

3 Pro forma aggregated balance sheet and statement of income as at June 30, 1999 for Gruppo Intesa and the BCI Group

Explanation of approach followed

Pro forma financial statements have been prepared for the sole purpose of providing the market with indications relative to the balance sheet and statement of income situation of the new group, based on consolidated data relative to the six month period ended June 30, 1999. Gruppo Intesa's financial statements and BCI Group's financial statements have been approved by the respective Boards of Directors. The pro forma financial statements have not been approved by Intesa's Board of Directors, nor have they been verified by the Board of Statutory Auditors, nor audited by the Independent Auditors. Furthermore, pursuant to paragraph 5.3. of Annex 3B to CONSOB's Regulation, the auditing firm Arthur Andersen has issued a specific report on the pro forma accounts which follows below.

Figures have been expressed so as to backdate (as of January 1, 1999) the economic effects of a potential acquisition of 70% of BCI's ordinary and saving share capital (assuming maximum exchange) or 50% plus one share of BCI's ordinary share capital (assuming minimum exchange) by means of the Offer.

Figures have been calculated as if the transaction had been carried out at the beginning of the period to which the data presented refer and were prepared purely for informative purposes. The objective is to describe Gruppo Intesa's selected financial data should the integration with BCI take place. Selected financial data were prepared by adding the data contained in Gruppo Intesa's consolidated financial statements as at June 30, 1999 to the data in BCI Group's consolidated financial statements. Pro forma selected financial data also reflects the balance sheet effects of the increase in capital resolved upon by Intesa for the purpose of the merger and those connected to the elimination of Intesa's equity investment in BCI.

As a pro forma aggregated situation is reflected, it must be noted that the consolidation of the two groups, according to provisions contained in D.Lgs. 87 of January 27, 1992 and Bank of Italy regulations, may lead to different balance sheet and statement of income effects with respect to those contained in the pro forma aggregated situation; in particular, the two group's consolidated net income will be affected by the moment in which the Offer is completed.

Considering that the accounting criteria adopted by the BCI Group in preparing the consolidated financial statements are consistent with those used by Gruppo Intesa, no adjustments have been necessary in order to uniform BCI Group data to Gruppo Intesa's. Reciprocal relationships have not been eliminated since they referred exclusively to interbank relationships of insignificant amounts with regard to both single balance sheet items and total assets.

As to the inclusion of Intesa's equity investment in BCI, it will be accounted for at the same value as the increase in capital (nominal and premium) carried out by Intesa and calculated based on BCI's shareholders' equity as at December 31, 1998 net of dividends paid. It must be noted that this method of accounting for the inclusion of Intesa's equity investment in BCI does not necessarily result in the value that would have emerged had the equity investment been accounted for using the current value applied for determining the exchange ratio; in any case, the value of Intesa's equity investment would not have been higher than that determined by the expert pursuant to art. 2343 of the Civil Code. A positive difference amounting to Lire 93 billion (assuming the exchange of 70% of the ordinary and saving share capital) and Lire 66 billion (assuming the exchange of 50% plus one share of the ordinary share capital) emerged on aggregating the financial statements as at June 30, 1999 and was recorded in the «Other assets» caption. Since, as already mentioned above, an aggregation procedure was used, this difference diverges from that which would have emerged on applying procedures required by consolidation.

The only other adjustment which was carried out on the aggregate figures of the two groups referred to the allocation to minority shareholders of a portion of BCI's consolidated shareholders' equity and net income (30% assuming the exchange of 70% of the ordinary and saving share capital and 50.29% assuming the exchange of 50% plus one share of the ordinary share capital).

It must be noted that the pro forma accounts only consider the capital increase to be carried out by Intesa to facilitate the merger, whereas the economic effects of the transaction (such as, for example, the costs related to the Offer, the cost savings and the increased revenues resulting from the synergies which will stem from the merger of the two groups) have not been included.

It must be noted that the pro forma financial statements cannot in any way be deemed to represent a forecast of the new group's future results.

