BANCA IFIS S.p.A.
Share capital € 53,811,095 fully paid up
Tax Code and registration number in the
Companies Register of Venice 02992620274 - ABI 3205.2
Via Terraglio, 63 - 30174 Mestre - Venice

Directors' report on the merger

pursuant to art. 2501-quinques of the Italian Civil Code and art. 70, paragraphs 1 and 2 of Consob Regulations no. 11971/99

Merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A..

Dear Shareholders,

this report, prepared pursuant to art. 2501-quinquies of the Italian Civil Code and of art. 70, paragraphs 1 and 2, of the Regulations adopted with Consob Resolution 11791 of 14 May 1999, as subsequently amended and supplemented, aims to illustrate and justify, from a legal and economic standpoint - with special reference to the share swap ratio -, the project for the merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A., as well as the reason and motives that justify the aforesaid transaction.

1. Description of the merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A. and of the reasons for the transaction

1.1 Description of the transaction

The merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A. (hereinafter, the "Merger" or the "Transaction") is part of a wider acquisition project of the Toscana Finanza Group by Banca IFIS S.p.A., authorized pursuant to articles 53 and 67 of Italian Legislative Decree 385/1993 (hereinafter, the "TUB") by Bank of Italy on 21 February 2011.

The guidelines for this acquisition project are contained in the framework agreement of 5 March 2010 (hereinafter, the "Framework Agreement"), signed by Next S.r.l. (which at the time held ordinary shares representing 47.963% of the share capital of Toscana Finanza S.p.A.), Finross S.p.A. (which at the time held ordinary shares representing 7.058% of the share capital of Toscana Finanza S.p.A.), Serenella Bettini (which at the time held ordinary shares representing 11.080% of the share capital of Toscana Finanza S.p.A.), 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 S.p.A., as well as controlling partner of Next S.r.l., which in turn controlled Toscana Finanza S.p.A.), Mr. Enrico Rossetti (in his capacity as director of Fast Finance S.r.l.) and Banca IFIS S.p.A. (hereinafter the "Parties" and individually, the "Party"), which also regulates the other 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 30,594,476 shares, including 499,715 treasury shares in the portfolio (representing 1.63% of its share capital).

The aforementioned OPA concerned a total of 23,637,292 ordinary shares of Toscana Finanza S.p.A., equal to 77.26% 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 TUF, the project will be implemented through the Merger.

We would like to remind you that the Framework Agreement called for the concomitant demerger of all transferable assets and liabilities of Toscana Finanza S.p.A. in favour of Fast Finance S.p.A., a wholly-owned subsidiary of Toscana Finanza S.p.A.. However, following the results obtained with the OPA, and as a consequence of subsequent analyses and evaluations, the Parties deemed it necessary to introduce certain changes to the contents of said Framework Agreement and hence, on 22 June 2011, they signed a deed integrating said Agreement calling for execution of the Merger with no demerger of the assets and liabilities of Toscana Finanza S.p.A..

On 7 July 2011, the Board of Directors approved a draft of the project for the merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A., pursuant to article 2501-*ter* of the Italian Civil Code, reserving itself the right to complete this document about the share swap ratio and to submit it for approval at a future Board meeting.

The project for the Merger was approved on 7 September 2011 by the Internal Audit Committee (consisting exclusively of independent Directors), with no abstentions or dissenting votes.

The Internal Audit Committee (consisting exclusively of independent Directors), was provided in advance with adequate information about the Transaction. The Internal Audit Committee was also involved in the negotiation phase and in the initial investigation, during which it received complete and timely information flows with the right to ask questions and make comments. For purposes of its assessment, the Internal Audit Committee also relied on the assistance provided by an independent expert of its choice.

Since the Merger is subject to prior authorization by Banca d'Italia pursuant to article 57 of the TUB (Consolidated Banking Act), on 7 July 2011 the Board of Directors gave broad mandate to the CEO to proceed with the immediate submission of the request for authorization by Banca d'Italia .

The request for authorization by Banca d'Italia was submitted on 8 July 2011, and on 19 July 2011 it was completed with additional information about specific elements of the Merger (the share swap ratio in particular).

On 2 August 2011, Banca d'Italia notified Banca IFIS S.p.A. that the procedure concerning the request for authorization of the Transaction was initiated on 19 July 2011, and that said procedure would be completed within 90 days, subject to the possibility of suspension and termination of the term as provided by applicable law.

Once the authorization by Banca d'Italia has been obtained, the Board of Directors will submit the Merger to the approval of the Shareholders' Meeting, in compliance with the terms and with the procedure illustrated in the project for the merger by incorporation of Toscana Finanza S.p.A. into Banca IFIS S.p.A., pursuant to article 2501-*ter*.

The Merger is expected to be completed by 31 December 2011.

1.2 Companies participating in the merger

Merging company: Banca IFIS S.p.A. (hereinafter also referred to as "Merging Company" or "Banca IFIS"): Registered office in Mestre (VE), Via Terraglio 63, share capital € 53,811,095.00, Tax Code and Company Registration Venice 02505630109, Bank of Italy's Register of Banks 5508.

The purpose of the Merging Company *"is the collection of savings from the public and the exercise of credit in its various forms in Italy and abroad, operating even according to standards and customs in force.*

In compliance with the rules in force, it can execute all banking financial and investment transactions and services permitted; it can set up and manage open-end pension funds and execute any transaction instrumental to or associated with achieving the company purpose.

As parent company of the Banca IFIS Banking Group, pursuant to art. 61, fourth paragraph of Italian Legislative Decree 385/1993, in carrying out its management and coordination activities, the Company gives instructions to members of the group for complying with the instructions received from Bank of Italy in the interest of the Group's stability.

The Company can issue bonds in compliance with applicable regulatory provisions".

That being said, we remind you that Banca IFIS is an operator specialized in factoring activities that, 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.

Banca IFIS S.p.A. has long been interested in expanding its operational capacity and service offer with said activities, as can be inferred from the strategic lines contained in the industrial plan for the 2011-2013 period, and it considers managing the "final" phase of the process a tangible market need and, consequently, a business opportunity.

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.

Merged company: Toscana Finanza S.p.A. (hereinafter also referred to as "Merged Company" or "Toscana Finanza"): with registered office in Florence, Via Giambologna 2/r, share capital € 3,059,447.60, Registration number in the Companies Register of Florence and Tax Code 03906680487.

The purpose of the Merged company "*includes the following activities, which are carried out in an exclusive fashion:*
a) transactions involving the purchase of pro-soluto and pro-solvendo loans;

b) the purchase, sale on its own behalf of government bonds, securities and similar instruments, both Italian and foreign, and, generally speaking of all public and private bonds. The participation in consortia that guarantee the undertaking of securities and bonds;

c) the carrying out of any other transaction involving shares such as, for example purposes only, spot or cash purchase and sale, carrying forward, loan in shares, pledge and advance;

d) the taking on and transfer of shareholdings in other companies and entities in Italy and abroad, the participation in setting up other companies as well as the brokerage for the purchase and sale of all kinds of companies, including financial and industrial companies;

e) the financing and the technical and financial coordination of companies and entities in which the Company has an equity interest, investment brokerage activities in the acquisition and placement on the market of company facilities, including through the full or partial negotiation of the related shareholding packages, assistance in the grouping together and demerger of said facilities;

f) consulting to enterprises on the subject of financial structure, industrial strategies and related issues, as well as consulting and services in the field of concentrations and acquisition of enterprises.

The Company shall be able to grant mortgages (including mortgages secured by collateral) and/or loans and to grant guarantees, sureties and co-obligations provided they are associated with or incidental to the collection of loans purchased within the scope of its core business.

The Company shall be able to give guarantees, sureties and co-obligations to third parties, as long as it is done in the interest of companies that are affiliated with or controlled by the Company.

