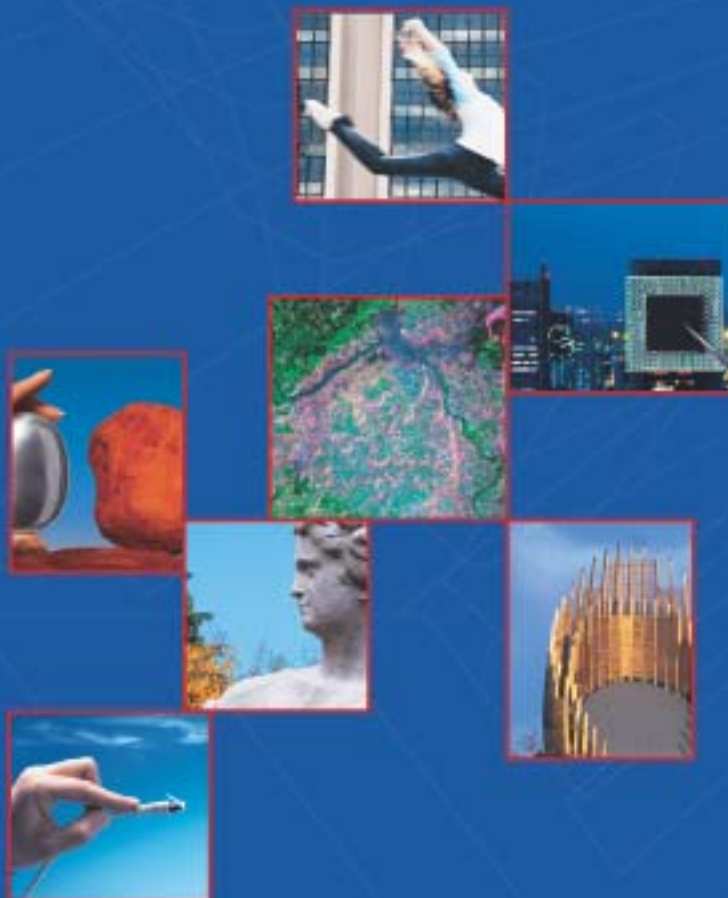


Annual report 2001

Rapport annuel 2001

The "obligations foncières"
for the local public sector
AAA/Aaa/AAA

Les obligations foncières
pour le secteur public local
AAA/Aaa/AAA



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MANAGEMENT REPORT

Dexia Municipal Agency Fiscal Year 2001

I

BRIEF NOTE ON THE HISTORY OF THE COMPANY CHANGES IN THE LAW GOVERNING SOCIÉTÉS DE CRÉDIT FONCIER

Dexia Municipal Agency (Dexia MA) is a *société de crédit foncier* created in October 1999. 2001 was its second full year of operation.

Sociétés de crédit foncier (SCF) are governed by the law of 1999, the articles of which have since been incorporated into the Code monétaire et financier (articles L.515-13 and following).

The MURCEF law voted in December 2001 modified articles L.515-14, L.515-15 and L.515-16, certain of which directly concern Dexia MA and will have a favorable impact on its future activity.

- Assets of public-sector entities (States, local governments, public-sector institutions) in the United States, Canada, Switzerland and Japan are now authorized in addition to those in the European Economic Space as stipulated in the original law.
- Bonds issued by these public-sector entities are considered as loans to these same entities, under the condition that they be acquired with the intention to hold them to maturity.

Sociétés de crédit foncier have the legal status of credit institutions with the capacity to grant and take out loans as authorized by this status, but they are managed in a particular manner which makes them more like securitization vehicles. For example, the law stipulates that *sociétés de crédit foncier* cannot have any employees and that management must be delegated. Article L.515-23 of the Code monétaire et financier stipulates that “management and the collection of loans, bonds or other resources mentioned in article L.515-13 can only be done by a credit institution linked by contract to the *société de crédit foncier*.”

From the beginning, a management contact empowered the parent company, Dexia Credit Local, to conduct all operations, transactions and functions for Dexia MA in all fields, from loan origination to the publication of the financial statements.

In 2001, Dexia MA successfully participated with Kommunalkredit AG in two tenders to refinance housing loans entirely guaranteed by an Austrian Land. Subsequent to these operations, the collection of financial flows from an Austrian debtor was entrusted by contract to Kommunalkredit AG.

Dexia Credit Local has a 49% equity interest in Kommunalkredit AG.

II

ASSETS OF DEXIA MA

As of December 31, 2001, the assets of Dexia MA were composed of EUR 22,538 million in loans and EUR 905 million in securities on entities belonging to the European Economic Space.

The French public sector represented the largest portion with 99% of the loans. Conversely, 95% of the securities concerned Italian public-sector entities.

Loans to local governments or entirely guaranteed by them (millions of euros)

		as of 12/31/2000	as of 12/31/2001
FRANCE	Regions	1,218.4	1,291.1
	Departments	3,325.2	3,468.7
	Municipalities	6,789.1	10,717.6
	Groups of municipalities	2,613.5	4,124.3
	Public sector entities	1,771.5	2,408.5
	Loans guaranteed by local governments	259.3	302.8
	Total FRANCE	15,977.0	22,313.0
AUSTRIA	Loans guaranteed by local governments		220.6
ITALY	Municipalities		5.0
TOTAL LOANS		15,977.0	22,538.6

In addition to this amount of EUR 22,538.6 million, the balance sheet includes EUR 547.7 million in related assets for a total de EUR 23,086.3 million in customer loans.

Securities issued by public sector entities (nominal in millions of euros)

		as of 12/31/2000	as of 12/31/2001
FINLAND	State		7.6
FRANCE	Departments		3.0
	Municipalities		28.5
	Total FRANCE		31.5
ITALY	State		371.8
	Regions	276.3	358.5
	Municipalities	10.3	71.8
	ABS (*)		55
	Total ITALY	286.6	857.1
PORTUGAL	Regions		8.5
TOTAL SECURITIES		286.6	904.7

(*)ABS rated AAA, composed entirely of loans to local governments. In addition to this amount of EUR 904.7 million, the balance sheet includes EUR 2 million in premiums/discounts and EUR 10.6 million in related assets for a total de EUR 917.3 million in securities.

The quality of these assets corresponds to the risk of public-sector entities in these countries, which is very low. The amount of non-performing loans giving rise to a provision at the end of 2001 was negligible (EUR 183,000).

The average life of the assets (loans and securities) was 6.7 years.

III

DEBT BENEFITING FROM THE PRIVILÈGE CONFERRED BY THE LAW

In 2001, Dexia MA organized 18 issues of obligations foncières for a total of EUR 9 billion. These issues were equally divided between the two semesters, EUR 4.8 billion in the first half and EUR 4.2 billion in the second.

As announced, the main strategic objective was to broaden the investor base, particularly by attracting investments in currencies other than euros. Issues in 2001 can be broken down by currency as follows: euros: 57%; US eurodollars: 31%; pound sterling: 6%; Swiss francs: 4.4%; other: 1.6%, including an issue in Canadian dollars and issues in yen for smaller sums.

In the euro market, the primary goal was to increase the liquidity of existing lines, while creating new tranches. Pre-existing maturities of 26/04/2005 and 26/04/2010 were increased to EUR 3 billion, making them eligible for the Euro Credit MTS trading platform, an additional boost for liquidity.

In addition, a new major tranche was created for 12/01/2007 with an issue of EUR 2 billion.

In the US eurodollar market, two major issues were organized, one of USD 1 billion for three years in the first half, and the other of USD 1 billion for five years in the second half. The second issue particularly appealed to Asian investors and central banks.

In the pound sterling market, two issues were organized, one of which totaled GBP 125 million (EUR 205 million) for 25 years and was designed for British institutional investors. This issue was a first whatever the instrument: Pfandbriefe, lettres de gages, cédulas hipotecarias.

In Swiss francs, the first diversification target last year, Dexia MA launched two new issues for a total of CHF 600 million (EUR 407 million).

Finally, in Canadian dollars, a first issue of CAD 100 million (EUR 71 million) was launched at the end of 2001, with payment at the beginning of 2002.

In light of spreads on Euribor swaps, Dexia MA issues achieved the general objective the company had set for 2001, with a rather favorable period at the beginning of the year and a trend to widening in the second half. The position of Dexia MA in this sector, in comparison with Pfandbriefe in particular, continued to improve and Dexia MA's spreads were often narrower.

Total outstanding issues at the end of December 2001 (billions of euros)

Years	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	Beyond	Total
Jumbo	0.5	1.5	2.1	3.0	3.1	3.0			3.0				16.2
< 0.5	0.1	0.1		0.2	0.4	0.9		0.3	0.6	0.5	0.2	0.6	3.9
TOTAL	0.6	1.6	2.1	3.2	3.5	3.9		0.3	3.6	0.5	0.2	0.6	20.1

(N.B.: total issued at year end 2001: EUR 20.1 billion, of which EUR 0.6 billion paid at the beginning of 2002)

(A detailed table of issues is presented in the "Other information" section, after the notes on the statement of income).

The average life of issues as of December 31, 2001, was 5.14 years.

The total amount of issues on the balance sheet as of December 31, 2001, was EUR 19.6 billion. The difference with the above table corresponds to the EUR 0.6 billion issued at the end of 2001 for which payment was received at the beginning of 2002 and, for the rest, to net issue premiums and the accounting impact of translation adjustments on the basis of December 31 exchange rates.

IV

OTHER DEBT THAT DOES NOT BENEFIT FROM THE LEGAL PRIVILÈGE CONFERRED BY ARTICLE L.515-19 OF THE CODE MONÉTAIRE ET FINANCIER

According to article L.515-13 of the Code monétaire et financier, sociétés de crédit foncier may also finance their activity by issuing debt securities which do not benefit from the Privilège.

Dexia MA maintained its policy in this respect, by which Dexia MA would have only a single debt which did not benefit from the Privilège, the current account agreement signed with its parent company, Dexia Credit Local.