Gruppo Intesa's and BCI Group's pro forma aggregated balance sheet as at June 30, 1999
Assumption: Acquisition of 70%

BALANCE SHEET

Assets	Lire (in billions)		
	INTESA consolidated	BCI consolidated	TOTAL adjustments
10. Cash and deposits with central banks and post offices	1,061	1,111	2,172
20. Treasury bills and similar bills eligible for refinancing with central banks	36,463	6,015	42,478
30. Due from banks	49,300	50,579	99,879
40. Loans to customers	177,082	113,679	290,761
50. Bonds and other debt securities	51,150	31,549	82,699
60. Shares, quotas and other debt securities	1,566	3,598	5,164
70. Equity investments	2,687	1,862	4,549
80. Investments in Group companies	148	139	287
90. Goodwill arising on consolidation	791	744	1,535
100. Goodwill arising on application of the equity method	19	44	63
110. Intangible fixed assets	927	500	1,427
120. Tangible fixed assets	5,325	2,828	8,153
150. Other assets	30,822	12,375	93 43,290
160. Accrued income and prepaid expenses	3,785	4,233	8,018
Total Assets	361,126	229,256	93 590,475

Gruppo Intesa's and BCI Group's pro forma aggregated balance sheet as at June 30, 1999
Assumption: Acquisition of 70%

Liabilities and Shareholders' equity	Lire (in billions)			
	INTESA consolidated	BCI consolidated	Merger adjustments	TOTAL
10. Due to banks	77,323	84,671		161,994
20. Due to customers	118,204	77,921		196,125
30. Securities issued	93,763	26,918		120,681
40. Deposits and public funds under administration	135	28		163
50. Other liabilities	36,664	17,421		54,085
60. Accrued expenses and deferred income	4,763	4,526		9,289
70. Allowance for employee termination indemnities	1,808	1,056		2,864
80. Allowance for risks and charges	5,504	1,248		6,752
90. Allowance for possible loan losses	766	16		782
100. Reserve for general banking risks	81	0		81
110. Subordinated perpetual liabilities	8,181	5,144		13,325
120. Negative goodwill arising on consolidation	51	118	(118)	51
140. Minority interests	1,373	929	2,813	5,115
150. Share capital	3,333	1,795	278	5,406
160. Share premium reserve	5,924	2,222	2,017	10,163
170. Reserves	1,798	4,225	(4,225)	1,798
180. Revaluation reserves	449	524	(524)	449
200. Net income for the period	1,006	494	(148)	1,352
Total Liabilities and Shareholders' equity	361,126	229,256	93	590,475

Notes:

Integration adjustments refer to:

- Inclusion of Intesa's increase in capital (Lire 2,073 billion of share capital and Lire 4,239 billion of share premium reserve);
- elimination of BCI's shareholders' equity (Lire 1,795 billion of share capital, Lire 2,222 billion of share premium reserve, Lire 4,225 billion of reserves, Lire 524 billion of revaluation reserves and Lire 118 billion of negative goodwill arising of consolidation);
- allocation of 30% of BCI's shareholders' equity (Lire 2,665 billion) and of BCI's net income for the period (Lire 148 billion) to minority shareholder.

Gruppo Intesa's and BCI Group's aggregated pro forma balance sheet as at June 30, 1999
Assumption: Acquisition of 70%

		Lire (in billions)			
Guarantees and commitments		INTESA consolidated	BCI consolidated	Adjustments	TOTAL
10.	Guarantees given	19,894	33,391		53,285
	Including				
	- acceptances	376	740		1,116
	- other	19,518	32,651		52,169
20.	Commitments	123,325	52,132		175,457
	Including				
	- sales with repurchase agreements	283	0		283

Gruppo Intesa's and BCI Group's aggregated pro forma statement of income as at June 30, 1999
Assumption: Acquisition of 70%

STATEMENT OF INCOME

Statement of income	Lire (in billions)			
	INTESA consolidated	BCI consolidated	Adjustments	TOTAL
10. Interest income and similar revenues	7,988	6,864		14,852
20. Interest expense and similar charges	(4,665)	(4,986)		(9,651)
30. Dividends and other revenues	70	320		390
40. Commission income	2,585	1,434		4,019
50. Commission expense	(405)	(138)		(543)
60. Profits (Losses) on financial transactions	184	315		499
70. Other operating income	383	419		802
80. Administrative costs				
(a) payroll	(2,377)	(1,533)		(3,910)
(b) other administrative costs	(1,269)	(908)		(2,177)
85. Provisions for integrative social security benefits	(42)	0		(42)
90. Adjustments to tangible and intangible fixed assets	(421)	(315)		(736)
100. Provisions for risks and charges	(186)	(52)		(238)
110. Other operating expenses	(77)	(126)		(203)
120. Adjustments to tangible and intangible fixed assets	(657)	(815)		(1,472)
130. Write-backs of adjustments to loans and provisions for guarantees and commitments	171	105		276
140. Provisions for possible loan losses	(106)	(3)		(109)
150. Adjustments to financial fixed assets	(21)	(33)		(54)
160. Write-backs of financial fixed assets	1	6		7
170. Income (Loss) from investments carried at equity	19	17		36
180. Income (Loss) from operating activities	1,175	571	0	1,746
190. Extraordinary income	747	557		1,304
200. Extraordinary charges	(78)	(98)		(176)
210. Extraordinary income (loss) net	669	459	0	1,128
230. Change in the reserve for general banking risks	(10)	0		(10)
240. Income taxes for the period	(755)	(499)		(1,254)
250. Income attributable to minority shareholders	(73)	(37)	(148)	(258)
260. Net income for the period	1,006	494	(148)	1,352

Note BCI's net income will be included in consolidated net income according to the procedures required by consolidation.

Gruppo Intesa's and BCI Group's reclassified aggregated pro forma statement of income as at June 30, 1999

Assumption: Acquisition 70%

RECLASSIFIED STATEMENT OF INCOME

Statement of income	Lire(in billions)			TOTAL
	INTESA consolidated	BCI consolidated	adjustments	
10. Interest income and similar revenues	7,988	6,864		14,852
20. Interest expense and similar charges	(4,665)	(4,752)		(9,417)
30. Dividends and other revenues	70	86		156
<i>Interest margin</i>	3,393	2,198	0	5,591
40. Commission income	2,585	1,434		4,019
50. Commission expense	(405)	(138)		(543)
70. Other operating income	383	419		802
110. Other operating expense	(77)	(126)		(203)
<i>Commission income and other operating income, net</i>	2,486	1,589		4,075
60. Profits (Losses) on financial transactions	184	315		499
<i>Income from services</i>	2,670	1,904	0	4,574
<i>Net interest and other banking income</i>	6,063	4,102	0	10,165
80. Administrative costs				
- payroll	(2,377)	(1,533)		(3,910)
- other administrative costs	(1,269)	(908)		(2,177)
85. Provisions for integrative social security benefits	(42)	0		(42)
90. Adjustments to tangible and intangible fixed assets	(421)	(315)		(736)
Operating charges	(4,109)	(2,756)	0	(6,865)
Operating margin	1,954	1,346	0	3,300
100. Provisions for risks and charges	(186)	(52)		(238)
120. Adjustments to loans and provisions for guarantees and commitments	(657)	(815)		(1,472)
130. Write-backs of adjustments to loans and provisions for guarantees and commitments	171	105		276
140. Provisions for possible loan losses	(106)	(3)		(109)
150. Adjustments to financial fixed assets	(21)	(33)		(54)
160. Write-back of financial fixed assets	1	6		7
170. Income (Loss) from investments carried at equity	19	17		36
180 Income (Losses) from operating activities	1,175	571	0	1,746
200. Extraordinary income	669	459		1,128
230. Change in the reserve for general banking risk	(10)	0		(10)
Income before taxes	1,834	1,030	0	2,864
240. Income taxes	(755)	(499)		(1,254)
250. Income attributable to minority shareholders	(73)	(37)	(148)	(258)
260. Net income for the period	1,006	494	(148)	1,352

Notes BCI's net income will be included in consolidated net income according to the procedures required by consolidation

BCI's statement of income items have been aggregated using the reclassified statement of income format adopted by Gruppo Intesa.

In this table, for particularly complex transactions (equity swap contracts), financial charges on related hedging contracts (Lire 234 billion) have been deducted from dividends on shares purchased in these transaction, in view of the relationship existing between the different contracts with which they are carried out.

Gruppo Intesa's and BCI Group's aggregated pro forma balance sheet as at June 30, 1999
Assumption: Acquisition of 50% + one share belonging to voting share capital

BALANCE SHEET

				Lire (in billions)
Assets	INTESA consolidated	BCI consolidated	Integration adjustments	TOTAL
10. Cash and deposits with central banks and post offices	1,061	1,111		2,172
20. Treasury bills and similar bills eligible for refinancing with central banks	36,463	6,015		42,478
30. Due from banks	49,300	50,579		99,879
40. Loans to customers	177,082	113,679		290,761
50. Bonds and other debt securities	51,150	31,549		82,699
60. Shares, quotas and other debt securities	1,566	3,598		5,164
70. Equity investments	2,687	1,862		4,549
80. Investments in Group companies	148	139		287
90. Goodwill arising on consolidation	791	744		1,535
100. Goodwill arising on application of the equity method	19	44		63
110. Intangible fixed assets	927	500		1,427
120. Tangible fixed assets	5,325	2,828		8,153
150. Other assets	30,822	12,375	66	43,263
160. Accrued income and prepaid expenses	3,785	4,233		8,018
Total Assets	361,126	229,256	66	590,448

Gruppo Intesa's and BCI Group's aggregated pro-forma balance sheet as at June 30, 1999
Assumption: Acquisition of 50% + one share belonging to voting share capital

Liabilities and Shareholders' equity	Lire(in billions)		
	INTESA consolidated	BCI consolidated	TOTAL adjustments
10. Due to banks	77,323	84,671	161,994
20. Due to customers	118,204	77,921	196,125
30. Securities issued	93,763	26,918	120,681
40. Deposits and public funds under administration	135	28	163
50. Other liabilities	36,664	17,421	54,085
60. Accrued expenses and deferred income	4,763	4,526	9,289
70. Allowance for employee termination indemnities	1,808	1,056	2,864
80. Allowance for risks and charges	5,504	1,248	6,752
90. Allowance for possible loan losses	766	16	782
100. Reserve for general banking risks	81	0	81
110. Subordinated perpetual liabilities	8,181	5,144	13,325
120. Negative goodwill arising on consolidation	51	118	(118) 51
140. Minority interests	1,373	929	4,716 7,018
150. Share capital	3,333	1,795	(323) 4,805
160. Share premium reserve	5,924	2,222	788 8,934
170. Reserves	1,798	4,225	(4,225) 1,798
180. Revaluation reserves	449	524	(524) 449
200. Net income for the period	1,006	494	(248) 1,252
Total Liabilities and Shareholders' equity	361,126	229,256	66 590,448

Note:

Integration adjustments refer to:

- Inclusion of Intesa's increase in capital (Lire 1,472 billion of share capital and Lire 3,010 billion of share premium reserve);
- Elimination of BCI's shareholders' equity (Lire 1,795 billion of share capital, Lire 2,222 billion of share premium reserve, Lire 4,225 billion of reserves, Lire 524 billion of revaluation reserves and Lire 118 billion of negative goodwill arising on consolidation);
- Allocation to minority shareholder of 50.29% of BCI's shareholders' equity (Lire 4,468 billion) and of BCI's net income for the period (Lire 248 billion).

Gruppo Intesa's and BCI Group's aggregated pro-forma balance sheet as at June 30, 1999
Assumption: Acquisition of 50% + one share belonging to voting share capital

		Lire (in billions)			
Guarantees and commitments		INTESA Consolidated	BCI consolidated	adjustments	TOTAL
10.	Guarantees given	19,894	33,391		53,285
	Including				
	- acceptances	376	740		1,116
	- other	19,518	32,651		52,169
20.	Commitments	123,325	52,132		175,457
	Including				
	- sales with repurchase agreement	283	0		283

Gruppo Intesa's and BCI Group's aggregated pro forma statement of income as at June 30, 1999
Assumption: Acquisition of 50% + one share belonging to voting share capital

STATEMENT OF INCOME

Statement of income	Lire (in billions)			
	INTESA consolidated	BCI consolidated	adjustments	TOTAL
10. Interest income and similar revenues	7.988	6.864		14.852
20. Interest expense and similar charges	(4.665)	(4.986)		(9.651)
30. Dividends and other revenues	70	320		390
40. Commission income	2.585	1.434		4.019
50. Commission expense	(405)	(138)		(543)
60. Profits (Losses) on financial transactions	184	315		499
70. Other operating income	383	419		802
80. Administrative costs				
(a) payroll	(2.377)	(1.533)		(3.910)
(b) other administrative costs	(1.269)	(908)		(2.177)
85. Provisions for integrative social security benefits	(42)	0		(42)
90. Adjustments to tangible and intangible fixed assets	(421)	(315)		(736)
100. Provisions for risks and charges	(186)	(52)		(238)
110. Other operating expenses	(77)	(126)		(203)
120. Adjustments to tangible and intangible fixed assets	(657)	(815)		(1.472)
130. Write-backs of adjustments to loans and provisions for guarantees and commitments	171	105		276
140. Provisions for possible loan losses	(106)	(3)		(109)
150. Adjustments to financial fixed assets	(21)	(33)		(54)
160. Write-backs of financial fixed assets	1	6		7
170. Income (Loss) from investments carried at equity	19	17		36
180. Income (loss) from operating activities	1.175	571	0	1.746
190. Extraordinary income	747	557		1.304
200. Extraordinary charges	(78)	(98)		(176)
210. Extraordinary income (loss) net	669	459	0	1.128
230. Change in the reserve for general banking risk	(10)	0		(10)
240. Income taxes for the period	(755)	(499)		(1.254)
250. Income attributable to minority shareholders	(73)	(37)	(248)	(358)
260. Net income for the period	1.006	494	(248)	1.252

Note BCI's net income will be included in the consolidated net income according to the procedures required by consolidation.

Gruppo Intesa's and BCI Group's reclassified aggregated pro forma statement of income as at June 30, 1999

Assumption: Acquisition of 50% + one share belonging to voting share capital

RECLASSIFIED STATEMENT OF INCOME

	Lire (in billions)			
Statement of income	INTESA consolidated	BCI consolidated	adjustments	TOTAL
10. Interest income and similar revenues	7,988	6,864		14,852
20. Interest expense and similar charges	(4,665)	(4,752)		(9,417)
30. Dividends and other revenues	70	86		156
Interest margin	3,393	2,198	0	5,591
40. Commission income	2,585	1,434		4,019
50. Commission expense	(405)	(138)		(543)
70. Other operating income	383	419		802
110. Other operating expense	(77)	(126)		(203)
Commission income and other operating income, net	2,486	1,589		4,075
60. Profits on financial transactions	184	315		499
Income from services	2,670	1,904	0	4,574
Net interest and other banking income	6,063	4,102	0	10,165
80. Administrative costs				
(a) payroll	(2,377)	(1,533)		(3,910)
(b) other administrative costs	(1,269)	(908)		(2,177)
85. Provisions for integrative social security benefits	(42)	0		(42)
90. Adjustments to loans and provisions for guarantees and commitments	(421)	(315)		(736)
Operating charges	(4,109)	(2,756)	0	(6,865)
Operating margin	1,954	1,346	0	3,300
100. Provisions for risk and charges	(186)	(52)		(238)
120. Adjustments to loans and provisions for guarantees and commitments	(657)	(815)		(1,472)
130. Write-back of adjustments to loans and provisions for guarantees and commitments	171	105		276
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170. Income from investments carried at equity	19	17		36
180. Income (losses) from operating activities	1,175	571	0	1,746
210. Extraordinary income (loss), net	669	459		1,128
230. Change in the reserve for general banking risks	(10)	0		(10)
Income before taxes	1,834	1,030	0	2,864
240. Income taxes for the year	(755)	(499)		(1,254)
250. Income attributable to minority shareholders	(73)	(37)	(248)	(358)
260. Net income for the period	1,006	494	(248)	1,252

Notes BCI's net income will be included in consolidated net income according to the procedures required by consolidation.

BCI's statement of income items have been aggregated using the reclassified statement of income format adopted by Gruppo Intesa.

In this table, for particular complex transactions (equity swap contracts), financial charges on related hedging contracts (Lire 234 billion) have been deducted from dividends on shares purchased in these transaction, in view of the relationship existing between the different contracts with which they are carried out.

Gruppo Intesa's and BCI Group's
(Assumption: Acquisition 70% of BCI' shares)⁽¹⁾

Selected Financial Data	June 30, 1999		December 31, 1998		June 30, 1998		Changes %	
	Lire (in billions)	Euro (in millions)	Lire (in billions)	Euro (in millions)	Lire (in billions)	Euro (in millions)	December 31, 1998	June 30, 1998
<u>Balance sheet</u>								
Loans to customers	290,761	150,166	272,942	140,963	275,396	142,230	6.5%	5.6%
Securities	130,341	67,316	102,703	53,042	92,937	47,998	26.9%	40.2%
Equity Investments	4,836	2,498	5,257	2,715	4,966	2,565	(8.0%)	(2.6%)
Total assets	590,475	304,955	541,260	279,537	554,717	286,487	9.1%	6.4%
Direct customer deposits	316,969	163,701	305,019	157,529	303,261	156,621	3.9%	4.5%
Subordinated and perpetual deposits	13,325	6,882	12,478	6,444	9,631	4,974	6.8%	38.4%
Indirect customer deposits	559,512	288,964	504,948	260,784	471,588	243,555	10.8%	18.6%
. including Managed Funds	281,179	145,217	236,903	122,350	200,802	103,706	18.7%	40.0%
Customer deposits under administration	889,806	459,547	822,445	424,757	784,480	405,150	8.2%	13.4%
Shareholders' equity (2)	17,948	9,269	15,329	7,917	15,295	7,899	17.1%	17.3%
<u>Statement of income</u>								
Interest margin	5,591	2,888	11,101	5,733	5,804	2,998		(3.7%)
Income from services	4,574	2,362	8,652	4,468	4,396	2,270		4.0%
Net interest and other banking income	10,165	5,250	19,753	10,202	10,200	5,268		(0.3%)
Administrative costs	6,087	3,144	11,902	6,147	6,047	3,123		0.7%
Operating margin	3,300	1,704	6,340	3,274	3,417	1,765		(3.4%)
Net income for the year/period	1,352	698	1,833	947	963	497		40.4%
<u>Operating ratios</u>								
Interest margin /total assets	0.95%		2.05%		1.05%			
Income from services/net interest and other banking income	45.00%		43.80%		43.10%			
Operating margin/total assets	0.56%		1.17%		0.62%			
Administrative costs/net interest and other operating income	59.88%		60.25%		59.28%			
Net income for the year-period/Total assets (ROA)	0.23%		0.34%		0.17%			
Net income for the year-period /Shareholders' equity (ROE)	7.53%		11.96%		6.30%			
<u>Other information</u>								
Staff (number)	71,908		68,500		69,912			
Branches (number)	4,158		3,882		3,816			

Notes

- 1) Assuming the acquisition of 50% + one share belonging to voting share capital, figures as at June 30, 1999 are modified as follows:
 - total assets: 590,448
 - shareholders' equity: 16,118
 - income for the period: 1,252
 - income for the period/total assets (ROA): 0.21%
 - net income for the period/shareholders' equity (ROE): 7.77%
- 2) Excluding income for the year/period

Independent Auditors' examination of the aggregated pro-forma data

The accompanying aggregated pro-forma data of Gruppo Intesa and the BCI Group as at June 30, 1999 were examined by Arthur Andersen S.p.A. as required by Italian current regulations.

The regulations require that the independent auditors examine the assumptions made and the methodologies adopted for the purposes of preparing the pro-forma data in order to reflect, retroactively, the effects of the different hypothetical assumptions of the Exchange Offer. The assumptions used in the preparation of pro-forma data are described in the paragraph «Explanation of approach followed».

Based on the examination performed, the independent auditors believe that the assumptions and methodologies are adequate for the purposes of providing the information set out above and that the pro-forma data correctly reflect the application of such assumptions.