D. CATEGORIES AND AMOUNTS OF THE SECURITIES TO WHICH THE OFFER APPLIES AND PROCEDURES FOR ACCEPTANCE

d.1 Categories and amounts of BCI Shares subject to the Offer

The Offer applies to:

- 1,249,055,984 BCI ordinary shares, nominal value Lire 1,000 each, which start to accrue rights as of January 1, 1999 and
- 7,275,572 BCI saving shares, nominal value Lire 1,000 each, which start to accrue rights as of January 1, 1999.

d.2 Percentage of share capital

The Ordinary shares subject to the Offer represent 70% of BCI ordinary share capital at the date of this Offer Document.
The Saving shares subject to the Offer represent 70% of saving share capital of BCI at the date of this Offer Document.

d.3 Convertible bonds

No convertible bonds have been issued by BCI and, in any case, the Offer does not involve BCI convertible bonds.

d.4 Other securities

The Offer does not involve securities other than the BCI Shares.

d.5 Authorisations

The operation to which the Offer applies, resolved upon by Intesa's Board of Directors on June 30, 1999, has been authorised by the Bank of Italy by ruling 38379 of August 16, 1999.
Communications provided for by Art. 16 of Law 287 of October 10, 1990 *("Norme per la tutela della concorrenza e del mercato")* have been sent to the Autorità Garante della Concorrenza e del Mercato (Italian Antitrust Authority) and to the Bank of Italy.

d.6 Procedures and terms for the acceptance

Acceptance of the Offer by holders of BCI Shares (or by their legitimate representative) is irrevocable with the exception that it remains possible to accept any counter offer made under the terms of Art. 44, n.6 of Regolamento CONSOB. After acceptance, therefore, it will not be possible to sell BCI Shares, in whole or in part, or in any case dispose of the shares in any way during the period during which the BCI Shares remain bound for the purposes of the Offer.
The period in which the acceptance of the Offer is irrevocable and therefore the period in which BCI Accepting Shareholders will not be able to dispose of their BCI Shares (with the exception of the BCI shares which will be returned in advance as set out in paragraph 8 of the Considerations) will be longer than the duration of the Offer. It will include the period necessary to convene and hold BCI's Extraordinary Shareholders Meeting which will resolve upon the amendment to Art. 8 of the Articles of Association, as explained in paragraph 3 letter d) as well as the time required to obtain the related official approval and registration in the Company Register.

The acceptance must be made through completion of the acceptance form ("Form A") which, if correctly completed and signed, will also represent, (for dematerialised securities pursuant to the combined ruling of Art. 81 of Testo Unico, Art. 36 of Legislative Decree 213 of of June 24, 1998 and of regulations set forth by CONSOB ruling 11768 of December 23, 1998) authority given by the Accepting Shareholder to the Appointed Intermediary, where the BCI Shares are deposited in a securities account, to transfer those securities to a securities account in the name of Intesa and reserved for the purposes of this Offer at Banco Ambrosiano Veneto. For BCI Shares which have not been dematerialised and managed by Monte Titoli S.p.A.'s centralised management system, the acceptance must occur with the simultaneous delivery of certificates representing the BCI Shares.
Shareholders who can dispose of the BCI Shares and who intend to accept the Offer must deposit Form A and the corresponding certificates, with coupon n. 41 and following for ordinary shares and coupon n. 14 and following for saving shares, to the Depository Intermediary in time for dematerialisation procedures to be carried out pursuant to the above-mentioned CONSOB ruling 11768/98. Subsequently, the Depositary Intermediary will have to deposit the BCI Shares with an Appointed Intermediary before the expiration of the Offer Period.
The Depository Intermediaries, as agents, will have to countersign Forms A and B, but the risk that the Depositary Intermediary does not deliver Form A and transfer BCI Shares to an Appointed Intermediary before the expiration of the Offer Period will remain entirely with the Accepting Shareholders.
In Form A, in the spaces reserved for each category of shares, the number of BCI Shares tendered with a separate specification of the number of ordinary and savings shares to which the acceptance of the Offer applies, must be specified.

Individuals who intend to accept the Offer using securities purchased on the Stock Exchange before the expiration of the Offer Period, which are not yet at their disposal, must attach to Form A the communication of the intermediary that executed the transaction, at the same time authorising the intermediary which executed the Stock Exchange purchase transaction to deliver the securities to the Appointed Intermediary who received the acceptance. Parties who become shareholders by means of the exercise of options contracts with deferred execution, within the terms of the Offer, can accept the Offer by attaching to Form A the communication of the intermediary that executed the transaction which testifies to the ownership of BCI Shares.

Tendered BCI Shares must be free from encumbrances and constraints of whatever nature and be freely transferable to the Offeror.

BCI Shares represented by American Depositary Receipts cannot be used to accept the Offer.

Acceptances on behalf of underage minors or individuals without legal capacity, by those entitled to represent them must be accompanied by the authorisation of a relevant judge, or they will not be acceptable and therefore will not be considered for the approval of the Offer and for the calculation of the percentage of acceptances of the Offer.

Pursuant to a specific agreement with the Issuer, the deposit of BCI Shares in acceptance of the Offer, carried out by individuals who have the right to accept the Offer pursuant to the Law and to BCI's Articles of Association, will be deemed to be eligible for participation in BCI's Extraordinary Shareholders Meeting which will be convened to resolve the modification of Art. 8 of BCI's Articles of Association, as set forth in paragraph 3 lett. d) of the Considerations in this Offer Document. Therefore, when subscribing for Form A's each Accepting Shareholder will be entitled to ask the Depository Intermediary to issue the required certification pursuant to Art. 33 of the above-mentioned CONSOB ruling 11768/98.

d.7 Communications regarding the state of the Offer

Intesa, as Appointed Intermediary in charge of co-ordinating the collection of acceptances, will report data regarding the acceptances received and BCI shares deposited to Borsa Italiana S.p.A. every day, as provided by Art.41, par. 1, lett. c) of Regolamento CONSOB.

Borsa Italiana S.p.A. will publish the data through specific announcements by the next day.

In compliance with Art. 41, par. 3, of Regolamento Consob the Offeror will be responsible for the publication of the final results of the Offer, the number of acceptances and non acceptances of the Offer, pursuant to Art. 107, par. 1, letter b), of the Testo Unico and the main information regarding the conduct of the Offer, by means of a press release published in the newspapers listed in paragraph R of this Offer Document. The press release must be published by October 23, 1999, save for possible extensions to the Period Offer.

d.8 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 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.

E. MINIMUM NUMBER OF ACCEPTANCES AND FURTHER CONDITIONS FOR THE PUBLIC EXCHANGE OFFER TO BECOME IRREVOCABLE

e.1 Conditions

The Offer is subject to the following conditions:

a) obtaining the mandatory authorisations provided for in Legislative Decree 385 of September 1, 1993 (the "*Testo Unico delle leggi in materia bancaria e creditizia*") and in Law 287 of October 10, 1990 ("*Norme per la tutela della concorrenza e del mercato*").

b) obtaining approvals from BCI shareholders holding the majority of ordinary shares in accordance with Art. 107, par. 1, letter b) of the Testo Unico and meeting the other conditions provided for in the same 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 number of shareholders holding the majority of ordinary shares, excluding holdings as provided for by Art.120, par. 4, letter b), by the Offeror, the majority 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 will be eligible to be counted; for further details see paragraph e.2.

c) levels of acceptances 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 BCI Extraordinary Shareholders Meeting resolving to amend Art. 8 of the Articles of Association, by eliminating all paragraphs but the last two and all other and connected provisions contained in the Articles of Association, in order to eliminate the provisions which limit a single shareholder from holding shares representing more than 5% of the voting capital and limit the exercise of voting rights attaching to shares in excess of 5% of the ordinary voting capital. For this purpose, BCI's Extraordinary Shareholders Meeting has been convened by BCI's Board of Directors on October 29, November 8, and 12, 1999, in first, second and third calls, respectively;

e) within 90 (ninety) days from its approval, the resolution of the Meeting referred to in sub-paragraph d) is officially approved and recorded on the Company Register by means of a decree issued by the appropriate Court and, if necessary, has been authorised by the competent Supervisory Authorities.

e.2 Approval or non approval of the Offer pursuant to Art. 107, par. 1, letter b) of the Testo Unico

a) Pursuant to Art. 107, par. 1, letter b) of the Testo Unico, the Offer must be approved by BCI shareholders holding the majority of ordinary shares.
Art. 107, par.1, letter b) sets forth that the Offer is «conditional upon the approval of a number of shareholders holding the majority of ordinary shares, excluding holdings as provided for by Art.120, par. 4, letter b), by the Offeror, the majority 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 will be eligible to be counted.

It should be noted that, as published in daily newspapers, an agreement between BCI shareholders holding a total of 433,718,910 ordinary shares, equal to 24.31% of the voting share capital, was drawn up on May 5, 1999. This agreement was cancelled with effect from September 15, 1999, as published in Corriere della Sera on September 18, 1999.

According to information provided by BCI, the holders of more than 2% of the voting share capital are as follows:

		Number of shares held	%
	Alleanza Assicurazioni S.p.A.	2,686,250	0.151
	Assicurazioni Generali S.p.A.	39,800,750	2.231
	Aurora Assicurazioni S.p.A.	988,000	0.055
	Banque Demachy	140,915	0.008
	Casse e Generali Vita S.p.A.	10,000	0.001
	Generali Allgemeine Lebensversicherung	12,055,000	0.676
	Generali France Assurances	26,900,000	1.508
	Interunfall Versicherung AG	6,055,000	0.339
	La Venezia Assicurazioni S.p.A.	87,500	0.005
	Prime Augusta Vita S.p.A.	223,000	0.012
	UMS Generali Marine S.p.A.	87,500	0.005
1	GRUPPO GENERALI	89,033,915	4.990
2	Commerzbank International SA, Luxembourg	88,766,000	4.975
3	Banque Paribas – Milan	88,716,000	4.972
4	Deutsche Bank AG	74,012,000	4.148
5	Sanford C. Bernstein & Co. Inc. – New York	62,082,000	3.479
	on behalf of clients which conferred their voting rights		
	SAI S.p.A.	26,256,000	1.471
	Sainternational SA	19,371,000	1.086
	Saifin S.p.A.	5,650,000	0.317
	Vitasì S.p.A.	410,000	0.023
	Nuova Maa S.p.A.	30,000	0.002
6	GRUPPO SAI	51,717,000	2.898
7	Holding di Partecipazioni Industriali S.p.A.	39,191,250	2.196
8	Intesa Asset Management SGR	36,232,000	2,030
	on behalf of funds managed (*)		
9	GE.F.I.M. S.p.A.	36,225,000	2.030
	La Fondiaria Assicurazioni S.p.A.	20,695,000	1.160
	Milano Assicurazioni S.p.A.	14,942,000	0,837
	Compage SIM S.p.A.	46,000	0,003
10	GRUPPO LA FONDIARIA	35,683,000	2,000

(*) Information provided by Intesa Asset Management SGR.

b) Pursuant to Art. 48 of the Regolamento, the acceptance of the Offer by completion of Form A, shall be deemed to be a declaration of approval of the Offer pursuant to Art. 107, par. 1, letter b) of the Testo Unico, unless accompanied by an explicit non-approval declaration, expressed by means of completion of Form B attached as annex s.3 of this Offer Document.

The declaration of the approval of the Offer may also be expressed by BCI shareholders that do not intend to accept the Offer by means of the completion of Form B which must be completed and deposited with one of the Appointed Intermediaries or Depository Intermediaries.

Acceptance of the Offer is irrevocable, without prejudice to the right to accept any counter offer.

F.1 NUMBER OF THE ISSUER'S SECURITIES HELD BY THE OFFEROR, ALSO THROUGH FIDUCIARY COMPANIES OR THIRD PARTY AGREEMENTS, AND BY SUBSIDIARY COMPANIES

f.1.1 Number and categories of the Issuer's securities held directly or indirectly by the Offeror

At the date of this Offer Document, Intesa holds, directly and through its subsidiary companies, a total of 5,626,000 BCI shares, corresponding to 0.313% of BCI's share capital.

