

Pricing Supplement
DEXIA MUNICIPAL AGENCY

Euro 45,000,000,000
Euro Medium Term Note Programme
for the issue of *Obligations Foncières*

SERIES NO: 166

TRANCHE NO: 1

EUR 100,000,000 CMS Linked Obligations Foncières due 13 May, 2022 (the “Obligations Foncières”)

Issue Price: 100.00 per cent.

Merrill Lynch International

Holders and prospective purchasers of *Obligations Foncières* should ensure that they understand the nature of the *Obligations Foncières* and the extent of their exposure to risk and that they consider the suitability of the *Obligations Foncières* as an investment in the light of their own circumstances and financial condition. Holders and prospective purchasers of the *Obligations Foncières* should conduct their own investigations and, in deciding whether or not to purchase the *Obligations Foncières*.

Given the highly specialised nature of the *Obligations Foncières*, the Issuer and the Dealer consider that they are only suitable for highly sophisticated investors who are able to determine for themselves the risk of an investment on which the return is determined in this way.

Consequently, if you are not an investor who falls within the description above you should not consider purchasing these *Obligations Foncières* without taking detailed advice from a specialised professional adviser.

The date of this Pricing Supplement is 12 May, 2005

This Pricing Supplement, under which the *obligations foncières* described herein (the "**Obligations Foncières**") are issued, contains the final terms of the *Obligations Foncières*, and is supplemental to, and should be read in conjunction with, the original offering circular (the "**Offering Circular**") dated 9 July 2004 issued in relation to the Euro 45,000,000,000 Euro Medium Term Note Programme of Dexia Municipal Agency for the issue of *Obligations Foncières*. Terms defined in the Offering Circular have the same meaning in this Pricing Supplement. The *Obligations Foncières* will be issued on the terms of this Pricing Supplement read together with the Offering Circular. The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular, contains all information that is material in the context of the issue of the *Obligations Foncières*.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of the *Obligations Foncières*.

Except as disclosed in this document, (i) there has been no significant change in the financial or trading position of the Issuer since 31 December 2004 and no material adverse change in the financial position or prospects of the Issuer since 31 December 2004 and (ii) there has been no significant change in the financial or trading position of Dexia Crédit Local or the Dexia Crédit Local Group since 31 December 2004 and no material adverse change in the financial position or prospects of Dexia Crédit Local or the Dexia Crédit Local Group since 31 December 2004.

The Offering Circular, together with this Pricing Supplement, contains all information relating to the assets and liabilities, financial position, profits and losses of the Issuer or Dexia Crédit Local which is material in the context of the issue and offering of the *Obligations Foncières* and nothing has happened which would require the Offering Circular to be further supplemented or to be updated in the context of the issue and offering of the *Obligations Foncières*.

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 *privilège* defined in Article L.515-19 of the French *Code monétaire et financier*, after settlement of this issue and of the issues which have been the subject of previous attestations.

Signed:

Authorised Officer



This Pricing Supplement has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

1	Issuer:	Dexia Municipal Agency
2	(i) Series Number:	166
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Euro (“EUR”)
4	Aggregate Nominal Amount:	
	(i) Series:	EUR 100,000,000
	(ii) Tranche:	EUR 100,000,000
5	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds:	EUR 100,000,000
6	Specified Denominations:	EUR 10,000
7	(i) Issue Date:	13 May 2005
	(ii) Interest Commencement Date:	Issue Date
8	Maturity Date:	13 May 2022
9	Interest Basis:	Floating Rate (further particulars specified below in item 17)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Options:	Not Applicable
13	Status:	<i>Obligations Foncières</i>
14	Listing:	Luxembourg
15	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate	<i>Obligation Foncière</i>	Not Applicable
	Provisions		
17	Floating Rate	<i>Obligation Foncière</i>	Applicable
	Provisions		

