



Crediop

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).

This Base Prospectus supersedes the previous Offering Circular published in respect of the Programme dated 21st September 2005.

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 11.

The Notes will be issued to one or more of the Dealers specified on page 10 (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*”).

Unless otherwise specified in the applicable Final Terms, Notes issued under the Programme will be rated Aa2 by Moody’s Investors Service Limited. 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. 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 62 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*”) 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 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

DEXIA Capital Markets

Merrill Lynch International

Dealers

Banca Akros
Caboto
CALYON Corporate and Investment Bank
Deutsche Bank
DEXIA CREDIOP S.p.A.
JPMorgan
Merrill Lynch International
Société Générale Corporate and Investment Banking

Banca Aletti
Banca IMI
Credit Suisse
DEXIA Capital Markets
Goldman Sachs International
Lehman Brothers
Morgan Stanley
UBM-UniCredit Banca Mobiliare



This Base Prospectus comprises a base prospectus for the purposes of Article 5.4 of Directive 2003/71/EC (the “*Prospectus Directive*”).

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 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 Luxembourg Stock Exchange’s regulated market and to be listed on the Official List of the Luxembourg Stock Exchange’s regulated market. 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 24).

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. Investors should review, *inter alia*, the most recent financial statements of the Issuer when deciding whether or not to purchase any of the Notes.

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, no action has been taken by the Issuer or the Dealers which would 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”.

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. (See “United States Income Taxes” below.)

Each issue of Notes will be required to comply with Article 129 of Legislative Decree No. 385 of 1st September, 1993 (the “*Consolidated Banking Act*”). 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 organized 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.

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 establishing the European Community as amended by the Treaty on European Union and as amended by the Treaty of Amsterdam, 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 (provided that, in the case of any Tranche of Notes to be admitted to the official list and to trading on regulated markets in the European Economic Area, the aggregate principal amount of Notes allotted does not exceed 105 per cent. of the aggregate principal amount of the relevant Tranche) 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.

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 the 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 46 to 69. 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 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 46) 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 46) and Index Linked Interest Notes (as defined in “Terms and Conditions of the Notes” on page 46) 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 46) 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 46) 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.
Risk Factors:	<p>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 “<i>Risk Factors</i>” 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.</p> <p>Please note that this list is not exhaustive.</p>
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 “ <i>Form of the Notes</i> ” 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) Fixed Rate Notes; (ii) Floating Rate Notes; (iii) Index Linked Notes; (iv) Dual Currency Notes; and (v) Zero Coupon Notes.</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 upon giving notice 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 other terms as may be agreed between the Issuer and the relevant Dealer.</p> <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.</p>
Taxation	<p>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 62 and under “Tax” on page 105.</p>
Negative Pledge	<p>None.</p>
Events of Default:	<p>The terms of the Notes will contain, amongst others, the following events of default which will cause the Notes to accelerate:</p> <ul style="list-style-type: none"> (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 <i>pari passu</i> 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 the Notes to be issued under the Programme will be specified in the applicable Final Terms.
Listing and Admission to Trading	<p>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.</p> <p>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.</p> <p>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.</p>
Governing Law:	The Notes will be governed by, and 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 " <i>Subscription and Sale</i> ".

GENERAL DESCRIPTION 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 description.

Issuer:	DEXIA CREDIOP S.p.A.
Description:	Euro Medium Term Note Programme
Arrangers:	Dexia Banque Internationale à Luxembourg Merrill Lynch International
Dealers:	Banca Akros S.p.a. Banca Aletti & C. S.p.a. Banca Caboto S.p.A. Banca IMI S.p.A. CALYON Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Dexia Banque Internationale à Luxembourg DEXIA CREDIOP S.p.A. Goldman Sachs International J. P. Morgan Securities Ltd. Lehman Brothers International (Europe) Merrill Lynch International Morgan Stanley & Co. International Limited Société Générale Unicredit Banca Mobiliare S.p.A.

and any other Dealers appointed in accordance with the Programme Agreement.

Certain restrictions:	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 112 to 116).
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Notes having a maturity of less than one year:	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”.
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Under the Luxembourg Law on Prospectuses for Securities, which implements the Prospectus Directive, prospectuses for the listing of 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 and do not need to be approved by the CSSF.

- 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.
- Rule 144A Option:** 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.
- Agent:** Dexia Banque Internationale à Luxembourg
- Registrar:** JPMorgan Chase Bank, N.A.
- Transfer Agents:** JPMorgan Chase Bank, N.A.
CACEIS Bank Luxembourg
- Clearing Systems:** 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.
- Programme Amount:** €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.
- Currencies:** Subject to any applicable legal or regulatory restrictions, such currencies as may be agreed between the Issuer and the relevant Dealer.
- Redenomination:** 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.
- Maturities:** 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, (iii) 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).
- Issue Price:** 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.
- Form:** Notes governed by English law may be issued in bearer form 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.

- Fixed Rate Notes:** 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 2000 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 issue 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 supplement to this 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:	<p>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 (“<i>Issuer Call</i>”) and/or the Noteholders (“<i>Investor Put</i>”) 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.</p> <p>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.</p> <p>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.</p>
Denomination of Definitive Notes:	<p>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 Registered 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).</p>
Taxation:	<p>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 62 and under “Tax” on page 105.</p>
Negative Pledge:	<p>None.</p>
Cross Default:	<p>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 63.</p>

Status of the Notes:	The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer and will rank <i>pari passu</i> 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:	<p>Unless otherwise specified in the applicable Final Terms, Notes issued under the Programme will be rated Aa2 by Moody's Investors Service Limited.</p> <p>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. 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.</p>
Listing and admission to trading:	<p>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.</p> <p>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 €50,000 (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.</p>
Governing Law:	The Notes will be governed by, and 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.

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.

Basel Capital Requirements Directive

The Basel Committee has issued proposals for reform of the 1988 Basel Capital Accord and has proposed a framework which places enhanced emphasis on market discipline and sensitivity to risk. 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.

Ratings

The Issuer is currently rated AA- by Standard & Poor's, AA by Fitch and Aa2 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 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;
- (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, you should consult your 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 their 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. However, for a transitional period, Belgium, 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 have agreed to adopt similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If, following implementation of this Directive, 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. If a withholding tax is imposed on payment made by a Paying Agent following implementation of this Directive, the Issuer will be required to maintain a Paying Agent in a Member State that will not be 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.

Trading in the clearing systems

In relation to any issue of Notes which have a minimum denomination and are tradeable in the clearing systems in amounts above such minimum denomination which are smaller than it, should definitive Notes be required to be issued, a holder who does not have an integral multiple of the minimum denomination in his account with the relevant clearing system at the relevant time may not receive all of his entitlement in the form of definitive Notes unless and until such time as his holding becomes an integral multiple of the minimum denomination.

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.

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.

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.

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:

- (a) the auditors' report and audited consolidated and non-consolidated annual financial statements for the financial year ended 31st December, 2004 and 31st December, 2005; and
- (b) the by-laws of the Issuer.

Following the publication of this Base Prospectus a supplement 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 Luxembourg Stock Exchange, from the principal office in New York of JPMorgan Chase Bank, N.A. 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).

The Issuer will in connection with the listing of the Notes on 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 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 consolidated cash-flow statement, the notes to the consolidated financial statements and the auditors' report in respect of the consolidated financial statements can be found on pages:
 - (i) 134-135, 136, 201, 137-198 and 131 respectively of the annual report for the year ended 31st December, 2004;
 - (ii) 140-141, 142, 144-147, 147-250 and 137 respectively of the annual report for the year ended 31st December, 2005;
- (b) the non-consolidated balance sheet, the non-consolidated income statement, the non-consolidated cash-flow statement, the notes to the non-consolidated financial statements and the auditors' report in respect of the non-consolidated financial statements can be found on pages:

- (i) 40, 42, 109, 43-105 and 37 respectively of the annual report for the year ended 31st December, 2004; and
- (ii) 40, 42, 113, 43-109 and 37 respectively of the annual report for the year ended 31st December, 2005.

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(c), 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.

Payments of principal and interest (if any) on a permanent bearer global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the permanent bearer global Note if the permanent bearer global note is not intended to be issued in NGN form) without any requirement for certification. Unless otherwise specified in the applicable Final Terms, a permanent bearer global Note will be exchangeable (free of charge), in whole but not in part, for security-printed Notes in bearer form with, where applicable, receipts, interest coupons and talons attached upon not less than 60 days’ written notice expiring at least 70 days after the Exchange Date to the Agent from Euroclear or Clearstream, Luxembourg (as the case may be) acting on instructions of the holders of interests in the permanent bearer global Note.

In the event that a permanent bearer global Note is exchanged for security-printed Notes in bearer form, security-printed Notes shall be issued in Specified Denomination(s) only. Noteholders who hold Notes in the relevant clearing system in amounts that are not integral multiples of a Specified Denomination may need to purchase or sell, on or before the relevant date of exchange, a principal amount of Notes such that their holding is an integral multiple of a Specified Denomination.

All global Notes and definitive Notes will be issued pursuant to the Agency Agreement (as defined on page 39).

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 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 and CONSOB Resolution No. 14955 of 23rd March, 2005. 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 an amended and restated deed of covenant dated 30th July, 2002 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:

[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 20th September, 2006 which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “*Prospectus Directive*”). 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. 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 is 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 website of the Luxembourg Stock Exchange (www.bourse.lu).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular 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 Offering Circular dated [*original date*]. 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*”) and must be read in conjunction with the Base Prospectus dated [*current date*] which constitutes a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the Offering Circular dated [*original date*] and are attached hereto. 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 [*current date*] and the Offering Circular [*original date*]. Copies of the Offering Circular, 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 ‘Esch, L-2953 Luxembourg and will be published on the website of the Luxembourg Stock Exchange (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. 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.)
7. [(a)] Issue Date: []
 [(b)] Interest Commencement Date: []
(if different from the Issue date)]
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 not 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 subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum [payable [annually/semi annually/quarterly] 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 [] in nominal amount
- (d) Broken Amount(s): *[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount]*
- (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 subparagraphs of this paragraph)
- (a) Specified Period(s): []

- (b) Specified Interest Payment []
Dates:
- (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 TARGET 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 Telerate Page 248 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/365
Actual/365 (Fixed)
Actual/365 (Sterling)
Actual/360]

30/360
30E/360
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 subparagraphs 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(j) 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 subparagraphs of this paragraph)
- (a) Index/Formula: *[give or annex details]*
- (b) Calculation Agent responsible for calculating the interest due: [] *(Where the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Calculation Agent if relevant.)*
- (c) 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]*
- (d) Specified Period(s)/Specified Interest Payment Dates: []

- (e) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention/specify other]
- (f) Additional Business Centre(s): []
- (g) Minimum Rate of Interest: [] per cent. per annum
- (h) Maximum Rate of Interest: [] per cent. per annum
- (i) Day Count Fraction: []
19. Dual Currency Interest Note Provisions: [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate of Exchange/method of calculating Rate of Exchange: *[give or annex details]*
- (b) Calculation Agent, if any, responsible for calculating the interest payable: [] *(Where the requirements of Annex XII to the Prospectus Directive Regulation apply, insert address of the Calculation Agent if relevant.)*
- (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 subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [] per Note of [] Specified Denomination

- (c) If redeemable in part:
- (i) Minimum Redemption Amount: []
- (ii) Minimum 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 subparagraphs of this paragraph)
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount of each Note and method, if any, of calculation of such amount(s): [] per Note of [] Specified Denomination
- (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 of each Note: [] per Note of [] Specified Denomination /specify other/see Appendix]
(N.B In relation to any issue of Notes which are expressed at paragraph 6 above to have a minimum denomination and tradeable amounts above such minimum denomination which are smaller than it the following wording shall be added: “For the avoidance of doubt, in the case of a holding of Notes in an integral multiple of [] in excess of [] as envisaged in paragraph 6 above, such holding will be redeemed at its nominal amount.”)
(N.B. If the Final Redemption Amount is not 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 of [] each Note 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]):

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 depositary for Euroclear and Clearstream, Luxembourg]/Rule 144A Global Note U.S.\$ [] nominal amount registered in the name of a nominee for [DTC/a common depositary 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. N.B. Need to amend Exchange Events to disapply any Noteholder/Issuer optional exchange where Notes are expressed to have a minimum denomination of EUR 50,000 and are tradeable in integral multiples of EUR 1,000 thereafter in order for Notes to be accepted by the clearing systems.)

