

Final Terms dated 09 October 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: 293

TRANCHE NO: 1

**Issue of EUR 50,000,000 French and European Inflation Linked Obligations Foncières
due 10 October 2021**

Issue Price: 100 per cent.

Morgan Stanley

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 21 July 2006 and the supplement to the Base Prospectus dated 4 October 2006 which together constitute 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 *Obligations Foncières* described herein for the purposes of Article 5.4 of the Prospectus Directive 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 as so supplemented.

The Base Prospectus and the supplement to the Base Prospectus are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website of the Issuer (www.dexia.ma.com) or on the website of the Luxembourg Stock Exchange and copies may be obtained from Dexia Municipal Agency, Tour Cristal, 7-11 Quai André Citroën, 75015 Paris, France.

1	Issuer:	Dexia Municipal Agency
2	(i) Series Number:	293
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Euro (“ EUR ”)
4	Aggregate Nominal Amount of <i>Obligations Foncières</i> admitted to trading:	
	(i) Series:	EUR 50,000,000
	(ii) Tranche:	EUR 50,000,000
5	Issue Price:	100 per cent. of the Aggregate Nominal Amount
6	Specified Denominations:	EUR 1,000,000
7	(i) Issue Date:	10 October 2006
	(ii) Interest Commencement Date:	10 October 2006
8	Maturity Date:	10 October 2021
9	Interest Basis:	Index Linked Interest (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Call Options:	Not Applicable
13	(i) Status of the <i>Obligations Foncières</i> :	<i>Obligations Foncières</i>

- (ii) Dates the corporate authorisations for issuance of the *Obligations Foncières*: Decision of the *Directoire* of Dexia Municipal Agency dated 19 September 2006 deciding the issue of the *Obligations Foncières* and authorizing François LAUGIER, President or any of its *Directeurs Généraux* officers 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 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 *Obligations Foncières* Applicable

- (i) Index/Formula/other variable: The rate of interest in respect of each Interest Period falling during the period from and including the Interest Commencement Date to but excluding the Maturity Date will be a rate, expressed as a percentage, as determined by the Determination Agent on the relevant Valuation Date in its sole discretion, in accordance with the following formula:

In the period from and including the Issue Date up to but excluding 10 October 2016:

$$\text{MAX}(0.00\%, \text{MIN}(7.00\%, 1.55\% + Fr_YoY + 5.00 \times (\epsilon_YoY - Fr_YoY)))$$

In the period from and including 10 October 2016 up to but excluding the Maturity Date:

$$\text{MAX}((0.00\%, \text{MIN}(7.00\%, Fr_YoY + 1.80\%)))$$

Where:

“ ϵ_YoY ” means $\text{HICPXT}(t-4)/\text{HICPXT}(t-16)$

“ $\text{HICPXT}(t-4)$ ” means the HICPXT for the month which is 4 months prior to the month of the start of the relevant Interest Period.

“ $\text{HICPXT}(t-16)$ ” means the HICPXT for the month which is 16 months prior to the month of the start of the relevant Interest Period.

“HICPXT” means the Non-revised Index of Consumer Prices excluding Tobacco, or the relevant successor index, measuring the rate of inflation in the European Monetary Union excluding tobacco as published on the Information Source on a monthly basis.

“ Fr_YoY ” means $\text{HICP}(t-4)/\text{HICP}(t-16)$

“**HICP(t-4)**” means the HICP for the month which is 4 months prior to the month of the start of the relevant Interest Period.

“**HICP(t-16)**” means the HICP for the month which is 16 months prior to the start of the relevant Interest Period.

“**HICP**” means the Non-revised Index of Consumer Prices excluding Tobacco, or the relevant successor index, measuring the rate of inflation in France excluding tobacco as published by the Information Source on a monthly basis.

“**Valuation Date**” means, in respect of an Interest Period, 5 Target Business Days prior to the Specified Interest Payment Date in respect of such Interest Period.

INDEX DELAY AND DISRUPTION EVENT PROVISIONS:

- (a) **Delay of Publication:** If, in relation to a particular Interest Period, any level of an Index relating to a month (the “**Reference Month**”) which is relevant to the calculation of the rate of interest (a “**Relevant Level**”) has not been published or announced by the Valuation Date, the Determination Agent shall determine a substitute index level in place of such Relevant Level (a “**Substitute Index Level**”) as follows:

$$\text{Substitute Index Level} = \text{Base Level} \times (\text{Latest Level/Reference Level})$$

Where:

“**Base Level**” means the level of the Index (excluding any “flash” estimates) published or announced by the Index sponsor in respect of the month which is 12 calendar months prior to the month for which the Substitute Index Level is being determined.

“**Latest Level**” means the latest level of the Index (excluding any “flash” estimates) published or announced by the Index sponsor prior to the month in respect of which the Substitute Index Level is being calculated.

“**Reference Level**” means the level of the Index (excluding any “flash” estimates) published or announced by the Index sponsor in respect of the month which is 12 calendar months prior to the month referred to in “Latest Level” above.

If a Relevant Level is published or announced at any time after the Valuation Date, such Relevant Level will not be used in any calculations. The Substitute Index Level so determined pursuant to the above provision, will be the definitive level for that Reference Month and no further payment by way of adjustment shall be made notwithstanding that the Relevant Level may subsequently be published;

- (b) **Cessation of Publication:** if a level for an Index has not been published or announced for two consecutive months or the relevant Index sponsor announces that it will no longer continue to publish or announce the Index, then the Determination Agent shall determine a successor index (in lieu of any previously applicable Index) (the “**Successor Index**”) by using the following methodology:
- (i) if a notice has been given or an announcement has been made by an Index sponsor, specifying that the relevant Index will be superseded by a replacement Index specified by the Index sponsor, and the Determination Agent determines that such replacement index is calculated using the same or substantially similar formula or method of calculation as used in the calculation of the previously applicable Index, such replacement index shall be the Index for purposes of calculations from the date that such replacement Index comes into effect; or
 - (ii) if a Successor Index has not been determined under (i) above, the Determination Agent shall ask five leading independent dealers to state what the replacement index for the relevant Index should be. If between four and five responses are received, and of those four or five responses, three or more leading independent dealers state the same index, this index will be deemed the Successor Index. If three responses are received, and two or more leading independent dealers state the same index, this index will be deemed the Successor Index. If fewer than three responses are received, the Determination Agent will proceed to subparagraph (iii) hereof; or
 - (iii) if no Successor Index has been deemed under (i) or (ii) above by the Valuation Date the Determination Agent will determine an appropriate alternative index for the relevant Specified Interest Payment Date, and such index will be deemed a Successor Index.
- (c) **Rebasing of the Index:** If the Determination Agent determines that the relevant Index has been or will be rebased at any time, the Index as so rebased (the “**Rebased Index**”) will be used for purposes of determining the level of an Index from the date of rebasing; provided, however, that the Determination Agent shall make adjustments to the levels of the Rebased Index so that the Rebased Index levels reflect the same rate of inflation as the Index before it was rebased. Any such rebasing shall not affect any prior payments of interest;

- (d) **Material Modification:** If prior to the Valuation Date, the Index sponsor announces that it will make a material change to the relevant Index, the Determination Agent shall make such adjustments as it determines are necessary for the modified Index to continue as the relevant Index; Any announcement made by the Index sponsor on or after the Valuation Date will be disregarded by the Determination Agent for the calculation of the rate of interest of the relevant Interest Period.
- (e) **Manifest Error in Publication:** If within thirty days of publication, the Determination Agent determines that the Index sponsor has corrected the level of the relevant Index to remedy a manifest error in its original publication, the Determination Agent will notify the Issuer and the Agents of (i) that correction, (ii) the amount payable as a result of that correction and (iii) take such other action as it may deem necessary to give effect to such correction. Any correction made by the Index sponsor on or after the Valuation Date will be disregarded by the Determination Agent for the calculation of the rate of interest of the relevant Interest Period..

“Index” means the HICPXT or HICP as appropriate.

“Information Source” means, in respect of the HICPXT, Reuters page OATEI01 or any successor page and in respect of HICP, Reuters page OATINFLATION01 or any successor page.

- (ii) Calculation Agent and Determination Agent responsible for calculating the interest due:

Calculation Agent:

Dexia Banque Internationale à Luxembourg, société anonyme

Determination Agent:

Morgan Stanley & Co. International Limited

The Determination Agent shall determine the rate of interest in respect of each Interest Period in accordance with the above provisions and shall forthwith notify such rate to the Calculation Agent, who shall calculate the amount of interest payable in respect of each Interest Period. The determinations and calculations of the Determination Agent and the Calculation Agent will be, in the absence of manifest error, final and binding 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:

See item 18(i) above

- (iv) Interest Period(s):

The period from and including the Interest Commencement Date to but excluding the first Specified Interest Payment Date and each subsequent period from and including a Specified Interest Payment Date to but excluding the next following Specified Interest Payment Date.

