

**Final Terms dated 30th May, 2006**

**DEXIA MUNICIPAL AGENCY**  
**(the "Issuer")**  
Euro 75,000,000,000  
Euro Medium Term Note Programme  
for the issue of *Obligations Foncières*  
Due from one month from the date of the original issue

**SERIES NO: 265**

**TRANCHE NO: 1**  
**JPY 600,000,000 Fixed to Index Linked Trigger Rate *Obligations Foncières* due 1st  
June 2021**

Issue Price: 100.00 per cent.

**Nomura International**

## 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 18th August, 2005 and the supplements to the Base Prospectus dated 18th November, 2005, 10th January, 2006 and 14th April, 2006.

This document constitutes the Final Terms of the Obligations Foncières and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Obligations Foncières is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the supplements to the Base Prospectus are available for viewing at the office of the Fiscal Agent or each of the Paying Agents.

1	Issuer:	Dexia Municipal Agency
2	(i) Series Number:	265
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Japanese Yen (“JPY”)
4	Aggregate Nominal Amount of Obligations Foncières admitted to trading:	
	(i) Series:	JPY 600,000,000
	(ii) Tranche:	JPY 600,000,000
5	Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
6	Specified Denominations:	JPY 50,000,000
7	(i) Issue Date:	1st June, 2006
	(ii) Interest Commencement Date:	1st June, 2006
8	Maturity Date:	1st June, 2021 subject to Automatic Early Redemption in accordance with the provisions of the Schedule.
9	Interest Basis:	Fixed and Index Linked Interest Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	1. 2.95 per cent. Fixed Rate in respect of the period from and including the Interest Commencement Date to but excluding 1st June, 2007 and 2. Index-Linked Interest Rate in respect of the period from and including 1st June, 2007 to but excluding the Maturity Date (or, in the case of Automatic Early Redemption, the relevant Automatic Early Redemption Date)
12	Call Options:	Not Applicable

- 13 (i) Status of the Obligations Foncières: *Obligations Foncières*
- (ii) Dates the corporate authorisations for issuance of the Obligations Foncières: Decision of the Directoire of Dexia Municipal Agency dated 18th May, 2006 deciding the issue of the Obligations Foncières and authorizing Mr François LAUGIER, President or any of its Directeurs Généraux officers the power to sign and execute all documents in relation to the issue of the *Obligations Foncières*

14 Method of distribution: Non-syndicated

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

- 15 Fixed Rate Obligation Foncière Provisions Applicable from and including the Interest Commencement Date to but excluding 1st June, 2007
- (i) Rate of Interest: 2.95 per cent. per annum payable semi-annually in arrear
- (ii) Interest Payment Date(s): 1st December, 2006 and 1st June, 2007
- (iii) Fixed Coupon Amount: JPY 737,500 per JPY 50,000,000 in nominal amount
- (iv) Broken Amounts: Not Applicable
- (v) Day Count Fraction (Condition 5(a)): 30/360, unadjusted
- (vi) Determination Date(s) (Condition 5(a)): Not Applicable
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Obligations Foncières: Not Applicable
- 16 Floating Rate Provisions Not Applicable
- 17 Zero Coupon Obligation Foncière Provisions Not Applicable
- 18 Index Linked Interest Obligation Foncière Provisions/other variable-linked Interest Obligation Foncière Applicable from and including 1st June, 2007 to but excluding the Maturity Date (or, in the case of Automatic Early Redemption, the relevant Automatic Early Redemption Date)
- (i) Index/Formula/Other variable: Please see Schedule attached hereto

(ii) Calculation Agent responsible for Merrill Lynch International calculating the interest due

The Calculation Agent shall act as an independent expert and not as an agent for the Issuer or the holders of the *Obligations Foncières*.

All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the holders of the *Obligations Foncières*.