The Company shall not be able to carry out activities involving the granting of loans to the public in the form of issuing guarantees.

Moreover, the company shall be able to carry out, instrumentally to the financial activities, all commercial, financial and securities transactions, related to and associated with the company's purpose, including, for example purposes only:
- the rendering of administrative services in general, including for example purposes only, data processing;
- the purchase, sale, exchange and leasing, including of a financial nature, and the granting in usufruct of real estate property, industrial machinery, equipment used to carry out trade and marketing activities and movable assets listed in public registers (boats, aircrafts, motor vehicles);
- the purchase, sale, exchange and leasing of companies and commercial firms in general.

The Company shall also be able to carry out credit collection and management activities in instrumental to the receivables purchase activity".

Toscana Finanza and its subsidiary Fast Finance S.p.A. carry out, respectively, activities for the purchase of *non-performing* loans and for the purchase of tax receivables, in other words specialized services that integrate the factoring business.

Such activities satisfy widespread and common needs of a financial and managerial nature, at least for certain market segments and/or classes of operators.

1.3 Reasons for the merger

With the merger, Banca IFIS S.p.A. aims to include activities for the purchase and collection of *non-performing* loans in its corporate perimeter, also for the purpose of achieving benefits in terms of organizational improvement in credit collection processes and *know-how* in purchasing this type of loans, thus integrating the offer of Banca IFIS Group's main product, which is factoring.

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, conceived by identifying common functions and processes and by trying to pursue their integration and streamlining, at the same time keeping high-specialization units (in the production and market area) separate, albeit under the same sphere of coordination, will make it possible to achieve synergies and to benefit from possible scale economies. In fact, with the addition of the new business area, the organization chart of Banca IFIS will be able to welcome the specialized structures directly involved in managing the core product of Toscana Finanza, also making it possible to safeguard the typical nature and growth of the characteristic activity featured by Toscana Finanza in a harmonious fashion and with no operational discontinuity, and to have the administrative, organizational, control and market support functions benefit from a streamlining of the functions already operating within Banca IFIS, thus ensuring an optimization of the processes, with the resulting benefits in terms of overall costs.
In short, the objectives of the new organizational structure can be summarized in:

- safeguarding specialization, by separating the commercial and managerial activities of the two original companies, for the purpose of guaranteeing both the protection of business continuity, diversified by market and products, as well as better management and control of *budget* objectives and risk control;
- optimizing and enhancing the administrative, support and control structures put as a common factor;
- better control over operational and credit risks, thanks to diversified risk-assumption, managerial and operational processes.

Lastly, as illustrated in the "Offer Document for Total Voluntary Public Take-Over Bid" drawn up pursuant to articles 102 and 106, fourth paragraph, of the TUF, the Merger also aims at the *delisting* of Toscana Finanza's shares.

2. Values attributable to the companies involved in the Merger for the purpose of determining the share swap ratio and criteria adopted for determining such ratio

2.1 Merger balance sheet

The merger balance sheets prepared pursuant to art. 2501-*quater* of the Italian Civil Code, both subjected to a limited audit, are as follows:

- as for Banca IFIS, the balance sheet as of 30 June 2011, approved by Banca IFIS's Board of Directors on 29 August 2011;

- as for Toscana Finanza, the balance sheet as of 30 June 2011, approved by Toscana Finanza's Board of Directors on 29 August 2011.

2.2 Description of the evaluation criteria

2.2.1 Introduction

For purposes of determining the share swap ratio (hereinafter, the "**Share Swap Ratio**"), the reference values and the number of shares involved in the Merger, this Board of Directors availed itself of the Corporate technical facilities of Banca IFIS.

2.2.2 Objectives of the evaluations

The evaluations were carried out with a view to express a comparative estimate of the values of the companies involved in the Merger, underlining the standardization and comparability of the adopted criteria with respect to calculating their absolute values taken individually, and must be intended exclusively in relative terms and limitedly referred to the same Merger.