- (i) **Interest Period(s)** The period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) a Specified Interest Payment and ending on (but excluding) the next succeeding Specified Interest Payment Date.
- (ii) **Specified Interest Payment Dates:** Interest Amounts on the Obligations Foncières shall be payable annually on 13th May in each year from and including 13 May, 2006 to and including 13 May, 2022
- (iii) **Business Day Convention:** Not Applicable
- (iv) **Business Centre(s) (Condition 5(c)):** Not Applicable
- (v) **Manner in which the Rate(s) of Interest is/are to be determined:** The Rate of Interest for each Interest Period shall be determined by the Calculation Agent in accordance with the following formula:
- 4.88 per cent. x (n/N)
- Subject to a Minimum Rate of Interest as defined in item (xi).
- Where:
- “n” means the number of calendar days in the relevant Interest Period on which the Reference Spread is greater than or equal to the Lower Limit.
- “N” is the actual number of calendar days in the relevant Interest Period.
- “**Reference Spread**” means:
- 10yrEURSwap – 2yrEURSwap
- “**10yrEURSwap**” means the annual mid swap rate for Euro transactions with a maturity of 10 years, expressed as a percentage, quoted on an annual 30/360 day basis versus 6 month EURIBOR, as determined by reference to Reuters Screen ISDAFIX2 Page (or such other page or service determined by the Calculation Agent as may replace Reuters page for the purpose of displaying such rate) under the relevant caption at 11.00 a.m. Frankfurt time on each Determination Date as determined by the Calculation Agent.

“2yrEURSwap” means the annual mid swap rate for Euro transactions with a maturity of 2 years, expressed as a percentage, quoted on an annual 30/360 day basis versus 6 month EURIBOR, as determined by reference to Reuters Screen ISDAFIX2 Page (or such other page or service determined by the Calculation Agent as may replace Reuters page for the purpose of displaying such rate) under the relevant caption at 11.00 a.m. Frankfurt time on each Determination Date as determined by the Calculation Agent.

“Determination Date” means

- each calendar day from and including the first day of the Interest Period to but excluding the Rate Cut-Off Date; and
- the Rate Cut-Off Date for each calendar day from and including the Rate Cut-Off Date to and including the last day of the Interest Period.

For each Determination Date which is not a Business Days the Reference Spread on the immediately preceding Business Day shall apply.

For each Determination Date where the Reference Spread is quoted at a level which is lower than the Lower Limit, such days shall not be considered in the determination of n.

“Rate Cut-Off Date” means the seventh (7) Business Day prior to the Specified Interest Payment Date of the relevant Interest Period.

For the avoidance of doubt, the Reference Spread on the seventh Business Day before the Specified Interest Payment Date of the relevant Interest Period will be the applicable Reference Spread for each calendar day following the seventh Business Day prior to the Specified Interest Payment Date of the relevant Interest Period.

“Lower Limit” means 0.30 per cent.

		“Business Day” means a day on which the TARGET System is operating.
(vi)	Interest Period Date(s):	Not Applicable
(vii)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s):	“Calculation Agent” shall mean Merrill Lynch Capital Services, Inc. (see item 42)
(viii)	Screen Rate Determination (Condition 5(c)(iii)(B)):	Not Applicable
(ix)	ISDA Determination (Condition 5(c)(iii)(A)):	Not Applicable
(x)	Margin(s):	Not Applicable
(xi)	Minimum Rate of Interest:	a) For each Interest Period in the period from and including the Issue Date to but excluding 13 May, 2012 the Minimum Rate of Interest shall be: Zero per cent. per annum. b) For each Interest Period in the period from and including 13 May, 2012 to but excluding 13 May, 2022 the Minimum Rate of Interest shall be: 3.00 per cent. per annum.
(xii)	Maximum Rate of Interest:	Not Applicable
(xiii)	Day Count Fraction (Condition 5(a)):	30/360 (unadjusted)
(xiv)	Rate Multiplier:	Not Applicable
(xv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate <i>Obligations Foncières</i> , if different from those set out in the Conditions:	Should Reuters Screen ISDAFIX2 Page (or other such page or service as shall replace Reuters Screen ISDAFIX2 Page) not be available, or the 10yrEURSwap and/or 2yrEURSwap (as the case may be) not be shown on such page or service at approximately 11.00 a.m. Frankfurt time on each Determination Date, the 10yrEURSwap and/or 2yrEURSwap (as the case may be) will be a percentage determined on the basis of the mid-market annual swap rate quotations provided by the Reference Banks at approximately 11:00 a.m., Frankfurt time, on

