Municipal Agency

FINANCIAL REPORT

as of September 30, 2011

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INTRODUCTION

As of September 30, 2011, the Dexia Group decided not to publish financial statements, but simply to make an intermediary declaration in view of its ongoing restructuring.
For the sake of consistency, Dexia MA chose not to publish audited account, only an unaudited management report.

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Municipal Agency

MANAGEMENT REPORT

For the period January 1 to September 30, 2011

Non audited information

(1. HIGHLIGHTS OF THE FIRST NINE MONTHS OF THE YEAR

1.1 SITUATION OF THE COVERED BOND MARKET

After the record volume of issues reported during the first half of the year, the third quarter experienced a significant slowdown. September represented the lowest volume of benchmark issues in the year, with a very hesitant primary market characterized by high volatility. However, the overall volume of euro-denominated benchmark issues exceeded EUR 150 billion for the first nine months of 2011.
Secondary spreads widened significantly since the beginning of the summer, with the worsening economic situation in Europe. The movement gained speed in September in all the countries that issue covered bonds.

To facilitate access to refinancing for covered bonds, by re-launching the primary market and prompting tighter spreads in the secondary market, the ECB decided to initiate a new program to purchase covered bonds (CBPP2) in the amount of EUR 40 billion, from November and for a period of 12 months; such purchases can be made in the primary and secondary markets. Since the announcement, spreads have strengthened significantly.

Dexia MA was not affected by the situation in the primary market because no issue was scheduled for the second half of 2011. On the other hand, however, its secondary spread was stretched compared with that of comparable entities owing to the financial position of Dexia Group (see below).

1.2 FINANCIAL SITUATION OF THE DEXIA GROUP

The worsening of the European sovereign debt crisis and the significant disruption in the financial markets since the summer of 2011 led to an increased refinancing risk for the Dexia Group, notwithstanding the substantial progress it had made in its financial restructuring over the past three years.
In this difficult environment, the financial situation of Dexia Group required action on the part of the States, which agreed to guarantee debt issued by the Group in the amount of up to EUR 90 billion in the following proportions: 60.5% by Belgium, 36.5% by France and 3% by Luxembourg.
Concomitantly, Belgium acquired Dexia’s interest in Dexia Bank Belgium, given the systemic implications for the Belgium financial system.

Dexia Group’s results (unaudited) in the third quarter of 2011 were largely affected by the current situation : the total impact is EUR - 10,513 million, mainly impacted by the sale of Dexia Bank Belgium, impairment on Greek sovereign bonds and the acceleration of its deleveraging program in the first half of 2011.

On a pro-forma basis, the Tier 1 ratio stood at 9.9% as of September 30, 2011. At this date, Tier 1 capital amounted to EUR 7.8 billion and weighted risks totaled EUR 78.8 billion.

Non audited information

1.3 DEXIA TO TRANSFER CONTROL OF DEXIA MUNICIPAL AGENCY

Dexia, La Caisse des Dépôts and La Banque Postale have finalized the terms of a negotiation agreement with respect to the financing of French local governments. It is subject to the approval of the European Commission.

The negotiation agreement contains two main features:

- The acquisition by La Caisse des Dépôts and La Banque Postale of respectively 65% and 5% of the capital of Dexia Municipal Agency. The backing provided by La Caisse des Dépôts would strengthen the solid base that underwrites Dexia Municipal Agency's rating.
  The operational management of Dexia Municipal Agency would be conducted, in particular, through a service agreement with Dexia Credit Local.

- A new commercial vehicle to serve local governments in France.
  A joint venture held by La Banque Postale (65%) and La Caisse des Dépôts (35%) would be created. This entity would design and originate loans to French local governments. These loans would be refinanced through Dexia Municipal Agency. By means of a service agreement, the new vehicle would make use of the combined know-how of Dexia Credit Local, La Caisse des Dépôts and La Banque Postale. The negotiation agreement would also provide for the acquisition by La Caisse des Dépôts and La Banque Postale of certain tools and management systems necessary to perform the above-mentioned activities.

Dexia Credit Local would be able to continue to lend to clients who were not part of the joint venture, under the terms to be specified in the agreement with the joint venture.
The agreement stipulates that Dexia/Dexia Credit Local extend to Dexia Municipal Agency, on the one hand, a guarantee with respect to the performance and the legal risks associated with a portfolio of EUR 10 billion of structured loans to French local governments and, on the other hand, an indemnity against losses in excess of 10 basis points on all outstanding loans, a sum which represents 10 times the losses ever reported by Dexia Municipal Agency. Dexia would, moreover, benefit from a counter-guarantee from the French State on this same portfolio of structured loans covering up to 70% of losses over and above EUR 500 million. This counter-guarantee is subject to the approval of the European Commission.
The implementation of this negotiation agreement will remain subject to the approval of the relevant supervisory and competition authorities.

(2. CHANGES IN MAIN BALANCE SHEET ITEMS

Non audited information

EUR billions		9/30/2010	12/31/2010	9/30/2011	Change Sept 11 / Dec 2010
Cover pool		**80.4**	**79.6**	**79.0**	**(0.8)%**
	Loans	55.5	56.1	56.3	0.3%
	Securities	24.9	23.5	22.7	(3.4)%
	Assets assigned in guarantee to Banque de France	-	-	-	N.A.
Privileged debt	*Swapped value***	**68.3**	**64.9**	**65.9**	**1.6%**
*Obligations foncières**	*Balance sheet value*	66.8	64.3	64.3	(0.0)%
Cash collateral received		1.7	1.3	2.5	90.3%
Non-privileged debt		**10.5**	**12.5**	**11.0**	**(12.0)%**
	Dexia Credit Local	10.5	12.5	11.0	(12.0)%
	Banque de France	-	-	-	N.A
Equity IFRS (excluding unrealized gains and losses)		**1.3**	**1.3**	**1.3**	**0.1%**

** including registered covered bonds (RCB)*

*** including cash collateral received*

As of September 30, 2011, Dexia Municipal Agency's cover pool, composed of loans and debt securities, totaled EUR 79.0 billion, excluding accrued interest not yet due. As of December 31, 2010, the total was EUR 79.6 billion; the decrease was therefore EUR 0.6 billion (-0.8%).

The cover pool corresponded to all the assets on the balance sheet.

Outstanding debt benefiting from the legal privilege, translated if required at the currency swap rate (swapped value), was EUR 65.9 billion, including cash collateral received, up 1.6% from December 2010.

An increase in privileged debt (EUR +1 billion) combined with a decline in the cover pool resulted in a decrease in over-collateralization, which was 118.7% as of September 30, 2011 (see 5. Changes in the over-collateralization ratio).

Debt *vis-à-vis* Dexia Credit Local, which does not benefit from the legal privilege, totaled EUR 11.0 billion. This amount corresponds to the financing of over-collateralization both structurally (commitment of Dexia MA and requirements of the rating agencies) and on a temporary basis (assets waiting to be refinanced by *obligations foncières*).

Equity, according to IFRS, but excluding reserves for unrealized gains and losses, totaled EUR 1.3 billion at the end of September 2011.

(3. CHANGE IN ASSETS IN THE FIRST NINE MONTHS OF 2011

3.1 ASSET PRODUCTION

The net change in assets since the beginning of the year, was a decrease of EUR 0.6 billion. The change can be analyzed as follows.

EUR billions	12/31/2010			9/30/2011		
	Loans	Debt securites	Total	Loans	Debt securites	Total
France	5.8	0.6	6.4	2.9	1.8	4.7
Outside of France	-	7.1	7.1	2.1	2.0	4.0
Total new assets	**5.8**	**7.7**	**13.5**	**5.0**	**3.8**	**8.8**
Amortization	(6.1)	(6.5)	(12.6)	(4.4)	(4.5)	(8.8)
Early reimbursements	(0.3)	-	(0.3)	(0.6)	(0.0)	(0.6)
Divestments	(0.0)	-	(0.0)	(0.0)	-	(0.0)
Changes in provisions	(0.0)	0.1	0.1	(0.0)	(0.1)	(0.1)
Net change (excl. FX adjustments	**(0.6)**	**1.3**	**0.7**	**0.1**	**(0.8)**	**(0.7)**
Foreign exchange adjustments*	0.9	0.1	1.0	0.1	0.0	0.1
Net change*	**0.3**	**1.4**	**1.7**	**0.2**	**(0.8)**	**(0.6)**

** All the assets included in the cover pool are perfectly hedged against foreign exchange adjustments; the changes mentioned above are fully compensated by equivalent changes in the value of the hedging derivative.*

Gross asset production and acquisitions in the period totaled EUR 8.8 billion.

EUR billions		12/31/2010		9/30/2011	
Loans			**5.8**		**5.0**
Canada				0.2	
France					
- commercial loans		3.9		1.4	
- loans granted by DCL guaranteed by public sector bonds	*	0.3		1.3	
- Banque de France account balance	*	1.6		0.2	
- Bank accounts balance	*				
United Kingdom (loan granted by DCL guaranteed by UK public entities)				1.9	
Bonds			**7.7**		**3.8**
Germany				0.3	
Belgium - DSFB 4 securitization		4.2			
Belgium - other bonds		0.9		0.1	
Spain - *cedulas territoriales*	*	1.7		1.3	
France - *certificats de dépôts* DCL	*	0.6		1.8	
Italy		0.1		0.2	
Luxembourg - *lettres de gage publiques*	*	0.2			
United Kingdom				0.1	
TOTAL			**13.5**		**8.8**

* replacement assets

These assets included the following items:

- new long-term assets:
  - *EUR 1.4 billion in public sector loans originated by Dexia Credit Local within the framework of its commercial activity in France;*
  - *EUR 0.2 billion in Canadian public sector loans, originated by Dexia Credit Local within the framework of its commercial activity in Canada;*
  - *EUR 1.9 billion representing a loan to Dexia Credit Local guaranteed by the transfer of commitments on local governments in the United Kingdom;*
  - *EUR 0.7 billion in bonds issued by the German, British, Belgian and Italian public sectors;*

- renewal of shorter-term assets that reached maturity (replacement assets):
  - *EUR 1.3 billion in* cedulas territoriales *issued by Dexia Sabadell, with a maturity of 18 months, considered as replacement assets in the cover pool;*
  - *EUR 0.6 billion in certificates of deposit (CD) issued by Dexia Credit Local, renewed quarterly, considered as replacement assets in the cover pool;*
  - *EUR 0.5 billion in loans to Dexia Credit Local guaranteed by public sector securities (repurchase agreements), renewed quarterly, considered as replacement assets in the cover pool;*

- Dexia MA's bank accounts had a balance of EUR 0.2 billion.

In addition to the arrival at maturity of the above-mentioned replacement assets, which were renewed, the decrease in assets mainly corresponded to the natural amortization of the portfolio of loans and bonds.

3.2 OUTSTANDING ASSETS AS OF SEPTEMBER 30, 2011

a. Geographic breakdown of assets (including replacement assets)

The breakdown of assets by country was relatively stable in comparison with December 31, 2010; the increase in British public sector commitments in a generally stable pool led to a slight decrease in the percentages of other countries. French assets remained predominant, with significant geographic diversification.

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

%	12/31/2010	9/30/2011
France	64.3	63.1
Belgium	9.9	9.3
Italy	9.6	9.7
Switzerland	5.8	5.3
Spain	4.1	4.1
United Kingdom	0.8	3.2
Luxembourg	2.4	1.7
Sub-total	96.9	**96.4**
Other countries	3.1	3.6
TOTAL	**100.0**	**100.0**

Non audited information

As of September 30, 2011, exposures on Other countries could be broken down as follows.

Other countries (%)	9/30/2011
Germany	1.3
Greece	0.5
Austria	0.4
Sweden/Finland	0.3
USA	0.3
Canada	0.3
Portugal	0.2
Iceland	0.2
Japan	NS
TOTAL	**3.6**

b. Replacement assets

As of September 30, 2011, replacement assets represented a total of EUR 5.8 billion, mainly comprised of covered bonds issued by Dexia Group entities (analyzed in the table below) as well as of exposures on Dexia Credit Local with a maturity of less than 100 days. The latter take the form of certificates of deposit or loans guaranteed by public sector securities. Replacement assets (without bank accounts balances) represented 8.7% of outstanding *obligations foncières* and registered covered bonds, which totaled EUR 63.4 billion in swapped value. Current legislation limits their amount to 15%.

Replacement assets	Country	Issuer	EUR millions	
			12/31/2010	9/30/2011
Step 1 credit rating				
Cedulas Territoriales	Spain	Dexia Sabadell	3,000	3,000
Lettres de gage	Luxembourg	Dexia LdG Banque	1,850	1,350
Total			**4,850**	**4,350**
Step 2 credit rating (initial term < 100 days)				
Certificates of deposit	France	Dexia Credit Local	600	600
Guaranteed loans	France	Dexia Credit Local	350	592
Total			**950**	**1,192**
Bank accounts balance			**-**	**214**
TOTAL			**5,800**	**5,756**

c. Concentration by borrower

As of September 30, 2011, the 20 largest exposures (except replacement assets) amounted to 15.7% of the cover pool. The largest was 1.8% and the twentieth was 0.4%.

3.3 ASSET QUALITY

Dexia Municipal Agency's pool of assets is exclusively composed of exposures on public sector entities or issues guaranteed by the same. The current financial crisis had

Non audited information

no significant impact on the bank's portfolio in 2011, excepted for Greek exposures (State or guaranteed by the Greek State).

a. Quality of the assets in the portfolio

Dexia MA's portfolio of assets is composed of loans and debt securities.

Loans and advances. Loans and most of the bonds held by Dexia MA are classified in the "Loans and advances" portfolio according to IFRS, corresponding to an intention to hold them until maturity. They are valued at their historical cost and, if necessary, are covered by provisions for impairment when there is a risk of non-payment.

In addition, collective impairment is calculated to cover the risk of loss in value on the different "Loans and advances" portfolios. Impairment is here estimated on the basis of each portfolio's past performance and trends, and on the borrower's economic environment. The calculation combines probabilities of default (PD) and loss given default (LGD) on the different assets based on credit risk models designed by Dexia within the framework of Basel II.

This collective impairment is, however, much greater than the real risk, for the method applied does not take into account all the guarantees received.

EUR millions	12/31/2009	12/31/2010	9/30/2011
Specific impairment	0.9	1.5	2.3
Collective impairment	14.4	18.2	17.6
Total	**15.3**	**19.7**	**19.9**

Non-performing loans amounted to EUR 24.9 million at the end of September 2011, representing less than 0.03% of the total cover pool (EUR 79.0 billion). The minor amounts of impairment and non-performing loans that the Company reported testify to the very low level of risk and the overall high quality of the portfolio.

AFS securities. In particular because of their liquidity, certain securities remain classified according to IFRS as available for sale (AFS), and are valued for accounting purposes on the basis of their fair value. The difference between this valuation and their accounting value gives rise to an AFS reserve that can be positive or negative. These reserves would only represent gains or losses if Dexia MA were to sell these securities, but Dexia MA acquired these assets with the intention of holding them to maturity.

As of June 30, 2011, Dexia MA recorded a depreciation of EUR 7 million on its direct exposures to Greece in order to respect Dexia's commitments in the IIF (Institute of International Finance) assistance program.
Since the IIF's plan was not implemented, European authorities proposed a new assistance program on October 27, 2011. The new plan requires a greater effort on the part of private creditors. In the meantime, to avoid larger losses at its subsidiary, Dexia Credit Local committed to redeem all of Dexia MA's Greek and Icelandic exposures, with no additional loss compared with first-half accounts. This commitment took the form of a transfer agreement whereby Dexia Ma sold this portfolio to DCL.

Non audited information

In Dexia MA's quarterly IFRS financial statements, a loss in value was recognized on the Greek portfolio, offset by a gain on the transfer agreement, which was considered as a derivative under IFRS. The loss in value of EUR 366 million was offset for a corresponding amount in net banking income through the increase in value of the derivative (future sale). Given the loss in value recorded in income, the negative AFS reserve relating to these securities was reduced to zero.
Recognition of the transfer agreement, which was signed after the closing date, does not comply with IFRS, and the accounting treatment has not been audited by the auditors of Dexia MA.

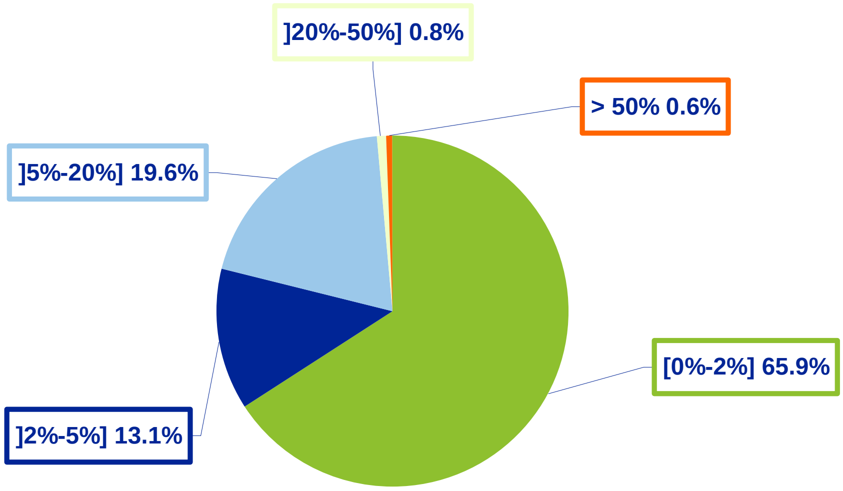
The market value of Italian sovereign bonds also declined as a result of the European sovereign crisis. The AFS reserve for Italian sovereign issues was down EUR -124 million.

The overall AFS reserve at the end of September 2011, before taxes, was EUR -349 million.

b. Breakdown of exposure according to Basel II risk weighting

The quality of Dexia Municipal Agency's portfolio can also be seen in the weighting of its assets within the framework of 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 ACP 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.
This enables Dexia Municipal Agency to present in the following table an analysis of its exposures, broken down by risk weighting, such as used for the calculation of equity requirements for credit risk.

Risk weighting (Basel II) of Dexia MA's portfolio as of September 30, 2011



These weightings are primarily calculated on the basis of the probability of the counterparty's default (PD) and loss given default (LGD). This analysis confirms the excellent quality of the assets in Dexia MA's portfolio, since more than 79% of the portfolio assets have a weighting that is less than or equal to 5%, and more than 98% of the portfolio assets have a weighting that is less than or equal to 20%.

c. Exposure to subprimes, monolines, ABS and banks

Exposure to subprimes 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 on 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 MA holds four 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.

Non audited information

Issuer	Country	ISIN code	Amount EUR millions	Monoline Insurer
Communauté urbaine de Lille	France	US203403AB67	9.1	AMBAC
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			**68.6**	

They represent less than 0.1% of the assets of Dexia MA. Credit enhancement was not a factor in the decision to invest in these bonds.

Exposure in the form of asset-backed securities (ABS)

At the end of September 2011, Dexia MA had a limited number of exposures in the form of amortizable ABS (securitization units), totaling EUR 10.4 billion, down 5.7%, from December 31, 2010. These exposures are listed below.

EUR millions	ISIN code	12/31/2010	9/30/2011
Dexia Secured Funding Belgium SIC (DSFB 1)	BE0933050073	1,457.8	1,414.3
Dexia Secured Funding Belgium SIC (DSFB 2)	BE0934330268	1,447.0	1,383.5
Dexia Secured Funding Belgium SIC (DSFB 4)	BE6000495752	4,330.8	3,992.5
Dexia Crediop per la Cartolarizzazione SRL (DCC 1)	IT0003674691	787.1	743.8
Dexia Crediop per la Cartolarizzazione SRL (DCC 2)	IT0003941124	728.8	677.7
Dexia Crediop per la Cartolarizzazione SRL (DCC 3)	IT0004349665	2,165.2	2,114.0
Sub-total		**10,916.7**	**10,325.9**
Blue Danube Loan Funding GmbH	XS0140097873	81.0	79.4
Colombo SRL	IT0003156939	7.9	5.6
Societa veicolo Astrea SRL	IT0003331292	1.3	0.5
Sub-total		**90.1**	**85.5**
TOTAL		**11,006.7**	**10,411.4**

Most of these exposures are asset-backed securities especially designed by Dexia to transfer to Dexia MA exposures on Italian and Belgian local governments originated by Dexia's commercial network.Dexia MA thus holds almost all of the debt issued by DCC and DSFB, with the remainder held by the Dexia Group entity that originated the assets (Dexia Crediop and Dexia Bank Belgium).

DCC securities benefit from the guarantee of Dexia Crediop, and were rated A by Fitch, A- by Standard and Poor's, and A2 by Moody's as of September 30, 2011. These ratings are linked to that of Dexia Crediop, which was downgraded by Standard and Poor's to BBB+ on October 6, 2011, and by Moody's to Baa3 on November 10, 2011.

The securities issued by DSFB 1 et 2 benefit from the guarantee of Dexia Bank Belgium (DBB), and are therefore rated A+ by Fitch, A by Standard and Poor's and A3 by Moody's. The securities issued by DSFB 4 are not guaranteed by Dexia Bank Belgium, but are rated AA by Fitch.

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 and is rated AA+ by Standard & Poor's; its debt is unconditionally and irrevocably guaranteed by the Land of Lower Austria;
- Colombo SRL (rated A by Standard & Poor's and Aa2 by Moody's) and Societa veicolo Astrea SRL (rated AA- by Fitch and Aa3 by Moody's) are both Italian companies with assets that are exclusively loans to the Italian public sector (regions, municipalities, etc.).

Exposure on banks

Dexia MA holds three types of exposure on banks:

- its replacement assets, made up of covered bonds issued by Dexia Group entities (*cedulas territoriales* issued by Dexia Sabadell and *lettres de gage* issued by Dexia LdG Banque), certificates of deposit issued by Dexia Credit Local, and loans to Dexia Credit Local guaranteed by public sector debt securities (see above 3.2.b);
- the value of its derivative contracts, entered into within the framework of its management of interest rate and foreign exchange risks;
- bank accounts balances in euros and other currencies.

All of Dexia MA's derivative operations are conducted within the framework of standard ISDA or AFB contracts with major international banks (more than 30 counterparties). 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 September 30, 2011, Dexia MA was exposed (positive fair value of the swaps) on 13 banking counterparties. Eight of these paid collateral, which offset the exposure, and five paid none because of their very high ratings. These five counterparties represented an exposure of EUR 222 million. All these exposures on (long-term) derivatives as of September 30, 2011, are listed below.

EUR millions	Notional amounts	Mark to Market		Collateral received	Number of counterparties
		-	+		
Dexia Credit Local	19,460	*-3,601*	-	-	1
Dexia Crediop	1,410	*-421*	-	-	1
Dexia Banque	5,920	*-576*	-	-	1
Other counterparties	89,580	*-3,968*	2,371	2,481	28
Total	**116,370**	***-8,566***	**2,371**	**2,481**	**31**

Long-term derivatives signed with external counterparties represented a total of 77% of the notional amounts.

Long-term derivatives signed with the five largest external counterparties represented a total of 36% of the notional amounts and those signed with the Dexia Group 23%.

Short-term swaps (Eonia) are exclusively concluded with Dexia Credit Local.

(4. CHANGE IN DEBT BENEFITING FROM THE LEGAL PRIVILEGE IN THE THIRD QUARTIER OF 2011

Dexia Municipal Agency issued the equivalent of EUR 6.1 billion as of September 30, 2011, versus EUR 7.6 billion for the year 2010.

The pace of issues in recent quarters was as follows.

EUR millions	2010	2011
1Q	3,134	2,618
2Q	2,227	3,483
3Q	2,244	-
4Q	43	
TOTAL	**7,648**	**6,101**

No issues were launched in the second half, since the annual budget was accomplished in the first six months of the year.
Since the beginning of 2011, two new issues were launched, with the following characteristics:

- EUR 1.0 billion, maturity May 2016 (5 years),
- EUR 1.0 billion, maturity January 2021 (10 years).

The year's other public issues mainly represented taps of existing Swiss-franc issues with maturity in February 2016 (CHF 250 million), bringing the total to CHF 450 million, and another Swiss-franc issue with maturity in August 2019 (CHF 125 million), bringing the total to CHF 475 million,
and taps of euro benchmarks with maturity in

- February 2018 (EUR 300 million), bringing the total to EUR 1.3 billion,
- February 2019 (EUR 200 million), bringing the total to EUR 1.82 billion,
- September 2020 (EUR 500 million), bringing the total to EUR 1.25 billion.
- January 2021 (EUR 1,000 million), bringing the total to EUR 2.0 billion,
- January 2022 (EUR 400 million), bringing the total to EUR 1.9 billion.

Private placements in the first half partially took the form of registered covered bonds, a private placement format designed for German investors. These issues make it possible to meet the specific needs of certain investors rapidly and flexibly.

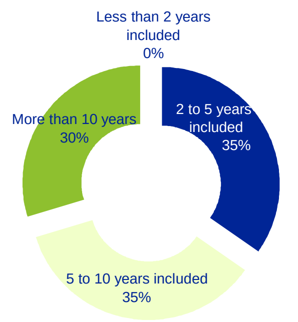
The breakdown of new production between public issues and private placements can be analyzed as follows.

EUR millions			2010		2011
Public issues			6,209		4,687
Private placements			1,439		1,414
including:	*RCB*	*487*		*221*	
	Less than 2 years	-		-	
TOTAL			**7,648**		**6,101**

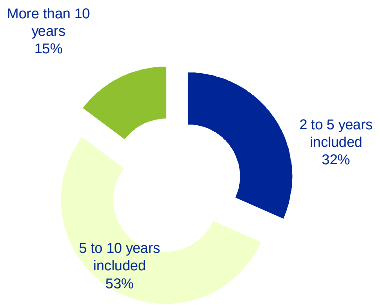
As in 2010, the average maturity of new issues was calculated to maintain at a low level the average gap in maturity between commercial assets, which are traditionally long in the public sector, and issues of *obligations foncières*. The average maturity of new issues was thus 8.4 years in the first nine months of 2011 and 9.1 years in 2010.

Non audited information

Breakdown of amount issued in 2010 by maturity



Breakdown of amount issued as of September 30, 2011, by maturity

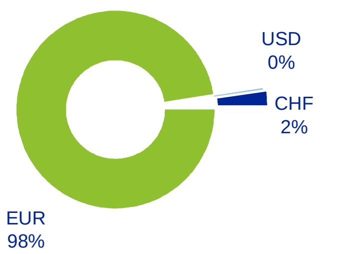


Dexia MA’s issues in 2011 were primarily in euros (88%).

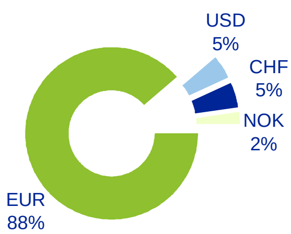
EUR millions	2010	2011
EUR	7,447	5,409
CHF	179	288
NOK	0	128
USD	22	276
TOTAL	**7,648**	**6,101**

Dexia MA’s issuance policy involves a strong presence in the main euro markets and, to a lesser degree, the eurodollar market, building a consistent curve and monitoring the good performance of its benchmarks in the secondary market, as well as active diversification in certain selected markets.

Breakdown of amount issued in 2010 by currency

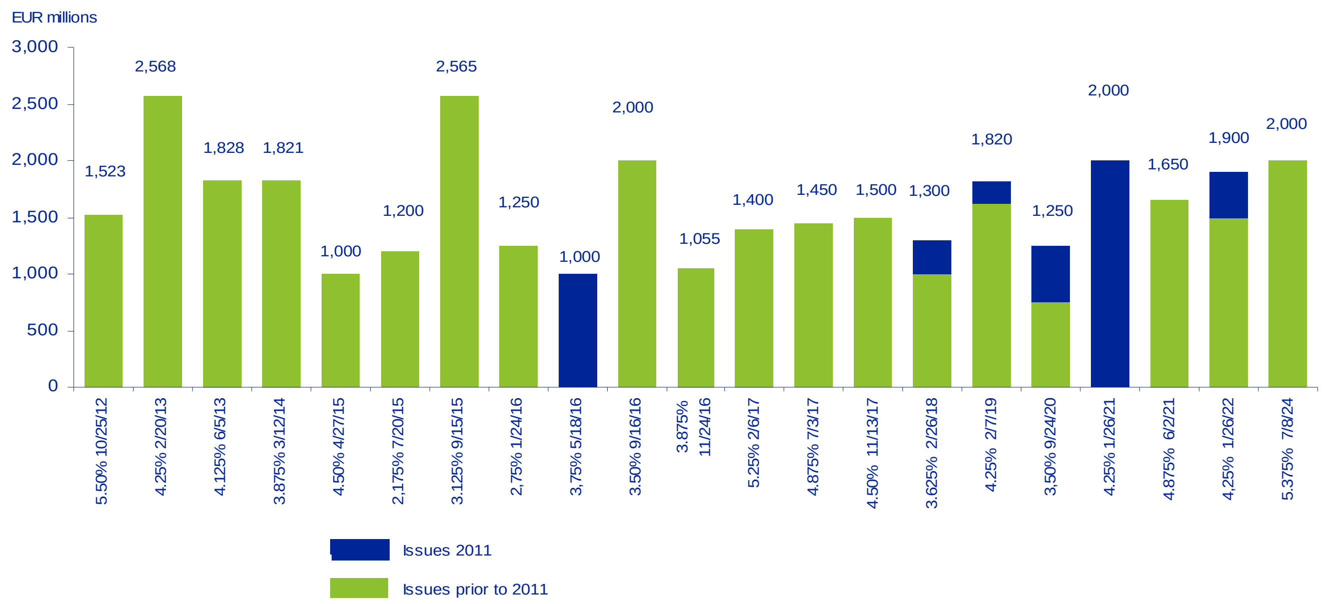


Breakdown of amount issued as of September 30,2011, by currency

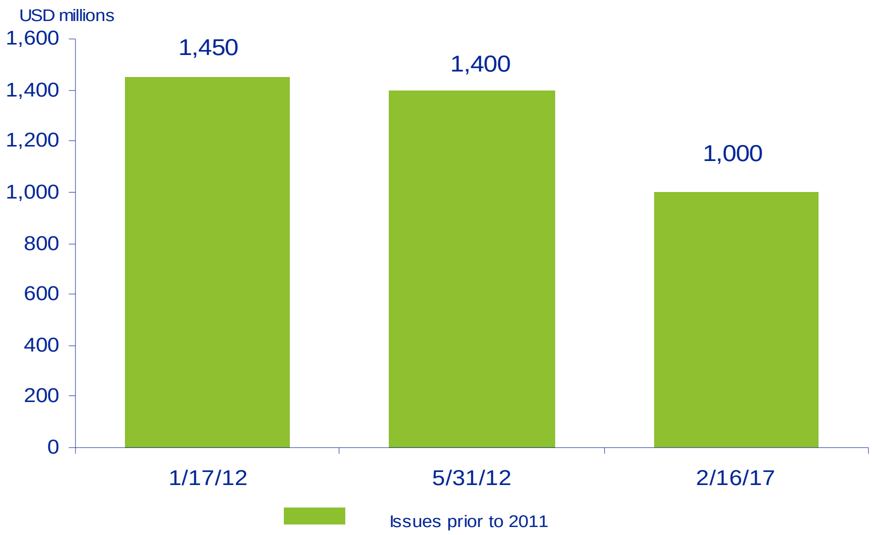


Non audited information

Analysis of benchmarks in EUR

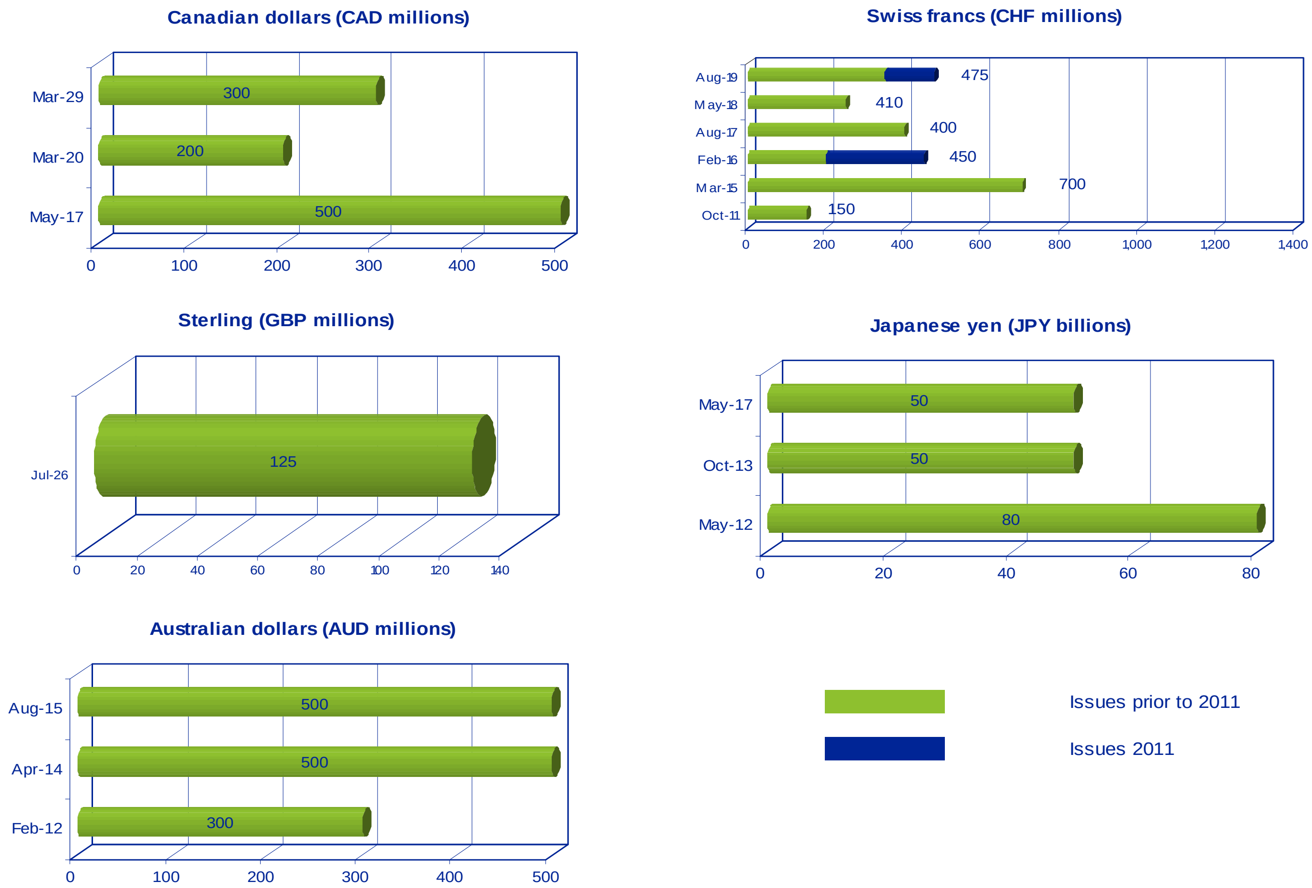


Analysis of benchmarks in USD



Non audited information

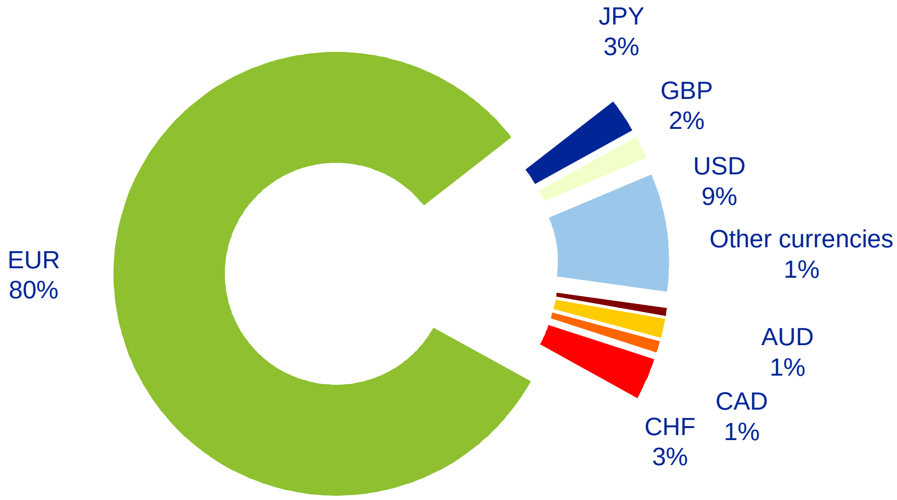
Main curves in non-euro currencies (excluding USD)



After reimbursement of EUR 6.2 billion, outstanding *obligations foncières* and registered covered bonds at the end of September 2011 totaled EUR 63.4 billion in swapped value.

EUR millions	**2010**	**2011**
Beginning of the year	64,785	63,565
Issues	7,648	6,101
Reimbursements	(8,868)	(6,222)
TOTAL	**63,565**	**63,444**

The breakdown of outstanding debt by currency as of September 30, 2011, can be analyzed as follows.



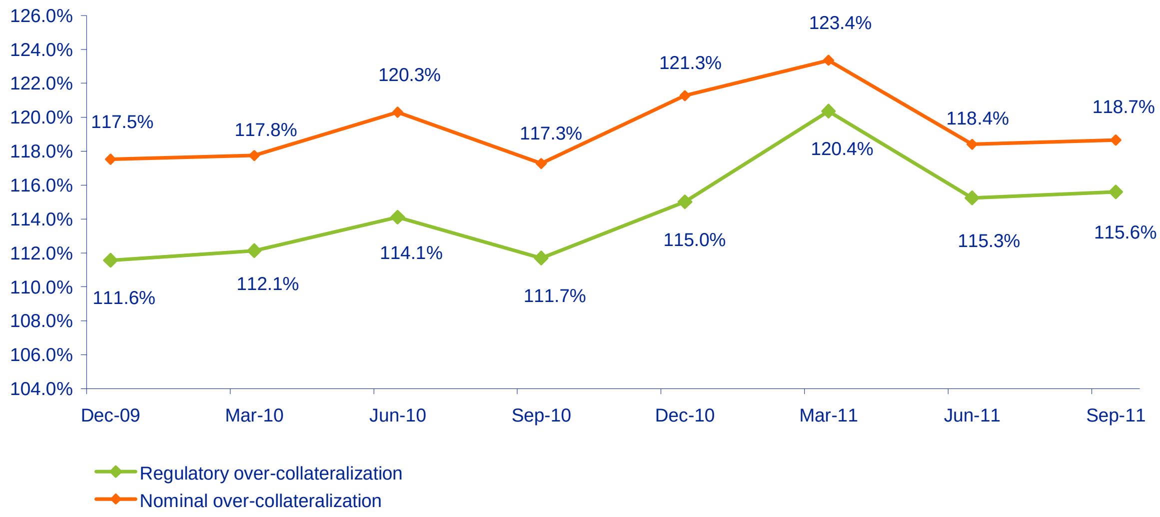
(5. CHANGES IN THE OVER-COLLATERALIZATION RATIO

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

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

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

Non audited information



Regulatory over-collateralization is less than nominal over-collateralization because it is calculated on the basis of the rules determined by the prudential control authority (ACP). In particular, these rules require different weighting levels according to the assets. The assets in Dexia MA's cover pool are generally weighted at 100%, except for certain units of securitization vehicles, made up of assets originated by the Dexia Group and issued by Dexia subsidiaries, benefiting from a rating at the same level as that of the company which guarantees them, either Dexia Crediop for DDC securities or Dexia Bank Belgium for DSFB 1 and DSFB 2 securities.

The weightings specified for these securitization units by current legislation governing *sociétés de crédit foncier* were modified in the first half of 2011. The internal DCC and DSFB securitization vehicles, benefiting from the second best credit quality rating granted by the rating agencies, are now weighted at 80% in the calculation of the ratio of regulatory over-collateralization instead of 50%, as was previously the case. The impact of this change in weighting on Dexia MA's over-collateralization ratio since the end of March 2011 was an improvement of 3%.

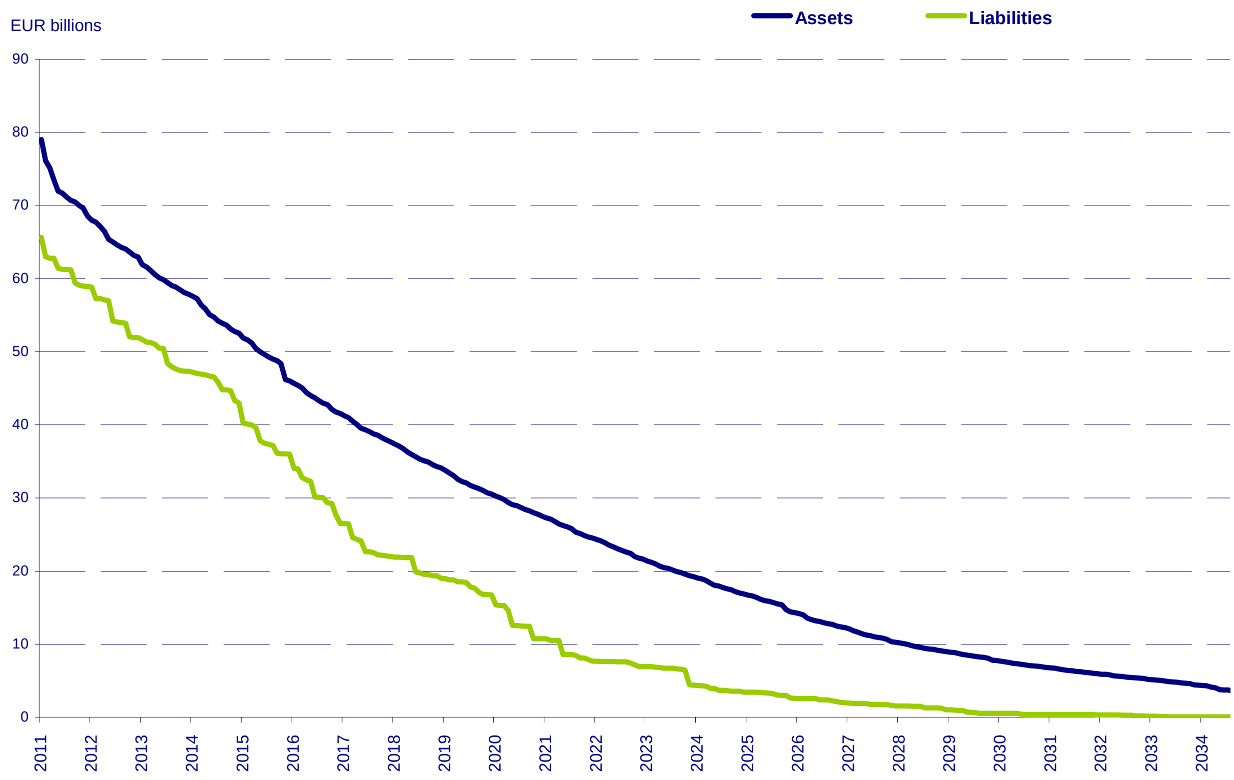
This particular weighting is the primary reason for the gap that exists between regulatory over-collateralization and nominal over-collateralization.

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

The following graph on over-collateralization presents amortization curves of the assets and the issues benefiting from the legal privilege as of September 30, 2011.

Non audited information

Amortization of assets and liabilities as of September 30, 2011:



(6. CHANGES IN DEBT THAT DOES NOT BENEFIT FROM THE LEGAL PRIVILEGE

The asset surplus (in reference to *obligations foncières* and registered covered bonds) and miscellaneous needs are financed by equity and 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. The agreement distinguishes several sub-accounts that make it possible to analyze this financing by category:

- to finance structural over-collateralization of 5% in the long term;
- to finance temporary over-collateralization in the short term, using the current account itself.

In addition, Dexia MA always holds irrevocable and on first demand financing commitments from Dexia Credit Local covering the reimbursements of *obligations foncières* in the next 12 months. If put to use, such financing would be operative for a period of two years. As of September 30, 2011, the commitments received from Dexia Credit Local totaled EUR 4.1 billion.

Temporary financing may also be obtained from the Banque de France. These funds do not benefit from the privilege stipulated in the law on *sociétés de crédit foncier*, but they are guaranteed by loans and securities deposited for this purpose in Dexia MA's account at the Central Bank. Dexia MA participated in the tenders launched by the Banque de France in the final quarter of 2008 and the first six months of 2009, in order

Non audited information

to finance its new commercial production when the primary market was almost closed.

As of September 30, 2011, Dexia MA had no debt *vis-à-vis* the Banque de France, and its debt *vis-à-vis* Dexia Credit Local stood at EUR 11.0 billion, excluding accrued interest not yet due.

The latter debt could be analyzed according to the above-mentioned categories as follows:

- to finance structural over-collateralization of 5%: EUR 3.5 billion*;
- to finance surplus over-collateralization, using the current account: EUR 7.5 billion.

** The amortization profile of this long-term loan was designed to finance, at any time, an amount equal to 5% of outstanding* obligations foncières *as well as the haircut that the Banque de France would administer to assets temporarily deposited in guarantee to meet future funding needs (in a stress scenario in which these needs could not be met by the covered bond market or by advances granted by Dexia Credit Local).*

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 Credit Local**	**Banque de France**	**TOTAL**
9/30/2010	10.5	-	10.5
12/31/2010	12.5	-	12.5
9/30/2011	11.0	-	11.0

(7. 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 September 30, 2011.

Breakdown of outstanding swaps	**Notional * (EUR billions)**	**Dexia Group (%)**	**Other counterparties (%)**
Macro-hedges			
Euribor against Eonia	**105.1**	**100.0%**	**0.0%**
Total short-term swaps	**105.1**	**100.0%**	**0.0%**
Fixed rate swaps against Euribor			
Micro-hedges on *obligations foncières*	51.5	3.2%	96.8%
Micro-hedges on loans and debt securities	27.5	24.6%	75.4%
Macro-hedges on loans	20.7	54.2%	45.8%
Sub-total	**99.8**	**19.7%**	**80.3%**
Currency swaps			
Micro-hedges on *obligations foncières*	11.5	35.4%	64.6%
Micro-hedges on loans	3.7	58.8%	41.2%
Micro-hedges on debt securities	1.4	60.6%	39.4%
Sub-total	**16.6**	**42.8%**	**57.2%**
Total long-term swaps	**116.4**	**23.0%**	**77.0%**

** absolute value*

7.1 MANAGEMENT OF THE INTEREST RATE RISK

The management of the interest rate risk involves two steps.
• In the first stage, all the assets and the liabilities benefiting from the privilege which do not naturally have a floating rate are swapped against Euribor until maturity as soon as they are recorded on the balance sheet. A residual fixed rate gap remains on certain fixed rate assets that are hedged by macro-swaps (in particular, small loans to clients). This gap is monitored within very strict limits.
• In the second step, Euribor lending and borrowing flows are swapped against Eonia over a sliding period of two years in order to eliminate the interest rate risk generated by differences in fixing dates. A residual gap remains after the first and second levels of hedging and is also monitored within strict limits.
In addition, any debt contracted with Dexia Credit Local to finance over-collateralization is directly borrowed with a monetary index and does not have to be swapped. If such is the case, debt *vis-à-vis* the Banque de France, which is short-term and at a fixed rate, is not hedged, but finances assets that also have a fixed rate.

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

The sensitivity limits for the fixed rate gap and the monetary gap mentioned above are defined as the change in the gaps' net present value (NPV) under the impact of a parallel 1% (100 basis points) shift in the yield curve. The aggregate of these two limits for the fixed rate gap and the monetary gap is set at 3% of equity, and this figure is reviewed every year at the end of the first quarter. This general sensitivity limit was adjusted to EUR 40.0 million as of the second quarter of 2011, including EUR 9.0 million for the monetary gap and EUR 31.0 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	4Q 2010	17.9	22.2	13.9	26.0
	1Q 2011	13.1	20.8	5.2	26.0
	2Q 2011	12.9	13.4	12.2	31.0
	3Q 2011	17.3	20.7	14.0	31.0
Monetary	4Q 2010	(0.0)	3.0	(2.5)	9.0
	1Q 2011	1.6	2.6	0.4	9.0
	2Q 2011	0.3	2.8	(3.0)	9.0
	3Q 2011	(0.4)	1.5	(6.0)	9.0
Total	4Q 2010	18.1	22.8	14.0	35.0
	1Q 2011	14.6	22.7	5.7	35.0
	2Q 2011	13.1	15.6	12.2	40.0
	3Q 2011	16.8	21.1	12.2	40.0

Non audited information

7.2 MANAGEMENT OF THE FOREIGN EXCHANGE RISK

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

7.3 MANAGEMENT OF THE TRANSFORMATION RISK

With the interest rate risk under control, as presented above, Dexia Municipal Agency manages the congruence of maturities between the assets and the liabilities by maintaining the duration gap between the assets and the liabilities within a maximum limit of three years.

From the point of view of the method, since both the assets and the resources benefiting from the privilege have a floating rate after swaps, Dexia MA's balance sheet appears to indicate that there is a single loan *vis-à-vis* a single borrowing. Duration (D) is calculated as follows: "sum of the periods weighted by the cash flows and discounted at the interest rate of the zero coupon curve for period (t) / sum of the cash flows discounted at the interest rate of the zero coupon curve for period (t)".

$$D = \sum_{t=1}^{T} [(t \times CFt) / (1 + st)^{t}] / \sum_{t=1}^{T} [CFt / (1 + st)^{t}]$$

The difference in maturity between the assets and the liabilities may create a liquidity risk. Dexia MA's management rule involves a commitment not to allow a duration gap of more than three years between the assets and the resources benefiting from the legal privilege. The actual duration gap remains under this limit, as can be seen in the table below.

Duration in years	9/30/2010	12/31/10	3/31/11	6/30/11	9/30/11
Assets	7.25	6.98	6.85	6.93	**7.25**
Privileged liabilities	5.29	5.23	5.6	5.63	**5.48**
Gap in asset-liability duration	**1.96**	**1.75**	**1.25**	**1.25**	**1.77**
Duration gap limit	*3*	*3*	*3*	*3*	*3*

The duration gap between the assets and the liabilities is closely monitored since it is sensitive to fluctuations in interest rates (net present value) and to significant changes in assets and liabilities. The average maturity of new issues is long in order to maintain the duration gap under two years on a regular basis.

The rise in the duration gap between June 30 and September 30 was mainly the result of movements on the interest rate curve. The gap in weighted average life changed little over the same period, as presented below.
The gap in the weighted average life of the assets and the liabilities benefiting from the legal privilege has been relatively stable since the beginning of the year.

Weighted Average life (in years)	9/30/2010	12/31/10	3/31/11	6/30/11	9/30/11
Assets	8.85	8.85	8.84	8.85	**8.66**
Privileged liabilities	5.87	5.94	6.33	6.30	**5.98**
Gap in asset-liability weighted average life	**2.98**	**2.92**	**2.51**	**2.55**	**2.68**

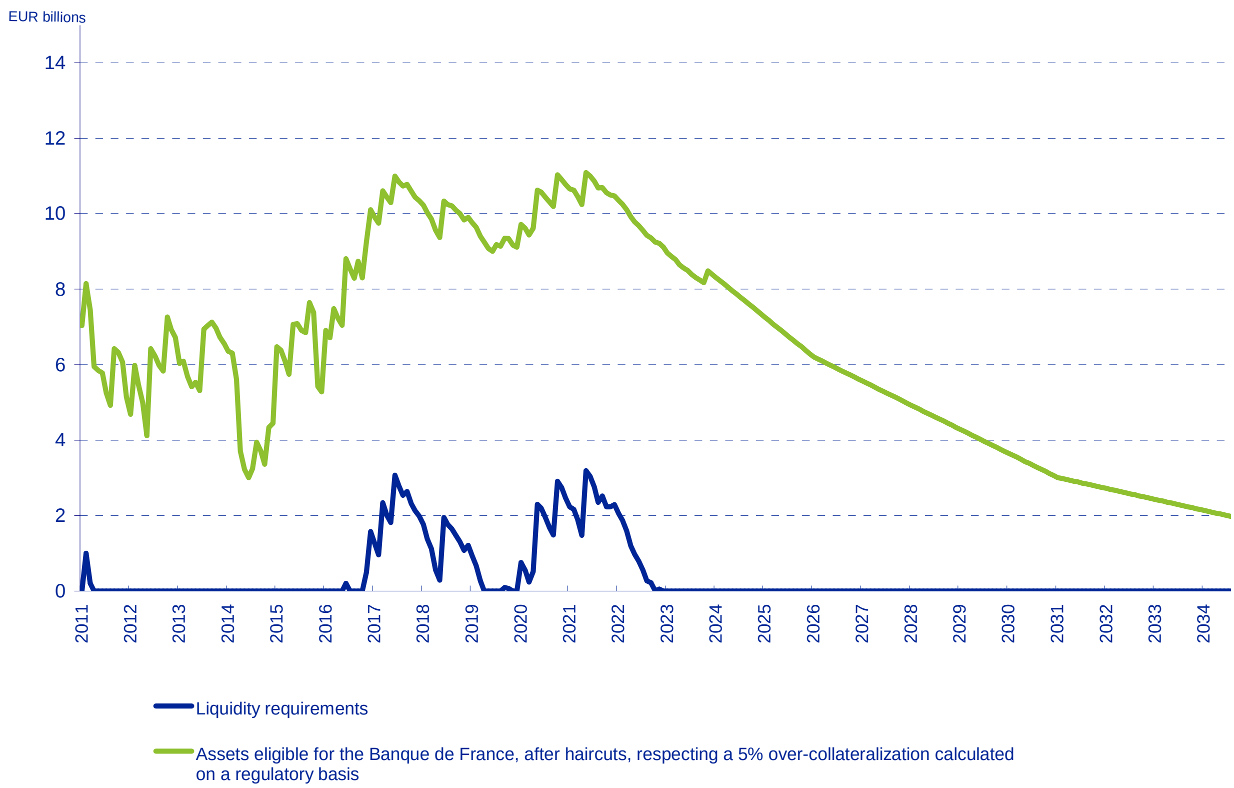
7.4 MANAGEMENT OF THE LIQUIDITY RISK

The liquidity risk can be defined as the risk that Dexia MA may not be able to settle its privileged debt commitments at the due date owing to the fact that there is too great a gap between the reimbursement of the assets and the redemption of its privileged resources.
By limiting the duration gap between assets and resources to three years, Dexia maintains control over its future needs for liquidity.

To meet its liquidity needs, Dexia MA will issue new *obligations foncières* to replace those that arrive at maturity and the reimbursement of which creates the need for liquidity. If the situation in the covered bond market does not make it possible to launch new issues, Dexia MA may first make use of the backing of its parent company Dexia Credit Local, which has committed in its “declaration of support” (the full text is incorporated into the EMTN program and Dexia MA’s annual report) so that Dexia MA “has the financial resources it needs to meet its obligations.”
This support takes the following forms:
• an unlimited current account facility, with Dexia Credit Local;
• a firm and irrevocable commitment by Dexia Credit Local to make available to Dexia MA the funds it requires to reimburse *obligations foncières* that reach maturity in the coming 12 months on a sliding scale.

In addition, Dexia MA has its own solid resources that enable it to cover its temporary liquidity needs, even in the event of the default of its parent company, since any legal proceedings engaged for the bankruptcy or liquidation of its parent company cannot be extended to Dexia MA (article L.515-21 of the Monetary and Financial Code). Because of the nature of the assets that make up its cover pool, Dexia MA has a large number of assets that are directly eligible for refinancing by the Central Bank, so that its need for cash can be easily covered.
Since it is a credit institution, Dexia MA can post these eligible assets:
• either by using, in its own name, the refinancing possibilities offered by the European Central Bank *via* the Banque de France;
• or by using interbank financing in the form of repurchase agreements.

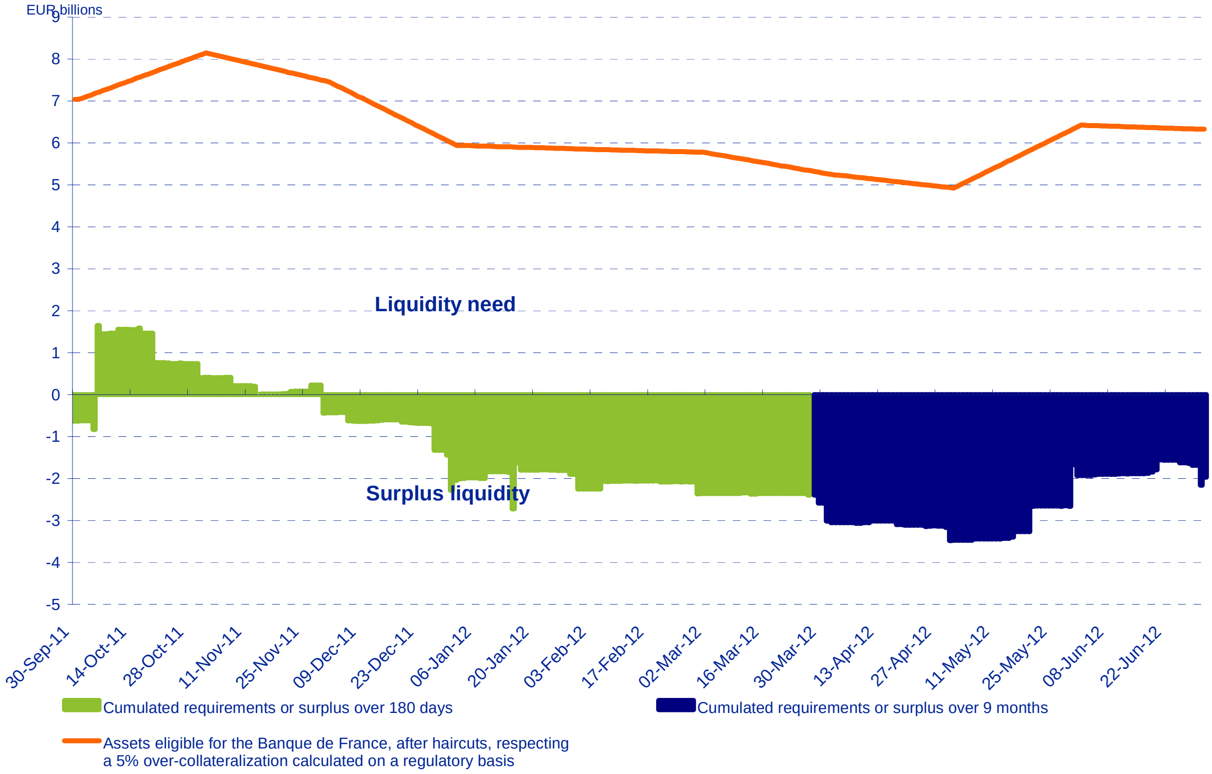
In practice, Dexia MA first uses new issues of *obligations foncières* or financing made available by Dexia Credit Local, but it has also demonstrated its real capacity to obtain financing from the Banque de France when the primary covered bond market remained closed from September 2008 to June 2009. During this period, the funds borrowed by Dexia MA from the Central Bank totaled a maximum of EUR 7.5 billion at the end of 2008.
The maximum cumulated liquidity that Dexia MA might need in the future, in a run-off situation, is less than this amount. Future liquidity needs are presented below.



Except for the possible reimbursement of cash collateral received, here incorporated in the very short term, Dexia MA will present net cash surpluses in the coming years.
In addition, Dexia MA manages its liquidity risk by means of the following three indicators:
• the liquidity ratio for one month (regulatory reporting to the prudential control authority - ACP);
• the duration gap between the assets and the resources benefiting from the legal privilege (limited to three years), which is published quarterly;
• cash needs over the next 180 days: Dexia MA's management makes it possible to provide structural coverage for its liquidity needs up to the extinguishment of the privileged liabilities by assets eligible for refinancing by the Banque de France. Moreover, Dexia MA ensures that at any time, its cash needs over a period of 180 days are covered by replacement assets, assets eligible for credit operations with the Banque de France, or by refinancing agreements signed with credit institutions with the best short-term credit rating.

At the end of September 2011, Dexia MA had no net cumulated need for cash over the next 180 days, except during the next seven weeks*, as shown in the following graph.

Non audited information



* This graph has been designed on the assumption that the cash collateral received should be completely reimbursed at the next calculation date. This explains the need for cash in the first week of October (approximately EUR 2.5 billion).

(8. Income for the period

Dexia MA usually publishes its financial statements according to IFRS in order to ensure a better understanding and greater comparability of its accounts internationally. The rules applied by Dexia MA are the same as those applied in the Dexia Group and are in compliance with IFRS, as adopted by the European Commission.
As of September 30, 2011, the Dexia Group decided not to publish financial statements, but simply to make an intermediary declaration in view of its ongoing restructuring.
For the sake of consistency, Dexia MA chose not to publish audited accounts.

For information, a summary income statement is presented below. This data has not been audited and does not comply with IFRS, mainly owing to the treatment adopted for the Greek and Icelandic securities portfolio (see 8.1).

8.1 TREATMENT OF GREEK AND ICELANDIC SECURITIES

As of June 30, 2011, Dexia MA recorded a depreciation of EUR 7 million on its direct exposures to Greece in order to respect Dexia's commitments in the IIF (Institute of International Finance) assistance program.
Since the IIF's plan was not implemented, European authorities proposed a new assistance program on October 27, 2011. The new plan requires a greater effort on the part of private creditors. In the meantime, to avoid larger losses at its

subsidiary, Dexia Credit Local committed to redeem all of Dexia MA's Greek and Icelandic exposures, with no additional loss compared with first-half accounts. This commitment took the form of a transfer agreement whereby Dexia Ma sold this portfolio to DCL.

In Dexia MA's quarterly IFRS financial statements, a loss in value was recognized on the Greek portfolio, offset by a gain on the transfer agreement, which was considered as a derivative under IFRS. The loss in value of EUR 430 million was offset for a corresponding amount in net banking income through the increase in value of the derivative (future sale). Given the loss in value recorded in income, the negative AFS reserve relating to these securities was reduced to zero.
Recognition of the transfer agreement, which was signed after the closing date, does not comply with IFRS, and the accounting treatment has not been audited by the auditors of Dexia MA.

8.2 INCOME STATEMENT

The income statement as of September 30, 2011, is presented synthetically in the following table. The data has not been audited.

Non audited information

EUR millions - IFRS	9/30/2010	2010 full year	9/30/2011	Change Sept 2010/Sept 2011
Interest margin	188	256	135	**(28)%**
Net commissions	(5)	(5)	(5)	**0%**
Net result of hedge accounting	1	-	-	**-**
Net result of financial assets available for sale	14	12	2	**(86)%**
Other income and expense	-	-	-	**-**
NET BANKING INCOME	**198**	**263**	**132**	**(33)%**
General operating expenses	(68)	(88)	(67)	
Taxes	(6)	(8)	(6)	
OPERATING INCOME BEFORE COST OF RISK	**124**	**167**	**59**	**(52)%**
Cost of risk	(3)	(4)	(7)	
PRE-TAX INCOME	**121**	**163**	**52**	**(57)%**
Income tax	(40)	(54)	(19)	
NET INCOME	**81**	**109**	**33**	**(59)%**

Net banking income decreased by 33%, i.e. EUR 66 million, in comparison with the same period in 2010, down from EUR 198 million to EUR 132 million.

This trend was principally due to a decline in the interest margin, which decreased by more than 28% (EUR 53 million). The interest margin corresponds to the difference between income from the assets and the expense of the liabilities (hedged against interest rate and foreign exchange risks). It basically increases in function of changes in the volume and margin of new operations. The decrease was in part due to less favorable long-term funding conditions and also to the impact of changes in the cash/swap spread.

The item "Net result on financial assets available for sale" mainly involved the result of early reimbursements and divestments of assets (EUR +2.6 million) and net losses reported on early reimbursement of debt (EUR -0.7 million).

Operating expenses were 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. They were stable in comparison with the previous year.

The cost of risk stood at EUR 7 million and reflected the impact of depreciation on Greek sovereign issues. (see above).

Net income for the period was down EUR 48 million from the same period in 2010.

(9. OUTLOOK FOR THE FOURTH QUARTER OF 2011

The issues launched by Dexia MA in 2011 totaled EUR 6.1 billion, an amount in line with the volume issued in 2010 and comparable to the issues that will arrive at maturity in 2011.

There were no issues in the third quarter, because the issues in the first half of 2011 reached the amount budgeted for the year. Dexia MA will not issue an additional amount in the fourth quarter, since its asset-liability situation does not require such a move.

These issues are mainly comprised of public issues in euros, making it possible to complement Dexia MA’s euro benchmark curve, and of private placements.

Bonds and loans to Public sector as of 9/30/2011

EUR millions	9/30/2011					12/31/2010
	Direct exposure		Indirect exposure			
Country	**Loans**	**Bonds**	**Loans**	**Bonds**	**Total**	**Total**
France						
State	156		129		285	291
Regions	1,936	143	187		2,265	2,308
Departements	6,195		312		6,506	6,762
Municipalities*						19,656
- from 0 to 2,000 inhabitants	1,774		20			
- from 2,000 to 5,000 inhabitants	2,219		43			
- from 5,000 to 10,000 inhabitants	2,562		77			
- from 10,000 to 20,000 inhabitants	2,461		104			
- from 20,000 to 50,000 inhabitants	3,862	9,316	167			
- from 50,000 to 100,000 inhabitants	2,660		150			
- more than 100,000 inhabitants	2,280	100,095	517			
Groups of municipalities	10,050	123	309		10,481	10,974
Public sector entities* :						10,177
- health	6,715				6,715	
- social housing	2,069				2,069	
- others	1,181		3		1,184	3
Credits institutions	806	600			1,406	949
Subtotal	**46,926**	**974**	**2,017**		**49,918**	**51,120**
Germany						
State				12	12	
Länder		504		496	1,000	716
Subtotal		**504**		**508**	**1,012**	**716**
Austria						
Länder	204				204	206
ABS		79			79	81
Subtotal	**204**	**79**			**284**	**287**
Belgium						
Regions	280		83		363	477
Communities		50			50	74
Public sector entities	83				83	87
Securities issued by DSFB (cf. Infra note 2.)		6,790			6,790	7,236
Subtotal	**363**	**6,840**	**83**		**7,287**	**7,874**
Canada						
Provinces		22			22	22
Communities	100				100	
Public sector entities	125				125	
Subtotal	**225**	**22**			**248**	**22**
Spain						
Cedulas territoriales		3,000			3,000	3,000
Regions		227			227	102
Municipalities						127
Subtotal		**3,227**			**3,227**	**3,229**
United States						
Federated States		253			253	253
Subtotal		**253**			**253**	**253**
Finland						
Municipalities	28				28	32
Public sector entities	51				51	53
Subtotal	**78**				**78**	**85**
Iceland						
State				180	180	180
Subtotal				**180**	**180**	**180**
Italy						
State		506		46	552	610
Regions		1,596			1,596	1,512
Provinces		305			305	246
Municipalities	14	1,616			1,630	1,582
ABS		6			6	9
Securities issued by DCC (cf infra note 1.)		3,536			3,536	3,681
Subtotal	**14**	**7,565**		**46**	**7,624**	**7,641**
Luxembourg						
Lettres de gage		1,350			1,350	1,850
Public sector entities						65
Subtotal		**1,350**			**1,350**	**1,915**
Japan						
Municipalities		25			25	25
Subtotal		**25**			**25**	**25**
Portugal						
Regions				48	48	48
Municipalities	91				91	90
Public sector entities	10				10	11
Subtotal	**101**			**48**	**148**	**148**

	9/30/2011					12/31/2010
EUR millions	Direct exposure		Indirect exposure			
Country	Loans	Bonds	Loans	Bonds	Total	Total
United Kingdom						
State				686	686	665
County			398		398	
District			28		28	
Municipalities			1,368		1,368	
Public sector entities			56		56	
Subtotal			**1,850**	**686**	**2,536**	**665**
Sweden						
Municipalities	97		138		235	348
Subtotal	**97**		**138**		**235**	**348**
Switzerland						
Cantons	1,690		1,027		2,717	3,164
Municipalities	1,330				1,330	1,322
Public sector entities	123				123	120
Subtotal	**3,143**		**1,027**		**4,170**	**4,606**
Greece						
State		314		100	414	421
Subtotal		**314**		**100**	**414**	**421**
Supranational						
International organizations	50				50	53
Subtotal	**50**				**50**	**53**
TOTAL COVER POOL	**51,201**	**21,154**	**5,115**	**1,568**	**79,038**	**79,587**

Loans and securities is off premiums / discounts.

Securities denominated in foreign currencies are recorded at their euros swapped value

** No breakdown as at 12/31/2010*

NOTE 1 :
The DCC securities, in the amount of EUR 3,587.8 million as of September 30, 2011, were suscribed by Dexia MA for EUR 3,535.6 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.

DCC Securities held by Dexia MA benefit from the guarantee of Dexia Crediop, witch was rated, A by Fitch, A- by Standard and Poor's and A2 by Moody's as at September 30, 2011. These rating are linked to Dexia Crediop. On October 6, 2011, the rating of Dexia Crediop was downgraded by Standard and Poor's to BBB+ and by Moody's to Baa3 on November 10, 2011.

As of September 30, 2011 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 7,089.8 million as of September 30, 2011, were suscribed by Dexia MA for EUR 6,790.3 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 issued by DSFB I and II held by Dexia MA benefit from the guarantee of Dexia Bank Belgium, and
are rated A+ by Fitch, A by Standard & Poor's and A3 by Moody's for DSFB I and A+ by Fitch, A by Standard and Poor's for DSFB II. The securities issued by DSFB 4 are not guaranteed by Dexia Bank Belgium and are rated AA by Fitch.

As of September 30, 2010, the assets held by DSFB (compartments 1, 2 and 4) could be broken down as follows.

Assets held by DCC as of 9/30/2011 - Dexia Crediop per la Cartolarizzazione

(EUR millions)	Italian assets
State	
Regions	1,932.5
Provinces	635.7
Municipalities	1,011.5
Compte banque de DCC auprès de Dexia Banque Belgium	8.2
TOTAL	**3,587.8**

Assets held by DSFB as of 9/30/2011 - Dexia Secured Funding Belgium

(EUR millions)	Belgian assets
State	
Regions	563.0
Communities	3,329.9
Public sector entities	2,375.4
Group of public sector entities	76.1
Loans guaranted by local governments	745.4
TOTAL	**7,089.8**