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 item relates to the place of payment and not Interest Period end dates to which items 16(c) 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.)

DISTRIBUTION

32. (a) If syndicated, names [and addresses]** of Managers [and underwriting amendments]:** [Not Applicable/*give names [and 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.) ***
(Where the requirements of Annex XII to the Prospectus Directive Regulation apply, include addresses of the Managers).
- (b) Date of Subscription Agreement: []**
- (c) Stabilising Manager(s) (if any): [Not Applicable/*give name(s)*]
(Where the requirements of Annex XII to the Prospectus Directive Regulation apply, include address of the Stabilising Manager).
33. If non-syndicated, name [and address]** of relevant Dealer: [Name and address]**
(Where the requirements of Annex XII to the Prospectus Directive Regulation apply, include address of the Dealer).

34. Total Commission and Concession:** [] per cent. of the Aggregate Nominal Amount]**
35. Whether TEFRA D or TEFRA C rules applicable or TEFRA rules not applicable: [TEFRA D/TEFRA C/TEFRA not applicable]
36. Additional selling restrictions: [Not Applicable/give details]

[LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of 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.

Signed on behalf of the Issuer:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing: [Luxembourg/other (*specify*)/None]

(ii) Admission to trading: [Application has been made for the Notes to be admitted to trading on [the Luxembourg Stock Exchange's regulated market] with effect from [].] [Not Applicable.]

(Where documenting a fungible issue and where the requirements of Annex XII to the Prospectus Directive Regulation apply, need to indicate that original securities are already admitted to trading).

(iii) Estimate of total expenses related to admission 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.)

3. NOTIFICATION

The Luxembourg Commission de Surveillance du Secteur Financier [has been requested to provide/has provided - *include first alternative for an issue which is contemporaneous with the establishment or update of the Programme and the second alternative for subsequent issues*] the [names of competent authorities of host Member States] with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.]

4. 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*]

5. 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.)

6. 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.

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

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

8. PERFORMANCE OF INDEX/FORMULA, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS 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.]

[Need to include a description of any market disruption or settlement disruption events that affect the underlying.]

*[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.]***

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

[Where the underlying is (i) a security need to include the name of the issuer and the ISIN or other security identification code of the security; (ii) 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; (iii) an interest rate, need to include a description of the interest rate; or (iv) a basket of underlyings need to include disclosure of the relevant weightings of each underlying in the basket. Where the underlying does not fall within these categories need to include equivalent information.]

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

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

[Need to include a description of any market disruption or settlement disruption events that affect the underlying.]

[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.]**

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

10. 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 additional Paying Agent(s) (if any): []
- [(vi) Name and address of depositary agent: []
- (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].

* Delete if the minimum denomination is less than €50,000

** Delete if the minimum denomination is €50,000

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, 2005: euro 374,122,000.

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, replace or 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 (such agreement, as further modified, supplemented or restated from time to time the “Agency Agreement”) dated 20th September, 2006 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), JPMorgan Chase Bank, N.A. 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 (together with CACEIS Bank Luxembourg the “Transfer Agents”, 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, replace or 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 amended and restated deed of covenant dated 21st September, 2005 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 depositary 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 Amended and Restated Schedule of Forms dated 20th September, 2006 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 Montetitoli S.p.A., Montetitoli 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 and CONSOB Resolution No. 14955 of 23rd March, 2005. 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 on its outstanding nominal amount (or, if it is a Partly Paid Note, the amount paid up) 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.

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) If interest is required to be calculated for a period other than a Fixed Interest Period or if no Fixed Coupon Amount is specified in the applicable Final Terms, such interest shall be calculated by applying the Rate of Interest to each Specified Denomination, 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.

“*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 London and 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 (if other than London and any Additional Business Centre) and 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 (TARGET) System (the “*TARGET 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 2000 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:

- (A) 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
- (B) 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 Floating Rate Notes or Index Linked Interest Notes in respect of each Specified Denomination for the relevant Interest Period. Each Interest Amount shall be calculated by applying the Rate of Interest to the Specified Denomination, 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 such sub-unit being rounded upwards or otherwise in accordance with applicable market convention as determined by the Agent in its sole and absolute discretion, absent manifest error.

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

- (A) if “Actual/365” 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 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months (unless (i) the last day of the Interest Period is the 31st day of a month but the first day of the Interest Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (ii) the last day of the Interest Period is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month); and
- (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 (the number of days to be calculated on the basis of a year of 360 days with 12 30-day months, without regard to the date of the first day or last day of the Interest Period unless, in the case of an Interest Period ending on the Maturity Date, the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).

(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 non-exercise 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

of Redeemed Notes represented by a global Note shall be equal to the balance of the Redeemed Notes not represented by definitive Bearer Notes or definitive Registered Notes. 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).

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) 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) 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 (whether in definitive or global form) 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 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) the relevant place of presentation;
 - (B) Luxembourg;
 - (C) 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 (if other than the place of presentation, Luxembourg and any Additional Financial Centre and 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) the Issuer will ensure that it maintains 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) presented for payment by, or on behalf of, a holder who 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
 - (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.

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.

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 maybe 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 presented for payment 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 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, 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). It is expected that any such publication in a newspaper will normally be made in the *Financial Times* in London and the *d'Wort* in Luxembourg. 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. Any such notice shall be deemed to have been given on the date of the first publication in all such relevant newspapers.

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 Luxembourg Stock Exchange, in the *d'Wort* in Luxembourg or on the Luxembourg Stock Exchange's website (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.

Until such time as any definitive Notes are issued, there may (provided that, in the case of Notes listed on the Luxembourg Stock Exchange, the rules of the Luxembourg Stock Exchange so permit), 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, in addition to publication in such newspapers or mailing to the registered addresses of holders of Registered Notes the delivery of the relevant notice 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.

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 and the Coupons 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 and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "*Proceedings*") 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 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 Bank, London Branch 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.) is part of the DEXIA Group (with Dexia S.A. as holding company), 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. Dexia Crediop S.p.A. was a wholly owned subsidiary of Crediop-Credito per le Imprese e le opere pubbliche S.p.A. (“*Old Crediop*”). 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.

On 31st December, 1995 Old Crediop merged with Istituto Bancario San Paolo di Torino S.p.A. (“*SAN PAOLO S.p.A.*”) its majority shareholder. 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, DEXIA CREDIOP S.p.A. (the “*Transfer*”).

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, 1999, 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 SA. 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 SA. and Dexia-Crédit Local de France merged to form DEXIA PUBLIC FINANCE BANK, eventually re-named Dexia-Crédit Local.

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 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 the 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 bases of its commitment as the “bank for sustainable development”. DEXIA CREDIOP S.p.A. reputation in the Italian financial community as a leading player for sustainable development is being also strengthened with reference to the assistance given to local authorities to provide for the sustainable development of their regions.

The Dexia Group

The Dexia Group was created in 1996 from the alliance between Crédit Communal de Belgique and Crédit Local de France. These two banks subsequently merged in 1999, together with Banque Internationale à Luxembourg (“BIL”), in one of the European banking sector first transnational mergers to form a single listed company called Dexia (the “Dexia Group”), with a “home base” going beyond one single country. This base extends into the European region of France and Benelux where financial services are among the top performing sectors of the economy.

Within the Dexia Group, Dexia Crédit Local Société Anonyme (France) holds 70 per cent. of the share capital of Dexia CREDIOP S.p.A.

The Dexia Group is listed on the Euronext markets in Brussels and Paris, as well as Luxembourg Euronext 100, CAC 40, BEL 20, Eurotop 100 and MSCI indices.

Its principal subsidiaries have AA and AAA credit ratings, making Dexia Group one of the highest rated listed banking groups.

Dexia Group’s two sectors of operation

Dexia Group principally operates in two sectors: local public authorities on one-hand and retail customers on the other. In the first of these sectors, Dexia Group enjoys a position of international leadership, while in the second one it operates regionally.

Finance for the local public sector

Since its unification in 1999, and partly thanks to the acquisition in 2000 of the US company Financial Security Assurance, the Dexia Group is world leader in the provision of finance to the local public sector. Its extensive know-how, the long-term horizon and the low risk profile of these activities allow Dexia Group to enjoy a high level of earnings and visibility within the banking industry.

Retail customers

Dexia Group not only serves local authorities but is also an important retail bank, which, in Belgium, provides banking and financial services to millions of customers. This strong commercial presence was further strengthened in 2001 by the acquisition of Artesia Banking Corporation. Furthermore, over the years Dexia Group has developed, mainly from its Luxembourg base, private banking services for the management of assets in different European countries.

Risk culture, know-how and product efficiency

Dexia Group’s success does not only depend on know-how and its distribution network, but also on its ability to create effective products and develop innovative solutions that respond to customer financial needs. Dexia Group offers its customers the services of top professionals where asset management, insurance services and capital markets activities are concerned. Dexia Group also applies the strictest rules in terms of entering into deals, controlling risks and the handling of products and their performance. With two of its subsidiaries classified as AAA, Dexia Group has one of the highest ratings in the banking sector.

Effective organisational structure

Dexia Group's organisational structure comprises a unique blend of decentralised operating companies and highly effective centralised management of strategic functions such as finance, audit and professional ethics, human resources, communication and investor relations. The Dexia Group's management is entrusted to the Managing Director and another six members of the Management Committee. Four of them have specific responsibility for the different lines of business, while the other two supervise the financial functions and operational and technological management.

