

SUPPLEMENTARY INFORMATION MEMORANDUM



INTESA BANK IRELAND p.l.c.

(incorporated with limited liability in Ireland under registered number 217741)

as Issuer of ECP Notes

and

INTESA FUNDING LLC

(a Delaware limited liability company)

as Issuer of USCP Notes

and

INTESA SANPAOLO S.p.A.

(incorporated as a società per azioni in the Republic of Italy)

as Guarantor

U.S.\$10,000,000,000
Global Commercial Paper Programme
for the issuance of Euro-commercial paper
and US commercial paper

The date of this Supplementary Information Memorandum is 17 January 2007.

This Supplementary Information Memorandum (the **Supplementary Information Memorandum**) is supplementary to the Information Memorandum dated 4 August 2006 and the Supplementary Information Memorandum dated 5 December 2006 (together, the **Information Memorandum**) and should be read in conjunction with the Information Memorandum. Terms defined in the Information Memorandum have the same meaning when used in this Supplementary Information Memorandum and references in the Information Memorandum to “this Information Memorandum” include this Supplementary Information Memorandum.

Each of the Issuers and the Guarantor takes responsibility for the contents of this Supplementary Information Memorandum and confirms that to its knowledge, the information contained in this document is true and does not contain any misrepresentation which would make it misleading.

To the extent that there is any inconsistency between (a) any statement in this Supplementary Information Memorandum and (b) any other statement in or incorporated by reference in the Information Memorandum, the statements in (a) above will prevail.

Save as provided below, there has been no significant change affecting any matter contained in the Information Memorandum nor has a significant new matter in respect of either of the Issuers or the Guarantor arisen, the inclusion of information in respect of which would have been required to be in this Supplementary Information Memorandum if it had arisen before this Supplementary Information Memorandum was issued.

Merger by incorporation of Sanpaolo IMI S.p.A. with and into Banca Intesa S.p.A.

The merger by incorporation of Sanpaolo IMI S.p.A. with and into Banca Intesa S.p.A. has become legally effective as of 1 January 2007. The merged entity has adopted the new corporate name Intesa Sanpaolo S.p.A.

The organisational structure of the Intesa Sanpaolo Group

Gruppo Sanpaolo IMI in its configuration at the date of the merger into Banca Intesa was the result of the merger between Istituto Bancario San Paolo di Torino and Istituto Mobiliare Italiano, which occurred in 1998, and the subsequent integrations of Banco di Napoli in 2000 and Gruppo Cardine in 2002. Gruppo Sanpaolo IMI was capable of successfully integrating and exploiting the diversities of its component parts, as shown by the adoption of the “National Territorial Bank” model, involving the maintenance and promotion of regional brands.

Gruppo Intesa was also the result of a series of mergers: it was formed in 1998 from the merger of Cariplo and Ambroveneto, in 1999 Cassa di Risparmio di Parma e Piacenza and Banca Popolare FriulAdria joined the group and in 1999 the tender offer of 70 per cent. of Banca Commerciale Italiana was launched and the latter subsequently incorporated into the group in 2001.

Considering the increasing acceleration of consolidation in the domestic banking system, the proven capability of growing via integration processes and the excellent results achieved, the merger between Sanpaolo and Intesa is consistent with the history and strategy of the two groups.

The Intesa Sanpaolo Group formed from the merger operates in Italy:

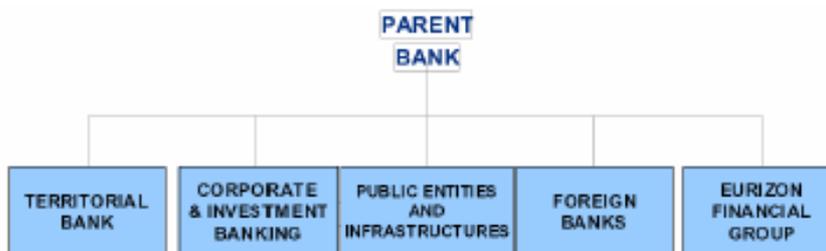
– in terms of distribution network, with about 5,500 branches (a figure which takes into account the disposals set forth by the plan for the merger) with a uniform geographic coverage of the entire country, particularly in the wealthiest regions;

- in the retail, private and SME segments, with a retail customer base of 12 million;
- in corporate & investment banking, in factoring, in trade finance, in the areas of project and acquisition finance and syndicated lending, in the capital markets segment and in marketmaking activities;
- in the public entities and infrastructures sector;
- in asset management and bancassurance, where with Eurizon and Eurizon Vita, in terms of the issuance of insurance premiums in the life branch, it will further benefit from an agreement between Banca Intesa and Crédit Agricole S.A. in asset management.

Furthermore, the Intesa Sanpaolo Group, due to the complementary presence of Sanpaolo IMI and Banca Intesa in the markets of Central and Eastern Europe has considerably strengthened its coverage and commercial effectiveness in this area, where it was among the leading players in 10 countries, with approximately 1,370 branches and total assets of approximately 25 billion euro (taking into account the acquisitions under way).

The consolidation of presence in Central and Eastern Europe set the foundations for development in new areas, such as in particular in the Mediterranean Basin, where former Sanpaolo IMI recently acquired, for a consideration of 1.6 billion dollars, an 80 per cent. controlling interest in Bank of Alexandria, the third largest bank in Egypt by assets, with total assets of almost 5 billion euro.

The principal action plans in the five macro-areas into which the Intesa Sanpaolo Group's activities fall are set out below.



For its retail, private and SME activities, the Intesa Sanpaolo Group intends to provide customers (retail, private and SME) with the financial tools for realisation of their respective projects. The physical channels are accompanied by a high-quality network of remote channels – phone banking, mobile banking and internet banking. The integration is expected to lead to very high levels of effectiveness (quality of operations and service) and efficiency (lower unit costs) with significant advantages for customers in terms of simplicity and competitiveness of services.

The mission of the corporate & investment banking division is to support the balanced and sustainable development of medium/large companies and financial institutions with a medium-long term view, both nationally and internationally. In this perspective the division is a “global partner” with an in-depth knowledge of corporate strategies and a complete offer of financing services, financial consulting and capital markets to support them. Furthermore, a key element of the Intesa Sanpaolo Group’s growth strategy in Corporate & Investment Banking is the continuous improvement in its risk management capacity through a combination of the best methods, tools and processes of the two merged groups and more complete information on customers.

In the public entities and infrastructures sector, the Intesa Sanpaolo Group plans to be involved in the financing of infrastructures and services for public utilities, with specialised product teams and a dedicated network. Taking advantage of its distinctive competences and of the critical mass developed in Italy in this sector, the Intesa Sanpaolo Group plans to be involved in identifying and pursuing

development opportunities abroad, particularly with respect to the financing of public works in strategic countries for the Intesa Sanpaolo Group.

As concerns retail subsidiary banks in other countries, first of all, the Intesa Sanpaolo Group aims to consolidate and strengthen its presence in Central and Eastern Europe and, eventually, in the Mediterranean Basin. To this end, in addition to a gradual process of simplification of structures in those countries (especially Hungary and Serbia) in which the Intesa Sanpaolo Group has more than one commercial bank as a result of the merger, the construction of a consolidated regional technological and operating platform serving all banks of the Intesa Sanpaolo Group in Central and Eastern Europe will be evaluated.

Lastly, in the asset management and bancassurance sectors, the agreement stipulated on 11 October 2006 by Banca Intesa S.p.A. and Crédit Agricole S.A. opens up new opportunities for the Intesa Sanpaolo Group, strengthening the development prospects of Eurizon. This company is therefore expected to confirm the plan for organic and external growth already initiated: there are substantial opportunities for development both on the demand side, in terms of new pension products, medium-term savings and the protection of people and their income, as well as on the supply side, in consideration of the consolidation processes underway among operators and the trend towards progressive separation of service producers and distributors on the market.

In bancassurance, in particular, Intesa Sanpaolo Group operates through Intesa Vita and Eurizon, two important companies which are market leaders in the sector. The business plan will define the most appropriate ways to enhance these assets.

Change in Ratings

On 15 January 2007, Standard and Poor's Ratings Services confirmed that Notes issued under the Programme are rated A-1+ and Fitch Ratings confirmed that Notes issued under the Programme are rated F-1+. Moody's Investors Service's rating remains unchanged.