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PRESS RELEASE

2010: improvement in profitability and strengthening in the capital structure

Proposal to the shareholders' assembly for the distribution of a cash dividend of 0.06 euro per share and 0.14 euro per share of one free share for every 37 shares held

Mestre, 7 March 2011

Summary

The entire period January 1st – December 31st 2010	• Turnover increased by 39% • Net profit increased by 8.2% • Double-digit growth in margins • Improvement of cost/ income ratio on the net banking income • Strengthening of the balance sheet structure • Strengthening of the capital: Core Tier 1 equal to 11.5%, Solvency ratio at 11.3% • Capital profitability(ROE) at 10.9%
The fourth quarter October 1st – December 31st 2010	• Profit increased by 9.4% • Slight increase of operative costs • Provisions to receivables amount to 10.5 million Euro, with decreasing cost of risk

Report on operations

The Board of Directors' meeting of Banca IFIS met today, under the chairmanship of the President, Sebastien von Furstenberg, and approved the draft Annual Report for 2010, delegating to the President the task of convening the Shareholders' General Meeting to approve the Annual Report the 29th of April , first call. The Board of Directors also proposed a total dividend of 0.20 per share of which 0.06 euro/share in cash and 0.14 euro/share through the bonus issue of one share for every 37 shares held.

"2010 was a strong and intense year, full of challenges and extraordinary opportunities, the year in which a relevant increase in capital took place, subscribed by all shareholders in order t support the bank's expansion plans. The obtained resources will be used to strengthen the Bank's equity, and will allow us to plan the future without any worries", stated President Furstenberg.

"The Bank managed to respond to the challenges of recent years. Through innovation, it was able to grow rapidly even in this post-crisis market that continues to show signs of a stalemate. In 2010, the 39% growth in turnover represents a success and confirms the Bank's ability to identify the real needs of its customers. The huge push resulting from the collection capacity of the "Rendimax" deposit account, which led to the Bank finally breaking free of its dependence on the interbank market, together with the increase in capital, have given the Bank the financial resources needed to support to the work of enterprises, the operational smarts, vitality and the entrepreneurial initiative that characterizes Italy. Moreover, the Bank has successfully entered a new business segment in terms of loans, represented by the medium and large-size companies operating as suppliers to the Public Administration" stated Giovanni Bossi, Chief Executive

Officer of Banca IFIS.

In detail, the already mentioned 39% increase in the **volumes of traded loans** to 4.8 million Euros was followed by an increase in **net banking income** of 16.9% to 94.4 million Euros. The 1.9% ratio of Net Banking Income over Turnover (Volumes) is perfectly in line with the past five years' average. Profitability is almost exclusively the result of the sum of the interest margin and net commission earned in 2010 in financing to enterprises; profitability, which was once generate exclusively by the lending of financial support to smaller-size companies, today also derives from business in the sector of medium and large-size enterprises interested in leveraging their receivables due from the Public Administration.

In the current period, proceeds deriving from the sale of financial assets account for only 0.5 million Euros compared to the 5.9 million of the previous year.

In the fourth quarter, both interest margin and net commissions grew by 39.6% and 14.7%, respectively, compared to the same quarter of the previous year; net banking income, on the other hand, has decreased as a result of the lesser proceeds deriving from the sale of securities, a significant amount in the last quarter of the previous year.

The **net result from financial activities** amounts to 70.0 million Euros compared to 60.6 million Euros of the previous period; profitability is still significantly affected by provisions for adjustments to receivables, which have increased by 20.9% to 24.4 million Euros. The significance of this figure should be interpreted within the market context that generated it, which was strongly influenced by the economic situation and the diffused difficulties experienced by the companies. The cost of the risk resulting from the loan activity of is equal to a 1.96% compared to the average loan on receivables (2.1% previous year). Even if we are far from those periods in which the cost of credit reached minimal levels with respect to loans, it is expected for this figure to further improve during 2011 as well. The integrated reading of the increase in margins and the significance of adjustments to receivables allows us to state that, even in a market where recovery continues to be uncertain the standpoint of assets quality, the bank is able to generate enough profitability to obtain a high and stable generation of profits.

In the fourth quarter, the net result from financial activities grew by 5.7%, thanks to the fewer provisions for adjustments to receivables made during the last months of 2010.

Operating costs have increased by 15.9% to 40.1 million Euros. This increase is mainly due to a change in administrative expenses, with a 16.9% increase in personnel costs to 25.2 million Euros, and a 14.8% increase in other administrative expenses to 13.9 million. Said increases are basically consistent with forecasts and are a consequence of the expansion in the bank's structure, mainly in the credit assessment and management functions, retail collection, organization, IT and general services. Local functions dealing with commercial development, relationships with the clientele and risk management have also been expanded. The *cost/income ratio* has improved compared the previous period, settling at 42.5% against 42.8% in 2009.

