



FINANCIAL REPORT

As of March 31, 2009

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MANAGEMENT REPORT
Dexia Municipal Agency
as of March 31, 2009

I - Highlights in the first quarter

Limited activity in the covered bond market

Business in the primary market for covered bonds declined significantly from the same period in the previous year. The (very few) benchmark transactions conducted showed a sharp rise in financing costs and longer maturities (given the large volumes of short-maturity government-guaranteed debt issued in recent months). This market offered Dexia MA few opportunities.

Financial position of the Dexia Group

The economic and financial environment remained difficult in the first quarter of 2009, but no major shock rocked the banking sector as was the case in the previous quarters. Dexia was back in the black and reported net income, Group share, of EUR 251 million (excluding the impact of the crisis, it totaled EUR 670 million) for the first quarter of 2009. These results demonstrate how sound and profitable Dexia's core businesses are (Public and Wholesale Banking and Retail Banking) and how well the Group has resisted. The Group's liquidity position continues to improve, in particular as a result of the substantial volumes of long-term issues.

Early reimbursement of Dexia MA's exposures to central European sovereign commitments

At the end of 2008, Dexia MA held exposures to Poland, Hungary, Lithuania and Greece for a total of EUR 1,749 million, in the form of loans by Dexia Kommunalkredit Bank (DKB) guaranteed by sovereign securities issued by these countries. These loans were reimbursed early in March 2009, in application of a clause in the contract that envisaged this possibility in the event of a decline in DKB's rating.

Changes in over-collateralization

Shares in the Italian (DCC) and Belgian (DSFB) securitization vehicles saw their ratings lowered, like Dexia, from AA range to A range. This change led Dexia to weigh these assets at 50%, compared with 100% in the past, in the calculation of the regulatory over-collateralization ratio, which is verified by the specific controller and forwarded to the Banking Commission.

This represents a EUR 3.6 billion reduction in the assets taken into account for this ratio. To offset this decrease, Dexia MA reincorporated into the cover pool an equivalent volume of assets previously refinanced with the Banque de France. The required resources, not covered by the privilege, were obtained from Dexia Credit Local, in compliance with the financing agreement. Dexia MA's real cover pool and over-collateralization are currently much greater than the cover pool and over-collateralization calculated according to French regulatory requirements.

II - Changes in key balance sheet items

Key balance sheet items

EUR billions	12/31/2007	12/31/2008	3/31/2009	Change March 09 / Dec. 08	Change March 09 / Dec. 07
Cover pool	69.3	68.8	71.3	3.6%	2.9%
<i>Loans</i>	52.4	56.7	54.0	-4.8%	3.0%
<i>Securities</i>	16.9	19.9	20.5	3.2%	21.5%
<i>- Assets pledged in favor of the Banque de France</i>		(7.8)	(3.2)	-59.0%	N.A.
Privileged debt	58.4	64.1	62.2	-3.0%	6.5%
<i>Swapped value</i>					
<i>Balance sheet value</i>	56.4	62.0	60.4	-2.5%	7.2%
<i>Cash collateral received</i>	0.0	0.5	0.9	76.8%	N.A.
Other liabilities	10.4	11.9	11.6	-2.5%	11.5%
<i>Dexia Credit Local</i>	10.4	4.4	9.6	118.1%	-7.7%
<i>Banque de France</i>	0.0	7.5	2.0	-73.3%	N.A.
Shareholders' equity (IFRS, without unrealized gains and losses)	1.0	1.1	1.1	3.0%	15.1%

As of March 31, 2009, Dexia Municipal Agency's exposures to the public sector totaled EUR 74.5 billion, excluding accrued interest not yet due. They stood at EUR 76.6 billion at the end of 2008, and were therefore down EUR 2.1 billion.

The cover pool, which excludes the assets temporarily given in guarantee to the Banque de France, was EUR 71.3 billion, up 3.6% from December 2008 and up 2.8% from December 2007.

Outstanding debt, in swapped value, totaled EUR 62.2 billion, down 3.0% from December 2008 and up 6.5% from December 2007.

The debt vis-à-vis Dexia Credit Local, which does not benefit from the legal privilege stood at EUR 9.6 billion.

Shareholders' equity, according to IFRS but excluding unrealized or deferred gains and losses, was EUR 1.1 billion at the end of March 2009.

III - Changes in assets in the first three months of 2009

1. Asset production in the period

Since the beginning of the year, there was a decline in the cover pool of EUR 2.1 billion, in particular as a result of a policy of voluntarily limited acquisitions and the early reimbursement of loans to DKB for EUR 1.7 billion. A breakdown follows.

Acquisitions of assets

EUR billions	2008			Q1 2009		
	Loans	Debt securities	Total	Loans	Debt securities	Total
France	7.2	-	7.2	0.2	0.8	1.0
Outside of France	1.4	5.2	6.6	0.1	-	0.1
Total new assets	8.6	5.2	13.8	0.3	0.8	1.1
Amortization	(3.8)	(1.0)	(4.8)	(1.1)	(0.1)	(1.2)
Early reimbursements	(0.8)	(1.0)	(1.8)	(1.9)	-	(1.9)
Sales	-	(0.3)	(0.3)	-	-	-
Foreign exchange adjustments	0.4	(0.1)	0.3	(0.1)	0.0	(0.1)
Net change	4.4	2.8	7.2	(2.8)	0.7	(2.1)

The gross amount of assets recognized on the balance sheet in the first quarter was EUR 1.1 billion.

Breakdown of gross acquisitions

EUR billions		2008	Q1 2009
Loans:	<i>Transfer mode</i>	8.6	0.3
France		7.2	0.2
Switzerland		0.6	0.1
Sweden, Finland, Portugal, other		0.0	
Poland, Hungary, Greece, Lithuania	<i>loans to DKB</i>	0.8	
Debt securities:	<i>Transfer mode</i>	5.2	0.8
Belgium	<i>SPV DSFB 2</i>	1.6	
Italy	<i>SPV DCC 3</i>	2.3	
Spain	<i>Cedulas territoriales</i>	1.1	
Greece		0.1	
France			0.8
United States		0.1	
Japan		0.0	
Total		13.8	1.1

These long-term assets are made up of the following items:

- EUR 0.3 billion in loans to the public sector, originated by Dexia Credit Local and its subsidiaries within the framework of their commercial activity in France and Switzerland,
- EUR 0.8 billion in certificates of deposit (CDs) issued by Dexia Credit Local and benefiting from the guarantee of the French, Belgian and Luxembourg governments.

In amount and maturity, these CDs correspond to the investment of cash collateral received from swap counterparties.

2. Outstanding assets as of March 31, 2009

a – Breakdown of assets

With regard to the breakdown of assets by country, there was little change mainly because there were few acquisitions in the period. On the other hand, there was a percentage increase in the proportion of the main countries, reflecting the reimbursement of exposures to central European countries. France continued to represent the largest volume of outstanding assets with almost 65% of the total. With five other countries together representing more than 30% of outstanding assets, geographical diversification remains significant.

The trend in the relative proportion of assets by country can be analyzed as follows.

Breakdown of outstanding assets by country (%)

	12/31/2008	3/31/2009
France	63.3	64.7
Italy	9.5	9.8
Switzerland	6.1	6.2
Belgium	5.6	5.7
Spain	4.5	4.6
Luxembourg	3.5	3.7
Poland	1.7	0.0
Germany	1.1	1.1
Sweden/Finland	0.9	0.9
Sub-total	96.2	96.7
Other countries	3.8	3.3
Total %	100.0	100.0

b – Replacement assets

As of March 31, 2009, replacement assets totaled EUR 5.8 billion, entirely comprised of covered bonds issued by Dexia Group entities. They are analyzed in the following table. These replacement assets represented 9.5% of outstanding *obligations foncières* and registered covered bonds, which totaled EUR 61.3 billion in swapped value; their amount is limited by law to 15%.

Securities	Country	Issuer	EUR millions	
			12/31/2008	3/31/2009
<i>Cedulas Territoriales</i>	Spain	Dexia Sabadell	3,200	3,200
Lettres de gage	Luxembourg	Dexia LdG Banque	2,600	2,600
Total			5,800	5,800

3. Asset quality and financial crisis

Dexia Municipal Agency's pool of assets is exclusively composed of exposures to or guaranteed by public sector entities. It is therefore of excellent quality and not very sensitive to the current financial crisis.

a. Exposure to subprime mortgages, monoline insurers, ABS and banks

Exposure to subprime and other mortgage loans

Dexia MA has no exposure to mortgage loans, whether subprime or prime. The authorization granted to Dexia MA by the Banque de France (CECEI) only allows the Company to finance exposures to public sector entities (central governments, local governments, public organizations, etc.) or entities that are entirely and unconditionally guaranteed by public sector entities (excluding replacement assets).

Exposure to monoline insurers

In its public sector bond portfolio, Dexia holds six issues of large French and Spanish local governments with credit enhancement by a monoline insurer. The breakdown of these exposures is presented in the following table.

Issuer	Country	ISIN Code	EUR millions	Monoline insurer
Communauté urbaine de Lille	France	US203403AB67	10.4	AMBAC
Ville de Marseille	France	FR0000481608	5.0	FSA
Ville de Marseille	France	FR0000497406	4.0	MBIA
Ville de Tours	France	FR0000495517	1.0	MBIA
Ville de Tours	France	FR0000495632	8.5	MBIA
Feria internacional de Valencia	Spain	ES0236395036	50.0	FSA
Total			78.9	

They represent 0.1% of the assets of Dexia MA. The credit enhancement was not a factor in the decision to invest in these bonds, given the quality of the issuers.

Exposure in the form of ABS

Dexia MA has limited exposure in the form of asset-backed securities (ABS).

Issuer	ISIN Code	EUR millions
Blue Danube Loan Funding GmbH	XS0140097873	86.3
Colombo SRL	IT0003156939	11.8
Societa veicolo Astrea SRL	IT0003331292	3.1
<i>Sub-total</i>		<i>101.2</i>
DSFB - Dexia Secured Funding Belgium SIC	BE0933050073	1,569.9
DSFB - Dexia Secured Funding Belgium SIC	BE0934330268	1,551.1
DCC - Dexia Crediop per la Cartolarizzazione SRL	IT0003674691	856.0
DCC - Dexia Crediop per la Cartolarizzazione SRL	IT0003941124	805.2
DCC - Dexia Crediop per la Cartolarizzazione SRL	IT0004349665	2,300.0
<i>Sub-total</i>		<i>7,082.2</i>
Total		7,183.4

Most of these exposures are asset-backed securities especially designed by Dexia to transfer to Dexia MA exposures to Italian and Belgian local governments originated by its commercial network. Dexia MA thus holds 98% of the debt of the companies DCC and DSFB, with the remainder held by the originating company (Dexia Crediop and Dexia Bank Belgium). The composition of the DCC and DSFB portfolios is presented at the end of this report.

The other ABS have the following characteristics.

- Blue Danube Loan Funding GmbH is governed by Austrian law, rated AA+ by Standard & Poor's, and its debt is unconditionally and irrevocably guaranteed by the Land of Lower Austria.
- Colombo SRL (rated AAA by S&P and Aaa by Moody's) and Societa veicolo Astrea SRL (rated AA- by Fitch and Aa2 by Moody's) are both Italian companies with assets that are exclusively loans to the Italian public sector (regions, municipalities, etc).

Exposure to banks

Dexia MA holds two types of exposure to banks:

- its replacement assets, solely made up of covered bonds issued by Dexia Group entities (*cedulas territoriales* of Dexia Sabadell and *lettres de gage* issued by Dexia LdG Banque – see III.2.b.);
- the value of its derivative contracts entered into to protect it from interest rate and foreign exchange risks.

All of Dexia MA's derivative operations are conducted within the framework of standard ISDA or AFB contracts with major international banks (34 counterparties, excluding the Dexia Group). These contracts have particular characteristics, since they must meet the standards set by rating agencies for *sociétés de crédit foncier* (and other issuers of covered bonds). These interest rate and currency swaps all benefit from the same legal privilege as *obligations foncières*. For this reason, Dexia MA does not pay its derivative counterparties any collateral, whereas they have to pay Dexia MA unless they benefit from the agencies' highest short-term rating.

As of March 31, 2009, Dexia MA was exposed (positive fair value of the swaps) to 13 banking counterparties, eight of which paid collateral, which offsets the exposure, and five paid none because they had a very good rating. These five counterparties represented an exposure of EUR 841 million, mainly concentrated on Société Générale and Calyon (the other counterparties were RBC, Barclays and Santander).

Long-term derivatives signed with the five largest counterparties represented a total of 32.4% of the notional amounts and those signed with the Dexia Group 28.8%.

b. Quality of assets in the portfolio

Dexia MA's portfolio of assets is made up of bonds and loans.

The securities are valued for accounting purposes on the basis of their fair value, with the difference between this valuation and their accounting value giving rise to an AFS reserve (IFRS rules). These reserves would only represent losses if Dexia MA were to sell these

securities. However, Dexia MA acquired these assets with the intention of holding them to maturity.

EUR millions

Securities Portfolio IFRS	Capital balance	AFS reserve	
	3/31/2009	12/31/2008	3/31/2009
AFS	2,089	(164.3)	(199.0)
<i>France</i>	800		
<i>Germany</i>	295	(6.8)	(12.6)
<i>Canada</i>	22	(1.6)	(1.7)
<i>Greece</i>	321	(52.5)	(70.0)
<i>Italy</i>	506	(76.2)	(91.4)
<i>USA</i>	145	(27.2)	(23.3)
Loans and advances	18,504	(192.4)	(188.1)
Accounting adjustments (not broken down) (foreign exchange fluctuations, premiums/discounts, basis swaps, etc)	(219)	(1.0)	(0.9)
General total	20,374	(357.7)	(388.0)

In the final quarter of 2008, most of the securities in the portfolio, which were previously classified as AFS, were restated in accounting as “Loans and advances” and are now treated as loans in accounting. The AFS reserve as of September 30, 2008, when they were reclassified, was frozen and will be amortized over the residual life of the securities, as a discount. This point is presented in the notes to the financial statements.

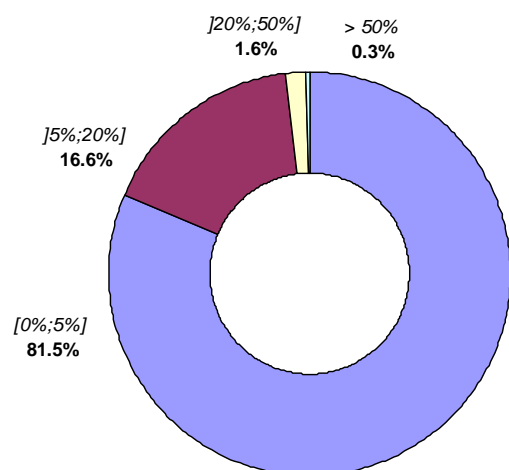
Loans to the public sector are downgraded to “Non-performing loans” when they are overdue, and the risk of non-recovery is covered by a provision. These provisions represent a very small amount (EUR 1.8 million).

In addition to these provisions for identified risks, general provisions are recorded in the IFRS financial statements. These collective provisions cover the risk of a loss in value on the different portfolios (including securities classified in accounting as “Loans and advances”); they are estimated on the basis of each portfolio’s past performance and trends, and on the economic environment of the borrower. Their calculation combines probabilities of default (PD) and loss given default (LGD) based on credit risk models designed by Dexia within the framework of Basel II (on this point, see note 7.2.b. to the financial statements). The low amounts in question illustrate the portfolio’s overall high quality.

EUR millions

IFRS	Capital balance	Non-performing loans		Specific Impairment		Collective impairment	
	3/31/2009	12/31/2008	3/31/2009	12/31/2008	3/31/2009	12/31/2008	3/31/2009
Loans granted to Dexia subsidiaries, secured by exposures to public sector entities	189	-	-	-	-	-	-
France - Flobail	189						
Other loans	53,781	9.1	10.8	0.9	1.8		
Austria	210						
Belgium	870						
Finland	121						
France	47,086	9.1	10.8	0.9	1.8		
Greece	300						
Italy	16						
Portugal	125						
Sweden	510						
Switzerland	4,543						
General total	53,970	9.1	10.8	0.9	1.8	10.1	9.7

The quality of Dexia Municipal Agency's portfolio can also be seen in the weighting of its assets in the calculation of the Group's solvency ratio. The Dexia Group chose the advanced method within the framework of the reform of the solvency ratio and capital adequacy according to Basel II criteria. Banking supervisors (the Banking Commission in France and the CBFA in Belgium) authorized the Group to use advanced internal models for the calculation and reporting of equity requirements for credit risk as of January 1, 2008. As a result, Dexia MA is able to present the following analysis of its exposures, broken down by risk weighting, such as used for the calculation of equity requirements for the credit risk; these weightings are primarily calculated in function of the probability of default (PD) and loss given default (LGD).



This analysis confirms the excellent quality of the assets in DMA's portfolio, since 81% of the portfolio assets have a weighting that is less than 5%, and 98% of the portfolio assets have a weighting that is less than or equal to 20%.

IV - Changes in debt benefiting from the privilege in the first quarter of 2009

Dexia Municipal Agency issued the equivalent of EUR 0.3 billion since the beginning of 2009 compared with EUR 4.3 billion for the same period in 2008 and EUR 10.2 billion for the year 2008.

The pace of issues in recent quarter was as follows.

Quarterly issues		
EUR millions	2008	2009
Q1	4,273	305
Q2	4,534	
Q3	680	
Q4	702	
Total	10,189	305

The covered bond market presented few opportunities for issues in the last three quarters, whereas Dexia MA had reported good performance in the first half of 2008, in particular with three benchmark issues in euros launched in January, April and June for a total amount of EUR 4.25 billion.

In this context of a tightly closed market, business in the first quarter of 2009 was limited, both for privately placed issues and public issues. New issues can be analyzed as follows.

New production		
EUR millions	2008	Q1 2009
Public issues	7,737	150
Private placements	2,452	155
<i>including :</i>		
<i>RCB</i>	<i>313</i>	<i>155</i>
<i>Less than 2 years</i>	<i>130</i>	<i>0</i>
Total	10,189	305

While the financial crisis had led to a reduction of maturities in 2008, longer maturities characterized issues in 2009 (as a result of the very large volumes issued with State guarantees in this period with short maturities). Thus, for Dexia MA, the average life of new issues is longer than it was in the previous year: 7.4 years versus 5.7 years for the year 2008.

Dexia MA's 2009 issues were exclusively conducted in euros.

Public issues represented a tap of the euro benchmark issue that matures in November 2010, bringing its total to EUR 2.15 billion. Privately placed issues in the quarter were exclusively conducted in the form of registered covered bonds, designed as private placements for German investors. These issues make it possible to meet the specific needs of certain investors with alacrity and flexibility.

After reimbursement of EUR 2.5 billion, outstanding *obligations foncières* and registered covered bonds at the end of March, in swapped value, totaled EUR 61.3 billion.

Outstanding commitments

EUR millions	2008	Q1 2009
Beginning of the year	58,385	63,591
Issues	10,189	305
Issue settled after 3/31/2009		-65
Reimbursements	-4,983	-2,541
End of the year/quarter	63,591	61,290

(swapped value)

V - Changes in the coverage ratio

The coverage ratio, which is calculated according to the regulatory standards for *sociétés de crédit foncier*, is the ratio between the assets and the resources benefiting from the privilege. The following table shows changes at the end of the last twelve months.

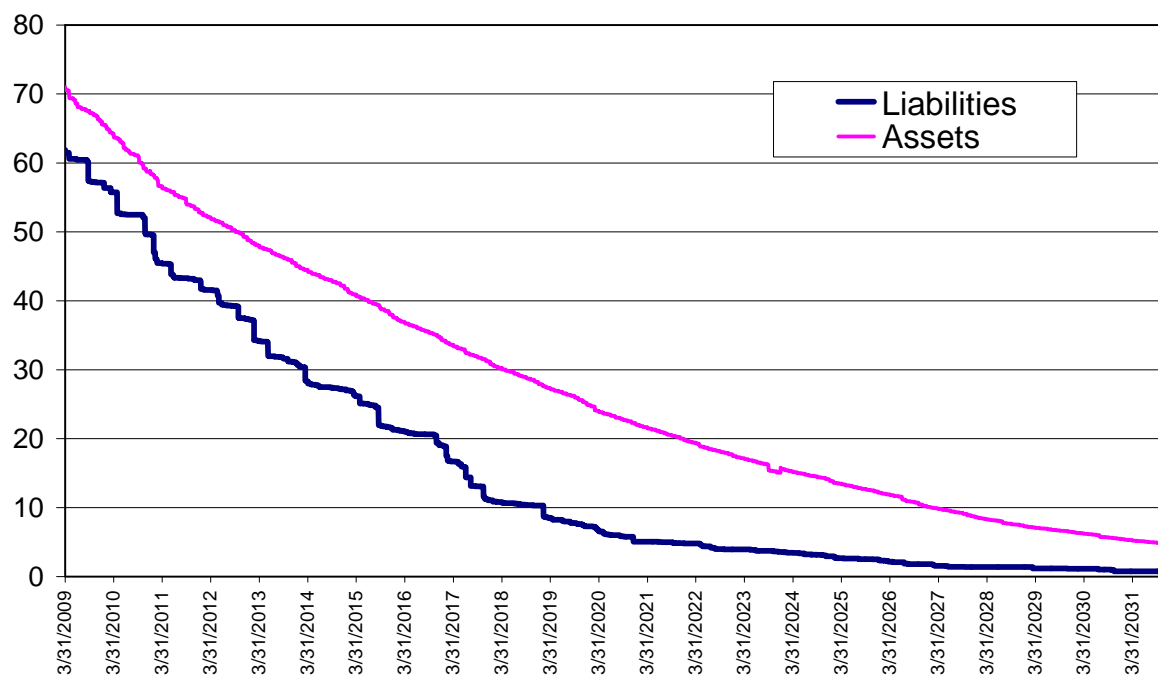
Dexia MA decided to maintain a minimum coverage ratio of 105%, which is considered a safe margin. In practice, given the rate of asset turnover from the Group's commercial activity and asset transfers, the coverage ratio is regularly higher than 105%, as can be seen at the end of each month, when over-collateralization makes it possible to launch issues in the following month.

1 st quarter 2008	Jan-08	116.8%
	Feb-08	112.6%
	Mar-08	117.3%
2 nd quarter 2008	Apr-08	115.6%
	May-08	114.1%
	Jun-08	111.4%
3 rd quarter 2008	Jul-08	115.2%
	Aug-08	114.9%
	Sep-08	108.4%
4 th quarter 2008	Oct-08	104.5%
	Nov-08	104.0%
	Dec-08	104.2%
1 st quarter 2009	Jan-09	109.2%
	Feb-09	109.3%
	Mar-09	108.5%

The ratio declined significantly beginning in September 2008. Since then, Dexia MA has pledged certain assets to obtain financing from the Banque de France. These assets are therefore excluded from the calculation of over-collateralization. Indeed, realizing the absence of transactions in the covered bond market and the impossibility to produce new issues, Dexia MA decided to finance temporarily a large part of its surplus over-collateral (beyond 105%) with funding from the Banque de France.

The following graph on over-collateralization presents amortization curves of the assets and of issues benefiting from the privilege as of December 31, 2008. The assets temporarily pledged in favor of the Banque de France, i.e. EUR 3.2 billion, were deducted from the asset curve.

Amortization of assets and liabilities as of March 31, 2009 (EUR billions)



VI - Changes in debt that does not benefit from the legal privilege (debt contracted with Dexia Credit Local)

The asset surplus (exceeding *obligations foncières*, registered covered bonds and shareholders' equity) and miscellaneous needs are financed by debt that does not benefit from the privilege of the law on *sociétés de crédit foncier*.

This financing is borrowed from Dexia Credit Local within the framework of a current account agreement. Temporary financing is also available from the Banque de France. This debt does not benefit from the privilege provided by the law on *sociétés de crédit foncier*, but is guaranteed by loans and securities deposited in guarantee in the account Dexia MA has opened at the central bank.

The agreement with Dexia Credit Local distinguishes several sub-accounts that make it possible to analyze this financing by category:

- to finance structural over-collateralization of 5% in the medium term;
- to finance undefined over-collateralization of more than 5% in the short term, using the current account.

In addition, at any time Dexia MA holds written commitments from Dexia Credit Local for irrevocable and first-request financing covering the reimbursements of *obligations foncières* in the next 12 months.

As of March 31, 2009, the debt owed to the Banque de France totaled EUR 2.0 billion and the amount owed to Dexia Credit Local was EUR 9.6 billion, excluding accrued interest not yet due. The latter debt could be analyzed according to the above-mentioned categories as follows:

- to finance over-collateralization of 5%: EUR 3.5 billion;
- to finance surplus over-collateralization, using the current account: EUR 6.1 billion.

Changes in financing that does not benefit from the legal privilege, excluding accrued interest not yet due, can be presented as follows.

EUR billions	Dexia Crédit Local	Banque de France	Total
12/31/2006	7.7		7.7
12/31/2007	10.4		10.4
3/31/2008	10.1		10.1
6/30/2008	7.0		7.0
9/30/2008	5.4	4.0	9.4
12/31/2008	4.4	7.5	11.9
3/31/2009	9.6	2.0	11.6

VII - Management of balance sheet risks

The strategies implemented to hedge interest rate and foreign exchange risks are reflected in the notional outstanding swaps analyzed in the table below between external and Dexia Group counterparties, as of March 31, 2009.

Breakdown of outstanding swaps (notional amounts) of march 31, 2009

	Notional total (EUR billions)	Dexia Group (%)	External counterparties (%)
<u>Euribor against Eonia</u>			
macro-hedges	154.3	100.0%	0.0%
Total short-term swaps	154.3	100.0%	0.0%
<u>Fixed rate swaps against Euribor</u>			
Micro-hedges on <i>obligations foncières</i>	45.7	2.4%	97.6%
Micro-hedges on loans and debt securities	29.5	22.6%	77.4%
Macro-hedges on loans	24.9	84.0%	16.0%
<i>S/T</i>	100.1	28.7%	71.3%
<u>Currency swaps</u>			
Micro-hedges on <i>obligations foncières</i>	14.9	14.7%	85.3%
Micro-hedges on loans	5.2	59.3%	40.7%
Micro-hedges on debt securities	1.3	84.1%	15.9%
<i>S/T</i>	21.4	29.8%	70.2%
Total long-term swaps	121.5	28.8%	71.2%

* absolute value

- transformation risk

The difference in maturities between the assets and the liabilities may create a liquidity risk. At Dexia MA, the management rule is a commitment not to go beyond a duration gap of three years between the assets and the resources benefiting from the privilege. In practice, the duration gap remains well under this limit, as can be seen in the table below.

Duration in years	3/31/2008	6/30/2008	9/30/2008	12/31/2008	3/31/2009
Duration of assets	7.05	7.20	7.50	7.79	7.20
Duration of privileged liabilities	5.00	4.76	4.87	4.91	4.77
Gap in asset-liability duration	2.05	2.44	2.63	2.88	2.43
Duration gap limit	3	3	3	3	3

The duration gap between the assets and the liabilities is monitored closely since it is sensitive to interest rates (discounting effect) and significant changes in assets and liabilities.

- interest rate risk

The management of interest rate risk involves two steps.

- In the first stage, the assets and liabilities benefiting from the privilege which do not naturally have a floating rate are swapped against Euribor three months until maturity as soon as they are recorded on the balance sheet. A residual fixed rate gap remains on the 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 until their next due date, with a maximum of 12 months, 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; debt owed 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 sensitivity limits for the fixed rate gap and the monetary gap 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. In the first quarter of 2008, the total sensitivity level was EUR 26 million, and was adjusted to EUR 29.5 million as of the second quarter of 2008, including EUR 4.0 million for the monetary gap and EUR 25.5 million 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

EUR millions		Average	Maximum	Minimum	Limit
Fixed rate	Q1 2008	7.5	10.9	- 2.6	23.5
	Q2 2008	10.9	16.7	7.4	25.5
	Q3 2008	12.8	18.5	6.8	25.5
	Q4 2008	11.4	18.0	- 1.5	25.5
	Q1 2009	11.9	20.2	5.4	25.5
Monetary	Q1 2008 *	0.1	0.8	- 6.6	2.5
	Q2 2008 *	0.6	6.7	- 10.6	4.0
	Q3 2008	0.6	1.4	0.0	4.0
	Q4 2008	- 0.2	3.4	- 3.4	4.0
	Q1 2009	- 0.4	1.2	- 3.6	4.0
Total	Q1 2008	7.8	11.5	- 2.5	26.0
	Q2 2008	11.9	18.3	7.8	29.5
	Q3 2008	13.4	18.8	7.7	29.5
	Q4 2008	11.0	15.8	- 1.7	29.5
	Q1 2009	11.2	19.9	5.1	29.5

* Maximum/minimum: limit exceeded for technical reasons (value observed for one day)

The objective targeted by this management of the interest rate risk is to transform assets and liabilities into floating rates so that they will move together in a parallel manner following trends in the yield curve, while maintaining the margin unchanged.

- foreign exchange risk

Dexia MA takes no foreign exchange risks. Assets and liabilities originally in currencies other than the euro are swapped against euros when they enter Dexia MA's balance sheet and until their complete extinguishment.

VIII - Income statement for the period (IFRS)

Dexia MA presents its financial statements according to IFRS in order to ensure a better understanding and greater comparability of its financial statements internationally.

The rules applied by Dexia MA are the same as those applied by the Dexia Group and are consistent with IFRS, as adopted by the European Commission.

The income statement for the period ended March 31, 2009, can be analyzed in a synthetic manner as follows.

<i>EUR millions - IFRS</i>	Q1 2008	2008	Q1 2009	Change Q1 2009/2008
Interest margin	63	255	64	
Net commissions	(1)	(4)	(1)	
Net result of hedge accounting	-	-	-	
Net result of financial assets available for sale	1	3	4	
Other income and expense	-	-	-	
Net banking income	63	254	67	+6%
General administrative expenses	(21)	(83)	(21)	
Taxes	(2)	(9)	(2)	
Operating income before cost of risk	40	162	44	+10%
Cost of risk	-	(3)	-	
Pre-tax income	40	159	44	+10%
Corporate income tax	(12)	(46)	(12)	
Net income	28	113	32	+14%

Net banking income increased by 6% (EUR 4 million), rising from EUR 63 million to EUR 67 million.

The increase can be attributed to the interest margin, up EUR 1 million, and the result of financial assets available for sale, which rose EUR 3 million.

The margin corresponds to the difference between income from the assets and cost of liabilities (hedged against interest rate and foreign exchange risks), and it basically increases in function of changes in the volume and margins of new operations. Average outstanding assets rose 7.2%, from EUR 68.5 billion to EUR 73.4 billion.

The item “Net result of financial assets available for sale” primarily included penalties received for early reimbursement of customer loans (EUR 2 million) and borrowings (EUR 2 million).

Operating expenses were stable in comparison with the same period in the previous year. This was due to the slowdown in business. In fact, the amount of fees is closely linked to the volume of transactions managed (cover pool and *obligations foncières*). They are mainly comprised of commissions paid to Dexia Credit Local for the operational management of the Company within the framework of the contract described in article L.515-22 of the Monetary and Financial Code.

The cost of risk was at an extremely low level, owing to the excellent quality of the assets.

Corporate income tax (including deferred taxes) was stable, in spite of the rise in net income since the portion of income reported by the Dublin branch increased significantly.

Net income for the period was up 14%, rising EUR 4 million; it increased from EUR 28 million to EUR 32 million

IX - Dividend and capital increase

The Shareholders’ Meeting, both ordinary and extraordinary, was held on May 26, 2009.

1. In its ordinary capacity, the Shareholders’ Meeting allocated 2008 net income to retained earnings, with income available for distribution of EUR 163.1 million. Out of this amount, the Shareholders’ Meeting decided to distribute a dividend of EUR 113.5 million.
2. In its extraordinary capacity, the Shareholders’ Meeting decided to increase the capital by EUR 114 million in cash, raising the capital from EUR 946 million to EUR 1,060 million.

X - Outlook for 2009

In 2009, the volume of issues Dexia Municipal Agency will conduct in 2009 should be considerably less than in the previous year, reflecting the market situation at the beginning of the year. The amount borrowed will depend on the opportunities the market will offer and the improvement of the world financial situation.

The volume of new assets will be adapted in consequence and concentrated on French commercial production.

The highly protective framework of French legislation, the quality of its assets and its strict risk management rules will enable Dexia MA to differentiate itself from other issuers of covered bonds, and they will continue to be strong points as the crisis abates.

**Loans to local governments and bonds as of 3/31/2009
(EUR millions)**

France	3/31/2009			12/31/2008		
	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
Regions	1,896.8	166.8	2,063.6	1,943.6	171.4	2,115.0
Departments	6,096.5	0.0	6,096.5	6,071.4	0.0	6,071.4
Municipalities	19,078.3	256.9	19,335.2	19,674.9	257.5	19,932.4
Groups of municipalities	9,898.0	0.0	9,898.0	10,110.2	0.0	10,110.2
Public sector entities	9,515.6	0.0	9,515.6	9,502.7	0.0	9,502.7
Loans guaranteed by local governments	789.4	0.0	789.4	791.4	0.0	791.4
Credit institution (certificate of deposit guaranteed by States)	0.0	800.0	800.0			
Total	47,274.6	1,223.7	48,498.3	48,094.2	428.9	48,523.1

Austria	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
<i>Länder</i>	209.7	0.0	209.7	210.4	0.0	210.4
ABS	0.0	86.3	86.3	0.0	86.3	86.3
Total	209.7	86.3	296.0	210.4	86.3	296.7

Portugal	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
Regions	0.0	0.0	0.0	0.0	0.0	0.0
Municipalities	112.6	0.0	112.6	113.4	0.0	113.4
Public sector entities	12.0	0.0	12.0	13.3	0.0	13.3
Securities guaranteed by the State or by local governments	0.0	47.5	47.5	0.0	47.5	47.5
Loans guaranteed by local governments	0.0	0.0	0.0	0.0	0.0	0.0
Total	124.6	47.5	172.1	126.7	47.5	174.2

Iceland	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
Securities guaranteed by the State or by local governments	0.0	180.4	180.4	0.0	180.4	180.4
Total	0.0	180.4	180.4	0.0	180.4	180.4

Finland	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
State	0.0	0.0	0.0	0.0	0.0	0.0
Municipalities	48.4	0.0	48.4	49.7	0.0	49.7
Public sector entities	72.9	0.0	72.9	72.9	0.0	72.9
Total	121.3	0.0	121.3	122.6	0.0	122.6

Greece	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
State	300.0	321.2	621.2	300.0	321.2	621.2
Loans guaranteed by the State or by local governments	0.0	0.0	0.0	110.0	0.0	110.0
Securities guaranteed by the State or by local governments	0.0	100.0	100.0	0.0	100.0	100.0
Total	300.0	421.2	721.2	410.0	421.2	831.2

Italy	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
State	0.0	506.3	506.3	0.0	506.3	506.3
Regions	0.0	1,041.6	1,041.6	0.0	1,042.6	1,042.6
Provinces	0.0	161.8	161.8	0.0	163.4	163.4
Municipalities	15.8	1,440.5	1,456.3	16.6	1,449.9	1,466.5
ABS	0.0	14.9	14.9	0.0	17.5	17.5
Securities issued by DCC (see note 1 below)	0.0	3,961.2	3,961.2	0.0	4,010.1	4,010.1
Securities guaranteed by the State or by local governments	0.0	110.0	110.0	0.0	107.2	107.2
Total	15.8	7,236.3	7,252.1	16.6	7,297.0	7,313.6

Spain	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
<i>Cedulas territoriales</i>	0.0	3,200.0	3,200.0	0.0	3,200.0	3,200.0
State	0.0	39.5	39.5	0.0	39.5	39.5
Securities guaranteed by the State or by local governments	0.0	64.9	64.9	0.0	64.9	64.9
Groups of municipalities	0.0	128.0	128.0	0.0	127.1	127.1
ABS	0.0	0.0	0.0	0.0	0.0	0.0
Total	0.0	3,432.4	3,432.4	0.0	3,431.5	3,431.5