At the same date, save for dealings in securities and other activities related to customer services, Intesa, does not hold other BCI shares or other securities for the purchase or exchange of BCI shares, neither directly nor through fiduciary and/or subsidiary companies, nor through third party agreements.

f.1.2 Repurchase agreements, pledges etc. directly or indirectly made by the Offeror on the Issuer's securities

Save for dealings in securities and other activities related to customer services, Intesa has not underwritten, neither directly nor indirectly, repurchase agreements or usufructs involving BCI shares or other securities for the purchase or exchange of BCI shares. Some 410,901 BCI shares, corresponding to 0.023% of the share capital, have been pledged in favour of Gruppo Intesa's companies.

f.1.3 Other commitments directly or indirectly undertaken by the Offeror on the Issuer's securities

At the date of this Document, for hedging purposes certain Gruppo Intesa's companies have underwritten european option contracts, with an exchange ratio of one option for one BCI ordinary share, as set out below:

no. of put options		expiry date
423,000	purchased	12/99
423,000	sold	12/99
690,500	purchased	01/00
138,250	sold	01/00

F.2 NUMBER OF SECURITIES HELD BY THE OFFEROR, ALSO THROUGH FIDUCIARY COMPANIES OR THIRD PARTY AGREEMENTS, AND HELD BY SUBSIDIARY COMPANIES TO BE EXCHANGED IN THE OFFER AS CONSIDERATION FOR BCI SHARES

f.2.1 Number and categories of securities directly or indirectly held by the Offeror to be exchanged in the Offer in consideration of BCI shares

At the date of this Offer Document, Intesa does not directly or indirectly hold its own shares. At the date of this Offer Document, Gruppo Intesa's companies hold a total of 965,000 Intesa ordinary shares, equal to 0.029% of the share capital, which have been purchased for hedging obligations toward customers.

Apart from dealings in securities and other activities relating to customer services, Intesa does not hold or own securities, neither directly, nor through fiduciary companies and/or subsidiary companies, nor by means of third party agreements.

Up to a maximum of 2,072,947,067 Intesa ordinary shares will be offered in the exchange. This will be achieved by means of an increase in capital resolved upon for this purpose at the Extraordinary Shareholders Meeting held on August 17, 1999, officially approved by the Milan Court on September 2, 1999 and recorded in the Milan Company Register on September 6, 1999, and will be transferred to the holders accepting the Offer in accordance with paragraph h.1.

f.2.2 Repurchase agreements, pledges etc. directly or indirectly made by the Offeror on its own securities

Except for dealings in securities and other activities relating to customer services, Intesa has not underwritten, neither directly nor indirectly, repurchase agreements or usufructs involving it's own shares or securities. Some 125,112 Intesa ordinary shares, equal to 0.005% of the ordinary share capital, have been pledged in favour of Gruppo Intesa's companies.

f.2.3 Further commitments directly or indirectly undertaken by the Offeror on its own securities

Except for dealings in securities and other activities relating to customer services, Intesa has not undertaken any further commitment relating to its own shares (for instance, options or other forward contracts on its own shares).

G. CONSIDERATION PER SHARE AND ITS JUSTIFICATION. INFORMATION REGARDING SECURITIES TO BE EXCHANGED IN THE OFFER IN CONSIDERATION FOR BCI SHARES.

g.1 Authorisation

The Intesa Shares offered in the exchange are newly issued ordinary shares deriving from the increase in capital resolved upon by the Extraordinary Shareholders Meeting held on August 17, 1999 pursuant to Art. 2441, par. 4, of the Civil Code. The increase was authorised by the Bank of Italy, pursuant to Art. 56 of Legislative Decree 385 of September 1, 1993, with notification 38379 dated August 16, 1999.

g.2 Consideration per share

The consideration payable to Accepting Shareholders is Intesa's ordinary shares. Each BCI ordinary and saving share eligible to be exchanged will be exchanged for 1.65 newly issued Intesa ordinary shares.

g.3 Comparison of the consideration with financial indicators relative to BCI shares and Intesa shares

BCI

The following table shows BCI's consolidated selected financial data relative to the years ended December 31, 1997 and 1998.

BCI Consolidated Selected Financial Data

	Lire (in billions) (excluding figures per share)		*Euro (in millions) (excluding figures per share)*	
	1997	**1998**	**1997**	**1998**
Gross Dividend per ordinary share	165	280	0.09	0.14
Gross Dividend per saving share	195	310	0.10	0.16
Ordinary Economic Result[(a)]	411	672	212	347
Per share	229	375	0.12	0.19
Net Income	415	895	214	462
Per share	231	499	0.12	0.26
Cash Flow[(b)]	2,565	3,364	1,325	1,737
Per share	1,429	1.874	0.74	0.97
Shareholders equity	9,053	9,520	4,676	4,917
Per share	5,044	5,304	2.61	2.74
Number of shares[(c)]	1,794,759,365	1,794,759,365	1,794,759,365	1,794,759,365

Source: BCI Financial Statements

(a) Ordinary economic result after taxation (considering average tax rate levied in the past two years) net of net income pertaining to third parties attributable to ordinary operations.

(b) Cash flow generated by operations.

(c) Sum of ordinary and saving shares at year-end.

The following table shows the level of BCI's price/earnings (P/E), price/cash flow (P/CF), price/book value (P/BV), gross dividend per share/price (DY, dividend yield) calculated on the basis of the consideration per share which will be recognised by Intesa to Accepting Shareholders and the weighted average of the official prices of Intesa's shares in August 1999. The multiples are also compared to the average of a sample of comparable bank stocks listed on the information system of the Italian Stock Exchange (Borsa Italiana S.p.A.).

	BCI		Average of the sample [(b)]	
	1997	1998	1997	1998
Price [(a)]	12,939 lire (€ 6.68)		N.S.	
P/E	55.9 x	25.9 x	44.9 x	24.2 x
P/CF	9.0 x	6.9 x	8.3 x	8.4 x
P/BV	2.6 x	2.4 x	2.0 x	2.1 x
DY	1.3 %	2.2 %	0.7 %	2.0 %

Source: Calculations based on financial statements figures and Datastream.
(a) The price indicated for BCI is equal to the weighted average of the official prices registered by Intesa's shares in August 1999, multiplied by the exchange ratio of 1.65.
(b) Average of multiples of companies in the same sector, calculated referring to the weighted averages of official stock prices registered during August 1999.

Intesa, in the event of a positive outcome of the Offer, will adopt with respect to BCI a dividend policy consistent with that adopted by BCI in the past financial years.

The table below contains a comparison - relative to price/earnings (P/E), price/cash flow (P/CF), price/book value (P/BV), gross dividend per ordinary share/price (DY, dividend yield) – between a group of shares issued by major banks operating throughout Italy, included in the sample used for the comparative analysis above.

	Banca Nazionale del Lavoro		Banca di Roma		Sanpaolo IMI		UniCredito	
	1997	1998	1997	1998	1997	1998	1997	1998
Price[(a)]	lire 5,779 (€ 2.98)		lire 2,443 (€ 1.26)		lire 24,230 (€ 12.51)		lire 8,185 (€ 4.23)	
P/E	N.S.	N.S.	N.S.	31.4 x	46.1 x	19.3 x	43.6 x	21.9 x
P/CF	N.D.	N.D.	N.S.	7.9 x	N.D.	8.8 x	8.3 x	8.6 x
P/BV	1.9 x	1.9 x	1.3 x	1.3 x	2.1 x	2.0 x	2.8 x	3.3 x
DY	N.S.	N.S.	N.S.	1.0 %	0.5 %	3.7 %	1.0 %	1.4 %

Source: Calculations based on financial statements data and Datastream.
(a) Weighted average of official stock prices registered in August 1999.

Intesa

The following table shows Intesa's main consolidated selected financial data relative to the years ended December 31, 1997 and 1998.

Intesa Consolidated Selected Financial Data

	Lire (in billions) (excluding figures per share)		*Euro (in millions) (excluding figures per share)*	
	1997	**1998**	**1997**	**1998**
Gross dividend per ordinary share	55	80	0.03	0.04
Gross dividend per saving share	75	100	0.04	0.05
Ordinary Economic Result[(b)]	434	1,083[(a)]	224	559[(a)]
Per share	195	325	0.10	0.17
Net income	702	1,207[(a)]	363	623 [(a)]
Per share	315	362	0.16	0.19
Cash Flow[(c)]	3,522	4,910[(a)]	1,818	2,536[(a)]
Per share	1,582	1,473	0.82	0.76
Shareholders' equity	7,437	10,224[(a)]	3,841	5,280[(a)]
Per share	3,340	3,068	1.72	1.58
Number of shares [(d)]	2,226,920,862	3,332,791,543	2,226,920,862	3,332,791,543

Source: Intesa Financial Statements.

(a) Pro forma figures following the merger with Cassa di Risparmio di Parma e Piacenza.

(b) Ordinary economic result after taxation (considering average tax rate levied in the past two years) net of net income pertaining to third parties attributable to ordinary operations.

(c) Cash flow generated by operations.

(d) Sum of ordinary and saving shares at year-end. 1998 pro forma figures relative to the merger with Cassa di Risparmio di Parma e Piacenza, the exercise of warrants, the conversion of convertible bonds carried out during 1999 and the increase in capital approved by the Shareholders' Meeting held on March 16, 1999. The 1998 pro forma number of ordinary and saving shares relative solely to the merger of Cassa di Risparmio di Parma e Piacenza is equal to 3,047,118,591.

In the table below, we indicate the level of Intesa's price/earnings (P/E), price/cash flow (P/CF), price/book value (P/BV), gross dividend per ordinary share/price (DY, dividend yield) – compared with the average of a sample of comparable bank stocks listed on the information system of the Italian Stock Exchange (Borsa Italiana S.p.A.).

	Intesa		Average of the sample[b]	
	1997	**1998**	**1997**	**1998**
Price [a]	7,842 lire (€ 4.05)		N.S.	
P/E	24.9 x	21.7 x	44.9 x	24.2 x
P/CF	5.0 x	5.3 x	8.3 x	8.4 x
P/BV	2.3 x	2.6 x	2.0 x	2.1 x
DY	0.7 %	1.0 %	0.7 %	2.0 %

Source: Calculations based on financial statements data and Datastream.

(a) The price indicated for Intesa is equal to the weighted average of the official prices registered by the Intesa's shares in August 1999.

(b) Average of multiples of companies in the same sector, calculated referring to the weighted averages of the official share prices registered during August 1999.

In the table below, we indicate a comparison, relative to price/earnings (P/E), price/cash flow (P/CF), price/book value (P/BV), gross dividend per ordinary share/price (DY, dividend yield), between a group of shares issued by major banks operating throughout Italy, included in the sample used for the comparative analysis above.

	Banca Nazionale del Lavoro		Banca di Roma		Sanpaolo IMI		UniCredito	
	1997	**1998**	**1997**	**1998**	**1997**	**1998**	**1997**	**1998**
Price[a]	5.779 lire (€ 2,98)		2.443 lire (€ 1,26)		24.230 lire (€ 12,51)		8.185 lire (€ 4,23)	
P/E	N.S.	N.S.	N.S.	31.4 x	46.1 x	19.3 x	43.6 x	21.9 x
P/CF	N.D.	N.D.	N.S.	7.9 x	N.D.	8.8 x	8.3 x	8.6 x
P/BV	1.9 x	1.9 x	1.3 x	1.3 x	2.1 x	2.0 x	2.8 x	3.3 x
DY	N.S.	N.S.	N.S.	1.0 %	0.5 %	3.7 %	1.0 %	1.4 %

Source: Calculations based on financial statements data and Datastream.

(a) Weighted average of official share prices registered in August 1999.

g.4 Arithmetical weighted average of BCI and Intesa share price in the last twelve months

The table below sets out the arithmetical weighted average (weighted using volumes traded) of the official share prices registered by BCI ordinary shares during the twelve months prior to the commencement of the Offer Period.

Year	**Month**	**Average share price**	
		Lire	**Euro**
1998	September	9,889	5.11
	October	9,932	5.13
	November	11,353	5.86
	December	10,871	5.61
1999	January	11,175	5.77
	February	11,114	5.74
	March	13,426	6.93
	April	14,505	7.49
	May	14,044	7.25
	June	13,592	7.02
	July	12,921	6.67
	August	12,309	6.36
Arithmetical average for the 12 months prior to the Offer		**12,131**	**6.27**

Source: Datastream

The arithmetical weighted average (weighted using volumes traded) of the official prices of BCI saving shares for the same period is listed below.

Year	Month	Average share price	
		Lire	**Euro**
1998	September	8,828	4.56
	October	7,907	4.08
	November	9,405	4.86
	December	8,998	4.65
1999	January	9,282	4.79
	February	9,024	4.66
	March	12,739	6.58
	April	13,421	6.93
	May	11,631	6.01
	June	11,446	5.91
	July	13,266	6.85
	August	12,167	6.28
Arithmetical average for the 12 months prior to the Offer		**11,268**	**5.82**

Source: Datastream

Lastly, we indicate the arithmetical weighted average (weighted using volumes traded) of the official prices registered by Intesa ordinary shares in the last twelve months prior to the commencement of the Offer Period.

Year	**Month**	**Average share prices**	
		Lire	**Euro**
1998	September	7,373	3.81
	October	7,272	3.76
	November	8,978	4.64
	December	9,350	4.83
1999	January	9,349	4.83
	February	9,035	4.67
	March	10,180	5.26
	April	10,428	5.39
	May	9,569	4.94
	June	9,310	4.81
	July	8,491	4.38
	August	7,842	4.05
Arithmetical average for the 12 months prior to the Offer		**8,916**	**4.60**

Source: Datastream

By applying to the weighted averages of Intesa's ordinary share official share prices the offered consideration per share of 1.65 Intesa ordinary shares for each BCI ordinary or saving share, we obtain a number of values per share. The latter, compared with the same averages relative to BCI ordinary shares, results in a 5.1% premium on the average of the last calendar month, an 8.6% premium on the average of the last 3 calendar months, a 12.6% premium on the average of the last 6 calendar months and a 21.3% premium on the average of the last 12 calendar months.
The ratio between the values obtained by applying the offered consideration per share to the weighted averages of BCI's saving shares official share prices, results in a 6.3% premium on the average of the last calendar month, an 11.6% premium on the average of the last 3 calendar months, a 20.8% premium on the average of the last 6 calendar months and a 30.6% premium on the average of the last 12 calendar months.

g.5 Values attributed to BCI shares and to Intesa shares during previous financial transactions

BCI shares

No financial transaction over BCI share capital has been carried out during both the previous and current financial year. The last variation dates back to the year ended December 31, 1995.

Intesa shares

Transactions carried out during the year ended December 31, 1998 and the current year:

January 1998-Increase in capital
Subscription price per Intesa ordinary share: Lire 3,200
Subscription price per Intesa unconvertible saving share: Lire 2,000

February 1998-Increase in capital reserved for employees
Subscription price per Intesa ordinary share: Lire 2,880

May 1998/July 1998/August 1998
Increase in capital following the exercise of warrants and the conversion of bonds
Exercise/conversion price per Intesa ordinary share: Lire 3,500
Exercise/conversion price per Intesa unconvertible saving share: Lire 2,200

January 1999-Increase in capital following the merger of Cassa di Risparmio di Puglia
Increase in capital of nominal value Lire 1,000 ordinary share
A unit value per Intesa ordinary share equal to Lire 7,943 and Lire 7,892 was considered in the definition of the exchange ratio. These were obtained on the basis of, respectively, the average share prices recorded in the thirty stock market working days which ended on September 25, 1998 (inclusive).

January 1999-Increase in capital following the merger and acquisition of Banca FriulAdria Holding
Increase in capital of nominal value Lire 1,000 ordinary share
A unit value per Intesa ordinary share equal to Lire 7,892 was considered in the definition of the exchange ratio. The value was obtained on the basis of the average of share prices recorded in the thirty stock market working days ended on September 25, 1998 (inclusive).

February 1999-Increase in capital following the merger and acquisition of the 3 Cariparma NewCos
Increase in capital of nominal value Lire 1,000 ordinary share
A unit value of Lire 7,589 per Intesa ordinary share starting to accrue rights on September 1, 1998 and of Lire 7,509 for shares which started to accrue rights on January 1, 1999, was considered in the definition of the exchange ratios. Such values were obtained on the basis of the average of share prices recorded in the thirty stock market working days ended October 2, 1998 (inclusive).

February 1999/April 1999
Increase in capital following the exercise of warrants and the conversion of bonds
Exercise/conversion price per Intesa ordinary share: Lire 3,500
Exercise/conversion price per Intesa unconvertible saving share: Lire 2,200

May 1999-Increase in capital
Subscription price per Intesa ordinary share: Lire 8,500

May 1999- Increase in capital following the exercise of warrants and the conversion of bonds
Exercise/conversion price per Intesa ordinary share: Lire 3,500
Exercise/conversion price per Intesa unconvertible saving share: Lire 2,200
Exercise price for warrants on ordinary shares: 3,005 lire
Exercise price for warrants on unconvertible saving shares: Lire 1,916

g.6 Criteria for the determination of the exchange ratio

Given the particular characteristics of the transaction, namely that it is realised by means of an exchange of shares, the exchange ratio was determined by emphasising the criteria of homogeneity and comparability compatibly with the specific characteristics of the individual banks the subject of the valuation.

It must be clear that the purpose of the valuation is not to estimate the absolute economic value, but, rather, to obtain values which are significantly comparable in order to determine the exchange ratio.

The criteria adopted have been selected in order to reflect the distinctive elements of the companies participating in the merger (top national banks listed on the Stock Exchange) as well as the transaction’s characteristics (exchange offer as a means of transferring control). Given this perspective, the valuation approach followed is based on criteria that, when taken as a whole, provide all necessary information, and, at the same time, reflect the particular circumstances of the merger.

It must also be pointed out that the different valuation methods adopted are complementary to one another; as a result, they must not be viewed separately and must only be used in conjunction. Criteria adopted for the valuation of the two companies and, consequently, for the determination of the exchange ratio, have been selected considering Goldman Sachs International's suggestions, in order to use, as a reference, some of the most widespread valuation methods used in national and international valuation practice.

Given the above-mentioned objectives, the significance of market's indicators, of balance sheet and economic elements, both historical and perspective, the following criteria were adopted:

- contribution method;
- market multiples method;
- regression of expected Return on Average Equity (*«RoAE»*) against P/BV ratio;
- stock prices method; and
- comparable operations method.

Valuations are based on Intesa's and BCI's financial and balance sheet position as at December 31, 1998. The estimates also take into account certain relevant subsequent events, among which, the acquisition of Cassa di Risparmio di Parma e Piacenza, completed by Intesa, the exercise of Intesa's warrants and the conversion of Intesa's convertible bonds in the current year, and the rights issue approved by Intesa's Shareholders Meeting on March 16, 1999. In certain cases, fully diluted (that is assuming the complete conversion of Intesa's warrants and convertible bonds still in circulation) measures of Intesa's shareholders's equity and market capitalisation were considered. Relevant modifications in the two banks' balance sheet and economic structure considered as the starting point in determining the individual consideration offered, could significantly alter the results of the valuation.

Contribution method

This method is based on the comparison between the relative strength of the two banks' main balance sheet and statement of income as compared to the consolidated value. The analysis considered the balance sheet and statement of income data derived from the two companies' consolidated financial statements as at December 31, 1998. In particular, with regard to Intesa, the consolidated pro forma financial statements as at December 31, 1998 were considered; these include the volumes and flows deriving from the acquisition of Cassa di Risparmio di Parma e Piacenza.

In applying this criterion the following margins were considered**:** interest margin, net interest and other banking income margin, operating margin and net income, which express the different income-generating capacity of the two banks. In order to reflect the different growth and expected consolidated profitability of the two entities involved in the merger, the contribution of their expected net income for the years ended December 31, 1999, 2000 and 2001 were also analysed. These estimates were calculated internally by Intesa and, for BCI, were calculated based on the suggestions of a sample of leading national and international investment banks.

The analysis also considered the balance sheet quantities best suited to express the different attractiveness and the correlated different income-generation potentials of the two banks.

With regard to this aspect, particular attention was paid to assets under management, which represent a strategically relevant indicator for growth rates and profitability profiles, and to more traditional indicators of dimensions and capital soundness, represented by total assets and shareholders' equity.

The results obtained have been adjusted to reflect the theoretical effects of the existence of two classes of shares on the banks involved in the transaction. Lastly, the relative weights obtained have been appropriately fine-tuned.

Market multiples criteria

According to this method, the value of a company should be determined using the information provided by capital markets on comparable companies. With regard to the valuation here considered, the market multiples analysis is carried out applying to Intesa and BCI various multiples defined as ratios between market capitalisation and economic and balance sheet items of similar comparable listed banks. When the valuation refers, as in this case, to listed banks, the analysis of comparable banks' multiples allows the identification of differences from the sample used for the comparison, thus providing useful insight as to the reasons for such differences.

The application of this method can be broken down into the following phases:

- identification of the peer group (national or international sample, analysis of the activity of companies belonging to the sample, business dimensions, geographic distribution, etc.) and verification that it is representative;
- identification of fundamental ratios (e.g. price/earnings ratio, price/book value, etc.) regarded as significant with respect to the sector analysed;
- estimation of peer group's future earnings and other values necessary for the analysis;
- estimation of future earnings of the banks to which multiples are applied;
- determination of an interval of values for each bank.

One of the main assumptions conditioning the effectiveness of the multiple method is the affinity, both from an operational and a financial point of view, between the banks subject to the valuation and the financial institutions included in the peer group. The relevance of results is, in fact, strictly dependent on the comparability of the peer group. In practice it is impossible to identify companies homogeneous in every aspect; as a result the identification of the most significant company attributes for the construction of a peer group is required first and consequently on that basis a selection of comparable companies is made.

In this case, for the selection of comparable companies, the following characteristics were deemed to be the most important: size, country of origin and territorial coverage. Size matters as it influences the type of business led by each individual bank, its deposits/lending flows and, consequently, its economic and financial structure. It was not considered appropriate to include foreign companies in the peer group since - given the fact they present very different profitability profiles from those of other Italian banks and due to differences in legal, fiscal, accounting and supervision regimes in the Italian and foreign markets. With regard to territorial coverage, given the national perspective that characterises both banks and their consequent similarities in terms of credit risk, deposit diversification and profitability, banks with branches distributed throughout Italy were selected. Based on these considerations, a peer group of homogeneous banks was defined, corresponding to the one used in the comparative analysis described in paragraph g.3, which includes Banca Nazionale del Lavoro, Banca di Roma, San Paolo IMI and UniCredito.

For each of the above-mentioned banks we calculated a number of ratios – multiples – regarded as particularly significant for the analysis. The choice of these multiples was based on the typical characteristics of the banking sector and on standard market practice, which attributes strong relevance to the following ratios:

- Price/Earnings per Share («P/E ratio»);
- Price/Book value per Share («P/BV ratio»).

For the purpose of calculating those ratios the reference prices of the banks as at June 29, 1999 were considered. The earnings per share of the banks of the peer group are projections for the year ending December 31, 1999 and 2000, contained in «*The Estimate Directory*», one of the most common sources used by the international financial community; share capital data was derived from the consolidated financial statements for the year ending December 31, 1998.

The multiples obtained following this procedure have been applied to Intesa's and BCI's Net Income per Share for the year ending December 31, 1999 and 2000, as well as their Shareholders Equity per Share as at December 31, 1998. The values of Net Income per Share for the year ending December 31, 1999 and 2000 are indicated in the industrial plan for Intesa, whereas, for BCI, they were derived from an elaboration of the estimates provided by a sample of leading national and international investment banks.

Subsequently, an analysis of the theoretical impact on results obtained, of the existence of two different classes of shares of the two entities involved in the merger was conducted. The results obtained have been appropriately fine-tuned.

Regression of expected RoAE against P/BV ratio

This method consists of analysing the relationship between the bank's profitability («RoAE» - *Return on Average Equity*) expected by the market and the premium/discount embedded in the relationship between market capitalisation and book value of the shareholders' equity for the bank. This relationship can be approximated by means of regressing RoAE data against price/book value ratio for a significant sample of banks. Once the parameters of this relationship have been determined they can be applied to projected RoAE and shareholders equity of the two banks, in order to obtain the theoretical value that the market should ascribe to them. This method allows to disregard the actual market prices of the banks being valued, thus neutralising the specific dynamics of the stocks subject to the analysis.

The application of this method may be broken down into the following phases:

- identification of the sample of banks to be used for the regression;
- determination of the reference time period for the RoAE;
- calculation of RoAE and price/book value ratio per share of the companies considered;
- selection of which kind of regression to apply ;
- determination of RoAE and share capital of the banks to which the regression is applied

The sample selected for the statistical analysis is the same as the one chosen for the market multiples analysis; it comprises all Italian banks listed on the Stock Exchange characterised by a nationwide coverage (Banca di Roma, Banca Nazionale del Lavoro, San Paolo IMI and UniCredito). BCI has been added to this sample in the regression analysis when Intesa was valued, and Intesa has been added when BCI was valued.

One of the core assumptions of this method is the existence of a significant and stable relationship between the chosen parameters. This relationship appears particularly significant if applied to forecasted RoAE for a 12-24 month period, which is the time period mainly used by market analysts in carrying out regression analysis. For our purposes the regression analysis was made on projected RoAE for the year 2000, which were determined as the ratio between expected earnings in the year 2000 and expected average shareholders' equity in the same period. In determining Intesa's expected earnings, the industrial plan was considered, for BCI the suggestions provided by a sample of leading national and international investment banks were considered and, for the other banks of the sample, «*The Estimate Directory* » was taken as a reference.

Parameters obtained by means of the regression have been applied to Intesa's and BCI's projected profitability, which was determined, for Intesa, by its management and, for BCI, based on the indications obtained from a sample of leading national and international investment banks. The values obtained have been adjusted to reflect the theoretical impact of the existence of two classes of shares for both banks. Results have been appropriately fine-tuned.

Market prices method

Generally speaking, market prices are important because they reflect the objective value attributed by the market to the shares of the banks subject to the valuation. Market prices, express the financial value of an investment in stocks and are thus significant when defining, in relative terms, the relationship existing between the values of the banks to be analysed. This fact is particularly important with regard to the characteristics of this operation, namely an exchange offer in which Intesa's ordinary shares are offered as consideration.

Moreover, banks operate in the credit sector which is characterised by complementary and similar products and users that make changes in the market's economic trends likely to affect banks in a similar fashion. The respective share prices, therefore, represent significant indicators for the relative appreciation of profitability, capital soundness, growth and risk profiles, which are important in determining the exchange ratio.

In order to determine the exchange ratio, by means of the market prices method, the reference prices of ordinary shares of the two banks have been analysed in different time periods.

Given the objectives of the analysis, it was deemed as necessary to refer to the market prices on the day prior to the announcement of the transaction (June 29, 1999), but also the arithmetical and weighted (using volumes traded daily) averages of market prices referred to various time periods (1, 3, 6, 12 months). Results have been further analysed, in order to determine the theoretical impact of the existence of two classes of shares for both banks. Parameters obtained have been appropriately fine-tuned.

Comparable operations method

This method is based on the application to the target bank's balance sheet items of certain multiples embedded in other acquisition deals that can be regarded as comparables. In order to determine the value embedded in the multiples derived from prices paid/offered in similar transactions, it must be taken into account that those multiples also implicitly express the value of control and its corresponding premia, as well as the value of the synergies expected as a result of the operation.

In applying the comparable operations method, it is impossible to identify banks which are homogeneous under every profile. The focus must be on banks which are similar in the elements deemed to be particularly significant to the one subject to valuation. In this case, the most significant criteria for the selection of comparable banks are size, timing comparability, characteristics of the transaction (for example exchange offer, rather than purchase offer, offers for a portion of the share capital as opposed to offers for the entire share capital), as well as the geographic area of activity.

In this specific case the «Price/Book Value » ratios paid or offered in recent comparable acquisitions (similar in terms of size and other characteristics to Intesa – BCI merger) were considered. The parameters obtained have been applied to BCI's share capital as at December 31, 1998 and compared to Intesa's market capitalisation as at June 29, 1999, in order to determine unit consideration offered.

The values derived from the application of the valuation methods described above, appropriately adjusted to consider the control premium, consistent with what has been observed in comparable operations and supported by the strong synergies obtainable from the merger, determined an exchange ratio of 1.65 Intesa ordinary shares for each BCI ordinary and each BCI saving share.

g.7 Description of Intesa Shares offered as consideration for the exchange

As consideration for the exchange, BCI Accepting Shareholders will be offered up to a maximum of 2,072,947,067 Intesa ordinary shares of nominal value Lire 1,000 each, which started to accrue rights as of January 1, 1999, with coupon n.19 and following coupons attached; such shares, following the increase in capital described in paragraph f.2.1, represent 38.35% of Intesa's total share capital and 44.67% of the total number of ordinary shares.

g.8 Description of the rights related to Intesa Shares offered as consideration for the exchange

Intesa Shares offered as consideration will be registered in the name of the holder and give to the holder the right to vote in both Ordinary and Extraordinary Shareholders Meeting.
Pursuant to Art. 27 of Intesa’s Articles of Association, net income reported in the financial statements, net of any transfer to the legal reserve, will be allocated as follows:

a) a dividend of up to 5% of the nominal value of the share is attributed to unconvertible saving shares.
   For the fiscal years ending December 31, 1998, 1999 e 2000, such right is conferred for up to 10% of the nominal value of the share.
   Should the dividend be less than 5% (or 10% in the years ending December 31, 1998, 1999 and 2000) the difference will be added to the preferred dividends paid in the following two accounting periods;

b) residual earnings made available for distribution by the Shareholders General Meeting, net of the above dividend, will be allocated to all other shares so that the dividend per saving share will be higher, by 2% of nominal value of the share, than that per ordinary share;

c) any undistributed net income will be allocated to the extraordinary or other reserves, except that a portion may be used to support social or cultural activities and thus transferred to specific reserves which will be allocated by the Board of Directors.

Dividend rights, pursuant to Art. 2949 of the Italian Civil Code, expire after five years from the date in which they are payable. Unclaimed dividends will be remitted to the Company and allocated to the extraordinary reserve after the legally established period, in compliance with Art. 28 of the Articles of Association.

Intesa Shares offered as consideration for the exchange started to accrue rights as of January 1, 1999.

g.9 Issue regime

Intesa Shares offered as consideration are registered in the name of the holder and freely transferable in accordance with the issue regime under Legislative Decree 213/98 and CONSOB resolution 11768/98, concerning the dematerialisation of securities. There are no limitations on the transferability of the shares under Italian law or Intesa's Articles of Association.

g.10 Fiscal regime

The Information below summarises the Italian taxation regime applicable to the purchase, holding and sale of tendered shares, pursuant to fiscal regulations in force at the date of this Offer Document.

Dividends

Art.27 of Presidential Decree 600 of September 29, 1993 (D.P.R. 600/73), as amended by Art.12, par. 4 of Legislative Decree 461 of November 21, 1997 (D. Lgs. 461/97) and by the related introduction of Art. 27-ter of D.P.R. 600/73, greatly innovated criteria used to tax dividends on equity investments in companies and commercial entities and is in force as of July 1, 1998.
More specifically the following principles now apply:

- withholding tax on account has been abolished;
- all distributed net income is taxed at a final withholding tax rate of 12.50% which may be applied solely to resident individual investors on equity investments which do not carry out economic activities. Resident individual investors who hold shares in their name may request the exemption from final withholding tax in which case they must include dividends in their income tax declaration and dividends will therefore be taxed using the progressive income tax rates;
- exclusion of the application of final withholding tax on dividends related to «qualified» equity investments. With regard to shares listed on regulated markets, equity investments are considered «qualified» when, after the inclusion of rights or securities which may be converted to shares, the participation represents a percentage of ordinary voting capital in the Ordinary Shareholders Meeting in excess of 2% or an equity investment in the company's share capital in excess of 5%. Savings shares are not eligible to be included in «qualified» equity participations.

For Pension funds are subject to a final withholding tax rate of 12.50% as provided for in Legislative Decree 124/93.

Dividends relative to ordinary shares held by non-resident investors are subject to a final 27% withholding tax rate or to the most favourable treatment under double taxation treaties in force.

For resident investors who carry out economic activities, dividends are part of the investor's taxable income pursuant to Articles 51 and Presidential Decree 917 of December 22, 1986 (hereafter TUIR).

Should dividends be part of the investor's taxable income, the 58.73% tax credit is fully, partly or not at all attributable according to conditions set out in Articles 14, 11 par. 3-bis, 94 par. 1-bis and 105 of the TUIR regarding income taxes as modified by Legislative Decree 461/97.

For investors who have opted for the «assets under management regime» provided for by Art. 7 of D. Lgs. 461/97, dividends, if related to «unqualified» equity investments, are part of the annual return obtained on the portfolio and are subject to the 12.50% substitute tax rate levied by the asset manager.

For Italian and assimilated OICVM, subject to provisions contained in Art. 8 of D. Lgs. 461/97, dividends are not subject to any withdrawal tax and are part of the income from operations**.**

Capital gains

With regard to capital gains realised from trading in shares and rights after July 1, 1998 by:

- individual investors (for operations which are not part of their economic activities),
- "simple" companies *("societ? semplici")* and similar entities,
- non-profit organisations which do not hold the shares or the rights as part of their economic activities,

capital gains are registered as «other income» as established by Articles 81 and following Articles in the TUIR.
Furthermore, in particular, D. Lgs. 461/97 provides that such capital gains, if related to «unqualified» equity investments:

- for investors who have opted for the «income tax declaration regime», provided for in Art. 5 of the above-mentioned D. Lgs. 461/97, capital gains must be indicated in the income tax declaration and a substitute tax is applied using a 12.50% tax rate;

- for investors who have opted for the «assets under administration regime», provided for in Art. 6 of D. Lgs. 461/97, capital gains tax will be levied by intermediaries who hold the securities in deposit by applying a 12.50% substitutive tax rate;

- for investors who have opted for the «assets under management regime» provided for by Art. 7 of D. Lgs. 461/97, capital gains are part of the annual return obtained on the portfolio and are subject to the 12.50% substitutive tax rate levied by the asset manager.

In general, capital gains are calculated as the difference between the price at which the security was sold and the purchase cost or value and taking into account related expenses. Furthermore, in the income tax declaration and the assets under administration regimes, capital gains must, if required by regulations, be adjusted using the appropriate coefficient provided for in Art. 82, par. 9, of TUIR (the «equaliser»).

All regimes include a mechanism which takes into account any potentially incurred capital losses.

Capital gains or losses realised following the sale of «qualified» equity investments always lead to the application of the «income tax declaration regime» and are subject to the 27% substitute tax rate irrespective of the regime opted for by the investor.

For Italian and assimilated OICVM, subject to the regime provided for in Art. 8 of D. Lgs. 461/97, capital gains are part of the annual income from asset management.

Capital gains realised by Pension funds are excluded from specific taxation regimes under Legislative Decree 124/93.

Capital gains realised by non-resident investors following the sale of «qualified» equity investments in resident companies on regulated markets are Italian tax exempt since they are considered outside the Italian territory pursuant to Art. 20 TUIR.

Capital gains realised by companies are considered part of their taxable income according to specific provisions contained in T.U.I.R. or by connected regulations regarding investment in securities.

Contribution regime

Pursuant to provisions contained in Art. 9 of T.U.I.R. contributions in kind to companies are considered equivalent to sales with cash payments.

With regard to individuals (for transactions which are not part of commercial activities), "simple companies" and similar entities and non-commercial entities (which do not hold an equity participation in a company carrying out their eventual commercial activity), contributions are taxed according to the tax regime applicable to financial investments contained in D. Lgs. 461/97 (see the discussion on Capital Gains).

The value attributed to each BCI Share will be equal to the arithmetic average of the prices of Banca Intesa shares recorded in the period ending on the date in which they become available for Accepting Shareholders and beginning on the same day in the previous calendar month, multiplied by 1.65.

Any Warrants granted will be subject to taxation at «normal value» as set out in Art. 9 T.U.I.R.

No specific taxation will be levied on Pension funds as provided for in Legislative Decree 124/93.

Provisions contained in Art. 5, par. 2, of Legislative Decree 358/97 must be applied to contributions made by companies. Consequently, shares received by the contributing company will be valued by the latter in order to determine income for the year, using the corresponding portion of shareholders' equity of the contributed company created as a result of the contribution. BCI Shares will be accounted for in the Intesa financial statements as described in paragraph b.2 of this Offer Document (approximately Lire 5,024 per share).

No taxes will be levied on non-residents who do not hold qualified equity investments.

<u>*Indirect taxes*</u>

The special tax applied to stock exchange contracts contained in R.D. 3278 and related amendments and integrations is not applicable to contributions.

Pursuant to provisions contained in Articles 2 and 10 of Presidential Decree 633 of October 26, 1972, contributions in companies made by entities subject to taxation (companies and individuals carrying out artistic or professional activities as described in Articles 4 and 5 of the above-mentioned Presidential Decree 633 /72) are exempt from VAT.

With regard to registration tax, the increase in capital related to a contribution is subject to provisions contained in Art. 24 of Legislative Decree 153 of May 17, 1999. Consequently a fixed tax totalling Lire 250,000 is the only taxation applicable to the entire contribution.

H.1 PAYMENT ARRANGEMENTS AND GUARANTEES OF COMPLETION

h.1.1 Transfer date of Intesa Shares exchanged as consideration

The transfer of Intesa Shares to Accepting Shareholders will be carried out on or before 5 (five) bank working days from the date when all conditions referred to in paragraph e.1 will be verified (the «Assignment Date»), notwithstanding the fact that Intesa Shares will not be disposed of or made available to the Accepting Shareholders until Intesa's Board of Directors and Independent Auditors verify the valuation of BCI Shares, under the terms and for the purposes of Articles 2440 and 2343, par. 3, of the Civil Code. This verification will be carried out, where possible, before the Assignment Date and, in any case, within 45 (forty-five) days from the closing of the Offer.

At the same time as the transfer of Intesa Shares, the Accepting Shareholders will receive, if relevant, a Warrant from the same Intermediary to which Accepting Form A was presented. Any BCI shares which, at the conclusion of the allotment process are in excess of the number of shares the subject of the Offer, will be returned, as provided by paragraph 8 of the Considerations.

Notwithstanding the provision contained in sub-paragraph. 1, within 10 (ten) bank working days from the Assignment Date, each Accepting Intermediary which received Accepting Form A's from Accepting Shareholders, will carry out all of the operations related to dealings in fractions of Intesa Shares, since it will be assumed that, absent a contrary instruction in Form A, the relevant Intermediary is authorised to automatically proceed with the sale.

The reference price for dealing in fractions of Intesa Shares is the average of the official stock price registered by Intesa ordinary shares in the 5 (five) days prior to the Assignment Date.

h.1.2 Basis of Intesa Shares' transfer

The transfer of Intesa Shares will be carried out according to the terms contained in Form A.

h.1.3 Guarantee of completion

Intesa Shares offered as consideration derive from the increase in capital resolved upon by Intesa's Extraordinary Shareholders Meeting held on August 17, 1999; such resolution has been officially approved by the Milan Court on September 2, 1999 and registered on the Milan Company Register on September 6, 1999.

h.1.4 Date and basis for the transfer of BCI Shares subject to the Offer and possible restitution

Immediately after BCI's Extraordinary Shareholders Meeting approval of the amendments to the Articles of Association described in paragraph e.1 letter d), BCI Shares held by BCI Accepting Shareholders and collected by the Offeror during the allotment, will be transferred to and become property of the Offeror and kept in custody in a deposit in the name of the Offeror at Banco Ambrosiano Veneto until the Assignment Date.
Banco Ambrosiano Veneto has been given an irrevocable mandate from the Offeror, in favour of the Accepting Shareholders, to effect the following transactions:

a) if the condition precedent to the Offer provided for in paragraph e.1 letter e) of this Offer Document does not take place, the transfer of BCI Shares to the Offeror (when already perfected) will lose any retrospective effect and BCI Shares will be returned to the relevant original Accepting Shareholders (according to the number of shares originally deposited), by Banco Ambrosiano Veneto which will arrange for such return through the Accepting Intermediary which received each Form A;

b) if the condition precedent provided for in paragraph e.1 letter e) of this Offer Document is satisfied, BCI Shares will be released and considered the property of the Offeror and will be at its disposal.

H.2 CHARACTERISTICS AND BASIS OF ISSUE OF WARRANTS

h.2.1 Characteristics of Warrants

The Warrants are securities in bearer form to be issued by Intesa. The Warrants are freely transferable and negotiable separately from the underlying shares to which they originally relate. Each Warrant gives each warrantholder the same rights. Each Warrant will give the warrantholder the right (not the obligation) to sell to the Offeror, which will be obliged to acquire, one BCI ordinary or saving share, as appropriate, of nominal value Lire 1,000 each, at the fixed price of Euro 7.80 (seven point eight zero), save for any adjustments required as a consequence of operations involving BCI's share capital or other transactions specifically outlined in Art. 3 of the Regulation.

Any dividend or distribution of any other kind paid out before November 15, 2002 will belong to BCI Shareholders; BCI Shares which have not yet been included in the dematerialised centralised management system managed by Monte Titoli S.p.A., must be sold to Intesa, complete with the dividend in accrual at the exercise date of the Warrant.

Warrants will be issued at the same time as the transfer of Intesa Shares to Accepting Shareholders as set out in paragraph h.2.2. below.

The maximum number of Warrants which may be issued by Intesa, should the conditions described in paragraph b.8 be verified, will total 538,427,809 and, will permit the issue of up to a maximum of 538,427,809 BCI ordinary or saving shares.

The maximum countervalue of BCI ordinary or saving shares, assuming the exercise of all Warrants to be issued, totals Euro 4,199,736,910, corresponding to Lire 8,131,824,587,113. In order to guarantee the fulfilment of its payment obligation, Intesa has deposited on a managed basis, those sovereign bonds as are indicated in the Listing Prospectus for the Warrants – section III, chapter 1, n.3.

The exercise of Warrants will be restricted to the period beginning on November 1, 2002 and ending on close of business on November 15, 2002 (inclusive). Warrants that are unexercised before close of business on November 15, 2002 will expire and will no longer be validly exercisable or in any other way usable with Intesa.

The exercise of Warrants must occur in compliance with the following provisions: exercise notices must be presented to the Authorised Intermediaries (as defined in paragraph c.3) by depositing both the Warrants and the corresponding number of BCI ordinary and/or saving shares, for which the Authorised Intermediaries must simultaneously receive an irrevocable authorisation to transfer such shares to Intesa. Intesa will pay the agreed price on November 29, 2002, without charging any commissions or expenses to shareholders. Payment for shares sold will be made available to the vendors by the same Accepting Intermediary which received the

exercise notice.
The Italian Stock Exchange (Borsa Italiana S.p.A.) has approved the Warrants for listing with ruling n.644 of September 21, 1999, conditional upon CONSOB's approval of the publication of the Listing Prospectus and the verification of sufficient distribution of the Warrants among the public. On September 23, 1999 CONSOB gave its approval for the publication of the Listing Prospectus. The Listing Prospectus was deposited with CONSOB on September 23, 1999.
The starting date for trading is conditional upon the verification of sufficient distribution among the public and will be determined by a specific ruling to be 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 quantity of BCI shares tradeable on the market.
Following the completion of 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.
For detailed information on the Warrants see the Listing Prospectus which includes the Regolamento «Warrant Banca Intesa S.p.A. 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»» (included as Attachment s.5 to this Offer Document).

h.2.2 Basis for the Issue

Accepting Shareholders entitled to Warrants as a result of BCI shares tendered and not exchanged by the Offeror at the time of the allotment, will be granted and issued with such Warrants on the Assignment Date. The provisions on the issue of Warrants are described in Form A. The same provisions used for the assignment of Intesa Shares pursuant to sub-paragraph h.1 will apply, where applicable and necessary.

I. OFFER BACKGROUND AND OFFEROR'S FUTURE PLANS

i.1 Legal basis for the Offer

The present Offer is made pursuant to Articles 102 and 107, par. 1, of the Testo Unico.

i.2 Offer background

A worldwide concentration process between banking and insurance institutions started developing in the last few years. This process results from a desire for better economies of scale, new growth opportunities and risk diversification. In Europe this trend has been aided by the introduction of the Euro, which has acted as an important catalyst for the repositioning (already under way) of many industrial sectors and for the consequent repositioning of financial institutions.

Italy's economic and financial sectors were not unaffected by this trend. As a result in Italy, even if with some delay, a concentration process aimed at increasing the size of major Italian banking institutions bringing it closer to that of other countries' banks is currently under way. Intesa has been one of the initiators of this process and, after the integration of Banco Ambrosiano Veneto with Cariplo, and later with FriulAdria and Cassa di Risparmio di Parma e Piacenza, it intends to continue the expansion of its «federal» group by merging with BCI, one of the most prestigious banks in Italy and, certainly, the most active in the international markets.

The Intesa-BCI merger follows sound industrial logic, as it can create substantial value in significant amounts for all the new group's shareholders, given:

- the complementary activities of the two groups;
- the possibility of generating economies of scale and scope by sharing certain activities;
- the possibility of seizing growth opportunities that would not otherwise be available to the two banks operating as individual units.

Sound strategic and operating synergies are clearly evident:

- in Retail activities, with the creation of strong regional and multi-regional banks along with BCI, which is the only bank in the group with nationwide coverage. BCI will develop a distinctive position in the market focusing its activities on offering high quality services and consulting, tailored to meet the needs of customers in the top end segment. BCI will use its brand name's strength, penetration capacity and the consolidated competitive advantages of its organisation as levers to reposition itself in the market. Its competitive position will also be reinforced by rationalising its distribution networks, that will be redesigned in order to limit duplication and overlap and to tailor them to their new targets.

- in the Corporate sector, where it is possible to extend to a wider set of companies, even if small or medium-sized, BCI's know how in lending, high value-added services such as Corporate Finance and Capital Market products and international markets activities;

- in international activities, where the BCI Group will become even stronger by co-operating with prestigious foreign shareholders of the new group.

Furthermore, the new group will benefit from economies of scale and scope from its larger size. This will occur primarily in product centres and in support functions, where, by using the structures and platforms already developed by Gruppo Intesa, which will be further improved by BCI's distinct skills, it is reasonable to expect large cost synergies. Moreover, a strong increase in the revenues of various business divisions is also expected, as a consequence of the diffusion of best practice policies throughout the whole group.

The larger size of the new group will enable it to compete in various lines of business more effectively. Higher volumes leading to economies of scale and scope and ample financial resources are the preconditions necessary for investments in qualified resources and in the technological support, necessary to offer and guarantee high quality services at competitive prices.

The new group will be able to seize growth opportunities otherwise unattainable for the individual operating units; in particular, an integrated strategic position in Asset Management, Investment Banking and Corporate Banking would lead to considerable growth opportunities.

The new group will also benefit from the substantial tax incentives introduced by the regulator, in Law 461/98, for banks that merge.

Intesa communicated to the Bank of Italy and to the Autorità Garante della Concorrenza e del Mercato (Italian Antitrust Authority) its readiness to spin off certain branches that, after the merger with BCI, could potentially create situations where competition in the banking market in localised areas could be insufficient. As a consequence, the Offeror plans, on the one side, to sell branches in the provinces of Cosenza, Catanzaro, Reggio Calabria, Vibo Valentia and Rieti and, on the other hand, to refrain from opening new branches, for a certain period of time, in the above-mentioned provinces as well as in the areas of Parma, Piacenza, Pavia and Pordenone.

i.3 Offeror's plans with regard to the Issuer and its Group

The industrial model used as a reference in order to achieve the value-enhancement objectives described above, by means of integrating the BCI Group, will be the one (known as «federal») already adopted for the development of Gruppo Intesa. The specific characteristics of the BCI Group, in terms of both size and specific professional competencies, require an update of this model in order to guarantee to old and new Intesa shareholders that the integration will add value, compared to what the business cultures and operating practices of the two groups are already able to create operating as individual banking institutions.

With regard to these matters, the following principles have been defined: (a) the role attributed to the different banks in the group (b) the management roles which will ensure that the strategic and operational choices of the group's individual entities are consistent with the mission assigned by the shareholders; (c) the criteria that must be followed during the planning and realisation of the merger project.

With regard to the first matter, the project requires a progressive differentiation of the role assigned to the group's various banks, and the reduction of overlap and duplication of roles. On the one hand, the distribution network of Gruppo Intesa banks will be reorganised in order to create banks oriented towards regional areas and focused on Retail segments, which generally require a concrete presence in the area. On the other hand, BCI's role as a national bank will be emphasised, levering on its distinctive competencies. More specifically, BCI will carry out the role of developing, as its first priority, the offering of high quality services and consulting, geared to top customer segments in the fields of corporate and private banking and international activities.
The Intesa - BCI merger plan will be developed within the next few months and its implementation will begin in the first half of next year, when the merger Master Plan will be defined. On the basis of prior experience, the necessary restructuring operations should be concluded by 2002 and the new group's structure will be fully operational starting from 2003.

The Master Plan will be developed by joint teams (known as "workstations" which have been successfully implemented on prior occasions) constituted by Intesa-BCI management involved in planning, carrying out and realising the necessary restructuring operations.
Besides the workstations, a "Steering Committee" formed by Intesa and BCI management will be established; supervision, co-ordination and control of the

merger process will be assigned to this Committee. It will also be responsible for ensuring that the choices made by the teams are inspired by "best-practices", utmost fairness and value-enhancement for all shareholders.

The main areas on which the teams will focus their attention have already be identified, so as to facilitate the definition of the procedures and timing of the merger process. Among such areas, the following are the most significant:

- the sharing of product centres and the redefining of projects already in progress (Asset Management Leasing, Factoring, medium- and long-term lending, consumer credit and others);
- the integration of support functions (logistic, central back-office, information systems);
- the joint definition of the strategy for activities in business areas where it will be necessary to rapidly strengthen the new group’s competitive position (for example Investment Banking);
- the merger/co-ordination of business areas such as Retail and Mid-Corporate, where the joint presence in the market of a plurality of brand names is planned.

In view of BCI’s particular characteristics and of its role within Gruppo Intesa, its management will be involved in the integration process from the start, will take part in the committees responsible for the governance of the new group (Strategic, Directive, Lending, Commercial, Finance, Organisation Committees). BCI management will play a particularly relevant role in the Lending and International (to be established) Committees.
Moreover, BCI will maintain certain specific governance responsibilities (for example: Planning and Control, Risk Management, Human Resources, Internal Audit, Communication) operated in accordance with the Parent Company.

The integration of Gruppo Intesa and the BCI Group will create the top Italian banking group and one of the most important banking groups in Europe. The merger's principal effects are the new group’s substantial growth potential and the possibility of achieving large economic benefits, with regard to both cost and revenue.
The industrial plan forecasts synergies of Lire 1,410 billion (Euro 728 million) in 2002 (Lire 1,570 billion, Euro 811 million, in 2003), of which Lire 890 billion (Euro 460 million) are due to an anticipated increase in revenues - corresponding to 4.5% of aggregated net interest and other banking income in 1998 - and Lire 520 billion (Euro 268 million) stem from anticipated cost reductions. These are ambitious but realistic objectives that, in order to be achieved, require a joint effort on the part of both entities. More specifically, revenue growth in the retail segment will be the result of improved territorial coverage and higher market penetration as a consequence of the redefinition of the new group’s distribution structures and the

sharing of competencies and best practices among different distribution networks. The creation of strong regional banks is expected to raise additional revenues totalling Lire 310 billion (Euro 160 million) and to reciprocally transfer competencies across the two groups for a further Lire 330 billion (170 million Euro). In the corporate segment, the transfer of competencies and best practices across the groups will lead to an increase in foreign operations with customers, in non-banking financial services and in corporate finance and investment banking sectors, of approximately Lire 250 billion (Euro 130 million).
Savings on the operating costs side are much more differentiated. The larger size of the new group will allow it to obtain higher economies of scale:

- in support platforms and service centres of approximately Lire 210 billion (Euro 108 billion) within 2002, plus Lire 160 billion (Euro 83 million) of savings beginning in 2003, when the support structure will be completely rationalised and the distribution network redesigned;
- in the production of near-banking products (asset management, leasing and factoring) of approximately Lire 115 billion (Euro 59 million);
- in governance and control structures of networks and companies belonging to the group of Lire 35 billion (Euro 18 million);
- in purchases, of approximately Lire 50 billion (Euro 26 million).

To the potential savings totalling Lire 570 billion (Euro 294 million) and realisable within 2003, another Lire 110 billion (Euro 57 million) resulting from the rationalisation of domestic distribution networks must be added. The latter are a result of the adoption of a new territorial control model and the limitation of overlap and duplication of foreign branches and representative offices.
Therefore, when the process is completed, cost synergies totalling approximately Lire 680 billion (Euro 351 million) are expected to be obtainable. This amount corresponds approximately to a 5% reduction compared to consolidated operating costs for the year ended December 31, 1998 of the two groups.

With regard to employment, the restructuring operations should cause the redundancy of approximately 3,250 employees, which corresponds to a 4.8% reduction in the workforce of the two groups.

As previously specified the benefits deriving from the integration will start to occur from the year 2000, with the majority occuring in 2002, while only a marginal portion (Lire 160 billion, Euro 83 million) will be achieved in the year 2003.

It must be noted that the above-mentioned economic benefits were calculated using prudential criteria and therefore certain areas of important potential synergies such as bank financing were not considered. They will be better defined by the "workstations" that will build the Master Plan. Most importantly, the calculation of

benefits did not include the tax incentives available under Law 461/98 (the "Ciampi Law") that will be applicable to the Intesa – BCI merger, even though the regulations necessary to implement the Ciampi law have not yet been promulgated.
The forecasted one-off costs of the merger are estimated to amount to approximately Lire 580 billion (Euro 300 million) and mostly refer to staff exit plans.
The new Group's ROE is expected to reach approximately 20% in 2002, compared to a pro-forma of 12% and to a forecasted inertial trend, for the sum of the two banks of 18% in 2002.

In transactions realised through an exchange of shares it is standard practice to analyse the impact of the transaction on the earnings of shares of the entities involved. This analysis is aimed at verifying that the operation, while guaranteeing a fair premium to the shareholders of the target company, will not cause a devaluation of the offeror's shares (which must be delivered to the target company's shareholders who accept the Offer). In order to analyse such impact a study was made on the financial characteristics of the Offer and its forecasted synergies, as compared to an inertial scenario (constructed on the basis of industrial plan made by Intesa's management and, for BCI, on the indications of leading investment banks) on earnings per share to be corresponded to Intesa's shareholders.
The analysis indicated how, absent the exercise of Warrants and assuming complete acceptance of the Offer, Intesa's future earnings per share will be affected, after the merger with BCI, by an expected decrease of 1.6% in 2000, an expected increase of 0.9% in 2001 and 6.2% in 2002. On the contrary, BCI shareholders are expected to benefit both from growth in earnings per share regarding Intesa shares acquired in the exchange offer and from growth of earnings per share of BCI Shares remaining in their possession, which will follow an expected estimated growth of 12.5% in 2000, 19.6% in 2001 and almost 25% in 2002, according to financial analysts' consensus.
BCI's Board of Directors will be properly integrated by Intesa's representatives, while at the moment no modification of BCI's Articles of Association is planned, except for those made to Art. 8, as described in paragraph 3(d) of the Considerations.

i.4. Development of Intesa's shareholders structure

Assuming the maximum number of BCI shares are exchanged in the Offer to the maximum required (70% of ordinary shares and 70% of saving shares), all warrants are exercised and all bonds converted pursuant to the resolutions of Intesa's Extraordinary Shareholders Meeting held on September 30, 1997 and still circulating are converted, Intesa shareholders structure would be composed as follows:

(i)	current Intesa shareholders	56.95%
(ii)	former BCI shareholders	43.05%

Following the assignment of newly issued Intesa Shares to the Accepting Shareholders, the stakes held by current parties to the Voting Syndicate Agreement described in the section entitled «Shareholders» at paragraph c.1 of this Offer Document, will be diluted. The level of dilution will depend on the number of BCI Shares adhering to the Offer. In the event that all BCI Shares subject to the Offer adhere, the ordinary capital belonging to the Syndicate's current parties would decrease from current 60.23% (plus a further 7.01% stake represented by shares not included in the Syndicate) to approximately 33.33% (plus a 3.88% stake not included in the Syndicate)

It is expected that some of BCI's main shareholders, namely Commerzbank, Assicurazioni Generali, HDP and Mediobanca, will be allowed to join the Syndicate, subject to their acceptance of the Offer. If this were to be the case, assuming, an acceptance of the Offer corresponding to exactly 70% of ordinary and saving shares, the additional capital joining the Syndicate would be as follows:

	Intesa Shares deriving post OPS	**Intesa Shares to be conferred in the voting Syndicate**
	% on ordinary share capital	% on ordinary share capital
Assicurazioni Generali (and its subsidiaries), excluded Alleanza	3.17%	3.17%
Commerzbank	3.16%	3.16%
HDP and Mediobanca	2.65%	2%

If this were to be the case, assuming an acceptance of the Offer corresponding to exactly 70% of ordinary and saving shares, and assuming the new composition of the Syndicate will be as described above, the ordinary shares in the Syndicate would amount to approximately 42% (plus an additional 4% represented by shares not included in the Syndicate) and would be divided as follows:

		%
1)	Crédit Agricole;	12.99
2)	Fondazione Cariplo;	10.26
3)	Assicurazioni Generali (included its subsidiaries as Alleanza)	6.73
4)	Gruppo Lombardo	3.39
5)	Fondazione Cariparma;	3.13
6)	Commerzbank;	3.16
7)	Holding di Partecipazioni Industriali (H.D.P) and Mediobanca.	2.00
		41.65

The current Syndicate would be integrated without modifying its structure and procedures substantially, and by guaranteeing its new members the same treatment reserved to current members, after having considered respective contributions' amount; this with regard, in particular, to the following aspects:

- the nomination, based on each party's suggestions, of the Syndicate's Executive Committee representatives (in common among parties that represent a plurality of companies);
- the nomination of Intesa's Board of Directors' and Executive Committee's members , based on the suggestions of the Syndicate's Executive Committee, following the current proportional representation and after – if necessary – modifying Intesa's Articles of Association.
- the guarantee of BCI's autonomy by means of extending the mechanism provided in the current Voting Syndicate, which is aimed at safeguarding other banks in Gruppo Intesa.

The duration of the Syndicate would remain the same.

L. INFORMATION ON THE OFFEROR'S TRANSACTIONS INVOLVING THE SECURITIES SUBJECT TO THE OFFER AND THE SECURITIES OFFERED IN THE EXCHANGE IN THE LAST TWO YEARS

l.1 Purchase and sale transactions of BCI shares

Except for normal intermediation and customer service activities, for the period beginning on July 1, 1997 and ending on June 30, 1998, BCI carried out the following transactions:

BCI ordinary shares	n° of transactions	n° of shares	Total value
Purchase	2,131	46,814,937	329,410,729,022
Sale	1,834	47,455,313	329,138,361,211

For the period beginning on July 1, 1998 and ending on June 30, 1999, BCI carried out the following transactions:

BCI ordinary shares	n° of transactions	n° of shares	Total value
Purchase	2,342	67,653,301	752,823,516,880
Sale	2,049	60,033,556	681,060,756,619

The balance of these operations as at June 30, 1999 was of 6,410,900 BCI ordinary shares owned. Purchase and sale transactions were carried out for both trading and hedging purposes in connection with derivatives transactions.
It must be noted that in the period beginning on July 1, 1998 and ending on June 30, 1999, Gruppo Intesa never owned BCI shares for more than the 0.57% of BCI's ordinary share capital.

l.2 Purchase and sale transactions of Intesa shares offered in the exchange

Gruppo Intesa companies, within their trading and hedging activities, carried out the following purchase and sale transactions of Intesa shares:

INTESA ordinary shares	From July 1, 1997 to June 30, 1998		
	n° of transactions	n° of shares	Total value
Purchase	538	25,998,999	209,941,821,558
Sale	1,015	28,343,057	229,072,834,611

INTESA ordinary shares		From July 1, 1998 to June 30, 1999	
	n° of transactions	n° of shares	Total value
Purchase	1,091	33,372,532	312,831,151,407
Sale	848	32,522,157	302,303,347,363

M.1 AGREEMENTS BETWEEN THE OFFEROR AND THE SHAREHOLDERS OR DIRECTORS OF THE ISSUER OF SECURITIES SUBJECT TO THE OFFER

m.1.1 Agreements between the Offeror and the shareholders or directors of BCI relevant for the Offer

The Offer was communicated to the Issuer which published the communication attached as Annex s.4 to this Offer Document.
There are no agreements between Intesa and BCI shareholders or directors deemed to be relevant in relation to the Offer at the date of this Offer Document.
No financial and/or commercial transaction likely to produce significant effects on BCI's operations occurred in the twelve months prior to the publishing of the Offer.

m.1.2 Agreements between the Offeror and the BCI shareholders regarding the exercise of voting rights or the transfer of shares

There are no agreements between Intesa and BCI shareholders regarding the exercise of the voting rights or the transfer of shares, at the date of this Offer Document.

M.2 POSSIBLE AGREEMENTS BETWEEN THE OFFEROR AND ITS SHAREHOLDERS OR DIRECTORS

m.2.1 Agreements between the Offeror and its shareholders relevant for the Offer

There are no agreements between Intesa and its shareholders or directors deemed to be relevant in relation to the Offer at the date of this Offer Document.

It is worth noting that Intesa acts as Depository Intermediary of the shares which are part of the voting syndicate as described in the chapter entitled «Shareholders» contained in paragraph c.1 of this Offer Document.

m.2.2 Agreements between the Offeror and Intesa shareholders regarding the exercise of voting rights or the transfer of shares

There are no agreements between Intesa and its shareholders regarding the exercise of voting rights or the transfer of shares, at the date of this Offer Document.

N. PAYMENTS TO INTERMEDIARIES

In the case of the Offer becoming unconditional, Intesa will acknowledge and pay the Appointed Intermediaries a commission, inclusive of all and every compensation for their intermediation activities:

- on acceptances up to a maximum of 10,000 shares presented by a single Accepting Shareholder:
  - a commission equal to 0.30% of the value of BCI Shares exchanged by Intesa;
  - a commission equal to 0.15% of the value of BCI Shares returned by Intesa to the Accepting Shareholders;
- on acceptances which exceed 10,000 shares presented by a single accepting shareholder, up to a total of maximum Lire 25,000,000:
  - a commission equal to 0.20% of the value of BCI Shares exchanged by Intesa;
  - a commission equal to 0.10% of the value of BCI shares returned by Intesa to the Accepting Shareholders.

The value will be calculated on the basis of the average official price of the shares in the 5 (five) days prior to the Assignment Date.

Furthermore, Intesa will also pay Appointed Intermediaries a fixed payment equal to Lire 10,000 for each Accepting Shareholder (which will be payable even if the Offer does not go unconditional).

The Appointed Intermediaries will pay the Depository Intermediaries 50% of the commission relative to the value of the shares acquired through the latter, as well as, should the Offer not go unconditional, the total fixed payment for each form presented by the Depository Intermediaries.

O. PRESS RELEASE OF THE ISSUER OF SECURITIES SUBJECT TO THE OFFER

The press release provided for in Art. 103, par. 3, of the Testo Unico, issued by BCI's Board of Directors, contains all the information needed to the assessment and the evaluation of the Offer and is reproduced in the Annex to this Offer Document;.

In the issued press release, BCI's Board of Directors confirmed approval of the half-year report and that there was no reason to believe that BCI's financial and economic situation described in the half-year report would change in the Offer period.

P. DURATION OF THE OFFER

The Offer will begin on September 27, 1999 and end on October 15, 1999 inclusive, the latter being, save for possible extensions, the last day acceptances may be received by Appointed Intermediaries. The Offer period was agreed with Borsa Italiana S.p.A.

The Offeror retains the right to extend the duration of the Offer up to a maximum of 35 (thirty-five) stock market working days, after communicating the extension to CONSOB, the Bank of Italy and the Issuer according to provisions contained in Art. 40 of the CONSOB Regulation, as well as informing the general public by means of a specific announcement which must appear in certain daily newspapers described in paragraph R, on or before 3 (three) stock market working days prior to the closing of the Offer period.

Q. PROVISIONS FOR THE ALLOTMENT OF BCI SHARES AND FRACTIONS OF INTESA SHARES

q.1 Provisions for the allotment of BCI shares

On or before October 22, 1999, save for any possible extensions in the duration of the Offer, Intesa will verify the outcome of the Offer and decide on the allotment percentage should acceptances exceed respectively 70% of BCI's ordinary and/or saving share capital.

The allotment percentage will be defined for the different types of shares (ordinary and saving shares) according to the ratio between the number of shares subject to the Offer and the number of tendered shares.

According to the above-mentioned allotment criteria, Intesa will indistinctly collect from each Accepting Shareholder such number of BCI shares corresponding to the product of the number of shares deposited by the latter and the allotment percentage for each category of shares, rounded to the nearest whole number of BCI shares (the « Shares Accepted for the Exchange»).

The difference between the numbers of shares deposited by Accepting Shareholders and the numbers of Shares Accepted for the Exchange will determine the numbers of BCI shares to be returned as well as the numbers of Warrants to be granted.

q.2 Fractions of Intesa Shares

1. If, by using the exchange ratio, the Accepting Shareholder were not to receive a whole number of Intesa Shares, the Intermediary which received Form A will sell the fractions of Intesa Shares in the name and on behalf of the BCI Accepting Shareholder and credit his account with the related amount, and this for the purpose to automatically round off Intesa Shares to the lower nearest whole number. If the Accepting Shareholder expresses, by so indicating in Form A the election to round off Intesa Shares received to the higher nearest whole number, the same Intermediary will purchase one Intesa share in the name and on behalf of the BCI Accepting Shareholder, and debit his account with the relevant amount.

2. The reference price for dealing as set forth in point 1) is the average of the official share price registered by Intesa ordinary shares in the 5 (five) days prior to the Assignment Date (as defined in point h.1.1).

3. Sale transactions of fractions of Intesa Shares and purchases of Intesa shares pursuant to subparagraphs 1 will be executed directly by the Intermediary; no expenses or commissions will be charged

4. Credit Agricole Indosuez Cheuvreux Italia Sim S.p.A. will collect from the Appointed Intermediaries all Intesa shares deriving from the fractions sold and will also provide to the Appointed Intermediaries with Intesa shares needed to satisfy the requests for rounding off to the higher nearest whole number, using the same reference price.

R. PLACES WHERE THE GENERAL PUBLIC MAY INSPECT THE OFFER DOCUMENT

The Offer Document is made available to general public by:

- Publication of an announcement containing the notice of CONSOB's approval of the publication of the Offer Document as well as the essential elements of the Offer, on the daily newspapers Il Sole 24 Ore, Il Corriere della Sera, La Repubblica and La Stampa;
- Delivery to the Appointed Intermediaries (together with Forms A and B);
- Deposit with Borsa Italiana S.p.A.;
- Deposit at the Offeror's and Issuer's registered offices;
- Publication of the entire document on the Internet at www.bancaintesa.it website.

S. ANNEXES

s.1 Gruppo Intesa structure as at June 30, 1999;
s.2 Form of Acceptance form (Form A);
s.3 Form of approval/non approval of the Offer form (Form B);
s.4 Press release issued by Banca Commerciale Italiana S.p.A.'s Board of Directors;
s.5 Prospectus for the admission to Official listing of Warrants Put Intesa – BCI, with attached Regulations.

T. DOCUMENTS WHICH THE OFFEROR MAKES AVAILABLE TO THE GENERAL PUBLIC AND PLACES WHERE SUCH DOCUMENTS CAN BE FOUND

Beginning on September 27, 1999, the Offeror will make the following documents available to the general public, at its own registered offices, at the Issuer's offices and at Borsa Italiana S.p.A.

t.1 Documents relative to the Offeror (also as the issuer of securities issued for the exchange)

1. The consolidated annual financial statements and Intesa's financial statements as at December 31, 1998, completed by the report on operations and the reports of the Board of Statutory Auditors and the Independent Auditors.
2. Half-year report as at June 30, 1999 completed by the Independent Auditors' report.
3. Independent Auditors' judgement prepared pursuant to Art. 158, par. 1, of the Testo Unico.
4. The expert's report prepared pursuant to Art. 2343 of the Civil Code.
5. Articles of Association currently in force.
6. Informative Document regarding the increase capital to services the Offer.

t.2 Documents relative to the Issuer of securities to which the Offer applies

1. The consolidated annual financial statements and BCI financial statements as at December 31, 1998, completed by the report on operations and the reports of the Board of Statutory Auditors and the Independent Auditors.
2. Half-year report as at June 30, 1999 completed by Independent Auditors' report.

Declaration of responsibility

Intesa assumes sole responsibility for the completeness and accuracy of the figures, disclosures and other information contained in this document. Figures relating to BCI reported in this Offer Document are an accurate reproduction of data provided by BCI. Banca Intesa confirms that, to its knowledge, data contained in this prospectus is accurate and that there are no omissions which would alter its content.

BANCA INTESA S.p.A.	BANCA INTESA S.p.A.
The Chairman of the Board of Statutory Auditors	The Chairman

ANNEX S.4

Press Release
of Banca Commerciale Italiana S.p.A.'s Board of Directors
under the terms of and for the purposes
of Art. 103, par. 3, of Legislative Decree 58/98
and Art. 39 of the Regolamento
approved with CONSOB resolution 11971 of May 14, 1999
Circulation of this Press Release and the Offer Document to BCI Shareholders
is directed by the Board of Directors.

Following the Board of Directors' Meeting held on September 15, 1999, with this press release Banca Commerciale Italiana S.p.A. («BCI» or the «Issuer»)

informs

that, under the terms of and for the purposes of Art. 103, par. 3, of Legislative Decree 58/98 (the «Testo Unico») and according to Art. 39 of the Regolamento approved with CONSOB resolution 11971 of May 14, 1999 (the «Regolamento»), Banca Intesa S.p.A. («Intesa» or the «Offeror») informed BCI of its intention to make a public exchange offer in accordance with Articles 102 and 107, par. 1, of the Testo Unico and the rules contained in Section II of the Regolamento (the «Offer») for 1,249,055,984 BCI ordinary shares (the «Ordinary Shares») and 7,275,572 BCI saving shares (the «Saving Shares» and, together with the Ordinary Shares, the «BCI Shares») of nominal value Lire 1,000 each, which start to accrue rights as of January 1, 1999, and represent respectively 70% of BCI's ordinary share capital and 70% of BCI's saving share capital.

The Offer is made solely on the Italian market. The Offer is made, on the same conditions, to all shareholders owning BCI ordinary and saving shares, but has not been and will not be made to, nor could be made to, nor 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, nor will it or could it be in any way or with any means distributed in violation of the regulations in force in the United States of America and in all other Countries in which such distribution is restricted or subject to limitations imposed by regulations in force in such Countries.

For further details on the constraints regarding distribution of the Offer, please refer to the regulations in force in each of these Countries («Excluded Countries»). Therefore, copies of this press release, as well as copies of any other document issued in relation to the Offer is not being, could not in any way be sent, transmitted or distributed to any *US Person* 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, for instance and without limitations, the postal service, the telephone, fax machines, electronic mail, the Internet and telex machines).

The Offer entails, in consideration, the exchange of BCI Shares with up to a maximum of 2,072,947,067 Intesa newly issued ordinary shares («Intesa 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 Shares for each BCI Share.

The Offer is regulated by Art. 107 of the Testo Unico («*Offerta pubblica di acquisto preventiva*»). Acceptance of the Offer by shareholders owning BCI ordinary and saving shares is irrevocable – without prejudice to the right to accept any counter offer according to Art. 44, par. 6, of the Regolamento – and shall be carried out through the completion of the specific acceptance form (Form A) attached to the document prepared for the Offer (the «Offer Document»).

If at the time of the verification of acceptances to the Offer and allotment of the Intesa Shares the level of subscription is for a number of ordinary and/or saving BCI shares exceeding that to which the Offer applies, the Offeror, when assigning as payment the Intesa Shares, will give to each accepting shareholder, for each BCI Share tendered and not exchanged by the same Offeror in the proportional allotment of Intesa Shares, one warrant («Warrant») which represents the right to exercise the option to sell one BCI ordinary or one BCI saving share. The maximum number of Warrants which could be issued by Intesa will total 538,427,809. Warrants give holders the right to sell up to a maximum of 538,427,809 underlying BCI ordinary or saving shares. Each Warrant will give the holder the right to sell to the Offeror – in the period from November 1 to November 15, 2002 (inclusive) – one BCI ordinary share or one BCI saving share, at a price which is already fixed at Euro 7.80, save the adjustments resulting from possible operations involving BCI's share capital, in accordance with provisions set forth in the Regolamento regarding the Warrants attached to the Offer Document. Any dividends and distributions of any other kind paid out before November 15, 2002 will belong to BCI shareholders
Payment of the price following the exercise of the Warrants will occur on November 29, 2002 without charging any commissions or expenses to shareholders. The Warrants, for which the listing on the Italian Stock Exchange (Borsa Italiana S.p.A.), has been sought will be freely transferable and negotiable separately from the shares to which they originally relate.

The Offer is subject to the following conditions:

A. that it obtains approvals from BCI shareholders holding the majority of ordinary shares in accordance with Art. 107, par. 1, letter b) of the Testo Unico and that the other conditions provided for in the same Art. 107, par.1, of the Testo Unico are met (that is, that the Offeror and all parties connected to the Offeror as defined in Art. 109, par. 1, of the Testo Unico refrained from purchasing equity stakes in excess of 1%, also with forward of future contracts, in the twelve months prior to the Communication – as set forth in point i) below – as well as during the Offer);

B. that the acceptances be sufficient to allow the Offeror to acquire no less than 892,182,847 BCI ordinary shares and these correspond to 50% plus one share of BCI's ordinary share capital;

C. that the BCI Extraordinary Shareholders Meeting, within 30 (thirty) days from the closing of the Offer, resolve to change Art. 8 of the Articles of Association, by eliminating all paragraphs but the last two and all other and connected provisions contained in the Articles of Association, in order to eliminate the provisions which limit a single shareholder from holding shares representing more than 5% of the voting capital and limit the exercise of voting rights relating to shares in excess of 5% of the ordinary voting capital;

D. that within 90 (ninety) days from its approval, the resolution of the Meeting mentioned in sub-paragraph C above is officially approved and filed for recording on the Company Register by means of a decree issued by the relevant Court and, if necessary, has been authorised by the competent Supervisory Authorities.

BCI's Board of Directors stresses that:

i) on June 30, 1999 with communication (the «Communication») in accordance with Art. 102, par. 1, of the Testo Unico and of Art. 37, par. 1, of the Regolamento, the Offeror notified its intention to make the Offer; on the same day BCI's Board of Directors received the Communication and recognised it as a friendly Offer judging it, on the basis of its financial content, as an important opportunity for increasing shareholder value;
ii) on August 16, 1999 the Offer, for which the Offeror adopted the required resolutions from the competent authorities, received the Bank of Italy's authorisation with communication 38379;
iii) on August 17, 1999 Intesa's Extraordinary Shareholders Meeting under the terms of and for the purposes of Art. 2441, par. 4, of the Italian Civil Code,

resolved upon an increase in share capital up to a maximum of nominal Lire 2,072,947,067,000, by means of up to a maximum of 2,072,947,067 Intesa Shares of nominal Lire 1,000 each, which start to accrue rights as of January 1, 1999 for the purpose of the Offer; such resolution has been officially approved by the Milan Court on September 2, 1999 and has been filed for recording on the Milan Company Register on September 6, 1999.

BCI's Board of Directors examined the Offer Document, which describes, among other things, consideration for the BCI Shares, the industrial logic of the transaction, the Offeror's future plans and changes in Intesa's shareholder base after the Offer, which can be summarised as follows:

<u>with regard to consideration of BCI shares</u>:

1) the Offer is made for 70% of BCI ordinary shares and 70% of BCI saving shares in circulation; the Offer will be carried out by means of the exchange for each tendered BCI ordinary and saving share with 1.65 Intesa Shares. Furthermore, should acceptances exceed 70% of BCI's share capital, a Warrant to be exercised in the period from November 1 to 15, 2002, which represents the right to sell to the Offeror one BCI ordinary or saving share at the price of Euro 7.80, will be given to each accepting shareholder;

2) the Offer is subject to conditions described in points A., B., C. and D.;

<u>with regard to the industrial logic of the transaction and the Offeror's future plans</u>:

3) the integration between Intesa and BCI can create considerable value for all the new Group's shareholders, given:

- the complementary activities of the two Groups;
- the possibility of generating economies of scale and scope by means of sharing certain activities;
- the possibility of seizing growth opportunities that would otherwise not be available to the individual operating units.

The transaction is estimated to generate significant synergies both in terms of revenues and costs;

4) the establishment of the new Gruppo Intesa-BCI (the «Gruppo Intesa-BCI» or the «Group») will be inspired by «best-practices», and enhance each Group Company's identity and its distinctive competencies in the different segments. BCI will carry out the role of developing, as a first priority, the offer of high quality services with strong consulting content, geared to top-end customer segments in the fields of corporate and private banking and of international

activities. BCI will extend the range of services offered from a strategic and operational perspective in co-ordination with Intesa. In particular:

- retail segment: with regard to the definition of each Group bank's role, the re-organisation of Gruppo Intesa banks' distribution structures will carried out in order to create strong regional banks, focused on retail segments, which are those which more than others require the physical proximity. At the same time, BCI's role as the only national bank within the Group will be emphasised. BCI, without in any way limiting its commercial capabilities**,** will carry out the role of developing a distinctive position by focusing in particular in the supply of high quality services with strong consulting content, geared to top-end customer segments in the fields of corporate and private banking and of international activities, levering on its brand name's strength and penetration capacity and on the consolidated competitive advantages of its organisation;
- corporate segment: BCI will focus on extending to a wider set of companies, even small- and medium-sized, the distinctive competencies developed by BCI in lending, high value-added services such as corporate finance and capital markets and in the assistance in operations on international markets;
- international activities: the BCI group could become even stronger by co-operating with and sharing the competencies of the new Group's prestigious foreign shareholders;

5) the integration plan will be developed jointly and be inspired by the objective of creating value for all shareholders. It will be defined in the next few months so that its implementation may commence in the first half of next year, with the preparation of the Master Plan for the integration. Based on previous experiences the necessary interventions should be concluded by 2002 and the new group structure, realised following a step by step approach, will be fully operational starting from 2003. The Master Plan will be developed by task forces (known as "workstations" already successfully used by Intesa) with Intesa-BCI management involved in planning and realising the necessary interventions. Beside the usual workstations, a "Steering Committee" formed by Intesa and BCI management will be established and responsible for: supervision, co-ordination and control of the merger process. It will also be responsible for ensuring that task forces' decisions are inspired by «best-practices», utmost fairness and value-enhancement for all shareholders. The main areas in which the task forces will focus their attention have already been identified, so that the procedures and timing of the integration process can be defined. Among them the following are the most significant:
   - the sharing of product centres *(Asset Management Leasing, Factoring,* Medium- and Long-term Lending, Consumer Credit and other);
   - the integration of support functions (logistic, central back-office, information systems);

- the joint definition of the strategy for activities in business areas where it will be necessary to rapidly strengthen the new Group's competitive position (for example Investment Banking*);*
- the integration/co-ordination of business areas such as Retail and Mid-Corporate, for which the joint presence of different brand names on the market will occur.

6) considering BCI's peculiar characteristics and its role within the Group Intesa, its management will be involved in the integration process from the start, and will take part in the committees responsible for the new group's governance (Strategic, Directive, Lending, Commercial, Finance, Organisation Committees); they will play a particularly relevant role in the Lending and International (to be established) Committees. Moreover, BCI will maintain certain specific governance responsibilities (for example: Planning and Control, Risk Management, Human Resources, Internal Audit, Communication) in which it will operate in co-ordination with the Parent Company;

<u>with regard to the changes in Intesa's shareholder base post Offer</u>:

7) should the maximum number of BCI shares to be exchanged in the Offer (70% of ordinary shares and 70% of saving shares) and all warrants exercised and all convertible bonds, issued pursuant to the resolutions of Intesa's Extraordinary Shareholders Meeting held on September 30, 1997 and still in circulation, converted, Intesa's shareholder base would be composed as follows:

(i)	current Intesa shareholders	56.95%
(ii)	former BCI shareholders	43.05%

After the assignment of newly issued Intesa Shares to accepting shareholders, the stakes held by current parties to Intesa's Voting Syndicate Agreement («Syndicate Agreement» or «Agreement») will be diluted. The dilution amount will depend on the number of BCI Shares for which the Offer is accepted. Assuming that all BCI Shares subject to the Offer accept, the ordinary share capital belonging to the Syndicate's current parties would decrease from current 60.23% to approximately 33.33%. Certain important BCI shareholders, namely Commerzbank, Assicurazioni Generali, HDP and Mediobanca, will be allowed to join the Syndicate. In that case, the additional stakes conferred to the Syndicate would be as follows:

% on ordinary share capital as at 30th June 1999	Intesa Shares received in the Offer	Intesa Shares to be conferred on the voting Syndicate
Gruppo Assicurazioni Generali	3.17%	3.17%
Commerzbank	3.16%	3.16%
HDP and Mediobanca	2.65%	2.00%

Following the new accepting parties' entrance, the Agreement would be divided in seven Parts, namely:

- Crédit Agricole
- Fondazione CARIPLO
- Gruppo Generali (Assicurazioni Generali, Alleanza Assicurazioni and other Group companies)
- Gruppo Lombardo (Banca Lombarda, Mittel, IOR, Istbank, Fondazione Lambriana, Opera Diocesana San Narno)
- Fondazione Cassa di Risparmio di Parma
- Commerzbank
- HDP and Mediobanca.

Shares subject to the Agreement will equal approximately 42% of ordinary share capital. In such event, therefore, the current Syndicate, whose duration would be unchanged, would be integrated without substantially modifying its structure and operating procedures. New parties will receive equal treatment, given the value of syndicated shares, in particular with regard to the following aspects:

– the nomination, based on each party's suggestions, of representatives in the Syndicate's Management Committee (groups aggregating more than one party must nominate a common representative);
– the nomination of Intesa's Board of Directors' and Executive Committee's members, based on the suggestions of the Syndicate's Management Committee, following the current proportional representation criteria and afterwards – if necessary – modifying Intesa's Articles of Association.

– the guarantee of BCI’s autonomy by means of extending the mechanism provided for in the current Voting Syndicate, aimed at safeguarding other Gruppo Intesa banks.

8) BCI’s Board of Directors will be appropriately integrated with Intesa’s representatives.

BCI’s Board of Directors has convened a Shareholders Meeting on the following days:

- October 29, 1999: first call for the Ordinary and the Extraordinary Shareholders Meeting;
- November 8, 1999: second call for the Extraordinary Shareholders Meeting;
- November 12, 1999: second call for the Ordinary Shareholders Meeting and third call for the Extraordinary Shareholders Meeting,

in order to abrogate the provisions which limit holdings of share capital and the exercise of voting rights and, consequently, modify Articles 8 and 13 of the Articles of Association and Art. 4 of the Shareholders Meeting regulations, as well as modify Articles 12, 22, 28 and 30 of the Articles of Association with the purpose of eliminating provisions regarding roles and corporate posts which are no longer contemplated by Disciplina Collettiva del Rapporto di Lavoro. The Ordinary Shareholders Meeting will also be convened for the possible appointment of Directors after the indication of the number of the Board of Directors’ members.

The same Board of Directors approved the half-year report today. Main financial highlights are contained in the following table, distributed with a special press release as provided for by current regulations. Save for all mentioned above, the Board of Directors has no reason to believe that significant changes in the balance sheet, economic and financial situation compared to the half-year report approved today shall occur for the entire duration of the Offer.

The same Board of Directors confirms that, today, Generali Group, Commerzbank, SAI Group, Burgo Group, Holding di Partecipazioni Industriali, Fondiaria Group, Mediobanca, Munchener Ruck Group, Italmobiliare Group, Socopar (Antonio Ratti Group) and Falck have communicated, in accordance with CONSOB resolution 11971 of May 14, 1999, that they resolved to cancel, with effect as of today**,** the Agreement signed on May 5, 1999, with which they had conferred an overall number of 433,718,910 BCI ordinary shares, equal to 24.31% of share capital published in «Il Corriere della Sera» on May 6, 1999, modified on May 21, 1999 as announced in the press release which appeared in «Il Corriere della Sera» on May 27, 1999. Therefore, starting as of today, the Agreement ceases to have legal effects.

With regard to direct or indirect holdings of the Issuer’s shares by the same Issuer, or by its directors, it must be pointed out that BCI does not hold directly or indirectly its own shares, while direct or indirect holding of the Issuers' shares and in its subsidiary companies by directors of the same Issuer are the following:

Surname and name	Company	Number of shares held as at 31st August 1999
D'ALI STAITI Giacomo	BCI	350,709
GUTTY Gianfranco	BCI	8,000

BCI's Board of Directors, provided all mentioned above, points out that:

a) the Operation creates the top Italian banking Group in terms of number of branches (over 3,500) balance sheet and economic aggregates (total assets of Euro 279 billion, loans to customers of Euro 141 billion, customer deposits of Euro 157 billion, net income of Euro 1.1 billion); in particular, the new Group holds the leadership position in asset management and bancassurance activities (pro forma aggregated figures as at December 31, 1998);

b) given its distinctive competencies, BCI, which will remain listed, is supposed to play a crucial role in the implementation of the integration project, which will significantly strengthen the Group's competitive position and the sustainability of its growth. The new Group's larger size will enable it to compete in various lines of business more effectively: higher volumes lead to economies of scale and scope; ample financial resources are the precondition for investments in qualified resources and in technological supports, necessary for offering high quality services at competitive prices;

c) the integration process will be inspired by best-practices and enhancement of each Group identity's in the respective distinctive competence areas; BCI management will be involved in reaching these targets via preparation and implementation of the Master Plan and the participation in the committees responsible for the new Group's governance and in the Steering Committee;

d) certain main BCI's shareholders could take part in the Voting Syndicate Agreement; these parties will receive the same treatment - considering the value of syndicated shares – of current Syndicate members. In particular with regard to representatives of the new Parties in the Management Committee of the Agreement (which gives indications with regard to the appointment of the Board of Directors' and Management Committee's members according to current proportional representation mechanism);

e) BCI's autonomy will be preserved by means of the extension of the existing Agreement's mechanism for other Gruppo Intesa banks;

f) the Offer ensures - to BCI ordinary and saving shareholders which intend to accept – up to an acceptance level corresponding to 70% of BCI ordinary and saving shares consideration in Intesa Shares and, in case of allotment, apart from the consideration in Intesa Shares for tendered BCI Shares, the assignment of one Warrant for each BCI Share tendered and not exchanged. The Warrant's theoretical unit value – obtained by the application of the method commonly used in national and international valuation practice (so-called Black & Scholes model) which is based on market conditions registered the day before the Communication date and on prudential assumptions – is estimated to equal to approximately Euro1.62;

g) the Offer ensures, for exchanged BCI Shares, a premium i) for Ordinary Shares respectively equal to 12.4%, 8.9%, 18.0% and 25.0% of the average trend registered by BCI ordinary shares' official stock price in the last month, the last three months, the last six months and the last twelve months – starting as of June 29, 1999, the date prior to the announcement of the Offer and ii) for Saving Shares respectively equal to 91.6%, 75.3%, 58.1% and 71.4% of the average trend registered by BCI saving shares' official stock price in the last month, the last three months, the last six months and the last twelve months starting as of the same day. After that day, stock prices have progressively aligned to the proposed exchange ratio;

h) the Offer entails an evaluation of BCI's economic capital in line with current and prospective market indicators (such as multiples of net earnings, shareholders' equity, profitability considered as return on equity) with respect to comparable listed banks and transactions;

and, lastly, considering that:

- Mediobanca - Banca di Credito Finanziario S.p.A. - and Lehman Brothers International (Europe), as advisors of the Issuer have issued a Financial Fairness Opinion to the Board of Directors solely for the purpose of the evaluation to be carried out by the Board of Directors. In that Financial Fairness Opinion the Offer is considered fair in economic and financial terms;

- KPMG Consulting S.p.A., which has also been engaged by the Issuer, issued for the Board of Directors a Fairness Opinion on economic and financial conditions of the Offer,

provided and acknowledged all mentioned above, BCI's Board of Directors during the Meeting held on September 15, 1999 expressed – unanimously and without any contrary vote - a positive explanation of the Offer made by Intesa, deeming that it reflects a correct evaluation of BCI Shares and allows BCI to take part in the creation of the top Italian banking group and play a crucial role in the implementation of the integration project, which will lead to a significant strengthening of the Group's competitive position and the sustainability of its growth.

BANCA COMMERCIALE ITALIANA S.p.A.