In the fourth quarter, operating costs increased by 0.8 million Euros, with a limited increase of only 8.3%.

The **pre-tax profit** also posted an increase (+15.0% to 29.8 million) while the increase in **net profit** is in line with expectations, more limited (+8.2% to 18.6 million) as a result of the higher taxation rate for the period applied to the Bank's taxable income. Nevertheless, it represents a significant increase in the net profit compared to 2009, which can be interpreted as 10.9% in terms of ROE.

The quarter also recorded a significant increase of 9.4% in the net profit.

The changes in **Balance Sheet** items are illustrated here below.

The Bank's assets basically consists of **Receivables due from customers** for regular transactions with enterprises, which increased by 26% to 1571.6 million Euros, adjusted for non-performing and substandard receivables; of Italian government bonds and bank bonds recorded almost in full in item **Financial assets available for sale**, which quickly increased by 111.1% to 818.5 million Euros; of **receivables due from banks** which amount to 228 million Euros, for a 24.7% increase, consisting in part of unlisted securities.

In detail, the total non-performing receivables due from customers is equal to 38.4 million Euros as at 31 December 2010 compared to 20.2 million in 2009; the increase in non-performing receivables is a result of the current adverse economic situation and it was for the most part expected. The ratio of net non-performing receivables over net equity is 18.6% as at 31 December 2010, up from the 13% as at 31 December 2009.

Total sub-standard receivables, net of value adjustments, is equal to 76.8 million Euros, down from the 130.0 million as at the end of 2009. These figures also take into account of the inclusion in this category of "pro-solvendo objective substandard receivables", following new instructions set forth by the Bank of Italy. However, due to the special activity carried out by Banca IFIS, these objective substandard loans do not represent especially problematic positions. Specifically, the "pro-solvendo objective substandard receivables" refer to amounts loan to assignor customers whose assigned debtors are especially late with their payments. Banca IFIS considers these positions as not being particularly problematic as the assigned' debtor's late payment does not also necessarily mean that the assignor customer is experiencing serious financial difficulties.

The Bank's liabilities show the excellent balance and flexibility in the procurement sources; at the end of the period, the **collection from customers** accounts for 52% and, together with the Net Equity, covers the loans to customers, while assets in securities are covered by the **interbank collection,** which increases by 16%, and by the use **repurchase agreements** accounts for 32%.

The strengthening in the Bank's equity, thanks to the support by the shareholders that made the capital increase possible, has led to a strong improvement in the Bank's solvency coefficients: Core Tier 1 went from 9.2% in 2009 to 11.5% as at the end of 2010, while the solvency ratio increased from 8.9% to 11.3%.

Events subsequent to the closing of the period

On 21 February 2011, the Bank of Italy issued its authorization to Banca IFIS to proceed with the voluntary public offer for purchase over Toscana Finanza, a financial company operating in the buying and management of fiscal and trade hard-to-collect receivables. This operation, initially announced on 9 July 2009, was subsequently amended as a result of the agreements made on 5 March 2010. The offer is aimed at the purchase of the entire share capital of Toscana Finanza by Banca IFIS at a price of 1.5 Euros per share, and the subsequent revocation from trading on the MTA (Mercato Azionario Telematico) of the shares of Toscana Finanza.

During the month of February, Banca IFIS and the Gruppo Bancario Credito Valtellinese have signed an agreement for distribution of the factoring products and related services developed by Banca IFIS trough the more than 500 branches of the Creval Group located in ten regions of Italy. To Banca IFIS, this new agreement enhances the possibilities of enterprises and entrepreneurs finding out about factoring services and of quickly expanding its clientele base.

During the month of 2011, the Rendimax product offer was further enriched with a new savings account with maturity at 18 months offering a gross annual yield of 3.3%.

Outlook

The outlook for 2011 continues to be positive. A slow recovery is underway in terms of interest rates, which also entails pressure on the price side of raw materials, a possible breeding ground for inflation, nevertheless countered by unemployment rates and plant capacity that are still too limited to have a significant effect on prices changes. The higher interest rates will relieve the pressure that bears heavily on the income statements. The request for credit by enterprises will presumably receive a positive impulse from an increase in the internal product, although a particularly strong growth does not seem to be presumable.