	3/31/2009			12/31/2008		
	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
Switzerland						
Cantons	1,365.4	0.0	1,365.4	1,324.8	0.0	1,324.8
Municipalities	1,119.4	0.0	1,119.4	1,107.0	0.0	1,107.0
Public sector entities	99.3	0.0	99.3	127.9	0.0	127.9
Loans guaranteed by local governments	1,959.2	0.0	1,959.2	2,113.5	0.0	2,113.5
Total	4,543.3	0.0	4,543.3	4,673.2	0.0	4,673.2
Belgium						
Regions	428.3	93.3	521.6	428.3	93.3	521.6
Communities	74.4	125.0	199.4	74.4	125.0	199.4
Public sector entities	94.3	0.0	94.3	33.2	0.0	33.2
Securities guaranteed by the State or by local governments	0.0	15.0	15.0	0.0	15.0	15.0
Securities issued by DSFB (see note2 below)	0.0	3,121.0	3,121.0	0.0	3,179.5	3,179.5
Loans guaranteed by the State or by local governments	273.3	0.0	273.3	342.9	0.0	342.9
Total	870.3	3,354.3	4,224.6	878.8	3,412.8	4,291.6
Germany						
Länder	0.0	535.0	535.0	0.0	535.0	535.0
Securities guaranteed by the State or by local governments	0.0	294.0	294.0	0.0	299.8	299.8
Total	0.0	829.0	829.0	0.0	834.8	834.8
United States						
States	0.0	252.9	252.9	0.0	249.7	249.7
Total	0.0	252.9	252.9	0.0	249.7	249.7
Sweden						
Municipalities	191.7	0.0	191.7	202.1	0.0	202.1
Loans guaranteed by local governments	318.6	0.0	318.6	351.9	0.0	351.9
Total	510.3	0.0	510.3	554.0	0.0	554.0
Canada						
Provinces	0.0	22.4	22.4	0.0	22.4	22.4
Total	0.0	22.4	22.4	0.0	22.4	22.4
United Kingdom						
Securities guaranteed by the State or by local governments	0.0	758.3	758.3	0.0	758.3	758.3
Total	0.0	758.3	758.3	0.0	758.3	758.3
Luxembourg						
Lettres de gage	0.0	2,600.0	2,600.0	0.0	2,600.0	2,600.0
Securities guaranteed by the State or by local governments	0.0	108.2	108.2	0.0	122.7	122.7
Total	0.0	2,708.2	2,708.2	0.0	2,722.7	2,722.7
Hungary						
Loans guaranteed by the State or by local governments	0.0	0.0	0.0	281.0	0.0	281.0
Total	0.0	0.0	0.0	281.0	0.0	281.0
Lithuania						
Loans guaranteed by the State or by local governments	0.0	0.0	0.0	80.0	0.0	80.0
Total	0.0	0.0	0.0	80.0	0.0	80.0
Poland						
Loans guaranteed by the State or by local governments	0.0	0.0	0.0	1,278.0	0.0	1,278.0
Total	0.0	0.0	0.0	1,278.0	0.0	1,278.0
Japan						
Municipalities	0.0	25.0	25.0	0.0	25.0	25.0
Total	0.0	25.0	25.0	0.0	25.0	25.0
Global *	53,969.9	20,577.9	74,547.8	56,725.5	19,918.5	76,644.0
* Excluding premiums and discounts, recorded in accruals.		0	0			
Premiums and discounts on securities		-10.4			-9.6	
Translation adjustments on securities		-209.0			-248.6	
Value of securities on the balance sheet (french GAAP)		20,358.5			19,660.3	

NOTE 1:

The DCC securities, in the amount of EUR 4,013.4 million as of March 31, 2009, were subscribed by Dexia MA for EUR 3,961.2 million. The purpose of this securitization vehicle created by Dexia Crediop is to allow refinancing by Dexia MA of Italian public sector assets transferred by Dexia Crediop to DCC. The securities held by Dexia MA benefit from the guarantee of Dexia Crediop and are consequently rated A+ by Fitch, A by Standard & Poor's, and A2 by Moody's at the end of March. As of March 31, 2009, the assets held by DCC (series 1-2-3) could be broken down as follows:

NOTE 2:

The DSFB securities, in the amount of EUR 3,161.1 million as of March 31, 2009, were subscribed by Dexia MA for 98%, i.e. EUR 3,121.0 million. The purpose of this securitization vehicle created by Dexia Bank Belgium is to allow refinancing by other Dexia Group entities of assets generated by Dexia Bank Belgium. The securities held by Dexia MA benefit from the guarantee of Dexia Bank Belgium, and are consequently rated AA- by Fitch, A1 by Moody's and A by Standard and Poor's at the end of March. As of March 31, 2009, the assets held by DSFB (Compartment I and Compartment II) were Belgian public-sector assets that could be broken down as follows :

Assets held as of March 31, 2009, by DCC - Dexia Crediop per la Cartolarizzazione

Italian assets	EUR millions
State	0.0
Regions	2,056.2
Provinces	729.7
Municipalities	1,170.6
DCC bank account with Dexia Bank Belgium	56.9
Total	4,013.4

Assets held as of March 31, 2009, by DSFB - Dexia Secured Funding Belgium

Belgian assets	EUR millions
State	0.0
Regions	379.0
Provinces	0.0
Public sector entities	2,027.8
Groups of public sector entities	92.3
Loans guaranteed by local governments	662.0
Total	3,161.1

Assets as of March 31, 2009

EUR millions	Note	3/31/2008	3/31/2009
Central banks	2.1	16	18
Financial assets at fair value through profit or loss		0	0
Hedging derivatives	4.1	2,528	3 838
Financial assets available for sale	2.2	19,633	2 109
Interbank loans and advances	2.3	3,950	8 194
Customer loans and advances	2.4	50,315	68 339
Fair value revaluation of portfolio hedge		195	961
Financial assets held to maturity		0	0
Current tax assets	2.5	0	16
Deferred tax assets	2.5	65	304
Accruals and other assets	2.6	9	3
Total Assets		76,711	83,782

Liabilities as of March 31, 2009

EUR millions	Note	3/31/2008	3/31/2009
Central banks	3.1	0	2,001
Financial liabilities at fair value through profit or loss		0	0
Hedging derivatives	4.1	5,386	6,324
Interbank loans and deposits	3.2	10,107	9,598
Customer borrowings and deposits		0	0
Debt securities	3.3	59,979	62,778
Fair value revaluation of portfolio hedge		181	1 591
Current tax liabilities	3.4	21	7
Deferred tax liabilities	3.4	0	0
Accruals and other liabilities	3.5	73	909
Provisions		0	0
Subordinated debt		0	0
Shareholders' equity		964	574
Capital stock and additional paid-in capital		876	946
Reserves and retained earnings		82	125
Unrealised or deferred gains and losses		(22)	(529)
Net income		28	32
Total Liabilities		76,711	83,782

Income statement

EUR millions	Note	3/31/2008	3/31/2009
Interest income	5.1	2,989	2,217
Interest expense	5.1	(2,926)	(2,153)
Fee and commission income	5.2	0	0
Fee and commission expense	5.2	(1)	(1)
Net gains (losses) on financial instruments at fair value through profit or loss	5.3	0	1
Net gains (losses) on financial assets available for sale	5.4	1	4
Other income	5.5	0	0
Other expense	5.6	0	0
NET BANKING INCOME		63	67
Operating expense	5.7	(23)	(23)
Cost of risk	5.8	0	0
Operating income		40	44
Net gains (losses) on other assets		0	0
Income before tax		40	44
Corporate income tax	5.9	(12)	(12)
Net income		28	32
Earnings per share			
- Basic (EUR)		3	3
- Diluted (EUR)		3	3

Shareholders' equity

	Core shareholders' equity			Unrealised or deferred gains and losses			Shareholders' equity
	Capital stock, Additional paid-in capital	Retained earnings and net income for the period	Total	Net change in fair value of available for sale financial assets, after tax	Net change in fair value of hedging derivatives, after tax	Total	
EUR millions							
As of December 31, 2008, IFRS	946	125	1,071	(252)	(105)	(357)	714
<i>Movements during the period</i>							
- Capital stock	0	0	0	0	0	0	0
- Dividends	0	0	0	0	0	0	0
- Changes in fair value of available for sale financial assets through shareholders' equity	0	0	0	(25)	0	(25)	(25)
- Changes in fair value of hedging derivatives through shareholders' equity	0	0	0	0	(147)	(147)	(147)
- Changes in fair value of available for sale financial assets through profit and loss	0	0	0	0	0	0	0
- Changes in fair value of hedging derivatives through profit and loss	0	0	0	0	0	0	0
- Net income for the period	0	32	32	0	0	0	32
- Other movements	0	0	0	0	0	0	0
As of March 31, 2009, IFRS	946	157	1,103	(277)	(252)	(529)	574

Dexia MA's capital stock totaled EUR 946 million, comprising 9,460,000 shares with a face value of EUR 100.

Cash Flow Statement

EUR millions	3/31/2008	3/31/2009
Net income before taxes	40	44
+/- Amortisation and depreciation and other impairment on fixed and intangible assets	0	0
+/- Depreciation and write-downs	0	0
+/- Expense/income from operating activities	207	414
+/- Expense/income from financing activities	(185)	(315)
+/- Other non-cash items	3	(150)
= Non-monetary elements included in net income before tax and other adjustments	25	(51)
+/- Cash from interbank operations (Dexia Credit Local and Banque de France)	600	(3,126)
+/- Cash from interbank operations (client loans)	(739)	1,931
+/- Cash from client operations (loans)	(21)	754
+/- Cash from financing assets	(2,451)	(658)
+/- Cash from hedging financial instruments	3	529
- Income tax paid	(20)	(13)
= Decrease/(increase) in cash from operating activities	(2,628)	(583)
CASH FLOW FROM OPERATING ACTIVITIES (A)	(2,563)	(590)
+/- Cash from financing assets and long-term investments	0	0
+/- Cash from investment property	0	0
+/- Cash from property and intangible assets	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	0	0
+/- Cash from or for shareholders	0	0
+/- Other cash from financing activities	3,508	(2,307)
CASH FLOW FROM FINANCING ACTIVITIES (C)	3,508	(2,307)
EFFECT OF EXCHANGE RATE CHANGES ON CASH (D)	0	0
Increase/(decrease) in cash equivalents (A + B + C + D)	945	(2,897)
Cash flow from operating activities (A)	(2,563)	(590)
Cash flow from investing activities (B)	0	0
Cash flow from financing activities (C)	3,508	(2,307)
Effect of exchange rates on cash (D)	0	0
Cash and cash equivalents at the beginning of the period	(7,484)	(1,162)
Cash, central banks and postal checking accounts (assets & liabilities)	15	(334)
Interbank accounts (assets & liabilities) and loans/deposits at sight	(7,499)	(828)
Cash and cash equivalents at the end of the period	(6,539)	(4,059)
Cash, central banks and postal checking accounts (assets & liabilities)	16	18
Interbank accounts (assets & liabilities) and loans/deposits at sight	(6,555)	(4,077)
Net cash	945	(2,897)

NOTES TO THE FINANCIAL STATEMENTS AS OF MARCH 31, 2009

CONTEXT OF PUBLICATION

Dexia Municipal Agency decided to publish a set of individual financial statements according to IFRS.

This publication is voluntary. The reference for the preparation of the annual financial statements is consistently, in compliance with legislation applicable in France, French generally accepted accounting procedures (French GAAP).

Dexia Municipal Agency presented its first annual financial statements prepared according to IFRS to report the fiscal year 2008. The current financial statements were examined by the Executive Board on Mai 25, 2009.

APPLICABLE ACCOUNTING PRINCIPLES

• APPLICATION OF IFRS ADOPTED BY THE EUROPEAN COMMISSION (IFRS EU)

On July 19, 2002, the European Commission published regulation EC 1606/2002, which obliged listed groups to apply IFRS as of January 1, 2005. Dexia has thus applied these standards since that date, and Dexia Municipal Agency decided to publish its financial statements according to these standards.

Dexia Municipal Agency decided to apply as of January 1, 2007, all the IAS, IFRS, SIC and IFRIC adopted by the European Commission. Consequently, Dexia Municipal Agency restated its previously reported 2007 financial statements according to the same rules.

Since its publication in 2002, this regulation has been updated several times, validating the different texts published by the International Accounting Standards Board (IASB), except for certain rules in IAS 39.

The European Commission has carved out some paragraphs of IAS 39 with the objective of enabling European companies to reflect appropriately in their consolidated financial statements the economic hedges they make in the course of their interest rate risk management (application of interest rate portfolio hedging and the possibility of hedging deposits).

Dexia Municipal Agency's financial statements have therefore been prepared in accordance with all IFRS regulations and interpretations published and endorsed by the European Commission up to the accounting closing.

The financial statements are prepared on a going concern basis. They are stated in millions of euros (EUR) unless otherwise noted. They are compliant with CNC recommendation 2004 R03 published on October 27, 2004.

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect the amounts reported. While management believes it has considered all available information in developing these estimates, actual results could differ from such estimates and the differences could be material to the financial statements.

• CHANGES IN ACCOUNTING POLICIES SINCE JANUARY 1, 2009

a. Texts adopted by the European Commission

Since January 1, 2009, the European Commission has adopted the following IASB and IFRIC texts.

- *Amendments to standards*
- Improvements made in 2008 to IFRS and IAS, a series of amendments to IFRS applicable as of January 1, 2009, with no impact on the financial statements of Dexia Municipal Agency.
- Amendments to IAS 32 “Financial Instruments: Presentation” and IAS 1 “Presentation of Financial Statements” entitled “Puttable Instruments and Obligations Arising on Liquidation”, applicable as of January 1, 2009. These amendments have no impact on the financial statements of Dexia Municipal Agency.
- Amendments to IFRS 1 “First-time Adoption of IFRS” and IAS 27 “Consolidated and Separate Financial Statements”, applicable as of January 1, 2009 concerning the cost of an equity interest in a subsidiary, a jointly controlled entity or a company accounted for by the equity method. These amendments have no impact on the financial statements of Dexia Municipal Agency.

- *Interpretations*
- IFRIC 12 “Service Concession Arrangements”, which is applicable at the latest by the opening date of the first fiscal year beginning after March 26, 2009 (the date it was adopted by the European Union), but has no impact on the financial statements of Dexia Municipal Agency.

Texts not yet adopted by the European Commission

For purposes of information, the following IASB and IFRIC texts, published in the first quarter of 2009, were not adopted by the European Commission by the end of March 2009 and are not applicable to Dexia Municipal Agency.

- *Amendments to standards*
- IASB published two amendments to existing standards.

- Amendment to IFRS 7 “Financial Instruments: Disclosures” entitled “Improving Disclosures about Financial Instruments”. This amendment, which take effect for the periods begun as of January 1, 2009, are designed to improve disclosures with regard to fair value evaluations and the liquidity risk related to financial instruments. This amendment has no impact on the financial statements of Dexia Municipal Agency.

- Amendments to IFRIC 9 “Reassessment of Embedded Derivatives” and IAS 39 “Financial Instruments: Recognition and Measurement” entitled “Embedded Derivatives”. This amendment should be applied for annual financial statements beginning after June 30, 2009, and have no impact on the financial statements of Dexia Municipal Agency

- *Interpretations*

IFRIC published an interpretation, which takes effect as of January 1, 2009:

- IFRIC 18 “Transfers of Assets from Customers”.

This IFRIC interpretation has no impact on the financial statements of Dexia Municipal Agency.

1. ACCOUNTING PRINCIPLES APPLIED TO THE FINANCIAL STATEMENTS

1.1 - OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

In certain circumstances, financial assets and financial liabilities are offset and the net amount reported in the balance sheet. This could happen when there is a legally enforceable right to set off the recognized amounts and it is the intention of both parties that expected future cash flows will be settled on a net basis, or that the asset will be realized and the liability settled simultaneously. Assets are presented before any allowance or loss on impairment.

1.2 - FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

The consolidated financial statements are stated in euros (functional and presentation currency), which is the currency of the country in which Dexia Municipal Agency is registered.

Foreign currency transactions

Foreign currency transactions are accounted for using the exchange rate at the date of the transaction. Monetary and non-monetary assets and liabilities that are nevertheless recognized at fair value and denominated in foreign currencies existing at the closing date are recognized at closing rates. Other non-monetary assets and liabilities are recorded at their historical rates. The resulting exchange differences from monetary assets and liabilities are recognized in income. Foreign exchange differences from non-monetary assets and liabilities recognized at fair value are recorded as fair value adjustments.

1.3 - TRADE DATE AND SETTLEMENT DATE ACCOUNTING

All purchases and sales of financial assets and financial liabilities are recognized on the settlement date, which is the date that a financial asset or a financial liability is delivered to or by Dexia Municipal Agency.

Dexia MA hedges are recognized at fair value at the date of trade. Unrealized gains and losses are recognized in income unless the transactions have been assigned to cash flow hedges.

1.4 - FINANCIAL ASSETS

a. Interbank and customer loans and advances

Loans categorized as “Loans and advances”, being those not included within trading, available for sale or designated at fair value through profit or loss, are carried at amortized cost, i.e. the historical cost principal amount, net of any deferred fees and material direct costs on loans and net of any unamortized premiums or discounts.

b. Financial assets held for trading

Dexia Municipal Agency holds no assets for trading.

c. Financial assets designated at fair value through profit or loss

Dexia Municipal Agency does not make use of the option to designate its financial assets at fair value through profit or loss.

d. Financial assets available for sale and held to maturity

Management determines the appropriate classification of its investments at the time of the purchase. However, under certain conditions, the financial asset may be restated at a later date.

Quoted securities with fixed maturity are classified as “Financial assets held to maturity” (HTM) when management has both the intent and the ability to hold the assets to maturity.

Securities and loans and receivables intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices, are classified as “Financial assets available for sale” (AFS). Dexia MA’s securities accounted for as “Financial assets available for sale” are, except for certain cases, intended to be held to maturity.

Securities and loans and receivables are initially recognized at fair value (including transaction costs). Interest is recognized based on the effective interest rate method and is recognized within the interest margin. Unrealized gains and losses arising from changes in the fair value of financial assets available for sale are recognized in equity.

Financial assets held to maturity (HTM) are carried at amortized cost using the effective interest method, less any allowance for impairment.

When financial assets available for sale are restated as loans and commitments at a later date on the basis of the October 2008 amendment to IAS 39, the reserve representative of changes in the fair value of the financial assets available for sale as presented in the financial statements as of March 31, 2009, corresponds to the remainder to be amortized of this reserve with regard to the securities restated as of October 1, 2008.

e. Realized gains and losses on sales of financial assets

For financial assets not revalued through the income statement, realized gains or losses on disposals are the differences between the proceeds received (net of transaction costs) and the costs or amortized costs of the investments. The cost is systematically determined (FIFO) on a portfolio basis.

When a financial asset available for sale is sold, the total of gains or losses previously recognized in equity is reclassified in income.

f. Accounting for early reimbursement penalties

Dexia Municipal Agency has determined the accounting principles applicable to the restructuring of loans in accordance with AG 62 of IAS 39 concerning the restructuring of debt on financial assets.

Regarding the method of accounting for early reimbursement penalties, there are several possibilities depending on whether the early reimbursement is recognized as being an early reimbursement with refinancing or an extinguishment without refinancing.

Early reimbursement with refinancing

The method of accounting for early reimbursement penalties differs depending on whether the restructuring conditions are substantially different from those set initially.

In line with the principles of AG 62, Dexia MA considers that the conditions are substantially different when the net present value of the cash flows under the new conditions, including any fees paid net of any fees received, is at least 10% different from the discounted net present value of the cash flows remaining from the original loan.

Early reimbursement penalties are recognized immediately in income or else amortized over the life of the new loan depending on the results of the eligibility test. If the eligibility test is passed (i.e. the difference in net present value is

less than 10%), any early reimbursement penalties are amortized over the term of the new loan. If not (i.e. the difference exceeds 10%), early reimbursement penalties are recognized immediately in income.

Early reimbursement without refinancing

When a loan has been extinguished, Dexia Municipal Agency recognizes the early reimbursement penalty and any gains or losses of unamortized premium or discount, as income for the period, as required by IFRS.

g. Impairment of financial assets

Dexia Municipal Agency records allowances for impairment losses when there is objective evidence that a financial asset or group of financial assets is impaired, in accordance with IAS 39 (§58-70). The impairment represents the management's best estimates of losses at each balance-sheet date.

An interest bearing financial asset is impaired if its carrying amount is greater than its estimated recoverable amount.

Off-balance sheet commitments are also subject to impairment if there is uncertainty about a counterparty's solvency. Lines of credit should be written down if a client's solvency deteriorates to the point that it induces a doubt about whether the loan's capital and related interest will be repaid.

Two types of allowances for impairment losses are recorded on assets:

- **Specific loss allowance.** The amount of the provision on specifically identified assets is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, net of guarantees and collateral discounted using the effective interest rate at the time of the test of impairment. Impairment and reversal of impairment are recognized on a case-by-case basis in accordance with the standard.
Financial assets with small balances that share similar risk characteristics are generally aggregated in this measurement.
- **Collective allowance.** Loss impairments cover incurred losses not covered by specific impairment where there is objective evidence that probable losses are present in segments of the portfolio or other lending commitments at the balance-sheet date. These have been estimated on the basis of past performance and historical patterns of losses in each segment, the credit ratings allocated to the borrowers, and the current economic environment in which the borrowers operate. For that purpose, Dexia MA uses the credit risk model developed by Dexia Credit Local, which is based on an approach that combines appropriate default probabilities and losses in the event of default that are subject to regular back testing and are based on Basel II data and risk models.

At each closing date, Dexia Municipal Agency examines the situation in order to determine if the parameters given for the models need to be adjusted. If such adjustments (e.g. with regard to the concentration of risks by business sector) are necessary, additional provisions are recognized.

The country risk is included within collective and specific impairment.

When a financial asset is determined by management to be uncollectible, it is written off completely by providing the complement required for any possible existing impairment. Subsequent recoveries are recognized in income as "Cost of risk". If the amount of the impairment subsequently decreases due to an event occurring after the writedown of the initial impairment, the reversal of the provision is credited to the "Cost of risk".

Financial assets available for sale (AFS) are only subject to specific loss allowances.

Impairment on financial assets held to maturity (HTM) and financial assets available for sale (AFS) is reported in "Cost of risk". Impairment of variable income financial assets available for sale is recorded as "Net gains and losses on financial assets available for sale".

h. Sale and repurchase agreements and lending of securities

Securities sold subject to a linked repurchase agreement (repos) remain recognized in the financial statements as financial assets held for trading, financial assets available for sale or financial assets held to maturity. The corresponding liability is included in “Interbank loans and deposits” or “Customer deposits” as appropriate.

Securities purchased under agreements to resell (reverse repos) are recorded as:

- an off-balance sheet obligation to return securities; and
- “Interbank loans and advances” or “Customer loans and advances” as appropriate.

The difference between the sale and repurchase price is treated as interest income or expense and is accrued over the life of the agreements using the effective interest rate method.

Securities lent to counterparties are retained in the financial statements. Securities borrowed are not recognized in the financial statements.

If the borrowed securities are sold to third parties, the obligation to return them is recorded at fair value in “Financial liabilities designated at fair value through profit or loss”, and the gain or loss is included in “Net gains (losses) on financial instruments at fair value through profit or loss”.

Currently, Dexia Municipal Agency does not engage in this type of transaction.

1.5 - FINANCIAL LIABILITIES

a. Liabilities designated at fair value through profit or loss

Dexia Municipal Agency does not use this option.

b. Borrowings

Borrowings are recognized initially at fair value, i.e. their issue proceeds net of transaction costs incurred. Subsequently, borrowings are stated at amortized cost and any difference between net proceeds and the redemption value is recognized in income over the period of the borrowings using the effective interest rate method. The decision to include debt in the financial statements is based more on their underlying economic characteristics than on legal criteria.

This chapter includes *obligations foncières* and other resources benefiting from the privilege defined in article L.515-19 of the Monetary and Financial Code, as of March 31, 2009. It is sub-divided into two parts.

1) Obligations foncières

Obligations foncières are recorded at nominal value.

Reimbursement premiums and issue premiums are amortized according to the straight line method over the life of the securities concerned, as of the first year, *pro rata temporis*. They are recorded on the balance sheet in items corresponding to the type of debt concerned.

The amortization of these premiums is recorded in the income statement as interest income and charge on bonds and fixed income securities. In the case of bonds issued above par, the spread of issue premiums is deducted from related interest income and charge on bonds and fixed income securities.

Interest related to bonds is accounted for as banking operating charges for accrued amounts, due and not yet due, calculated *pro rata temporis* on the basis of contractual rates.

Fees and commissions on bond issues are spread in equal fractions over the life of the loans to which they are attached.

Bonds denominated in other currencies are treated in the same way as foreign exchange transactions (see 3.2).

2) Registered covered bonds.

These private placements are recorded at nominal value. Issue premiums are dealt with in the same way as *obligations foncières* (see above).

Pursuant to article L.515-20 of the Monetary and Financial Code and article 6 of CRB standard 99-10 of July 27, 1999, total assets must at all times be greater than total liabilities benefiting from the privilege mentioned in article L.515-19 of the above-mentioned Monetary and Financial Code.

1.6 - DERIVATIVES

a. Fair value derivatives

Dexia Municipal Agency is not authorized to conduct derivative transactions that would be classified as hedging relations.

b. Hedging derivatives

When a derivative transaction is entered into, Dexia Municipal Agency classifies the derivatives as either:

- a hedge of the fair value of a recognized asset or liability or a firm commitment (fair value hedge); or
- a hedge of a future cash flow attributable to a recognized asset or liability or a future transaction (cash flow hedge).

Hedge accounting may be used for derivatives designated in this way, provided certain criteria are met.

The criteria for a derivative instrument to be accounted for as a hedge include *inter alia*:

- formal documentation of the hedging instrument, hedged item, hedging objective, strategy and relationship between the hedging instrument and the hedged item must be prepared before hedge accounting is applied;
- the hedge is documented showing that it is expected to be effective in offsetting changes in fair value or cash flows attributable to the hedged risk in the hedged item throughout the reporting period;
- the hedge is effective at inception and on a going concern basis.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges and that respect the above-mentioned criteria are recorded in income, along with the corresponding change in fair value of the hedged assets or liabilities that is attributable to that specific hedged risk.

If the hedge no longer meets the criteria for hedge accounting, the adjustment to the carrying amount of a hedged interest-bearing financial instrument is amortized to income over the period to maturity through an adjustment of the yield of the hedged item.

Changes in the fair value of derivatives that are designated and qualify as cash flow hedges, that respect the above-mentioned criteria, and that prove to be effective in relation to the hedged risk, are recognized in the hedging reserve in equity as "Unrealized or deferred gains and losses".

