

**Final Terms dated 3 May 2006**

**DEXIA MUNICIPAL AGENCY  
(the “Issuer”)**

Euro 75,000,000,000

Euro Medium Term *Note* Programme  
for the issue of *Obligations Foncières*

Due from one month from the date of the original issue

**SERIES NO: 263**

**TRANCHE NO: 1**

**EUR 65,000,000 Fixed to Floating Flippable *Obligations Foncières* due May 2036**

Issue Price: 100 per cent.

**BARCLAYS CAPITAL**

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 18 August, 2005 and the supplements to the Base Prospectus dated 18 November, 2005, 10 January, 2006 and 14 April, 2006 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the *Obligations Foncières* described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the *Obligations Foncières* is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus and the supplemental to the Base Prospectus are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website of the Issuer ([www.dexia-ma.com](http://www.dexia-ma.com)) or on the website of the Luxembourg Stock Exchange (“[www.bourse.lu](http://www.bourse.lu)”), and copies may be obtained from Dexia Municipal Agency, Tour Cristal, 7-11 Quai André Citroën, 75015 Paris, France.

1	Issuer:	Dexia Municipal Agency
2	(i) Series Number:	263
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	EURO (“EUR”)
4	Aggregate Nominal Amount of Obligations Foncières admitted to trading:	
	(i) Series:	EUR65,000,000
	(ii) Tranche:	EUR65,000,000
5	Issue Price:	100 per cent. of the Aggregate Nominal Amount
6	Specified Denominations:	EUR50,000
7	(i) Issue Date:	05 May 2006
	(ii) Interest Commencement Date:	05 May 2006
8	Maturity Date:	05 May 2036 subject to no adjustment

**If the Issuer has exercised its Flip Option (as defined in Item 32 below):**

The Specified Interest Payment Date falling on or around 5 May 2036 subject to adjustment in accordance with the Following Business Day Convention. For the avoidance of doubt, TARGET Business Days shall apply.

9	Interest Basis:	<b>Provided that the Issuer has not exercised the Flip Option (as defined in Item 32 below):</b> 4.95 per cent. Fixed Rate (“ <b>Interest Basis A</b> ”), <b>Otherwise:</b> Euribor 3 Month Floating Rate (“ <b>Interest Basis B</b> ”). (further particulars specified below)
10	Redemption/Payment Basis	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Applicable only if the Issuer has exercised its Flip Option in which case the Interest Basis shall change from Fixed Rate to Floating Rate
12	Call Options:	Not Applicable
13	(i) Status of the <i>Obligations Foncières</i> : (ii) Dates of the corporate authorisations for issuance of the <i>Obligations Foncières</i>	<i>Obligations Foncières</i> Decision of the <i>Directoire</i> of Dexia Municipal Agency dated 20 April 2006 deciding the issue of the <i>Obligations Foncières</i> and authorizing Mr François LAUGIER, President or any of its <i>Directeurs Généraux</i> officers the power to sign and execute all documents in relation to the issue of the <i>Obligations Foncières</i>
14	Method of distribution:	Non-syndicated

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

15	<b>Fixed Rate <i>Obligation Foncière</i> Provisions – Interest Basis A</b>	Applicable
	(i) Rate (s) of Interest:	4.95 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	Every 05 May in each year, commencing from and including 05 May 2007, up to and including the earlier of the Flip Option Date (see item 32) and the Maturity Date
	(iii) Fixed Coupon Amount (s):	EUR2,475 per <i>Obligations Foncières</i> of EUR50,000 Specified Denomination
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction (Condition 5(a)):	Act/Act ICMA (unadjusted)
	(vi) Determination Date(s) (Condition 5(a)):	Not Applicable
	(vii) Other terms relating to the method of calculating interest for Fixed Rate <i>Obligations Foncières</i> :	Not Applicable

**16 Floating Rate Provisions – Interest Basis B**

		Applicable for the period from and including the Flip Option Date to but excluding the Maturity Date only if the Flip Option has been exercised (see item 32)
(i)	Interest Period(s)	The period from and including the Flip Option Date up to but excluding the first Specified Interest Payment Date and each subsequent period from and including a Specified Interest Payment Date to but excluding the next Specified Interest Payment Date
(ii)	Specified Interest Payment Dates:	05 February, 05 May, 05 August and 05 November in each year commencing from and including the Specified Interest Payment Date immediately following the Flip Option Date up to and including the Maturity Date subject to adjustment in accordance with the provisions set out below in sections 16 (iii) and 16 (iv).
(iii)	Business Day Convention:	Following Business Day Convention
(iv)	Business Centre(s) (Condition 5(c)):	TARGET
(v)	Manner in which the Rate(s) of Interest is/are to be determined:	Screen Rate Determination
(vi)	Party responsible for calculating the Rate(s) of Interest and Interest Amount(s) (if not the Calculation Agent):	Not Applicable
(vii)	Screen Rate Determination (Condition 5(c)(iii)(B)):	Applicable
	-- Relevant Time:	11.00a.m. (Brussels time)
	-- Interest Determination Date(s):	2 TARGET Business Days prior to the first day of the relevant Interest Period
	-- Primary Source for Floating Rate:	Telerate page 248
	-- Reference Banks (if Primary Source is "Reference Banks"):	Not Applicable
	-- Relevant Financial Centre:	Euro-zone
	-- Benchmark:	EURIBOR
	-- Representative Amount:	Not Applicable
	-- Effective Date:	Not applicable
	-- Specified Duration:	Three month
(viii)	ISDA Determination (Condition 5(c)(iii)(A)):	Not Applicable
(ix)	Margin(s):	Not Applicable
(x)	Minimum Rate of Interest:	Not Applicable
(xi)	Maximum Rate of Interest:	Not Applicable
(xii)	Day Count Fraction (Condition 5(a)):	Act/360, adjusted
(xiii)	Rate Multiplier:	Not Applicable

(xiv)	Fall back provisions, rounding provisions, denominator and any other terms relating to the method of calculating interest on Floating Rate <i>Obligations Foncières</i> , if different from those set out in the Conditions:	Not Applicable
<b>17</b>	<b>Zero Coupon <i>Obligation Foncière</i> Provisions</b>	Not Applicable
<b>18</b>	<b>Index Linked Interest <i>Obligation Foncière</i> /other variable-linked interest <i>Obligations Foncières</i> Provisions</b>	Not Applicable
<b>19</b>	<b>Dual Currency <i>Obligation Foncière</i> Provisions</b>	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>		
<b>20</b>	<b>Call Option</b>	Not Applicable
<b>21</b>	<b>Other Option</b>	Not Applicable
<b>22</b>	<b>Final Redemption Amount of each <i>Obligation Foncière</i></b>	EUR50,000 per <i>Obligation Foncière</i> of EUR50,000 Specified Denomination
<b>23</b>	<b>Early Redemption Amount</b>	Not Applicable
	Early Redemption Amount(s) of each <i>Obligation Foncière</i> payable on redemption for taxation reasons or on any early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions).	Not Applicable
<b>GENERAL PROVISIONS APPLICABLE TO THE <i>OBLIGATIONS FONCIÈRES</i></b>		
<b>24</b>	<b>Form of <i>Obligations Foncières</i>:</b>	<i>Dematerialised Obligations Foncières</i>
	(i) Form of Dematerialised <i>Obligations Foncières</i> :	Bearer dematerialised form ( <i>au porteur</i> )
	(ii) Registration Agent	Not Applicable
	(iii) Temporary Global Certificate:	Not Applicable
	(iv) Applicable TEFRA exemption:	Not Applicable
<b>25</b>	<b>Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:</b>	TARGET–Following Business Day Convention
<b>26</b>	<b>Talons for future Coupons or Receipts to be attached to definitive Materialised <i>Obligations Foncières</i> (and dates on which such Talons mature):</b>	Not Applicable.
<b>27</b>	<b>Details relating to Partly Paid <i>Obligations Foncières</i>: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay</b>	Not Applicable
<b>28</b>	<b>Details relating to Instalment <i>Obligations Foncières</i>: amount of each instalment, date on which each payment is to be made:</b>	Not Applicable
<b>29</b>	<b>Redenomination, renominalisation and reconventioning provisions:</b>	Not Applicable
<b>30</b>	<b>Consolidation provisions:</b>	Not Applicable

31 Representation of holders of *Obligations Foncières* Masse (Condition 10): The initial Representative will be:

Antoine de Chauveron  
23, avenue Foch  
75016 Paris

The alternative Representative will be:

Laurent Vallery Radot  
23, avenue Foch  
75016 Paris

The Representative will not be remunerated.

32 Other final terms:  
Flip Option

The Issuer has the right (the “**Flip Option**”) by providing notice to the Calculation Agent and to the holders of *Obligations Foncières* in accordance with Condition 14 by no later than the day that is five Target Business Days prior to the Interest Payment Date scheduled to fall on 05 May 2011, 05 May 2016, 05 May 2021, 05 May 2026 and 05 May 2031 (such Interest Payment Date, the “**Flip Option Date**”) to change the basis on which interest on the *Obligations Foncières* is to be determined from Interest Basis A to Interest Basis B.

In the event that the Flip Option is exercised as set out above, then with effect from and including such Flip Option Date, Interest Basis B (calculated in accordance with the provisions of item 16) shall apply to but excluding the Maturity Date of the *Obligations Foncières*.

#### DISTRIBUTION

33 (i) If syndicated, names of Managers:

Not Applicable

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

Not Applicable

34 If non-syndicated, name of Dealer:

Barclays Bank PLC

35 Additional selling restrictions:

**France :**

The selling restrictions specified in the section of the Base Prospectus “Subscription and Sale” in relation to France shall be supplemented as follows:

Each of the Issuer and the Dealer has represented and agreed that: it has not offered or sold and will not offer or sell, directly or indirectly, *Obligations Foncières* to the public in France, and has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Base Prospectus, the Final Terms or any other offering material relating to the *Obligations Foncières*, and that such offers, sales and distributions have been and shall only be made in France to (i) providers of investment services relating to portfolio management for the account of third parties, and/or (ii) qualified investors (*investisseurs qualifiés*), all as defined in, and in accordance with, articles L.411-1, L.411-2 and D.411-1 of the French Code monétaire et financier.

**LISTING AND ADMISSION TO TRADING APPLICATION**

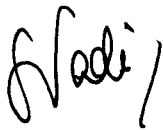
This Final Terms comprises the Final Terms required to list the issue of *Obligations foncières* described herein pursuant to the Euro 75,000,000,000 Euro Medium Term Note Programme of Dexia Municipal Agency.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Duly represented by:

A handwritten signature in black ink, appearing to read 'F. Adé', is written over a horizontal line.

## PART B – OTHER INFORMATION

### 1. RISK FACTORS

Not Applicable

### 2. LISTING

(i) Listing:

Bourse de Luxembourg (regulated market of the Luxembourg Stock Exchange)

(ii) Admission to trading:

Application has been made for the *Obligations Foncières* to be admitted to trading on the regulated market of the Luxembourg Stock Exchange with effect from 5 May 2006

### 3. RATINGS

Ratings:

*Obligations Foncières* to be issued under the Programme are expected to be rated AAA by Standard & Poor's Rating Services and Fitch Ratings and Aaa by Moody's Investors Services, Inc.

Applicable

### 4. NOTIFICATION

Not Applicable

### 5. SPECIFIC CONTROLLER

The specific controller (*contrôleur spécifique*) of the Issuer has certified that the value of the assets of the Issuer will be greater than the value of its liabilities benefiting from the privilege defined in article L.515-19 of the French Monetary and Financial code, after settlement of this issue and of the issues which have been the subject of previous attestations.

### 6. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

So far as the Issuer is aware, no person involved in the offer of the *Obligations Foncières* has an interest material to the offer.



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

(i) Reasons for the offer: Not Applicable

(ii) Estimated net proceeds: EUR 65,000,000

(iii) Estimated total expenses: Not Applicable

## 8. YIELD

**In the event that the Flip Option is not exercised**, the yield to Maturity Date of the *Obligations Foncières* would be 4.95% per cent. per annum.

There can be no assurance, however, that the yield to Maturity will be as set out in this paragraph 8.

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

## 9. HISTORIC INTEREST RATES

**In the case the Flip Option is exercised**, details of historic EURIBOR rates can be obtained with the following RIC Code: EURIBOR3MD=.

## 10. PERFORMANCE OF RATE OF EXCHANGE

Not Applicable

## 11. EXPLANATION OF EFFECT ON VALUE OF INVESTMENT

Not Applicable

## 12. OPERATIONAL INFORMATION

ISIN Code: FR0010322792

Common Code: 025263537

Depositories:

(i) Euroclear France to act  
as Central Depository Yes

(ii) Common Depository  
for Euroclear Bank  
S.A./N.V. and No  
Clearstream  
Luxembourg

Any clearing system(s) other Not Applicable

than Euroclear and Clearstream, Luxembourg and the relevant identification number(s):

Delivery:

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

Delivery against payment

**Fiscal Agent, Principal Paying Agent and Luxembourg Listing Agent:**

Dexia Banque Internationale à Luxembourg Société Anonyme

69, route d'Esch

L-1470 Luxembourg

Grand-Duchy of Luxembourg

**Paying Agents :**

Dexia Bank Belgium S.A.

44, boulevard Pachéco

B-1000 Brussels

Belgium

RBC Dexia Investor Services Bank France S.A. (formerly known as Dexia Investor Services Bank France)

105, rue Réaumur

75002 Paris

France

Name and address of the Calculation Agent:

Barclays Bank PLC

5 The North Colonnade

Canary Wharf

London E14 4BB

The Calculation Agent shall act as an independent expert and not as an agent for the Issuer or the holders of the *Obligations Foncières*.

All determinations and calculations shall be made by the Calculation Agent at its sole discretion, in good faith, acting reasonably and on an arms length basis. All such calculations so made shall be final and binding (save in the case of manifest error) on the Issuer, the Agents and the holders of the *Obligations Foncières*.

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

Not Applicable

The aggregate principal amount of *Obligations Foncières* issued has been translated into Euro at the rate of [*currency*] per euro 1.00, producing a sum of:

Not Applicable