



Municipal Agency

DEXIA MUNICIPAL AGENCY

Euro 75,000,000,000 Euro Medium Term Note Programme

for the issue of *Obligations Foncières*

Due from one month from the date of original issue

Under the Euro Medium Term Note Programme described in this Base Prospectus (the “**Programme**”), Dexia Municipal Agency (the “**Issuer**” or “**Dexia MA**”), subject to compliance with all relevant laws, regulations and directives, may from time to time issue *obligations foncières* (the “**Obligations Foncières**”). The aggregate nominal amount of *Obligations Foncières* (issued under the Programme) outstanding will not at any time exceed Euro 75,000,000,000 (or the equivalent in other currencies).

This Base Prospectus replaces and supersedes the Base Prospectus dated 2 July 2010.

This Base Prospectus constitutes a prospectus as defined in Article 5.4 of Directive 2003/71/EC (the “**Prospectus Directive**”) as amended (which includes the amendments made by Directive 2010/73/EU (the “**2010 PD Amending Directive**”) to the extent that such amendments have been implemented in a Member State of the European Economic Area).

Application has been made to the *Commission de surveillance du secteur financier* (the “**CSSF**”) in Luxembourg for approval of this Base Prospectus and application may be made for the notification of a certificate of approval to be released to the competent authorities of other Member States of the EEA, both approval and notification being made in its capacity as competent authority under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 which implements Directive 2003/71/EC of 4 November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading.

Application has been made to the Luxembourg Stock Exchange for *Obligations Foncières* issued under the Programme during a period of 12 months from the date of this Base Prospectus to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange. The Luxembourg Stock Exchange is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC (a “**Regulated Market**”). Application may also be made to the competent authority of any other Member State of the EEA for *Obligations Foncières* issued under the Programme to be listed and admitted to trading on any other Regulated Market in such Member State.

However, *Obligations Foncières* which are not admitted to trading on a Regulated Market, or which are not offered to the public, in a Member State of the EEA may also be issued under the Programme and may also be listed on an alternative stock exchange or may not be listed at all. The relevant final terms (the “**Final Terms**”) (forms of which are contained herein) in respect of the issue of any *Obligations Foncières* will specify whether or not such *Obligations Foncières* will be admitted to trading and/or offered to the public and, if so, the relevant Regulated Market in the EEA and/or the Member State(s) in the EEA where the *Obligations Foncières* will be offered to the public and will be published, if relevant and if required by any applicable regulation, on the website of the Regulated Market where the admission to trading is sought.

Obligations Foncières may be issued either in dematerialised form (“**Dematerialised Obligations Foncières**”) or in materialised form (“**Materialised Obligations Foncières**”) as more fully described herein.

Dematerialised *Obligations Foncières* will at all times be in book entry form in compliance with Articles L. 211-3 and R. 211-1 of the French *Code monétaire et financier* (the “**French Monetary and Financial Code**”). No physical documents of title will be issued in respect of the Dematerialised *Obligations Foncières*.

Dematerialised *Obligations Foncières* may, at the option of the Issuer, be in bearer dematerialised form (*au porteur*) inscribed as from the issue date in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders (as defined in “Terms and Conditions of the *Obligations Foncières* - Form, Denomination, Title and Redenomination”) including Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant holder, in either fully registered form (*nominatif pur*), in which case they will be inscribed with a registration agent (appointed in the relevant Final Terms) for the Issuer, or in administered registered form (*nominatif administré*) in which case they will be inscribed in the accounts of the Account Holders designated by the relevant holders of *Obligations Foncières*.

Materialised *Obligations Foncières* will be in bearer materialised form only and may only be issued outside France. A temporary global certificate in bearer form without interest coupons attached (a “**Temporary Global Certificate**”) will initially be issued in connection with Materialised *Obligations Foncières*. Such Temporary Global Certificate will be exchanged for definitive Materialised *Obligations Foncières* in bearer form with, where applicable, coupons for interest attached on or after a date expected to be on or about the 40th day after the issue date of the *Obligations Foncières* (subject to postponement as described in “Temporary Global Certificates issued in respect of Bearer Materialised *Obligations Foncières*”) upon certification as to non-U.S. beneficial ownership as more fully described herein.

Temporary Global Certificates will (a) in the case of a Tranche (as defined in the section “Summary of the Programme - Method of Issue”) intended to be cleared through Euroclear and/or Clearstream, Luxembourg, be deposited on the issue date with a common depository on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear and/or Clearstream, Luxembourg or delivered outside a clearing system, be deposited as agreed between the Issuer and the relevant Dealer (as defined below).

It is expected that the *Obligations Foncières* issued under the Programme will be rated AAA by Standard & Poor’s Rating Services (“**S&P**”) and Fitch Ratings (“**Fitch**”), and Aaa by Moody’s Investors Services, Inc. (“**Moody’s**”). The rating (if any) will be specified in the relevant Final Terms. The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of the Regulation (EC) No. 1060/2009 on credit ratings agencies (the “**CRA Regulation**”) as having been issued by S&P, Fitch and Moody’s upon registration pursuant to the CRA Regulation, although the result of such application has not yet been determined. The relevant Final Terms will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

The final terms of the *Obligations Foncières* will be determined at the time of the offering of each Tranche based on then prevailing market conditions and will be set out in the relevant Final Terms.

Arrangers

Deutsche Bank

Morgan Stanley

Dealers

Barclays Capital

BNP PARIBAS

Commerzbank

Crédit Agricole CIB

Credit Suisse

Deutsche Bank

Dexia Capital Markets

Goldman Sachs International

J.P. Morgan

Morgan Stanley

NATIXIS

Nomura International

Société Générale Corporate & Investment Banking

The Royal Bank of Scotland

UBS Investment Bank

UniCredit Bank

The date of this Base Prospectus is 8 April 2011.

This Base Prospectus is to be read in conjunction with all documents which are incorporated herein by reference in accordance with Article 28 of the European Commission Regulation No. 809/2004 dated 29 April 2004 (see “Documents Incorporated by Reference” below) and may only be used for the purposes for which it has been published.

No person has been authorised to give any information or to make any representation other than those contained in this Base Prospectus in connection with the issue or sale of the *Obligations Foncières* 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 or the Arrangers (as defined in “Summary of the Programme”). Neither the delivery of this Base Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer since the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The distribution of this Base Prospectus and the offering or sale of the *Obligations Foncières* in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus comes are required by the Issuer, the Dealers and the Arrangers to inform themselves about and to observe any such restriction.

The *Obligations Foncières* have not been and will not be registered under the United States Securities Act of 1933 (the “Securities Act”) or with any securities regulatory authority of any state or other jurisdiction of the United States and the *Obligations Foncières* may include Materialised *Obligations Foncières* in bearer form that are also subject to U.S. tax law requirements. Subject to certain exceptions, *Obligations Foncières* may not be offered, sold or delivered within the United States.

THE OBLIGATIONS FONCIERES ARE BEING OFFERED IN RELIANCE ON REGULATION S.

The Materialised *Obligations Foncières* 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 U.S. person, except in certain transactions permitted by U.S. tax regulations.

For a description of certain restrictions on offers and sales of *Obligations Foncières* and on distribution of this Base Prospectus, see “Subscription and Sale”.

This Base Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any *Obligations Foncières*.

The Arrangers and the Dealers have not separately verified the information contained in this Base Prospectus. None of the Dealers or the Arrangers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements nor any other information incorporated by reference are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arrangers or the Dealers that any recipient of this Base Prospectus or any other financial statements or any other information incorporated by reference should purchase the *Obligations Foncières*. Each potential purchaser of *Obligations Foncières* should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of *Obligations Foncières* should be based upon such investigation as it deems necessary. None of the Dealers or the Arrangers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus nor to advise any investor or potential investor in the *Obligations Foncières* of any information coming to the attention of any of the Dealers or the Arrangers.

In connection with the issue of any Tranche, the Dealer or Dealers (if any) named as the stabilising manager(s) (the “Stabilising Manager(s)”) (or person(s) acting on behalf of any Stabilising Manager(s)) in

the applicable Final Terms may over-allot *Obligations Foncières* or effect transactions with a view to supporting the market price of the *Obligations Foncières* at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or person(s) 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 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 and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment shall be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and rules.

In this Base Prospectus, unless otherwise specified or the context otherwise requires, references to “€”, “Euro”, “EUR” or “euro” are to the currency of the participating member states of the European Union which was introduced on 1 January 1999, references to “£”, “GBP”, “pounds sterling” and “Sterling” are to the lawful currency of the United Kingdom references to “\$”, “USD” and “US Dollars” are to the lawful currency of the United States of America, references to “¥”, “JPY”, “Japanese yen” and “Yen” are to the lawful currency of Japan, references to “CHF” and “Swiss francs” are to the lawful currency of the Helvetic Confederation and references to “CAD” and “Canadian Dollars” are to the lawful currency of Canada.

PERSON RESPONSIBLE FOR THE INFORMATION SET OUT IN THE BASE PROSPECTUS

The Issuer accepts responsibility for the information contained in this Base Prospectus. The Issuer declares, having taken all reasonable care to ensure that such is the case, that to the best of the knowledge of the Issuer the information contained in this Base Prospectus is in accordance with the facts and does not omit anything likely to affect the import of such information.

Dexia Municipal Agency
Tour Dexia
La Défense 2
1, passerelle des Reflets
92913 La Défense Cedex
France

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SUMMARY OF THE PROGRAMME

The following paragraph is to be read as an introduction to the Summary if the relevant Member State has not implemented the changes to the Summary requirements under the Directive 2010/73/EU (the “**2010 PD Amending Directive**”):

*This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Obligations Foncières should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of Directive 2003/71/EC (the “**Prospectus Directive**”) as supplemented by the European Commission Regulation No. 809/2004 dated 29 April 2004 (the “**Prospectus EU Regulation**”) in each Member State of the European Economic Area, no civil liability will attach to the Issuer on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus. Where a claim relating to the 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.*

The following paragraph is to be read as an introduction to the Summary if the relevant Member State has implemented the changes to the Summary requirements under the 2010 PD Amending Directive:

This summary must be read as an introduction to this Base Prospectus and any decision to invest in the Obligations Foncières should be based on a consideration of the Base Prospectus as a whole, including the documents incorporated by reference. Following the implementation of the relevant provisions of the Prospectus Directive (Directive 2003/71/EC, as amended by Directive 2010/73/EU) in each Member State of the European Economic Area, no civil liability will attach to the Issuer in any such Member State solely on the basis of this summary, including any translation thereof, unless it is misleading, inaccurate or inconsistent when read together with the other parts of this Base Prospectus or it does not provide, when read together with the other parts of this Base Prospectus, key information in order to aid investors when considering whether to invest in the Obligations Foncières. Where a claim relating to the 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 this Base Prospectus before the legal proceedings are initiated.

1-KEY INFORMATION ABOUT **OBLIGATIONS FONCIÈRES** TO BE ISSUED UNDER THE PROGRAMME

Issuer:	Dexia Municipal Agency.
Description:	Euro Medium Term Note Programme for the issue of <i>Obligations Foncières</i> .
Arrangers:	Deutsche Bank AG, Paris Branch and Morgan Stanley & Co. International plc.
Dealers:	Barclays Bank PLC, BNP PARIBAS, Commerzbank Aktiengesellschaft, Crédit Agricole Corporate and Investment Bank, Credit Suisse Securities (Europe) Limited, Deutsche Bank Aktiengesellschaft, Dexia Banque Internationale à Luxembourg, société anonyme (acting under the name of Dexia Capital Markets), Goldman Sachs International, J.P. Morgan Securities Ltd., Morgan Stanley & Co. International plc, Natixis, Nomura International plc, Société Générale, The Royal Bank of Scotland plc, UBS Limited, UniCredit Bank AG. At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a member state of the European Union (“ EU ”) and which are authorised by the relevant authority of such

member state to lead-manage bond issues in such member state may act (a) as Dealers with respect to non-syndicated issues of *Obligations Foncières* denominated in euro and (b) as lead manager of issues of *Obligations Foncières* denominated in euro issued on a syndicated basis.

Programme Limit:

Up to Euro 75,000,000,000 (or its equivalent in other currencies at the date of issue) aggregate nominal amount of *Obligations Foncières* outstanding at any one time.

Fiscal Agent and Principal Paying Agent:

Dexia Banque Internationale à Luxembourg, société anonyme

Paying Agent:

Dexia Banque Belgium SA

Luxembourg Listing Agent:

Dexia Banque Internationale à Luxembourg, société anonyme

Method of Issue:

The *Obligations Foncières* will be issued on a syndicated or non-syndicated basis. The *Obligations Foncières* will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount), the *Obligations Foncières* of each Series being intended to be interchangeable with all other *Obligations Foncières* of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a Final Terms to this Base Prospectus (the “**Final Terms**”).

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue.

Currencies:

Euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling, Canadian Dollars and in any other currency specified in the relevant Final Terms.

Commercial terms of the *Obligations Foncières* (price, amount, interest rate, etc.):

The commercial terms and conditions of the *Obligations Foncières* of each Series of *Obligations foncières* will be set out in the applicable Final Terms.

Denomination:

The *Obligations Foncières* will be in such denominations as may be specified in the relevant Final Terms.

The *Obligations Foncières* will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each *Obligation Foncière* admitted to trading on a regulated market, 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 *Obligations Foncières* are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher 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.

Obligations Foncières having a maturity of less than one year will 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.

Dematerialised *Obligations Foncières* shall be issued in one denomination only.

Use of Proceeds:

Unless the Final Terms provide otherwise, the net proceeds of the issue of the *Obligations Foncières* will be used for the Issuer's general corporate purposes.

Status of *Obligations Foncières*:

The *Obligations Foncières* will constitute direct and unconditional obligations of the Issuer, and, as provided below, benefit from the *privilege* defined by Article L.515-19 of the French Monetary and Financial Code.

The *Obligations Foncières* are issued under Articles L.515-13 to L.515-33 of the French Monetary and Financial Code. Holders of *Obligations Foncières* benefit from a *privilege* (priority right of payment) over all the assets and revenues of the Issuer.

Form of *Obligations Foncières*:

Obligations Foncières may be issued in either dematerialised form (“**Dematerialised *Obligations Foncières***”) or in materialised form (“**Materialised *Obligations Foncières***”).

Dematerialised *Obligations Foncières* may be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*).

Materialised *Obligations Foncières* will be in bearer form only.

Negative Pledge:

None.

Events of Default (including Cross Default):

None.

Interest:

Obligations Foncières may be interest bearing or non-interest bearing. Interest (if any) may accrue at a fixed rate or a floating rate or other variable rate or be index-linked and the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Redemption:

The Final Terms will specify the basis for calculating the redemption amount and, if applicable, the conditions under which the *Obligations Foncières* may be redeemed prior to maturity at the option of the Issuer or automatically.

Taxation:

All payments of principal and interest by or on behalf of the Issuer in respect of the *Obligations Foncières* shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

Unless otherwise specifically provided in the Final Terms, there will be no grossing up provisions and accordingly no Issuer's tax call option. See “Terms and Conditions of the *Obligations Foncières* – Taxation”.

Central Depository:	Euroclear France in respect of Dematerialised <i>Obligations Foncières</i> .
Clearing Systems:	Euroclear and Clearstream, Luxembourg
Listing and Admission to trading:	<i>Obligations Foncières</i> of any particular Series may be listed on the official list and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange or listed on such other or additional stock exchanges as may be specified in the applicable Final Terms, or unlisted. The applicable Final Terms will state whether or not the relevant <i>Obligations Foncières</i> are to be listed and, if so, on which stock exchange(s).
Offer to the public:	The <i>Obligations Foncières</i> may or may not be offered to the public in Luxembourg and/or in any Member State of the European Economic Area, provided that such offer to the public is made in accordance with the public offer selling restrictions under the Prospectus Directive (see “Subscription and Sale”).
Method of Publication of the Final Terms:	The Final Terms related to <i>Obligations Foncières</i> admitted to trading will be published, if relevant on the website of the Luxembourg Stock Exchange (www.bourse.lu) or, if required by any applicable regulation, on the website of the Regulated Market where the admission to trading is sought, and copies may be obtained from Dexia Municipal Agency, Tour Dexia, La Défense 2 - 1, passerelle des Reflets, TSA 92202 - 92919 La Défense Cedex, France or through any other means in accordance with the terms of Article 14 of the Prospectus Directive. The Final Terms will indicate where the Base Prospectus may be obtained.
Rating:	<p><i>Obligations Foncières</i> 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.</p> <p>The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of the Regulation (EC) No. 1060/2009 on credit ratings agencies (the “CRA Regulation”) as having been issued by Moody’s Investors Services, Inc, Standard & Poor’s Rating Services, Fitch Ratings upon registration pursuant the CRA Regulation, although the result of such application has not yet been determined.</p> <p>The rating will be specified in the Final Terms.</p> <p>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.</p>
Selling Restrictions:	The offer and sale of <i>Obligations Foncières</i> will be subject to selling restrictions in various jurisdictions, in particular, those of the United States of America, those of France and the United Kingdom (see “Subscription and Sale”). Further restrictions that may apply to a Series of <i>Obligations Foncières</i> will be specified in the applicable Final Terms. The Issuer is Category 1 for the purposes of Regulation S.
Governing Law:	French law.

2-KEY INFORMATION ABOUT THE ISSUER

A. Key information about Dexia Municipal Agency

Description:

Dexia Municipal Agency, a *société anonyme à Directoire et Conseil de Surveillance* incorporated under French law, is a *société de crédit foncier*. It is registered as a company under the number Nanterre 421 318 064 (Nanterre Trade and Companies Register).

The company was approved by the *Comité des établissements de crédit et des entreprises d'investissement* (the "CECEI") on 30 August 1999, as *société financière - société de crédit foncier*. This approval became definitive on 1 October 1999. It is governed by the provisions of Articles L.210-1 and following of the French Code of Commerce, Articles L.511-1 and following of the French Monetary and Financial Code and Articles L.515-13 and following of the French Monetary and Financial Code.

Dexia Municipal Agency's registered office is located at Tour Dexia, La Défense 2 - 1, passerelle des Reflets - 92913 La Défense, France (Telephone: +33 1 58 58 77 77).

Business Overview:

Dexia Municipal Agency's exclusive purpose is (in accordance with Article 2 of its by-laws):

- to grant or acquire loans to public sector entities as defined in Article L.515-15 of the French Monetary and Financial Code as well as assets considered as loans as defined in Article L.515-16 of the same Code;
- to hold assets defined by decree as replacement assets (*valeurs de remplacement*);
- in order to finance the above-mentioned loans, to issue *obligations foncières* benefiting from the *privilège* defined in Article L.515-19 of the French Monetary and Financial Code and to raise other funds, under issue or subscription contract referring to the *privilège*.

Dexia Municipal Agency may also fund the above-mentioned activities by issuing bonds or other resources of financing that do not benefit from the *privilège* defined in Article L.515-19 of the French Monetary and Financial Code.

Pursuant to the law of 2 January 1981 facilitating corporate borrowing, Dexia Municipal Agency may assign all the assets it owns, whatever their nature (whether professional or not).

Dexia Municipal Agency is a wholly owned subsidiary of Dexia Credit Local, which is itself a wholly-owned subsidiary of Dexia.

Dexia group is active in three lines of business:

- Public and Wholesale Banking;
- Retail and Commercial Banking and
- Asset Management and Services.

The purpose of Dexia Municipal Agency is to finance public sector commitments generated by the Dexia group by issuing *obligations foncières* and raising other funds benefiting from the *Privilège*, all rated AAA/Aaa/AAA.

On 16 September 1999, Dexia Credit Local issued a document containing a statement of financial support to its subsidiary Dexia Municipal Agency (see "Organizational Structure").

B. Key information concerning selected financial data of Dexia Municipal Agency

Dexia MA has been publishing its annual financial statements in accordance with IFRS since 31 December 2008. All financial data presented in this subsection is extracted from Dexia MA's interim unaudited financial statements prepared in accordance with IAS 34.

As of 31 December 2010, total assets of Dexia MA amounted to €94.2 billion and shareholders' equity excluding unrealized gains and losses amounted to €1.3 billion.

As of the same date, debt securities in the form of *obligations foncières* and other resources benefiting from the privilège totaled €64.3 billion (accrued interest excluded) on the balance sheet (corresponding to €63.6 billion in swapped value (accrued interest excluded)). Cash collateral received in accordance with hedging derivatives contracts that benefit from the same privilège as the obligations foncières, amounted to €1.3 billion. The financing provided by Dexia Credit Local totaled €12.5 billion.

3-RISK FACTORS

A. Risk factors relating to the Issuer

Factors that may have an impact on the Issuer can be summarised as follows:

- Risk of default in its Cover Pool;
- Geographic concentration risk in its Cover Pool;
- Risk of default of its bank counterparties;
- Risk of a liquidity shortfall if it does not settle its debt commitments in a timely fashion;
- Dependence on Dexia Credit Local, its parent company, for its operations;
- Risk of failure or malfunction of the operational risk management systems put in place by Dexia Credit Local;
- Risks linked to compliance with the Coverage Ratio required of it under French law;
- Dependence on Dexia Credit Local for the unsecured funding of its over-collateral;
- Risks relating to the EU local government and municipal lending market;
- Interest rate risk on its portfolio of assets which make up the Cover Pool;
- Credit rating of Dexia MA's obligations foncières will be affected by the credit rating of Dexia Credit Local;
- Dexia MA undertakes no due diligence as to the assets originated by its affiliates;
- The *Obligations Foncières* are obligations of Dexia MA only;
- Dexia MA faces significant competition in the local government and municipal lending market;
- Dexia MA applies certain critical accounting policies in preparing its financial statements in accordance with IFRS;
- Holders have access to a limited description of the Cover Pool; and
- Dexia MA's operations are subject to legal risks arising from changes in law.

B. Risk factors relating to the Obligations Foncières to be issued under the Programme

In addition, there are certain factors that are specific to the *Obligations Foncières* to be issued under the Programme.

An investment in the *Obligations Foncières* involves certain risks which are material for the purpose of assessing the market risks associated with *Obligations Foncières* issued under the Programme. While all of these risk factors are contingencies which may or may not occur, potential investors should be aware that the risks involved with investing in the *Obligations Foncières* may lead to volatility and/or a decrease in the market value of the relevant Tranche of *Obligations Foncières* whereby the market value falls short of the expectations (financial or otherwise) of an investor who has made an investment in such *Obligations Foncières*.

However, each prospective investor in *Obligations Foncières* must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the *Obligations*

Foncières is fully consistent with its financial needs, objectives and conditions, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the *Obligations Foncières*.

These risk factors are more detailed in the section headed “Risk factors” of this Base Prospectus.

RISK FACTORS

Prospective purchasers of the Obligations Foncières offered hereby should consider carefully, in light of their financial circumstances and investment objectives, all of the information in this Base Prospectus and, in particular, the risk factors set forth below in making an investment decision.

RISK FACTORS RELATING TO THE ISSUER

Dexia MA believes that the following factors may affect its ability to fulfill its obligations under Obligations Foncières issued under the Programme. All of these factors are contingencies which may or may not occur and Dexia MA 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 Obligations Foncières issued under the Programme are also described below.

Dexia MA believes that the factors described below represent the principal risks inherent in investing in Obligations Foncières issued under the Programme, but the inability of Dexia MA to pay interest, principal or other amounts on or in connection with any Obligations Foncières may occur for other reasons and Dexia MA does not represent that the statements below regarding the risks of holding any Obligations Foncières are exhaustive. The risks described below are not the only risks Dexia MA faces. Additional risks and uncertainties not currently known to Dexia MA or that it currently believes to be immaterial could also have a material impact on its business operations. Prospective investors should also read the detailed information set out elsewhere in this Base Prospectus (including any document deemed to be incorporated by reference herein) and the applicable Final Terms and reach their own views in light of their financial circumstances and investment objectives prior to making any investment decision. In particular, investors should make their own assessment as to the risks associated with the Obligations Foncières prior to investing in Obligations Foncières issued under the Programme.

These Risk Factors may be completed in the Final Terms of the relevant Obligations Foncières for a particular issue of Obligations Foncières.

1. Risk of default in its Cover Pool

Dexia MA is exposed to the risk of default on the pool of assets included in its portfolio used as cover for the issuance of *Obligations Foncières* under the Programme (the “**Cover Pool**”). The classes of assets that Dexia MA may own within its Cover Pool are restricted to specific categories narrowly defined by French law, and for Dexia MA these categories are further limited to transactions with public sector entities or entities guaranteed by public sector entities under the license granted by the CECEI (*Comité des établissements de crédit et des entreprises d’investissement*) (an institution now merged into the French Prudential Control Authority). See “Description of Dexia Municipal Agency”. Consequently, almost all of the Cover Pool comprises loans to, or bonds purchased from, local governments and municipalities originated by Dexia Credit Local on behalf of Dexia MA, or other Dexia Group affiliates. The ability of public sector borrowers, including local governments and municipalities, to meet their payment obligations will be affected by their levels of indebtedness, social spending obligations, interest rates and tax revenue collections, each of which can be adversely affected by a deterioration of general economic conditions. Deteriorating economic conditions could therefore have a material adverse effect on the credit quality of the assets in the Cover Pool.

In addition, certain geographic regions of Europe to which Dexia MA has credit exposure through its lending to local authorities and municipalities may, from time to time, experience weaker regional economic conditions. Assets originated in, and further production in, such areas may experience higher rates of loss and the ability of borrowers to make payments may also be affected by factors such as adverse economic conditions in particular geographic areas or industries or perceptions in financial markets as to the creditworthiness of certain borrowers. Such occurrences may accordingly have an adverse impact on the fair market value of certain assets included in the Cover Pool.

While the eligibility and suitability of assets is vetted by Dexia Credit Local's risk management and permanent control departments, on behalf of Dexia MA, certain default scenarios such as losses on assets representing a significant portion of the Cover Pool may exist, which would ultimately affect the ability of Dexia MA to comply with the terms of the *Obligations Foncières* issued under the Programme. Adverse changes affecting the local economies in which the Dexia Group operates, or the economies of other countries from which Dexia MA sources its assets, could result in, among other things, higher rates of credit defaults on loans and bonds. The materialization of any of the foregoing factors could adversely affect Dexia MA's business, financial condition, cash flows and results of operations, and may result in Dexia MA having insufficient funds to meet its obligations under the *Obligations Foncières*.

2. Geographic concentration risk in its Cover Pool

As of 31 December 2010, over 60% of the Cover Pool, measured by principal amount of the assets, was concentrated in France. The ability of French local authorities and municipal borrowers and guarantors, like other public sector borrowers, to meet their obligations will be affected by the economic factors noted above. Adverse changes in the financial, economic and fiscal conditions within France may have significant consequences for the French public sector borrowers whose obligations are included in the Cover Pool, and consequently, on the credit quality of such obligations.

Furthermore, Dexia MA holds a significant amount of assets representing lending to borrowers in Belgium, Italy, Spain and Switzerland. Adverse financial, economic and fiscal conditions in these economies and perceived weaknesses of a country's financial situation, such as in Belgium, Spain and Italy, may also have an adverse impact on the credit quality of the assets in the Cover Pool.

3. Risk of default of its bank counterparties

Dexia MA enters into derivative transactions with a number of bank hedge counterparties as part of its currency and interest rate hedging operations. In relation to each such hedging relationship, Dexia MA enters into master agreements with such counterparties that provide for asymmetrical collateralization arrangements (with the counterparties unilaterally posting collateral to Dexia MA). Some of these counterparties, however, are not required to post collateral to Dexia MA as they benefit from the highest credit rating. Dexia MA also holds exposures to certain bank counterparties as issuers of its Replacement Assets, defined as certain high quality assets, mostly covered bonds, eligible for inclusion in its Cover Pool in order to maintain its liquidity position (up to 15% of the nominal amount of all privileged debt allowed by applicable legislation). See "Description of Dexia Municipal Agency – Legislation Relating to *Sociétés de Crédit Foncier*". Since September 2010, Dexia MA has included among its Replacement Assets, short-term investment products (having a maturity of less than 100 days, in accordance with applicable regulations) issued by Dexia Credit Local.

While having hedging relationships with a large number of counterparties is designed to mitigate risk, Dexia MA is nonetheless exposed to the risk of default of its bank counterparties. If certain hedge counterparties that do not post collateral default as to payment, Dexia MA is likely to experience losses and reduced liquidity. Likewise, Replacement Assets issued by banks expose Dexia MA to credit and liquidity risk from such banks should their financial condition deteriorate. Dexia MA may also experience losses in the form of reduced value of assets, due to a decrease in a bank counterparty's or issuers of replacement assets' financial position. Any such losses could adversely affect Dexia MA's business, financial condition, cash flows and results of operations, and may result in Dexia MA having insufficient funds to meet its obligations with respect to the *Obligations Foncières*.

4. Risk of a liquidity shortfall if it does not settle its debt commitments in a timely fashion

Dexia MA is exposed to liquidity risk arising from the gap between the date it is reimbursed in connection with various assets it holds and the date it is required to settle its liabilities. The maturity and amortization profile of the Cover Pool does not match the repayment profile and the maturity schedule of the privileged debt. The duration gap between the Cover Pool and the privileged liabilities may widen in the future. As a matter of management policy, Dexia MA has limited the maximum duration gap between the assets and the resources benefiting from the *privilège* to three years. This requires Dexia MA to have appropriate liquidity positions to cover its liability

commitments as they become due to avoid any shortfall in liquidity. To maintain its liquidity in case of market disruptions that prevent Dexia MA from issuing new *obligations foncières*, Dexia MA relies on non-privileged debt provided by its parent, Dexia Credit Local, and, if needed, on secured financings it can borrow from the *Banque de France* or from financial institution counterparties using its assets from the Cover Pool, a significant part of which is eligible as collateral for such liquidity operations (including Replacement Assets). However, any gap between receipt of funds and funding of its commitments may lead to Dexia MA not settling its debt commitments on time. If Dexia MA's ability to access funds from its parent, Dexia Credit Local, is diminished, and if it no longer maintains sufficient assets eligible for refinance with financial institution counterparties, a liquidity shortfall may occur that will adversely affect Dexia MA's business, financial condition, cash flows and results of operations and may result in Dexia MA having insufficient funds to meet its obligations with respect to the *Obligations Foncières*.

5. Dependence on Dexia Credit Local, its parent company, for its operations

As a result of its status as a *société de crédit foncier*, Dexia MA is not permitted to have its own employees and is therefore dependent on the resources dedicated to it by its parent company, Dexia Credit Local, for the day-to-day operation of its business and, in particular, the servicing of its asset portfolio. Dexia Credit Local, in accordance with the terms of the loan service agreement entered into with Dexia MA (which also covers loan origination, servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources, compensation for services and current account services), monitors and controls risks relating to credit, counterparties, market, operations, exchange rates, interest rates, liquidity, and settlement at the level of Dexia MA. Accordingly, Dexia MA is subject to the risk of non-performance or poor performance by Dexia Credit Local under this loan service agreement. Any such non-performance or poor performance could have an adverse impact on Dexia MA's ability to operate and administer its Cover Pool, which could in turn have a material adverse impact on Dexia MA's business, financial condition, cash flows and results of operations.

If Dexia MA were to terminate the loan service agreement or otherwise if Dexia Credit Local fails to provide such services, a new servicer would have to be appointed. The transfer of the servicing function to a new servicer may result in delays, increased costs and/or losses in collections under the assets in the Cover Pool, could create operational and administrative difficulties for Dexia MA and could adversely affect its results of operations, financial condition and business prospects and its ability to perform its obligations under the *Obligations Foncières*.

6. Risk of failure or malfunction of the operational risk management systems put in place by Dexia Credit Local

Dexia Credit Local has put in place risk control procedures intended to identify and map operational risks at the level of Dexia MA. This control system may be subject to risk of failure, malfunction and malfeasance by employees, agents or other third parties, adversely affecting Dexia MA's business, financial condition, cash flows and results of operations.

7. Risks linked to compliance with the Coverage Ratio required of it under French law

The Coverage Ratio of Dexia MA, or the ratio between the Cover Pool assets and the debt benefiting from the *privilege* issued by Dexia MA, has been subject to fluctuation in recent years. Such fluctuation has been driven by factors such as the purchase or origination of assets before issuances of *obligations foncières*, the use of certain assets as collateral for liquidity operations with the *Banque de France*, or the changes in the requirements of the rating agencies. French law requires that the total amount of assets of *sociétés de crédit foncier* must be at least equal to 102% of the amount of liabilities benefiting from the *privilege*. Dexia MA's own management policy sets the minimum Coverage Ratio at 105%, and certain credit rating agencies request higher Coverage Ratios in order to maintain the current ratings assigned to Dexia MA's *obligations foncières*.

As the Cover Pool is limited to interests in obligations of or guaranteed by public sector entities, including various local governments and municipalities, the Coverage Ratio may decline in the event of a decrease in the value of

those interests, such as in the case of significant defaults in payment or decline in creditworthiness. The Coverage Ratio is monitored by the Specific Controller (the “*Contrôleur Spécifique*”) to confirm compliance with French law upon each issuance of *obligations foncières*. If a material amount of assets in the Cover Pool were to default, there is no assurance that the required level of assets within the Cover Pool could be maintained or that Dexia MA would be able to purchase new assets as a substitute for the defaulting assets. Non-compliance with the required Coverage Ratio would lead the French Prudential Control Authority to ask the management of Dexia MA to remedy the situation, and ultimately could lead to the institution of substitute management by the French Prudential Control Authority, or a loss of Dexia MA's status as a *société de crédit foncier*. Failure to maintain the required Coverage Ratio could also result in Dexia MA being unable to issue further *Obligations Foncières* or refinance existing *Obligations Foncières*, adversely affecting its business, financial condition, cash flows and results of operations.

