

Final Terms dated 5 July 2006



**Municipal Agency**

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

Euro 75,000,000,000  
Euro Medium Term *Note* Programme  
for the issue of *Obligations Foncières*

**SERIES NO: 194  
TRANCHE NO: 3**

Euro 500,000,000 3.125 per cent. *Obligations Foncières* due 15 September 2015 to be assimilated (*assimilables*), upon listing, and form a single series with the existing EUR 1,500,000,000 3.125 per cent. *Obligations Foncières* due 15 September 2015

Issue Price: 91.575 per cent. of the Aggregate Nominal Amount of the Tranche plus an amount corresponding to accrued interest at a rate of 2.526 per cent. of the Aggregate Nominal Amount of the Tranche for the period from, and including, 15 September 2005 to, but excluding, 7 July 2006

**FINAL TERMS**

**BNP PARIBAS  
IXIS CORPORATE & INVESTMENT BANK**

## 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, 14 April 2006, 30 May 2006 and 26 June 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, the Base Prospectus and the supplements to the Base Prospectus dated 18 November 2005, 10 January 2006, 14 April 2006, 30 May 2006 and 26 June 2006. The Base Prospectus and the Supplements to the Base Prospectus are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and were published in accordance with the provisions of Article 14 of the Prospectus Directive, admitting the validity of disclosure carried out, *inter alia* and always at the choice of the Issuer, though release 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:	194
	(ii) Tranche Number:	3
		The <i>Obligations Foncières</i> will, upon listing on the Luxembourg Stock Exchange, be assimilated ( <i>assimilables</i> ), interchangeable for trading purposes and form a single series with the existing EUR 1,500,000,000 3.125 per cent. <i>Obligations Foncières</i> due 15 September 2015
3	Specified Currency or Currencies:	Euro (“ <b>EUR</b> ”)
4	Aggregate Nominal Amount:	
	(i) Series:	EUR 2,000,000,000
	(ii) Tranche:	EUR 500,000,000
5	Issue Price:	91.575 per cent. of the Aggregate Nominal Amount of the Tranche plus an amount corresponding to accrued interest at a rate of 2.526 per cent. of such Aggregate Nominal Amount for the period from, and including, 15 September 2005 to, but excluding, 7 July 2006.
6	Specified Denominations:	EUR 1,000
7	(i) Issue Date:	7 July 2006
	(ii) Interest Commencement Date:	15 September 2005
8	Maturity Date:	15 September 2015

9	Interest Basis:	3.125 per cent. per annum Fixed Rate (further particulars specified below)
10	Redemption/Payment Basis:	Redemption at par
11	Change of Interest or Redemption/Payment Basis:	Not Applicable
12	Call Options:	None
13	(i) Status of the <i>Obligations Foncières</i> :	<i>Obligations Foncières</i>
	(ii) Dates the corporate authorisations for issuance of the <i>Obligations Foncières</i> :	Decision of the <i>Directoire</i> of Dexia Municipal Agency dated 29 June 2006 deciding the issue of the <i>Obligations Foncières</i> and authorising Mr François LAUGIER, President or any of its <i>Directeurs Généraux</i> officers to sign and execute all documents in relation to the issue of the <i>Obligations Foncières</i>
14	Method of distribution:	Syndicated

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

15	Fixed Rate <i>Obligation Foncière</i> Provisions	Applicable
	(i) Rate of Interest:	3.125 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s):	September 15 in each year, from and including September 15, 2006 to and including the Maturity Date
	(iii) Fixed Coupon Amount:	EUR 31.25 per <i>Obligation Foncière</i> of EUR 1,000 in nominal amount
	(iv) Broken Amount(s):	Not Applicable
	(v) Day Count Fraction (Condition 5(a)):	Actual/Actual ICMA (formerly known as ISMA), (unadjusted)
	(vi) Determination Date(s) (Condition 5(a)):	15 September in each year commencing on 15 September 2006
	(vii) Other terms relating to the method of calculating interest for Fixed Rate <i>Obligations Foncières</i> :	Not Applicable
16	Floating Rate Provisions	Not Applicable
17	Zero Coupon <i>Obligation Foncière</i> Provisions	Not Applicable
18	Index Linked Interest <i>Obligation Foncière</i> /other variable-linked interest <i>Obligations Foncières</i> Provisions	Not Applicable
19	Dual Currency <i>Obligation Foncière</i> