

## A. CONSIDERATIONS

1. The *Commissione nazionale per le società e la borsa* ("CONSOB"), the regulator of the Italian securities market, has neither passed upon the accuracy or adequacy of this offering document (the "Offer Document" or "Document") nor on the fairness of the proposed transaction.
2. This Offer Document describes a public exchange offer (the «Offer») for 1,249,055,984 ordinary shares and for 7,275,572 saving shares of Banca Commerciale Italiana S.p.A. ("BCI" or the "Issuer") corresponding respectively to 70% of BCI's outstanding ordinary shares and 70% of BCI's outstanding saving shares (which, together with the ordinary shares are collectively the "BCI Shares") on the date of this Offer Document. The BCI Shares have a nominal value of Lire 1,000 each and accrue rights from January 1, 1999. The Offer is made by Banca Intesa ("Intesa" or the "Offeror"), in reliance on Paragraph II, Section II, Part IV of Legislative Decree No. 58 of February 24, 1998 (the "Testo Unico") and, in particular, in reliance on Article 102 and Article 107, par. 1, of the Testo Unico and on CONSOB regulation 11971 issued on May 14, 1999 (the "CONSOB Regulation").

Intesa will exchange 1.65 newly issued ordinary shares of Intesa having a nominal value of Lire 1,000 each (the "Intesa Shares" see paragraph b2 – Consideration for the Offer \*) for each BCI Share to which the Offer applies. See paragraph g10 – Fiscal Regime, for a description of certain taxation considerations relevant to the exchange.

3. The Offer is subject to the following conditions:
  - a) Obtaining the authorisations required under Legislative Decree no. 385 of September 1, 1993 (the "*Testo Unico delle leggi in materia bancaria e creditizia*") and Law no. 287 of October 10, 1990 ("*Norme per la tutela della concorrenza e del mercato*").
  - b) Obtaining approval from a majority of BCI shareholders who hold ordinary shares in accordance with Art. 107, par. 1, letter b) of the Testo Unico and meeting the other conditions set out in Art. 107, par. 1, of the Testo Unico. The effect of Art. 107, par.1, letter b) is that the Offer is «conditional upon the approval of a majority of shareholders holding ordinary shares, excluding pursuant to Art.120, par. 4, letter b), shares held by the Offeror, the majority

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(\*) Note that, for the BCI shares not exchanged because exceeding the number of BCI Shares for which the Offer is made, the Warrants described in paragraph 7 below will be assigned.

shareholder, even if with a relative majority if the stake exceeds 10% and by all parties connected to them as defined in Art 109, par. 1». No BCI shareholder holds an equity investment in excess of 10% of the Issuer's share capital and, therefore, all votes are eligible to be counted. (See paragraph e.2).

- c) Levels of acceptance of the Offer must be sufficient to allow the Offeror to acquire at least 892,182,847 BCI ordinary shares corresponding to 50% plus one share of BCI's ordinary share capital (the number of shares required was calculated by multiplying the total number of issued ordinary shares, i.e. 1,784,365,691 shares, by 50% and by rounding up to the nearest whole number plus one share).
  - d) Within 30 (thirty) days from the closing of the Offer, the Extraordinary Shareholders Meeting of BCI resolving to amend Art. 8 of the Articles of Association, by eliminating all paragraphs except the last two and all other connected provisions in the Articles of Association. This must be done in order to delete the provisions which limit a single shareholder from holding shares representing more than 5% of the voting capital and which limit the exercise of voting rights attaching to shares in excess of 5% of the ordinary voting capital. For this purpose, it should be noted that the Board of Directors of BCI has convened an Extraordinary Shareholders Meeting of BCI on October 29, and November 8 and 12, 1999, in first, second and third calls, respectively;
  - e) Within 90 (ninety) days from its approval, the Extraordinary Shareholders Meeting resolution referred to in sub-paragraph d) must be officially approved and recorded on the Company Register by means of a decree issued by the appropriate Court and, if necessary, must be authorised by the competent Supervisory Authorities.
4. Pursuant to Articles 2440 and 2343, par. 3, of the Italian Civil Code (the "Civil Code"), Intesa's Board of Directors and Independent Auditors must verify the valuation of the BCI Shares. Intesa Shares cannot be disposed of and will not be available for accepting BCI shareholders (the "Accepting Shareholders") before this requirement is met. Intesa has confirmed that it will carry out this requirement as expeditiously as possible and, in any event, within 45 (forty-five) days of the closing of the Offer. Pursuant to Art. 2343, last paragraph, of the Civil Code, if, on completion of Intesa's valuation, the value of BCI Shares is found to be lower by more than a fifth of the value assigned to BCI Shares in connection with the Offer, Intesa will proportionally reduce its share capital and cancel the surplus Intesa Shares. In such event, each Accepting Shareholder will have the right to elect to pay the difference in cash to maintain the original

exchange ratio or to withdraw from the Offer.