8. Dependence on Dexia Credit Local for the unsecured funding of its over-collateral

Dexia Credit Local is the sole provider of unsecured funding to Dexia MA, which finances the over-collateral, or assets of Dexia MA that are not financed by the issuance of *obligations foncières*. The over-collateral is essential to Dexia MA's ability to meet any liquidity shortfall arising from the gap between the maturity and amortization profile of the *obligations foncières* and that of the assets included in the Cover Pool, to meet its commitment to maintain a Coverage Ratio greater than or equal to 105%, and maintain the current credit ratings of *obligations foncières*.

Dexia MA's 5% overcollateralization is financed by a long-term credit facility extended to it by Dexia Credit Local, with a maturity and an amortization profile intended to allow Dexia MA to maintain its 5% over-collateral level until maturity of the longest dated of its *obligations foncières*. The over-collateral exceeding 5% is financed by equity contributions and through a current account agreement granted by Dexia Credit Local. There can be no assurance that the long-term credit facility or the current account agreement from Dexia Credit Local will continue in force for the term of the *Obligations Foncières*. To the extent that either such facility is discontinued, the amount of over-collateralization of the Cover Pool could be reduced, which could adversely affect the ability of Dexia MA to make payments on the *Obligations Foncières* as they become due, the rating assigned to the *Obligations Foncières*, and consequently the market value of Dexia MA's existing *obligations foncières*, including the *Obligations Foncières*.

9. Risks relating to the EU local government and municipal lending market

Certain legal and legislative trends in the EU local government and municipal lending market may expose Dexia MA to financial and reputational risk. In particular, local governments and municipalities in Europe have widely subscribed to structured loan products as part of the diversification of their funding. Due to changes in market conditions leading to higher interest rates on their borrowings, certain local governments and municipalities may consider that they had not been sufficiently informed by the sellers of such loan products of the potential risks of such products, including in relation to the amount of their interest payments. These borrowers may widely express their opinion in the media or initiate litigation against the originating banks. As some structured loan products that have been originated by members of the Dexia Group are part of Dexia MA's Cover Pool, Dexia MA may be affected by such press articles or litigation. In the worst case, such litigation may lead to certain loans in the Cover Pool being declared void or voidable in whole or in part, and such adverse publicity may have a negative impact on the reputation of the Dexia Group, and consequently, Dexia MA.

10. Interest rate risk on its portfolio of assets which make up the Cover Pool

Dexia Credit Local, on behalf of Dexia MA, implements asset-liability management policies designed to minimize exposure to interest rate risk by using derivatives (primarily interest rate swaps), including routinely entering into micro hedges to hedge interest rate exposure resulting from a particular asset or specific transaction. Dexia Credit Local, on behalf of Dexia MA, also enters into macro hedges to hedge a particular portfolio of assets, and manage overall balance sheet exposure. Nevertheless, Dexia MA is exposed to residual interest rate risk as a result of unanticipated changes in the Cover Pool due to, for example, the default, pre-payment or renegotiation of loans. The level of this residual exposure may increase in the future with new commercial loans entering the Cover Pool.

These unanticipated changes in the Cover Pool, before being hedged, may adversely affect Dexia MA's business, financial condition, cash flows and results of operations.

11. Credit rating of Dexia MA's *obligations foncières* will be affected by the credit rating of Dexia Credit Local

In the rating agencies' methodologies, the credit rating of a covered bond programme is linked to the credit rating attributed to the issuer's parent. The rating criteria for Dexia MA include both the financial health of its parent, Dexia Credit Local, as well as the strength of parental support. Decreases in the credit rating of Dexia Credit Local may cause a decrease in the credit rating of Dexia MA's *obligations foncières*, or a requirement that Dexia MA obtain funding in order to achieve a higher level of overcollateralization. A variety of factors may make obtaining such higher level of overcollateralization impossible for Dexia MA in the event of a downgrade of Dexia Credit Local. If the credit rating of Dexia MA's *obligations foncières* were reduced due to these factors, such downgrade may adversely affect the value of Dexia MA's outstanding *obligations foncières*, including the *Obligations Foncières*, increase Dexia MA's cost of borrowing and adversely affect Dexia MA's ability to issue new *obligations foncières*.

12. Dexia MA undertakes no due diligence as to the assets originated by its affiliates

Dexia MA has not undertaken, nor will it undertake, any investigations, searches or other actions in respect of the loans and other assets originated by other members of the Dexia Group contained or to be contained in Dexia MA's Cover Pool. It fully relies on the credit committees and procedures performed by all the Dexia Group affiliates for credit analysis. The verification of eligibility is performed by the transferring entity, and then by the risk department of Dexia Credit Local for Dexia MA before the transfer is realized. For the French loans granted directly on behalf of Dexia MA, the eligibility is verified through a daily control carried out by Dexia Credit Local. Nevertheless, there can be no assurance that assets in the Cover Pool at the time of transfer or at any given time comply with the applicable eligibility criteria. Were there to be material non-compliance as to a large enough portion of Dexia MA's Cover Pool assets, Dexia MA would be required to sell back its non-compliant assets, leading to a reduction in the Coverage Ratio, and it may be unable to issue further *Obligations Foncières* or meet payment obligations on existing *Obligations Foncières*, adversely affecting Dexia MA's business, financial condition, cash flows and results of operations.

13. The *Obligations Foncières* are obligations of Dexia MA only

Dexia MA has traditionally benefitted from the financial support of its parent company Dexia Credit Local, including arrangements designed to ensure its continued liquidity and viability, including large amounts of equity, long-term loan financing to finance the 5% over-collateral and further liquidity through a current account agreement. None of the various arrangements, including the "declaration of support" from Dexia Credit Local, constitutes a guarantee of Dexia MA's obligations to its creditors. Dexia MA is solely responsible for its obligations to its creditors and cannot legally rely on any other entity to this end. The *Obligations Foncières* are not guaranteed by Dexia Credit Local or any other member of the Dexia Group or any other person. In making an investment decision, investors must rely upon their own examination of Dexia MA, the Cover Pool, the terms of the *Obligations Foncières* issued under the Programme and the financial information incorporated in this Base Prospectus. There can be no assurance that the Cover Pool will be sufficient to pay in full the amounts payable under the *Obligations Foncières*.

14. Dexia MA faces significant competition in the local government and municipal lending market

Dexia MA and its affiliates face increasing competition in the local government and municipal lending market from which Dexia MA originates its Cover Pool. In France, where it originates the majority of its assets, competition is increasing from French universal banks.

Certain of Dexia MA's and its affiliates' competitors may be larger and better capitalized than Dexia MA. Consequently, Dexia Credit Local (as well as other Dexia Group entities that originate loans for Dexia MA) may face pricing pressure in certain areas of their operations in the future as competitors seek to increase market share by reducing prices, or offering new services at low prices. The municipal market in particular has witnessed

intensifying competition, which has resulted in narrower lending spreads. This could make it more difficult for Dexia MA to originate new eligible loans and credit exposures with a sufficient margin to be refinanced by *obligations foncières*. There can be no assurance that existing or increased competition in the EU municipal banking sector will not lead to a reduction of margins for new commitments and ultimately to a strong reduction of new assets lending for Dexia MA, or otherwise adversely affect Dexia MA's business, financial condition, cash flows and results of operations.

15. Dexia MA applies certain critical accounting policies in preparing its financial statements in accordance with IFRS

Dexia MA prepares financial statements in accordance with IFRS as adopted and endorsed by the European Commission.

In preparing these financial statements, management must use certain estimates and assumptions, including in relation to classification, recognition and valuation of assets and liabilities. In this respect, there are certain accounting policies that can be considered as critical, because they involve a higher degree of judgment and the assumptions and estimates used may be more significant to the financial statements. In order to make assumptions and estimates, management uses all information available at the date of preparation of the financial statements.

The areas where judgments and estimates are principally made in the preparation of these financial statements are in the following areas:

- Classification of financial instruments and hedge accounting: management determines the appropriate classification of its investments at the time of the purchase. It depends on the intent and the ability to hold the assets. However, under certain conditions, a financial asset may be restated at a later date. Hedge accounting may be used for derivatives designated in this way, provided certain criteria are met. If the hedge no longer meets the criteria for hedge accounting, then an adjustment to the carrying amount of a hedged interest-bearing financial instrument is amortized to income over the period to maturity. If a derivative does not perfectly hedge an asset or a liability, the non-effective portion of the changes in the fair value of the derivatives is recognized in income.
- Fair value of assets: judgment is used to determine whether there is an active market or not for each asset; market prices can be used in case of an active market, otherwise valuation techniques are used.
- Impairment of assets: Dexia MA records allowances for impairment losses when there is objective evidence that a financial asset or group of financial assets is impaired. An interest-bearing financial asset is impaired if its carrying amount is greater than its estimated recoverable amount. The identification of impairment triggers is based on procedures, but also on management judgement. The amount of impairment represents management's best estimate of recoverable amounts and losses at each balance-sheet date.
- Litigations: in the context of litigation, a liability is recorded in the accounts if a present obligation will result in probable outflows; if the liability is uncertain in its timing or amount, a provision is recognized. The amount of the provision is based on management's estimate of the amount of the obligation.
- Deferred tax: for the recognition and measurement of deferred tax assets, an estimate of future taxable profit is necessary; these estimates are prepared by management.

If the assumptions and estimates which Dexia MA has used to prepare its historical financial statements, which are based on historical experience and other factors, including expectations of future events that are believed to be reasonable, turn out to be incorrect and must be changed and such changes are material, such new assumptions or estimates could have an adverse effect on Dexia MA's financial statements.

For a full discussion of Dexia MA's IFRS accounting policies, see Note 1 of Dexia MA's audited financial statements prepared in accordance with IFRS incorporated by reference herein.

16. Holders have access to a limited description of the Cover Pool

Save as provided in Dexia MA's annual or quarterly reports, or as contemplated by each Final Terms, holders will not receive more detailed statistics or information in relation to the loans or other assets contained or to be contained in Dexia MA's Cover Pool. Although the *Contrôleur Spécifique* will monitor Dexia MA's compliance with asset portfolio requirements and the Coverage Ratio under French law, the report of the *Contrôleur Spécifique* is not publicly available. Furthermore, the composition of the Cover Pool is dynamic, and is expected to change during the term of any obligations foncières, details of which may not be available to holders of the *Obligations Foncières*.

17. Dexia MA's operations are subject to legal risks arising from changes in law

Dexia MA's business operations are governed by French law and regulations and are subject to supervision by the French Prudential Control Authority. Any changes to the current legislation (in particular, legislation relating to the issuance of obligations foncières and the *privilege* attached to such *obligations foncières*) or regulations applying such legislation could adversely affect Dexia MA's business, financial condition, cash flows and results of operations.

RISK FACTORS RELATING TO THE *OBLIGATIONS FONCIÈRES* ISSUED UNDER THE PROGRAMME

The following paragraphs describe some risk factors that are material to the Obligations Foncières to be offered and/or admitted to trading in order to assess the market risk associated with these Obligations Foncières. They do not describe all the risks of an investment in the Obligations Foncières. Prospective investors should consult their own financial and legal advisers about risks associated with investment in a particular Series of Obligations Foncières and the suitability of investing in the Obligations Foncières in light of their particular circumstances. These risk factors may be supplemented in the Final Terms of the relevant Obligations Foncières for a particular issue of Obligations Foncières.

1. GENERAL RISKS RELATING TO THE *OBLIGATIONS FONCIÈRES*

1.1 Investors must independently review and obtain professional advice with respect to the *Obligations Foncières* issued under the Programme

Each prospective investor of *Obligations Foncières* must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the *Obligations Foncières* is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the *Obligations Foncières*.

A prospective investor may not rely on Dexia MA or the Dealer(s) or any of their affiliates in connection with its determination as to the legality of its acquisition of the *Obligations Foncières* or as to the other matters referred to above.

1.2 Actual yield on *Obligations Foncières* issued under the Programme may be reduced from the stated yield as a result of transaction costs

When securities are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the securities. These incidental costs may significantly reduce or even cancel out the profit potential of *Obligations Foncières* issued under the Programme. For instance, credit institutions often charge their clients fixed minimum commissions or pro-rata commissions (linked to the value of the order) in relation to transactions relating to securities. To the extent that additional (domestic or foreign) parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, holders of *Obligations Foncières* must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of any such third-parties.

In addition to such costs directly related to the purchase of securities (direct costs), holders of *Obligations Foncières* must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the *Obligations Foncières* before investing in *Obligations Foncières* issued under the Programme.

1.3 Potential conflicts of interest may arise between the holders and various parties operating under the Programme

Potential conflicts of interest may arise between the various parties operating under the Programme and the investor. For example, conflicts may arise between the holders of *Obligations Foncières* and any agent appointed for a Tranche of *Obligations Foncières*, including with respect to certain discretionary determinations and judgments that such agent may make pursuant to the Terms and Conditions of the *Obligations Foncières* that may influence the amount receivable upon redemption of the *Obligations Foncières*.

1.4 Holders of *Obligations Foncières* issued under the Programme may not declare the *Obligations Foncières* immediately due and payable under any circumstances, including a default in the payment by Dexia MA of any interest or principal due in respect of the *Obligations Foncières*

Obligations Foncières issued under the Programme may not be declared immediately due and payable under any circumstances, including a default in the payment by Dexia MA of any principal or interest due in respect of the *Obligations Foncières*. Certain events that are customarily considered events of default under debt instruments giving rise to a right on the part of the registered holder to declare such debt instrument immediately due and payable, such as Dexia MA filing for bankruptcy, cross-defaults or insolvency proceedings, will not give rise to the right on the part of the holders of *Obligations Foncières* issued under the Programme to declare the *Obligations Foncières* immediately due and payable. Pursuant to the terms of the French Monetary and Financial Code, all cash flows generated by Dexia MA's assets and by derivatives transactions together with deposits made by Dexia MA with other credit institutions, that in each case are eligible assets within the meaning of Articles L.515-14 to L.515-18 of the French Monetary and Financial Code, are allocated as a matter of absolute priority to servicing *obligations foncières* or other privileged liabilities of Dexia MA as they fall due. See "Description of Dexia Municipal Agency – The Legal Regime Applicable to Dexia MA".

1.5 The credit rating of the *Obligations Foncières* may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to the *Obligations Foncières*. 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 *Obligations Foncières*. 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. The rating reflects the possibility of default of Dexia MA of the *Obligations Foncières* as judged by the credit rating agencies. In addition, an investment in the *Obligations Foncières* involves the risk that subsequent changes in the actual or perceived creditworthiness of Dexia MA may adversely affect the market value of the relevant *Obligations Foncières*.

1.6 An active trading market for *Obligations Foncières* issued under the Programme may never develop

There can be no assurance that an active trading market for the *Obligations Foncières* issued under the Programme will develop (even where the *Obligations Foncières* are listed), or, if one does develop, that it will be maintained. If an active trading market for the *Obligations Foncières* does not develop, or is not maintained, the market or trading price and liquidity of the *Obligations Foncières* may be adversely affected. The Dealers are not obligated, however, to make a market in the *Obligations Foncières* and, were they to do so, may continue or discontinue any market making at any time at their sole discretion. In addition, Dexia MA is entitled to buy the *Obligations Foncières* and it may issue further *Obligations Foncières*. Such transactions by Dexia MA may adversely affect the price development of *Obligations Foncières* issued under the Programme. If additional and competing products are introduced in the markets, this may adversely affect the value of the *Obligations Foncières* issued under the Programme.

1.7 The trading market for *Obligations Foncières* issued under the Programme may be volatile and may be adversely affected by various events

The market for debt securities is influenced by economic and market conditions and, to varying degrees, currency exchange rates and inflation rates in other European and other industrialized countries. In addition, the market value of the *Obligations Foncières* will be affected by the creditworthiness of Dexia MA and a number of additional factors, which may include the value of any index or the dividend on the securities taken up in any index, market interest, currency exchange rates, and yield rates and the time remaining to the maturity date. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of *Obligations Foncières* issued under the Programme or that economic and market conditions will not have any other adverse effect.

1.8 Neither Dexia MA nor the Dealer(s) assumes responsibility for the legality of any purchase under the Programme

Neither Dexia MA, the Dealer(s) nor any of their affiliates has or assumes responsibility for the lawfulness of the acquisition of the *Obligations Foncières* by a prospective investor of the *Obligations Foncières*, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

1.9 Modification, waivers and substitution of conditions affecting the *Obligations Foncières* that are not desired by all holders can be effected by a majority

The conditions of the *Obligations Foncières* contain provisions for calling general meetings of holders of *Obligations Foncières* to consider matters affecting their interests generally. These provisions permit defined majorities of less than 100% to bind all including holders of *Obligations Foncières* who did not attend and vote at the relevant general meeting, and holders of *Obligations Foncières* who voted in a manner contrary to the majority.

1.10 Purchasers of the *Obligations Foncières* may be subject to certain taxes or other costs

Potential purchasers and sellers of the *Obligations Foncières* should be aware that payments of interest on the *Obligations Foncières*, or profits realized by a holder of *Obligations Foncières* upon the sale or repayment thereof, may be subject to taxation or other documentary charges or duties in its home jurisdiction or in other jurisdictions in which it is required to pay taxes or where the *Obligations Foncières* are transferred. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial obligations such as the *Obligations Foncières*. Potential investors are advised not to rely upon the tax summary contained in this Base Prospectus and/or in the applicable Final Terms but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the *Obligations Foncières*. Only these advisors are in a position to duly consider the specific situation of the potential investor. This investment consideration has to be read in connection with the taxation sections of this Base Prospectus and the additional tax sections, if any, contained in the relevant Final Terms.

1.11 Change of Law

The Terms and Conditions of the *Obligations Foncières* are based on French 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 in French law or the official application or interpretation of French law after the date of this Base Prospectus.

1.12 The EU Savings Directive

On 3 June 2003, the European Council of Economics and Finance Ministers adopted a directive 2003/48/EC regarding the taxation of savings income in the form of interest payments (the "**Directive**"). The Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within their jurisdiction to an individual resident in that other Member State or to certain limited types of entities established in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an

amount on interest payments unless the relevant beneficial owner of such payment elects otherwise. See “Taxation – EU Taxation”.

The European Commission has proposed certain amendments to the Directive which may, if implemented, amend or broaden the scope of the requirements described above. If 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 Dexia MA nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any *Obligation Foncière* as a result of the imposition of such withholding tax. Dexia MA 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.

1.13 Dexia MA will not be required to pay any gross-up amounts

If any law should require that any payments in respect of any *Obligation Foncière* be subject to deduction or withholding in respect of any taxes or duties whatsoever, Dexia MA will not pay any additional amounts, unless otherwise provided in the relevant Final Terms, in respect of any such deduction or withholding. Therefore, the corresponding risk shall be borne by the holders of *Obligations Foncières* or if applicable, the Receiptholders and the Couponholders.

2. RISKS RELATED TO A PARTICULAR ISSUE OF *OBLIGATIONS FONCIÈRES* UNDER THE PROGRAMME

2.1 *Obligations Foncières* issued under the Programme may not be a suitable investment for all investors

Each potential investor in the *Obligations Foncières* 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 relevant *Obligations Foncières*, the merits and risks of investing in the relevant *Obligations Foncières* and the information contained (or incorporated by reference) in this Base Prospectus;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant *Obligations Foncières* and the impact such investment 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 *Obligations Foncières*, such as instances where *Obligations Foncières* have principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the currency in which such potential investor’s financial activities are principally denominated;
- (iv) understand thoroughly the terms of the relevant *Obligations Foncières* issued under the Programme and be familiar with the behavior of any relevant indices and financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Obligations Foncières are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, and appropriate addition of risk to their overall portfolios. A potential investor should not invest in *Obligations Foncières* which are complex financial instruments unless it has the expertise (either alone or with the assistance of a financial advisor) to evaluate how the *Obligations Foncières* will perform under changing conditions, the resulting effects on the value of such *Obligations Foncières*, and the impact this investment will have on the overall investment portfolio of the potential investor.

2.2 *Obligations Foncières* may be subject to optional redemption by Dexia MA

If in the case of any particular Tranche of *Obligations Foncières* the Final Terms specifies that the *Obligations Foncières* are redeemable at Dexia MA’s option, in certain circumstances, Dexia MA may choose to redeem the

Obligations Foncières at times when prevailing interest rates may be relatively low. During a period when Dexia MA may elect, or has elected, to redeem *Obligations Foncières*, such *Obligations Foncières* may feature a market value not substantially above the price at which they can be redeemed. 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 *Obligations Foncières* and may only be able to do so at a lower rate. Prospective investors should consider reinvestment risk in light of other investments available at that time.

2.3 Fixed Rate *Obligations Foncières* may not always maintain the same market value

Investment in *Obligations Foncières* which bear interest at a fixed rate involves the risk that subsequent changes in market interest rates may adversely affect the value of the relevant Tranche of *Obligations Foncières*.

2.4 Holders will not be able to calculate their rate of return on Floating Rate *Obligations Foncières* in advance

Investment in *Obligations Foncières* which bear interest at a floating rate comprise (i) a reference rate and (ii) a margin to be added or subtracted, as the case may be, from such base rate. Typically, the relevant margin will not change throughout the life of the *Obligations Foncières* but there will be a periodic adjustment (as specified in the Final Terms) of the reference rate (e.g., every three months or six months) which itself will change in accordance with general market conditions. Accordingly, the market value of floating rate *Obligations Foncières* may be volatile if changes, particularly short term changes, to market interest rates evidenced by the relevant reference rate can only be reflected in the interest rate of these *Obligations Foncières* upon the next periodic adjustment of the relevant reference rate.

2.5 Inverse Floating Rate *Obligations Foncières* may have volatile market value

Investment in *Obligations Foncières* which bear interest at an inverse floating rate comprise (i) a fixed base rate minus (ii) a reference rate. The market value of such *Obligations Foncières* typically is more volatile than the market value of floating rate *Obligations Foncières* based on the same reference rate (and with otherwise comparable terms). Inverse Floating Rate *Obligations Foncières* are more volatile because an increase in the reference rate not only decreases the interest rate of the *Obligations Foncières*, but may also reflect an increase in prevailing interest rates, which further adversely affects the market value of these *Obligations Foncières*.

2.6 Fixed to Floating Rate *Obligations Foncières* may have a less favorable spread than the prevailing spreads on comparable floating rate securities tied to the same reference rate

Fixed to floating rate *Obligations Foncières* initially bear interest at a fixed rate; conversion from a fixed rate to a floating rate then takes place either automatically or at the option of Dexia MA if certain predetermined conditions are met. The conversion (whether it be automatic or optional) of the interest rate will affect the secondary market and the market value of the *Obligations Foncières* since the conversion may lead to a lower overall cost of borrowing. If a fixed rate is converted to a floating rate, the spread on the fixed to floating rate *Obligations Foncières* may be less favorable than then prevailing spreads on comparable floating rate *Obligations Foncières* tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other *Obligations Foncières*.

2.7 Zero Coupon *Obligations Foncières* issued under the Programme are subject to higher price fluctuations than non-discounted debt securities

Changes in market interest rates have a substantially stronger impact on the prices of Zero Coupon *Obligations Foncières* than on the prices of ordinary *Obligations Foncières* because the discounted issue prices of Zero Coupon *Obligations Foncières* are generally substantially below their par value. If market interest rates increase, holders of Zero Coupon *Obligations Foncières* are exposed to greater price declines than holders of other securities with comparable maturity and credit rating. Investors should be aware that Zero Coupon *Obligations Foncières* are a type of investment associated with a particularly high risk of price fluctuation.

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.

2.8 Holders may be exposed to risk on Index-Linked *Obligations Foncières* which are dependent upon the performance of an index

Index-linked *Obligations Foncières* are debt securities which do not provide for predetermined redemption amounts and/or interest payments; rather, amounts due in respect of principal and/or interest will be dependent upon the performance of an index, which itself may contain substantial credit, interest rate or other risks. The amount of principal and/or interest payable by Dexia MA, if any, might be substantially less than the issue price or, as the case may be, the purchase price invested in the *Obligations Foncières* and may even be zero, in which case the holder of *Obligations Foncières* may lose his entire investment.

Index-linked *Obligations Foncières* are not in any way sponsored, endorsed, sold or promoted by the index sponsor or the respective licensor of the index and such index sponsor or licensor makes no warranty or representation whatsoever, express or implied, as to the results to be obtained from the use of the index and/or the figure at which the index stands at any particular time. Each index is determined, composed and calculated by its respective index sponsor or licensor, without regard to Dexia MA or the *Obligations Foncières*. None of the index sponsors or licensors is responsible for or has participated in the determination of the timing, pricing, or quantities relating to the *Obligations Foncières* to be issued, or has participated in determining or calculating the equation by which the *Obligations Foncières* settle into cash. None of the index sponsors or licensors has any obligation or liability in connection with the administration, marketing or trading of the *Obligations Foncières*. The index sponsor or licensor of an index has no responsibility for any calculation agency adjustment made for the index.

None of Dexia MA, the Dealer(s) or any of their affiliates makes any representation as to an index. Any of such persons may have acquired, or during the term of the *Obligations Foncières* may acquire, non-public information with respect to an index that is or may be material in the context of index-linked *Obligations Foncières*. The issue of index-linked *Obligations Foncières* will not create any obligation on the part of any such persons to disclose to the holders of *Obligations Foncières* or any other party such information (whether confidential or not).

2.9 Variable rate *Obligations Foncières* with a multiplier or other leverage factor can be particularly volatile investments

Obligations Foncières 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, their market values may be even more volatile than those for securities that do not include those features.

2.10 Structured *Obligations Foncières* may entail significant risks not associated with similar investments in a conventional debt security

An investment in *Obligations Foncières*, the premium and/or the interest on or principal of which is determined by reference to one or more values of currencies, commodities, interest rates or other indices or formulae, either directly or inversely, may entail significant risks not associated with similar investments in a conventional debt security, including the risks that the resulting interest rate will be less than that payable on a conventional debt security at the same time and/or that an investor may lose the value of its entire investment or part of it, as the case may be. Neither the current nor the historical value of the relevant currencies, commodities, interest rates or other indices or formulae should be taken as an indication of future performance of such currencies, commodities, interest rates or other indices or formulae during the term of any *Obligation Foncière*.

2.11 Exchange rate risks and exchange controls may adversely affect the return on the *Obligations Foncières* issued under the Programme

Dexia MA will pay principal and interest on the *Obligations Foncières* issued under the Programme in the specified currency (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 (i) the Investor's Currency equivalent yield on the *Obligations Foncières*, (ii) the Investor's Currency-equivalent value of the principal payable on the *Obligations Foncières*, and (iii) the Investor's Currency-equivalent market value of the *Obligations Foncières*. In addition, government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect applicable exchange rates. As a result, investors may receive an amount of interest or principal that is less than expected.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the audited annual financial statements and audit reports for the financial years ended 31 December 2009 and 2010 of the Issuer which have been previously published or are published simultaneously with this Base Prospectus and filed with the *Commission de surveillance du secteur financier* in Luxembourg and shall be incorporated in, and form part of, this Base Prospectus, save that any statement contained in a document which is incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Base Prospectus to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Base Prospectus.

All documents incorporated by reference in this Base Prospectus may be obtained, free of charge, at the offices of each Paying Agent set out at the end of this Base Prospectus during normal business hours so long as any of the *Obligations Foncières* are outstanding.

The Annual Reports in English language relating to Dexia Municipal Agency, incorporating its audited annual accounts for each of the periods ended 31 December 2009 and 2010 (respectively the “**2009 Annual Report**” and the “**2010 Annual Report**”), filed with the *Commission de surveillance du secteur financier* in Luxembourg are incorporated herein by reference. Copies of these Annual Reports are available without charge on request at the principal office of Dexia Municipal Agency and the Listing Agent set out at the end of this Base Prospectus.

This Base Prospectus and the documents incorporated by reference in this Base Prospectus are available for viewing on the website of the Luxembourg Stock Exchange (www.bourse.lu).

CROSS-REFERENCE LIST

The financial information relating to the Issuer incorporated by reference in this Base Prospectus as mentioned above shall be read in connection with the cross-reference list as set out below. Any information not listed in the cross-reference list but included in the documents incorporated by reference is given for information purposes only.

Annex 11.11	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	Annual Report 2009	Annual Report 2010
A11.11.1.	<u>Historical Financial Information</u>		
	– the IFRS balance sheet;	Page 34	Page 32
	– the French GAAP balance sheet	Pages 68 to 69	Pages 71 to 72
	– the IFRS income statement;	Page 35	Page 33
	– the French GAAP income statement	Page 70	Page 72

Annex 11.11	FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES	Annual Report 2009	Annual Report 2010
	– in the case of an admission of securities to trading on a regulated market only, a IFRS cash flow statement;	Page 37	Page 35
	– in the case of an admission of securities to trading on a regulated market only, a French GAAP cash flow statement	Page 72	Page 74
	– the accounting policies and IFRS explanatory notes;	Pages 38 to 65	Pages 36 to 39
	– the accounting policies and French GAAP explanatory notes;	Pages 73 to 88	Pages 75 to 91
	– the management report;	Pages 4 to 33	Pages 4 to 31
	– coverage ratio	Page 93	Page 95
A11.11.3	<u>Auditing of historical annual financial information</u>	XXXXXX	XXXXXX
A11.11.3.1.	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers must be reproduced in full and the reasons given.	IFRS Auditors' reports Pages 66 to 67 French GAAP Auditors' reports Pages 89 to 90	IFRS Auditors' reports Page 70 French GAAP Auditors' reports Page 92
A11.11.3.2.	An indication of other information in the registration document which has been audited by the auditors.	Page 125	Page 128

SUPPLEMENT TO THE BASE PROSPECTUS

If at any time Dexia Municipal Agency shall be required to prepare a supplement to the Base Prospectus pursuant to the provisions of the *loi relative aux prospectus pour valeurs mobilières* in Luxembourg implementing Article 16 of the Prospectus Directive, because of the occurrence or disclosure at any time during the duration of the Programme of a significant new factor, material mistake or inaccuracy or omission relating to the information included in this Base Prospectus, Dexia Municipal Agency undertakes, *inter alia*, to the Dealers, and the *Commission de surveillance du secteur financier* in Luxembourg and to the Luxembourg Stock Exchange to prepare and make available an appropriate supplement to this Base Prospectus or a restated Base Prospectus, which in respect of any subsequent issue of *Obligations Foncières* to be admitted to trading on the Luxembourg Stock Exchange or on a Regulated Market of a Member State of the European Economic Area or to be offered to the public in Luxembourg or in any Member State of the European Economic Area, shall constitute a supplement to the Base Prospectus for the purpose of the relevant provisions of the *loi relative aux Prospectus pour valeurs mobilières*.

Dexia Municipal Agency shall submit such supplement or restated Base Prospectus to the *Commission de surveillance du secteur financier* in Luxembourg for approval and supply each Dealer and the *Commission de surveillance du secteur financier* in Luxembourg and the Luxembourg Stock Exchange with such number of copies of such amendment or supplement as may reasonably be requested. All documents prepared in connection with the listing approval of the Programme will be published in accordance with the Prospectus Directive and will be available at the specified office of the Paying Agent in Luxembourg.

GENERAL DESCRIPTION OF THE PROGRAMME

The following general description is qualified in its entirety by the remainder of this Base Prospectus.

Issuer:	Dexia Municipal Agency (a <i>société anonyme à Directoire et à Conseil de Surveillance</i> incorporated under French law)
Description:	Euro Medium Term <i>Obligation Foncière</i> Programme for the continuous offer of <i>Obligations Foncières</i> (the “ Programme ”)
Arrangers:	Deutsche Bank AG, Paris Branch and Morgan Stanley & Co. International plc
Dealers:	Barclays Bank PLC BNP PARIBAS Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank Aktiengesellschaft Dexia Banque Internationale à Luxembourg, société anonyme (acting under the name of Dexia Capital Markets) Goldman Sachs International J.P. Morgan Securities Ltd. Morgan Stanley & Co. International plc Natixis Nomura International plc Société Générale The Royal Bank of Scotland plc UBS Limited UniCredit Bank AG <p>The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Base Prospectus to “Permanent Dealers” are to the persons listed above as Dealers and to such additional persons that are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to “Dealers” are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.</p> <p>At the date of this Base Prospectus, only credit institutions and investment firms incorporated in a member state of the European Union (“EU”) and which are authorised by the relevant authority of such member home state to lead-manage bond issues in such member state may act (a) as Dealers with respect to non-syndicated issues of <i>Obligations Foncières</i> denominated in euro and (b) as lead manager of issues of <i>Obligations Foncières</i> denominated in euro issued on a syndicated basis.</p>
Programme Limit:	Up to Euro 75,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate nominal amount of <i>Obligations Foncières</i> outstanding at any one time.
Luxembourg Listing Agent:	Dexia Banque Internationale à Luxembourg, société anonyme 69, route d’Esch L-1470 Luxembourg

Grand-Duchy of Luxembourg

Fiscal Agent and Principal Paying Agent:

Dexia Banque Internationale à Luxembourg, société anonyme

Paying Agent:

Dexia Banque Belgium SA

Method of Issue:

The *Obligations Foncières* will be issued on a syndicated or non-syndicated basis. The *Obligations Foncières* will be issued in series (each a “**Series**”) having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the *Obligations Foncières* of each Series being intended to be interchangeable with all other *Obligations Foncières* of that Series. Each Series may be issued in tranches (each a “**Tranche**”) on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and nominal amount of the Tranche, will be identical to the terms of other Tranches of the same Series) will be set out in a Final Terms to this Base Prospectus (the “**Final Terms**”).

Maturities:

Subject to compliance with all relevant laws, regulations and directives, any maturity from one month from the date of original issue.

