

SECTION III

**INFORMATION REGARDING THE WARRANTS SUBJECT
TO THE LISTING**

I – INFORMATION REGARDING THE WARRANTS

1. Description of securities

- The Warrants for which admission to the official list is being sought are entitled «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».
- The Warrants are governed by the Regolamento contained in Annex A, which is an essential and integral part of this Listing Prospectus.
- The maximum number of Warrants to be issued will total 538,427,809.
- The Warrants are financial instruments in bearer form, freely transferable and will be traded separately from the underlying shares to which they originally related; such Warrants will be dematerialised and included in the centralised management system managed by Monte Titoli S.p.A.

2. Conditions, terms, basis and exercise price

Each Warrant will give the holder the right to sell to Intesa, who will be obliged to acquire, one BCI ordinary or one BCI saving share, currently of nominal value Lire 1,000 each.

Intesa will pay a fixed price for each BCI ordinary or BCI saving share of Euro 7.80 (seven point eight zero), save for the adjustments resulting from operations involving BCI's share capital or other transactions which impact on the value of the underlying shares specifically outlined in Art. 3 of the Regolamento. Any dividends or of any other kind paid out before November 15, 2002 will belong to BCI shareholders.

Requests for the exercise of Warrants should be presented to the Authorised Intermediaries, being those appointed in relation to the Offer for BCI Shares, during the period beginning on November 1, 2002 and expiring on the close of business on November 15, 2002 (inclusive). This will be made known to the general public in accordance with Art. 84 of the Regolamento CONSOB with an announcement published in at least one national daily newspaper with nationwide coverage in Italy.

The exercise of Warrants must occur in compliance with the following procedures: exercise notices must be presented to the Authorised Intermediaries 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 and to collect from Intesa the consideration. BCI shares which have not yet been included in the dematerialised centralised management system managed by Monte Titoli S.p.A. must be presented to Authorised Intermediaries, together with the relevant coupons at the exercise date of the

Warrant, in time for the dematerialisation procedures provided for in CONSOB resolution 11768 of October 23, 1998 to be carried out.

Intesa will pay the agreed price, following the exercise of the Warrants and the consequent sale of BCI underlying shares, on November 29, 2002, without charging any commissions or expenses to shareholders.

Any Warrants that are unexercised on and before the close of business on November 15, 2002 will expire and will no longer be validly exercisable or in any other way usable with Intesa.

In case of transactions involving BCI's share capital or other transactions which impact on the value of the underlying shares, the ratio and the exercise price will be adjusted as provided for in Art. 3 of the Regolamentoo.

If, following the operations contained in Art. 3 of the Regolamentoo (such as free increases in BCI's share capital), at the time of the exercise of Warrants the number of shares in respect of which Warrants are being exercised is not a whole number, the holder of the Warrants will deposit the lower whole number of shares and will not have any rights in respect of the remaining fraction.

Special management deposit account

The maximum value for the underlying BCI ordinary and BCI saving shares payable by Intesa, assuming the exercise of all Warrants that may be issued, totals Euro 4,199,736,910 (Lire 8,131,824,587,113).

Intesa has deposited in a Special Management Deposit Account maintained by it, debt securities issued by Sovereign Governments which are members of the Group of Industrialised (G7) Countries which are secured to guarantee timely payment of Intesa's obligation to pay the consideration due on exercise of the Warrants. Such securities currently have a market value corresponding to the aggregate amount payable if all Warrants that may be issued were to be exercised. Such securities will be sold and the amount received will be used to pay the consideration payable upon exercise of the Warrants, unless the funds required are available from other sources.

Twice a year Intesa will verify that the value of the securities deposited in the Special Management Deposit Account is sufficient and will notify Borsa Italiana S.p.A. and CONSOB of any addition thereto. In addition, twice a year, Intesa will notify Borsa Italiana S.p.A. and CONSOB of any variations in the composition of the securities portfolio so deposited.

3. Fiscal regime

Direct taxes

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

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

capital gains are registered as «other income» as set forth in Articles 81 and following of Presidential Decree 917 of December 22, 1986 («*TUIR*»).