(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:

Please see Schedule attached hereto

(iv) Interest Period(s):

Please see Schedule attached hereto

(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:

Please see Schedule attached hereto

(vi) Interest or Calculation Period(s):

Not Applicable

(vii) Specified Interest Payment Dates:

Please see Schedule attached hereto

(viii) Business Day Convention:

Not Applicable

(ix) Business Centre(s) (Condition 5(a)):

Not Applicable

(x) Minimum Rate/Amount of Interest:

Please see Schedule attached hereto

(xi) Maximum Rate/Amount of Interest:

Please see Schedule attached hereto

(xii) Day Count Fraction (Condition 5 (a)):

30/360 (unadjusted)

19 Dual Currency Obligation Foncière Provisions

Not Applicable

#### PROVISIONS RELATING TO REDEMPTION

20 Call Option

Not Applicable

21 Other Option

Not Applicable

22 Final Redemption Amount of each Obligation Foncière:

JPY 50,000,000 per *Obligation Foncière* of JPY 50,000,000 Specified Denomination

23 Early Redemption Amount

Early Redemption Amount(s) of each Obligation Foncière payable on redemption for taxation reasons or on any early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions). Not Applicable

#### GENERAL PROVISIONS APPLICABLE TO THE OBLIGATIONS FONCIÈRES

- 24 Form of Obligations Foncières: Dematerialised Obligations Foncières
- (i) Form of Dematerialised Obligations Foncières: Bearer dematerialised form (au porteur)
- (ii) Registration Agent: Not Applicable
- (iii) Temporary Global Certificate: Not Applicable
- (iv) Applicable TEFRA exemption: Not Applicable
- 25 Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates: London, Tokyo and TARGET Business Day  
The Adjusted Payment Date shall be the next following business day unless it would thereby fall into the next calendar month, in which case such date shall be brought forward to the immediately preceding business day.
- 26 Talons for future Coupons or Receipts to be attached to definitive Materialised Obligations Foncières (and dates on which such Talons mature): Not Applicable
- 27 Details relating to Partly Paid Obligations Foncières: 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 Not Applicable
- 28 Details relating to Instalment Obligations Foncières: amount of each instalment, date on which each payment is to be made: Not Applicable
- 29 Redenomination, renominatisation and reconventioning provisions: Not Applicable
- 30 Consolidation provisions: Not Applicable
- 31 Representation of holders of Obligations Foncières Masse (Condition 10) The initial Representative will be:

Antoine de Chauveron  
23, avenue Foch  
75016 Paris

The alternative Representative will be:  
Laurent Vallery Radot

23, avenue Foch  
75016 Paris

The Representative will not be remunerated.

32 Other final terms:

Not Applicable

**DISTRIBUTION**

33 (i) If syndicated, names of Managers: Not Applicable

(ii) Stabilising Manager(s) (if any): Not Applicable

34 If non-syndicated, name of Dealer: Nomura International plc

35 Additional selling restrictions: **France**

Each of the Dealer and the Issuer has represented and agreed that:

it has not offered or sold, and will not offer or sell, directly or indirectly *Obligations Foncières* in France, and has not distributed or caused to be distributed in France and will not distribute or cause to be distributed in France, the Final Terms or any other offering material relating to the *Obligations Foncières*, and each subscriber will be domiciled or resident for tax purposes outside France.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms

Signed on behalf of the Issuer:

Duly represented by:



## PART B – OTHER INFORMATION

### 1. RATINGS

Ratings: Applicable.

Obligations Foncières to be issued under the Programme are expected to be rated AAA by Standard & Poor's Rating Services and Fitch Ratings and Aaa by Moody's Investors Services, Inc.