Currencies:

Subject to compliance with all relevant laws, regulations and directives, *Obligations Foncières* may be issued in Euro, U.S. Dollars, Japanese yen, Swiss francs, Sterling, Canadian Dollars and in any other currency agreed between the Issuer and the relevant Dealers.

Denomination:

The *Obligations Foncières* will be in such denominations as may be specified in the relevant Final Terms.

The *Obligations Foncières* will be issued in such denomination(s) as may be agreed between the Issuer and the relevant Dealer save that the minimum denomination of each *Obligation Foncière* admitted to trading on a regulated market, 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 *Obligations Foncières* are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher 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.

Obligations Foncières having a maturity of less than one year will 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.

Dematerialised *Obligations Foncières* shall be issued in one denomination only.

Status of <i>Obligations Foncières</i>:	<p>The <i>Obligations Foncières</i> will constitute direct and unconditional obligations of the Issuer, and, as provided below, benefit from the <i>Privilège</i>, as described in “Terms and Conditions of the <i>Obligations Foncières</i> - Status”.</p> <p>The <i>Obligations Foncières</i> are issued pursuant to Articles L.515-13 to L.515-33 of the French Monetary and Financial Code. Holders of <i>obligations foncières</i> benefit from a <i>privilège</i> (priority right of payment) over all the assets and revenues of the Issuer See “Terms and Conditions of the <i>Obligations Foncières</i> - <i>Privilège</i>” and “Summary of the legal <i>Privilège</i> granted by the Law”.</p>
Use of Proceeds:	Unless the Final Terms provide otherwise, the net proceeds of the issue of the <i>Obligations Foncières</i> will be used for the Issuer’s general corporate purposes.
Negative Pledge:	None.
Events of Default (including Cross Default):	None.
Redemption:	The relevant Final Terms will specify the basis for calculating the redemption amounts payable.
Optional Redemption:	The Final Terms issued in respect of each issue of <i>Obligations Foncières</i> will state whether such <i>Obligations Foncières</i> may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and if so the terms applicable to such redemption.
Redemption by Instalments:	The Final Terms issued in respect of each issue of <i>Obligations Foncières</i> that are redeemable in two or more instalments will set out the dates on which, and the amounts in which, such <i>Obligations Foncières</i> may be redeemed.
Interest Periods and Interest Rates:	The length of the interest periods for the <i>Obligations Foncières</i> and the applicable interest rate or its method of calculation may differ from time to time or be constant for any Series. <i>Obligations Foncières</i> may have a maximum interest rate, a minimum interest rate, or both. The use of interest accrual periods permits the <i>Obligations Foncières</i> to bear interest at different rates in the same interest period. All such information will be set out in the relevant Final Terms.
Fixed Rate <i>Obligations Foncières</i>:	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Final Terms.
Floating Rate <i>Obligations Foncières</i>:	<p>Floating Rate <i>Obligations Foncières</i> will bear interest determined separately for each Series as follows:</p> <ul style="list-style-type: none"> (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 2006 ISDA Definitions published by the International Swaps and Derivatives Association, Inc., or (ii) by reference to LIBOR, LIBID, LIMEAN or EURIBOR (or such other benchmark as may be specified in the relevant Final Terms), or as otherwise provided in the relevant Final

Terms

in each case as adjusted for any applicable margin. Interest periods will be specified in the relevant Final Terms.

Zero Coupon Obligations Foncières:

Zero Coupon *Obligations Foncières* may be issued at their nominal amount or at a discount to it and will not bear interest.

Dual Currency Obligations Foncières:

Payments (whether in respect of principal or interest and whether at maturity or otherwise) in respect of Dual Currency *Obligations Foncières* will be made in such currencies, and based on such rates of exchange, as may be specified in the relevant Final Terms.

Index Linked Obligations Foncières:

Payments of principal in respect of Index Linked Redemption *Obligations Foncières* or of interest in respect of Index Linked Interest *Obligations Foncières* will be calculated by reference to such index and/or formula as may be specified in the relevant Final Terms. Index Linked *Obligations Foncières* will be issued in accordance with the applicable provisions of French law and the Issuer's *statuts* from time to time.

Other Obligations Foncières:

Terms applicable to high interest *Obligations Foncières*, low interest *Obligations Foncières*, step-up *Obligations Foncières*, step-down *Obligations Foncières*, reverse dual currency *Obligations Foncières*, optional dual currency *Obligations Foncières*, partly paid *Obligations Foncières* and any other type of *Obligations Foncières* that the Issuer and any Dealer or Dealers may agree to issue under the Programme will be set out in the relevant Final Terms.

Redenomination:

Obligations Foncières issued in the currency of any Member State of the EU which participates in the single currency of the EMU may be redenominated into Euro, all as more fully provided in "Terms and Conditions of the *Obligations Foncières* - Form, Denomination, Title and Redenomination(s)" below.

Consolidation:

Obligations Foncières of one Series may be consolidated with *Obligations Foncières* of another Series as more fully provided in "Terms and Conditions of the *Obligations Foncières* - Further Issues and Consolidation".

Form of Obligations Foncières:

Obligations Foncières may be issued in either dematerialised form ("**Dematerialised Obligations Foncières**") or materialised form ("**Materialised Obligations Foncières**").

Dematerialised *Obligations Foncières* may, at the option of the Issuer be issued in bearer dematerialised form (*au porteur*) or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant holder, in either *au nominatif pur* or *au nominatif administré* form. No physical documents of title will be issued in respect of Dematerialised *Obligations Foncières*. See "Terms and Conditions of the *Obligations Foncières* - Form, Denomination, Title and Redomination".

Materialised *Obligations Foncières* will be in bearer materialised form ("**Bearer Materialised Obligations Foncières**") only. A Temporary Global Certificate will be issued initially in respect of each Tranche of Bearer Materialised *Obligations Foncières*. Materialised *Obligations Foncières* may only be issued outside France.

Governing Law:	French law.
Central Depository:	Euroclear France in respect of Dematerialised <i>Obligations Foncières</i> .
Clearing Systems:	In relation to Materialised <i>Obligations Foncières</i> , Clearstream, Luxembourg and Euroclear or any other clearing system that may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
Initial Delivery of Dematerialised <i>Obligations Foncières</i>:	No later than one Paris business day before the issue date of each Tranche of Dematerialised <i>Obligations Foncières</i> , the <i>lettre comptable</i> relating to such Tranche shall be deposited with Euroclear France as Central Depository.
Initial Delivery of Materialised <i>Obligations Foncières</i>:	On or before the issue date for each Tranche of Bearer Materialised <i>Obligations Foncières</i> , the Temporary Global Certificate issued in respect of such Tranche shall be deposited with a common depository for Euroclear and Clearstream, Luxembourg or with any other clearing system or may be delivered outside any clearing system provided that the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer.
Issue Price:	<i>Obligations Foncières</i> may be issued at their nominal amount or at a discount or premium to their nominal amount. Partly Paid <i>Obligations Foncières</i> may be issued, the issue price of which will be payable in two or more instalments.
Taxation:	<p>All payments of principal and interest by or on behalf of the Issuer in respect of the <i>Obligations Foncières</i> shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.</p> <p>Unless otherwise specifically provided in the Final Terms, there will be no grossing up provisions and accordingly no Issuer's tax call option. See "Terms and Conditions of the <i>Obligations Foncières</i> – Taxation".</p>
Listing and Admission to trading:	<i>Obligations Foncières</i> of any particular Series may be listed on the official list of the Luxembourg Stock Exchange and be admitted to trading on the Regulated Market or listed on such other or additional stock exchanges as may be specified in the applicable Final Terms, or unlisted. The applicable Final Terms will state whether or not the relevant <i>Obligations Foncières</i> are to be listed and, if so, on which stock exchange(s).
Offer to the public:	The <i>Obligations Foncières</i> may or may not be offered to the public in Luxembourg and/or in any Member State of the European Economic Area, provided that such offer to the public is made in accordance with the public offer selling restrictions under the Prospectus Directive (see "Subscription and Sale").
Method of Publication of the Final Terms:	The Final Terms related to <i>Obligations Foncières</i> admitted to trading will be published, if relevant on the website of the Luxembourg Stock Exchange, and copies may be obtained from Dexia Municipal Agency, Tour Dexia, La Défense 2 - 1, passerelle des Reflets,

TSA 92202 - 92919 La Défense Cedex, France or through any other means in accordance with the terms of Article 14 of the Prospectus Directive. The Final Terms will indicate where the Base Prospectus may be obtained.

Rating:

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.

The credit ratings included or referred to in this Base Prospectus will be treated for the purposes of the Regulation (EC) No. 1060/2009 on credit ratings agencies (the "**CRA Regulation**") as having been issued by Moody's Investors Services, Inc, Standard & Poor's Rating Services, Fitch Ratings upon registration pursuant the CRA Regulation, although the result of such application has not yet been determined.

The rating will be specified in the relevant Final Terms.

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.

Selling Restrictions:

There are restrictions on the sale of *Obligations Foncières* and the distribution of offering material in various jurisdictions. See "Subscription and Sale". In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Final Terms. See "Subscription and Sale".

The Issuer is Category 1 for the purposes of Regulation S.

Materialised *Obligations Foncières* will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (the "**D Rules**") unless (i) the relevant Final Terms states that such Materialised *Obligations Foncières* are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (the "**C Rules**") or (ii) such Materialised *Obligations Foncières* are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the *Obligations Foncières* will not constitute "registration required obligations" under the United States Tax Equity and Fiscal Responsibility Act of 1982 ("**TEFRA**"), which circumstances will be referred to in the relevant Final Terms as a transaction to which TEFRA is not applicable.

TERMS AND CONDITIONS OF THE *OBLIGATIONS FONCIÈRES*

The following is the text of the terms and conditions that, subject to completion in accordance with the provisions of the relevant Part A of the Final Terms, shall be applicable to the Obligations Foncières. In the case of Dematerialised Obligations Foncières the text of the terms and conditions will not be endorsed on physical documents of title but will be constituted by the following text as completed, amended or varied by the relevant Part A of the Final Terms. In the case of Materialised Obligations Foncières, either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Final Terms or (ii) these terms and conditions as so completed (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on definitive Bearer Materialised Obligations Foncières. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Final Terms. References in the Conditions to “**Obligations Foncières**” are to the Obligations Foncières of one Series only, not to all Obligations Foncières that may be issued under the Programme.

An amended and restated agency agreement dated 8 April 2011 has been agreed between Dexia Municipal Agency (the “**Issuer**”, Dexia Banque Internationale à Luxembourg, société anonyme as fiscal agent and the other agents named in it (the “**Amended and Restated Agency Agreement**”). The fiscal agent, the paying agent, the redenomination agent, the consolidation agent and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Fiscal Agent**”, the “**Paying Agents**” (which expression shall include the Fiscal Agent), the “**Redenomination Agent**”, the “**Consolidation Agent**” and the “**Calculation Agent(s)**”.

For the purpose of these Terms and Conditions, “**Regulated Market**” means any regulated market situated in a Member State of the European Economic Area (“**EEA**”) as defined in the Markets in Financial Instruments Directive 2004/39/EC.

References below to “**Conditions**” are, unless the context requires otherwise, to the numbered paragraphs below.

1 **Form, Denomination, Title and Redenomination**

- (a) **Form:** Obligations Foncières may be issued either in dematerialised form (“**Dematerialised Obligations Foncières**”) or in materialised form (“**Materialised Obligations Foncières**”).
- (i) Title to Dematerialised Obligations Foncières will be evidenced in accordance with Articles L.211-3 and R.211-1 of the French Monetary and Financial Code by book entries (*inscriptions en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French Monetary and Financial Code) will be issued in respect of the Dematerialised Obligations Foncières.

Dematerialised Obligations Foncières are issued, at the option of the Issuer and as specified in the final terms (the “**Final Terms**”), in either bearer dematerialised form (*au porteur*), in which case they are inscribed in the books of Euroclear France (“**Euroclear France**”) (acting as central depository) which shall credit the accounts of Account Holders, or in registered dematerialised form (*au nominatif*) and, in such latter case, at the option of the relevant holder in either administered registered form (*au nominatif administré*) inscribed in the books of an Account Holder or in fully registered form (*au nominatif pur*) inscribed in an account in the books of Euroclear France maintained by the Issuer or a registration agent (designated in the relevant Final Terms) acting on behalf of the Issuer (the “**Registration Agent**”).

For the purpose of these Conditions, “**Account Holder**” means any intermediary institution entitled to hold accounts, directly or indirectly, on behalf of its customers with Euroclear France, and includes Euroclear Bank S.A./N.V. (“**Euroclear**”) and the depository bank for Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”).

- (ii) Materialised *Obligations Foncières* are issued in bearer form (“**Bearer Materialised Obligations Foncières**”). Definitive Bearer Materialised *Obligations Foncières* are serially numbered and are issued with coupons (the “**Coupons**”) (and, where appropriate, a talon (the “**Talon**”) attached, save in the case of Zero Coupon *Obligations Foncières* in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment *Obligations Foncières* are issued with one or more receipts (the “**Receipts**”) attached.

In accordance with Articles L.211-3 and R.211-1 of the French Monetary and Financial Code securities (such as Obligations Foncières) which are governed by French law and are in materialised form must be issued outside the French territory.

- (b) **Denomination:** *Obligations Foncières* shall be issued in the Specified Denomination(s) as set out in the relevant Final Terms (the “**Specified Denomination**”) save that the minimum denomination of each *Obligation Foncière* admitted to trading on a Regulated Market, or offered to the public, in a Member State of the EEA in circumstances which require the publication of a prospectus under the Prospectus Directive will be €1,000 (or, if the *Obligations Foncières* are denominated in a currency other than euro, the equivalent amount in such currency at the issue date) or such other higher 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. Dematerialised *Obligations Foncières* shall be issued in one Specified Denomination only.

Obligations Foncières having a maturity of less than one year will 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.

- (c) **Title:**

- (i) Title to Dematerialised *Obligations Foncières* in bearer dematerialised form (*au porteur*) and in administered registered form (*au nominatif administré*) shall pass upon, and transfer of such *Obligations Foncières* shall only be effected through, registration of the transfer in the accounts of Account Holders. Title to Dematerialised *Obligations Foncières* in fully registered form (*au nominatif pur*) shall pass upon, and transfer of such *Obligations Foncières* shall only be effected through, registration of the transfer in the accounts of the Issuer or the Registration Agent.
- (ii) Title to definitive Bearer Materialised *Obligations Foncières* and the Receipts, Coupons and Talons shall pass by delivery.
- (iii) Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any *Obligation Foncière*, Receipt, Coupon or Talon shall be deemed to be and may be treated as its absolute owner for all purposes, whether or not it is overdue and regardless of any notice of ownership, or an interest in it, any writing on it or its theft or loss and no person shall be liable for so treating the holder.
- (iv) In these Conditions, “**holder of Obligations Foncières**”, means (i) in the case of Dematerialised *Obligations Foncières*, the person whose name appears in the account of the relevant Account Holder or the Issuer or the Registration Agent (as the case may be) as being entitled to such *Obligations Foncières* and (ii) in the case of Materialised *Obligations Foncières*, the bearer of any definitive Bearer Materialised *Obligation Foncière* and the Receipts, Coupons or Talon relating to it, and capitalised terms have the meanings given to them in the relevant Final Terms, the absence of any such meaning indicating that such term is not applicable to the *Obligations Foncières*.

(d) **Redenomination:**

- (i) The Issuer may (unless otherwise specified in the Final Terms), on any Interest Payment Date, without the consent of the holder of any *Obligation Foncière*, Receipt, Coupon or Talon, by giving at least 30 days' notice in accordance with Condition 14 and on or after the date on which the European Member State in whose national currency the *Obligations Foncières* are denominated has become a participating Member State in the third stage (or any further stage) of the European Economic and Monetary Union (as provided in the Treaty establishing the European Community (the "EC", as amended from time to time (the "Treaty"))) or events have occurred which have substantially the same effects (in either case, "EMU"), redenominate all, but not some only, of the *Obligations Foncières* of any Series into Euro and adjust the aggregate principal amount and the Specified Denomination(s) set out in the relevant Final Terms accordingly, as described below. The date on which such redenomination becomes effective shall be referred to in these Conditions as the "**Redenomination Date**".
- (ii) Unless otherwise specified in the relevant Final Terms, the redenomination of the *Obligations Foncières* pursuant to Condition 1(d)(i) shall be made by converting the principal amount of each *Obligation Foncière* from the relevant national currency into Euro using the fixed relevant national currency Euro conversion rate established by the Council of the European Union pursuant to applicable regulations of the Treaty and rounding the resultant figure to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). If the Issuer so elects, the figure resulting from conversion of the principal amount of each *Obligation Foncière* using the fixed relevant national currency Euro conversion rate shall be rounded down to the nearest Euro. The Euro denominations of the *Obligations Foncières* so determined shall be notified to holders of *Obligations Foncières* in accordance with Condition 14. Any balance remaining from the redenomination with a denomination higher than Euro 0.01 shall be paid by way of cash adjustment rounded to the nearest Euro 0.01 (with Euro 0.005 being rounded upwards). Such cash adjustment will be payable in Euros on the Redenomination Date in the manner notified to holders of *Obligations Foncières* by the Issuer.
- (iii) Upon redenomination of the *Obligations Foncières*, any reference in the relevant Final Terms to the relevant national currency shall be construed as a reference to Euro.
- (iv) Unless otherwise specified in the relevant Final Terms, the Issuer may, with the prior approval of the Redenomination Agent and the Consolidation Agent, in connection with any redenomination pursuant to this Condition or any consolidation pursuant to Condition 13, without the consent of the holder of any *Obligation Foncière*, Receipt, Coupon or Talon, make any changes or additions to these Conditions or Condition 13 (including, without limitation, any change to any applicable business day definition, business day convention, principal financial centre of the country of the Specified Currency, interest accrual basis or benchmark), taking into account market practice in respect of redenominated euromarket debt obligations and which it believes are not prejudicial to the interests of such holders. Any such changes or additions shall, in the absence of manifest error, be binding on the holders of *Obligations Foncières*, Receipts, Coupons and Talons and shall be notified to holders of *Obligations Foncières* in accordance with Condition 14 as soon as practicable thereafter.
- (v) Neither the Issuer nor any Paying Agent shall be liable to the holder of any *Obligation Foncière*, Receipt, Coupon or Talon or other person for any commissions, costs, losses or expenses in relation to or resulting from the credit or transfer of Euros or any currency conversion or rounding effected in connection therewith.

2 Conversions and Exchanges of *Obligations Foncières*

(a) Dematerialised *Obligations Foncières*

- (i) Dematerialised *Obligations Foncières* issued in bearer dematerialised form (*au porteur*) may not be converted into Dematerialised *Obligations Foncières* in registered dematerialised form, whether in fully registered form (*au nominatif pur*) or in administered registered form (*au nominatif administré*).
- (ii) Dematerialised *Obligations Foncières* issued in registered dematerialised form (*au nominatif*) may not be converted into Dematerialised *Obligations Foncières* in bearer dematerialised form (*au porteur*).
- (iii) Dematerialised *Obligations Foncières* issued in fully registered form (*au nominatif pur*) may, at the option of the holder of such *Obligations Foncières*, be converted into *Obligations Foncières* in administered registered form (*au nominatif administré*), and vice versa. The exercise of any such option by such holder shall be made in accordance with Article R.211-4 of the French Monetary and Financial Code. Any such conversion shall be effected at the cost of such holder.

(b) Materialised *Obligations Foncières*

Bearer Materialised *Obligations Foncières* of one Specified Denomination may not be exchanged for Bearer Materialised *Obligations Foncières* of another Specified Denomination.

3 Status

The *Obligations Foncières* and, where applicable, any Receipts and Coupons relating to them constitute direct, unconditional and, pursuant to the provisions of Condition 4, privileged obligations of the Issuer and rank and will rank *pari passu* and without any preference among themselves and equally and rateably with all other present or future *obligations foncières* of the Issuer (including the *Obligations Foncières* of all other Series) and other resources raised by the Issuer benefiting from the *privilège* (the “**Privilège**”) referred to in Article L.515-19 of the French Monetary and Financial Code as described in Condition 4.

4 *Privilège*

- (a) The *Obligations Foncières* benefit from the *Privilège* (priority right of payment) pursuant to Article L.515-19 of the French Monetary and Financial Code.
- (b) In accordance with Article L.515-19, all sums payable to the Issuer in respect of loans, assimilated receivables, exposures or securities referred to in Articles L.515-14 to L.515-17 of the French Monetary and Financial Code and the forward financial instruments referred to in Article L.515-18 (in each case after any applicable netting), together with the claims in respect of deposits made by the Issuer with credit institutions, are allocated in priority to the payment of any sums due in respect of *obligations foncières* (including the *Obligations Foncières*) issued by the Issuer and other resources raised by the Issuer pursuant to issue or subscription contracts referring to the *Privilège*.

It should be noted that, in addition to *Obligations Foncières* and other resources raised by the Issuer pursuant to any agreement, document purporting to inform the public within the meaning of Article L.412-1 of the French Monetary and Financial Code or any other equivalent document required in connection with the admission to trading on a Regulated Market located outside France referring to the *Privilège*, derivative transactions used for hedging are also benefiting from the *Privilège* under the conditions of Article L.515-18 of the French Monetary and Financial Code.

- (c) Article L.515-19 of the French Monetary and Financial Code provides that, notwithstanding any legislative provisions to the contrary and in particular those contained in the French Code of Commerce (relating to conciliation (*conciliation*), preservation (*sauvegarde*), judicial reorganisation (*redressement judiciaire*) and judicial liquidation (*liquidation judiciaire*)), the amounts due regularly under *obligations foncières* (including the *Obligations Foncières*) and other resources benefiting from the *Privilège*, are paid on their

contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. Accordingly, until all creditors benefiting from the *Privilège* have been fully paid, no other creditor of the Issuer may exercise any right over the assets and rights of the Issuer.

5 Interest and other Calculations

- (a) **Definitions:** In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Business Day**” means:

- (i) in the case of euro, a day on which the TARGET system is operating (a “**TARGET Business Day**”) and/or
- (ii) in the case of a Specified Currency other than euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for that currency and/or
- (iii) in the case of a Specified Currency and/or one or more Business Centres, a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres

“**Day Count Fraction**” means, in respect of the calculation of an amount of interest on any *Obligation Foncière* for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or Interest Accrual Period, the “**Calculation Period**”):

- (i) if “**Actual/Actual**” or “**Actual/Actual - ISDA**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365)
- (ii) if “**Actual/Actual - ICMA**” is specified in the relevant Final Terms:
 - (A) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and
 - (B) if the Calculation Period is longer than one Determination Period, the sum of:
 - (x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and
 - (y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year

where

“**Determination Period**” means the period from and including a Determination Date in any year to but excluding the next Determination Date; and

“**Determination Date**” means the date specified hereon or, if none is so specified, the Interest Payment Date

- (iii) if “**Actual/365 (Fixed)**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 365
- (iv) if “**Actual/360**” is specified in the relevant Final Terms, the actual number of days in the Calculation Period divided by 360
- (v) if “**30/360**”, “**360/360**” or “**Bond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30

- (vi) if “**30E/360**” or “**Eurobond Basis**” is specified in the relevant Final Terms, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30

- (vii) if “**30E/360 (ISDA)**” is specified hereon, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“**Y₁**” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“**Y₂**” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**M₁**” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30

“**Euro-zone**” means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty

“**Interest Accrual Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date

“**Interest Amount**” means the amount of interest payable, and in the case of Fixed Rate *Obligations Foncières*, means the Fixed Coupon Amount or Broken Amount, as the case may be

“**Interest Commencement Date**” means the Issue Date or such other date as may be specified in the relevant Final Terms

“**Interest Determination Date**” means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Final Terms or, if none is so specified, (i) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is euro or (ii) the first day of such Interest Accrual Period if the Specified Currency is Sterling or (iii) the day falling two Business Days in Paris for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor euro

“**Interest Payment Date**” means the date(s) specified as Specified Interest Payment Date or Interest Payment Date in the relevant Final Terms

“**Interest Period**” means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date

“**Interest Period Date**” means each Interest Payment Date unless otherwise specified in the relevant Final Terms

“**ISDA Definitions**” means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Final Terms

“**Rate of Interest**” means the rate of interest payable from time to time in respect of the *Obligations Foncières* and that is either specified or calculated in accordance with the provisions in the relevant Final Terms

“**Reference Banks**” means, in the case of a determination of LIBOR, the principal London office of four major banks in the London inter-bank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone inter-bank market, in each case selected by the Calculation Agent or as specified in the relevant Final Terms

“**Relevant Date**” means, in respect of any *Obligation Foncière*, Receipt or Coupon, the date on which payment in respect of it first became due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (in the case of Materialised *Obligations Foncières* if earlier) the date seven days after that on which notice is duly given to the holders of such Materialised *Obligations Foncières* that, upon further presentation of the Materialised *Obligation Foncière*, Receipt or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation

“**Relevant Screen Page**” means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Final Terms

“**Reference Rate**” means the rate specified as such in the relevant Final Terms

“**Specified Currency**” means the currency specified as such in the relevant Final Terms or, if none is specified, the currency in which the *Obligations Foncières* are denominated

“**TARGET System**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

- (b) **Interest on Fixed Rate *Obligations Foncières*:** Each Fixed Rate *Obligation Foncière* bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date.

If a Fixed Coupon Amount or a Broken Amount is specified in the relevant Final Terms, the amount of interest payable on each Interest Payment Date will amount to the Fixed Coupon Amount or, if applicable, the Broken Amount so specified and in the case of the Broken Amount will be payable on the particular Interest Payment Date(s) specified in the relevant Final Terms.

- (c) **Interest on Floating Rate *Obligations Foncières* and Index Linked Interest *Obligations Foncières*:**

- (i) Interest Payment Dates: Each Floating Rate *Obligation Foncière* and Index Linked Interest *Obligation Foncière* bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(k). Such Interest Payment Date(s) is/are either shown in the relevant Final Terms as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Final Terms, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Final Terms as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.
- (ii) Business Day Convention: If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such

date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) Rate of Interest for Floating Rate *Obligations Foncières*: The Rate of Interest in respect of Floating Rate *Obligations Foncières* for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Final Terms.

(A) ISDA Determination for Floating Rate *Obligations Foncières*

Where ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), “**ISDA Rate**” for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

- (a) the Floating Rate Option is as specified in the relevant Final Terms
- (b) the Designated Maturity is a period specified in the relevant Final Terms and
- (c) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Final Terms.

For the purposes of this sub-paragraph (A), “**Floating Rate**”, “**Calculation Agent**”, “**Floating Rate Option**”, “**Designated Maturity**”, “**Reset Date**” and “**Swap Transaction**” have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate *Obligations Foncières*

(a) Where Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

- (i) the offered quotation; or
- (ii) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 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 as determined by the Calculation Agent. If five or more of 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 Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate *Obligations Foncières* is specified in the relevant Final Terms as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such *Obligations Foncières* will be determined as provided in the relevant Final Terms.

- (b) if the Relevant Screen Page is not available or if sub-paragraph (a)(i) applies and no such offered quotation appears on the Relevant Screen Page or if sub-paragraph (a)(ii) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and
- (c) if paragraph (b) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro zone inter-bank market, as the case may be, provided that, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).
- (iv) Rate of Interest for Index Linked Interest *Obligations Foncières*: The Rate of Interest in respect of Index Linked Interest *Obligations Foncières* for each Interest Accrual Period shall be determined in the manner specified in the relevant Final Terms and interest will accrue by reference to an Index or Formula as specified in the relevant Final Terms.
- (d) **Zero Coupon *Obligations Foncières***: Where an *Obligation Foncière* the interest basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date pursuant to an Issuer's option or, if so specified in the relevant Final Terms, pursuant to Condition 6(d)(i) or otherwise and is not paid when due, the amount due and payable prior to the Maturity Date shall, unless otherwise provided in the relevant Final

Terms, be the Early Redemption Amount of such *Obligation Foncière*. As from the Maturity Date, the Rate of Interest for any overdue principal of such an *Obligation Foncière* shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(d)(i)) or to a rate specified in the Final Terms.

- (e) **Dual Currency Obligations Foncières:** In the case of Dual Currency *Obligations Foncières*, if the rate or amount of interest falls to be determined by reference to a Rate of Exchange or a method of calculating, a Rate of Exchange, the rate or amount of interest payable shall be determined in the manner specified in the relevant Final Terms.
- (f) **Partly Paid Obligations Foncières:** In the case of Partly Paid *Obligations Foncières* (other than Partly Paid *Obligations Foncières* which are Zero Coupon *Obligations Foncières*), interest will accrue as aforesaid on the paid-up nominal amount of such *Obligations Foncières* and otherwise as specified in the relevant Final Terms.
- (g) **Accrual of Interest:** Interest shall cease to accrue on each *Obligation Foncière* on the due date for redemption unless (i) in the case of Dematerialised *Obligations Foncières*, on such due date or (ii) in the case of Materialised *Obligations Foncières*, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (as well after as before judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date.
- (h) **Margin, Maximum/Minimum Rates of Interest, Instalment Amounts and Redemption Amounts, and Rounding:**
 - (i) If any Margin is specified in the relevant Final Terms (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (c) above by adding (if a positive number) or subtracting the absolute value (if a negative number) of such Margin, subject always to the next paragraph
 - (ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Final Terms, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be
 - (iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes “unit” means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.
- (i) **Calculations:** The amount of interest payable in respect of any *Obligation Foncière* for any period shall be calculated by multiplying the product of the Rate of Interest and the outstanding nominal amount of such *Obligation Foncière* by the Day Count Fraction, unless an Interest Amount (or a formula for its calculation) is specified in respect of such period, in which case the amount of interest payable in respect of such *Obligation Foncière* for such period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable in respect of such Interest Period shall be the sum of the amounts of interest payable in respect of each of those Interest Accrual Periods.
- (j) **Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Optional Redemption Amounts and Instalment Amounts:** The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest

Amounts in respect of each Specified Denomination of the *Obligations Foncières* for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Optional Redemption Amount, Early Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, the Paying Agent, the holders of *Obligations Foncières*, any other Calculation Agent appointed in respect of the *Obligations Foncières* that is to make a further calculation upon receipt of such information and, if the *Obligations Foncières* are listed on a Regulated Market or stock exchange, and the rules of such exchange so require, such exchange as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(c)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

- (k) **Calculation Agent:** The Issuer shall procure that there shall at all times one or more Calculation Agents if provision is made for them in the relevant Final Terms and for so long as any *Obligation Foncière* is outstanding (as defined below). Where more than one Calculation Agent is appointed in respect of the *Obligations Foncières*, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or investment banking firm engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal Paris office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

For the purpose of these Conditions, “**outstanding**” means, in relation to the *Obligations Foncières* of any Series, all the *Obligations Foncières* issued other than (a) those that have been redeemed in accordance with these Conditions, (b) those in respect of which the date for redemption has occurred and the redemption moneys (including all interest accrued on such *Obligations Foncières* to the date for such redemption and any interest payable after such date) have been duly paid (i) in the case of Dematerialised *Obligations Foncières* in bearer dematerialised form and in administered registered form, to the relevant Account Holder on behalf of the holder of *Obligations Foncières*, (ii) in the case of Dematerialised *Obligations Foncières* in fully registered form, to the account of the holder of *Obligations Foncières* and (iii) in the case of Materialised *Obligations Foncières*, to the Fiscal Agent and remain available for payment against presentation and surrender of Bearer Materialised *Obligations Foncières*, Receipts and/or Coupons, as the case may be, (c) those which have become void or in respect of which claims have become prescribed, (d) those which have been purchased and cancelled as provided in these Conditions, (e) in the case of Materialised *Obligations Foncières* (i) those mutilated or defaced Bearer Materialised *Obligations Foncières* that have been surrendered in exchange for replacement Bearer Materialised *Obligations Foncières*, (ii) (for the purpose only of determining how many such Bearer Materialised *Obligations Foncières* are outstanding and without prejudice to their status for any other purpose) those Bearer Materialised *Obligations Foncières* alleged to have been lost, stolen or destroyed and in respect of which

replacement Bearer Materialised *Obligations Foncières* have been issued and (iii) any Temporary Global Certificate to the extent that it shall have been exchanged for one or more definitive Bearer Materialised *Obligations Foncières*, pursuant to its provisions.

6 Redemption, Purchase and Options

- (a) **Final Redemption:** Unless previously redeemed, purchased and cancelled as provided below, each *Obligation Foncière* shall be finally redeemed on the Maturity Date specified in the relevant Final Terms at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a *Obligation Foncière* falling within Condition 6(b) below, its final Instalment Amount.
- (b) **Redemption by Instalments:** Unless previously redeemed, purchased and cancelled as provided in this Condition 6, each *Obligation Foncière* that provides for Instalment Dates and Instalment Amounts shall be partially redeemed on each Instalment Date at the related Instalment Amount specified in the relevant Final Terms. The outstanding nominal amount of each such *Obligation Foncière* shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such *Obligation Foncière*, such proportion) (the “**Outstanding Nominal Amount**”) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused (i) in the case of Dematerialised *Obligations Foncières*, on the due date for such payment or (ii) in the case of Materialised *Obligations Foncières*, on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.
- (c) **Redemption at the Option of the Issuer, and Partial Redemption:** If Call Option is specified in the relevant Final Terms, the Issuer may, on giving not less than 15 nor more than 30 days’ irrevocable notice in accordance with Condition 14 to the holders of *Obligations Foncières* (or such other notice period as may be specified in the relevant Final Terms) redeem, all or, if so provided, some, of the *Obligations Foncières* on any Optional Redemption Date. Any such redemption of *Obligations Foncières* shall be at their Optional Redemption Amount together with interest accrued to the date fixed for redemption, if any. Any such redemption must relate to *Obligations Foncières* of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed as specified in the relevant Final Terms and no greater than the Maximum Redemption Amount to be redeemed specified in the relevant Final Terms.