(v)	Provisions for determining Coupon where calculation by reference to Index and/or Formula an/or other variable is impossible or impracticable or otherwise disrupted:	See item 18(i) above
(vi)	Calculation Period(s):	Not Applicable
(vii)	Specified Interest Payment Dates:	10 April and 10 October in each year commencing on and including 10 April 2007 to and including the Maturity Date.
(viii)	Business Day Convention:	Not Applicable
(ix)	Business Centre(s) (Condition 5(a)):	Not Applicable
(x)	Minimum Rate of Interest:	0.00 per cent per annum
(xi)	Maximum Rate of Interest:	7.00 per cent per annum
(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:	EUR 1,000,000 per <i>Obligation Foncière</i> of EUR 1,000,000 Specified Denomination.
23	Early Redemption Amount	Not Applicable
	Early Redemption Amount(s) of each <i>Obligation Foncière</i> 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).	

GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

24	Form of <i>Obligations Foncières</i> :	<i>Dematerialised Obligations Foncières</i>
	(i) Form of Dematerialised <i>Obligations Foncières</i> :	Bearer dematerialised form (<i>au porteur</i>)
	(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:	TARGET
	(i) Adjusted Payment Date (Condition 7(h)):	

For the purposes of these *Obligations Foncières* only the adjustment of Payment Dates shall be in accordance with the Modified Following Business Day Convention, where if any Payment Date would otherwise fall on a day that is not a business day, then such date shall be postponed to the next day that is a business day unless it would thereby fall in the next calendar month, in which such event such date for payment shall be brought forward to the immediately preceding business day

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| 26 | Talons for future Coupons or Receipts to be attached to definitive Materialised <i>Obligations Foncières</i> (and dates on which such Talons mature): | Not Applicable |
| 27 | Details relating to Partly Paid <i>Obligations Foncières</i> : 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 <i>Obligations Foncières</i> : amount of each instalment, date on which each payment is to be made: | Not Applicable |
| 29 | Redenomination, renominalisation and reconventioning provisions: | Not Applicable |
| 30 | Consolidation provisions: | Not Applicable |
| 31 | Representation of holders of <i>Obligations Foncières Masse</i> (Condition 10): | <p>The initial Representative will be:
 Antoine de Chauveron
 23, avenue Foch
 75016 Paris</p> <p>The alternative Representative will be:
 Laurent Valery Radot
 23, avenue Foch
 75016 Paris</p> <p>The Representative will not be remunerated.</p> |
| 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: | Morgan Stanley & Co. International Limited |

35 Additional selling restrictions:

FRANCE:

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

- (i) it has not offered or sold and will not offer or sell, directly or indirectly, any *Obligations Foncières* to the public in France and
- (ii) it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the relevant Final Terms or any other offering material relating to the *Obligations Foncières* and

such offers, sales and distributions have been and will be made in France only to qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L. 411-1, L. 411-2, D. 411-1 to D. 411-3 of the French Monetary and Financial Code, but excluding individuals referred to in Article D.411-1 II 2° of the French Monetary and Financial Code

LISTING AND ADMISSION TO TRADING APPLICATION

These Final Terms comprise the final terms required to list and have admitted to trading the issue of *Obligations Foncières* described herein pursuant to the Euro 75,000,000,000 Euro Medium Term Note Programme of Dexia Municipal Agency.

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. RISK FACTORS

Not Applicable

2. LISTING AND ADMISSION TO TRADING

- (i) Listing: Bourse de Luxembourg (regulated market of the Luxembourg Stock Exchange).
- (ii) Admission to trading: Application has been made for the *Obligations Foncières* to be admitted to trading on Bourse de Luxembourg (regulated market of the Luxembourg Stock Exchange) with effect from the Issue Date.
- (iii) Estimate of total expenses related to admission to trading: Not Applicable

3. 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.

4. 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.

5. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the *Obligations Foncières* has an interest material to the offer.

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

- (i) Reasons for the offer: See "Use of Proceeds" wording in Base Prospectus
- (ii) Estimated net proceeds: Euro 50,000,000
- (iii) Estimated total expenses: Not Applicable

7. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Details of the past and future performance and other background information in respect of Indices may be obtained from the relevant website <http://europa.eu.int/comm/eurostat> in respect of the HICPXT and www.insee.fr in respect of the HICP.

8. OPERATIONAL INFORMATION

ISIN Code: FR0010379073

Common Code: 026943051

Depositories:

(i) Euroclear France to act as
Central Depository Yes

(ii) Common Depository for
Euroclear Bank S.A./N.V.
and Clearstream No
Luxembourg

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

Delivery: Delivery against payment

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

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

Paying Agents:

Dexia Bank Belgium SA
44, boulevard Pachéco
B-1000 Brussels
Belgium

RBC Dexia Investor Services Bank France S.A.
105, rue Réaumur
75002 Paris
France

Name and address of the
Determination Agent: **Morgan Stanley & Co. International Limited**
25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

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

The aggregate principal amount of
Obligations Foncières issued has Not Applicable

been translated into Euro at the rate
of [currency] per Euro 1.00,
producing a sum of: