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INFORMATION DOCUMENT ABOUT TRANSACTIONS OF GREATER IMPORTANCE WITH RELATED PARTIES

**Pursuant to Art. 5 of Consob Regulations no. 17221 of 12 March
2010 as modified by resolution no. 17389 of 23 June 2010**

**Intra-group merger by incorporation of
Toscana Finanza S.p.A. into Banca IFIS S.p.A.**

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Introduction

This information document (hereinafter, the “**Document**”) was prepared by Banca IFIS S.p.A. (hereinafter, “**Banca IFIS**” or the “**Issuer**” or the “**Merging Company**”) pursuant to Art. 5 of Consob Regulation no. 17221 of 12 March 2010, as subsequently amended by resolution no. 17389 of 23 June 2010, bearing provisions on the subject of transactions with related parties (hereinafter, the “**OPC Consob Regulations**”), as well as Art. 5.3.1 of the Banca IFIS procedure for transaction with related parties approved by the Board of Directors on 1 December 2010.

Specifically, the Document was prepared in reference to the resolution adopted on 8 September 2011 by the Banca IFIS Board of Directors concerning the merger by incorporation (hereinafter, the “**Transaction**” or the “**Merger**”) of Toscana Finanza S.p.A. (hereinafter, “**Toscana Finanza**” or the “**Merged Company**”) into the Issuer.

The Transaction is subject to the prior authorization of Bank of Italy (hereinafter, the “**Authorization**”) pursuant to Art. 57 of Italian Legislative Decree 385 of 1 September 1993, (hereinafter, the “**TUB**”).

The request for Authorization was submitted to Bank of Italy on 8 July 2011 and subsequently amended on 19 July 2011 with the addition of information concerning specific aspects of the planned Merger.

With a note dated 2 August 2011, Bank of Italy has notified the Issuer that it initiated the proceedings regarding the request for Merger Authorization on 19 July 2011, and that said proceedings will be completed, except for possible suspensions and interruptions of the terms set out by the system in force, within 90 days from the date on which they start.

Once the relevant Authorization is obtained, the Issuer’s Board of Directors shall proceed to submit the Transaction to the Shareholders’ Assembly for approval according to the terms and methods to be set out in the Merger plan drawn up pursuant to Art. 2501 *ter* of the Italian Civil Code.

The documentation required by civil code provisions shall be made available to the shareholders of Banca IFIS according to the methods and terms provided for by applicable regulations.

1 Warnings

1.1 Risks associated with potential conflicts of interest arising from the Transaction with related parties

The Transaction does not expose the Issuer to any specific risks in view of its characteristics, as illustrated in this Document.

2 Information about the Transaction

2.1 Description of Transaction characteristics, methods, terms and conditions

The merger of Banca IFIS and Toscana Finanza will take place by incorporation of Toscana Finanza into Banca IFIS and the assignment of the Issuer's ordinary shares to Toscana Finanza's shareholders in exchange for Toscana Finanza's shares, which will be written off.

Specifically, the shares that the Issuer will assign to Toscana Finanza's shareholders are the "treasury" shares of Banca IFIS, which are held by the latter the moment in which the Merger will become effective.

In connection with said implementation method, please note that it is in the intention of the Issuer's directors to submit to the approval of the Shareholders' Assembly of Banca IFIS convened to approve the Merger project, the proposal to use the treasury shares purchase fund for the purpose of assigning the Issuer's shares to Toscana Finanza's shareholders.

Please also note that, according to the criteria set for calculating the Share Swap Ratio as specified below, there is no need to initiate the authorization process required by Circular letter no. 263 of 27 December 2006, Title I, Chapter 2, Section II, issued by Bank of Italy, as the value of the treasury shares to be acquired for purposes of the Merger should not exceed the limit of 5% of the share capital.

In order to determine the Share Swap Ratio for the Merger, the Boards of Directors of Banca IFIS and of Toscana Finanza have adopted as reference balance sheets pursuant to Art. 2501 *quater* of the Italian Civil Code, the balance sheets of the Issuer and of Toscana Finanza as of 30 June 2011, both subjected to a limited audit.

On 8 September 2011, the Board of Directors of Banca IFIS, within the scope of its independent evaluations, determined the Share Swap Ratio for the Merger to be equal to no. 7 Banca IFIS ordinary shares for every 23 ordinary shares of Toscana Finanza (hereinafter, the “**Share Swap Ratio**”).

Toscana Finanza’s shareholders who did not vote in favour of the merger during the assembly shall be entitled to withdraw from all or part of their shares. In that case, shareholders who do decide to exercise their right to withdraw shall receive a payment calculated in reference to the arithmetic mean of closing prices in the six months that precede publication of Toscana Finanza’s extraordinary assembly convened to resolve on the Merger. The withdrawal shall become effective once the Merger comes into effect.

2.2 Information about the related parties with whom the Transaction will be carried out, of the nature of the relationship

The Transaction falls within the category of transactions between related parties as Toscana Finanza is a subsidiary of Banca IFIS and it is listed in the register of banking groups referred to in Art. 64 of the Italian Consolidated Law on Banking (TUB) in its capacity as member of the Banca IFIS bank group.

In addition, certain “executives with strategic responsibilities” (please refer to Enclosure 1, paragraph 1 of the OPC Consob Regulations) of Banca IFIS are also members of the corporate bodies of Toscana Finanza and Fast Finance.

Specifically, the following are Members of the Board of Directors of Toscana Finanza: Sebastien Egon Furstenberg, Chairman of the Board of Directors and majority shareholder of Banca IFIS (through La Scogliera S.p.A.), Alessandro Csillaghy, Deputy Chairman of the

Board of Directors of Banca IFIS, Giovanni Bossi, Chief Executive Officer of Banca IFIS, Alberto Staccione, General Manager of Banca IFIS while Mauro Rovida, Chairman of the Board of Statutory Auditors of Banca IFIS, also covers the same role within the company Fast Finance.