Dexia's four business lines

Project finance and credit enhancement

Dexia Group's reputation as leader in the field of public-sector finance is borne out by the large number of its branches in the principal countries of the industrialised world. The market's considerable size, the quality of borrowers and the high demand for public infrastructure give Dexia Group extensive opportunities to carry out high value-added activities. Size and innovation are the key factors in the success of this business, which generates around half of the Dexia Group's earnings.

Retail banking services

Dexia Banque is one of the top three retail banks in Belgium, offering a full range of banking and insurance services to households and small and medium enterprises, while Dexia BIL holds a similar position in Luxembourg. Dexia Group's retail banking activities have developed over the years beyond the borders of Belgium and Luxembourg. This activity is carried out through numerous organisations and partnerships in various European countries, including Slovakia, Switzerland, Spain and France.

Financial asset management and insurance services

From the outset, Dexia Group has capitalised on the know-how and distribution network of Dexia BIL in Luxembourg in certain specialist sectors, such as financial asset management and fund administration. The acquisition of Artesia in 2001 brought the Dexia Group new skills and activities, especially in the area of asset management and insurance services, which now form part of this business line with the goal of developing effective, innovative products and of improving productivity. Products are offered to both institutional customers and third-party channels through Dexia Group's distribution network.

Treasury and financial markets

Dexia Group's main activities involve a highly active presence on the capital markets not only for refinancing purposes and managing its own balance sheet but also for developing sophisticated products and solutions for a diversified clientele. At the same time these activities provide essential support to the Dexia Group's operations and an important source of profit; these activities are conducted on the basis of a prudent policy of risk control and generate considerable returns.

Dexia Group, the bank for sustainable development

The nature of Dexia Group's activities, not to mention its distinctive roots and values, ensure that its name stands out in the world of finance as a "bank for sustainable development". Dexia Group's activities are defined by the issues of quality of life, well-being of the population and management of savings, issues that are key to the future and take Dexia Group back to long-term values of general interest. This commitment represents a fundamental aspect of the Dexia Group's activities for creating value and is a key objective in its dealings with its shareholders, customers and staff.

As at 1st July, 2005 Dexia Group's leadership in the area of social responsibility is affirmed by, inter alia, the following initiatives:

- In April 1998, Dexia signed the United Nations Declaration of Financial Institutions on the Environment and Sustainable Development, an initiative of the United Nations Environmental Programme.
- An additional commitment took concrete form in December 2002, when Dexia Group signed the Global Compact launched by the United Nations in July 2000 under the direct authority of Kofi Annan, General Secretary of the United Nations and a winner of the Nobel Peace Prize.
- Dexia Group applies the "Equator Principles", adopted in 2003, to its procedures for financing large projects;
- Dexia Group has adopted a "Code of conduct for dealing with suppliers";
- Dexia Group is a key player in the asset management sector and particularly in the field of investments in socially responsible activities;
- Dexia Group is committed to promoting good practices and spreading awareness of issues associated with sustainable development.

The new Dexia TV, which may be seen on www.dexia.com, uses image to present the major issues of sustainable development and the initiatives undertaken in this area.

Corporate Purpose

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.

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

Equity Capital and Shareholders

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

As at 31st December, 2005, 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, par value euro 2.58 each, totalling euro 315,147,000;
- *Banca Popolare di Milano*, 17,450,000 ordinary shares, representing 10 per cent. of share capital, par value euro 2.58 each, totalling euro 45,021,000;

- *Banco Popolare di Verona e Novara* 17,450,000 ordinary shares, representing 10 per cent. of share capital, par value euro 2.58 each, totalling euro 45,021,000;
- *Em.Ro. Popolare S.p.A.*, 17,450,000 ordinary shares, representing 10 per cent. of share capital, par value euro 2.58 each, totalling euro 45,021,000.

At the end of December 2005, DEXIA CREDIOP S.p.A.'s solvency ratio – being the ratio of equity for regulatory purposes to risk-weighted assets – was 28.45 per cent. or 4 times the minimum required for DEXIA CREDIOP S.p.A. (7 per cent.) DEXIA CREDIOP S.p.A.'s net worth as at 31st December, 2005 was approximately euro 928 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 Audit and Compliance 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 and operational risks.

The Audit and Compliance Committee is also responsible for the observance, the functioning and the update of the "Modello Organizzativo" of DEXIA CREDIOP S.p.A., in accordance with the provisions of Italian Law (Legislative Decree no 231/2001) regarding the administrative responsibility of Companies for crimes committed for their interest or to their advantage.

Trend information

There has been no material adverse change in the prospects of DEXIA CREDIOP S.p.A. since 31st December, 2005.

Legal and arbitration proceedings

There are two outstanding legal proceedings (the former pending before the Tribunal of Lecce, the latter pending before the Court of Appeal of Napoli).

As far as these legal proceedings are concerned, Dexia Crediop S.p.A., in its role of Issuer, can confirm that they won't have any significant effect on the financial position or profitability of Dexia Crediop S.p.A.

Apart from the two mentioned legal proceedings, there have been no other governmental, legal or arbitration proceedings (including any such proceedings with are pending or threatened of which DEXIA

CREDIOP S.p.A. is aware), during the 12 months before the date of this Base Prospectus, which may have, or have had in the recent past, significant effect on the financial position or profitability of Dexia Crediop S.p.A.

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

There have been no significant changes in the financial or trading position of DEXIA CREDIOP S.p.A. since 31st December 2005.

Management, Employees and Organisational Structure

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.

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 fifteen 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 27th April, 2006, is composed of eight members whose terms in office will expire on the date on which the Shareholders' Meeting approving the 2006 balance sheet is held. Such meeting is required to be held within four months after the fiscal year ending 31st December, 2005.

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

Name	Title	Other Activities
Mauro Cicchinè	<i>Chairman</i>	<ol style="list-style-type: none"> 1. Associazione Bancaria Italiana (A.B.I.): Member of the Executive Committee 2. RBC Dexia Investor Services Italia S.p.A.: Chairman 3. Assbank: Director
Marc Brugiere Garde	<i>Managing Director</i>	<ol style="list-style-type: none"> 1. Centro Alberto Beneduce: Chairman 2. Dexia Municipal Agency : Member of Council of surveillance 3. Fondazione Nuovi Mecenati: Director
G�rard Bayol	<i>Director</i>	<ol style="list-style-type: none"> 1. Dexia Cr�dit local: Chairman of « Directoire » (Management Board) 2. Dexia Sofaxis : Chairman of the Board of Directors 3. Dexia CLF Banque: Chairman of the Board of Directors 4. Dexia Municipal Agency : Director 5. Dexia Finance: Director

Name	Title	Other Activities
Bruno Deletré	<i>Deputy Chairman</i>	<ol style="list-style-type: none"> 1. Dexia Holding: Executive Vice President Public Finance 2. Dexia Asset Management Luxembourg : Director 3. Dexia Holding : Direttore Generale Settore Pubblico 4. Dexia Sabadell Banco Local (DSBL) (Madrid): Chairman of the Board of Directors 5. Kommunalkredit Austria (Vienna): Deputy Chairman of the Board 6. Dexia Kommunalkredit Bank (Vienna): Chairman of the Board 7. Financial Security Assurance (FSA) (New York): Amministratore
Franco Nale	<i>Director</i>	<ol style="list-style-type: none"> 1. Leasimpresa S.p.A.: Chairman 2. Arca SGR S.p.A.: Director 3. Aletti & C. Banca di Investimento Mobiliare S.p.A.: Deputy Chairman 4. BPV Vita S.p.A.: Chairman 5. Fondo Interbancario di Tutela dei Depositi: Director 6. Banca Popolare Lecchese: Director
Graziano Tarantini	<i>Director</i>	<ol style="list-style-type: none"> 1. Banca Akros: Chairman 2. Akros Securities Inc.: Chairman 3. ESN North America Inc.: Director 4. Banca Popolare di Milano: Director 5. Interservice gestione partecipazioni: Director
Guido Leoni	<i>Director</i>	<ol style="list-style-type: none"> 1. Banca Popolare Emilia Romagna: Managing Director 2. Gruppo Banca Popolare dell'Emilia Romagna: <ol style="list-style-type: none"> a. Banca Popolare di Ravenna S.p.A.: Director b. Banca Popolare di Materano S.p.A.: Director c. Banca Popolare di Crotone: Director d. Banco di Sardegna: Director e. Forum G. Monzani S.r.l.: Deputy Chairman f. Em.Ro Popolare S.p.A.: Director 3. ARCA SGR S.p.A.: Deputy Chairman 4. Arca Assicurazioni S.p.A.: Deputy Chairman 5. Arca Vita S.p.A.: Deputy Chairman 6. Unione Fiduciaria S.p.A.: Deputy Chairman 7. Meliorbanca S.p.A.: Deputy Chairman 8. Istituto Centrale delle Banche Popolari Italiane: Deputy Chairman 9. Fondo Interbancario di Tutela dei Depositi: Director 10. Unione Gestioni SIM S.p.A.: Deputy Chairman 11. ABF Factoring: Director 12. Associazione Bancaria Italiana (A.B.I.): Director and Member of Comitato Esecutivo

Name	Title	Other Activities
Philippe Ducos	<i>Director</i>	Dexia Crédit Local: <ol style="list-style-type: none"> a. Head of DCL Financial Markets b. Member of the Management Board c. Dexia TFM: Managing Director d. Dexia Finance: Director e. Dexia Municipal Agency: Managing Director f. Dexia Kommunalcredit Bank (Austria): Country manager g. Dexia Hypothekenbank Berlin: Country Manager

Antonio Pedone is the Honorary Chairman (appointed by the Shareholders' Meeting on 27th April, 2006).

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 general operating guidelines;
- approval and amendment of general rules regarding employment;
- determination of internal regulations;
- acquisition and sale of equity interests except for what provided by art. 2361, second paragraph, of the Civil Code;
- appointment of managers;
- opening and closing of branches and representative offices;
- setting out rules for the management and coordination of group companies and for the compliance with instructions issued by the Bank of Italy;
- determination of compensation of the general manager and of managers;
- creation of committees or commissions having a consultancy or a coordination role.

Certain other matters are reserved 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 its legal representative vis-a-vis third parties. The Chairman has power to convene and chair Shareholders' Meetings and to convene and chair Board of Directors meetings, setting the agendas for such meetings. 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.

In addition to the foregoing, the corporate secretary, internal auditors, communication and human resources report directly to the Managing Director.

Board of Auditors

DEXIA CREDIOP S.p.A. is required by law to have internal 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 functions as a control over the management and financial reporting and condition of DEXIA CREDIOP S.p.A. As such, the Board of Auditors reviews the administration of DEXIA CREDIOP S.p.A. and, in particular, its compliance with the law and its by-laws. The Board of Auditors is required by the by-laws to be composed of three to five standing members and two alternate members. Internal 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 will remain in office through the date on which the Shareholders' Meeting approving the 2006 balance sheet is held. Such meeting is required to be held within four months after the fiscal year ending on 31st December, 2006.