The non-effective portion of the changes in the fair value of the derivatives is recognized in income. Amounts deferred in equity are transferred to income and classified as revenue or expense in the periods during which the hedged firm commitment or forecast transaction has an impact on income.

c. Hedging of the interest rate risk of a portfolio

Dexia Municipal Agency decided to apply IAS 39 as adopted by the European Commission, since the adopted version better reflects the way Dexia Municipal Agency manages its activities.

The objective of the hedge relationships is to reduce the interest rate risk exposure stemming from certain categories of assets or liabilities designated as the qualifying hedged items.

The entity performs a comprehensive analysis of its interest rate risk exposure. It consists of assessing fixed rate exposure taking into account all the exposures on the balance sheet.

Dexia MA selects financial assets and liabilities to be part of the hedge of the portfolio's interest rate risk exposure. The entity defines at inception the risk exposure to be hedged, the length of the contract, the method and the frequency with which it will perform tests. The entity constantly applies the same methodology for selecting assets and liabilities to be part of the portfolio. Assets and liabilities are included on a cumulative basis and all portfolio maturities are represented. Hence, when they are removed from the portfolio, they must be removed from all the maturities on which they had an impact.

Dexia MA may choose which assets and liabilities it wishes to put in the portfolio provided they are included in the comprehensive analysis. The Company chose to put together homogeneous portfolios of loans and portfolios of bond issues.

Hedging is conducted using derivatives, which may have offsetting positions. The hedging items are recognized at their fair value (including accrued interest expense or income) with adjustments recorded in income.

On the balance sheet, revaluation is recognized as:

- fair value revaluation of the asset hedge portfolio;
- fair value revaluation of the liability hedge portfolio.

Effectiveness tests consist in verifying that the hedging objective is attained, i.e. reducing interest rate risk exposure. Ineffectiveness can come only from over-hedging as a result of non-contractual events occurring in the categories of assets or liabilities.

1.7 - FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Market prices are used to determine fair value, where an active market (such as a recognized stock exchange) exists, as it is the best evidence of the fair value of a financial instrument. Active market prices are not, however, available for a significant number of the financial assets and liabilities held or issued by Dexia Municipal Agency.

If the market for a financial instrument is not active, valuation techniques are used. A valuation technique reflects what the transaction price would be at the date of the valuation under conditions of normal competition and motivated by usual business conditions, i.e. the price that the holder of the financial asset would receive in a usual transaction that is not a liquidation or a forced transaction.

The valuation model should take into account all the factors that the market players would take into consideration to value the asset. Within this framework, Dexia Municipal Agency relies on its own valuation models, as well as its market assumptions, i.e. an amount discounted through a treasury flow or any other method based on the market conditions existing at the closing date.

Therefore, for financial instruments where no market price is available, the fair values have been estimated using the present value of cash flows or other estimation and valuation techniques based on market conditions existing at

balance-sheet dates. The values derived from applying these techniques are significantly affected by the underlying assumptions made concerning both the amounts and timing of future cash flows and the discount rates.

Financial investments classified as trading, available for sale, or designated at fair value through profit or loss, derivatives and other transactions undertaken for trading purposes are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows, including observable and non-observable market data.

For assets and liabilities available for sale (AFS), or designated at fair value through profit or loss, when quoted prices are not available, the pricing models attempt to reflect as accurately as possible market conditions at the calculation date as well as changes in the credit quality of the financial instruments and market liquidity.

The following remarks could be made regarding the fair value of loans and advances:

- the fair value of fixed rate loans and mortgages is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans;
- caps, floors and early reimbursement options are included in determining the fair value of loans and advances.

1.8 - INTEREST INCOME AND EXPENSE

Interest income and expense are recognized in the income statement for all interest bearing instruments on an accrual basis using the effective interest rate method based on the purchase price (including transaction costs).

Transaction costs are incremental costs that are directly attributable to the acquisition of a financial asset or liability and are used for the calculation of the effective interest rate.

Accrued interest is reported on the balance sheet in the same item as the related financial asset or liability.

Once a financial asset has been written down to its estimated recoverable amount, interest income is thereafter recognized based on the interest rate used to discount the future cash flows in order to measure the recoverable amount.

1.9 - COMMISSION INCOME AND EXPENSE

Commissions are recognized in accordance with IAS 18. Pursuant to this standard, most of the commissions arising from Dexia Municipal Agency's activities are recognized on an accrual basis over the life of the underlying transaction.

Loan commitment fees are recognized as part of the effective interest rate if the line of credit is used, and recorded as commission income if the line of credit is not used.

1.10 - DEFERRED TAXES

Deferred taxes are recognized using the liability method to account for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

The rates enacted or substantively enacted at the balance sheet date are used to determine deferred taxes. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred taxes are recognized to account for temporary differences arising from investments in subsidiaries, jointly controlled companies and associates, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the difference will not reverse in the foreseeable future.

Deferred taxes related to fair value re-measurement of assets available for sale and cash flow hedges, which are charged or credited directly to equity, are also credited or charged directly to equity and are subsequently recognized in income together with the deferred gain or loss.

1.11 - PROVISION FOR RISKS AND CHARGES

A provision represents a liability of uncertain timing or amount.

Provisions are recognized based on their discounted value when:

- Dexia Municipal Agency has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate of the amount of the obligation can be made.

1.12 - DIVIDENDS ON ORDINARY SHARES

Dividends on ordinary shares are recognized in equity in the period in which they are declared (they must be authorized). Dividends for the year that are declared after the balance-sheet date are disclosed in the note on subsequent events.

1.13 - EARNINGS PER SHARE

Basic earnings per share before dilution are calculated by dividing net income available to shareholders by the weighted average number of ordinary shares in issue during the year.

1.14 - RELATED PARTY TRANSACTIONS

Two parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. The parent company of Dexia Municipal Agency is Dexia Credit Local, a *société anonyme* incorporated in France, itself a subsidiary of Dexia SA, incorporated in Belgium. Within this framework, related party transactions are those with companies accounted for by the equity method and with members of the Company's management bodies.

1.15 - SEGMENT REPORTING

Dexia Municipal Agency's sole activity is the financing or refinancing of commitments on public sector entities originated by Dexia's commercial network. These assets are primarily financed by the issuance of *obligations foncières*.

Dexia Municipal Agency conducts its business solely from Paris (or its branch in Dublin). The Company has no direct activity in other countries and is unable to present a relevant breakdown of its results by geographic region. A geographic breakdown of assets by country of residence of the counterparty is presented quarterly, at the end of the management report.

1.16 - CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents comprise balances with central banks and interbank deposits at sight.

2. NOTES TO THE ASSETS

2.1 - CENTRAL BANKS

EUR millions	3/31/2008	3/31/2009
Mandatory reserve deposits with central banks	16	18
Other central bank deposits	0	0
Total	16	18

2.2 - FINANCIAL ASSETS AVAILABLE FOR SALE

a. Analysis by nature

EUR millions	3/31/2008	3/31/2009
Loans	0	0
Bonds	19,633	2,109
Total	19,633	2,109

b. Breakdown by counterparty

EUR millions	3/31/2008	3/31/2009
Public sector	5,498	1,026
Credit institutions guaranteed by the public sector	351	1,083
Other - guaranteed by a State or local government	1,413	0
Other - ABS made up solely of public commitments	6,064	0
Total public sector	13,326	2,109
Replacement assets	6,307	0
Total	19,633	2,109
<i>of which eligible for central bank refinancing</i>	11,060	1,030

c. Impairment

EUR millions	3/31/2008	3/31/2009
Public sector bonds or bonds guaranteed by the public sector	13,326	2,109
Replacement assets	6,307	0
Total performing assets	19,633	2,109
Public sector bonds or bonds guaranteed by the public sector	0	0
Replacement assets	0	0
Total impaired assets	0	0
Specific impairment	0	0
Total assets after impairment	19,633	2,109

d. Replacement assets

EUR millions	Rating	3/31/2008	3/31/2009
Dexia Sabadell - <i>Cedulas</i>	Moody's Aaa	2,688	0
Dexia Kommunalbank Deutschland - <i>Pfandbrief</i>	S&P AAA	1,012	0
Dexia LdG Banque - <i>Lettres de gage</i>	S&P AAA	2,607	0
Total		6,307	0

e. ABS from public sector

EUR millions	Rating	3/31/2008	3/31/2009
Colombo	Aaa Moody's, AAA S&P	15	0
Astrea	AA- Fitch, Aa2 Mody's	5	0
Blue Danube	AA+ S&P	91	0
AyT Cedulas territoriales Cajas II	AAA S&P	244	0
DCC - Dexia Crediop per la cartolarizzazione	A+ Fitch, A2 Moody's, A S&P	4,084	0
DSFB - Dexia Secured Funding Belgium	A+ Fitch, A1 Moody's, A S&P	1,625	0
Total		6,064	0

f. Analysis by residual maturity: see note 7.3

2.3 INTERBANK LOANS AND ADVANCES

a. Analysis by nature

EUR millions	3/31/2008	3/31/2009
Nostro accounts	0	0
Other interbank loans and advances	3,950	8,194
Performing assets	3,950	8,194
Impaired loans and advances	0	0
<i>Impaired assets</i>	<i>0</i>	<i>0</i>
Total assets before impairment	3,950	8,194
Specific impairment	0	0
Collective impairment	0	0
Total	3,950	8,194

b. Breakdown by counterparty

EUR millions	3/31/2008	3/31/2009
Swiss cantonal banks benefiting from their canton's legal guarantee	2,157	2,054
Banks guaranteed by a local government, <i>crédits municipaux</i>	116	143
Credit institutions belonging to the Dexia Group: loans benefiting from the assignment in guarantee of refinanced public debt	1,677	190
Credit institutions guaranteed by the State		8
Replacement assets	0	5,799
Total	3,950	8,194

c. Replacement assets

EUR millions	Rating	3/31/2008	3/31/2009
Dexia Sabadell - <i>Cedulas</i>	Moody's Aaa	0	3,193
Dexia LdG Banque - Lettres de gage	S&P AAA	0	2,602
Dexia CL			4
Total		0	5,799

d. Analysis by residual maturity: see note 7.3

2.4 - CUSTOMER LOANS AND ADVANCES

a. Analysis by counterparty

EUR millions	3/31/2008	3/31/2009
Public sector	46,663	57,647
Other * - guaranteed by a State or local government	3,654	3,497
Other - ABS made up solely of public commitments	0	7,195
Performing assets	50,317	68,339
Impaired loans and advances	5	19
<i>Impaired assets</i>	<i>5</i>	<i>10</i>
Total assets before impairment	50,322	68,349
Specific impairment	0	0
Collective impairment	(8)	(10)
Total	50,314	68,339

* Social housing sector: public entities and private companies and other loans guaranteed by local

b. Public sector ABS

en EUR millions	Rating	3/31/2008	3/31/2009
Colombo	Aaa Moody's, AAA S&P	0	12
Astrea	AA- Fitch, Aa2 Mody's	0	3
Blue Danube	AA+ S&P	0	81
DCC - Dexia Crediop per la cartolarizzazione	A+ Fitch, A2 Moody's, A S&P	0	3,971
DSFB - Dexia Secured Funding Belgium	A+ Fitch, A1 Moody's, A S&P	0	3,128
Total		0	7,195

c. Analysis by residual maturity: see note 7.3

2.5 - TAX ASSETS

EUR millions	3/31/2008	3/31/2009
Current income tax	0	16
Other-taxes	0	0
Current tax assets	0	16
Deferred tax assets (see note 4.2)	65	304

2.6 - ACCRUALS AND OTHER ASSETS

Analysis by nature (EUR millions)	3/31/2008	3/31/2009
Cash collateral	0	0
Other accounts receivable	0	0
Prepaid charges	0	0
Other assets	9	3
Total accruals and other assets	9	3

3. NOTES TO THE LIABILITIES

3.1 - CENTRAL BANKS

This item includes refinancing obtained through Banque de France tenders.

Since the end of September 2008, Dexia Municipal Agency has benefited from refinancing through tenders of the Banque de France, presenting eligible assets as collateral within the framework of a general guarantee management agreement. Banque de France financing totaled EUR 2,000 million as of March 31, 2009.

This source of financing does not benefit from the privilege defined in article L.515-19 of the Monetary and Financial Code.

EUR millions	3/31/2008	3/31/2009
Overnight borrowing	0	0
Time borrowing, maturity second quarter 2009	0	2,000
Accrued interests	0	1
Total Banque de France funding	0	2,001

3.2 - INTERBANK LOANS AND DEPOSITS

a. Analysis by nature

EUR millions	3/31/2008	3/31/2009
Demand deposits	6,571	4,086
Time deposits	3,536	5,512
Total	10,107	9,598

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, in particular, to finance structural over-collateralization and loans prior to issuance of *obligations foncières*.

