Basis of preparation

As per article 154-ter of the T.U.F. (the Italian Consolidated Law on Finance) and IAS 34 on interim financial reports, the consolidated first Half-yearly report 2009 is made up of:

- the condensed consolidated financial statements (composed of the consolidated balance sheet, the consolidated income statement, the statement of changes in consolidated equity, the consolidated cash flow statement and the explanatory notes);
- the directors' report.

This interim report has been drawn up using the general principles set out in International Accounting Standard 1, and referring to IASB's 'Framework for the preparation and presentation of financial statements', with particular attention to the fundamental clauses regarding the importance of substance over legal form, the concept of the relevance and importance of information, the principle of economic competence, and considering the group as a going concern.

For the preparation of the present report, reference was made to the frameworks put forward by Bank of Italy's circular guidelines 262 of 22 December 2005 and its 'reference document' containing any ensuing amendments and updates which was recently published by the Bank of Italy. Results are compared to those as at 31 December 2008 as far as concerns the balance sheet and to those of the first Half 2008 as far as concern income statement figures.
Where not otherwise expressed, amounts are expressed in thousands of Euro.

The Bank of Italy, Consob and Isvap, with document n. 2 issued on 6 February 2009 (on information to be provided in financial reports on going concerns, financial risks, value impairment assessments on assets and estimation uncertainties), require directors to carry out particularly accurate assessments on the subsistence of the company as a going concern, as per IAS 1. Unlike in the past, present conditions on financial markets and in the real economy, together with the short/medium-term negative forecasts, have rendered such assessments necessary, as records of a company's profitability and its access to financial resources may no longer suffice.

To this aim, having carried out an examination of the risks and uncertainties connected with the present macroeconomic context, the Banca IFIS Group can indeed be considered a going concern, in that it can be reasonably expected to continue to operate in the foreseeable future and, consequently, the consolidated Half-yearly report 2009 has been prepared in accordance with this fact.

Uncertainties connected to credit and liquidity risks are considered insignificant or, at least, not significant enough to produce doubts on the company's ability to continue as a going concern, thanks also to the constant improvement in the bank's profitability levels, quality of commitments and access to financial resources.

Consolidation scope and method

Section 3 - Consolidation scope and method

The consolidated Half-yearly report has been compiled based on the accounts at 30 June 2009, prepared by the Board members and the companies included in the consolidation scope.
The condensed interim consolidated financial statements include the financial statements of the parent company, Banca IFIS S.p.A, and its subsidiaries - Immobiliare Marocco S.p.A., the instrumental real estate company, and IFIS Finance, the Polish factoring company -, all drawn up according to the line-by-line method of consolidation.

Here follows the main highlights of the subsidiaries:

Company name	Registered office	Equity as at 30/06/2009	Profit as at 30/06/2009	% of direct investment
Immobiliare Marocco S.p.A.	Venice- Mestre	2,032	(20)	100%
IFIS Finance Sp.Z.o.o.	Warsaw	21,731	698	100%

The financial statements of the subsidiaries expressed in foreign currencies are translated into Euro in asset and liability items according to the rate of exchange at the end of the period. In the income statement, however, figures are converted according to the average exchange rate, which is considered as a valid approximation of the exchange rate in place at the date of the transaction. The consequent exchange differences deriving from the application of different exchange rates for the balance sheet and the income statement, together with the exchange differences from the translation of the equity of the investees, are booked in equity reserves.
Assets and liabilities, off-balance sheet transactions, income and expenses, and the profit and loss between companies included in the consolidation scope are all eliminated.
For companies that are included for the first time in the consolidation scope, the fair value of the cost incurred in obtaining control of such investment is measured on the acquisition date. The acquisition cost is determined as the sum of:
- the fair value at the acquisition date of the assets ceded, the liabilities assumed and equity instruments issued by the purchaser in exchange for the control of the company acquired;
- any directly attributable costs.

The results of a subsidiary purchased within the accounting period in question are included in the consolidated balance sheet as from the date of purchase. Similarly, the results of subsidiaries sold within the accounting period in question are included in the consolidated balance sheet up to the date in which control is transferred.
During line-by-line consolidation, the acquisition cost is allocated to the different identifiable assets, liabilities and contingent liabilities acquired, modifying their value to adapt it to their fair value. Consequent positive differences are booked as goodwill under the item 130 'intangible assets', whereas negative differences are booked to the income statement.
As far as concerns the subsidiary, Immobiliare Marocco, the line-by-line consolidation process has brought about an increase in fixed assets of 7,854 thousand Euro. This increase is entered under item 120 'tangible assets'.
As far as concerns the subsidiary, IFIS Finance Sp. Z.o.o., the line-by-line consolidation process has brought about goodwill, valued at end of accounting period exchange rates, for an amount of 793 thousand Euro, entered under item 130 'intangible assets'.

INVESTMENTS IN EXCLUSIVELY AND JOINTLY CONTROLLED COMPANIES
(CONSOLIDATED USING THE PROPORTIONAL METHOD)

Name of company	Registered office	Type (1)	Investment		Voting rights %(2)
			Held by	Quota %	
Companies					
Consolidated line-by-line					
Immobiliare Marocco S.p.A.	*Mestre- Venice*	*1*	*Banca IFIS S.p.A.*	*100%*	*100%*
IFIS Finance Sp.Z.o.o.	*Warsaw*	*1*	*Banca IFIS S.p.A.*	*100%*	*100%*
Consolidated proportionally	---	---	---	---	---

Key
(1) Type:
1 = majority of voting rights in the Annual Shareholders' Meeting
2 = dominant influence in the Annual Shareholders' Meeting
3 = agreement with other shareholders
4 = other forms of control
5 = exclusive control ex art. 26, comma 1, of Legislative Decree 87/92
6 = exclusive control ex art. 26, comma 2, of Legislative Decree 87/92
7 = joint control
(2) Voting rights in the Annual Shareholders' Meeting, distinguishing between effective and potential voting rights.

Events subsequent to Half-Year closing

No significant events occurred between the end of the period and the drawing up of the consolidated first Half-yearly report other than those already included in this report. For information on such events, please refer to the directors' report.

Other aspects

Estimations of the carrying amounts of items recognised in the consolidated financial statements as at 30 June 2009, as per the accounting principles and regulations in force, are largely based on estimations of expected future recovery of amounts recognised, effected considering the group as a going concern.
It is important to note that this estimation process has been particularly complicated by current macroeconomic and market contexts, which may undergo unpredictable and rapid changes, not foreseeable today.
The classification and measurement criteria adopted in the drawing up of the condensed, consolidated Half-yearly report 2009 are unchanged from those used to draw up both the consolidated Annual report as at 31 December 2008, to which the reader is asked to refer for further details, and the condensed, consolidated Half-yearly report as at 30 June 2008, with the exclusion of the item "held to maturity financial assets" which was not accounted in previous periods.
Here follows the accounting standard adopted for this item.

Held to maturity financial assets

Classification criteria
Investments held until maturity are securities, with fixed or determinable payments and a fixed maturity, which an entity has the positive intent and ability to hold to maturity.
These securities may be used in repurchase agreements, loans or temporary refinancing operations.

Recognition criteria
After initial recognition at fair value, which normally corresponds to the cost of the transaction including expenses and income that are directly attributable to the acquisition or issue of the financial asset (even if not yet settled), these assets are recognised at amortised cost using the effective interest method.

Measurement criteria
If there is objective proof that the issuer's solvency is in a state of deterioration, the securities are subjected to an impairment test: the impairment losses are equal to the difference between the book value of the impaired securities and the current value (calculated based on an internal rate of return) of cash flows expected for capital and interest; any possible recoveries in value cannot exceed the impairment loss amount previously recorded.

Derecognition criteria
Aside from the exceptions stated in IAS 39, securities in the held to maturity portfolio cannot be sold or transferred to other portfolios and neither can securities be transferred from other portfolios to the held to maturity portfolio.
If, during the period, a significant amount of such assets should be sold or reclassified before their maturity, the remaining financial assets held to maturity must be reclassified as available for sale and use of the portfolio in question would be blocked for the following two accounting years, unless such sale or reclassification:
• is so close to maturity or the financial asset's call date that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
• occurs after the entity has collected substantially all of the financial asset's original principal through scheduled payments or prepayments; or
• is attributable to an isolated event that is beyond the entity's control, is non-recurring and could not

have been reasonably foreseen by the entity.

Fair value hierarchy

In compliance with that stated in paragraph 27 – A of IFRS 7, the following fair value hierarchy was utilised:

Financial assets/ liabilities measured at fair value	Level 1	Level 2	Level 3	Total
Financial assets held for trading	391	---	---	391
Financial assets available for sale	---	----	3,143	3,143
Total	391		3,143	3,534
Financial liabilities held for trading	---	54	---	54
Total	---	54	---	54

3. Explanatory notes

MAIN BALANCE SHEET CAPTIONS

The group is involved almost exclusively in the factoring industry. In detail, as far as concern financial activities such as subprime mortgages and derivatives, 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 activity 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 activities 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 as 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, Eurosystem funding, funding from clients from the issue of a convertible bond loan and, lastly, from certificates of deposits with banks.

MAIN BALANCE SHEET CAPTIONS
(in thousands of Euro)

	PERIOD			ABSOLUTE VARIATION BETWEEN	
	30/06/2009	31/12/2008	30/06/2008	06/09-12/08	12/08-06/08
Due from clients	966,834	1,008,649	953,454	(41,815)	55,195
Due from banks	190,605	207,102	168,707	(16,497)	38,395
Financial assets held to maturity	231,054	---	---	231,054	---
Other financial assets	3,534	3,530	2,997	4	533
Tangible and intangible assets	38,536	37,676	36,507	860	1,169
Other asset items	106,814	102,447	5,842	4,367	96,605
Total net assets	1,537,377	1,359,404	1,167,507	177,973	191,897
Due to clients	615,124	157,855	32,817	457,269	125,038
Due to banks	674,502	924,189	930,218	(249,687)	(6,029)
Outstanding securities	78,146	91,356	44,850	(13,210)	46,506
Financial liabilities for trading	54	2,392	316	(2,338)	2,076
Other liability items	21,498	30,506	20,965	(9,008)	9,541
Equity	148,053	153,106	138,341	(5,053)	14,765
Total net liabilities	1,537,377	1,359,404	1,167,507	177,973	191,897

Held to maturity financial assets

A portfolio of assets eligible for financing with the Eurosystem has been put in place in the form of short-term, highly creditworthy, variable rate banking bonds. Such portfolio aims to maintain a solid liquidity base, consistent with strategies in a funding context that is now influenced by free and fixed retail funding.
To this aim, as at 30 June 2009, the amount of 231,054 thousand Euro was booked under financial assets held to maturity, a category which has been unused up until 31 December 2008.
Considering the aim for which such assets were purchased and the management of these which foresees their retention until they reach maturity, changes in mark to market measurements do not affect either the calculation of the income statement or that of the balance sheet.

Due from banks

Total due from banks at the end of the Half-year stood at 190,605 thousand Euro against 207,102 thousand Euro as at 31 December 2008 (-8%). 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.

Due from clients

At the end of the Half-year, total due from clients reached 967 million Euro, a slight decrease compared to 1,009 million Euro as at 31 December 2008 (-4.1%). It is necessary, however, to take into consideration year-end liquidity peaks that typically occur. In fact, a comparison with results as at 30 June 2008 shows an increase of 1.4%.
Net total loans to clients, excluding non-performing loans for an amount of 16,360 thousand, equalled 950 million Euro (- 4.8% compared to 31 December 2008).

BANKING PRODUCTS
(in thousands of Euro)

	ACCOUNTING YEAR		VARIATION	
	30/06/2009	31/12/2008	ABSOLUTE	%
Current accounts and similar	60,898	64,867	(3,969)	(6.1)%
Advance accounts for future credit assignments	18,468	19,471	(1,003)	(5.2)%
Advance accounts for factoring	719,998	734,233	(14,235)	(1.9)%
Due from debtors for definitive purchase	148,738	177,068	(28,330)	(16.0)%
Loans/mortgages	2,372	2,514	(142)	(5.7)%
Total current loans	950,474	998,153	(47,679)	(4.8)%
Net non-performing loans	16,360	10,496	5,864	55.9%
Total due from clients	966,834	1,008,649	(41,815)	(4.1)%

The breakdown of clients by geographic area in Italy, with a separate indication for those abroad, together with the breakdown of clients by product category are as follows:

BREAKDOWN OF CLIENTS BY GEOGRAPHIC AREA	COMMITMENTS	TURNOVER
Northern Italy	43.5%	49.4%
Central Italy	30.8%	26.3%
Southern Italy	18.4%	14.8%
Abroad	7.3%	9.5%
Total	100.0%	100.0%

BREAKDOWN OF CLIENTS BY PRODUCT SECTOR (*)

		LOAN COMMITMENTS	TURNOVER
051	Agriculture, forestry and fish products	0.9%	0.7%
052	Energy products	1.1%	5.7%
053	Minerals and ferrous and non-ferrous metals	0.9%	0.6%
054	Minerals and mineral based products	0.5%	0.4%
055	Chemical products	0.2%	0.3%
056	Products in metal excluding machines and equipment	7.5%	7.4%
057	Agricultural and industrial machines	2.3%	2.6%
058	Machines for offices and EDP machinery	0.9%	0.5%
059	Electrical material and supplies	2.3%	5.4%
060	Transportation vehicles	5.0%	8.3%
061	Food and beverage products	1.6%	1.5%
062	Textile, leather, shoe and clothing products	4.0%	3.1%
063	Paper, printing and publishing	0.7%	0.9%
064	Rubber and plastic products	1.1%	1.3%
065	Other industrial products	1.0%	1.2%
066	Construction and public works	12.4%	12.4%
067	Wholesale and retail trade, recoveries and repair	12.5%	11.9%
068	Hotel and public establishment services	1.2%	1.1%
069	Internal transportation services	1.9%	2.7%
070	Maritime and air transportation services	0.0%	0.0%
071	Transportation related services	1.6%	0.9%
072	Telecommunications services	1.7%	0.2%
073	Other services for sale	23.5%	21.1%
000	Non classifiable	15.2%	9.8%
	of which non-resident subjects	*7.3%*	*9.5%*
	of which financial institutions	*0.6%*	*0.0%*
	of which others(**)	*7.3%*	*0.3%*
	Total	100%	100%

(*) List according to Bank of Italy's Circular n.140 of 11/02/91.
(**) This item includes Banca IFIS's commitments with companies operating in the healthcare and ancillary services sectors.

Impaired assets

Total non-performing loans to clients as at 30 June 2009, net of impairment losses, was 16,360 thousand Euro, against 10,496 thousand Euro as at 31 December 2008 (an increase of 55.9%) due to worsening financial and economic conditions in general, but in line with the forecasts for the year 2009.

The ratio of non-performing loans to equity at 30 June 2009 equalled 11.1%, an increase compared to 6.9% as at 31 December 2008. Gross of any impairment losses, non-performing loans amounted to 50,704 thousand Euro against 39,248 thousand Euro at the end of 2008 (+29.2%). Banca IFIS enters its gross non-performing loans, booked to the income statement net of the related specific provisions for impairment losses, up to the point in which all legal procedures to recoup the credit have been exhausted. Also due to the strategy of risk spreading, the total amount of non-performing loans is, on average, quite contained.

As at 30 June 2009, as shown in the table over-leaf, 234 non-performing loans, for an average amount of 70 thousand Euro net, amongst which some with a net value of just over one million Euro, were registered. The hedging index on gross non-performing loans stood at 67.7%, against 73.3% at the end of 2008. The decrease is partly due to expected complete recoveries being made on some new non–performing loans due from assigned debtors. The above percentage is representative of the policy of setting aside prudential provisions over the years.

Total substandard loans, net of analytical impairment losses, amounted to 6,954 thousand Euro, a slight fall against 7,093 thousand Euro as at 31 December 2008 (-2%).
Net past-due loans, amounting to 85,909 thousand Euro at 30 June 2009 compared to 83,923 thousand Euro at the end of 2008, refer to 18,676 thousand Euro of loans due from the Public Administration for full definitive purchase factoring activities. Taking into consideration the quality of the credit and the counterparties involved, no impairment losses were considered necessary on these positions.
Rescheduled loans amounted to 283 thousand Euro as at 30 June 2009, against 279 as at the end of 2008, a growth of 1.4%.

Total impaired loans for the year equalled 109,506 thousand Euro, against 101,791 thousand Euro at the end of 2008. This increase, as substantial as it is, was totally expected and, moreover, in line with the 2009-2011 business plan and is due to the worsening of the commercial credit market for SMEs given the present international economic situation.

CREDIT QUALITY
(in thousands of Euro)

	ACCOUNTING YEAR		VARIATION	
	30/06/2009	31/12/2008	ABSOLUTE	%
Non-performing loans	16,360	10,496	5,864	55.9%
Substandard loans	6,954	7,093	(139)	(2.0)%
Rescheduled loans	283	279	4	1.4%
Past-due loans	85,909	83,923	1,986	2.4%
Total net impaired loans to clients	109,506	101,791	7,715	7.6%
Net performing loans	857,328	906,858	(49,530)	(5.5)%
Total due from clients	966,834	1,008,649	(41,815)	(4.1)%

Here follows a subdivision of non-performing loans by year and by size:

NON-PERFORMING LOANS BY YEAR
(in thousands of Euro)

Year	N° of non-performing loans	Gross amount	Impairment losses	Net amount	% of hedging
1991	1	112	(112)	---	100.0%
1993	2	363	(363)	---	100.0%
1994	2	252	(142)	110	56.3%
1998	3	270	(163)	107	60.4%
1999	2	511	(511)	---	100.0%
2000	1	102	(102)	---	100.0%
2001	2	530	(530)	---	100.0%
2002	13	9,616	(7,411)	2,205	77.1%
2003	11	3,961	(2,841)	1,120	71.7%
2004	17	3,644	(3,287)	357	90.2%
2005	14	2,720	(2,284)	436	84.0%
2006	24	2,848	(2,127)	721	74.7%
2007	30	3,477	(2,462)	1,015	70.8%
2008	49	10,366	(6,938)	3,428	66.9%
2009	63	11,932	(5,071)	6,861	42.5%
Total	234	50,704	(34,344)	16,360	67.7%

NON-PERFORMING LOANS BY SIZE
(in thousands of Euro)

Size of non-performing loans class	N° of non-performing loans	Gross amount	Total impairment losses	Net amount	% of hedging
from 1 to 200,000	215	28,600	(22,396)	6,204	78.3%
from 200,001 to 500,000	11	6,668	(3,334)	3,334	50.0%
from 500,001 to 1,000,000	5	7,112	(3,529)	3,583	49.6%
from 1,000,001 to 2,000,000	3	8,324	(5,085)	3,239	61.1%
> 2,000,001	---	---	---	---	---
Total	234	50,704	(34,344)	16,360	67.7%

The ratio of net non-performing loans over total loan commitments to clients passed from 1% to 1.7% if taking value adjustments into consideration and from 3.8% to 3.5% in terms of nominal value. The incidence of substandard loans over total loan commitments to clients remained stable at 0.7%, both in terms of nominal value and if considering impairment losses.

IMPAIRED ASSETS
(in thousands of Euro)

	Npls	Subst. loans	Resched. loans	Past-due Loans	Total
SITUATION AT 30/06/2009					
Nominal value of impaired loans	50,704	7,306	284	86,152	144,446
Incidence on total loans at nominal value	*5.0%*	*0.7%*	*0.0%*	*8.6%*	*14.4%*
Impairment losses	34,344	352	1	243	34,940
Incidence on impaired loans at nominal value	*67.7%*	*4.8%*	*0.4%*	*0.3%*	*24.2%*
Balance sheet value of impaired loans	16,360	6,954	283	85,909	109,506
Incidence on net total loans	*1.7%*	*0.7%*	*0.0%*	*8.9%*	*11.3%*
SITUATION AT 31/12/2008					
Nominal value of impaired loans	39,248	7,679	280	84,120	131,327
Incidence on total loans at nominal value	*3.8%*	*0.7%*	*0.0%*	*8.1%*	*12.6%*
Impairment losses	28,752	586	1	197	29,536
Incidence on impaired loans at nominal value	*79.3%*	*7.6%*	*0.4%*	*0.2%*	*22.5%*
Balance sheet value of impaired loans	10,496	7,093	279	83,923	101,791
Incidence on net total loans	*1.0%*	*0.7%*	*0.0%*	*8.3%*	*10.0%*

Intangible and tangible fixed assets

Intangible fixed assets totalled 3,759 thousand Euro, against 3,459 thousand Euro at 31 December 2008 (+8.7%). The item includes goodwill of 793 thousand euro, from consolidating the subsidiary IFIS Finance Sp. Z.o.o. . As at 30 June 2009, this asset has suffered no losses in value.
Gross increases refer to 765 thousand Euro of costs incurred for reinforcing IT systems and 42 thousand Euro of costs incurred for organising the five-year revolving securitisation transaction, described in more detail later in this report. Banca IFIS's future financial benefits from this relate to the possibility of obtaining financial resources at lower costs than those obtainable on the interbanking market.

Tangible fixed assets increased by 1.6% to 34,777 thousand Euro.

The property entered among the consolidated tangible assets at the end of the Half-year relates to the important historical building, 'Villa Marocco', located in Mestre-Venice and housing the Headquarters, and the property in Mestre-Venice, acquired under financial leasing and leased in part to the controlling company, La Scogliera S.p.A.. Also included are properties of non-significant value such as the representative office in Bucharest.
The final value of the property housing Banca IFIS's Headquarters, together with the value of the property leased 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.

Funding

Total gross funding as at 30 June 2009 equalled 1,367,772 thousand Euro (+16.6% with respect to 31 December 2008). The composition of funding and deposits has changed noticeably thanks to the significant success of the Rendimax Savings Account; in fact, funding from clientele (including the quotas of the outstanding convertible bond loan) reached 47.1% of total funding, in comparison to 16.2% as at 31 December 2008. Consequently, interbank funding reduced, passing from 67.6% in 2008 to 42.7% as at 30 June 2009.
In detail, due to banks equalled 674,502 thousand Euro, a decrease of 27% compared to December 2008, and are composed of:

- interbank deposits for an amount of 533,689 thousand Euro (-27.3% compared to December 2008) of which 247,700 thousand Euro regulated on E-MID;
- funding from the Eurosystem for an amount of 140,813 thousand Euro (-26% compared to the end of 2008) realised through repurchase agreements. To this aim both securities arising from the securitisation transaction on trade receivables started in October 2008 and the banking bond securities held in the held to maturity portfolio were used.

Deposits from clients, equal to 615,124 thousand Euro (+289.7 compared to 31 December 2008) mainly refer to funding from the Rendimax platform.
Outstanding securities refer to 50 million euro of certificates of deposit issued to banking counterparties and to the "Banca IFIS convertible bond 2004-2009" (issued in July 2004, for a nominal amount of 50 million Euro) for a net amount of 28,418 thousand Euro (-12.6% compared to 31 December 2008). The debt is recognised as a liability, net of the buyback of own bonds which is treated, in compliance with IAS, as settlement of debt, while later resale is treated as the issue of a new debt. This decrease from last year is mainly due to the buyback of 375,862 treasury bonds for a nominal value of 4,698 thousand Euro.

No savings management activity was carried out, as this is not compatible with the group's business plan.

Risk and contingency funds

The Banca IFIS Group, in the absence of presuppositions, did not effect a provision for risks and charges following the facts described below:

- A legal case is in progress with the Inland Revenue. This case relates to a former equity investment in Intesa Lariana S.r.l, liquidated and closed down in 1999, for which the Inland Revenue believes fictitious dividends were collected.
  The legal case was brought about by two separate notices of assessment, from the Milan and Como Income Tax Offices respectively. The first of these notices relates to the tax period 1 January 1997 – 30 June 1997 and the second to the following tax period.
  The first notice was contested by Intesa Lariana and the liquidator and taken to the Provincial Revenue Tribunal who, with judgement 57/10/03, entered 17 December 2003, rejected Intesa Lariana's and the liquidator's appeal. A further appeal was presented to the Regional Revenue

Tribunal Milan 6 section 18, who with judgement 3616/04, entered 27 January 2005, once again ruled in favour of the Inland Revenue.
On 2 December 2004, a hearing was held, in front of the Regional Revenue Tribunal of Milan, regarding the appeal against the second notice of assessment from the tax commission. In order to avoid any discord, the judgement regarding the second notice of assessment is conditioned by the result of the first case.
In detail, with regards to the first six months of 1997, Como tax office contested the collection of 'fictitious dividends' and consequently refused to recognise any connected tax withholdings together with the tax credit on the dividends themselves, claiming a greater amount of lira 4,703,193,000 (2,428,996.47 Euro) and issuing sanctions for an equal amount, with consequent recovery of 500,000,000 Lira (258,228.45 Euro) previously obtained by Intesa Lariana as a rebate and covered by a fidejussory guarantee.
As far as the second Half-year is concerned, the Milan 6 office, with regards to the same operation contested by the Como office and the same claim (fictitious dividends), refused to recognise the tax credit brought forward from the previous fiscal period for an amount equal to 4,204,295,000 (2,171,337.16 Euro) with consequent recovery of a further 500,000,000 Lira (258,228.45 Euro) previously obtained by Intesa Lariana as a rebate and covered by a fidejussory guarantee. Sanctions of 8,410,386,000 lira (4,343,601.87 Euro) were imposed.
Should both of the above cases be lost, the total amount of Intesa Lariana's liabilities would be 9,202 thousand Euro. In case of partial loss, that is with revised sanctions, total liabilities would be equal to 6,983 thousand Euro. In such a case, the amount of liabilities referable to Banca IFIS would be equal to a maximum amount of 2,753 thousand Euro.
Banca IFIS, subsequent to the second-degree decision of Milan's Regional Revenue Tribunal on the first assessment notice, asked the opinion of a leading legal and fiscal office who confirmed the groundlessness and the illegitimacy of the fiscal demands made on Intesa Lariana and the probable quashing of the second appeal judgement.
The bank believes this potential liability improbable.

- On 25 July 2008, a tax inspection for the 2005 tax year, as per normal Inland Revenue inspectionary and control activities, began. This inspection ended on 5 December 2008 with two notices being delivered, both of which connected to the calculation of limits to deductibility on impaired credit (plafond) as per art. 106 paragraph 3 of the Italian DPR 917/86, for a total of 1,447 thousand Euro. Considering the regulations to these limits state that the remainder/excess (after comparing the plafond against the effective impairment losses) is deductible in constant rates for the following eighteen accounting years (as per the latest laws in force), the application of criterion resulting from the inspection, in the face of further taxes relative to 2005 being due, would lead to a further fiscal reduction for the bank for the same amount, over the accounting years following 2005.
In addition, a presumed tax avoidance as per art. 37-encore of the Italian D.P.R. 600/73 concerning the devaluation of the equity investment in Immobiliare Marocco S.p.A. in 2003, deducted in fifths over the following accounting periods, based on the losses reported by the same, as per articles 61 and 66 in force up until 31 December 2003, was reported. On 2 February 2009, a notice was delivered by the Inland Revenue requesting further explanations on this operation, to which the bank promptly answered.

The Bank, comforted by the opinion of its own tax advisor, believes the Inland Revenue's claim to be totally unfounded, in that the laws in force were fully applied, also in light of recent tax legislations for parties applying the International Accounting Standards.
As far as concerns the presumed tax avoidance, it is underlined that the tax avoidance claims are ill-founded, as the operation in question was carried out respecting laws in force at the time. Once the information requested by the Inland Revenue following the tax inspection has been provided, the case may be concluded without giving rise to any dispute.
The bank believes this potential liability improbable.

Capital adequacy and solvency ratios

In the absence of minority interests, the equity attributable to the shareholders of the parent company as at 30 June 2009 was 148,053 thousand Euro, against 153,106 thousand Euro at the end of the previous accounting year. The changes in net equity are shown below:

NET EQUITY *(in thousands of Euro)*

Net Equity at 31/12/2008	153,106
Increases:	
Profit for period	10,019
Conversion of bonds	6
Sale of own instruments	1,338
Other increases	117
Reductions:	
Dividends distributed	(9,838)
Purchase of own instruments	(5,142)
Other decreases	(1,553)
Net Equity at 30/06/2009	148,053

Other decreases refer to exchange differences arising from the consolidation of the subsidiary IFIS Finance Sp. Z.o.o.. It is important to note that the bank, for the comparative periods referred to in this report, has reclassified such exchange differences from the item 'reserves' to the item 'fair value reserves'. The reclassification amounts to 1,072 thousand Euro as at 30 June 2008 and to 4,947 thousand Euro as at 31 December 2008.

Consolidated regulatory capital was 139,355 thousand Euro, composed of tier 1 capital and positive and negative elements of Tier 2 (supplementary capital). Based on the trend of risk-weighted assets, the total consolidated solvency ratio is 10.0%. This worsening when compared to 31 December 2008 (equal to a fall of 10.4%) is due to increases in cash assets.

Surplus capital as at 30 June 2009, taking into account the 8% minimum required, equalled 27,970 thousand Euro.

CAPITAL ADEQUACY RATIOS *(in thousands of Euro)*	30/06/2009	31/12/2008[(1)]
Regulatory capital		
Tier 1 capital	145,801	144,547
Tier 2 capital	(6,446)	(4,893)
Deductibles	---	---
Total capital	139,355	139,654
Regulatory minimum requirements		
Credit risk	100,935	96,851
Market risk	1,526	2,030
Operational risk	8,924	8,132
Total minimum requirements	111,385	107,013
Solvency ratios		
Tier 1 capital/total weighted assets	10.5%	10.8%
Total capital/total weighted assets	10.0%	10.4%
Capital surplus (in excess of requirements)	27,970	32,641

(1) Figures as at 31 December 2008 differ from those previously published due to the reclassification of exchange differences on the foreign subsidiary IFIS Finance Sp. Z.o.o..

INCOME STATEMENT

Formation of net profit from financial activities

Based on the overall trend of the sector and the result of expansions in progress, Banca IFIS has increased both its market share in the sector and the number of its clients and debtors.
Net profit from financial activities for the group equalled 31,091 thousand Euro in the first Half 2009, against 29,556 thousand Euro in the first Half 2008, an increase of 5.2%. This growth demonstrates that the higher charges to clients adequately cover the increased risk in loan commitments, even in extremely negative economic and financial phases.

BREAKDOWN OF NET PROFIT FROM FINANCIAL ACTIVITIES
(in thousands of Euro)

	1st HALF		VARIATION	
	2009	2008	ABSOLUTE	%
Net banking income	36,474	32,354	4,120	12.7%
Impairment losses on loans and receivables	(5,383)	(2,798)	(2,585)	92.4%
Net profit from financial activities	31,091	29,556	1,535	5.2%

Net banking income passed from 32,354 thousand Euro to 36,474 thousand Euro, an increase of 12.7%. The composition of net banking income is 65.4% from commission income and 33.2% from interest income. It is important to note that the increasing or decreasing client tendency towards products with a significant service component, income from which being classified under factoring commission only, that is without expressly indicating the costs of financial funding necessary to support the client, can lead to marked changes in the two single components making up net banking income (net interest income and net commission income) and makes a comparison between them senseless. Despite this, a breakdown is shown as follows:

NET BANKING INCOME
(in thousands of Euro)

	1st HALF		VARIATION	
	2009	2008	ABSOLUTE	%
Net interest income	12,106	13,039	(933)	(7.2)%
Net commission income	23,856	17,941	5,915	33.0%
Dividends and similar income	12,309	27,862	(15,553)	(55.8)%
Net trading result	(11,777)	(26,486)	14,709	(55.5)%
Losses from buybacks of financial liabilities	(20)	(2)	(18)	900.0%
Net banking income	36,474	32,354	4,120	12.7%

Net interest income fell from 13,039 thousand Euro as at 30 June 2008 to 12,106 thousand Euro as at 30 June 2009 (-7.2%). As far as concern interest expenses, the retail funding success through the Rendimax online savings deposit has led to an increase in financial expenses when compared to the funding historically used by the group. The benefits of this retail funding, however, can be seen in terms of diversification in funding sources. After the significant initial success of such retail funding, achieved also thanks to the optimum remuneration offered, the bank is now taking action to contain the cost of Rendimax.
Traditional interbanking funding and deposits are characterized by their short / very short-term at fixed rates (negotiated from time in time at maturity). In the face of sudden decreases in interest rates, the reduction in funding costs occurs after a certain delay, which is entirely recouped in the presence of more stable rates with the opposite effect in cases of rapid increases in interest rates.
The increase in funding costs has been partly mitigated by a rise in revenue obtained from the

clientele, due to the change in economic-financial conditions leading, amongst other things, to an increase in the risks connected to loans and a consequent increase in the financial conditions applied. In addition, the bank has taken action to guard against the risk of sudden fluctuations in the retail funding held, through the employment of liquidity in securities eligible with the Eurosystem. The return from such activities will also mitigate the costs of such form of funding.

Net commission income results were very good, increasing by 33% if compared to the first Half 2008, rising from 17,941 thousand Euro to 23,856 thousand Euro, despite turnover remaining more or less stable (-0.5% when compared to the first Half 2008). This increase is due not only to the rise in the number of existing clients (+21% from 30 June 2008), but also to higher charges payable by clients due to the complexity involved in the management and guarantee services offered by the group (caused by delays in payment by the assigned debtors), as well as to the higher risks of anomalies in credit portfolios.
Commission income, equal to 25,754 thousand Euro against 19,687 thousand Euro at the end of the first Half 2008, came primarily from factoring commission on the turnover generated by individual clients (non-recourse and recourse, in a flat or monthly formula) as well as other fees usually charged to clients for services. The distribution of leasing over the first Half 2009 generated commission income for an amount of 679 thousand Euro.
Commission expense, equal to 1,898 thousand Euro as at 30 June 2009, compared to 1,746 thousand Euro as at 30 June 2008, resulted from:
- other credit institution banking activities;
- banking activities with designated banks that contact Banca IFIS for factoring because they do not have an organisation suitable to effectively and efficiently manage the factoring activity;
- non-banking activities with credit intermediaries who submit factoring operations to Banca IFIS;
- activities with debtors with whom there are agreements which entail writing-off commission against the introduction of new potential clients;
- commission to corresponding factors.

NET COMMISSION INCOME
(in thousands of Euro)

	FIRST HALF		VARIATION	
	2009	2008	ABSOLUTE	%
Endorsement credit	(17)	(33)	16	(48.5)%
Management and brokerage services	(35)	(95)	60	(63.2)%
Collection and payment services	407	383	24	6.3%
Factoring services	23,144	18,151	4,993	27.5%
Other services	357	(465)	822	(176.8)%
Total net commission income	23,856	17,941	5,915	33.0%

Thanks to significant and stable financial availability, over the first Half 2009, Banca IFIS carried out very short-term operations on highly traded securities. These operations, moreover risk free, generated net banking income in the amount of 143 thousand Euro.
In detail, dividends of 12,300 thousand Euro were generated, together with net losses from trading such shares of 11,890 thousand Euro, which correspond to the profit/loss on the trading of these securities, as well as the profit/loss from the conclusion of correlated risk hedging instruments, in addition to provisions of 267 thousand Euro. Furthermore, 9 thousand Euro of commission income was collected on dividends on available for sale securities, whilst net profit from trading in the amount of 113 thousand Euro was booked to net profit thanks substantially to exchange differences.

Losses from the sale of financial liabilities, equal to 20 thousand Euro, refer to buying back treasury bonds over the Half-year, which is treated as settlement of debt as required by IFRS.

Net impairment losses on loans and receivables passed from 2,798 thousand Euro as at 30 June 2008 to 5,383 thousand Euro as at 30 June 2009. This increase, which was totally expected and in line with forecasts, is due to the worsening commercial receivables market for SMEs.
Banca IFIS has continued to be rigorous in its assessment of asset quality, especially in the period in question, given the general deterioration in economic conditions, booking write-downs to the income statement in a timely manner as soon as presuppositions to do so arise.

Net profit for the period

FORMATION OF NET PROFIT FOR THE PERIOD
(in thousands of Euro)

	FIRST HALF		VARIATION	
	2009	2008	ABSOLUTE	%
Net profit from financial activities	31,091	29,556	1,535	5.2%
Operating costs	(17,142)	(13,315)	(3,827)	28.7%
Gross profit from continuing operations	13,949	16,241	(2,292)	(14.1)%
Income taxes	(3,930)	(4,357)	427	(9.8)%
Net profit for the period	10,019	11,884	(1,865)	(15.7)%

The trend of **operating costs** was affected by the increase in business and expansion of the organization, primarily in terms of the quality human resources who joined Banca IFIS. In this regard, particular attention was given to selecting resources dedicated to enhancing the sales network (+21.9% compared to 30 June 2008) and Headquarters' staff (+23.7% compared to 30 June 2008). The total amount for this item reached 10,497 thousand Euro, an increase of 24.6%.
With the increase in operating costs, there was a physiological increase in the cost/income ratio which reached 47% as at 30 June 2009, compared to 41.2% as at 30 June 2008 and 42.8% at the end of 2008, due to the above-mentioned expansion, the benefits of which will be visible in the short/medium-term.

