

EXECUTION COPY

Final Terms dated 5 April 2006

Capitalia S.p.A.

**Issue of Euro 400,000,000 Subordinated Lower Tier II Step-up Callable Floating Rate Notes
due 2016**

**under the Euro 12,000,000,000
Euro Medium Term Note Programme**

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus (the "**Base Prospectus**") dated 27 September 2005 which constitutes a base prospectus for the purposes of 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 such Base Prospectus.

Full information on the Bank and the Notes described herein is only available on the basis of a combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at the office of the Agent and the website of the Luxembourg Stock Exchange www.bourse.lu. Copies may be obtained during normal business hours at the specified offices of the Paying Agents.

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| 1. Issuer: | Capitalia S.p.A. |
| 2. Series Number: | 43 |
| 3. Specified Currency or Currencies: | Euro (" EUR ") |
| 4. Aggregate Nominal Amount of Notes: | Euro 400,000,000 |
| 5. (i) Issue Price: | 99.766 per cent. of the Aggregate Nominal Amount |
| (ii) Net proceeds: | Euro 398,880,000 |
| 6. Specified Denomination: | Euro 1,000 |
| 7. Issue Date: | 7 April 2006 |
| 8. Maturity Date: | 7 April 2016 |
| 9. Interest Basis: | 3-month EURIBOR plus 0.30 per cent. per annum Floating Rate from, and including, the Issue Date to, but excluding the Specified Interest Payment Date falling in April 2011 and 3-month EURIBOR plus 0.60 per cent. per annum Floating Rate thereafter (further particulars specified below) |
| 10. Redemption/Payment Basis: | Redemption at par |
| 11. Change of Interest or Redemption/Payment Basis: | As specified in paragraph 17(viii) below |

Payment Basis:

- | | |
|-----------------------------|--|
| 12. Put/Call Options: | Issuer Call
(further particulars specified below) |
| 13. Status of the Notes: | Lower Tier II Subordinated Notes |
| 14. (i) Listing: | Luxembourg |
| (ii) Admission to trading: | Application has been made for the Notes to be admitted to trading on the regulated market of the Luxembourg Stock Exchange |
| 15. Method of distribution: | Syndicated |

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

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| 16. Fixed Rate Note Provisions | Not Applicable |
| 17. Floating Rate Note Provisions | Applicable |
| (i) Specified Period(s)/Specified Interest Payment Dates: | Interest shall be paid on 7 April, 7 July, 7 October and 7 January of each year, subject in each case to adjustment in accordance with the Business Day Convention specified below |
| (ii) Business Day Convention: | Modified Following Business Day Convention |
| (iii) Additional Business Centre(s): | Not Applicable |
| (iv) Manner in which the Rate(s) of Interest is/are to be determined: | Screen Rate Determination |
| (v) Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Principal Paying Agent): | Not Applicable |
| (vi) Screen Rate Determination: | |
| - Reference Rate: | 3-month EURIBOR |
| - Relevant Screen Page: | Telerate page 248 |
| - Interest Determination Date(s): | Two Business Days prior to the commencement of each Interest Period |
| - Relevant Time: | 11.00 a.m. Brussels time |

-	Relevant Financial Centre:	Euro-zone (where Euro-zone means the region comprised of the countries whose lawful currency is the Euro)
(vii)	ISDA Determination:	Not Applicable
(viii)	Margin(s):	+ 0.30 per cent. per annum until 7 April 2011, and + 0.60 per cent. per annum thereafter
(ix)	Minimum Rate of Interest:	Not Applicable
(x)	Maximum Rate of Interest:	Not Applicable
(xi)	Day Count Fraction:	Actual/360
(xii)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:	Not Applicable
18.	Zero Coupon Note Provisions	Not Applicable
19.	Index-Linked Interest Note Provisions	Not Applicable
20.	Dual Currency Note Provisions	Not Applicable
PROVISIONS RELATING TO REDEMPTION		
21.	Call Option	Applicable
(i)	Optional Redemption Date(s) (Call):	7 April 2011 and at each Interest Payment Date thereafter, except the Maturity Date subject to prior approval of the Bank of Italy
(ii)	Optional Redemption Amount(s) (Call):	Par
(iii)	If redeemable in part:	Not Applicable
(a)	Minimum Redemption Amount:	Not Applicable
(b)	Maximum Redemption Amount:	Not Applicable
(iv)	Notice period:	Not Applicable
22.	Put Option	Not Applicable
23.	Final Redemption Amount of each Note	Euro 1,000 per Note of Euro 1,000 Specified Denomination

24. Early Redemption Amount

Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):

As set out in the Conditions

GENERAL PROVISIONS APPLICABLE TO THE NOTES

25. Form of Notes:

Bearer Notes:

Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note

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

Not Applicable

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

No

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 (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

Not Applicable

29. Consolidation provisions:

The provisions in Condition 21 (*Further Issues*) apply

30. Other terms or special conditions:

Not Applicable

DISTRIBUTION

31. (i) If syndicated, names and addresses of Managers:

ABN AMRO Bank N.V.
250 Bishopsgate
London EC2M 4AA

Capitalia S.p.A.
Via Marco Minghetti 17

00187 Rome

Lehman Brothers International (Europe)
25 Bank Street
London E14 5LE

(Lehman Brothers International (Europe) and
ABN AMRO Bank N.V. are the sole
underwriters of the Notes)

- (ii) Stabilising Manager (if any): Not Applicable
32. If non-syndicated, name of Dealer: Not Applicable
33. TEFRA: The D Rules are applicable
34. Additional selling restrictions: Not Applicable

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 Euro 12,000,000,000 Euro Medium Term Note Programme of Capitalia S.p.A.

RESPONSIBILITY

The Bank accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Bank:

By:

Duly Authorised

PART B - OTHER INFORMATION

1. **ADDITIONAL INFORMATION** Not Applicable
2. **LISTING**
 - (i) Listing: Luxembourg Stock Exchange (*Bourse de Luxembourg*)
 - (ii) Admission to trading: Application has been made for the Notes to be admitted to trading on the Regulated Market of the Luxembourg Stock Exchange with effect from the Issue Date
 - (iii) Estimate of total expenses related to admission to trading: Euro 6,175 (listing fees)
3. **RATINGS**

Ratings: The Notes to be issued have been rated:

Moody's: A3

Fitch: BBB +
4. **NOTIFICATION**

The *Commission de Surveillance du Secteur Financier* has provided Consob with a certificate of approval attesting that the Base Prospectus has been drawn up in accordance with the Prospectus Directive.
5. **INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE**

Save as discussed in "Subscription and Sale" in the Base Prospectus, so far as the Bank is aware, no person involved in the offer of the Notes has an interest material to the offer.
6. **HISTORIC INTEREST RATES**

Details of historic EURIBOR rates can be obtained from Telerate page 248. Such information is not deemed incorporated in these Final Terms.
7. **OPERATIONAL INFORMATION**

ISIN Code: XS0249857094

Common Code: 024985709

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

Names and addresses of additional Paying Agent(s) (if any): Not Applicable