2.3 Indication of the economic reasons and convenience of the Transaction for Banca IFIS

The Transaction is part of a wider acquisition project of the Toscana Finanza Group by Banca IFIS, authorized by Bank of Italy on 21 February 2011, whose guidelines are contained in the framework agreement of 5 March 2010 (hereinafter, the “**Framework Agreement**”) between Next S.r.l. (which held ordinary shares representing 47.963% of the share capital of Toscana Finanza), Finross S.p.A. (which held ordinary shares representing 7.058% of the share capital of Toscana Finanza), Serenella Bettini (who held ordinary shares representing 11.080% of the share capital of Toscana Finanza), Mario Sordi (husband of Serenella Bettini, who signed the Framework Agreement since the shares owned by Serenella Bettini were allocated to an equity fund that required the consent of both husband and wife in order to use said shares), Andrea Manganelli (in his capacity as director of Toscana Finanza as well as controlling partner of Next, which in turn controlled Toscana Finanza), Enrico Rossetti (in his capacity as director of Fast Finance S.r.l.) and Banca IFIS (hereinafter, the “**Parties**” and individually, the “**Party**”), which also regulates the *governance* aspects concerning the entire project.

The initial phase of said acquisition process, whose primary aim is the *delisting* of Toscana Finanza shares, was partially implemented through the voluntary public take-over bid (hereinafter, the “**OPA**”) carried out - from 4 April 2011 until 10 May 2011 - on the total of Toscana Finanza’s ordinary shares, equal to no. 30,594,476 shares , including no. 499.715 treasury shares in the portfolio (representing 1.63% of its share capital). As also provided for by the “Offer Document for Total Voluntary Public Take-Over Bid” drawn up pursuant to Articles 102 and 106, paragraph 4, of Italian Legislative Decree no. 58 of 24 February 1998 (hereinafter, the “**TUF**”), in case of failure to reach the targets referred to in articles 108 and 111 of the TUF,

the OPA would have been carried out through the merger by incorporation of Toscana Finanza into Banca IFIS, in conjunction with the demerger (hereinafter, the “**Demerger**”) of all of Toscana Finanza’s transferable assets and liabilities in favour of Fast Finance S.p.A. (hereinafter, “**Fast Finance**”), a wholly-owned subsidiary of Toscana Finanza.

Following the results obtained with the OPA, and as a consequence of subsequent analyses and evaluations, the parties which signed the Framework Agreement deemed it necessary to introduce certain changes to the contents of said Framework Agreement. Consequently, on 22 June 2011 they signed a deed integrating said Agreement requiring the execution of a merger by incorporation of Toscana Finanza into Banca IFIS, with no concomitant Demerger.

Hence, the Merger has no independent strategic relevance, but instead represents exclusively – aimed at greater effectiveness - a different way with which to implement the acquisition project of the Toscana Finanza Group compared to the original arrangement, which intended for the Demerger to be carried out along with the merger.

That being said, the industrial significance of the original acquisition project of the Toscana Finanza Group is illustrated here below:

- Toscana Finanza and its subsidiary Fast Finance operate in a sector that, albeit with the relevant specialist nature, is considered by both the operators and the enterprise market to be an integral part of the factoring services. Both the purchase of non-performing loans (carried out by Toscana Finanza) and the purchase of tax receivables (carried out by Fast Finance), represent the usual area of operations for many factoring operators, and they satisfy common and widespread needs of a financial and managerial nature, at least for certain market segments and/or classes of operators;

- as we all know, *factoring* is a service with a financial and managerial component that, suitably developed into its different modes, can be a useful companion for the company for the entire span of its corporate life, from the initial installation and *start-up* phases (with a prevailing financial purpose) up to full maturity phases (with a prevailing managerial logic). In this context, the *factor* often becomes a partner that works side by side with the company in order to deal with various financial and managerial issues concerning credit.

So, it is common for a company to turn to *factoring* firms for problems concerning non-performing loans (be they aimed at the management/collection of the accounts, or rather at their final transfer for tax deduction purposes), or to tax receivables (for purposes of advance, management or final transfer);

- Banca IFIS, specialized in factoring activities, in synch with its business model focused on the small and medium-sized companies sector, has never specifically developed the business segments of non-performing loans and tax receivables, although it has kept a close eye on them;

- however, these business segments have long represented a specific point of interest for the Bank, as in recent years it favourably viewed the possibility to add to its operational skills and service offer by including these segments. Handling the “final” phase of the process, be it referred to the loans (transfer of non-performing loans) or to the company (transfer of tax receivables from subjects subject to proceedings) represents a tangible market need, and consequently a business opportunity that is currently being overlooked by Banca IFIS;

- based on these assumptions, not only does the acquisition of Toscana Finanza satisfy previously defined product and offer integration strategies, but it also allows the Issuer to gain precious skills and know-how, as well as to access the reference sector with a fully-operational organizational structure and with strong commercial relationships, thus eliminating risks and costs associated with independent product development;

- hence, Toscana Finanza’s acquisition satisfies the strategic objectives of Banca IFIS, is in synch and compatible with development programmes, and represents an industrial integration with extremely high potential in terms of product and market.

Having referred to the industrial significance underlying the acquisition project, the Transaction illustrated in this Document is a natural development, also in an implementation logic, of the outlined strategic trends.

2.4 Method with which to determine the consideration for the Transaction and remarks concerning its consistency with the market value of similar transactions

The Share Swap Ratio was calculated by the Boards of Directors of Banca IFIS and of Toscana Finanza.

In order to determine the Share Swap Ratio, the Board of Directors of Banca IFIS referred to evaluation methods accepted by the best doctrine and employed in evaluation procedures, being especially careful to apply said methods with a view to uniformity and comparability. In fact, although the evaluation methods used to calculate the value of the economic capital of Toscana Finanza and of Banca IFIS took into account typical qualitative and quantitative elements of the business, the organization, the clientele, the risk profile and the sustainable profitability of the companies being analyzed, their main purpose was not so much as to estimate the absolute values of the economic capital of the companies involved in the Merger, as to obtain homogeneous values that could be reasonably compared for the purpose of calculating the Share Swap Ratio.

The main method used in the *Dividend Discount Model*, in the “Excess Capital” version, which estimates the value of a company or of a company division on the basis of future cash-flows attributable to the Shareholders. This method is commonly used in longstanding evaluation procedures, and it is backed up by the best doctrine on the subject of company evaluations, with specific reference to organizations operating in the financial sector.

Control methods of an analytical and empirical nature were used, specifically the Gordon Model and the Stock Exchange Listing Method.

Detail information about the evaluations carried out by the Board of Directors of Banca IFIS is provided in the report as per Art. 2501-*quinquies* of the Italian Civil Code. Said report illustrates the Merger plan and the Share Swap Ratio from a legal and economic standpoint.

To confirm the fairness of the evaluations carried out by the Directors, the Internal Control Committee (consisting exclusively of independent directors) availed itself of the right, as provided by the Regulations on Related Parties and of Banca IFIS's procedure for transactions with related parties, to receive assistance from an independent expert of its choice ("Independent Expert), in the person of Giorgio Pellati.

When selecting the Independent Expert, the Committee assessed the candidate's expertise, skills and independence. The company is not aware of any economic, capital and financial relationships between the independent expert and (i) the company itself (ii) its parent companies and subsidiaries, (iii) the directors of the companies referred to in items (i) and (ii).

On 7 September 2011, the Independent Expert issued its opinion, which confirms the fairness and suitability of the evaluations carried out by the Directors.

The Independent Expert's opinion is enclosed herein.

Moreover, please note that Banca IFIS and Toscana Finanza filed a request with the Court of Venice for the joint appointment of the expert assigned to the task of drawing up a report on the fairness of the Share Swap Ratio and on the suitability of the criteria adopted for determining said Ratio, pursuant to Art. 2501-sexies of the Italian Civil Code.

On 1 September 2011, the Court of Venice appointed KPMG S.p.A as the expert.

2.5 Illustration of the economic, financial and equity effects of the Transaction

The effects of the Merger pursuant to Art. 2504-*bis*, paragraph two, of the Italian Civil Code shall become effective as from the last of the registrations of the Merger deed, or as from a subsequent date to be specified in said deed.

With reference to the provisions of Art. 2501-*ter*, paragraph one, no. 6 of the Italian Civil Code, the transactions carried out by the Merged Company shall be recorded in the financial statements of the Merging Company

as from the date on which the legal effects of the Merger, pursuant to the paragraph above, shall take effect. The fiscal consequences of the Merger shall also begin as from the same date.

The relevance indicators referred to in paragraph 1.1 of Annex three of the OPC Consob Regulations and in Art. 5.3 of Banca IFIS's procedure for transactions with related parties were verified, and the following results were obtained:

Indicator	Description	Numerator	Denominator	Ratio	Limit
Counter-value relevance indicator (1)	Ratio of the counter-value (3) of the transaction over Banca IFIS's consolidated regulatory capital taken from the most recent document between the Annual consolidated report and the half-yearly consolidated report	45,892 (k€)	223,944 (k€)	20.49%	5%
Assets relevance indicator (2)	Ratio of the total assets of the entity involved in the transaction over Banca IFIS's total assets taken from the most recent document between the Annual consolidated report and the half-yearly consolidated report	123,352 (k€)	2,800,840 (k€)	4.40%	5%
Liabilities relevance indicator (2)	Ratio of the total liabilities of the purchased entity over Banca IFIS's total assets taken from the most recent document between the Annual consolidated report and the half-yearly consolidated report	65,806 (k€)	2,800,840 (k€)	2.35%	5%

(1) Values referred as of 30 June 2011

(2) Values referred as of 31 December 2010

(3) the counter-value of the Transaction means the amount:

A) of the sum paid by Banca IFIS following closing of the OPA, equal to EUR 35,456 thousand for the purchase of 77.26% of the share capital of Toscana Finanza;

B) the value of the minority shareholdings, in compliance with the provisions of IFRS 3 and, specifically, considering the swap value of the residual remaining shares held by the minority shareholders at the value of the shares exchanged for the OPA (EUR 1.5 per share), for a total amount of EUR 10,436 thousand.

Consequently, the Transaction results in the 5% limit being exceeded in reference to the aforementioned "counter-value relevance indicator".

Since the Transaction is in any event "significant" pursuant to Art. 70 of Consob Regulation 11971/1998 (hereinafter, the "Issuers' Regulations"), Banca IFIS shall arrange for publishing, within the terms provided for by applicable regulations, pro-forma financial information as part of the information document to be drawn up by the Issuer pursuant to Art. 70, paragraph four, of the Issuers' Regulations.

2.6 Incidence on fees paid to members of administrative body of the Company's and/or of its subsidiaries as a result of the Transaction

The Transaction entails no change in the fees paid to the Issuer's directors or to the directors of any one of the subsidiaries.

2.7 Members of administration and control bodies, general managers and executives of Banca IFIS involved in the Transaction

Except for the contents of paragraph 2.2, the related parties involved in the Transaction do not include any members of the Board of Directors, of the Board of Statutory Auditors, the General Manager and executives of Banca IFIS, nor of any subsidiary of Banca IFIS.

2.8 Transaction approval

The Transaction was unanimously approved by the Board of Directors of Banca IFIS on 8 September 2011, subject to the favourable opinion of the Internal Control Committee (consisting exclusively of independent experts), with no abstentions or nay-votes.

The Board of Directors and the Internal Control Committee (consisting exclusively of independent directors) were given, with adequate notice, sufficient information concerning the Transaction.

The Internal Control Committee was also involved in the negotiation phase and in the preliminary inquiry phase as it was the recipient of a complete and prompt flow of information, and was granted the right to request additional information and make comments.

In compliance with the provisions referred to in Art. 7, par. 1, letter b) of the Regulations on Related Parties, the Committee also availed itself of the opinion of the Independent Expert, who confirmed the fairness and suitability of the evaluations performed by the Directors.

An excerpt of the meeting of the Internal Control Committee is enclosed herein.

Banca IFIS S.p.A

The Chief Executive Officer

Enclosures:

- Independent Expert's Opinion;

- Excerpt from the minutes of the meeting of the Internal Control Committee of 7 September 2011.

Legal, Tax and Corporate Consulting Firm
GORGONI PELLATI LOMBARDINI

To
Banca IFIS S.p.A.
Via Terraglio, 63
Mestre (VE)

To the kind attention of the members of the Internal Control Committee.

Re: Merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A. - Independent opinion on the fairness of the swap ratio.

1. Introduction

The Board of Directors of Banca IFIS S.p.A., within the scope of a wider acquisition project of Toscana Finanza Group – authorized by Bank of Italy on 21 February 2011 pursuant to articles 53 and 67 of Italian Legislative Decree 385/1993 – has drawn up the plan for merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A..

The corporate purpose of Banca IFIS S.p.A. (hereinafter also referred to as the “Merging Company”), with registered office in Mestre (VE), Via Terraglio 63, is the collection of savings from the public, as well as the lending of credit under various forms, both in Italy and abroad.

Banca IFIS S.p.A. is the parent company of the Banca IFIS Banking Group.

Banca IFIS S.p.A. specializes in *factoring* activities that, in line with its business model focused on the sector of small and medium-sized companies, has never specifically developed this business segment, although it has kept a close eye on it.

Banca IFIS S.p.A. has long been interested in expanding its service offer with said activities, as can be inferred from the strategic lines contained in the industrial plan drawn up for the 2011-2013 period.

As illustrated in the Directors' Report, the acquisition of Toscana Finanza S.p.A. is therefore aimed at allowing Banca IFIS S.p.A. to gain an integration of product and offer, as well as top-value skills and know-how, accessing the reference sector with a fully-operational organizational structure and with strong commercial relationships, thus eliminating risks and costs associated with independent product development. Toscana Finanza S.p.A. (hereinafter also referred to as the "Merged Company"), with registered office in Florence, Via Giambologna 2/r, is involved in the business of purchasing *non-performing* loans, a specialized service that includes the *factoring* activity. With the merger, Banca IFIS S.p.A. aims to include activities for the purchase and collection of *non-performing* loans to its corporate perimeter, also for the purpose of achieving benefits in terms of organizational improvement of credit collection processes and *know-how* in purchasing this type of loans, thus integrating the offer of Banca IFIS Groups' main product, which is *factoring*.

The Directors' Report points out that the merger will also lead to a simplification in exercising strategic, managerial and operational control by Banca IFIS S.p.A., by setting up an internal operating division specifically dedicated to carrying out the current activities of Toscana Finanza S.p.A., inclusive of commercial and managerial functions.

This new organizational model will allow the company to achieve new synergies with specific reference to the sales and marketing area, as well as to benefit from possible scale economies deriving from putting different production processes under a common factor. With the addition of the new business area, the organization chart of Banca IFIS S.p.A. will be able to welcome the specialized structures directly involved in managing the core product of Toscana Finanza S.p.A..

The merger falls within the category of transactions between related parties as Toscana Finanza is a subsidiary of Banca IFIS S.p.A., and it is listed in the register of banking groups referred to in art. 64 of the Italian Consolidated Law on Banking (TUB) in the capacity as member of the Banca IFIS Banking Group.

In addition, certain Banca IFIS executives with strategic responsibilities are also members of the corporate bodies of Toscana Finanza S.p.A..

In view of regulatory provisions concerning transactions between related parties, the Internal Control Committee of Banca IFIS S.p.A., having been asked to express a preliminary opinion on the transaction in question, has asked the undersigned Giorgio Pellati to provide a voluntary and non-binding independent opinion (the "Opinion"), which can be used by the Internal Control Committee in connection with the fairness and suitability of the evaluations carried out by the Directors for the purpose of calculating the share swap ratio.

2. Aim of the assignment

The assignment aims to provide an independent Opinion, voluntary and non-binding, with regards to the fairness and suitability of the evaluations carried out by the Directors in order to determine the share swap ratio, referred to 30 June 2011, for purposes of the planned merger; this Opinion will be used exclusively by the Internal Control Committee of Banca IFIS S.p.A..

In reference to the above, it should be pointed out that the term general value (or *economic value* or *fair value*) stands for the value that, under normal market conditions, can be considered fair for the economic capital of a company or division; this value can be negotiated by the buyer and the seller under conditions of total freedom of action and in possession of a reasonable degree of knowledge about market conditions and significant events associated with the object of the negotiation. The general value thus represents an opinion, basically rational and provable, associated with the professional interpretation of a complex reality.

The general value of the economic capital deviates from the *subjective value* depending on the prospects and the utility of the company acquisition for one of the parties involved in the transaction.

The *selling price* is different from the subjective value, and consequently from the general value, in consideration of contingent phenomena in connection with market conditions as well as the reasons of the opposing parties and their negotiating power.

The main purpose of evaluations carried out within the scope of a merger transaction is not so much to estimate the absolute values of a companies' economic capital as to obtain standardized values that can be reasonably compared for the purpose of determining the share swap ratios (relative values).

Therefore, in order to determine a range of share swap ratios, reference was made to evaluating methods accepted by the best practices and adopted in evaluating procedures, being especially careful to apply said methods with a view to uniformity and comparability.

3. Activities carried out

The assignment was performed through the following main phases:

- analysis of operational, economic, equity and financial characteristics of Banca IFIS S.p.A. and Toscana Finanza S.p.A.;
- analysis of information referred to banks involved in the merger transaction (financial statements, half-yearly reports, stock listings);

- analysis of publicly available information referred to comparable listed banking companies and/or banking groups and to recent M&A transactions recorded in the financial sector;
- analysis of evaluating methods and of the relevant necessary parameters, applied by the Board of Directors;
- verification and analysis of the results obtained and final opinion on the share swap ratio.

4. Assumptions and limits

Below are the main assumptions and limitations that characterize the work that was carried out:

- the Assignment was granted on a voluntary basis, and the results of the estimate are of a consulting and non-binding nature;
- the Assignment is aimed exclusively at expressing an opinion of fairness with regards to the share swap ratio estimates drawn up by the Directors of Banca IFIS S.p.A.; consequently, no opinion will be rendered concerning the reasons of a strategic and/or industrial nature of the transaction in question;
- the analyses carried out refer exclusively to the purpose of this Assignment, in other words within the scope of the merger transaction described above; consequently, the estimates cannot be used for different purposes;
- the analysis is carried out by considering the companies according to the stand-alone criterion, under normal operating conditions, presuming business continuity, with no significant management changes and in light of forecast elements that can be reasonably presumed; therefore, the evaluations do not take into account the likelihood of the occurrence of external events of an extraordinary or unforeseeable nature (new sector, environmental or fiscal regulations, extraordinary operations on company capital), and are carried out on the basis of information available to the public or directly made available by the companies' management teams;
- the evaluation analyses are carried out as of the reference date of 30 June 2011;
- all information used within the scope of the Assignment was provided by the Management teams of the companies involved, which are responsible for its completeness, accuracy and truthfulness;

the information was analyzed exclusively in terms of reasonableness; indeed, the scope of the Assignment does not include the audit, certification or formal verification of the supplied documentation, nor the performance of verification procedures aimed at discovering mistakes, inaccuracies, hidden liabilities of any nature which are not reflected in the information being used; moreover, the Assignment does not entail checks of a legal, fiscal and/or labour law nature; consequently, no responsibility is assumed with regards to the truthfulness or completeness of the information used;

- the conditions of the Assignment do not require updates of the obtained results to take into account events subsequent to the date on which the report is issued.

5. Objectives of the evaluation

The merger transaction will take place by the incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A., with the distribution of the Merging Company's ordinary shares to the Merged Company's shareholders in exchange for the latter's shares, which will be written off.

In order to determine the share swap ratio for the Merger, the Boards of Directors of Banca IFIS S.p.A. and of Toscana Finanza S.p.A. have taken as reference the balance sheets of the Merging Company and of the Merged Company as of 30 June 2011, both subjected to a limited audit.

The analysis also took into account the 2011-2013 economic-financial projections of Banca IFIS S.p.A., taken from the 2011-2013 industrial plan approved by the Board of Directors on 29 April 2011, as well as of Toscana Finanza S.p.A., taken from the 2011-2013 industrial plan approved by the Board of Directors on 29 June 2011.

In order to determine the share swap ratio, the Board of Directors of Banca IFIS referred to evaluation methods accepted by the best doctrine and employed in evaluation procedures, being especially careful to apply said methods with a view to uniformity and comparability.

Although the evaluation methods used to calculate the value of the economic capital of Toscana Finanza and of Banca IFIS took into account typical qualitative and quantitative elements of the operations, organization, clientele, risk profile and sustainable profitability of the companies being analyzed, their main purpose was not so much as to estimate the absolute values of the economic capital of the companies involved in the Merger, as to obtain standardized values that could be reasonably compared for the purpose of calculating the share swap ratio, as it is customary in these types of evaluations.

The evaluation methods and the resulting economic capital values were identified in order to indicate a share swap ratio range deemed fair for purpose of the merger and, under no circumstances should the aforementioned evaluations be considered as possible indications of the market price or value in a context other than the one in question. The results of the analyses are regardless from any consideration concerning possible operational synergies resulting from the merger, which may generate incremental value for the shareholders.

6. Adopted evaluation approaches

The Board of Directors of Banca IFIS S.p.A. used, as the main method, the *Dividend Discount Model* in the "Excess Capital" version, which estimates the value of a company or company division on the basis of future cash-flows attributable to the Shareholders. This method is commonly used in consolidated evaluation procedures, and it is backed up by the best doctrine on the subject of company evaluations, with specific reference to organizations operating in the financial sector.

Besides, this method was recently used for evaluation purposes within the scope of corporate transactions of Intesa Sanpaolo Group, Banco Popolare Group and Creval Group.

Control methods of an analytical and empirical nature were used, specifically the *Gordon Model* and the *Stock Exchange Listing Method*.

Dividend Discount Model ("DDM") method

The *DDM method* calculates the value of a company or company division depending on the flow of dividends that said company or division is expected to generate in future periods.

In this specific case, the method used is the DDM in the "Excess Capital" version, according to which the economic value of a company or company division is equal to the sum of the following elements:

- current value of future cash-flows generated within a specific temporal horizon of explicit planning, and distributable to shareholders while maintaining a minimum capitalization level, in line with the instructions provided on the subject by the Supervisory Authority and compatible with the nature and expected evolution of the activities;
- current value of a perpetual yield defined on the basis of a sustainable dividend for the periods subsequent to the period of explicit planning, consistent with a *pay-out ratio* (dividend/net profit ratio) that reflects a sustainable profitability.

This method turns out to be specifically suited for determining the economic value of companies operating in the financial sector, since it:

- emphasizes the ability of the evaluated company to generate cash flows;
- optimally takes into account the levels of capitalization absorbed by the operation, distinguishing between the equity of the company being evaluated and the equity actually requested by the activity, in line with the underlying risk profile.

Application of the DDM requires the following formula to be used:

FORMULA

where:

W = Value of the Company's economic capital;

i = Cost of own capital (K_e);

Dt = Expected dividends in a period of explicit projections, maintaining a satisfactory level of capitalization; in this specific case, this level was estimated on the basis of an objective *Core Tier I* coefficient equal to 8.0%, also in view of the forthcoming introduction of new regulations on regulatory capital known as Basilea III;

n = Explicit period of the projections (years);

TV = *Terminal value* calculated as the current value of a perpetual yield represented by the average sustainable dividend for the period subsequent to the explicit planning period;

The *Terminal Value* was estimated on the basis of "free cash flow for the shareholder in *perpetuity*", according to the following formula:

FORMULA

The cost of own capital (K_e) was estimated on the basis of the *Capital Asset Pricing Model* ("CAPM"), equal to the yield rate of risk-free assets (calculated as a three-month average of the yields of ten-year BTPs) for the purpose of mitigating the high volatility that, especially in recent

weeks, is characterizing the yield rates of Italian Government bonds) increased by a premium to take into account the specific risk of the sector and of the company subject to evaluation. This premium is calculated by taking as reference coefficient (β), which measures the risk of the specific enterprise, in connection to the variability of its yield compared to the market yield. Based on the information provided above, the cost of capital (K_e) was estimated to be equal to 9.8%, and was applied uniformly to all the companies being analyzed. The long-term growth rate was estimated to be equal to 2.0%.

Gordon Model Method

The *Gordon growth model* estimates the economic value of a company or company division on the basis of the current value of the net profit “R” deemed to be sustainable in the long term, capitalized in *perpetuity*.

“g” represents the expected sustainable growth rate of net profit and “ K_e ” the yield rate requested by investors for investments having a similar risk profile.

Below is the formula used to apply this method:

$$W = R / (K_e - g)$$

The cost of own capital (K_e) used to apply this method is the same as the one used for the application of the main method.

Stock Exchange Listing Method

The *Stock Exchange Listing Method* consists in assigning the company a value which is equal to the value attributed to it on average by the stock exchange market on which the company's shares are negotiated.

This criterion qualifies as a “direct” evaluation method, as it refers to prices expressed by the market in transactions involving capital quotas of the same company in order to calculate the economic value of a listed company.

Applying this method requires a preliminary verification of the following conditions:

- the degree of significance of the prices expressed by the market for the shares of the company subject to evaluation; in fact, Stock Exchange prices do not always express the proper value of an enterprise, especially during ascending or descending phases of the overall economic cycle, or in case special transactions are carried out on the share capital;
- standardization and comparability, with a sufficiently ample time horizon, of the prices of the company's shares;

– the liquidity level of the securities, an important element in terms of the significance of this methodological approach, the gathering of official prices and the computation of average values.

7. Summary of results

The tables provided here below briefly illustrate the results of the analyses carried out, showing the values calculated by applying the described methods.

Application of the Dividend Discount Model

As mentioned above, the Directors used the *Dividend Discount Model method* in the *Excess Capital* version as the main evaluation method.

This method is commonly used in consolidated evaluation procedures, and it is backed up by the best doctrine on the subject of company evaluations, with specific reference to organizations operating in the financial sector.

1) Banca IFIS S.p.A.

Determining the value of the economic capital

€million	
Sum of cash-flows explicit period	65.3
Discounted TV	264.6
Value of the economic capital	329.9
Price paid	35.5
Banca IFIS shareholding	77.26%
Value of Toscana Finanza DDM	59.5
Surplus Asset & other adjust.	10.4
Purchase of treasury shares	-
Economic value cum surplus asset	340.4
P/NAV 2010	1.60x
P/BV 2010	1.57x
Number of total shares	53.8
Number of outstanding shares	53.3
Treasury shares	0.5
Fully Diluted Shares	53.3
Economic value per share (€)	6.38

Sensitivities

By applying the *Dividend Discount Model method*, in relation to Banca IFIS S.p.A., we obtain a total economic value equal to €/million 340.4, which corresponds to an economic value per share of € 6.38.

2) Toscana Finanza S.p.A.

Determining the value of the economic capital

€million

Sum of cash-flows explicit period	41.6
Discounted TV	17.8
Value of the economic capital	59.5
Surplus Asset & other adjust.	-
Economic value cum surplus asset	59.46
P/NAV 2010	1.27x
P/BV 2010	1.24x
Number of outstanding shares	30.6
Shares from Stock Option Plan	-
Fully Diluted Shares	30.6
Economic value per share (€)	1.94

Sensitivities

By applying the *Dividend Discount Model method*, in relation to Toscana Finanza S.p.A., we obtain a total economic value of €/million 59.46, which corresponds to an economic value per share of € 1.94.

Gordon Model application

1) Banca IFIS S.p.A.

Data in millions of €

Sustainable RoE	11.70%
Cost of capital	9.80%
Long-term growth rate (g)	2%
Target P/BV multiple	1.2x
Estimated value	192.6
Excess/deficit capital	55.7
Price paid	35.5
Banca IFIS shareholding	77.26%
Toscana Finanza value Gordon Model	43
Surplus Asset	-2.3
Total value	246
Goodwill	33.8
Value per share (€)	4.61
Net book equity 30/6/2011 Adj.	212.2
Excess Capital / Deficit Capital	55.7
Net equity post-excess capital	156.5

By applying the *Gordon Model method*, in relation to Banca IFIS S.p.A., we obtain a total economic value of €/million 246, which corresponds to an economic value per share of € 4.61.

2) Toscana Finanza S.p.A.

Data in millions of €

Sustainable RoE	7.10%
Cost of capital	9.80%
Long-term growth rate (g)	2%
Target P/BV multiple	0.7x
Estimated value	7.1
Excess/deficit capital	35.9
Surplus Asset	-
Total value	43
Goodwill	-3.8
Value per share (€)	1.41
Net book equity 30/6/2011 Adj.	46.8
Excess Capital / Deficit Capital	35.9
Net equity post-excess capital	10.9

By applying the *Gordon Model method* to Toscana Finanza S.p.A., we obtain a total economic value of €/million 43, which corresponds to an economic value per share of € 1.41.

Application of the Stock Exchange Listing Method

Since Banca IFIS S.p.A. and Toscana Finanza S.p.A. are both listed companies, the *Stock Exchange Listing Method* can be reasonably applied to this analysis since it is suited to expressing standardized and comparable values. However, there is a significant limit to this method – which lies in one of its basic assumptions – represented by the extremely low level of liquidity.

In fact, in the case of Toscana Finanza S.p.A. this indicator settles at around 5%, as both a precise number and as a 3-month average – especially in the period following the conclusion of the Take-over bid by Banca IFIS S.p.A.. The same indicator is between 6.0% and 8.0%, versus a market average that exceeds 100% (the figure calculated on the sample of listed companies taken as reference in order to compute the Beta factor shows a *turnover ratio* of 143.05%).

*Merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A.
Independent expert's opinion on the fairness of the share swap ratio*

Banca IFIS S.p.A.

Values in €	Wtd Avg. Off. price	Simple Avg. Off. price	Simple Avg. Last price	Turnover ratio	Outstanding shares	Stock Exch. capitalization
Average of last 12 months	4.97	4.96	4.97	7.35%	53.3	265
Average of last 6 months	4.84	4.80	4.81	8.54%	53.3	257
Average of last 3 months	4.64	4.57	4.59	8.41%	53.3	245
Average of last month	4.32	4.31	4.32	7.51%	53.3	230
Last price 2/9/11	4.20	4.20	4.26	4.32%	53.3	227

Toscana Finanza S.p.A.

Values in €	Wtd Avg. Off. price	Simple Avg. Off. price	Simple Avg. Last price	Turnover ratio	Outstanding shares	Stock Exch. capitalization
Average of last 12 months	1.48	1.52	1.53	34.78%	30.6	47
Average of last 6 months	1.50	1.57	1.59	28.86%	30.6	49
Average of last 3 months	1.61	1.63	1.65	3.23%	30.6	50
Average of last month	1.56	1.57	1.61	3.23%	30.6	49
Last price 2/9/11	1.55	1.55	1.64	1.26%	30.6	50

Share swap ratios – Number of Toscana Finanza shares for 1 Banca IFIS share

	Swap ratio Off. Price (weighted avg.)	Swap ratio Official Price	Swap ratio Last price
Average of last 12 months	3.36	3.26	3.25
Average of last 6 months	3.22	3.05	3.04
Average of last 3 months	2.89	2.81	2.79
Average of last month	2.77	2.75	2.69
Last price 2/9/11	2.71	2.71	2.60

By applying the *Stock Exchange Listing Method* to Banca IFIS S.p.A., we obtain a total economic value included between a minimum of €/million 227 and a maximum of €/million 265, which corresponds to an economic value per share included between a minimum of € 4.20 and a maximum of € 4.97.

In relation to Toscana Finanza S.p.A., we obtain a total economic value included between a minimum of €/million 47 and a maximum of €/million 50, which corresponds to an economic value per share included between a minimum of € 1.48 and a maximum of € 1.55.

* * * * *

In view of the information provided above, a summary of the results obtained by applying the described methods is given here below:

Merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A.
Independent expert's opinion on the fairness of the share swap ratio

Banca IFIS S.p.A. – Value per share (€)

DDM	6.09 6.68
Gordon Model	4.43 4.80
Stock Exchange listings	4.20 4.97

Toscana Finanza S.p.A. - Value per share (€)

DDM	1.90 1.99
Gordon Model	1.38 1.43
Stock Exchange listings	1.48 1.55

Share swap ratio – No. of Toscana Finanza S.p.A. shares for 1 Banca IFIS S.p.A. share

DDM	3.06 3.52
Gordon Model	3.10 3.47
Stock Exchange listings	2.71 3.36

Middle value of the main method, equal to
3.28, or 7 Banca IFIS S.p.A. shares
for every 23 Toscana Finanza S.p.A. shares

In reference to Banca IFIS S.p.A.:

- by applying the *DDM method*, we obtain a value per share included between a minimum of € 6.09 and a maximum of € 6.68;
- by applying the *Gordon Model method*, we obtain a value per share included between a minimum of € 4.43 and a maximum of € 4.80;
- by applying the *Stock Exchange Listing Method* we obtain a value per share included between a minimum of € 4.20 and a maximum of € 4.97.

In reference to Toscana Finanza S.p.A.:

- by applying the *DDM method*, we obtain a value per share included between a minimum of € 1.9 and a maximum of € 1.99;
- by applying the *Gordon Model method*, we obtain a value per share included between a minimum of € 1.38 and a maximum of € 1.43;
- by applying the *Stock Exchange Listing Method* we obtain a value per share included between a minimum of € 1.48 and a maximum of € 1.55.

Hence, the swap ratios fall within a range from a minimum of 3.06 to a maximum of 3.52 if we apply the *DDM method*, and from a minimum of 3.1 to a maximum of 3.47 if we apply the *Gordon Model method*, and, finally, from a minimum of 2.71 and a maximum of 3.36 if we apply the *Stock Exchange Listing Method*.

The middle value of the swap ratio obtained by applying the main method (DDM) is equal to 3.28 – in other words 7 Banca IFIS S.p.A. shares for every 23 shares of Toscana Finanza S.p.A. –, in line with the middle value obtained by applying the *Gordon Model method*.

This middle value, on the other hand, deviates from the middle value calculated by applying the *Stock Exchange Listing method* (equal to 3.03) – although it is still within the *range* –, a method concerning which, nevertheless, certain doubts have already been expressed.

8. Independent Expert's remarks

For the purpose of rendering a final opinion on the swap ratio proposed by the Board of Directors, I first analyzed the operational, economic, equity and financial characteristics of the Companies involved in the merger transaction, as well as the available information about the aforementioned transaction; I checked the suitability of the selected evaluation methods for the types of companies subject to evaluation, verifying their proper application, the fairness and suitability of the necessary parameters within the scope of the evaluation methods used, as well as the correctness of the computations.

Specifically, please note that:

- the *Dividend Discount Model*, in the *Excess Capital* version, chosen as the main evaluation method, is certainly the method that is most commonly used for companies operating in the financial sector. As already mentioned, it was recently used for evaluation purposes within the scope of corporate transactions of the Intesa Sanpaolo Group, Banco Popolare Group and Creval Group; in this respect, please also note that I actually participated in certain transactions involving the Intesa Sanpaolo Group and the Creval Group in the capacity as

Independent Expert. This evaluation method comes from the financial method, measuring the flow available to shareholders.

- The control methods – the Gordon growth method and the stock exchange listing method – are consistent with the object of the evaluation; in fact the Gordon model is a concise income method with sustainable growth, while the stock exchange listing method is a “direct” evaluation method since it does not determine the value of the economic capital so much as the price on the market, consequently it may differ from the value of economic capital in view of contingent phenomena in connection with market conditions.
- The reasons for considering the results of the stock exchange listing method to be less representative than the ones obtained by applying the main method – given the extremely low level of free float of the companies being evaluated – are further backed up by the fact that Toscana Finanza S.p.A. shares, if considered subsequent to the completion date of the Take-over Bid, show an extremely low turnover level that violates one of the criteria for the election and significance of the method itself, represented by liquidity; in case we extend the temporal horizon, there is a further limit in the analyses, represented by the fact that the price of TF, precisely because the market reference was represented by the Take-over Bid price, showed almost a price insensitivity to market fluctuations.
- The cost of own capital (K_e) was estimated on the basis of the *Capital Asset Pricing Model* (“CAPM”), which is commonly used in evaluating practices and indicated as the reference model by corporate economic doctrine. The parameters used to define the cost of capital were properly estimated in compliance with the established doctrine and evaluating practices; in fact, the results led to an estimate of the cost of capital equal to 9.8%, a rate which I consider to be fair, also in view of the type of companies being evaluated. The long-term growth rate was estimated to be equal to 2.0%, in line with the expected rate of inflation.
- It is correct to consider the proportional quota (77.26%) of the value of economic capital of Toscana Finanza, net of the amount recorded in the financial statements, as a surplus asset to be summed to the final value of Banca IFIS.
- The sustainable Roe, estimated by the Directors for the purpose of calculating the *Terminal Value* in the *DDM*, equal to 13.4% for Banca IFIS and 15.3% for Toscana Finanza, is deemed reasonable also in relation to the results historically obtained by the two companies, as well as in the perspective of expressing an average-normal profitability in perpetuity.

- In conclusion, even the multiple implications arising from the evaluations attributed to the companies involved in the merger transaction (P/E: 8.77 for Banca IFIS and 9.39 for Toscana Finanza) are considered to be suitable in terms of both absolute and relative value; nevertheless, please remember that the focus is on the attributed relative values, since we are talking about a share swap within the scope of a merger transaction.

9. Conclusions

Following the described evaluation process and the reasoned comparison between the results obtained from the application of the various evaluation methods (main method and control methods), the appointed Directors of the companies involved in the merger by incorporation have suggested the following share swap ratio:

no. 23 ordinary shares of Toscana Finanza S.p.A. for every no. 7 ordinary shares of Banca IFIS S.p.A..

Based on the work performed and subject to the information provided above, I believe the selected methods to be reasonable and applied in a proper and logical fashion, for the purpose of expressing values of the economic capital of the companies involved in the merger in a standardized and comparable manner and that, consequently, the share swap ratio calculated by the Directors can be considered fair.

Best regards.

Pavia, 7 September 2011

Giorgio Pellati

Annex

MINUTES OF THE MEETING OF THE INTERNAL CONTROL COMMITTEE

The Internal Control Committee, consisting exclusively of independent directors, met on 7 September 2011, at 5:10 p.m. at the corporate offices in Venice - Mestre, Via Terraglio 63.

Roberto Cravero, Committee coordinator, Andrea Martin and Riccardo Preve are on hand.

The Chief Executive Officer Giovanni Bossi, the Chairman of the Board of Statutory Auditors Mauro Rovida, the standing Auditor Dario Stevanato and the independent expert Giorgio Pellati are invited to attend the meeting.

The following people are also present:

Ruggero Miceli, Head of the *Internal Audit* Function

Vincenzo Schiazzano, Head of the Compliance Function.

.... OMISSIS ...

At the end of the meeting, the Internal Control Committee, consisting exclusively of independent directors, for the reasons that emerged during the discussion and listed above, having taken note of the opinion rendered by the independent expert, Giorgio Pellati, acknowledges:

- the interest of the Bank in incorporating the subsidiary within the scope of integration projects of the former Toscana Finanza Group;
- the convenience and basic correctness of the relevant conditions;

and thus expresses a favourable opinion concerning the execution of the merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A..

The meeting is adjourned at 6:45 pm.

The Internal Control Committee Coordinator

Roberto Cravero _____

The Member of the Board of Directors

Andrea Martin _____

The Member of the Board of Directors

Riccardo Preve _____

For acknowledgement

The Member of the Board of Directors

Leopoldo Conti _____