OPERATING COSTS
(in thousands of Euro)

	FIRST HALF		VARIATION	
	2009	2008	ABSOLUTE	%
Personnel expenses	10,497	8,423	2,074	24.6%
Other administrative expenses	6,016	4,269	1,747	40.9%
Net impairment losses on tangible and intangible fixed assets	1,086	915	171	18.7%
Other operating income (expenses)	(457)	(292)	(165)	56.5%
Total operating costs	17,142	13,315	3,827	28.7%

The increase in **personnel expenses**, which totalled 10,497 thousand Euro (+24.6% compared to 8,423 thousand Euro as at 30 June 2008), corresponds to forecasts and reflects the systematic increase in the number of employees (in the period stretching from the second Half 2008 to the end of the first Half 2009, the group increased by 56 new employees, 22.6%).
In compliance with Bank of Italy's letter of 2 January 2009, personnel expenses include compensation paid to the Statutory auditors. This item, which stood at 87 thousand Euro as at 30 June 2009, has been reclassified for the previous Half-year with the result of 82 thousand Euro.
The increase in **other administrative expenses**, amounting to 6,016 thousand Euro for the first Half 2009 (+40.9% compared to 4,269 thousand Euro at the end of the first Half 2008), is mainly

due to higher costs due to the growth in the group's activity, in particular as far as concerns improved selection and control of credit and general expenses for the management of branches and offices, as well as costs for promoting and developing the Rendimax facility.
It is important to note that part of the expenses included in this item (in particular legal expenses and indirect taxes) are debited from the client and the relative income is booked to other operating income. Net of this component, other administrative expenses equalled 5,646 thousand Euro as at 30 June 2009, compared to 4,090 thousand Euro as at 30 June 2008 (+38%).

OTHER ADMINISTRATIVE EXPENSES *(in thousands of Euro)*	FIRST HALF		VARIATION	
	2009	2008	ABSOLUTE	%
Expenses for professional service	1,031	743	288	38.8%
Legal and consultation	802	601	201	33.4%
Auditing	100	52	48	92.3%
Outsourcing	129	90	39	43.3%
Indirect taxes and taxes	854	397	457	115.1%
Maintenance expenses	165	257	(92)	(35.8)%
Car fleet management and maintenance	425	305	120	39.3%
Membership fees	63	53	10	18.9%
Expenses for purchasing non-professional goods and services	3,478	2,514	964	38.3%
Office/site/branch management	925	736	189	25.7%
Client information	525	375	150	40.0%
Advertising and inserts	484	103	381	369.9%
Postage of documents	308	273	35	12.8%
Business trips and transfers	256	273	(17)	(6.2)%
Telephone expenses	244	219	25	11.4%
Software assistance and hire	143	118	25	21.2%
Staff training and recruitment courses	135	87	48	55.2%
Office material	130	113	17	15.0%
Telematic and databank services	93	73	20	27.4%
Other different expenses	235	144	91	63.2%
Total other administrative expenses	6,016	4,269	1,747	40.9%

Other different expenses refer to 100 thousand Euro of management fees due to the vehicle company set up for the revolving securitisation of accounts receivable programme.

Net impairment losses on tangible and intangible assets also increased from 915 thousand Euro in the first Half 2008 to 1,086 thousand Euro in the first Half 2009 (+18.7%).

Other operating income equal to 457 thousand Euro (+56.5% compared to 292 thousand Euro as at 30 June 2008) is mainly made up of revenue from recoveries of third party expenses. The item includes, amongst other things, legal expenses and indirect taxes.

Gross profit from continuing operations stood at 13,949 thousand Euro, a decrease of 14.1% compared to 30 June 2008.

Income taxes amounted to 3,930 thousand Euro, against 4,357 thousand Euro in the first Half 2008 (-9.8%).

Net profit for the period totalled 10,019 thousand Euro, compared to 11,884 thousand from the first Half 2008 (-15.7%). In the absence of minority interests, these results refer entirely to the group.

Reconciliation of parent company profit and equity and consolidated profit and equity

Here follows reconciliation of Banca IFIS's parent company profit and equity, and consolidated profit and equity:

(in thousands of Euro)	1st HALF 2009 EQUITY	1st HALF 2009 OF WHICH PROFIT FOR THE PERIOD	YEAR 2008 EQUITY	YEAR 2008 OF WHICH PROFIT FOR THE PERIOD
Parent company balance	153,402	9,341	157,580	21,057
Difference in carrying amounts of the companies consolidated line-by-line	(5,349)	678	(4,474)	1,744
- Immobiliare Marocco	*(1,517)*	*(20)*	*(1,497)*	*614*
- IFIS Finance	*(3,832)*	*698*	*(2,977)*	*1,130*
Group consolidated balance	148,053	10,019	153,106	22,801

The reduction in the carrying amount and net equity of the subsidiary IFIS Finance is due to the fall in the value of the Zloty against the Euro, which is not expected to last. For further information on this matter, please refer to the section on the management of the exchange rate risk.

Earnings per share and diluted earnings per share

Here follows the relationship between consolidated net earnings and the weighted average of the ordinary shares outstanding during the Half-year, net of treasury shares held in portfolio, and the relationship between consolidated net earnings and the weighted average of the shares including potentially dilutive shares.

EARNINGS PER SHARE AND DILUTED EARNINGS PER SHARE

	1ST HALF 2009	1ST HALF 2008
Consolidated net earnings (in thousands of Euro)	10,019	11,884
Average number of outstanding shares	32,887,094	31,119,826
Average number of potentially diluted shares	427,450	3,565,191
Average number of diluted shares	33,314,544	34,685,017
Earnings per share (Euro per unit)	0.30	0.38
Earnings per diluted share (Euro per unit)	0.30	0.34

SEGMENT REPORTING

The Banca IFIS Group is made up exclusively of Banca IFIS S.p.A., IFIS Finance Sp.z.o.o. - a Polish factoring company held at 100% and Immobiliare Marocco S.p.A. - an instrumental estate agency also held at 100%.
The main activity of the group consists of providing financial and management support to Italian and international SMEs through factoring, as explained in more detail in the Directors' report.
The Banca IFIS Group therefore forms a single-sector single-product company that operates through its branches and companies throughout Italy with relatively homogeneous methods and policies of risk management (in that risk assumption and control is centred at Head Office). As such, definitions of each identifiable part producing products or services are considered unnecessary, as such segment reporting would simply be a replica of the information already set forth.

As far as concerns information relative to geographic distribution and client breakdown, please refer to the applicable table in the section "Main balance sheet captions".

RISK MANAGEMENT

Risks of the banking group

With the new supervisory prudential provisions for banks, as per Circular no. 263 of 27 December 2006, prudential regulations include a renewed system of rules and incentives, allowing both more accurate measurement of potential risks connected to banking and financial activities, as well as maintenance of corporate capital levels more suited to the effective level of risk exposure of each intermediary. The second pillar of the provisions includes the ICAAP process (Internal Capital Adequacy Assessment Process), which states that banks must autonomously assess their own actual and expected capital adequacy in relation to the risks assumed. With the application of these new provisions, starting in June 2007, control instruments and procedures have been examined and adjusted both as regards first pillar traditional risks (credit risk, counterparty risk, market risk and operational risk) and as regards other risks (liquidity risk, banking book interest rate risk, concentration risk etc.). This process, which is still evolving, accompanied the preparation of the Annual ICAAP Document as at 31 December 2008 (which was forwarded to the Supervisory Authorities in May) and allows for any future, periodic revisions.

With reference to the above and as per Circular n. 229 of 21 April 1999 'Supervisory Instructions for banks', the Banca IFIS Group has set up an Internal Control System that aims to guarantee a reliable and maintainable generation of value in a context of controlled risk, knowingly assumed, so as to protect the group's financial solidity. Controls involve all personnel, to different extents, and constitute an integral part of daily activities. The controls put in place can be classified in accordance with the organisational structures in which they exist:

- *line controls*, carried out by the structures themselves, with the aim of ensuring that operations are carried out correctly;
- *risk management controls*, entrusted to the Risk Management Office, with the aim of: defining the models and methods of measuring and controlling risks and adjusting them over time, verifying if the risk policies and limits as defined by the bank are being respected, checking if operations within all areas are consistent with the objectives of risk / reward;
- *internal auditing*, carried out by the Internal Auditing Office, with the aim of individualising both anomalous trends and violation of procedures and internal and external regulations, as well as appraising the overall efficiency and effectiveness of the Internal Control System, checking its adequacy as the group's size, activity and risks evolve over time.

Credit risk

General aspects

Banca IFIS Group's activity is based mainly on the purchase of enterprises' receivables and is characterised by the direct assumption of risks related to granting advances and financing, as well as guarantees, on the receivables of enterprises, mainly small and medium enterprises, in actuation of expansion strategies defined and pursued by the group. Given the particular activity that the group carries out, credit risk is the most important element to consider as far as concerns the general risks assumed by the group. The maintenance of effective credit risk management is a strategic objective for the Banca IFIS Group and this strategy is being pursued through the adoption of tools and processes that ensure correct credit risk management in all its phases (initial dossier and paperwork, granting of advances and financing, monitoring and management, intervention in problematic credit).
No changes to the objectives and strategies underpinning the credit activity occurred over the first Half 2009.

In the second Quarter 2009, a portfolio of held to maturity bond securities was put together and consequently classified under held to maturity financial assets. Such assets, which due to their classification must be included in the banking book even though not part of the bank's traditional loan activity, generate credit risk, that is the inability of the issuer to redeem all or part of the securities at their maturity. The securities purchased by the Banca IFIS Group over the first Half are exclusively investment grade, with an average duration of just over two years and a maximum duration of four years.

The Banca IFIS Group does not carry out any activity involving derivative products on credit.

Credit risk management policies: Organisational aspects

Credit risks are generated as a direct consequence of financing the client's enterprise and granting, where requested, guarantees against losses caused by debtor insolvency. Credit risk management takes place during two specific phases of the credit process: the initial credit assessment phase of the operation and, if the assessment has a positive outcome, during the entire relationship with the assignor/debtor counterparties. In order to maximize the quality of Banca IFIS Group's portfolio, the bank has chosen, through the specialization of resources and separation of functions at every decisional phase, to concentrate all the phases of credit risk assumption and management at Head Office, thus allowing for a high level of homogeneity in granting credit and strict monitoring of individual positions. This is also true for IFIS Finance, whose decisions are taken within the parameters defined by the parent company, Banca IFIS S.p.A..

In the first phase of the risk management process, the organizational structure in charge of such activities has the responsibility of assessing the creditworthiness of the assignor and debtor counterparties, the nature of the commercial relationship between the counterparties and the quality of the receivables to be assigned. A multi-level system of delegation and deliberation powers gives the analysts with the most experience the possibility to assume risks of substantial importance in terms of size, albeit still contained. Larger risks are assumed by the Heads of department and particularly large risks are the responsibility of the General Manager, the C.E.O., the Credit Committee and the Board of directors.

The bank's branches do not have deliberative autonomy in the assumption of credit risk. Rather, they have the responsibility of developing business throughout the territory and managing relationships with the clientele. Being this the case, within the limits and formalities established by Headquarters' managerial bodies and under its constant monitoring, the branches have the possibility to grant advances as part of ordinary operations with clients.

As far as concerns credit risks at group level, IFIS Finance carries out its activity respecting the strategic indications and risk policies defined by the parent company, Banca IFIS.

Qualified and specialized staff follow all aspects of the relationship's evolution: from the assignment of the receivables to the granting of advances, from the administrative management of the receivables to their collection, from the individuation of possible anomalies to the verification and definition of the most opportune initiatives for credit recovery together with support from the Legal Department if necessary.

The Banca IFIS Group pays particular attention to the concentration of credit risks. Banca IFIS's Board of directors has delegated Top Management to take action to contain large risks, for prudential purposes, within limits that are far stricter than those allowed under current supervisory regulations. In line with the Board of directors' instructions, all large credit risks, even if amounting to less than 10% of regulatory capital, are systematically monitored.