5. Pursuant to Art. 48 of the CONSOB Regulation, and Art. 107, par. 1, letter b) of the Testo Unico, the acceptance of the Offer shall be deemed to be a declaration of approval of the Offer unless accompanied by an explicit non-approval declaration expressed in accordance with the provisions contained in paragraph e.2 of this Offer Document.

6. Acceptance of the Offer is irrevocable. Any such acceptance is without prejudice to the right to accept any counter offer pursuant to Art. 44, n. 6, of the CONSOB Regulation. Consequently, following acceptance of the Offer, it will not be possible for Accepting Shareholders to either sell BCI Shares, in whole or in part, or to dispose of BCI Shares in any way during the period in which the shares remain bound for the purposes of the Offer.

The period during which the acceptance of the Offer is irrevocable and therefore the period in which Accepting Shareholders will not be able to dispose of their BCI Shares (with the exception of BCI shares which will be returned in advance as set out in sub-paragraph 8 of these Considerations) will be longer than the duration of the Offer and will include the period necessary to convene and hold the Extraordinary Shareholders' Meeting of BCI which will resolve upon the amendment to Art. 8 of the Articles of Association, as explained in sub-paragraph 3 letter d) of these Considerations, as well as the time required to obtain the related official approval and the necessary registration in the Company Register.

7. As more fully described in paragraph h.2, at the time of the verification of acceptances of the Offer and allotment of Intesa Shares, if the number of accepting ordinary and/or saving shares exceeds the number of BCI Shares for which the Offer is made, the Offeror, when allotting the Intesa Shares as payment (as described in paragraph h.1), will give to each Accepting Shareholder, for each BCI share tendered and not exchanged by the Offeror in the proportional allotment of Intesa Shares, one warrant representing the right to exercise an option to sell one BCI ordinary or one BCI saving share as the case may be, of nominal value Lire 1,000 each currently (the «*Warrant Put Intesa - BCI*» or «*Warrant*»).

Each Warrant is a financial instrument in bearer form issued by Intesa which gives holders identical rights and for which Intesa applied and obtained a listing on the Milan Stock Exchange, as described in paragraph d.5. The listing is conditional upon CONSOB's approval of the Listing Prospectus for the Warrants and verifying the sufficient dissemination of Warrants among the public. The starting date for trading is conditional upon verification of sufficient dissemination and will be determined by a specific ruling issued by Borsa Italiana S.p.A.

Borsa Italiana S.p.A has resolved that 500 Warrants will be the minimum trading

lot on the Market consistent with the minimum number of tradeable BCI shares. After the Offer, should BCI shares tendered and not exchanged be for an amount which does not equal the minimum quantity or multiples thereof, BCI shareholders will receive a number of Warrants which will not correspond to the minimum quantity tradeable on the Market.

Detailed information regarding the Warrants is contained in the Listing Prospectus (attached to this Offer Document) as Annex s.5, which includes the Regulation «Banca Intesa S.p.A. Warrants valid for the sale of Banca Commerciale Italiana S.p.A. ordinary or saving shares to Banca Intesa, or, as abbreviated, «Warrant Put Intesa - BCI » (the «Regolamento»).

- 8.** BCI shares which, in the allotment, exceed the number of shares for which the Offer is made will be returned to the Accepting Shareholders as soon as possible after the completion of the verification of the acceptances and the allotment of Intesa Shares.
- 9.** The Issuer's press release prepared pursuant to and for the purposes of Art. 103, par. 3, of the Testo Unico («Press release – BCI»), contains all relevant information for an assessment of the Offer and the valuation of the Offer by BCI's Board of Directors and is included as Annex s.4 to this Offer Document.
- 10.** The Offer is made solely to the Italian market as specified below in paragraph b.9 «Markets to which the Offer applies».

## **B. ESSENTIAL ELEMENTS OF THE OFFER**

### **b.1 Securities subject to the Offer (BCI Shares)**

The Offer consists of an irrevocable offer made by Intesa, assisted by Goldman Sachs International acting as financial advisor («*Goldman Sachs*» or the «*Advisor*»), to all BCI shareholders indiscriminately and on the same conditions, for the exchange of:

- (i) 1,249,055,984 BCI ordinary shares of nominal value Lire 1,000 each, which start to accrue rights as of January 1, 1999, corresponding to 70% of BCI's ordinary share capital on the date of this Offer Document, and
- (ii) 7,275,572 BCI saving shares of nominal value Lire 1,000 each, which start to accrue rights as of January 1, 1999, corresponding to 70% of BCI's saving share capital on the date of this Offer Document.

### **b.2 Consideration for the Offer**

As consideration for the BCI Shares, Intesa will exchange such shares with a maximum of 2,072,947,067 newly issued Intesa ordinary shares, of nominal value Lire 1,000 each, which start to accrue rights as of January 1, 1999, at a ratio of 1.65 Intesa ordinary shares for each BCI ordinary share and saving share subject to the Offer.

For this purpose, Banca Intesa's Extraordinary Shareholders Meeting held, on first call, on August 17, 1999 resolved, pursuant to and for the purposes of Art. 2441, par. 4, of the Code, to increase the share capital of Banca Intesa by up to a maximum nominal value of Lire 2,072,947,067,000, by issuing up to a maximum of 2,072,947,067 ordinary shares of nominal value Lire 1,000 each («*Intesa Shares*») which start to accrue rights as of January 1, 1999. The Intesa Shares are to be reserved for BCI shareholders who accept the Offer and will be exchanged for BCI Shares. The resolution was officially approved by the relevant Milan Court on September 2, 1999 and was filed for recording on the Milan Company Register on September 6, 1999.

The total nominal value of Intesa Shares to be issued for the purpose of the Offer corresponds to Lire 2,073 billion; the total amount of Lire 4,239 billion is accounted for in the share premium reserve representing a premium of Lire 2,045 for each ordinary share issued. BCI Shares will be accounted for in Intesa's financial statements at a maximum total value of Lire 6,312 billion (assuming acceptances of the Offer for the maximum number of BCI Shares tendered) corresponding to a unit value of Lire 5,024.25 per BCI Share.

### **b.3 Duration of the Offer**

The Offer will begin on September 27, 1999 and end on October 15, 1999 which, save for possible extensions, is the last day acceptances may be received by the appointed intermediaries (the "Appointed Intermediaries"), as described in paragraph c.3. The Offer period was agreed with Borsa Italiana SpA.

### **b.4 Allotment of BCI Shares and fractions of Intesa Shares**

i) By October 22, 1999, save for any possible extensions to the duration of the Offer, Intesa will verify the outcome of the Offer and determine the allotment percentage should acceptances exceed 70% of BCI's ordinary and/or saving share capital, respectively.

The allotment percentage for the different types of shares (ordinary and saving) will be defined according to the ratio between the number of shares for which the Offer is made and the number of shares tendered. For BCI shares which are not exchanged because they exceed the amount of shares to which the Offer applies, Intesa will grant Warrants as described in paragraph h.2.

ii) If, by using the exchange ratio, the BCI Accepting Shareholder does not receive a whole number of Intesa Shares, the Appointed Intermediary which received the Accepting Form A will sell fractions of Intesa Shares in the name and on behalf of the BCI Accepting Shareholder and credit their account with the relevant amount, rounded down to the nearest whole number.

If the Accepting Shareholder elects, by appropriate completion of Form A, to round up Intesa Shares to the nearest whole number, the Appointed Intermediary will purchase one Intesa share in the name and on behalf of the BCI Accepting Shareholder, and debit their account with the relevant amount.

iii) The reference price for dealing, described in sub-paragraph ii) is the average official share price of Intesa ordinary shares in the 5 (five) days prior to the Assignment Date (as defined in paragraph h.1.1). No expenses or commissions will be charged to shareholders for dealing.

### **b.5 Acceptances**

Acceptances may be presented to the Appointed Intermediaries (as described in paragraph c.3) and to any other Authorised Intermediary. Acceptances must be received by the Appointed Intermediaries in accordance with paragraph d.6 of this Offer Document.

## **b.6 Conditions**

The Offer is subject to the conditions specified in paragraph 3 of the Considerations and in paragraph e.1.

## **b.7 Modifications**

The Offeror retains the right to modify the terms of the Offer, in accordance with and within the limits set forth in Art. 43 of the CONSOB Regulation, after communicating such modifications as required by Art. 37 of the same CONSOB Regulation, as well as by way of an announcement published in certain newspapers referred to in paragraph R below, within 3 (three) stock market working days prior to the closing of the Offer Period.

## **b.8 Put options (Warrants)**

If at the time of verification of acceptances of the Offer and allotment of the Intesa Shares, the level of subscription is for a number of ordinary and/or saving shares exceeding that to which the Offer applies, the Offeror, when assigning the Intesa Shares as payment, will give to each Accepting Shareholder, for each BCI share tendered and not exchanged in the proportional allotment of Intesa Shares, one Warrant which represents the right to exercise the option to sell one BCI ordinary or one BCI saving share, as the case may be, of nominal value Lire 1,000 each. For a description in greater detail, see paragraph h.2 and the Listing Prospectus regarding the listing of Warrants on the Milan Stock Exchange (Annex s.5 to this Offer Document).

## **b.9 Markets to which the Offer applies**

The Offer is made solely on the Italian market.

The Offer is made, on the same conditions, to all shareholders owning BCI ordinary and BCI saving shares, but has not been, will not be made to, nor could be made to, or accepted, in any way or by any means by a US Person («US Person»), as set forth in Regulation S of the United States Securities Act of 1933 («Regulation S»). It will not be, by any means distributed in violation of the regulations in force in the United States of America and in all other countries (the «Excluded Countries») in which such distribution is restricted or subject to limitations imposed by regulations in force in such countries to which you should specifically refer. The Excluded Countries include, but are not limited to, the United States of America, Japan, Canada and Australia. Copies of this Offer Document, the Listing Prospectus and any other document issued or to be issued in relation to the Offer by the Offeror or the Issuer or any other party involved in the Offer will not and shall not in any way be sent, transmitted or distributed to any US Person or to other persons subject to the

regulations of an Excluded Country or in violation of regulations in force in the Excluded Countries, using the postal services or any other means of international transmission, communication or commerce (including, but not limited to, the postal service, telephone, fax machines, electronic mail, the Internet and telex machines). Anyone receiving this Offer Document, the Listing Prospectus the Listing Prospectus or any other document related to the Offer (including for example, custodians, fiduciaries and trustees) is prohibited from sending, transmitting or distributing such document, using any means or service including the mail or via similar services as described above to any US Person or to other persons subject to the regulations of an Excluded Country or in violation of regulations in force in the Excluded Countries, unless in accordance with provisions and limitations contained in Regulations S or in similar provisions and limitations in force in the Excluded Countries. Anyone holding such documents must refrain from sending them, dispatching them or distributing them, to any US Person or to other persons subject to the regulations of an Excluded Country or to or from Excluded Countries, unless in accordance with provisions and limitations in force in the United States of America and the other Excluded Countries. Persons into whose possession the Offer Document comes are required to inform themselves about and to observe any such restrictions. Any acceptances of the Offer coming from any US Person or resulting from actions taken in violation of the above-mentioned limitations, shall not be considered valid and binding by the Offeror and the Appointed Intermediaries. This Offer Document does not constitute an offer of securities or an invitation to purchase or acquire securities in the United States of America or in the Excluded Countries except in transactions exempt from the registration requirements of the Securities Act. No securities may be offered in the United States of America or in the Excluded Countries except in transactions exempt from the Securities Act or otherwise permitted.

The shares to be issued by Intesa and the Warrants have not been and will not be registered under the United States Securities Act of 1933, as amended, nor under the corresponding laws of any of the Excluded Countries and, accordingly, may not be offered, sold or in any way delivered, directly or indirectly, in the United States of America or in other Excluded Countries or to US Persons.

The Offeror hereby declares that for the purpose of the Offer, it does not intend to make offers of BCI Shares, Intesa Shares or Warrants in the United States of America or in the other Excluded Countries, nor does it intend to do so after the completion of the Offer.