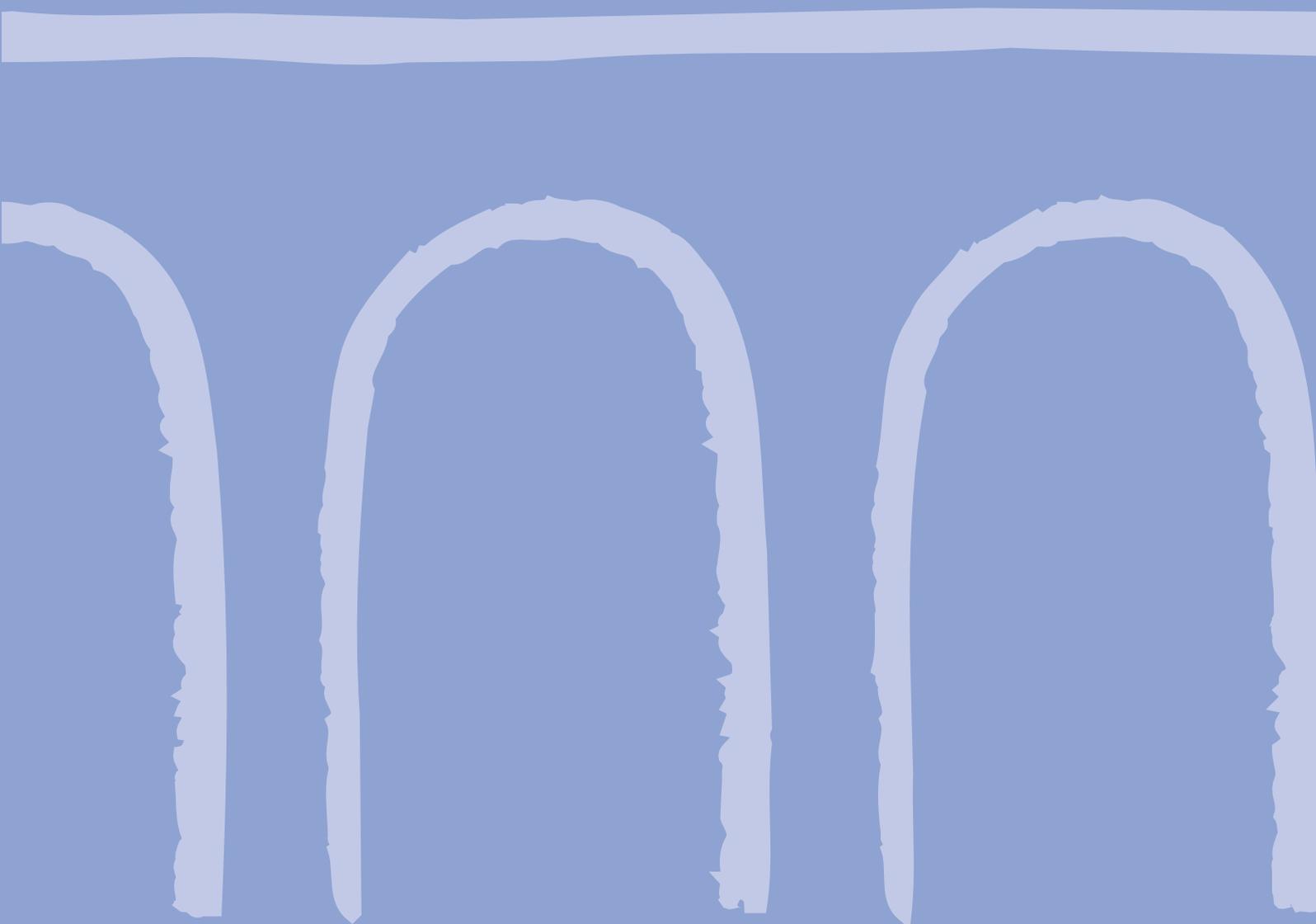


**Report of the Board
of Statutory Auditors
to the Shareholders' Meeting**



REPORT OF THE BOARD OF STATUTORY AUDITORS
TO THE SHAREHOLDERS' MEETING

Distinguished Shareholders,

2000 was characterised by certain events that significantly modified the Shareholder base and the organisational structure of Gruppo Intesa. In particular, we refer to the transition from the “federal” to the “divisional” model which led to the merger of the Group’s major banks in the Parent Company, according to the terms described in the Board of Directors’ Reports on operations.

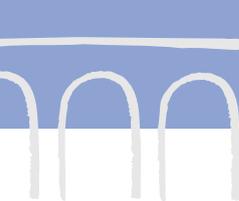
In compliance with Legislative Decree 58 of 24th February 1998 we supervised over the application of fair management principles by attending the meetings of the Board of Directors and of the Executive Committee (14 and 9 respectively).

In particular, on those occasions we received from Directors the information regarding their activity and the most significant economic, financial and balance sheet transactions carried out by Banca Intesa and by the most important subsidiaries, also under the terms of and for the purposes of Art. 150, par. 1, of the above-mentioned Legislative Decree 58.