Management, measurement and control systems

The operational procedure governing Banca IFIS Group's credit process requires the punctual and analytical assessment of all the counterparties involved in the factoring relationship, both on the assignor side and on the assigned debtor side. Banca IFIS Group's operations do not involve the assumption of credit risks based on a statistical approach. Credit risk is constantly controlled with the help of operational procedures and tools that can rapidly individuate anomalies in individual positions.

Banca IFIS Group's main instrument of assessment and control is the Internal Rating System (IRS). During the assessment stage, the IRS allows analysts to:

- give the assignor and the debtor a credit standing and a counterparty rating;
- immediately individuate the risk in each individual operation, granting advances or financing;
- define adequate pricing for each class of risk, right from the moment in which the operation is analysed in terms of feasibility.

Once the stages of assessment and the initiation of the relationship have been successfully completed, the IRS, fed information by selected databases in real time, allows the credit risk connected to the counterparties acquired to be constantly monitored.

Disputes, prejudicial matters or identification of non-performing loans automatically lead to blocks on operations. Consequential analysis aims to evaluate the seriousness of the anomalies identified and the permanence of the difficulties encountered and in this way aid in deciding whether to progress with the relationship or otherwise.

At present, due to the type of data banks used (Central Risks Bureau, disputes and prejudicial matters, etc.), the IRS is only fully operational, in both the assessment and monitoring phases, for domestic counterparties or those with Italian offices. For other counterparties, assessment is carried out based on financial statement analysis and, if the counterparty has relationships with other Italian banks, through the Central Risks Bureau.

With regards to the credit risk connected to the held to maturity portfolio, bearing in mind that it is made up of investment grade securities of limited duration, the Banca IFIS Group undertakes to constantly monitor the credit quality of the issuer and the securities held. The composition of this portfolio is periodically reported upon to Top Management and the Board of directors by the Risk management department.

Risk mitigation techniques

Wherever the type and/or quality of assigned receivables do not fully satisfy requirements or, more generally, the assigning client is of insufficient creditworthiness, it is consolidated policy for the bank to obtain maximum protection against the credit risk assumed by obtaining additional surety guarantees from the assignor's company's shareholders or directors.

As far as concerns assigned debtors, wherever the bank believes that the elements available for assessment of the assigned debtor are not sufficient for the correct evaluation / assumption of the connected credit risk against the debtor, or the proposed amount of risk exceeds the limits identified during the debtor assessment, the bank will obtain the necessary coverage against assigned debtor default. Guarantees granted by corresponding factors and/or insurance policies undersigned with specialised operators are very common in non-recourse operations with non-domestic assigned debtors.

Impaired financial assets

Transactions with the clientele are constantly monitored by the competent office at Headquarters, both by analysing trends in relationships and by monitoring the counterparties (through Central Risks Bureau, disputes, prejudicial matters etc.).

In cases of anomalous trends or counterparty disputes, the situation is placed under observation and the management of operations by the individual branch is directly supervised by Head Office's Credit Management Area until such problems have been overcome.

In cases where the situation deteriorates or becomes critical, management of the entire operation passes to Head Office's Credit Management Area, with the eventual support of the Legal Department, with the aim, based on in-depth evaluation, of maintaining the position under supervision until the problems have been overcome and the situation returns to normal. On the basis of available information, possible classification under non-performing loans or substandard loans is also assessed.

Management of impaired positions, whether they be potential problem loans or non-performing loans, normally falls under the responsibility of the Legal Department which examines the credit from the point of view of its recoverability, periodically reporting back to Top Management and the Board of directors. If it is believed that there will be a positive outcome to the problems encountered by the assignor or the debtor, with the bank remaining protected against the credit risk, the loan may be rescheduled and placed once again under the management and monitoring of Head Office's Credit Management Area.

Assessment of impairment losses/recoveries on loans, proposed by the Legal Department, is effected by Top Management and subject to deliberation and approval by the Board of directors.

As a rule, the same process is activated at group level, but it is important to keep in mind the lack of controlled companies' impaired assets.

CASH AND OFF-BALANCE SHEET EXPOSURE WITH CLIENTS[1]

(in thousands of Euro)

	Gross loans	Specific impairment losses	Collective impairment losses	Total
Cash exposure				
Non-performing loans	50,704	(34,344)	—	16,360
Substandard loans	7,306	(352)	—	6,954
Rescheduled loans	284	—	(1)	283
Past-due loans	86,152	(243)	—	85,909
Other assets	862,649	—	(2,989)	859,660
TOTAL	1,007,095	(34,939)	(2,990)	969,166
Off-Balance sheet exposure				
Impaired	40,846	—	—	40,846
Other	440,093	—	—	440,093
TOTAL	480,939	---	---	480,939

(1) Cash exposure includes all the cash financial assets due from clients, regardless of their portfolio category (available for sale, held to maturity, loans etc.).

CASH EXPOSURE WITH CLIENTS: DYNAMICS IN GROSS IMPAIRED EXPOSURES AND IMPAIRMENT LOSSES

(in thousands of Euro)

	NON-PERFORMING LOANS		SUBSTANDARD LOANS		RESCHEDULED LOANS		PAST-DUE LOANS	
	Gross amount	Impairment losses	Gross amount	Impairment losses	Gross amount	Impairment losses	Gross amount	Impairment losses
Initial gross exposure	39,248	28,752	7,679	586	280	1	84,120	197
- of which: transferred and not derecognised	---	---	---	---	---	---	---	---
Increases	12,550	6,390	4,408	358	4	---	48,802	147
Impairment losses	---	4,067		248	---	---		---
Inflow from performing loans	3,017	1,775	4,181	110	---	---	42,384	108
Transferred from other impaired loan categories	8,895	548	186	---	---	---	---	---
Other increases	638	---	41	---	4	---	6,418	39
Reductions	(1,094)	(798)	(4,781)	(592)	---	---	(46,770)	(101)
Outflows to performing loans	---	---	---	---	---	---	---	---
Reversals of impairments from recalculations	---	(569)	---	(60)	---	---	---	
Reversals of impairments following collection	---	(88)	---	---	---	---	---	---
Write-offs	(147)	(141)		---	---	---	---	---
Collections	(942)	---	(169)	---	---	---	(42,301)	---
Realised from transfers	---	---	---	---	---	---	---	---
Transferred to other impaired loan categories	---	---	(4,612)	(532)	---	---	(4,469)	(16)
Other decreases	(5)	---	---	---	---	---	---	(85)
Final gross exposure	50,704	34,344	7,306	352	284	1	86,152	243
-of which: transferred and not derecognised	---	---	---	---	---	---	---	---

The increase in impaired loans, as important as it is, is totally in line with the forecasts set out in the 2009 – 2011 business plan and is due to the worsening on the commercial receivables market for small, medium enterprises caused by the present international economic situation.

SECTOR DISTRIBUTION OF CASH AND OFF-BALANCE SHEET EXPOSURE WITH CLIENTS(1)

(in thousands of Euro)

	Governments and central banks				Other public entities				Financial institutions				Insurance companies				Non financial institutions				Other entities			
	Gross exposure	Specific impairment losses	Collective impairment losses	Net exposure	Gross exposure	Specific impairment losses	Collective impairment losses	Net exposure	Gross exposure	Specific impairment losses	Collective impairment losses	Net exposure	Gross exposure	Specific impairment losses	Collective impairment losses	Net exposure	Gross exposure	Specific impairment losses	Collective impairment losses	Net exposure	Gross exposure	Specific impairment losses	Collective impairment losses	Net exposure
A. Cash exposure																								
A.1 Non-performing loans	---	---	---	---	---	---	---	---	112	(112)	---	---	---	---	---	---	50,592	(34,232)	---	16,360	---	---	---	---
A.2 Substandard loans	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	7,260	(352)	---	6,908	46	---	---	46
A.3 Rescheduled loans	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	284	---	(1)	283
A.4 Past-due loans	89	---	---	89	18,587	---	---	18,587	65	---	---	65	---	---	---	---	66,379	(239)		66,140	1,032	(4)	---	1,028
A.5 Other	11,475	X	---	11,475	17,158	---	---	17,158	6,065	X	(22)	6,043	---	X	---	---	796,496	X	(2,854)	793,642	31,455	X	(113)	31,342
TOTAL	11,564	---	---	11,564	35,745	---	---	35,745	6,242	(112)	(22)	6,108	---	---	---	---	920,727	(34,823)	(2,854)	883,050	32,817	(4)	(114)	32,699
B.'Off-balance sheet' exposure	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
B.1 Non-performing loans	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	869	---	---	869	---	---	---	---
B.2 Substandard loans	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
B.3 Other impaired assets	332	---	---	332	3,391	---	---	3,391	---	---	---	---	---	---	---	---	36,254	---	---	36,254	---	---	---	---
B.4 Other	23,139	---	---	23,139	75,535	---	---	75,535	35	X	---	35	50	X	---	50	337,273	X	---	337,273	4,061	---	---	4,061
TOTAL	23,471	---	---	23,471	78,926	---	---	78,926	35	---	---	35	50	---	---	50	374,396	---	---	374,396	4,061	---	---	4,061
TOTAL 30/06/2009	35,035	---	---	35,035	114,671	---	---	114,671	6,277	(112)	(22)	6,143	50	---	---	50	1,295,123	(34,823)	(2,854)	1,257,446	36,878	(4)	(114)	36,760
TOTAL 31/12/2008	40,057	---	---	40,057	142,163	---	---	142,163	33,263	(112)	(48)	33,103	50	---	---	50	1,181,823	(29,417)	(2,748)	1,149,658	55,301	(6)	(79)	55,216

(1) Cash exposures include all the cash financial assets due from clients, regardless of their portfolio category (available for sale, held to maturity, loans etc.).

GEOGRAPHICAL DISTRIBUTION OF CASH AND OFF-BALANCE SHEET EXPOSURE WITH CLIENTS(1)

(in thousands of Euro)

Exposure /Geographic areas	ITALY		OTHER EUROPEAN COUNTRIES		AMERICA		ASIA		REST OF THE WORLD	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. Cash exposure										
A.1 Non-performing loans	47,835	15,869	2,869	491	---	---	---	---	---	---
A.2 Substandard loans	7,306	6,954	---	---	---	---	---	---	---	---
A.3 Rescheduled loans	284	283	---	---	---	---	---	---	---	---
A.4 Past-due loans	80,370	80,148	5,715	5,694	4	4	26	26	37	37
A.5 Other	797,607	794,655	64,614	64,579	411	410	1	1	16	15
TOTAL A	933,402	897,909	73,198	70,764	415	414	27	27	53	52
B. Off-balance sheet exposure										
B.1 Non-performing loans	---	---	---	---	---	---	---	---	---	---
B.2 Substandard loans	---	---	---	---	---	---	---	---	---	---
B.3 Other impaired assets	30,798	30,798	9,933	9,933	---	---	---	---	115	115
B.4 Other	378,951	378,951	59,678	59,678	212	212	885	885	367	367
TOTAL B	409,749	409,749	69,611	69,611	212	212	885	885	482	482
TOTAL 30/06/2009	1,343,151	1,307,658	142,809	140,375	627	626	912	912	535	534
TOTAL 31/12/2008	1,352,051	1,320,968	93,352	92,026	3,592	3,591	2,354	2,354	1,308	1,308

(1) Cash exposure includes all the cash financial assets due from clients, regardless of their portfolio category (available for sale, held to maturity, loans etc.).

BIG RISKS

(in thousands of Euro)

	30/06/2009	31/12/2008
Total	83,164	124,870
Amount	4	6

Market risks

The financial risk profile of the Banca IFIS Group essentially originated from a banking portfolio, due to the fact that the group does not habitually carry out trading activities on financial instruments. The bond securities issued by banks purchased over the second Quarter 2009, considering their classification in the held to maturity category, are included in the banking book and therefore do not constitute new market risks.

Interest rate risk

General aspects, management procedures and measurement methods of the interest rate risk

The assumption of significant interest rate risks is, as a rule, rare for the Banca IFIS Group, as it takes provisions mainly from interbanking deposits at fixed short-term rates and, in part, in cases of more stable financial resources, at rates which are mainly variable and indexed, or fixed for a shorter term. Loan commitments to clients are usually revocable and at variable tax rates. Interest rates applied to clients are normally indexed (mainly at the 3-month Euribor rate) with automatic adaptation to trends in the cost of money. In other cases, the interest rate is still unilaterally modifiable by the bank, in accordance with applicable rules and regulations. In the same way, returns on the fixed bond portfolio are almost completely indexed to the 3-month Euribor rate.