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. In fact, within the context of a merger transaction, a necessary condition for estimating financial conditions is the quantification of the relative values of the individual companies subject to the evaluation, with the final aim of calculating not so much an economic value for each company as standardized and comparable values for the purpose of determining the Share Swap Ratio.

The evaluations were carried out from a *stand-alone* standpoint and, consequently, 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.

As a consequence of the OPA, Banca IFIS now holds 23,636,994 ordinary shares of Toscana Finanza, equal to 77.26% of the share capital of Toscana Finanza.

2.2.3 Evaluation methods

According to customary evaluation practices, the necessary condition for obtaining meaningful and comparable values for merger purposes is the standardization and comparability of the applied criteria, consistent with the characteristics of the companies and/or groups subject to evaluation.

As already mentioned, although the selected methods represent acknowledged practices normally used in evaluation procedures, both in Italy and worldwide, should not be considered individually but instead as an indivisible part of the same evaluation process. Indeed, the use of results obtained by applying each method independently, and not in view of the complementary relationship created with the other criteria, leads to a loss of meaningfulness of the evaluation process itself.

On the basis of such considerations, and having regard to the distinctive features of the companies involved in the Merger, of the type of operations and of the markets on which the same companies operate, as well as of the *status* of listed company that characterizes both

Banca IFIS and Toscana Finanza, the following main types of evaluation methods were identified in order to estimate the economic values of the companies participating in the Merger.

2.2.4 Ways in which the methods can be applied

Given the complex and diversified nature of the companies subject to analysis (as already mentioned, Banca IFIS controls Toscana Finanza), application of the methods required the use of the *Sum of the Parts* (SOP) approach in order to assign a consistent value to the shareholding held in Toscana Finanza. The methods were applied to the consolidated balance sheets as of 30 June 2011, approved on 29 August 2011 by the Boards of Directors of Banca IFIS and Toscana Finanza, and are also based on the 2011-2013 economic-financial forecasts (hereinafter, the "**2011-2013 Forecasts**") of Banca IFIS, inferred from the 2011-2013 industrial plan approved by this Board of Directors on 29 April 2011, and from the 2011-2013 industrial plan of Toscana Finanza approved by the latter's Board of Directors on 29 June 2011.
Please also note that, in relation to Banca IFIS, a *pro-forma* consolidated balance sheet as of 30 June 2011 was taken into account, in other words without considering the full consolidation of Toscana Finanza, which is recorded at the purchase cost in said balance sheet.

With regards to Banca IFIS, the number of ordinary shares taken as reference, consistent with the balance sheet as of 30 June 2011, is equal to 53,811,095, with nominal value of € 1.00 each, minus the number of treasure shares equal to 482,037.

For the purpose of determining a range of economic values related to a company, 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.

The main method used was the *Dividend Discount Model* (hereinafter also referred to as "**DDM**"), in the "Excess Capital" version, which estimates the value of a company or company division on the basis of future cash-flows attributable to 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.

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

2.2.4.1 Main methods - *Dividend Discount Model*

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 subject to evaluation 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:

$$W = \sum_{t=1}^{n} \frac{D_t}{(1+i)^t} + \frac{TV}{(1+i)^n}$$

where:

W = Value of the Company's economic capital;

i = Cost of own capital (Ke);

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 Basel 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* is estimated on the basis of the "free cash-flow for the shareholder in *perpetuity*", according to the following formula:

$$TV = \frac{D_{n+1}}{(K_e - g)}$$

The cost of own capital (Ke) was estimated on the basis of the *Capital Asset Pricing Model* ("**CAPM**"), equal to the yield rate of risk-free assets[1] (long-term government bonds) increased by a premium for the specific risk of the sector or of the company subject to evaluation. This premium is calculated by taking as reference coefficient (ß), which measures the risk of the specific enterprise, in connection with the variability of its yield compared to the market yield. Based on the information provided above, the cost of capital (Ke) 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%.