Sub-accounts make it possible to distinguish within the master-account among types of financing (over-collateralization, stock of assets prior to issuance and other). The master-account totaled EUR 9,580 million, broken down as follows (excluding accrued interest):

- the current account, indexed on Eonia, with no defined maturity, financing assets not yet included in the issue program and miscellaneous needs with a balance of EUR 4,080 million;
- sub-account comprised of various borrowings earmarked to finance the structural over-collateralization of 5%. Dexia MA's policy is to maintain minimum structural over-collateralization of 5%, i.e. 105% of outstanding *obligations foncières* and registered covered bonds. These borrowings totaled EUR 5,500 million as of March 31, 2009; they are indexed on the annual money market rate.

The current account agreement between Dexia Credit Local and Dexia MA will exist as long as Dexia MA 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 privilege defined in article L.515-19 of the Monetary and Financial Code.

EUR millions	3/31/2008	3/31/2009
Balance of current account	6,555	4,080
Accrued interest not yet due on the current account	16	6
Balance of the ancillary account – maturity 2010	200	0
Balance of the ancillary account – maturity 2011	700	2,000
Balance of the ancillary account – maturity 2012	2,000	0
Balance of the ancillary account – maturity 2015	600	0
Balance of the ancillary account – maturity 2016	0	3,500
Accrued interest not yet due on the ancillary account	36	12
TOTAL Dexia Crédit Local	10,107	9,598

b. Analysis by residual maturity : see note 7.3

3.3 DEBT SECURITIES

a. Analysis by nature

EUR millions	3/31/2008	3/31/2009
<i>Obligations foncières</i>	58,538	61,116
Registered covered bonds	1,441	1,662
Total	59,979	62,778

b. Analysis by residual maturity : see note 7.3

3.4 - TAX LIABILITIES

EUR millions	3/31/2008	3/31/2009
Current income tax	13	0
Other taxes	8	7
Current tax liabilities	21	7
Deferred tax liabilities (see note 4.2)	0	0

3.5 - ACCRUALS AND OTHER LIABILITIES

EUR millions	3/31/2008	3/31/2009
Cash received as collateral	35	884
Other accrued charges	24	24
Deferred income	0	0
Other accounts payable and other liabilities	14	1
Total	73	909

4. OTHER NOTES ON THE BALANCE SHEET

4.1 DERIVATIVES

a. Analysis by nature

EUR millions	3/31/2008		3/31/2009	
	Assets	Liabilities	Assets	Liabilities
Derivatives at fair value through profit or loss	0	0	0	0
Derivatives designated as fair value hedges	952	3,898	1,736	4,486
Derivatives designated as cash flow hedges	36	16	7	447
Derivatives designated as portfolio hedges	1,540	1,472	2,095	1,391
Hedging derivatives	2,528	5,386	3,838	6,324
Total derivatives	2,528	5,386	3,838	6,324

b. Detail of derivatives designated as fair value hedges

EUR millions	3/31/2008				3/31/2009			
	Notional amount		Assets	Liabilities	Notional amount		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Foreign exchange derivatives	19,584	21,653	288	2,536	18,468	18,949	1,146	667
Interest rate derivatives	40,890	40,890	664	1,362	40,796	40,796	590	3,819
Total	60,474	62,543	952	3,898	59,264	59,745	1,736	4,486

c. Detail of derivatives designated as cash flow hedges

EUR millions	3/31/2008				3/31/2009			
	Notional amount		Assets	Liabilities	Notional amount		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Foreign exchange derivatives	1,784	2,043	36	16	2,505	2,553	7	447
Interest rate derivatives	0	0	0	0	0	0	0	0
Total	1,784	2,043	36	16	2,505	2,553	7	447

EUR millions	3/31/2008	3/31/2009
Recycled amount of the fair value reserve cash flow hedges in the acquisition cost of non-financial assets (cash flow hedge of a highly probable transaction)	0	0

d. Detail of derivatives designated as portfolio hedges

EUR millions	3/31/2008				3/31/2009			
	Notional amount		Assets	Liabilities	Notional amount		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Foreign exchange derivatives	0	0	0	0	0	0	0	0
Interest rate derivatives	166,860	166,860	1,540	1,472	212,975	212,975	2,095	1,391
Total	166,860	166,860	1,540	1,472	212,975	212,975	2,095	1,391

4.2 - DEFERRED TAXES

a. Analysis by nature

EUR millions	3/31/2008	3/31/2009
Deferred tax assets before impairment	65	304
Impairment on deferred tax assets	0	0
Deferred tax assets (1)	65	304
Deferred tax liabilities (1)	0	0
Total	65	304

(1) Deferred tax assets and liabilities are netted out when they concern the same tax entity. The significant change in net deferred taxes was mainly due to the recognition of deferred tax assets on the fair value reserve on securities available for sale as of March 31, 2009.

b. Movements

EUR millions	3/31/2008	3/31/2009
As of January 1	55	223
- Charge/credit recognized in the income statement	6	(3)
- Effect of change in tax rates - impact on the income statement	0	0
- Movements directly recognized in shareholders' equity	4	84
- Effect of change in tax rates - impact on shareholders' equity	0	0
- Translation adjustment	0	0
- Other movements	0	0
As of March 31	65	304

c. Deferred taxes from assets on the balance sheet

EUR millions	3/31/2008	3/31/2009
Loans (and loan loss provisions)	56	59
Securities	5	110
Derivatives	1	136
Accruals and other assets	19	17
Total	81	322

d. Deferred taxes from liabilities on the balance sheet

EUR millions	3/31/2008	3/31/2009
Derivatives	0	0
Borrowings, deposits and issues of debt securities	0	0
Provisions	0	0
Regulatory provisions	(16)	(18)
Accruals and other liabilities	0	0
Total	(16)	(18)

4.3 RELATED-PARTY TRANSACTIONS

Analysis by nature EUR millions	Parent company (Dexia Credit Local)		Other related parties (1)	
	3/31/2008	3/31/2009	3/31/2008	3/31/2009
Assets				
Loans and advances (2)	1,677	7,353	0	5,371
Bonds (2)	9,267	0	4,232	0
Liabilities				
Interbank loans	3,536	5,512	0	0
Income statement				
Interest income on loans	15	75	0	44
Interest income on bonds	77	0	50	0
Interest expense on loans	(23)	(16)	0	0
Fee and commission expense	0	0	0	0
Off-balance sheet				
Interest rate derivatives	133,566	179,392	3,965	3,511
Guarantees issued by the Group	4,056	3,961	1,619	3,127

(1) This item includes transactions with entities of Belgian and Luxemburg sub-groups consolidated by Dexia, the parent company of Dexia Credit Local.
(2) Restatement of securities available for sale as loans and advances as of October 1, 2008.

5. NOTES ON THE INCOME STATEMENT

5.1 - INTEREST INCOME - INTEREST EXPENSE

EUR millions	3/31/2008	3/31/2009
Interest income	2,989	2,217
Central banks	0	0
Interbank loans and advances (1)	31	179
Customer loans and advances (2)	506	463
Financial assets available for sale	202	15
Financial assets held to maturity	0	0
Derivatives used for hedging	2,250	1,560
Impaired assets	0	0
Other	0	0
Interest expense	(2,926)	(2,153)
Central banks	0	(24)
Interbank loans and deposits	(87)	(34)
Customer borrowings and deposits	0	0
Debt securities	(661)	(669)
Subordinated debt	0	0
Derivatives used for hedging	(2,178)	(1,426)
Other	0	0
Interest margin	63	64

5.2 FEES AND COMMISSIONS

EUR millions	3/31/2008			3/31/2009		
	Income	Expense	Net	Income	Expense	Net
Lending activity	0	0	0	0	0	0
Purchase and sale of securities	0	0	0	0	0	0
Financial engineering	0	0	0	0	0	0
Services on securities other than custodial services	0	(1)	(1)	0	(1)	(1)
Custodial services	0	0	0	0	0	0
Issuance and underwriters of securities	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	(1)	(1)	0	(1)	(1)

5.3 Net gains (losses) on financial instruments at fair value through profit or loss

EUR millions	3/31/2008	3/31/2009
Net result of hedge accounting	0	0
Net result of foreign exchange transactions	0	0
Total	0	0

All interest received and paid on assets, liabilities and derivatives is recorded in the net interest income, as required by IFRS. Thus, net gains (losses) on trading transactions and net gains (losses) on hedging transactions include only the change in the clean value of derivatives, the revaluation of assets and liabilities qualified as hedges.

Analysis of net result of hedge accounting

EUR millions	3/31/2008	3/31/2009
Fair value hedges	0	0
Fair value changes of the hedged item attributable to the hedged risk	1,005	346
Fair value changes of the hedging derivatives	(1,005)	(346)
Cash flow hedges	0	0
Fair value changes of the hedging derivatives – ineffective portion	0	0
Discontinuation of cash flow hedge accounting (Cash flows no longer expected to occur)	0	0
Hedges of net investments in a foreign operation	0	0
Fair value changes of the hedging derivatives – ineffective portion	0	0
Portfolio hedge	0	0
Fair value changes of the hedged item	14	(440)
Fair value changes of the hedging derivatives	(14)	440
Total	0	0

5.4 NET GAINS (LOSSES) ON FINANCIAL ASSETS AVAILABLE FOR SALE

EUR millions	3/31/2008	3/31/2009
Net gain (loss) on disposals of loans and securities available for sale	0	0
Impairment of variable income securities available for sale	0	0
Net gain (loss) on disposals of debt securities	0	2
Net gain (loss) on the sale or cancellation of loans and advances	1	2
Total	1	4

5.7 OPERATING EXPENSE

EUR millions	3/31/2008	3/31/2009
Payroll costs	0	0
General and administrative expense	(21)	(22)
Taxes	(2)	(1)
Total	(23)	(23)

Dexia Municipal Agency has no salaried employees in accordance with article L.515-22 of the Monetary and Financial Code. Within the framework of its management contract, Dexia Credit Local conducts all operations, transactions and functions of all types on behalf of Dexia MA.

In addition, specific management contracts grant different entities of the Dexia Group the management of loans and securities in their respective countries (Kommunalkredit Austria, Dexia Crediop, Dexia Public Finance Norden and Dexia Bank Belgium).

5.8 - COST OF RISK

EUR millions	3/31/2008			3/31/2009		
	Collective impairment	Specific impairment	Total	Collective impairment	Specific impairment	Total
Loans and advances	0	0	0	0	0	0
Fixed income securities available for sale	0	0	0	0	0	0
Total	0	0	0	0	0	0

Detail of collective and specific impairments

Collective impairment EUR millions	3/31/2008			3/31/2009		
	Charges	Recoveries	Total	Charges	Recoveries	Total
Loans and securities held to maturity	0	0	0	0	0	0
Off-balance sheet commitments	0	0	0	0	0	0
Total	0	0	0	0	0	0

Specific impairment EUR millions	3/31/2008				Total
	Charges	Recoveries	Losses	Collections	
Interbank loans and advances	0	0	0	0	0
Customer loans and advances	0	0	0	0	0
Financial assets held to maturity	0	0	0	0	0
Off-balance sheet commitments	0	0	0	0	0
Total credit	0	0	0	0	0
Fixed income securities	0	0	0	0	0
Total	0	0	0	0	0

Specific impairment EUR millions	3/31/2009				Total
	Charges	Recoveries	Losses	Collections	
Interbank loans and advances	0	0	0	0	0
Customer loans and advances	0	0	0	0	0
Financial assets held to maturity	0	0	0	0	0
Off-balance sheet commitments	0	0	0	0	0
Total credit	0	0	0	0	0
Fixed income securities	0	0	0	0	0
Total	0	0	0	0	0

5.9 - CORPORATE INCOME TAX

a. Detail of tax expense

EUR millions	3/31/2008	3/31/2009
Current taxes	(18)	(9)
Deferred taxes	6	(3)
Tax on prior years' income	0	0
Deferred taxes on prior years	0	0
Provisions for tax litigations	0	0
Total	(12)	(12)

b. Effective tax expense as of March 31, 2009

The standard corporate tax rate applicable in France is 34.43%. The tax rate applied on the contributions of foreign subsidiaries is the rate applied locally in accordance with each individual national tax system. In Ireland, the rate is 12.5%.

The effective tax rate observed as of March 31, 2009, amounted to 27.19%

The difference between these two rates can be analysed as follows.

