

**Gruppo Intesa - Consolidated financial statements
as at 31st December 1999
Statement of income**

	1999
10. Interest income and similar revenues	15,997,759
including from	
• loans to customers	9,806,817
• debt securities	3,623,780
20. Interest expense and similar charges	(9,358,001)
including from	
• deposits from customers	(1,757,232)
• securities issued	(4,537,664)
30. Dividends and other revenues	184,910
a) from shares, quotas and other forms of capital	55,928
b) from equity investments	128,982
c) from investments in Group companies	-
40. Commission income	5,513,981
50. Commission expense	(840,467)
60. Profits (Losses) on financial transactions	(268,418)
70. Other operating income	834,233
80. Administrative costs	(7,649,283)
a) payroll	(4,791,915)
including	
• wages and salaries	(3,356,412)
• social security charges	(954,036)
• termination indemnities	(228,889)
• pensions and similar commitments	(170,065)
b) other	(2,857,368)
85. Provisions for integrative social security benefits	(82,581)
90. Adjustments to tangible and intangible fixed assets	(1,008,905)
100. Provisions for risks and charges	(356,835)
110. Other operating expenses	(154,428)
120. Adjustments to loans and provisions for guarantees and commitments	(1,600,841)
130. Write-back of adjustments to loans and provisions for guarantees and commitments	469,155
140. Provisions for possible loan losses	(137,861)
150. Adjustments to financial fixed assets	(48,432)
160. Write-back of financial fixed assets	2,455
170. Income (Loss) from investments carried at equity	(4,752)
180. Income (Loss) from operating activities	1,491,689
190. Extraordinary income	1,980,651
200. Extraordinary charges	(870,174)
210. Extraordinary income (loss), net	1,110,477
230. Change in the reserve for general banking risks	(221,250)
240. Income taxes for the year	(630,480)
250. Income attributable to minority shareholders	(102,691)
260. Net income (loss) for the year	1,647,745

(in millions of lire)

	1998	Changes	
		amount	%
	16,803,961	(806,202)	(4.80)
10,904,580 3,080,104			
	(11,011,534)	(1,653,533)	(15.02)
(2,747,273) (4,875,370)			
10,632 29,785 -	40,417	144,493	357.51
	4,249,133	1,264,848	29.77
	(670,053)	170,414	25.43
	829,722	(1,098,140)	-
	734,693	99,540	13.55
	(6,497,271)	1,152,012	17.73
(4,128,988)		662,927	16.06
(2,867,259) (817,575) (200,936) (162,499) (2,368,283)		489,085	20.65
	(77,453)	5,128	6.62
	(771,321)	237,584	30.80
	(229,654)	127,181	55.38
	(188,041)	(33,613)	(17.88)
	(1,290,276)	310,565	24.07
	352,982	116,173	32.91
	(98,740)	39,121	39.62
	(42,434)	5,998	14.13
	1,436	1,019	70.96
	49,860	(54,612)	-
	2,185,427	(693,738)	(31.74)
445,335 (122,055)			
	323,280	787,197	243.50
	(40,104)	181,146	451.69
	(1,271,118)	(640,638)	(50.40)
	(67,560)	35,131	52.00
	1,129,925	517,820	45.83



Powers of Banca Intesa's Administrative Bodies

Pursuant to CONSOB Ruling 97001574 of 20th February 1997 powers attributed to Banca Intesa's Directors and Managers are indicated below.

Chairman of the Board of Directors

Pursuant to Art. 23 of the Company's Articles of Association the Chairman of the Board of Directors represents the Company before any third party, also in any judicial proceeding, and may sign in the name and on behalf of the Company.

In case of urgency - pursuant to Art. 19 of the Company's Articles of Association - the Chairman of the Board of Directors may take decisions normally attributed to the Executive Committee and the Board of Directors, whenever the Executive Committee could not meet, provided that decisions are not exclusively attributed to the Board. Should the Chairman be unavailable, the Deputy Chairman or, in his absence, the Managing Director and Chief Executive Officer have the same power. The competent Administrative Bodies must be informed of any such decisions in their first following meeting.

Executive Committee

Art. 20 of the Company's Articles of Association states that the Executive Committee must be appointed by the Board of Directors; the latter must also determine the period of the appointment, the powers and the operating terms.

It is made up of 5 to 8 members and must include the Chairman of the Board of Directors and the Managing Director and Chief Executive Officer, if appointed.

The current Executive Committee was appointed by the Board of Directors on 20th April 1999 and integrated on 14th December 1999. It will be in power until the Shareholders' Meeting for the approval of the 1999 financial statements.

The Executive Committee has the power to authorise - within the limits set forth by the Board of Directors - loan facilities, employment contracts, personnel promotions or dismissals, client transactions and purchase of goods and services.

Managing Director and Chief Executive Officer

Art. 19 of the Company's Articles of Association allows the Board of Directors, in respect of the Law and Company's Articles of Association, to delegate its powers to the Managing Director and Chief Executive Officer and to fix the limits of such delegation.

The current Managing Director and Chief Executive Officer was appointed by the Board of Directors on 16th April 1998 and will be in power until the Shareholders' Meeting for the approval of the 2000 financial statements.

The Managing Director and Chief Executive Officer has the same powers as the Executive Committee, for lower amounts.

General Manager and Chief Operating Officer

Pursuant to Art. 25 of the Company's Articles of Association the General Manager and Chief Operating Officer is the head of operating activities and exercises its functions within the powers attributed by the Board of Directors.

The General Manager and Chief Operating Officer in office was appointed by the Board of Directors held on 12th April 1999.

The General Manager and Chief Operating Officer has the same powers as the Managing Director and Chief Executive Officer, for lower amounts. In case of absence or unavailability, according to the criteria set forth by the Board of Directors, the General Manager and Chief Operating Officer is substituted by one of the Joint General Managers or, if unavailable, by one of the Deputy General Managers.

**Banca Intesa - Financial statements
as at 31st December 1999
Balance sheet**

Assets	31st December 1999	
20. Treasury bills and similar bills eligible for refinancing with central banks		66,765,460,977
30. Due from banks		6,217,078,129,023
a) repayable on demand	1,364,923,980,383	
b) other	4,852,154,148,640	
40. Loans to customers		4,656,435,170,215
50. Bonds and other debt securities		5,483,209,019,145
a) public entities	5,094,994,361,911	
b) banks	388,214,657,234	
c) financial institutions	-	
d) other issuers	-	
70. Equity investments		1,258,295,484,602
80. Investments in Group companies		21,284,929,395,782
90. Intangible fixed assets		161,622,718,787
including		
• start-up costs	49,892,996,408	
100. Tangible fixed assets		43,487,328,480
130. Other assets		3,841,635,344,958
140. Accrued income and prepaid expenses		64,289,544,718
a) accrued income	62,867,402,451	
b) prepaid expenses	1,422,142,267	
including		
• discounts on issued bonds	787,416,473	
Total Assets		43,077,747,596,687