2.2.4.2 Control methods – 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.

2.2.4.3 Control methods – Gordon Model

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 "Ke" the yield rate requested by investors for investments having a similar risk profile.

Application of this method requires the following formula to be used:

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

[1] The risk-free rate was calculated as the three-month average of the yields of 10-year BTPs, for the purpose of mitigating the high volatility shown by the yields of Italian Government Bonds, especially in recent weeks.

2.2.5 Reference date of the evaluation and documentation analyzed

The evaluation was carried out as of the date of 30 June 2011; the companies involved in the Merger agreed that their respective half-yearly reports as of 30 June 2011 be used as the merger balance sheet pursuant to art. 2501-*ter* of the Italian Civil Code.

The following documentation was deemed to be relevant for purposes of the aforementioned evaluation:

- The separate and consolidated financial statements for 2008, 2009 and 2010 of Banca IFIS and Toscana Finanza approved by the pertinent bodies and accompanied by the report on operations, the report by the Boards of Statutory Auditors and the Auditor's report;
- Half-yearly reports as of 30 June 2011, individual and consolidated, approved by the Boards of Directors of Banca IFIS and Toscana Finanza during the meetings held on 29 August 2011;

- 2011- 2013 projections inferred from the 2011-2013 industrial plan of Banca IFIS, approved by this Board of Directors on 29 April 2011, and the 2011-2013 industrial plan of Toscana Finanza, approved on 29 June 2011 by the latter's Board of Directors;

- Stock Listing trends and estimate of mean values of said trend on a 3, 6 and 12-month basis. To this end, please note that the official prices of each session were taken as reference, and that the means are calculated according to calendar periods;

- Other data and information of an economic-equity and strategic nature deemed to be significant for analysis purposes and provided by the Management of the companies involved in the Merger;

- Information concerning the price trend of securities for Banca IFIS and Toscana Finanza, used in the application of the Stock Exchange Listing Method, provided by *Bloomberg*, as well as information concerning the Beta factor of the comparable companies taken as reference, along with the analysis of liquidity indicators expressed by the turnover ratio;

- Publicly available information deemed to be significant for the purpose of applying the selected evaluation methods.

Moreover, significant events which occurred subsequent to 30 June 2011 and capable of having a relevant impact on the evaluations were taken into account; as of today, no events have occurred such as to significantly impact the evaluations, in additions to the ones illustrated below and considered in the analyses for the determination of the Share Swap Ratio.

2.3 Values assigned to the Merging company and to the Merged company

On the basis of the [(1)] described above and in relation to the Merger transactions, the Directors have identified the following ranges of economic values and of Share Swap Ratio[(2)]:

(1) *The Share swap ratio relative to the main methods, as well as the ratio referred to the Gordon Model, is estimated by comparing*