(EUR millions)	3/31/2008	3/31/2009
Income before income taxes	40	44
Net income from associates	0	0
Tax base	40	44
Applicable tax rate at the end of the period	34.43%	34.43%
Theoretical corporate income tax at the standard rate	14	15
Impact of differences between foreign tax rates and the standard French tax rate	(2)	(3)
Tax effect of non-deductible expenses	0	0
Tax effect of non-taxable income	0	0
Impact of items taxed at a reduced rate	0	0
Other additional taxes or tax savings	0	0
Liability method	0	0
Provision for tax litigations	0	0
Corporate income tax recorded in the income statement	12	12
Effective tax rate	30.13%	27.19%

c. Tax consolidation group

Dexia Municipal Agency applies the tax consolidation system.

Dexia Municipal Agency and its parent company Dexia Credit Local are lodged in a tax consolidation structure. As of January 1, 2002, the consolidating company is Dexia SA's permanent establishment in France. payment for the group. Dexia MA 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 recorded in the accounts of Dexia's permanent establishment in France.

6. NOTES ON OFF-BALANCE SHEET ITEMS

6.1 - REGULAR WAY TRADE

EUR millions	3/31/2008	3/31/2009
Assets to be delivered	0	0
Liabilities to be received	0	0

6.2 GUARANTEES

EUR millions	3/31/2008	3/31/2009
Guarantees given to the Banque de France	0	3,174
Guarantees received from customers	6,121	5,736

6.3 - LOAN COMMITMENTS

EUR millions	3/31/2008	3/31/2009
Loan commitments given to credit institutions	14	33
Loan commitments given to customers	4,595	3,012
Loan commitments received from credit institutions	7,090	8,449
Loan commitments received from customers	0	0

6.4 - OTHER COMMITMENTS

EUR millions	3/31/2008	3/31/2009
Banking activity - Commitments given	0	0
Banking activity - Commitments received	5,675	7,089

7.2 EXPOSURE TO CREDIT RISKS

Exposure to credit risks includes:

- for assets other than derivatives: the amount on the balance sheet (i.e. after deduction of specific provisions);
- for derivatives: the market value on the balance sheet plus an add-on representing a margin for future potential credit risks;
- for off-balance sheet commitments: the amount is stated in the notes to the financial statements; the amount is intact of financing commitment drawdowns.

Exposure to credit risk is broken down by region and by counterparty, taking into account the guarantees received. This signifies that when the credit risk is guaranteed by a third party whose weighted risk (in the sense of Basel regulations) is less than that of the direct borrower, exposure is included in the guarantor's region and business sector.

a. Breakdown of exposure to credit risks

Analysis of exposure by geographic region

EUR millions	Amount as of 3/31/2009
Belgium	5,270
France	52,940
Germany	916
Italy	7,393
Luxembourg	2,652
Other European Union countries	6,041
Rest of Europe	4,827
United States and Canada	373
Other European Union countries	30
Total exposure	80,442

Analysis of exposure by category of counterparty

EUR millions	Amount as of 3/31/2009
States	4,502
Local public sector	66,997
ABS	95
Financial institutions	8,848
Total exposure	80,442

Exposures to financial institutions include, in particular: hedging derivative counterparties for EUR 1.1 billion, and covered bonds classified as replacement assets for EUR 5.8 billion.

Exposures to ABS correspond to the three ABS 100% guaranteed by a public-sector entity or an entity with a 100% public-sector asset pool: Blue Danube Loan Funding GmbH, Colombo SrL, Societa veicolo Astrea SrL.

- Analysis of exposure by category of instrument

EUR millions	Amount as of 3/31/2009
Debt securities	2,109
Loans and advances	73,259
Financing commitments on loans	3,929
Hedging derivatives	1,145
Total exposure	80,442

b. Evaluation of asset credit quality

The Dexia Group decided to use the advanced method recommended by the regulators in relation to the Basel II reforms on the capital adequacy ratio and capital adequacy requirements. This system is of paramount importance for Dexia and is under the exclusive responsibility of the Risk Management department, which has developed internal credit rating models covering the main client segments. Banking supervisors (the Banking Commission in France and CBFA in Belgium) authorized the Group to use these advanced internal models to calculate and report equity requirements for credit risk as of January 1, 2008.

This enables Dexia Municipal Agency to present below an analysis of its exposures, broken down by risk weighting, as used for calculating equity requirements for credit risk; such weighting is mainly calculated on the basis of the probability of default of the counterparty and of the loss incurred in the event of default.

This analysis confirms the excellent quality of the assets in Dexia MA's portfolio. Eighty percent of the portfolio has a weighting of less than 5% and 99% of the portfolio has a weighting that is less than or equal to 20%.

EUR millions	Risk weighting (Basel II)				Total	Default	Total
	from 0 to 5%	from 5% to 20%	from 20% to 50%	more than 50%			
Debt securities	1,807	302	0	0	2,109	0	2,109
Loans and advances	60,347	12,346	248	267	73,208	51	73,259
Financing commitments on loans	3,481	438	0	11	3,929	0	3,929
Hedging derivatives	-155	267	1,030	2	1,145	0	1,145
Total exposure	65,480	13,353	1,278	280	80,391	51	80,442
Share	81.5%	16.6%	1.6%	0.3%	100.0%		

Certain exposures do not yet benefit from an internal evaluation system validated by banking supervisors; in this case, their weighting is that of the standard method, which is, for example, 20% for local governments.

Default exposures include both bad debt and watchlist exposures; such exposures are subject to particular surveillance.

7.3 - LIQUIDITY RISK: ANALYSIS BY TERM TO MATURITY

a. Analysis of assets

EUR millions	As of March 31, 2009							Accrued interest	Fair value adjustment	Impairment	Total
	Sigth	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No fixed maturity					
Central banks	18	0	0	0	0	0	0	0	0	0	18
Derivatives	0	0	0	0	0	0	2,079	1,759	0	0	3,838
Financial assets available for sale	0	800	0	175	1,076	0	18	40	0	0	2,109
Interbank loans and advances	4	535	676	5,526	1,314	0	39	100	0	0	8,194
Customer loans and advances	0	839	4,048	13,771	45,525	0	861	3,305	(10)	0	68,339
Fair value revaluation of portfolio hedge	0	0	0	0	0	0	0	961	0	0	961
Financial assets held to maturity	0	0	0	0	0	0	0	0	0	0	0
Tax assets	0	0	0	0	0	0	320	0	0	0	320
Accruals and other assets	0	0	3	0	0	0	0	0	0	0	3
Total	22	2,174	4,727	19,472	47,915	320	2,997	6,165	(10)	0	83,782

b. Analysis of liabilities, excluding shareholders' equity

EUR millions	As of March 31, 2009							Accrued interest	Fair value adjustment	Total
	Sigth	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No fixed maturity				
Central banks	0	2,000	0	0	0	0	0	1	0	2,001
Hedging derivatives	0	0	0	0	0	0	2,294	4,030	0	6,324
Interbank loans and deposits	4,080	0	0	2,000	3,500	0	18	0	0	9,598
Customer borrowings and deposits	0	0	0	0	0	0	0	0	0	0
Debt securities	0	251	4,703	27,166	27,951	0	1,046	1,661	0	62,778
Fair value revaluation of portfolio hedge	0	0	0	0	0	0	0	1,591	0	1,591
Tax liabilities	0	0	0	0	0	0	7	0	0	7
Accruals and other liabilities	0	884	25	0	0	0	0	0	0	909
Provisions	0	0	0	0	0	0	0	0	0	0
Subordinated debts	0	0	0	0	0	0	0	0	0	0
Total	4,080	3,135	4,728	29,166	31,451	7	3,359	7,282	0	83,208

c. Net liquidity gap

EUR Millions	Sigth	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	No fixed maturity
As of March 31, 2009	(4,058)	(961)	(1)	(9,694)	16,464	313

This table presents the balance sheet at the closing date; it does not take into account the management decisions that will make it possible to manage differences in maturity or the future production of assets and liabilities. Dexia MA's liquidity is provided by its refinancing agreement with Dexia Credit Local. In addition, the Company may obtain funding from the Banque de France, by giving certain of these assets in guarantee (this process was tested in 2008, and the great majority of Dexia MA's assets are eligible for refinancing by the central bank). Dexia MA can thus obtain funding from the Banque de France enabling it to reimburse obligations foncières when they arrive at maturity; the assets given in guarantee are therefore excluded (as well as the matured bonds) from the calculation of the solvency ratio, which remains practically unchanged.

7.5 - CURRENCY RISK

Classification by original currency	As of March 31, 2008				Total
	EUR	Other EU currencies	U.S. dollars	Other currencies	
EUR millions					
Total assets	61,928	4,118	6,912	3,753	76,711
Total liabilities and shareholders' equity	61,928	4,118	6,912	3,753	76,711
Net balance sheet position	0	0	0	0	0

Classification by original currency (EUR millions)	As of March 31, 2009				Total
	EUR	Other EU currencies	U.S. dollars	Other currencies	
Total assets	68,753	3,970	7,455	3,604	83,782
Total liabilities and shareholders' equity	68,753	3,970	7,455	3,604	83,782
Net balance sheet position	0	0	0	0	0

Dexia MA takes no foreign exchange risk. Assets and liabilities originally in non-euro currencies are swapped against Euribor as soon as they are recognized on the balance sheet.

7.6 - SENSITIVITY TO INTEREST RATE RISK

Dexia Municipal Agency is subject to particular management with the goal of neutralizing exposure to interest rate risk to the extent possible. The method used follows simple principles and consists in converting the assets and liabilities on the balance sheet to floating rates so that they will move in a parallel manner under the impact of changes in the yield curve, while maintaining the margin unchanged.

All the derivative financial instruments used by Dexia Municipal Agency are part of a hedging system, whether micro or macro. The Company may not conduct trading operations, nor hold derivatives in an isolated open position.

Dexia Municipal Agency uses interest rate micro-hedges on a part of the assets and on the liabilities benefiting from the legal privilege, and interest rate macro-hedges on other assets and on off-balance sheet items to manage the overall interest rate risk. The micro-hedges cover the interest rate risk on the securities portfolio, on certain loans, obligations foncières (and registered covered bonds). The macro-hedges are mainly used to manage the interest rate risk on fixed rate loans not hedged by micro-hedges (principally because the unit amount is too low) and to manage differences in Euribor fixing dates by Eonia hedges.

The residual interest rate risk from macro-hedges has been contained within a limit set since 2005, with the approval of the rating agencies, at 3% of equity. This limit is reviewed yearly and is currently set at EUR 25 million, of which EUR 4.0 million for the monetary gap and the remainder for the fixed rate gap. Real sensitivity is maintained well under this limit.

The sensitivity thus measured corresponds to the change in the gap's net present value under the impact of a change in the yield curve of 100 basis points.

The results of this management in the last four quarters are presented in the following table.

Sensitivity of the gap		Average	Maximum	Minimum	Limit
Fixed rate	1Q 2008	7.5	10.9	- 2.6	23.5
	2Q 2008	10.9	16.7	7.4	25.5
	3Q 2008	12.8	18.5	6.8	25.5
	4Q 2008	11.4	18.0	- 1.5	25.5
	1Q 2009	11.9	20.2	5.4	25.5
Monetary	1Q 2008	0.1	0.8	- 6.6	2.5
	2Q 2008	0.6	6.7	- 10.6	4.0
	3Q 2008	0.6	1.4	0.0	4.0
	4Q 2008	- 0.2	3.4	- 3.4	4.0
	1Q 2009	- 0.2	1.2	- 3.6	4.0
Total	1Q 2008	7.8	11.5	- 2.5	26.0
	2Q 2008	11.9	18.3	7.8	29.5
	3Q 2008	13.4	18.8	7.7	29.5
	4Q 2008	11.0	15.8	- 1.7	29.5
	1Q 2009	11.2	19.9	5.1	29.5

* maximum/minimum: technical overflow (value for one day)

**Statutory Auditors' Review Report
of the intermediate financial statements under IFRS Gaap
for the period from January 1, 2009 to March 31, 2009**

(Free translation of the French language original)

This is a free translation into English of the statutory auditor's review report issued in French and is provided solely for the convenience of English speaking users.

This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

In our capacity of statutory auditors of **Dexia Municipal Agency** and following the request made to us, in the context of the objective of the entity to enhance the financial information provided to investors, we have reviewed the accompanying intermediate financial statements for the three-month period ended March 31, 2009.

These intermediate financial statements are the responsibility of the Executive Board. Our responsibility is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical procedures and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying intermediate financial statements do not present fairly, in all material respects, the results of operations for the three months ended March 31, 2009 and the financial position of **Dexia Municipal Agency** and its assets at that date, in accordance with IFRSs as adopted by the EU.

Neuilly-sur-Seine and Courbevoie, June 12, 2009

The statutory auditors
French original signed by

**Deloitte & Associés
Mazars**

**François ARBEY
Hervé HELIAS
Virginie CHAUVIN**