All *Obligations Foncières* in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to holders of Materialised *Obligations Foncières* shall also contain the numbers of the definitive Bearer Materialised *Obligations Foncières* to be redeemed which shall have been drawn in such place and in such manner as may be fair and reasonable in the circumstances, taking account of prevailing market practices, subject to compliance with any applicable laws and Regulated Market or stock exchange requirements.

In the case of a partial redemption of Dematerialised *Obligations Foncières*, the redemption may be effected, at the option of the Issuer, either (i) by reducing the nominal amount of all such Dematerialised *Obligations Foncières* in a Series in proportion to the aggregate nominal amount redeemed or (ii) by redeeming in full some only of such Dematerialised *Obligations Foncières* and, in such latter case, the choice between those Dematerialised *Obligations Foncières* that will be fully redeemed and those Dematerialised *Obligations Foncières* of any Series that will not be redeemed shall be made in accordance with Article R.213-16 of the French Monetary and Financial Code and the provisions of the relevant Final Terms, subject to compliance with any other applicable laws and Regulated Market or stock exchange requirements. In the case of a partial exercise of an Issuer’s option in respect of Dematerialised *Obligations Foncières* (other than for the purposes of the redemption), the option shall be exercised in the manner specified in the relevant Final Terms.

So long as the *Obligations Foncières* are admitted to trading on the Luxembourg Stock Exchange and the rules of that Regulated Market so require, the Issuer shall, once in each year in which there has been a partial redemption of the *Obligations Foncières*, cause to be published in a leading newspaper of general circulation in Luxembourg or, so long as the rules of such Regulated Market so permit, on the website of the Luxembourg Stock Exchange, a notice specifying the aggregate nominal amount of *Obligations Foncières* outstanding and, in the case of Materialised *Obligations Foncières* a list of any definitive Bearer Materialised *Obligations Foncières* drawn for redemption but not surrendered.

(d) **Early Redemption:**

(i) *Zero Coupon Obligations Foncières:*

(A) The Early Redemption Amount payable in respect of any *Zero Coupon Obligation Foncière*, the Early Redemption Amount of which is not linked to an index and/or a formula, upon redemption of such *Obligation Foncière* pursuant to Condition 6(e) if so specified in the relevant Final Terms shall be the Amortised Nominal Amount (calculated as provided below) of such *Obligation Foncière* unless otherwise specified in the relevant Final Terms.

(B) Subject to the provisions of sub-paragraph (C) below, the Amortised Nominal Amount of any such *Obligation Foncière* shall be the scheduled Final Redemption Amount of such *Obligation Foncière* on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Final Terms, shall be such rate as would produce an Amortised Nominal Amount equal to the issue price of the *Obligations Foncières* if they were discounted back to their issue price on the Issue Date (the “**Amortisation Yield**”)) compounded annually.

(C) If the Early Redemption Amount payable in respect of any such *Obligation Foncière* upon its redemption pursuant to Condition 6(e) is not paid when due, the Early Redemption Amount due and payable in respect of such *Obligation Foncière* shall be the Amortised Nominal Amount of such *Obligation Foncière* as defined in sub-paragraph (B) above, except that such sub-paragraph shall have effect as though the date on which the Amortised Nominal becomes due and payable was the Relevant Date. The calculation of the Amortised Nominal Amount in accordance with this sub-paragraph shall continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Final Redemption Amount of such *Obligation Foncière* on the Maturity Date together with any interest that may accrue in accordance with Condition 5(d).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown hereon.

(ii) *Other Obligations Foncières:* The Early Redemption Amount payable in respect of any *Obligation Foncière* (other than *Obligations Foncières* described in (i) above), upon redemption of such *Obligations Foncières* pursuant to Condition 6(e), if so provided in the relevant Final Terms), shall be the Final Redemption Amount unless otherwise specified in the relevant Final Terms.

(e) **No Redemption for Taxation Reasons:** If French law should require that payments of principal or interest in respect of any *Obligation Foncière* be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, such *Obligation Foncière* will not, unless otherwise specified in the relevant Final Terms, be redeemed early. If such early redemption is provided in the relevant Final Terms, notice of such early redemption shall be given in accordance with Condition 14.

(f) **Partly Paid Obligations Foncières:** Partly Paid *Obligations Foncières* will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Final Terms.

- (g) **Purchases:** The Issuer shall have the right at all times to purchase *Obligations Foncières* (provided that, in the case of Materialised *Obligations Foncières*, all unmatured Receipts and Coupons and unexchanged Talons relating thereto are attached thereto or surrendered therewith) in the open market or otherwise at any price. All *Obligations Foncières* so purchased by the Issuer may be held and resold for the purpose of enhancing the liquidity of the *Obligations Foncières* in accordance with Articles L.213-1 A and D.213-1 A of the French Monetary and Financial Code.
- (h) **Cancellation:** All *Obligations Foncières* purchased for cancellation by or on behalf of the Issuer will forthwith be cancelled, in the case of Dematerialised *Obligations Foncières*, by transfer to an account in accordance with the rules and procedures of Euroclear France and, in the case of Bearer Materialised *Obligations Foncières*, by surrendering Temporary Global Certificate or the definitive Bearer Materialised *Obligations Foncières* in question together with all unmatured Receipts and Coupons and all unexchanged Talons to the Fiscal Agent and, in each case, if so transferred or surrendered, shall, together with all *Obligations Foncières* redeemed by the Issuer, be cancelled forthwith (together with, in the case of Dematerialised *Obligations Foncières*, all rights relating to payment of interest and other amounts relating to such Dematerialised *Obligations Foncières* and, in the case of Materialised *Obligations Foncières*, all unmatured Receipts and Coupons and unexchanged Talons attached thereto or surrendered therewith). Any *Obligations Foncières* so cancelled or, where applicable, transferred or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such *Obligations Foncières* shall be discharged.
- (i) **Subscription and use as collateral:** Notwithstanding this Condition 6, the Issuer may, pursuant to Article L.515-32-1 of the French Monetary and Financial Code, subscribe its own *Obligations Foncières* for the sole purpose of pledging them as collateral for the credit operations of the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations, in instances where the Issuer is unable to meet its cash-flow needs with other means available to it.

7 Payments and Talons

- (a) **Dematerialised *Obligations Foncières*:** Payments of principal and interest in respect of Dematerialised *Obligations Foncières* shall (in the case of Dematerialised *Obligations Foncières* in bearer dematerialised form or administered registered form) be made by transfer to the account denominated in the relevant currency of the relevant Account Holders for the benefit of the holders of *Obligations Foncières* and, (in the case of Dematerialised *Obligations Foncières* in fully registered form), to an account denominated in the relevant currency with a Bank designated by the holders of *Obligations Foncières*. All payments validly made to such Account Holders will be an effective discharge of the Issuer in respect of such payments.
- (b) **Bearer Materialised *Obligations Foncières*:** Payments of principal and interest in respect of Bearer Materialised *Obligations Foncières* shall, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and provided that the Receipt is presented for payment together with its relative *Obligation Foncière*), Bearer Materialised *Obligations Foncières* (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the relevant currency drawn on, or, at the option of the holder, by transfer to an account denominated in such currency with, a Bank.
- (c) **Payments in the United States:** Notwithstanding the foregoing, if any Bearer Materialised *Obligations Foncières* are denominated in U.S. Dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed a Paying Agent with specified offices outside the United States with the reasonable expectation that such Paying Agent would be able to make payment of the amounts on the *Obligations Foncières* in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively

precluded by exchange controls or other similar restrictions on payment or receipt of such amounts and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

- (d) **Payments Subject to Fiscal Laws:** All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in the place of payment but without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the holders of *Obligations Foncières* or Coupons in respect of such payments.
- (e) **Appointment of Agents:** The Fiscal Agent, the Paying Agent, the Calculation Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent initially appointed by the Issuer and their respective specified offices are listed at the end of the Base Prospectus relating to the Programme of *Obligations Foncières* of the Issuer. The Fiscal Agent, the Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent act solely as agents of the Issuer and the Calculation Agent(s) act(s) as independent experts(s) and, in each case such, do not assume any obligation or relationship of agency for any holder of *Obligation Foncière* or Coupon. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any other Paying Agent, the Redenomination Agent, the Consolidation Agent and the Registration Agent or the Calculation Agent(s) and to appoint additional or other Paying Agent, provided that the Issuer shall at all times maintain (i) a Fiscal Agent, (ii) one or more Calculation Agent(s) where the Conditions so require, (iii) a Redenomination Agent and a Consolidation Agent where the Conditions so require, (iv) a Paying Agent having specified offices in at least two major European cities provided that (A) so long as the *Obligations Foncières* are admitted to trading on the Luxembourg Stock Exchange and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent in Luxembourg, and (B) so long as the *Obligations Foncières* are admitted to trading on Euronext Paris and the rules applicable to that Regulated Market so require, the Issuer will maintain a Paying Agent allowed to provide in France services relating to issues of securities within the meaning of Directive 2006/48/EC relating to the taking up and pursuit of the business of credit institutions (v) a Registration Agent, (vi) so long as Materialised *Obligations Foncières* are outstanding, a Paying Agent having its specified office in a Member State of the EU that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any other EU Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to, such Directive and (vii) such other agents as may be required by any other Regulated Market or stock exchange on which the *Obligations Foncières* may be listed and admitted to trading.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Materialised *Obligations Foncières* denominated in U.S. Dollars in the circumstances described in paragraph (c) above.

On a redenomination of the *Obligations Foncières* of any Series pursuant to Condition 1(d) with a view to consolidating such *Obligations Foncières* with one or more other Series of *Obligations Foncières*, in accordance with Condition 13, the Issuer shall ensure that the same entity shall be appointed as both Redenomination Agent and Consolidation Agent in respect of both such *Obligations Foncières* and such other Series of *Obligations Foncières* to be so consolidated with such *Obligations Foncières*.

Notice of any such change or any change of any specified office shall promptly be given to the holders of *Obligations Foncières* in accordance with Condition 14.

- (f) **Unmatured Coupons and Receipts and unexchanged Talons:**
- (i) Upon the due date for redemption of those *Obligations Foncières*, Bearer Materialised *Obligations Foncières* which comprise Fixed Rate *Obligations Foncières* (other than Dual Currency *Obligations Foncières* or Index Linked *Obligations Foncières*) should be surrendered for payment together with all unmaturing Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmaturing Coupon (or, in the case of payment not being made in full, that proportion

of the amount of such missing unmatured Coupon that the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

- (ii) Upon the due date for redemption of any Bearer Materialised *Obligation Foncière* comprising a Floating Rate *Obligation Foncière*, Dual Currency *Obligation Foncière* or Index Linked *Obligation Foncière*, unmatured Coupons relating to such *Obligation Foncière* (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (iii) Upon the due date for redemption of any Bearer Materialised *Obligation Foncière*, any unexchanged Talon relating to such *Obligation Foncière* (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.
 - (iv) Upon the due date for redemption of any Bearer Materialised *Obligation Foncière* that is redeemable in instalments, all Receipts relating to such Bearer Materialised *Obligation Foncière* having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.
 - (v) Where any Bearer Materialised *Obligation Foncière* that provides that the relative unmatured Coupons are to become void upon the due date for redemption of those *Obligations Foncières* is presented for redemption without all unmatured Coupons, and where any Bearer *Obligation Foncière* is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.
 - (vi) If the due date for redemption of any Bearer Materialised *Obligation Foncière* is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant definitive Bearer Materialised *Obligation Foncière* Bearer Materialised. Interest accrued on a Bearer Materialised *Obligation Foncière* that only bears interest after its Maturity Date shall be payable on redemption of such *Obligation Foncière* against presentation of the relevant Bearer Materialised *Obligation Foncière*.
- (g) **Talons:** On or after the Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Materialised *Obligation Foncière*, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet) (but excluding any Coupons that may have become void pursuant to Condition 9).
- (h) **Business Days for Payment:** If any date for payment in respect of any *Obligation Foncière*, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day, unless otherwise specified in the relevant Final Terms (the "Adjusted Payment Date"), nor to any interest or other sum in respect of such postponed payment. In this paragraph, "**business day**" means a day (other than a Saturday or a Sunday) (A) (i) in the case of Dematerialised *Obligations Foncières*, on which Euroclear France is open for business or (ii) in the case of Materialised *Obligations Foncières*, on which banks and foreign exchange markets are open for business in the relevant place of presentation, (B) in such jurisdictions as shall be specified as "**Financial Center**" in the relevant Final Terms and (C) (i) in the case of a payment in a currency other than euro, where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency or (ii) in the case of a payment in euro, which is a TARGET Business Day.

- (i) **Bank:** For the purpose of this Condition 7, “**Bank**” means a bank in the principal financial centre of the relevant currency or, in the case of euro, in a city in which banks have access to the TARGET System.

8 Taxation

- (a) **Withholding Tax:** All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the *Obligations Foncières* shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.
- (b) **No Additional Amounts:** If French law should require that payments of principal or interest in respect of any *Obligation Foncière*, or any Receipt or Coupon relating thereto, be subject to deduction or withholding in respect of any present or future taxes or duties whatsoever, the Issuer will not be required to pay any additional amounts, unless otherwise provided in the relevant Final Terms, in respect of any such deduction or withholding.
- (c) **Supply of Information:** Each holder of *Obligations Foncières* shall be responsible for supplying to the Paying Agent, in a timely manner, any information as may be required in order to comply with the identification and reporting obligations imposed on it by the European Council Directive 2003/48/EC or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive.

9 Prescription

Claims against the Issuer for payment in respect of the *Obligations Foncières*, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or 5 years (in the case of interest) from the appropriate Relevant Date in respect of them.

10 Representation of holders of *Obligations Foncières*

Except as otherwise provided by the relevant Final Terms, holders of *Obligations Foncières* will, in respect of all Tranches in any Series, be grouped automatically for the defence of their common interests in a *masse* (in each case, the “*Masse*”).

Except as otherwise provided by the relevant Final Terms, the *Masse* will be governed by the provisions of the French Code of Commerce with the exception of Articles L. 228-47, L. 228-48, L. 228-59, R.228-63, R.228-67 and R.228-69 subject to the following provisions:

- (a) **Legal Personality**

The *Masse* will be a separate legal entity and will act in part through a representative (the “**Representative**”) and in part through a general meeting of the holders of *Obligations Foncières* (the “**General Meeting**”).

The *Masse* alone, to the exclusion of all individual holders of *Obligations Foncières*, shall exercise the common rights, actions and benefits which now or in the future may accrue respectively with respect to the *Obligations Foncières*.

- (b) **Representative**

The office of the Representative may be conferred on a person of any nationality. However, the following persons may not be chosen as Representatives:

- (i) the Issuer;
- (ii) any entity holding at least 10 per cent. of the share capital of the Issuer or any entities at least 10 per cent. of the share capital of which is held by the Issuer;

- (iii) any entity guaranteeing all or part of the obligations of the Issuer;
- (iv) any member of the management board (*Directoire*) and supervisory board (*Conseil de Surveillance*), any statutory auditors, any employee, managers (*gérants*), general managers (*directeurs généraux*), members of the board of directors (*Conseil d'Administration*) (or their respective ascendants, descendants and spouses) of any entities referred to in (i), (ii) and (iii) above; and
- (v) persons to whom the practice of banker is forbidden or who have been deprived of the right of directing, administering or managing an enterprise in whatever capacity.

The names and addresses of the initial Representative of the *Masse* and its alternate will be set out in the Final Terms. The Representative appointed in respect of the first Tranche of any Series of *Obligations Foncières* will be the Representative of the single *Masse* of all Tranches in such Series.

The Representative will not be entitled to any remuneration in connection with its functions or duties.

In the event of death, retirement or revocation of appointment of the Representative, such Representative will be replaced by the alternate Representative. In the event of the death, retirement or revocation of appointment of the alternate Representative, an alternate will be elected by the General Meeting.

All interested parties will at all times have the right to obtain the names and addresses of the initial Representative and the alternate Representative at the head office of the Issuer and the specified offices of any of the Paying Agents.

(c) Powers of Representative

The Representative shall (in the absence of any decision to the contrary of the General Meeting and except as provided by paragraph 1 of Article L. 515-31 of the French Monetary and Financial Code) have the power to take all acts of management necessary in order to defend the common interests of the holders of *Obligations Foncières*.

All legal proceedings against the holders of *Obligations Foncières* or initiated by them, must be brought by or against the Representative; except that, should judicial reorganisation or liquidation (*redressement ou liquidation judiciaire*) proceedings be commenced against the Issuer the Specific Controller shall file the proof of debt of all the creditors of the Issuer benefiting from the *Privilège* (including the holders of *Obligations Foncières*).

The Representative may not be involved in the management of the affairs of the Issuer.

(d) General Meeting

A General Meeting may be held at any time, on convocation either by the Issuer or by the Representative. One or more holders of *Obligations Foncières*, holding together at least one-thirtieth of the principal amount of the *Obligations Foncières* outstanding, may address to the Issuer and the Representative a demand for convocation of the General Meeting. If such General Meeting has not been convened within two months after such demand, the holders of *Obligations Foncières* may commission one of their members to petition a competent court in Paris to appoint an agent (*mandataire*) who will call the General Meeting.

Notice of the date, hour, place and agenda of any General Meeting will be published as provided under Condition 14.

Each holder of an *Obligation Foncière* has the right to participate in a General Meeting in person, by proxy, correspondence, or, if the *statuts* of the Issuer so specify¹, videoconference or any other means of

¹ At the date of this Base Prospectus the *statuts* of the Issuer do not contemplate the right for a holder of an *Obligation Foncière* to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating holders of *Obligations Foncières*.

telecommunication allowing the identification of the participating holders of the *Obligations Foncières*. Each *Obligation Foncière* carries the right to one vote or, in the case of *Obligations Foncières* issued with more than one Specified Denomination, one vote in respect of each multiple of the lowest Specified Denomination comprised in the principal amount of the Specified Denomination of such *Obligation Foncière*.

In accordance with Article R. 228-71 of the French Code of Commerce, the rights of each holder of an *Obligation Foncière* to participate in a General Meeting must be evidenced by entries in the books of the relevant Account Holder of the name of such holder of an *Obligation Foncière* on the third business day in Paris preceding the date set for the relevant General Meeting at 0.00, Paris time.

(e) **Powers of the General Meetings**

The General Meeting is empowered to deliberate on the dismissal and replacement of the Representative and the alternate Representative and also may act with respect to any other matter that relates to the common rights, actions and benefits which now or in the future may accrue with respect to the *Obligations Foncières*, including authorising the Representative to act at law as plaintiff or defendant.

The General Meeting may further deliberate on any proposal relating to the modification of the Conditions including any proposal, whether for arbitration or settlement, relating to rights in controversy or which were the subject of judicial decisions, it being specified, however, that the General Meeting may not increase the liabilities (*charges*) by holders of *Obligations Foncières*, nor establish any unequal treatment between the holders of *Obligations Foncières*, nor decide to convert *Obligations Foncières* into shares.

General Meetings may deliberate validly on first convocation only if holders of *Obligations Foncières* present or represented hold at least one fifth of the principal amount of the *Obligations Foncières* then outstanding. On second convocation, no quorum shall be required. Decisions at meetings shall be taken by a two-third majority of votes cast by holders of *Obligations Foncières* attending such General Meetings or represented thereat.

Decisions of General Meetings must be published in accordance with the provisions set forth in Condition 14.

(f) **Information to holders of *Obligations Foncières***

Each holder of an *Obligation Foncière* or representative thereof will have the right, during the 15-day period preceding the holding of each General Meeting, to consult or make a copy of the text of the resolutions which will be proposed and of the reports which will be presented at the General Meeting, all of which will be available for inspection by the relevant holders of *Obligations Foncières* at the registered office of the Issuer, at the specified offices of any of the Paying Agents and at any other place specified in the notice of the General Meeting.

(g) **Expenses**

The Issuer will pay all reasonable expenses relating to the operation of the *Masse*, including expenses relating to the calling and holding of General Meetings and, more generally, all administrative expenses resolved upon by the General Meeting, it being expressly stipulated that no expenses may be imputed against interest payable on the *Obligations Foncières*.

(h) **Single *Masse***

The holders of *Obligations Foncières* of the same Series, and the holders of *Obligations Foncières* of any other Series which have been assimilated with the *Obligations Foncières* of such first mentioned Series in accordance with Condition 13, shall, for the defence of their respective common interests, be grouped in a single *Masse*. The Representative appointed in respect of the first Tranche of any Series of *Obligations Foncières* will be the Representative of the single *Masse* of all Tranches in such Series.

For the avoidance of doubt, in this Condition 10, the term “**outstanding**” shall not include those *Obligations Foncières* subscribed or purchased by the Issuer pursuant to, respectively, Articles L.515-32-1 and L.213-1 A of the French Monetary and Financial Code that are held by it and not cancelled.

11 Modifications

These Conditions may be completed in relation to any Series of *Obligations Foncières* by the terms of the relevant Final Terms in relation to such Series.

12 Replacement of definitive *Obligations Foncières*, Receipts, Coupons and Talons

If, in the case of any Bearer Materialised *Obligations Foncières*, a definitive Bearer Materialised *Obligation Foncière*, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and Regulated Market or stock exchange regulations, at the specified office of the Fiscal Agent or such other Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to holders of *Obligations Foncières*, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed definitive Bearer Materialised *Obligation Foncière*, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such definitive Bearer Materialised *Obligations Foncières*, Receipts, Coupons or further Coupons) and otherwise as the Issuer may require. Mutilated or defaced definitive Bearer Materialised *Obligations Foncières*, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues and Consolidation

- (a) **Further Issues:** The Issuer may from time to time without the consent of the holders of *Obligations Foncières*, Receipts or Coupons create and issue further *Obligations Foncières* to be assimilated (*assimilées*) with the *Obligations Foncières* provided such *Obligations Foncières* and the further *Obligations Foncières* carry rights identical in all respects (or in all respects save for the principal amount thereof and the first payment of interest in the relevant Final Terms) and that the terms of such *Obligations Foncières* provide for such assimilation and references in these Conditions to “*Obligations Foncières*” shall be construed accordingly.
- (b) **Consolidation:** The Issuer may from time to time on any Interest Payment Date occurring on or after the Redenomination Date on giving not less than 30 days’ prior notice to the holders of *Obligations Foncières* in accordance with Condition 14, without the consent of the holders of *Obligations Foncières*, Receipts or Coupons, consolidate the *Obligations Foncières* of one Series with the *Obligations Foncières* of one or more other Series issued by it, whether or not originally issued in one of the European national currencies or in euro, provided such other *Obligations Foncières* have been redenominated in euro (if not originally denominated in euro) and which otherwise have, in respect of all periods subsequent to such consolidation, the same terms and conditions as the *Obligations Foncières*.

14 Notices

- (a) Notices to the holders of Dematerialised *Obligations Foncières* in registered form (*au nominatif*) shall be valid if either, (i) they are mailed to them at their respective addresses, in which case they will be deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the mailing, or, (ii) they are published (a) so long as such *Obligations Foncières* are admitted to trading on the Luxembourg Stock Exchange, and the rules of such Regulated Market so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (b) at the option of the Issuer, in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such *Obligations Foncières* are admitted to trading on any Regulated Market(s) or stock exchange(s) in a leading daily newspaper with general circulation in the city/ies where the Regulated Market(s) or stock exchange(s) on which such *Obligation(s) Foncière(s)* is/are admitted to trading is located which in the case

of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*. Notices to the holders of Bearer Materialised *Obligations Foncières* and Dematerialised *Obligations Foncières* in bearer form (*au porteur*) shall be valid if published (i) so long as such *Obligations Foncières* are admitted to trading on the Luxembourg Stock Exchange, and the rules of such Regulated Market so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (ii) at the option of the Issuer, in a daily leading newspaper of general circulation in Europe (which is expected to be the *Financial Times*) and so long as such *Obligations Foncières* are admitted to trading on any Regulated Market(s) or stock exchange(s) in a daily newspaper with general circulation in the city(ies) where the Regulated Market(s) or stock exchange(s) on which such *Obligations Foncières* is/are admitted to trading which in the case of the Luxembourg Stock Exchange, is expected to be the *Luxemburger Wort*.

- (b) If any such publication is not practicable, notice shall be validly given if published in another leading daily English language newspaper with general circulation in Europe. Any such notice shall be deemed to have been given on the date of such publication or, if published more than once or on different dates, on the date of the first publication as provided above. Holders of Coupons shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Materialised *Obligations Foncières* in accordance with this Condition.
- (c) Notices required to be given to the holders of Dematerialised *Obligations Foncières* (whether in registered or in bearer form) pursuant to these Conditions may be given by delivery of the relevant notice to Euroclear France, Euroclear, Clearstream, Luxembourg and any other clearing system through which the *Obligations Foncières* are for the time being cleared in substitution for the mailing and publication as required by Conditions 14(a) and (b) above; except that (i) (a) so long as such *Obligations Foncières* are admitted to trading on the Luxembourg Stock Exchange and the rules of such Regulated Market so permit, notices shall also be published on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (b) so long as such *Obligations Foncières* are admitted to trading on any Regulated Market(s) or stock exchange(s) and the rules applicable to that stock exchange so require, notices shall be published in a daily newspaper with general circulation in the city(ies) where the Regulated Market(s) or stock exchange(s) on which such *Obligations Foncières* is/are admitted to trading and (ii) notices relating to the convocation and decision(s) of the General Meetings pursuant to Condition 10 shall also be published (a) so long as such *Obligations Foncières* are admitted to trading on the Luxembourg Stock Exchange and the rules of such Regulated Market so permit, on the website of the Luxembourg Stock Exchange (www.bourse.lu) or (b) in a leading newspaper of general circulation in Europe.

15 Method of Publication of the Final Terms

The Final Terms related to *Obligations Foncières* admitted to trading and/or offered to the public will be published, without prejudice of any provisions of the Prospectus Directive, upon each relevant issue, in a manner complying with Article 14 of the Prospectus Directive in an electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu).

In addition, should the *Obligations Foncières* be admitted to trading on a Regulated Market other than the Luxembourg Stock Exchange, the Final Terms related to those *Obligations Foncières* will provide whether this Base Prospectus and the relevant Final Terms will be published, if relevant on the website of (x) such Regulated Market, (y) the competent authority of the Member State in the EEA where such Regulated Market is situated, or (z) otherwise.

16 Governing Law and Jurisdiction

- (a) **Governing Law:** The *Obligations Foncières*, the Receipts, the Coupons and the Talons and all non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, French law.
- (b) **Jurisdiction:** Any claim against the Issuer in connection with any *Obligations Foncières*, Receipts, Coupons or Talons may be brought before any competent court in Hauts de Seine.

TEMPORARY GLOBAL CERTIFICATES ISSUED IN RESPECT OF BEARER MATERIALISED *OBLIGATIONS FONCIÈRES*

Temporary Global Certificates

A Temporary Global Certificate, without interest Coupons, will initially be issued in connection with Bearer Materialised *Obligations Foncières*. Upon the initial deposit of such Temporary Global Certificate with a common depository for Euroclear and Clearstream, Luxembourg (the “**Common Depository**”), Euroclear or Clearstream, Luxembourg will credit the accounts of each subscriber with a nominal amount of *Obligations Foncières* equal to the nominal amount thereof for which it has subscribed and paid.

The Common Depository may also credit with a nominal amount of *Obligations Foncières* the accounts of subscribers with (if indicated in the relevant Final Terms) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by such other clearing systems. Conversely, a nominal amount of *Obligations Foncières* that is initially deposited with any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems.

Exchange

Each Temporary Global Certificate issued in respect of *Obligations Foncières* will be exchangeable, free of charge to the holder, on or after its Exchange Date (as defined below):

- (i) if the relevant Final Terms indicates that such Temporary Global Certificate is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable, in whole, but not in part, for the definitive Bearer Materialised *Obligations Foncières* and
- (ii) otherwise, in whole but not in part, upon certification as to non-U.S. beneficial ownership (a form of which shall be available at the specified offices of any of the Paying Agents) for definitive Bearer Materialised *Obligations Foncières*.

Delivery of definitive Bearer Materialised *Obligations Foncières*

On or after its Exchange Date, the holder of a Temporary Global Certificate may surrender such Temporary Global Certificate to or to the order of the Fiscal Agent. In exchange for any Temporary Global Certificate, the Issuer will deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed definitive Bearer Materialised *Obligations Foncières*. In this Base Prospectus, definitive Bearer Materialised *Obligations Foncières* means, in relation to any Temporary Global Certificate, the definitive Bearer Materialised *Obligations Foncières* for which such Temporary Global Certificate may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Temporary Global Certificate and a Talon). Definitive Bearer Materialised *Obligations Foncières* will be security printed in accordance with any applicable legal and Regulated Market or stock exchange requirements. Forms of such definitive Bearer Materialised *Obligations Foncières* shall be available at the specified offices of any of the Paying Agent(s).

Exchange Date

“**Exchange Date**” means, in relation to a Temporary Global Certificate, the day falling after the expiry of 40 days after its issue date, provided that, in the event any further Materialised *Obligations Foncières* are issued prior to such day pursuant to Condition 13(a), the Exchange Date for shall be postponed to the day falling after the expiry of 40 days after the issue of such further Materialised *Obligations Foncières*.

USE OF PROCEEDS

Unless the Final Terms provide otherwise, the net proceeds of the issue of the *Obligations Foncières* will be used for the Issuer's general corporate purposes.

DESCRIPTION OF DEXIA MUNICIPAL AGENCY

Dexia Municipal Agency, or Dexia MA, is a limited liability company (*société anonyme à directoire et conseil de surveillance*) organized under the laws of the Republic of France. It is licensed as a specialized credit institution known as a “financial company” (*société financière*), which is one of the five types of credit institutions recognized and regulated under French banking law. That license specifies that Dexia MA is a *société de crédit foncier*, which is a restricted category of financial company with a specific purpose. See “Description of Dexia Municipal Agency – The Legal Regime Applicable to Dexia MA – Legislation Relating to *Sociétés de Crédit Foncier*”.

Dexia MA was approved by the *Comité des établissements de crédit et des entreprises d’investissement* (an institution now merged in the French *Autorité de contrôle prudentiel* (the “**Prudential Control Authority**”)) on 30 August 1999, as *société financière – société de crédit foncier*. This approval became definitive on 1 October 1999. It is governed by the provisions of Articles L.210-1 and following of the French Code of Commerce, Articles L.511-1 and following and R.511-1 and following of the French Monetary and Financial Code and Articles L.515-13 and following and R.515-2 and following of the French Monetary and Financial Code.

Under the French regulatory framework and as set out in Article 2 of Dexia MA's by-laws and in compliance with its license, Dexia MA may only make or acquire public sector loans, acquire public sector obligations, and acquire debt securities backed by public sector obligations (the “**Eligible Assets**”). Dexia MA is also permitted to invest in certain highly liquid cash-like securities, instruments and deposits and loans (the “**Replacement Assets**”). However, Dexia MA may not hold equity participations or other forms of equity interest. Dexia MA finances its business principally by the issuance of *obligations foncières* and other forms of privileged debt benefiting from a legal priority in right of payment.

Holders of *obligations foncières* issued by Dexia MA benefit from a legal priority in right of payment called the *privilege* on all assets and cash flows of Dexia MA. Pursuant to French law, when a *société de crédit foncier* is subject to bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) or to conciliation proceedings with its creditors (*procédure de conciliation*), no other creditors of a *société de crédit foncier*, and therefore of Dexia MA, can claim cash flows generated by its asset portfolio until Dexia MA's obligations in respect of its privileged liabilities are discharged in full. Dexia MA's privileged liabilities, which rank *pari passu* among themselves, are comprised of *obligations foncières* or other forms of privileged debt, liabilities to derivative counterparties, and liabilities to Dexia Credit Local and other entities of the Dexia Group under the loan service agreements. See “Description of Dexia Municipal Agency – The Legal Regime Applicable to Dexia MA – The *Privilege* (Statutory Priority in Right of Payment)”.

Dexia MA may also fund the above-mentioned activities by issuing bonds or other sources of financing that do not benefit from the *privilege* defined in Article L.515-19 of the French Monetary and Financial Code. This debt includes a long-term loan facility granted by Dexia Credit Local and a current account agreement with Dexia Credit Local, with unlimited drawdown capacity which finances the portion of assets comprising the over-collateral.

Dexia MA is a wholly-owned subsidiary of Dexia Credit Local, which is itself a wholly-owned subsidiary of Dexia SA. The Dexia Group, comprising Dexia SA and its consolidated subsidiaries, is primarily active in three areas: retail and commercial banking, public and wholesale banking, and asset management and services. Retail and commercial banking operations of the Dexia Group focus mostly on Belgium, Luxembourg, and Turkey. Its public and wholesale banking operations, which assist public and semi-public entities implement infrastructure and servicing projects, focuses on France and Belgium (with a significant presence in Italy and Spain). In the past, the Dexia Group's public and wholesale banking operations were present in Switzerland and Sweden, from where Dexia MA continues to hold some assets but has discontinued further activity. The Dexia Group's asset management and services operations serve a broad base of clients, many of which are also clients of the Dexia Group's public and wholesale banking and retail and commercial banking business lines.

Dexia MA's parent, Dexia Credit Local, specializes in providing public and project finance as well as financial services to local governments, municipalities and, to a lesser extent, corporate borrowers. Its principal business is the financing of infrastructure development for local authority service providers both in France and internationally. It is a leading municipal bank in France. Through certain subsidiaries, it is also present in a number of international markets, including Italy, Spain and the United States.

As one of the three covered bonds issuers of the Dexia Group, Dexia MA provides an important part of the Dexia Group's annual consolidated long term funding.

The Dexia Group's long term funding issuance has played a greater role in the overall funding of the Dexia Group in 2009 and 2010 than in previous years, following the decision by Dexia's management to increase the proportion of long term funding in total refinancing of the Dexia Group. The long term funding achievement of the last two years includes the issuance of senior unsecured debt issuances between February 2009 and June 2010 guaranteed by the State of Belgium, France and Luxembourg. The Dexia Group ceased using government guaranteed debt issuances as of June 2010 and will not issue government guaranteed debt in the foreseeable future. Dexia Group's long term funding programme has therefore been adjusted to levels which are aligned with its new loans origination and to market capacities.

From 2011 onwards, the Dexia covered bonds issues, including the Dexia MA *obligations foncières* issues, are expected to represent the largest part of Dexia's long term funding programme.

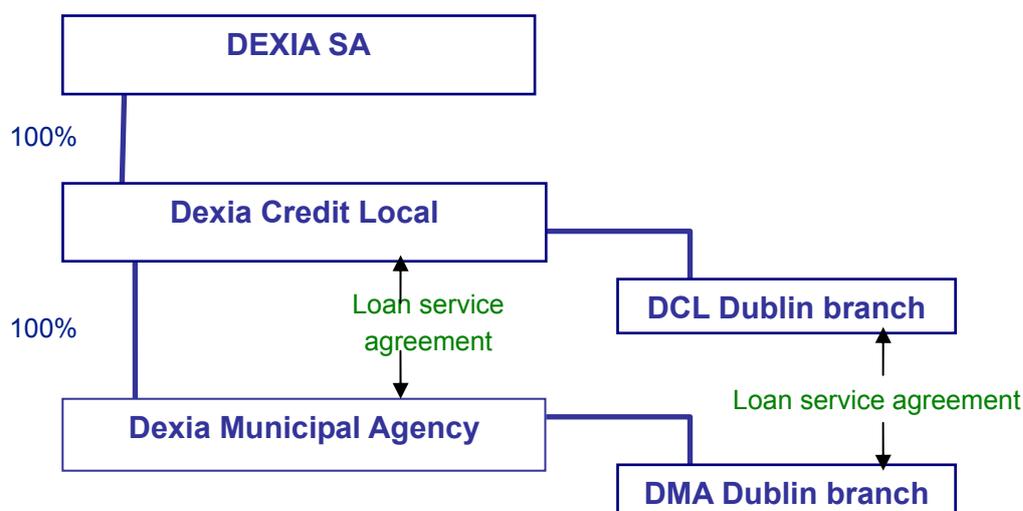
As a result of its status as a *société de crédit foncier*, Dexia MA is not permitted to have its own employees. It therefore relies on the resources provided to it by its parent company, Dexia Credit Local for the day-to-day operation of its business including the servicing of its loan portfolio. Dexia Credit Local, in accordance with the terms of the loan service agreement entered into between Dexia MA and Dexia Credit Local (which also covers loan origination, servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources, compensation for services and current account services), monitors and controls risks relating to credit, counterparties, market, operations, exchange rates, interest rates, liquidity, and settlement at the level of Dexia MA. See “Description of Dexia Municipal Agency – The Legal Regime Applicable to Dexia MA”.

Dexia MA is governed by an Executive Board and a Supervisory Board. See “Administrative, Management and Supervisory Bodies”.

Dexia MA's registered office is located at Tour Dexia, La Défense 2 - 1, passerelle des Reflets, 92913 La Défense, France (Telephone: +33 1 58 58 77 77), it is registered as a *société anonyme à directoire et conseil de surveillance* with the *Registre du commerce et des sociétés* of Nanterre under the number 421 318 064.

Organizational structure

The following diagram sets forth a simplified diagram of Dexia MA's organizational structure:



Dexia MA operates a branch in Dublin. The role of this entity is to facilitate financing for the assets generated by the Dexia Group in its international activities. Since the branch's balance sheet is integrated with that of Dexia MA in Paris, the assets in Paris and Dublin represent a single pool to cover *obligations foncières* and other debt benefiting from the *privilège*. Dexia MA does not issue any debt securities through its Dublin branch, nor does it originate or acquire exposure to Irish public sector borrowers through the branch (as of 30 September 2010, Dexia MA had no exposures to Irish borrowers). *Obligations foncières* and other debt benefiting from the *privilège* are issued, and the funds are collected exclusively in Paris. Financing for the Dublin branch is organized for the short term by Dexia Credit Local and for the medium and long term by internal financing from Dexia MA's headquarters in Paris. An extension of the loan service agreement signed by Dexia Credit Local and Dexia MA entrusts management of Dexia MA's branch in Dublin to the Dublin branch of Dexia Credit Local. The existence of Dexia MA's branch in Dublin does not affect the characteristics of the *privilège* accorded to Dexia MA under French law.

Share capital

As of the date of this Base Prospectus, Dexia MA's capital stock was 1,190,000,000 euros represented by 11,900,000 shares. Dexia MA has not issued any other securities that could be converted into or exchanged for shares in the capital of Dexia MA. Since its creation in 1999, 99.99% of Dexia MA's capital stock was held by Dexia Credit Local and 0.01% was held by French and/or Belgian private, institutional and corporate investors.

THE LEGAL REGIME APPLICABLE TO DEXIA MA

The *Privilège* (Statutory Priority in Right of Payment)

Obligations foncières are specialized covered bond products that can only be issued by credit institutions licensed and regulated in France as *sociétés de crédit foncier*. *Obligations foncières* benefit from the legal *privilège* under French law which provides a priority in right of payment on all assets and cash flow of Dexia MA to the holders of *obligations foncières* and other privileged debt. Dexia MA's total assets must always exceed liabilities benefiting from the *privilège* in accordance with Article L.515-20 of the French Monetary and Financial Code.

The legal *privilège* is governed by Article L.515-19 of the French Monetary and Financial Code and has the following characteristics:

- the amounts received in respect of the loans, assimilated receivables, exposures, securities and instruments that qualify as Eligible Assets or Replacement Assets and from the financial instruments used for hedging (after any applicable netting), together with the claims in respect of deposits made by the *société de crédit foncier* with credit institutions, are allocated in priority for the payment of any sums due in relation to liabilities benefiting from the *privilège*, including the *obligations foncières*, Dexia MA's derivative counterparties and payments to Dexia Credit Local and other entities in the Dexia Group under the loan service agreements between them;
- when a *société de crédit foncier* is subject to bankruptcy proceedings (*procédure de sauvegarde, de redressement ou de liquidation judiciaires*) or to conciliation proceedings with its creditors (*procédure de conciliation*), liabilities benefiting from the *privilège*, as described in the preceding paragraph, are paid on their contractual due date, and in priority to all other debts, whether or not preferred or secured, including interest resulting from agreements whatever their duration. No other creditor of a *société de crédit foncier* may exercise any right over the assets and cash flows of such *société de crédit foncier* until all holders of *obligations foncières* and other debts benefiting from the *privilège* have been paid in full;
- the judicial liquidation (*liquidation judiciaire*) of a *société de crédit foncier* will not result in the acceleration of payment of *obligations foncières* or other debts benefiting from the *privilège*; and
- in order to maintain the *privilège* granted to holders of *obligations foncières* and other privileged debts, a *société de crédit foncier* can not have any employees. A *société de crédit foncier* must, therefore, entrust the management of its operations to another credit institution or credit institutions with which it has signed an agreement. Payments arising under the loan service agreements with Dexia Credit Local and other entities in the Dexia Group benefit from the *privilège* to the same extent as any privileged debt.

Legislation Relating to *Sociétés de Crédit Foncier*

Article L.515-13 of the French Monetary and Financial Code provides that the sole purpose of a *société de crédit foncier* is:

- to grant or acquire guaranteed loans, exposures to public sector entities and securities and instruments referred to in Articles L.515-14 to L.515-17 of the French Monetary and Financial Code (see below); and
- in order to finance such categories of loans, exposures, securities and instruments, to issue *obligations foncières* benefiting from the *privilège* or to issue other debt pursuant to an offering contract or any other equivalent document that refers to the *privilège*.

Sociétés de crédit foncier may also fund the activities referred to above through the issue of bonds or other sources of financing which do not benefit from the *privilège*. They may also issue promissory notes (*billets à ordre*).

Sociétés de crédit foncier may carry out temporary transfers of securities; pledge a securities account and pledge or transfer all or part of the receivables held by them in accordance with the applicable provisions of the French Monetary and Financial Code. The receivables or securities thus transferred or pledged are not included in the

Cover Pool (as such term is defined in “Risk Factors – Risk Factors Relating to the Issuer – Risk of default in its Cover Pool”) defined in Article L.515-19 (*assiette du privilège*) and are not taken into account for the calculation of the overcollateralization ratio.

Eligible exposures to public sector entities mentioned in Article L.515-13 that may be included in the Cover Pool, are assets such as loans, certain debt securities or off-balance-sheet exposures to the entities listed below or fully guaranteed by them.

- Central governments, central banks, public institutions or local authorities located in a Member State of the European Community or within the European Economic Area, in the United States of America, Switzerland, Japan, Canada, Australia or New Zealand (collectively, the "**Eligible States**");
- Central governments or central banks not located in an Eligible State, but who benefit from the highest level of credit quality¹ established by a credit rating agency recognized by the French Prudential Control Authority;
- The European Community, the International Monetary Fund, the Bank for International Settlements, multilateral development banks (the list of which has been set by decree of the Minister of the Economy), other international organizations and multilateral development banks benefiting from the highest level of credit quality established by a credit rating agency recognized by the French Prudential Control Authority;
- Public institutions and local authorities not located in an Eligible State if financial exposure to such persons are subject, for the determination of capital adequacy, to the same requirements as those used for central governments, central banks or credit institutions, or fully guaranteed by such persons, and benefiting from the highest level of credit quality established by a credit rating agency recognized by the French Prudential Control Authority; and
- Public institutions and local authorities mentioned in the bullet point above benefiting from the second-highest level of credit quality² established by a credit rating agency recognized by the French Prudential Control Authority, provided that such exposures are limited to 20% of the total outstanding nominal amount of the *obligations foncières* and other sources of financing benefiting from the *privilège*.

Eligible Assets of the public sector entities described above include, among other things:

- debt securities issued, or fully guaranteed, by one or more of the public sector entities mentioned above;
- monetary claims, including those resulting from a successive performance contract, against the public sector entities referred to above, or fully guaranteed by one or more of such public sector entities;
- debt stemming from leasing contracts or equivalent contracts to which a public sector entity referred to above is party in the capacity of lessee or tenant, or debt stemming from leasing contracts or equivalent contracts fully guaranteed by one or more of those public sector entities. *Sociétés de crédit foncier* that acquire debt resulting from a leasing contract may also acquire all or part of the debt that results from the sale of the leased property.

Eligible Assets also include securities issued by a securitization vehicle (*organisme de titrisation*) and securities issued by similar entities (such as asset-backed securities or mutual funds) registered under the law of a Member State of the European Union or of the European Economic Area, the United States of America, Switzerland, Japan, Canada, Australia or New Zealand provided that at least 90% of the assets held by these securitization vehicles must otherwise be Eligible Assets. These securities must benefit from the highest level of credit quality established by a credit rating agency recognized by the French Prudential Control Authority.

In order to hedge its interest and currency risks on loans, exposures, *obligations foncières* and other sources of financing benefiting from the *privilège*, or its global interest rate risk, *sociétés de crédit foncier* may use derivative

¹ highest level of credit quality (or Step 1): AAA to AA- for Fitch Ratings Ltd., Aaa to Aa3 for Moody's Investors Services, Inc. or AAA to AA- for Standard and Poor's Ratings Services.

² second-highest level of credit quality (or Step 2): A+ to A- for Fitch Ratings Ltd., A1 to A3 for Moody's Investors Services, Inc. or A+ to A- for Standard and Poor's Ratings Services.

instruments as defined in Article L.211-1 of the French Monetary and Financial Code. Any amounts payable pursuant to these financial instruments, after applicable netting, contracted to hedge its Eligible Assets and Replacement Assets, its liability items benefiting from the *privilège* and to manage or hedge the global risk on its assets, its liabilities and its off-balance sheet, benefit from the *privilège*.

According to Article L.515-17 of the French Monetary and Financial Code, *sociétés de crédit foncier* may hold as part of the Cover Pool Replacement Assets, including securities, instruments and deposits which are sufficiently safe and liquid. Article R.515-7 defines these Replacement Assets as debts due from credit institutions benefiting from the highest level of credit quality¹ established by an external rating agency recognized by the Prudential Control Authority. If any debt has a maturity of less than 100 days, the rating can be the second highest level of credit quality² for purposes of consideration as Replacement Assets. The total amount of the Replacement Assets is limited to 15% of the total outstanding nominal amount of the *obligations foncières* and other sources of financing benefiting from the *privilège*.

A *société de crédit foncier* is not allowed to hold equity securities issued by other companies.

Sociétés de crédit foncier must ensure, at all times, the coverage of their cash requirements over a period covering the next 180 days, while taking into account forecast flows of the principal and interest on its assets and the amounts related to derivatives as mentioned in Article L.515-18 of the French Monetary and Financial Code. Article L.515-32-1 of the French Monetary and Financial Code provides that a *société de crédit foncier* may subscribe to its own *obligations foncières* for the sole purpose of pledging them as collateral for the credit operations of the *Banque de France* in accordance with the procedures and conditions laid out by it for its monetary policy and intraday credit operations, in instances where the *société de crédit foncier* is unable to meet its cash-flow needs by other means available to it. The *obligations foncières* thus subscribed must satisfy the following conditions:

- they may represent a maximum of 10% of the total outstanding debt benefiting from the *privilège* at the acquisition date;
- they are deprived of voting rights in general meetings of bondholders, for so long as they are held by the *société de crédit foncier*;
- they must be posted as collateral to the *Banque de France*; in the absence of this allocation, they must be cancelled within 8 days; and
- they cannot be subscribed by third parties.

The *Contrôleur Spécifique* must certify that the above mentioned conditions are fulfilled and submit a report on this matter to the French Prudential Control Authority.

In addition:

- the provisions on bankruptcy which permit certain transactions entered into in the months preceding the bankruptcy to be declared void, do not apply to *sociétés de crédit foncier*;
- the bankruptcy proceedings (*procédure de sauvegarde, de sauvegarde financière accélérée, de redressement ou de liquidation judiciaires*) of a shareholder of a *société de crédit foncier* cannot be extended to the *société de crédit foncier* itself;
- any service/loan service agreement pursuant to which a *société de crédit foncier* has delegated to another credit institution the management or the recovery of loans, exposures, assimilated debts, securities, instruments and bonds or other sources of financing referred to in Article L.515-13 of the French Monetary and Financial Code may be immediately terminated upon the opening of bankruptcy proceedings (*procédure de sauvegarde, de sauvegarde financière accélérée, de redressement ou de liquidation judiciaires*) affecting that credit institution;

- a *société de crédit foncier* is not legally allowed to have a subsidiary or hold an equity interest in another company; and
- in case of bankruptcy proceedings (*procédure de sauvegarde, de sauvegarde financière accélérée, de redressement ou de liquidation judiciaires*) of a *société de crédit foncier*, the *Contrôleur Spécifique* will be responsible for filing claims on behalf of creditors benefiting from the *privilège*.

Sociétés de crédit foncier are obliged to respect, at any time, a ratio ensuring coverage of privileged resources by assets, including replacement assets, under the conditions set by the *arrêté* of the Minister in charge of the economy, at least equal to 102%.

Sociétés de crédit foncier submit their Coverage Ratio to the French Prudential Control Authority on 30 June and 31 December of each year. Pursuant to Article 13 of standard 99-10 of the Committee of banking and financial regulation (the *Comité de la réglementation bancaire et financière* or CRBF), *sociétés de crédit foncier* must send to the Prudential Control Authority no later than on June 10 of each year information relating to the quality of their assets. This report is published within 45 days of a general meeting approving the financial statements of the year then ended. In particular, the characteristics, details of the distribution of loans and guarantees, the total of any unpaid amounts, the distribution of debts by amount and by category of debtors, the proportion of early repayments, and the level and sensitivity of the position of rates are required to be included as part of the latter report.

BUSINESS OVERVIEW

Dexia Municipal Agency's exclusive purpose is (as per Article 2 of the by-laws):

- to grant or acquire loans to public sector entities as defined in Articles L.515-15 of the French Monetary and Financial Code as well as assets considered as loans as defined in Article L.515-16 of the same code;
- to hold assets defined by decree as replacement assets (*valeurs de remplacement*);
- in order to finance the above-mentioned loans, to issue *obligations foncières*, benefiting from the *privilège* defined in Article L.515-19 of the French Monetary and Financial Code and to raise other funds, under issue or subscription contract referring to the *privilège*.

Dexia Municipal Agency may also fund the above mentioned activities by issuing bonds or other sources or financing that do not benefit from the *privilège* defined in Article L.515-19 of the French Monetary and Financial Code.

Pursuant to Articles L.313-23 to L.313-35 of the French Monetary and Financial Code (previously French law n° 81-1 of 2 January 1981 facilitating corporate borrowing), the Dexia Municipal Agency may assign all the assets it owns, whatever the nature (whether professional or not).

The following paragraph summarises the Dexia Municipal Agency's main general framework of activities:

Assets

The assets held by Dexia Municipal Agency are solely comprised of commitments on public sector entities that are eligible by the terms of Articles L.515-15 and following of the Monetary and Financial Code, ie. States, local governments or groups of such, public sector entities in the European Economic Area, Switzerland, the United States of America, Canada and Japan. Exposures on public sector entities in other countries may be included in Dexia MA's assets, under the condition that they benefit from a high credit rating from a rating agency recognized by the Prudential Control Authority, but this option is not part of the current strategy of Dexia MA.

These commitments take the form of loans or bonds representing a commitment on or guaranteed by such public sector entities. Debt issued by mutual funds or similar structures (asset-backed securities – ABS) are also eligible for booking on Dexia MA's balance sheet if at least 90% of their assets are directly eligible, and if, upon acquisition, the debt issued has a minimum rating of AA-, Aa3, AA- from a rating agency recognized by the Prudential Control Authority. In practice, the securitization shares acquired by Dexia MA from Dexia Group subsidiaries were issued by funds entirely made up of eligible assets.

Assets considered by current legislation to be replacement assets correspond to exposures *vis-à-vis* credit institutions benefiting from a step 1 rating or a step 2 rating (when maturity does not exceed 100 days) for a total amount limited to 15% of all privileged debt (*obligations foncières* and registered covered bonds for Dexia MA). In this category, Dexia MA includes covered bonds issued by other Dexia Group entities with a cover pool comprised of commitments on public sector entities. These covered bonds ensure a synthetic transfer of eligible assets from certain Group entities to Dexia MA, as was the case for Dexia Sabadell and Dexia LdG Banque as of 31 December 2010. Dexia MA also acquires commitments, which can be secured or not, issued by Dexia Credit Local, with a maximum maturity of 3 months.

Dexia MA operates a branch in Dublin. The role of this entity is to facilitate financing for the assets generated by the Dexia Group in its international activities. Since the branch's balance sheet is completely integrated into the balance sheet of Dexia MA in Paris, all the assets in Paris and Dublin represent a single volume of collateral to cover obligations foncières and other debt benefiting from the legal privilege. *Obligations foncières* and other debt benefiting from the same privilege are issued and funds collected solely from Paris. Financing for the branch is organized for the short term by Dexia Credit Local and for the medium and long term by internal financing from Dexia MA's headquarters in Paris to its branch in Dublin. An extension of the management contract signed by

Dexia Credit Local and Dexia MA entrusts management of the Dexia MA branch in Dublin to the Dublin branch of Dexia Credit Local, since *sociétés de crédit foncier* have no direct employees (Article L.515-22 of the French Monetary and Financial Code). The existence of a branch in Dublin does not affect the characteristics of the privilege of *sociétés de crédit foncier* under French law.

The Dexia Group, especially through Dexia Credit Local, Dexia MA's shareholder, is a major player in public finance in Europe. Thus, the majority of the assets on Dexia MA's balance sheet are naturally generated by the Group's commercial activities.

Liabilities

In addition to equity, Dexia MA uses two categories of debt to finance its assets:

- debt that benefits from the legal privilege, defined by law as *obligations foncières* or other resources that benefit from the legal privilege by reason of their contract. Dexia MA thus issues registered covered bonds that benefit from the legal privilege by reason of their contract on the same basis as *obligations foncières*. Designed for German institutional investors, these private placements are governed by German law and benefit from the French legal privilege specific to issues by *sociétés de crédit foncier*;
- debt that does not benefit from the legal privilege, i.e. debt that is not covered by the assets and, therefore, would be considered as subordinated debt with regard to debt benefiting from the legal privilege. With equity, such debt finances over-collateralization. There are two types:
 - funds borrowed from Dexia Credit Local. This debt is contracted through a financing agreement with the parent company;
 - refinancing obtained from the Banque de France. As a credit institution, Dexia MA may benefit, in its own name, from access to refinancing by the Banque de France. Dexia MA has introduced the internal and computer procedures required to participate in the refinancing operations of the Banque de France. The financing obtained does not benefit from the privilege specified by the law on *sociétés de crédit foncier*, but is guaranteed by assets pledged to the Central Bank. These pledged assets are temporarily excluded from the cover pool and the calculation of the over-collateralization ratio. Dexia MA was able to test its access to such funding by making use of these operations to fund its commercial production of assets from September 2008 to July 2009 when the covered bond market was closed.

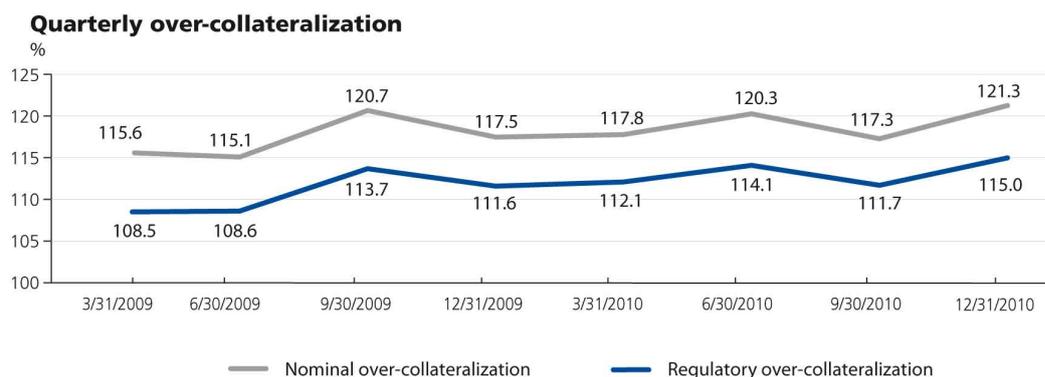
In addition, in 1999, Dexia Credit Local signed a declaration of support ensuring that it “will ensure that Dexia Municipal Agency... has the financial resources it needs to meet its obligations.” This declaration of support is reproduced in this Base Prospectus.

Over-collateralization ratio

The over-collateralization ratio, which is calculated on the basis of regulatory standards governing *sociétés de crédit foncier*, is the ratio between the assets and the resources benefiting from the legal privilege.

Dexia Municipal Agency decided to maintain a minimum regulatory over-collateralization ratio of 105%, which is considered a safe margin. In practice, given the rate of asset turnover from the Group's commercial activity and asset transfers, the over-collateralization ratio is regularly higher than 105%, as can be seen at the end of each month, when over-collateralization makes it possible to launch issues in the following month. The rating agencies may require a level of over-collateralization of more than 5%. This requirement depends on the methodology applied and on the new assets and liabilities on Dexia MA's balance sheet, and it may vary over time. Dexia MA takes these particular requirements into account in the management of its activity, in order to make sure they are always respected.

The following graph analyzes the trend in over-collateralization at the end of each quarter:

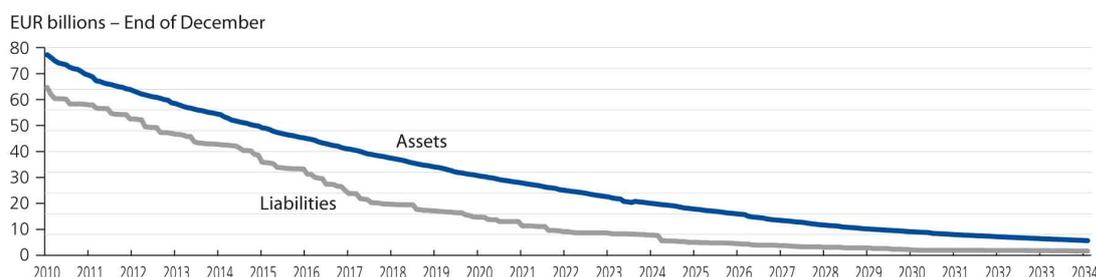


Regulatory over-collateralization is less than nominal over-collateralization because it is calculated on the basis of the rules determined by the Prudential Control Authority. In particular, these rules require different weighting levels according to the assets. The assets in Dexia MA's cover pool are generally weighted at 100%, except for certain notes of internal securitizations (issued by Dexia subsidiaries), rated in category single A, which are weighted at 50% for the calculation of the regulatory ratio. This particular weighting is the reason for most of the gap between regulatory over-collateralization and nominal over-collateralization.

If any, the assets Dexia MA may have given in guarantee to obtain financing from the Banque de France are excluded from the calculation of over-collateralization.

The following graph on over-collateralization presents amortization curves of the assets and of issues benefiting from the legal privilege as of 31 December 2010:

Amortization of assets and liabilities as of December 31, 2010



Hedging interest rate risk

The management of the interest rate risk involves two steps:

- In the first stage, all the assets and the liabilities benefiting from the privilege which do not naturally have a floating rate are swapped against Euribor until maturity as soon as they are recorded on the balance sheet. A residual fixed rate gap remains on certain fixed rate assets that are hedged by macro-swaps (in particular, small loans to clients). This gap is monitored within very strict limits.
- In the second step, Euribor lending and borrowing flows are swapped against Eonia over a sliding period of two years in order to eliminate the interest rate risk generated by differences in fixing dates. A residual gap remains after the first and second levels of hedging and is also monitored within strict limits.

In addition, any debt contracted with Dexia Credit Local to finance over-collateralization is directly borrowed with a monetary index and does not have to be swapped. If such is the case, debt *vis-à-vis* the Banque de France, which is short-term and at a fixed rate, is not hedged, but finances assets that also have a fixed rate.

The objective targeted by this interest rate risk management is to convert the assets and liabilities on the balance sheet into floating rates, so that they move together in a parallel manner following the trend in interest rates, while maintaining the margin unchanged.

The sensitivity limits for the fixed rate gap and the monetary gap mentioned above are defined as the change in the gaps' net present value (NPV) under the impact of a parallel 1% (100 basis points) shift in the yield curve. The aggregate of these two limits for the fixed rate gap and the monetary gap is set at 3% of shareholders' equity, and this figure is reviewed every year at the end of the first quarter. The total sensitivity level was 30.5 million euros until the first quarter of 2010 and was adjusted to 35.0 million euros as of the second quarter of 2010, including EUR 9.0 million for the monetary gap and 26.0 million euros for the fixed rate gap. In practice, the real sensitivity is maintained significantly below this limit, as can be seen in the following table.

Sensitivity of the interest rate gap (in millions of euros):

		Average	Maximum	Minimum	Limit
Fixed rate	1Q 2010	13.8	18.3	11.0	26.0
	2Q 2010	18.1	22.6	15.6	26.0
	3Q 2010	19.4	29.9	12.2	26.0
	4Q 2010	17.9	22.2	13.9	26.0
Monetary	1Q 2010	2.0	4.4	(3.1)	4.5
	2Q 2010	0.6	4.6	(1.1)	9.0
	3Q 2010	1.0	2.8	0.1	9.0
	4Q 2010	(0.0)	3.0	(2.5)	9.0
Total	1Q 2010	15.5	20.0	10.1	30.5
	2Q 2010	18.9	23.1	14.6	35.0
	3Q 2010	20.3	31.7	12.6	35.0
	4Q 2010	18.1	22.8	14.0	35.0

The maximum fixed rate sensitivity limit was exceeded at the beginning of August 2010. This incident was linked to the purchase by Dexia MA of 1 billion euros in French loans originated by Dexia Credit Local, which briefly disrupted the calculation of the sensitivity of Dexia MA. It should be noted that this event did not cause the overall sensitivity limit to be exceeded, since it reached a maximum of 31.7 million euros in this period, i.e. under the overall limit of 35 million euros.

Outlook for the year 2011

The total volume of issues that Dexia MA plans to launch in 2011 is expected to be in line with the amounts issued in 2010. It will be mainly comprised of public issues in euros, making it possible to complement Dexia MA's euro benchmark curve. It should include greater currency diversification than in the last few years. Dexia MA will remain active in private placements in order to satisfy the needs of specific investors.

The volume of issues in 2011 is adapted to the Group's commercial production and the future transfer of assets from other Dexia Group entities, in order to respect the requirements of over-collateralization that apply to Dexia MA.

After these asset transfers, Belgian and French assets will still account for three-quarters of the cover pool.

ORGANISATIONAL STRUCTURE

Dexia Municipal Agency is a subsidiary wholly owned by Dexia Credit Local, which is itself a wholly-owned subsidiary of Dexia.

Dexia Group is active in three lines of business:

- Public and Wholesale Banking;
- Retails and Commercial Banking and
- Asset Management and Services.

The purpose of Dexia Municipal Agency is to finance public sector commitments generated by the Dexia group by issuing *obligations foncières* and raising other funds benefiting from the same privilege, all rated AAA. This role is strategic for the Dexia Group's public finance activity.

On 16 September 1999, Dexia Credit Local formalised a declaration of financial support for its subsidiary Dexia Municipal Agency. The text of the declaration of financial support is translated (for information purposes only) as follows:

“Within the scope of its financing policies, Crédit Local de France has created a société de crédit foncier, governed by section IV of the law 99-532 of 25 June 1999, and named Dexia Municipal Agency.

“Crédit Local de France will hold more than 95% of the capital of Dexia Municipal Agency on a long-term basis.

“Crédit Local de France will ensure that Dexia Municipal Agency develops its activity in compliance with the requirements of the above-mentioned law and has the financial resources it needs to meet its obligations.”

Original text in French:

Paris, le 16 septembre 1999

Dans le cadre de sa politique de refinancement, le Crédit local de France a créé une société de crédit foncier, soumise aux dispositions du titre IV de la loi n° 99-532 du 25 juin 1999, dénommée Dexia Municipal Agency.

Le Crédit local de France détiendra durablement plus de 95 % du capital de Dexia Municipal Agency.

Le Crédit local de France veillera à ce que Dexia Municipal Agency développe son activité dans le respect des conditions de la loi précitée et dispose des moyens financiers qui lui seront nécessaires pour faire face à ses obligations.

Crédit local de France

Jacques Guerber

Vice Président

Directeur Général

TREND INFORMATION

There has been no material adverse change in the prospects of the Issuer since 31 December 2010.

ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Dexia MA is administered by an Executive Board (*Directoire*) consisting of five members, and a Supervisory Board (*Conseil de Surveillance*). As of the date of this Base Prospectus, the Supervisory Board of Dexia MA consisted of ten members, including the Chairman of the Board and the Vice Chairman of the Board. Statutory auditors as well as the Contrôleur Spécifique may also attend board meetings (depending on the nature of the items on the agenda).

