

**BASE PROSPECTUS SUPPLEMENT AND SUPPLEMENTARY OFFERING
CIRCULAR DATED 9 OCTOBER 2006 TO THE BASE PROSPECTUS AND
OFFERING CIRCULAR DATED 25 NOVEMBER 2005**

SANPAOLO IMI GROUP

SANPAOLO IMI S.p.A.

(incorporated with limited liability in the Republic of Italy)

as an Issuer and as a Guarantor
and

SANPAOLO IMI BANK (INTERNATIONAL) S.A.

(registered and domiciled with limited liability in the Madeira International Business Centre, Portugal)

and

SANPAOLO IMI BANK IRELAND PLC

(incorporated and registered in Ireland with Registration No: 125216)

as Issuers

**Euro 20,000,000,000
Euro Medium Term Note Programme**

This base prospectus supplement and supplementary offering circular (the "**Supplement**") to the Base Prospectus and Offering Circular dated 25 November, 2005, as previously supplemented by a supplement dated 18 July, 2006 (the "**Base Prospectus and Offering Circular**"), constitutes a base prospectus supplement for the purposes of Directive 2003/71/EC and is prepared in connection with the €20,000,000,000 Euro Medium Term Note Programme (the "**Programme**") (now being increased to €30,000,000,000) established by Sanpaolo IMI S.p.A. ("**Sanpaolo IMI**"), Sanpaolo IMI Bank (International) S.A. ("**Sanpaolo IMI Bank**") and Sanpaolo IMI Bank Ireland PLC ("**Sanpaolo IMI Bank Ireland**" and together with Sanpaolo IMI and Sanpaolo IMI Bank, the "**Issuers**"). Application has been made to the Irish Financial Services Regulatory Authority, as competent authority under Directive 2003/71/EC, for the Supplement to be approved.

Terms defined in the Base Prospectus and Offering Circular have the same meaning when used in this Supplement. This Supplement is supplemental to, and should be read in conjunction with, the Base Prospectus and Offering Circular and any other base prospectus supplements or supplementary offering circulars to the Base Prospectus and Offering Circular.

Each of the Issuers accepts responsibility for the information contained in this Supplement. To the best of the knowledge and belief of the Issuers (each of which has taken all reasonable care to ensure that such is the case) the information contained in this Supplement is in accordance with the facts and does not omit anything likely to affect the import of such information.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus and

Offering Circular by this Supplement and (b) any other statement in or incorporated in the Base Prospectus and Offering Circular, the statements in (a) above will prevail.

Save as disclosed in this Supplement and any supplement previously issued, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus and Offering Circular which is capable of affecting the assessment of Notes issued under the Programme since the publication of the Base Prospectus and Offering Circular.

Increase in the amount of the Programme

The Issuers have resolved to increase to Euro 30,000,000,000 the aggregate nominal amount of the Notes which may be outstanding at any time under the Programme.

This increase in the amount of the Programme has been duly authorised by a resolution of the Board of Directors of Sanpaolo IMI passed on 25 July, 2006, by a resolution of the Board of Directors of Sanpaolo IMI Bank passed on 25 July, 2006 and by a resolution of the Board of Directors of Sanpaolo IMI Bank Ireland passed on 5 September, 2006.

Financial Statements

On 12 September, 2006 Sanpaolo IMI approved its consolidated unaudited interim financial statements as at and for the six month period ended 30 June, 2006 and issued a press release in relation to this (the "**Press Release**"). A copy of the Press Release has been filed with the Irish Stock Exchange and also with the Irish Financial Services Regulatory Authority and, by virtue of this Supplement, the information contained in the Press Release is incorporated in, and forms part of, the Base Prospectus and Offering Circular.

Copies of the Press Release are available, in electronic form, from the registered office of each Issuer, the website of the Guarantor (www.sanpaolo.com) and from the specified offices of the Irish Paying Agent.

Merger with Banca Intesa

On 26 August 2006, the Board of Directors of Sanpaolo IMI approved a project to merge with Banca Intesa S.p.A. ("**Banca Intesa**"). The terms of the merger envisage a tender exchange offer in the ratio of 3.115 ordinary shares of Banca Intesa for each Sanpaolo IMI ordinary share. The provisional timetable for the merger, which is subject to necessary authorisations, envisages the approval and publication of an industrial plan by the middle of November 2006, Extraordinary Shareholders' Meetings in December 2006 and the subsequent act of registration of the merged entity.