This agreement allows Dexia MA to withdraw from the account the funds it needs. The account has no ceiling and its use may not be canceled by Dexia Credit Local as long as Dexia MA operates as a *société de crédit foncier*. The needs of Dexia MA financed by this account fall into two categories:

- (i) structural over-collateralization due to stress scenarios piloted by rating agencies; over-collateralization stood at approximately 5% of the assets, which may increase from time to time to reflect amortization profiles in the assets and liabilities benefiting from the Privilège;
- (ii) financing of assets pending new issues; as of December 31, 2001, issues had been launched and not yet paid in the amount of EUR 608 million and a program was being prepared for several issues totaling approximately EUR 1.2 billion.

In 2001, financing organized through this account revealed the following trend (millions of euros):

• 31/12/00:	5,120
• 31/03/01:	3,336
• 30/06/01:	933
• 30/09/01:	5,031
• 31/12/01:	3,730

V

COMMITMENT GRANTED AND COMMITMENTS RECEIVED

Financing commitments granted totaled EUR 365 million on the balance sheet, corresponding to loans signed with local governments and not yet paid out as of December 31, 2001. This item did not exist at the end of December 2000, since it was only in 2001 and particularly in the fourth quarter that Dexia MA's balance sheet began to be supplied directly with loans contracted by Dexia Credit Local or other group companies operating under mandate on behalf of Dexia MA.

Commitments received totaled EUR 1.8 billion on the balance sheet.

This amount included EUR 0.6 billion for issues launched at the end of 2001 and not yet paid (see table of issues at the end of the "Other information" section) and EUR 1.2 billion which are basically guarantees given by public-sector entities for social housing loans.

VI

HEDGING INTEREST RATE RISKS

Interest rate risk management policy remained the same as in the previous year. It is designed to protect Dexia MA from the impact of fluctuations in interest rates on its assets and debt benefiting from the Privilège, and consequently on its operating results.

Hedging guidelines have been clearly defined in a policy paper since the company began operations. These guidelines set very low sensitivity limits with regard to the size of the balance sheet (see below).

Interest rate risk management involves two levels of hedging.

At the first level, most of the assets and liabilities are in Euribor either naturally or subsequent to a fixed rate swap against three-month Euribor (Dexia MA's account with Dexia Credit Local is indexed on Eonia, and certain hedging swaps go directly from fixed rate to Eonia).

This first level thus includes items from the following sources:

- issues of fixed rate obligations foncières that are subject to specific hedging swaps at launch;
- customer loans naturally in Euribor (no swap);
- loans based on various indexes that are subject to specific hedging swaps when the customer contracts the loan;
- fixed rate loans which give rise to overall exposure hedging swaps to three-month Euribor.

Overall exposure hedging swaps to Euribor cannot fully hedge against long-term interest rate risk. The unhedged residual part is evaluated on the basis of an average gap on a 30 year scale. When the company was created, the Executive Board set a maximum sensitivity limit of EUR 5 million. After consulting rating agencies, this limit was raised to EUR 10 million in the second half of 2001, to keep pace with the growth of the balance sheet, which exceeded EUR 18 billion in the first half. (N.B. the limit represents the change in the net present value of the results of the unhedged fixed rate gap under the impact of an unfavorable 1% shift in the yield curve).

Results are summarized in the following tables:

2001	First quarter	Second quarter	Third quarter	Fourth quarter
Average	0.10	(0.75)	(1.79)	1.27
Maximum	1.03	0.16	2.26	2.06
Minimum	(0.67)	(1.73)	(9.34)	0.38
Limit	5	5	10	10

At the second level, all the lending and borrowing flows are swapped against Eonia.

In addition to balance sheet items that are naturally in Eonia, as mentioned above, all Euribor flows from the first level are swapped against Eonia in overall exposure hedging swaps to eliminate the interest rate risk generated by the differences in due dates of the Euribor flows. Overall exposure hedging swaps leave an unhedged rate risk that is calculated for every day on a 12-month sliding scale. The authorized sensitivity limit was set at EUR 2.5 million when the company was created, and has not been modified.

2001	First quarter	Second quarter	Third quarter	Fourth quarter
Average	(0.07)	0.07	(0.12)	(0.20)
Maximum	0.16	0.25	0.22	0.23
Minimum	(0.57)	(0.36)	(0.50)	(0.44)
Limit	2.5	2.5	2.5	2.5

Outstanding balance sheet interest rate swaps can be broken down as follows (billions of euros):

First level:

specific hedging swaps on issues of obligations foncières against Euribor: 16.1
 specific hedging swaps on customer loans and securities against Euribor: 7.5
 overall exposure hedging swaps on fixed rate loans against Euribor: 13.7

Second level:

overall exposure hedging swaps Euribor against Eonia: 29.6

VII

FOREIGN EXCHANGE RISKS

Dexia MA's management policy is to take no foreign exchange risks.

When an obligation foncière is issued in a currency other than the euro, the original currency is swapped against euros at issue, at the same time the fixed rate is swapped against three-month Euribor. There is a small percentage of loans in the assets denominated in currencies other than the euro which are the object of currency swaps when they enter Dexia MA's balance sheet. The same holds true for securities in foreign currencies.

The notional amount of currency swaps as of December 31, 2001, was:

- EUR 5.9 billion on issues of obligations foncières,
- EUR 0.2 billion for customer loans,
- EUR 0.2 billion for securities.

VIII

STATEMENT OF INCOME

The statement of income is presented in the following table:

(NB: In 1999, the company only operated in the fourth quarter.)

STATEMENT OF INCOME (EUR thousands)	1999 (4 th quarter)	2000	2001
Interest received on customer loans and securities <i>(net of interest from specific hedging swaps)</i>	44,392	634,411	1,008,963
less:			
Interest on obligations foncières <i>(net of interest from specific hedging swaps)</i>	(16,299)	(324,467)	(694,355)
Interest on the account with Dexia Credit Local	(15,390)	(207,588)	(145,838)
Interest on overall exposure hedging swaps:			
<i>interest received</i>	55,924	876,414	1,277,488
<i>interest paid</i>	(59,369)	(924,820)	(1,369,354)
Net interest	(3,445)	(48,406)	(91,866)
Commissions received	0	0	72
Commissions paid	0	(22)	(61)
Income from financial transactions	0	(8)	98
Other banking income	0	0	6
NET BANKING INCOME	9,258	53,920	77,019
Total general operating expense <i>(of which Dexia Credit Local's management contract)</i>	(2,563) (1,839)	(21,475) (20,571)	(32,376) (31,100)
Taxes	0	(1,443)	(2,184)
OPERATING INCOME BEFORE ALLOWANCES	6,695	31,002	42,459
Cost of risk	0	0	(138)
OPERATING INCOME AFTER ALLOWANCES	6,695	31,002	42,321
Corporate income tax	(2,544)	(11,499)	(14,938)
Regulated provisions on medium- and long-term loans	(335)	(1,550)	(1,934)
NET INCOME	3,816	17,953	25,449

IX

PROPOSED APPROPRIATION OF NET INCOME

In 2000, the company distributed, on the basis of 1999 net income, a dividend of EUR 3,600,000, representing a dividend of EUR 1.20 per share.

In 2001, on the basis of 2000 net income, no dividend was distributed.

The Annual Shareholders' Meeting will be asked to vote to allocate 2001 net income to retained earnings.

	Euros
- Net income for the year 2001	25,449,059.13
- Allocated to the legal reserve (5%)	1,272,452.96
- 2001 income available for distribution	24,176,606.17
- Prior retained earnings	17,079,179.08
- Retained earnings after appropriation	41,255,785.25

X

OUTLOOK FOR THE YEAR 2002

The majority of the assets of Dexia MA will continue to come from the activity of Dexia Credit Local in France, with the new loans negotiated in 2002 and transfers from the existing stock of loans.

The extension of asset acquisition to other European countries in which Dexia Credit Local operates, a move which just started in 2001, should be significant in 2002. The trend is expected to concern Switzerland, Sweden, Italy through Dexia Crediop, Spain with Dexia Sabadell Banco Local and Austria with Kommunalkredit SA.

Finally, the project to refinance Belgian loans in cooperation with Dexia Bank, originally planned for 2001, should take place in 2002.

In addition, the possibility offered by the law, per the new provisions of December 2001, to consider as loans bonds issued by public-sector entities (when these securities are acquired to be held until maturity) will enable Dexia MA to expand its refinancing activity to countries in which government entities regularly issue listed or unlisted securities.

The accomplishment of these objectives should raise outstandings to approximately EUR 33 billion at the end of 2002.

In shareholders' equity and liabilities, Dexia MA plans to continue its efforts to increase the market liquidity of its obligations foncières, in particular creating new jumbo maturities.

The broadening of the investor base interested in Dexia MA's obligations foncières remains a strategic focus. At the beginning of 2002, an Australian dollar EMTN program was signed and a first issue was launched in the amount of 350 million Australian dollars (EUR 206 million) for five years with a maturity of October 2007.

An issue of EUR 240 million was organized for seven years with a maturity of February 2009.

Finally, a first jumbo issue maturing in 15 years was launched in the amount of EUR 750 million for February 2017.

The trend to wider spreads on Euribor swaps, already noticeable in the second half of 2001, is more marked at the beginning of 2002. Spreads on Dexia MA's obligations foncières seem to grow relatively less than spreads on other obligations foncières and Pfandbriefe also rated AAA.

This market trend simultaneously reflects a long-term trend and a cyclical movement. If the cyclical movement were considered to be predominant in the present trend, this would be a reason to reduce the volume of issues planned.

Nevertheless, and despite this factor of uncertainty, the objective of Dexia MA is to issue approximately 10 billion euros in 2002.

XI

CHANGES IN CAPITAL IN 2001

As of December 31, 2000, the capital totaled EUR 300 million.

As of December 31, 2001, the capital was EUR 400 million. The capital increase authorized by the Ordinary and Extraordinary Shareholders' Meeting of May 10, 2001, took place in September 2001 in cash. The company's capital is almost totally owned by Dexia Credit Local (99.99%).

XII

CAPITAL INCREASE

In order to allow the company to pursue its development, a capital increase in the amount of EUR 50,000,000 is planned for the end of the year 2002.

The next shareholders' meeting will be a combined ordinary and extraordinary shareholders' meeting. It will be called to approve the accounts for the year 2001 under the quorum conditions of an ordinary shareholders' meeting and the capital increase and the modification of article 2 of the by-laws under the quorum conditions of an extraordinary shareholders' meeting.

FINANCIAL STATEMENTS

ASSETS AS OF DECEMBER 31, 2001

EUR thousands	Notes	12/31/1999*	12/31/2000	12/31/2001
Cash, central banks and postal checking accounts ⁽¹⁾		0	0	0
Government securities eligible for central bank refinancing		0	0	0
Interbank loans and advances	4.1	36	239	393
Customer loans		6,258,785	16,411,463	23,086,280
A. Customer loans	4.2	6,122,130	15,976,989	22,538,551
B. Other		136,655	434,474	547,729
Bonds and other fixed income securities	4.3	0	289,707	917,330
Equities and other variable income securities		0	0	0
Investments in non-consolidated companies and other long-term securities		0	0	0
Investments in consolidated companies		0	0	0
Intangible assets		0	0	0
Property and equipment		0	0	0
Unpaid capital		0	0	0
Treasury stock		0	0	0
Other assets		0	0	0
Accruals and other assets	4.4	180,690	1,030,747	1,751,048
TOTAL ASSETS	4.5	6,439,511	17,732,156	25,755,051
<p>* The company, created in December 1998, was authorized by the CECEI to operate as a société de crédit foncier on July 23, 1999, in accordance with the law of June 25, 1999, on savings and financial security. Prior to October 1, 1999, the company engaged in no business.</p> <p>(1) Amounts that appeared in this heading were classified in " Interbank loans and advances".</p>				

LIABILITIES AS OF DECEMBER 31, 2001

EUR thousands	Notes	31/12/1999*	31/12/2000	31/12/001
Interbank loans and deposits	5.1	3,405,251	5,120,807	3,730,623
Customer deposits (guarantees)	5.2	0	0	762
Debt securities	5.3	2,494,001	11,279,098	20,246,446
A. Debt securities		2,469,974	10,954,596	19,633,477
B. Other debt		24,026	324,502	612,969
Other liabilities	5.4	2,544	88,389	108,598
Accruals and other liabilities	5.5	233,566	923,809	1,221,186
Reserves for contingencies and charges and provisions for deferred taxes		0	0	0
Subordinated debt		0	0	0
General banking risks reserve		0	0	0
Shareholders' equity excluding general banking risks reserve		304,149	320,053	447,436
Capital stock	5.7	300,000	300,000	400,000
Additional paid-in capital		0	0	0
Reserves and retained earnings	5.7	(2)	215	18,168
Revaluation adjustments		0	0	0
Regulated provisions	5.6	335	1,885	3,819
Net income	5.7	3,816	17,953	25,449
TOTAL LIABILITIES	5.8	6,439,511	17,732,156	25,755,051

* The company, created in December 1998, was authorized by the CECEI to operate as a *société de crédit foncier* on July 23, 1999, in accordance with the law of June 25, 1999, on savings and financial security. Prior to October 1, 1999, the company engaged in no business.

OFF-BALANCE SHEET ITEMS AS OF DECEMBER 31, 2001

EUR thousands	Notes	12/31/1999*	12/31/2000	12/31/2001
Commitments given	6.1	0	2	365,044
Financing commitments		0	2	365,044
Commitments received	6.2	526,214	1,017,318	1,822,149
Financing commitments		0	80,480	614,204
Guarantees received		526,214	936,838	1,207,945
Foreign currency transactions	6.3	0	2,446,883	12,855,168
Financial futures	6.4	18,842,915	50,220,558	66,904,237

* The company, created in December 1998, was authorized by the CECEI to operate as a *société de crédit foncier* on July 23, 1999, in accordance with the law of June 25, 1999, on savings and financial security. Prior to October 1, 1999, the company engaged in no business.

STATEMENT OF INCOME AS OF DECEMBER 31, 2001

EUR thousands	Notes	12/31/1999*	12/31/2000	12/31/2001
Interest income		100,316	1,510,825	2,286,451
A. Interest income from interbank transactions		0	5	136
B. Interest income from client transactions		44,392	628,844	982,674
C. Interest income from bonds and other fixed income securities		0	5,562	26,153
D. Interest income from overall exposure hedging transactions		55,924	876,414	1,277,488 ⁽¹⁾
Interest expense		(91,058)	(1,456,875)	(2,209,547)
A. Interest expense on interbank transactions		(15,390)	(207,588)	(145,838)
B. Interest expense on bonds and other fixed income securities		(16,299)	(324,467)	(694,355)
C. Interest expense on overall exposure hedging transactions		(59,369)	(924,820)	(1,369,354) ⁽¹⁾
Income from variable income securities		0	0	0
A. Equities and other variable income securities		0	0	0
B. Long-term investments		0	0	0
Commission income	7	0	0	72
Commission expense	7	0	(22)	(61)
Income from financial transactions		0	(8)	98 ⁽¹⁾
Other banking income		0	0	6
Other banking expense		0	0	0
NET BANKING INCOME		9,258	53,920	77,019
General operating expense	7	(2,563)	(22,918)	(34,560)
A. Staff costs		0	0	0
1. Payroll expense		0	0	0
2. Social Security costs		0	0	0
B. Other general operating expense		(2,563)	(22,918)	(34,560)
1. Taxes other than on income		0	(1,443)	(2,184)
2. Other general operating expense		(2,563)	(21,475)	(32,376)
C. Network commissions		0	0	0
Depreciation and amortization		0	0	0
OPERATING INCOME BEFORE ALLOWANCES		6,695	31,002	42,459
Risk cost	7	0	0	(138)
INCOME FROM OPERATIONS		6,695	31,002	42,321
Income (loss) on fixed assets		0	0	0
OPERATING INCOME AFTER ALLOWANCES		6,695	31,002	42,321
Non-recurring income		0	0	0
Non-recurring expense		0	0	0
Corporate income tax		(2,544)	(11,499)	(14,938)
A. Current taxes		(2,544)	(11,499)	(14,938)
B. Deferred taxes		0	0	0
Net allocation to general banking risks reserve and regulated provisions		(335)	(1,550)	(1,934)
NET INCOME		3,816	17,953	25,449

* The company, created in December 1998, was authorized by the CECEI to operate as a *société de crédit foncier* on July 23, 1999, in accordance with the law of June 25, 1999, on savings and financial security. Prior to October 1, 1999, the company engaged in no business.

(1) In order to allow comparison of the 2000 and 1999 statements of income, the presentation of the 1999 results of overall interest rate exposure hedging transactions was changed to reflect the application of the CRC regulation n° 2000-03 of July 4, 2000. This result was recorded in the 1999 accounts after offsetting the corresponding expense and income under the item "Income from financial transactions" and represented an expense of EUR 3,445 thousand.

NOTES TO THE FINANCIAL STATEMENTS

1

CHARACTERISTICS OF THE COMPANY

Dexia Municipal Agency was authorized to operate as a *société de crédit foncier* on July 23, 1999, by the Comité des Établissements de Crédit et des Entreprises d'Investissement (CECEI).

Sociétés de crédit foncier are governed by Book V, Title I, Chapter 5, Section IV of the Code monétaire et financier and by the decrees n° 99-655 of July 29, 1999, and n° 99-710 of August 3, 1999, which define the notion of obligations foncières in French law.

According to article L515-13 of the Code monétaire et financier, the company's exclusive corporate purpose is:

- to grant or to acquire secured loans, loans to public sector entities and securities;
- to issue obligations foncières or any other securities benefiting from the Privilège in order to finance these categories of loans or securities.

Dexia Credit Local holds 99.99% of the capital of Dexia Municipal Agency.

In addition to the obligations defined in article L.515-42 of the Code monétaire et financier, Crédit local de France, which has become Dexia Credit Local, signed a declaration of financial support on September 1, 1999, stipulating that it will ensure that Dexia MA develops its activity in compliance with the requirements of the law n° 99-532 of June 25, 1999, and has the financial resources it needs to meet its obligations.

Pursuant to article L.515-22 of the Code monétaire et financier, there is a management contract between Dexia Municipal Agency and Dexia Credit Local. This contract defines the missions carried out by Dexia Credit Local on behalf of Dexia Municipal Agency, from the origination of loans to the publication of the company's financial statements.

In addition, two groups of loans guaranteed by an Austrian Land were acquired by Dexia Municipal Agency through Kommunalkredit Austria A.G.. A contract empowered Kommunalkredit Austria to represent Dexia Municipal Agency vis-à-vis the Austrian debtor and to collect the loan payments.

For its business needs and, in particular, to pre-finance assets prior to the issuance of securities, Dexia Municipal Agency opened an account with Dexia Credit Local, the conditions of which are defined in the current account agreement signed by the two companies (see below, note 5.1).

2

MAJOR EVENTS DURING THE YEAR

Pursuant to article L.515-13 of the Code monétaire et financier, during the year Dexia Municipal Agency acquired from Dexia Credit Local loans granted to public sector entities or to entities they guaranteed.

The loans were transferred at market value. The rules for determining this value are defined in the loan transfer agreement between Dexia Municipal Agency and Dexia Credit Local.

In addition, Dexia Credit Local acting as a proxy directly contracted loans on behalf of Dexia Municipal Agency.

To ensure financing for its activity, in 2001 Dexia Municipal Agency launched new bond issues benefiting from the Privilège defined in article L.515-19 of the Code monétaire et financier, raising outstanding bond issues to EUR 19.6 billion.

Issues were launched for the first time in GBP in 2001.

These borrowings are redeemable at maturity.

Pursuant to articles L.515-14 to L.515-17 of the Code monétaire et financier (articles L.515-14, L.515-15 and L.515-16 were modified by article 31 of the MURCEF law of December 11, 2001) and to article 7

of the decree n° 99-710 of August 3, 1999, Dexia Municipal Agency holds bonds as investment securities. These securities do not exceed 20% of the company's assets. The securities held by Dexia Municipal Agency are issued by public sector entities and are acquired with the purpose of holding them until maturity. These securities are considered as investments.

3

SIGNIFICANT ACCOUNTING POLICIES

Accounting principles

Dexia Municipal Agency adapted its parent company accounts to ensure compliance with CRC regulations 99-07, 00-08 and 00-03. These adaptations mainly concerned the following points.

Concerning the balance sheet

In order to make the balance sheet easier to read, the following modifications were introduced:

- an intermediary total for shareholders' equity.

Concerning the statement of income

Five intermediary accounting balances were defined in order to ensure a homogeneous and comparable presentation with reference to other financial institutions in Paris. These items are:

- Net banking income,
- Operating income before allowances,
- Income from operations,
- Operating income after allowances,
- Net income.

A new statement of income item, "Cost of risk," was introduced. This is the new terminology for "Income (loss) on loan losses and off-balance sheet items."

Another new statement of income item, "Income (loss) on fixed assets," was inserted, covering gains and losses on tangible and intangible assets.

The financial statements for the three years 1999, 2000 and 2001 were adapted to reflect these new policies.

The balance sheet and statement of income as of December 31, 2001, were drawn up using the same accounting principles and valuation methods as those used in the balance sheet and statement of income as of December 31, 2000.

The financial statements have been prepared in accordance with French generally accepted accounting principles on the basis of the following assumptions:

- going concern principle,
- segregation of accounting periods,
- consistency of methods,
- prudence.

The accounts conform to the indications of the directive n° 86/635/EEC of the Council of European Communities and the regulation n° 91-02 of the Banking Regulation Committee (CRB).

Client loans

Client loans are stated in the balance sheet net of allowances for possible losses. The unpaid portion of signed loan agreements is recorded as an off-balance sheet item.

Interest on loans is recorded as banking income prorata temporis for both due and non-due amounts, as is interest on unpaid installments.

Loans are classified as non-performing when there is a contingent or certain risk of total or partial non-payment. Non-performing loans are defined as follows:

- local government loans: loans with installments that are more than nine months past due;
- other loans: loans with installments that are more than three months past due.

Allowances are calculated on the basis of the estimated loss exposure.

Commission income is recorded in the statement of income on a cash basis.

As at Dexia Credit Local, penalties received from clients for early repayment of loans are amortized, for both accounting and tax purposes, over the residual life of the loan on the basis of outstanding interest. This also applies to premiums and discounts recorded on loans acquired.

The repayment indemnities as well as the premiums and discounts are recorded on the balance sheet as accruals.

Securities transactions

The securities held by Dexia Municipal Agency are recorded in the assets as “Bonds and other fixed income securities”.

They are securities issued by public sector entities (or guaranteed by them). They are considered as investment securities. These securities are hedged against interest rate risk.

Securities considered as investment securities are recorded on the date of purchase at market price excluding commissions. Interest accrued at the date of acquisition is recorded in a separate account. The positive or negative difference between the redemption value and the market price (discount or premium) is amortized on a straight line basis over the residual life of the security.

At the end of the accounting period, latent gains are not recorded and no allowance has to be made for depreciation except in the following cases:

- a doubt about the issuer’s ability to meet his obligations;
- the probability that the company will not hold these securities until maturity owing to new circumstances.

Debt securities

This item includes obligations foncières benefiting from the Privilège defined in article L.515-19 of the Code monétaire et financier.

Pursuant to article L.515-20 of the Code monétaire et financier and article 6 of the CRBF regulation n° 99-10 of July 27, 1999, total assets must always exceed liabilities benefiting from the Privilège referred to in article L.515-19 of the Code monétaire et financier.

These debt securities are recorded at face value.

Redemption and issuance premiums are amortized on a straight line basis over the life of the securities prorata temporis. They are recorded on the balance sheet under the same headings as the corresponding outstanding debt.

Amortization of these premiums is recorded in the statement of income as “Interest expense on bonds and other fixed income securities”. In the event bonds are issued above par, amortization of issuance premiums is deducted from interest expense on bonds and other fixed income securities.

Interest on bonds is recorded as a banking expense for accrued amounts due and not yet due calculated prorata temporis on the basis of contractual rates.

Bond issuance costs and commissions are amortized on a straight line basis over the life of the related loans. Equalization payments made or received on the redemption of debt are amortized over the residual life of the bonds.

Bonds denominated in foreign currencies are accounted for by the same method as foreign currency transactions.

Financial future transactions

Dexia Municipal Agency engages in financial future transactions to hedge against the interest rate and foreign exchange risks to which it is exposed in its activity.

Depending on their purpose, these transactions are assigned to specific hedging or overall exposure hedging portfolios as defined by CRB regulations n° 90-15 and n° 92-04. Evaluation and accounting principles are determined according to the portfolio to which they are assigned.

Pursuant to article L.515-18 of the Code monétaire et financier, these transactions benefit from the Privilège defined in article L.515-19 of the Code monétaire et financier provided that their purpose is to hedge the assets or debt benefiting from the Privilège.

The law stipulates that transactions hedging sources of financing which do not benefit from the Privilège do not benefit from the Privilège.

For Dexia Municipal Agency, one source of financing does not benefit from the Privilège: the account opened with Dexia Credit Local, which bears interest based on EONIA. This source of financing is not hedged.

The notional amount of these hedging transactions is recorded as an off-balance sheet item over the life of the contract, i.e. from the date the contract is signed (including forward contracts) up to maturity. The amount recorded is adjusted to reflect any changes in nominal amounts so as to represent the maximum current or future commitment.

Specific hedging transactions

Specific hedging transactions are designed to hedge against the interest rate risk related to an item or a set of homogeneous items and identified from the start.

This definition mainly concerns swaps used to hedge primary issues, securities in the investment bond portfolio and client assets.

Losses and gains on these transactions are recorded in the statement of income in the same way gains and losses on the hedged item or homogeneous set of items are recorded. This principle likewise applies to equalization payments made or received when the hedging instrument is transferred.

Overall exposure hedging transactions

This category includes transactions designed to hedge and manage the company's overall exposure to interest rate risk on assets, liabilities and off-balance sheet items, excluding specific hedging transactions. They were authorized by a specific decision of the Executive Board of Dexia Municipal Agency on December 1, 1999, pursuant to article 14 of CRBF regulation n° 99-10.

These overall exposure hedging transactions have the effect of reducing the company's overall exposure to interest rate risk inherent in its activity.

Losses and gains on these transactions are recorded prorata temporis in the statement of income as "Interest expense on overall exposure hedging transactions" and "Interest income from overall exposure hedging transactions". A contra entry is recorded in accruals up to the date of collection or payment of the funds. Equalization payments received or made on canceled transactions are deferred and recognized over the residual life of the canceled contracts.

Foreign currency transactions

Pursuant to CRB regulation n° 89-01, amended by regulation n° 90-01 of February 23, 1990, Dexia Municipal Agency records foreign currency transactions in accounts opened and denominated in each of the currencies used.

Specific foreign exchange position accounts and foreign exchange position equivalent accounts are opened in each currency.

At the end of each accounting period, the differences between the amounts resulting from a market price evaluation of the foreign exchange position accounts at the date of closing and the amounts recorded in the foreign exchange position equivalent accounts are recorded in the statement of income.

Foreign exchange transactions

In the course of systematic hedging of its foreign exchange risk, Dexia Municipal Agency enters into forward purchases and sales of foreign currencies. These forward foreign exchange transactions are initiated to eliminate the risk of foreign exchange rate fluctuations which might affect an asset or a liability as soon as the risk occurs. They are mainly used to hedge certain bond issues.

Results of foreign exchange hedging transactions are accounted for by recording the difference between the forward and the spot rate – contango or backwardation – prorata temporis in the statement of income.

Non-recurring income and expense

Non-recurring income and expense result from events or transactions that do not relate to ordinary business operations or routine management of the company's assets and liabilities.

Furthermore, the income or expense involved does not depend on decisions taken within the framework of usual management of the company's activities or assets, but results from external events of a completely exceptional nature. Only items of this nature which have a significant impact on the period's net income are recorded as non-recurring income and expense.

Tax integration

Dexia Municipal Agency applies the tax integration system. Dexia Municipal Agency and its parent company Dexia Credit Local are lodged in a new tax integration structure, of which the integrating company is Dexia's stable entity in France since January 1, 2001. This entity pays the total tax owed by the companies in the tax group, including the précompte equalization tax and the minimum corporate income tax payment. Dexia Municipal Agency records in its accounts the amount of tax for which it would be liable if it were not a member of the tax group. Tax savings realized by the tax group are recognized as a profit in the accounts of Dexia Credit Local. In 2001, Dexia Municipal Agency recorded a tax expense of EUR 14.9 million in the framework of the tax integration system.

4

NOTES TO THE ASSETS (EUR millions)

4.1 - Interbank loans

Interbank loans can be broken down as follows:

	Net amount as of 12/31/2000	Net amount as of 12/31/2001
Sight	-	0.3
Time	0.2	0.1
TOTAL	0.2	0.4

Time interbank loans

a. Accrued interest included in this item: 0.0

b. Analysis by residual maturity excluding accrued interest

Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	TOTAL
		0.1		0.1

c. Analysis by initial maturity excluding accrued interest

	Net amount 12/31/2000	Gross amount 12/31/2001	Decrease in value 12/31/2001	Net amount 12/31/2001
Commitments of less than 1 year				
Commitments of more than 1 year	0.2	0.1		0.1
TOTAL	0.2	0.1		0.1

4.2 - Client loans

Client loans are classified in “Other client loans” and are not eligible for central bank refinancing.

a. Accrued interest included in this item: 547.7

b. Analysis by residual maturity excluding accrued interest

Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	TOTAL
814.4	1,619.2	8,746.2	11,358.7	22,538.5

c. Analysis by the economic sector of the counterparty's commitments excluding accrued interest

Economic sector	Amount as of 12/31/2000	Amount as of 12/31/2001
Public sector	15,221.7	21,846.4
Other sectors *	755.3	692.1
TOTAL	15,977.0	22,538.5

* Social housing sector: public entities and private companies guaranteed by local governments.

d. Analysis by initial maturity excluding accrued interest

	Net amount 12/31/2000	Gross amount 12/31/2001 ⁽¹⁾	Decrease in value 12/31/2001	Net amount 12/31/2001
Commitments of less than 1 year				
Commitments of more than 1 year	15,977.0	22,538.7	(0.2)	22,538.5
TOTAL	15,977.0	22,538.7	(0.2)	22,538.5

(1) Including non-performing loans: EUR 1.6 million.