The assumption of interest rate risks connected to treasury funding activities occurs respecting the limits and policies of the Board of directors and is governed by precise proxies fixing limits of autonomy for individuals authorised to carry out the Bank's treasury operations.

The business functions that are designed to guarantee the correct management of interest rate risks are: the Treasury Department that directly manages funding and deposits, the Risk Management Office entrusted with the role of selecting the most effective risk indicators and monitoring asset and liability trends to ensure compliance with preset limits and, lastly, Top Management that has the responsibility of putting forward, on an annual basis, proposals regarding policies on lending and funding and the management of interest rate risks, as well as suggesting opportune interventions during the year in order to ensure that activities are consistent with the risk policies approved by the bank. In both cases, Top Management makes these proposals to the Board of directors.

More specifically, within Top Management's current activities and based on indications from the Treasury Department, on interest rate forecasts and on evaluations on the development of commitments, Top Management provides the Treasury Department with policies on the use of available lines of financing, with particular reference to those with a duration exceeding 3 months. The purpose of such activity is to support ordinary short-term treasury operations, to take advantage of changes in interest rates on short-term expiries and to monitor interest rate trends in terms of physiological mismatching between assets and liabilities, even if only short-term.

With the aim of monitoring the interest rate risk, Top Management receives a summarised daily report on the treasury's general position, which gives, amongst other information, the total amount of funding at the fixed rate, calculated on the one-year equivalent and its average weighted duration.

The interest rate risk position is also periodically reported upon to the bank's Board of directors by means of a quarterly so-called 'Dashboard report' prepared by the Risk Management Office for Top Management. The putting in place of the Integrated Treasury and Risk Management System (SIT), has provided new tools for assessing and monitoring the main interest rate sensitive items.

With regards to the first definitive version of the ICAAP report for 2008, the interest rate risk falls into the category of second pillar risks. In the final ICAAP report sent to the Supervisory authorities, as per the applicable regulations (Circular n. 263 of 27 December 2006, Title III, Chapter 1, Annex C), the interest rate risk has been specifically measured in terms of capital adequacy. The resulting risk index confirms that Banca IFIS does not assume such risk: in the face of a maximum limit of 20% of regulatory capital, the indicator for the Banca IFIS Group showed 0.83%.

Due to the limited size of risks taken on, risk hedging instruments are not used.

Fair value hedge accounting assets

No fair value hedging assets are present.

Cash flow hedging assets

No cash flow hedging assets are present.

Price risk

General aspects, management procedures and measurement methods of the price risk

The group does not generally assume risks connected with price fluctuation on financial instruments as its activity is almost exclusively aimed at financing SMEs' working capital.

Over the first Half 2009, in order to optimise returns on the high level of liquidity available and, at the same time, keep interbanking credit lines in use so as to ensure their regular renewal, Banca IFIS carried out some trading activities on shares quoted on the Italian regulated market, immunising itself against price fluctuation by subscribing risk hedging derivative instruments with qualified counterparties.

With regards to the bond securities purchased over the first Half 2009 so as to reduce the risk of unexpected fluctuations in retail funding, their classification in the held to maturity portfolio neutralises the effect of any fluctuations in the price of these assets, which is contained given the high credit standing of the issuers and the indexing of returns at market rates.

Monitoring of the price risk that the bank may possibly have to take on in the future, given its extraordinary and occasional character, is the responsibility of the Risk Management Office. The putting in place of the Integrated Treasury and Risk Management System (SIT), which has since become the main tool for assessing and monitoring the Institute's treasury activities, has provided suitable tools for assessing price risks. Specifically, the SIT also allows:

- Management of traditional treasury activities (securities, exchanges, money market and derivatives);
- Measurement and control of exposures for each market risk type;
- The continual establishment and monitoring of limits set within the various operational functions;
- The assessment of performance in various areas against a benchmark.

Exchange rate risk

General aspects, management procedures and measurement methods of the exchange rate risk

The assumption of the exchange rate risk, intended as a management tool potentially ideal for improving treasury performance, represents a speculative instrument and, thus, in principle, is not part of the group's financial policy. The bank's currency operations basically involve transactions in the name of, or on behalf of, clients and are normally correlated with the typical factoring activity. In this sense, the advances given to the client are backed by financial cover in the same currency, thus eliminating the risk of losses connected to exchange rate fluctuations. In some cases, hedging is carried out using synthetic instruments.

A residual exchange rate risk arises as a result of the physiological mismatching between the client's use and the treasury's procurement of this currency due to the difficulty in forecasting the exact amount needed, with particular reference to cash flows from assigned debtors against the expiry of the client's financing, together with the effect of interest on this financing.

The Treasury Department is committed, on a daily basis, to minimizing such differences, realigning the dimensions and frequency of positions in different currencies. The assumption of exchange rate risks occurs respecting the limits and policies of the Board of directors and is governed by precise proxies fixing limits of autonomy for individual operators, together with particularly strict limits on the daily net position in currency.

The business functions that are designed to guarantee the correct management of exchange rate risks are: the Treasury Department that directly manages funding and the bank's exchange rate position, the Risk Management Office entrusted with the role of selecting the most effective risk indicators and monitoring trends to ensure compliance with preset limits and, lastly, Top Management that has the responsibility of putting forward, on an annual basis, proposals regarding policies on lending and funding and the management of exchange rate risks, as well as suggesting opportune interventions during the year in order to ensure that activities are consistent with the risk policies approved by the group. In both cases, Top Management makes these proposals to the Board of directors.

With the aim of monitoring the exchange rate risk, Top Management receives a summarised daily report on the treasury's general position, which gives, amongst other information, the bank's position in terms of exchange rates, subdivided by currency. The Integrated Treasury and Risk Management System (SIT) provides control functions with tools for monitoring and measuring exchange rate risks. The exchange rate risk position is also periodically reported upon to the bank's Board of directors by means of a quarterly so-called 'Dashboard report' prepared by the Risk Management Office for Top Management.

Expansion of operations in the Polish market through the subsidiary, IFIS Finance Sp.Z.o.o., does not change the above: As the currency for operations in Poland is the Zloty, assets in zloty are, as a general rule,

financed using funding from the Polish domestic market in the same currency.
With the purchase of this Polish investment, Banca IFIS has, itself, assumed the exchange rate risk represented by the investment in IFIS Finance Sp. Z o.o.'s capital for the amount of 21.2 million Zloty and by the ensuing capital increase for an amount of 66 million zloty.
At 30 June 2009, due to the consolidation process of IFIS Finance, a negative difference deriving from the devaluation of the zloty against the Euro occurred and was booked to the equity reserve, as provided for by the International Accounting Standards. Considering the international, and particularly the East European, economic and financial situation, it is believed premature to consider this effect as lasting.

DISTRIBUTION OF ASSETS AND LIABILITIES AND DERIVATIVES BY CURRENCY

(in thousands of Euro)

Items	Currency					
	US Dollars	Sterling	Yen	Canadian Dollars	Swiss Francs	Other currencies
Financial assets	14,379	257	---	---	---	22,142
Debt securities	---	---	---	---	---	---
Equity securities	---	---	---	---	---	---
Loans to banks	766	133	---	---	---	5,848
Loans to clients	13,613	124	---	---	---	16,294
Other financial assets	---	---	---	---	---	---
Other assets	---	---	---	---	---	54
Financial liabilities	(13,887)	(1)	(15)	---	(34)	(732)
Due to banks	(13,797)	---	(15)	---	(34)	(732)
Due to clients	(90)	(1)	---	---	---	---
Debt securities	---	---	---	---	---	---
Other liabilities	(283)	(2)	---	---	---	(80)
Financial derivatives	---	---	---	---	---	---
- Options	---	---	---	---	---	---
+ long	---	---	---	---	---	---
+ short	---	---	---	---	---	---
- Other derivatives	---	---	---	---	---	---
+ long	---	---	---	---	---	---
+short	---	---	---	---	---	---
Total assets	14,379	257	---	---	---	22,196
Total liabilities	(14,170)	(3)	(15)	---	(34)	(812)
Unbalance (+/–)	209	254	(15)	---	(34)	21,384

Financial derivative instruments

The Banca IFIS Group has never carried out activities in financial derivative products on behalf of third parties and that it carries out on its own behalf is limited to hedging instruments against market risk. Specifically, over the course of the Half-year, derivative financial instruments to hedge risks arising from trading operations on shares put in place over the same period, as well as derivative financial instruments on exchange rates, were used.

RESIDUAL LIFE OF "OVER THE COUNTER" FINANCIAL DERIVATIVES: NOTIONAL VALUES
(in thousands of Euro)

Underlying / Residual life	Up to 1 year	From 1-5 years	Over 5 years	Total
Regulatory trading portfolio	–	–	–	–
Financial derivatives on debt securities and interest rates	–	–	–	–
Financial derivatives on equity securities and stock indexes	–	–	–	–
Financial derivatives on exchange rates and gold	–	–	–	–
Financial derivatives on other securities	–	–	–	–
Banking portfolio	–	–	–	–
Financial derivatives on debt securities and interest rates	–	–	–	–
Financial derivatives on capital securities and stock indexes	–	–	–	–
Financial derivatives on exchange rates and gold	–	–	–	–
Financial derivatives on other securities	–	–	–	–
Total 30/06/2009	–	–	–	–
Total 31/12/2008	32,037	–	–	32,307

Liquidity risk

General aspects, management procedures and measurement methods of the liquidity risk
The liquidity risk refers to the possibility that the group is not able to maintain its payment commitments due to lack of funds or inability to sell enough assets on the market to meet its financing needs. The liquidity risk also refers to inability to obtain adequate financial resources, in terms of amount and cost, to face its operational needs and opportunities, hence forcing the group to slow down or stop development of its activity or sustain very steep funding costs in order to respect its payment commitments, with a significant negative influence on profitability levels.
Financial sources are represented therefore by equity, by funding from clients (in particular through the Rendimax online savings account), by the convertible bond loan, by funding with the European Central Bank through the placement of own assets and by funding from the domestic and international interbanking market (for the IFIS Finance subsidiary, only on the Polish domestic market). Considering the group's asset composition, the type of activity it carries out, and the strategies the Board of directors has defined in order to limit operations on commercial receivables to short or very short durations (as a rule not exceeding 6 months, with the exception of those with the Public Administration that can be up to 12 months) the liquidity risk for Banca IFIS, taking into account the physiological conditions of financial markets, is not critical.
During the first Half 2009, a period marred by tension caused by the subprime crisis, Banca IFIS continued to carry out its activities without suffering significant negative effects. Thanks to:
- its wide and diverse interbanking relationships with national and foreign counterparties;
- its new securitisation programme which led to the generation of securities with an A+ Standard and Poor's rating that are eligible with the Eurosystem and conferrable to the Collateralised Interbank Market (MIC);
- the extremely positive response to the new form of online funding through the Rendimax Savings Account;
- the setting up of a held to maturity portfolio, also eligible with the ECB and conferrable to the Collateralised Interbank Market (MIC); and lastly
- the type and quality of Banca IFIS Group's assets,

the group has always had sufficient financial resources to satisfy its needs, albeit at marginally higher costs.
Over the year, the bank pursued particularly prudent financial policies aimed at favouring funding stability, providing itself with financial resources in excess of immediate operational needs and, as a result, firmly maintaining its reputation on the interbanking market as a stable lender, even of amounts reaching significant