Banca IFIS, on the strength of the net worth resulting from the capital increase carried out in 2010, will be able to keep growing in terms of volumes and profitability within a context that may still be marked by certain difficulties concerning credit quality.
The year 2011 will also feature the conclusion of the Public Offer for Purchase which Banca IFIS has made on the Gruppo Toscana Finanza. As a result of the acquisition, already agreed upon with the reference shareholders of the Gruppo Toscana Finanza and authorized by the Bank of Italy after a complex evaluation process, Gruppo Banca IFIS will add a new activity, the buying and management of fiscal and trade hard-to-collect receivables, that features significant synergy with respect to the Bank's area of operations, good future profits, interesting possibilities for growth. Banca IFIS will be implementing measures aimed at stimulating growth in terms of operations, products and future development.
The tender document will be submitted to Consob in the next few days. Banca IFIS believes that it will be able to launch the offer on the market very soon, in order to integrate the new activity as quickly as possible.

Proposal for the allocation of profits through the distribution of dividends and the issuing of Banca IFIS shares (script dividend)

The Board of Directors is set to propose to the Shareholders the distribution of profits through:
1. The distribution of a cash dividend of 0.06 Euro for each ordinary share;
2. The issuing of Banca IFIS shares (script dividend) taken entirely from the treasury shares in the portfolio.
Specifically, a proposal will be made to the Shareholders to issue 1 ordinary share for every 37 shares held with nominal value of 1 Euro each which, held the record date, in proportion to the price of the share posted this past March 4th, corresponds to a script dividend of 0.14 Euro for each ordinary share.

Declaration by the Financial Reporting Officer

The Financial Reporting Officer, Carlo Sirombo, hereby declares that, pursuant to paragraph 2 of article 154-bis of the Consolidation Act on Finance, the financial information contained in this press release corresponds to the company's documental results, accounting books and accounting records.

Banca IFIS *(Bloomberg IF IM, Reuters IF MI), operating since 1983 in lending financial support to enterprises, today is the only independent Italian Bank specializing in the financing of small and medium enterprises' current receivables. Listed in the STAR segment of the Italian Stock Exchange, Banca IFIS operates in a market segment with a high growth rate, especially significant in today's economic context, with a unique business model based on asset-based financing that allows easier access to credit.*
Constantly expanding both in Italy and abroad, Banca IFIS Groups today has 25 branches in Italy, one in Paris, a subsidiary in Poland (Warsaw), representative offices in Romania (Bucharest, Timisoara) and Hungary (Budapest), a joint venture with the Punjab National Bank for the development of factoring in INDIA and agreements with over 200 banks worldwide. Banca IFIS Group has the most complete specialised sales networks in Italy, with about 100 dedicated and in-house trained sales staff, which guarantees the advantage of direct and personalized relationships with over 3,000 customers.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(in thousands of Euro)

ASSETS	YEAR 31/12/2010	YEAR 31/12/2009	Change Amount	Change %
Cash and cash equivalents	31	4.614	(4.583)	(99,3)%
Financial assets held for trading	293	325	(32)	(9,8)%
Available for sale financial assets	818.507	387.705	430.802	111,1%
Due from banks	228.013	182.859	45.154	24,7%
Due from customers	1.571.592	1.247.026	324.566	26,0%
Property, plant and equipment and investment property	34.309	34.506	(197)	(0,6)%
Intangible assets	3.686	3.916	(230)	(5,9)%
of which:				
- goodwill	868	826	42	5,1%
Tax assets	9.945	4.997	4.948	99,0%
a) current	14	69	(55)	(79,7)%
b) deferred	9.931	4.928	5.003	101,5%
Other assets	135.743	107.463	28.280	26,3%
TOTAL ASSETS	2.802.119	1.973.411	828.708	42,0%

LIABILITIES	YEAR 31/12/2010	YEAR 31/12/2009	Change Amount	Change %
Due to banks	752.457	840.546	(88.089)	(10,5)%
Due to customers	1.802.011	909.615	892.396	98,1%
Outstanding securities	0	20.443	(20.443)	(100,0)%
Tax liabilities	4.857	3.938	919	23,3%
a) current	960	742	218	29,4%
b) deferred	3.897	3.196	701	21,9%
Other liabilities	35.121	41.975	(6.854)	(16,3)%
Post-employement benefits	1.060	1.055	5	0,5%
Equity instruments	(9.245)	(4.007)	(5.238)	130,7%
Reserves	78.037	72.978	5.059	6,9%
Share premiums	78.882	49.765	29.117	58,5%
Share capital	53.811	34.300	19.511	56,9%
Treasury shares	(13.498)	(14.413)	915	(6,3)%
Net profit for the year attributable to the owners of the parent company	18.626	17.216	1.410	8,2%
TOTAL LIABILITIES	2.802.119	1.973.411	828.708	42,0%

