



Municipal Agency

DEXIA MUNICIPAL AGENCY

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

for the issue of *Obligations Foncières*

due from one month from the date of original issue

This supplement (the "**Fifth Supplement**") is supplemental to, and should be read in conjunction with the Base Prospectus dated 10 July 2009 (the "**Base Prospectus**"), the supplement to the Base Prospectus dated 1st September 2009, the supplement to the Base Prospectus dated 8 December 2009, the supplement to the Base Prospectus dated 15 January 2010, and the supplement to the Base Prospectus dated 9 February 2010 (together, the "**Supplements**") prepared in relation to the €75,000,000,000 Euro medium term note programme for the issue of *Obligations Foncières* due from one month from the date of original issue of Dexia Municipal Agency (the "**Issuer**"). On 10 July 2009, the *Commission de Surveillance du Secteur Financier* (the "**CSSF**") approved the Base Prospectus as a base prospectus for the purposes of Article 5.4 of the Directive 2003/71/EC (the "**Prospectus Directive**") and Article 8.4 of the Luxembourg Law on prospectuses for securities dated 10 July 2005 (the "**Luxembourg Law**"). The CSSF approved the First Supplement on 1st September 2009, the Second Supplement on 8 December 2009, the Third Supplement on 15 January 2010 and the Fourth Supplement on 9 February 2010, each as a supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and Article 13 of the Luxembourg Law.

This Fifth Supplement constitutes a supplement to the Base Prospectus as supplemented by the Supplements for the purposes of Article 16 of the Prospectus Directive and Article 13 of the Luxembourg Law.

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

Unless the context otherwise requires, terms defined in the Base Prospectus shall have the same meaning when used in this Fifth Supplement.

To the extent that there is any inconsistency between (a) any statement in this Fifth Supplement or any statement incorporated by reference into the Base Prospectus as supplemented by the Supplements and (b) any other statement in or incorporated by reference into the Base Prospectus as supplemented by the Supplements, the statements in (a) above will prevail.

Save as disclosed in this Fifth Supplement, there has been no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus as supplemented by the Supplements since the publication of the Base Prospectus as supplemented by the Supplements.

The Fifth Supplement is available on the Luxembourg Stock Exchange's website: "www.bourse.lu".

In accordance with Article 13 paragraph 2 of the Luxembourg Law, investors who have already agreed to purchase or subscribe, before this Fifth Supplement, securities not yet settled at the date of that Fifth Supplement have the right, exercisable within a time limit of minimum two working days after the date of this Fifth Supplement, to withdraw their acceptances.

The Fifth Supplement has been prepared for the following purposes:

1. **deleting and replacing the paragraphs "Taxation" in section "Summary of the Programme" on page 8 and in section "General description of the Programme" on page 27 of the Base Prospectus as follows:**

"Taxation

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

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

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such *Obligations Foncières* will no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on

or after 1 January 2011, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 25% or 50% (subject to the more favourable provisions of any applicable tax treaty).

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

(i) offered by means of a public offer within the meaning of Article L.411-1 of the French *Code monétaire et financier* or pursuant to an equivalent offer in a State other than a Non-cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the clearing

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

3. Interest and other revenues on *Obligations Foncières* issued (or deemed issued) outside France as provided under Article 131 *quater* of the French *Code général des impôts*, prior to 1 March 2010 (or *Obligations Foncières* that are issued on or after 1 March 2010 and which are to be assimilated to (*assimilables* for the purpose of French law), and form a single series with, such *Obligations Foncières*) will continue to be exempt from the withholding tax set out under Article 125 A III of the French *Code général des impôts*.

In addition, interest and other revenues paid by the Issuer on *Obligations Foncières* issued before 1 March 2010 (or *Obligations Foncières* issued on or after 1 March 2010 and which are to be assimilated to (*assimilables* for the purpose of French law), and form a single series with, such *Obligations Foncières*) will be subject neither to the non-deductibility set out under Article 238 A of the French *Code général des impôts* nor to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.

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

2. **deleting and replacing Condition 8(a) in section "Terms and Conditions of the Obligations Foncières" on page 46 of the Base Prospectus with the following :**

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

3. **deleting and replacing the section "France - Taxation" on pages 79 and 80 of the Base Prospectus with the following:**

"France - Taxation

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

Obligations Foncières issued as from 1 March 2010

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

Furthermore, according to Article 238 A of the French *Code général des impôts*, interest and other revenues on such *Obligations Foncières* will no longer be deductible from the Issuer's taxable income, as from the fiscal years starting on or after 1 January 2011, if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State. Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Article 109 of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 25% or 50% (subject to the more favourable provisions of any applicable double tax treaty).

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

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

the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

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

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

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

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

In addition, interest and other revenues paid by the Issuer on *Obligations Foncières* issued before 1 March 2010 (or *Obligations Foncières* issued after 1 March 2010 and which are to be assimilated to (*assimilables* for the purpose of French law), and form a single series with, such *Obligations Foncières*) will be subject neither to the non-deductibility set out under Article 238 A of the French *Code général des impôts* nor to the withholding tax set out in Article 119 *bis* 2 of the French *Code général des impôts* solely on account of their being paid in a Non-Cooperative State or accrued or paid to persons established or domiciled in a Non-Cooperative State.”