Members of the Executive Board and Supervisory Board

As of the date of this Base Prospectus, the Executive Board and Supervisory Board of Dexia MA were composed as follows:

<u>Representative</u>	<u>Function at the Issuer</u>	<u>Date of Appointment</u>	<u>Term</u>
François Laugier	Chairman, Executive Board	9 March 2006	2011
Gilles Gallerne	CEO, member of the Executive Board	1 January 2008	2011
Christophe Piatte	Member of the Executive Board	27 August 2009	2011
Cécile Van De Moosdyk	CEO, member of the Executive Board	27 August 2009	2011
Caroline Gruson	Member of the Executive Board	5 January 2011	2011
Philippe Rucheton	Chairman, Supervisory Board	1 April 2009	2011
Benoît Debroise	Vice Chairman, Supervisory Board	26 August 2008	2011
Michel Luttgens	Dexia Bank Belgium's Representative on the Supervisory Board	31 August 1999	2011
Jean Le Naour	Dexia Crediop's Representative on the Supervisory Board	3 May 2000	2012
Alain Clot	Dexia Crédit Local's Representative on the Supervisory Board	31 August 1999	2011
José Luis Castillo	Dexia Sabadell's Representative on the Supervisory Board	10 May 2001	2013
Edouard Daryabegui-Guilani	Member, Supervisory Board	3 December 2009	2011
Jean-Luc Guitard	Member, Supervisory Board	1 April 2009	2015
Johan Vankelecom	Member, Supervisory Board	19 March 2008	2011
Stéphane Vermeire	Member, Supervisory Board	1 April 2009	2011

Members of the Executive Board and their membership in other boards

François LAUGIER

Member and vice-chairman of the Supervisory Board of Dexia Kommunalkredit Bank AG

Director of SISL
Director of Dexia LdG Banque SA
Member of the Supervisory Board of Dexia Kommunalbank Deutschland AG
Director of Dexia Crediop

Gilles GALLERNE

Chief Executive Officer
Director of CBX.GEST

Cécile VAN DE MOOSDYK

Chief Executive Officer
Director of Dexia LdG Banque SA

Caroline GRUSON

Christophe PIATTE

Managing Director of Dexia Municipal Agency Dublin Branch
Director of SISL
Director of SISL UK Co

Members of the Supervisory Board and their membership in other boards

Philippe RUCHETON

Member of the Management Board of Dexia SA
Director of Dexia Crédit Local
Director of Dexia Asset Management Luxembourg
Director of Denizbank AS
Director of Dexia Holdings Inc
Director of Dexia FP Holdings Inc
Director of Dexia Financial Products Services LLC
Director of FSA Asset Management LLC
Director of FSA Capital Markets Services LLC
Director of FSA Capital Management Services LLC
Director of Dexia Insurance Belgium SA
Director of Dexia BIL

Benoît DEBROISE

Member of the Executive Board of Dexia SA
Director of Dexia Microcredit Fund
Chairman of the Board of the Directors of Dexia Securities France Holding
Chairman of the Board of Directors of Dexia Securities France SA
Director of Dexia Crediop
Director of Dexia Holdings Inc
Director of Dexia FP Holdings Inc
Director of Dexia Financial Products Services LLC
Director of FSA Asset Management LLC
Director of FSA Capital Markets Services LLC
Director of FSA Capital Management Services LLC
Director of FSA PAL (UK)
Director and member of the Management Board of Dexia Bank Belgium
Director of Dexia Investments Ireland
Director of Dexia Capital Ireland

Dexia Crediop, represented by Jean LE NAOUR

Chief Executive Officer of Dexia Crediop

Dexia Bank Belgium, represented by Michel LUTTGENS

Chairman of the Board of Directors of Cevi VZW

Dexia Credit Local, represented by Alain CLOT

Member of the Management Board of Dexia SA

Chief Executive Officer and director of Dexia Credit Local

Permanent Representative of Dexia Credit Local, Member of the Board of Directors of Dexia CLF Banque

Permanent Representative of Dexia Credit Local, Member of SOFCA-GIE

Chairman of Dexia Sofaxis

Director of Dexia Crediop

Chairman of Dexia Sabadell

Director of Dexia Holdings Inc

Director of Dexia FP Holdings Inc

Director of Dexia Financial Products Services LLC

Director of FSA Asset Management LLC

Director of FSA Capital Markets Services LLC

Director of FSA Capital Management Services LLC

Dexia Sabadell SA, represented by José Luis CASTILLO

Chief Executive Officer of Dexia Sabadell SA

Director of Popular Banca Privada

Jean-Luc GUITARD

Director of Dexia Sofaxis

Chairman of the Board of Directors of Dexia CLF Banque

Chairman of the Board of Directors and Chief Executive Officer of Floral

Director of Domiserve

Permanent representative of Dexia Credit Local, Director of Domiserve +

Director of Fédération des Entreprises publiques locales

Member of the Collegial Committee of Exterimmo

Permanent Representative of Dexia Credit Local, Director of Publiservices

Johan VANKELECOM

Edouard DARYABEGUI-GUILANI

Member of the Executive Board of Dexia Kommunalkredit Bank AG

Member of the Supervisory Board of Dexia Kommunalkredit Bank Polska

Director of Dexia LdG Banque SA

Stéphane VERMEIRE

Chairman of the board of directors of DCL Asia Pacific Pty Ltd

Chairman of the supervisory board of Dexia Kommunalbank Deutschland AG

Chairman of the supervisory board of Dexia Kommunalkredit Bank AG

Chairman of the board of directors of Dexia Israel Bank Ltd

Director of Dexia Sabadell SA

Director of Fonds de pension complémentaire Dexia

Chairman of Dexia Real Estate Capital Markets (DRECM)

Director of Dexia Management Services Ltd (DMS)

Chairman of the board of directors of Vermeire Transmissions SA

Chairman of the board of directors of Vermeire Aandrijvingen NV

Chairman of the board of directors of Produits pour le Commerce pour l'Industrie

Set forth above are the names, the titles and significant directorships (if any) of the current members of the Executive Board and Supervisory Board of Dexia MA. Their business addresses are c/o Dexia Municipal Agency, Tour Dexia, La Défense 2 - 1, passerelle des Reflets - 92913 La Défense, France

The individuals listed above have no potential conflicts of interest between their duties to Dexia MA and their private interests and/or other duties.

Meetings of the Executive Board and Supervisory Board

The Executive Board of the Issuer meets at least every month. The members of Executive Board must be natural persons. The Executive Board is vested with all powers necessary for the management of company assets and may, to this effect, carry out all operations and conclude all contracts of any nature and in any form whatsoever. The Executive Board presents a quarterly report to the Supervisory Board which retraces the principal operations and events concerning management of Dexia MA and indicates major operations or difficulties.

The Supervisory Board of Dexia MA meets at least every three months. In advance of the meeting, the Chairman of the Board and the Chairman of the Executive Board send members of the Board an agenda and a file with reports and documents relating to the subjects to be discussed. The agenda of the meetings cover subjects such as business review of the previous quarter, current trends, issuance conditions, the presentation of financial statements, and the development of projects for asset acquisition from other entities. The Board closely monitors the performance of Dexia MA's *Obligations Foncières* in the primary and secondary markets, paying particularly close attention to reports submitted by the Executive Board on these subjects.

STATUTORY AUDITORS

The statutory auditors of Dexia Municipal Agency for the financial years ended 31 December 2009 and 2010 and their alternates were:

MAZARS

Exaltis – 61, rue Henri Regnault – 92075 La Défense Cedex
represented by Hervé Helias, Partner and Virginie Chauvin, Partner
Alternate: Pierre Masieri

DELOITTE & ASSOCIES

185, avenue Charles de Gaulle – 92524 Neuilly-sur-Seine
represented by Jose-Luis Garcia, Partner
Alternate: BEAS represented by Mireille Berthelot, Partner

Mazars and Deloitte & Associés are regulated by the *Haut Conseil du Commissariat aux Comptes* and are duly authorised as *Commissaires aux comptes*. They both belong to the *Compagnie Régionale des Commissaires aux Comptes de Paris*.

MAJOR SHAREHOLDERS

	2006	2007	2008	2009	2010
- Dexia Credit Local	99.99 %	99.99 %	99.99 %	99.99 %	99.99%
- French and/or Belgian private, institutional and corporate investors	0.01%	0.01%	0.01%	0.01%	0.01%

As of 31 December 2010, the 99.99% of the issued share capital of Dexia Municipal Agency was held by Dexia Credit Local and 0.01% of the issued share capital was held by French and/or Belgian private, institutional and corporate investors.

SELECTED FINANCIAL INFORMATION

As of 31 December 2010, Dexia Municipal Agency had a shareholders' equity of 1,323 million euros (compared to 1,218 million euros as of 31 December 2009).

Its financial debt amounted to 80,704 million euros (compared to 77,712 million euros as of 31 December 2009). It was comprised of debt benefiting from the legal privilege* totaling 68,163 million euros (compared to 67,360 million euros as of 31 December 2009) and debt not benefiting from this privilege** totaling 12,541 million euros (compared to 10,352 million euros as of 31 December 2009).

* obligations foncières, registered covered bonds and collateral received in cash

** financing received from Dexia Credit Local (overcollateral), and from Banque de France (excess overcollateral) if needed

Millions euros	As of 31 December	
	2009	2010
Core shareholders' equity	1,218	1,323
<i>(excluding unrealized gains & losses)</i>		
Financial debt	77,712	80,704
- privileged debt	67,360	68,163
- non privileged debt	10,352	12,541
Balance sheet total	85,848	94,230

Net banking income for the year ended on 31 December 2010 amounted to 263 million euros (compared to 322 million euros in 2009). Net income for the year ended on 31 December 2010 amounted to 109 million euros (compared to 146 million euros in 2009).

Millions euros	Fiscal year	
	2009	2010
Net banking income	322	263
Operating income	225	163
Net income	146	109

Figures shown in the tables above are extracted from Dexia Municipal Agency audited annual financial statements and were established in accordance with IFRS, as adopted by the European Commission.

Auditing of historical annual financial information

The statutory auditors of Dexia Municipal Agency have prepared a report in accordance with Article L. 225-235 of the French Code of Commerce on the report from the Chairman of the Supervisory Board of Dexia Municipal Agency on information given on the internal control procedures relating to the preparation and production of financial and accounting information. Such report dated 30 March 2010 can be found on page 125 of the Issuer's Annual Report 2009.

Legal and arbitration proceedings

The Issuer is not or has not been involved in any governmental litigation or proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) in the 12 months preceding the date of this Base Prospectus which may or have in such period had a significant effect on the financial position or profitability of the Issuer.

No material adverse change and no significant change

There has been no significant change in the financial position of the Issuer nor any material adverse change in the prospects of the Issuer since 31 December 2010.

Debt securities issued since 1st January 2011

Between 1st January 2011 and 6 April 2011, Dexia Municipal Agency has issued debt securities in the form of *obligations foncières* and other debt benefiting from the *privilège* for an amount of 2.6 billion euros (in case of issues denominated in currencies other than euros, translated into euros on 31 March 2011).

MATERIAL CONTRACTS

Loan Service Agreements

In accordance with Article L.515-22 of the French Monetary and Financial Code, the Issuer is not permitted to have its own employees. It has therefore contractually entrusted its parent company Dexia Credit Local with its operational management under a loan service agreement, “*Contrat de gestion de prêts*”, dated 30 September 1999 between Dexia Credit Local and Dexia MA as further described below. Dexia MA does, however, have its own Executive Board and Supervisory Board. See Management.

Since 2006, Dexia MA has operated a branch in Dublin. The role of this branch is to facilitate refinancing of public sector assets held by the Dexia Credit Local branch in Dublin, as well as financing for new assets generated by the Dexia Group in its international activities. The creation of Dexia MA branch in Dublin does not affect the characteristic of the *privilège* of *sociétés de crédit foncier* under French law. Under the loan service agreement with Dexia Credit Local, Dexia MA entrusts management of the Dexia MA branch in Dublin to the Dublin branch of Dexia Credit Local.

Specific loan service agreement have also been signed with other entities in the Dexia Group that transfer assets to Dexia MA and continue to handle the servicing of these assets for their national clients, including in each case the management, negotiation and repayment of the relevant loans. The obligations of Dexia MA under these loan service agreements rank *pari passu* with *obligations foncières* benefiting from the *privilège*.

As of 31 December 2010, the following loan service agreements were in force:

- A loan service agreement, “*Contrat de gestion de prêts*”, dated 30 September 1999 between Dexia Credit Local and Dexia MA, pursuant to which Dexia Credit Local agreed to manage on behalf of Dexia MA loans granted to public sector entities in the European Union or to entities guaranteed by these public sector entities and transferred to Dexia MA. Dexia Credit Local, in accordance with the terms of this agreement (which also covers loan origination, servicing and recovery, administrative and accounting management, internal control and compliance, information technology services, human resources, compensation for services and current account services), monitors and controls risks relating to credit, counterparties, market, operations, exchange rates, interest rates, liquidity, and settlement at the level of Dexia MA. In addition, this agreement provides for the operational management of the Dublin branch.
- A loan service agreement, “*Contrat de gestion de prêts*”, dated 23 May 2001 between Dexia MA and Kommunalkredit Austria AG, pursuant to which Kommunalkredit Austria AG agreed to manage on behalf of Dexia MA loans granted and guaranteed by the Land Carinthie and transferred to Dexia MA. Kommunalkredit Austria AG agreed to provide Dexia MA with the transfer agreement and any relevant data and information in relation to the loans, and to manage and recover the receivables.
- A loan service agreement, “*Contrat de gestion de prêts et de titres obligataires non côtés*”, dated 27 September 2002 between Dexia Crediop and Dexia MA, pursuant to which Dexia Crediop agreed to manage non-listed Italian bonds and loans granted to Italian public entities or to entities guaranteed by these public entities on behalf of Dexia MA. Dexia Crediop agreed to manage the relationships with the borrowers, to negotiate and manage the legal documentation, to recover the receivables and to negotiate any grace period, waivers or acceleration of the loans.
- A loan service agreement, “*Contrat de gestion de prêts*”, dated 22 September 2003 between Dexia Banque Belgique and Dexia MA, pursuant to which Dexia Banque Belgique agreed to manage loans granted by Dexia Bank Belgique to Belgian public entities or entities guaranteed by these public entities and transferred to Dexia MA. Dexia Banque Belgique agreed to manage relationships with the borrowers, to recover the receivables, to negotiate any grace period, waivers or acceleration of the loans and to notify any transfers of the loans to the borrowers.

Liquidity and Financing Arrangements

Dexia MA's obligations under the following contracts, entered into between Dexia MA and other entities in the Dexia Group, do not have the benefit of the *privilège*, and are therefore subordinate to liabilities having the benefit of the *privilège*:

- A current account agreement, “*Convention de compte courant*”, dated 30 September 1999 between Dexia MA and Dexia Credit Local, which combines multiple current accounts into a single current account and allows Dexia MA and Dexia Credit Local the ability to share a single current account. Dexia MA is able to use the funds available in the current account, similar to a revolving credit facility, to reimburse certain long term and medium term loans entered into with Dexia Credit Local. The current account agreement has an unlimited contractual term so long as Dexia MA remains a *sociétés de crédit foncier* performing the activities permitted by the license granted by the CECEI.
- An intragroup interest bearing loan agreement, “*Contrat de prêt*”, dated 5 July 2010 between Dexia MA, as borrower, and Dexia Credit Local, as lender, pursuant to which Dexia Credit Local agreed to grant to Dexia MA a loan maturing on 1 April 2019 in an amount of EUR 3.5 billion to provide long term financing of the over-collateral that the Issuer's management has committed to maintain (which is equal to 5% of the Cover Pool).
- Firm and irrevocable financing commitments, extended on a monthly basis, under the framework of the account agreement, “*Accord de financement ferme et irrevocable entrant dans le cadre de la Convention de compte courant*”, between Dexia MA, as borrower, and Dexia Credit Local, as lender, where Dexia Credit Local committed itself each month to fund amounts sufficient to cover payments related to *obligation foncières* of more than €100 million that reach maturity in the corresponding month of the following year. This commitment is renewed on a monthly basis by Dexia Credit Local. Since November 2009, these pledges are made in respect of all payments related to *obligation foncières* falling due in each month even where such amounts equal less than €100 million. At the end of September 2010, commitments were in force in amounts ranging from EUR 36 million to EUR 2.856 billion with a 2 year maturity.

Hedging Arrangements

The obligations of Dexia MA under these hedging agreements rank *pari passu* with *obligations foncières* benefiting from the *privilège*.

- An AFB master agreement, the “*Convention-Cadre*”, dated 21 October 1999 between Dexia Credit Local and Dexia MA as supplemented by an AFB collateral annex “*Annexe Remises en garantie*”, dated 21 October 1999. The OTC transactions under this master agreement include interest rate swaps and foreign exchange swaps.
- An ISDA master agreement, dated 24 March 2000 between Dexia Bank Belgium and Dexia MA as supplemented by a Credit Support Annex dated 24 March 2000. The OTC transactions under this master agreement include interest rate swaps and foreign exchange swaps.
- An ISDA master agreement, dated 27 June 2001 between Dexia Crediop S.p.A and Dexia MA as supplemented by a Credit Support Annex dated 27 June 2001. The OTC transactions under this master agreement include interest rate swaps and foreign exchange swaps.

Loan Transfer Arrangements

- A loan transfer agreement, “*Convention de cession de prêts*”, dated 30 September 1999 between Dexia Credit Local, as transferor, and Dexia MA, as transferee, pursuant to which Dexia Credit Local agreed to transfer to Dexia MA loans granted to public sector entities in the European Union or to entities guaranteed by these public sector entities.

TAXATION

The statements herein regarding taxation are based on the laws of the European Union and the laws in force in France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Programme and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Obligations Foncières. Each prospective holder or beneficial owner of Obligations Foncières should consult its tax advisor as to the European Union, French or, as the case may be, the Luxembourg tax consequences of any investment in or ownership and disposition of the Obligations Foncières.

EU Taxation

On 3 June 2003, the European Council of Economic and Finance Ministers adopted Directive 2003/48/EC on the taxation of savings income (the “**Directive**”). Pursuant to the Directive and subject to a number of conditions being met, Member States are required, since 1 July 2005, to provide to the tax authorities of another Member State, *inter alia*, details of payments of interest within the meaning of the Directive (interest, premiums or other debt income) made by a paying agent located within their jurisdiction to, or for the benefit of, an individual resident in that other Member State or certain limited types of entities established in that other Member State (the “**Disclosure of Information Method**”).

For these purposes, the term “paying agent” is defined widely and includes in particular any economic operator who is responsible for making interest payments, within the meaning of the Directive, for the immediate benefit of individuals or certain entities.

However, throughout a transitional period, certain Member States (the Grand-Duchy of Luxembourg and Austria), instead of using the Disclosure of Information Method used by other Member States, unless the relevant beneficial owner of such payment elects for the Disclosure of Information Method, withhold an amount on interest payments. The rate of such withholding tax equals 20% until 30 June 2011 and 35% thereafter.

Such transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the European Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the “**OECD Model Agreement**”) with respect to interest payments within the meaning of the Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments at the rate applicable for the corresponding periods mentioned above and (ii) the date on which the European Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Directive.

A number of non-EU countries and dependent or associated territories, including Switzerland, have agreed to adopt similar measures (transitional withholding or exchange of information) with effect since 1 July 2005.

The European Commission has proposed certain amendments to the Directive, which may, if implemented, amend or broaden the scope of the requirements described above.

France - Taxation

EU Savings Directive

The Directive was implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

French withholding tax

Obligations Foncières *which are not assimilated to* (assimilables for the purpose of French law) Obligations Foncières issued before 1 March 2010

Following the enactment of the French *loi de finances rectificative pour 2009 no. 3* (no. 2009-1674 dated 30 December 2009) (the “**Law**”), payments of interest and other revenues made by the Issuer with respect to *Obligations Foncières* issued on or after 1 March 2010 (other than *Obligations Foncières* (described below) which are assimilated to (*assimilables* for the purpose of French law), and form a single series with, *Obligations Foncières* issued prior to 1 March 2010 benefitting from the exemption from withholding tax of Article 131 *quater* of the French *Code général des impôts*) will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a “**Non-Cooperative State**”). If such payments under the *Obligations Foncières* are made in a Non-Cooperative State, a 50% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French *Code général des impôts*.

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such *Obligations Foncières* will no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1 January 2011, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* of the French *Code général des impôts*, at a rate of 25% or 50% (subject to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, the Law provides that neither the 50% withholding tax set out under Article 125 A III of the French *Code général des impôts* nor to the extent the relevant interest or other revenues relate to genuine transactions and are not in an abnormal or exaggerated amount the non-deductibility set out under Article 238 A of the French *Code général des impôts* will apply in respect of a particular issue of *Obligations Foncières* if the Issuer can prove that the principal purpose and effect of such issue of *Obligations Foncières* was not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the “**Exception**”). Pursuant to the ruling (*rescrit*) no. 2010/11 (FP and FE) of the French tax authorities dated 22 February 2010, an issue of *Obligations Foncières* will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of *Obligations Foncières*, if such *Obligations Foncières* are:

- (i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-cooperative State. For this purpose, an “equivalent offer” means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or
- (ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity,

provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Obligations Foncières which are assimilated to (assimilables for the purpose of French law) Obligations Foncières issued before 1 March 2010

Payments of interest and other revenues with respect to *Obligations Foncières* issued on or after 1 March 2010 and which are assimilated to (*assimilables* for the purpose of French law), and form a single series with *Obligations Foncières* issued before 1 March 2010 with the benefit of Article 131 *quater* of the French *Code général des impôts* will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

Obligations Foncières issued before 1 March 2010, whether denominated in Euro or in any other currency, and constituting *obligations* under French law, or *titres de créances négociables* within the meaning of rulings (*rescrits*) no. 2007/59 (FP) and no. 2009/23 (FP) of the French tax authorities dated 8 January 2008 and 7 April 2009, respectively, or other debt securities issued under French or foreign law and considered by the French tax authorities as falling into similar categories, are deemed to be issued outside the Republic of France for the purpose of Article 131 *quater* of the French *Code général des impôts*, in accordance with Circular 5 I-11-98 of the French tax authorities dated 30 September 1998 and the aforementioned rulings (*rescrits*) no. 2007/59 (FP) and no. 2009/23 (FP).

In addition, interest and other revenues paid by the Issuer on *Obligations Foncières* issued on or after 1 March 2010 and which are to be assimilated to (*assimilables* for the purpose of French law), and form a single series with *Obligations Foncières* issued before 1 March 2010 will be subject neither to the non-deductibility set out under Article 238 A of the French *Code général des impôts* nor to the withholding tax set out in Article 119 *bis* of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

Luxembourg - Taxation

The following is a summary limited to certain tax considerations in Luxembourg relating to the Notes that may be issued under the Programme and specifically contains information on taxes on the income from the securities withheld at source. Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in or ownership and disposition of the Notes.

Withholding tax

Under Luxembourg tax law currently in effect and with the possible exception of interest paid to individual Noteholders and to certain residual entities (as described below) there is no Luxembourg withholding tax on payments of interest, including accrued but unpaid interest. There is also no Luxembourg withholding tax, with the possible exception of payments made to individual Noteholders, and to certain residual entities (as described below) upon repayment of principal in case of reimbursement, redemption, repurchase or exchange of the Notes.

Individuals

Luxembourg non-residents

Under the Luxembourg laws dated 21 June 2005 implementing the Directive and several agreements concluded between Luxembourg and certain dependent or associated territories of the European Union (“EU”), a Luxembourg based paying agent (within the meaning of the Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an

individual resident in another Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for an exchange of information or for the tax certificate procedure. The same regime applies to payments of interest and other similar income made to certain so-called “residual entities” within the meaning of Article 4.2 of the Directive (*i.e.* an entity established in a Member State or in certain EU dependent or associated territories without legal personality (the Finnish and Swedish companies listed in Article 4.5 of the Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation and that is not, or has not opted to be considered as, a UCITS recognised in accordance with Council Directive 85/611/EEC).

The withholding tax rate is 20 per cent. (as from 1 July 2008) increasing to 35 per cent. (as of 1 July 2011). The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg residents

A 10 per cent. withholding tax is levied on interest payments made by Luxembourg paying agents (defined in the same way as in the Directive) to Luxembourg individual residents or to certain residual entities (as described above) that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC or for the exchange of information regime).

Only interest accrued after 1 July 2005 falls within the scope of the withholding tax. Interest income from current and sight accounts (*comptes courants et à vue*) provided that the remuneration on these accounts is not higher than 0.75% are exempt from the withholding tax. Furthermore, interest which is accrued once a year on savings accounts (short and long term) and which does not exceed €250 per person and per paying agent is exempt from the withholding tax.

This withholding tax represents the final tax liability for the Luxembourg individual resident taxpayers.

Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Directive.

Corporations

There is no Luxembourg withholding tax for Luxembourg resident and non-resident corporations holders of the Notes on payments of interest (including accrued but unpaid interest).

Belgium

Set out below is a summary of certain Belgian tax consequences of acquiring, holding and selling the *Obligations Foncières*. This summary is not intended to be an exhaustive description of all relevant Belgian tax considerations and investors should consult their own tax advisers regarding such considerations in relation to their own particular circumstances. The description of certain Belgian taxes set out below is for general information only and does not purport to be comprehensive. In particular, it does not cover the situation of non-residents nor the tax treatment of securities which may be received upon repurchase or redemption of the *Obligations Foncières*.

For the purpose of the Belgian tax consequences described herein, it is assumed that the *Obligations Foncières* issued under the Programme will qualify as claim rights for Belgian tax law purposes.

This summary is based on current legislation, published case law and other published guidelines and regulations as in force at the date of this Base Prospectus and remains subject to any future amendments, which may or may not have retroactive effect.

Withholding tax

Any payment of interest (as defined by Belgian tax law) on the *Obligations Foncières* made through a paying agent in Belgium will in principle be subject to Belgian withholding tax on the gross amount of the interest, currently at the rate of 15 per cent. A gain arising on the repurchase or redemption of the *Obligations Foncières* by the Issuer is taxable as interest.

If the repurchase or redemption by the Issuer is in full or in part settled by means of a delivery of securities or other assets, interest includes any positive difference between the market value of those assets on the date of their payment or attribution and the initial issue price of the *Obligations Foncières*. In the event interest is paid in the form of delivery of securities, the market value of those securities will be deemed at least equal to their value (prior to the date of the payment or attribution) as determined in the most recent publication by the Belgian Government of the value of securities listed on a Belgian stock exchange (such publication is issued monthly, on the 20th of each month) or on a similar foreign stock exchange.

In addition, if the *Obligations Foncières* qualify as fixed income securities in the meaning of article 2, §1, 8° Belgian Income Tax Code (ITC), in case of a realisation of the *Obligations Foncières* between two interest payment dates, an income equal to the pro rata of accrued interest corresponding to the detention period is taxable as interest. For the purposes of the following paragraphs, such gains and pro rata of accrued interest are therefore referred to as interest.

Belgian resident individuals

For individuals subject to Belgian personal income tax (i.e., residents of Belgium who are subject to Belgian personal income tax) and who are not holding the *Obligations Foncières* as a professional investment, all interest payments will be subject to a 15 per cent. Belgian withholding tax if the payment is made through a financial institution or other intermediary established in Belgium. In that case the investors do not need to report the interest income in their annual tax return.

If the payment is not made through a financial intermediary established in Belgium and withholding tax is not withheld, the investors must report the interest income in their annual tax return and pay tax thereon at the rate of 15 per cent. plus additional local taxes.

Belgian companies

Interest paid through an intermediary established in Belgium to a Belgian company subject to corporate income tax will generally be subject to Belgian withholding tax (the current applicable withholding tax rate is 15 per cent.). However, an exemption may apply provided that certain formalities are complied with. For zero or capitalisation bonds, the above exemption will not apply, unless the Belgian company and the Issuer are associated companies within the meaning of article 105, 6° RD/ITC. If Belgian withholding tax is applicable, Belgian companies are, in principle, entitled to set off Belgian withholding tax against their corporate income tax liability provided certain conditions are fulfilled.

Belgian resident non-profit legal entities

For Belgian legal entities subject to the non-profit legal entities income tax, all interest payments (as defined by the Belgian Income Tax Code) will be subject to withholding tax, currently at a rate of 15 per cent.

If this interest is paid through a Belgian intermediary, such intermediary will have to levy withholding tax, currently at the rate of 15 per cent. If no Belgian intermediary is involved, the withholding tax must be declared and paid by the legal entity itself.

Income tax

Belgian resident individuals

For Belgian resident individuals who hold the *Obligations Foncières* as a private investment, the 15 per cent. withholding tax levied in Belgium on the interest will constitute the final tax burden in respect of such income.

Belgian resident individuals are not liable to income tax on capital gains realised upon the disposal of the *Obligations Foncières*, provided that the *Obligations Foncières* have not been used for their professional activity and that the capital gain is realised within the framework of the normal management of their private estate. Capital losses realised upon disposal of the *Obligations Foncières* held as a non-professional investment are in principle not tax deductible.

Belgian resident companies

For any Belgian company subject to Belgian corporate income tax, all interest and any gain on a sale of the *Obligations Foncières* will form part of that company's taxable profit. The current normal corporate income tax rate in Belgium is 33.99 per cent.

Capital losses realised upon the disposal of the *Obligations Foncières* are in principle tax deductible.

Belgian resident non-profit legal entities

For Belgian resident non-profit legal entities (i.e., residents of Belgium who are subject to Belgian non-profit legal entities tax), the 15 per cent. withholding tax levied on the interest will constitute the final tax burden in respect of such income.

Belgian non-profit legal entities are not liable to income tax on capital gains realised upon the disposal of the *Obligations Foncières* to a party other than the Issuer.

Capital losses realised upon disposal of the *Obligations Foncières* are in principle not tax deductible.

Tax on stock exchange transactions

The sale and acquisition of the *Obligations Foncières* will be subject to a tax on stock exchange transactions if executed in Belgium through a professional intermediary. The tax is generally due at a rate of 0.07 per cent. on each sale and acquisition separately, with a maximum of €500 per taxable transaction. Exemptions apply for certain categories of institutional investors and non-residents. Transactions on the primary market are no longer subject to the tax on stock exchange transactions.

SUBSCRIPTION AND SALE

Subject to the terms and on the conditions contained in an amended and restated distribution agreement dated 8 April 2011 (the “**Amended and Restated Distribution Agreement**”) between the Issuer, the Permanent Dealers and the Arrangers, the *Obligations Foncières* will be offered on a continuous basis by the Issuer to the Permanent Dealers. However, the Issuer has reserved the right to sell *Obligations Foncières* directly on its own behalf to Dealers that are not Permanent Dealers. The *Obligations Foncières* may be resold at prevailing market prices, or at prices related thereto, at the time of such resale, as determined by the relevant Dealer. The *Obligations Foncières* may also be sold by the Issuer through the Dealers, acting as agents of the Issuer. The Amended and Restated Distribution Agreement also provides for *Obligations Foncières* to be issued in syndicated Tranches that are jointly and severally underwritten by two or more Dealers.

The Issuer will pay each relevant Dealer a commission as agreed between them in respect of *Obligations Foncières* subscribed by it. The Issuer has agreed to reimburse the Arrangers for their expenses incurred in connection with the establishment of the Programme and the Dealers for certain of their activities in connection with the Programme. The commissions in respect of an issue of *Obligations Foncières* on a syndicated basis will be stated in the relevant Final Terms.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the *Obligations Foncières*. The Amended and Restated Distribution Agreement entitles the Dealers to terminate any agreement that they make to subscribe *Obligations Foncières* in certain circumstances prior to payment for such *Obligations Foncières* being made to the Issuer.

Selling Restrictions

Public Offer Selling Restriction under the Prospectus Directive

In relation to each Member State of the European Economic Area that 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 *Obligations Foncières* which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto 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 *Obligations Foncières* to the public in that Relevant Member State:

- (a) if the Final Terms in relation to the *Obligations Foncières* specify that an offer of those *Obligations Foncières* may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a “**Non-exempt Offer**”), following the date of publication of a prospectus in relation to such *Obligations Foncières* 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, provided that any such prospectus has subsequently been completed by the final terms contemplating such Non-exempt Offer, in accordance with the Prospectus Directive in the period beginning and ending on the dates specified in such Prospectus or final terms, as applicable and the Issuer has consented in writing to its use for the purpose of the Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (c) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of *Obligations Foncières* referred to in paragraphs (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of *Obligations Foncières* to the public**” in relation to any *Obligations Foncières* 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 *Obligations Foncières* to be offered so as to enable an investor to decide to purchase or subscribe the *Obligations Foncières*, 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 amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State) and includes any relevant implementing measure in each Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EC.

France

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

(i) **Offer to the public in France:**

it has only made and will only make an offer of *Obligations Foncières* to the public in France in the period beginning on the date of notification to the *Autorité des marchés financiers* (“**AMF**”) of the approval of the prospectus relating to those *Obligations Foncières* by the competent authority of a Member State of the European Economic Area, other than the AMF, which has implemented the Prospectus Directive 2003/71/EC, all in accordance with Articles L.412-1 and L.621-8 of the French Monetary and Financial Code and the *Règlement général* of the AMF, and ending at the latest on the date which is 12 months after the date of the approval of the Base Prospectus; or

(ii) **Private placement in France:**

it has not offered or sold and will not offer or sell, directly or indirectly, any *Obligations Foncières* to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this 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 (a) persons providing investment services relating to portfolio management for the account of third parties, and/or (b) qualified investors (*investisseurs qualifiés*) acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 to D.411-3 of the French Monetary and Financial Code.

If necessary these selling restrictions will be supplemented in the relevant Final Terms.

United States

The *Obligations Foncières* have not been and will not be registered under the Securities Act. In addition, bearer Materialised *Obligations Foncières* having a maturity of more than one year are subject to U.S. tax law requirements. Subject to certain exceptions, *Obligations Foncières* may not be offered or sold within the United States or in the case of bearer Materialised *Obligations Foncières*, offered, sold or delivered within the United States.

The *Obligations Foncières* are being offered and sold outside the United States in reliance on Regulation S.

Each Dealer has agreed that it will not offer or sell or, in the case of Materialised *Obligations Foncières* in bearer form, deliver the *Obligations Foncières* within the United States or, in the case of bearer Materialised *Obligations Foncières*, to U.S. persons.

In addition, until 40 days after the commencement of the offering, an offer or sale of any identifiable Tranche of such *Obligations Foncières* within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

United Kingdom

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that:

- (i) in relation to any *Obligations Foncières* which must be redeemed before the first anniversary of the date of their issue, (a) 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 (b) it has not offered or sold and will not offer or sell any *Obligations Foncières* other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or 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 *Obligations Foncières* would otherwise constitute a contravention of section 19 of the Financial Services and Markets Act 2000 (the “**FSMA**”) by the Issuer
- (ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any 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 *Obligations Foncières* in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and
- (iii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to such *Obligations Foncières* in, from or otherwise involving the United Kingdom.

Japan

The *Obligations Foncières* have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the “**Financial Instruments and Exchange Act**”). Accordingly, each of the Dealers has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not, directly or indirectly, offered or sold and shall not, directly or indirectly, offer or sell any *Obligations Foncières* in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Act No. 228 of 1949, as amended)) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Republic of Italy

The offering of the *Obligations Foncières* has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered, sold or distributed, and will not offer, sell or distribute any *Obligations Foncières* or any copy of this Base Prospectus or any other offer document in the Republic of Italy (“**Italy**”) except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree no. 58 of 24 February 1998 (the “**Consolidated Financial Services Act**”) and Article 34-ter, paragraph 1, letter (b) of CONSOB regulation No. 11971 of 14 May 1999 (the “**CONSOB Regulation**”), all as amended; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under Article 100 of the Consolidated Financial Services Act and Article 34-ter of the CONSOB Regulation.

Moreover, and subject to the foregoing, any offer, sale or delivery of the *Obligations Foncières* or distribution of copies of this Base Prospectus or any other document relating to the *Obligations Foncières* in Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Consolidated Financial Services Act, Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”), CONSOB Regulation No. 16190 of 29 October 2007, all as amended;
- (ii) in compliance with Article 129 of the Banking Act and the implementing guidelines, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
- (iii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time, inter alia, by CONSOB or the Bank of Italy.

Any investor purchasing the *Obligations Foncières* in this offering is solely responsible for ensuring that any offer or resale of the *Obligations Foncières* it purchases in this offering occurs in compliance with applicable laws and regulations.

Article 100-bis of the Consolidated Financial Services Act affects the transferability of the *Obligations Foncières* in Italy to the extent that any placing of the *Obligations Foncières* is made solely with qualified investors and such *Obligations Foncières* are then systematically resold to non-qualified investors on the secondary market at any time in the 12 months following such placing. Where this occurs, if a prospectus compliant with the Prospectus Directive has not been published, purchasers of *Obligations Foncières* who are acting outside of the course of their business or profession may in certain circumstances be entitled to declare such purchase void and to claim damages from any authorised person at whose premises the *Obligations Foncières* were purchased, unless an exemption provided for under the Consolidated Financial Services Act applies.

General

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Final Terms issued in respect of the issue of *Obligations Foncières* to which it relates or in a Supplement to the Base Prospectus.

Unless otherwise specified in the Final Terms, no action has been taken in any jurisdiction that would permit an offer to the public offering of any of the *Obligations Foncières*, or possession or distribution of the Base Prospectus or any other offering material or any Final Terms, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant securities laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers *Obligations Foncières* or has in its possession or distributes the Base Prospectus, any other offering material or any Final Terms and neither the Issuer nor any other Dealer shall have responsibility therefore.

Each of the Dealers and the Issuer has represented and agreed that Materialised *Obligations Foncières* may only be issued outside France.

FORM OF FINAL TERMS 1

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF *OBLIGATIONS FONCIÈRES* WITH A DENOMINATION OF LESS THAN €[50,000/100,000] TO BE ADMITTED TO TRADING ON A REGULATED MARKET OR REGULATED MARKETS AND/OR OFFERED TO THE PUBLIC IN THE EUROPEAN ECONOMIC AREA

Final Terms dated [●]

[LOGO, if document is printed]

**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: [●]

TRANCHE NO: [●]

[Brief Description and Amount of *Obligations Foncières*]

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that, except as provided in sub-paragraph (ii) below, any offer of *Obligations Foncières* in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC)], as amended by Directive 2010/73/EU (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the *Obligations Foncières*. Accordingly any person making or intending to make an offer of the *Obligations Foncières* may only do so in:

- (i) in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer; or
- (ii) in those Public Offer Jurisdictions mentioned in Paragraph 37 of Part A below, provided such person is one of the persons mentioned in Paragraph 37 of Part A below and that such offer is made during the Offer Period specified for such purpose therein.

Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of *Obligations Foncières* in any other circumstances] [*Include this legend where a non-exempt offer of Obligations Foncières is anticipated*].

[The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of *Obligations Foncières* in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC)], as amended by Directive 2010/73/EU (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the *Obligations Foncières*. Accordingly any person making or intending to make an offer in that Relevant Member State of the *Obligations Foncières* may only do so in circumstances in which no obligation arises for the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Dealer has authorised, nor do they authorise, the making of any offer of *Obligations Foncières* in any other circumstances] [*Include this legend where an exempt offer of Obligations Foncières is anticipated*].

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 8 April 2011 [and the supplement[s] to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC)], as amended by Directive 2010/73/EU] (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[s] to the Base Prospectus] [is] [are] available for viewing at the office of the Fiscal Agent or of the Paying Agent and was/were published in accordance with the provisions of Article 14 of the Prospectus Directive, admitting the validity of disclosure carried out, *inter alia* and always at the choice of the Issuer, though release on the website of the Issuer (www.dexia-ma.com) or on the website of the Luxembourg Stock Exchange (www.bourse.lu), and copies may be obtained from Dexia Municipal Agency, Tour Dexia, La Défense 2 - 1, passerelle des Reflets, TSA 92202 - 92919 La Défense Cedex, France.

[*The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus and/or 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 [Base Prospectus/Offering Circular] dated [original date] [and the supplement[s] to the Base Prospectus] dated [•]. This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC)[, as amended by Directive 2010/73/EU] (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement[s] to the Base Prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Base Prospectus/Offering Circular] dated [original date] [and the supplement[s] to the Base Prospectus] dated [•]] and are attached hereto. 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/Offering Circular] dated [original date] and the Base Prospectus dated [current date] [and the supplement[s] to the Base Prospectus dated [•]]. The Base Prospectus/Offering Circular [and the supplement[s] to the Base Prospectus] are available for viewing at the office of the Fiscal Agent or of the Paying Agent, on the website of the Luxembourg Stock Exchange (www.bourse.lu), or otherwise in accordance with the provisions of Article 14 of the Prospectus Directive, and copies may be obtained from Dexia Municipal Agency, Tour Dexia, La Défense 2 - 1, passerelle des Reflets, TSA 92202 - 92919 La Défense Cedex, France.

[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 sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing any Final Terms, or 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.]

1	Issuer:	Dexia Municipal Agency
2	(i) Series Number:	[•]
	(ii) Tranche Number:	[•]
	<i>(If fungible with an existing Series, details of that Series, including the date on which the Obligations Foncières become fungible.)</i>	
3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount:	
	(i) Series:	[•]
	(ii) Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6	Specified Denomination[s]:	[•] (<i>one denomination only for Dematerialised Obligations Foncières</i>) ⁴
7	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[•] / Not Applicable

⁴ *Obligations Foncières* (including *Obligations Foncières* denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies).

- 8 Maturity Date: *[specify date or (for Floating Rate Obligations Foncières) Interest Payment Date falling in or nearest to the relevant month and year]*
- 9 Interest Basis: **[•] per cent. Fixed Rate]**
[specify reference rate] +/- [•] per cent. Floating Rate]
[Zero Coupon]
[Index Linked Interest]
[Other (specify)]
[(further particulars specified below)]
- 10 Redemption/Payment Basis: **[Redemption at par]**
[Index Linked Redemption]
[Dual Currency]
[Partly Paid]
[Instalment]
[Other (specify)]
(N.B. If the Final Redemption Amount is different from 100 per cent. of the nominal value, the Obligations Foncières 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 or Redemption/Payment Basis: *[Specify details of any provision for convertibility of Obligations Foncières into another interest or redemption/payment basis]*
- 12 Call Options: **[Issuer Call]**
[(further particulars specified below)]
- 13 (i) Status of the *Obligations Foncières*: *Obligations Foncières*
(ii) Dates of the corporate authorisations for issuance of *Obligations Foncières* obtained: Decision of the *Directoire* of Dexia Municipal Agency dated [•] deciding the issue of the *Obligations Foncières* and authorizing Mr [•], President or any of its *Directeurs Généraux* to sign and execute all documents in relation to the issue of the *Obligations Foncières*.
- 14 Method of distribution: **[Syndicated/Non-syndicated]**

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

- 15 **Fixed Rate *Obligation Foncière* Provisions** **[Applicable/Not Applicable]**
(If not applicable, delete the remaining sub-paragraphs of this paragraph)
- (i) Rate [(s)] of Interest: **[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]**

- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of “Business Day”]/not adjusted]
- (iii) Fixed Coupon Amount [(s)]: [[•] per [•] in nominal amount / Not Applicable]
- (iv) Broken Amount(s): [Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]
- (v) Day Count Fraction (Condition 5(a)): [30/360 / Actual/Actual (ICMA / ISDA) / other]
- (vi) Determination Date(s) (Condition 5(a)): [•] 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. only relevant where Day Count Fraction is Actual/Actual (ICMA))
- (vii) Other terms relating to the method of calculating interest for Fixed Rate Obligations *Foncières*:
 - (i) Business Day Convention: [Not Applicable/give details]
 - (ii) Business Centre(s): [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other (give details)]

16 Floating Rate Provisions

- (i) Interest Period(s) [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) First Specified Interest Payment Date: [•]
- (iv) Interest Period Date: [•]
(Not applicable unless different from Interest Payment Date)
- (v) Business Day Convention: [Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (give details)]
- (vi) Business Centre(s) (Condition 5(c)): [•]
- (vii) Manner in which the Rate(s) of Interest is/are to be determined: [Screen Rate Determination/ISDA Determination/other (give details)]
- (viii) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s): [•]
- (ix) Screen Rate Determination (Condition 5(c)(iii)(B)):
 - Reference Rate: [•]

	-- Interest Determination Date(s):	[[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date] [, subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention /Preceding Business Day Convention/other (give details)].]
	-- Relevant Screen Page:	[•]
(x)	ISDA Determination (Condition 5(c)(iii)(A)):	
	-- Floating Rate Option:	[•]
	-- Designated Maturity:	[•]
	-- Reset Date:	[•]
	-- ISDA Definitions: (if different from those set out in the Conditions)	[•]
(xi)	Margin(s):	[+/-] [•] per cent. per annum
(xii)	Minimum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xiii)	Maximum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xiv)	Day Count Fraction (Condition 5(a)):	[•]
(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:	[•]
17	Zero Coupon <i>Obligation Foncière</i> Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i) Amortisation Yield (Condition 6(d)):	[•] per cent. per annum
	(ii) Day Count Fraction (Condition 5(a)):	[•]
	(iii) Any other formula/basis of determining amount payable:	[•]
18	Index Linked Interest <i>Obligation Foncière</i> /other variable-linked interest <i>Obligations Foncières</i> Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i) Index/Formula/Other variable:	[Give or annex details]
	(ii) Calculation Agent responsible for calculating the interest due:	[•]
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[•]
	(iv) Determination Date(s):	[•]
	(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:	[•]

- (vi) Interest Period(s): [•]
- (vii) Specified Interest Payment Dates: [•][subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other (*give details*)]]
- (viii) Business Day Convention: [Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other (*give details*)]
- (ix) Business Centre(s) (Condition 5(a)): [•](*Note that this item relates to interest period end dates and not to the date and place of payment, to which item 25 relates*)
- (x) Minimum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xi) Maximum Rate of Interest: [Not Applicable]/[•] per cent. per annum
- (xii) Day Count Fraction (Condition 5(a)): [•]

19 Dual Currency *Obligation Foncière* Provisions⁵

- [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Rate of Exchange/Method of calculating Rate of Exchange: [Give details]
- (ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due: [•]
- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]
- (v) Day Count Fraction (Condition 6(a)): [•]

PROVISIONS RELATING TO REDEMPTION

20 Call Option

- [Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each *Obligation Foncière* and method, if any, of calculation of such amount(s): [•] per *Obligation Foncière* [of [•] Specified Denomination]
- (iii) If redeemable in part: [•]
 - (a) Minimum Redemption Amount to be redeemed: [•]

⁵ If the Final Redemption Amount is different from 100% of the nominal value the *Obligations Foncières* will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and may require the preparation and publication of a supplement to the Base Prospectus. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

	(b) Maximum Redemption Amount to be redeemed:	[•]
	(iv) Option Exercise Date(s):	[•]
	(v) Notice period ⁶ :	[•]
21	Other Option	[Applicable/Not Applicable] <i>(If applicable, specify details)</i>
22	Final Redemption Amount of each <i>Obligation Foncière</i>	[[•] per <i>Obligation Foncière</i> [of [•] Specified Denomination]/Other/See Appendix]
	In cases where the Final Redemption Amount is Index-Linked or other variable-linked:	<i>(If the Final Redemption Amount is linked to an underlying reference or security, the Obligations Foncières will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)</i>
	(i) Index/Formula/variable:	[give or annex details]
	(ii) Calculation Agent responsible for calculating the Final Redemption Amount:	[•]
	(iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable:	[•]
	(iv) Determination Date(s):	[•]
	(v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted:	[•]
	(vi) Payment Date:	[•]
	(vii) Minimum Final Redemption Amount:	[•/Not Applicable]
	(viii) Maximum Final Redemption Amount:	[•/Not Applicable]
23	Early Redemption Amount	

⁶ *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, as well as any other notice requirements which may apply, for example, as between the Issuer and its Fiscal Agent.*

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):

[Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

- 24 Form of *Obligations Foncières*: [Dematerialised *Obligations Foncières*/Materialised *Obligations Foncières*] (*Materialised Obligations Foncières are only in bearer form*)
[Delete as appropriate]
- (i) Form of Dematerialised *Obligations Foncières*: [Not Applicable/if Applicable specify whether] [Bearer dematerialised form (*au porteur*)/Registered dematerialised form (*au nominatif*)]
- (ii) Registration Agent [Not Applicable/if Applicable give name and details] (*note that a Registration Agent must be appointed in relation to Registered Dematerialised Obligations Foncières only; except that the Issuer may be its own Registration Agent*)
- (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for definitive Bearer Materialised *Obligations Foncières* on [•] (the “**Exchange Date**”), being 40 days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
- (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable] (*Only applicable to Materialised Obligations Foncières*)
- 25 Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates: [Not Applicable/Give details]. (*Note that this item relates to the date and place of payment, and not to interest period end dates, to which items 15(ii), 16(iv) and 18(ix) relate*)
- (i) Adjusted Payment Date (Condition 7(h)): [The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] [The immediately preceding business day]/[Other*]
- 26 Talons for future Coupons or Receipts to be attached to definitive Materialised *Obligations Foncières* (and dates on which such Talons mature): [Yes/No/Not Applicable. *If yes, give details*] (*Only applicable to Materialised Obligations Foncières*)

* In the market practice, if any date for payment in respect of Fixed Rate *Obligations Foncières*, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (as defined in Condition 7(h)).

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/give details]
28	Details relating to Instalment <i>Obligations Foncières</i> : amount of each instalment, date on which each payment is to be made:	[Not Applicable/give details]
	(i) Instalment Amount(s):	[•]
	(ii) Instalment Date(s):	[•]
	(iii) Minimum Instalment Amount:	[•]
	(iv) Maximum Instalment Amount:	[•]
29	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition 1(d)] [annexed to this Final Terms] apply]
30	Consolidation provisions:	[Not Applicable/The provisions [in Condition 13(b)] [annexed to this Final Terms] apply]
31	Representation of holders of <i>Obligations Foncières-Masse</i> (Condition 10) ⁷ :	[Applicable/Not Applicable/Condition 10 replaced by the full provisions of the French Code of Commerce relating to the <i>Masse</i>] ⁸ (Note that: (i) in respect of any <i>Tranche</i> of <i>Obligations Foncières</i> , Condition 10 may be waived, amended or supplemented, and (ii) in respect of any <i>Tranche</i> of <i>Obligations Foncières</i> issued inside France, Condition 10 must be waived in its entirety and replaced by the provisions of French Code of Commerce relating to the <i>Masse</i> . If Condition 10 (as it may be amended or supplemented) applies or if the full provisions of French Code of Commerce apply, insert details of Representative and Alternative Representative and remuneration, if any)
32	Other final terms:	[Not Applicable/give details] (When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

⁷ The provisions of the French *Code de Commerce* relating to the *Masse* of holders of *Obligations Foncières* are applicable in full to French domestic issues of *Obligations Foncières*. Pursuant to Article L. 228-90 of the French *Code de Commerce*, the *Masse* provisions contained in the French *Code de Commerce* are NOT applicable to international issues (*emprunt émis à l'étranger*); accordingly international issues may have no *Masse* provisions at all or the *Masse* provisions contained in the French *Code de Commerce* may be varied along the lines of the provisions of Condition 10

⁸ At the date of this Final Terms the *statuts* of the Issuer do not contemplate (to be amended if the *statuts* of the Issuer have been modified) the right for a holder of an *Obligation Foncière* to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating holders of *Obligations Foncières*.

DISTRIBUTION

- 33 (i) If syndicated, names and addresses of Managers and underwriting commitments: [Not Applicable/give names 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)
- (ii) Date of [Subscription] Agreement: [•]
- (iii) Stabilising Manager(s) (if any): [Not Applicable/give name]
- 34 If non-syndicated, name and address of Dealer: [Not Applicable/give name]
- 35 Total commission and concession: [[•]]] per cent. of the Aggregate Nominal Amount / Not Applicable]
- 36 Additional selling restrictions: [Not Applicable/give details]
- 37 Non-exempt Offer: [Not Applicable] [An offer of the *Obligations Foncières* may be made by the Managers [and *specify, if applicable*] other than pursuant to Article 3(2) of the Prospectus Directive in [*specify relevant Member State(s) - which must be jurisdictions where the Prospectus and any supplements have been passported*] (“**Public Offer Jurisdictions**”) during the period from [*specify date*] until [*specify date*] (“**Offer Period**”). See further Paragraph 3 of Part B below.

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [public offer in the Public Offer Jurisdictions] [and] [admission to trading on [*specify relevant regulated market*] of the *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. [[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

Duly represented by:

PART B – OTHER INFORMATION

(If any of the following paragraphs is not applicable, delete such paragraph)

1. RISK FACTORS

[[Insert any issue specific risk factors that are material to the Obligations Foncières being offered and/or admitted to trading in order to assess the market risk associated with these Obligations Foncières and that may affect the Issuer's ability to fulfil its obligations under the Obligations Foncières which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.] [Where the underlying is 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. Where the underlying is not an index need to include equivalent information.]]*

2. LISTING AND ADMISSION TO TRADING

[Application has been made by the Issuer (or on its behalf) for the *Obligations Foncières* to be listed on [the official list of the Luxembourg Stock Exchange] and admitted to trading on the Regulated Market of [*specify relevant regulated market*] with effect from [●].]
[Application is expected to be made by the Issuer (or on its behalf) for the *Obligations Foncières* to be admitted to trading on [*specify relevant regulated market*] with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

3. TERMS AND CONDITIONS OF THE OFFER

Offer price:	[Issue Price][<i>specify</i>]
Conditions to which the offer is subject:	[Not Applicable/ <i>give details</i>]
The time period, including any possible amendments, during which the offer will be open and description of the application process:	[Not Applicable/ <i>give details</i>]
Description of possibility to reduce subscriptions and manner for refunding excess amount paid by applicants:	[Not Applicable/ <i>give details</i>]
Details of the minimum and/or maximum amount of application:	[Not Applicable/ <i>give details</i>]
Details of the method and time limits for paying up and delivering the <i>Obligations Foncières</i> :	[Not Applicable/ <i>give details</i>]
Manner in and date on which results of the offer	[Not Applicable/ <i>give details</i>]

* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100% of the nominal value the *Obligations Foncières* will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and may require the preparation and publication of a supplement to the Base Prospectus. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

are to be made public:

Procedure for exercise of any right of pre-emption, negotiability of subscription rights and treatment of subscription rights not exercised:

[Not Applicable/*give details*]

Categories of potential investors to which the *Obligations Foncières* are offered and whether tranche(s) have been reserved for certain countries:

[Not Applicable/*give details*]

Process for notification to applicants of the amount allotted and the indication whether dealing may begin before notification is made:

[Not Applicable/*give details*]

Amount of any expenses and taxes specifically charged to the subscriber or purchaser:

[Not Applicable/*give details*]

Name(s) and address(es), to the extent known to the Issuer, of the placers in the various countries where the offer takes place:

[None/*give details*]

4. 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.]

[The *Obligations Foncières* to be issued have been rated]:

[S & P: [•]]

[Moody's: [•]]

[Fitch: [•]]

[Other: [•]]

[[Each of [S&P] [and/,] [Moody's] [and/,] [Fitch] [and] [•] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, although the result of such applications has not been determined.]

[[Each of [•], [•] and] [•] is established in the European Union and registered under Regulation (EC) No 1060/2009.]

[[None of [•], [•] and] [•] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009.]

(The above disclosure should reflect the rating allocated to Obligations Foncières of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

5. 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 *privilège* defined in Article L.515-19 of the

French Monetary and Financial Code, after settlement of this issue and of the issues which have been the subject of previous attestations.

6. [NOTIFICATION]

The *Commission de surveillance du secteur financier* in Luxembourg [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 [include 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.]

7. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as disclosed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the *Obligations Foncières* has an interest material to the offer."]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

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

(i) Reasons for the offer:

[•] / [See "Use of Proceeds" wording in Prospectus]

(If reasons for offer different from those stated in "Use of Proceeds" and in particular if the Obligations Foncières are subscribed by the Issuer as collateral for credit operations of the Banque de France 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:

[•] / Not Applicable [Include breakdown of expenses.]

(If the Obligations Foncières are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii) above where disclosure is included at (i) above.)

9. [Fixed Rate Obligations Foncières only – YIELD

Indication of yield:

[•]

Calculated as [include details of method of calculation in summary form] on the Issue Date.

As set out above, the yield is calculated at the Issue Date

on the basis of the Issue Price. It is not an indication of future yield.]

10. [Floating Rate Obligations Foncières only - HISTORIC INTEREST RATES

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

11. [Index-Linked or other variable-linked Obligations Foncières only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and 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. [Where the underlying is 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. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]]*

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

12. [DERIVATIVES ONLY – POST ISSUANCE INFORMATION CONCERNING THE UNDERLYING

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

13. [Dual Currency Obligations Foncières only – PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

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

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

14. [Derivatives only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING*

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

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.

INFORMATION CONCERNING THE UNDERLYING

- exercise price or the final reference price of the underlying: [•]
- a statement setting out the type of the underlying and details of where information on the underlying can be obtained: [•]
- an indication where information about the past and

the further performance of the underlying and its volatility can be obtained	[•]
- where the underlying is an index:	[Applicable/Not Applicable]
• the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained:	[•]
- where the underlying is an interest rate:	[Applicable/Not Applicable]
• a description of the interest rate:	[•]
- others:	[Applicable/Not Applicable]
• where the underlying does not fall within the categories specified above the securities note shall contain equivalent information:	[•]
- where the underlying is a basket of underlyings:	[Applicable/Not Applicable]
• disclosure of the relevant weightings of each underlying in the basket:	[•]
A description of any market disruption or settlement disruption events that affect the underlying:	[•]
Adjustment rules with relation to events concerning the underlying:] *	[•]
- an indication of the intent of the Issuer regarding the providing of post-issuance information relating to the underlying and where the intent of the Issuer is to report such information, an indication of the type of information reported and where it can be obtained:	[•]
OTHER	
A description of how any return on derivative securities takes place, the payment or delivery date, and the way it is calculated:	[•]
Name and address of Calculation Agent:	[•]
Other markets on which securities of the same class of the <i>Obligations Foncières</i> to be admitted to trading are already admitted to trading:	[•]
[Information on taxes on the income from the <i>Obligations Foncières</i> withheld at source in the country where admission to trading (other than in Luxembourg) is sought:	[•]]
15. OPERATIONAL INFORMATION	
ISIN Code:	[•]
Common Code:	[•]

* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100% of the nominal value the *Obligations Foncières* will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

Depositories:

(i) Euroclear France to act as Central Depository: [Yes/No]

(ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream, Luxembourg: [Yes/No]

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

Delivery: Delivery [against/free of] payment

The Agents appointed in respect of the *Obligations Foncières* are: [•]

Name and address of the Calculation Agent: [•]

Names and addresses of additional Paying Agent(s) (if any): [•]

The aggregate principal amount of *Obligations Foncières* issued has been translated into Euro at the rate of [currency] per euro 1.00, producing a sum of: [Not Applicable/Euro [•]] (Only applicable for *Obligations Foncières* not denominated in Euro)

FORM OF FINAL TERMS 2

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF *OBLIGATIONS FONCIÈRES*
WITH A DENOMINATION OF AT LEAST €[50,000/100,000] TO BE ADMITTED TO TRADING ON A E.U.
REGULATED MARKET

Final Terms dated [●]

[LOGO, if document is printed]

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: [●]

TRANCHE NO: [●]

[Brief Description and Amount of *Obligations Foncières*]

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

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 8 April 2011 [and the supplement[s] to the Base Prospectus dated [•]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC)[, as amended by Directive 2010/73/EU] (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[s] to the Base Prospectus] [is] [are] available for viewing at the office of the Fiscal Agent or of the Paying Agent and on the website of the Issuer (www.dexia-ma.com) or on the website of the Luxembourg Stock Exchange (www.bourse.lu), and copies may be obtained from Dexia Municipal Agency, Tour Dexia, La Défense 2 - 1, passerelle des Reflets, TSA 92202 - 92919 La Défense Cedex, France.

[The following alternative language applies if the first tranche of an issue which is being increased was issued under a Prospectus 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 [Base Prospectus/Offering Circular] dated [original date] [and the supplement[s] to the Base Prospectus] dated [•]]. This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of the Prospectus Directive (Directive 2003/71/EC)[, as amended by Directive 2010/73/EU] (the “**Prospectus Directive**”) and must be read in conjunction with the Base Prospectus dated [current date] [and the supplement[s] to the Base Prospectus dated [•]], which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive, save in respect of the Conditions which are extracted from the [Base Prospectus/Offering Circular] dated [original date] [and the supplement[s] to the Base Prospectus dated [•]] and are attached hereto. 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/Offering Circular] dated [original date] and the Base Prospectus dated [current date] [and the supplement[s] to the Base Prospectus dated [•]]. The Base Prospectus/Offering Circular [and the supplement[s] to the Base Prospectus] are available for viewing at the office of the Fiscal Agent or of the Paying Agent, on the website of the Luxembourg Stock Exchange (www.bourse.lu), or otherwise in accordance with the provisions of Article 14 of the Prospectus Directive, and copies may be obtained from Dexia Municipal Agency, Tour Dexia, La Défense 2 - 1, passerelle des Reflets, TSA 92202 - 92919 La Défense Cedex, France.

[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 sub-paragraphs. Italics denote directions for completing the Final Terms.]

[When completing any Final Terms, or 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.]

1	Issuer:	Dexia Municipal Agency
2	(i) Series Number:	[•]
	(ii) Tranche Number:	[•]

(If fungible with an existing Series, details of that Series, including the date on which the Obligations Foncières become fungible.)

- | | | |
|-----------|---|---|
| 3 | Specified Currency or Currencies: | [•] |
| 4 | Aggregate Nominal Amount of <i>Obligations Foncières</i> admitted to trading: | |
| | (i) Series: | [•] |
| | (ii) Tranche: | [•] |
| 5 | Issue Price: | [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from <i>[insert date]</i> (if applicable)] |
| 6 | Specified Denomination[s]: | [•] (<i>one denomination only for Dematerialised Obligations Foncières</i>) ⁹ |
| 7 | (i) Issue Date: | [•] |
| | (ii) Interest Commencement Date: | [Specify/Issue Date// Not Applicable] |
| 8 | Maturity Date: | <i>[specify date or (for Floating Rate Obligations Foncières) Interest Payment Date falling in or nearest to the relevant month and year]</i> |
| 9 | Interest Basis: | [[•] per cent. Fixed Rate]

[[specify reference rate] +/- [•] per cent. Floating Rate]

[Zero Coupon]

[Index Linked Interest]

[Other (specify)]

[(further particulars specified below)] |
| 10 | Redemption/Payment Basis: | [Redemption at par]

[Index Linked Redemption]

[Dual Currency]

[Partly Paid]

[Instalment]

[Other (specify)]

<i>(N.B. If the Final Redemption Amount is different from 100 per cent. of the nominal value, the Obligations Foncières will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)</i> |
| 11 | Change of Interest or Redemption/Payment Basis: | [Specify details of any provision for convertibility of <i>Obligations Foncières</i> into another interest or redemption/payment basis] |

⁹ *Obligations Foncières* (including *Obligations Foncières* denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies).

12	Call Options:	[Issuer Call] [(further particulars specified below)]
13	(i) Status of the <i>Obligations Foncières</i> : (ii) Dates of the corporate authorisations for issuance of <i>Obligations Foncières</i> obtained:	[<i>Obligations Foncières</i>] Decision of the <i>Directoire</i> of Dexia Municipal Agency dated [•] deciding the issue of the <i>Obligations Foncières</i> and authorizing Mr [•], President or any of its <i>Directeurs Généraux</i> to sign and execute all documents in relation to the issue of the <i>Obligations Foncières</i> .
14	Method of distribution:	[Syndicated/Non-syndicated]
PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE		
15	Fixed Rate <i>Obligation Foncière</i> Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Rate [(s)] of Interest:	[•] per cent. per annum [payable [annually/semi-annually/quarterly/monthly] in arrear]
	(ii) Interest Payment Date(s):	[•] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"]/not adjusted]
	(iii) Fixed Coupon Amount [(s)]:	[[•] per [•] in nominal amount / Not Applicable]
	(iv) Broken Amounts:	[Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment Date(s) to which they relate]
	(v) Day Count Fraction (Condition 5(a)):	[30/360 / Actual/Actual (ICMA / ISDA) / other]
	(vi) Determination Date(s) (Condition 5(a)):	[•] 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. only relevant where Day Count Fraction is Actual/Actual (ICMA))
	(vii) Other terms relating to the method of calculating interest for Fixed Rate <i>Obligations Foncières</i> :	[Not Applicable/give details]
	(i) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other (give details)]
	(ii) Business Centre(s):	[•]
16	Floating Rate Provisions	[Applicable/Not Applicable] (If not applicable, delete the remaining sub-paragraphs of this paragraph).

- (i) Interest Period(s) [•]
- (ii) Specified Interest Payment Dates: [•]
- (iii) First Specified Interest Payment Date: [•]
- (iv) Interest Period Date: [•]
(Not applicable unless different from Interest Payment Date)
- (v) Business Day Convention: [Floating Rate Business Day Convention/
Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other *(give details)*]
- (vi) Business Centre(s) (Condition 5(c)): [•]
- (vii) Manner in which the Rate(s) of Interest is/are
to be determined: [Screen Rate Determination/ISDA
Determination/other *(give details)*]
- (viii) Calculation Agent responsible for calculating
the Rate(s) of Interest and Interest Amount(s): [•]
- (ix) Screen Rate Determination (Condition
5(c)(iii)(B)):
-- Reference Rate: [•]
-- Interest Determination Date(s): [•] [*TARGET*] *Business Days in [specify city] for
[specify currency] prior to [the first day in each
Interest Accrual Period/each Interest Payment
Date] [, subject to adjustment in accordance with
[Following Business Day Convention/Modified
Following Business Day Convention/Preceding
Business Day Convention/other (give details)].]*
- Relevant Screen Page: [•]
- (x) ISDA Determination (Condition 5(c)(iii)(A)):
-- Floating Rate Option: [•]
-- Designated Maturity: [•]
-- Reset Date: [•]
-- ISDA Definitions: (if different from those
set out in the Conditions) [•]
- (xi) Margin(s): [+/-] [•] per cent. per annum
- (xii) Minimum Rate of Interest: [Not Applicable] / [•] per cent. per annum
- (xiii) Maximum Rate of Interest: [Not Applicable] / [•] per cent. per annum
- (xiv) Day Count Fraction (Condition 5(a)): [•]
- (xv) Fall back provisions, rounding provisions,
denominator and any other terms relating to
the method of calculating interest on Floating
Rate *Obligations Foncières*, if different from
those set out in the Conditions: [•]

17 Zero Coupon *Obligation Foncière* Provisions [Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*

	(i)	Amortisation Yield (Condition 6(c)):	[•] per cent. per annum
	(ii)	Day Count Fraction (Condition 5(a)):	[•]
	(iii)	Any other formula/basis of determining amount payable:	[•]
18		Index Linked Interest Obligation Foncière Provisions / other variable-linked interest Obligations Foncières	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i)	Index/Formula/other variable:	[Give or annex details]
	(ii)	Calculation Agent responsible for calculating the interest due:	[•]
	(iii)	Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[•]
	(iv)	Determination Date(s):	[•]
	(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:	[•]
	(vi)	Interest Period(s):	[•]
	(vii)	Specified Interest Payment Dates:	[•] subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other (<i>give details</i>)]
	(viii)	Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other (<i>give details</i>)]
	(ix)	Business Centre(s) (Condition 5(a)):	[•](<i>Note that this item relates to interest period end dates and not to the date and place of payment, to which item 25 relates</i>)
	(x)	Minimum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
	(xi)	Maximum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
	(xii)	Day Count Fraction (Condition 5(a)):	[•]
19		Dual Currency Obligation Foncière Provisions¹⁰	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub-paragraphs of this paragraph</i>)
	(i)	Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]
	(ii)	Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[•]

¹⁰ If the Final Redemption Amount is different from 100% of the nominal value the *Obligations Foncières* will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and may require the preparation and publication of a supplement to the Base Prospectus. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

- (iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable: [•]
- (iv) Person at whose option Specified Currency(ies) is/are payable: [•]
- (v) Day Count Fraction (Condition 6(a)): [•]

PROVISIONS RELATING TO REDEMPTION

20 Call Option

[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)

- (i) Optional Redemption Date(s): [•]
- (ii) Optional Redemption Amount(s) of each *Obligation Foncière* and method, if any, of calculation of such amount(s): [•] per *Obligation Foncière* [of [•] Specified Denomination]
- (iii) If redeemable in part: [•]
 - (a) Minimum Redemption Amount to be redeemed: [•]
 - (b) Maximum Redemption Amount to be redeemed: [•]
- (iv) Option Exercise Date(s): [•]
- (v) Notice period¹¹: [•]

21 Other Option

[Applicable/Not Applicable] (*If applicable, specify details*)

22 Final Redemption Amount of each *Obligation Foncière*

[[•] per *Obligation Foncière* [of [•] Specified Denomination]/Other/See Appendix]

In cases where the Final Redemption Amount is Index-Linked or other variable-linked:

(If the Final Redemption Amount is linked to an underlying reference or security, the Obligations Foncières will constitute derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply.)