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CONSOLIDATED INCOME STATEMENT

(in thousands of Euro)

	YEAR		CHANGE	
	31/12/2010	31/12/2009	Amount	%
Net interest income	27.293	22.171	5.122	23,1%
Net commission income	66.844	52.278	14.566	27,9%
Dividends and similar income	17	17.325	(17.308)	-99,9%
Net loss from trading	(218)	(16.880)	16.662	-98,7%
Profit/loss from sale or buybacks of:	494	5.916	(5.422)	-91,6%
a) Loans and receivables	0	2.243	(2.243)	-100,0%
b) Available for sale financial assets	494	3.693	(3.199)	-86,6%
Net banking income	94.430	80.810	13.620	16,9%
Net impairment losses on:loans and receivables	(24.444)	(20.218)	(4.226)	20,9%
a) Loans and receivables	(24.209)	(20.218)	(3.991)	19,7%
b) Available for sale financial assets	(235)	0	(235)	100,0%
Net profit from financial activities	69.986	60.592	9.394	15,5%
Administrative expenses:	(39.078)	(33.652)	(5.426)	16,1%
a) Personnel	(25.176)	(21.544)	(3.632)	16,9%
b) Other	(13.902)	(12.108)	(1.794)	14,8%
Net depreciation and impairment losses/reversals on property, plant and equipment and investment property	(1.330)	(1.295)	(35)	2,7%
Net amortisation and impairment losses/reversal on intangible assets	(1.153)	(1.076)	(77)	7,2%
Other operating income	1.436	1.406	30	2,1%
Operating costs	(40.125)	(34.617)	(5.508)	15,9%
Pre-tax profit from continuing operations	29.861	25.975	3.886	15,0%
Income tax expenses	(11.235)	(8.759)	(2.476)	28,3%
Profit for the year attributable to owners of the parent company	18.626	17.216	1.410	8,2%

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT: QUATERLY EVOLUTION (in thousands of Euro)	2010			
	4th Q.	3rd Q.	2nd Q.	1st Q.
Net interest income	8.614	7.948	5.352	5.379
Net commission income	17.478	16.797	16.733	15.836
Dividends and similar income	-	-	17	-
Net loss from trading	(97)	(11)	1	(111)
Profit (loss) from sale or buyback of receivables	494	-	-	-
Net banking income	26.489	24.734	22.103	21.104
Net impairment losses on				
a) Receivables	(10.295)	(7.179)	(3.904)	(2.831)
b) Available for sale financial assets	(235)	-	-	-
Net profit from financial activities	15.959	17.555	18.199	18.273
Personel	(6.665)	(5.769)	(6.465)	(6.277)
Other	(3.753)	(3.459)	(3.324)	(3.366)
Net amortisation and impairment losses/reversal on intangible assets	(656)	(626)	(625)	(577)
Other operating income	323	285	416	412
Operating costs	(10.750)	(9.569)	(9.998)	(9.808)
Pre-tax profit from continuing operations	5.209	7.986	8.201	8.465
Income tax expenses	(2.303)	(2.969)	(3.020)	(2.943)
Profit for the year attributable to owners of the parent company	2.906	5.017	5.181	5.522

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RECLASSIFIED CONSOLIDATED INCOME STATEMENT (in thousands of Euro)	4 th Q 2010	4 th Q 2009	change amount	change %
Net interest income	8.614	6.170	2.444	39,6%
Net commission income	17.478	15.235	2.243	14,7%
Dividends and similar income	(97)	(147)	50	(34,0)%
Net loss from trading	-	2.243	(2.243)	(100,0)%
Profit (loss) from sale or buyback of receivables	494	3.693	(3.199)	(86,6)%
Net banking income	26.489	27.194	(705)	(2,6)%
Net impairment losses on				
a) Receivables	(10.295)	(12.097)	1.802	(14,9)%
b) Available for sale financial assets	(235)	-	(235)	100.0%
Net profit from financial activities	15.959	15.097	862	5,7%
Personel	(6.665)	(6.372)	(293)	4,6%
Other	(3.753)	(3.357)	(396)	11,8%
Net amortisation and impairment losses/reversal on intangible assets	(656)	(665)	9	(1,4)%
Other operating income	323	471	(148)	(31,4)%
Operating costs	(10.750)	(9.923)	(827)	8,3%
Pre-tax profit from continuing operations	5.209	5.174	35	0,7%
Income tax expenses	(2.303)	(2.517)	214	(8,5)%
Profit for the year attributable to owners of the parent company	2.906	2.657	249	9,4%