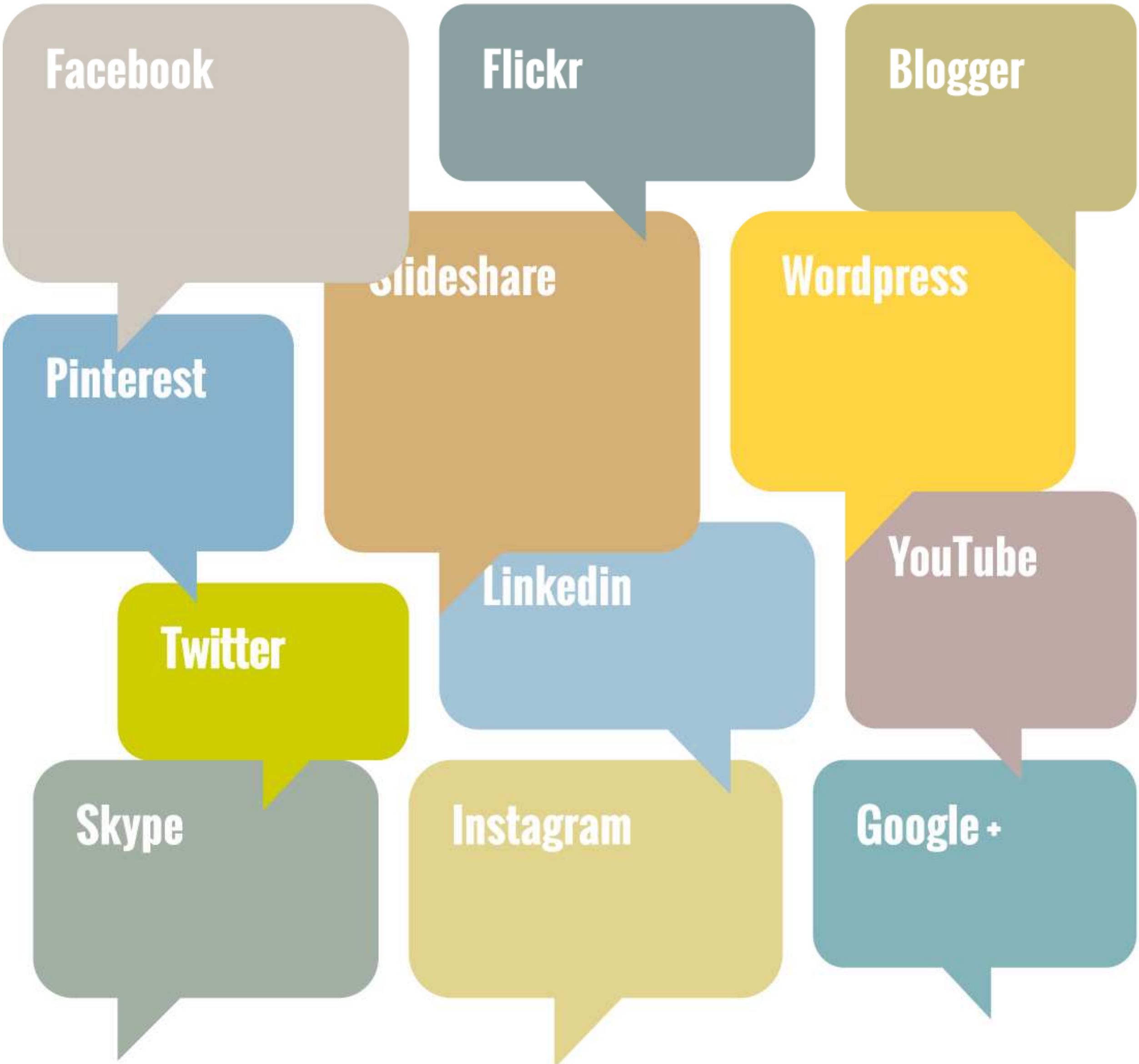
GruppoBancaIFIS

CONSOLIDATED INTERIM REPORT

MARCH 31, 2013



Contents

Corporate Bodies

Board of Directors	
Chairman	Sebastien Egon Fürstenberg
Deputy Chairman	Alessandro Csillaghy
C.E.O.	Giovanni Bossi (1)
Directors	Giuseppe Benini
	Francesca Maderna
	Andrea Martin
	Riccardo Preve
	Marina Salamon
	Daniele Santosuosso

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

General Manager	Alberto Staccione
Board of Statutory Auditors	
Chairman	Giacomo Bugna
Standing Auditors	Giovanna Ciriotto
	Mauro Rovida
Alternate Auditors	Luca Giacometti
	Sonia Ferrero
Independent Auditors	KPMG S.p.A.
Corporate Accounting Reporting Officer	Carlo Sirombo

bancaIFIS

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

FCI

Member of Factors
Chain International

Group key data

Highlights

KEY DATA ON THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(in thousands of Euro)*	AMOUNTS AT		CHANGE	
	31.03.2013	31.12.2012	ABSOLUTE	%
Available for sale financial assets	2.763.805	1.974.591	789.214	40,0%
Held to maturity financial assets	4.710.582	3.120.428	1.590.154	51,0%
Due from customers	2.188.816	2.292.314	(103.498)	(4,5)%
Total assets	10.345.378	8.124.130	2.221.248	27,3%
Due to banks	600.956	557.323	43.633	7,8%
Due to customers	9.291.659	7.119.008	2.172.651	30,5%
Consolidated Equity	332.313	309.017	23.296	7,5%

KEY DATA ON THE CONSOLIDATED INCOME STATEMENT *(in thousands of euro)*	1st QUARTER		CHANGE	
	2013	2012	ABSOLUTE	%
Net banking income	**66.862**	**52.431**	**14.431**	**27,5%**
Net value adjustments on receivables and other financial assets	(13.716)	(5.815)	(7.901)	135,9%
Net profit from financial activities	**53.146**	**46.616**	**6.530**	**14,0%**
Operating costs	(17.718)	(15.517)	(2.201)	14,2%
Pre-tax profit from continuing operations	35.428	31.099	4.329	13,9%
Group net profit for the period	**22.454**	**19.710**	**2.744**	**13,9%**

Results by business sectors

STATEMENT OF FINANCIAL POSITION DATA *(in thousands of euro)*	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	GROUP CONSOLIDATED TOTAL
Available for sale financial assets					
Amounts at 31.03.2013	-	-	-	2.763.805	2.763.805
Amounts at 31.12.2012	-	-	-	1.974.591	1.974.591
% Change	-	-	-	40,0%	40,0%
Held to maturity financial assets					
Amounts at 31.03.2013	-	-	-	4.710.582	4.710.582
Amounts at 31.12.2012	-	-	-	3.120.428	3.120.428
% Change	-	-	-	51,0%	51,0%
Due from banks					
Amounts at 31.03.2013	-	-	-	479.119	479.119
Amounts at 31.12.2012	-	-	-	545.527	545.527
% Change	-	-	-	(12,2)%	(12,2)%
Due from customers					
Amounts at 31.03.2013	1.682.090	106.974	91.668	308.084	2.188.816
Amounts at 31.12.2012	1.775.864	104.044	83.174	329.232	2.292.314
% Change	(5,3)%	2,8%	10,2%	(6,4)%	(4,5)%
Due to banks					
Amounts at 31.03.2013	-	-	-	600.956	600.956
Amounts at 31.12.2012	-	-	-	557.323	557.323
% Change	-	-	-	7,8%	7,8%
Due to customers					
Amounts at 31.03.2013	-	-	-	9.291.659	9.291.659
Amounts at 31.12.2012	-	-	-	7.119.008	7.119.008
% Change	-	-	-	30,5%	30,5%

INCOME STATEMENT DATA *(in thousands of Euro)*	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	GROUP CONSOLIDATED TOTAL
Net banking income					
Amounts at 31.03.2013	28.682	7.397	3.149	27.634	66.862
Amounts at 31.03.2012	22.260	5.461	362	24.348	52.431
% Change	28,8%	35,5%	769,9%	13,5%	27,5%
Net profit from financial activities					
Amounts at 31.03.2013	15.440	6.618	3.454	27.634	53.146
Amounts at 31.03.2012	16.500	5.406	362	24.348	46.616
% Change	(6,4)%	22,4%	854,1%	13,5%	14,0%

SECTOR KPI *(in thousands of Euro)*	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES
Turnover (1)				
Amounts at 31.03.2013	1.211.726	n.a.	n.a.	n.a.
Amounts at *31.03.2012*	*1.127.082*	*n.a.*	*n.a.*	*n.a.*
% Change	*7,5%*	-	-	-
Nominal amount of receivables managed				
Amounts at 31.03.2013	2.281.048	3.544.043	158.734	n.a.
Amounts at *31.12.2012*	*2.352.274*	*3.471.413*	*146.231*	*n.a.*
% Change	*(3,0)%*	*2,1%*	*8,6%*	-
Net non-performing loans/Due from customers				
Amounts at 31.03.2013	3,5%	39,1%	3,5%	n.a.
Amounts at *31.12.2012*	*4,3%*	*34,6%*	*3,1%*	*n.a.*
% Change	*(0,8)%*	*4,5%*	*0,4%*	-
RWA (2)				
Amounts at 31.03.2013	1.400.224	106.974	41.056	222.274
Amounts at *31.12.2012*	*1.448.097*	*104.044*	*41.495*	*236.532*
% Change	*(3,3)%*	*2,8%*	*(1,1)%*	*(6,0%)*

(1) Gross flow of the receivables sold by the customers in a specific period of time
(2) RWA concerning statement of financial position data by sector

Quarterly evolution

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION: *(in thousands of Euro)*	YEAR 2013	YEAR 2012			
	31.03	31.12	30.09	30.06	31.03
ASSETS					
Available for sale financial assets	2.763.805	1.974.591	1.584.536	1.360.854	2.269.595
Held to maturity financial assets	4.710.582	3.120.428	2.983.123	2.958.581	1.676.527
Due from banks	479.119	545.527	536.094	342.314	368.435
Due from customers	2.188.816	2.292.314	2.124.567	2.186.397	1.868.370
Property, plant and equipment and investment property	39.829	39.972	39.293	39.284	39.400
Intangible assets	5.671	5.683	5.662	5.790	5.986
Other assets	157.556	145.615	125.907	103.604	167.836
Total assets	**10.345.378**	**8.124.130**	**7.399.182**	**6.996.824**	**6.396.149**

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION: *(in thousands of Euro)*	YEAR 2013	YEAR 2012			
	31.03	31.12	30.09	30.06	31.03
LIABILITIES AND EQUITY					
Due to banks	600.956	557.323	555.295	582.778	626.526
Due to customers	9.291.659	7.119.008	6.439.392	6.071.698	5.403.489
Post-employment benefits	1.561	1.565	1.505	1.508	1.371
Tax liabilities	25.408	19.703	17.548	14.282	15.258
Other liabilities	93.481	117.514	101.401	68.825	87.522
Equity:					
- Share capital, share premiums and reserves	309.859	230.941	226.197	220.076	242.273
- Profit for the period	22.454	78.076	57.844	37.657	19.710
Total liabilities and equity	**10.345.378**	**8.124.130**	**7.399.182**	**6.996.824**	**6.396.149**

RECLASSIFIED CONSOLIDATED INCOME STATEMENT: *(in thousands of Euro)*	YEAR 2013	YEAR 2012			
	31.03	31.12	30.09	30.06	31.03
Net interest income	**43.646**	**45.158**	**33.940**	**33.670**	**33.178**
Total net commission income	**23.167**	**25.949**	**26.454**	**21.264**	**19.316**
Dividends and similar income	-	-	9	-	-
Net result from trading	49	13	(88)	(37)	(63)
Profit from sale of available for sale financial assets	-	6.154	-	-	-
Net banking income	**66.862**	**77.274**	**60.315**	**54.897**	**52.431**
Net value adjustments/revaluations due to impairment of receivables	(13.716)	(26.162)	(12.728)	(9.046)	(5.815)
Receivables	(13.716)	(25.918)	(12.728)	(6.401)	(5.815)
Available for sale financial assets	-	(244)	-	(2.645)	-
Net profit from financial activities	**53.146**	**51.112**	**47.587**	**45.851**	**46.616**
Personnel expenses	(8.803)	(8.039)	(7.729)	(11.503)	(9.048)(1)
Other administrative expenses	(9.118)	(9.287)	(7.221)	(8.091)	(6.328)
Net allocations to provisions for risks and charges	-	(549)	(1.000)	-	-
Net value adjustments to property, plant and equipment and investment property and intangible assets	(683)	(743)	(884)	(832)	(770)
Other operating income (expenses)	886	1.515	231	1.281	629(1)
Operating costs	**(17.718)**	**(17.103)**	**(16.603)**	**(19.145)**	**(15.517)**
Pre-tax profit from continuing operations	**35.428**	**34.009**	**30.984**	**26.706**	**31.099**
Income tax expense for the period	(12.974)	(13.777)	(10.797)	(8.759)	(11.389)
Profit for the period	**22.454**	**20.232**	**20.187**	**17.947**	**19.710**

(1) Data reclassified after initial publication.