levels, albeit short-term. This policy, which sacrifices economic efficiency in treasury management, as regards different rates between interbanking funds and commitments, in favour of certain and stable liquidity, is adequately supported by the revenue that the group obtains from its activity. In order to optimise the return on such liquidity, Banca IFIS carried out very short-term trading operations on shares in the first Half 2009 without taking on price risks.
The bank's financial resources available to date are suitable to cover its present and expected business volumes and the group is constantly busy developing its own financial resources in a harmonic manner, both from a dimensional and a cost point of view. In May, the overall nominal value of the securities arising as a result of the securitisation programme on accounts receivable, initiated in October 2008, was increased by a further 58 million Euro, reaching a total nominal value of 328 million Euro. This programme represents another important financing channel that, through the placement of securities care of the ECB, has allowed the institute to benefit from the financial advantage connected to the cost of short-term but renewable funding, as well as allowing further diversification of the group's financial policies and mitigation of the liquidity risk, even in the face of possible complex and difficult scenarios that may occur should the negative trends on financial markets continue.
Since May 2009, Banca IFIS has extended its online high interest account service (Rendimax) by offering the possibility to fix deposits according to predefined maturity dates and conditions. This initiative was introduced in order to allow the group to reduce typical fluctuations in online deposits. The liquidity risk arising as a result of the on demand Rendimax deposits is managed by maintaining the necessary liquid reserves, in particular fixed bond securities held and readily eligible.
The business functions that are designed to guarantee the correct application of liquidity policies are: the Treasury Department that directly manages liquidity, the Risk Management Office entrusted with the role of selecting the most effective risk indicators, monitoring trends to ensure compliance with preset limits and lending support to Top Management that has the responsibility of putting forward, on an annual basis, proposals regarding policies on funding and the management of liquidity risks, as well as suggesting opportune interventions during the year in order to ensure that activities are consistent with the risk policies approved by the bank.
Furthermore, based on indications coming from the Treasury Department and evaluations on the development of commitments, and in order to support the ordinary short to very short-term treasury activities and manage and monitor liquidity risk trends, Top Management establishes policies regarding the assumption of lines of financing that exceed a 3 month duration. In order to monitor the short-term liquidity risk, Top Management receives a daily report on the overall treasury position, which gives, amongst other information, the bank's position in terms of liquidity for 3 months, with weekly changes for the first month. The liquidity risk position is also periodically reported upon to the bank's Board of directors by means of a quarterly so-called 'Dashboard report' prepared by the Risk Management Office for Top Management.
Taking into consideration the particular trends on the financial market, the bank, in the first Half 2009, created a model for analysing and monitoring present and future liquidity positions, a further instrument systemically supporting Top Management's and the Board of directors' decisions in terms of liquidity. The periodic results are reported directly to the Supervisory authorities, both as far as concerns the regular functioning of financial markets and, in particular, functioning in stressed situations.
In reference to subsidiaries, IFIS Finance's treasury activity is co-ordinated, within group policies, by Banca IFIS's Treasury Department, which finds the resources suitable to satisfy the financial demands within the domestic market. Naturally, where necessary, the bank may intervene directly in subsidiaries' favour.
In drawing up the first complete ICAAP Document as at 31 December 2008, even though no specific criteria for the calculation of capital requirements is foreseen for the liquidity risk, the group prepared a qualitative analysis model for the autonomous assessment of second pillar risks.

FINANCIAL ASSETS AND LIABILITIES BROKEN DOWN BY RESIDUAL DURATION
(in thousands of Euro)

Items/duration	On demand	1-7-days	8-14 days	15 days to 1 month	1-3 months	Over 3-6 months	Over 6 months to 1 year	1 to 5 years	Over 5 years	Indefinite duration
Cash assets										
Government securities	---	---	---	---	---	---	---	5,854	---	---
Listed debt securities	---	---	---	---	---	16,885	37,784	128,999	---	---
Other debt securities	---	---	---	---	---	---	8,407	113,645	---	---
O.IC.R. securities	---	---	---	---	---	---	---	---	---	---
Loans to	830,528	28,058	2,099	13,121	22,641	32,367	26,674	10,707	518	110,597
-banks	82,738	20,000	---	---	2,516	4,370	---	---	---	852
-clients	747,790	8,058	2,099	13,121	20,125	27,997	26,674	10,707	518	109,745
Cash liabilities										
Deposits	168,225	65,264	66,998	93,917	261,447	92,556	541,219	---	---	---
-banks	167,892	62,735	63,286	58,811	242,778	67,000	12,000	---	---	---
-clients	479,946	2,529	3,712	35,106	18,669	25,556	49,606	---	---	---
Debt securities	---	---	20,728	28,418	8,000	---	21,000	---	---	---
Other liabilities	---	---	---	---	54	---	---	---	---	---
Off-balance sheet transactions										
Financial derivatives with capital exchange	---		---	---	---	---	---	---	---	---
-long	---		---	---	---	---	---	---	---	---
-short	---		---	---	---	---	---	---	---	---
Deposits and loans to be received	---	---	---	---	---	---	---	---	---	---
-long	---	---	---	---	---	---	---	---	---	---
-short	---	---	---	---	---	---	---	---	---	---
Irrevocable commitments to grant funds	---	---	---	---	---	---	---	---	---	---
-long	---	---	---	---	---	---	---	---	---	---
-short	2,975	---	---	---	276	236	240	90	---	---

Operational risk

General aspects, management procedures and measurement methods of the operational risk

Operational risks are risks of loss due to poor functioning of processes, procedures and human resources or external events. Fraud, human error, business interruption, unavailability of systems, contract infringement and natural disasters all fall into this category. Management of operational risks requires the ability to identify the risks present in all the significant products, activities, processes and systems that can compromise the achievement of Banca IFIS Group's goals. Risks arising from non-conformity with legal laws and regulations, such as the laws on transparency, anti-money laundering, privacy and administrative responsibilities for legal entities (Lgs. Decree 231/2001), are also operational risks.

Correct management of operational risks is tightly connected to the presence of organisational structures, operational procedures and suitable IT support. Also extremely important is the correct training of resources for which reason, Banca IFIS is constantly committed to the training and professional growth of its personnel.
At present, the management of operational risks is the responsibility of the Organization Department that defines organizational structures and business processes and modifies them over time. As operational risks are inherent within all the bank's processes, control and monitoring of operational risks is entrusted to the group's Internal Auditing Office.

The management of operational risks for subsidiaries is, at present, guaranteed by the strong involvement of the parent company which makes decisions in terms of strategies and risk management for the subsidiaries. Specifically, subsidiaries' organizational structures and operational processes are defined and approved by the parent company, while the parent company Internal Auditing Office is in charge of monitoring the operational risk, functioning both directly and by means of support from specialized local structures.

As far as business continuity is concerned, the Banca IFIS Group has adopted, as from December 2006, a group business continuity plan, that is an ensemble of initiatives and counter-measures to be adopted in order to reduce business interruption to the acceptable limits set within the business continuity strategies. Part of the business continuity plan involves disaster recovery in cases where corporate IT systems cease to work.

As per Basel 2 principles on the calculation of capital requirements for first pillar risks, the bank has chosen to avail itself of the Basic Indicator Approach.

SECURITISATION TRANSACTIONS

IFIS Collection Services securitisation programme

On 13 October 2008, Banca IFIS, together with Securitisation Services S.p.A. as the Arranger, BNP Paribas S.p.A. as the Co-arranger and IFIS Collection Services S.r.l., the company vehicle set up deliberately for the transaction, initiated a revolving securitisation program involving Banca IFIS transferring, non-recourse and as per Law 130/99, a portfolio of performing trade receivables due from assigned debtors.
The securitisation transaction is governed by a series of contracts, amongst which:

- the 'Master Receivables Purchase Agreement', undersigned on 13 October 2008 between Banca IFIS (as the Seller) and IFIS Collection Services (as the Issuer), on the basis of which the Seller, on a fortnightly basis, may offer the Issuer, who may purchase, a portfolio of trade receivables that respect the eligibility criteria required;
- the 'Servicing Agreement', undersigned on 13 October 2008 between Banca IFIS (as the Servicer) and IFIS Collection Services (as the Issuer), which governs the servicing carried out by Banca IFIS.

The program has a five-year duration and involves the transfer of a trade receivables portfolio due from blocks of assigned debtors, according to particularly strict and rigorous contractually defined eligibility criteria, in order to guarantee positive performance of the transferred portfolio.
The transfer price of the receivables portfolio is equal to the nominal value less a discount of 0.80%. Payment by the vehicle to Banca IFIS is made partly on the transfer date (initial purchase price) and is partly deferred (deferred purchase price).
The initial purchase price of the first assigned receivables portfolio, equal to 409 million Euro, was paid by the vehicle to Banca IFIS using funds created from the issue of securities for the amount of 280 million Euro, with nominal expiry in February 2016, reimbursement of which is connected to collections realized on the receivables portfolio. The securities issued by the vehicle in the face of the purchased receivables portfolio have a Standard & Poor's rating of A+ and are quoted on the Dublin Exchange. These securities have been classified as 'eligible' by the Central Bank of Ireland and have been subscribed by Banca IFIS who may use them for refinancing purposes with the Eurosystem. In May 2009, a further tranche of Class A2 securitieswas issued, bringing the overall nominal value of the securities to 328 million Euro.
The deferred purchase price acts as a safety margin in the face of the portfolio risks. The amount of such safety margin is calculated based on the concentration level of the portfolio, on the losses that could arise from this portfolio and on the return on the securities in a stressed scenario. It is updated at every transfer date based on the performance of the receivables portfolio, measured according to contractually predefined criteria. The deferred price is paid by IFIS Collection Services subordinately to the effective availability of funds deriving from the collection of receivables.

In compliance with IAS / IFRS, the securitisation transaction, as is, does not involve the substantial transfer of all risks and benefits and hence does not satisfy the IAS 39 requirements for derecognition.

The maximum theoretical loss that Banca IFIS can suffer is represented by the possible losses within the transferred receivables portfolio itself, the impact of which being the same as that Banca IFIS would suffer if the securitisation programme did not exist.

The main figures relative to the securitization transaction are shown in the table below (as at 30 June 2009):

Amount of securities issued (in thousands of Euro)

Tranches	Amount as at 30/06/2009	Percentage
Class A1 Notes	90,000	27.4%
Class A2 Notes	58,000	17.8%
Class A3 Notes	90,000	27.4%
Class A4 Notes	90,000	27.4%
Total securities	328,000	100.0%

Territorial distribution (in thousands of Euro)

Country	Residual receivables portfolio	Distribution %
Italy	539,626	100.0 %
Other E.U. countries	---	---
Rest of the world	---	---
Total	539,626	100.0 %

Aims and objectives
With regards to goals and aims, the securitisation programme's main aim is to obtain securities eligible for refinancing with the European Central Bank, so as to guarantee rapid generation of liquidity.

Securitisation With Calyon Milano

During October 2003, Banca IFIS, together with Calyon, the Milan branch (formerly known as Crèdit Agricole Indosuez SA), acting as the Arranger (hereinafter referred to as 'CAI Milano' or 'CAI' or the 'Arranger') and Sella Corporate Finance S.p.A. acting as the Co-arranger, started a revolving securitisation programme. This programme was of annual duration, renewable for a maximum of five years and involved the non-recourse transfer by Banca IFIS of an assigned performing receivables portfolio due from assigned debtors, in accordance with Factoring Law 52/91.
At the end of September 2008, this programme reached its natural expiry and is now in an amortisation phase. Careful assessment of market trends has led to considering the opportunity not to renew such program.

The residual amounts of the 'asset backed' tranches issued are shown as follows:

Distribution by class (in thousands of Euro)

Tranches	Amount at 30/06/2009	Percentage
Class A0 Senior Units	---	---
Class A1 Senior Units	---	---
Class A2 Senior Units	---	---
Class S Units	32,476	100%
Total programme	32,476	100%

The residual amount of the receivables portfolio as at 30 June 2009 is shown below:

Territorial distribution (in thousands of Euro)

Country	Residual receivables portfolio	Distribution %
Italy	32,483	100%
Other E.U. countries	---	---
Rest of the world	---	---
Total	32,483	100%

Information on exposure to high risk Instruments

Considering the aims and the technical structure of the transaction involving the revolving reassignment of performing commercial receivables previously described, Banca IFIS has no exposures and faces no risks consequential to trading or holding structured credit instruments, whether directly or through company vehicles or non-consolidated entities.
In particular, it is important to underline that such securitization transactions have not led to the removal of any risks from Banca IFIS's balance sheet, in that IAS 39's derecognition requisites have not been satisfied.
Collaterally, the subscription of the securities arising from the securitisation transaction has not added any risk and neither has it changed the representation in the balance sheet if compared to those prior to the above-stated securitisation transaction.
With reference to the Recommendation expressed in the Financial Stability Forum Report of 7 April 2008, Appendix B, it is possible to declare the absence of exposures in instruments considered high risk by the market or those that imply a greater risk than that previously estimated.