- (i) Index/Formula/variable: [give or annex details]
- (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [•]
- (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
- (iv) Determination Date(s): [•]

¹¹ 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, as well as any other notice requirements which may apply, for example, as between the Issuer and its Fiscal Agent.

- (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
- (vi) Payment Date: [•]
- (vii) Minimum Final Redemption Amount: [•/Not Applicable]
- (viii) Maximum Final Redemption Amount: [•/Not Applicable]

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): [Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

- 24 Form of *Obligations Foncières*: [Dematerialised *Obligations Foncières*/Materialised *Obligations Foncières*] (*Materialised Obligations Foncières are only in bearer form*)
[Delete as appropriate]
- (i) Form of Dematerialised *Obligations Foncières*: [Not Applicable/if Applicable specify whether] [Bearer dematerialised form (*au porteur*)/Registered dematerialised form (*au nominatif*)]
 - (ii) Registration Agent: [Not Applicable/if Applicable give name and details] (*note that a Registration Agent must be appointed in relation to Registered Dematerialised Obligations Foncières only; except that the Issuer may be its own Registration Agent*)
 - (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for definitive Bearer Materialised *Obligations Foncières* on [•] (the “**Exchange Date**”), being 40 days after the Issue Date subject to postponement as specified in the Temporary Global Certificate]
 - (iv) Applicable TEFRA exemption: [C Rules/D Rules/Not Applicable] (*Only applicable to Materialised Obligations Foncières*)
- 25 Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates: [Not Applicable/Give details]. (*Note that this item relates to the date and place of payment, and not to interest period end dates, to which items 15(ii), 16(iv) and 18(ix) relate*)

(i)	Adjusted Payment Date (Condition 7(h)):	[The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] [The immediately preceding business day]/[Other*]
26	Talons for future Coupons or Receipts to be attached to definitive Materialised <i>Obligations Foncières</i> (and dates on which such Talons mature):	[Yes/No/Not Applicable. <i>If yes, give details</i>] (Only applicable to Materialised <i>Obligations Foncières</i>)
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/ <i>give details</i>]
28	Details relating to Instalment <i>Obligations Foncières</i> : amount of each instalment, date on which each payment is to be made:	[Not Applicable/ <i>give details</i>]
	(i) Instalment Amount(s):	[●]
	(ii) Instalment Date(s):	[●]
	(iii) Minimum Instalment Amount:	[●]
	(iv) Maximum Instalment Amount:	[●]
29	Redenomination, renominatisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition 1(d)] [annexed to this Final Terms] apply]
30	Consolidation provisions:	[Not Applicable/The provisions [in Condition 13(b)] [annexed to this Final Terms] apply]
31	Representation of holders of <i>Obligations Foncières Masse</i> (Condition 10) ¹²	[Applicable/Not Applicable/Condition 10 replaced by the full provisions of the French Code of Commerce relating to the <i>Masse</i>] ¹³ (<i>Note that: (i) in respect of any Tranche of Obligations Foncières, Condition 10 may be waived, amended or supplemented and (ii) in respect of any Tranche of Obligations Foncières issued inside France, Condition 10 must be waived in its entirety and replaced by the provisions of French Code of Commerce relating to the Masse. If Condition 10 (as it may be amended or supplemented) applies or if the full provisions of French Code of Commerce apply, insert details of Representative and Alternative Representative and remuneration, if any</i>)

* In the market practice, if any date for payment in respect of Fixed Rate *Obligations Foncières*, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day (as defined in Condition 7(h)).

¹² The provisions of the French Code of Commerce relating to the *Masse* of holders of *Obligations Foncières* are applicable in full to French domestic issues of *Obligations Foncières*. Pursuant to Article L. 228-90 of the French Code of Commerce, the *Masse* provisions contained in the French Code of Commerce are NOT applicable to international issues (*emprunt émis à l'étranger*); accordingly international issues may have no *Masse* provisions at all or the *Masse* provisions contained in the French Code of Commerce may be varied along the lines of the provisions of Condition 10.

¹³ At the date of this Final Terms the *statuts* of the Issuer do not contemplate (*to be amended if the *statuts* of the Issuer have been modified*) the right for a holder of an *Obligation Foncière* to participate in a General Meeting by videoconference or any other means of telecommunication allowing the identification of the participating holders of *Obligations Foncières*.

32 Other final terms: [Not Applicable/give details]
(When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

33 (i) If syndicated, names of Managers: [Not Applicable/give names]

(ii) Stabilising Manager(s) (if any): [Not Applicable/give name]
34 If non-syndicated, name and address of Dealer: [Not Applicable/give name]
35 Additional selling restrictions: [Not Applicable/give details]

PURPOSE OF FINAL TERMS

These Final Terms comprise the final terms required for issue [and] [admission to trading on] [*specify relevant regulated market*] of the *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. [•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of the Issuer:

Duly represented by:

PART B – OTHER INFORMATION

(If any of the following paragraphs is not applicable, delete such paragraph)

1. RISK FACTORS

[[Insert any issue specific risk factors that are material to the Obligations Foncières being offered and/or admitted to trading in order to assess the market risk associated with these Obligations Foncières and that may affect the Issuer's ability to fulfil its obligations under the Obligations Foncières which are not covered under "Risk Factors" in the Base Prospectus. If any such additional risk factors need to be included consideration should be given as to whether they constitute "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.] [Where the underlying is 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. Where the underlying is not an index need to include equivalent information.]]*

2. LISTING AND ADMISSION TO TRADING

- (i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the *Obligations Foncières* to be listed on [the official list of the Luxembourg Stock Exchange] and admitted to trading on the Regulated Market of [specify relevant regulated market] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the *Obligations Foncières* to be admitted to trading on [specify relevant regulated market]] with effect from [●].] [Not Applicable.]

(Where documenting a fungible issue need to indicate that original securities are already admitted to trading.)

- (ii) Estimate of total expenses related to admission to trading: [●]

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.]

[The *Obligations Foncières* to be issued have been rated]:

[S & P: [●]]

[Moody's: [●]]

[Fitch: [●]]

[Other: [●]]

[[Each of [S&P] [and/,] [Moody's] [and/,] [Fitch] [and] [●] is established in the European Union and has applied for registration under Regulation (EC) No 1060/2009, although the result of such applications has not been determined.]

* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100% of the nominal value the *Obligations Foncières* will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply and may require the preparation and publication of a supplement to the Base Prospectus. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

[[Each of [●], [●] and] [●] is established in the European Union and registered under Regulation (EC) No 1060/2009.]

[[None of [●], [●] and] [●] is [not] established in the European Union [nor has/and has not] applied for registration under Regulation (EC) No 1060/2009.]

(The above disclosure should reflect the rating allocated to Obligations Foncières of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

4. [NOTIFICATION]

The *Commission de surveillance du secteur financier* in Luxembourg [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 [include 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.]

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

6. [INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE [ISSUE/OFFER]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

["Save as disclosed in "Subscription and Sale", so far as the Issuer is aware, no person involved in the offer of the *Obligations Foncières* has an interest material to the offer."]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

7. 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 those stated in "Use of Proceeds" and in particular if the Obligations Foncières are subscribed by the Issuer as collateral for credit operations of the Banque de France 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:] [●] / Not Applicable [Include breakdown of expenses.]
(If the Obligations Foncières are derivative securities to which Annex XII of the Prospectus Directive Regulation applies it is only necessary to include disclosure of net proceeds and total expenses at (ii) and (iii)

above where disclosure is included at (i) above.)

8. [Fixed Rate Obligations Foncières only – YIELD

[•]

Indication of yield:

The yield is calculated at the Issue Date on the basis of the Issue Price.
It is not an indication of future yield.]

9. [Index-Linked or other variable-linked Obligations Foncières only – PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE AND OTHER INFORMATION CONCERNING THE UNDERLYING

Need to include details of where past and future performance and volatility of the index/formula/other variable can be obtained and 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. [Where the underlying is 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. Where the underlying is not an index need to include equivalent information. Include other information concerning the underlying required by Paragraph 4.2 of Annex XII of the Prospectus Directive Regulation.]]*

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

10. [DERIVATIVES ONLY – POST ISSUANCE INFORMATION CONCERNING THE UNDERLYING

The Issuer [intends to provide post-issuance information [specify what information will be reported and where it can be obtained]] [does not intend to provide post-issuance information].

11. [Dual Currency Obligations Foncières only – PERFORMANCE OF RATE[S] OF EXCHANGE

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

[(When completing this paragraph, consideration should be given as to whether such matters described constitute “significant new factors” and consequently trigger the need for a supplement to the Prospectus under Article 16 of the Prospectus Directive.)]

12. [Derivatives only – EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING*

EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

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.

INFORMATION CONCERNING THE UNDERLYING

- exercise price or the final reference price of the underlying: **[•]**

- a statement setting out the type of the underlying and details of where information on the underlying can be obtained: **[•]**

- an indication where information about the past and the further performance of the underlying and its volatility can be obtained [•]
- where the underlying is an index: [Applicable/Not Applicable]
 - the name of the index and a description of the index if it is composed by the issuer. If the index is not composed by the issuer, where information about the index can be obtained: [•]
- where the underlying is an interest rate: [Applicable/Not Applicable]
 - a description of the interest rate: [•]
- others: [Applicable/Not Applicable]
 - where the underlying does not fall within the categories specified above the securities note shall contain equivalent information: [•]
- where the underlying is a basket of underlyings: [Applicable/Not Applicable]
 - disclosure of the relevant weightings of each underlying in the basket: [•]

A description of any market disruption or settlement disruption events that affect the underlying: [•]

Adjustment rules with relation to events concerning the underlying:] * [•]

- an indication of the intent of the Issuer regarding the providing of post-issuance information relating to the underlying and where the intent of the Issuer is to report such information, an indication of the type of information reported and where it can be obtained: [•]

OTHER

A description of how any return on derivative securities takes place, the payment or delivery date, and the way it is calculated: [•]

Name and address of Calculation Agent: [•]

Other markets on which securities of the same class [•]

* Required for derivative securities to which Annex XII to the Prospectus Directive Regulation applies. See footnote ** below.

** If the Final Redemption Amount is different from 100% of the nominal value the *Obligations Foncières* will be derivative securities for the purposes of the Prospectus Directive and the requirements of Annex XII to the Prospectus Directive Regulation will apply. This pro forma has been annotated to indicate where the key additional requirements of Annex XII are dealt with.

of the *Obligations Foncières* to be admitted to trading are already admitted to trading:

[Information on taxes on the income from the *Obligations Foncières* withheld at source in the country where admission to trading (other than in Luxembourg) is sought:

13. OPERATIONAL INFORMATION

ISIN Code:

Common Code:

Depositories:

(i) Euroclear France to act as Central Depository:

(ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream, Luxembourg:

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): [Not Applicable/give name(s) and number(s) [and address(es)]]

Delivery: Delivery [against/free of] payment

Name and address of Calculation Agent:

Names and addresses of additional Paying Agent(s) (if any):

The aggregate principal amount of *Obligations Foncières* issued has been translated into Euro at the rate of [currency] per Euro 1.00, producing a sum of: [Not applicable/Euro] (Only applicable for *Obligations Foncières* not denominated in Euro)

FORM OF FINAL TERMS 3

FORM OF FINAL TERMS FOR USE IN CONNECTION WITH ISSUES OF *OBLIGATIONS FONCIÈRES* THE PLACEMENT OF WHICH DOES NOT REQUIRE THE PUBLICATION OF A PROSPECTUS PURSUANT TO THE PROSPECTUS DIRECTIVE

Final Terms dated [●]

[LOGO, if document is printed]

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: [●]

TRANCHE NO: [●]

[Brief Description and Amount of *Obligations Foncières*]

Issue Price: [●] per cent.

[Name(s) of Dealer(s)]

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 [8 April 2011] [and the supplement[s] to the Base Prospectus dated [•]].

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 [as so supplemented]. The Base Prospectus [and the supplement[s] to the Base Prospectus] [is] [are] available for viewing at the office of the Fiscal Agent or of the Paying Agent.

[In the case of Notes which do not benefit from the Exception provided under the ruling (rescrit) n°2010/11 (FP and FE) of the French tax authorities dated 22 February 2010 (please refer to France – Taxation section of the Base Prospectus) it will be necessary to (a) make additional modifications to the terms of these Final Terms and (b) consider including additional risk factors, to take account of the tax regime introduced by Article 22 of the French loi de finances rectificative pour 2009 n°3 (n°2009-1674 dated 30 December 2009).]

1	Issuer:	Dexia Municipal Agency
2	(i) Series Number:	[•]
	(ii) Tranche Number:	[•]
	<i>(if fungible with an existing Series, details of that Series, including the date on which the Obligations Foncières become fungible.)</i>	
3	Specified Currency or Currencies:	[•]
4	Aggregate Nominal Amount of <i>Obligations Foncières</i> :	
	(i) Series:	[•]
	(ii) Tranche:	[•]
5	Issue Price:	[•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [insert date] (if applicable)]
6	Specified Denomination[s]:	[•] (one denomination only for Dematerialised <i>Obligations Foncières</i>) ¹⁴
7	(i) Issue Date:	[•]
	(ii) Interest Commencement Date:	[•] / Not Applicable
8	Maturity Date:	<i>[specify date or (for Floating Rate Obligations Foncières) Interest Payment Date falling in or nearest to the relevant month and year]</i>
9	Interest Basis:	[[•] per cent. Fixed Rate] [[specify reference rate] +/- [•] per cent. Floating Rate] [Zero Coupon]

¹⁴ *Obligations Foncières* (including *Obligations Foncières* denominated in sterling) in respect of which the issue proceeds are to be accepted by the Issuer in the United Kingdom or whose issue otherwise constitutes a contravention of section 19 of the FSMA and having a maturity of less than one year must have a minimum denomination of £100,000 (or its equivalent in other currencies).

- [Index Linked Interest]
 [Other (specify)]
 [(further particulars specified below)]
- 10 Redemption/Payment Basis: [Redemption at par]
 [Index Linked Redemption]
 [Dual Currency]
 [Partly Paid]
 [Instalment]
 [Other (specify)]
- 11 Change of Interest or Redemption/Payment Basis: [*Specify details of any provision for convertibility of Obligations Foncières into another interest or redemption/payment basis*]
- 12 Call Options: [Issuer Call]
 [(further particulars specified below)]
- 13 (i) Status of the *Obligations Foncières*: [*Obligations Foncières*]
 (ii) Dates the corporate authorisations for issuance of the *Obligations Foncières* obtained: Decision of the *Directoire* of Dexia Municipal Agency dated [•] deciding the issue of the *Obligations Foncières* and authorising Mr [•], 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: [Syndicated/Non syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

- 15 **Fixed Rate *Obligation Foncière* Provisions** [Applicable/Not Applicable]
 (*If not applicable, delete the remaining sub paragraphs of this paragraph*)
- (i) Rate [(s)] of Interest: [•] per cent. per annum [payable [annually/semi annually/quarterly/monthly] in arrear]
- (ii) Interest Payment Date(s): [•] in each year [adjusted in accordance with [*specify Business Day Convention and any applicable Business Centre(s) for the definition of "Business Day"*]/not adjusted]
- (iii) Fixed Coupon Amount [(s)]: [[•] per [•] in nominal amount / Not Applicable]
- (iv) Broken Amounts: [*Insert particulars of any initial or final broken interest amounts which do not correspond with the Fixed Coupon Amount [(s)] and the Interest Payment*]

		<i>Date(s) to which they relate]</i>
(v)	Day Count Fraction (Condition 5(a)):	[30/360 / Actual/Actual (ICMA / ISDA) / other]
(vi)	Determination Date(s) (Condition 5(a)):	[•] in each year (<i>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. only relevant where Day Count Fraction is Actual/Actual (ICMA)</i>)
(vii)	Other terms relating to the method of calculating interest for Fixed Rate <i>Obligations Foncières</i> :	[Not Applicable/give details]
	(i) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other (<i>give details</i>)]
	(ii) Business Centre(s):	[•]
16	Floating Rate Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub paragraphs of this paragraph</i>).
	(i) Interest Period(s):	[•]
	(ii) Specified Interest Payment Dates:	[•]
	(iii) First Specified Interest Payment Date:	[•]
	(iv) Interest Period Date:	[•] (<i>Not applicable unless different from Interest Payment Date</i>)
	(v) Business Day Convention:	[Floating Rate Business Day Convention/ Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (<i>give details</i>)]
	(vi) Business Centre(s) (Condition 5(c)):	[•]
	(vii) Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (<i>give details</i>)]
	(viii) Calculation Agent responsible for calculating the Rate(s) of Interest and Interest Amount(s):	[•]
	(ix) Screen Rate Determination (Condition 5(c)(iii)(B)):	
	• Reference Rate:	[•]
	• Interest Determination Date(s):	[[•] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date] [, subject to adjustment in accordance with [Following Business Day Convention/ Modified Following

	Business Day Convention/Preceding Business Day Convention/other (<i>give details</i>)]
• Relevant Screen Page	[•]
(x) ISDA Determination (Condition 5(c)(iii)(A)):	
• Floating Rate Option:	[•]
• Designated Maturity:	[•]
• Reset Date:	[•]
• ISDA Definitions: (if different from those set out in the Conditions)	[•]
(xi) Margin(s):	[+/-] [•] per cent. per annum
(xii) Minimum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xiii) Maximum Rate of Interest:	[Not Applicable] / [•] per cent. per annum
(xiv) Day Count Fraction (Condition 5(a)):	[•]
(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:]	[•]
17 Zero Coupon <i>Obligation Foncière</i> Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub paragraphs of this paragraph</i>)
(i) Amortisation Yield (Condition 6(d)):	[•] per cent. per annum
(ii) Day Count Fraction (Condition 5(a)):	[•]
(iii) Any other formula/basis of determining amount payable:	[•]
18 Index Linked Interest <i>Obligation Foncière</i> Provisions / other variable-linked interest <i>Obligations Foncières</i>	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub paragraphs of this paragraph</i>)
(i) Index/Formula/other variable:	[Give or annex details]
(ii) Calculation Agent responsible for calculating the interest due:	[•]
(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	[•]
(iv) Determination 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:	[•]
(vi) Interest Period(s):	[•]
(vii) Specified Interest Payment Dates:	[•][subject to adjustment in accordance with [Following Business Day Convention/Modified Following Business Day Convention/Preceding

	Business Day Convention/Other (<i>give details</i>)]
(viii) Business Day Convention:	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other (<i>give details</i>)]
(ix) Business Centre(s) (Condition 5(a)):	[•](Note that this item relates to interest period end dates and not to the date and place of payment, to which item 26 relates)
(x) Minimum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
(xi) Maximum Rate of Interest:	[Not Applicable]/[•] per cent. per annum
(xii) Day Count Fraction (Condition 5(a)):	[•]
19 Dual Currency <i>Obligation Foncière</i> Provisions	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub paragraphs of this paragraph</i>)
(i) Rate of Exchange/Method of calculating Rate of Exchange:	[Give details]
(ii) Calculation Agent, if any, responsible for calculating the principal and/or interest due:	[•]
(iii) Provisions applicable where calculation by reference to Rate of Exchange impossible or impracticable:	[•]
(iv) Person at whose option Specified Currency(ies) is/are payable:	[•]
(v) Day Count Fraction (Condition 6(a)):	[•]
PROVISIONS RELATING TO REDEMPTION	
20 Call Option	[Applicable/Not Applicable] (<i>If not applicable, delete the remaining sub paragraphs of this paragraph</i>)
(i) Optional Redemption Date(s):	[•]
(ii) Optional Redemption Amount(s) of each <i>Obligation Foncière</i> and method, if any, of calculation of such amount(s):	[•] per <i>Obligation Foncière</i> [of [•] Specified Denomination]
(iii) If redeemable in part:	[•]
(a) Minimum Redemption Amount to be redeemed:	[•]
(b) Maximum Redemption Amount to be redeemed:	[•]
(iv) Option Exercise Date(s):	[•]
(v) Notice period :	[•]
21 Other Option	[Applicable/Not Applicable] (<i>If applicable, specify details</i>)

22 Final Redemption Amount of each *Obligation Foncière*:

- In cases where the Final Redemption Amount is Index-Linked or other variable-linked: [[•] per *Obligation Foncière* [of [•] Specified Denomination]/Other/See Appendix]
- (i) Index/Formula/variable: [give or annex details]
 - (ii) Calculation Agent responsible for calculating the Final Redemption Amount: [•]
 - (iii) Provisions for determining Final Redemption Amount where calculated by reference to Index and/or Formula and/or other variable: [•]
 - (iv) Determination Date(s): [•]
 - (v) Provisions for determining Final Redemption Amount where calculation by reference to Index and/or Formula and/or other variable is impossible or impracticable or otherwise disrupted: [•]
 - (vi) Payment Date: [•]
 - (vii) Minimum Final Redemption Amount: [•/Not Applicable]
 - (viii) Maximum Final Redemption Amount: [•/Not Applicable]

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). [Applicable/Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

- 24 Form of *Obligations Foncières*: [Dematerialised *Obligations Foncières*/Materialised *Obligations Foncières*] (*Materialised Obligations Foncières are only in bearer form*) [Delete as appropriate]
- (i) Form of Dematerialised *Obligations Foncières*: [Not Applicable/if Applicable specify whether] [Bearer dematerialised form (*au porteur*)/Registered dematerialised form (*au nominatif*)]
 - (ii) Registration Agent: [Not Applicable/if Applicable give name and details] (*note that a Registration Agent must be appointed in relation to Registered Dematerialised Obligations Foncières only; except that the Issuer may be its own Registration Agent*)
 - (iii) Temporary Global Certificate: [Not Applicable/Temporary Global Certificate exchangeable for definitive Bearer Materialised *Obligations Foncières* on [•] (the “**Exchange Date**”), being 40 days after the Issue Date subject to postponement as

	(iv) Applicable TEFRA exemption:	specified in the Temporary Global Certificate] [C Rules/D Rules/Not Applicable] (Only applicable to Materialised Obligations Foncières)
25	Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:	[Not Applicable/Give details]. (Note that this item relates to the date and place of payment, and not to interest period end dates, to which items 15(ii), 16(iv) and 18(ix) relate)
	(i) Adjusted Payment Date (Condition 7(h)):	[The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.] [The immediately preceding business day]/[Other*]
26	Talons for future Coupons or Receipts to be attached to definitive Materialised <i>Obligations Foncières</i> (and dates on which such Talons mature):	[Yes/No/Not Applicable. If yes, give details] (Only applicable to Materialised Obligations Foncières)
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/give details]
28	Details relating to Instalment <i>Obligations Foncières</i> : amount of each instalment, date on which each payment is to be made:	[Not Applicable/give details]
29	Redenomination, renominalisation and reconventioning provisions:	[Not Applicable/The provisions [in Condition 1(d)] [annexed to this Final Terms] apply]
30	Consolidation provisions:	[Not Applicable/The provisions [in Condition 13(b)] [annexed to this Final Terms] apply]
31	Representation of holders of <i>Obligations Foncières - Masse</i> (Condition 10):	[Applicable/Not Applicable/Condition 10 replaced by the full provisions of the French Code of commerce relating to the Masse] (Note that: (i) in respect of any Tranche of Obligations Foncières, Condition 10 may be waived, amended or supplemented and (ii) in respect of any Tranche of Obligations Foncières issued inside France, Condition 10 must be waived in its entirety and replaced by the provisions of French Code of Commerce relating to the Masse. If Condition 10 (as it may be amended or supplemented) applies or if the full provisions of French Code of

Commerce apply, insert details of Representative and Alternative Representative and remuneration, if any)

32 Other final terms:

[Not Applicable/give details]

(When adding any other final terms consideration should be given as to whether such terms constitute a "significant new factors" and consequently trigger the need for a supplement to the Base Prospectus under Article 16 of the Prospectus Directive.)

DISTRIBUTION

33 (i) If syndicated, names of Managers:

[Not Applicable/give names]

(ii) Stabilising Manager(s) (if any):

[Not Applicable/give name]

34 If non syndicated, name and address of Dealer:

[Not Applicable/give name]

35 Additional selling restrictions:

[Not Applicable/give details]

RESPONSIBILITY

The Issuer accepts responsibility for the information contained in these Final Terms. [[•] has been extracted from [•]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [•], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

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.]
[The *Obligations Foncières* to be issued have been rated]:
[S & P: [•]]
[Moody's: [•]]
[Fitch: [•]]
[Other: [•]]
(The above disclosure should reflect the rating allocated to *Obligations Foncières* of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)

2 OPERATIONAL INFORMATION

ISIN Code: [•]

Common Code: [•]

Depositories:

(i) Euroclear France to act as Central Depository: [Yes/No]

(ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream, Luxembourg: [Yes/No]

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

Delivery: Delivery [against/free of] payment

The Agents appointed in respect of the *Obligations Foncières* are: [•]

Name and address of Calculation Agent: [•]

Names and addresses of additional Paying Agent(s) (if any): [•]

The aggregate principal amount of *Obligations Foncières* issued has been translated into Euro at the rate of [currency] per Euro 1.00, producing a sum of: [Not Applicable/Euro [•]] (Only applicable for *Obligations Foncières* not denominated in Euro)

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 French Monetary and Financial Code, after settlement of this issue and of the issues which have been the subject of previous attestations.

GENERAL INFORMATION

- (1) Application has been made to the Luxembourg Stock Exchange for *Obligations Foncières* issued under the Programme to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange and/or any other regulated market in a Member State of the European Economic Area (the “EEA”) or to be offered to the public in Luxembourg. Application has been made to the *Commission de surveillance du secteur financier* (the “CSSF”) in Luxembourg for approval of this Base Prospectus and application may be made for the notification of a certificate of approval released to the competent authorities of other Member States of the EEA, both approval and notification being made in its capacity as competent authority under the *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 which implements the Prospectus Directive.
- (2) This Base Prospectus prepared in connection with the *Obligations Foncières* to be issued under the Programme has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.
- (3) The Issuer has obtained all necessary consents, approvals and authorisations in the Republic of France in connection with the updating of the Programme.

The establishment of the Programme was authorised by a decision of the Board of Directors (*Directoire*) of the Issuer passed on 3 February 2000. The increase of the aggregate nominal amount of *Obligations Foncières* (issued under the Programme) outstanding was authorised by three decisions of the Executive Board (*Directoire*) of the Issuer passed on 22 April 2002, on 14 June 2004 and on 13 June 2005.

Any drawdown of *Obligations Foncières* under the Programme, to the extent that such *Obligations Foncières* constitute *obligations*, requires the prior authorisation of (i) the Executive Board (*Directoire*) of the Issuer or (ii) the Ordinary General Meeting of the Issuer’s shareholders if (a) the *statuts* of the Issuer so require or (b) such Ordinary General Meeting decides itself to exercise such authority.

Any drawdown of *Obligations Foncières*, to the extent that such *Obligations Foncières* do not constitute *obligations*, fall within the general powers of the Chairman of the Executive Board (*Président du Directoire*) or one of the *directeurs généraux* of the Issuer.

- (4) Except as disclosed in this Base Prospectus, there has been no significant change in the financial or trading position of the Issuer since 31 December 2010 nor any material adverse change in the prospects of the Issuer since 31 December 2010.
- (5) The Issuer is not or has not been involved in any governmental, legal or arbitration proceedings (including any such proceeding which are pending or threatened of which the Issuer is aware) during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer.
- (6) Each definitive Bearer Materialised *Obligation Foncière*, Receipt, Coupon and Talon will bear the following legend: “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”.
- (7) *Obligations Foncières* have been accepted for clearance through the Euroclear and Clearstream, Luxembourg which are entities in charge of keeping the records. The Common Code and the International Securities Identification Number (ISIN) or the identification number for any other relevant clearing system for each Series of *Obligations Foncières* will be set out in the relevant Final Terms.
- (8) The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42 avenue John Fitzgerald Kennedy, L- 1855 Luxembourg, Grand-Duchy of Luxembourg.

- (9) Dematerialised *Obligations Foncières* will be inscribed in the books of Euroclear France (acting as central depository). Dematerialised *Obligations Foncières* which are in registered form (*au nominatif*) are also inscribed either with the Issuer or with the Registration Agent.

The address of Euroclear France is 115 rue Réaumur, 75081 Paris Cedex 02, France

- (10) For so long as *Obligations Foncières* may be issued pursuant to this Base Prospectus, the following documents will be available, during usual business hours on any weekday (Saturdays, Sundays and public holidays excepted), at the office of the Fiscal Agent, the Paying Agent and the Arranger or at the registered office of the Issuer:
- (a) the Amended and Restated Agency Agreement;
 - (b) the *statuts* of the Issuer;
 - (c) the audited annual accounts of the Issuer for the financial years ended 31 December 2009 and 31 December 2010 and any subsequent interim financial accounts incorporated by reference or otherwise in this Base Prospectus;
 - (d) a copy of this Base Prospectus together with any Supplement to this Base Prospectus or further Prospectus (in each case published in accordance with the Prospectus Directive);
 - (e) each Final Terms for *Obligations Foncières* that are listed and/or admitted to trading on the Luxembourg Stock Exchange or any other regulated market in the EEA and are offered to the public in Luxembourg and/or in any Member State of the EEA; and
 - (f) all reports, letters and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request any part of which is included or referred to in this Base Prospectus including the certificate of the *Specific Controller* in respect of each issue of *Obligations Foncières*.
- (11) The non-consolidated accounts of the Issuer are audited and are published on an annual basis. The Issuer also produces unaudited interim financial information.
- (12) In respect of outstanding *Obligations Foncières* issued in the past by Dexia Municipal Agency, separate applications may have been made, for such *Obligations Foncières* to be listed and admitted to trading on the Paris, Frankfurt, Luxembourg, Zurich or Sydney stock exchanges.
- (13) Copies of the latest annual report and accounts of the Issuer (including any published interim accounts) (as soon as they are published) may be obtained at the specified offices of each of the Paying Agents during normal business hours, so long as any of the *Obligations Foncières* is outstanding.
- (14) Pursuant to Article R.515-13-IV of the French Monetary and Financial Code, the Specific Controller certifies that the rule providing that the amount of eligible assets of the Issuer is greater than the amount of liabilities benefiting from the *privilège* is satisfied for any issue of *Obligations Foncières* in a principal amount equal to or above Euro 500 million or its equivalent in the currency of issue. The Issuer will procure that the Specific Controller certifies that the previously referred rule is satisfied for all issues of *Obligations Foncières* under this Programme even in relation to issues whose principal amount is less than Euro 500 millions.
- (15) On 3 June 2003, the European Council of Economics and Finance Ministers adopted the Taxation Directive. The Taxation Directive requires Member States, subject to a number of conditions being met, to provide to the tax authorities of other Member States details of payments of interest and other similar income made by a paying agent located within its jurisdiction to an individual resident in that other Member State, except that, for a transitional period, Luxembourg and Austria will instead withhold an amount on interest payments unless the relevant beneficial owner of such payment elects otherwise.

If 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 *Obligation Foncière* as a result of the imposition of such withholding tax. If a withholding tax is imposed on payment made by a Paying Agent, 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 Taxation Directive. The Issuer assumes responsibility for withholding taxes to the extent set forth in Condition 8 of the Conditions.

- (16) Deloitte & Associés and Mazars (both entities regulated by the *Haut Conseil du Commissariat aux Comptes* and duly authorised as *Commissaires aux comptes*) have audited the financial statements of the Issuer for the years ended 31 December 2009 and 2010.

Registered Office of the Issuer

Dexia Municipal Agency

Tour Dexia
La Défense 2
1, passerelle des Reflets
92913 La Défense Cedex
France

Phone Number of the Issuer: +33 1 58 58 77 77

Arrangers

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United Kingdom

Dealers

Barclays Bank PLC

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United Kingdom

BNP PARIBAS

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United Kingdom

Commerzbank Aktiengesellschaft

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60311 Frankfurt am Main
Germany

Crédit Agricole Corporate and Investment Bank

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92920 Paris la Défense
France

Credit Suisse Securities (Europe) Limited

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United Kingdom

Deutsche Bank Aktiengesellschaft

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60486 Frankfurt am Main
Germany

Dexia Banque Internationale

**à Luxembourg, société anonyme
(acting under the name of Dexia Capital Markets)**

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Grand-Duchy of Luxembourg

Goldman Sachs International

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London EC4A 2BB
United Kingdom

J.P. Morgan Securities Ltd.

125 London Wall
London EC2Y 5AJ
United Kingdom

Morgan Stanley & Co. International plc

25 Cabot Square
Canary Wharf
London E14 4QA
United Kingdom

Natixis

30 avenue Pierre Mendès France
75013 Paris
France

Nomura International plc

Nomura House
1 St Martin's-le-Grand
London EC1A 4NP
United Kingdom

Société Générale
29, boulevard Haussmann
75009 Paris
France

UBS Limited
1 Finsbury Avenue
London EC2M 2PP
United Kingdom

The Royal Bank of Scotland plc
135 Bishopsgate
London EC2M 3UR
United Kingdom

UniCredit Bank AG
Arabellastrasse 12
81925 Munich
Germany

**Fiscal Agent, Principal Paying Agent, Redenomination Agent,
Consolidation Agent and Calculation Agent**

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

Paying Agent

Dexia Bank Belgium SA
44, boulevard Pachéco
B-1000 Brussels
Belgium
RPM Brussels VAT BE 0403.201.185

Listing Agent

Luxembourg Listing Agent

**Dexia Banque Internationale à
Luxembourg, société anonyme**

69, route d'Esch
L-1470 Luxembourg
Grand-Duchy of Luxembourg

Auditors to the Issuer

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92524 Neuilly-sur-Seine
France

Mazars

Exaltis
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France

Legal Advisers

To the Issuer

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To the Dealers

Linklaters LLP

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France