



## DEXIA CREDIOP S.p.A.

*(Incorporated with limited liability in the Republic of Italy)*

**€8,000,000,000**

### ***Euro Medium Term Note Programme***

Under this €8,000,000,000 Programme (the “*Programme*”), DEXIA CREDIOP S.p.A. (the “*Issuer*”) may from time to time issue non-equity securities within the meaning of Article 22 no. 6(4) of the Commission Regulation (EC) No. 809/2004 of 29th April, 2004 (the “*Notes*”) denominated in any currency agreed with the relevant Dealer(s) (as defined below).

Subject as set out herein, Notes governed by Italian law and placed in Italy will have a minimum average maturity of two years. The maximum aggregate nominal amount of all Notes from time to time outstanding will not exceed €8,000,000,000 (or its equivalent in other currencies at the times of agreement to issue calculated as described herein). A description of the restrictions applicable at the date of this Base Prospectus relating to the maturity of certain Notes is set out on page 12.

The Notes will be issued to one or more of the Dealers specified on page 12 (each a “*Dealer*” and together the “*Dealers*”, which expression shall include any additional Dealer appointed under the Programme from time to time) on a continuing basis or for a specific issue. References in this Base Prospectus to the “*relevant Dealer*” shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe for such Notes.

**An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”.**

The Notes of each Series (as defined herein) will be either Registered Notes or Bearer Notes (each as defined herein). Registered Notes may be sold by a Dealer to qualified institutional buyers (“*QIBs*”) within the meaning of Rule 144A under the U.S. Securities Act of 1933, as amended (the “*Securities Act*”) or placed privately with institutional accredited investors (as defined in Rule 501(a) under the Securities Act) that are not QIBs (“*Institutional Accredited Investors*”).

Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating(s) assigned to the Programme. The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 (the “*CRA Regulation*”) will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

As more fully set out in “*Terms and Conditions of the Notes – Taxation*” on page 86 and subject to the exceptions provided for therein, the Issuer shall not be liable to pay any additional amounts to holders of the Notes issued by it and having a certain minimum average maturity with respect to any payment, withholding or deduction pursuant to Italian Legislative Decree No. 239 of 1st April, 1996 (or as may subsequently be amended or supplemented) and related regulations of implementation which are or may subsequently be enacted (“*Legislative Decree No. 239*”) on account of “*imposta sostitutiva*” as defined therein in relation to interest or other amounts payable in respect of any Note.

In order to obtain exemption at source from the relevant “*imposta sostitutiva*” under Legislative Decree No. 239 in respect of payments of interest, principal or other amounts, each non-Italian resident holder of the Notes is required to provide a declaration valid until it is revoked in which such Noteholder declares that he meets the exemption requirements set forth in Article 6, 1st paragraph of Legislative Decree No. 239, all as more fully set out in “*Tax—Italy*”. In the absence of the foregoing declaration, payments of interest, principal or other amounts relating to the Notes are subject to an “*imposta sostitutiva*” at a rate of 12.5 per cent.

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “*CSSF*”) in its capacity as competent authority under the Luxembourg Act dated 10th July, 2005 on prospectuses for securities to approve this document as a Base Prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange.

Any person (an Investor) intending to acquire or acquiring any securities from any person (an Offeror) should be aware that, in the context of an offer to the public as defined in the Prospectus Directive, the Issuer may be responsible to the Investor for the Base Prospectus only if the Issuer is acting in association with that Offeror to make the offer to the Investor. Each Investor should therefore verify with the Offeror whether or not the Offeror is acting in association with the Issuer. If the Offeror is not acting in association with the Issuer, the Investor should check with the Offeror whether anyone is responsible for the Base Prospectus for the purposes of Article 6 of the Prospectus Directive as implemented by the national legislation of each EEA Member State in the context of the offer to the public, and, if so, who that person is. If the Investor is in any doubt about whether it can rely on the Base Prospectus and/or who is responsible for its contents it should take legal advice.

The minimum denomination of each Note issued under this Programme will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).

#### **Arrangers**

**BofA Merrill Lynch**

**DEXIA Capital Markets**

#### **Dealers**

**Banca IMI**

**Barclays Capital**

**BofA Merrill Lynch**

**Credit Suisse**

**Deutsche Bank**

**Dexia Capital Markets**

**DEXIA CREDIOP S.p.A.**

**J.P. Morgan**

**Société Générale Corporate & Investment Banking**

**UniCredit Bank**



This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “*Prospectus Directive*”) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State of the European Economic Area).

The Issuer declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility accordingly.

**The previous paragraph should be read in conjunction with the 9th paragraph on the first page of this Base Prospectus.**

**AN INVESTOR INTENDING TO ACQUIRE OR ACQUIRING ANY NOTES FROM AN OFFEROR WILL DO SO, AND OFFERS AND SALES OF THE NOTES TO AN INVESTOR BY AN OFFEROR WILL BE MADE, IN ACCORDANCE WITH ANY TERMS AND OTHER ARRANGEMENTS IN PLACE BETWEEN SUCH OFFEROR AND SUCH INVESTOR INCLUDING AS TO PRICE, ALLOCATIONS AND SETTLEMENT ARRANGEMENTS. THE ISSUER WILL NOT BE A PARTY TO ANY SUCH ARRANGEMENTS WITH INVESTORS (OTHER THAN THE DEALERS) IN CONNECTION WITH THE OFFER OR SALE OF THE NOTES AND, ACCORDINGLY, THIS BASE PROSPECTUS AND ANY FINAL TERMS WILL NOT CONTAIN SUCH INFORMATION. THE INVESTOR MUST LOOK TO THE OFFEROR AT THE TIME OF SUCH OFFER FOR THE PROVISION OF SUCH INFORMATION. THE ISSUER HAS NO RESPONSIBILITY TO AN INVESTOR IN RESPECT OF SUCH INFORMATION.**

The Issuer has confirmed to the Dealers that this Base Prospectus (including for this purpose, each relevant Final Terms) contains all information which is (in the context of the Programme and the issue, offering and sale of the Notes) required; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions, expectations or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such expectations, opinions, predictions or intentions not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Application has been made for Notes to be issued under the Programme during the period of 12 months from the date of this Base Prospectus to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. Notice of the aggregate nominal amount of, interest (if any) payable in respect of, the issue price of, and any other terms and conditions not contained herein which are applicable to each Tranche of Notes will be set forth in the applicable final terms (the “*Final Terms*”) which, will be filed with the CSSF. This Base Prospectus will be valid for a period of 12 months from the date hereof.

The Programme provides that Notes may be listed or admitted to trading, as the case may be on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. The Issuer may also issue unlisted Notes and/or Notes not admitted to trading on any market.

This Base Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” on page 30).

The Dealers have not separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by the Dealers as to the accuracy or completeness of the information contained in this Base Prospectus or any other information provided by the Issuer in connection with the Programme or the Notes or their distribution. The Dealers do not accept any liability in relation to the information contained in this Base Prospectus or any other

information provided in connection with the Notes. The statements made in this paragraph are made without prejudice to the responsibility of the Issuer.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other information supplied in connection with the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer or any of the Dealers.

Neither this Base Prospectus nor any other information supplied in connection with the Notes is (i) intended to provide the basis of any credit or other evaluation or (ii) should be considered as recommendations by the Issuer or any of the Dealers that any recipient of this Base Prospectus or any other information supplied in connection with the Notes should purchase any of the Notes. Each investor contemplating purchasing any of the Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Notes constitutes an offer or invitation by or on behalf of the Issuer or any of the Dealers to any person to subscribe for or to purchase any of the Notes.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Notes is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers expressly do not undertake to review the financial condition or affairs of the Issuer or any of the subsidiaries of the Issuer during the life of the Programme.

The distribution of this Base Prospectus and the offer or sale of the Notes may be restricted by law in certain jurisdictions. The Issuer and the Dealers do not represent that this document may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, unless specifically indicated to the contrary in the applicable Final Terms, no action has been taken by the Issuer or the Dealers which is intended to permit a public offering of any Notes or distribution of this document in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Base Prospectus nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations and the Dealers have represented that all offers and sales by them will be made on the same terms. Persons into whose possession this Base Prospectus or any Notes come, must inform themselves about, and observe, any such restrictions. In particular, there are restrictions on the distribution of this Base Prospectus and the offer or sale of the Notes in the United States, the European Economic Area (including the United Kingdom, Italy and France) and Japan (see “Subscription and Sale” below).

The Notes have not been and will not be registered under the Securities Act and may be offered and sold in the United States solely pursuant to transactions exempt from the registration requirements of the Securities Act. In addition, as a consequence of Legislative Decree No. 239, Notes issued by DEXIA CREDIOP S.p.A. cannot be deposited with the Depository Trust Company (“DTC”) as custodian without giving rise to the application of certain Italian withholding taxes on the payments of interest thereon. Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche (as defined herein) of such Series sold outside the United States in reliance on Regulation S under the Securities Act will be represented by a permanent global Note in registered form, without interest coupons, (each a “*Reg. S Global Note*”) deposited with a custodian for, and registered in the name of a nominee of DTC for the accounts of Euroclear Bank SA/NV (“*Euroclear*”) and Clearstream Banking, société anonyme (“*Clearstream, Luxembourg*”). Prior to the date that is 40 days after the later of the commencement of the offering and the closing date for the issue of each Tranche, beneficial interests in a Reg. S Global Note may not be exchanged for Registered Notes in definitive form. The Registered Notes of each Tranche of such Series sold to QIBs in reliance on Rule 144A under the Securities Act will be represented by a restricted permanent global Note in registered form, without interest coupons, (each a “*Restricted Global Note*” and, together with a Reg. S Global Note, “*registered global Notes*”) deposited with a custodian for, and registered in the name of a nominee of,

DTC. Registered Notes represented by registered global Notes will trade in DTC's Same-Day-Funds Settlement System and secondary market trading activity in such Registered Notes will therefore settle in immediately available funds. Beneficial interests in registered global Notes will be shown on, and transfers thereof will be effected only through, records maintained by DTC and its participants, including Euroclear and Clearstream, Luxembourg. All references in this document to Euroclear and Clearstream, Luxembourg shall be deemed to include any other clearance system approved by the Agent (as defined herein), DEXIA CREDIOP S.p.A. The Registered Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof. Registered Notes in definitive form will, at the request of a holder, be issued in exchange for interests in registered global Notes upon compliance with the procedures for such exchange as described herein. See "Form of the Notes" below.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to U.S. persons except in accordance with Regulation S under the Securities Act or pursuant to an exemption from the registration requirements of the Securities Act. Registered Notes may be offered and sold in the United States exclusively to persons reasonably believed by the Dealers to be QIBs or placed privately with Institutional Accredited Investors. Each U.S. purchaser of Registered Notes is hereby notified that the offer and sale of any Registered Notes to it is being made in reliance upon the exemption from the registration requirements of the Securities Act provided by Rule 144A or Regulation D (under the Securities Act) or Section 4 of the Securities Act, as the case may be. To permit compliance with Rule 144A under the Securities Act in connection with the resales of Registered Notes, the Issuer is required to furnish, upon request of a holder of a Registered Note and a prospective purchaser designated by such holder, the information required to be delivered under Rule 144A(d)(4) under the Securities Act. Registered Notes are not transferable to other holders within the United States except upon satisfaction of certain conditions as described under "Subscription and Sale". Certain U.S. tax law requirements may also apply to U.S. holders of the Notes. Under Article 129 of Legislative Decree No. 385 of 1st September, 1993 (the "*Consolidated Banking Act*") the Bank of Italy is entitled to require that information be given to it periodically following the issue or offer of financial instruments in Italy or outside of Italy by Italian persons. Notes may not be offered, sold or delivered in Italy other than in circumstances permitted by applicable Italian securities laws and regulations such as the Regulation of the *Commissione Nazionale per le Società e la Borsa* ("*CONSOB*"). See "Subscription and Sale" below.

The Issuer is organised under the laws of the Republic of Italy ("*Italy*"). All of its directors and executive officers and certain of the experts named in the Base Prospectus reside outside the United States (principally in Italy). All or a substantial portion of the assets of these persons and of the Issuer are located outside the United States. As a result, it may not be possible for U.S. investors to effect service of process within the United States upon the Issuer or its directors and executive officers or to commence original actions or to enforce against it judgments obtained in United States courts predicated upon the provisions of the federal securities laws of the United States. There is doubt as to the enforceability in Italy against the Issuer or such persons, in original actions or in actions for the enforcement of judgments of United States courts, of civil liabilities predicated upon the federal securities laws of the United States.

**This Base Prospectus has been prepared on the basis that, except to the extent sub-paragraph (ii) below may apply, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of Notes which are the subject of an offering contemplated in this Base Prospectus as completed by final terms in relation to the offer of those Notes may only do so (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer, or (ii) if a prospectus for such offer has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State and (in either case) published, all in accordance with the Prospectus Directive, provided that any such prospectus has subsequently been completed by final terms which specify that offers may be made other**

**than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State and such offer is made in the period beginning and ending on the dates specified for such purpose in such prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of such offer. Except to the extent sub-paragraph (ii) above may apply, neither the Issuer nor any Dealer have authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for the Issuer or any Dealer to publish or supplement a prospectus for such offer.**

In this Base Prospectus, references to “*euro*” and “€” are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union as amended, references to “\$”, “*U.S.\$*” and “*U.S Dollars*” are to United States Dollars, references to “*cents*” are to United States cents, references to “*Yen*”, “*JPY*” and “¥” are to Japanese Yen and references to “*Sterling*”, “*GBP*” and “£” are to Pounds Sterling.

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**In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.**

## SUMMARY OF THE PROGRAMME

**This summary must be read as an introduction to this Base Prospectus and any decision to invest in any Notes should be based on a consideration of this Base Prospectus as a whole, including any documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive in each Member State of the European Economic Area no civil liability will attach to the Responsible Persons in any such Member State in respect of this Summary, including any translation hereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to information contained in this Base Prospectus is brought before a court in a Member State of the European Economic Area, the plaintiff may, under the national legislation of the Member State where the claim is brought, be required to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.**

Under the Programme the Issuer may from time to time issue Notes denominated in any currency, subject as set out herein. A summary of the terms and conditions of the Programme and the Notes appears on pages 69-93. The applicable terms of any Notes will be agreed between the Issuer and the relevant Dealer(s) prior to the issue of the Notes and will be set out in the Terms and Conditions of the Notes endorsed on, or incorporated by reference into, the Notes, as modified and supplemented by the applicable Final Terms attached to, or endorsed on, such Notes, as more fully described under “Form of the Notes” below.

This Base Prospectus and any supplement to the Base Prospectus will only be valid for listing Notes on the Luxembourg Stock Exchange during the period of 12 months from the date of this Base Prospectus in an aggregate nominal amount which, when added to the aggregate nominal amount then outstanding of all Notes previously or simultaneously issued under the Programme, does not exceed €8,000,000,000 or its equivalent in other currencies. For the purpose of calculating the euro equivalent of the aggregate nominal amount of Notes issued under the Programme from time to time:

- (a) the euro equivalent of Notes denominated in another Specified Currency (as defined in “Terms and Conditions of the Notes” on page 70) shall be determined, at the discretion of the Issuer, either as of the date of agreement to issue such Notes (the “Agreement Date”) or on the preceding day on which commercial banks and foreign exchange markets are open for business in London, in each case, on the basis of the spot rate for the sale of the euro against the purchase of such Specified Currency in the London foreign exchange market quoted by any leading international bank selected by the Issuer on the Agreement Date;
- (b) the euro equivalent of Dual Currency Notes (as defined in “Terms and Conditions of the Notes” on page 70) and Index Linked Interest Notes (as defined in “Terms and Conditions of the Notes” on page 70) shall be calculated in the manner specified above by reference to the original nominal amount of such Notes;
- (c) the euro equivalent of Zero Coupon Notes (as defined in “Terms and Conditions of the Notes” on page 70) and other Notes issued at a discount (or a premium) shall be calculated in the manner specified above by reference to the net proceeds received by the Issuer for the relevant issue; and
- (d) the euro equivalent of Partly Paid Notes (as defined in “Terms and Conditions of the Notes” on page 70) shall be calculated in the manner specified above by reference to the original nominal amount of such Notes regardless of the amount of subscription price paid.

Such euro equivalent for the relevant Notes will be specified in the applicable Final Terms.

Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” shall have the same meanings in this summary.

Issuer: **DEXIA CREDIOP S.p.A.**

The Issuer is registered in Rome, Italy, with registration number 04945821009. It is listed in the Register of Italian Banking Institutions and its registered office is at Via Venti Settembre 30, 00187 Rome, Italy. The Issuer’s primary business activity is to undertake in the exercise of banking and financing activities and other connected or instrumental activities principally in order to effect transactions in favour of the state administration regions, autonomous provinces, local and other territorial public entities, consortia between public entities or between public entities and private enterprises, mixed companies (even with minority participations held by local public entities) and profit making and non-profit making public law entities.

The paid-up share capital of the Issuer is euro 450,210,000 consisting of 174,500,000 ordinary shares with a nominal value of euro 2.58 each.

The reserves of the Issuer as of 31st December, 2010 were euro 665,699,435.

Risk Factors:

There are certain factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme. These are set out under “Risk Factors” below. In relation to the Issuer, these include market, insurance-related, credit and general operational risks. Certain risks relating to Notes depend on their features and may include (i) limited and/or volatile market value of the Notes, (ii) redemption when reinvestment circumstances are not advantageous for a Noteholder, (iii) reduced or no payment of interest, (iv) payment of principal or interest at a different time or in a different currency than expected and/or (v) loss of all or part of a Noteholder’s investment –this may be due to the Notes (or any return of capital or interest thereon) being (i) subject to optional redemption by the Issuer, (ii) determined by reference to an index, formula, asset or other reference factor (such as securities, commodities, exchange rates, etc.), (iii) payable in various currencies, (iv) payable, as to their issue price, in instalments, (v) subject to caps, floors, leverage or other factors or any combination thereof, (vi) subject to an inverse floating rate of interest, (vii) subject to a fixed-to-floating (or floating-to-fixed) rate of interest, and/or (viii) issued at a discount or premium from their principal amount. Other risks relating to the Notes include (i) binding decisions of meetings of Noteholders, (ii) no payment of additional amounts (in certain circumstances) in relation to taxes withheld from payments under the Notes, (iii) changes in law, (iv) lack of a liquid secondary trading market for the Notes, (v) Noteholders receiving payments in currency other than that of their financial activities, (vi) changes in interest rates, (vii) credit ratings not reflecting all risks relating to the Notes and/or (viii) certain investors being subject to laws and regulations or review or regulation by certain authorities.

Please note that this list is not exhaustive.

Programme Size:	Up to €8,000,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
Distribution:	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis subject to the selling restrictions set out in “Subscription and Sale” below.
Form of Notes:	Notes governed by English law may be issued in bearer or registered form. Notes may not be issued and sold in the United States in bearer form. Notes governed by Italian law will be issued in dematerialised form. See “Form of the Notes” below.
Terms of Notes:	<p>Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is at par or at a discount to, or premium over, par.</p> <p>Notes may be denominated in any agreed currency and with any agreed maturity, subject to any applicable legal or regulatory restrictions and any requirements of the relevant central bank (or equivalent body).</p> <p>The terms of the Notes will be specified in the applicable Final Terms. The following types of Note may be issued: (i) Notes which bear interest at a fixed rate or a floating rate; (ii) Notes which do not bear interest; and (iii) Notes which bear interest, and/or the redemption amount of which is, calculated by reference to a specified factor such as movements in an index or a currency exchange rate, changes in share or commodity prices or changes in the credit of an underlying entity. In addition, Notes which have any combination of the foregoing features may also be issued.</p> <p>Interest periods, rates of interest and the terms of and/or amounts payable on redemption may differ depending on the Notes being issued and such terms will be specified in the applicable Final Terms.</p> <p>The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than in specified instalments, if applicable, or for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the Issuer and/or the Noteholders. The Notes will be issued in such denominations as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, and save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency).</p>

The applicable Final Terms may provide that Notes may be redeemable in two or more instalments of such amounts and on such dates as are indicated in the applicable Final Terms.

**Taxation:** All payments in respect of the notes will be made without withholding or deduction for or on account of taxes levied in the Republic of Italy as further describe in and subject to certain limitations and exceptions contained in “Terms and Conditions of the Notes – Taxation” on page 87 and under “Tax” on page 130.

**Negative Pledge:** None.

**Events of Default:** The terms of the Notes will contain, amongst others, the following events of default which will cause the Notes to accelerate:

- (a) default in payment of any principal or interest due in respect of the Notes, continuing for a specified period of time;
- (b) default in the due performance and observance of any other provisions contained in the Notes continuing for a specified period of time;
- (c) default in the payment of any External Indebtedness (as defined in Condition 9) or under any guarantee or indemnity given by it in respect of any of its External Indebtedness; and
- (d) the making of any order or the passing of an effective resolution for the winding-up of the Issuer other than for the purposes of a reconstruction or amalgamation the terms of which have been previously approved,

all as further described in Condition 9.

**Status of the Notes:** The Notes will constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and will rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

**Use of Proceeds:** The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes, which include making a profit.

**Rating:** The rating of certain Series of Notes to be issued under the Programme may be specified in the applicable Final Terms. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 will be disclosed in the Final Terms.

**Approval, Listing and Admission to Trading:** Application has been made to the CSSF to approve this document as a base prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange’s regulated market and

to be listed on the Official list of the Luxembourg Stock Exchange.

Notes may be listed or admitted to trading, as the case may be, on other or further stock exchanges or markets agreed between the Issuer and the relevant Dealer in relation to the Series. Notes which are neither listed nor admitted to trading on any market may also be issued.

The applicable Final Terms will state whether or not the relevant Notes are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Governing Law:

The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law or, if specified in the applicable Final Terms, Italian law.

Selling Restrictions:

There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom and Italy) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “Subscription and Sale”.

## OVERVIEW OF THE PROGRAMME

The following description does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. This description constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive. Words and expressions defined in “Form of the Notes” and “Terms and Conditions of the Notes” below shall have the same meanings in this Overview.

<b>Issuer:</b>	DEXIA CREDIOP S.p.A.
<b>Description:</b>	Euro Medium Term Note Programme
<b>Arrangers:</b>	Dexia Banque Internationale à Luxembourg société anonyme, acting under the name Dexia Capital Markets Merrill Lynch International
<b>Dealers:</b>	Banca IMI S.p.A. Barclays Bank PLC Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Dexia Banque Internationale à Luxembourg société anonyme, acting under the name Dexia Capital Markets DEXIA CREDIOP S.p.A. J.P. Morgan Securities Ltd. Merrill Lynch International Société Générale UniCredit Bank  and any other Dealers appointed in accordance with the Programme Agreement.
<b>Certain restrictions:</b>	Each issue of Notes denominated in a currency in respect of which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “Subscription and Sale” on pages 138 to 142).
<b>Notes having a maturity of less than one year:</b>	Notes having a maturity of less than one year will, if the proceeds of the issue are accepted in the United Kingdom, constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “Subscription and Sale”.  Under the Luxembourg Act dated 10 July 2005 on Prospectuses for Securities, which implements the Prospectus Directive, prospectuses relating to money market instruments having a maturity at issue of less than 12 months and complying also with the definition of securities are not subject to the approval provisions of such law.

<b>Distribution:</b>	Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis, subject to the selling restrictions set out in “Subscription and Sale” below.
<b>Rule 144A Option:</b>	Registered Notes may be freely traded amongst QIBs in accordance with Rule 144A.  Registered Notes may be privately placed by the Issuer with Institutional Accredited Investors pursuant to Regulation D and may be traded in accordance with Section 4 of the Securities Act.
<b>Agent:</b>	Dexia Banque Internationale à Luxembourg
<b>Registrar:</b>	The Bank of New York Mellon
<b>Transfer Agent:</b>	The Bank of New York Mellon
<b>Clearing Systems:</b>	DTC, Euroclear and/or Clearstream, Luxembourg (in respect of Notes governed by English law) and Monte Titoli S.p.A. (in respect of Notes governed by Italian law) and any other clearing system as may be specified in the relevant Final Terms.
<b>Programme Amount:</b>	€8,000,000,000 (or its equivalent in other currencies calculated on the Agreement Date as described herein) outstanding at any time. The Issuer may increase the amount of the Programme in accordance with the terms of the Programme Agreement.
<b>Currencies:</b>	Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer.
<b>Redenomination:</b>	The applicable Final Terms may provide that certain Notes may be redenominated in euro. If so, the wording of the redenomination clause will be set out in full in the Final Terms.
<b>Maturities:</b>	Any maturity, subject to a minimum maturity of one month, as indicated in the applicable Final Terms (except (i) in the case of all Notes which are governed by Italian law and placed in Italy, the minimum average maturity will be two years, (ii) in any case, such other minimum or maximum maturity as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency or the Issuer).
<b>Issue Price:</b>	Notes may be issued on a fully-paid or a partly-paid basis and at an issue price which is par or at a discount to, or premium over, par.
<b>Form:</b>	Notes governed by English law may be issued in bearer form or registered form. <b>Notes may not be issued and sold in the United States in bearer form.</b> Notes governed by Italian law will be issued in dematerialised form. See “Form of the Notes” below.
<b>Fixed Rate Notes:</b>	Fixed interest will be payable on such date or dates as may be agreed between the Issuer and the relevant Dealer(s) (as indicated in the applicable Final Terms) and on redemption, and will be calculated on the basis of such Day Count Fraction as may be agreed between the Issuer and the relevant Dealer and indicated in the applicable Final Terms.

**Floating Rate Notes:** Floating Rate Notes will bear interest at a rate determined either (i) on the same basis as the floating rate under a notional interest-rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the issue date of the first Tranche of the Notes of the relevant Series) or (ii) on the basis of a reference rate appearing on an agreed screen page of a commercial quotation service or (iii) on such other basis as may be agreed between the Issuer and the relevant Dealer(s), all as indicated in the applicable Final Terms.

The Margin (if any) relating to such floating rate will be agreed between the Issuer and the relevant Dealer(s) for each Series of Floating Rate Notes.

**Index Linked Notes:** Payments of principal in respect of Index Linked Redemption Notes or of interest in respect of Index Linked Interest Notes will be calculated by reference to such index and/or formula or to changes in the prices of securities or commodities or such other factors as the Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms).

**Other provisions in relation to Floating Rate Notes and Index Linked Interest Notes:** Floating Rate Notes and Index Linked Interest Notes may also have a maximum interest rate, a minimum interest rate or both (as indicated in the applicable Final Terms).

Interest on Floating Rate Notes and Index Linked Interest Notes, in respect of each Interest Period, as selected prior to issue by the Issuer and the relevant Dealer(s), will be payable on the Interest Payment Dates specified in, or determined pursuant to, the applicable Final Terms, and will be calculated on the basis of such Day Count Fraction (as indicated in the Final Terms).

**Dual Currency Notes:** Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency Notes will be made in such currencies, and based on such rates of exchange, as the Issuer and the relevant Dealer(s) may agree (as indicated in the applicable Final Terms).

**Zero Coupon Notes:** Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest other than in the case of late payment.

**Asset-Linked Notes:** Asset-Linked Notes relating to an underlying asset may be issued on the terms and conditions specified in the applicable Final Terms. **Asset-Linked Notes may only be issued in bearer form.**

**Credit-Linked Notes:** Credit-Linked Notes relating to an underlying asset may be issued on the terms and conditions specified in the applicable Final Terms. **Credit-Linked Notes may only be issued in bearer form.**

A separate Base Prospectus incorporating the applicable Final Terms will be prepared for all Luxembourg listed Credit-Linked Notes and Asset-Linked Notes and a copy lodged with the Luxembourg Stock Exchange.

**Redemption:** The Final Terms relating to each Tranche of Notes will indicate either that the Notes cannot be redeemed prior to their stated maturity (other than in specified instalments (see below) or for taxation reasons) or that such Notes will be redeemable at the option of the Issuer (“*Issuer Call*”) and/or the Noteholders (“*Investor Put*”) upon giving not more than 60 nor less than 30

days' irrevocable notice (or such other notice period (if any) as is indicated in the applicable Final Terms) to the Noteholders or the Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such terms as are indicated in the applicable Final Terms. Under applicable laws and regulations at the date of this Base Prospectus, Notes placed in Italy and governed by Italian law may be redeemed (i) at the option of the Issuer not prior to eighteen months from the date on which the offer of the Notes has ended and, if made in tranches, from the date on which the offer of the last tranche has ended, and (ii) at the option of the Noteholder not prior to twenty four months from the date on which the offer of the Notes has ended and, if made in tranches, from the date on which the offer of the last tranche has ended.

Notes having a maturity of less than one year from the date of issue may be subject to restrictions on their denomination and distribution, see "Notes having a maturity of less than one year" above.

The applicable Final Terms may provide that Notes may be repayable in two or more instalments of such amounts and on such dates as indicated in the applicable Final Terms.

**Denomination of Notes:**

Such denominations as may be agreed between the Issuer and the relevant Dealer(s) and as indicated in the applicable Final Terms (save that the minimum denomination of each Note admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the Notes are denominated in a currency other than euro, the equivalent amount in such currency) or such other minimum denomination as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency (see "Notes having a maturity of less than one year" above).

**Taxation:**

All payments in respect of the Notes will be made without withholding or deduction for or on account of taxes levied in the Republic of Italy as further described in and subject to certain limitations and exceptions contained in "Terms and Conditions of the Notes – Taxation" on page 86 and under "Tax" on page 129.

**Negative Pledge:**

None.

**Cross Default:**

The Notes will have the benefit of a cross default clause in respect of certain External Indebtedness of the Issuer in an aggregate amount of not less than €10,000,000 or its equivalent in other currencies, as more fully described in "Terms and Conditions of the Notes—Events of Default" on page 88.

**Status of the Notes:**

The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves. The payment obligations of the Issuer under the Notes will rank, and until discharged in full will continue to rank, in right of payment equally with all other unsecured and unsubordinated indebtedness or obligations for money borrowed or raised or guaranteed by the Issuer, other than indebtedness or obligations mandatorily preferred by the laws of the Republic of Italy.

**Rating:** Notes issued pursuant to the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the Programme. Whether or not each credit rating applied for in relation to relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No. 1060/2009 will be disclosed in the Final Terms. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**Approval, Listing and admission to trading:** Application has been made to the CSSF to approve this document as a Base Prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Luxembourg Stock Exchange's regulated market and to be listed on the Official List of the Luxembourg Stock Exchange. The Notes may also be listed or admitted to trading, as the case may be, on such other or further stock exchange(s) as may be agreed between the Issuer and the relevant Dealer(s) in relation to each issue. Unlisted Notes may also be issued. The Final Terms relating to each issue will state whether or not the Notes are to be listed or admitted to trading, as the case may be, and, if so, on which stock exchange(s) the Notes are to be listed or admitted to trading, as the case may be.

Notes issued under the Programme which are to be admitted to trading on a regulated market within the European Economic Area or offered to the public in a Member State of the European Economic Area in circumstances which require, or but for the fact that the denomination of the Notes is €100,000 (or its equivalent in any other currency) would require, the publication of a prospectus under the Prospectus Directive may not carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity belonging to the Issuer's group.

**Governing Law:** The Notes and any non-contractual obligations arising out of or in connection with the Notes will be governed by, and shall be construed in accordance with, English law or, if specified in the applicable Final Terms, Italian law.

**Selling Restrictions:** There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area (including the United Kingdom and Italy), Japan and such other restrictions as may be required in connection with the offering and sale of a particular issue of Notes. See "Subscription and Sale" below.

## **RISK FACTORS**

*The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.*

*In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.*

*The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes issued under the Programme, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus and reach their own views prior to making any investment decision.*

*Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this section. Investing in the Notes involves certain risks. Prospective investors should consider, among other things, the following:*

### **Factors that may affect the Issuer’s ability to fulfil its obligations under Notes issued under the Programme**

#### ***Risks relating to the Issuer***

Any investment in the Notes issued by the Issuer involves risks, including those described in this section. Prospective investors should carefully consider the following investment considerations and the other information in this Base Prospectus before deciding whether an investment in the Notes of the Issuer is suitable. If any of the following risks actually occurs, the trading price of the Notes of the Issuer could decline and an investor could lose all or part of its investment. Additional risks not currently known to the Issuer or that the Issuer now deems immaterial may also harm the Issuer and affect an investor’s investment.

#### ***Risk factors related to the Issuer’s financial results and position***

The Issuer’s business is subject to the risk that borrowers, hedging counterparties and other contractual partners may become unable to meet their obligations to the Issuer. Although the Issuer regularly reviews its credit exposure with regard to specific borrowers, hedging counterparties and other contractual partners defaults may arise from events and circumstances that are difficult to foresee or detect or have not yet been foreseen or detected. Any default by a major borrower, hedging counterparty or contractual partner of the Issuer could have a material adverse effect on its business, results of operations or financial conditions.

In order to cover estimated loan losses, the Issuer has made individual value adjustments and general bad debt provisions. Although the Issuer’s management has exercised its best judgment in establishing provisions for loan losses and in general counterparties’ failures, the Issuer may have to increase its loss provisions in the future as a result of a rise in the number of nonperforming loans in its portfolio or other contractual parties. Any such increases in loss provisions in excess of existing provisions could have an adverse effect on the Issuer’s business, results of operations and financial conditions.

#### ***Reduced liquidity in the global credit market***

Following concerns over U.S. sub-prime residential mortgage loans and related securities, the credit markets (primarily in the U.S. and Europe and elsewhere) have been experiencing substantial dislocations, liquidity disruptions and market corrections whose scope, duration, severity and economic effect remain uncertain. This global liquidity crisis has had, and may continue to have, an adverse effect on markets in the

U.S., Europe and Asia, and has affected conditions in the European economies, on which the Issuer's business depends.

The value of a number of the investment securities that the Issuer holds is sensitive to the volatility of the credit markets and accordingly, such investment securities may be adversely affected by future developments in the credit markets. Adverse and continued constraints in the supply of liquidity may adversely affect the cost of funding the business and extreme liquidity constraints may limit growth possibilities. An inability to access funds or to access the markets from which it raises funds may create stress on the Issuer's ability to finance its operations adequately. A dislocated credit environment compounds the risk that funds will not be available at favourable rates. In addition, the continued liquidity crises in other affected economies may create difficulties for the Issuer's borrowers to refinance or repay loans to the Issuer, which would result in deterioration of the credit quality of the Issuer's loan portfolio and potentially increase the Bank's Non Performing Loan levels.

Although the Dexia Group recently increased its share capital from subscriptions from existing shareholders and the Governments of France, Belgium and Luxembourg, there can be no assurance that this liquidity crisis will not, if sustained, adversely affect the Issuer's business, financial condition, results of operations or prospects. In particular, if the Issuer perceives a likelihood of impending deterioration in economic conditions, it may decrease its risk tolerance in its lending activities, which could have the effect of reducing its interest margin and interest income, and ultimately adversely affect the business, financial condition and results of operations of the Issuer.

#### ***Risks associated with the risk management procedures and integration thereof***

The Issuer may not be successful in developing and implementing new risk management policies, procedures and assessment methods, in particular the information technology on which these risk management policies, procedures and assessment methods of the Issuer are based. As a result thereof or as a result of insufficiencies at the level of the Issuer's risk management policies, procedures and assessment methods may not be effective in mitigating its risk exposure in each of the markets in which it is active or against all types of risk, including risks that the Issuer may fail to identify or anticipate in the future or which the Issuer has failed to identify or anticipate in the past. There can be no assurance that the Issuer's procedures for identifying, monitoring and managing risks will be sufficient and adequate in the future. Any such insufficiency or inadequacy could expose the Issuer to unanticipated losses that would have a material effect on its business, results of operations and financial conditions.

#### ***Increased exposure to market risk***

When entering into trading and investment positions in the debt, currency and equity markets, assessments and predictions about future developments of the financial markets are made as the revenues and profits derived from such positions and transactions are dependent on market prices and price movements. Many of the transactions are designed to profit from price movements and differences among prices. If prices move in a direction not anticipated by the Issuer, it may experience substantial losses which could have a material adverse effect on its business, results of operations or financial condition.

Measures aimed at the reduction of public expenditure and at restricting the raising of debt and hedging arrangements applicable to territorial authorities have been enacted in Italy. As the public sector is one of the Issuer's main sectors, this may have an impact on the number of new transactions to be acquired by the Issuer.

#### ***Risks connected with creditworthiness of customers***

The Issuer's business depends to a substantial degree on the creditworthiness of its customers. Notwithstanding its detailed controls including customer credit checks, it bears normal lending risks and thus may not, for reasons beyond its control (such as, for example, fraudulent behaviour by customers), have access to all relevant information regarding any particular customer, their financial position, or their ability to pay amounts owed or repay amounts borrowed. Any failure of customers to accurately report their financial and credit

position or to comply with the terms of their agreements or other contractual provisions could have an adverse effect on the Issuer's business and financial results.

During a recession, there may be less demand for loan products and a greater number of the Issuer's customers may default on their loans or other obligations. Interest rate rises may also have an impact on the demand for loan products. The risk arising from the impact of the economy and business climate on the credit quality of the Dexia Group's borrowers and counterparties can affect the overall credit quality and the recoverability of loans and amounts due from counterparties. In addition, the continued liquidity crisis in other affected economies may create difficulties for the Dexia Group's borrowers to refinance or repay loans to the Dexia Group's loan portfolio and potentially increase the Dexia Group's non-performing loan levels.

### ***Soundness of financial institutions***

The Dexia Group is exposed to many different industries and counterparties in the normal course of its business, but its exposure to counterparties in the financial services industry is particularly significant. This exposure can arise through trading, lending, deposit-taking, clearance and settlement and many other activities and relationships. These counterparties include brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional clients. Many of these relationships expose the Dexia Group to credit risk in the event of default of a counterparty or client. In addition, the Dexia Group's credit risk may be exacerbated when the collateral it holds cannot be realised or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure it is due. Many of the hedging and other risk management strategies utilised by the Dexia Group also involve transactions with financial services counterparties. The potential of insolvency of these counterparties may impair the effectiveness of the Dexia Group's hedging and other risk management strategies.

### ***Basel Capital Requirements Directive***

The introduction in 2007 of the general agreement of the Basel Committee for Banking Supervision (the "*Basel Committee*") for the International Convergence of Capital Measurement and Capital Standards of June 2004, or Basel II, is likely to bring changes to banks' capital adequacy notices, including those of the Issuer. The direction and magnitude of the impact of Basel II will depend on the particular asset structures of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time. The Issuer expects to incur costs in complying with the new guidelines. The new guidelines may also require the Issuer to operate its business in ways that may be less profitable than its present operations. Basel II has been implemented. However, risk factor may remain as the impact of Basel II cannot be quantified with certainty at this time. The Issuer cannot predict the precise effects of the potential changes that might result from implementation of the proposals on both its own financial performance or the impact on the pricing of its Notes issued under this Programme. Prospective investors in the Notes should consult their own advisers as to the consequences for them, of the potential application of the New Basel Capital Accord proposals.

In addition, several regulatory initiatives have recently been proposed which may result in changes in the regulatory capital requirements of the Issuer. On 16 December 2010 and 13 January 2011, the Basel Committee issued its final guidance on the proposed changes to capital adequacy and liquidity requirements ("*Basel III*"), which envisages a substantial strengthening of existing capital rules, including through the following proposals:

- (a) raising the quality of the Core Tier I capital base in a harmonised manner (including through changes to the items which give rise to adjustments to that capital base and a reform of the capital structure);
- (b) introducing a requirement for non-Core Tier I and Tier II capital instruments to have a mechanism that requires them to be written off on the occurrence of a bailout of the institution; this would apply to internationally active banks;
- (c) strengthening the risk coverage of the capital framework; and

- (d) promoting the build-up of capital buffers and the introduction of a new leverage ratio as well as short term and longer-term standards for funding liquidity (referred to as the Liquidity Coverage Ratio and the Net Stable Funding Ratio).

The implementation of the Basel III reforms will begin on 1 January 2013; however, the requirements are subject to a series of transitional arrangements and will be phased in over a period of time. Member countries will be required to implement the new capital standards from January 2013, the new Liquidity Funding Ratio from January 2015 and the Net Stable Funding Ratio from January 2018.

In the European Union, the Basel III proposals are expected to be implemented by way of further changes to the Capital Requirements Directive, which will be transposed into national law by EU Member States. As at the date of this Base Prospectus, the European Commission has published a public consultation document on proposed amendments to the Capital Requirements Directive (“*CRD IV*”), which reflects the consultation documents issued by the Basel Committee in December 2009 (the “*Basel III Proposal*”), later finalised in the form of Basel III; but, because few changes were made between the Basel III Proposal and Basel III, the CRD IV largely reflects Basel III. An updated public consultation document in respect of CRD IV is expected to be published later this year. Once CRD IV is adopted, Italy will be required to enact laws, regulations and administrative provisions necessary to implement the Directive.

Significant uncertainty remains around the implementation of some of these initiatives. To the extent certain of these measures are implemented as currently proposed or announced, in particular the changes proposed or announced by the Basel Committee, they would be expected to have a significant impact on the capital and asset and liability management of the Issuer.

Such changes in the regulatory framework and in how such regulations are applied may have a material effect on the Issuer’s business and operations. As the new framework of banking laws and regulations affecting the Issuer is currently being implemented, the manner in which those laws and related regulations will be applied to the operations of financial institutions is still evolving. No assurance can be given that laws and regulations will be adopted, enforced or interpreted in a manner that will not have an adverse effect on the business, financial condition, cash flows and results of operations of the Issuer. Prospective investors in the Notes should consult their own advisers as to the consequences for them of the application of the above regulations as implemented by each Member State.

### ***Ratings***

Unless otherwise specified, Notes issued under this Programme are only rated by Moody’s. In determining the rating assigned to the Issuer, these rating agencies have considered and will continue to review various indicators of the Dexia Group’s performance and the Issuer’s profitability and ability to maintain its consolidated capital ratios within certain target levels. If the Issuer fails to achieve or maintain its consolidated capital ratios of more than one of the indicators, including if the Issuer is unable to maintain its consolidated capital ratios within certain target levels, this may result in a downgrade of the Issuer’s rating by Standard & Poor’s, Fitch or Moody’s.

Any rating downgrades of the Issuer or other entities of the Dexia Group would increase the re-financing costs of the Dexia Group and may limit its access to the financial markets and other sources of liquidity, all of which could have a material adverse effect on its business, financial condition and results of operations.

A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revision, suspension or withdrawal at any time by the relevant rating organisation.

## **Factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme**

### ***The Notes may not be a suitable investment for all investors***

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement to the Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments. Sophisticated institutional investors generally do not purchase complex financial instruments as stand-alone investments. They purchase complex financial instruments as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

### ***Risk relating to the Notes***

There is no active trading market for the Notes. Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer.

Although application has been made for the Notes issued under the Programme to be admitted to the official list and traded on the regulated market of the Luxembourg Stock Exchange, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes.

### ***The Notes may be redeemed prior to maturity***

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental

charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of Italy or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option in certain other circumstances the Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer, payment and communication with the Issuer.

Notes issued under the Programme may be represented by one or more Global Notes when governed by English law. Such Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive definitive Notes. Euroclear and Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes. While the Notes are represented by one or more Global Notes, investors will be able to trade their beneficial interests only through Euroclear and Clearstream, Luxembourg. While the Notes are represented by one or more Global Notes the Issuer will discharge its payment obligations under the Notes by making payments to the common depositary for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. the Issuer has no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear and Clearstream, Luxembourg to appoint appropriate proxies. Similarly, holders of beneficial interests in the Global Notes will not have a direct right under the Global Notes to take enforcement action against the Issuer in the event of a default under the relevant Notes but will have to rely upon their rights under the Deed of Covenant.

Notes governed by Italian law will on the contrary be in dematerialised form and will be centralised with Montetitolì S.p.A. In this case, investors will have to rely on Montetitolì S.p.A.'s procedures for transfer, payment and communication with the Issuer.

***An investment in Notes linked to an index, exchange rate, securities etc. entails significant risks not associated with a similar investment in fixed or floating rate debt securities***

An investment in Notes the terms of which provide that the principal, premium, if any, and/or interest payable and/or securities deliverable, is linked to one or more currencies or composite currencies (including exchange rates and swap indices between currencies or composite currencies), commodities, securities, basket of securities or securities indices, interest rates or other indices (together, the “*indices*”), either directly or inversely (the “*indexed Notes*”), entails significant risks that are not associated with investments in a conventional fixed rate or floating rate debt security.

These risks include the possibility that an index or indices may be subject to significant changes, that the resulting interest rate will be less than that payable on a conventional fixed or floating rate debt security issued by the Issuer at the same time, that the repayment of principal and/or premium, if any, and/or delivery of securities can occur at times other than that expected by the investor, that, in certain circumstances, the Notes may cease to bear interest and that prospective investors, could lose all or a substantial portion of their investment, if any, payable on the maturity date. These risks depend on a number of interrelated factors, including economic, financial and political events, over which the Issuer has no control.

Additionally, if the formula used to determine the amount of principal, premium, if any, and/or interest payable and/or securities deliverable with respect to such Notes contains a multiplier or leverage factor, the effect of any change in the applicable index or indices will be magnified. In recent years, values of certain indices have been highly volatile; such volatility in the past is not necessarily indicative, however, of fluctuations that may occur in the future. Any optional redemption feature of any Notes might affect their market value. Since the Issuer may be expected to redeem Notes when prevailing interest rates are relatively low, prospective investors generally will not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate that is as high as the current interest rate on the Notes.

An investment in equity-linked Notes may bear similar market risks to a direct equity investment and investors should take advice accordingly.

In the case of credit-linked Notes (whether cash or physically settled), holders may receive in lieu of any payment of principal, certain securities of the reference entities which may have a market value substantially less than that of the initial investment of such holder. Prospective investors should note that they may be required to take delivery of these securities and should ensure that they have the capacity to receive such obligations on purchasing the Notes.

The secondary market, if any, for indexed Notes will be affected by a number of factors independent of the Issuer creditworthiness, including the complexity and volatility of the index or indices, the creditworthiness of the specified entity or entities, the fluctuation of exchange rates, the method of calculating the principal, premium, if any, and/or interest in respect of indexed Notes, the time remaining to the maturity of such Notes, the outstanding amount of such Notes, any redemption features of such Notes, the amount of other debt securities linked to such index or indices and the level, direction and volatility of market interest rates generally. Such factors also will affect the market value of indexed Notes.

In addition, certain Notes may be designed for specific investment objectives or strategies and, therefore, may have a more limited secondary market and experience more price volatility than conventional debt securities. Prospective investors may not be able to sell such Notes readily or at prices that will enable them to realise their anticipated yield. Prospective investors should not purchase such Notes unless they understand and are able to bear the risks that such Notes may not be readily saleable, that the value of such Notes will fluctuate over time and that such fluctuations may be significant.

Finally, the Issuer's credit ratings may not reflect the potential impact of the various risks that could affect the market value of the Notes. Accordingly, prospective investors should consult their own financial and legal advisors as to the risks an investment in the Notes may entail and the suitability of the Notes in light of their particular circumstances.

### ***Risks related to the structure of a particular issue of Notes***

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of the most common such features:

#### *Notes subject to optional redemption by the Issuer*

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

### *Index Linked Notes and Dual Currency Notes*

The Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a “*Relevant Factor*”). In addition, the Issuer may issue Notes with principal or interest payable in one or more currencies which may be different from the currency in which the Notes are denominated. Potential investors should be aware that:

- (i) the market price of such Notes may be volatile;
- (ii) they may receive no interest;
- (iii) payment of principal or interest may occur at a different time or in a different currency than expected;
- (iv) they may lose all or a substantial portion of their principal;
- (v) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;
- (vi) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable likely will be magnified; and
- (vii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield.

The historical experience of an index should not be viewed as an indication of the future performance of such index during the term of any Index Linked Notes. Accordingly, each potential investor should consult its own financial and legal advisers about the risk entailed by an investment in any Index Linked Notes and the suitability of such Notes in light of its particular circumstances.

### *Partly-paid Notes*

The Issuer may issue Notes where the issue price is payable in more than one instalment. Failure to pay any subsequent instalment could result in an investor losing all of his investment.

### *Variable rate Notes with a multiplier or other leverage factor*

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

### *Inverse Floating Rate Notes*

Inverse Floating Rate Notes have an interest rate equal to a fixed rate minus a rate based upon a reference rate such as LIBOR. The market values of those Notes typically are more volatile than market values of other conventional floating rate debt securities based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate Notes are more volatile because an increase in the reference rate not only decreases the interest rate of the Notes, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these Notes.

### *Fixed/Floating Rate Notes*

Fixed/Floating Rate Notes may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the Issuer has the right to effect such a conversion, this will affect the secondary market and the market value of the Notes since the Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than then prevailing rates on its Notes.

### *Notes issued at a substantial discount or premium*

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

### ***Risks related to Notes generally***

Set out below is a brief description of certain risks relating to the Notes generally:

#### *Meetings of Noteholders*

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### *EU Savings Directive*

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to impose a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of or in respect of tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that is not obliged to withhold or deduct tax pursuant to the Directive.

#### *Change of law*

The conditions of the Notes are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus.

### *Notes where denominations involve integral multiples: definitive Notes*

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to a Specified Denomination.

If definitive Notes are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

### ***Certain considerations relating to public offers of the Notes***

If the Notes are distributed by means of a public offer, under certain circumstances indicated in the applicable Final Terms, the Issuer and/or the other entities indicated in the Final Terms will have the right to withdraw or revoke the offer, and the offer will be deemed to be null and void according to the terms indicated in the applicable Final Terms.

Unless otherwise provided in the applicable Final Terms, the Issuer and/or the other entities specified in the applicable Final Terms may terminate the offer early by immediate suspension of the acceptance of further subscription requests and by giving notice to the public in accordance with the applicable Final Terms. Any such termination may occur even where the maximum amount for subscription in relation to that offer (as specified in the applicable Final Terms), has not been reached. In such circumstances, the early closing of the offer may have an impact on the aggregate number of Notes issued and, therefore, may have an adverse effect on the liquidity of the Notes.

Furthermore, under certain circumstances, the Issuer and/or the other entities indicated in the applicable Final Terms will have the right to extend the Offer Period. In addition, in the event that the Issuer publishes a supplement to the Base Prospectus in accordance with the provisions of the Prospectus Directive, the Issuer and/or the other entities specified in the applicable Final Terms shall reserve also the right, along with the right to extend the Offer Period, to postpone the Issue Date and/or one or more Interest Payment Dates and/or the maturity date of the Notes.

### ***Potential conflicts of interest relating to distributors or other entities involved in the offer or listing of the Notes***

Potential conflicts of interest may arise in connection with the Notes, as any distributors or other entities involved in the offer and/or the listing of the Notes as indicated in the relevant Final Terms, will act pursuant to a mandate granted by the Issuer and can receive commissions and/or fees on the basis of the services performed in relation to such offer and/or listing.

Any further risk factors relating to additional conflicts of interest with respect to a particular issue of the Notes will be specified in the applicable Final Terms.

### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *The secondary market generally*

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices

that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

In addition, Noteholders should be aware of the prevailing and widely reported global credit market conditions (which continue at the date of this Base Prospectus), whereby there is a general lack of liquidity in the secondary market for instruments similar to the Notes. Such lack of liquidity may result in investors suffering losses on the Notes in secondary resales even if there is no decline in the performance of the assets of the Issuer. The Issuer cannot predict which of these circumstances will change and whether, if and when they do change, there will be a more liquid market for the Notes and instrument similar to the Notes at that time.

Even if the Notes are listed on a regulated market or trading venue, the Notes could be affected by liquidity problems, and therefore the price of the Notes could be affected by their limited liquidity.

The appointment of an entity acting in the secondary market (e.g. as market-maker or liquidity provider or specialist or bid intermediary) with respect to the Notes, may, under certain circumstances, have a relevant impact on the price of the Notes on the secondary market.

There may be less liquidity in the secondary market for the Notes also if they are exclusively offered to retail investors without any offer to institutional investors.

#### *Valuation of the Notes on the secondary market*

Investors should note that the Issue Price and/or offer price of the Notes may include subscription fees, placement fees, direction fees, structuring fees and/or other additional costs. Any such fees may not be taken into account for the purposes of determining the price of such Notes on the secondary market and could result in a difference between the original Issue Price and/or offer price, the theoretical value of the Notes, and/or the actual bid/offer price quoted by any intermediary in the secondary market.

Any such difference may have an adverse effect on the value of the Notes, particularly immediately following the offer and the issue date relating to such Notes, where any such fees and/or costs may be deducted from the price at which such Notes can be sold by the initial investor in the secondary market.

#### *Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "*Investor's Currency*") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

### *Interest rate risks*

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Fixed Rate Notes.

### *Credit ratings may not reflect all risks*

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under Regulation (EC) No. 1060/2009 (the **CRA Regulation**) from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended), subject to transitional provisions that apply in certain circumstances whilst the registration application is pending. Such general restriction will also apply in the case of credit ratings issued by non-EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended). Certain information with respect to the credit rating agencies and ratings will be disclosed in the Final Terms.

### *Legal investment considerations may restrict certain investments*

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

### *Taxation*

Potential investors of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing Notes and receiving payments of interest, principal and/or other amounts or delivery of securities under the Notes and the consequences of such actions under the tax laws of those countries.

It is not possible to predict whether the tax regime on the basis of which the net values relating to any amount payable to investors pursuant to the Notes applicable as at the date of publication of the specific Final Terms may be amended during the life of the Notes, nor can it be excluded that, in case of amendments, the net values indicated with respect to the Notes may differ, even substantially, from those which will effectively apply to the Notes as at the various payment dates, as indicated in the relevant Final Terms.

To that end, the section "Tax" below sets out a brief description of the tax regime applicable to the purchase/subscription, ownership or disposal of the Notes for certain categories of investors, based on the tax laws in force in Italy as at the date of this Base Prospectus, provided that such laws remain subject to any changes in law which may occur after such date, and which could be made on a retroactive basis.

With reference to each Notes issue, any changes to the tax regime described below are set out in the Final Terms.

### *Extraordinary measures taken by the Italian Government in relation to the financial crisis*

In order to cope with the current financial crisis and support and stabilise the banking system and protect the investors, on 8th October, 2008, the Italian Government has approved the Law Decree No. 155 (“**Law Decree 155**”), published in the Official Gazette on 9th October, 2008 and the Law Decree No. 157 of 13th October, 2008 (“**Law Decree 157**”) which completes the instruments available to the Government with Law Decree 155. The measures provided therein shall be available until 31st December, 2009.

Law Decree 155 generally provides for: (i) the Ministry of Economy and Finance to financially support the recapitalisation of Italian banks by subscribing shares issued in the context of capital increase or by guaranteeing for their subscription on the capital increases, provided certain conditions are met; (ii) the increased possibilities for Italian banks to apply for the extraordinary administration procedure; (iii) the Bank of Italy to grant loans guaranteed by pledge or receivable assignment and the Ministry of Economy and Finance to provide State guarantee over such loans; and (iv) the Ministry of Economy and Finance to release a State guarantee over bank deposits in addition to the existing ones.

Provided certain conditions are met, Law Decree No. 157 authorises the Ministry of Economy and Finance to: (i) grant, at market conditions, a State guarantee with respect to Italian banks liabilities and over any transaction entered into by Italian banks, in order to obtain temporary availability of securities eligible as a collateral for refinancing with the Euro-system; and (ii) carry out temporary exchange of Government’s securities with securities held by Italian banks.

After consultation with the Bank of Italy, the Ministry of Economy and Finance is required to issue the implementation provisions specifying criteria, conditions and procedures of the measures described under both Decrees.

The provisions of Law Decree 155 and Law Decree 157 will then have to be converted into a single ordinary law by the Italian Parliament.

There is a risk that if the above Decrees are not converted into law within 60 days from the date of their entry into force, they will cease to be in force.

## DOCUMENTS INCORPORATED BY REFERENCE

The following documents which have previously been published or are published simultaneously with this Base Prospectus and have been filed with the CSSF shall be incorporated in, and form part of, this Base Prospectus:

- the auditors' report and audited consolidated and non-consolidated annual financial statements of the Issuer for the financial year ended 31<sup>st</sup> December, 2009 and 31<sup>st</sup> December, 2010.

Following the publication of this Base Prospectus a supplement to the Base Prospectus may be prepared by the Issuer and approved by the CSSF in accordance with Article 16 of the Prospectus Directive.

Please note that the by-laws of the Issuer are incorporated by reference for the purposes of additional information only.

The Issuer will provide, without charge, and upon request, a copy of any or all of the documents which or portions of which are incorporated herein by reference unless such documents have been modified or superseded as specified above. Requests for such documents should be directed to the Issuer at its registered office set out at the end of this Base Prospectus. In addition such documents will be available free of charge from the principal office in Luxembourg of DEXIA Banque Internationale à Luxembourg S.A. (the "*Listing Agent*") for Notes listed on the official list of the Luxembourg Stock Exchange, from the principal office in New York of The Bank of New York Mellon in its capacity as U.S. Paying Agent. This Base Prospectus and the documents incorporated by reference will be published on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)).

The Issuer will in connection with the listing of the Notes on the official list of the Luxembourg Stock Exchange, so long as any such Note remains outstanding and listed on such exchange, in the event of any material adverse change in the financial condition of the Issuer which is not reflected in this Base Prospectus, prepare a further supplement to this Base Prospectus or publish a new Base Prospectus for use in connection with any subsequent issue of such Notes to be listed on the official list of the Luxembourg Stock Exchange.

In the event that this Base Prospectus becomes inaccurate or misleading, or in the event that there is an amendment to the Terms and Conditions contained herein, a supplement to the Base Prospectus or a new Base Prospectus will be prepared.

Any information not listed in the cross reference list below but included in the documents incorporated by reference is given for information purposes only.

For ease of reference, please note that:

- (a) the consolidated balance sheet, the consolidated income statement, the changes in consolidated financial position, the notes to the consolidated financial statements and the auditors' report in respect of the consolidated financial statements can be found on pages:
  - (i) 212, 213, 216, 218-343 and 206-207 respectively of the annual report for the year ended 31<sup>st</sup> December, 2009; and
  - (ii) 186, 187, 190, 192-301 and 180-181 respectively of the annual report for the year ended 31<sup>st</sup> December, 2010.

## FORM OF THE NOTES

The Notes of each Series will be either Registered Notes or Bearer Notes. To the extent that Registered Notes are held in compliance with the requirements of and deposited with custodians which meet the requirements of Legislative Decree No. 239, and with the exception of the circumstances described in Condition 8(b), payments of interest and other proceeds will be exempt from “*imposta sostitutiva*” as defined in Legislative Decree No. 239 subject in any case to compliance with the procedures and provisions of Legislative Decree No. 239.

Unless otherwise provided with respect to a particular Series of Registered Notes, the Registered Notes of each Tranche of such Series offered and sold in reliance on Regulation S, which will be sold to non-U.S. persons outside the United States, will initially be represented by a permanent global Note in registered form, without interest coupons, (the “*Reg. S Global Note*”) which will be deposited with a custodian for, and registered in the name of a nominee of, The Depository Trust Company (“*DTC*”) for the accounts of Euroclear and Clearstream, Luxembourg.

Prior to the later of (i) 40 days after the temporary Global Note is issued and (ii) 40 days after the completion of the distribution of the relevant Tranche, as certified by the relevant Dealer (in the case of a non-syndicated issue) and the lead manager (in the case of a syndicated issue) beneficial interests in such Reg. S Global Note may only be held by or through the agent members of Euroclear and Clearstream, Luxembourg, and interests in the Reg. S Global Note may not be exchanged for Registered Notes in definitive form. Subsequent to the 40th day after the later of the commencement of an offering and the closing date for the relevant tranche of the Registered Notes (i) if a holder of a beneficial interest in the Restricted Global Note wishes at any time to exchange its interest in such Restricted Global Note for an interest in the Reg. S Global Note, or to transfer its interest in such Restricted Global Note to a person who wishes to take delivery thereof in the form of an interest in the Reg. S Global Note, or (ii) if a holder of a beneficial interest in the Reg. S Global Note deposited with the custodian in the United States wishes at any time to exchange its interest in such Reg. S Global Note for an interest in the Restricted Global Note, or to transfer its interest in such Reg. S Global Note to a person who wishes to take delivery thereof in the form of an interest in the Restricted Global Note, such holder may, subject to the rules and procedures of the Registrar in the United States, exchange or cause the exchange or transfer or cause the transfer of such interest for an equivalent beneficial interest in the Restricted Global Note upon compliance with the transfer requirements of the Registrar in the United States and certification to the effect that (i) the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Registered Notes under U.S. law and pursuant to and in accordance with Regulation S, in the case of the exchange of an interest in a Restricted Global Note for an interest in a Reg. S Global Note, (ii) such exchange or transfer has been made to a person which the transferor reasonably believes to be a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A, in the case of the exchange of an interest in a Reg. S Global Note for an interest in a Restricted Global Note or (iii) such exchange or transfer has been made to an Institutional Accredited Investor and the transferee is obtaining such beneficial interest for its own account and not with a view to distribution thereof and pursuant to an exempt transaction under Section 4 of the Securities Act, in the case of the exchange of an interest in a Reg. S Global Note for an interest in a Restricted Global Note.

In the event that an interest in a registered global Note (as defined below) is exchanged for Registered Notes in definitive registered form, such Registered Notes may be exchanged or transferred for one another only in accordance with such procedures as are substantially consistent with the provisions set out above, including, without limitation, certification requirements intended to ensure that such exchanges or transfers comply with Regulation D or Rule 144A or Regulation S under the Securities Act, as the case may be.

Registered Notes of each Tranche of such Series may be offered and sold in the United States and to U.S. Persons; provided, however, that such Registered Notes may only be offered and sold (i) to QIBs in reliance on Rule 144A under the Securities Act or (ii) to Institutional Accredited Investors in compliance with the provisions

of Regulation D or Section 4 of the Securities Act. Registered Notes of each Tranche sold to QIBs will be represented by a single permanent global Note in registered form, without interest coupons, (the “*Restricted Global Note*” and, together with the Reg. S Global Note, the “*registered global Notes*”) which will be deposited with a custodian for, and registered in the name of a nominee of, DTC. The Notes of each Tranche sold to Institutional Accredited Investors will be in definitive form, registered in the name of the holder thereof. The Restricted Global Notes and the Registered Notes in definitive form issued to Institutional Accredited Investors will be subject to certain restrictions on transfer set forth therein and will bear a legend regarding such restrictions.

Owners of beneficial interests in registered global Notes will be entitled or required, as the case may be, under the circumstances described under “Terms and Conditions of the Notes—Transfer and Exchange of Registered Notes and Replacement of Notes, Receipts, Coupons and Talons”, to receive physical delivery of Registered Notes in definitive form. Such Registered Notes will not be issuable in bearer form.

Investors may hold their interests in the Reg. S Global Note directly through Euroclear or Clearstream, Luxembourg, if they are participants in such systems, or indirectly through organisations which are participants in such systems. Euroclear and Clearstream, Luxembourg will hold interests in the Reg. S Global Note on behalf of their participants through customers’ securities accounts in their respective names on the books of the nominee for DTC. Investors that are QIBs may hold their interests in the Restricted Global Note directly through DTC if they are participants in such system, or indirectly through organisations that are participants in such system.

Payments of principal on the Registered Notes will be made on the relevant payment date to the persons shown on the Register at the close of business on the business day immediately prior to the relevant payment date. Payments of interest on the Registered Notes will be made on the relevant payment date to the person in whose name such Notes are registered on the record date immediately preceding such payment date.

Payments of the principal of, and interest (if any) on, the registered global Notes when deposited with DTC as custodian will be made to the nominee of DTC as the registered holder of the registered global Notes. None of the Issuer, the Agent, any Paying Agent or the Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in the registered global Notes or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Each Tranche of Notes in bearer form will initially be represented by a temporary bearer global Note (the “*temporary bearer global Note*”), without receipts, interest coupons or talons, which will:

- (i) if the bearer global notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the “*Common Safekeeper*”) for Euroclear and Clearstream, Luxembourg; and
- (ii) if the global notes are not intended to be issued in NGN form, be delivered to a common depository for Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a temporary bearer global Note, payments of principal and interest (if any) due prior to the Exchange Date (as defined below) will be made (against presentation of the temporary bearer global Note if the temporary bearer global note is not intended to be issued in NGN form) only to the extent that certification of beneficial ownership as required by U.S. Treasury Regulations (in the form set out in the temporary bearer global Note) has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg has given a like certification (based on the certification it has received) to the Agent.

On and after the date (the “*Exchange Date*”) which is 40 days after the date on which the temporary bearer global Note is issued, interests in the temporary bearer global Note will be exchangeable, upon a request being made by Euroclear and/or Clearstream, Luxembourg acting on the instructions of the holders of interests in the temporary bearer global Note either for interests in a permanent bearer global Note (a “*permanent bearer global Note*” and, together with the temporary bearer global Note, the “*bearer global Notes*”) without receipts, interest coupons or talons, or for definitive Notes in bearer form (as indicated in the applicable Final Terms and subject, in the case of definitive Notes in bearer form, to such notice period as is specified in the Final Terms) in each case against certification of beneficial ownership as described in the second sentence of this paragraph and as required by U.S. Treasury Regulations in accordance with the terms of the temporary bearer global Note unless certification has already been given pursuant to the second sentence of this paragraph. The holder of a temporary bearer global Note will not be entitled to collect any payment of interest or principal due on or after the Exchange Date.

The applicable Final Terms will specify that a permanent global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, receipts, interest coupons and talons attached upon either (a) not less than 60 days’ written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event or (c) at any time at the request of the Issuer. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 9) has occurred and is continuing, or (ii) the Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system is available or (iii) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes represented by the permanent global Note in definitive form. The Issuer will promptly give notice to Noteholders in accordance with Condition 13 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such permanent global Note) may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

All global Notes and definitive Notes will be issued pursuant to the Agency Agreement (as defined on page 64).

The following legend will appear on all bearer global Notes, bearer definitive Notes, bearer receipts, interest coupons and talons:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on bearer Notes, receipts or interest coupons and will not be entitled to capital gains treatment of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes, receipts or interest coupons.

Any reference in this section “Form of the Notes” to Euroclear and Clearstream, Luxembourg shall, in the context of bearer Notes and whenever the context so permits, be deemed to include a reference to any additional or alternative clearance system approved by the Issuer and the Agent.

So long as DTC or its nominee is the holder of a registered global Note, DTC or such nominee, as the case may be, will be considered the absolute owner or holder of the Notes represented by such registered global Note for all purposes under the Registered Notes and members of, or participants in, DTC (the “*Agent Members*”) as well as any other persons on whose behalf such Agent Members may act will have no rights under

a registered global Note. Owners of beneficial interests in such registered global Note will not be considered to be the owners or holders of any Notes represented by such registered global Note.

For so long as any of the Notes is represented by a bearer global Note deposited with a common depositary for Euroclear and Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as entitled to a particular nominal amount of Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of such nominal amount of Notes for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose such common depositary shall be deemed to be the holder of such nominal amount of Notes in accordance with and subject to the terms of the bearer global Note (and the expressions “*Noteholder*” and “*holder of Notes*” and related expressions shall be construed accordingly).

No beneficial owner of an interest in a registered global Note will be able to exchange or transfer such interest, except in accordance with the applicable procedures of DTC, Euroclear and Clearstream, Luxembourg, in each case to the extent applicable.

Pursuant to the Agency Agreement the Agent or the Registrar as applicable shall arrange that, where a further Tranche of Notes is issued, the Notes of such Tranche shall be assigned, as applicable, a CUSIP number, CINS number, common code and ISIN which are different from the CUSIP number, CINS number, common code and ISIN assigned to Notes of any other Tranche of the same Series until at least 40 days (as notified by the Agent to the relevant Dealer(s)) after the completion of the distribution of the Notes of such Tranche.

Notes governed by Italian Law will be issued in dematerialised form and held on behalf of the Noteholders until redemption or cancellation thereof by Monte Titoli S.p.A. for the account of the relevant Monte Titoli S.p.A. account holders. Such Notes will at all times be in the book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of the Italian Legislative Decree No. 213 of 24th June, 1998, as amended and the Regulation jointly issued by CONSOB and the Bank of Italy on 22nd February, 2008, as amended. No physical document of title will be issued in respect of such Notes.

Notes may be accelerated by the holder thereof in certain circumstances described in the Terms and Conditions of the Notes. In such circumstances, where such Notes are still represented by a bearer global Note and a holder with Euroclear or Clearstream, Luxembourg of such Notes in bearer form so represented and credited to his securities account gives notice that he wishes to accelerate such Notes in bearer form, unless within a period of 15 days from the giving of such notice payment has been made in full in accordance with the terms of the bearer global Note, the bearer global Note will become void. At the same time, holders of interests in such bearer global Note with Euroclear or Clearstream, Luxembourg credited to their accounts will become entitled to proceed directly against the Issuer on the basis of statements of account provided by Euroclear and Clearstream, Luxembourg, under the terms of a deed of covenant dated 1st July, 2010 executed by the Issuer.

## APPLICABLE FINAL TERMS

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of less than EUR100,000 (or its equivalent in another currency):

[Date]

**DEXIA CREDIOP S.p.A.**

**ISSUE OF [AGGREGATE NOMINAL AMOUNT OF TRANCHE] [TITLE OF NOTES]**

**UNDER THE €8,000,000,000**

### **EURO MEDIUM TERM NOTE PROGRAMME**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a Relevant Member State) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer of the Notes may only do so:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in paragraph 36 of Part A below, provided such person is one of the persons mentioned in paragraph 36 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

The expression *Prospectus Directive* means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression *2010 PD Amending Directive* means Directive 2010/73/EU.

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “*Relevant Member State*”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 June 2011, [and the Supplement to the Base Prospectus dated [ ]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “*Prospectus Directive*”) as amended (which includes the amendments made by Directive 2010/73/EU (the “*2010 PD Amending Directive*”) to the extent that such amendments have been implemented in a relevant Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [and the Supplement to the Base Prospectus] is [are] available for viewing at Via Venti Settembre, 30, 00187 Rome, Italy, from Dexia Banque Internationale à Luxembourg at 69 route d’Esch, L-2953 Luxembourg during normal business hours and will be published on the websites (i) Dexia Crediop S.p.A. ([www.dexia.it](http://www.dexia.it)) and (ii) of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

*[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Base Prospectus with an earlier date.]*

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “*Conditions*”) set forth in the Base Prospectus dated [*original date*] which are incorporated by reference in the Offering Circular dated [*current date*] and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the “*Prospectus Directive*”) [as amended (which includes the amendments made by Directive 2010/73/EU (the “*2010 PD Amending Directive*”) to the extent that such amendments have been implemented in a relevant Member State)] and must be read in conjunction with the Base Prospectus dated 21 June 2011 [and the Supplement to the Base Prospectus dated [ ]] which a base which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus dated 21 June, 2011 and the Base Prospectus dated [*original date*]. Copies of the Base Prospectus, the Base Prospectus and these Final Terms are available for viewing at Via Venti Settembre, 30, 00187 Rome, Italy, from Dexia Banque Internationale à Luxembourg at 69 route d’Esch, L-2953 Luxembourg and will be published on the websites (i) Dexia Crediop S.p.A. ([www.dexia.it](http://www.dexia.it)) and (ii) of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs. Italics denote directions for completing the Final Terms.]*

*[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]*

*If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination may need to be £100,000 or its equivalent in any other currency.*

1. (a) Issuer: DEXIA CREDIOP S.p.A.
2. (a) Series Number: [ ]
- (b) Tranche Number: [ ]

*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*

3. Specified Currency or Currencies: [ ]

4. Aggregate Nominal Amount:
- (a) [Series: [ ]]
- (b) [Tranche: [ ]]
5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denominations: [ ]
- [ ]
- (N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the €1,000 minimum denomination is not required.)*
- (N.B. Notes issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of €100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.)*
- (b) Calculation Amount: *(If only one Specified Denomination insert the Specified Denomination. If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. [(a)] Issue Date: [ ]
- [(b)] Interest Commencement Date: [specify/Issue Date/Not Applicable]
- (N.B. An Interest Commencement Date will not be relevant for Certain Notes, for example Zero Coupon Notes.)*
8. Maturity Date: *[Fixed rate - specify date/Floating rate - Interest Payment Date falling in or nearest to [specify month]]*
9. Interest Basis: [[ ] per cent. Fixed Rate]  
 [[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]  
 [Zero Coupon]  
 [Index Linked Interest]  
 [Dual Currency Interest]  
 [specify other]  
 (further particulars specified below)
10. Redemption/Payment Basis: [Redemption at par]  
 [Index Linked Redemption]  
 [Dual Currency Redemption]  
 [Partly Paid]  
 [Instalment]  
 [specify other]  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the*

*purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]
12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]
13. Date [Board] approval for issuance of Notes obtained: [ ] [and [ ], respectively]]  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*
14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi annually/quarterly/other (*specify*)] in arrear]  
*(If payable other than annually, consider amending Condition 3)*
- (b) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[specify other]  
*(N.B. This will need to be amended in the case of long or short coupons)*
- (c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
*(Applicable to Notes in definitive form)*
- (d) Broken Amount(s): [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]  
*(Applicable to Notes in definitive form)*
- (e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [specify other]]
- (f) [Determination Date(s): [ ] in each year]  
  
*[Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon]*  
  
*N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration*  
  
*N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA)]*
- (g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Specified Period(s)/ Specified Interest Payment Dates: [ ]
- (b) First Interest Payment Date: [ ]
- (c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [ ]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (g) Screen Rate Determination:
- Reference Rate: [ ]  
*(Either LIBOR, EURIBOR or other, although additional information is required if other - including fallback provisions in the Agency Agreement)*
  - Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (h) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (i) Margin(s): [+/-] [ ] per cent. per annum

- (j) Minimum Rate of Interest: [ ] per cent. per annum
- (k) Maximum Rate of Interest: [ ] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360 (ISDA)  
Other]  
(See Condition 3 for alternatives)
- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount payable: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 4(e)(iii) and 4(i) apply/specify other]  
(Consider applicable day count fraction if not U.S. dollar denominated)
18. Index Linked Interest Note Provisions: [Applicable/Not Applicable]  
(If not applicable, delete the remaining sub-paragraphs of this paragraph)  
(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)
- (a) Index/Formula: [give or annex details]
- (b) Calculation Agent: [give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) [ ] (Where the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Calculation Agent if relevant.)

Agent) and Interest Amount  
(if not the Agent):

- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (e) Specified Period(s)/Specified Interest Payment Dates: [ ]
- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
- (g) Additional Business Centre(s): [ ]
- (h) Minimum Rate of Interest: [ ] per cent. per annum
- (i) Maximum Rate of Interest: [ ] per cent. per annum
- (j) Day Count Fraction: [ ]

19. Dual Currency Interest Note Provisions: *[Applicable/Not Applicable]*  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

- (a) Rate of Exchange/method of calculating Rate of Exchange: *[give or annex details]*
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (d) Person at whose option Specified Currency(ies) is/are payable: [ ]

## PROVISIONS RELATING TO REDEMPTION

20. Issuer Call: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ]
- (ii) Maximum Redemption Amount: [ ]
- (d) Notice period (if other than as set out in the Conditions): [ ]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
21. Investor Put: [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount/specify other/see Appendix]
- (c) Notice period (if other than as set out in the Conditions): [ ]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
22. Final Redemption Amount: [ ] per Calculation Amount /specify other/see Appendix]  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. Where the Final Redemption Amount is linked to the exercise price or the final reference price of an underlying, give details of the exercise price or final reference price.)*

23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition [Redemption and Purchase - Early Redemption Amounts]): [ ] per Calculation Amount/specify other/see Appendix]

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

(a) Form

[Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

[Registered Notes:

Regulation S Global Note (U.S.\$ [ ] nominal amount) registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note U.S.\$ [ ] nominal amount registered in the name of a nominee for [DTC/a common depository for Euroclear and Clearstream, Luxembourg]/ Definitive 144A Registered Notes (*specify nominal amounts*)

[Dematerialised Notes]

(b) New Global Note

[Yes] [No]

*(Ensure that this is consistent with the wording in the "Form of the Notes" section in the Base Prospectus and the Notes themselves.)*

25. Governing law:

[English/Italian]

*(N.B. Notes governed by Italian law will be issued in dematerialised form.)*

26. Additional Financial Centre(s) or other special provisions relating to Payment Days:

[Not Applicable/give details]

*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(d) and 18(f) relate)*

27. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes/No. *If yes, give details*]

28. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. *N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
29. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]
30. Redenomination applicable: Redenomination [not] applicable  
*[(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))][(if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms)]*
31. Other final terms: [Not Applicable/give details]  
*(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.) (Consider including a term providing for tax certification if required to enable interest to be paid gross by Issuers.)*

## DISTRIBUTION

32. (a) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names, addresses and underwriting commitments]  
*(Include names and addresses of entities agreeing to underwrite the issue on a firm commitment basis and names and addresses of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)*
- (b) Date of [Subscription] Agreement: [ ]
- (c) Stabilising Manager(s) (if any): [Not Applicable/give name(s)]
33. If non-syndicated, name and address of relevant Dealer: [Not Applicable/Name and address]
34. Total Commission and Concession: [ ] per cent. of the Aggregate Nominal Amount]
35. U.S. Selling Restrictions: [Reg. S. Compliance Category: TEFRA D/TEFRA C/TEFRA not applicable]

36. Non exempt Offer: [Not Applicable] [An offer of the Notes may be made by the Managers [and *specify names of other financial intermediaries/placers making non-exempt offers, to the extent known OR consider a generic description of other parties involved in non-exempt offers (e.g. “other parties authorised by the Managers”)* or (if relevant) note that other parties may make non-exempt offers in the Public Offer Jurisdictions during the Offer Period, if not known]] (together with the Managers, the **Financial Intermediaries**) other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Base Prospectus and any supplements have been passported (in addition to the jurisdiction where approved and published)*] (**Public Offer Jurisdictions**) during the period from [*specify date*] until [*specify date or a formula such as “the Issue Date” or “the date which falls [ ] Business Days thereafter”*] (**Offer Period**). See further paragraph 10 of Part B below. (N.B. Consider any local regulatory requirements necessary to be fulfilled so as to be able to make a non-exempt offer in relevant jurisdictions. No such offer should be made in any relevant jurisdiction until those requirements have been met. Non-exempt offers may only be made into jurisdictions in which the base prospectus (and any supplement) has been notified/passported.)

37. Additional selling restrictions: [Not Applicable/give details]

### PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg and, if relevant, listing on an official list (for example, the Official List of the Bourse de Luxembourg)*] of the Notes described herein pursuant to the €8,000,000,000 Euro Medium Term Note Programme of DEXIA CREDIOP S.p.A.

### RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[*Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components*] has been extracted from [*specify source*]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the DEXIA CREDIOP S.p.A:

By: .....  
*Duly authorised*

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange)*] with effect from [ ].]

[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg) and, if relevant, admission to an official list (for example, the Official List of the Luxembourg Stock Exchange)*] with effect from [ ].] [Not Applicable.]

*(Where documenting a fungible issue need to indicate that original Notes are already admitted to trading)*

### 2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S & P: [ ]]

[Moody's: [ ]]

[[Other]: [ ]]

*[Need to include a brief explanation of the ratings if this has previously been published by the rating provider]\**

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert credit rating agency name(s)*].]

[[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [*insert the name of the relevant EU CRA affiliate that applied for registration*], which is established in the European Union, disclosed the intention to endorse credit ratings of [*insert credit rating agency*].]

[[*Insert credit rating agency*] is not established in the European

Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [*insert the name of the relevant EU-registered credit rating agency*] in accordance with Regulation (EC) No. 1060/2009. [*Insert the name of the relevant EU-registered credit rating agency*] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]

### 3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Dealers/Managers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer - *Amend as appropriate if there are other interests*]

*[(When adding any new description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

### 4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

(i) [Reasons for the offer [ ]]

*(See “Use of Proceeds” wording in Base Prospectus – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)]*

(ii) [Estimated net proceeds:] [ ]

*(If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.)*

(iii) [Estimated total expenses:] [ ]

*[Expenses are required to be broken down into each principal intended “use” and presented in order of priority of such “uses”.] (If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above (including use of proceeds) is required where the reasons for the offer are different from making profit and/or hedging certain risks and where, such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above is also required.)*

**5. YIELD** (*Fixed Rate Notes only*)

Indication of yield:

[ ]

[Calculated as [*include details of method of calculation in summary form*] on the Issue Date.]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

**6. HISTORIC INTEREST RATES** (*Floating Rate Notes only*)

Details of historic [LIBOR/EURIBOR/other] rates can be obtained from [Reuters].]

**7. PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING** (*Index-Linked Notes only*)

*[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*(N.B. The requirements below only apply if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]*

*[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]*

*[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]*

*[Need to include adjustment rules in relation to events concerning the underlying.]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

*The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].*

**8. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT** (*Dual Currency Notes only*)

*[If there is a derivative component in the interest or the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, need to include a clear and comprehensive explanation of how the value of the investment is affected by the underlying and the circumstances when the risks are most evident.]*

*(N.B. The requirement below only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)*

*[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]*

*[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

**9. OPERATIONAL INFORMATION**

- (i) ISIN Code: [ ]
- (ii) Common Code: [ ]
- (iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of initial Paying Agent(s): [ ]
- (vi) Name and address of additional Paying Agent(s) (if any): [ ]
- (vii) [Name and address of depositary agent:] [ ]
- (viii) Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.]

*[include this text if “yes” selected in which case the Notes must be issued in NGN form].*

**10. TERMS AND CONDITIONS OF THE OFFER**

- Offer Price: [Issue Price][specify]
- [Conditions to which the offer is subject:] [Not applicable/give details]
- [Description of the application process:] [Not applicable/give details]

[Details of the minimum and/or maximum amount of application]:	[Not applicable/ <i>give details</i> ]
[Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants]:	[Not applicable/ <i>give details</i> ]
[Details of the method and time limits for paying up and delivering the Notes:]	[Not applicable/ <i>give details</i> ]
[Manner in and date on which results of the offer are to be made public:]	[Not applicable/ <i>give details</i> ]
[Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:]	[Not applicable/ <i>give details</i> ]
[Categories of potential investors to which the Notes are offered and whether tranche(s) have been reserved for certain countries:]	[Not applicable/ <i>give details</i> ]
[Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:]	[Not applicable/ <i>give details</i> ]
[Amount of any expenses and taxes specifically charged to the subscriber or purchaser:]	[Not applicable/ <i>give details</i> ]
[Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place.]	[None/ <i>give details</i> ]

## SCHEDULE TO THE FINAL TERMS

### Further Information Relating to the Issuer

*[The information set out in this Schedule may need to be updated if, at the time of the issue of the Notes, any of it has changed since the date of the Base Prospectus.]*

1. **Name:** DEXIA CREDIOP S.p.A.
2. **Objects:** DEXIA CREDIOP S.p.A.'s purpose, as reflected in its by-laws, is to undertake the exercise of banking and financing activities and other connected or instrumental activities principally in order to effect transactions in favour of the State administration, regions, autonomous provinces, local and other territorial public entities, consortia between public entities or between public entities and private enterprises, mixed companies (even with minority participations held by local public entities) and profit making and non-profit making public law entities. The by-laws further state that DEXIA CREDIOP S.p.A. may conduct all of the "mutually recognised" activities as defined in European Union legislation (which activities consist of, *inter alia*, deposit-taking, lending, financial leasing, payment administration, foreign exchange and securities activities) and that all of DEXIA CREDIOP S.p.A.'s permitted activities may be implemented in Italy or abroad and may be denominated in euro or foreign currencies.
3. **Registered office:** Via Venti Settembre, 30  
00187 Rome  
Italy
4. **Company registration:** Registered at the Rome Company Register under number 04945821009.
5. **Amount of paid-up share capital and reserves:** Paid-up share capital: euro 450,210,000, consisting of 174,500,000 ordinary shares with a nominal value of euro 2.58 each.  
  
Reserves as of 31st December, 2010: euro 665,699,435.

## APPLICABLE FINAL TERMS

*Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 100,000 (or its equivalent in another currency).*

[Date]

**DEXIA CREDIOP S.p.A**

**ISSUE OF [AGGREGATE NOMINAL AMOUNT OF TRANCHE] [TITLE OF NOTES]**

**UNDER THE €8,000,000,000**

**EURO MEDIUM TERM NOTE PROGRAMME**

### **PART A – CONTRACTUAL TERMS**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 June 2011 [and the Supplement to the Base Prospectus dated [ ]] which together constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the **2010 PD Amending Directive**) to the extent that such amendments have been implemented in a relevant Member State). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus [as so supplemented]. The Base Prospectus [and the Supplement to the Base Prospectus] [is] [are] available for viewing on the website of the Luxembourg Stock Exchange and during normal business hours at Via Venti Settembre, 30, 00187 Rome, Italy from Dexia Banque Internationale à Luxembourg at 69 route d'Esch, L-2953 Luxembourg during normal business hours and will be published on the websites (i) Dexia Crediop S.p.A. ([www.dexia.it](http://www.dexia.it)) and (ii) of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Base Prospectus with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Base Prospectus dated [*original date*] which are incorporated by reference in the Offering Circular dated [*current date*] and are attached hereto. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC) (the **Prospectus Directive**) as amended (which includes the amendments made by Directive 2010/73/EU (the 2010 PD Amending Directive) to the extent that such amendments have been implemented by a relevant Member State) and must be read in conjunction with the Base Prospectus dated 21 June 2011 [and the Supplement to the Base Prospectus dated [ ]] which together constitute[s] a base prospectus for the purposes of the Prospectus Directive. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectuses dated 21 June 2011 [as so supplemented] and [*original date*]. Copies of such Base Prospectuses are available for viewing on the website of the Luxembourg Stock Exchange and during normal business hours at Via Venti Settembre, 30, 00187 Rome, Italy from Dexia Banque Internationale à Luxembourg at 69 route d'Esch, L-2953 Luxembourg during normal business hours and will be published on the websites (i) Dexia Crediop S.p.A. ([www.dexia.it](http://www.dexia.it)) and (ii) of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

*[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or sub-paragraphs. Italics denote directions for completing the Final Terms.]*

[When adding any other final terms or information consideration should be given as to whether such terms or information constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination [must/may need to] be £100,000 or its equivalent in any other currency.]

1. (a) Issuer: DEXIA CREDIOP S.p.A

2. (a) Series Number: [ ]

(b) Tranche Number: [ ]

*(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible)*

3. Specified Currency or Currencies: [ ]

4. Aggregate Nominal Amount:

(a) Series: [ ]

(b) Tranche: [ ]

5. Issue Price: [ ] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]

6. (a) Specified Denominations: [ ]

*(N.B. Following the entry into force of the 2010 PD Amending Directive on 31 December 2010, Notes to be admitted to trading on a regulated market within the European Economic Area with a maturity date which will fall after the implementation date of the 2010 PD Amending Directive in the relevant European Economic Area Member State (which is due to be no later than 1 July 2012) must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from Transparency Directive exemptions in respect of wholesale securities. Similarly, Notes issued after the implementation of the 2010 PD Amending Directive in a Member State must have a minimum denomination of EUR 100,000 (or equivalent) in order to benefit from the wholesale exemption set out in Article 3.2(d) of the Prospectus Directive in that Member State.)*

*(Note – where multiple denominations above [€100,000] or equivalent are being used the following sample wording should be followed:*

*“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”*)

*(N.B. If an issue of Notes is (i) NOT admitted to trading on an European Economic Area exchange; and (ii) only offered in the European Economic Area in circumstances where a prospectus is not required to be published under the Prospectus Directive the [€100,000] minimum denomination is not required.)*

(b) Calculation Amount: [ ]

*(If only one Specified Denomination, insert the Specified Denomination.*

*If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*

7. (a) Issue Date: [ ]

(b) Interest Commencement Date: [specify/Issue Date/Not Applicable]

*(N.B. An Interest Commencement Date will not be relevant for certain Notes, for example Zero Coupon Notes.)*

8. Maturity Date: [Fixed rate – specify date/  
Floating rate – Interest Payment Date falling in or nearest to  
[specify month]]

9. Interest Basis: [[ ] per cent. Fixed Rate]  
[[LIBOR/EURIBOR] +/- [ ] per cent. Floating Rate]  
[Zero Coupon]  
[Index Linked Interest]  
[Dual Currency Interest]  
[specify other]  
(further particulars specified below)

10. Redemption/Payment Basis: [Redemption at par]  
[Index Linked Redemption]  
[Dual Currency Redemption]  
[Partly Paid]  
[Instalment]  
[specify other]

*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*

11. Change of Interest Basis or Redemption/Payment Basis: [Specify details of any provision for change of Notes into another Interest Basis or Redemption/Payment Basis]

12. Put/Call Options: [Investor Put]  
[Issuer Call]  
[(further particulars specified below)]

13. [Date [Board] approval for issuance of [ ] [and [ ]], respectively]]  
Notes obtained:  
*(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)*

14. Method of distribution: [Syndicated/Non-syndicated]

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15. Fixed Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Rate(s) of Interest: [ ] per cent. per annum [payable [annually/semi annually/quarterly/other (*specify*)] in arrear]  
*(If payable other than annually, consider amending Condition 3)*

(b) Interest Payment Date(s): [[ ] in each year up to and including the Maturity Date]/[specify other]  
*(N.B. This will need to be amended in the case of long or short coupons)*

(c) Fixed Coupon Amount(s): [ ] per Calculation Amount  
(Applicable to Notes in definitive form.)

(d) Broken Amount(s): (*Applicable to Notes in definitive form.*) [ ] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [ ]

(e) Day Count Fraction: [30/360 or Actual/Actual (ICMA) or [*specify other*]]

(f) [Determination Date(s): [ ] in each year  
*(Insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon N.B. This will need to be amended in the case of regular interest payment dates which are not of equal duration N.B. Only relevant where Day Count Fraction is Actual/Actual (ICMA))*]

(g) Other terms relating to the method of calculating interest for Fixed Rate Notes: [None/Give details]

16. Floating Rate Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

(a) Specified Period(s)/Specified Interest Payment Dates: [ ]

(b) First Interest Payment Date: [ ]

(c) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/

- Preceding Business Day Convention/[specify other]]
- (d) Additional Business Centre(s): [ ]
- (e) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination/specify other]
- (f) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): [ ]
- (g) Screen Rate Determination:
- Reference Rate: [ ].  
*(Either LIBOR, EURIBOR or other, although additional information is required if other – including fallback provisions in the Agency Agreement)*
  - Interest Determination Date(s): [ ]  
*(Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
  - Relevant Screen Page: [ ]  
*(In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (h) ISDA Determination:
- Floating Rate Option: [ ]
  - Designated Maturity: [ ]
  - Reset Date: [ ]
- (i) Margin(s): [+/-] [ ] per cent. per annum
- (j) Minimum Rate of Interest: [ ] per cent. per annum
- (k) Maximum Rate of Interest: [ ] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual(ISDA)  
Actual/365 (Fixed)  
Actual/365 (Sterling)  
Actual/360  
30/360  
30E/360  
30E/360(ISDA)  
Other]  
*(See Condition 3 for alternatives)*

- (m) Fallback provisions, rounding provisions and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions: [ ]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Accrual Yield: [ ] per cent. per annum
- (b) Reference Price: [ ]
- (c) Any other formula/basis of determining amount payable: [ ]
- (d) Day Count Fraction in relation to Early Redemption Amounts and late payment: [Conditions 4(e)(iii) (c) and 4(i) *[apply/specify other]*]  
*(Consider applicable day count fraction if not U.S. dollar denominated)*
18. Index Linked Interest Note [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (a) Index/Formula: *[give or annex details]*
- (b) Calculation Agent: *[give name (and, if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, address)]*
- (c) Party responsible for calculating the Rate of Interest (if not the Calculation Agent) and Interest Amount (if not the Agent): [ ] (Where the requirements of Annex XII to the Prospectus Directive Regulation apply, insert the address of the Calculation Agent if relevant.)
- (d) Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable: *[need to include a description of market disruption or settlement disruption events and adjustment provisions]*
- (e) Specified Period(s)/ Specified Interest Payment Dates: [ ]

- (f) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/*specify other*]
- (g) Additional Business Centre(s): [ ]
- (h) Minimum Rate of Interest: [ ] per cent. per annum
- (i) Maximum Rate of Interest: [ ] per cent. per annum
- (j) Day Count Fraction: [ ]
19. Dual Currency Interest Note Provisions [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
- (a) Rate of Exchange/method of calculating Rate of Exchange: [give or annex details]
- (b) Party, if any, responsible for calculating the principal and/or interest due (if not the Agent): [ ]
- (c) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [need to include a description of market disruption or settlement disruption events and adjustment provisions]
- (d) Person at whose option Specified Currency(ies) is/are payable: [ ]

#### PROVISIONS RELATING TO REDEMPTION

20. Issuer Call [Applicable/Not Applicable]  
*(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [[ ] per Calculation Amount/specify other/see Appendix]
- (c) If redeemable in part:
- (i) Minimum Redemption Amount: [ ]

- (ii) Maximum Redemption Amount: [ ]
- (d) Notice period (if other than as set out in the Conditions): [ ]  
*(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
21. Investor Put: [Applicable/Not Applicable]  
 (If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (a) Optional Redemption Date(s): [ ]
- (b) Optional Redemption Amount and method, if any, of calculation of such amount(s): [ ] per Calculation Amount/specify other/see Appendix
- (c) Notice period (if other than as set out in the Conditions): *(N.B. If setting notice periods which are different to those provided in the Conditions, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent)*
22. Final Redemption Amount: [ ] per Calculation Amount/specify other/see Appendix  
*(N.B. If the Final Redemption Amount is other than 100 per cent. of the nominal value the Notes will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)*
23. Early Redemption Amount payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 4(e)): [ ] per Calculation Amount/specify other/see Appendix

#### GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:
- (a) [Form:] [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]
- [Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes  
[on 60 days' notice given at any time/only upon an Exchange  
Event/at any time at the request of the Issuer]]

[Registered Notes:  
Regulation S Global Note (U.S.\$[ ] nominal amount)  
registered in the name of a nominee for [DTC/a common  
depository for Euroclear and Clearstream, Luxembourg/Rule  
144A Global Note U.S.\$ [ ] nominal amount registered in  
the name of a nominee for [DTC/a common depository for  
Euroclear and Clearstream, Luxembourg/ Definitive 144A  
registered Notes (*specify nominal amounts*)]

[Dematerialised Notes]

*(Ensure that this is consistent with the wording in the "Form  
of the Notes" section in the Base Prospectus and the Notes  
themselves. N.B. The exchange upon notice/ at any time  
options should not be expressed to be applicable if the  
Specified Denomination of the Notes in paragraph 6 includes  
language substantially to the following effect "[€100,000]  
and integral multiples of [€1,000] in excess thereof up to and  
including [€99,000]/[€199,000]." Furthermore, such  
Specified Denomination construction is not permitted in  
relation to any issue of Notes which is to be represented on  
issue by a Temporary Global Note exchangeable for  
Definitive Notes.)*

(b) [New Global Note: [Yes][No]]

25. Additional Financial Centre(s) or other special provisions relating to Payment Days: [Not Applicable/give details]  
*(Note that this paragraph relates to the place of payment and not Interest Period end dates to which sub-paragraphs 16(d) and 18(g) relate)*
26. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. *If yes, give details*]
27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment: [Not Applicable/give details. *N.B. a new form of Temporary Global Note and/or Permanent Global Note may be required for Partly Paid issues*]
28. Details relating to Instalment Notes:
- (a) Instalment Amount(s): [Not Applicable/give details]
- (b) Instalment Date(s): [Not Applicable/give details]

29. Redenomination applicable: Redenomination [not] applicable  
 [(If Redenomination is applicable, specify the applicable Day Count Fraction and any provisions necessary to deal with floating rate interest calculation (including alternative reference rates))][if Redenomination is applicable, specify the terms of the redenomination in an Annex to the Final Terms]
30. Other final terms: [Not Applicable/give details]  
 [(When adding any other final terms consideration should be given as to whether such terms constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]  
 (Consider including a term providing for tax certification if required to enable interest to be paid gross by issuers.)

## DISTRIBUTION

31. (a) If syndicated, names of Managers: [Not Applicable/give names]
- (b) Date of [Subscription] Agreement: [ ]  
 (The above is only relevant if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies).  
 (If the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies, include names of entities agreeing to underwrite the issue on a firm commitment basis and names of the entities agreeing to place the issue without a firm commitment or on a “best efforts” basis if such entities are not the same as the Managers.)
- (c) Stabilising Manager(s) (if any): [Not Applicable/give name]
32. If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
33. U.S. Selling Restrictions: [Reg. S Compliance Category; TEFRA D/TEFRA C/TEFRA not applicable]
34. Additional selling restrictions: [Not Applicable/give details]

## PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue and admission to trading on [specify relevant regulated market (for example the Bourse de Luxembourg and, if relevant, listing on an official list (for example, the Official List of the Bourse de Luxembourg))] of the Notes described herein pursuant to the €8,000,000,000 Euro Medium Term Note Programme of DEXIA CREDIOP S.p.A.

**RESPONSIBILITY**

The Issuer accept responsibility for the information contained in these Final Terms. *[[Relevant third party information, for example in compliance with Annex XII to the Prospectus Directive Regulation in relation to an index or its components]* has been extracted from *[specify source]*. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by *[specify source]*, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Signed on behalf of the DEXIA CREDIOP S.p.A:

By: .....  
Duly authorised

## PART B – OTHER INFORMATION

### 1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg), and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange)*] with effect from [ ].]  
[Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on [*specify relevant regulated market (for example the Bourse de Luxembourg), and, if relevant, listing on an official list (for example, the Official List of the Luxembourg Stock Exchange)*] with effect from [ ].] [Not Applicable.]
- (ii) Estimate of total expenses related to admission to trading: [ ]

### 2. RATINGS

Ratings:

The Notes to be issued have been rated:

[S & P: [ ]]  
[Moody's: [ ]]  
[Fitch: [ ]]  
[[Other]: [ ]]

*(The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

[The Notes to be issued [[have been]/[are expected to be]] rated [*insert details*] by [*insert credit rating agency name(s)*].]

[[*Insert credit rating agency*] is established in the European Union and has applied for registration under Regulation (EC) No. 1060/2009, although notification of the corresponding registration decision has not yet been provided by the relevant competent authority.]

[[*Insert credit rating agency*] is established in the European Union and is registered under Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and is not registered in accordance with Regulation (EC) No. 1060/2009.]

[[*Insert credit rating agency*] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. However, the application for registration under Regulation (EC) No. 1060/2009 of [*insert the name of the relevant EU CRA affiliate that applied for registration*], which is established in the European Union, disclosed the intention to

endorse credit ratings of *[insert credit rating agency]*.]

*[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009. The ratings [[have been]/[are expected to be]] endorsed by [insert the name of the relevant EU-registered credit rating agency] in accordance with Regulation (EC) No. 1060/2009. [Insert the name of the relevant EU-registered credit rating agency] is established in the European Union and registered under Regulation (EC) No. 1060/2009.]*

*[[Insert credit rating agency] is not established in the European Union and has not applied for registration under Regulation (EC) No. 1060/2009, but it is certified in accordance with such Regulation.]*

### **3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

*[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. – Amend as appropriate if there are other interests]*

*[(When adding any other description, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]*

### **4. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

(i) [Reasons for the offer [ ]]

(ii) [Estimated net proceeds:] [ ]

(iii) [Estimated total expenses:] [ ]]

*(N.B.: Delete unless the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies (i) above is required where the reasons for the offer are different from making profit and/or hedging certain risks and, where such reasons are inserted in (i), disclosure of net proceeds and total expenses at (ii) and (iii) above are also required.)*

### **5. YIELD (Fixed Rate Notes only)**

Indication of yield [ ]

The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

### **6. PERFORMANCE OF INDEX/FORMULA AND OTHER INFORMATION CONCERNING THE UNDERLYING (Index-linked Notes only)**

*[Need to include details of where past and future performance and volatility of the index/formula can be obtained.]*

*[Where the underlying is an index need to include the name of the index and a description if composed by the Issuer and if the index is not composed by the Issuer need to include details of where the information about the index can be obtained.]*

[Include other information concerning the underlying required by paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]

[(When completing the above paragraphs, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

(N.B. This paragraph 6 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

**7. PERFORMANCE OF RATE[S] OF EXCHANGE (Dual Currency Notes only)**

[Need to include details of where past and future performance and volatility of the relevant rates can be obtained.]

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)]

(N.B. This paragraph 7 only applies if the Notes are derivative securities to which Annex XII of the Prospectus Directive Regulation applies.)

**8. OPERATIONAL INFORMATION**

(i) ISIN Code: [ ]

(ii) Common Code: [ ]

(iii) Any clearing system(s) other than Euroclear Bank S.A./N.V. and Clearstream Banking, société anonyme and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]

(iv) Delivery: Delivery [against/free of] payment

(v) Names and addresses of initial Paying Agent(s): [ ]

(vi) Names and addresses of additional Paying Agent(s) (if any): [ ]

(vii) [Intended to be held in a manner which would allow Eurosystem eligibility: [Yes] [No]

[Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either

upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.] *[include this text if “yes” selected in which case the Notes must be issued in NGN form]*

## **DTC INFORMATION – REGISTERED NOTES**

As previously indicated, DTC will act as securities depository for the Reg. S Global Notes and the Restricted Global Notes. The Reg. S Global Notes and the Restricted Global Notes will be issued as fully registered securities registered in the name of Cede & Co. The deposit of such Notes with DTC and their registration in the name of Cede & Co. will effect no charge in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the Registered Notes; DTC's records reflect only the identity of the Agent Members to whose accounts such Notes are credited, which may or may not be the beneficial owners of the Registered Notes. DTC has advised the Issuers as follows: "DTC is a limited-purpose trust company organised under the New York Banking Law, a "banking organisation" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the United States Exchange Act of 1934. DTC was created to hold securities for its Agent Members and facilitate the clearance and settlement of securities transactions between participants through electronic book-entry changes in accounts of its Agent Members, thereby eliminating the need for physical movement of certificates. Agent Members include securities brokers and dealers, banks, trust companies and clearing corporations and may include certain other organisations. Indirect access to the DTC system is available to others such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly ("indirect participants")."

Neither DTC nor Cede & Co. will consent or vote with respect to the Registered Notes. However, DTC has advised the Issuers that it will take any action permitted to be taken by a holder of Registered Notes (including, without limitation, the delivery of consent, the exercise of voting rights, or the presentation of a registered global Note for exchange as described above) at the direction of one or more Agent Members to whose account with DTC interests in a registered global Note are credited and only in respect of such portion of the aggregate principal amount of the Registered Notes as to which such Agent Member or Agent Members has or have given such direction. Notwithstanding the foregoing, if there is an Event of Default under the Registered Notes DTC will exchange the registered global Notes for Registered Notes in definitive form, legended as appropriate, which it will distribute to its Agent Members.

Purchases of Registered Notes under the DTC System must be made by or through Agent Members, which will receive a credit for the Registered Notes on DTC's records. The ownership interest of each actual purchaser of a Registered Note held through DTC is in turn recorded on the Agent Member's records. Noteholders will not receive written confirmation from DTC of their purchase but it is anticipated that Noteholders would receive written confirmations regarding details of the transaction, as well as periodic statements of their holdings, from the Agent Member through which the Noteholder entered into the purchase transaction. Transfers of ownership interests in Notes held by DTC are accomplished by entries made on the books of Agent Members acting on behalf of Noteholders. Noteholders will not receive certificates representing their ownership interests in Registered Notes held by DTC, except in the event that the use of the book-entry system for the Notes is discontinued.

Principal and interest payments on Registered Notes held by DTC will be made to DTC. DTC's practice is to credit Agent Members' accounts on the payable date in accordance with their respective holdings shown on DTC's records unless DTC has reason to believe that it will not receive payment on the payable date. Payments by Agent Members to Noteholders will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Agent Members and not of DTC or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest to DTC is the responsibility of the Issuer or the Agent or Paying Agent, as the case may be. Disbursement of payment received by DTC to Agent members shall be the responsibility of DTC. Disbursement of such payments to the Noteholders shall be the responsibility of the Agent Members.

The laws of some states within the United States require that certain persons take physical delivery of securities in definitive form. Consequently, any transfer of beneficial interests in a registered global Note to such persons may require that such interests be exchanged for Registered Notes in definitive form. Because DTC can only act on behalf of Agent Members which, in turn, act on behalf of indirect Agent Members and certain banks, the ability of a person having a beneficial interest in a registered global Note to pledge such interest to persons or entities that do not participate in the DTC system, or otherwise take action in respect of such interest, may require that such interest in a registered global Note be exchanged for Registered Notes in definitive form.

DTC may discontinue providing its services as securities depository with respect to Registered Notes at any time by giving reasonable notice to the relevant Issuer or the Agent. Under such circumstances, in the event that a successor securities depository is not obtained, Registered Notes in definitive form would be delivered to individual Noteholders. In addition, the relevant Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Registered Notes in definitive form would be delivered to individual Noteholders.

## TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each global Note and each definitive Note, in the latter case only if permitted by the relevant stock exchange (if any) and agreed by the Issuer and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms in relation to any series of Notes may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with such Terms and Conditions, modify the following Terms and Conditions for the purpose of such Notes. The applicable Final Terms will be endorsed upon, or attached to, each temporary global Note, permanent global Note and definitive Note. Reference should be made to “Form of the Notes” above for a description of the content of Final Terms which will include the definition of certain terms used in the following Terms and Conditions or specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series of Notes (the “Notes”, which expression shall mean (i) in relation to any Notes represented by a global Note, units of the lowest Specified Denomination in the Specified Currency, (ii) definitive Bearer Notes issued in exchange (or part exchange) for a bearer global Note, (iii) definitive Registered Notes issued in exchange for a registered global Note, (iv) Registered Notes initially issued in definitive form, and (v) any global Note) issued by DEXIA CREDIOP S.p.A. (the “Issuer”) as indicated in the applicable Final Terms pursuant to an Amended and Restated Agency Agreement dated 1 July 2010 (such agreements, as further modified, supplemented or restated from time to time the “Agency Agreement”) made between the Issuer, DEXIA Banque Internationale à Luxembourg S.A. as issuing and principal paying agent (the “Agent”, which expression shall include any successor agent), the other paying agents named therein (together with the Agent, the “Paying Agents”, which expression shall include any additional or successor paying agents and the U.S. Paying Agent defined below), The Bank of New York Mellon as U.S. Paying Agent (the “U.S. Paying Agent”, which expression shall include any further U.S. Paying Agent), as registrar (the “Registrar”, which expression shall include any successor registrar) and as transfer agent (the “Transfer Agent”, which expression shall include any successor transfer agent).

All of the Notes from time to time issued by the Issuer which are for the time being outstanding are hereinafter referred to as the “Notes” and the term “Note” is to be construed accordingly. As used herein, “Tranche” means Notes which are identical in all respects (including as to listing) and “Series” means a Tranche of Notes together with any further Tranche or Tranches which are (i) expressed to be consolidated and forming a single series and (ii) are identical in all respects (including as to listing (if any)) except for their respective Issue Dates, Interest Commencement Dates and/or Issue prices.

Interest bearing definitive Bearer Notes (unless otherwise indicated in the applicable Final Terms) have interest coupons (“Coupons”) and, if indicated in the applicable Final Terms, talons for further Coupons (“Talons”) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Definitive Bearer Notes repayable in instalments have receipts (“Receipts”) for the repayment of the instalments of principal (other than the final instalment) attached on issue. Registered Notes, in definitive or global form, do not have Receipts or Coupons attached on issue.

The Final Terms for this Note are set out in Part A of the Final Terms attached hereto or endorsed hereon and supplements these Terms and Conditions and may specify other terms and conditions which shall, to the extent so specified or to the extent inconsistent with these Terms and Conditions, modify these Terms and Conditions for the purposes of this Note. References herein to the “applicable Final Terms” are to Part A of the Final Terms attached hereto or endorsed hereon.

The holders of the Notes (the “Noteholders”, which expression shall, in relation to any Notes represented by a global Note, be construed as provided below), the holders of the Receipts (the “Receiptholders”) and the holders of the Coupons (the “Couponholders”, which expression shall, unless the context otherwise requires, include the holders of the Talons) are deemed to have notice of, and are entitled to the benefit of, all the

provisions of the Agency Agreement and the applicable Final Terms, which are binding on them. The holders of Bearer Notes are entitled to the benefit of the deed of covenant dated 1 July 2010 and executed by the Issuer as modified, amended or restated from time to time (the “*Deed of Covenant*”). The original Deed of Covenant is held by a common depository on behalf of Euroclear and Clearstream, Luxembourg. Copies of the Deed of Covenant may be obtained upon request during normal business hours from the specified offices of each of the Agent and the other Paying Agents.

Copies of the Agency Agreement, the Schedule of Forms dated 21 June 2011 and signed for the purposes of identification by the Issuer (which contains the form of the Final Terms) and the Final Terms applicable to this Note are obtainable at the specified offices of each of the Paying Agents, save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a Noteholder and such Noteholder must produce evidence satisfactory to the relevant Paying Agent as to identity. The Noteholders, the Receiptholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Agency Agreement, the Deed of Covenant and the applicable Final Terms which are applicable to them.

Words and expressions defined in the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in these Terms and Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

## **1. Form**

The Notes are in registered form (“*Registered Notes*”) or in bearer form (“*Bearer Notes*”) (as specified in the applicable Final Terms) and the appropriate provisions of these Terms and Conditions will apply accordingly. Definitive Notes are serially numbered in the currency in which payment in respect of the Notes is to be made (the “*Specified Currency*”) and the currency in which the Notes are denominated (the “*Specified Denomination*”). Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Note bearing interest on a fixed rate basis (“*Fixed Rate Note*”), a Note bearing interest on a floating rate basis (“*Floating Rate Note*”), a Note issued on a non-interest bearing basis (“*Zero Coupon Note*”), a Note in respect of which interest is calculated by reference to an index and/or a formula (“*Index Linked Interest Note*”), a Note in respect of which principal is calculated by reference to an index and/or a formula (“*Index Linked Redemption Note*”), a Note redeemable in instalments (“*Instalment Note*”), a Note to be issued on a partly paid basis (“*Partly Paid Note*”), a Note in respect of which principal and/or interest is or may be payable in one or more Specified Currencies other than the Specified Currency in which it is denominated (“*Dual Currency Redemption Note*” or “*Dual Currency Interest Note*”, as the case may be) or a Note relating to an underlying asset (an “*Asset-Linked Note*” or a “*Credit-Linked Note*”) or a combination of any of the foregoing, depending upon the Interest Basis or Redemption/Payment Basis shown in the applicable Final Terms.

Definitive Bearer Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to interest (other than interest due after the Maturity Date), Coupons and Couponholders in these Terms and Conditions are not applicable.

Subject as set out below, title to the Bearer Notes, Receipts and Coupons will pass by delivery. Title to Registered Notes will pass upon registration of transfers in the books of the Registrar. Subject as set out below, the Issuer, any Paying Agent and the Registrar may deem and treat the bearer of any Bearer Note, Receipt or Coupon and any person in whose name a Registered Note shall be registered as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a bearer global Note held on behalf of Euroclear Bank SA/NV (“*Euroclear*”) and/or Clearstream Banking, société anonyme (“*Clearstream, Luxembourg*”), each person (other than Euroclear or Clearstream, Luxembourg who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of Bearer Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of Bearer Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, and any Paying Agent as the holder of such nominal amount of Bearer Notes for all purposes other than with respect to the payment of principal or interest on the Bearer Notes, for which purpose the bearer of the relevant bearer global Note shall be treated by the Issuer and any Paying Agent as the holder of such Bearer Notes in accordance with and subject to the terms of the relevant bearer global Note (and the expressions “*Noteholder*” and “*holder of Notes*” and related expressions shall be construed accordingly). Notes which are represented by a bearer global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear or of Clearstream, Luxembourg, as the case may be.

For so long as The Depository Trust Company (“*DTC*”) or its nominee is the registered holder of any registered global Notes DTC or such nominee, as the case may be, will be considered the absolute owner or holder of the Registered Notes represented by such registered global Note for all purposes and members of, or participants in, DTC (the “*Agent Members*”) as well as any other persons on whose behalf the Agent Members may act will have no rights under a registered global Note. Owners of beneficial interests in a registered global Note will not be considered to be the owners or holders of any Registered Notes.

Any reference herein to DTC, Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system (including, in the case of Notes deposited with Montetitolì S.p.A., Montetitolì S.p.A. or any other depository that Euroclear and/or Clearstream, Luxembourg should from time to time recognise) approved by the Issuer and the Agent and as specified in the applicable Final Terms.

Notes governed by Italian Law will be issued in dematerialised form and held on behalf of the Noteholders until redemption or cancellation thereof by Monte Titoli S.p.A. for the account of the relevant Monte Titoli S.p.A. account holders. Such Notes will at all times be in the book entry form and title to the Notes will be evidenced by book entry in accordance with the provisions of the Italian Legislative Decree No. 213 of 24th June, 1998 and CONSOB Regulation No. 11768 of 23rd December, 1998 as amended by CONSOB Resolution No. 12497 of 20th April, 2000, CONSOB Resolution No. 13085 of 18th April, 2001, CONSOB Resolution No. 13659 of 10th July, 2002, CONSOB Resolution No. 13858 of 4th December, 2002, CONSOB Resolution No. 14003 of 27th March, 2003, CONSOB Resolution No. 14146 of 25th June, 2003, CONSOB Resolution No. 14339 of 5th December, 2003, CONSOB Resolution No. 14955 of 23rd March, 2005 and the Regulation jointly issued by CONSOB and the Bank of Italy on 22nd February, 2008. No physical document of title will be issued in respect of such Notes.

## **2. Status of the Notes**

The Notes and, in the case of Definitive Bearer Notes, the relative Receipts and Coupons constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank *pari passu* among themselves. The payment obligations of the Issuer under the Notes and, in the case of Definitive Bearer Notes, the relative Receipts and Coupons rank, and until discharged in full will continue to rank, in right of payment equally with all other unsecured and unsubordinated indebtedness or obligations for money borrowed or raised or guaranteed by the Issuer other than indebtedness or obligations mandatorily preferred by the laws of the Republic of Italy, as the case may be.

### 3. Interest

#### (a) *Interest on Fixed Rate Notes*

- (i) Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date specified in the applicable Final Terms at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in these Terms and Conditions, “*Fixed Interest Period*” means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

- (ii) Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:
- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“*Day Count Fraction*” means, in respect of the calculation of an amount of interest in accordance with this Condition 3(a):

- (i) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
- (a) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the “*Accrual Period*”) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or

- (b) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
  - (1) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; and
  - (2) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (ii) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360; or
- (iii) as may otherwise be specified in the applicable Final Terms.

In these Terms and Conditions:

“*Determination Period*” means each period from (and including) a Determination Date to (but excluding), the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

“*sub-unit*” means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, means one cent.

**(b) *Interest on Floating Rate Notes and Index Linked Interest Notes***

**(i) *Interest Payment Dates***

Each Floating Rate Note and Index Linked Interest Note bears interest on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:—

- (A) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (B) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an “*Interest Payment Date*”) which falls the number of months or other period specified as the Interest Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period (which expression shall, in these Terms and Conditions, mean the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date).

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (1) in any case where Specified Interest Periods are specified in accordance with Condition 3(b)(i)(B) above, the Floating Rate Business Day Convention, such Interest Payment Date (i) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (B) below shall apply *mutatis mutandis* or (ii) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (A) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (B) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (2) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (3) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (4) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In these Terms and Conditions, “*Business Day*” means (unless otherwise stated in the applicable Final Terms) a day which is both:

- (A) a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in each Additional Business Centre specified in the applicable Final Terms; and
- (B) either (1) in relation to Notes denominated in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian Dollars shall be Sydney or (2) in relation to Notes denominated or payable in euro, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the “*TARGET2 System*”) is open.

(ii) *Rate of Interest*

The Rate of Interest payable from time to time in respect of the Floating Rate Notes and the Index Linked Interest Notes will be determined in the manner specified in the applicable Final Terms.

(iii) *ISDA Determination for Floating Rate Notes*

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this sub-paragraph (iii), “*ISDA Rate*” for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent or that other person were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions (as published

by the International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the “*ISDA Definitions*”) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is the period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is either (i) if the applicable Floating Rate Option is based on the London inter-bank offered rate (“*LIBOR*”) or on the Euro-zone inter-bank offered rate (“*EURIBOR*”), the first day of that Interest Period or (ii) in any other case, as specified in the applicable Final Terms.

For the purposes of this sub-paragraph (iii), “*Floating Rate*”, “*Calculation Agent*”, “*Floating Rate Option*”, “*Designated Maturity*” and “*Reset Date*” have the meanings given to those terms in the *ISDA Definitions*.

When this sub-paragraph (iii) applies, in respect of each relevant Interest Period:

- (D) the Rate of Interest for such Interest Period will be the Floating Rate determined by the Agent in accordance with this sub-paragraph (iii); and
- (E) the Agent will be deemed to have discharged its obligations under Condition 3(b)(vi) in respect of the determination of the Rate of Interest if it has determined the Rate of Interest in respect of such Interest Period in the manner provided in this sub-paragraph (iii).

(iv) *Screen Rate Determination for Floating Rate Notes*

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page as at 11.00 a.m. (London time, in the case of *LIBOR*, or Brussels time, in the case of *EURIBOR*) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

If the Reference Rate from time to time in respect of this Note is specified in the applicable Final Terms as being other than *LIBOR* or *EURIBOR*, the Rate of Interest in respect of such Notes will be determined as provided in the applicable Final Terms.

(v) *Minimum and/or Maximum Rate of Interest*

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraphs (ii), (iii) and (iv) above is less than such Minimum Interest Rate, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraphs (ii), (iii) and (iv) above is greater than such Maximum Interest Rate, the Rate of Interest for such Interest Period shall be such Maximum Interest Rate.

(vi) *Determination of Rate of Interest and Calculation of Interest Amount*

The Agent, in the case of Floating Rate Notes, and the Calculation Agent, in the case of Index Linked Interest Notes will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period. In the case of Index Linked Interest Notes, the Calculation Agent shall notify the Agent of the Rate of Interest for the relevant Interest Period as soon as practicable after calculating the same.

The Agent will calculate the amount of interest (the “Interest Amount”) payable on the Floating Rate Notes or Index Linked Interest Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes or Index Linked Interest Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note (or, if they are Partly Paid Notes, the aggregate amount paid up); or
- (B) in the case of Floating Rate Notes or Index Linked Interest Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note or an Index Linked Interest Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

“*Day Count Fraction*” means, in respect of the calculation of an amount of interest in accordance with this Condition 3(b):

- (A) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (i) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (ii) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (B) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (C) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;

- (D) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (E) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls:

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D<sub>1</sub> is greater than 29, in which case D<sub>2</sub> will be 30;

- (F) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360 calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls:

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D<sub>2</sub> will be 30;

- (G) if “30E/360 (ISDA)” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\frac{\text{Day Count Fraction} = [360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y<sub>1</sub>” is the year, expressed as a number, in which the first day of the Interest Period falls:

“Y<sub>2</sub>” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M<sub>1</sub>” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M<sub>2</sub>” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D<sub>1</sub>” is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D<sub>1</sub> will be 30; and

“D<sub>2</sub>” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D<sub>2</sub> will be 30.

(vii) *Notification of Rate of Interest and Interest Amount*

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer and any stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed by no later than the first day of each Interest Period, and to be published in accordance with Condition 13 as soon as possible after their determination but in no event later than the fourth London Business Day (as defined below) thereafter and in the case of such Notes listed on the Luxembourg Stock Exchange no later than the first day of each Interest Period. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to each stock exchange on which the relevant Floating Rate Notes or Index Linked Interest Notes are for the time being listed and to the Noteholders in accordance with Condition 13.

For the purposes of this paragraph, the expression “*London Business Day*” means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(viii) *Certificates to be final*

Subject to the right of the Agent to amend an Interest Amount and Interest Payment Date in accordance with sub-paragraph (vii) above, all certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this paragraph (b), whether by the Agent or, if applicable, the Calculation Agent, shall (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agent, the Calculation Agent (if applicable), the other Paying Agents, the Registrar and all Noteholders, Receiptholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, the Registrar, the Noteholders, the Receiptholders or the Couponholders shall attach to the Agent or the Calculation Agent in connection with the exercise or nonexercise by it of its powers, duties and discretions pursuant to such provisions.

**(c) *Dual Currency Interest Notes***

The rate or amount of interest payable in respect of Dual Currency Interest Notes shall be determined in the manner specified in the applicable Final Terms.

**(d) *Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the applicable Final Terms.

**(e) *Accrual of Interest***

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the due date for its redemption unless, upon due presentation thereof, payment of principal is improperly withheld or refused. In such event and unless otherwise specified in the applicable Final Terms, interest will continue to accrue until whichever is the earlier of:—

- (1) the date on which all amounts due in respect of such Note have been paid; and
- (2) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 13.

**4. *Redemption and Purchase***

**(a) *At Maturity***

Unless previously redeemed or purchased and cancelled as specified below, each Note (including each Index Linked Redemption Note and Dual Currency Redemption Note) will be redeemed at its Final Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms in the relevant Specified Currency on the Maturity Date.

**(b) *Redemption for Tax Reasons***

If (i) as a result of any change in, or amendment to, the laws or regulations of the Republic of Italy or any political sub-division of, or any authority in, or of, the Republic of Italy having power to tax, or any change in the application or official interpretation of the laws or regulations of the Republic of Italy, which change or amendment becomes effective on or after the Issue Date of the first Tranche of Notes of this Series, on the occasion of the next payment due in respect of the Notes the Issuer would be required to pay additional amounts as provided or referred to in Condition 8 and (ii) the requirement to pay such additional amounts cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may, at its option on any Interest Payment Date, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 13 (which notice shall be irrevocable), redeem all the Notes, but not some only, at their Early Redemption Amount referred to in paragraph (f) below together (in the case of Notes other than Floating Rate Notes or Zero Coupon Notes) with interest accrued (or accreted in the case of Zero Coupon Notes) to but excluding the date of redemption, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer would be required to pay the additional amounts were a payment in respect of the Notes then due.

Prior to the publication of any notice of redemption pursuant to this paragraph (b), the Issuer shall deliver to the Agent a certificate of the Issuer stating that the requirement referred to in (i) above will apply on the occasion of the next payment due in respect of the Notes and cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment.

Without prejudice to the above, Notes placed in Italy and governed by Italian law may not be redeemed pursuant to Condition 4(b) at the option of the Issuer earlier than eighteen months from the date on which the offer of the Notes has ended and, if made in tranches, from the date on which the offer of the last tranche has ended.

**(c) *Redemption at the Option of the Issuer (Issuer Call)***

If the Issuer Call is specified in the applicable Final Terms, the Issuer may, having (unless otherwise specified in the applicable Final Terms) given not more than 60 nor less than 30 days' notice in accordance with Condition 13, to the Agent, the Registrar (in the case of Registered Notes) and the holders of the Notes (which notice shall be irrevocable), redeem all or some only of the Notes then outstanding on the Optional Redemption Date(s) and at the Optional Redemption Amount(s) specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s). In the event of a redemption of some only of the Notes, such redemption must be of a nominal amount being not less than the Minimum Redemption Amount and not more than a Maximum Redemption Amount, in each case as may be indicated in the applicable Final Terms. In the case of a partial redemption of such Notes (or, as the case may be, parts of Registered Notes) the Notes to be redeemed (the "*Redeemed Notes*") will be selected, in the case of Redeemed Notes represented by definitive Notes, individually by lot, and, in the case of Redeemed Notes represented by a global Note, in accordance with the rules of Clearstream, Luxembourg and/or Euroclear (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or DTC, as the case may be, in each case not more than 30 days prior to the date fixed for redemption (such date of selection being hereinafter called the "*Selection Date*"). In the case of Redeemed Notes represented by definitive Notes, a list of such Redeemed Notes will be published in accordance with Condition 13 not less than 15 days prior to the date fixed for redemption. The aggregate nominal amount of Redeemed Notes represented by definitive Notes shall bear the same proportion to the aggregate nominal amount of Redeemed Notes as the aggregate nominal amount of definitive Notes outstanding bears to the aggregate nominal amount of the Notes outstanding, in each case on the Selection Date, provided that such first mentioned nominal amount shall, if necessary, be rounded downwards to the nearest integral multiple of the Specified Denomination, and the aggregate nominal amount. No exchange of the relevant global Note will be permitted during the period from and including the Selection Date to and including the date fixed for redemption pursuant to this sub-paragraph (c) and notice to that effect shall be given by the Issuer to the Noteholders in accordance with Condition 13 at least five days prior to the Selection Date.

Without prejudice to the above, Notes placed in Italy and governed by Italian law may not be redeemed pursuant to this Condition 4(c) at the option of the Issuer earlier than eighteen months from the date on which the offer of the Notes has ended and, if made in Tranches, from the date on which the offer of the last Tranche has ended.

**(d) *Redemption at the Option of the Noteholders (Investor Put)***

If Investor Put is specified in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 13 not more than 60 nor less than 30 days' notice (which notice shall be irrevocable) the Issuer will, upon the expiry of such notice, redeem subject to, and in accordance with, the terms specified in the applicable Final Terms in whole (but not in part) such Note on the Optional Redemption Date and at the Optional Redemption Amount specified in, or determined in the manner specified in, the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date(s).

It may be that before an Investor Put can be exercised, certain conditions and/or circumstances will need to be satisfied. Where relevant, the provisions will be set out in the applicable Final Terms.

To exercise the right to require redemption of the Note the holder of the Note must deliver, to the specified office of any Paying Agent (other than the U.S. Paying Agent) or, in the case of Registered Notes, the Registrar at any time during normal business hours within the notice period, a duly signed and completed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (other than the U.S. Paying Agent) or, in the case of Registered Notes, the Registrar (a "*Put Notice*") and in

which the holder must specify a bank account (or, if payment is by cheque, an address) to which payment is to be made under this Condition accompanied by, if the Note is in definitive form, the Note or evidence satisfactory to the relevant Paying Agent that the Note will, following delivery of the Put Notice, be held to its order or under its control.

Any Put Notice given by a holder of any Note pursuant to this paragraph shall be irrevocable except where prior to the due date of redemption an Event of Default shall have occurred and be continuing in which event such holder, at its option, may elect by notice to the Issuer to withdraw the notice given pursuant to this paragraph and instead to declare such Note forthwith due and payable pursuant to Condition 9.

Without prejudice to the above, Notes placed in Italy and governed by Italian law may not be redeemed pursuant to this Condition 4(d) at the option of the Noteholder earlier than twenty four months from the date on which the offer of the Notes has ended and, if made in Tranches, from the date on which the offer of the last tranche has ended.

**(e) Early Redemption Amounts**

For the purposes of Condition 4(b) and Condition 9, Notes will be redeemed at an amount (the “*Early Redemption Amount*”) calculated as follows:

- (i) in the case of Notes with a Final Redemption Amount equal to the Issue Price, at the Final Redemption Amount thereof; or
- (ii) in the case of Notes (other than a Zero Coupon Note but including an Instalment Note and a Partly Paid Note) with a Final Redemption Amount which is or may be less or greater than the Issue Price or which is payable in a Specified Currency other than that in which the Notes are denominated, at the amount set out in, or determined in the manner set out in, the applicable Final Terms or, if no such amount or manner is set out in the Final Terms, at its nominal amount; or
- (iii) in the case of a Zero Coupon Note, at an amount (the “*Amortised Face Amount*”) calculated in accordance with the following formula:

Early Redemption Amount =  $RP \times (1 + AY)^y$  where:

“*RP*” means the Reference Price;

“*AY*” means the Accrual Yield expressed as a decimal; and

“*y*” is a fraction the numerator of which is equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator of which is 360,

or on such other calculation basis as may be specified in the applicable Final Terms.

**(f) Instalments**

If the Notes are repayable in instalments, they will be redeemed in the Instalment Amounts and on the Instalment Dates specified in the applicable Final Terms. In the case of early redemption, the Early Redemption Amount will be determined pursuant to paragraph (e) above.

**(g) *Partly Paid Notes***

If the Notes are Partly Paid Notes, they will be redeemed, whether at maturity, early redemption or otherwise in accordance with the provisions of this Condition as amended or varied by the applicable Final Terms.

**(h) *Purchases***

The Issuer, or any of its respective subsidiaries or affiliated companies may at any time purchase Notes (provided that, in the case of definitive Bearer Notes, all unmatured Receipts and Coupons appertaining thereto are surrendered therewith) in the open market or by tender at any price. In the case of a purchase by tender, such tender must be made available to all holders of Notes alike. Notes purchased as aforesaid may, at the option of the Issuer, be held, resold or surrendered to any Paying Agent (other than the U.S. Paying Agent) or, in the case of Registered Notes, the Registrar for cancellation.

**(i) *Cancellation***

All Notes redeemed in full will be cancelled forthwith (together, in the case of definitive Bearer Notes, with all unmatured Receipts and Coupons surrendered therewith or attached thereto) and may not be reissued or resold.

**(j) *Late Payment on Zero Coupon Notes***

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 4(a), (b), (c) or (d) or upon its becoming due and repayable as provided in Condition 9 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 4(e)(iii) as though the references therein to the date fixed for redemption or the date upon which the Zero Coupon Note becomes due and repayable were replaced by references to the date which is the earlier of:

- (1) the date on which all amounts due in respect of the Zero Coupon Note have been paid; and
- (2) the date on which the full amount of the moneys payable has been received by the Agent and notice to that effect has been given in accordance with Condition 13.

**5. *Payments***

**(a) *Method of Payment***

Subject as provided below:

- (i) payments in a Specified Currency other than euro will be made by transfer to an account in the relevant Specified Currency (which, in the case of a payment in Yen to a non-resident of Japan, shall be a non-resident account) maintained by the payee with, or, at the option of the payee, by a cheque in such Specified Currency drawn on, a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency of this Note is Australian Dollars, shall be Sydney); and
- (ii) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by a euro cheque.

In the case of Notes governed by Italian law it is expressly agreed, pursuant to Article 1279 of the Italian Civil Code that payments shall be made in the Specified Currency (subject in any case to any fiscal or other laws

and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8).

**(b) *Presentation of Notes, Receipts, Coupons and Talons***

Payments of principal in respect of definitive Bearer Notes will (subject as provided below) be made in the manner provided in Condition 5(a) above only against presentation and against surrender (or, in the case of part payment of any sum due only, endorsement) of definitive Bearer Notes and payments of interest in respect of definitive Bearer Notes will (subject as provided below) be made as aforesaid against surrender (or, in the case of part payment of any sum due only, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including any State of the United States and the District of Columbia, its territories and its possessions)).

Payments of instalments of principal in respect of definitive Bearer Notes (if any), other than the final instalment, will (subject as provided below) be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Receipt in accordance with the preceding paragraph. Payment of the final instalment will be made against surrender of the relevant definitive Bearer Note. Payment of the final instalment will be made in the manner provided in paragraph (a) above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of the relevant Note in accordance with the preceding paragraph. Each Receipt must be presented for payment of the relevant instalment together with the definitive Bearer Note to which it appertains. Receipts presented without the definitive Bearer Note to which they appertain do not constitute valid obligations of the Issuer. Upon the date on which any definitive Bearer Note becomes due and repayable, unmatured Receipts (if any) relating thereto (whether or not attached) shall become void and no payment shall be made in respect thereof.

Fixed Rate Notes in definitive bearer form (other than Dual Currency Notes or Index Linked Redemption Amount Notes) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons) failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the aggregate amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of ten years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 12) or, if later, five years from the date on which such Coupon would otherwise have become due.

Upon any Fixed Rate Note in definitive bearer form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Floating Rate Note, Dual Currency Note or Index Linked Note in definitive bearer form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case may be, exchange for further Coupons shall be made in respect thereof.

If the due date for redemption of any definitive Bearer Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from and including the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Bearer Note.

Payments of principal and interest (if any) in respect of Notes represented by any Bearer global Note will (subject as provided below) be made in the manner specified above in relation to definitive Bearer Notes and otherwise in the manner specified in the relevant bearer global Note against presentation or surrender, as the case may be, of such bearer global Note at the specified office of any Paying Agent outside the United States. A

record of each payment made against presentation or surrender of such bearer global Note, distinguishing between any payment of principal and any payment of interest, will be made on such bearer global Note by the Paying Agent to which the bearer global Note is presented and such record shall be *prima facie* evidence that the payment in question has been made.

Payments of principal (other than, in the case of Instalment Notes, instalments of principal (if any) prior to the final instalment) in respect of Registered Notes (whether in definitive or global form) will be made to the persons in whose name such Notes are registered at the close of business on the business day (being for this purpose a day on which banks are open for business in New York City) immediately prior to the relevant payment date against presentation and surrender (or, in the case of part payment of any sum due only, endorsement) of such Notes at the specified office of the Registrar in New York City.

Payments of interest due on a Registered Note and, in the case of Instalment Notes, payments of instalments of principal (if any) due on a Registered Note (other than the final instalment) will be made to the person in whose name such Notes are registered (i) where in global form, at the close of the business day (being for this purpose a day on which Euroclear and Clearstream, Luxembourg are open for business) before the relevant due date and (ii) where in definitive form at the close of business on the fifteenth day (whether or not such fifteenth day is a business day (being for this purpose a day on which banks are open for business in New York City (the “*Record Date*”))) prior to such due date. In the case of payments by cheque, cheques will be mailed to the holder (or the first named of joint holders) at such holder’s registered address on the business day immediately preceding the due date. If payment is required by credit or transfer as referred to in paragraph (a) above application for such payment must be made by the holder to the Registrar not later than the relevant Record Date.

The holder of the relevant global Note shall be the only person entitled to receive payments in respect of Notes represented by such global Note and the Issuer (will be discharged by payment to, or to the order of, the holder of such global Note in respect of each amount so paid. Each of the persons shown in the records of DTC, Euroclear or Clearstream, Luxembourg as the holder of interests in a particular nominal amount of Notes must look solely to DTC, Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of the relevant global Note. No person other than the holder of the relevant global Note shall have any claim against the Issuer in respect of any payments due in respect of that global Note.

Notwithstanding the foregoing, payments of principal and interest in respect of Bearer Notes will be made at the specified office of the U.S. Paying Agent if:

- (i) the Issuer has appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment at such specified offices outside the United States of the full amount due on the Notes in the manner provided above when due;
- (ii) payment of the full amount of such principal and interest due at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions; and
- (iii) such payment is then permitted under United States law without involving, in the opinion of the Issuer, adverse tax consequences to the Issuer.

**(c) *Payment Day***

If the date for payment of any amount in respect of any Note, Receipt or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, unless otherwise specified in the applicable Final Terms, “*Payment Day*” means any day which is both:

- (i) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
  - (A) in the case of Notes in definitive form only, the relevant place of presentation;
  - (B) any Additional Financial Centre specified in the applicable Final Terms;
- (ii) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET System is open; and
- (iii) in the case of any payment in respect of a Registered Global Note denominated in a Specified Currency other than U.S. dollars and registered in the name of DTC or its nominee and in respect of which an accountholder of DTC (with an interest in such Registered Global Note) has elected to receive any part of such payment in U.S. dollars, a day on which commercial banks are not authorised or required by law or regulation to be closed in New York City.

**(d) *Interpretation of Principal and Interest***

Any reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (i) any additional amounts which may be payable under Condition 8;
- (ii) the amount at which each Note will be redeemed on the Maturity Date of the Notes (“*Final Redemption Amount*”);
- (iii) the redemption amount in respect of Notes payable on redemption for taxation reasons or following an Event of Default (“*Early Redemption Amount*”);
- (iv) the Optional Redemption Amount(s) (if any) of the Notes;
- (v) in relation to Notes redeemable in instalments, the Instalment Amounts;
- (vi) in relation to Zero Coupon Notes, the Amortised Face Amount; and
- (vii) any premium and any other amounts which may be payable under or in respect of the Notes.

Any reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable under Condition 8.

**6. Agent, Paying Agents and Registrar**

The names of the initial Agent, the initial Registrar, the other initial Paying Agents and the initial Transfer Agent and their initial specified offices are set out below.

The Issuer is entitled to vary or terminate the appointment of any Paying Agent, the Registrar or the Transfer Agent and/or appoint additional or other Paying Agents, Registrars or Transfer Agents and/or approve any change in the specified office through which any Paying Agent, the Registrar, or the Transfer Agent acts, provided that:—

- (i) so long as the Notes of this Series are listed on any stock exchange, there will at all times be a Paying Agent and a Transfer Agent with a specified office in such place as may be required by the rules and regulations of such stock exchange (or any other relevant authority);
- (ii) there will at all times be a Paying Agent and Registrar with a specified office in New York City;
- (iii) no Paying Agent will be appointed with a specified office in Italy;
- (iv) there will at all times be an Agent; and
- (v) there will at all times be a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Noteholders in accordance with Condition 13.

## **7. Exchange of Talons**

In the case of definitive Bearer Notes, on and after the Interest Payment Date, on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent (other than the U.S. Paying Agent) in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to, and including, the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 12. Each Talon shall, for the purposes of these Terms and Conditions, be deemed to mature on the Interest Payment Date on which the final Coupon comprised in the relative Coupon sheet matures.

## **8. Taxation**

All payments by the Issuer will be made without withholding or deduction for, or on account of, any present or future taxes or duties of whatever nature imposed or levied by, or on behalf of, the Republic of Italy or any political sub-division or any authority thereof or therein having power to tax, unless the withholding or deduction of such taxes or duties is required by law. In that event, the Issuer shall pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders, Receiptholders and Couponholders after such withholding or deduction shall equal the respective amounts which would otherwise have been receivable in the absence of such withholding or deduction, except that:

- (a) no such additional amounts shall be payable with respect to any Note, Receipt or Coupon:
  - (i) the holder of which is liable for such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of Italy, as the case may be, other than the mere holding of such Note, Receipt or Coupon; or
  - (ii) presented for payment by, or on behalf of, a holder who would be able to avoid such withholding or deduction by making a declaration of residence or non-residence or other similar claim but fails to do so; or
  - (iii) presented for payment more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day; or
  - (iv) presented for payment in the Republic of Italy; or

- (v) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, such Directive; or
  - (vi) presented for payment by or on behalf of a holder who would have been able to avoid such withholding or deduction by presenting the relevant Note, Receipt or Coupon to another Paying Agent in a Member State of the EU.
- (b) no additional amounts on account of “*imposta sostitutiva*” or in general on account of any other withholding or deduction shall be payable with respect to any Note, Receipt or Coupon:
- (i) for or on account of “*imposta sostitutiva*” pursuant to Italian Legislative Decree No. 239 of 1st April, 1996 (as, or as may subsequently be, amended or supplemented) and related regulations of implementation which have been or may subsequently be enacted (“Legislative Decree No. 239”) and in all circumstances in which the requirements and procedures set forth in Legislative Decree No. 239 in order to benefit from a tax exemption have not been met or complied with; and for the avoidance of any doubt, pursuant to Italian Legislative Decree No. 461 of 21 November 1997; or
  - (ii) in the event of Notes having a maturity of less than eighteen months where such withholding or deduction is required pursuant to Italian Presidential Decree No. 600 of 29th September, 1973 (as amended or supplemented); or
  - (iii) in the event of Notes having an original maturity of at least eighteen months and redeemed prior to eighteen months; or
  - (iv) in respect of Notes that qualify as atypical securities where such withholding or deduction is required pursuant to Law Decree No. 512 of 30 September 1983, as amended.

In these Terms and Conditions, “*Relevant Date*” means (i) the date on which such payment first becomes due or (ii) if the full amount of the moneys payable has not been received by the Agent on or prior to such due date, the date on which, the full amount of such moneys having been so received, notice to that effect shall have been duly given to the Noteholders in accordance with Condition 13.

## 9. Events of Default

If any of the following events (each an “*Event of Default*”) shall have occurred and be continuing:

- (i) default is made in the payment of any amount payable in respect of any of the Notes and such default continues for fourteen days; or
- (ii) the Issuer shall default in the due performance and observance of any other provision contained in the Notes and, if such default is capable of remedy, the Issuer shall have failed to cure such default within a period of 30 days after notice of such default by any Noteholder to the Issuer at the specified office of the Agent; or
- (iii) the Issuer shall default in the payment when due (as extended by any applicable grace period) of any External Indebtedness (as defined below) or the Issuer shall default in the payment when due (as extended by any applicable grace period) under any guarantee or indemnity given by it in respect of any External Indebtedness of any other person or any of its External Indebtedness of becomes due and payable prior to its stated maturity by reason of an event of default (howsoever called) in respect thereof; or

- (iv) any consent, licence, approval or authorisation now or hereafter necessary to enable the Issuer to comply with its payment obligations contained in the Notes shall be revoked, modified, withdrawn or withheld or shall cease to remain in full force and effect; or
- (v) any mortgage, charge, pledge, lien or other encumbrance, present or future, created or assumed by the Issuer in respect of its External Indebtedness becomes enforceable and the holder thereof takes any steps to enforce it; or
- (vi) any distress or execution is levied upon any of the assets of the Issuer which is likely to have a material adverse effect on its financial condition and is not discharged or stayed within 90 days of the levying of such execution or distress; or
- (vii) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or any substantial part of the undertaking, property, assets or revenues of the Issuer and such possession or appointment is not given up or revoked within 90 days; or
- (viii) the Issuer becomes insolvent or is unable to pay its debts as they fall due or applies for or consents to or suffers the appointment of an administrator, liquidator or receiver of the whole or substantially the whole of its assets and such appointment is not removed, paid out or discharged within 90 days or takes any proceedings under any law for a readjustment or deferment of its obligations or any substantial part of them or makes or enters into a general assignment or an arrangement or composition with or for the benefit of its creditors or stops or threatens to cease to carry on its business or any substantial part of its business; or
- (ix) (except for the purpose of a reconstruction or amalgamation the terms of which have previously been approved in writing by an Extraordinary Resolution of the Noteholders) an order is made (and not discharged or stayed within a period of 90 days) or an effective resolution passed for winding-up the Issuer; or
- (x) the Issuer is subjected to any form of curatorship or other legal management under any present or future laws relating to the supervision of banks in Italy; or
- (xi) the Issuer ceases to be duly established and validly existing under the laws of Italy,

the holder of any Note may, by written notice to the Issuer at the specified office of the Agent effective upon the date of receipt thereof by the Agent, declare such Note to be forthwith due and payable, whereupon the same shall become immediately due and payable at its Early Redemption Amount (as described in Condition 4(e)), together with accrued interest (if any) to the date of repayment.

“*External Indebtedness*” means indebtedness for moneys borrowed or raised amounting in aggregate to not less than €10,000,000 or its equivalent in other currencies.

#### **10. Meetings of Noteholders; Modification; Waiver**

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of the Terms and Conditions of the Notes or the Receipts or Coupons relating thereto or the Agency Agreement. The quorum at any such meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing a clear majority of the nominal amount of the Notes for the time being outstanding, or at any such adjourned meeting one or more persons present being or representing the Noteholders whatever the nominal amount of the Notes held or represented by them, except that at any meeting, the business of which includes, *inter alia*, reduction of the amount or variation of the currency of, or postponement of the date for, payment of principal or interest in respect of the Notes, the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than 75 per cent., or at any such adjourned meeting not less than 50 per cent., of the nominal amount of the Notes for the time being outstanding.

Any resolution passed at any meeting of the Noteholders will be binding on all the Noteholders, whether or not they are present at the meeting, and on all the holders of the Receipts and the Coupons relating to such Notes. Any Notes which have been purchased and are held by or on behalf of the Issuer but have not been cancelled shall (unless and until resold) be deemed not to be outstanding for the purposes of the right to attend or participate in any way at any meeting of Noteholders.

The Agent may agree, without the consent of the Noteholders or the relative Receiptholders or Couponholders, to any modification of any of these Terms and Conditions or any of the provisions of the Agency Agreement which is of a formal, minor or technical nature or to correct a manifest error.

Any such modification shall be binding on the Noteholders and the relative Receiptholders and the Couponholders and, unless the Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practical thereafter in accordance with Condition 13.

Unless otherwise provided in the Final Terms, for so long as the Notes are listed on the regulated market organized and managed by Borsa Italiana S.p.A. and the rules of Borsa Italiana S.p.A. so require, no amendment to the Notes reducing the principal amount repayable on redemption of the Notes pursuant to any resolution of the Noteholders will be permitted except pursuant to an Extraordinary Resolution which has been proposed by or on behalf of the Issuer as part of a reconstruction or reorganisation of the Issuer or otherwise as part of a bankruptcy, insolvency or similar type proceeding.

#### **11. Transfer and Exchange of Registered Notes and Replacement of Notes, Receipts, Coupons and Talons**

Registered Notes of each Tranche sold outside the United States in reliance on Regulation S under the United States Securities Act of 1933, as amended (the “*Securities Act*”) will be represented by a permanent global Note in registered form, without interest coupons (the “*Reg. S Global Note*”) and Registered Notes of each Tranche sold to qualified institutional buyers (“*QIBs*”) (within the meaning of Rule 144A under the Securities Act) in reliance on Rule 144A will be represented by a permanent global Note in registered form, without interest coupons, (the “*Restricted Global Note*” and, together with the “*Reg. S Global Note*”, the “*registered global Notes*”). Registered Notes which are represented by a registered global Note will be exchangeable and transferable only in accordance with the rules and operating procedures for the time being of DTC, Euroclear or Clearstream, Luxembourg, as the case may be (the “*Applicable Procedures*”). Registered Notes of each Tranche sold to Accredited Investors (as defined in Rule 501(a) under the Securities Act) that are institutions (“*Institutional Accredited Investors*”) who agree to purchase the Notes for their own account and not with a view to the distribution thereof will be in definitive form, registered in the name of the holder thereof.

Owners of beneficial interests in the Reg. S Global Note may transfer such interests, or may exchange such interests for either beneficial interests in the Restricted Global Note or Registered Notes in definitive form, and owners of beneficial interests in the Restricted Global Note may transfer such interests, or may exchange such interests for either beneficial interests in the Reg. S Global Note or Registered Notes in definitive form, in each case subject as provided below, to the provisions of the relative registered global Note and to the Applicable Procedures. In addition, Registered Notes in definitive form issued in exchange for beneficial interests in the Reg. S Global Note may be exchanged for beneficial interests in the Reg. S Global Note, subject as provided below and to the Applicable Procedures. Registered Notes in definitive form may also be transferred as provided below.

In the case of Registered Notes in definitive form issued to Institutional Accredited Investors or issued in exchange for interests in the Restricted Global Note, such Registered Notes in definitive form shall bear the legend set forth on the Restricted Global Note (the “*Legend*”). Upon the transfer, exchange or replacement of Registered Notes bearing the Legend, or upon specific request for removal of the Legend, the Issuer shall deliver only Registered Notes that bear such Legend or shall refuse to remove such Legend, as the case may be, unless there is delivered to the Issuer such satisfactory evidence as may reasonably be required by the Issuer, which may include an opinion of U.S. counsel, that neither the Legend nor the restrictions on transfer set forth therein are required to ensure compliance with the provisions of the Securities Act.

Interests in the Reg. S Global Note and the Restricted Global Note will be exchangeable for Registered Notes in definitive form if (i) Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, notifies the Issuer that it is unwilling or unable to continue as depository for such registered global Note or (ii) if applicable, DTC ceases to be a “Clearing Agency” registered under the Exchange Act or either Euroclear or Clearstream, Luxembourg is closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announces its intention permanently to cease business, and a successor depository or alternative clearance system satisfactory to the Issuer and the Agent is not available, (iii) an Event of Default (as defined in Condition 9) has occurred and is continuing with respect to such Notes, (iv) the holder of a beneficial interest in the Restricted Global Note notifies the Registrar in writing that it is transferring such beneficial interest to an Institutional Accredited Investor who is required to hold its beneficial interest in the Registered Notes in definitive form, or (v) a written request for one or more Registered Notes in definitive form is made by a holder of a beneficial interest in a registered global Note; provided that in the case of (v) such written notice or request, as the case may be, is submitted to the Registrar by the beneficial owner not later than 60 days prior to the requested date of such exchange and the Applicable Procedures are followed. Upon the occurrence of any of the events described in the preceding sentence, the Issuer will cause the appropriate Registered Notes in definitive form to be delivered. It should be noted, however, that the delivery of Notes in certificated form to persons who elect to hold such Notes other than through custodians which are approved for the purposes of Legislative Decree No. 239 may be subject to certain Italian withholding taxes on payments of interest and other proceeds thereon. Prior to the 40th day after the later of the commencement of the offering and the closing date for the issue of each Tranche, beneficial interests in the Reg. S Global Note may only be held by or through the agent members of Euroclear and Clearstream, Luxembourg, and interests in the Reg. S Global Note may not be exchanged for Restricted Global Notes or Registered Notes in definitive form.

Subsequent to the 40th day after the later of the commencement of an offering and the closing date for the relevant Tranche of the Notes, if a holder of a beneficial interest in the Reg. S Global Note deposited with the custodian in the United States wishes at any time to exchange its interest in such Reg. S Global Note for an interest in the Restricted Global Note, or to transfer its interest in such Reg. S Global Note to a person who wishes to take delivery thereof in the form of a Registered Note in definitive form, such holder may, subject to the rules and procedures of the Registrar in the United States, exchange or cause the exchange or transfer or cause the transfer of such interest for an equivalent beneficial interest in the Restricted Global Note upon compliance with the transfer requirements of the Registrar in the United States and certification to the effect that (i) the exchange or transfer of such interest has been made in compliance with the transfer restrictions applicable to the Registered Notes under U.S. law and pursuant to and in accordance with Regulation S, where applicable, (ii) such exchange or transfer has been made to a person which the transferor reasonably believes to be a QIB and is obtaining such beneficial interest in a transaction meeting the requirements of Rule 144A, in the case of the exchange of an interest in the Reg. S Global Note for an interest in the Restricted Global Note or (iii) such exchange or transfer has been made to an Institutional Accredited Investor and the transferee is obtaining such beneficial interest for its own account and not with a view to distribution thereof and pursuant to an exempt transaction under Section 4 of the Securities Act, in the case of the exchange of an interest in a Reg. S Global Note for an interest in a Restricted Global Note.

Transfers between participants in DTC will be effected in the ordinary way in accordance with the Applicable Procedures and will be settled in same-day funds. Transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in the ordinary way in accordance with the Applicable Procedures.

Transfers by the owner of a beneficial interest in the Restricted Global Note to a transferee who takes delivery of such interest through the Reg. S Global Note will be made only upon receipt by the Registrar of a written certification from the transferor to the effect that such transfer is being made in accordance with Regulation S or, if available, that the interest in the Note being transferred is not a “restricted security” within the meaning of Rule 144A under the Securities Act.

Investors holding a beneficial interest in a Restricted Global Note who propose to transfer any interest in such Note otherwise than pursuant to Rule 144A must notify the Registrar and, subject to compliance with the provisions of the Agency Agreement, the Registrar shall cause the transferor’s interest in the Restricted Global

Note to be reduced in an amount equal to the aggregate nominal amount of Notes being transferred and shall take such other action as appropriate to register the transfer of the Notes to or for the account of the purchaser. Upon notice to the Registrar and subject to compliance with the provisions of the Agency Agreement, Notes transferred by Institutional Accredited Investors to QIBs pursuant to Rule 144A or outside the United States pursuant to Regulation S will be eligible to be held by such QIBs or non U.S. investors through DTC and the Registrar will arrange for any Notes which are the subject of such a transfer to be represented by the appropriate registered global Note.

If the applicable Final Terms so provides, upon the terms and subject to the conditions set forth in the Agency Agreement, a Registered Note in definitive form may be transferred in whole or in part (in the nominal amounts set out in the applicable Final Terms) by the holder or holders surrendering the Registered Note for registration of the transfer of the Registered Note (or the relevant part of the Registered Note) at the specified office of the Registrar or any Transfer Agent (who will, as soon as practicable, forward such surrendered Registered Note to the Registrar and will give to the Registrar all relevant details to enable it to process the transfer), with the form of transfer thereon duly executed by, or accompanied by a written instrument of transfer in form satisfactory to the Issuer and the Registrar duly executed by, the holder or holders thereof or his or their attorney or attorneys duly authorised in writing and upon the Registrar, after due and careful enquiry, being satisfied with the documents of title and the identity of the person making the request and subject to such reasonable regulations as the Issuer and the Registrar may prescribe, including any restrictions imposed by the Issuer on transfers of Registered Notes originally sold to a U.S. person. In addition, if the Registered Note in definitive form being exchanged or transferred contains a Legend, additional certificates to the effect that such exchange or transfer is in compliance with the restrictions contained in such Legend, may be required. Subject as provided above, the Registrar will, within three business days of receipt by it (being for this purpose a day on which banks are open for business in the city where the specified office of the Registrar is located) of the request (or such longer period as may be required to comply with any applicable fiscal or other laws or regulations), authenticate and deliver at its specified office to the transferee or (at the risk of the transferee) send by mail to such address as the transferee may request a new Registered Note in definitive form of a like aggregate nominal amount to the Registered Note (or the relevant part of the Registered Note) transferred. In the case of the transfer of part only of a Registered Note in definitive form, a new Registered Note in definitive form in respect of the balance of the Registered Note not transferred will be so authenticated and delivered or (at the risk of the transferor) sent to the transferor.

Exchanges or transfers by a holder of a Registered Note in definitive form to a transferee who takes delivery of such Note through a registered global Note will be made no later than 60 days after the receipt by the Registrar of the Registered Note in definitive form to be so exchanged or transferred and only in accordance with the Applicable Procedures, and, if applicable, upon receipt by the Registrar of a written certification from the transferor.

In the event of a partial redemption of Notes under Condition 4(c) or (d) the Issuer shall not be required:

- (a) to register the transfer of Registered Notes (or parts of Registered Notes) during the period beginning on the sixty-fifth day before the date of the partial redemption and ending on the day on which notice is given specifying the serial numbers of Notes called (in whole or in part) for redemption (both inclusive); or
- (b) to register the transfer of any Registered Note, or part of a Registered Note, called for partial redemption.

The costs and expenses of effecting any exchange or registration of transfer pursuant to the foregoing provisions (except for the expenses of delivery by other than regular mail (if any) and, if the Issuer shall so require, for the payment of a sum sufficient to cover any tax or other governmental charge or insurance charges that may be imposed in relation thereto which will be borne by the Noteholder) will be borne by the Issuer.

Subject as provided below, if any Note, Receipt or Coupon is lost, stolen, defaced or destroyed, the Agent in the case of Bearer Notes, Receipts or Coupons, or the Registrar in New York City, in the case of Registered Notes, shall in accordance with the following provisions of this Condition 11 authenticate and deliver, or cause to be authenticated and delivered, a new Note, Receipt or Coupon, in the case of Bearer Notes, at the specified office of the Agent or, in the case of Registered Notes, at the specified office of the Registrar in New York City. Such delivery shall be upon payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Receipts or Coupons must be surrendered before replacements will be issued.

## **12. Prescription**

The Notes, Receipts and Coupons will become void unless claims in respect of principal and/or interest are made within a period of ten years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 5(b) or any Talon which would be void pursuant to Condition 5(b).

## **13. Notices**

All notices regarding the Notes so long as the global Note(s) is or are held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or DTC shall be valid (provided that, in the case of Notes listed on the official list of the Luxembourg Stock Exchange, the rules of the Luxembourg Stock Exchange so permit) if the relevant notice is delivered to Euroclear and/or Clearstream, Luxembourg or DTC, as appropriate, for communication by them to the holders of the Notes. Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg or DTC. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any other stock exchange (or any other relevant authority) on which the Notes are for the time being listed.

If the global Note(s) is not or are not held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or DTC then all notices regarding the Notes shall be valid if published (i) in one leading English language daily newspaper with circulation in London and (ii), for so long as the Notes are admitted to trading on the Regulated Market of the Luxembourg Stock Exchange, and listed on the Official List of the Luxembourg Stock Exchange and the rules of the Luxembourg Stock Exchange or Luxembourg law require, a daily newspaper of general circulation in Luxembourg or on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). It is expected that any such publication in a newspaper will normally be made in the *Financial Times* in London and the *Luxemburger Wort* in Luxembourg. Any such notice shall be deemed to have been given on the date of the first publication in all such relevant newspapers.

If the global Note(s) is not or are not held in its or their entirety on behalf of Euroclear and/or Clearstream, Luxembourg or DTC then all notices to holders of Registered Notes will be valid if mailed to their registered addresses appearing on the register and published, for so long as the Notes are listed on the official list of the Luxembourg Stock Exchange, in the *Luxemburger Wort* in Luxembourg or on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)). Any such notice shall be deemed to have been given on the fourth day after the day on which it is mailed.

Notices to be given by any holder of the Notes shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Agent at its specified office. Whilst any of the Notes are represented by a global Note, such notice may be given by any holder of a Note to the Agent via Euroclear and/or Clearstream, Luxembourg or the Registrar via DTC, as the case may be, in such manner as the Agent and/or the Registrar and Euroclear and/or Clearstream, Luxembourg or DTC, as the case may be, may approve for this purpose.

**14. Further Issues**

The Issuer shall be at liberty from time to time without the consent of the Noteholders, Receiptholders or Couponholders to create and issue further notes ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single Series with the outstanding Notes.

**15. Contracts (Rights of Third Parties) Act 1999**

No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of the Notes, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

**16. Governing Law; Submission to Jurisdiction**

The Agency Agreement, the Notes, the Receipts, the Coupons, and any non-contractual obligations arising out of or in connection thereto, are governed by, and shall be construed in accordance with, English law except that, if so specified in the applicable Final Terms, the Notes, the Receipts and the Coupons may be governed by and construed in accordance with Italian law.

The Issuer irrevocably agrees for the benefit of the Noteholders, the Receiptholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Agency Agreement, the Notes, the Receipts or the Coupons (including a dispute relating to any non-contractual obligations arising out of or in connection thereto) and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as “*Proceedings*”) (including any Proceedings relating to any non-contractual obligations arising out of or in connection thereto) may be brought in the courts of England.

The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon the Issuer and may be enforced in the courts of any other jurisdiction. Nothing contained in this Condition 16 shall limit any right to take Proceedings (including any Proceedings relating to any non-contractual obligations arising out of or in connection with the Notes, the Receipts and the Coupons) against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

The Issuer hereby appoints Dexia Management Services Limited at its registered office for the time being in England as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of it ceasing so to act it will appoint another person as its agent for that purpose.

## **USE OF PROCEEDS**

The net proceeds from each issue of Notes will be applied by the Issuer for its general corporate purposes which include making a profit.

## DEXIA CREDIOP S.P.A.

### Introduction

DEXIA CREDIOP S.p.A. (formerly “**CREDIOP S.p.A.**” or “**Old Crediop**”, hereinafter also the “**Issuer**”) is part of the Dexia Group (with Dexia SA as holding company), is subject to the direction and coordination of Dexia Crédit Local as more fully described below, and is registered with the Register of Banks held by the Bank of Italy under number 5288 and with the Rome Company Register under number 04945821009. The object of DEXIA CREDIOP S.p.A. is the exercise of banking and financial services and other connected activities. All such activities may be carried out by DEXIA CREDIOP S.p.A. in Italy and abroad, in whatever currency (see “Corporate Purpose” below). CREDIOP S.p.A. changed its name to DEXIA CREDIOP S.p.A. on 7th May, 2001. Its registered office is at Via Venti Settembre 30 (00187 - Rome). The telephone number of DEXIA CREDIOP S.p.A.’s registered office is +39 06 4771 1.

DEXIA CREDIOP S.p.A. was incorporated on 31st July, 1995 as a joint-stock company under the laws of Italy and its duration is to 31st December, 2100 and may be extended. Old Crediop was incorporated in 1919 as Consorzio di credito per le opere pubbliche, for the purpose of supplementing the Italian State’s traditional financing role by raising funds through public issues and channelling these funds into various sectors of the economy. Since its inception, Old Crediop offered financial assistance to Italian local authorities, in addition to providing loans for projects of major importance for the development of the Italian economy.

In 1992, Old Crediop turned into a joint stock company (under the provisions of Legge Amato), with the name CREDIOP – Credito per le imprese e opere pubbliche S.p.A..

On 31st December, 1995, CREDIOP – Credito per le imprese e opere pubbliche S.p.A. merged with Istituto Bancario San Paolo di Torino S.p.A. (“SAN PAOLO S.p.A.”). As of such date, Old Crediop ceased to exist and SAN PAOLO S.p.A., by operation of law, assumed all of the rights and obligations and assets and liabilities of Old Crediop.

On 31st January, 1996, certain assets of SAN PAOLO S.p.A., which related to public sector activities, together with some of their corresponding liabilities were spun off by SAN PAOLO S.p.A. to its newly - formed subsidiary, CREDIOP S.p.A. (the “Transfer”). San Paolo was its sole shareholder.

On 30th June, 1997, Crédit Local de France and Crédit Communal de Belgique each acquired 20 per cent. of DEXIA CREDIOP S.p.A.’s shares. On 23rd April, 1998, Crédit Local de France and Crédit Communal de Belgique each transferred their 20 per cent. stake in DEXIA CREDIOP S.p.A. to Dexia Project and Public Finance International S.A..

On 10th June, 1999 Dexia Project and Public Finance International S.A. purchased from San Paolo IMI S.p.A. (the new name assumed by the entity resulting from the merger between SAN PAOLO S.p.A. and Istituto Mobiliare Italiano - IMI, which took place on 31st December, 1998) a further 20 per cent. of DEXIA CREDIOP S.p.A.’s share capital.

On 26th July, 2000, Dexia Project and Public Finance International S.A. and Dexia Crédit Local de France merged to form DEXIA PUBLIC FINANCE BANK, eventually re-named Dexia Crédit Local.

On 16th October, 2000 (4 per cent.) and on 9th April, 2002 (6 per cent.), Banca Popolare Milano, Banca Popolare Emilia Romagna (with the subsidiary Em.Ro Popolare S.p.A.) and Banco Popolare (previously named Banco Popolare Verona e Novara) acquired 10 per cent. of DEXIA CREDIOP S.p.A.’s shares.

On 20th December, 2001 (4 per cent.) and on 9th April, 2002 (6 per cent.), Dexia Banque Internationale à Luxembourg acquired 10 per cent. of DEXIA CREDIOP S.p.A.’s shares.

On 11th December, 2003, Dexia Banque Internationale à Luxembourg transferred its 10 per cent. stake in DEXIA CREDIOP S.p.A. to Dexia Crédit Local.

## **Sustainable Development**

DEXIA CREDIOP S.p.A. is particularly dedicated to values related to sustainable development. In particular, the long-term prospects of DEXIA CREDIOP S.p.A.'s interventions, the proximity to its clients and its socially-responsible corporate culture are the basis of its commitment to sustainable development. DEXIA CREDIOP S.p.A.'s reputation in the Italian financial community as a leading player for sustainable development is also being strengthened with reference to the assistance given to local authorities to provide for the sustainable development of their regions.

## **The Dexia Group**

DEXIA CREDIOP S.p.A. is part of the Dexia Group of companies (the “**Dexia Group**”) and is ultimately controlled by Dexia SA. Dexia SA was born out of the 1996 alliance of the two major European players in local public finance, Crédit Local de France and Crédit Communal de Belgique. Both institutions, together with Banque Internationale à Luxembourg (“BIL”) were united in 1999 into one publicly quoted company named Dexia SA, thus forming one of the first cross-border mergers in the European banking sector.

Dexia is a European banking group with 35,185 members of staff and core shareholders' equity of EUR 19.2 billion as at 31 December 2010. The Dexia Group carries out its activities principally in Belgium, Luxembourg, France and Turkey.

Dexia SA is listed on Euronext Brussels and Paris and the Luxembourg Stock Exchange, and is included in the BEL20, reference index of the Brussels Stock Exchange, and the Dow Jones EuroStoxx Banks.

### *Business Lines*

#### *Retail and Commercial Banking*

The Dexia Group offers a wide range of retail, commercial and private banking services to over 8 million customers. The Dexia Group ranks among the three largest banks in Belgium and Luxembourg. In Belgium, Dexia serves its 4 million customers through a network of approximately 850 branches. The Luxembourg operation is the international wealth management centre within the Dexia Group; it also covers the country with a nationwide network of branches. Dexia also holds a strong position in Turkey, through DenizBank, which currently stands in sixth position among privately-held banks and serves its customers through a nationwide network of some 500 branches. Besides the retail and commercial banking activities, DenizBank is a fully-fledged bank, with a significant corporate activity and offering its clients asset management services and insurance products.

The Dexia Group aims to continue developing its commercial franchises in Belgium and Luxembourg and to capture the significant growth potential of Turkey. The objective is to increase the proportion of income from its retail and commercial banking activities (approximately 60per cent. of the Dexia Group's total income, including 29per cent. from Turkey) and to achieve a client base of 10 million (4 million in Belgium and Luxembourg, 6 million in Turkey) by 2014.

#### *Public and Wholesale Banking*

The Dexia Group plays a major role in the financing of local facilities and infrastructures, the health and social housing sectors and the social economy, principally in Belgium and France.

The Dexia Group is also active

- in the field of project finance, in sectors such as infrastructures and renewable energies, both in Europe and North America;
- in the field of corporate banking in Belgium, where Dexia focuses on medium-sized corporates, whilst maintaining an opportunist presence with large corporates.

In addition, the Dexia Group is established in Germany, with a platform giving access to the *Pfandbriefe* market.

### *Asset Management and Services*

This business line consists of three activities: asset management, investor services and insurance.

With EUR 86.4 billion of assets under management as at 31 December 2010, Dexia Asset Management is the Dexia Group's asset management centre. Its four management centres (in Belgium, France, Luxembourg and Australia) serve a broad client base.

The investor services business is conducted by RBC Dexia Investor Services, a joint venture with Royal Bank of Canada, which offers its expertise in global custody, fund and pension administration and shareholder services to institutions all around the world. Total assets under administration amounted to EUR 2.101 billion as at 31 December 2010.

The Dexia Group's insurance activities are mainly concentrated on the Belgian and Luxembourg markets. The Dexia Group offers a complete range of life and non-life insurance products to retail, commercial and private banking clients, as well as to Dexia's public and semi-public clients, through a banking-insurance approach and through a network of tied agents.

### **Corporate Purpose**

DEXIA CREDIOP S.p.A's purpose, as reflected in its by-laws, is the exercise of banking and financial activities and other connected or instrumental activities. Its main activities are in favour of the State administration, regions, local and other territorial public entities and other public service entities. The by-laws further state that DEXIA CREDIOP S.p.A. may conduct all of the "mutually recognised" activities as defined in European Union legislation (which activities consist of, *inter alia*, deposit-taking, lending, financial leasing, payment administration, foreign exchange and securities activities) and that all of DEXIA CREDIOP S.p.A's permitted activities may be carried out by the Issuer in Italy and abroad, in whatever currency.

DEXIA CREDIOP S.p.A's principal offices are in Rome and it has branches in Milan, Turin, Bologna, and Naples.

### **Equity Capital and Shareholders**

DEXIA CREDIOP S.p.A's share capital amounts to EUR 450,210,000 consisting of 174,500,000 shares at par value of EUR 2.58 each. All of DEXIA CREDIOP S.p.A's issued share capital is fully paid-up.

As at 31st December, 2010, the capital stock of DEXIA CREDIOP S.p.A. comprised of:

- Dexia Crédit Local, 122,150,000 ordinary shares, representing 70 per cent. of share capital, totalling EUR 315,147,000;
- Banca Popolare di Milano, 17,450,000 ordinary shares, representing 10 per cent. of share capital, totalling EUR 45,021,000;
- Banco Popolare, 17,450,000 ordinary shares, representing 10 per cent. of share capital, totalling EUR 45,021,000;
- Em.Ro. Popolare S.p.A., 17,450,000 ordinary shares, representing 10 per cent. of share capital, totalling EUR 45,021,000.

At the end of December 2010, DEXIA CREDIOP S.p.A's Tier 1 capital ratio – being the ratio of Tier 1 capital to risk-weighted assets - was 14.09 per cent. DEXIA CREDIOP S.p.A.'s net worth as at 31st December, 2010 was approximately EUR 1,132 million.

## Measures against abuse by the controlling shareholder

Without prejudice to Italian mandatory law provisions in relation to resolutions of the Board of Directors and resolutions passed at shareholders' meetings, resolutions on strategic issues and on material matters are passed by the Board of Directors as set out in the by-laws or as established by the Board of Directors itself. The members of the Board of Directors are elected at shareholders' meetings and include members who are elected on the recommendation of the minority shareholders. In the event that one or more directors resign from their duties, a replacement will be appointed by the remaining directors (with the approval of the Board of Statutory Auditors) provided that the remaining directors represent the majority of directors originally appointed by the shareholders. In the event that the majority of the directors appointed by the shareholders resign from their duties, a shareholders' meeting must be convened at which a new Board of Directors is elected.

Decisions other than those specifically reserved to the Board of Directors may be delegated by the Board of Directors to the Managing Director or by the Board of Directors or the Managing Director to any other persons duly appointed to this end and are required to be notified to the Board of Directors on a quarterly basis as to operational matters and once a year in other cases.

The Internal Audit, Compliance & Accounting Committee, the members of which are elected by the Board of Directors, has the responsibility, *inter alia*, to review the annual accounts and financial information, as well as to assess the appropriateness of the internal control system, in particular with reference to credit, market, operational and compliance risks.

## Trend information

There has been no material adverse change in the prospects of DEXIA CREDIOP S.p.A. since 31st December, 2010 until the date of issue of this Prospectus.

## Legal and arbitration proceedings

Set out below are the legal, arbitration or administrative proceedings (including proceedings pending or threatened of which the Issuer is aware) for a period of at least 12 months preceding the date of this Base Prospectus, the results of which might have or have had a significant effect on the financial position or the profitability of the Issuer and/or the Dexia Group.

On 3<sup>rd</sup> February 2010, within criminal investigations concerning an alleged commission of fraud pursuant to articles 81, 110, 640 second paragraph and 61 number 7 of the Criminal Code in relation to a redemption and re-financing transaction with the Region of Puglia, DEXIA CREDIOP S.p.A. has been served with a notification of investigation (*informazione di garanzia*) as it is alleged to be liable (administrative liability) under articles 5, paragraph 1, letter a), 21, 24, first and second paragraph of Legislative Decree No. 231/2001 for the commission of the above-mentioned crime. Within the above proceedings, further to the enforcement of a Court of Bari (*Giudice per le Indagini Preliminari di Bari*) seizure order, as of the date of the issue of this Prospectus DEXIA CREDIOP S.p.A. is being encumbered a cash amount of approximately EUR 8.6 million.

On 29th June, 2009, the Province of Pisa annulled by means of a "self-redress" resolution (so-called "*autotutela*") its resolutions to enter into an interest rate swap transaction with DEXIA CREDIOP S.p.A. dated 4th July, 2007 in connection with a variable-rate bond issuance purchased in part by DEXIA CREDIOP S.p.A.. As a result, the Province of Pisa stopped payments to DEXIA CREDIOP S.p.A. due under the said interest rate swap. As at today, the Province of Pisa has not paid approximately EUR 2,4 million in the aggregate. As a result, DEXIA CREDIOP S.p.A. has brought a lawsuit in England aimed at obtaining the due performance by the Province of Pisa of its obligations. In addition, DEXIA CREDIOP S.p.A. has brought a lawsuit in Italy, currently pending before the Council of State, aimed at the annulment of the afore-said "self-redress" resolution.

On 21st December 2010, DEXIA CREDIOP S.p.A. has been served with a seizure order up to the amount of approximately EUR 0,635 million, in relation to a criminal investigations carried out by the Court of Florence concerning, *inter alia*, derivative products entered into in 2004 with the Region of Tuscany. DEXIA CREDIOP S.p.A. is alleged to be liable (administrative liability) under articles 5, paragraph 1, letter a), 24, second paragraph of Legislative Decree No. 231/2001 for an alleged commission of a fraud to the detriment of the State pursuant to articles 81, 110, 640 second paragraph and 61 number 7 of the Criminal Code. The seizure order has not been enforced since DEXIA CREDIOP S.p.A. has filed with the Court a first demand guarantee of an equivalent amount. As a result, the seizure order was revoked on 30 March 2011.

On 31st December 2010, the City of Prato annulled by means of a “self-redress” resolution (so-called “*autotutela*”) its resolution to enter into an interest rate swap transaction with DEXIA CREDIOP S.p.A. dated 29<sup>th</sup> June, 2006 in connection with two variable-rate bond issuances subscribed by DEXIA CREDIOP S.p.A.. As a result, the City of Prato stopped payments to DEXIA CREDIOP S.p.A. due under the said interest rate swap. As at the date of the issue of this Prospectus, the City of Prato has not paid approximately EUR 1,000,000.00 in the aggregate due on 31<sup>st</sup> December 2010. As a result, DEXIA CREDIOP S.p.A. has brought a lawsuit in England aimed at obtaining the due performance by the City of Prato of its obligations. In addition, DEXIA CREDIOP S.p.A. has brought a lawsuit before the Administrative Tribunal of the Region of Tuscany (*TAR della Toscana*) aimed at the annulment of the afore-said “self-redress” resolution.

On 23rd December 2010, the Region of Lazio served DEXIA CREDIOP S.p.A. with a Deed of Summons before the Civil Court of Rome. The lawsuit concerns swaps transactions entered into with the Region of Lazio; in addition to DEXIA CREDIOP S.p.A., fourteen other banks are summoned. The Region of Lazio is claiming for damages in an amount equal to approximately EUR 8.5 million. The first hearing has been scheduled for 8<sup>th</sup> November 2011.

On 30th March 2011, the City of Florence annulled by means of a “self-redress” resolution (so-called “*autotutela*”) its resolutions to enter into two Interest Rate Swaps with DEXIA CREDIOP S.p.A. dated 26 June 2006. As at the date of the issue of this Prospectus, the City of Florence has not paid the nettings due on 9<sup>th</sup> and 16th December 2010 for an amount equal to approximately EUR 3 million. DEXIA CREDIOP S.p.A. has brought a lawsuit in England aimed at obtaining the due performance by the City of Florence of its obligations.

On 14th April 2011, the City of Messina served DEXIA CREDIOP S.p.A. with a Deed of Summons before the Civil Court of Messina. The lawsuit concerns two derivative transactions entered into with the City of Messina, one by Dexia Crediop S.p.A. and the other by another bank. The City of Messina claims for the declaration that the swaps are null and void or alternatively for the annulment of such derivative transactions and thus requests repayment of the nettings paid by the City up to date plus damages. The first hearing will be held on 20 July 2011.

Further to the proceedings referred to above, the Issuer resolved to create a reserve fund, starting from the financial statements for year 2009, for the legal proceedings where DEXIA CREDIOP S.p.A. set aside the legal expenses envisaged to be borne in connection with any administrative and/or judicial proceedings in which DEXIA CREDIOP S.p.A. is involved and relating to the transactions entered into with local and territorial entities. For such proceedings, however, it was not deemed necessary to perform any specific write-down of the exposures.

For further information, please see section 12 - Provisions for Risks and Charges – accounting item 120 of the financial statement 2010; the reserve fund for legal expenses envisaged to be borne in connection with the above mentioned administrative and/or judicial proceedings is EUR 7,228,000.

\* \* \* \*

Save as disclosed above, during the 12 months preceeding the date of this Base Prospectus, there have been no governmental, legal or arbitration proceedings (including proceedings pending or threatened

of which DEXIA CREDIOP S.p.A. is aware) which might have, in the recent past, a significant impact on the financial position or profitability of the Issuer and/or the Dexia Group.

### **No significant change in DEXIA CREDIOP S.p.A.'s financial or trading position**

There has been no significant change in the financial or trading position of DEXIA CREDIOP S.p.A. since 31st December, 2010.

### **Management**

DEXIA CREDIOP S.p.A.'s by-laws provide that the business affairs of DEXIA CREDIOP S.p.A. are managed by a Board of Directors. The affairs of DEXIA CREDIOP S.p.A. are also supervised by a Board of Auditors.

### **By-laws**

The Extraordinary Shareholders' Meeting on 24th June, 2009 approved the amendments to the by-laws, in accordance with the provisions of the Bank of Italy concerning the corporate governance of banks (in force since March 2008).

The Shareholders' Resolution was registered in the Register of Companies of Rome on 26th June, 2009.

### **Board of Directors**

The Board of Directors of DEXIA CREDIOP S.p.A. is required to be comprised of a minimum of seven and a maximum of fourteen members. Directors serve for three-year terms and may be re-elected for consecutive terms. The present Board of Directors, appointed by the Shareholders' Meeting on 24th April, 2009, is composed of eight members whose terms in office will expire on the date on which the Shareholders' Meeting approving the 2011 balance sheet is held. Such meeting is required to be held within four months after the fiscal year ending 31st December, 2011.

Pascal Poupelle, Director and Deputy Chairman, resigned with effect from 31 December 2010, and with effect from 4 February 2011, the Board of Directors appointed Alain Clot as Director (by co-option) and Deputy Chairman of the company.

The members of the Board of Directors of DEXIA CREDIOP S.p.A., for each of whose business address is Via Venti Settembre, 30, 00187 Rome, Italy, are:

<b>Name</b>	<b>Title</b>	<b>Other Entities <sup>1</sup></b>
Mario Sarcinelli	<i>Chairman</i>	No office
Jean Le Naour	<i>Managing Director</i>	No office
Alain Clot	<i>Deputy Chairman</i>	<ul style="list-style-type: none"> <li>– Dexia SA: <i>Member of Management Board</i></li> <li>– Dexia Crédit Local: <i>Director and Managing Director</i></li> <li>– Dexia Municipal Agency: <i>Director</i></li> <li>– Dexia CLF Banque: <i>Director</i></li> </ul>

<sup>1</sup> Disclosed are only the offices in other entities which are significant with reference to the Issuer activity.

		<ul style="list-style-type: none"> <li>– Dexia Sabadell: <i>Chairman</i></li> <li>– Dexia Sofaxis: <i>Chairman</i></li> </ul>
Benoit Debroise	<i>Director</i>	<ul style="list-style-type: none"> <li>– Dexia SA: Member of <i>Executive Committee</i></li> <li>– Dexia Banque Belgique S.A.: <i>Director</i></li> <li>– Dexia Securities France Holding: <i>Director</i></li> <li>– Dexia Municipal Agency: <i>Director</i></li> </ul>
Alberto Gasparri	<i>Director</i>	<ul style="list-style-type: none"> <li>– Banca Italease S.p.A.: <i>Director</i></li> <li>– Holding di Partecipazioni Finanziare Banco Popolare: <i>Director</i></li> <li>– Efibanca S.p.A.: <i>Director</i></li> </ul>
François Laugier	<i>Director</i>	<ul style="list-style-type: none"> <li>– Dexia Municipal Agency: <i>General Manager</i></li> <li>– Dexia Kommunalkredit Bank AG: <i>Director</i></li> <li>– Dexia Kommunalbank Deutschland: <i>Director</i></li> </ul>
Luigi Odorici	<i>Director</i>	<ul style="list-style-type: none"> <li>– Banca Popolare Emilia Romagna: <i>Deputy General Manager</i></li> </ul>
Marcello Priori	<i>Director</i>	<ul style="list-style-type: none"> <li>– Banca Popolare di Milano Scarl: <i>Director</i></li> </ul>

All the members of the Board of Directors have the integrity and professional requirements, in accordance with the law and regulation in force.

Antonio Pedone is the Honorary Chairman (appointed by the Shareholders' Meeting on 24th April, 2009).

The Board of Directors resolved not to appoint an Executive Committee.

If, for whatever reason, the number of Directors elected by the shareholders at a general meeting decreases by more than one-half (whether by resignation or otherwise), the by-laws of DEXIA CREDIOP S.p.A. provide for the automatic dissolution of the entire Board of Directors and the calling of a general meeting of shareholders to elect new members.

The Board of Directors, if the shareholders have not done so, is empowered to appoint the Chairman of the Board of Directors. The Board of Directors elects one or more Deputy Chairmen and a Managing Director from among its members.

The Board of Directors is required under the by-laws to meet at least four times per year, and at any other time when a meeting is convened by the Chairman.

The Board of Directors is vested with all powers for the ordinary and extraordinary administration of DEXIA CREDIOP S.p.A., except those which are expressly reserved to the exclusive authority of the shareholders by law or under the by-laws.

DEXIA CREDIOP S.p.A.'s by-laws reserve the following matters to the exclusive authority of the Board of Directors:

- determination of the general guidelines and targets for operations;
- strategic operations and lines and business and financial plans;

- operations leading to significant variations in the scope of the DEXIA CREDIOP S.p.A.;
- approval and amendment of the general rules regarding employment;
- approval and modification of the main internal regulations, without prejudice to those covered by the remit of the Shareholders' Meeting;
- acquisition and sale of equity interests with the exclusion of the acquisition of those which are covered by the remit of the Shareholders' Meeting as per art. 2361, paragraph two, of the Civil Code;
- setting out rules for the management and coordination of Dexia Group companies and for compliance with the instructions issued by the Bank of Italy;
- appointment and revocation of the general manager;
- appointment of managers;
- appointment and revocation of the manager who has the duty of drafting the accounting documents of DEXIA CREDIOP S.p.A., with the prior opinion of the Board of Auditors, pursuant to the following article 26;
- appointment and revocation of the managers of the internal audit and compliance functions, subject to the opinion of the Board of Auditors;
- determination of the remuneration of the general manager and of managers, in line with the policies approved by the Shareholders' Meeting;
- opening and closing of branches and representative offices; and
- creation of committees or commissions having an advisory or a coordination role.

Certain other matters are reserved by the by-law to the Board of Directors and may not be delegated.

Subject to the foregoing, the Board of Directors may delegate to the Managing Director such powers and duties regarding DEXIA CREDIOP S.p.A.'s business and operations as it shall consider appropriate. The Managing Director may delegate powers to managers and officers of DEXIA CREDIOP S.p.A..

The Chairman of DEXIA CREDIOP S.p.A. is vested with the legal representative vis-à-vis third parties. The Chairman has the power to convene and chair Shareholders' Meetings and to convene and chair Board of Directors' meetings, setting the agendas for such meetings.

The Company is also represented by the Managing Director, within the limits of the powers granted to him.

The Chairman, acting in agreement with the Managing Director, may take any urgent action in the interest of DEXIA CREDIOP S.p.A., reporting on it to the Board of Directors at the next meeting.

The Managing Director is DEXIA CREDIOP S.p.A.'s chief operating officer. He performs the managerial functions delegated to him by the Board of Directors.

The powers of the General Manager (not appointed) are attributed to the Managing Director.

In addition to the foregoing, the General Secretary, internal auditors, compliance, communication and human resources report directly to the Managing Director.

## **Board of Auditors**

DEXIA CREDIOP S.p.A. is required by law to have a Board of Auditors who have a duty to the shareholders (to whom they report), to DEXIA CREDIOP S.p.A. and to DEXIA CREDIOP S.p.A.'s creditors. The Board of Auditors oversees compliance with the law, regulations and the by-laws as well as compliance with the principles of correct company administration and, in particular, adequacy of the organisational, administrative and accounting structures, the internal audit system adopted by the company, their proper functioning and the fair representation of operations. The Board of Auditors is required by the by-laws to be composed of three standing members and two alternate members. The Auditors are appointed by DEXIA CREDIOP S.p.A.'s shareholders at the annual general meeting for a three-year term and may be re-elected for consecutive terms. The annual general meeting also sets the auditors' remuneration. The present Board of Auditors, appointed at the Shareholders' Meeting on 29th April, 2010 will remain in office through the date on which the Shareholders' Meeting approving the 2012 Financial Statements is held. Such meeting is required to be held within one hundred and twenty days after the fiscal year ending on 31st December, 2012.

The present Board of Auditors of DEXIA CREDIOP S.p.A. is composed as follows:

<b>Name</b>	<b>Title</b>
Ezio Maria Simonelli	<i>Chairman</i>
Pierre Paul Destefanis	<i>Auditor</i>
Vincenzo Ciruzzi	<i>Auditor</i>
Marco Bronzato	<i>Alternate Auditor</i>
Nicola Ungaro	<i>Alternate Auditor</i>

No conflicts of interest exist between any duties of the members of the Board of Directors (including the Chairman and the Managing Director) and members of the Board of Auditors and their private interests and/or other duties and the interests of DEXIA CREDIOP S.p.A..

## **External Auditors**

DEXIA CREDIOP S.p.A. is required by Italian law (Legislative Decree of 27th January, 2010 No. 39) to have an external auditor who ensures that DEXIA CREDIOP S.p.A.'s accounting records are regularly maintained and that its financial statements are prepared in a manner which is consistent with the accounting records and relevant accounting principles.

On 29th April, 2010 the Shareholders' Annual General Meeting appointed Mazars S.p.A. as external auditors for nine years up to the end of the 2018 fiscal year. The registered office of Mazars S.p.A. is at Corso di Porta Vigentina 35 - 20122 Milan and they are registered with the Special Register of Auditing Companies (Albo Speciale delle Società di Revisione) with CONSOB Resolution No. 17141.

## **Manager who has the duty of drafting the accounting documents of the Company**

With reference to the amendments to the by-laws approved by the Extraordinary Shareholders' Meeting of 23rd June, 2008, Jean Bourrelly, Head of Administration, has been appointed as Manager and will have the duty of drafting the Company's accounting documents.

## **Employees**

As at 1st April, 2011, DEXIA CREDIOP S.p.A. had 207 employees.

## Organizational Structure

As at 1st April, 2011, DEXIA CREDIOP S.p.A. was divided into three Directions: Public & Wholesale Banking Direction (in charge of business with local authorities, consulting, and lending to corporates, and project finance); Finance Direction (responsible for fundraising, liquidity, management and trading, placement and distribution of securities); and Administration Direction.

## Operating strategy, financial highlights and recent developments

DEXIA CREDIOP S.p.A. has always specialised in providing financial services to local authorities and to the public sector, and its strategy is to continue to focus on providing financial services to local authorities, public utilities and agencies operating in the infrastructure sector.

As required by current privacy legislation, a security plan has been prepared pursuant to art. 6 of Decree No. 318/1999; the related update pursuant to Decree No. 196/2003 has been completed.

## Operating strategy, financial highlights and recent developments includes

DEXIA CREDIOP S.p.A.'s 31st December, 2010 financial statements are briefly summarised below:

- as at 31st December, 2010 total assets equalled EUR 43.7 billion;
- as at 31st December, 2010 total receivables amounted to EUR 38.5 billion;
- net income totalled EUR 2.1 million compared to EUR 46.7 million in 2009;
- return on equity (ROE) equalled 0.2 per cent., compared to 4.2 per cent. in 2009;
- return on assets (ROA) equalled 0.005 per cent., compared to 0.095 per cent. in 2009;
- the ratio of the profit before tax to assets was 0.05 per cent. compared to 0.18 per cent. in 2009.

## Lending and financial services

As at 31st December, 2010, the outstanding amount of financial assets (available for sales and held to maturity), loans and advances (to banks and to customers) of DEXIA CREDIOP S.p.A. totalled EUR 38.5 billion (-11 per cent. compared to 2009).

The breakdown of outstanding assets by balance sheet items is shown in the table below.

## Outstanding assets<sup>2</sup>

	31st December 2010	31st December 2009	31st December 2010 (%)	31st December 2009 (%)
<i>(millions of euro)</i>				
Financial assets available for sale	656	674	1.7	1.6
Financial assets held to maturity	366	405	0.9	0.9
Loans and advances to banks	8,455	11,778	22.0	27.2
Loans and advances to customers	29,026	30,382	75.4	70.3

<sup>2</sup> The figures in the above table have been extracted from the audited financial statements of DEXIA CREDIOP S.p.A. (for the periods ended 31st December, 2010 and 31st December, 2009).

<b>Total</b>	38,503	43,238	100.0	100.0
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As at 31st December, 2010 lending to Governments and Central Banks totalled 21.5 per cent. (20.3 per cent. in 2009); Other public entities, 44.3 per cent. (41.2 per cent. in 2009); Banks, 22.4 per cent. (27.6 per cent. in 2009); Other parties, 11.8 per cent. (10.9 per cent. in 2009).

#### **Breakdown by debtor/issuer**

	31st December 2010	31st December 2009	31st December 2010 (%)	31st December 2009 (%)
				<i>(millions of euro)</i>
Governments and central banks	8,284	8,764	21.5%	20.3%
Other public entities	17,063	17,826	44.3%	41.2%
Banks	8,611	11,934	22.4%	27.6%
Other parties	4,545	4,714	11.8%	10.9%
<b>Total</b>	<b>38,503</b>	<b>43,238</b>	<b>100.0%</b>	<b>100.0%</b>

It should be noted, moreover that at the end of 2010, more than 70 per cent. of the assets were rated from AAA to A-.

The disbursements to Governments, Public entities and other customers in the year 2010 amounted to EUR 1.0 billion (EUR 1.8 billion in 2009) in accordance with market evolution.

#### **LOANS AND FINANCIAL SERVICES TO DEXIA CREDIOP S.p.A.'S PUBLIC SECTOR CUSTOMERS**

As a bank specialised in financial services to the public sector, DEXIA CREDIOP S.p.A. includes among its customers central and local government authorities, public utilities and other companies operating in the infrastructure sector. DEXIA CREDIOP S.p.A. arranges its customers' deals in the capital markets, structured finance and project financing operations, debt management and liquidity management.

The Bank's activities are mainly carried focused on financial operations in support of public institutions (Government departments, Regions and Autonomous Provinces, Local Authorities and other public entities), as well as of Companies running public services, General Contractors in charge of construction or management of public works or infrastructure.

DEXIA CREDIOP S.p.A. provides to such customers an extensive range of banking and financial services:

- grant and syndication of loans under any form of short, medium and long term;
- arrangement of domestic and international bonds;
- arrangement of project finance deals, leveraged & acquisition finance, asset finance and other Corporate & Structured Finance operations on a short, medium and long term basis;
- restructuring of debt towards suppliers;
- advisory to Local Authorities on public tenders to choice the provider of public services; Public-owned Companies assessments; rating advisory;

- bank services as Agent and/or Custodian Bank;
- cash management.

The following contains details of the main activities of DEXIA CREDIOP S.p.A. in relation to different types of customers:

### **Local governments and public bodies**

In relation to Local Authorities' long term financing needs, the DEXIA CREDIOP S.p.A. provides funding in the form of loans, credit facilities and underwriting of bonds. These forms of debt are duly covered by legislation and subject to standard conditions of maximum rate of interest fixed by ministerial provisions.

In the short term field, the operations most frequently carried out include the purchase of commercial credit of suppliers to Local Authorities.

In relation to such customers, Dexia Crediop S.p.A.'s activities also extend to cash management deals as well as advice relating to the choice of operator in charge of local public services, and the sale or the assessment of shares of municipal companies.

### **Corporate Utilities**

In this segment, DEXIA CREDIOP S.p.A. offers an extensive range of banking and financial services related to financial needs in the short, medium and long term in the form of loans, loan guarantees and insolvency in debt capital markets. DEXIA CREDIOP S.p.A. also provides financial services such as the restructuring of certain credit positions either for public or corporate utility entities, cash management solutions, interest risk management (through the use of derivatives), advisory services and agent and/or custodian bank services.

### **Structured Finance**

DEXIA CREDIOP S.p.A. offers to its customers (large Corporate Utilities, General Contractors) a wide range of services in the structured finance field including:

- arranging and advisory services in Project Finance transactions, leveraged & acquisition finance, asset finance, and corporate and structured finance operations on a short, medium and long term basis (through syndicated loans, liquidity lines and guarantees), to fund renewable energy and infrastructure projects;
- interest rate risk hedging (derivatives);
- loan agency services in syndicated loans; and
- provision of cash management services.

### **Other products and services information**

In line with the Issuer's mission, DEXIA CREDIOP S.p.A.'s website ([www.dexia-crediop.it](http://www.dexia-crediop.it)) is entirely dedicated to public sector financing and project financing. It was created as a tool for informing customers about its operations, its products and themes concerning sustainable development and now includes documentation relating to DEXIA CREDIOP S.p.A.'s bond issues, for the benefit of investors. The site provides a channel of communication for research work produced by the Issuer and has a number of sections which are exclusively aimed at customers, such as on-line financial services and information concerning loan transactions.

### **OTHER ACTIVITIES**

As at 31st December, 2010, total funding amounted to EUR 36.5 billion (compared to EUR 42.1 billion at 31st December, 2009). Net of repurchase agreements and short-term deposits, fundraising amounted to EUR 18.6 billion. A breakdown of this funding is shown in the table below. As at 31st December, 2010, 67 per cent. was represented by Bonds, 31 per cent. in the form of M/L term loans and 2 per cent. in the form of subordinated loans.

	Total funding	
	31st December, 2009	31st December, 2010
	(in billions of euro)	
Bonds.....	16.5	12.4
Subordinated loans .....	0.4	0.4
M-/L- term bank loans.....	5.6	5.8
Total.....	22.5	18.6

#### *Fund-raising on domestic and international markets during 2010*

Medium - and long-term fund-raising activities continued to be carried out through issues made by DEXIA CREDIOP S.p.A..

The total nominal value of funding raised during 2010 was EUR 0.67 billion, down with respect to the prior year, the majority of which being represented by retail placements. (\*)

The various technical forms of funding essentially relate to the Italian Domestic issue programme, made pursuant to Law 262/2005, covering retail-targeted issues, and to the “Euro Medium-Term Note Programme”. The latter has remained at EUR 8 billion (last program revision dated 1st July, 2010 as supplemented from time to time) and was about 48 per cent. utilised as of 31st December, 2010.

With regard to the market segments that have taken up this funding, some 90 per cent. was placed with the retail sector and 10 per cent. with supranational bodies.

(\*) excluding EUR 0.75 billion of an intra-Dexia Group funding.

#### *Activity on financial markets*

DEXIA CREDIOP S.p.A.’s treasury and financial markets activities are organised along the following business lines:

- Sales and structuring, distributing products to Italian institutional customers: this desk has carried out its activity creating new opportunities of investment for its customers. Also, public sector and social security entities are targeted by the business unit’s activity.
- Debt Capital Markets: charged with the origination of capital markets products for DEXIA CREDIOP S.p.A.’s customers.
- Long Term Funding: medium- and long-term fundraising on the capital markets.
- Cash and Liquidity Management: this activity involves short-term funding and hedging of interest rate risk in relation to Euribor fixings on the banking book.

Overall, 2010 confirmed the Issuer's somewhat low exposure to credit risk by reason of its traditional activity focused on local authorities, which has proved to be reliable and to offer satisfactory guarantees.

A considerable effort has also been dedicated to assessing the risks associated with activity in less established sectors (corporate finance, project financing, derivative transactions etc.). The result of this work has been positive and not negligible in terms of volume and profitability. Specific in-house rules were drawn up to regulate the correct conduct of these processes, starting from those classified in the categories at higher risk.

Having established the rules and criteria to identify and to assess the operational risks, the related self-assessment activities were first completed during 2006 and revised each year according to the new methodology set out by Dexia Crédit Local.

A "Business Continuity Plan ("BCP") has already been effective since 2006. This document, besides identifying the different crisis - scenarios, describes the activities, instruments and documentation needed to ensure business continuity and to limit losses in the event of a partial, or total stop of activities due to a general emergency.

During the first half of 2009 the "BCP" was completely revised and updated with necessary modifications.

A new and satisfactory BCP simulation was performed at the beginning of the second half of 2009.

As to the operational risks, the Dexia Group "control culture" has contributed to the systematic and specific approach to controls and to the mitigation of these kind of risks, in compliance with Basel 2 requirements.

Operational risk is defined as the risk of a loss coming from inadequate or erroneous internal procedures, human intervention, system error (technology) or external events.

The approach adopted by the Issuer in order to define its "risk profile" has been to identify risk factors starting from the most basic levels of activity (the business lines).

The control of credit and operational risks in the Issuer is fully integrated with the Dexia Group organisation and, in particular, with its parent, Dexia Crédit Local, which is responsible for risk-monitoring throughout the Dexia Group.

Interest rate risk is monitored in accordance with Dexia Group's regulations and the internal rules of DEXIA CREDIOP S.p.A.. The limits applied in order to control the specific activities are consistent with those of the Dexia Group and are expressed in terms of interest rate sensitivity (most of them), Value at Risk ("VaR") and stop loss. With regard to liquidity risk control, short-term liquidity gaps and available reserves are monitored on a daily basis and reported to the Bank of Italy according to requested templates. Medium and long term gaps and reserves are measured as a rule at least on a monthly basis.

The detailed risk/performance reports delivered both internally and externally (to DEXIA CREDIOP S.p.A.'s parent bank) help the Issuer's management in taking strategic decisions and, with regard to the monthly valuation of DEXIA CREDIOP S.p.A.'s financial portfolio, in preparing accounting reports.

## **BASEL 2**

As is documented, at the end of a process of organisational adaptation and internal self-review prompted by the coming into force of the new Basel 2 system, from the period beginning 1st January 2008,

DEXIA CREDIOP S.p.A. has been authorized to use the Advanced Internal Rating Based Approach (“AIRBA”) method.

In detail, starting from the end of 2008, a new quarterly report concerning the monitoring of all the risks including Pillar 1 has been produced; that report is delivered to the Board of Directors, to the Managing Director, to the Board of the Internal Auditors, to the Management Committee and to the Credit Committee.

As hoped, the adoption of the AIRBA method has already shown its positive effects in terms of economic capital savings, in comparison with the method based on the Cooke ratio, mainly considering the risks assumed towards public sector counterparties.

With regard to Pillar 2 (Internal Capital Adequacy Assessment Process - ICAAP); the “ICAAP Report” is to be sent to the Bank of Italy each year by the end of April.

## **FUTURE OPERATIONS**

The Issuer expects 2011 to see a trend in Italy’s public-sector finances in line with the ones experienced in recent years. As a consequence, it is unlikely that there will be any short-term increase in capital investment by Italian local authorities.

In the medium-term, the process of augmenting the financial autonomy of local and territorial government agencies should not diminish due to the established tendency for a reduction in central government transfers.

As far as infrastructure financing is concerned, the shift from public sector budgets to structures that also involve private capital is a situation that will continue to develop in Italy in the same way as in other European countries.

The Issuer’s market positioning has evolved to take account of these changes, making product innovation and customer diversification the main ways of facing the declining trend in local government capital expenditure, and of exploiting new growth opportunities.

In relation to long-term lending activity with local authorities – which represents a significant part of DEXIA CREDIOP S.p.A.’s business – it should be noted that DEXIA CREDIOP S.p.A. and its banking peers face the competition of a Government-owned company that benefits from not being subject to the same regulatory framework as banks are, as well as from lower costs of funding. In the last 3 years, this has led to a drop of DEXIA CREDIOP S.p.A.’s intervention in financing Local Authorities. In other fields of DEXIA CREDIOP S.p.A.’s activities (project and corporate finance, short-term financing, cash management, etc.), where regulatory differences are not in place, such a drop has not been recorded.

The Issuer’s approach will continue to take account of the particular needs of its customers, which by their very nature demand a particularly high degree of managerial prudence, all in deepening its relationship with customers and aiming to provide them – beside long-term financing – other financial services.

Looking forward, DEXIA CREDIOP S.p.A. will remain focused on giving financial support to local authorities and their agencies and infrastructure development, maintaining a risk profile in line with its ability to raise money on the financial market, all with a view to fully exploit any opportunities, both with its reference customers and on the interbank market.

## **Non-performing loan**

DEXIA CREDIOP S.p.A. classifies a loan as a “bad debt” once it initiates legal proceedings for the recovery of the debt or determines that the borrower is in serious financial or economic difficulties (which are not likely to be temporary). As a result, legal action for recovery of the loan would be permissible even if not formally initiated on the date of the determination. Losses are generally expected on these loans and are estimated by DEXIA CREDIOP S.p.A.’s management on a case-by-case basis as a component of the overall reserves. Interest generally does not continue to accrue on these loans, and provision for the amount of the outstanding position which is considered to be unrecoverable is made and netted against the book value of such loans.

Bad debts and potential problem loans are monitored internally by the legal credit and operational staff at DEXIA CREDIOP S.p.A.’s headquarters. During the year 2010, no non-performing loans were collected, while the amount written-off or new positions transferred from performing assets was EUR 1.0 million.

DEXIA CREDIOP S.p.A.’s non-performing loans outstanding as of 31st December, 2010 and 31st December, 2009 are detailed below:

	31st December, 2010	31st December, 2009
		<i>(millions of euro)</i>
Non-performing loans, gross (including overdue interest) <sup>1</sup>	10.1	9.8

#### Notes

(1) The figures in the above table have been extracted from the audited financial statements of DEXIA CREDIOP S.p.A. (for the periods ended 31st December, 2010 and 31st December, 2009).

#### Subsidiaries and Equity Investments

The following chart lists the principal share participations held by DEXIA CREDIOP S.p.A. as at 31st December, 2010 and the percentage of total share capital that such participation represents in the company in which shares are held:

Company	Currency	Underwritten capital	Percentage	Business sector
<i>Subsidiaries</i>				
DEXIA CREDIOP S.p.A. Ireland <sup>(1)</sup>	Euro	100,000,000	100.00%	Financial investments and portfolio management
DCC - DEXIA CREDIOP S.p.A. per la Cartolarizzazione S.r.l	Euro	15,000	100.00%	Securitisation vehicle
Crediop Overseas Bank Limited (2)	Euro	50,000,000	100.00%	Offshore Bank
Crediop per le Obbligazioni Bancarie Garantite S.r.l. (3)	Euro	10,000	90%	Covered bond vehicle
<i>Other Shareholdings</i>				

Istituto per il Credito Sportivo	Euro	9,554,452	21.622%	bank providing long-term financing for sports and cultural activities
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(1) DEXIA CREDIOP S.p.A. Ireland is a company incorporated under Irish law, with share capital of EUR 100 million represented by 100 million shares, each with a nominal value of 1 euro, of which:

- 99,999,999 shares are held by DEXIA CREDIOP S.p.A.;
- 1 share is held by Dexia Investments Ireland, in its capacity as Trustee for DEXIA CREDIOP S.p.A.

(2) On 6<sup>th</sup> April 2011, DEXIA CREDIOP S.p.A. and Crediop Overseas Bank Limited announced to the market that DEXIA CREDIOP S.p.A. will substitute Crediop Overseas Bank Limited in all its financial indebtedness by or about 30 June 2011. Subsequently to the substitution, Crediop Overseas Bank Limited will be wound up.

(3) On 30th September 2010, DEXIA CREDIOP S.p.A. purchased 90 per cent. of the quota-capital of a special purpose entity (SPE) to be dedicated to a covered bond issue programme which will be launched by DEXIA CREDIOP S.p.A..

### Recent Developments

There were no-significant post-balance sheet events. As signalled above it has been decided to sell or liquidate the subsidiary COBL with the consequent takeover of DEXIA CREDIOP S.p.A.as issuer of COBL bonds still in issue.

*The following section contains financial information about Dexia S.A. and the holding(s) of the Dexia Group. Such information has not been audited or reviewed by the auditors of the Issuer and is not directly comparable with financial information of the Issuer contained elsewhere in this Base Prospectus.*

### Progress of the Dexia Group transformation plan

This information has been taken mainly from the Dexia Group press releases issued on 11<sup>th</sup> May, 2011.

#### *Significant progress made on the transformation plan*

In line with the strategy set out in 2010, Dexia S.A. continued to implement its transformation plan at a sustained pace during 1Q 2011, preferring security in an extremely unstable economic background.

At the end of March 2011, Dexia S.A. had disposed of EUR 7.4 billion in assets at a nominal loss of 0.9%, in line with the average rates in 2009 and 2010, reflected by a loss figure of EUR 67 million. The pace of disposals, which was identical to 1Q 2010, remained sustained.

As at 26 April 2011, EUR 8.3 billion in Core and Legacy assets had been sold, more than one half of the disposals scheduled for the year. The impact of these sales on the Dexia Group's statement of income amounted to EUR -75 million.

EUR 7.7 billion in bonds were sold, including 13% of the assets held in the Core Division. These sales principally involved bank bonds and mortgage backed securities, market segments on which the best opportunities arose. Thirty six (36) per cent. of the assets sold were denominated in currencies other than the euro and the average maturity of the bonds sold was close to 4 years.

Over the same period, Dexia also disposed of EUR 0.6 billion in long-term loans booked in the segment PWB run-off commitments, the major proportion of which came from Dexia's former activities in Japan.

By end of April 2011, about three-quarters of the 2014 deleveraging target (EUR 80 billion) have been achieved.

The sale process of DenizEmeklilik, the insurance subsidiary of DenizBank in Turkey, undertaken in 4Q 2010, should be closed during the second half of 2011. After reviewing the offers received from several interested counterparties, Dexia entered into negotiations with the party offering the best industrial and financial perspectives for Dexia Israel.

At EUR 527 billion, the Group's balance sheet was reduced by EUR 40 billion between the end of December 2010 and the end of March 2011 under the combined effect of the reduction in fair value of assets and derivatives (EUR -17 billion) and the decrease of collateral to be posted (EUR -7 billion) as a consequence of the rise of long-term interest rates, asset disposals (EUR -7 billion) and the deconsolidation of Dexia banka Slovensko (EUR -2 billion).

These same elements contributed to a reduction of the Group's short-term funding requirement. Indeed, at EUR 104 billion as at the end of March 2011, the liquidity gap has been reduced by EUR 15 billion since December 2010, which is in fact the target set for the entire year 2011. Considerable efforts have been made to reduce the funding requirement in non-euro currencies, in addition to the ongoing decrease of central bank funding. The latter stood at EUR 17 billion at the end of March (down EUR 8 billion on December 2010).

By end of March 2011, about three-quarters of the liquidity gap reduction targeted for 2014 have been achieved.

Finally, the Group still has a comfortable buffer of eligible securities with central banks. At the end of March 2011, the amount of central bank eligible securities was EUR 96 billion, of which EUR 45 billion were unencumbered.

The information has been taken from Dexia Group press release issued on 27th May, 2011:

**The benefits of the transformation plan enable Dexia to accelerate the disposal of its non-core assets in order to improve its recurring profits, risk and liquidity profile**

**Highlights**

- Unanimous adoption by the Board of Directors of an acceleration of its asset divestment programme
- Estimated impact of EUR 3.6 billion in the second quarter, partially offset in the 2011 financial statements by the performances of the commercial business lines
- Divestment of the Financial Products portfolio enabling early exit from the government guarantee
- Maintenance of a high solvency, with a Tier 1 ratio of over 11% by the end of June 2011 and over 12% by the end of 2011
- Positive impact on recurring profits, risk and liquidity profile

**The Group's capital base now robust enough to accelerate its financial restructuring programme**

Since the autumn of 2008, Dexia has significantly rebalanced its balance sheet structure. At the same time, supported by the confidence placed in it by its customers, it has continued to expand its commercial franchises in retail banking and financial services in Belgium, Luxembourg and Turkey, and in the financing of local authorities in France and Belgium.

The Group has reduced its balance sheet by EUR 124 billion and lowered its risk profile by divesting, among other things, its credit enhancement activities in the USA. It has also greatly improved its liquidity profile, increased its commercial deposits and as a result rebalanced its funding mix. Under these conditions Dexia was able to exit the guarantee provided by the Belgian, French and Luxembourg governments as early as June 2010 and to reduce by eight its central bank borrowings.

Driven by sound operating performances and by the commitment of its staff, the Group has raised its equity by EUR 2.3 billion since the end of 2008, improving its Tier 1 ratio from 10.6 to 13.4% over the same period. This strong capital base now enables the Group to speed up the divestment of its non-core assets while retaining its ability to withstand severe macro-economic stresses.

### **The Group to accelerate its divestment programme in a challenging economic environment**

On proposal of the management and after consulting its Strategy Committee, Dexia's Board of Directors today unanimously decided to accelerate the financial restructuring of the Group, the guidelines for which were approved by the European Commission in February 2010. This decision will translate into anticipated asset disposals, the financial impact of which will be booked in the 2Q 2011 financial statements of Dexia SA.

That programme has the three-fold advantage of lightening the burden of the Legacy Division, improving liquidity and increasing the Group's ability to achieve recurring profits in a more challenging economic environment during the last weeks, particularly within the Euro Zone.

In this prospect, it has been decided to:

- adjust the net book value of the guaranteed assets in the Financial Products portfolio to their market value through the constitution of a specific provision estimated at EUR 1.8 billion, with a view to their divestment. The operation will immediately have a favourable impact of EUR 1.2 billion on the AFS reserve and, once the divestments have been carried out, will have no impact whatever on the Group's Tier 1 ratio. Divestment of the Financial Products portfolio will reduce by one third the weighted risks of the Legacy Division. Furthermore it will also enable the Group to negotiate with the guarantor governments and the European Commission the terms and consequences of waiving the benefit of the State guarantees attached to this portfolio, which will lead to the removal of a substantial part of the state support.
- cover the estimated losses resulting from the acceleration of the asset divestments set out in the restructuring plan of the Group. Since portfolios are involved, those divestments will give priority to long-term assets.

### **The Group to maintain a high solvency ratio while enhancing its ability to achieve recurring profits and improving its risk profile and liquidity**

The implementation of this programme will be concentrated on 2011 and the first half of 2012, at a pace dependent on market conditions. The Group's Tier 1 ratio will remain above 12% at the end of 2011. The divestments in the bond portfolio will reduce the Group's short-term liquidity requirement by a further EUR 20 billion.

By closing its exposure to the risks of the US real estate market inherited from FSA, Dexia will be removing a major source of volatility from its profits. In more general terms, the reduction in the Legacy Division portfolios will improve the risk profile of the Group and enhance its ability to achieve recurring profits as from the third quarter of 2011. It will give greater stability to the commercial business lines whose performance and development are in line with the targets of the Group.

*Unaudited figures. Subject to the approval by the prudential authorities.*

### **1Q 2011 reported statement of income**

<b>Consolidated statement of income</b>					
In millions of EUR	<b>1Q10*</b>	<b>4Q10*</b>	<b>1Q11</b>	<b>Var. 1Q11/1Q10</b>	<b>Var. 1Q11/4Q10</b>
<b>Income**</b>	<b>1,475</b>	<b>1,197</b>	<b>1,127</b>	<b>-23.6%</b>	<b>-5.8%</b>
Expenses	-869	-955	<b>-847</b>	-2.5%	-11.3%

<b>Gross operating income</b>	<b>606</b>	<b>242</b>	<b>280</b>	<b>-53.8%</b>	+15.7%
Cost of risk	-265	-201	<b>-98</b>	-63.0%	-51.2%
Other impairments and provisions for legal litigation	-16	107	<b>-8</b>	-50.0%	n.s.
<b>Pre-tax income</b>	<b>325</b>	<b>148</b>	<b>174</b>	<b>-46.5%</b>	+17.6%
Tax expense	-90	-70	<b>-86</b>	-4.4%	+22.9%
<b>Net income</b>	<b>235</b>	<b>78</b>	<b>88</b>	<b>-62.6%</b>	+12.8%
Non-controlling interests	19	22	<b>19</b>	n.s.	-13.6%
<b>Net income Group share</b>	<b>216</b>	<b>56</b>	<b>69</b>	<b>-68.1%</b>	+23.2%
<b>Return on equity***</b>	<b>4.6%</b>	<b>1.2%</b>	1.4%		
Earnings per share (in EUR)****	0.12	0.03	0.04		

\* 2010 figures have been restated. An amount of EUR -15 million (1Q 2010) and of EUR -17 million (4Q 2010) of expenses (network costs) are now included in income (technical expense from insurance activities). An amount of EUR -16 million (1Q 2010) of income (other net income) is now included in provisions for legal litigation.

\*\* Income (also mentioned as revenues) = interests, fees, commissions, trading and other income.

\*\*\* The ratio between the net income Group share and the weighted average core shareholders' equity.

\*\*\*\* The ratio between the net income Group share and the average weighted number of shares. Figures 1Q 2010 have been restated to consider the issuance of new ordinary shares free of charge (bonus shares) distributed to the shareholders.

### **Dexia Group results for 1Q 2011: net profit of EUR 69 million**

In 1Q 2011, the Dexia Group posted a net income Group share of EUR 69 million. The two diverging trends already observed at the end of 2010 were confirmed in 2011. The Core Division posted pre-tax income double that for 1Q 2010, driven by the good performance of the commercial business lines.

In contrast the accelerated pace of transformation, ahead of targets, weighted on Legacy Division results.

In 1Q 2011, Group revenues stood at EUR 1,127 million against EUR 1,475 million in 1Q 2010, which included the EUR 153 million capital gain on the sale of the shares in Assured Guaranty Ltd. Core Division income increased by 8% on 1Q 2010, sustained by Retail and Commercial Banking, Insurance and Investor Services. The sharp fall (EUR -437 million) of Legacy Division income is essentially explained by the capital gain mentioned above, a fall of revenues on synthetic securitisations and the credit value adjustment linked to the CDS intermediation activity of EUR 65 million, losses on the sale of assets up EUR 61 million, and a EUR 37 million loss on interest margins on assets sold or amortized, in line with the sustained pace of asset sales.

Costs were EUR 847 million, down 3% on 1Q 2010. Costs were down in Belgium and Luxembourg but rose in Turkey as a result of the development of activity. Compared to 4Q 2010, during which restructuring costs were recorded, costs fell by 11%.

In 1Q 2011, gross operating income reached EUR 280 million, against EUR 606 million during the same period last year. Whilst the gross operating income of the Core Division rose sharply (+34%), Legacy Division income recorded a clear fall (EUR -435 million) resulting from the impact of the elements described above.

The **cost of risk** (impairments on loans and provisions for credit commitments) attributed in the Q1 2011 Dexia Group Consolidated Statement of Income fell sharply compared to 1Q 2010 (-63%), to EUR 98 million. The cost of risk for the Core Division (EUR 4 million) is down 96% compared to 1Q 2010, by virtue of the ongoing improvement of the environment in Turkey and a substantially lower provisioning level for the Public and Wholesale Banking business line. Indeed, at the end of March 2011, the cost of risk for the Retail and Commercial Banking business line was 7 basis points on average loans to customers whilst for Public and Wholesale Banking it was 2 basis points. On the other hand, EUR 94 million of

impairments were recorded within the Legacy Division (-41% on 1Q 2010), principally linked to assets in the Financial Products portfolio, the situation on the US real estate market remaining uncertain.

As a consequence, **pre-tax income** stood at EUR 174 million, against EUR 325 million in 1Q 2010.

Tax expense were EUR 86 million and the effective tax rate was 49%, in line with 4Q 2010 but considerably higher than the effective tax rate in 1Q 2010, which was 28%. This high rate is explained by the fact that taxable profits are essentially realised in countries with higher tax rates whilst losses are essentially generated in countries with low tax rates or in entities which do not have the possibility to book deferred tax assets.

After taking account of the EUR 19 million of **non-controlling interests**, the **net income Group share** reached EUR 69 million in 1Q 2011, against EUR 216 million in 1Q 2010.

### **Solvency Indexes**

At the end of March 2011, total assets reached EUR 527 billion down 40 billion compared to December 2010.

At the end of March 2011, total weighted risks stood at EUR 138 billion, down EUR 2.7 billion compared to the end of December 2010. This is essentially explained by the evolution of EUR/USD and EUR/TRY rates, the impact of disposals and asset amortisations as well as the deconsolidation of Dexia banka Slovensko (EUR 0.8 billion).

In 1Q 2011, the Group's Tier 1 ratio stood at 13.4% (+27 basis points on the end of December 2010), essentially sustained by the reduction of weighted risks. The core Tier 1 ratio reached 12.3% against 12.1% at the end of December 2010, reflecting the Group's robust solvency.

### *Impact of the transformation plan and liquidity situation of the Issuer*

Prior to assessing the business prospects of DEXIA CREDIOP S.p.A., the expected development of Dexia Group should be examined, this being the Dexia Group to which DEXIA CREDIOP S.P.A. belongs through Dexia Crédit Local, its controlling shareholder.

As outlined above, in accordance with the European Commission, in February 2010 Dexia Group launched a restructuring plan, with particular intention to focus on the core business, specifically Public & Wholesale Banking, Retail & Commercial Banking and Asset Management & Services and costs rationalisation, measures aimed to reduce the size of the Dexia Group balance sheet and thus also of the liquidity gap.

In particular, the new restructuring plan provides for transfer of DEXIA CREDIOP S.p.A. by 31st October 2012, and other Dexia Group entities.

In fact, Dexia Group estimates that the entities selected for disposal, in order to rapidly reduce its liquidity gap, represent solid and attractive franchises that will have better perspectives in the hands of other shareholders.

At present DEXIA CREDIOP S.p.A. is an entity of the Dexia Group and, before transferring control, the latter will ensure that DEXIA CREDIOP S.p.A. will continue to develop its business and provide customers with an excellent service.

Considering the foreseeable trend of the public financing market, the first observation is that during 2011, investment by local authorities and the recourse to debt are expected to be limited due to the so-called "internal stability pact" which, in actual fact, induces authorities to limit their investment outlay.

In this scenario, the process of expanding the customer base and the range of services offered to clients that started before the financial crisis will continue. This diversification does not modify the DEXIA CREDIOP S.p.A. counterparty risk, the latter remaining prevalently public.

DEXIA CREDIOP S.p.A. has concentrated particularly on the sectors that have always been related to public finance and which, in the current context, appear to be characterized by a greater dynamism, such as utilities, infrastructures, public transport networks, sustainable energy sources, social housing, education and health.

Particularly favourable perspectives are foreseeable in the project finance sector as a result of the planned investments.

The commercial strategy will focus on attracting customers from a broader and more diversified offer, which in addition to medium and long term finance also includes other related services (advisory, arranging, hedging, agency, etc.).

Moreover from 2011 the activity in derivatives will be restricted to the professional and eligible clients (according to MIFID classification) excluding in any case the local authorities.

On the liabilities side, consistent with the strategic line aimed at strengthening the level of funding independence, the bonds issued under either domestic and international programmes or by the so-called “Serie DEXIA CREDIOP S.p.A” directed to private or institutional investors will continue. Moreover, it will be possible to use the new established vehicle “Crediop per le obbligazioni bancarie garantite” to issue bonds collateralized by local entites’ assets owned by DEXIA CREDIOP S.p.A.. Medium and long term funding deals will be carried out as usual, along with loans with banks, including the European Investment Bank. Concerning short term funding, next to the loans on the interbank market and the monetary policy operations with the European Central Bank, DEXIA CREDIOP S.p.A. will go on to take part to the collateralized interbank market promoted by the Bank of Italy.

On the side of administrative management DEXIA CREDIOP S.p.A. will continue to focus on costs reduction and resources razionalization.

Thanks to the agreement on staff resignation incentives signed in 2009 (on a three year basis), at the end of 2011 staff will be reduced by 6 units (20 in 2009 and 4 in 2010), while at the end of the process, in September 2012, the total reduction of staff will be 34 units.

The deleveraging process put into action during the last few years has aimed to rebalance the assets and liabilities, has reduced the stocks and penalized the incomes on the short term ameliorating in the meantime the liquidity balance.

During the next few years, the natural redemption of assets and the selectivity policy in the credit disbursement will lead to further stock decreases. The carrying out of the funding plan will not allow other disposals of assets and of anticipated reimbursements of loans with the Dexia Group and, in the meantime, will allow a return to satisfactory income levels.

With regard to the liquidity position of DEXIA CREDIOP S.p.A., in a prospective time horizon of 12 month, the indicators are positive until the first half of 2011 (excess of available reserves with the respect of the liquidity gap) and remain positive during the second half of the year, considering the achievement of the annual funding targets and the mobilisation of assets underway.

To conclude, the process of expanding the customer base, the expectations on the reference market, the actions undertaken in terms of liquidity management and the rationalisation of resources together with

the support of the Dexia Group and its autonomy of access to capital markets, confirms the existence of favourable perspectives and the prospects of independent development are positive.

### **Trend Information**

The Issuer declares that from 31st December, 2010, the date of the last audited financial statements, and up to the date of publication of this document, there have been no substantial, negative changes to its outlook.

## OVERVIEW OF FINANCIAL INFORMATION OF DEXIA CREDIOP S.P.A.

Overview of financial information with respect to DEXIA CREDIOP S.p.A. is set forth below. Balances of assets and liabilities are presented as of year-end and are not average balances, which may be considered more representative of levels of assets and liabilities during the year. There may be significant differences between information presented at year-end or as of mid-year and information presented on the basis of average balances.

For purposes of presentation in this Base Prospectus, balance sheets and statements of income have been extracted from DEXIA CREDIOP S.p.A.'s audited financial statements, presented in the DEXIA CREDIOP S.p.A. standard reclassified format, that is in accordance with DEXIA CREDIOP S.p.A.'s management accounts, and derived from the audited accounts for the years ended 31st December, 2010 and 31st December, 2009 prepared for Italian legal and statutory purposes.

The financial statements of DEXIA CREDIOP S.p.A. as at 31st December, 2010 have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure indicated in art. 6 of EC Regulation 1606/2002 of the European Parliament and Council of 19th July, 2002, which were approved on that date.

The 2010 Financial Statements have been audited by Mazars S.p.A.

These financial statements have also been prepared in compliance with the instructions contained in the Bank of Italy's Circular 262 of 22nd December, 2005 and in its updating of 18th November 2009.

### BALANCE SHEET

<b>ASSETS</b>	Euro 31.12.2010	Euro 31.12.2009	% Change
10. Cash and cash equivalents	2,985	2,966	0.6
20. Financial assets held for trading	3,917,424,147	3,640,143,344	7.6
40. Financial assets available for sale	656,414,056	673,603,799	-2.6
50. Financial assets held to maturity	365,712,465	404,953,545	-9.7
60. Loans and advances to banks	8,455,038,637	11,777,812,086	-28.2
70. Loans and advances to customers	29,026,208,547	30,381,680,462	-4.5
80. Hedging derivatives	927,940,051	1,028,695,589	-9.8
90. Fair value adjustment of financial assets in hedged portfolios (+/-)	14,812,697	18,292,874	-19.0
100. Equity investments	150,024,000	750,015,000	-80.0
110. Property, plant and equipment	44,157,063	44,556,046	-0.9
120. Intangible assets	3,228,819	2,678,998	20.5
130. Tax assets	56,493,928	50,343,155	12.2
a) current	5,932,042	17,985,441	-67.0
b) advance	50,561,886	32,357,714	56.3
150. Other assets	91,755,352	157,531,761	-41.8
<b>Total assets</b>	<b>43,709,212,747</b>	<b>48,930,309,625</b>	<b>-10.7</b>

  

<b>EQUITY AND LIABILITIES</b>	Euro 31.12.2010	Euro 31.12.2009	% Change
10. Due from banks	18,386,605,186	19,134,097,872	-3.9
20. Due from customers	5,654,372,785	6,475,370,886	-12.7
30. Debt securities in issue	12,415,935,237	16,521,658,231	-24.9
40. Financial liabilities held for trading	3,939,636,162	3,642,818,391	8.1

60. Hedging derivatives	2,120,999,139	1,840,400,949	15.2
70. Fair value adjustment of financial liabilities in hedged portfolios (+/-)	65,299	8,015	714.7
80. Tax liabilities	190,525	25,892,456	-99.3
a) current	190,525	25,892,456	-99.3
b) deferred	-	-	
100. Other liabilities	40,929,175	110,569,791	-63.0
110. Provision for severance indemnities	3,043,891	3,914,016	-22.2
120. Provisions for risks and charges	15,578,360	9,395,461	65.8
a) pensions and similar commitments	1,232,841	1,179,367	4.5
b) other	14,345,519	8,216,094	74.6
130. Valuation reserves	13,831,134	50,274,122	-72.5
160. Reserves	665,699,435	618,969,727	7.5
180. Share capital	450,210,000	450,210,000	0.0
200. Net income (loss) for the year (+/-)	2,116,419	46,729,708	-95.5
Total equity and liabilities	43,709,212,747	48,930,309,625	-10.7

### RECLASSIFIED INCOME STATEMENT

	Euro 31.12.2010	Euro 31.12.2009	% Change
10. Interest and similar income	1,065,753,033	1,545,622,876	
20. Interest expense and similar charges	(960,256,389)	(1,310,651,700)	
90. net hedging gains (losses)	(137,322)	312,332	
Net interest income	105,359,322	235,283,508	-55.2
40. Fee and commission income	9,677,557	9,281,914	
50. Fee and commission expense	(3,321,120)	(4,574,614)	
60. Net fee and commission income	6,356,437	4,707,300	35.0
70. Dividend and similar income	4,462,459	4,798,986	
80. Net trading income	359,701	24,269,584	
100. Gains/losses on disposal or repurchase of:			
	(50,361,596)	(120,861,021)	
a) loans and advances	(52,220,137)	(146,803,565)	
b) financial assets available for sale	1,095,173	(2,535,624)	
d) financial liabilities	763,368	28,478,168	
120. Net interest and other banking income	66,176,323	148,198,357	-55.3
130. Net impairment adjustments on:	1,504,799	(8,157,473)	
a) loans and advances	1,504,799	(8,157,473)	
140. Profits (losses) on financial activities	67,681,122	140,040,884	-51.7
150. Administrative expenses:	(38,085,283)	(43,903,412)	
a) payroll	(25,598,607)	(31,121,148)	
b) other administrative expenses	(12,486,676)	(12,782,264)	
160. Net charges to provisions for risks and charges	(7,603,000)	(7,266,000)	
170. Net adjustments to property, plant and equipment	(990,328)	(898,040)	
180. Net adjustments to intangible assets	(1,106,881)	(1,419,220)	
190. Other operating charges/income	661,154	734,439	
200. Operating costs	(47,124,338)	(52,752,233)	10.7
240. Gains (losses) on disposal of investments	0	0	
250. Profit (loss) from current operations before tax	20,556,784	87,288,651	-76.4

	31.12.2010	31.12.2009	% Change
260. Income taxes on current operations	(18,440,365)	(40,558,493)	
270. Profit (loss) from current operations after tax	2,116,419	46,729,708	-95.5
290. Net income (loss) for the year	2,116,419	46,729,708	-95,5

## Discussion of Balance Sheet and Statements of Income of DEXIA CREDIOP S.p.A.

### Balance Sheet

Total assets as at 31st December, 2010 decreased -10.7 per cent. compared to the end of 2009.

Outstanding financial assets (available for sale and held to maturity) and loans and advances to bank and to customers amounted to euro 38.5 billion (-11.0 per cent. compared to 2009), mainly due to the decrease of Loans and advances to banks and customers.

Total Funding (due from banks, due from customers and debt securities) amounted to euro 36,5 billion (with a decrease of 13.5 per cent.).

### Statement of Income

The 2010 income statement of DEXIA CREDIOP S.p.A. presented a net interest income, inclusive of hedging results, of EUR 105.4 million. This represents a decrease of 55 per cent. on the previous year and is linked mainly to the evolution of market rates and to the decrease of the stock price. The previous period had benefited, among other things, from the evolution of the short term part of the interest rates curve.

Net fee and commission income was EUR 6.4 million, up by 35 per cent. (+EUR 1,6 million) compared to 2009 due to project finance activity. Dividends amounted to EUR 4.5 million (-0,3 millions compared to 2009).

The net trading income and the losses on disposal or repurchases amounted to EUR 50 million compared to EUR 96.6 million in the previous year. The 2010 result is affected by the effect of disposals of EUR 0.5 billion to Dexia Group companies and the early redemption of EUR 1.9 billion of assets with the parent company Dexia Crédit Local. The improvement of the result – even though negative – on the previous year (EUR 46.6 million increase) is due to the fact that the 2009 result suffered more for the effect of disposals and anticipated reimbursements.

Losses due to disposals and anticipated reimbursements amounted to around EUR 52 million.

Net interest and other banking income amounted to EUR 66.2 million (148.2 million in 2009).

The total net impairment adjustments on loans and advances were EUR +1.5 million, in relation to positive statistic adjustments on loans (EUR +2 million) and to specific provisions concerning a credit classified into problem loans (EUR -0.5 million).

Net profits on financial activities amounted to EUR 67.7 million (-52 per cent. on 2009).

Administrative expenses were EUR 38.1 million (-13 per cent. compared to 2009) because of a staff decrease, (arising from the agreement with the trade unions on staff resignation incentives signed in 2009), and of the policy of the other administrative expenses controls. Also net adjustments of tangible and intangible assets (EUR 2.1 million) decreased compared to the previous year (-9 per cent.). Net charges to provisions for risks and charges amounted to EUR -7.6 million and are related to provision for legal fees connected to ongoing proceedings on derivatives signed with local authorities.

Profit from continuing operations before tax amounted to EUR 20.6 million with a decrease of 76 per cent. compared to 2009.

Taxes were negative in the amount of EUR 18.4 million and included the effects of the rules for the partial deductibility of interest payable whose charges amount to around EUR 12 million.

Net income amounted to EUR 2.1 million compared to EUR 46.7 million of the previous year.

## **Ratios**

Cost to Income ratio increases to 60.7 per cent. (31.2 per cent in 2009) consequently to the decrease around 55 per cent of the Net interest and other banking income.

The Return of Equity (ROE) was 0.2 per cent, versus 4.2 per cent in 2009.

Non-performing gross loans have increased to around euro 10.1 million in 2010 versus 9.8 million in 2009. They represent 0.0263 per cent of the total loans (financial assets available for sales and held to maturity and loans to banks and customers) compared to 0.0226 per cent in 2009.

## **Consolidated Financial Statements**

The Credio Banking Group (today “DEXIA CREDIOP Banking Group”) was established in Italy, in 1999, after the exit from the San Paolo–IMI Banking Group.

The DEXIA CREDIOP Banking Group consists of the following companies:

DEXIA CREDIOP S.p.A., the parent bank (the “Parent Bank”) that holds 100 per cent. of the companies in the Dexia CREDIOP Group, and which provides finance for the public sector and infrastructure projects.

Credio Overseas Bank Limited In the past, this company has carried out funding operations on international financial markets with the guarantee of Dexia Credio, with the proceeds being used to finance the parent company. Since 2004 no new operation has been closed and the company’s only aim is to manage the outstanding stock.

DCC – Dexia Credio per la Cartolarizzazione S.r.l., a wholly owned subsidiary of DEXIA CREDIOP S.p.A., in operation since 2004 with the sole purpose to conduct securitisations under Law 130/1999.

Dexia Credio Ireland, whose registered offices are in Dublin (Ireland), was established on 12th October, 2007 with the aim of centralizing the activity of managing the Dexia Credio Banking Group investment portfolios. It has a share capital of EUR 100,000,000 divided into 100,000,000 shares, each with a nominal value of 1 euro. 99,999,999 shares have been underwritten by DEXIA CREDIOP S.p.A. and 1 share by Dexia Investments Ireland in its capacity as nominee shareholder.

The consolidation perimeter includes in addition to the above mentioned companies also Tevere Finance S.r.l., a company established in December 2007 under the law 130/1999, that has realised the first securitisation operations in 2009, originated by Dexia Credio. The share capital is equal to EUR 10,000 fully underwritten by a Dutch Foundation, while Dexia Credio controls the company de facto.

The Financial Statements of the Dexia Credio Banking Group as at 31st December, 2010 have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards issued by the International Accounting Standards Board (IASB) and adopted by the European Commission according to the procedure indicated in art. 6 of EC Regulation 1606/2002 of the European Parliament and Council of 19th July, 2002, which were approved on that date and according to the

regulations adopted by Banca d'Italia with the circular n. 262 of 22nd December, 2005 and its updating of 18th November 2009

The consolidated 2010 Financial Statements have been audited by Mazars S.p.A.

### CONSOLIDATED BALANCE SHEET

Thousands of euros				
	Assets	31st December 2010	31st December 2009	% Change
10.	Cash and cash equivalents	3	3	-
20.	Financial assets held for trading	3,847,447	3,476,598	10.7
40.	Financial assets available for sale	855,662	2,844,442	-69.9
50.	Financial assets held to maturity	365,712	404,954	-9.7
60.	Loans and advances to banks	8,899,682	16,259,930	-45.3
70.	Loans and advances to customers	29,026,209	31,348,950	-7.4
80.	Hedging derivatives	928,016	1,077,857	-13.9
90	Fair value adjustment of financial assets in hedged portfolios (+/-)	79,876	96,561	-17.3
120	Property, plant and equipment	44,157	44,556	-0.9
130	Intangible assets	3,229	2,679	20.5
140	Tax assets	66,129	56,503	17.0
	a) current	5,932	17,986	-67.0
	b) advance	60,197	38,517	56.3
160	Other assets	92,381	159,240	-42.0
	Total assets	44,208,503	55,772,273	-20.7

Thousands of euros				
	Equity and liabilities	31 December 2010	31 December 2009	% Change
10.	Due from banks	18,400,993	25,249,695	-27.1
20.	Due from customers	1,962,835	2,657,789	-26.1
30.	Debt securities in issue	16,544,227	21,057,249	-21.4
40.	Financial liabilities held for trading	3,869,659	3,479,952	11.2
60.	Hedging derivatives	2,190,900	1,954,397	12.5
70	Fair value hedge adjustment of financial liabilities in hedged portfolios (+/-)	65	8	712.5
80.	Tax liabilities	502	26,678	-98.1

	Equity and liabilities	31 <sup>st</sup> December 2010	31 <sup>st</sup> December 2009	% Change
	a) current	502	26,678	-98.1
	b) deferred	0	0	-
100	Other liabilities	41,249	110,971	-62.8
110	Provision for severance indemnities	3,044	3,914	-22.2
120	Net charges to provisions for risks and charges	15,578	9,395	65.8
	a) pensions and similar commitments	1,233	1,179	4.6
	b) other	14,345	8,216	74.6
140	Valuation reserves	(29,971)	(21,149)	41.7
170	Reserves	793,153	708,832	11.9
190	Share capital	450,210	450,210	0.0
210	Shareholders Equity attributable to Minority	11	10	10.0
220	Net income (loss) for the year (+/-)	(33,952)	84,322	-140.3
	Total equity and liabilities	44,208,503	55,772,273	-20.7

#### RECLASSIFIED CONSOLIDATED INCOME STATEMENT

Thousands of euros

		31/12/2010	31/12/2009	% Change
10.	Interest and similar income	1,130,212	1,651,536	
20.	Interest expense and similar charges	(988,605)	(1,370,680)	
90.	Net hedging gains (losses)	(260)	(745)	
	Net interest income	141,347	280,110	-49.5
40.	Fee and commission income	9,678	9,282	
50.	Fee and commission expense	(3,519)	(4,575)	
60.	Net fee and commission income	6,159	4,707	30.8
70.	Dividend and similar income	2,540	2,524	
80.	Net trading income	464	24,324	
100.	Gains/losses on disposal or repurchase of:	(135,602)	(117,552)	
	a) loans and advances	(105,550)	(146,530)	
	b) financial assets available for sale	(30,815)	500	
	d) financial liabilities	763	28,478	
120.	Net interest and other banking income	14,908	194,114	-92.3
130.	Net impairment adjustments on:	4,008	(10,066)	
	a) loans and advances	4,008	(10,066)	
140.	Profits (losses) on financial activities	18,916	184,048	-89,7
170.	Profits (losses) on financial and	18,916	184,048	-89,7

		31/12/2010	31/12/2009	% Change
	insurance activities			
180.	Administrative expenses:	(38,994)	(45,092)	
	a) payroll	(25,840)	(31,372)	
	b) other administrative expenses	(13,154)	(13,720)	
190.	Net charges to provisions for risks and charges	(7,603)	(7,266)	
200.	Net adjustments to property, plant and equipment	(990)	(898)	
210.	Net adjustments to intangible assets	(1,107)	(1,419)	
220.	Other operating charges/income	860	930	
230.	Operating costs	(47,834)	(53,745)	-11.0
270.	Gains (losses) on disposal of investments	0	0	-
280.	Profit (loss) from current operations before tax	(28,918)	130,303	-122.2
290.	Income taxes on current operations	(5,034)	(45,980)	
300.	Profit (loss) from current operations after tax	(33,952)	84,323	-140.3
320.	Net income (loss) for the year	(33,952)	84,323	-140.3
330.	Net income (loss) for the year attributable to minority interests	-	1	
340.	Net income (loss) for the year pertaining to the Parent Bank	(33,952)	84,322	-140.3

### Financial position

DEXIA CREDIOP S.p.A.'s total assets amounted to euro 44.2 billion as at 31st December, 2010, (-21 per cent compared to 2009).

As regards the balance sheet at 31st December, 2010, loans and advances to customers amounted euro 29.0 billion, decreasing of 7.4 per cent since the previous year end. Total financial assets (held for trading, available for sale and held to maturity) were equal to euro 5.1 billion (-24.6 per cent. versus 2009).

The equity and liabilities side of the balance sheet reports due from banks of EUR 18.4 billion (euro 25.2 billion in 2009) and debt securities in issue of EUR 16.5 billion (EUR 21.1 billion in 2009).

### Operating results

The 2010 income statement of DEXIA CREDIOP S.p.A. presented a net interest income, inclusive of hedging results, of EUR 141.3 million. This represents a decrease of 50 per cent. on the previous year and is linked mainly to the evolution in market rates and to the decrease of the stock price. The previous period had benefited, among other things, from the evolution of the short term part of the interest rates curve.

Net fee and commission income was EUR 6.2 million, up by 31 per cent (EUR +1.5 million) compared to 2009 thanks to the project finance activity. Dividends amounted to EUR 2.5 million in line with 2009 amount.

Net trading income and gains and losses on disposal or repurchases amounted to EUR -135,1 million, with a decrease of EUR -41.9 million compared to the previous year. The 2010 result is affected by the effect of disposal of EUR 0.5 billion to Dexia Group companies and the early redemption of EUR 1.9

billion of assets with the Parent Company Dexia Crédit Local and the disposal of the stock of bonds of the subsidiary company DEXIA CREDIOP S.p.A.Ireland for an amount of EUR 3.1 billion. Losses on disposals (EUR -122.8 million) and the charges for the early redemption of assets (EUR -14.8 million) amounted to EUR 138 million.

Net interest and other banking income amounted to EUR 14.9 million compared to EUR 194.1 million in 2009 (EUR -179.2 million).

The total net impairment adjustments on loans and advances were EUR +4 million. in relation to EUR +1,5 million of positive adjustments, net of provisions, pertaining to DEXIA CREDIOP S.p.A.and to EUR +2,5 million of write-off of provisions pertaining to DEXIA CREDIOP S.p.A. Ireland coming from the bonds stock disposal.

Administrative expenses were EUR 39 million, (-14 per cent. compared to 2009) because of a staff decrease, (as a consequence of the agreement with the trade unions on staff resignation incentives signed in 2009), and of the policy of the other administrative expenses controls. Also net adjustments of tangible and intangible assets (EUR 2.1 million) decreased compared to previous year (-9 per cent). Net charges to provisions for risks and charges amount to EUR -7.6 million and are mainly related to provisions for legal fees connected to ongoing proceedings on derivatives signed with local authorities.