EXPOSURES FROM SECURITISATION TRANSACTIONS BY QUALITY OF THE UNDERLYING ASSETS
(in thousands of Euro)

Quality of underlying assets/ exposures	Cash exposure						Guarantees given						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure	Gross exposure	Net exposure
A. With own underlying assets:																		
A.1 Impaired	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
A.2 Others	15,556	15,556	---	---	14,475	14,475	---	---	---	---	---	---	---	---	---	---	---	---
B. With third party underlying assets:																		
B.1 Impaired	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
B.2 Others	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---

EXPOSURE FROM THE MAIN ‘OWN’ SECURITISATION TRANSACTIONS BY TYPE OF ASSET SECURITISED AND TYPE OF EXPOSURE
(in thousands of Euro)

Type of asset securitised / Exposures	Cash exposures						Guarantees granted						Credit lines					
	Senior		Mezzanine		Junior		Senior		Mezzanine		Junior		Senior		Mezzanine		Junior	
	Balance sheet value	Impairment losses / recoveries	Balance sheet value	Impairment losses / recoveries	Balance sheet value	Impairment losses / recoveries	Net exposure	Impairment losses / recoveries	Net exposure	Impairment losses / recoveries	Net exposure	Impairment losses / recoveries	Net exposure	Impairment losses / recoveries	Net exposure	Impairment losses / recoveries	Net exposure	Impairment losses / recoveries
A. **Total derecognition from balance sheet**	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
B. **Partial derecognition from balance sheet**	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---	---
C. **No derecognition from balance sheet**																		
C.1 IFIS COLLECTION SERVICES s.r.l. - Factoring operations	15,556	---	---	---	14,475	---	---	---	---	---	---	---	---	---	---	---	---	---

EXPOSURE FROM SECURITISATION BY PORTFOLIO AND TYPE
(in thousands of Euro)

Exposure/ portfolio	Financial assets held for trading	Fair value financial assets	Available for sale financial assets	Held to maturity financial assets	Receivables	Total 30/06/2009	Total 31/12/2008
1. Cash exposure							
- Senior	---	---	---	---	15,556	15,556	30,794
- Mezzanine	---	---	---	---	---	---	---
- Junior	---	---	---	---	14,475	14,475	32,031
2. Off-balance sheet exposure							
- Senior	---	---	---	---	---	---	---
- Mezzanine	---	---	---	---	---	---	---
- Junior	---	---	---	---	---	---	---

TOTAL AMOUNT OF SECURITISED ASSETS UNDERLYING JUNIOR SECURITIES OR OTHER FORMS OF CREDIT SUPPORT
(in thousands of Euro)

Assets/Amounts	Traditional securitisation	Derivative securitisation
A. Own underlying assets	25,592	
A.1 Totally derecognised from balance sheet	---	X
1. Non-performing loans	---	X
2. Substandard loans	---	X
3. Rescheduled loans	---	X
4. Past due loans	---	X
5. Other assets	---	X
A.2 Partially derecognised from balance sheet	---	X
1. Non-performing loans	---	X
2. Substandard loans	---	X
3. Rescheduled loans	---	X
4. Past due loans	---	X
5. Other assets	---	X
A.3 Not derecognised from balance sheet	25,592	---
1. Non-performing loans	456	---
2. Substandard loans	---	---
3. Rescheduled loans	---	---
4. Past due loans	1,633	---
5. Other assets	23,503	---
B. Third party underlying assets	---	---
B.1. Non-performing loans	---	---
B.2. Substandard loans	---	---
B.3. Rescheduled loans	---	---
B.4. Past due loans	---	---
B.5. Other assets	---	---

SERVICER ACTIVITIES – COLLECTIONS ON SECURITISED RECEIVABLES AND REDEMPTIONS OF SECURITIES ISSUED BY THE COMPANY VEHICLE

(in thousands of Euro)

Company vehicle	Securitised assets (end of period)		Collections made over the year		% quota of securities redeemed (end of period)					
					Senior		Mezzanine		Junior	
	Impaired	Performing	Impaired	Performing	Impaired	Perform.	Impaired	Perform.	Impaired	Perform.
IFIS COLLECTION SERVICES SRL	2,089	23,503	6,997	25,939	---	---	---	---	---	---

RELATED-PARTY TRANSACTIONS

The types of related-parties, as defined by IAS 24, which are relevant for the Banca IFIS Group include:

- the parent company;
- managers with strategic responsibilities;
- close relatives of managers with strategic responsibilities or companies controlled by them or their close relatives.

As at 30 June 2009, the Banca IFIS Group remains controlled by La Scogliera S.p.A. and continues to control the wholly-owned instrumental estate agency, Immobiliare Marocco S.p.A., and IFIS Finance Sp.z.o.o., a Polish factoring company. The group's structure has not undergone any changes over the Half-year.

Here follows information on the compensation and remuneration of Board members and managers with strategic responsibilities, together with information on transactions undertaken with related-parties.

Remuneration to Board members and managers with strategic responsibilities

The definition of managers with strategic responsibilities, as per IAS 24, includes all subjects that have the power and the responsibility, either direct or indirect, to plan, manage and control Banca IFIS's activity. This also includes the bank's directors (executive and non-executive).

MANAGERS WITH STRATEGIC RESPONSIBILITIES

(In thousands of Euro)

	Short-term employment benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Share-based payments
Managers with strategic responsibilities	1,336	---	---	18	48

Information on transactions with related-parties

During the first Half 2009, the following related-party transactions took place:

The current account with the controlling company, La Scogliera S.p.A., continued. The balance as at 30 June 2009 represents a debt that Banca IFIS has with La Scogliera S.p.A. equal to 237 thousand Euro. Transactions with La Scogliera S.p.A. are governed by market conditions.
In addition, Banca IFIS leased a part of its previous Headquarters (until 2005) to La Scogliera. This contract led to Banca IFIS receiving annual rental fees for an amount of 45 thousand Euro, plus VAT. This price is based on market conditions.

Banca IFIS, together with the controlling company, La Scogliera S.p.A., and the subsidiary, Immobiliare Marocco S.p.A., opted for the application of group taxation (fiscal consolidation) according to articles 117 et seq of the D.P.R. 917/86.
Intergroup transactions were regulated by means of private written agreements between the parties in the month of May 2007. Banca IFIS has chosen La Scogliera S.p.A. site as its domicile for taxation purposes for notifications of acts and regulations relative to the tax period for which this option has been applied.
With this application in force, Banca IFIS's taxable income is transferred to La Scogliera S.p.A. who is responsible for calculating overall group income. Following this option, as at 30 June 2009, Banca IFIS entered credit with its controlling company of 511 thousand Euro. This credit takes into account the offsetting of the controlling company's fiscal profit as according to procedures set out in the regulations and to specific agreements drawn up between companies of the group.

A 10 year home loan for an initial amount of 3,000 thousand Euro, guaranteed by a sizeable mortgage on property, was granted to a Board member's close family tie and regulated by market conditions. The remaining amount as at 30 June 2009 equalled 2,087 thousand Euro. This transaction was approved before the debtor could be considered a related-party. Furthermore, an ordinary current account facility exists with an end of period balance payable by the bank of 4 thousand Euro.

Normal factoring activities were carried out in favour of a company run by a close family member of an executive member of the Board. This activity, carried out in the first Half 2009, involves, in part, the full definitive purchase of credit in the face of credit risk with a non-correlated Italian counterpart; and in part cash exposure. These two items together led to Banca IFIS having an exposure as at 30 June 2009 of 633 thousand Euro. This transaction is regulated by market conditions and respects normal trends. Furthermore, an ordinary current account facility exists with an end of period balance payable by the bank of 25 thousand Euro.

In addition, normal factoring activities were put in place in favour of non-related counterparties involving the full definitive purchase of the receivables of a company controlled by a member of the Board. Banca IFIS's exposure as at 30 June 2009 equalled 54 thousand Euro.

Fixed savings accounts have been opened by a company controlled by a member of the Board. All together the bank's balances payable as at 30 June 2009 equalled 33,181 thousand Euro.

Lastly, the Rendimax Savings Account has been opened by some parties considered related-parties. These cases do not, however, involve returns different from the standard ones.

As at 30 June 2009, no guarantees, other than those already presented, existed with the controlling company, consolidated subsidiaries or associated companies.

TRANSACTIONS WITH RELATED-PARTIES
(in thousands of Euro)

Balance sheet items	Parent company	Managers with strategic responsibilities	Other related-parties	Total
Due from clients	---	---	2,774	2,774
Other assets	511	---	---	511
Total assets	511	---	2,774	3,285
Due to clients	237	150	33,210	33,597
Other liabilities	---	---	---	---
Total liabilities	237	150	33,210	33,597
Commitments and guarantees	---	---	---	---
Income	185	11	218	414
Expenses	3	1	987	991

Venice-Mestre, 27 August 2009

For the Board of directors

The President
Sebastien Egon Fürstenberg

The C.E.O.
Giovanni Bossi

STATEMENT ON THE CONDENSED INTERIM CONSOLIDATED REPORT AS PER ARTICLE 81-*ter* OF CONSOB REGULATION no. 11971 OF 14 MARCH 1999 AND ENSUING AMENDMENTS

bancaIFIS

Statement on condensed consolidated Half-yearly report as per article 81-Ter of Consob Regulation No. 11971 of 14 March 1999 and ensuing amendments

1. We, the undersigned, Giovanni Bossi, C.E.O., and Carlo Sirombo, Manager responsible for the preparation of corporate accounting documents for Banca IFIS S.p.A., taking into account that stated in art. 154-bis, paragraph 3 and 4, of Legislative decree no. 58 of 24 February 1998, attest to:
   i. the adequacy of the condensed interim consolidated financial report given the company's characteristics;
   ii. the effective application of administrative and accounting procedures for the preparation of the condensed interim consolidated financial report, during the period from 1 January 2009 to 30 June 2009.

2. Analysis of the suitability of administrative and accounting procedures for the preparation of the present financial report as at 30 June 2009 has been based on an evaluation of corporate procedures, risk assessment for corporate financial reporting and tests carried out on controls and transactions effected by the Manager responsible for the preparation of corporate accounting documents.

3. Furthermore, we hereby declare that:
   3.1 The condensed interim consolidated financial report as at 30 June 2009:
      a) has been drawn up in compliance with the International Accounting Standards recognised in the European Community as per EC regulation no.1606 of the European Parliament and Council of 19 July 2002;
      b) corresponds with the results contained in accounting and bookkeeping documents, books and registers;
      c) gives a true and fair view of the capital, economic and financial position of the issuer and the subsidiaries falling within the consolidation scope.

   3.2 The condensed interim consolidated financial report as at 30 June 2009 contains a reliable analysis of the important events which occurred over the Half year and their effect, together with a description of the main risks and uncertainties for the remaining six months of the year. In addition, it also includes a reliable assessment of related-party transactions.

Venice - Mestre, 27 August 2009

C.E.O.
Giovanni Bossi

Manager responsible for the preparation
of corporate accounting documents
Carlo Sirombo

INDEPENDENT AUDITORS' REVIEW REPORT ON THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

KPMG S.p.A.
Revisione e organizzazione contabile
Via Rosa Zalivani, 2
31100 TREVISO TV

Telefono 0422 576111
Telefax 0422 410891
e-mail it-fmauditaly@kpmg.it

(Translation from the Italian original which remains the definitive version)

Review report

To the shareholders of
Banca Ifis S.p.A.

1 We have reviewed the condensed interim consolidated financial statements comprising the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes thereto of the Banca Ifis Group as at and for the six months ended 30 June 2009. The parent's directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with IAS 34, "Interim Financial Reporting", endorsed by the European Union. Our responsibility is to prepare this report based on our review.

2 We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. The review consisted primarily of the collection of information relating to the captions of the condensed interim consolidated financial statements and the consistency of application of the accounting policies through discussions with directors and analytical procedures applied to the financial data presented in such condensed interim consolidated financial statements. The review excluded such audit procedures as tests of controls and verification or validation of assets and liabilities and is significantly less than an audit performed in accordance with generally accepted auditing standards. As a consequence, contrary to our report on the annual consolidated financial statements, we do not express an audit opinion on the condensed interim consolidated financial statements.

The condensed interim consolidated financial statements present the corresponding figures included in the annual consolidated and condensed interim consolidated financial statements of the previous year for comparative purposes. The corresponding figures have been integrated with the statement of comprehensive income introduced by IAS 1 (revised 2007). As disclosed in the notes, the directors have restated such corresponding figures. We audited the annual consolidated financial statements and reviewed the condensed interim consolidated financial statements of the previous year and issued our reports thereon on 16 March 2009 and 29 August 2008, respectively. We have examined the methods used to restate the corresponding figures and related disclosures to the extent that we considered to be necessary to issue our report on the condensed interim consolidated financial statements at 30 June 2009.

3 Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Banca Ifis Group as at and for the six months ended 30 June 2009 have not been prepared, in all material respects, in conformity with IAS 34, "Interim Financial Reporting", endorsed by the European Union.

Treviso, 28 August 2009

KPMG S.p.A.

(signed on the original)

Andrea Rosignoli
Director of Audit