### 2. OPERATIONAL INFORMATION

ISIN Code: FR0010333526

Common Code: 025600410

Depositories:

- (i) Euroclear France to act as Central Depository Yes
- (ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream Luxembourg No

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

Delivery: Delivery free of payment

The Agents appointed in respect of the Obligations Foncières are: **Fiscal Agent and Principal Paying Agent:**

Dexia Banque Internationale à Luxembourg Société Anonyme  
69, route d'Esch  
L-1470 Luxembourg  
Grand-Duchy of Luxembourg

**Paying Agents:**

Dexia Bank Belgium S.A.  
44, boulevard Pachéco  
B-1000 Brussels  
Belgium

**Paris Paying Agent:**

RBC Dexia Investor Services Bank France S.A.  
(formerly known as Dexia Investor Services Bank France)  
105, rue Réaumur  
75002 PARIS  
France

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

Name and address of the Calculation Agent: Merrill Lynch International  
Merrill Lynch Financial Centre,  
2 King Edward Street, London EC1A 1HQ

The aggregate principal amount of Obligations Euro 4,246,000  
Foncières issued has been translated into Euro  
at the rate of JPY 141.31 per Euro 1.00,  
producing a sum of:

### **3. SPECIFIC CONTROLLER**

The specific controller (contrôleur spécifique) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the privilege defined in article L.515-19 of the Financial and Monetary code, after settlement of this issue and of the issues which have been the subject of previous attestations.



## SCHEDULE

(This Schedule forms part of the Final Terms to which it is attached)

### 1. Index Linked Interest

Each Obligation Foncière will bear Index Linked Interest from and including 1st June, 2007 to but excluding the Maturity Date (or, in the case of Automatic Early Redemption, the relevant Automatic Early Redemption Date) payable in amounts (each an **"Interest Amount"**) determined in accordance with the provisions set out below. Index Linked Interest will be payable semi-annually in arrear on 1st June and 1st December in each year commencing on and including 1st December, 2007 to and including the Maturity Date (or, in the case of Automatic Early Redemption, the relevant Automatic Early Redemption Date) (each a **"Specified Interest Payment Date"**). The period from and including 1st June, 2007 to but excluding the first Specified Interest Payment Date and each successive period from and including a Specified Interest Payment Date to but excluding the next following Specified Interest Payment Date is herein called an **"Interest Period"**. For the avoidance of doubt, each Interest Period is not subject to adjustment.

The Interest Amount per Specified Denomination ("I") for each Interest Period shall be calculated by the Calculation Agent in accordance with the following formula, provided that (i) the resultant figure of the formula shall be rounded to the nearest whole JPY, half a JPY being rounded upwards and (ii) the resultant figure of the square bracket shall be rounded to the nearest six decimal places of one per cent., (iii) if the resultant figure of the square bracket is less than 0.00 per cent. then the resultant figure of the square bracket shall be deemed to be 0.00 per cent. and (iv) if the resultant figure of the square bracket is greater than 3.95% then the resultant figure of the square bracket shall be deemed to be 3.95%:

$$I = \text{JPY } 50,000,000 \times [(20.00\% \times \text{NK1}/16,050) - 17.05\%] \times \text{Day Count Fraction}$$

Where:

**"Calculation Agent"** shall mean Merrill Lynch International, whose determinations and calculations shall be binding in the absence of manifest error.

**"Day Count Fraction"** shall mean 30/360;

**"NK1"** shall mean the Index Closing Level as determined by the Calculation Agent in its sole discretion

**"Index Closing Level"** means the level of the Index as of the Valuation Time on the Valuation Date, as announced by the Index Sponsor and published on Bloomberg Page NKY <Index> <Go> or any successor page or alternative source.

**"Index"** means the Nikkei Stock Average, an index of 225 selected stocks listed on the first section of the Exchange, which is currently calculated and sponsored by Nihon Keizai Shimbun, Inc. (the **"Index Sponsor"**, which term shall include any agents or other persons acting on behalf of such person) subject to paragraph 3 below;

**"Interest Determination Date"** means the day which is two (2) Tokyo Business Days prior to the first day of each Interest Period or, if such day is not a Scheduled Trading Day, the first succeeding day which is a Scheduled Trading Day. If any Interest Determination Date is a Disrupted Day, then the Interest Determination Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless the Calculation Agent determines that each of the eight Scheduled Trading Days immediately following the original date that, but for an event causing a Disrupted Day, would have been the Interest Determination Date, is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Interest Determination Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to paragraph 3 below) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day);

**"Exchange Business Day"** means any Scheduled Trading Day on which each of the Exchange

and the Related Exchange are open for trading during their respective regular trading sessions, notwithstanding the Exchange or the Related Exchange closing prior to its Scheduled Closing Time;

**"Exchange"** means the Tokyo Stock Exchange, Inc. which expression shall include any successor as the Exchange;

**"Related Exchange"** means the Osaka Securities Exchange Co., Ltd., which expression shall include any successor as the Related Exchange;

**"Scheduled Closing Time"** means in respect of the Exchange or the Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of the Exchange or the Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours;

**"Scheduled Trading Day"** means any day on which both the Exchange and the Related Exchange are scheduled to be open for trading for their respective regular trading sessions;

**"Tokyo Business Day"** means 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 Tokyo

## 2. Automatic Early Redemption

The Obligations Foncières will automatically be redeemed in whole but not in part at 100.00 per cent. per Specified Denomination, (together with the interest accrued) on each Specified Interest Payment Date falling on 1st June in each year from and including 1st June, 2007 to and including 1st June, 2020 (each an **"Automatic Early Redemption Date"**) if NK1 (as defined above) is greater than or equal to 19,260 on the relevant Automatic Early Redemption Determination Date.

**"Automatic Early Redemption Determination Date"** shall mean the day which is twenty (20) Tokyo Business Days prior to each Automatic Early Redemption Date or, if such day is not a Scheduled Trading Day, the first succeeding day which is a Scheduled Trading Day. If any Automatic Early Redemption Determination Date is a Disrupted Day, then the Automatic Early Redemption Determination Date shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day, unless the Calculation Agent determines that each of the eight Scheduled Trading Days immediately following the original date but for an event causing a Disrupted Day, would have been the Automatic Early Redemption Determination Date, is a Disrupted Day. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Automatic Early Redemption Determination Date, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculating Agent shall determine the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with (subject to paragraph 3 below) the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an even giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

At the latest two (2) Tokyo, London and Target Business Days following each Automatic Early Redemption Determination Date, the Calculation Agent shall notify the Issuer and the Agent of the NK1 and as the case may be the occurrence of the Automatic Early Redemption.

## 3. Market Disruption Event

**"Valuation Date"** means in respect of the determination of the Interest Amount, each Interest Determination Date (as defined above), in respect of the determination of Automatic Early Redemption, each Automatic Early Redemption Determination Date (as defined above).

**"Valuation Time"** means the Scheduled Closing Time on the Exchange on the Valuation Date. If the Exchange closes prior to its Scheduled Closing Time, the Valuation Time shall be the actual closing time for its regular trading session;

**"Market Disruption Event"** means, in respect of the Index, the occurrence or existence or (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the Valuation Time or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event in respect of the Index exists at any time, if a Market Disruption Event occurs in respect of a security

included in the Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

- (i) **"Trading Disruption"** means any suspension of or limitation imposed on trading by the Exchange or the Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the Exchange or the Related Exchange or otherwise (A) on the Exchange relating to securities that comprise 20 per cent. or more of the level of the Index or (B) in futures or options contracts relating to the Index on the Related Exchange.
- (ii) **"Exchange Disruption"** means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (A) to effect transactions in, or obtain market values for, securities that comprise 20 per cent. or more of the level of the Index on the Exchange or (B) to effect transactions in or obtain market values for, futures or options contracts relating to the Index on the Related Exchange
- (iii) **"Early Closure"** means the closure on any Exchange Business Day of the Exchange or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by the Exchange or the Related Exchange at least one hour prior to the earlier of (A) the actual closing time for the regular trading session on the Exchange or the Related Exchange on such Exchange Business Day and (B) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Valuation Time on such Exchange Business Day.
- (iv) **"Disrupted Day"** means any Scheduled Trading Day on which the Exchange or the Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred. The Calculation Agent shall as soon as reasonably practicable under the circumstances notify the Issuer and the Agent of the occurrence of a Disrupted Day on any day that, but for the occurrence of a Disrupted Day, would have been a Valuation Date.