								Stock Exchange Listings							
		DDM			Gordon Model			Average of official prices				Weighted average of Official prices			
		Min	Middle	Max	Min	Middle	Max	Last	3 months	6 months	12 months	Last	Media 3 m.	Media 6 m.	Media 12 m.
Banca IFIS (Value per share "€")		6.09	6.38	6.68	4.43	4.61	4.80	4.20	4.57	4.80	4.96	4.20	4.64	4.84	4.97
Toscana Finanza (Value per share "€")		1.90	1.94	1.99	1.38	1.41	1.43	1.55	1.63	1.57	1.52	1.55	1.61	1.50	1.48
Share swap ratio (max over min)		**3.52x**	**3.28x**	**3.06x**	**3.47x**	**3.28x**	**3.10x**	**2.71x**	**2.81x**	**3.05x**	**3.26x**	**2.71x**	**2.89x**	**3.22x**	**3.36x**
Share capital Toscana Finanza (#)		30,594,476	30,594,476	30,594,476	30,594,476	30,594,476	30,594,476	30,594,476	30,594,476	30,594,476	30,594,476	30,594,476	30,594,476	30,594,476	30,594,476
Banca IFIS's shareholding		77.3%	77.3%	77.3%	77.3%	77.3%	77.3%	77.3%	77.3%	77.3%	77.3%	77.3%	77.3%	77.3%	77.3%
Number of TF shares of third parties (#)		6,957,482	6,957,482	6,957,482	6,957,482	6,957,482	6,957,482	6,957,482	6,957,482	6,957,482	6,957,482	6,957,482	6,957,482	6,957,482	6,957,482
Number of Banca Ifis shares available for the merger (#)		**1,978,871**	**2,117,495**	**2,270,330**	**2,004,265**	**2,119,845**	**2,245,197**	**2,571,802**	**2,477,117**	**2,279,641**	**2,133,774**	**2,571,802**	**2,409,902**	**2,162,870**	**2,070,076**
Banca IFIS (Value 100% "€mln")	Util[1]	324.65	340.38	356.47	236.03	246.00	255.98	223.98	243.96	256.21	264.42	223.98	247.51	257.93	265.03
P/E 2010	*21.49*	*15.11x*	*15.84x*	*16.59x*	*10.98x*	*11.45x*	*11.91x*	*10.42x*	*11.35x*	*11.92x*	*12.30x*	*10.42x*	*11.52x*	*12.00x*	*12.33x*
P/E 2011	*23.82*	*13.63x*	*14.29x*	*14,96x*	*9.91x*	*10.33x*	*10.75x*	*9.40x*	*10.24x*	*10.75x*	*11.10x*	*9.40x*	*10.39x*	*10.83x*	*11.12x*
P/E 2012	*31.53*	*10.30x*	*10.79x*	*11.31x*	*7.49x*	*7.80x*	*8.12x*	*7.10x*	*7.74x*	*8.13x*	*8.39x*	*7.10x*	*7.85x*	*8.18x*	*8.40x*
P/E 2013	*38.82*	*8.36x*	*8.77x*	*9.18x*	*6.08x*	*6.34x*	*6.59x*	*5.77x*	*6.28x*	*6.60x*	*6.81x*	*5.77x*	*6.38x*	*6.64x*	*6.83x*
Toscana Finanza (Value per share "€")		58.17	59.46	60.78	42.30	43.00	43.70	47.50	49.83	48.16	46.52	47.50	49.18	46.00	45.24
P/E 2010	*3.71*	*15.68x*	*16.03x*	*16.38x*	*11.40x*	*11.59x*	*11.78x*	*12.80x*	*13.43x*	*12.98x*	*12.54x*	*12.80x*	*13.26x*	*12.40x*	*12.19x*
P/E 2011	*-0.25*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*	*neg.*
P/E 2012	*2.94*	*19.75x*	*20.19x*	*20.64x*	*14.37x*	*14.60x*	*14.84x*	*16.13x*	*16.92x*	*16.35x*	*15.80x*	*16.13x*	*16.70x*	*15.62x*	*15.36x*
P/E 2013	*6.33*	*9.19x*	*9.39x*	*9.60x*	*6.68x*	*6.79x*	*6.90x*	*7.50x*	*7.87x*	*7.61x*	*7.35x*	*7.50x*	*7.77x*	*7.27x*	*7.15x*

[1] *For Banca IFIS, pro-forma Ne Profit to account for the portion of TF's profit referred to BI*

Toscana Finanza's minimal value to Banca IFIS's maximum value and vice versa.

(2) The Share swap ratio is expressed as the number of Toscana Finanza shares for 1 share of Banca IFIS.

2.4 Share swap ratio

The share capital of the companies involved in the Merger is subdivided as follows:

- Banca IFIS has a share capital equal to € 53,811,095.00 subdivided into 53,811,095 ordinary shares with nominal value of € 1.00 each;

- Toscana Finanza has a share capital equal to € 3,059,447.60 subdivided into 30,594,476 ordinary shares with nominal value of € 10 each.

As of the date of this report, Banca IFIS holds 800,418 treasury shares in its portfolio, while Toscana Finanza holds no treasury shares.

As specified here below, at the conclusion of the Merger, the existing Treasury share account as of the date on which the Merger takes effect will be used for the purpose of assigning the Merging company's shares to the minority Shareholders of the Merged company, without resorting to any increase in the Merging company's share capital.

Following the aforementioned evaluation process and a reasoned comparison of the results obtained by the application of the various evaluation methods selected, and taking into consideration the work carried out, the Boards of Directors of Banca IFIS and Toscana Finanza have set the following Share Swap Ratio:

23 ordinary shares of Toscana Finanza for every 7 ordinary shares of Banca IFIS

There will be no cash adjustments.

2.5 *Difficulties and limits in evaluating the Share Swap Ratio*

The resulting evaluations must be considered in view of the following limitations and difficulties:

- The reorganization plan in question is the final phase of a wider and more complex industrial project that started with the OPA initiated by Banca IFIS. The completion of said project will entail a complex series of measures that, in some cases, may require the Management bodies of Banca IFIS to estimate the relevant consequences on the main economic and equity figures;

- in the case of Banca IFIS, the evaluations took as reference the *pro-forma* balance sheets without considering the consolidation of Toscana Finanza, which was recorded at the purchase cost and lined up with the relevant economic value when applying the different methods;

- methods of a different nature were applied which required the use of different data and parameters. In applying these methods, the Board took into account the characteristics and limitation inherent each method, on the basis of professional evaluation procedures, both national and international, usually adopted in the reference sectors;

- in the area of evaluation criteria, we would like to point out the important role played by the expected flows that, although inferred from the 2011-2013 Projections approved by the corporate governance bodies of the companies involved in the Merger, feature in and of themselves levels of uncertainty which are associated, among other things, with possible structural changes in the market. This objective difficulty was considered carefully for the purpose of drawing up this report;

- In view of the fact that Banca IFIS and Toscana Finanza are both listed companies, it would seem reasonable to apply the Stock Exchange Listing Method for purposes of 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 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, while for Banca IFIS the same indicator is between 6.0% and 8.0%, compared to 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%).

The aforementioned difficulties were taken into careful consideration when drawing up this report.

2.6 *Independent Expert's appointment pursuant to art. 2501-sexies of the Italian Civil Code*

In reference to the fairness of the Share Swap Ratio, Banca IFIS and Toscana Finanza asked the Court of Venice for the joint appointment of the independent expert called to draw up the report on the fairness of the share swap ratio and the suitability of the criteria adopted to determine 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 independent expert.

3. Assignment method of the Merging company’s shares and date on which they can be enjoyed

Once the Merger becomes effective, the Merging Company will proceed to assign its shares to the Merged company’s Shareholders, using the existing treasury shares purchase account as of the date on which the Merger becomes effective.

With regards to the above, please note that the Merging company’s Shareholders, for the purpose allowing the treasury shares held in portfolio to be used on the date on which the Merger takes effect, have drawn up the proposed changes to the “methods” established with the Shareholders’ Meeting resolution of 29 April 2011, according to the terms set out in the section of this report pertaining to the execution of the ordinary Shareholders’ Meeting.

Moreover, the Merged company’s Shareholders will be provided with a service aimed at handling any fractions of shares, at market prices, with no additional charges relating to fees, stamp taxes or commissions.

The Merging company’s treasury shares involved in the swap will be made available to the Merged company’s Shareholdings according to the specific methods of dematerialized shares centralized at the Monte Titoli S.p.A. as of the first business day following the date on which the civil code consequences of the Merger become effective. Such date will be communicated in the specific notice concerning the Merger, to be published in at least one newspaper with national distribution.

The swap will be carried out beginning from the first day in which the Merger takes effect, at the branches of Banca Akros S.p.A., as well as at any broker authorized by law.

The Board of Directors also points out that the authorization process required by Circular letter 263 of 27 December 2006 (Title I, Chapter 2, Section II), issued by Bank of Italy will not be applied, as it is not expected for the value of the treasury shares to be purchased for purposes of the Merger to exceed the limit of 5% of the share capital.

The Merging company’s ordinary shares to be assigned in exchange of Toscana Finanza's shares, written off as a result of the Merger, will be regularly enjoyed and, consequently, will grant their holders the same rights as those granted to the holders of ordinary shares outstanding at the time of their assignment.

4. Date on which the transactions are recorded in the Merging company’s financials statements

4.1 Civil code and accounting repercussions of the transaction

The consequences of the Merger shall become effective towards third parties as of the date on which the last one of the registrations required by art. 2504 of the Italian Civil code is carried out, or as of a subsequent date to be specified in the Merger deed.

The Merged company’s transactions shall be recorded in the Merging company’s financial statements as of the date on which the legal consequences of the Merger take effect, date on which the fiscal consequences of the Merger will also become effective.

4.2 Tax repercussions of the transaction on the Merging company's financial statements

The Merger transaction is fiscally "Neutral" as far as direct taxation is concerned. Pursuant to art. 172 of Italian D.P.R. 917/1986, the Merger does not give rise to the creation of positive or negative taxable income for the parties involved (Merged company, Merging company and Shareholders too).

Specifically, in terms of the Merged company, the transfer of the latter's equity to the Merging company does not originate capital gains or capital losses hidden in the transferred assets or liabilities.

Symmetrically, the assets received by the Merging company are taken on by the latter at the same fiscal value at which they were recorded by the Merged company (continuity principle of "recognized fiscal values").

In determining the income of the Merging company, the surplus or deficit recorded in the financial statements as a result of the Share Swap Ratio was not taken into consideration, and the higher values entered in the financial statements as a result of the allocation of the deficit, if any, to the Merged company's equity items, are not taxable towards the Merging company and are not fiscally acknowledged.

The Merger is VAT-free and is subject to registration, mortgage and cadastral taxes for a fixed amount.

5. Predictions on the composition of the significant shareholding after the merger

As of the date of this report, according to the records of the Shareholders' Register, supplemented by notices as per art. 120 of the TUF (and reference regulations) and by other available information, the significant shareholding of Banca IFIS (shareholdings with right to vote exceeding 2% of the share capital) is made up as follows:

La Scogliera S.p.A.	37,181,123 shares	69.096%
Alchimia S.p.A.	1,906,930 shares	3.544%
Giovanni Bossi	1,909,648 shares	3.549%
Preve Costruzioni S.p.A.	1,398,143 shares	2.598%

As per the contents of the notices as per art. 120 of the TUF, the physical persons who hold shareholdings in La Scogliera S.p.A., in Alchimia S.p.A. and in Preve Costruzioni S.p.A. are, respectively, Sebastien Egon Furstenberg, Marina Salomon and Riccardo Preve. Sebastien Egon Furstenberg and Riccardo Preve also own directly 18,782 shares (equal to 0.035% of the share capital) and 84,335 (equal to 0.157% of the share capital), respectively.

Taking into account the methods used to assign the Merging Company's shares to the Merged company's Shareholders according to the proposed Share Swap Ratio, once the Merger is completed the composition and shareholding percentages will undergo no changes, except for the consequences of those Shareholders of the Merged Company who did not vote in favour of the Transaction exercising their right to withdrawal, as well as by the transfer, if any, of all or part of the shareholdings currently held by the significant Shareholders subsequent to approval of the Transaction.

6. Corporate agreements

As of the date of this report, there are no corporate agreements which are significant pursuant to article 122 of the TUF, involving the shares of the Merging Company.

7. Evaluations on the right to withdraw

The Merger shall entitle Shareholders of the Merged Company who did not vote in favour of the Transaction to withdraw from all or part of their shares.
In that case, the withdrawing Shareholders 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 Merge.

The withdrawal shall become effective once the Merger comes into effect.

Mestre, 8 September 2011.

For the Board of Directors
The Chief Executive Officer
Giovanni Bossi