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

Name	Title
Ezio Simonelli	<i>Chairman</i>
Pierre Paul Destefanis	<i>Auditor</i>
Vincenzo Ciruzzi	<i>Auditor</i>
Marco Bronzato	<i>Alternate Auditor</i>
Gennaro Cimmino (resigned on 7th June, 2006)	<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 Board of Auditors to DEXIA CREDIOP S.p.A. and their private interests and/or other duties.

External Auditors

DEXIA CREDIOP S.p.A. is required by the Companies law of Italy (2004 revision) to have an external auditor who ensures that DEXIA CREDIOP S.p.A.'s accounting records are regularly maintained and that the balance sheet and the profit and loss account are prepared in a manner which is consistent with the accounting records.

On 16th April, 2004 the Annual General Meeting of DEXIA CREDIOP S.p.A.'s shareholders appointed Mazars & Guerard S.p.A. as external auditors for 3 years up to the end of the 2006 fiscal year. The registered office of Mazars & Guerard 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's resolution n. 10829.

Employees

As at 1st July, 2006, DEXIA CREDIOP S.p.A. had 226 employees.

Organisational Structure

As at 31st December, 2005, DEXIA CREDIOP S.p.A. was divided into three divisions: Public and Project Financing (in charge of consulting, lending to corporates, project finance and business with local authorities); Finance Group (responsible for fundraising, liquidity, management and trading, placement and distribution of securities); and Administration Division.

Operating strategy, financial highlights and recent developments

DEXIA CREDIOP S.p.A. has always specialised in providing financial services to local authorities and the public sector. DEXIA CREDIOP S.p.A. aims both to strengthen its traditional activities and widen its operational range, by becoming the Italian focal point for all activities of the Dexia Group.

DEXIA CREDIOP S.p.A.'s strategy continued to focus on financing local administrations and agencies operating in the infrastructure sector.

DEXIA CREDIOP S.p.A. intends to expand its range of products and specialised services. On the one hand, it approaches large clients and on the other hand, together with Banche Popolari., it offers services to small and medium size customers.

As required by the current privacy legislation, a security plan has been prepared pursuant to art. 6 of Decree 318/1999; the related update pursuant to Decree 196/2003 has been completed.

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DEXIA CREDIOP S.p.A.'s 31st December, 2005 financial statements are briefly summarised below:

- as at 31st December, 2005 total assets equalled euro 37.9 billion;
- as at 31st December, 2005, total receivables amounted to euro 20.7 billion;
- net income totalled euro 82.2 million (vs 271.5 in 2004);
- return on equity (ROE) equalled 9.7 per cent., versus 44.0 in 2004 benefiting in the previous year from the elimination of adjustments previously booked solely for the purposes of tax rules. This operation is reflected in the extraordinary items contained in the statement of income*;

- return on assets (ROA) equalled 0.22 per cent., versus 1.06 in 2004 having been affected in the previous year by the extraordinary items mentioned above.
- the ratio of operating income to assets was 0.36 per cent.

*ROE is equal to Net Income on Shareholders' Equity less Net Income.

Lending and financial services

At 31st December, 2005, lending-operations totaled euro 20.73 billion (+49.2 per cent with respect to 2004). Of this amount, loans to customers accounted for euro 14.19 billion and bank loans for euro 6.55 billion.

On 31st December, 2005, outstanding loans, which do not include outstanding loans to Dexia Group banks (3.475 billion euro), outstanding instalments (0.297 billion euro, of which more than 90 per cent. was collected in January), deposits and repos (2.950 billion euro) and other net items of marginal importance, amounted to 14.027 billion euro +4.2 per cent. compared to the end of 2004. The amount of bonds of Local Entities at the end of 2004 was of 7.79 billion (+31.5 per cent.) and at the end of 2005 the stock of bonds linked to public infrastructures totaled 3,123 billion (+77.9 per cent). A breakdown of outstanding loans by types of borrower is shown in the table below, which provides information regarding both outstanding amounts and new loans granted or acquired. As at 31st December, 2005, lending to local authorities and other Italian authorities totaled 46.2 per cent. (50.8 per cent. in 2004); bonds issued by local entities were the 31.2 per cent. of the total (28.0 per cent. in 2004); loans to companies accounted for 9.8. per cent. (12.6 per cent. in 2004) and other loans equalled 0.2 per cent. (0.2 per cent. in 2004); Bonds related with public infrastructure amounted to 12.5 per cent. (8.3 per cent. in 2004).It should be noted, however, that around half of the total loans as at 31st December, 2005 were State-guaranteed.

	Disbursements(*)		Outstanding loans	
	2005	2004	31st December, 2005	31st December, 2004
	<i>(millions of euro)</i>			
Loans				
Local authorities	1,719	1,402	8,190	7,332
Treasury and other public agencies ⁽¹⁾	1,252	1,636	3,334	3,408
Companies	936	376	2,454	2,674
Overseas	0	0	49	49
Total	3,907	3,414	14,027	13,462
Bonded loans	4,080	3,603	10,909	7,675
Boc/Bor/Bop	3,060	1,825	7,786	5,920
Structured finance bonds	1,021	1778	3,123	1,755
Total	7,987	7,017	24,936	21,137

(1) In addition to loans, the item includes other forms of financing for the Italian Republic in amounts of euro 1,552 million in 2005 and euro 1,139 million in 2004.

The disbursements do not include the activity of the year realised against the anticipated reimbursements of the outstanding stock .

According to the latest information available, based on statistics related to a large sample of banks, lending to local authorities and state-owned entities totalled euro 22.03 billion as at 31st December, 2005 (an increase of +6.8 per cent. compared to euro 20.62 billion as at 31st December, 2004).

LOANS AND FINANCIAL SERVICES TO THE PUBLIC SECTOR

APPROACH TO CUSTOMERS

Dexia Crediop's financial information and specialist knowledge, not only of the technical issues but also the regulations governing local finance, have continued to represent a factor in the success of our offer of financial services suited to the specific needs of our customer base.

Approach to customers is based on the need to ensure the right balance between the use of traditional financial instruments and financially innovative instruments.

Dexia Crediop has continued to apply the same commercial approach which aims to integrate the Bank's long-standing ability to act as a benchmark in the granting of credit to the Italian public sector with the provision of investment banking services. This has also helped strengthen Dexia Crediop's role in the origination of transactions on international markets. In particular, the Bank took a senior role in each international bond placement carried out by Italian local government and territorial agencies during the course of the year.

A philosophy of long-term partnership and assistance lies at the heart of Dexia Crediop's relationship with its customers with the goal of providing products and services tailored to their specific needs. In this context, the Bank has continued to enjoy synergies with other companies of the Dexia Group.

Dexia Crediop's website (www.dexia-crediop.it) is the only website in Italy entirely devoted to Public Sector and Project Financing. It was born as a marketing tool for its own activity and products and was subsequently enriched with sections on sustainable development. In addition to being a channel for the diffusion of the Bank's research studies, it also has sections that are aimed exclusively at customers, such as on-line financial services and consultation on financing operations.

During 2005, there was a further improvement in the results already achieved the previous year in terms of the site's general visibility and raising the level of visitor loyalty. Compared with 2004, there was a 65 per cent. increase in the number of visits and a 35 per cent. increase in the number of visitors.

PUBLIC SECTOR FINANCE

In 2005, the banking market for public sector finance (essentially mortgage loans), bond loans and securitisations grew overall (+17 per cent. - Dexia Crediop estimate). Dexia Crediop's market share reached 25 per cent. (21 per cent. in 2004).

After two years when the Italian securitisation market confirmed that it was one of the first in Continental Europe in terms of issue volumes, in 2005 securitisations involving assets originated in Italy raised the level to around 33 billion euro, beating the 2004 result (28 billion euro).

In 2005 the public sector again showed that it was the asset class of reference in the Italian ABS market. Operations involving public assets did in fact represent 38 per cent. of the total issued, of which around 10 per cent. were transactions concerning the assets of local government and territorial agencies.

Dexia Crediop organised the first real estate securitisation originated by a municipality in Italy; it also originated and structured a second operation as part of the programme launched by "Dexia Crediop per la Cartolarizzazione" (DCC Series 2005-1) involving securities issued by Italian local government and territorial agencies.

In 2005 Dexia Crediop also handled the structuring and placement of the securities issued as part of securitisations of receivables due by Local Health Units to various businesses.

Also of considerable importance in 2005 was the assistance given by Dexia Crediop in the management of customers' debt, using derivatives in certain cases. This type of activity saw volumes with territorial and similar agencies grow by 12.6 per cent. compared with 2004.

In this area too Dexia Crediop confirmed its prudent approach, designed on the one hand to ensure compliance with pertinent rules and regulations and, on the other, to promote solutions that respect the needs and specific characteristics of the entities concerned, for example paying particular attention to the comprehensive nature of the operations and their low level of risk. Precisely in order to improve the clarity of the regulatory framework and the transparency of operations, Dexia Crediop took an active part in the taskforce that met at ABI to examine various aspects of how local government agencies use derivatives.

The activity that involves providing customers with assistance in obtaining and updating a rating, an area in which Dexia Crediop has a great deal of experience in Italy - the leading country in Europe in terms of the number of public sector entities that have submitted themselves to a rating agency review - this year saw the completion of a mandate in another European country, namely for the city of Athens.

CORPORATE FINANCE

Business was intense during 2005 in the field of corporate finance on behalf of infrastructure companies and public utilities with a high credit standing. Alongside its traditional bank lending, which saw Dexia Crediop working with some of Italy's largest industrial groups, this area of activity also concerned the capital market. In this segment, it is important to remember the role played by Dexia in the organisation and management of several important placements related to the financing of the High Speed Railway project (ISPA) and Italian exports accompanied by SACE guarantees.

Dexia Crediop was also part of the underwriting syndicate that placed the 1 billion euro bond issued by ENEL S.p.A., which represented the return of a high profile corporate issuer to the retail market after many years.

STRUCTURED FINANCE

As regards project finance, in a market that is quite active but with few operations that actually reach conclusion, Dexia Crediop confirmed its leadership position, playing an important role in the completion of new operations in the fields of renewable energy and local public transport.

The activity that involves assisting public and private sector customers in structured finance operations saw the Bank acquire various new mandates for the development of projects relating to hospitals, water distribution systems and underground railways, based on current national regulations. Dexia Crediop's structured finance sector was one of the main financiers of important projects in the field of community transport, also getting involved in financing motorway construction works.

CONSULTANCY

Dexia Crediop's consulting work in 2005 to local government agencies interested in privatisation or rationalisation of local public services led to a 40 per cent. increase in the number of mandates acquired.

Particularly important was the Bank's work in the field of Local Public Transport (LPT), above all in the search for strategic partners for local authority companies. This involved operations that in certain cases were quite innovative for the Italian LPT market, such as the creation of a joint venture between a leading foreign operator and the administration of a large city to reorganise and develop the transport service.

Dexia Crediop's consultancy work also concerned other types of operations by local government agencies and their companies (tax collection, traffic control, utilities); it involved preparing industrial plans, valuing businesses and divisions, and searching for private partners.

A feasibility study for a real estate project being planned by a leading Italian public sector company which was initiated last year, led to another important mandate for the operational phase of the project.

OTHER ACTIVITIES

During 2005, there was further development in the cash management activity, again as part of a global approach to the customer. In this area, investment products were placed in synergy with the other lines of business of the various Finance desks. The results for the year show growth of around 10 per cent. compared with 2004.

Marketing of Dexia's portfolio management products continued during the year. This involved a coordinated approach with the various structures of the Bank cooperating and liaising with the Group's asset management company (Dexia AM).

Even though asset management is an activity of limited size for the Dexia Group, we continue to offer it as part of a global approach to the customer.

Fund-raising and financial market activity

At 31st December, 2005, total funding amounted to euro 35.0 billion (compared to euro 23.2 billion at 31st December, 2004). Net of repurchase agreements and short-term deposits, fundraising amounted to euro 22.8 billion. A breakdown of this funding is shown in the table below. As at 31st December, 2005, 66 per cent. was represented by Bonds, 29 per cent. in the form of M/L term loans and 5 per cent. in the form of Short Term Loans.

At 31st December, 2005, DEXIA CREDIOP S.p.A. did not have subordinated debts.

	Total funding	
	31st December, 2004	31st December, 2005
	<i>(in billions of euro)</i>	
Bonds	9.42	15.15
Subordinated notes	0	0
Short-term loans	1.28	1.16
M-/l- term loans	7.43	6.53
Total	18.13	22.84

Fund-raising on domestic and international markets during 2005

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

The total nominal value of funding issued during 2005 was euro 6.4 billion, up 16 per cent. with respect to the prior year, including a much higher proportion of retail funding.

The various technical forms of funding essentially relate to the “*Medium-Term Note Programme*”. This has remained at euro 8 billion (last program revision dated 21st September, 2005) and was about 60 per cent. utilised as of 31st December, 2005.

With regard to the market segments that have taken up this funding, some 37 per cent. was placed with institutional investors, 9 per cent. with supranational bodies and 54 per cent. with the retail sector, which is attracted by the prudent risk profile of the products devised by DEXIA CREDIOP S.p.A.

Activity on financial markets

The activity continued to be focussed on four different areas:

CREDIT SPREAD PORTFOLIO: this line of business manages a bond portfolio, investing principally in the securities of Italian financial institutions and in structured securities (ABS and RMBS) based on Italian securitisations. The portfolio is not exposed towards the corporate sector.

Debt quality is the primary consideration in managing the portfolio; the size of the portfolio has increased to euro 3.1 billion as compared to euro 1.6 billion for 2004 and all its qualitative parameters (average spread, average maturity, liquidity, consumption of regulatory capital) have improved or are unchanged in the presence of an average rating of A+.

FINANCIAL ENGINEERING & DERIVATIVES: Thanks to the implementation and reinforcement of synergies with the dealing rooms in Brussels and Paris, derivative business now concentrates on the structuring and sale of products rather than on trading.

The products being managed are plain vanilla, interest rate/inflation structured or equity swaps and options.

FIXED INCOME: this business line is divided into two sectors, primary market and secondary market. Activity in the primary market concentrated on issues by Italian banks and local agencies.

During 2005, Dexia Capital Markets (the “brand name” of the Dexia Group companies operating on the primary market) achieved a market share by origination volume of around 7 per cent. of international bond issues of Italian banks and around 54 per cent. as regards such issues by Italian territorial agencies. Activity in the secondary market regarding government securities and the securities issued by Italian banks was also significant.

The desk led 14 Italian bank issues, putting it in 12th position in the special ranking of bookrunners for domestic banking issues.

MONEY MARKET: the main objective is to undertake trading activities on money market instruments, short-term interest rate risk hedging and short-term fund-raising, both on domestic and international markets.

Synergies with other operators within the Dexia Group increased during the year, resulting in a greater volume of transactions.

Dexia Crediop confirmed its role as one of the main Italian players on the repo markets.

RISK MANAGEMENT: Overall, 2005 confirmed the Bank’s somewhat low exposure to credit risk due to 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 results of this work have 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 have been completed during 2005 and will continue during 2006 according the new methodology pointed out by Dexia Crédit Local.

The “Business Continuity Plan (“BCP”) project was successfully completed within the scheduled deadline. 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.

A new satisfactory BCP simulation has been performed in the first half of 2006.

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 Bank 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 Bank is fully integrated with the Group organisation and, in particular, with its parent, Dexia Crédit Local, which is responsible for risk monitoring throughout the Group.

In accordance with Dexia Group regulations and the internal rules of DEXIA CREDIOP S.p.A., monitoring of ALM risks involves measuring the exposure to interest-rate risk in terms of sensitivity. At the same time, short and long-term liquidity risks are monitored via the calculation of ratios identified with reference to liquidity requirements and the available reserves.

Market risks are monitored on a daily and monthly basis. The rules and limits applied to control the activities are consistent with those of the Dexia Group and are expressed in terms of sensitivity, VaR and stop loss.

The detailed performance/risk reports delivered both internally and externally (to our parent bank) help the Bank’s Management to take strategic decisions and – regarding the monthly valuation of the Dexia Crediop portfolio products . – to prepare accounting reports.

BASEL 2

The principal “mission” of the Bank’s structures that have the task of monitoring and limiting risks - Credit and Operational Risks in particular - is to develop and implement the Basel 2 project together with the parent company Dexia Crédit Local (DCL), based on an advanced “Internal Rating Based Approach – I.R.B.A.” The efforts of the entire Group in this project are focused on maintaining its reputation for excellence within the international banking sector.

For example, work was completed in 2005 on the adoption of a system common to all Group entities, Dexia Crediop in particular, which can be applied to all Italian local authority and territorial agencies to determine an internal rating. This system was up and running during the course of the year.

During the latter part of the year, work began on the development of a credit risk database, also to be shared by the entire Dexia Group, so as to have several years of historical data for when the new rules come into play.

It is also worth mentioning the commitment of the Dexia Group, and above all of Dexia Crediop in virtue of the pilot role which it has been called upon to play, together with DCL, in replicating the study to estimate the impact on the Group and on each of its members in terms of savings in the allocation of capital to outstanding risk assets compared with that deriving from the current method based on the Cooke ratio.

FUTURE OPERATIONS

The prospects for Italy's public finances in 2006 do not speak well for any increase in public spending on capital investments, almost 80 per cent. of which in Italy are carried out by territorial agencies. In this context, bearing in mind the constitutional constraints on such agencies, which can only borrow money for capital investment, it is doubtful that the conditions exist for growth in the lending market.

On the other hand, we are seeing a gradual shift in infrastructure financing from public sector budgets to structures that also involve private capital: a situation that is expanding rapidly in Italy in the same way as in other European countries.

The Bank's organisation and method of operating have long been aligned to such changes, which can now be considered a permanent part of Dexia Crediop's reference market.

In recent years, this market has attracted new players, both Italian and foreign; this, on the one hand, can be considered proof that Dexia Crediop made the right entrepreneurial decisions when setting up its business; on the other hand, it obviously creates new organisational and operational challenges. In relation to this, with its 2005 results the Bank has consolidated its leadership position in its reference market, helped by the ability to innovate its presence on the market, always taking account of the particular needs of its customers, which by its very nature cannot do without a particularly high degree of managerial prudence. This approach appears to be the most suitable one to provide effective support for the Bank's sales and marketing activities, as well as in the immediate future.

Looking forwards, Dexia Crediop will remain focused on giving financial support to territorial 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 exploiting any opportunities to the full, both in activities with its reference customers and on the interbank market.

Non-performing loans

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 and credit & operational staff at DEXIA CREDIOP S.p.A.'s headquarters. During the year 2005, more than euro 0.5 million of non-performing loans were collected.

DEXIA CREDIOP S.p.A.'s non-performing loans outstanding as of 31st December, 2005 and 31st December, 2004 are detailed below:

	31st December, 2005	31st December, 2004
	<i>(millions of euro)</i>	
Non-performing loans, gross (including overdue interest)	5.07	5.64

Notes

- (1) Loans are generally classed as non-performing when legal action for recovery is initiated.
- (2) 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, 2004 and 31st December, 2005).

Subsidiaries and Equity Investments

The following chart lists the principal share participations held by DEXIA CREDIOP S.p.A. as at 30th June, 2006 and the percentage of total share capital that such participation represents in the company whose shares are held:

Company	Currency	Underwritten capital	Percentage	Business sector
<i>Subsidiaries</i>				
DCC-Dexia Crediop per la Cartolarizzazione S.r.l.	euro	15,000	100.00	securitization
Crediop Overseas Bank Limited	euro	50,000,000	100.00	offshore bank issuing various kinds of debt instruments
<i>Other Shareholdings</i>				
Istituto per il Credito Sportivo	euro	9,554,452	21.62	bank providing long-term financing for sport and cultural activities
European Investment Fund ⁽¹⁾ ..	euro	2,000,000,000	0.25	EU specialized vehicle for venture capital and guarantees

Notes:

- (1) EIF's authorised capital is equal to €2,000,000,000, with a paid-in capital as at 30th June, 2006 of €400,000,000.

Recent Developments

Operations showed a performance in line with the expectations and objectives set out in the budget. DEXIA CREDIOP S.p.A. is working towards a greater understanding of the market, the risks derived from its new areas of business and the impact of the current process of decentralisation, which has been given impetus by the approval of the decree regarding a federal system of taxation.

On 2005 Moody's Investors Service and Fitch Ratings confirmed DEXIA CREDIOP S.p.A.'s long term rating at Aa2 and AA respectively. Standard & Poor's raised DEXIA CREDIOP S.p.A.'s credit rating at AA- in

September 2005, following the lowering of the Republic Italy's rating, i.e. this rating was aligned with the rating of the Republic of Italy itself.

DEXIA CREDIOP S.p.A.'s rating is aligned with that of the Republic of Italy.

SUMMARY FINANCIAL INFORMATION OF DEXIA CREDIOP S.p.A.

Summary 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 consolidated accounts for the years ended 31st December, 2005 and 31st December, 2004, prepared for Italian legal and statutory purposes in accordance with generally accepted accounting principles in Italy, without modifying stockholder's equity and net income.

DEXIA CREDIOP S.p.A.'s audited financial statements as at and for the years ended 31st December, 2005 and 31st December, 2004 and have been prepared in accordance with accounting principles which may differ in certain significant respects from accounting principles generally accepted in other countries. Accordingly, these financial statements are not intended to and may not present the financial position, results of operation and cash flows in accordance with generally accepted accounting principles in other countries.

DEXIA CREDIOP S.p.A.'s financial statements have been prepared in accordance with Decree No. 87/1992 and the Bank of Italy regulations dated 30th July, 2002 and verified in accordance with articles 2409-ter of the Italian Civil Code and audited by Mazars & Guérard S.p.A. These measures reflect Italy's adoption of EC Directive 86/635, relating to the financial statements of lending institutions, as amended by EC Directive 51/2003 in order to conform with the provisions of EC Regulation 1606/2002 and include significant innovations affecting both the form and content of accounts presented from 1993 onwards. DEXIA CREDIOP S.p.A.'s financial statements for the year 2005 also reflects the rules on "defiscalisation" which repeal articles 15.3 and 39.2 of Decree 87/92, meaning that it is no longer possible to book adjustments and provisions solely in application of tax rules.

The financial statements have been translated into English from the original version in Italian. They have been prepared in accordance with the Italian law relating to financial statements, interpreted and integrated by the accounting principles established by the Italian Accounting Profession and, together with the reports of DEXIA CREDIOP S.p.A.'s auditors and the accompanying notes, are incorporated by reference into this Base Prospectus. The financial information presented below should be read in conjunction with such financial statements, reports and the notes thereto. Certain accounting practices applied by DEXIA CREDIOP S.p.A. that conform with generally accepted accounting principles in Italy may not conform with the generally accepted accounting principles in other countries.

RECLASSIFIED BALANCE SHEET

	31st December, 2005	31st December, 2004	% Change
	<i>(thousand of euro)</i>		
Assets			
Cash and deposits with central banks and post offices	3	4	-25.00
Receivables			
– due from banks	6,546,404	386,977	n.s.
– loans to customers	14,187,901	13,506,792	5.04
Marketable securities	13,733,281	9,481,507	44.84
Fixed assets			
– investment securities	1,281,456	408,924	213.37
– equity investments	77,741	81,445	-4.55
– intangible fixed assets	2,201	2,590	-15.02
– tangible fixed assets	34,871	35,783	-2.55
Other assets	2,005,744	1,695,070	18.33
Total assets	37,869,602	25,599,092	47.93
Liabilities and Stockholders' Equity			
Payables			
– due to banks	17,966,481	12,367,520	45.27
– customers' deposits and securities issued	17,019,015	10,787,792	57.76
Other liabilities	1,955,907	1,554,155	25.85
Subordinated liabilities	–	–	–
Stockholders' equity	928,199	889,625	4.34
Total liabilities and stockholders' equity	37,869,602	25,599,092	47.93
Guarantees and Commitments			
Guarantees given	11,105,202	10,757,504	3.23
Commitments	6,917,589	7,019,519	-1.45

RECLASSIFIED INCOME STATEMENT

	31st December, 2005	31st December, 2004	% Change
	<i>(thousand of euro)</i>		
Interest income and similar revenues	1,162,788	913,241	27.33
Interest expense and similar charges	-1,012,165	-767,256	31.92
Interest margin	150,623	145,985	3.18
Dividends	2,613	2,275	14.86
Net commissions	6,753	7,473	-9.63
Profits/(losses) on financial transactions	19,963	756	n.s.
Trading in securities and securities derivatives	15,278	-1,698	999.76
Trading in foreign currencies and currency derivatives	246	24	-925.00
Trading in other derivatives	-7,545	4,514	-267.15
Valuation of securities and derivatives	11,984	-2,084	675.05
Net interest and other banking income	181,359	158,291	14.57
Administrative costs	-40,809	-39,629	2.98
Including:			
Payroll expenses	-24,157	-23,007	5.00
Other administrative costs	-15,311	-15,597	-1.83
Indirect taxes	-1,341	-1,025	30.83
Adjustments to:			
Tangible fixed assets	-1,660	-1,631	1.78
Intangible fixed assets	-2,501	-2,391	4.60
Other operating expenses	-95,630	-25,027	282.11
Other operating income	97,037	26,829	261.69
Operating income	136,389	114,640	18.97
Adjustments to loans and provisions for guarantees and commitments	-8,089	-2,351	244.07
Writeback of adjustments to loans	5,853	11,775	-50.29
Provisions for possible loan losses	-	-	n.a.
Provision for risks and charges	-928	-1,819	-48.98
Adjustments to financial fixed assets	-	-	n.a.
Writeback of adjustments to financial fixed assets	-	-	n.a.
Income from ordinary activities	133,225	122,245	8.98
Extraordinary income (expense), net	4,042	319,448	-98.73
Income before taxes	137,267	441,693	-68.92
Change in the reserves for general banking risks	-	-	n.a.
Income taxes for the year	-55,068	-170,189	-67.64
Net income for the year	82,199	271,504	-69.72

Balance Sheet

Loans to Banks and Customers at the end of 2005 were euro 20.734 billion (+ 49 per cent. compared to 2004, mainly due to the increase of loan to banks). Medium-term and long-term loans totalled euro 17.783 billion (+ 31 per cent. compared to 2004). Marketable Securities reached euro 13.7 billion (+ 45 per cent. compared to 2004, and include Bonds issued by public issuers for euro 7.4 billion (+ 49 per cent. compared to 2004). Total security portfolio is euro 15.0 billion (+ 52 per cent. versus 2004).

Total Funding as at 31st December, 2005 amounted to over euro 34.98 billion, with an increase of 51 per cent. compared to 2004, mainly due to Securities Issued (from euro 9.42 billion in 2004 to euro 15.15 in 2005). Medium-term or long-term Funding (loans from banks and bond issues) reached euro 21.69 billion (+ 29 per cent. versus 2004).

Guarantees given increased from euro 10.75 billion to euro 11.11 billion due to both Commercial Guarantees (from euro 5.80 billion in 2004 to euro 5.97 billion in 2005) and Financial Guarantees (from euro 4.96 billion in 2004 to euro 5.14 billion in 2005).

Commitments are nearly stable to euro 6.9 billion, -1 per cent versus 2004.

Statement of Income

The Reclassified Statement of Income for the year ended 31st December, 2005 shows an interest margin of euro 0.151 billion (increase of 3.2 per cent. compared to 2004 (euro 0.146 billion). The increase is mainly due to the growth of the assets.

Net interest and other banking income totaled euro 0.181 billion (euro 0.158 billion in 2004), increase of 14.6 per cent. on the figure for 2004 mainly due to the increase in profits and losses from financial transactions. Net profits from financial transactions and services amounted to euro 0.020 billion, versus the euro 0.001 billion figure for 2004. The increase was mainly due to the activity of swaps sold to customers and the results in 2004 for the unwinding of certain non-hedging derivatives.

Administrative costs totalled euro 0.045 billion, with an increase of 3.0 per cent. on 2004. Gross operating income amounted to euro 0.136 billion, +19.0 per cent. compared to 2004.

Income from ordinary activities was euro 0.133 billion (+ 9.0 per cent.).

Out-of-period income amount to 0.004 billion versus 0.319 billions in 2004 for the exceptional items of the previous year (euro 0.280 billion from the release of the allowance for possible loan losses to extraordinary income, in accordance with the instructions of the Bank of Italy on elimination of fiscal distortions and euro 26.3 billion relating to the change in the valuation of derivatives at market value starting from 1st January, 2004).

Income before taxes amounted to euro 0.137 billion, down 68.9 per cent. on 2004 (euro 0.442 billion) due to the mentioned out-of period exceptional results. Income taxes amounted to euro 0.055 billion, compared to euro 0.170 billion of the previous year.

2005 closed with a net income of euro 0.082 billion, down -69.7 per cent. with respect to 2004 (euro 0.272 billion) mostly as a result of the above-mentioned 'defiscalisation' rules in 2004. Underlying profit (extraordinary income excluded) is nearly stable versus underlying 2004 profit).

Ratios

The decrease in the Cost to Income ratio (24.8 per cent. in 2005 and 27.6 per cent. in 2004) was mostly due to the increase in net interest and other banking income in spite of a 3 per cent. rise in costs.

The Return on Equity (ROE) was 9.7 per cent, versus a 44 per cent. in 2004 (ignoring the extraordinary items ROE for the year 2004 would have been 9.2 per cent).

Non-performing loans gross decreased from euro 5.65 million in 2004 to euro 5.07 million in 2005.

Consolidated Financial Statements

The Crediop Banking Group (today “*DEXIA CREDIOP Banking Group*”) was established in Italy, 1999, as a consequence of the exit from the San Paolo–IMI Banking Group.

The DEXIA CREDIOP Group consists of the following companies:

- *DEXIA CREDIOP S.p.A.*, the parent bank that holds 100 per cent. of the companies in the Dexia CREDIOP Group, and which provides finance for public works and infrastructure projects.
- *Crediop Overseas Bank Limited*, which acts as a fund-raising vehicle for the Parent Bank, DEXIA CREDIOP S.p.A., on international markets.
- *DCC – Dexia Crediop 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.

The 2005 Financial Statements of the Dexia Crediop Group at 31 December 2005 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 19 July 2002, which were approved on that date. These financial statements are the first to be prepared according to IAS/IFRS, which means that they are compliant with IFRS 1 “First-Time Adoption of IFRS”. The figures in the Financial Statements at 31 December 2004, which were prepared in compliance with the previous accounting policies (Decree 87/1992), have been restated and reclassified to take into account the adoption of international accounting standards, except for IAS 32 and 39. In accordance with IFRS 1, the restatement of the prior year figures excludes financial instruments (IAS 32 and 39), which are therefore shown in accordance with Italian GAAP (the local accounting principles previously applied). In other words, all items involving financial instruments have been valued according to the accounting principles used up to 2004. The securities portfolio at 31 December 2004 has been reclassified to three different headings: financial assets available for sale, financial assets held to maturity and loans and advances to banks and customers. Moreover, in order to ensure comparative figures for at least one year, as required by IAS 1, the income statement at 31 December 2004 has also been reclassified, excluding the effects of IAS 32 and 39. As a result, the figures for 2004 are not comparable with those of 2005 as far as the valuation of financial instruments and their impact on the income statement are concerned.

The consolidated 2005 Financial Statements have been audited by Mazars & Guérard S.p.A.

CONSOLIDATED BALANCE SHEET

	31st December 2005	31st December 2004*
	<i>(thousands of Euro)</i>	
ASSETS		
Cash and balances with central banks	3	4
Financial assets held for trading	1,683,480	–
Financial assets at fair value	–	–
Financial assets available for sale	12,330,084	7,510,341
Financial assets held to maturity	573,618	573,306
Loans and advances to banks	6,909,458	876,142
Loans and advances to customers	19,604,387	15,904,185
Hedging derivatives	770,643	–
Remeasurement of financial assets backed by general hedges (+/-)	–	–
Equity investments.. .. .	–	31,430
Technical reserves borne by reinsurers	–	–
Property, plant and equipment.. .. .	44,599	44,648
Intangible assets	2,201	2,594
<i>of which:</i>		
<i>- goodwill</i>		
Tax assets	49,034	–
<i>a) current</i>	49,034	–
<i>b) deferred tax assets</i>		
Non-current assets held for sale	–	
Other activities.. .. .	29,502	1,688,126
TOTAL ASSETS	41,997,009	26,630,776

* 2004 consolidation reflecting all IAS/IFRS impacts except for IAS 32 and 39.

	31st December 2005	31st December 2004*
	<i>(thousands of Euro)</i>	
LIABILITIES AND EQUITY		
Deposits from banks	15,463,985	8,633,959
Due to customers	1,830,621	1,351,210
Debt securities in issue	19,470,424	14,196,142
Financial liabilities held for trading	1,653,683	–
Financial liabilities at fair value	–	–
Hedging derivatives	2,241,330	–
Remeasurement of financial liabilities backed by general hedges (+/-)	–	–
Tax liabilities	205,093	185,173
a) <i>current</i>	57,464	51,420
b) <i>deferred</i>	147,629	133,753
Liabilities associated with non-current assets held for sale	–	–
Other liabilities	85,263	1,349,519
Provision for severance indemnities	5,353	4,786
Allowances for risks and charges	6,907	12,884
a) <i>pensions and similar commitments</i>	4,101	6,491
b) <i>other</i>	2,806	6,393
Technical reserves	–	–
Valuation reserves	123,385	–
Redeemable shares	–	–
Equity instruments	–	–
Reserves	374,122	347,878
Share premium	–	–
Share capital	450,210	450,210
Own shares (-)	–	–
Equity pertaining to minority interests (+/-)	–	–
Net income (loss) for the year	86,633	99,015
Total liabilities and equity	41,997,009	26,630,776

* 2004 consolidation reflecting all IAS/IFRS impacts except for IAS 32 and 39.

CONSOLIDATED INCOME STATEMENT

	31st December 2005	31st December 2004*
	<i>(thousands of Euro)</i>	
Interest and similar income	1,132,047	933,871
Interest expense and similar charges	(969,609)	(783,759)
Net interest income	162,438	150,112
Fee and commission income	8,317	8,835
Fee and commission expense	(2,680)	(2,019)
Net fee and commission income	5,637	6,816
Dividend and similar income	413	275
Net trading income	10,250	25,805
Net hedging gains (losses)	(167)	–
Gains/losses on disposal or repurchase of:	12,848	–
<i>a) receivables</i>	<i>225</i>	<i>–</i>
<i>b) financial assets available for sale</i>	<i>10,500</i>	<i>–</i>
<i>c) financial assets held to maturity</i>	<i>–</i>	<i>–</i>
<i>d) financial liabilities</i>	<i>2,123</i>	<i>–</i>
Net change in value of financial liabilities at fair value		–
Net interest and other banking income	191,419	183,008
Net impairment adjustments on:	(2,236)	9,424
<i>a) loans and advances</i>	<i>(2,236)</i>	<i>9,424</i>
<i>b) financial assets available for sale</i>	<i>–</i>	<i>–</i>
<i>c) financial assets held to maturity</i>	<i>–</i>	<i>–</i>
<i>d) other financial transactions</i>	<i>–</i>	<i>–</i>
Profits (losses) on financial activities	189,183	192,432
Net Premiums earned	–	–
Other income/other expenses from insurance activity	–	–
Profits (losses) on financial activities	189,183	192,432
Administrative expenses:	(40,225)	(39,964)
<i>a) payroll</i>	<i>(24,763)</i>	<i>(24,364)</i>
<i>b) other administrative expenses</i>	<i>(15,462)</i>	<i>(15,600)</i>
Net charges to provisions for risks and charges	(928)	(1,391)
Net adjustments for impairment of property, plant and equipment	(798)	(778)
Net adjustments for impairment of intangible assets	(2,504)	(2,391)
Other operating charges/income	(228)	8,463
Operating costs	(44,683)	(36,061)
Share of profit (loss) of equity investments	–	–
Net gains (losses) arising on fair value adjustments to property, plant and equipment and intangible assets	–	–
Adjustments to goodwill	–	–
Gains (losses) on disposal of investments	1	5,810
Profit (loss) from current operations before tax	144,501	162,181
Income taxes on current operations	(57,868)	(63,166)
Profit (loss) from current operations after tax	86,633	99,015
Profit (loss) after tax on non-current assets held for sale	–	–
Net income (loss) for the year	86,633	99,015
Minority interests	–	–
Net income (loss) for the year pertaining to the Parent Bank	86,633	99,015

* 2004 consolidation reflecting all IAS/IFRS impacts except for IAS 32 and 39.

Financial position

Consolidated Balance Sheet data is nearly fully generated by the activity of the Parent Bank, DEXIA CREDIOP S.p.A., in view of the small volumes of business carried out by other Group companies.

DEXIA CREDIOP S.p.A. Group's total assets amounted to euro 42.0 billion as at 31st December, 2005, with an increase of 58 per cent. as compared to 2004.

The increase of assets is mainly due to the growth of Financial assets available for sale (+64.2 per cent. versus the 2004), Loans and advances to banks (from 0,9 billion in 2004 to 6.9 billion in 2005) and Loans and advances to customers (+23.3 per cent. versus 2004).

The increase of liabilities is mainly due to the growth of Deposits from banks (+79.5 per cent. versus 2004) and Debt securities (+37.2 per cent. versus 2004).

Operating results

The consolidated income statement for 2005 reports interest income of euro 1.132 billion, primarily regarding interest earned on credit to customers amounting to euro 0.811 billion. Interest expense, on the other hand, totalled euro 0.970 billion with interest paid on securities issued totalling euro 0.548 billion and interest on liabilities with banks of euro 0.383 billion.

The interest margin totalled euro 0.162 billion (+8.2 per cent., mainly for the increase of assets).

Other Banking Income totalled 0.023 billion in 2005 versus 0.026 billion in 2004, nearly wholly related to the change in the valuation of derivatives at market value starting from 1st January, classified in net trading income in 2004 (in the extraordinary results in the not consolidated statements).

Consequently net interest income and other banking income totalled 0.191 billion (+4.6 per cent. versus 2004).

The result of net impairment adjustments amounted to -0.002 billion versus +0.009 billion in 2004.

Profit and loss on financial activity after net impairment adjustments totalled 0.189 billion (-1.7 per cent.).

Total administrative costs of euro 0.040 billion increase of 1 per cent. versus 2004. Impairment on tangible and intangible assets amounted to 0.003 billion nearly as in the previous year. Charges to provisions for risks and charges amounted to 0.0009 billion (0.0014 billion in 2004). Other operating charges (income) amounted to -0.0002 billion in 2005 versus 0.0085 billion in 2004 including the effects of the out-of -period results and other operating result not classified otherwise.

In 2004 the item "gains (losses) on disposal on investments" contained the gain on the sell of a building for 5.8 million.

Results from current operations before tax amounted to 144.5 billion (-11 per cent. vs 2004), the decrease is mainly due to the out-of period results of the previous year.

Consequently the net income of the year amounted to 86.6 million (-12,5 per cent. vs the previous year).

STATEMENTS OF CASH FLOWS

(thousands of Euro)

Uses of Funds

Use of funds generated by operating activities		87,222
Dividends distributed	43,625	
Release from provision for severance indemnities	388	
Release from allowance for risks and charges	43,209	
Increase in funds employed		12,280,609
Due from banks	6,159,427	
Loans to customers	683,343	
Marketable securities	4,251,501	
Investment securities	872,532	
Shares, quotas and other equities	273	
Tangible fixed assets	748	
Intangible fixed assets	2,111	
Other assets	310,674	
Decreased in funds obtained		
Total		12,367,831

SOURCES OF FUNDS

(thousands of Euro)

Funds Generated by Operating Activities

Funds generated by operating activities		136,566
Net income for the year	82,199	
Provisions for severance indemnities	759	
Provisions for risks and charges	47,212	
Net adjustments to loans	2,236	
Net adjustments to tangible fixed assets	1,660	
Net adjustments to intangible fixed assets	2,500	
Increase in funds obtained		12,227,561
Due to banks	5,598,961	
Customers' deposits	500,961	
Securities issued	5,730,263	
Other liabilities	397,376	
Decrease in funds employed		3,704
Cash and deposits with central banks	1	
Equity investments	3,703	
Total		12,367,831

CONSOLIDATED CASH FLOW STATEMENT

Indirect method

(thousands of Euro)

A. Operating Activities		
1. Cash generated from operations		143,204
– net income for the year		86,633
– gains/losses from financial assets held for trading and financial assets/liabilities at fair value		-2,431
– gains/losses from hedging activities		167
– net adjustments for impairment..		2,236
– net adjustments for impairment of property, plant and equipment and intangible assets		3,302
– net charges to provisions for risks and charges and other costs/revenues		-5,977
– net uncollected premiums		–
– other uncollected insurance income/charges		–
– unsettled taxes		58,631
– net adjustments to disposal groups, net of the tax effect		–
– other adjustments		643
2. Cash generated/absorbed by financial assets..		-13,712,798
– Financial assets held for trading		–
– Financial assets at fair value		–
– Financial assets available for sale		-4,788,313
– Loans and advances to banks: on demand		-41,127
– Loans and advances to banks: other receivables		-5,992,189
– Loans and advances to customers		-3,702,438
– Other assets		811,269
3. Cash generated/absorbed by financial liabilities..		13,616,078
– Deposits from banks: on demand		1,376,725
– Deposits from banks: other payables		5,453,301
– Due to customers		479,411
– Debt securities in issue		5,274,282
– Financial liabilities held for trading		–
– Financial liabilities at fair value		–
– Other liabilities		1,032,359
Net cash generated/absorbed by operating activities		46,484
B. INVESTING ACTIVITIES		
1. Cash generated by:		
– sale of equity investments		1
– dividends collected on equity investments		–
– sale of financial assets held by maturity		–
– sale of property, plant and equipment		1
– sale of intangible assets..		–
– sale of subsidiary companies and business divisions		–
2. Cash absorbed by:		-2,861
– purchases of equity investments		–
– purchase of financial assets held to maturity		–
– purchase of property, plant and equipment..		-745
– purchase of intangible assets		-2,116
– purchase of subsidiary companies and business divisions		–
Net cash generated/absorbed by investing activities		-2,860
C. FINANCING ACTIVITIES		
– issue/purchase of treasury shares		–
– issue/purchase of equity instruments		–
– dividends distributed and other allocations..		-43,625
Net cash generated/absorbed by financing activities		-43,625
NET CASH GENERATED/ABSORBED DURING THE YEAR		-1

(thousands of Euro)

RECONCILIATION

Line items

Cash and balances with central banks at beginning of period	4
Total net cash generated/absorbed in the period	-1
Cash and balances with central banks: effect of change in exchange rates	-
Cash and balances with central banks at end of period	3

For comparison purposes, there is the previous year's cash flow statement which was attached to the 2004 consolidated financial statements (prepared in accordance with Italian GAAP).

No material adjustments have been made to this cash flow statement.

GENERAL INFORMATION

Listing 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 Luxembourg Stock Exchange's regulated market and to be admitted to the Official List of the Luxembourg Stock Exchange.

The Luxembourg Stock Exchange's regulated market 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 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 and 22nd July, 2004, 1st September, 2005 and 15th September, 2006.

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 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.

Significant or Material Change

There has been no significant change in the financial or trading position of the Issuer or any of its subsidiaries since 31 December 2005 and there has been no material adverse change in the financial position or prospects of the Issuer or any of its subsidiaries since 31 December 2005.

Litigation

Save as disclosed in this Base Prospectus, neither the Issuer nor any of its subsidiaries is or has been engaged in any legal, arbitration or administrative proceedings in the 12 months preceding the date of this document, the results of which might have or have had a significant effect on the financial position or the

operations of the Issuer or the Issuer and its subsidiaries taken as a whole nor is the Issuer aware of any such proceedings being threatened.

Auditors

The auditors of the Issuer are Mazars & Guérard 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.10829 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, 2004 and 31st December, 2005. 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.

The Issuer does not currently publish interim financial statements.

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, 2005 and 31st December, 2004 respectively;
- (iii) 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 and supplements including 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).

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 supplement to this Base Prospectus.

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

Italy

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.

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. 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) partnerships (other than “*società in nome collettivo*”, “*società in accomandita semplice*” or similar non-commercial partnerships), partnerships not carrying out commercial activities; (iii) public and private entities, other than companies, not carrying out commercial activities; (iv) entities exempt from Italian corporate income tax. Interest payment relating to the Notes are subject to a 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 a sale of the relevant Notes).

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. 124 of 21st April, 1993 as amended 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. 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 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.

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) 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).

Italian resident pension funds subject to the regime provided by Art. 14, 14-ter and 14-quater, paragraph 1, of Italian Legislative Decree No. 124 of 21st April, 1993 as amended (“*Legislative Decree No. 124*”) 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).

Pursuant to Law Decree No. 351 of 25th September, 2001, converted with amendments by Law No. 410 of 23rd November, 2001 (“*Decree No. 351*”), *imposta sostitutiva* no longer applies to payments of Interest in respect of the Notes to beneficial owners of Notes who are certain Italian resident real estate investment funds.

Such categories are qualified as “*gross-recipients*”.

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 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.

For the purpose of the application of the *imposta sostitutiva*, a transfer of Notes includes any assignment or other act, either with or without consideration, which results in a change of the ownership of the relevant Notes.

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; 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.

To ensure payment of Interest in respect of Notes with a maturity of eighteen months or more without the application of 12.5 per cent. *imposta sostitutiva*, non-Italian resident investors must (i) be the beneficial owners of payments of Interest on the Notes; (ii) timely deposit the Notes together with the coupons relating to such Notes directly or indirectly with an Italian authorised financial intermediary; and (iii) timely file with the relevant depository a self-declaration stating, *inter alia*, to be resident, for tax purposes, in a country which

recognises the Italian fiscal authorities' right to an adequate exchange of information. Such self-declaration is valid until withdrawn or revoked and must not be submitted in case that a valid certificate, declaration or other similar document meant for equivalent uses was previously submitted to the same depository.

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 ("*Decree 600*"), final or provisional depending on the category of Noteholders, or such lower rate pursuant to any applicable double taxation treaty. 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, SICAVs and Italian resident pension funds subject to the regime provided by Article 14, 14-ter and 14-quater, paragraph 1 of Legislative Decree No. 124. The 27 per cent. *imposta sostitutiva* does not apply in respect of interest paid to a non-Italian resident Noteholder.

Notes issued by DEXIA CREDIOP S.p.A. having an original maturity of at least eighteen months but redeemed prior to eighteen months 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.

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 incurred 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 incurred capital losses, must be detailed by Italian resident individuals not engaged in entrepreneurial activities 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 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.

Special rules apply if the Notes are part of (i) a portfolio managed in a regime of Asset Management Option (“*Risparmio Gestito*”) by an Italian asset management company or certain authorised intermediaries or (ii) an Italian *Organismo di Investimento Collettivo del Risparmio* (which includes *Fondo Comune di Investimento*, or SICAV). In both cases, the capital gains realised upon sale, transfer or redemption of the Notes will not be subject to 12.5 per cent. *imposta sostitutiva* but will contribute to determine the taxable base of the Asset Management Tax and of the Collective Investment Fund Tax. Under the *Risparmio Gestito* regime any depreciation of the investment portfolio accrued at year-end may be carried forward against appreciation accrued in each of the following years up to the fourth. Under the *Risparmio Gestito* regime the Noteholder remains anonymous.

Any capital gains realised by Noteholders who are Italian resident pension funds subject to the regime provided by Art. 14, 14-bis, 14-ter and 14 quater, paragraph 1 of Legislative Decree No. 124 will be included in the computation of the taxable basis of the Pension Fund Tax.

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 corporations without a permanent establishment in Italy to which the Notes are effectively connected if the Notes are held in Italy.

However, pursuant to Legislative Decree No. 259 of 21st July, 1999, 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, 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 such case, 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.

Any capital gains realised by Italian resident corporations or similar entities or permanent establishments in Italy of non-Italian resident corporations to which the Notes are connected from any disposal of the Notes shall be treated as part of their business income subject to tax in Italy according to the relevant tax provisions.

Pursuant to Legislative Decree No. 435 of 21st November, 1997, in general no Italian transfer tax is payable on:

- (a) transfer of Notes entered into on a regulated market;
- (b) transfer of Notes listed on a regulated market entered into outside regulated markets, provided that they are entered into between:
 - (i) banks, SIMs, or other professional intermediaries regulated by Legislative Decree No. 415 of 23rd July, 1996 as superseded by Legislative Decree No. 58 or stockbrokers (either resident or non-resident) among themselves;
 - (ii) the intermediaries of paragraph (i) above, on the one hand, and a non-Italian resident, on the other hand; or
 - (iii) the intermediaries of paragraph (i) above, even if not resident in Italy, on the one hand and an undertaking for collective investment of savings income (OICR), on the other hand;
- (c) transfer of Notes not listed on regulated markets if entered into between the banks or other financial intermediaries referred to in paragraph (b)(i) above, on the one hand, and non-Italian residents on the other hand;
- (d) contracts for a consideration of less than euro 206.58.

If applicable, transfer tax is payable as follows:

- (a) euro 0.00465 per euro 51.65 or fraction thereof, of the price at which the Notes are transferred if the transaction is entered into (i) between banks, SIMs or other professional intermediaries as defined under b(i) above or stockbrokers and private parties or (ii) between private parties through banks, SIMs or other professional intermediaries or stockbrokers or (iii) between banks, SIMS or other professional intermediaries among themselves;
- (b) euro 0.0083 per euro 51.65, or fraction thereof, of the price at which the Notes are transferred if the transaction is entered into (i) between private parties directly or (ii) between private parties through intermediaries not falling within paragraph (a) above. When applied at the rate mentioned under (a) above, the amount of transfer tax cannot exceed euro 929.62 for each transaction.

According to Law No. 383 of 18th October, 2001 (“*Law No. 383*”), starting from 25th October, 2001 Italian inheritance and gift tax, previously payable on the transfer of the Notes as a result of death or donation, has been abolished.

However, for donees other than spouses, direct descendants or ascendants and other relatives within the fourth degree, if and to the extent that the value of the gift attributable to each such donee exceeds euro 180,759.91, the gift of Notes may be subject to the ordinary transfer taxes provided for transfers for consideration.

Moreover, an anti-avoidance rule is provided by Law No. 383 for any gift of assets (such as the Notes) which, if sold for consideration, would give rise to capital gains subject to the *imposta sostitutiva* provided for by Legislative Decree No. 461. In particular, if the donee sells the Notes for consideration within five years from the receipt thereof as gift, the donee is required to pay the relevant *imposta sostitutiva* on capital gains as if the gift has never taken place.

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.

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 21 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 3 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 15 per cent. during the first three-year period starting 1 July 2005, at a rate of 20 per cent. for the subsequent three-year period 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 15 per cent.

(ii) Resident holders of Notes

Under Luxembourg general tax laws currently in force and subject to the law of 23 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 immediate 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 European Council Directive 2003/48/EC (the “*EU Savings Directive*”) on the taxation of savings income, each Member State is required, from 1st July, 2005 to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident in that other Member State; however, for a transitional period, Austria, Belgium and Luxembourg may instead apply a withholding system in relation to such payments, deducting tax at rates rising over time to 35 per cent. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments.

Also with effect from 1st July, 2005, a number of non-EU countries, and certain dependent or associated territories of certain Member States, have agreed to adopt similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident in a Member State. In addition, the Member States have entered into reciprocal provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident in one of those territories.

SUBSCRIPTION AND SALE

The Dealers have in an Amended and Restated Programme Agreement dated 20th September, 2006 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.

European Economic Area

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 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 Notes to the public in that Relevant Member State:

- (a) in (or in Germany, where the offer starts within) the period beginning on the date of publication of a prospectus in relation to those 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, all in accordance with the Prospectus Directive and ending on the date which is 12 months after the date of such publication;
- (b) at any time to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities;
- (c) at any time to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; or
- (d) at any time in any other circumstances which do not require the publication by the Issuer of a prospectus pursuant to Article 3 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 includes any relevant implementing measure in each Relevant Member State.

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

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to professional investors (*operatori qualificati*) (the “*Professional Investors*”), as defined in Article 31, second paragraph, of CONSOB (the Italian Securities Exchange Commission) Regulation No. 11522 of 1st July 1998, as amended (“*Regulation No. 11522*”); or
- (ii) in circumstances which are exempted from the rules on solicitation of investments pursuant to Article 100 of Legislative Decree No. 58 of 24th February 1998, as amended (the “*Financial Services Act*”) and Article 33, first paragraph, of CONSOB Regulation No. 11971 of 14th May 1999, as amended.

Any offer, sale or delivery of the Notes or distribution of copies of the Base Prospectus or any other document relating to the Notes in the Republic of Italy under (i) or (ii) above 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, Regulation No. 11522 and Legislative Decree No. 385 of 1st September 1993, as amended (the “*Banking Act*”); and
- (b) in compliance with Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the issue or the offer of securities in the Republic of Italy may need to be preceded and followed by an appropriate notice to be filed with the Bank of Italy depending, *inter alia*, on the aggregate value of the securities issued or offered in the Republic of Italy and their characteristics; and
- (c) in compliance with any other applicable laws and regulations.

Please note that Article 100 bis of the Financial Services Act provides that, in the case of offerings of the Notes addressed (in the Republic of Italy) to Professional Investors only (as described under (i) above), in connection with any subsequent distribution (including distributions at the express request of the purchaser) in the Republic of Italy of the Notes within one year from the issue date, any intermediary distributing the Notes in the Republic of Italy may be responsible for the solvency of the issuer of such Notes vis-à-vis purchasers who are not Professional Investors for the period of 12 months from issue date of the Notes unless an offering prospectus or an information document (documento informativo), drafted in accordance with the requirements set forth by CONSOB, has been provided prior to any such transfer of Notes. As of the date of this Base Prospectus, CONSOB has not implemented any regulations specifying the content of such information document.

Japan

The Notes have not been and will not be registered under the Securities and Exchange Law of Japan (the “*Securities and Exchange Law*”) and each Dealer has agreed, and each further Dealer appointed under the Programme will be required to 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 (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan), 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 Securities and Exchange Law 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.

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