4.3 - Bonds and other fixed income securities

a. Accrued interest included in this item: 10.6

b. Analysis by residual maturity excluding accrued interest

Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	TOTAL
	38.7	165.7	702.3	906.7

c. Analysis by the issuer's economic sector excluding accrued interest

Issuer's economic sector	Amount as of 12/31/2000	Amount as of 12/31/2001
Public sector	288.8	906.7
Other sectors	-	-
TOTAL	288.8	906.7

d. Analysis by listed securities and other securities excluding accrued interest

	Amount as of 12/31/2001
Listed securities	851.7
Other securities	55.0
TOTAL	906.7

e. Analysis by type of portfolio excluding accrued interest and changes during the year

PORTFOLIO	Gross amount as of 12/31/2000	Increases	Decreases	Reductions in securities as of 12/31/2001	Amount as of 12/31/2001
TS	-	-			-
SAS	-	-			-
IS	288.8	627.9	10.0		906.7
TOTAL	288.8	627.9	10.0		906.7

Portfolio:
 TS: Trading securities SAS: Securities available for sale, liquidity support IS: Investment securities

4.4 - Accruals and other assets

	Amount as of 12/31/2000	Amount as of 12/31/2001
Deferred premiums on hedging transactions	8.8	78.3
Deferred charges on bond issues	18.7	62.5
Deferred charges on hedging transactions	17.4	0.0
Deferred premiums on acquisition of loans from Dexia Crédit Local	333.0	505.8
Other deferred charges	0.5	3.2
Accrued interest not yet due on hedging transactions	624.3	941.2
Translation adjustments	27.7	160.0
Other accrued income	0.3	-
TOTAL	1,030.7	1,751.0

4.5 - Total assets**Analysis by original currency**

	Amount in original currency as of 12/31/2001	Amount in EUR as of 12/31/2001
Assets in EUR	21,138.6	21,138.6
Assets in CHF	1,655.5	1,116.4
Assets in GBP	344.7	566.5
Assets in JPY	12,198.2	105.8
Assets in USD	2,492.2	2,827.8
TOTAL		25,755.1

**NOTES TO THE LIABILITIES
(EUR millions)**

5.1 - Interbank loans and deposits with undetermined maturity

This item includes the balance of the account opened with Dexia Credit Local. This account is intended to finance the needs of Dexia Municipal Agency related to its activity and, in particular, to the financing of loans prior to issuance.

The account will exist between Dexia Credit Local and Dexia Municipal Agency as long as Dexia Municipal Agency is authorized to operate as a *société de crédit foncier* and acquires or grants loans to public sector entities.

This source of financing does not benefit from the Privilège defined in article L.515-19 of the Code monétaire et financier.

	Amount as of 12/31/2000	Amount as of 12/31/2001
Balance of current account	5,068.9	3,721.5
Accrued interest not yet due on the current account	20.8	9.1
Balance of a secondary account related to the current account	30.3	-
Accrued interest not yet due on the secondary account	0.8	-
TOTAL	5,120.8	3,730.6

5.2 – Client deposits

	Amount as of 12/31/2000	Amount as of 12/31/2001
Other deposits – Sight	-	-
Other deposits – Time	-	0.8
TOTAL		0.8

5.3 - Debt securities

a. Accrued interest included in this item: 613.0

b. Analysis by residual maturity excluding accrued interest

Type of securities	less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	TOTAL
Obligations foncières	500.0	113.5	10,450.4	8,569.6	19,633.5

c. Changes during the year excluding accrued interest

Gross amount as of 12/31/2000	Increases	Decreases	Reductions of securities as of 12/31/2001	Amount as of 12/31/2001
10,954.6	8,678.9			19,633.5

5.4 – Other liabilities

	Amount as of 12/31/2000	Amount as of 12/31/2001
Cash received as collateral	77.9	102.8
Accrued interest not yet due on cash received as collateral	-	0.2
Taxes other than on income	10.4	5.6
TOTAL	88.3	108.6

5.5 - Accruals and other liabilities

	Amount as of 12/31/2000	Amount as of 12/31/2001
Deferred discounts on hedging swaps	99.7	158.7
Deferred income on loans	17.1	52.1
Discounts recorded on acquisition of loans from Dexia Crédit Local	161.5	156.0
Other deferred income		114.4
Accrued interest not yet due on hedging swaps	638.2	730.5
Other accrued charges	7.3	9.5
TOTAL	923.8	1,221.2

5.6 - Reserves for contingencies and charges

This item includes reserves for medium- and long-term loan losses.

Gross amount as of 12/31/2000	Increases	Decreases	Gross amount as of 12/31/2001
1.9	1.9		3.8

5.7 - Equity

	Amount as of 12/31/2000	Amount as of 12/31/2001
Capital stock	300	400
Additional paid-in capital		
Legal reserve	0.2	1.1
Retained earnings (+/-)	-	17.1
Translation adjustments		
Net income (+/-)	17.9	25.4
TOTAL	318.1	443.6

Capital stock is divided into 4,000,000 shares with a par value of EUR 100.

2000 income (EUR 17,952,918.57) was allocated as follows:

Legal reserve897,645.92

Retained earnings17,055,272.65

5.8 - Total liabilities**Analysis by original currency**

	Amount in original currency as of 12/31/2001	Amount in EUR as of 12/31/2001
Liabilities in EUR	21,138.6	21,138.6
Liabilities in CHF	1,655.5	1,116.4
Liabilities in GBP	344.7	566.5
Liabilities in JPY	12,198.2	105.8
Liabilities in USD	2,492.2	2,827.8
TOTAL		25,755.1

**NOTES TO THE OFF-BALANCE SHEET ITEMS
(EUR millions)**

6.1 - Commitments granted

	Amount as of 12/31/2000	Amount as of 12/31/2001
Financing commitments granted to clients	-	365.0
TOTAL	-	365.0

6.2 - Commitments received

	Amount as of 12/31/2000	Amount as of 12/31/2001
Financing commitments received from credit institutions	80.5	-
Currencies borrowed	-	614.1
Guarantees received from credit institutions	11.5	64.4
Guarantees received from local governments on loans acquired from Dexia Crédit Local	925.3	1,143.6
TOTAL	1,017.3	1,822.1

6.3 - Foreign currency transactions

Cash and forward foreign exchange transactions are recorded at their value in foreign currencies translated at the year-end exchange rate.

The items Currencies to receive and Currencies to deliver are composed of long currency swaps with intermediate payment flows corresponding to hedging transactions.

	Amount as of 12/31/2000	Amount as of 12/31/2001
Currencies to receive / Currencies to deliver	1,237.2	6,507.6
Currencies to deliver / Currencies to receive	1,209.6	6,347.6
TOTAL	2,446.8	12,855.2

6.4 - Commitments on financial futures

Commitments related to unconditional interest rate-based financial futures are recorded at the face value mentioned in the contracts in accordance with CRB regulations n° 88-02 and n° 90-15.

a - Analysis of over-the-counter interest rate transactions (residual life)

Type of transaction	Amount as of 12/31/2000	Less than 1 year	1 year to 5 years	More than 5 years	TOTAL as of 12/31/2001
Unconditionals transactions	50,220.5	30,406.0 ⁽¹⁾	12,305.9 ⁽²⁾	24,192.3 ⁽³⁾	66,904.2
(1) of which future transactions:		7,009.3			
(2) of which future transactions:			182.5		
(3) of which future transactions:				1,226.0	
Total		8,417.8			

These hedging transactions include specific hedging and overall exposure hedging transactions.

b - Analysis of interest rate transactions: specific hedging - overall exposure hedging Specific 32,959.4

	Amount as of 12/31/2000	Amount as of 12/31/2001
Specific hedging	17,261.1	23,570.5
Overall exposure hedging	32,959.4	43,333.7
TOTAL	50,220.5	66,904.2

c - Analysis of interest rate transactions by product type

	Amount as of 12/31/2000	Amount as of 12/31/2001
Interest rate swap	50,220.5	66,904.2
Forward rate agreements		
Interest rate option		
TOTAL	50,220.5	66,904.2

d - Analysis of interest rate transactions by position management

	Amount as of 12/31/2000	Amount as of 12/31/2001
Isolating open positions		
Specialist trading portfolio management	50,220.5	66,904.2
TOTAL	50,220.5	66,904.2

7

NOTES TO THE STATEMENT OF INCOME
(EUR millions)

Dexia Municipal Agency has no salaried employees in accordance with article L.515-22 of the Code monétaire et financier. In the framework of its management contract, Dexia Credit Local conducts all operations, transactions and functions of any sort on behalf of Dexia Municipal Agency.

In addition, particular management contracts grant Kommunalkredit the management of loans (payment collection) in Austria.

General operating expense can be broken down as follows.

	Amount as of 12/31/2001
Corporate income tax and other taxes	2.2
Other general operating expense (This item mainly includes the management commission billed by Dexia Crédit Local to Dexia Municipal Agency in the framework of a management contract signed by the two companies. In 2001, the corresponding expense was EUR 31.1 million.)	32.4
TOTAL	34.6

Commissions can be broken down as follows.

	Amount as of 12/31/2001
Commission income	0.1
From interbank transactions	0.1
Commission expense	0.1
From securities transactions	0.1

Risk cost can be broken down as follows.

	Amount as of 12/31/2001
Allowance for non-performing loans	0.1

OTHER INFORMATION

Dexia Municipal Agency was authorized to operate as a *société de crédit foncier* on July 23, 1999, by the Comité des Etablissements de Crédit et des Entreprises d'Investissement (CECEI).

It is therefore subject to the regulations governing credit and investment companies.