Group historical data

(in thousands of Euro)	31.03.2013	31.03.2012	31.03.2011	31.03.2010	31.03.2009
Available for sale financial assets	2.763.805	2.269.595	1.087.059	434.243	3.143
Held to maturity financial assets	4.710.582	1.676.527	-	-	-
Due from customers	2.188.816	1.868.370	1.669.183	1.327.473	973.919
Due to banks	600.956	626.526	760.963	707.855	467.417
Due to customers	9.291.659	5.403.489	2.206.962	1.187.415	499.092
Equity	332.313	261.983	215.892	162.049	154.246
Net banking income	66.862	52.431	24.237	21.104	17.331
Net profit from financial activities	53.146	46.616	18.917	18.273	15.150
Group net profit	22.454	19.710	5.586	5.522	4.850
Cost/Income ratio	26,5%	29,6%	41,7%	46,5%	48,8%
Cost of credit quality	3,4%	2,1%	2,0%	2,2%	n.d
Net non-performing loans/Due from customers	4,8%	4,0%	2,2%	1,8%	1,4%
- *of which Trade Receivables*	*3,5%*	*4,3%*	*2,2%*	*1,8%*	*1,4%*
Net non-performing loans/Equity	31,5%	28,6%	17,1%	14,4%	8,9%
- *of which Trade Receivables*	*17,9%*	*25,8%*	*17,1%*	*14,4%*	*8,9%*
Solvency	12,9%	10,9%	11,0%	9,0%	10,5%
Core Tier 1	13,1%	11,1%	11,2%	9,1%	10,5%

Financial statements

Consolidated Statement of Financial Position

	Assets *(in thousands of Euro)*	31.03.2013	31.12.2012
10.	Cash and cash equivalents	25	28
40.	Available for sale financial assets	2.763.805	1.974.591
50.	Held to maturity financial assets	4.710.582	3.120.428
60.	Due from banks	479.119	545.527
70.	Due from customers	2.188.816	2.292.314
120.	Property, plant and equipment and investment property	39.829	39.972
130.	Intangible assets	5.671	5.683
	of which:		
	- goodwill	*833*	*850*
140.	Tax assets	25.598	25.587
	a) current	*952*	*951*
	b) deferred	*24.646*	*24.636*
160.	Other assets	131.933	120.000
	Total assets	**10.345.378**	**8.124.130**

	Liabilities and equity *(in thousands of Euro)*	31.03.2013	31.12.2012
10.	Due to banks	600.956	557.323
20.	Due to customers	9.291.659	7.119.008
40.	Financial liabilities held for trading	389	389
60.	Hedging derivatives	3	3
80.	Tax liabilities	25.408	19.703
	a) current	*9.603*	*6.395*
	b) deferred	*15.805*	*13.308*
100.	Other liabilities	92.565	115.573
110.	Severance indemnities	1.561	1.565
120.	Provisions for risks and charges	524	1.549
	b) other reserves	*524*	*1.549*
140.	Valuation reserves	5.380	911
170.	Reserves	182.447	104.371
180.	Share premiums	73.188	73.188
190.	Share capital	53.811	53.811
200.	Treasury shares (-)	(4.967)	(1.340)
220.	Profit (loss) for the period (+/-)	22.454	78.076
	Total liabilities and equity	**10.345.378**	**8.124.130**

Consolidated Income Statement

Items (in thousands of Euro)		31.03.2013	31.03.2012
10.	Interest and similar income	77.406	56.127
20.	Interest and similar expenses	(33.760)	(22.949)
30.	**Net interest income**	**43.646**	**33.178**
40.	Commission income	24.657	20.418
50.	Commission expense	(1.490)	(1.102)
60.	**Net commission income**	**23.167**	**19.316**
80.	Net loss from trading	49	(63)
120.	**Net banking income**	**66.862**	**52.431**
130.	Net impairment losses/reversal on:	(13.716)	(5.815)
	a) receivables	(13.716)	(5.815)
140.	**Net profit from financial activities**	**53.146**	**46.616**
180.	Administrative expenses:	(17.921)	(14.457)
	a) personnel expenses	(8.803)	(9.048)(1)
	b) other administrative expenses	(9.118)	(6.328)
200.	Net impairment losses/reversal on plant, property and equipment	(297)	(310)
210.	Net impairment losses/reversal on intangible assets	(386)	(460)
220.	Other operating income (expenses)	886	629(1)
230.	**Operating costs**	**(17.718)**	**(15.517)**
280.	**Pre-tax profit for the period from continuing operations**	**35.428**	**31.099**
290.	Income taxes for the period relating to current operations	(12.974)	(11.389)
340.	**Profit (loss) for the period attributable to the parent company**	**22.454**	**19.710**

(1) Data reclassified after initial publication.

Notes

Basis of preparation

Banca IFIS Group's interim report at 31 March 2013 has been prepared in compliance with both the provisions as per Article 154-ter of Legislative Decree no. 58 of 24 February 1998 as amended and with IAS/IFRS.

The consolidated financial statements at 31 March 2013 are compared, in terms of statement of financial position figures, with those at 31 December 2012 and, in terms of income statement results, with those at 31 March 2012.

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

Interim reports are not audited by the Independent Auditors.

Consolidation scope

At 31 March 2013, the Group was composed of the parent company, Banca IFIS S.p.A., and the wholly-owned subsidiaries, IFIS Finance Sp. Z o.o. and TF Sec S.r.l., to be liquidated. All the companies are consolidated using the line-by-line method.

The accounts on which the consolidation is based are those prepared by Group companies at 31 March 2013.

Group equity and income situation

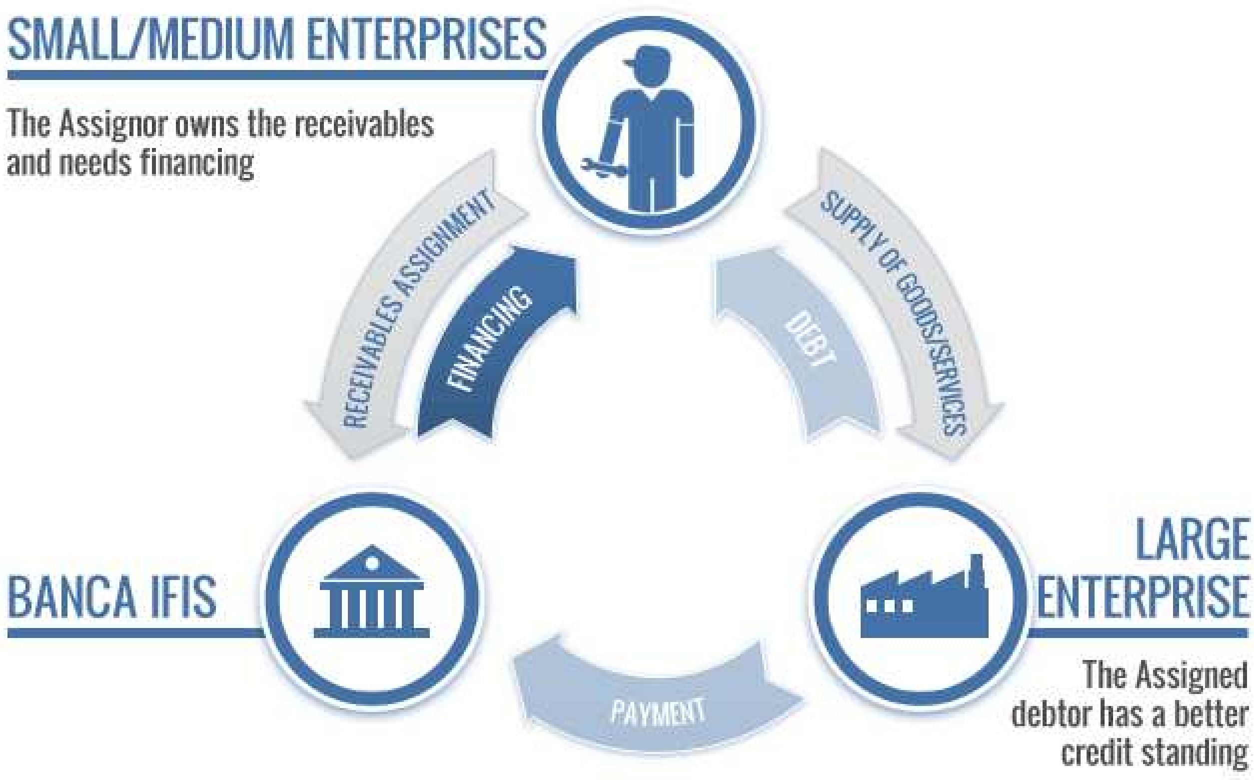
Reference markets

Trade receivables

Banca IFIS supports the short-term financial and credit management needs of small and medium-sized firms. The activity is part of the of the trade credit financing sector, which in 2012 in Italy fell by 3,3% over the previous year, amounting to 301 billion euro of loans (as of December 2012).

Also down the factoring market: In March 2013, the figure for factoring advances amounted to 40 billion euro, down 2,6% compared to the same period in 2012 (source: Assifact).

According to the latest available FCI estimates, the Italian factoring market ranks fourth worldwide in terms of volumes, ahead of Germany and Spain, behind China, Britain and France, with a market share of 9% (14% in Europe). In Italy the international factoring component amounts to 21% of total turnover.

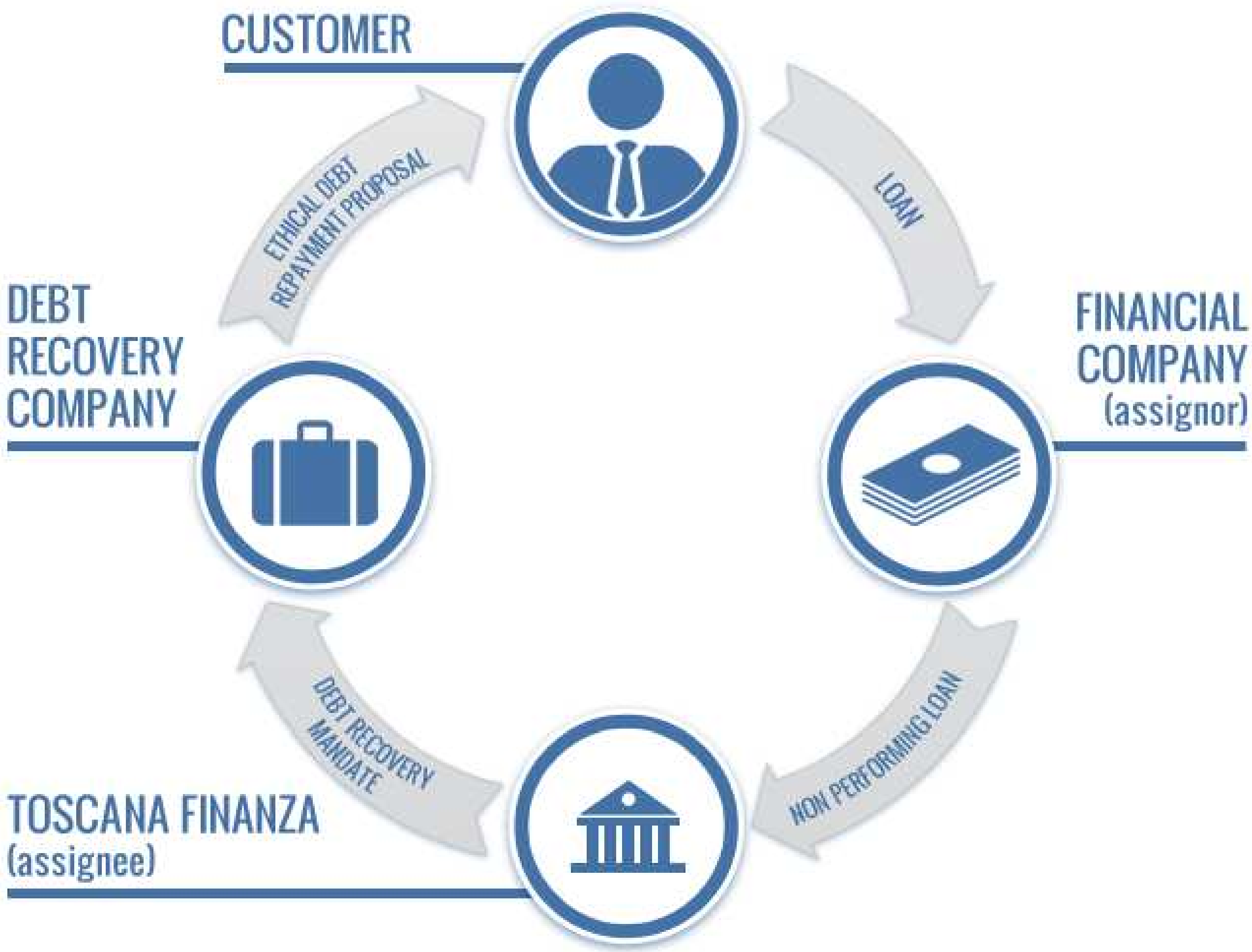


Pharmaceutical sector

DSOs greatly vary across regions, but the average payment time for the industry is approximately 211 days at 31 December 2012, down 14,5% compared to the end of 2011.

Non-performing loans (NPL)

The non-performing loans market is characterised by the presence of players who approach the business in different ways and focus their attention on portfolios that are often non-homogenous, especially as for the type of receivable that is bought, the type of subject, and the methods of collection.



We may recognise 4 categories of non-performing loans that are purchased, deriving from:

- property-backed mortgages
- other receivables backed by third-party surety bonds
- asset/salary-backed consumer credit/retailer loans due from individuals
- unsecured consumer credit.

We may identify the following categories of debtors:

- individuals with or without steady income
- limited companies or partnerships/sole proprietorships

We may distinguish two broad areas for collection, judicial and non-judicial.

In addition, market players adopt different approaches also in taking on risk:

- some seek to acquire portfolios and manage them until the payment's collection
- some focus only on management in exchange for fees.

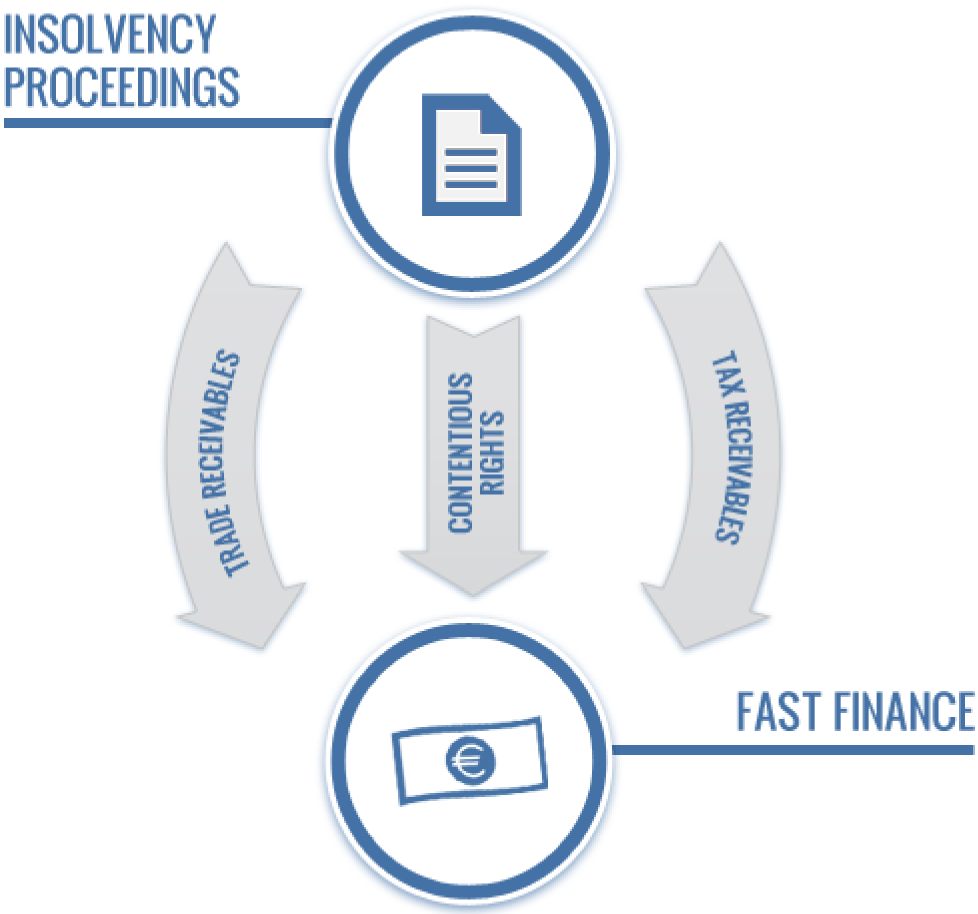
Toscana Finanza's core business area, i.e. the market for non-performing loans originating largely from the unsecured consumer credit sector, was characterised in 2012 by significant disposals of loan portfolios by Italian financial companies belonging to major foreign banking groups, as well as by the return of foreign investment funds as buyers. The inflow of abundant liquidity on the financial markets due to the interest of foreign investors in the Italian market caused demand to increase, leading to higher competition and pricing pressure.

The economic situation in 2012 swelled the pool of non-performing loans, and therefore of receivables potentially up for sale, exceeding 120 billion Euro in the banking industry alone.

Tax receivables

The market for tax receivables usually arising from insolvency proceedings has historically been valued at 40 to 50 million Euro, with peaks related to the disposal of large portfolios of receivables due from insolvency proceedings of important industrial groups and/or Extraordinary Administration proceedings.

During 2012, in order to facilitate the end of Extraordinary Administration proceedings declared in previous years but for which business activity has already terminated, some portfolios of tax receivables were put on sale, causing the market to swell to around 80 million Euro. With these higher volumes, Fast Finance maintained its market share at over 50%.



Group performance

2013 is positive for the whole Group against the backdrop of a recessionary economy. Lenders are leaving no stone unturned in enduring this situation and seeking growth, and the Group want to play an active role in this phase

In keeping with the projects defined in 2012, this year we have already launched the new online current account and, a few days ago, the new IT system for business services. The Bank's new "nervous system" allows to build a company that is more effective in addressing the needs of businesses, households and individuals that rely on us every day. Smaller companies and the increasing debt burden of a growing number of households represent a challenge we have to overcome, with the aim of restoring confidence in Italy's economy".

Significant events occurred in the period

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

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

Here below is a summary of the most important events:

Contomax launched

On 7 January 2013, Banca IFIS officially launched contomax, its crowd current account born from the dialogue with the Web. The account can be opened by visiting www.contomax.it.

The main services available are: advanced Bancomat (cash card that can also be used for on-line purchases on the Maestro circuit); payment of utility bills and Telepass motorway tolls, the transfer of funds from one account to another and, in addition, mobile phone top-ups.

The account also guarantees high returns thanks to a series of interest rate solutions according to the sums deposited.

This account has no opening or management fees and the stamp duty is paid by the Bank.

Significant purchase of government bonds

Between the end of the year 2012 and the date of this report, Banca IFIS purchased further government bonds, bringing the debt securities portfolio to a total nominal value of 7.548,5 million euro, against 5.244,8 million euro at 31 December 2012.

Group financial and income results

Statement of financial positions items

MAIN STATEMENT OF FINANCIAL POSITION ITEMS *(in thousands of Euro)*	AMOUNTS AT		CHANGE	
	31.03.2013	31.12.2012	ABSOLUTE	%
Available for sale financial assets	2.763.805	1.974.591	789.214	40,0%
Held to maturity financial assets	4.710.582	3.120.428	1.590.154	51,0%
Due from banks	479.119	545.527	(66.408)	(12,2)%
Due from customers	2.188.816	2.292.314	(103.498)	(4,5)%
Property, plant and equipment and investment property and intangible assets	45.500	45.655	(155)	(0,3)%
Other assets	157.556	145.615	11.941	8,2%
Total assets	**10.345.378**	**8.124.130**	**2.221.248**	**27,3%**
Due to banks	600.956	557.323	43.633	7,8%
Due to customers	9.291.659	7.119.008	2.172.651	30,5%
Financial liabilities held for trading	389	389	-	0,0%
Other liabilities	120.061	138.393	(18.332)	(13,2)%
Equity	332.313	309.017	23.296	7,5%
Total liabilities and equity	**10.345.378**	**8.124.130**	**2.221.248**	**27,3%**

Available for sale (AFS) financial assets

Available for sale financial assets include debt and equity securities and at 31 March 2013 stood at 2.763,8 million Euro, +40% compared to 1.974,6 million Euro at the end of last year. The securities portfolio is held for the purposes described in the following section “Securities portfolio”.

Held to maturity (HTM) financial assets

The portfolio of held to maturity financial assets stood at 4.710,6 million Euro at 31 March 2013, +51% compared to the end of the previous year, and consists of Italian government bonds with residual maturity at the time of purchase of over one year, in light of the ability and willingness to hold them until maturity.

At the reporting date, this HTM portfolio shows unrecognised net capital gains amounting to 14,7 million Euro before taxes. Such net capital gains were not recognised according to the amortised cost method applicable to this portfolio.

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

Receivables due from banks

At 31 March 2013 receivables due from banks totalled 479,1 million Euro, compared to 545,5 million Euro at 31 December 2012 (-12,2%).

Some securities not listed on an active market and eligible with the Eurosystem were classified under this item for an amount of 31,1 million Euro (-46,5% compared to 31 December 2012). The securities portfolio is held for the purposes described in the following section “Securities portfolio”.

The item includes 30,6 million Euro in short-term repurchase agreements with banks (4,7 milion Euro at 31 December 2012) as well as 417,4 million Euro in treasury loans with other lenders (-

13,5% compared to 31 December 2012) largely related to maintaining levels of liquidity exceeding period-end maturities.

Securities portfolio

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

Debt securities portfolio

At the end of the period, securities trading reached a significant volume, that is 7.492,3 million Euro (an increase of 45,8% compared to 31 December 2012). Purchases to the tune of 2.512,6 million Euro focused on Italian government bonds, at fixed rate for very short-term bonds and at floating rate for medium-term ones. Currently the portfolio's average return is high, considering the period in which most bonds were purchased.

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

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

DEBIT SECURITIES PORTFOLIO *(in thousands of Euro)*	AMOUNTS AT		CHANGE	
	31.03.2013	31.12.2012	ABSOLUTE	%
DEBT SECURITIES INCLUDED UNDER:				
Available for sale financial assets	2.750.652	1.961.556	789.096	40,2%
Held to maturity financial assets	4.710.582	3.120.428	1.590.154	51,0%
Receivables due from banks - bonds	31.092	58.159	(27.067)	(46,5)%
Total securities held	**7.492.326**	**5.140.143**	**2.352.183**	**45,8%**

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

Issuer	up to 3 months	over 3months up to 6 months	over 6 months up to 1 year	over 1 year up to 2 years	over 2 years up to 5 years	over 5 years up to 10 years	Total
Government securities	551.202	1.037.607	999.272	2.365.151	2.174.086	309.265	7.436.583
% of total	7,4%	13,8%	13,3%	31,6%	29,0%	4,1%	99,2%
Banks	5.054	-	11.949	30.725	8.015	-	55.743
% of total	0,1%	0,0%	0,2%	0,4%	0,1%	0,0%	0,8%
Total	**556.256**	**1.037.607**	**1.011.221**	**2.395.876**	**2.182.101**	**309.265**	**7.492.326**
% of total	**7,5%**	**13,8%**	**13,5%**	**32,0%**	**29,1%**	**4,1%**	**100,0%**

Debt securities with maturities over 5 years relate to Italian government bonds classified as HTM financial assets with maturity on 15 April 2018.

Equity portfolio

Available for sale financial assets include equity securities relating to non-controlling interests in unlisted companies, amounting to 13.152 thousand Euro (+0,9% compared to 31 December 2012), which are considered strategic for Banca IFIS. The slight increase over the end of 2012 refers to the change in fair value of the securities held in the portfolio.

Receivables due from customers

Receivables due from customers totalled 2.188,8 million Euro at the end of the quarter, down 4,5% or 103,5 million Euro compared to 2.292,3 million Euro at the end of 2012. In detail, trade receivables fell by 93,8 million Euro from the end of 2012 (-5,3%), due essentially to the decision to focus on the SME segment, as well as to the significant cash flows from the receivables purchased outright due from the Public Administration collected during the quarter, a result of debt collection actions taken by the Pharma business area. On the other hand, non-performing loans and tax receivables grew by 2,9 million Euro (+2,8%) and 8,5 million Euro (+10.2%), respectively. Another increase was seen in margin lending related to repurchase agreements in government bonds on the MTS platform, rising 62,5% to 117,6 million Euro. Finally, all repurchase agreements with Cassa di Compensazione e Garanzia (the Italian central counterparty) outstanding at the end of 2012, amounting to 138,7 million Euro, reached maturity.

Receivables due from customers are composed as follows: 29,8% from the Public Administration (compared to 30,2% at 31 December 2012) and 70,2% from the private sector (compared to 69,8% at 31 December 2012).

With regard to activities in support of SMEs, the duration of loans was confirmed as short-term, in line with the strategy to support working capital that represents the Bank's core business.

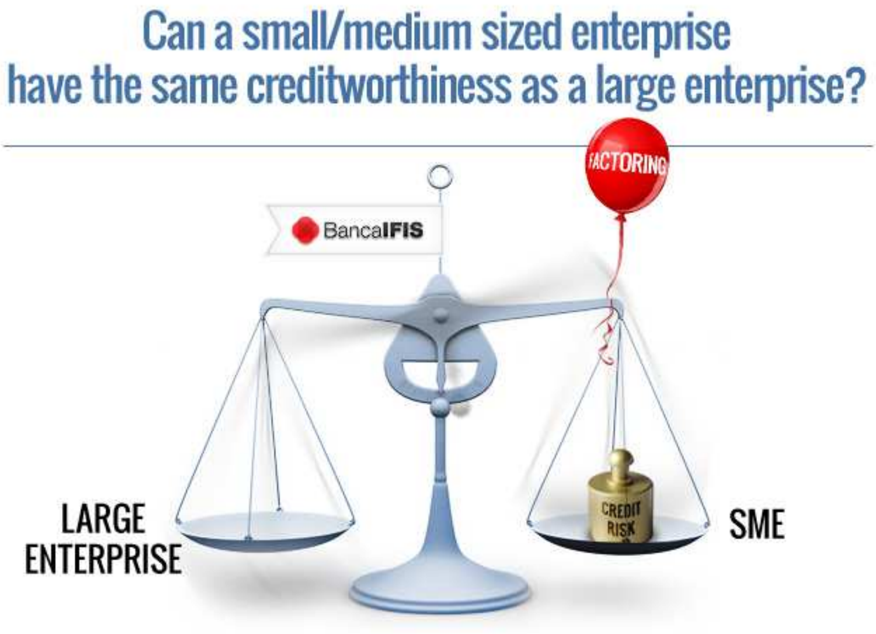
The geographical breakdown is as follows: 98,3% from customers resident in Italy, and 1,7% from customers resident abroad. Both figures are unchanged from 31 December 2012.

Finally, it should be noted that the item includes 1 position, for a total amount of 50.612 thousand Euro, which falls within the category of major risks.

Receivables due from customers, excluding 104,7 million Euro in net non-performing loans, totalled 2.084,1 million Euro, down 4,3% from the end of 2012.

Credit quality

Net impaired assets totalled 401,3 million Euro, against 440,2 million Euro at the end of 2012 (-8,8%). The decrease was largely due to lower past due loans (-19,9%) and non-performing loans (-9,2%).



Impaired assets include receivables in the NPL sector, rising from 104.044 thousand Euro to 106.974 thousand Euro (+2,8%). This sector's business is closely associated with recovering impaired assets: therefore, NPL loans are recognised as non-performing or substandard loans. In particular, those loans maintain the same classification as that assigned by the invoice seller, provided the latter is subject to the same law as Banca IFIS: otherwise, if the Bank has not ascertained the debtor's state of insolvency, those loans are classified as substandard.

CREDIT QUALITY *(in thousands of Euro)*	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	CONSOLIDATED TOTAL
Non-performing loans					
Amount at 31.03.2013	*59.612*	*41.860*	*3.199*	-	*104.671*
Amount at *31.12.2012*	*76.711*	*35.974*	*2.566*	-	*115.251*
% Change	*(22,3)%*	*16,4%*	*24,7%*	-	*(9,2)%*
Substandard loans					-
Amount at 31.03.2013	*132.750*	*65.114*	-	-	*197.864*
Amount at *31.12.2012*	*136.124*	*68.070*	-	-	*204.194*
% Change	*(2,5)%*	*(4,3)%*	-	-	*(3,1)%*
Restructured loans					-
Amount at 31.03.2013	*8.326*	-	-	-	*8.326*
Amount at *31.12.2012*	*7.910*	-	-	-	*7.910*
% Change	*5,3%*	-	-	-	*5,3%*
Past due loans					-
Amount at 31.03.2013	*90.422*	-	-		*90.422*
Amount at *31.12.2012*	*112.820*	-	-	-	*112.820*
% Change	*(19,9)%*	-	-	-	*(19,9)%*
Total net impaired assets					
Amount at 31.03.2013	***291.110***	***106.974***	***3.199***	**-**	***401.283***
Amount at *31.12.2012*	***333.565***	***104.044***	***2.566***	**-**	***440.175***
% Change	***(12,7)%***	***2,8%***	***24,7%***	**-**	***(8,8)%***
Net performing loans due from customers					-
Amount at 31.03.2013	*1.390.980*	-	*88.469*	*308.084*	*1.787.533*
Amount at *31.12.2012*	*1.442.299*	-	*80.608*	*329.232*	*1.852.139*
% Change	*(3,6)%*	-	*9,8%*	*(6,4)%*	*(3,5)%*
Total due from customers (cash)					
Amount at 31.03.2013	***1.682.090***	***106.974***	***91.668***	***308.084***	***2.188.816***
Amount at *31.12.2012*	***1.775.864***	***104.044***	***83.174***	***329.232***	***2.292.314***
% Change	***(5,3)%***	***2,8%***	***10,2%***	***(6,4)%***	***(4,5)%***

Total **non-performing loans** due from customers, net of impairment, were 104,7 million Euro at 31 March 2013, compared to 115,3 million Euro at the end of 2012. The change is due to the combined effect of the decrease in the trade receivables sector (-22,3%) and the increase in the NPL sector (+16,4%) and the Tax Receivables sector (+24,7%). The latter refers to trade receivables purchased from insolvency proceedings as ancillary components to sector activities.

At the end of the quarter, **substandard loans** totalled 197,9 million Euro, compared to 204,2 million Euro in 2012 (-3,1%), of which 65,1 million Euro relating to the NPL sector (68,1 million Euro at the end of 2012). As envisaged by the instructions of Bank of Italy, the item “substandard loans” also includes the so-called “objective substandard loans with recourse” which, due to the business undertaken by the Bank, are not deemed to represent particular problems. Specifically, “objective substandard loans with recourse” relate to loans to invoice sellers whose account debtors show strong delays in payments. The Bank believes these positions are not objectively problematic, as payment delays on the part of the account debtor do not necessarily correspond to an objective financial difficulty of the invoice seller. If the Bank finds out that the invoice seller is also facing difficulties in fulfilling its commitments, the position is already automatically recorded under subjective substandard loans.

Past due loans totalled 90,4 million Euro, compared with 112,8 million Euro at the end of 2012 (-19,9%). It should be noted that net past due loans refer for 42,9 million Euro to receivables due from the Public Administration purchased outright within the factoring activity. Given the quality of credit and debtors, we believe these positions are not subject to impairment. Furthermore, those positions, based on current regulations and contract law, bear interest on arrears that, in line with the market best practices, was conservatively recognised in the financial statements subsequent to the definition of judicial and non-judicial collection actions brought by the Bank.

The ratio of net non-performing loans to loans goes from 5% to 4,8%, while that of substandard loans to loans from 8,9% to 9%.As far as the trade receivables sector is concerned, those two ratios changed from 4,3% to 3,5% and from 7,7% to 7,9%, respectively.

The ratio of total net impaired assets to loans decreases from 19,2% to 18,3%.

IMPAIRED ASSETS *(in thousands of Euro)*	NON PERFORMING (1)	SUBSTANDARD	RESTRUCTURED	PAST DUE	TOTAL
BALANCE AT 31.03.2013					
Gross amount	240.998	223.723	9.410	90.726	**564.857**
Incidence on gross total receivables	*10,2%*	*9,5%*	*0,4%*	*3,8%*	***24,0%***
Adjustments	136.327	25.859	1.084	304	**163.574**
Incidence on gross value	*56,6%*	*11,6%*	*11,5%*	*0,3%*	***29,0%***
Net amount	104.671	197.864	8.326	90.422	**401.283**
Incidence on net total receivables	*4,8%*	*9,0%*	*0,4%*	*4,1%*	***18,3%***
BALANCE AT 31.12.2012					
Gross amount	238.071	229.814	9.048	113.249	**590.182**
Incidence on gross total receivables	*9,7%*	*9,4%*	*0,4%*	*4,6%*	***24,1%***
Adjustments	122.820	25.620	1.138	429	**150.007**
Incidence on gross value	*51,6%*	*11,1%*	*12,6%*	*0,4%*	***25,4%***
Net amount	115.251	204.194	7.910	112.820	**440.175**
Incidence on net total receivables	*5,0%*	*8,9%*	*0,3%*	*4,9%*	***19,2%***

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

Intangible assets and property, plant and equipment and investment property

Intangible assets totalled 5.671 thousand Euro against 5.683 thousand Euro at 31 December 2012 (-0,2%). The item refers to software (4.654 thousand Euro) and goodwill (833 thousand Euro) arising from the consolidation of the investment in IFIS Finance Sp. Z o.o.

Property, plant and equipment and investment property decreased by 0,4% to 39.829 thousand Euro.

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

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

The head office of the Toscana Finanza business area in Florence, which was acquired under a finance lease, was recognised at 4.185 thousand Euro.

Some property of minor value is also recognised.

Tax assets and liabilities

These items include current and deferred tax assets and liabilities.

Deferred tax assets, amounting to 24,6 million Euro at 31 March 2013, refer for 14,4 million Euro to impairment losses on receivables which can be deducted in the following years.

Deferred tax liabilities, amounting to 15,8 million Euro at 31 March 2013, refer for 7,3 million Euro to the measurement of tax receivables of the former subsidiary Fast Finance S.p.A., which was carried out at the time of the business combination, and for 5 million Euro to taxes on the fair value reserve for AFS securities held in the portfolio.

Funding

Funding, net of the rendimax savings account, shall be analysed in a comprehensive manner based on market trends: it consists of wholesale funding through repurchase agreements (classified under receivables due from customers, as they are concluded on the MTS platform and therefore without a direct banking counterparty), refinancing transactions on the Eurosystem, and short-term treasury transactions with other lenders.

FUNDING *(in thousands of Euro)*	AMOUNTS AT		CHANGE	
	31.03.2013	31.12.2012	ABSOLUTE	%
Payables due to customers:	**9.291.659**	**7.119.008**	**2.172.651**	**30,5%**
Repurchase agreements	*5.675.353*	*4.039.330*	*514.184*	*40,5%*
Rendimax	*3.560.356*	*3.046.172*	*1.636.023*	*16,9%*
Other payables	*55.950*	*33.506*	*22.444*	*67,0%*
Payables due to banks:	**600.956**	**557.323**	**43.633**	**7,8%**
Eurosystem	*501.000*	*500.000*	*1.000*	*0,2%*
Other payables	*99.956*	*57.323*	*42.633*	*74,4%*
Total funding	**9.892.615**	**7.676.331**	**2.216.284**	**28,9%**

Total funding, which at 31 March 2013 totalled 9.892,6 million Euro, an increase of 28,9% compared to 31 December 2012, is represented for 93,9% by **Payables due to customers** and for 6,1% by **Payables due to banks**.

Payables due to customers at 31 March 2013 totalled 9.291,7 million Euro, (+30,5% compared to 31 December 2012). Three factors determined this increase: the outstanding growth in retail funding from the online rendimax savings account, which reached 3.560,4 million Euro (+16,9% compared to the end of 2012); the launch of contomax, the low-cost online current account with high returns, contributing 2,5 million Euro; and the higher use of repurchase agreements with underlying government bonds and the Cassa di Compensazione e Garanzia (the Italian central counterparty) as counterparty, amounting to 5.675,3 million Euro at the end of the period (against 4.039,3 million Euro at the end of 2012).

Payables due to banks, which totalled 601 million Euro (+7,8% compared to December 2012), consist mainly of funds arising from refinancing transactions on the Eurosystem for 501 million Euro, in line with the end of 2012. These transactions were carried out using part of the debt securities held, as well as the securities obtained from the self-securitisation of trade receivables called "Ifis Collection Service". The remainder of payables due to banks consists of interbank deposits for 100,0 million Euro (+74,4% compared to the end of 2012).

Provisions for risks and charges

PROVISIONS FOR RISKS AND CHARGES *(in thousands of Euro)*	AMOUNTS AT		CHANGE	
	31.03.2013	31.12.2012	ABSOLUTE	%
Legal disputes	330	1.355	(1.025)	(75,6)%
Tax litigation	194	194	-	0,0%
Total	**524**	**1.549**	**(1.025)**	**(66,2)%**

Legal disputes

The Bank, supported by the legal opinion of its lawyers, made a provision of 1.025 thousand Euro in 2012 for the settlement of a dispute with a former customer's receiver. The latter sued the Bank, demanding that the factoring contract be declared null and void, that sales could not be objected, and pursuant to Article 67, Para. 1 and 2 of the Bankruptcy Law and Article 2901 of the Italian Civil Code, that sales occurred during the year and in the six-month period before bankruptcy be revoked, for an amount of 4.923 thousand Euro. The lawsuit ended in the first quarter of 2013 in a settlement and with the write-off of the provision made.

Supported by the legal opinion of its lawyers, the Bank also made a provision of 330 thousand Euro at 31 December 2012 for the settlement, which is considered likely, of a lawsuit brought by an account debtor which sued the Bank and asked for revenues amounting to 859 thousand Euro to be returned, since they were related to non-existing receivables.

Overall, the Bank recognises contingent liabilities totalling 7,2 million Euro in claims, represented by three preference and fraudulent conveyance actions as part of bankruptcy proceedings and three lawsuits naming the Bank as defendant; supported by the legal opinion of its lawyers, the Bank made no provisions for these positions, as the risk of defeat is low.

Other (tax disputes)

On 25 July 2008 the Italian Revenue Agency – Regional Department of Veneto started a check relating to the tax year 2005. This check ended on 5 December 2008 with the issuance of a report of verification, which revealed two findings, both connected to the correct determination of the ceiling for the deduction of receivables pursuant to Article 106, Para. 3, of Presidential Decree 917/86, for a total of 1.447 thousand Euro. Moreover, considering that the ceiling mechanism sets limits for deducting impairment losses on receivables and that the surplus (arising from the difference between the ceiling and net impairments) is deductible on a straight-line basis over the next eighteen years, the application of the criterion indicated in the aforementioned report of verification would imply a tax benefit for the Bank in the years following 2005.

The aforementioned report of verification included also a notification regarding an alleged case of tax avoidance as set out in Article 37-bis of Presidential Decree 600/73 regarding the write-down in 2003 of the equity investment in Immobiliare Marocco S.p.A. (which merged into the Issuer with deed dated 19 October 2009). This investment was deducted in fifths in the following years based on the losses recognised by this company pursuant to Articles 61 and 66 of Presidential Decree 917/86 (in force up to 31 December 2003). On 2 February 2009 the Agency sent a verification notice to the Bank, requesting clarification on the write-down. The Bank promptly replied to it.

Again in reference to the notification of the alleged tax avoidance, on 3 December 2009 the Bank received a verification notice relating to the year 2004, in which the Revenue Agency revised the income for the year 2004 subject to the corporate tax (IRES), applying the anti-avoidance provision as set out in Article 37-bis of Presidential Decree 600/73 for a total of 837 thousand Euro, with a higher tax liability relating to the tax year in question of approximately 276 thousand Euro plus interest and sanctions.

On 21 June 2010, the Bank received a verification notice referring to the following year, in which the Revenue Agency revised the income for the year 2005 subject to the corporate tax (IRES), applying the anti-avoidance provision as set out in Article 37-bis of Presidential Decree 600/73, for a total amount of 837 thousand Euro, with a higher tax liability relating to the tax year in question of approximately 276 thousand Euro plus interest and penalties. The same verification notice relating to the year 2005 recorded as deferred tax assets the amount relating to the redetermination of the ceiling for deducting losses on receivables concerning the above-mentioned findings, for a total of 1.447 thousand Euro, with higher taxes of around 478 thousand due in relation to the year 2005, interests and penalties excluded.

Subsequently, by the end of 2010 the Bank received a notice cancelling under the appeal process the verification notices issued for 2005.

On 22 February 2011 the appeal regarding the verification notice for the tax year 2004 was discussed before the first level Provincial Tax Commission of Venice. On 29 June 2011, the Provincial Tax Commission of Venice rejected the appeal. On 7 November 2011, the Bank was served a notice of payment for the amounts enrolled on the tax register following the ruling of the court of first instance, pursuant to the laws on tax verification and collection, totalling 423 thousand Euro. Banca IFIS paid those amounts on 29 December 2011. Subsequently, the company filed an appeal with the Regional Tax Commission against this ruling. On 25 September 2012 the appeal was heard before the second-degree Regional Tax Commission of Venice. On 18 October 2012 the Commission's ruling was issued: it accepted the appeal by Banca IFIS SpA and La Scogliera SpA and, fully reversing the first-instance ruling, it proceeded to cancel the verification notices for 2004 which had been challenged and ordered the Revenue Agency to reimburse the costs for the two-level proceedings to the appellant.

As a consequence of the second-instance ruling, the Revenue Agency returned the sums paid by the Bank following the negative outcome of the first appeal. These had been previously recognised as a 423 thousand Euro receivable in the Bank's accounts.

On 22 August 2012 the Bank received a verification notice for 2005 that is closely related to the notices received during 2010 and subsequently cancelled under appeal process by the end of the same year. The verification notice, besides containing the same points and therefore the sums requested (in terms of taxes and penalties) included in the previous notice that was then cancelled, considers as tax avoidance some security trading and lending transactions and challenges the deduction of sums such as non-deductible capital losses and manufactured dividends for a total of 6.293 thousand euro. The higher tax overall due in relation to this latter finding totals 2.076 thousand euro, plus interest and penalties.

Therefore the overall amount subjected to taxation in the verification notice totals 8.576 thousand euro, with higher taxes for the year under review of 2.830 thousand euro. The verification notice, which has now passed the ordinary deadline for its issue which was 31 December 2010, was sent on the basis of the Tax Office assumption that doubling of deadlines provided for by the law can be applied to this case, i.e. it represents a criminal offence.

In relation to this verification notice, the Bank applied for composition proceedings with the aim of finding out whether the Office was willing to reconsider its stance, but the application was rejected; the Revenue Agency preferred to continue with the dispute by appealing to the Court of Cassation regarding the verification notice for 2004, effectively forcing the Bank to file a counter-appeal with the Court on 29 January 2013, within the legal time limits; the analysis of the Revenue Agency's appeal exposes the weakness of their case, already apparent in the previous hearings. Therefore, the tax consultants assisting the Bank in the proceedings believe the chance of defeat is unlikely. Therefore, the Bank did not make any provisions for the tax dispute risk concerned.

The appeal against the verification notice for 2005 was filed on 11 February 2013.

Before examining in detail the individual findings and the assessment errors made by the Revenue Agency, the appeal focuses on the reasons why the judges should completely annul the notice. Serious material errors were made, to the point that they completely invalidate the act: the criminal charge, which seeks to have the statute of limitations doubled and that the Public Prosecutor completely rejected by ordering a non-suit; a series of verification notices served and then cancelled under the appeal process; and several legal errors contained in the last act issued.

Besides this, the defence case, which had already been set out in the application for composition proceedings, has been expanded and explained in detail. The fragility of the challenge to the write-down on the equity investment in Immobiliare Marocco was highlighted once again, and made even more apparent by the victory in the court of second instance regarding 2004 and which, at this point, would cover all the subsequent years.

Then, the appeal sets out the reasons why the challenges to the calculations of the ceiling for the deduction of receivables are wrong, both as far as the method adopted and interpretation provided by the tax officials in the report of verification are concerned, and even more so in light of the subsequent amendments and supplements to the laws regulating the principles for determining the income of long-time and first-time adopters of IAS.

As for the claims related to securities trading, the appeal highlighted that the transactions concerned produced positive results for the Bank, net of taxes, and they were not completely risk-free or entered into guaranteeing right from the start the conditions to neutralise any profit or loss from the transaction. The cross call and put options only had the effect of limiting the risk of losses and the potential excess returns, and in any case did not rule them out completely, as was hastily claimed in the verification notice. Above all, the challenged transactions simply applied the regime in force at the time, without eluding the law or its underlying principles; in fact, the system established with the 2004 reform envisages a double regime for stock transfers. Therefore, there is nothing strange in short-term equity trading on equity investments which do not qualify for participation exemption, with dividends received partially exempt from tax and deductible capital losses.

In any case, the Bank asked to recalculate the challenged amounts, which did not take into account the positive components which, as taxable income, are included in the determination of income.

In regard to the above, the tax consultants hired to resolve the dispute have stated that they reasonably believe it possible to validly defend the Bank's case, and that therefore the chance of defeat is unlikely.

Furthermore, it is necessary to consider the letter dated 8/8/2012 in which the Bank of Italy clarified that intermediaries, should they have to pay the tax authorities a certain amount following the enrolment in the tax register of higher taxes and the relevant interest and penalties, must assess whether or not it represents a contingent asset as defined by IAS 37. On the basis of this accounting standard, the asset should not be recognised whenever the profit on the same is not all but certain, and the amounts paid to the tax authorities must therefore be recognised at cost and not as tax receivables.

Following the filing of the appeal against the verification notice for 2005, it is likely that the Bank will have to pay the provisional amounts enrolled on the tax register (1) which could be requested before the first-instance ruling only on the challenges which are not considered as tax avoidance, which can be estimated at 1/3 of the higher taxes and interest (in particular, the higher taxes that may be due as a result of defeat of the challenges related to the determination of the ceiling for the deduction of receivables).

In light of the above, in 2012 159 thousand Euro were allocated to the provision for tax dispute risks for higher taxes and 35 thousand Euro for interest, for a total of 194 thousand Euro against the likely provisional enrolment on the tax register following the appeal, pursuant to Bank of Italy's Circular dated 8 August 2012. The Bank will not make any provision for the risk of defeat in the ongoing tax dispute.

(1) The provisional amounts enrolled on the tax register are those made on the basis of a verification notice that is not final, since it has been challenged. An appeal filed against a verification notice does not suspend its execution; pending the rulings of the court of first instance and of the court of second instance, part of the verified income tax, plus interest and part of the penalties, can be collected. In particular, as regards the income tax and value added tax, after the verification notice has been served, the Office can enrol on the tax register 1/3 of the verified taxes and interests. In relation to the charges relating to the anti-avoidance provision as set out in art. 37 bis of Presidential Decree 600/73, the amounts due before the first instance ruling cannot be enrolled on the tax register (para. 6, art. 37 bis, Presidential Decree 600/73). Subsequent to the rulings of the tax commissions, further fractions of the amounts due become payable, based on the grounds of the decision and the level of the judicial body.

Capital adequacy and solvency ratios

Consolidated equity was 332.313 thousand Euro at 31 March 2013, compared to 309.017 thousand Euro at 31 December 2012. This change in equity is detailed below:

EQUITY: CHANGES	*(in thousands of Euro)*
Equity at 31.12.2012	**309.017**
Increases:	**27.675**
Profit for the period	22.454
Change in valuation reserve:	5.221
- AFS securities	*5.221*
Decreases:	**(4.379)**
Purchase of treasury instruments	(3.627)
Change in valuation reserve:	(752)
- exchange differences	*(752)*
Equity at 31.03.2013	**332.313**

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

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

CAPITAL ADEQUACY RATIOS *(in thousands of Euro)*	AMOUNTS AT	
	31.03.2013	31.12.2012
Regulatory capital		
Tier 1 capital	280.097	282.144
Tier 2 capital	(4.913)	(4.216)
Deductibles		-
Total capital	**275.184**	**277.928**
Prudential regulatory requirement		
Credit risk	144.932	149.343
Market risk	2.415	1.784
Operating risk	23.608	23.608
Total prudential requirements	**170.955**	**174.735**
Solvency ratios		
Tier 1 capital/total weighted assets	13,11%	12,92%
Total capital/Total weighted assets	12,88%	12,72%
Capital surplus in excess of minimum requirements	**104.229**	**103.193**

Pursuant to Bank of Italy's Regulation dated 18 May 2010, the Banca IFIS Group calculated its regulatory capital at 31 March 2013 by adopting the so-called "symmetric filter", which allows to neutralize both gains and losses on securities issued by the Central Administrations of EU Member States, for a positive net value of 10,3 million Euro, included under available for sale financial assets, as if those securities were measured at cost.

Income statements items

Formation of net banking income

Net banking income passed from 52.431 thousand Euro to 66,862 thousand Euro, an increase of 27,5, on the back of the steadily increasing contribution from both the higher net interest income and commissions for the factoring services offered by the Group. At the end of the first quarter, over 3.700 small- and medium-sized enterprises (up 19% compared to March 2012) received financial support from Banca IFIS aimed at resolving specific credit problems; in particular, Banca IFIS managed to address the financial and credit management needs of companies that boast long-term supply relationships with customers of good credit standing.

Net banking income is made up of interest income (65,3%), commission income (34,6%) and other components (0,1%).

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

NET BANKING INCOME *(in thousands of Euro)*	1st QUARTER		CHANGE	
	2013	2012	ABSOLUTE	%
Net interest income	43.646	33.178	10.468	31,6%
Net commission income	23.167	19.316	3.851	19,9%
Net result from trading	49	(63)	112	(177,8)%
Net banking income	**66.862**	**52.431**	**14.431**	**27,5%**

Net interest income went from 33.178 thousand Euro at 31 March 2012 to 43.646 thousand Euro at 31 March 2013 (+31,6%).

Net interest income was bolstered by the returns on the securities portfolio, which rose to 32.373 thousand Euro from 26.896 thousand Euro at 31 March 2012 on the back of higher volumes.

The increase is also due to the NPL and tax receivables sectors, which contributed 10.546 thousand Euro to net interest income, compared with 5.871 thousand euro in the first quarter of 2012.

At 31 March 2013, interests on arrears accrued on amounts due from the Public Administration relate to already collected debts (approximately 32,6 million Euro) and non-collected debts (approximately 36 million Euro). Such amounts are not included in profit or loss for the period as there is not enough information available to ascertain their recoverability. The contribution of interest on arrears is usually recognised in profit or loss subsequent to the definition of judicial and non-judicial collection actions brought by the Bank. Interests recognised at 31 March 2013 following these actions amounted to approximately 714 thousand Euro.

Interest expense relating to the rendimax savings accounts amounted to 30.589 thousand Euro overall (+87,7% compared to 31 March 2012).

Net commission income rose by 19,9% compared to the first quarter of the previous year. This result is due in particular to the higher charges for the factoring service offered by the Group, owing to the management complexity involved and offsetting the increase in credit risk.

Commission income, totalling 24.657 thousand Euro compared to 20.418 thousand Euro at 31 March 2012, came primarily from factoring commissions on the turnover generated by individual customers (with or without recourse, in a flat or monthly scheme) as well as from other fees usually charged to customers for services.

Commission expense, totalling 1.490 thousand Euro compared to 1.102 thousand Euro at 31 March 2012, came primarily from approved banks' brokering, the work of other credit brokers, and commissions paid to correspondent factors. At 31 March 2013 this item included also commissions paid for the Italian Government's guarantee on issued bonds, amounting to 520 thousand euro.

Formation of net profit from financial activities

Net profit from financial activities of the Group totalled 53.146 thousand Euro compared to 46.616 thousand Euro at 31 March 2012, up by 14%. Based on the data concerning the trends in profits posted by the business sectors and impairment losses on loans and receivables, we can state that the Bank manages to increase its support to the real economy and mitigate the impact of the economic scenario, improving its profitability, despite a market still battered by the recession, which continues to be the element that affects the operations of lenders the most.

FORMATION OF NET PROFIT FROM FINANCIAL ACTIVITIES *(in thousands of Euro)*	1st QUARTER		CHANGE	
	2013	2012	ABSOLUTE	%
Net banking income	**66.862**	**52.431**	**14.431**	**27,5%**
Net impairment losses on:				
loans and receivables	(13.716)	(5.815)	(7.901)	135,9%
Net profit from financial activities	**53.146**	**46.616**	**6.530**	**14,0%**

Net impairment losses on receivables totalled 13.716 thousand Euro, compared to 5.815 thousand Euro at 31 March 2012 (+135,9%). They reflected both constant general unstable economic conditions and the write-down of specific positions made under particularly stringent policies. While the ratio of credit risk cost to the average loan balance increased to 340 bp (210 bp in 2012), the ratio of non-performing loans to total loans in the trade receivables sector fell to 3,5%, down 0,8% quarter-on-quarter from 4,3% at 31 December 2012.

Formation of profit for the period

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

FORMATION OF PROFIT FOR THE PERIOD *(in thousands of Euro)*	1st QUARTER		CHANGE	
	2013	2012	ABSOLUTE	%
Net profit from financial activities	**53.146**	**46.616**	**6.530**	**14,0%**
Operating costs	(17.718)	(15.517)	(2.201)	14,2%
Pre-tax profit from continuing operations	**35.428**	**31.099**	**4.329**	**13,9%**
Income tax expense for the period	(12.974)	(11.389)	(1.585)	13,9%
Net profit for the period	**22.454**	**19.710**	**2.744**	**13,9%**

In the first quarter of 2013, **operating costs** rose 14,2%, from 15,5 million Euro to 17,7 million Euro, consistently with the goal to strengthen some areas and services supporting the business and the scenario in which the Group operates.

The cost/income ratio further improved, falling from 29,6% in the first quarter of 2012 (27,9% at 31 December 2012) to 26,5% in the reporting period.

OPERATING COSTS *(in thousands of Euro)*	1st QUARTER		CHANGE	
	2013	2012	ABSOLUTE	%
Personnel expenses	8.803	9.048(1)	(245)	(2,7)%
Other administrative expenses	9.118	6.328	2.790	44,1%
Net impairment losses on tangible and intangible assets	683	770	(87)	(11,3)%
Other operating charges (income)	(886)	(629) (1)	(257)	40,9%
Total operating costs	**17.718**	**15.517**	**2.201**	**14,2%**

(1) Data reclassified after initial publication.

Personnel expenses, amounting to 8.803 thousand euro, decreased by 2,7% compared to the first quarter of 2012; the number of the Group's employees increased to 465 at the end of the period (compared to 441 at 31 March 2012, +5,4%) In the first quarter of 2012 personnel expenses included refunding costs related to the restructuring following the business combinations.

Other administrative expenses at 31 March 2013 reached 9.118 thousand Euro, compared to 6.328 thousand Euro in the first quarter of 2012 (+44,1%).

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

Please note that part of the expenses included in this item (in particular legal expenses and indirect taxes) is charged back to customers and the relevant revenue is recognised under other operating income. Net of this component, other administrative expenses totalled 8.217 thousand Euro at 31 March 2013, compared to 5.743 thousand Euro at 31 March 2012 (+43,1%).