Profit from continuing operations before tax amounts to EUR -28.9 million (EUR 130.3 million in 2009)

Taxes amounted to EUR -5 million and included the effects of the rules for the partial deductibility of interest payable (the so-called “Robin Hood Tax”), whose charges amounted to around EUR 12 million.

Net result amounted to EUR -34 million versus the EUR +84.3 million of the previous year.

## GENERAL INFORMATION

### Approval, Listing and Admission to Trading of the Notes on the Luxembourg Stock Exchange

Application has been made to the CSSF to approve this document as a Base Prospectus. Application has also been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange's and to be admitted to the Official List of the Luxembourg Stock Exchange.

The Regulated Market of the Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

### Authorisation

The establishment of the Programme and the issue of the Notes have been duly authorised by resolutions of the Board of Directors of the Issuer dated 13th November, 1995 and 8th January, 1996 and a resolution of the Managing Director of the Issuer passed on 22nd February, 1996. Amendments and update to the Programme have been duly authorised by resolutions of the Managing Director of the Issuer dated 8th May, 1997, 22nd June, 1998, 7th July, 1999, 21st July, 2000, 27th June, 2000, 23rd July, 2002, 14th July, 2003, 22nd July, 2004, 1st September, 2005, 15th September, 2006, 23rd August, 2007, 22nd September, 2008, 30th June, 2010, and May 31, 2011.

All consents, approvals, authorisations or other orders of all regulatory authorities required by the Issuer under the laws of the Republic of Italy, respectively, have been given for the issue of Notes and for the Issuer to undertake and perform its respective obligations under the Programme Agreement, the Agency Agreement, the Notes and the Deed of Covenant as the case may be. The consent of the Bank of Italy is not required upon the establishment or update of the Programme but is required on the occasion of each issue and offering of Notes by the Issuer if underwritten by an Italian resident and, depending on the amount of the issue and the characteristics of the Notes to be issued, such consent will be obtained on each such occasion.

### Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and ISIN for each Tranche of Bearer Notes allocated by Euroclear and Clearstream, Luxembourg will be contained in the relevant Final Terms. In addition, the Registered Notes will be, before issue, designated as PORTAL securities and the Issuer as the case may be, will make an application for any Registered Notes to be accepted for trading in book-entry form by DTC. The CUSIP and/or CINS numbers for each Tranche of Registered Notes, together with the relevant ISIN and common code, will be specified in the relevant Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the relevant Final Terms. Notes which are governed by Italian law will be cleared through Monte Titoli S.p.A.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

### Significant or Material Change

Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer or any of its subsidiaries since 31st December, 2010 and there has been no material adverse change in the financial position or prospects of the Issuer or any of its subsidiaries since 31st December, 2010.

## **Litigation**

Save as disclosed in this Base Prospectus, neither the Issuer nor any of its subsidiaries is or has been engaged in any governmental, legal, arbitration or administrative proceedings (including proceedings pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this document, the results of which might have a significant impact on the financial position or the profitability of the Issuer and/or the Issuer and its subsidiaries taken as a whole.

## **Auditors**

The auditors of the Issuer are Mazars S.p.A., independent auditors who are registered with the Special Register of Auditing Companies (*Albo Speciale delle società di revisione*) with CONSOB's resolution n.17141 and have audited the Issuer's accounts without qualification in accordance with generally accepted auditing standards in Italy, for the financial periods ended 31st December, 2009 and 31st December, 2010. The auditors of the Issuer have no material interest in the Issuer. The reports of the auditors of the Issuer are included or incorporated in the form and context in which they are included or incorporated, with the consent of the auditors who have authorised the contents of that part of this Base Prospectus.

## **Documents Available for Inspection and Collection**

So long as any of the Notes remains outstanding and throughout the lifetime of the Programme, copies of the following documents will, when published, be available in English for collection from the registered offices of the Issuer and from the specified office of the Paying Agent for the time being in London and Luxembourg, from the specified office in New York of the U.S. Paying Agent:

- (i) the by-laws of the Issuer;
- (ii) the audited financial statements of the Issuer for each of the financial periods ending 31st December, 2010 and 31st December, 2009 respectively;
- (iii) semi-annual financial statement of the Issuer relating to the financial period ending June 30, 2010;
- (iv) all future annual reports and balance sheets and profit and loss accounts of and all future unaudited interim financial statements (if prepared and published) of the Issuer;
- (v) the Programme Agreement, the Agency Agreement, the Schedule of Forms (which contains the forms of the Temporary and Permanent Global Notes, the Registered Global Notes, the Definitive Notes, the Receipts, the Coupons and the Talons), the Deed of Covenant executed by the Issuer;
- (vi) this Base Prospectus;
- (vii) any future prospectuses, information memoranda, supplements and Final Terms (save that a Final Terms relating to a Note which is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive will only be available for inspection by a holder of such Note and such holder must produce evidence satisfactory to the Paying Agent, as the case may be, as to the identity of such holder) to this Base Prospectus and the documents incorporated herein and therein by reference; and
- (viii) in the case of each issue of Notes admitted to trading on the Luxembourg Stock Exchange's regulated market subscribed pursuant to a subscription agreement, the subscription agreement (or equivalent document).

In addition, copies of this Base Prospectus, such Final Terms relating to Notes which are admitted to trading on the Luxembourg Stock Exchange's regulated market and each document incorporated by reference are available on the Luxembourg Stock Exchange's website ([www.bourse.lu](http://www.bourse.lu)) and the website of Dexia Crediop S.p.A. ([www.dexia.it](http://www.dexia.it)).

### **Substitution of Principal Debtor**

These provisions require, inter alia, the Issuer to enter into various documents to give effect to the substitution and to give notice thereof to the Noteholders.

The Issuer will also be required to give notice to the Luxembourg Stock Exchange, and for so long as that stock exchange so requires, produce a new Base Prospectus.

For so long as (a) the Notes are listed on the Italian Stock Exchange and (b) the rules of Borsa Italiana S.p.A. as interpreted by it so require, any substitution of the Issuer or the guarantor may be subject to certain conditions.

### **Dealers transacting with the Issuer**

Certain of the Dealers and their affiliates have engaged, and may in the future engage in investment banking and/or commercial banking transactions with, and may perform services to the Issuer and its affiliates in the ordinary course of business.

### **Post-issuance information**

The Issuer does not intend to provide any post-issuance information in relation to any assets underlying issues of Notes constituting derivative securities.

## TAX

### Italian Taxation

#### Taxation of Interest

*The statements herein regarding taxation summarise the principal Italian tax consequences of the purchase, the ownership and the disposition of the Notes in the hands of individuals holding Notes (the “Noteholders”) only if such Noteholders purchase their Notes in this offering. This is a general summary that does not apply to certain categories of investors and does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. It does not discuss every aspect of Italian taxation that may be relevant to an Italian Noteholder if such Noteholder is subject to special circumstances or if such Noteholder is subject to special treatment under applicable law.*

*The statements herein contained regarding taxation are based on the laws in force in the Republic of Italy as of the date of this document and are subject to any changes in law occurring after such date, which changes could be made on a retroactive basis. This summary will not be updated to reflect changes in laws and if such a change occurs the information in this summary could become invalid.*

Legislative Decree No. 239 of 1st April, 1996, as amended or supplemented, (“*Legislative Decree No. 239*”) regulates the tax treatment of interest, premiums and other income (including the difference between the redemption amount and the issue price hereinafter collectively referred to as “*Interest*”) from notes issued, *inter alia*, by Italian resident banks, provided that they have an original maturity of at least eighteen months, or by foreign issuers. The provisions of Legislative Decree No. 239 only apply to those Notes issued in Italy by DEXIA CREDIOP S.p.A. which qualify as *obbligazioni* or *titoli similari alle obbligazioni* pursuant to Article 44 of Presidential Decree No. 917 of 22nd December, 1986, as amended.

For these purposes, *titoli similari alle obbligazioni* are defined as notes that incorporate an unconditional obligation to pay, at maturity, an amount not less than their nominal value (whether or not providing for internal payments) and that do not give any right to directly or indirectly participate in the management of the issuer or of the business in relation to which they are issued nor any type of control on the management.

Payments of Interest in respect of the Notes are subject to a final tax referred to as “*imposta sostitutiva*” levied at the rate of 12.5 per cent. (either when Interest is paid, or when payment therefore is obtained by holder on sale of relevant Notes) in the Republic of Italy if made to beneficial owners who are Italian resident Noteholders who are: (i) individuals, holding the Notes not in connection with entrepreneurial activities (unless they have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have opted for the so-called *risparmio gestito* regime according to Article 7 of Italian Legislative Decree No. 461 of 21st November, 1997, as amended (“*Legislative Decree No. 461*”) – the “*Asset Management Option*”); (ii) Italian resident partnerships (other than “*società in nome collettivo*”, “*società in accomandita semplice*” or similar partnerships), de facto partnerships not carrying out commercial activities and professional associations; (iii) public and private entities, other than companies, not carrying out mainly or exclusively commercial activities; (iv) entities exempt from Italian corporate income tax.

Payments of Interest in respect of the Notes with a maturity of eighteen months or more are not subject to 12.5 per cent. *imposta sostitutiva* if made to beneficial owners who are: (i) Italian resident corporations or permanent establishments in Italy of non resident corporations to which the Notes are effectively connected; (ii) Italian resident collective investment funds, SICAVs, Italian resident pension funds referred to in Legislative Decree No. 252 of 5th December, 2005 and certain Italian resident real estate investment funds; (iii) Italian resident individuals holding Notes not in connection with entrepreneurial activity who have entrusted the management of their financial assets, including the Notes, to an Italian authorised financial intermediary and have opted for the Asset Management Option; (iv) Italian resident partnerships carrying out commercial activities (“*società in nome collettivo*” or “*società in accomandita semplice*”) To ensure payment of Interest in respect of the Notes without the application of 12.5 per cent. *imposta sostitutiva* investors indicated above must

(i) be the beneficial owners of payments of Interest on the Notes or certain non Italian resident institutional investors and (ii) timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary (or permanent establishment in Italy of foreign intermediary.)

Italian resident individuals holding Notes not in connection with entrepreneurial activity who have opted for the Asset Management Option are subject to a 12.5 per cent. annual substitute tax (the “*Asset Management Tax*”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on Notes with a maturity of eighteen months or more). The Asset Management Tax is applied on behalf of the taxpayer by the managing authorised intermediary.

In case the Notes are held by an individual engaged in a business activity to which the Notes are connected, the *imposta sostitutiva* applies as a provisional tax and may be deducted from the corporate income tax due.

Interest accrued on the Notes would be included in the corporate taxable income (and in certain circumstances, depending on the “status” of the Noteholders, also in the net value of production for the purposes of regional tax on productive activities - IRAP) of beneficial owners who are Italian resident corporations and permanent establishments in Italy of foreign corporations, subject to tax in Italy in accordance with ordinary tax rules.

Italian resident collective investment funds and SICAVs are subject to a 12.5 per cent. annual substitute tax (the “*Collective Investment Fund Tax*”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on Notes with an original maturity of eighteen months or more). As of 1 July 2011, the Collective Investment Fund Tax will be repealed and substituted by a substitute tax of 12.5% levied on proceeds distributed by the Fund or the SICAV or received by certain categories of unitholders upon redemption or disposal of the units.

Italian resident pension funds subject to the regime provided by Art. 17 of Italian Legislative Decree No. 252 of 5th December, 2005 are subject to a 11 per cent. annual substitute tax (the “*Pension Fund Tax*”) on the increase in value of the managed assets accrued at the end of each tax year (which increase would include Interest accrued on the Notes with an original maturity of eighteen months or more).

Italian real estate funds created under Article 37 of Italian Legislative Decree No. 58 of 24th February, 1998 and Article 14-*bis* of Law No. 86 dated 25th January, 1994 (Italian Real Estate Funds), are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund (in some specific cases, a net worth tax rate of 1 per cent. would be applicable to the fund). In any case, any income realised by certain subscribers (other than capital gains) is subject a 20 per cent. withholding tax.

Pursuant to Legislative Decree No. 239, *imposta sostitutiva* is applied by banks, *società di intermediazione mobiliare* (“SIMs”), fiduciary companies, *società di gestione del risparmio* (“SGRs”), stockbrokers and other entities identified by a Decree of the Ministry of Finance (each an “*Intermediary*”). An Intermediary must (i) be resident in Italy or (ii) be a permanent establishment in Italy of an intermediary resident outside Italy or (iii) be an entity or a company not resident in Italy, acting through a system of centralised administration of notes and directly connected with the Department of Revenue of the Italian Ministry of Finance having appointed an Italian representative for the purposes of Decree No. 239 and in any case intervene, in any way, in the collection of Interest or in the transfer of the Notes or in change of Intermediary with which the Notes are deposited or in a transfer from a deposit to a different deposit held with the same Intermediary.

Where the Notes are not deposited with an Intermediary, the *imposta sostitutiva* is applicable and withheld by any Intermediary intervening in the payment of interest including the Issuer.

According to Legislative Decree No. 239, as amended by Law Decree No. 350 of 25th September, 2001 converted into Law No. 409 of 23rd November, 2001 (“*Decree No. 350*”) and by art. 41 of Decree No. 269 payments of Interest in respect of the Notes will not be subject to the *imposta sostitutiva* at the rate of 12.5 per

cent. if made to non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected, provided that:

- such beneficial owners are resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information (the "White List States"); and
- all the requirements and procedures set forth in Legislative Decree No. 239 and in the relevant implementation rules, as subsequently amended, in order to benefit from the exemption from *imposta sostitutiva* are timely met or complied with.

Legislative Decree No. 239 also provides for additional exemptions from the *imposta sostitutiva* for payments of Interest in respect of the Notes made to (i) international bodies and organisations established in accordance with international agreements ratified in Italy; (ii) foreign institutional investors not subject to income tax or to other similar taxes, which are resident in countries which allow for an adequate exchange of information; and (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State.

White List States are currently identified by Ministerial Decree of 4th September, 1996. However, once the provisions introduced by the 2008 Budget Law and affecting the regime described above become effective, non-Italian resident beneficial owners of the Notes, without a permanent establishment in Italy to which the Notes are effectively connected will not be subject to the 12.5 per cent. substitute tax on Interest provided that the non-Italian beneficial owners are resident in countries included in the forthcoming Ministerial Decree (the "Decree") that allow an adequate exchange of information with the Italian Tax Authorities. The list of countries included in the above mentioned Decree to be issued will become effective as from the tax period following the one in which the Decree will be enacted. For the 5 years starting on the date of publication of the Decree in the Official Gazette, States and territories that are not included in the current black-lists set forth by Ministerial Decrees of 4th May, 1999, 21st November, 2001 and 23rd January, 2002 nor in the current white list set forth by Ministerial Decree of 4 September 1996 are deemed to be included in the new white-list.

It should be noted that Notes issued by DEXIA CREDIOP S.p.A., having an original maturity of less than eighteen months do not fall within the provisions of Legislative Decree No. 239. Such Notes will be subject to a withholding tax on Interest at the current rate of 27 per cent. pursuant to Article 26 of Presidential Decree No. 600 of 29th September, 1973, as amended ("*Decrete 600*"), final or provisional depending on the category of Noteholders. Where the beneficial owner of the Notes is non Italian resident, the 27 per cent. final withholding tax may be reduced or eliminated under applicable double tax treaties entered into by Italy, if more favourable, subject to timely filing of required documentation. If the payment is not made through an Intermediary, the Italian resident Noteholder must assess its own taxable income and include any interest received on the Notes in the relevant annual income tax return. In case of Notes with an original maturity of less than eighteen months, the 27 per cent. withholding tax also applies to payments of Interest made to Italian resident collective investment funds, Italian SICAVs, Italian Real Estate Funds and Italian resident pension funds subject to the regime provided by Article 17 of Legislative Decree No. 252.

Notwithstanding the above provisions, Notes issued by DEXIA CREDIOP S.p.A. which fall within the definitions set out above (i.e. they qualify as *obbligazioni* or *titoli similari alle obbligazioni* pursuant to Article 44 of Decree No. 917) having an original maturity of at least eighteen months but redeemed prior to eighteen months or, at certain conditions, if repurchased by the DEXIA CREDIOP S.p.A. within this period (Resolution No. 11 of 31 January 2011 of Italian Revenue Agency (Agenzia delle Entrate) would be subject to an additional tax, on Interest accrued on the Notes up to the date of the early redemption, pursuant to Article 26, 1st paragraph, of Decree No. 600 to be paid by DEXIA CREDIOP S.p.A. as issuer on such redemption date, at the rate of 20 per cent.

In case Notes do not guarantee the total reimbursement of the principal, they would qualify as "atypical securities". Interest payments relating to Notes characterised as "atypical securities" shall be subject to withholding tax levied at a rate of 27 per cent. (final or on account, depending on the status and tax residence of the Noteholder).

Where the Noteholder is (a) an Italian individual engaged in an entrepreneurial activity to which the Notes are connected, (b) an Italian company or a similar Italian commercial entity, (c) a permanent establishment in Italy of a foreign entity, (d) an Italian commercial partnership or (e) an Italian commercial private or public institution, such withholding tax is a provisional withholding tax.

Where the beneficial owner of the Notes is non Italian resident the 27 per cent. final withholding tax may be reduced or reduced to zero under certain applicable double tax treaties entered into by Italy, if more favourable, subject to timely filing of required documentation.

### **Taxation of capital gains**

Pursuant to Legislative Decree No. 461, a 12.5 per cent. capital gains tax (referred to as *imposta sostitutiva*), will be applicable to capital gains realised by Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected on any sale or transfer of the Notes for consideration or redemption thereof. Individuals may opt among the tax declaration regime, the *Risparmio Amministrato* regime and the *Risparmio Gestito* regime.

Under the tax declaration regime (“*Regime della dichiarazione*”), which is the standard for taxation of capital gains realised by Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, the 12.5 per cent. *imposta sostitutiva* on the capital gains will be chargeable, on a cumulative basis, on all capital gains net of any offsettable capital losses realised by Noteholders who are Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected pursuant to all disposals of the Notes carried out during any given fiscal years. Capital gains, net of any offsettable capital losses, must be detailed by Italian resident individuals holding Notes not in connection with entrepreneurial activity in the annual tax return to be filed with the Italian tax authorities. Where losses exceed gains, they can be carried forward against capital gains for up to the four subsequent fiscal years.

Alternatively to the tax declaration regime, Noteholders, who are Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected, may elect to pay *imposta sostitutiva* separately on capital gains realised on each sale or transfer or redemption of the Notes (“*Risparmio Amministrato*” regime). Such separate taxation of capital gains is allowed subject to (i) the Notes being deposited with Italian authorised intermediaries and (ii) an express and valid election for *Risparmio Amministrato* regime being timely made in writing by the relevant Noteholder. The separate taxation election lasts for the entire fiscal year and unless revoked prior to the end of such year will be deemed valid also for the subsequent one. The intermediary is responsible for accounting for *imposta sostitutiva* in respect of capital gains realised on each sale or transfer or redemption of the Notes, as well as on capital gains realised as at revocation of its mandate, net of any incurred capital losses, and is required to pay the relevant amount to the Italian fiscal authorities on behalf of the Noteholder deducting a corresponding amount from proceeds to be credited to the Noteholder or using funds provided by the Noteholder for this purpose. Where a particular sale or redemption of the Notes results in a capital loss, the intermediary is entitled to deduct such loss from gains subsequently realised on assets held with the same intermediary in the same tax year and in the following tax years up to the fourth. Under the *Risparmio Amministrato* regime the Noteholder remains anonymous and is not required to report capital gains realised in its annual tax declaration.

Any capital gains realised or accrued by Italian resident individuals not engaged in entrepreneurial activities to which the Notes are connected who have entrusted the management of their financial assets, including the Notes, to an authorised intermediary and have validly opted for the so-called *risparmio gestito* regime (regime provided by article 7 of Decree No. 461) will be included in the computation of the annual increase in value of the managed assets accrued, even if not realised, at year end, subject to a 12.5 per cent substitute tax, to be paid by the managing authorised intermediary. Under this *risparmio gestito* regime, any depreciation of the managed assets accrued at year end may be carried forward against increase in value of the managed assets accrued in any of the four succeeding tax years. Under the *risparmio gestito* regime, the Notes is not required to declare the capital gains realised in the annual tax return.

Any capital gains realised or accrued by a Noteholders who is an Italian collective investment funds and SICAVs will be included in the result of the relevant portfolio accrued at the end of the tax period, to be subject to the Collective Investment. As of 1 July 2011, the Collective Investment Fund Tax will be repealed and substituted by a substitute tax of 12.5% levied on proceeds distributed by the Fund or the SICAV or received by certain categories of unitholders upon redemption or disposal of the units

Any capital gains realised by Noteholders who are Italian resident pension funds subject to the regime provided by Art. 17 of Legislative Decree No. 252 will be included in the computation of the taxable basis of the Pension Fund Tax.

Any capital gains realised or accrued by Noteholders who are Italian real estate funds created under Article 37 of Italian Legislative Decree No. 58 of 24 February 1998 and Article 14-*bis* of Law No. 86 dated 25 January 1994 are not subject to any substitute tax at the fund level nor to any other income tax in the hands of the fund.

Any capital gain realised or accrued by Noteholders who are: (i) Italian resident corporations; (ii) Italian resident commercial partnerships; (iii) permanent establishments in Italy of foreign corporations to which the Notes are effectively connected; or (iv) Italian resident individuals carrying out a commercial activity to which the Notes are effectively connected would be treated as part of the taxable business income (and, in certain cases, may also be included in the taxable net value of production for IRAP purposes) subject to tax in Italy according to the relevant tax provisions.

The 12.5 per cent. *imposta sostitutiva* may be payable on any capital gains realised upon sale, transfer or redemption of the Notes issued by DEXIA CREDIOP S.p.A. by non-Italian resident individuals and entities without a permanent establishment in Italy to which the Notes are effectively connected if the Notes are held in Italy.

However, pursuant to Article 23 of Presidential Decree no. 917 of 22 December 1986, any capital gains realised by non- Italian residents without a permanent establishment in Italy to which the Notes are effectively connected through the sale for consideration or redemption of the Notes are exempt from taxation in Italy to the extent that the Notes are listed on a regulated market in Italy or abroad and in certain cases subject to filing any required documentation, even if the Notes are held in Italy and regardless of the provisions set forth by any applicable double tax treaty.

In case the Notes are not listed on a regulated market in Italy or abroad, non-Italian resident beneficial owners of the Notes with no permanent establishment in Italy to which the Notes are effectively connected are exempt from the *imposta sostitutiva* in the Republic of Italy on any capital gains realised upon sale for consideration or redemption of the Notes if they are (i) resident, for tax purposes, in a country which recognises the Italian fiscal authorities' right to an adequate exchange of information; or (ii) international entities or bodies set up in accordance with international agreements which have entered into force in Italy; or (iii) Central Banks or entities which manage, *inter alia*, the official reserves of a foreign State; or (iv) institutional investors not subject to income tax in their country of residence which are resident in a country which allows for an adequate exchange of information with the Republic of Italy, or (v) resident in a country which has entered into a double tax treaty with the Republic of Italy which provides that capital gains realised upon the sale or redemption of the Notes shall be taxed only in the country of residence of the recipient.

In case (i) above, if non-Italian residents without a permanent establishment in Italy to which the Notes are effectively connected elect for the *Risparmio Amministrato* regime or the Asset Management Option, exemption from the *imposta sostitutiva* will apply upon condition that they file in time with the authorised financial intermediary the appropriate documentation which include *inter alia* a certificate of residence from the competent tax authorities of the country of residence of the non-Italian resident.

The *Risparmio Amministrato* regime is the ordinary regime automatically applicable to non resident persons and entities in relation to Notes deposited for safekeeping or administration at Italian banks, SIMs and other eligible entities, but non-resident note-holders retain the right to waive this regime. Such waiver may also

be exercised by non-resident intermediaries in respect of safekeeping, administration and deposit accounts held in their names in which third parties' financial assets are held.

### **Transfer tax**

Contracts relating to the transfer of securities are subject to the following registration tax: (i) public deeds and notarised deeds are subject to a €168 fixed registration tax; (ii) private deeds are subject to registration tax only in the case of voluntary registration.

### **Inheritance and Gift Tax**

Pursuant to Law Decree No. 262 of 3rd October, 2006, converted with amendments by Law No. 286 of 24th November, 2006 effective from 29th November, 2006, and Law 296 of 27th December, 2006, the transfers of any valuable assets (including the Notes) as a result of death or donation (or other transfers for no consideration) and the creation of liens on such assets for a specific purpose are taxed as follows:

- 4 per cent. if the transfer is made to spouses and direct descendants or ancestors; in this case, the transfer is subject to tax on the value exceeding Euro 1,000,000 (per beneficiary);
- 6 per cent. if the transfer is made to brothers and sisters; in this case the transfer is subject to tax on the value exceeding Euro 100,000 (per beneficiary);
- 6 per cent. if the transfer is made to relatives up to the fourth degree, to persons related by direct affinity as well as to persons related by collateral affinity up to the third degree;
- 8 per cent. in all other cases.

If the transfer is made in favour of persons with severe disabilities, the tax applies on the value exceeding Euro 1,500,000.

### **European Withholding tax directive**

On 3rd June, 2003, the Council of the European Union adopted the EU Directive No. 2003/48/EC regarding the taxation of savings income (the “European Savings Directive”). According to the European Savings Directive, each member State of the European Union (a “Member State”) is required to provide to the tax authorities of other States of the European Union details of the interest payments by a person within its jurisdiction to individuals resident in that other State. However, Austria and Luxembourg are allowed to apply a withholding system for a transitional period.

Italy has implemented the European Union directive No. 2003/48/EC regarding the taxation of savings income through Legislative Decree No. 84 of 18th April, 2005 (the “*Decree No. 84*”). Under Decree No. 84, subject to a number of important conditions being met, in the case of interest paid starting from 1st July, 2005 (including the case of interest accrued on the Notes at the time of their disposal) to individuals which qualify as beneficial owners of the interest payment and are resident for tax purposes in another Member State, Italian paying agents (i.e. banks, *società di intermediazione mobiliare* (SIMs), fiduciary companies, *società di gestione del risparmio* (SGRs) resident for tax purposes in Italy, permanent establishments in Italy of non-resident persons and any other economic operator resident for tax purposes in Italy paying interest for professional or commercial reasons) shall report to the Italian tax authorities details of the relevant payments and personal information on the individual beneficial owner. Such information is transmitted by the Italian tax authorities to the competent foreign tax authorities of the State of residence of the beneficial owner. In certain circumstances the same reporting requirements must be complied with also in respect of interest paid to an entity established in another Member State, other than legal persons (with the exception of certain Finnish and Swedish entities), entities whose profits are taxed under general arrangements for business taxation and, in certain circumstance, UCITS recognised in accordance with Directive 85/611/EC.

Either payments of interest on the Notes or the realisation of the accrued interest through the sale of the Notes would constitute “payments of interest” under Article 6 of the European Savings Directive and, as far as Italy is concerned, Article 2 of Decree No.84. Accordingly, such payments of interest arising out of the Notes would fall within the scope of the European Savings Directive being the Notes issued after 1st March 2001.

## **Luxembourg Taxation**

The following summary is of a general nature and is included herein solely for information purposes. It is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. Prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

### **Withholding Tax**

#### **(i) Non-resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the laws of 21st June, 2005 (the “*Laws*”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the EC Council Directive 2003/48/EC of 3rd June, 2003 on taxation of savings income in the form of interest payments and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “*Territories*”), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity, as defined by the Laws, which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the fiscal authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Where withholding tax is applied, it will be levied at a rate of 20 per cent. during a three-year period starting on 1st July, 2008 and at a rate of 35 per cent. thereafter. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Laws would at present be subject to withholding tax of 20 per cent.

#### **(ii) Resident holders of Notes**

Under Luxembourg general tax laws currently in force and subject to the law of 23rd December, 2005 (the “*Law*”) mentioned below, there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Law would be subject to withholding tax of 10 per cent.

## **EU Savings Directive**

Under EC Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories including Switzerland adopted similar measures (a withholding system in the case of Switzerland).

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

## SUBSCRIPTION AND SALE

The Dealers have in an Amended and Restated Programme Agreement dated 21 June, 2011 agreed with the Issuer a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “Form of the Notes” and “Terms and Conditions of the Notes” above.

### **United States**

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Pursuant to the Programme Agreement, the Issuer has agreed to indemnify the Dealers against, or to contribute to losses arising out of, certain liabilities, including liabilities under certain securities laws.

Each issuance of Indexed Notes or Dual Currency Notes will be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer(s) may agree, as indicated in the applicable Final Terms. Each Dealer has agreed and each further Dealer will be required to agree that it will offer, sell or deliver such Notes only in compliance with such additional U.S. selling restrictions.

To the extent that any Notes are sold in reliance on an exemption from the registration requirements of the Securities Act provided under Regulation S, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it will not offer, sell or deliver Notes of any Series (i) as part of a general distribution at any time or (ii) in connection with any sales of Notes in reliance on Regulation S, until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis the relevant lead manager, of all Notes of the Tranche of which such Notes are a part within the United States or to, or for the account or benefit of, U.S. persons and only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer has further agreed that it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Until 40 days after the commencement of the offering, an offer or sale of Registered Notes within the United States by any dealer that is not participating in the offering may violate the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S of the Securities Act.

### *Notes in bearer form*

Notes in bearer form are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code and regulations thereunder.

### *Registered Notes*

Offers, sales, resales and other transfers of Registered Notes in the United States made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be effected pursuant to an exemption from the registration requirements of the Securities Act.

Offers, sales, resales and other transfers of Registered Notes made in the United States will be made only to institutional investors that are accredited investors (as defined in Rule 501(a)(1)-(3) and (7) of the Securities Act Rules) (each such institutional investor being hereinafter referred to as an “*accredited investor*”) or, in the case of Registered Notes resold or otherwise transferred pursuant to Rule 144A, to institutional

investors that are reasonably believed to qualify as qualified institutional buyers (as defined in Rule 144A) (each such institutional investor being hereinafter referred to as a “*qualified institutional buyer*”).

Registered Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising will be used in connection with the offering of the Notes in the United States.

No sale of Registered Notes in the United States to any one purchaser will be for less than U.S.\$150,000 principal amount and no Registered Note will be issued in connection with such a sale in a smaller principal amount. If the purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$150,000 principal amount of Registered Notes.

Each Registered Note sold as part of a private placement in the United States shall contain a legend stating that such Registered Note has not been, and will not be, registered under the Securities Act, that any resale or other transfer of such Registered Note or any interest therein may be made only:

- (a) to a Dealer;
- (b) through a Dealer to a qualified institutional buyer in a transaction which meets the requirements of Rule 144A;
- (c) through a Dealer to an accredited investor who represents that it is acquiring such Registered Note for its own account for investment and not with a view to the distribution thereof;
- (d) outside the United States pursuant to Rule 904 of Regulation S under the Securities Act; or
- (e) pursuant to any other exemption from the registration requirements of the Securities Act,

and, in the case of a sale pursuant to (c) or (d) above, upon receipt by the Issuer of certification as to compliance therewith by the parties to such transfer. Resale or secondary market transfer of Registered Notes in the United States may be made in the manner and to the parties specified above and to qualified institutional buyers in transactions which meet the requirements of Rule 144A.

Furthermore, any resale or other transfer, or attempted resale or other transfer of Registered Notes sold as part of a private placement in the United States made other than in compliance with the foregoing restrictions shall not be recognised by the Issuer or any agent of the Issuer and all Registered Notes will bear a legend to this effect. In the case of a transfer pursuant to (c) or (d) above, such transfer shall only occur upon receipt by the Issuer of certification as to compliance therewith by the parties to such transfer.

By its purchase of any Registered Notes, each investor in the United States shall be deemed to have agreed to the above restrictions and each such purchaser shall be deemed to have represented to the Issuer, the seller and the Dealer, if applicable, that it is either a qualified institutional buyer who is aware that the sale to it is being made in reliance on Rule 144A or is an accredited investor that is acquiring the Registered Notes for its own account for investment and not with a view to the distribution thereof.

#### **Public Offer Selling Restriction under the Prospectus Directive**

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “*Relevant Implementation Date*”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Base Prospectus as contemplated by the final terms in relation thereto to the public in that Relevant Member State, except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the final terms in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “Nonexempt Offer”), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable and the issuer has consented in writing to its use for the purpose of that Non-exempt offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive; or
- (c) at any time to fewer than 100 or, if the relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “offer of Notes to the public” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression Prospectus Directive means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.

## **United Kingdom**

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

## Republic of Italy

Each Dealer has represented and agreed that, save as set out below, it has not offered or sold, and will not offer or sell, any Notes in the Republic of Italy in an offer to the public and that any offers and sales of the Notes in the Republic of Italy shall be effected in accordance with all Italian securities, tax and exchange control and other applicable laws and regulations. Accordingly, each of the Dealers has represented and agreed that it will not offer, sell or deliver any Notes or distribute copies of this Base Prospectus and/or any other document relating to the Notes in the Republic of Italy except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (ii) in the context of an offer to the public in the Republic of Italy duly registered with CONSOB as competent authority of the host Member State, as specified in the relevant Final Terms, in accordance with the applicable laws and regulations (and, in particular, pursuant to Articles 14, 17 and 18 of the Prospectus Directive and Articles 94 and 98 of the Financial Services Act and Regulation No. 11971); and
- (iii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

Any offer, sale or delivery of the Notes or distribution of copies of this Base Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (a) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the Banking Act); and
- (b) in compliance with Article 129 of the Banking Act, as amended, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (c) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or other Italian authority.

*Please note that in accordance with Article 100-bis of the Financial Services Act, the subsequent distribution of the Notes on the secondary market in Italy, where no exemption from the rules on public offerings applies under (i) and (iii) above, must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Notes being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.*

## Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any

Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

## **General**

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Base Prospectus and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuer nor any other Dealer shall have any responsibility therefor.

Selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law or regulation. Any such modification will be set out in the Final Terms applicable to the relevant Notes or in a supplement to this Base Prospectus.

Neither the Issuer nor any of the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

With regard to each Tranche, the relevant Dealer will be required to comply with such other additional restrictions as the Issuer and the relevant Dealer shall agree and as shall be set out in the applicable Final Terms.

**ISSUER**

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