Furthermore, in particular, Legislative Decree 461 of November 21, 1997 (D. Lgs 461/97) sets forth that such capital gains:

- 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% substitute 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% substitute 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 considers any potentially incurred capital losses.

In case of exercise of the right with subsequent sale of BCI Shares at a fixed price, costs sustained for the purchase of the warrant or the acquisition value, pursuant to the rules contained in Art. 82, par. 6, letter e) of *TUIR*, are not automatically calculated; in this case in the determination of taxable income following the sale of BCI Shares, the consideration for BCI Shares is calculated as the difference between the sale price (Euro 7.80) and purchase cost or value of the Warrants.

If the right is not exercised, the cost incurred in the purchase of the Warrant represents a capital loss which is relevant for tax purposes pursuant to rules contained in Art. 82, par. 7, of TUIR.

Capital gains realised by non-resident investors following the sale of warrants on regulated markets also through intermediaries are tax exempt since they are considered to be outside the Italian territory pursuant to Art. 20 TUIR. As far as sales which are not carried out on regulated markets are concerned, non-resident investors are subject to the 12.50% substitute tax rate and pursuant to the different regimes provided for in Articles 5, 6 and 7 of D.Lgs. 461/97, unless conditions described in Art. 5, par. 5, of D.Lgs. 461/97 (investors resident in so-called «white list» Countries presenting appropriate documentation) occur or a specific regulation, or a convention, applies.

In the case of exercise of the right by non-resident investors, reference should be made to the above-mentioned provisions regarding resident investors which do not carry out economic activities; the cost of the option is irrelevant for fiscal purposes. The only exception is the possible sale of «qualified» equity investments pursuant to Art. 81, par. 1, letter c) of TUIR (equity investments which represent a total 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%).

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

Capital gains realised by Pension funds are excluded from specific taxation regimes as set forth in Legislative Decree 124 of April 21, 1993.

With regard to companies, capital gains realised are part of the taxable income according to specific provisions contained in TUIR or in connected regulations regarding investment in securities.

Indirect taxes

The tax applied to stock exchange contracts contained in R.D. 3278 of December 30, 1923 is not applicable to the sale of these warrants on regulated markets.

Pursuant to provisions contained in Articles 2 and 10 of Presidential Decree 633 of October 26, 1972, the sale of warrants by taxable parties (companies and individuals carrying out artistic or professional activities as described in Articles 4 and 5 of the above-mentioned D.P.R. 633/72) are exempt from VAT.

4. Issue regime

The Warrants are financial instruments in bearer form, freely transferable and subject to the issue regime provided for in Legislative Decree 213 of June 24, 1998 and by CONSOB resolution 11768/98 which deals with financial instruments' dematerialisation regime.

The Warrants will be traded separately from the shares to which they originally relate, starting from the issue date.

5. Transfer restrictions

There are no limitations on the transferability of the Warrants under Italian law or in the terms of the issue.

6. Places where the general public may inspect the offer document

The Offer Document is available to the general public by means of:

- 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.

II – INFORMATION REGARDING RECENT TRANSACTIONS INVOLVING THE WARRANTS

1. Introduction

The Warrants will be issued following the Public Exchange Offer described in Chapter I, Paragraph 1 above.

Such Offer entails, as consideration, the exchange of 1.65 Intesa newly issued ordinary shares for each of BCI ordinary or saving shares to which the Offer applies, of nominal value Lire 1,000 each.

The Offer will be valid from September 27, 1999 to close of business on October 15, 1999 (inclusive), save for possible extensions.

2. Total amount of the issue

At the time of the verification of acceptances of the Offer and allotment of Intesa Shares, if the number of accepting ordinary and/or saving shares exceeds the number of BCI Shares for which the Offer is made, the Offeror, when allotting the Intesa Shares as payment will give to each Accepting Shareholder, for each BCI share tendered and not

exchanged by the Offeror in the proportional allotment of Intesa Shares, one Warrant representing the right to exercise an option to sell one BCI ordinary or one BCI saving share, as the case may be, currently of nominal value Lire 1,000 each.

The maximum number of Warrants which may be issued will total 538,427,809 and such Warrants will give the right to sell up to a maximum of 538,427,809 BCI shares in aggregate.

3. Resolutions, mandates and official authorisations

The Extraordinary Shareholders Meeting held, on first call, on August 17, 1999 resolved, under the terms and for the purpose of Art. 2441, par. 4, of the Italian Civil Code, to increase Intesa's share capital by up to a maximum nominal value of Lire 2,072,947,067,000 by way of the issue of up to a maximum of 2,072,947,067 ordinary shares of nominal value Lire 1,000 each which start to accrue rights as of January 1, 1999, to be reserved for BCI shareholders who accept the Offer and to be exchanged for BCI Shares. This 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.

The transaction to which the Offer applies, resolved upon by Intesa's Board of Directors on June 30, 1999, has been authorised by Bank of Italy with communication no. 38379 of August 16, 1999.

Moreover, the communications pursuant to Art. 16 of Law 287 of October 10, 1990 ("*Norme per la tutela della concorrenza e del mercato*") have been delivered to the Autorità Garante della Concorrenza e del Mercato (Italian Antitrust Authority) and to the Bank of Italy.

The Italian Stock Exchange (Borsa Italiana S.p.A.), with its ruling no. 644 of September 21, 1999, has resolved to admit the Warrants to listing, conditional upon CONSOB's approval of the publication of the Listing Prospectus and the verification of a sufficient distribution of the Warrants among the public. On September 23, 1999 CONSOB issued the approval for the publication of the Listing Prospectus which was deposited with CONSOB on September 23, 1999.

The date on which trading of the Warrants will commence 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 which is the same as the minimum quantity of BCI shares tradeable on the Market. After the Offer, should BCI shares tendered and not exchanged not be equal to the minimum trading quantity or multiples thereof, BCI shareholders will receive a number of Warrants which will not correspond to the minimum quantity tradeable on the Market or multiples thereof.

4. Assignment of Warrants

Warrants will be transferred together with the transfer of Intesa Shares, as provided for in paragraph h.1.1 of the Offer Document, and, therefore, within 5 (five) bank working days from the date when all the following conditions have been satisfied:

- a) obtaining the authorisations provided for in Legislative Decree 385 of September 1, 1993 ("*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 approval from BCI shareholders holding a 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.
- c) levels of acceptance 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 off 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 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 which limit the exercise of voting rights attaching to shares in excess of 5% of the ordinary voting capital. For this purpose, it should be noted that 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 in the previous 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.

5. Other Information

For further information relating to the Offer, investors must refer to the Offer Document which is available as described in Chapter I, Paragraph 7 above.

SECTION IV

INFORMATION REGARDING THE UNDERLYING SHARES

I – INFORMATION REGARDING BANCA COMMERCIALE ITALIANA ORDINARY SHARES

1. Description of securities

BCI ordinary shares have nominal value Lire 1,000 each, considering the stock split and stock consolidation of old BCI shares of nominal value respectively Lire 5,000 and Lire 500 each, as set forth in Art. 13 of Articles of Association in force.

BCI ordinary and saving shares underlying the Warrants total a maximum of Lire 538,427,809, corresponding to 30% of BCI's current share capital, equal to up to a maximum of 535,309,707 ordinary shares and up to a maximum of 3,118,102 saving shares.

2. Rights associated to securities

Ordinary shares are registered in the name of the holder and give the holder the right to attend Ordinary and Extraordinary Shareholders Meeting.

As set forth in Art. 13, «... in the Meetings, each shareholder has the right to vote twice per each ordinary share of nominal value Lire 1,000 held, both newly issued and resulting from the stock split of old shares of nominal value Lire 5,000 each or the consolidation of old shares of nominal value Lire 500 each. Until the stock split or the consolidation of all old shares involved is completed, each ordinary share of nominal value Lire 5,000 each will give the holder the right to ten votes and each ordinary share of nominal value Lire 500 will give the holder the right to one vote...»

Allocation of net income

Pursuant to Art. 35 of the Articles of Association, net income for the year is allocated as follows:

- a) a percentage, which is proposed by the Board of Directors, is transferred to the legal reserve, pursuant to legal requirements in force;
- b) a preferred dividend (corresponding to 5% of their nominal value) is attributed to saving shares;
- c) before any other allocations, following a proposal made by the Board of Directors, the Shareholders Meeting may resolve upon the creation or increase of reserves considered to be necessary or appropriate to reinforce Shareholders equity;
- d) residual earnings retained following the aforesaid assignments, made available for distribution by the Shareholders Meeting are allocated between all types of shares so that the dividend per saving share will be 3% of nominal value of the share higher than that per ordinary share;

- e) the allocation of any residual income is resolved upon by the Shareholders Meeting following a proposal made by the Board of Directors;
- f) if the dividend is less than that specified in b) and d) above, the difference is added to the preferred dividend paid with respect to the following two accounting periods. Dividends unclaimed within 5 years from the date of payment are remitted to the Company in accordance with Art. 36 of the Articles of Association.

3. Date as of which shares start to accrue rights

Ordinary shares which will be sold to Intesa following the exercise of the Warrants will have the same characteristics of those already listed and shall therefore have the coupon in accrual at the exercise date.

4. Fiscal regime

Dividends

The new version of 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 equity investments held by resident individual investors 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%. Saving shares are not eligible to be included in «qualified» equity participations.

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

Dividends relating to ordinary shares held by non-resident investors are subject to a final 27% withholding tax rate or to the most favourable treatment provided for in any 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 following of 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 TUIR and its amendments contained in 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 UCITS, 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 on shares after July 1, 1998 by:

- individual investors (for operations which are not part of their economic activities),
- "simple" companies 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 set forth in Articles 81 and following of TUIR.

Furthermore, in particular, D. Lgs. 461/97 sets forth 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% substitute 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% substitute tax rate levied by the asset manager.

In general, capital gains are calculated as the difference between the price at which the security is sold and the purchase cost or value, 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 considers 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 UCITS, subject to the regime provided for in Art. 8 of D. Lgs. 461/97, capital gains are part of the annual return on assets under management.

Capital gains realised by Pension funds are excluded from specific taxation regimes as set forth in Legislative Decree 124 of April 21, 1993.

Capital gains realised by non-resident investors following the sale of «qualified» equity investments in resident companies on regulated markets are 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 TUIR or by connected regulations regarding investment in securities.

5. Issue regime

The shares are registered in the name of the holder and freely transferable according to the issue regime provided for ordinary shares issued by listed companies which are subject to Italian law.

6. Transfer restrictions

There are no limitations on the transferability of the shares, with the exception of the provision contained in Art. 8 of the Articles of Association which limits a single shareholder from holding shares representing more than 5% of the voting capital and limits the exercise of voting rights pertinent to shares in excess than 5% of the ordinary voting capital.

The deletion of the aforesaid provisions set forth in the Articles of Association is one of the conditions to which the Offer is subject, as indicated in Section III, Chapter II, Paragraph 1.

7. Listing

BCI ordinary shares are currently traded in Italy on the information system of the Italian Stock Exchange (Borsa Italiana S.p.A.) and on the SEAQ International in London. Minimum and maximum reference prices of the shares in the last six months have been as follows:

ORDINARY SHARES - M.T.A. - year 1999		
	Minimum in euro	Maximum in euro
March	5,4610	7,7260
April	7,0890	7,8140
May	6,6760	7,8000
June	6,7490	7,2180
July	6,4700	7,0840
August	5,9620	6,7000

II – INFORMATION REGARDING BANCA COMMERCIALE ITALIANA SAVING SHARES

1. Description of securities

BCI saving shares have a nominal value of Lire 1,000 each.

BCI ordinary and saving shares underlying the Warrants total a maximum number of 538,427,809, corresponding to 30% of BCI's current share capital, equal to up to a maximum of 535,309,707 ordinary shares and up to a maximum of 3,118,102 saving shares.

2. Rights associated to securities

Saving shares give the holder the right to intervene and vote in the special Saving Shareholders Meeting. They do not give the holder the right to vote in the Ordinary and Extraordinary Shareholders Meetings.

The right to convert saving shares into ordinary shares within fixed terms may be attributed to the holders of saving shares by an Extraordinary Shareholders Meeting resolution.

As far as allocation of net income is concerned, please refer to the relevant provisions contained in Chapter I, Paragraph 2 above. Should the reserves be distributed, saving shares have the same rights as other shares.

The reduction in share capital following losses does not include the reduction in the nominal value of saving shares with the exception of the part which exceeds the total nominal value of other shares. In the case of exclusion from negotiations in regulated markets of the Company's ordinary or saving shares, the latter maintain their rights and characteristics,.

Dividends unclaimed within 5 years from the date of payment are remitted to the Company in accordance with Art. 36 of the Articles of Association.

The holders of saving shares or, if appointed, their Common Representative, will be informed on Company operations approved by the Board of Directors which may influence the price of such class of shares.

3. Date as of which shares start to accrue rights

Saving shares which will be sold to Intesa following the exercise of Warrants will have the same characteristics as those already listed and shall therefore have the coupon in accrual at the exercise date.

4. Fiscal regime

Dividends

The new version of Art.27 of Presidential Decree 600 of September 29, 1993, as amended by Art.12, par. 4 of Legislative Decree 461 of November 21, 1997 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 equity investments held by resident individual investors 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;

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 TUIR and its amendments contained in 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.

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

Dividends relating to ordinary shares held by non-resident investors are subject to a final 12.50% withholding tax rate or to the most favourable treatment provided for in double taxation treaties in force.

For Italian and assimilated UCITS, 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.

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

Capital gains

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

- individual investors (for operations which are not part of their economic activities),
- "simple" companies 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 set forth in Articles 81 and following of TUIR.

Furthermore, in particular, D. Lgs. 461/97 sets forth 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% substitute 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% substitute tax rate levied by the asset manager.

In general, capital gains are calculated as the difference between the price at which the security is sold and the purchase cost or value, 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 considers any potentially incurred capital losses.

For Italian and assimilated UCITS, subject to the regime provided for in Art. 8 of D. Lgs. 461/97, capital gains are part of the annual return on assets under management.

Capital gains realised by Pension funds are excluded from specific taxation regimes as set forth in Legislative Decree 124 of April 21, 1993.

Capital gains realised by non-resident investors following the sale of «qualified» equity investments in resident companies on regulated markets are 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 TUIR, or by connected regulations regarding investment in securities.

5. Issue regime

Shares may be in bearer form and are freely transferable in accordance with the issue regime provided for saving shares issued by listed companies subject to Italian law.

6. Transfer restrictions

There are no limitations on the transferability of the shares under the law, the Articles of Association and in the terms of the issue.

7. Listing

BCI ordinary shares are currently listed in Italy on the information system of the Italian Stock Exchange (Borsa Italiana S.p.A.).

Minimum and maximum reference price of shares in the last semester have been as follows:

SAVING SHARES - M.T.A. - year 1999		
	Minimum in euro	Maximum in euro
March	4,7540	7,4560
April	6,6820	7,2000
May	5,5500	6,6990
June	5,5900	6,1060
July	6,4000	6,9820
August	5,8000	6,6000

III – INFORMATION REGARDING RECENT TRANSACTIONS INVOLVING BANCA COMMERCIALE ITALIANA SHARES

1. Introduction

Please refer to Section III, Chapter II, Paragraph 1.

2. Total amount of the Offer

Please refer to Section III, Chapter I, Paragraph 1.

3. Parties to which the Offer is made

The Offer will be made to all BCI ordinary and saving shareholders, indiscriminately and at the same conditions.

4. Basis, terms and conditions for accepting the Offer

Please refer to point d.6 of the Offer Document.

5. Information regarding recent transactions involving the Issuer's securities

Neither public purchase or exchange offers made by third parties on BCI shares nor public exchange offers made by BCI on shares or quotas belonging to another company or entity have been registered during 1999 and the previous year. The only exception is the Public Exchange Offer described in greater detail in Section III, Chapter II.