#### 4. **Adjustment to the Index**

##### (1) **Successor Index**

If the Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of the Index, then in each case that index (the **"Successor Index"**) will be deemed to be the Index.

##### (2) **Modification and Cessation of Calculation of the Index**

If (i) on or prior to any Valuation Date, the Index Sponsor announces that it will make a material change in the formula for or the method of calculating the Index or in any other way materially modifies the Index (other than a modification prescribed in that formula or method to maintain the Index in the event of changes in constituent stocks and capitalisation and other routine events) (ii) on any Valuation Date, the Index Sponsor fails to calculate and announce the level of the Index, then the Calculation Agent in its sole discretion shall determine the level of the Index in accordance with the formula for and method of calculation of the Index last in effect prior to that change or failure, but using only those securities that comprised the Index immediately prior to that change or failure, but using only those securities that comprised the Index immediately prior to that change or failure (other than those securities that have since ceased to be listed on the Exchange).

##### (3) **Cancellation of the Index**

If on or prior to any Valuation Date, the Index Sponsor permanently cancels the Index and no Successor Index exists, then the Calculation Agent in its sole discretion may take action to determine the level of the Index in accordance with the formula for and method of calculation of the Index last in effect prior to that cancellation, but using only those securities that comprised the index immediately prior to that cancellation (other than those

securities that have since ceased to be listed on the Exchange;

(4) Correction of the Index

If the level of the Index published by the Index Sponsor and which is utilised for any calculation or determination made for the *Obligations Foncières* is subsequently corrected and the correction which leads to the correction of the amount and/or the rate previously determined with reference to the level of the Index is published by the Index Sponsor within one (1) Exchange Business Day of the original publication, but under no circumstances later than five Tokyo, London and Target Business Days prior to the relevant payment date, then the Calculation Agent will promptly notify the Issuer and the Agent of (i) the correction, (ii) the amount that is payable or deliverable as a result of that correct, as calculated by the Calculation Agent and (iii) to the extent necessary, the adjustment to the terms of the *Obligations Foncières* to account for such correction, as soon as possible after the publication of such correction.

5. Disclaimer

The *Obligations Foncières* are not in any way sponsored, endorsed, sold or promoted by the Index or the Index Sponsor and the Index Sponsor makes no warranty or representation whatsoever, whether express or implied, either as to the results to be obtained from the use of the Index and/or the levels at which the Index stands at any particular time on any particular date or otherwise. Neither the Index nor the Index Sponsor shall be liable (whether in negligence or otherwise) to any person for any error in the Index or be under any obligation to advise the Issuer or the holders of the *Obligations Foncières* of any error therein. The Index Sponsor makes no representation whatsoever, whether express or implied, as to the advisability of purchasing or assuming any risk in connection with the *Obligations Foncières* and has no obligation or responsibility for any business regarding the *Obligations Foncières*. None of the Issuer, its affiliates or the Calculation Agent shall have any liability to the holders of the *Obligations Foncières* for any act or failure to act by the Index Sponsor in connection with the calculation, adjustment or maintenance of the Index. Except as disclosed prior to the issue of *Obligations Foncières*, none of the Issuer or its affiliates has any affiliation with or control over the Index or Index Sponsor or any control over the communication, composition or dissemination of the Index. Although the Calculation Agent will obtain information concerning the Index from publicly available sources it believes reliable, it will not independently verify this information. Accordingly, no representation, warranty or undertaking (express or implied) verify this information. Accordingly, no representation, warranty or undertaking (express or implied) is made and no responsibility is accepted by the Issuer, its affiliates or the Calculation Agent as to the accuracy, completeness and timeliness of information conveying the Index. The copyright regarding the "Nikkei Stock Average" or the intellectual property right in respect of the presentation of the "Nikkei Stock Average" or any other right is held by Nihon Keizai Shimbun, Inc., Nihon Keizai Shimbun, Inc., has the right to change the content of the "Nikkei Stock Average" and to suspend the publication thereof.