In addition, sociétés de crédit foncier are governed by Book V, Title I, Chapter 5, Section IV of the Code monétaire et financier and by the decree n° 99-655 of July 29, 1999, issued in application of articles L.515-13 and L.515-21 of the Code monétaire et financier and the decree n° 99-710 of August 3, 1999, issued in application of Title IV of the second part of the same law (articles L.515-14, L.515-15 and L.515-16 were modified by article 31 of the MURCEF law of December 11, 2001).

The required documents with regard to the following ratios are currently established on a consolidated basis by Dexia Credit Local which owns 99.99% of the capital of Dexia Municipal Agency:

- capital adequacy ratio,
- major exposure.

However, the liquidity ratio and the equity to long-term funds ratio are calculated on the basis of data presented in the financial statements of Dexia Municipal Agency. In 2001, Dexia Municipal Agency had a monthly liquidity ratio of more than 100%; as of December 31, 2001, it was 7,686%. The shareholders' equity to long-term funds ratio stood at 66.08%.

Pursuant to article L.515-20 of the Code monétaire et financier and article 6 of the CRBF regulation n° 99-10 of July 27, 1999, Dexia Municipal Agency's total assets must always exceed liabilities benefiting from the Privilège referred to in article L.515-19 of the Code monétaire et financier.

As of December 31, 2001, the coverage ratio was 118.69%.

SOURCES AND APPLICATIONS OF FUNDS (EUR millions)

	2001
1 - SELF FINANCING	
Change in shareholder's equity (A1)	100.0
Net income (A2)	25.4
- Amortization and depreciation	
- Allowances	2.1
- Recoveries of allowances	
Net amortization, depreciation and allowances (B)	2.1
Cash flow (C) = (A1) + (A2) + (B)	127.5
Total dividend (D)	
Net financing (E) = (C) - (D)	127.5
2 - INVESTMENTS	
Change in intangible assets and property and equipment, at cost (F)	
Internally generated financing (G) = (E) - (F)	127.5
3 - EXTERNAL SOURCES OF FUNDS	
- Change in subordinated debt	0
- Change in customer deposits (guarantees)	0.8
- Change in debt securities	8,967.3
- Change in deposits (foreign currencies and French francs)	0
- Change in accruals and other liabilities	297.4
- Change in other liabilities	20.2
- Change in loan contracts	(31.1)
- Change in client deposits	0
Change in external resources funds (H)	9,254.6
Total sources of funds (I) = (G) + (H)	9,382.1
4 - USES OF FUNDS	
- Change in client loans	6,675.0
- Change in interbank loans and money market securities	0.1
- Change in accruals and other assets	720.3
- Change in other assets	0
- Change in investments in subsidiaries and affiliates, at cost	0
- Change in marketable securities and investment securities, at cost	627.6
- Change in issue and call premiums (assets and liabilities netted off)	0
Total uses of funds (J)	8,023.0
Net sources (uses) of funds (K) = (I) - (J)	1,359.1
5 - CASH AND CASH EQUIVALENTS	
- Change in current accounts ^(a)	1,359.1
- Change in Trésor Public issue account	
CASH AND CASH EQUIVALENTS	1,359.1
^(a) This amount corresponds to the change in the account opened with Dexia Crédit Local, for which the financing conditions are described in note 5.1.	

STATEMENTS OF INCOME FOR THE LAST FIVE YEARS (EUR thousands)

	1998	1999	2000	2001
FINANCIAL POSITION				
- Capital	38	300,000	300,000	400,000
- Number of shares	2,500	3,000,000	3,000,000	4,000,000
RESULTS OF OPERATIONS				
- Revenues	N.S.	44,392	635,073	1,019,526
- Income before income tax, amortization, depreciation and allowances net of recoveries	(2)	6,695	31,002	42,458
- Corporate income tax	N.S.	2,544	11,499	14,938
- Net income	(2)	3,816	17,953	25,449
- Dividend ⁽¹⁾	N.S.	3,600	0	0
PER SHARE DATA				
- Revenues	N.S.	14.80	211.69	254.88
- Income before income tax, amortization, depreciation and allowances net of recoveries	N.S.	1.38	6.51	6.88
- Corporate income tax	N.S.	0.85	3.84	3.73
- Net income	N.S.	1.27	5.99	6.36
- Dividend per share	N.S.	1.20	0	0
(1) proposed distribution N.S. : not significant				

Dexia Municipal Agency has no salaried employees in accordance with article L.515-22 of the Code monétaire et financier.

COVERAGE RATIO (EUR millions)

Pursuant to article L.515-20 of the Code monétaire et financier and article 6 of the CRBF regulation n° 99-10 of July 27, 1999, the total assets of sociétés de crédit foncier must always exceed liabilities benefiting from the Privilège referred to in article L.515-19 of the Code monétaire et financier.

Assets covering sources of funds benefiting from the Privilège (weighted amounts)	Amount as of 12/31/2001
Securities	807.3
Assets related to these securities	9.1
Other Class 1 assets	0.1
Loans to public sector entities	22,537.2
Assets related to these loans	547.7
Asset-backed securities that meet the conditions of paragraph 2.a of the appendix to regulation n° 99-10	56.0
Class 3 accruals	1,101.3
Total assets	25,058.7
Sources of funds benefiting from the Privilège defined in article L.515-19 of the Code Monétaire et Financier	Amount as of 12/31/2001
Obligations foncières	19,656.6
Liabilities related to these securities	613.0
Amounts owed under the contract provided for in article L.515-22 of the Code monétaire et financier	9.1
Amounts owed for financial futures benefiting from the Privilège defined in article L.515-19 of the Code monétaire et financier	834.0
Total liabilities	21,112.7
COVERAGE RATIO	118.69 %

**LIST OF BONDS ISSUED BY DEXIA MUNICIPAL AGENCY
WITH STOCK EXCHANGE ON WHICH LISTED**

Description of securities	Currency	Nominal amount in the currency	Outstanding as of 31/12/2001 (EUR millions)	Redemption value (EUR millions) *	Final due date	Stock exchange
5.00% - 26/04/05	EUR	1,250,000,000	1,245	1,250	26/04/05	Several exchanges
5.50% - 26/04/10	EUR	1,250,000,000	1,236	1,250	26/04/10	Several exchanges
4.75% - 27/01/03	EUR	1,250,000,000	1,249	1,250	27/01/03	Several exchanges
Composite rate - 23/02/15	EUR	30,000,000	30	30	23/02/15	Luxembourg
5.125% - 01/03/05	EUR	100,000,000	100	100	01/03/05	Luxembourg
5.50% - 26/04/10	EUR	500,000,000	488	500	26/04/10	Several exchanges
4.625% - 13/03/02	EUR	500,000,000	500	500	13/03/02	Luxembourg, Paris
5.00% - 26/04/05	EUR	750,000,000	745	750	26/04/05	Several exchanges
5.375% - 26/04/07	EUR	1,000,000,000	996	1,000	26/04/07	Luxembourg, Paris
Floater rate - 17/05/12	EUR	200,000,000	200	200	17/05/12	Paris
Composite rate - 24/05/10	EUR	135,000,000	135	135	24/05/10	Paris
5.00% - 26/04/05	EUR	500,000,000	490	500	26/04/05	Several exchanges
Composite rate - 07/07/10	EUR	15,000,000	15	15	07/07/10	Paris
Fixed rate 5.50% - 26/04/10	EUR	300,000,000	293	300	26/04/10	Several exchanges
Fixed rate 4.75% - 27/01/03	EUR	250,000,000	249	250	27/01/03	Several exchanges
Fixed rate 5.50% - 25/04/06	EUR	2,000,000,000	1,999	2,000	25/04/06	Several exchanges
5.25% - 21/02/11	EUR	250,000,000	254	250	21/02/11	Luxembourg
5.25% - 21/02/11	EUR	240,000,000	243	240	21/02/11	Luxembourg
5.50% - 26/04/10	EUR	250,000,000	253	250	26/04/10	Several exchanges
5.125% - 27/02/09	EUR	250,000,000	253	250	27/02/09	Luxembourg
5.00% - 26/04/05	EUR	500,000,000	502	500	26/04/05	Several exchanges
5.50% - 26/04/10	EUR	700,000,000	715	700	26/04/10	Several exchanges
4.50% - 21/06/04	EUR	1,000,000,000	996	1,000	21/06/04	Luxembourg, Paris
4.25% - 12/01/07	EUR	2,000,000,000	1,989	2,000	12/01/07	Luxembourg, Paris
SUBTOTAL	EUR	15,220,000,000	15,175	15,220		
4.00% - 08/03/10	CHF	500,000,000	339	311	08/03/10	Swiss exchanges
3.75% - 15/05/03	CHF	200,000,000	135	128	15/05/03	Swiss exchanges
4.375% - 22/12/06	CHF	200,000,000	135	129	22/12/06	Swiss exchanges
4.25% - 15/08/07	CHF	200,000,000	136	130	15/08/07	Swiss exchanges
4.00% - 08/03/10	CHF	200,000,000	134	128	08/03/10	Swiss exchanges
3.00% - 30/11/07	CHF	300,000,000	203	203	30/11/07	Swiss exchanges
SUBTOTAL	CHF	1,600,000,000	1,082	1,029		
7.40% - 24/08/20	JPY	2,000,000,000	17	20	24/08/20	None
7.10% - 24/08/20	JPY	2,000,000,000	17	20	24/08/20	None
1.715% - 27/02/11	JPY	5,000,000,000	43	47	27/02/11	None
2.315% - 08/08/16	JPY	3,000,000,000	26	28	08/08/16	Luxembourg
SUBTOTAL	JPY	12,000,000,000	103	115		
Floater rate - 15/11/02	USD	100,000,000	113	105	15/11/02	Luxembourg
5.5% - 23/01/04	USD	1,000,000,000	1,145	1,061	23/01/04	Luxembourg
6.3% - 01/02/06	USD	25,000,000	28	27	01/02/06	Luxembourg
Floater rate - 30/06/06	USD	200,000,000	227	222	30/06/06	Luxembourg
5.43% - 28/06/05	USD	50,000,000	57	57	28/06/05	Luxembourg
5.125% - 11/09/06	USD	750,000,000	862	826	11/09/06	Luxembourg
5.125% - 11/09/06	USD	250,000,000	286	280	11/09/06	Luxembourg
SUBTOTAL	USD	2,375,000,000	2,718	2,578		
5.50% - 16/07/26	GBP	125,000,000	203	206	16/07/26	Luxembourg
5.254% - 14/12/16	GBP	215,000,000	353	345	14/12/16	None
SUBTOTAL	GBP	340,000,000	556	551		
TOTAL			19,634	19,493		

* determined by the interest rate and currency swap used to hedge the bond issue.

**LIST OF BONDS NEGOTIATED BY DEXIA MUNICIPAL AGENCY IN 2001
AND ISSUED IN 2002**

Description of securities	Currency	Nominal amount in the currency	Outstanding as of 31/12/2001 (EUR millions)	Redemption value (EUR millions) *	Final due date	Stock exchange
4.875% - 11/01/07	USD	300,000,000	343	334	11/01/02	Several exchanges
5.00% - 11/12/07	CAD	100,000,000	71	71	11/01/02	Several exchanges
3.00% - 30/11/07	CHF	300,000,000	200	204	27/01/03	Several exchanges
TOTAL			614	609		

* determined by the interest rate and currency swap used to hedge the bond issue.

STATUTORY AUDITORS' REPORT
 FINANCIAL STATEMENTS – YEAR ENDED DECEMBER 31, 2001
 (Translated from French into English)

In compliance with the assignment entrusted to us by your shareholders' annual general meeting, we hereby report to you, for the year ended December 31, 2001, on:

- *the audit of the accompanying financial statements of Dexia Municipal Agency,*
- *the specific verifications and information required by law.*

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

Opinion on the financial statements

We conducted our audit in accordance with the professional standards applied in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of any material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements give a true and fair view of the company's financial position and its assets and liabilities as of December 31, 2001, and of the results of its operations for the year then ended in accordance with accounting principles generally accepted in France.

Specific verifications and information

We also performed the specific verifications required by law in accordance with the professional standards applied in France.

We have no comment as to the fair presentation and the conformity with the financial statements of the information given in the management report of the Executive Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

Paris, March 28, 2002

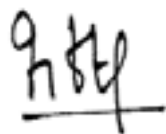
Daniel Butelot



Olivier Avril



Guillaume Potel



Anne Veaute



Dexia Municipal Agency

SHAREHOLDERS' MEETING OF MAY 21, 2002

REPORT OF THE EXECUTIVE BOARD ON THE PROPOSED RESOLUTIONS

The Executive Board invites shareholders to approve the following resolutions.

Ordinary Shareholders' Meeting

- The first resolution concerns the approval of the company's financial statements.
- The Shareholders' Meeting will then be invited to approve the auditors' special report on agreements involving directors governed by article n° 225-88 of the Code de Commerce (second resolution).
- As a direct consequence of the adoption of the first two resolutions, the Shareholders' Meeting will give discharge to members of the management bodies for the performance of their duties during the year (third resolution).
- The Shareholders' Meeting will then vote on the appropriation of net income (fourth resolution).
- The Shareholders' Meeting will be asked to ratify the appointment of Jean Luc Petitpont as a member of the Supervisory Board, as decided at the meeting of the Supervisory Board of December 20, 2001 (fifth resolution).

Extraordinary Shareholders' Meeting

Authorization for a capital increase

- The Extraordinary Shareholders' Meeting will be asked to authorize the Executive Board to increase the company's capital in cash and, if required, through the incorporation of reserves, in the limit of a maximum amount of EUR 50 million. This capital increase will allow the company to pursue its development.

Per share subscription will have a par value of EUR 100.

This authorization is granted for a year from the date of the Shareholders' Meeting.

Mention is made of the fact that since Dexia Municipal Agency has no salaried employees, it is not required to take a position on the obligation stipulated in article L. 225-129 VII of the Code de Commerce (sixth resolution).

- Modification of paragraphs 1 and 2 of article 2 of the by-laws to comply with the law 2001-1168 of December 11, 2001: the article now refers to articles 515-15 and 515-16 of the Code des Marchés financiers (seventh resolution).
- In order to ensure the compliance of the by-laws with the "New Economic Regulations" law and the updated Code de Commerce, the Extraordinary Shareholders' Meeting will discuss a modification of the by-laws (eighth resolution).
- Finally, the Shareholders' Meeting will give full powers to the bearer of a copy or extract of the minutes of the meeting to carry out all legal formalities (ninth resolution).

These proposed resolutions were presented to the Supervisory Board on March 21, 2002. The Supervisory Board stated that it would adopt them without qualification.

REPORT OF THE SUPERVISORY BOARD

Gentlemen,

Pursuant to the provisions of article L.225-68 of the Code de Commerce, we hereby present our report on the management review of the Executive Board and on the financial statements for the year ended December 31, 2001.

The Supervisory Board first wishes to thank the Executive Board for the action taken and the results achieved during the year ended December 31, 2001.

In compliance with the aforementioned article, we have no comment to make on the management review of the Executive Board or on the financial statements for the year just ended.

The Supervisory Board

DEXIA MUNICIPAL AGENCY ORDINARY AND EXTRAORDINARY SHAREHOLDERS' MEETING MAY 21, 2002

PROPOSED RESOLUTIONS

Ordinary Shareholders' Meeting

First resolution: approval of the company's financial statements

The Ordinary Shareholders' Meeting, after hearing the reports presented by the Executive Board, the Auditors and the Specific Controller, and the comments of the Supervisory Board, approves the company's financial statements for the year ended December 31, 2001, as presented, showing net income of EUR 25,449,059.13.

Second resolution: approval of agreements involving directors

After hearing the Auditors' special report on agreements involving directors governed by article n° 225-86 of the Code de Commerce, the Ordinary Shareholders' Meeting approves the agreements referred to in this report, in accordance with the provisions of article n° 1225-88.

Third resolution: discharge to members of the management bodies

By virtue of the adoption of the first two resolutions, the Ordinary Shareholders' Meeting gives full discharge to members of the management bodies for the performance of their duties during the year ended December 31, 2001.

Fourth resolution: appropriation of net income

The Ordinary Shareholders' Meeting resolves to appropriate net income for the year as follows:

Net income for the year	25,449,059.13
Legal reserve	1,272,452.96
<hr/>	
Income available for distribution	24,176,606.17
Prior retained earnings	17,079,179.08
Retained earnings after appropriation	41,255,785.25

No dividend was paid for the fiscal year 2000. For 1999, a dividend of EUR 1.20, plus tax credit (avoir fiscal), was paid per share, and no dividend was paid for 1998.

Fifth resolution: ratification of the appointment of a member of the Supervisory Board

The Ordinary Shareholders' Meeting decides to ratify the appointment of Jean Luc Petitpont as a member of the Supervisory Board, as decided at the meeting of the Supervisory Board of December 20, 2001, to replace Henri Bonaque, who resigned, for the term of his predecessor, which will end after the Ordinary Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2004.

Extraordinary Shareholders' Meeting*Sixth resolution: authorization to increase the capital*

The Extraordinary Shareholders' Meeting, after hearing the Executive Board's report and the Auditors' special report, authorizes the Executive Board to increase, by simple decisions, the company's capital within a maximum limit of EUR 50 million:

- by the issue, with or without a premium, of common shares to be paid up in cash or in compensation for liquid and payable claims on the company;
- and if required, by the incorporation of reserves, additional paid-in capital or net income with the corresponding distribution of free common shares or an increase in the par value of existing shares.

The Extraordinary Shareholders' Meeting delegates all power to the Executive Board to carry out these capital increases simultaneously or separately in whatever order, respecting the ceiling defined above, to determine the date as well as the conditions and procedures for these capital increases and according to the nature of each operation:

- a) the issue price of the new shares according to the procedures described in its report to the Extraordinary Shareholders' Meeting;
- b) the amount of the increase in the par value of existing shares or the conditions and procedures for the granting of free shares.

The Executive Board will be fully empowered to decide and execute any and all actions, take all measures and carry out all formalities required to increase the company's capital as authorized.

The above authorization is valid for a year from the date of this meeting.

Seventh resolution: modification of article 2 of the by-laws to comply with the law n° 2001-1168 of December 11, 2001

The Extraordinary Shareholders' Meeting, after hearing the Executive Board's report, decides to modify as follows paragraphs 1 and 2 of article 2 of the company's by-laws:

- to grant or acquire loans to public-sector entities as defined in article L.515-15 of the Code des Marchés Financiers as well as assets considered as loans as defined in article n° 515-16 of the same Code.
- The rest of the article remains unchanged.

Eighth resolution: compliance of the by-laws with the provisions of the law of May 15, 2001, and the updated Code de Commerce

The Extraordinary Shareholders' Meeting, after hearing the Executive Board's report, decides to modify the company's by-laws to ensure compliance with the updated Code de Commerce and the law of May 15, 2001, on new economic regulations and to adopt the text proposed, article by article, in accordance with regulatory requirements:

- article 1: Type of Company: replacement of the words "law of July 24, 1966, on commercial companies" by a reference to articles L.210-1 and following of the Code de Commerce and to articles L.511-1 and following of the Code monétaire et financier, with the rest of the article remaining unchanged;
- article 17: Supervisory Board – Composition: replacement in the first paragraph of "24" by "18";
- article 21: Meeting of the Supervisory Board: addition of a new paragraph at the end of the article: "In the cases and under the conditions stipulated by current legislation, members of the Supervisory

Board who attend Board meetings using videoconference technology are considered as present for the purpose of calculating the quorum and the majority,” with the rest of the article remaining unchanged;

- article 27: replacement of “tenth” by “twentieth”;
- article 35: Quorum and Majority: addition of a final paragraph: “In the cases and under the conditions stipulated by current legislation, shareholders who attend shareholders’ meetings using videoconference technology or telecommunications that permit identification are considered as present for the purpose of calculating the quorum and the majority,” with the rest of the article remaining unchanged;
- article 36: Powers: the fourth paragraph is modified as follows: “It has the power to approve agreements subject to control under the conditions stipulated by current legislation,” with the rest of the article remaining unchanged;
- article 37: Quorum and Majority: addition of a final paragraph: “In the cases and under the conditions stipulated by current legislation, shareholders who attend shareholders’ meetings using videoconference technology or telecommunications that permit identification are considered as present for the purpose of calculating the quorum and the majority,” with the rest of the article remaining unchanged.

Ninth resolution: powers

The Ordinary and Extraordinary Shareholders’ Meeting gives full powers to the bearer of a copy or extract of the minutes of the meeting to carry out all legal formalities.

LEGAL AND ADMINISTRATIVE INFORMATION

INFORMATION ABOUT THE COMPANY

Corporate name

The name Dexia Municipal Agency was adopted at the Extraordinary Shareholders' Meeting of August 31, 1999.

Registered office

Tour Cristal, 7-11 quai André Citroën, 75015 Paris

Legal structure

Société anonyme à Directoire et Conseil de Surveillance, a joint-stock corporation with an Executive Board and a Supervisory Board.

Approval by the CECEI

The companies was approved by the Comité des établissements de crédit et des entreprises d'investissement (CECEI) on July 23, 1999, as a financial company / *société de crédit foncier*. This approval took effect on October 1, 1999.

Applicable legislation

A corporation under the provisions of articles L.210-1 and following of the Code du Commerce, articles L.511-1 and following of the Code monétaire et financier and articles L.515-13 and following of the Code monétaire et financier.

Incorporation date

The company was created on December 29, 1998, for a period of 99 years.

Corporate purpose (article 2 of the by-laws)

As provided in its by-laws, Dexia Municipal Agency's exclusive purpose is:

- to grant or acquire loans to public sector entities as defined in article L.515-15 of the Code des Marchés Financiers as well as assets considered as loans as defined in article L.515-16 of the same Code;
- to hold replacement assets as described in the decree n° 99-710 of August 3, 1999;
- to finance the above-mentioned loans, to issue obligations foncières benefiting from the Privilège defined in article L.515-19 of the Code monétaire et financier 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 of financing which do not benefit from the Privilège defined in article L.515-19 of the Code monétaire et financier. Pursuant to the law n° 81-1 of January 2, 1981, passed to facilitate corporate borrowing, Dexia Municipal Agency may assign all the assets it owns.

Company registration and APE business identification code

Dexia Municipal Agency is registered as a company under the number 421 318 064 PARIS (Registre du commerce et des sociétés). Its APE code is 652 C.

Availability of information

Legal documents on Dexia Municipal Agency may be consulted at the company's registered office: Tour Cristal, 7 - 11 quai André Citroën, 75901 Paris Cedex 15.

Fiscal year (article 39 of the by-laws)

The company's fiscal year begins on January 1 and ends on December 31.

Exceptional events and litigation

There is no exceptional event, litigation or claim pending or in process which could have a material impact on the assets and liabilities, financial position or consolidated results of the group composed by the company and its subsidiaries.

Appropriation of income (article 40 of the by-laws)

Income available for distribution comprises net income for the year less any prior year losses and any allocations required pursuant to the by-laws, plus any retained earnings carried forward from previous years. From the available surplus, the Annual Shareholders' Meeting, voting on a recommendation of the Executive Board, may allocate all or a part of the remaining income to retained earnings. There are no priority shares or dividends.

Annual Shareholders' Meetings

Calling of meetings (article 28 of the by-laws)

Annual shareholders' meetings are called according to the provisions of current legislation. They are held at the company's registered office or any other location specified in the notice of meeting. All shareholders have the right to obtain copies of the documents required to make an informed decision concerning the overall management and control of the company and the matters to be voted on in annual shareholders' meetings. The types of documents concerned and the terms of their availability and dispatch are determined by the applicable legislation and regulations.

Right to attend annual shareholders' meetings (article 29 of the by-laws)

All shareholders are entitled to attend the meetings upon presentation of proof of identity, provided that their shares have been paid up to the extent called and are registered in their name at least five days prior to the date of the meeting. Shareholders may give proxy to another shareholder. Proxies must be deposited at the company's headquarters at least five days prior to the date of the meeting.

Voting rights (article 32 of the by-laws)

The voting rights attached to the shares are proportional to the percentage of capital the shares represent. Each share conveys one voting right. At annual shareholders' meetings, the number of votes that may be cast by each shareholder corresponds to the number of shares held plus the number of shares for which the shareholder holds proxy.

INFORMATION ABOUT THE COMPANY'S CAPITAL AND SHARES

Capital

Capital stock totals EUR 400,000,000 represented by 4,000,000 nominative shares with no stated par value.

Authorization to increase the capital

The Extraordinary Shareholders' Meeting of May 21, 2002, was asked to authorize the Executive Board to increase the capital by a maximum amount of EUR 50 million.

This authorization is valid for a year.

There are no securities which grant rights to shares in the capital of Dexia Municipal Agency.

Shareholding structure in the last five years

At the Ordinary and Extraordinary Shareholders' Meeting of August 31, 1999, the company CLF Développement approved a change in the by-laws (adoption of management by an Executive Board and a Supervisory Board, change of name to Dexia Municipal Agency) and increased the capital to EUR 300,000,000.

Pursuant to the authorization given by the Extraordinary Shareholders' Meeting of May 10, 2001, the Executive Board increased the capital to EUR 400,000,000 on September 25, 2001.

	1998	1999	2000	2001
Dexia Crédit Local	99.9 %	99.9 %	99.9 %	99.9 %
French and/or Belgian private institutional and corporate investors	0.03 %	0.03 %	0.03 %	0.03 %

At the Shareholders' Meeting of May 10, 2001, there were 3,000,000 voting rights in existence.

Declaration of financial support

On September 16, 1999, Dexia Credit Local de France formalized a declaration of financial support for its subsidiary Dexia Municipal Agency.

“Within the scope of its financing policies, Crédit Local de France has created a société de crédit foncier, governed by the provision of section IV of the law n° 99-532 of June 25, 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.”

EXECUTIVE BOARD AND SUPERVISORY BOARD OF DEXIA MUNICIPAL AGENCY (March 2002)

EXECUTIVE BOARD

Chairman

Alain Delouis

Chairman (until March 4, 2002)

Member of the Board of Directors of Dexia Finance

Member of the Board of Directors of Société d'Investissement Suisse-Luxembourgeoise (SISL)

Philippe Ducos

Chairman (as of March 4, 2002)

Members

Sylvie Vadé

Chief Executive Officer

Jean Claude Synave

Chief Executive Officer

Gilles Laurent

SUPERVISORY BOARD

Chairman

Jacques Guerber

Chairman of the Management Board of Dexia Credit Local

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

Chairman of the Board of Directors and Chief Executive Officer of Dexia CLF Banque

Chairman of Dexia Sabadell Banco Local

Member of the Board of Directors of Crédit du Nord

Member of the Board of Directors of Dexia Insurance

Member of the Board of Directors of Local Mundi (since June 2001)

Member and Chairman of the Supervisory Board of SOFCA

Member and Vice Chairman of the Supervisory Board of Dexia Asset Management France

Member of the Supervisory Board of Dexia Banque Privée France

Permanent representative of Dexia Credit Local to Dexia Finance

Permanent representative of Dexia Credit Local to Europrojet Développement (until June 2001)

Vice Chairman

Rembert Von Lowis

Member of the Board of Directors of Dexia

Member of the Board of Directors of Dexia Bank

Member of the Board of Directors of Dexia BIL

Member and Vice Chairman of the Supervisory Board of Dexia Credit Local

Member of the Board of Directors of FSA

Members of the supervisory board

Dexia Bank, represented by Martine Gelissen

Member of the Board of Directors of Société de Leasing et de Financement

Member of the Board of Directors of Sobibail

Member of the Board of Directors of Dexia Asset Management Belgium

Member of the Board of Directors of Dexia Lease

Dexia Credit Local, represented by Bruno Deletré
Member of the Board of Directors of Dexia Crediop
Member of the Management Board of Dexia Credit Local
Member of the Board of Directors of FSA
Member of the Board of Directors of FSA UK
Chairman of the Supervisory Board of Dexia Hypothekbank Berlin
Member of the Supervisory Board of Kommunalkredit Austria

Dexia Crediop, represented by Ricardo Massa

Dexia Sabadell Banco Local, represented by José-Luis Castillo

Henri Bonaque (until December 20, 2001)

Jean-Paul Gauzès
Chairman of the Board of Directors and Chief Executive Officer of Dexia CLF Projet
Chairman of the Board of Directors and Chief Executive Officer of Dexia CLF Développement
Member of the Board of Directors of Dexint Développement
Member of the Board of Directors of Dexia Finance
Member of the Board of Directors of Local Mundi
Member of the Board of Directors of Compagnie pour le Foncier et l'Habitat
Permanent representative of Dexia Credit Local to the Board of Directors of Ifax
Permanent representative of Dexia Credit Local to the Board of Directors of Dexia CLF Immo
Permanent representative of Dexia Credit Local to the Board of Directors of Floral
Permanent representative of Dexia Credit Local to the Board of Directors of Dexia Assureco

Jean Le Naour

Jean-Luc Petitpont (as of December 20, 2001)
Member of the Board of Directors and Chief Executive Officer of Dexia Finance
Member of the Executive Board and Chief Executive Officer of Dexia Municipal Agency
(until October 1, 2001)

Pierre Homi Rahmani
Chairman of the Board of Directors and Chief Executive Officer of Dexia Finance
Member of the Board of Directors of Floral

AUDITORS

The auditors of Dexia Municipal Agency and their alternates
 (appointed on August 31, 1999, for a term of six years) are:

MAZARS ET GUÉRARD, Le Vinci, 4 allée de l'Arche, 92075 Paris La Défense Cedex
 represented by Guillaume Potel, Partner, and Anne Veaute, Partner
Alternate: Yves Bernheim

CADERAS MARTIN, 76 rue de Monceau, 75008 Paris
 represented by Daniel Butelot, Partner, and Olivier Avril, Partner
Alternate: François Martin

SPECIFIC CONTROLLERS

Statutory: Fidus, 12 rue de Ponthieu, 75008 Paris,
represented by M. Christian Comerman
Alternate: Groupement d'expertise de France,
10 rue de la Grange Batellière, 75009 Paris,
represented by M. F. Duménil