Furthermore, we carried out our institutional activity supervising the observance of the Law and of the Articles of Association.

During the 18 Board of Statutory Auditors’ meetings (which, if deemed necessary, were also attended by the competent Heads of department), we acquired an in-depth knowledge on the following areas:

- organisational structure: we followed the study and the implementation of the Group’s new organisational model, verifying in particular the



development of the whole project and the integrations introduced during the year; moreover, we ascertained that the organisational design of the “divisional” model was completed and then divided in implementation phases arranged according to a time schedule which reflects activities to be carried out and period of implementation. We also verified that both the managers in charge of and responsible for the organisational changes under way and of running the merged banks’ operating business had been appointed. For this purpose we acknowledge that certain phases of the complex organisational project have been completed and this permitted the regular running of business in the banks merged as of 1st January 2001. On the basis of information collected and verification carried out, we can conclude that the Group’s new model pays adequate attention to the internal auditing system;

- internal auditing system: we were informed periodically and with timeliness by the Group’s Head of the Internal auditing department on the activities and the results of the verifications carried out during the year on the Bank’s and the most important Group companies’ activities. No significant critical aspects emerged from such reports. Furthermore the Internal auditing function informed us of the activities of its unit seconded to the organisational unit responsible for the implementation of the Group’s new model. We also viewed the systems used by the Bank to monitor lending and risks (market, operating and credit risks) inherent to the management of bank finance and financial activities carried out by Group



companies. For this purpose we were informed on the organisational evolution of the Risk management department aimed at adapting its controls both to meet the needs of the rise in the Bank's operations, and the instructions and recommendations issued by the Bank of Italy. With regard to all mentioned above, and more generally to internal auditing, please refer to the comments contained in the Parent Company's Report on operations;

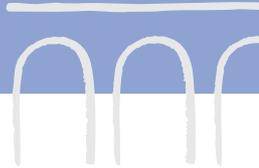
- book-keeping and accounting system: we supervised over the adequacy of the book-keeping and accounting system, as well as over its reliability in correctly representing operations, through the information and the analysis of the results of the work carried out by the Independent Auditors Reconta Ernst & Young Spa, which during the year periodically communicated to us the results of their quarterly controls over the regular book-keeping practice of Banca Intesa. We were moreover reassured by the Head of the Internal auditing department of the effectiveness of the Bank's book-keeping system as of 1st January 2001, starting date of the integrated book-keeping and accounting management of all the banks merged as at 31st December 2000, namely Banco Ambrosiano Veneto Spa, Cariplo - Cassa di Risparmio delle Provincie Lombarde Spa and Mediocredito Lombardo Spa.

We inform You that in carrying out our supervisory activity, as described above, no significant events emerged which must be brought to the attention of the Supervisory Authorities, or mentioned to this Shareholders' Meeting.

Furthermore, in accordance with Consob Resolution 1574 of 1997 we inform You, that during the year ended as at 31st December 2000 the Independent Auditors Reconta Ernst & Young Spa performed, in addition to their normal auditing engagement delegated by the Shareholders' Meeting, the following activities and received the following compensation (including reimbursed expenses and VAT):

<u>Type of engagement</u>	<u>Total compensation</u>
Verification of the assets connected to the purchase of a stake in Cassa di Risparmio di Terni e Narni	410,821,200 lire
Congruity opinion for the merger of Banca Carime/Mediocredito Lombardo/Banca Intesa	611,486,400 lire
Report on the pro forma financial statements as at 31st December 1999 for the information memorandum for the merger of Banco Ambrosiano Veneto, Cariplo, Banca Carime and Mediocredito Lombardo in Banca Intesa	24,000,000 lire
Confort letter for the issue of debt instruments	66,000,000 lire
Preparation of the documentation of the securitisation transaction of non-performing loans	500,000,000 lire
<u>Total</u>	<u>1,612,307,600 lire</u>

We verified the application of regulations regarding the preparation of the Parent Company's financial statements and the Group's consolidated financial



statements as at 31st December 2000 as well as the Reports on operations which accompany them, through direct verifications and information collected from the Independent Auditors. In particular, we verified that in the Report on operations the Board of Directors provided sufficient information, in particular with regard to intergroup transactions or transactions with other related parties. Given all mentioned above, we give our consent to the approval of the 2000 financial statements presented to You by the Board of Directors together with the related Report on operations and the proposal for the allocation of net income made by the same Board of Directors.

* * *

Distinguished Shareholders,

you have been summoned for the Extraordinary Shareholders' Meeting to resolve upon the conversion into euro of the nominal value of the ordinary and saving shares and re-determine the value of the share capital – both subscribed and paid-up and to service convertible bonds and warrants issued as well as that to service the merger of Banca Commerciale Italiana Spa – in the new currency. The terms of the proposed operation are described in detail in the Board of Directors' report drawn up for this purpose.

For this purpose we confirm that the share capital existing to date amounts to 5,836,293,393,000 lire and is fully paid-up.

Milano, 30th March 2001

The Board of Statutory Auditors

