

REPORT OF THE BOARD OF DIRECTORS ON THE PROPOSED CHANGES IN THE ARTICLES OF ASSOCIATION

Distinguished Shareholders,

you have been summoned for this Extraordinary Shareholders' Meeting also to resolve upon the proposed changes in the Company name and the consequent change in the name of the Banking group.

In the 2003 – 2005 Business Plan, approved by the Board of Directors on 9th September 2002, particular attention was also paid to the creation of a new Group identity, reassessing the Company name and consequently the Group's name and all the logos and brands used, also for the purpose of using the BCI brand separately in other specific areas of activity.

In fact, the addition of "Bci" in the most frequently-used logo (out of the three provided for by the Articles of Association) proved to be challenging due to the difficulties in pronunciation and to the incapacity of the abbreviation to evoke Banca Commerciale Italiana, generally known as Comit on the domestic market.

The proposal is therefore to modify the corporate name to "Banca Intesa" (or in abbreviated form "Intesa") and consequently the Group name becomes "Gruppo Banca Intesa" (or, in abbreviated form, "Gruppo Intesa").

On the other hand, being Banca Commerciale Italiana a fundamental component of the formation and life of Gruppo IntesaBci, as already mentioned above, more adequate ways of leveraging on its competencies – mostly in the Corporate Banking sector – will be found and will also entail the use of the brand name.

We therefore propose to modify, with effects as of 1st January 2003, Art. 1 (Company name), Art. 4 (in the part in which it quotes the name of the Banking group) and Art. 23 (in the paragraph which contains the Group's name) as follows.

<u>Old Article</u>	<u>New Article</u>
<u>Article 1</u>	<u>Article 1</u>
The Company is called "Banca Intesa Banca Commerciale Italiana S.p.A." or, as abbreviated, even only " <u>IntesaBci S.p.A.</u> " or "Banca Intesa Comit S.p.A.". Following the merger with Banco Ambrosiano Veneto S.p.A. (Ambroveneto S.p.A.), Cariplo-Cassa di Risparmio delle Provincie Lombarde S.p.A., Mediocredito Lombardo S.p.A. and Banca Commerciale Italiana S.p.A., the Company can use the merged companies' brands and names as brands and	The Company is called " Banca Intesa S.p.A. " or, as abbreviated, even only " <u>Intesa S.p.A.</u> ". Following the merger with Banco Ambrosiano Veneto S.p.A. (Ambroveneto S.p.A.), Cariplo-Cassa di Risparmio delle Provincie Lombarde S.p.A., Mediocredito Lombardo S.p.A. and Banca Commerciale Italiana S.p.A., the Company can use the merged companies' brands and names as brands and logos.

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<p style="text-align: center;"><u>Article 4</u></p> <p>The purpose of the Company is to accept savings and carry out all forms of lending activities, also through Subsidiary companies. The Company may, in compliance with regulations in force and subject to obtaining the required authorisations, provide all banking and financial services, including the creation and management of open- and closed-ended supplementary pension schemes, as well as carry out any other transactions that are necessary for, or related to, the achievement of its corporate purpose, again also through its Subsidiary companies.</p> <p>As Parent Company of “Gruppo IntesaBci” banking group pursuant to Art. 61 of Decree 385 of 1st September 1993, the Company issues, in its direction and co-ordination capacity, instructions to Group companies also regarding the implementation of Bank of Italy’s instructions and to ensure the stability of the Group.</p>	<p style="text-align: center;"><u>Article 4</u></p> <p>The purpose of the Company is to accept savings and carry out all forms of lending activities, also through Subsidiary companies. The Company may, in compliance with regulations in force and subject to obtaining the required authorisations, provide all banking and financial services, including the creation and management of open- and closed-ended supplementary pension schemes, as well as carry out any other transactions that are necessary for, or related to, the achievement of its corporate purpose, again also through its Subsidiary companies.</p> <p>As Parent Company of “Gruppo Banca Intesa” (or, as abbreviated, “Gruppo Intesa”), banking group pursuant to Art. 61 of Decree 385 of 1st September 1993, the Company issues, in its direction and co-ordination capacity, instructions to Group companies also regarding the implementation of Bank of Italy’s instructions and to ensure the stability of the Group.</p>

Article 23

The Board of Statutory Auditors is made up of five Auditors and two Alternate Auditors.