OTHER ADMINISTRATIVE EXPENSES *(in thousands of Euro)*	1st QUARTER		CHANGE	
	2013	2012	ABSOLUTE	%
Expenses for professional services	**3.315**	**2.084**	**1.231**	**59,1%**
Legal and consulting services	1.557	918	639	69,6%
Auditing	110	180	(70)	(38,9)%
Outsourced services	1.648	986	662	67,1%
Direct and indirect taxes	**1.939**	**1.021**	**918**	**89,9%**
Expenses for purchasing goods and other services	**3.864**	**3.223**	**641**	**19,9%**
Property expenses	785	699	86	12,3%
Customer information	525	441	84	19,0%
Car fleet management and maintenance	504	435	69	15,9%
Software assistance and leasing	385	164	221	134,8%
Postage of documents	374	318	56	17,6%
Telephone and data transmission expenses	334	251	83	33,1%
Advertising and inserts	187	253	(66)	(26,1)%
Business trips and transfers	150	96	54	56,3%
Other sundry expenses	620	566	54	9,5%
Total administrative expenses	**9.118**	**6.328**	**2.790**	**44,1%**
Expense recoveries	(901)	(585)	(316)	54,0%
Total other administrative expenses, net	**8.217**	**5.743**	**2.474**	**43,1%**

The increase in the item "outsourced services" is largely due to fees paid to debt collection companies for the collection of receivables in the NPL and Tax Receivables sectors. The fees paid are proportioned to the sums recovered.

Other sundry expenses include 94 thousand Euro in operating expense related to the special purpose vehicles set up for the purposes of the ongoing securitisations.

Net impairment losses on intangible assets largely refer to IT devices, and at 31 March 2013 stood at 386 thousand Euro, down 16,1% compared to the prior-year period.

Net impairment losses on property, plant and equipment and investment property totalled 297 thousand Euro, compared to 310 thousand Euro at 31 March 2012 (-4,2%).

Other net operating income totalled 886 thousand Euro, compared to 629 thousand Euro in the prior-year period (+40,9%) and refers mainly to revenue from the recovery of expenses charged to third parties. The relevant cost item is included in other administrative expenses, namely under legal expenses and indirect taxes.

Pre-tax profit for the period stood at 35.428 thousand Euro, an increase of 13,9% compared to 31 March 2012.

Income tax expense amounted to 12.974 thousand Euro, compared to 11.389 thousand Euro at 31 March 2012 (+13,9%).

Profit for the period totalled 22.454 thousand Euro, compared to 19.710 thousand Euro in the first quarter of 2012 (+13,9%). This result bolsters the Bank, allowing it to face the next quarters calmly and steadily. In the absence of profit attributable to non-controlling interests, these results refer entirely to the Group.

Contribution of business sectors to Group results

The organisational structure

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

Here below are the results achieved in the firs quarter of 2013 by the various business sectors, which will be analysed in the sections dedicated to the individual sectors.

INCOME STATEMENT DATA *(in thousands of Euro)*	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	GROUP CONSOLIDATED TOTAL
Net banking income					
Amounts at 31.03.2013	28.682	7.397	3.149	27.634	66.862
Amounts at 31.03.2012	*22.260*	*5.461*	*362*	*24.348*	*52.431*
% Change	*28,8%*	*35,5%*	*769,9%*	*13,5%*	*27,5%*
Net profit from financial activities					
Amounts at 31.03.2013	15.440	6.618	3.454	27.634	53.146
Amounts at 31.03.2012	*16.500*	*5.406*	*362*	*24.348*	*46.616*
% Change	*(6,4)%*	*22,4%*	*854,1%*	*13,5%*	*14,0%*

STATEMENT OF FINANCIAL POSITION DATA *(in thousands of euro)*	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES	GROUP CONSOLIDATED TOTAL
Available for sale financial assets					
Amounts at 31.03.2013	-	-	-	2.763.805	2.763.805
Amounts at 31.12.2012	-	-	-	*1.974.591*	*1.974.591*
% Change				*40,0%*	*40,0%*
Held to maturity financial assets					
Amounts at 31.03.2013	-	-	-	4.710.582	4.710.582
Amounts at 31.12.2012	-	-	-	*3.120.428*	*3.120.428*
% Change				*51,0%*	*51,0%*
Due from banks					
Amounts at 31.03.2013	-	-	-	479.119	479.119
Amounts at 31.12.2012	-	-	-	*545.527*	*545.527*
% Change				*(12,2)%*	*(12,2)%*
Due from customers					
Amounts at 31.03.2013	1.682.090	106.974	91.668	308.084	2.188.816
Amounts at 31.12.2012	*1.775.864*	*104.044*	*83.174*	*329.232*	*2.292.314*
% Change	*(5,3)%*	*2,8%*	*10,2%*	*(6,4)%*	*(4,5)%*
Due to banks					
Amounts at 31.03.2013	-	-	-	600.956	600.956
Amounts at 31.12.2012	-	-	-	*557.323*	*557.323*
% Change				*7,8%*	*7,8%*
Due to customers					
Amounts at 31.03.2013	-	-	-	9.291.659	9.291.659
Amounts at 31.12.2012	-	-	-	*7.119.008*	*7.119.008*
% Change				*30,5%*	*30,5%*

SECTOR KPI *(in thousands of Euro)*	TRADE RECEIVABLES	NPL	TAX RECEIVABLES	GOVERNANCE AND SERVICES
Turnover (1)				
Amounts at 31.03.2013	1.211.726	n.a.	n.a.	n.a.
Amounts at 31.12.2012	*1.127.082*	*n.a.*	*n.a.*	*n.a.*
% Change	*7,5%*	-	-	-
Nominal amount of receivables managed				
Amounts at 31.03.2013	2.281.048	3.544.043	158.734	n.a.
Amounts at 31.12.2012	*2.352.274*	*3.471.413*	*146.231*	*n.a.*
% Change	*(3,0)%*	*2,1%*	*8,6%*	-
Net non-performing loans/Due from customers				
Amounts at 31.03.2013	3,5%	39,1%	3,5%	n.a.
Amounts at 31.12.2012	*4,3%*	*34,6%*	*3,1%*	*n.a.*
% Change	*(0,8)%*	*4,5%*	*0,4%*	-
RWA (2)				
Amounts at 31.03.2013	1.400.224	106.974	41.056	222.274
Amounts at 31.12.2012	*1.448.097*	*104.044*	*41.495*	*236.532*
% Change	*(3,3)%*	*2,8%*	*(1,1)%*	*(6,0%)*

(1) Gross flow of the receivables sold by the customers in a specific period of time
(2) RWA concerning statement of financial position data by sector

Trade receivables

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

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

All units made a positive contribution to the profit for the first quarter; in particular, net banking income from Italian Trade Receivables increased by approximately 10%, caused also by a slight increase in loans during the quarter (1.682 million Euro at 31 March 2013), compared to the prior-year period (1.570 million Euro). In the first quarter of 2013, loans edged down from the end of 2012, due to the decision to focus on the SME segment. Meanwhile, the Pharma business area made a strong contribution to the first quarter performance, also thanks to interest on arrears already collected or for which a settlement was reached during the quarter, due to debt collection actions taken. Interest recognised at 31 March 2013 following these activities amounted to 714 thousand Euro (compared to 9 thousand Euro in the prior-year period). Finally, the International unit's performance was substantially in line with the previous year.

Net impairment losses reflected both constant general unstable economic conditions and the write-down of specific positions made under particularly stringent policies. The ratio of non-performing loans to total loans in the trade receivables sector fell to 3,5%, down 0,8% quarter-on-quarter from 4,3% at 31 December 2012.

INCOME STATEMENT DATA *(in thousands of Euro)*	31.03.2013	31.03.2012	CHANGE	
			ABSOLUTE	%
Net interest income	4.543	2.362	2.181	92,3%
Total net commission income	24.139	19.898	4.241	21,3%
Net banking income	**28.682**	**22.260**	**6.422**	**28,8%**
Net impairment losses on: loans and receivables	(13.242)	(5.760)	(7.482)	129,9%
Net profit from financial activities	**15.440**	**16.500**	**(1.060)**	**(6,4)%**

STATEMENT OF FINANCIAL POSITION DATA *(in thousands of Euro)*	31.03.2013	31.12.2012	CHANGE	
			ABSOLUTE	%
Non-performing loans	59.612	76.711	(17.099)	(22,3)%
Substandard loans	132.750	136.124	(3.374)	(2,5)%
Restructured loans	8.326	7.910	416	5,3%
Past due loans	90.422	112.820	(22.398)	(19,9)%
Total impaired assets to customers	**291.110**	**333.565**	**(42.455)**	**(12,7)%**
Net performing loans	1.390.980	1.442.299	(51.319)	(3,6)%
Total due from customers (cash)	**1.682.090**	**1.775.864**	**(93.774)**	**(5,3)%**

The decrease in impaired assets is substantially due to lower past due loans, especially recourse loans over 180 days past due, as well as the reduction in impairment losses.

KPI q/q	31.03.2013	31.03.2012	CHANGE	
			ABSOLUTE	%
Turnover	1.211.726	1.127.082	84.644	7,5%
Net banking income/ Turnover	2,4%	2,0%	-	0,4%

KPI y/y	31.03.2013	31.12.2012	CHANGE	
			ABSOLUTE	%
Net non-performing loans/Due from customers	3,5%	4,3%	-	(0,8)%
Impaired assets/Due from customers	17,3%	18,8%	-	(1,5)%
Total RWA per sector	1.400.224	1.448.097	(47.873)	(3,3)%

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

TOTAL RECEIVABLES *(in thousands of Euro)*	AMOUNTS ATL		CHANGE	
	31.03.2013	31.12.2012	ABSOLUTE	%
Receivables without recourse	117.704	127.580	(9.876)	(7,7)%
of which due from the Public Administration	8.554	*10.250*	*(1.696)*	*(16,5)%*
Receivables with recourse	1.535.065	1.551.389	(16.324)	(1,1)%
of which due from the Public Administration	449.059	*453.774*	*(4.715)*	*(1,0)%*
Outright purchases	628.279	673.305	(45.026)	(6,7)%
of which due from the Public Administration	570.082	*615.564*	*(45.482)*	*(7,4)%*
Total receivables	**2.281.048**	**2.352.274**	**(71.226)**	**(3,0)%**
of which due from the Public Administration	***1.027.695***	***1.079.588***	***(51.893)***	**(4,8)%**

The decrease in total receivables purchased outright due from the Public Administration refers to the significant cash flows received during the reporting period, a result of the debt collection actions taken by the Pharma business area.

The breakdown of customers by geographic area in Italy, with a separate indication for those abroad. Is as follows:

BREAKDOWN OF CUSTOMERS BY GEOGRAPHIC AREA	COMMITMENTS	TURNOVER
Northern Italy	40,9%	54,3%
Central Italy	36,0%	24,2%
Southern Italy	21,3%	15,2%
Abroad	1,8%	6,3%
Total	**100,0%**	**100,0%**

Non-performing loans (NPL)

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

Toscana Finanza's business is by nature closely associated with recovering impaired loans. Loans in the NPL segment are included among non-performing and substandard loans: in particular, those loans maintain the same classification as that assigned by the invoice seller, provided the latter is subject to the same law as Banca IFIS: otherwise, if the Bank has not ascertained the debtor's state of insolvency, those loans are classified as substandard.