that day, and, for this purpose, the mid-market annual swap rate means the mean of the bid and offered rates for the annual fixed leg, calculated on a 30/360 day count basis, of a fixed-for-floating euro interest rate swap transaction with a term equal to 10 or 2 years, as relevant, commencing on that day and in an amount equal to the Aggregate Nominal Amount with an acknowledged dealer of good credit in the swap market, where the floating leg, calculated on an Act/360 day count basis, is equivalent to EUR-EURIBOR-Telerate with a designated maturity of six months. The Calculation Agent will request the principal office of each of the Reference Banks to provide a quotation of its rate. If at least three quotations are provided, the applicable rate for that day will be the arithmetic mean of the quotations eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest).

If no such quotations are provided as requested, and the Calculation Agent determines in its sole discretion that no suitable replacement Reference Banks who are prepared to provide such quotations are available, the Calculation Agent in its sole and absolute discretion shall calculate the applicable rate (or a method for determining such rate) taking into consideration all available information that in good faith it deems relevant.

18	Zero Coupon Obligation Foncière Provisions	Not Applicable
19	Index Linked Interest Obligation Foncière Provisions	Not Applicable
20	Dual Currency Obligation Foncière Provisions	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21	Call Option	Not Applicable
22	Other Option	Not Applicable

23	Final Redemption Amount	EUR10,000 per Obligation Foncière of EUR10,000 Specified Denomination
24	Early Redemption Amount	No

GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

25	Form of <i>Obligations Foncières</i>:	Dematerialised <i>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
26	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	TARGET
	(i) Adjusted Payment Date (Condition 7(h)):	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
27	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
28	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, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29	Details relating to Instalment <i>Obligations Foncières</i>:	Not Applicable
30	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31	Consolidation provisions:	Not Applicable

32 Masse (Condition 10)

Applicable

The initial Representative will be:

M. Antoine de Chauveron

23 avenue Foch

75016 PARIS

France

and

The alternate Representative will be:

M. Laurent Vallery Radot

23 avenue Foch

75016 PARIS

France

The Representative will not receive any remuneration.

33 Other terms or special conditions:

Not Applicable

DISTRIBUTION

34 (i) If syndicated, names of Managers:

Not Applicable

(ii) Stabilising Manager (if any):

Not Applicable

(iii) Dealer's Commission:

Not Applicable

35 If non-syndicated, name of Dealer:

Merrill Lynch International

36 Additional selling restrictions:

France :

Each of the Dealer and the Issuer has acknowledged that the Notes are being issued outside the Republic of France and has represented and agreed that (i) it has not offered or sold, and will not offer or sell, directly or indirectly any Notes to the public in the Republic of France, and (ii) offers and sales of Notes will be made in the Republic of France in accordance with article L. 411-1 and following of the French *Code Monétaire et Financier* and the *Décret* no. 98-880 dated 1 October 1998 relating to qualified investors (*investisseurs qualifiés*).

In addition, each of the Dealer and the Issuer has represented and agreed that it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France the Offering Circular, the Pricing Supplement or any other offering material relating to the Notes, other than to those investors (if any) to whom offers and sales of the Notes in the Republic of France may be made as described above

OPERATIONAL INFORMATION

37	ISIN Code:	FR0010190231
38	Common Code:	021856053
39	Depository(ies)	
	(i) Euroclear France to act as Central Depository	Yes
	(ii) Common Depository for Euroclear and Clearstream, Luxembourg	No
	(iii) Clearstream Banking AG, Frankfurt	No
40	Any clearing system(s) other than Euroclear France, Euroclear Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
41	Delivery:	Delivery against payment

42 The Agents appointed in respect of the *Obligations Foncières* are:

Fiscal Agent, Principal Paying Agent and Luxembourg Listing Agent:

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

Paying Agents:

Dexia Banque S.A./Dexia Bank N.V.
44, boulevard Pacheco
B-1000 Brussels
Belgium

Dexia Investor Services Bank France
105, rue Réaumur
75002 PARIS
France

Calculation Agent:

Merrill Lynch Capital Services, Inc. (or such successor calculation agent as may be appointed from time to time).

2 King Edward Street
London EC1A 1HQ
England

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* . The Calculation Agent shall have no liability in relation to the determinations or calculations provided herein, except in the case of wilful default or bad faith.

- 43 In the case of *Obligations Foncières* listed on Euronext Paris S.A.: Not Applicable
- 44 **OTHER INFORMATION** See Annex 1 (*Description of Assets*), and Annex 2 (*Recent Developments*).

GENERAL

- 45 The aggregate principal amount of *Obligations Foncières* issued has been translated into Euro at the rate of [], producing a sum of: Not Applicable
- 46 Rating AAA by Standard & Poor's Rating Services and AAA expected by Fitch Ratings
Aaa by Moody's Investors Services, Inc.
A security 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.

Annex 1
DESCRIPTION OF THE ASSETS

Assets as at 31 December 2004¹:

LOANS TO LOCAL GOVERNMENTS:

	Capital due in millions of Euros
Loans to French local authorities	
Regions	1,261.00
Departments	4,267.20
Municipalities	16,586.80
Groups of municipalities.....	6,955.60
Public sector entities	5,813.00
Loans wholly guaranteed by local governments.....	271.30
TOTAL	35,154.90
Austria	
Länder	217.30
TOTAL	217.30
Italy	
Municipalities	18.60
TOTAL	18,60
Portugal	
Regions	56.60
Municipalities	163.60
Loans wholly guaranteed by local governments.....	2.50
TOTAL	222.70
Belgium	
Regions	361.00
Loans wholly guaranteed by State or local governments	144.30
TOTAL	505.30

¹ latest description of the Issuer's assets publicly disclosed.

Switzerland	
Cantons.....	177.40
Municipalities	169.30
Loans wholly guaranteed by local governments.....	1,004.60
TOTAL	1,351.30
Finland	
Municipalities	51.30
Public sector entities	30.80
TOTAL	82.10
Sweden	
Municipalities	144.40
Loans wholly guaranteed by local governments.....	110.80
TOTAL	255.20
DEBT SECURITIES:	
France	
Regions	50
Departments	3
Municipalities	239.50
Groups of municipalities	0
TOTAL	292.50
Italy	
State	599.20
Regions	395.20
Provinces.....	208.40
Municipalities	966.40
Asset Backed Securities.....	52.40
Securities issued by DCC – Dexia Crediop per la Cartolarizzazione.....	1,128.90
TOTAL	3,350.50
Greece	
State	31.20
Regions	0
Departments	0
Towns	0

Asset Backed Securities.....	0
Others Public Authorities	0
TOTAL	31.20
Portugal	
State	0
Regions	8.50
Departments	0
Towns	0
Debt securities guaranteed by state or by local governments	47.50
TOTAL	56
Austria	
State	0
Regions	0
Departments	0
Towns	0
Asset Backed Securities.....	93.30
Other Public Authorities	0
TOTAL	93.30
Iceland	
State	0
Regions	0
Departments	0
Towns	0
Asset Backed Securities.....	0
Debt securities guaranteed by state or by local governments	50.40
TOTAL	50.40
Spain	
Cedulas territoriales.....	1,300
Regions	0
Departments.....	0
Towns	0
Asset Backed Securities	0
Debt securities guaranteed by state or by local governments.....	250

TOTAL	1,550
Belgium	
State	0
Regions	93.30
Communities	189.60
Towns	0
Asset Backed Securities	0
Debt securities guaranteed by state or by local governments	126.50
TOTAL	409.40
Switzerland	
Cantons	16.50
TOTAL	16.50
USA	
Member States	145
Municipalities	132.30
TOTAL	277.30
Germany	
Länder	70.00
Debt securities guaranteed by state or by local governments	38.60
TOTAL	108.60
Canada	
Provinces	22.40
Municipalities	0
TOTAL	22.40

Annex 2

RECENT DEVELOPMENTS

Since 1 January 2004, Dexia Municipal Agency has made the following issues of *Obligations Foncières*:

- AUD 250,000,000 due January 2009
- AUD 200,000,000 due April 2014
- AUD 200,000,000 due February 2012
- AUD 200,000,000 due April 2008
- CHF 150,000,000 due October 2011
- CHF 200,000,000 due March 2015
- AUD 150,000,000 due April 2014 to be assimilated to the existing AUD 200,000,000 issue due April 2014
- AUD 100,000,000 due February 2009 to be assimilated to the existing AUD 250,000,000 issue due February 2009
- under the EMTN Programme a total of approximately EUR 11,291,151,827

Following a normal distribution of dividends in an amount of EUR 60,000,000, the General meeting of Dexia Municipal Agency on 31 March 2005 decided to increase the share capital from EUR 620,000,000 to EUR 680,000,000

Annex 3

SWAP RATES

a) 10yrEURSwap

The 10yrEUR Swap the annual mid swap rate for Euro transactions with a maturity of 10 years, expressed as a percentage, quoted on an annual 30/360 day basis versus 6 month EURIBOR, as determined by reference to Reuters Screen ISDAFIX2 Page under the relevant caption at 11.00 a.m. Frankfurt Time. The rate is normally determined as an average of eight quotes, assuming every dealer reports. The rate provided by the dealer should be the mean of where that dealer would itself offer and bid a swap in the relevant maturity for a notional equivalent amount of USD 50 million or whatever amount is deemed market size in that currency for that tenor to an acknowledged dealer of good credit in the swap market.

	High	Low
2001	5.5575	4.5887
2002	5.4875	4.3830
2003	4.5920	3.5970
October, 2004	4.1450	3.9530
November, 2004	4.0240	3.8255
December, 2004	3.8890	3.6040
January, 2005	3.7240	3.5900
February, 2005	3.8105	3.5152
March, 2005	3.8572	3.7130
April, 2005	3.7090	3.5150

10yrEURSwap rate

6 May, 2005	3.521
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Source: Bloomberg

Such historical data has been extracted from the relevant sources and the Issuer takes responsibility only for the accuracy of the extraction and/or reproduction of such information and has made no independent investigation or verification thereof. The delivery of this Pricing Supplement does not imply any representation on the part of the Issuer, the Calculation Agent or Merrill Lynch International or any other person that any such information is correct.

b) 2yrEURSwap Rate

The 2yrEUR Swap the annual mid swap rate for Euro transactions with a maturity of 2 years, expressed as a percentage, quoted on an annual 30/360 day basis versus 6 month EURIBOR, as determined by reference to Reuters Screen ISDAFIX2 Page under the relevant caption at 11.00 a.m. Frankfurt Time. The rate is normally determined as an average of eight quotes, assuming every dealer reports. The rate provided by the dealer should be the mean of where that dealer would itself offer and bid a swap in the relevant maturity for a notional equivalent amount of USD 50 million or whatever amount is deemed market size in that currency for that tenor to an acknowledged dealer of good credit in the swap market.

	High	Low
2001	4.87	3.1725
2002	4.57	2.896
2003	3.07	2.017
October, 2004	2.76	2.547
November, 2004	2.677	2.51
December, 2004	2.673	2.446
January, 2005	2.649	2.535
February, 2005	2.6665	2.5395
March, 2005	2.7280	2.7670
April, 2005	2.6071	2.3970
	2yrEURSwap rate	
6 May, 2005	2.369	

Source: Bloomberg

Such historical data has been extracted from the relevant sources and the Issuer takes responsibility only for the accuracy of the extraction and/or reproduction of such information and has made no independent investigation or verification thereof. The delivery of this Pricing Supplement does not imply any representation on the part of the Issuer, the Calculation Agent or Merrill Lynch International or any other person that any such information is correct.