As provided for by Ministerial Decree 162 of 30th March 2000, Statutory Auditors are chosen among candidates with professional requirements set forth in Art. 1, par. 1 of the aforementioned Ministerial Decree and in par. 2, letters a), b) and c) of Art.1. For the sole purpose of verification of professional requirements and referring to letters b) and c), it must be noted that the areas of activity closely related to those of the Company are credit, near-banking, financial and insurance.

Save for what provided for by different unanimous resolution by the General Shareholders' Meeting, the election of Statutory Auditors shall take place on the basis of lists drawn up by shareholders according to the following rules:

- a) Shareholders representing at least 2% of ordinary share capital may submit a list of candidates listed in order of preference, by depositing it at the Company's registered offices at least 10 days before the date of the Shareholders' Meeting on first call; if such conditions are not met the list will not be valid. In order to prove the holdings of the number of shares necessary to submit the list, Shareholders must include copies of the certificates for participation to the General Shareholders' Meeting;
- b) each Shareholder may submit and vote one list of candidates and every candidate may only take part in one list. If such conditions are not met the candidate will not be eligible;
- c) Shareholders which have stipulated Voting Syndicates, irrespective of the type and purpose of the agreement, may present and vote only one list;
- d) together with each list, and within the terms for its presentation at the Company's registered offices, each candidate must deposit a declaration in which he/she accepts the candidature and declares under their responsibility that no ineligibility exceptions apply and that they meet the requirements for the office of Statutory Auditor contained in current regulations and in the Articles of Association.

In order to elect the Board of Statutory Auditors the following procedure must be followed:

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- b) the remaining two Auditors and the second Alternate Auditor are chosen from the other lists; the votes obtained for each of the lists are divided by one, two, and three. The resulting quotients are progressively assigned to the candidates of each list according to the order included in each list. The quotients attributed to the candidates of each list are registered in decreasing order in one list: the two candidates with the highest quotients are elected Auditors whereas the candidate with the third highest quotient is elected Alternate Auditor.

Should more than one candidate have the same quotient, the candidate from a list in which no candidates have been elected shall be preferred; if no Auditors have been elected from those lists, the election will take place by means of a ballot.

The Board of Statutory Auditors will be chaired by the candidate indicated in the first position on the list which has obtained the highest number of votes.

Should only one list of candidates be submitted the Auditors and Alternate Auditors will all be chosen from that list.

Should no minority list receive votes, the integration of the Board of Statutory Auditors will take place by means of a resolution passed with the majority of votes of Shareholders present at the Meeting.

Should no list be submitted within the terms, the Meeting will pass a resolution with the majority of votes of Shareholders present at the Meeting.

The Auditors from the list which has obtained the majority of votes expressed by Shareholders, will be substituted by the Alternate Auditor from the same list; in the case of substitution of an Auditor from the other lists, the Alternate Auditor elected pursuant to letter b) of the fourth paragraph of this article will take his place.

The Meeting called to integrate the Board of Statutory Auditors as set forth in regulations will do so in accordance to the minority representation principle.

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The Meeting called to integrate the Board of Statutory Auditors as set forth in regulations will do so in accordance to the minority representation principle.

The post of Statutory Auditor for the Company is incompatible with similar appointments in more than five other listed companies, with the exclusion of companies which are part of the banking group “**Gruppo Banca Intesa**”.

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“Gruppo IntesaBci”.

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If the declaration described in the preceding paragraph is not provided within thirty days from the appointment, or as a consequence of the subsequent acceptance of posts which are incompatible, the forfeiture from the post of Statutory Auditor will automatically apply.

The provisions set forth above in paragraphs 12, 13 and 14 do not apply to Alternate Auditors even in the periods when they are substituting the Auditors.

Auditors remain in office for a three-year term and may be re-elected.

The General Meeting shall also fix the annual emoluments of each Auditor for his entire period in office. In addition to the reimbursement of expenses incurred in the performance of their duties, Auditors are entitled to attendance fees for presence at Meetings of the Board of Directors and the Executive Committee. These fees will be set by the General Meeting.

Statutory Auditors cannot receive more than one attendance fee per day.

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Milano, 12th November 2002

The Board of Directors