INCOME STATEMENT DATA *(in thousands of Euro)*	31.03.2013	31.03.2012	CHANGE	
			ABSOLUTE	%
Net interest income	7.397	5.461	1.936	35,5%
Total net commission income	-	-	-	n.a.
Net banking income	**7.397**	**5.461**	**1.936**	**35,5%**
Net impairment losses on: loans and receivables	(779)	(55)	(724)	1.316,4%
Net profit from financial activities	**6.618**	**5.406**	**1.212**	**22,4%**

STATEMENT OF FINANCIAL POSITION DATA *(in thousands of Euro)*	31.03.2013	31.12.2012	CHANGE	
			ABSOLUTE	%
Non-performing loans	41.860	35.974	5.886	16,4%
Substandard loans	65.114	68.070	(2.956)	(4,3)%
Restructured loans	-	-	-	-
Past due loans	-	-	-	-
Total impaired assets to customers	**106.974**	**104.044**	**2.930**	**2,8%**
Net performing loans	-	-	-	-
Total due from customers (cash)	**106.974**	**104.044**	**2.930**	**2,8%**

KPI	31.03.2013	31.12.2012	CHANGE	
			ABSOLUTE	%
Nominal amount of receivables managed	3.544.043	3.471.413	72.630	2,1%
Total RWA per sector	106.974	104.044	2.930	2,8%

Net interest income is generated by the interest accrued according to the amortised cost method.

The cash flows used for calculating the amortised cost are estimated with a statistical model based on a recent calibration that analysed the historical time series on collection activities undertaken by Toscana Finanza in the period 2009-2012.

Net impairment losses on receivables are due to the recognition of unpaid bills of exchange, which resulted in a downward adjustment to cash flows expected from the positions concerned, and to the partial write-down of the mortgage portfolio.

In the first quarter of 2013, the counterparties settled their debts mainly through two methods: in cash (postal orders, bank transfers, etc.) or by signing bills of exchange; in particular, 7,0 million Euro were collected, in line with expectations; as for the bills of exchange, they increased to 16,9 million Euro, compared to 8,8 million Euro in the prior-year period.

The performance of the sector has thus improved markedly, also thanks to the new debt collection approach, which entails a significant increase in the collection of bills of exchange.

The receivables purchase activities carried out in the quarter led to the acquisition of financial receivables portfolios for a price equal to approximately 2,5% of the nominal value of € 89 million, in addition to purchases made, pending settlement as of the report date, for a nominal value of 41 million Euro.

With these purchases, the portfolio managed by the NPL sector covers 551.496 cases, for a par value of 3.544 million Euro.

For the sake of completeness, it should be noted that the costs relating to debt collection operations undertaken by external agencies, recognised under “other administrative expenses”, were 1.200 thousand Euro in the first quarter of 2013, against 775 thousand Euro in the prior-year period.

Tax receivables

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

Since the Public Administration is the counterparty, tax receivables are classified as performing; trade receivables, on the other hand, may be classified as impaired assets if required.

INCOME STATEMENT DATA *(in thousands of Euro)*	31.03.2013	31.03.2012	CHANGE	
			ABSOLUTE	%
Net interest income	3.149	410	2.739	668,0%
Total net commission income	-	(48)	48	(100,0)%
Net banking income	**3.149**	**362**	**2.787**	**769,9%**
Net impairment losses on: loans and receivables	305	-	305	n.a.
Net profit from financial activities	**3.454**	**362**	**3.092**	**854,1%**

STATEMENT OF FINANCIAL POSITION DATA *(in thousands of Euro)*	31.03.2013	31.12.2012	CHANGE	
			ABSOLUTE	%
Non-performing loans	3.199	2.566	633	24,7%
Substandard loans	-	-	-	-
Restructured loans	-	-	-	-
Past due loans	-	-	-	-
Total impaired assets to customers	**3.199**	**2.566**	**633**	**24,7%**
Net performing loans	88.469	80.608	7.861	9,8%
Total due from customers (cash)	**91.668**	**83.174**	**8.494**	**10,2%**

KPI	31.03.2013	31.12.2012	CHANGE	
			ABSOLUTE	%
Nominal amount of receivables managed	158.734	146.231	12.503	8,6%
Total RWA per sector	41.056	41.495	(439)	(1,1)%

Net interest income is generated by the interest accrued according to the amortised cost method; the contribution to profit or loss of positions acquired following the acquisition of the Toscana Finanza Group by Banca Ifis begins to be significant. They yield returns which are considerably higher than those on the receivables held in the portfolio at the acquisition date. Furthermore, the adjustment to the estimated cash flows, higher than expected, and debt collection time, shorter than expected, of a position of significant amount resulted in an approximately 1,5 million Euro increase in interest for the period.

Net reversals of impairment losses on receivables for the period were due mainly to the extension of debt collection time for a single position.

During the period, 1,4 million Euro were collected, in line with estimates; 50 cases were acquired for an amount of 5,3 million Euro, at an average price of around 43% of the par value of the tax receivables net of enrolments (10,7 million Euro).

With these purchases, the portfolio managed by the sector covers 4.316 cases, for a par value of 159 million Euro.

Governance and services

Within the scope of its management and coordination activities, the Governance and Services sector exercises strategic, managerial, and technical-operational control over operating segments and subsidiaries. Furthermore, it provides the operating segments and subsidiaries with the financial resources and services necessary to perform their respective business activities. The Internal Audit, Compliance, Risk Management, Communications, Strategic Planning, Administration and Management Control, Human Resources, Organisation and ICT departments, as well as the structures responsible for raising, allocating (to operating segments and subsidiaries), and managing financial resources, are centralised in the Parent Company. Specifically, this sector includes the contribution of the securities portfolio to net interest income for the period, amounting to 32,4 million euro.

INCOME STATEMENT DATA *(in thousands of Euro)*	31.03.2013	31.03.2012	CHANGE	
			ABSOLUTE	%
Net interest income	28.557	24.945	3.612	14,5%
Total net commission income	(972)	(534)	(438)	82,0%
Net banking income	49	(63)	112	(177,8)%
Net impairment losses on: loans and receivables	**27.634**	**24.348**	**3.286**	**13,5%**
Net profit from financial activities	-	-	-	n.a.
Net interest income	**27.634**	**24.348**	**3.286**	**13,5%**

STATEMENT OF FINANCIAL POSITION DATA *(in thousands of Euro)*	31.03.2013	31.12.2012	CHANGE	
			ABSOLUTE	%
Available for sale financial assets	2.763.805	1.974.591	789.214	40,0%
Held to maturity financial assets	4.710.582	3.120.428	1.590.154	51,0%
Due from banks	479.119	545.527	(66.408)	(12,2)%
Due from customers	308.084	329.232	(21.148)	(6,4)%
Due to banks	600.956	557.323	43.633	7,8%
Due to customers	9.291.659	7.119.008	2.172.651	30,5%

STATEMENT OF FINANCIAL POSITION DATA *(in thousands of Euro)*	31.03.2013	31.12.2012	CHANGE	
			ABSOLUTE	%
Non-performing loans	-	-	-	-
Substandard loans	-	-	-	-
Restructured loans	-	-	-	-
Past due loans	-	-	-	-
Total impaired assets to customers	**-**	**-**	**-**	**-**
Net performing loans	308.084	329.232	(21.148)	(6,4)%
Total due from customers (cash)	**308.084**	**329.232**	**(21.148)**	**(6,4)%**

KPI	31.03.2013	31.12.2012	CHANGE	
			ABSOLUTE	%
Total RWA per sector	222.274	236.532	(14.258)	(6,0)%

Significant subsequent events

Appointment of members of the Board of Directors

Banca IFIS's General Shareholders' Meeting of 30 April 2013 set the total number of components of the Board of Directors at 9 and appointed Sebastien Egon Furstenberg, Alessandro Csillaghy, Giovanni Bossi, Andrea Martin, Francesca Maderna, Marina Salamon, Riccardo Preve, Giuseppe Benini and Daniele Santosuosso as Board members for 2013-2015, setting the remuneration payable to each of them for the performance of their duties. This Meeting also appointed Giacomo Bugna (Chairman), Mauro Rovida (Standing Auditor), Giovanna Ciriotto (Standing Auditor), Luca Giacometti (Alternate Auditor) and Sonia Ferrero (Alternate Auditor), as members of the Board of Statutory Auditors, setting the remuneration payable to each of them for the performance of their duties.

Furthermore, the Meeting: acknowledged the report on implementation of the remuneration policies for 2012 and resolved in favour of Section I of the Remuneration Report, prepared pursuant to Article 123-ter of the Consolidated Law on Finance, also for the purposes of adjusting Banca IFIS banking Group's remuneration policy for 2013; authorised the renewal of the Directors and Officers' liability insurance policy; approved the amendment to the Shareholders' Meeting Regulation pursuant to Legislative Decree no. 27 dated 27 January 2010, implementing Directive 2007/36/EC in Italy on the exercise of rights by listed companies' shareholders and subsequent amendments (Legislative Decree no. 91 dated 18 June 2012).

After the Meeting, Banca IFIS's Board of Directors appointed the corporate officers from amongst the directors elected for the 2013-2015 three-year period, confirming Sebastien Egon Furstenberg as Chairman, Alessandro Csillaghy as Deputy Chairman, and Giovanni Bossi as CEO; it also appointed the Control and Risks Committee, the Appointment and Remuneration Committee, the Supervisory Body, the Lead Independent Director and the Executive Director responsible for the Internal Audit and Risk Management System.

New IT System

The new IT system supporting the business of the trade receivables sector was launched in May.

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

Outlook

The outlook for 2013 remains positive for the Group, against the backdrop of a changing market marked by the recession and affected by the lack of confidence, caused also by the limited impact of actions taken by public institutions.

The Bank believes that its margins are sustainable thanks to the flexibility of its business model.

Operations in support of businesses could be positively influenced by both the opportunities to acquire new customers and new loans, and the still scarce availability of credit on the market in the light of the caution of non-specialist banks' in supporting companies with traditional credit instruments. The performance in the new year will in any case be affected by the trend in credit quality, a key variable for the banking market in challenging economic times. The profitability generated in the sectors in which the Bank operates will presumably be able to guarantee, in any case, significant margins, including net of adjustments.

Therefore, the Group can reasonably expect a positive profit trend in 2013.

In all likelihood, the liquidity position will be confirmed as solid, with a ratio of retail funding to loans excluding bond purchases constantly well over 100,0%. It is reasonable to expect solvency to improve further due to the capitalisation of current profits.

Other information

Transactions on treasury shares

The Shareholders' Meeting of 30 April 2013 renewed the authorisation to buy and sell treasury shares, pursuant to article 2357 ff of the Italian Civil Code, as well art. 132 of Leg. Decree 58/98, establishing a price interval within which the shares can be bought, in this case between a minimum of 2 Euro and a maximum of 20 Euro, for a total amount of 20 million Euro. The Meeting also established that the authorisation lapses after 18 months from the date the resolution was passed.

At 31 December 2012, Banca IFIS held 259.905 treasury shares worth 1.340 thousand Euro and with a par value of 260 thousand Euro.

During the period, the Bank bought, at an average price of 6,03 Euro, 601.717 treasury shares worth 3.627 thousand Euro and with a par value of 602 thousand Euro.

The overall balance at 31 March 2013 was 861.622 treasury shares worth 4.967 thousand Euro and with a par value of 862 thousand Euro.

Venice - Mestre, 9 May 2013

For the Board of Directors

The Chairman
Sebastien Egon Fürstenberg

The C.E.O.
Giovanni Bossi

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

GruppoBanca**IFIS**

Statement by the 'Manager responsible for preparing corporate financial documents'

The undersigned, Carlo Sirombo, 'Manager responsible for preparing corporate financial documents' for Banca IFIS S.p.A. declares, as per paragraph 2, article 154 bis of the Consolidation Act on financial intermediation, that the financial information contained in the present consolidated Interim Report as at 31 March 2013 corresponds to the documentable figures and results contained in Banca IFIS's accounting and bookkeeping documents, books and registers.

Manager responsible for preparing corporate financial documents

Carlo Sirombo

Mestre, 9 May 2013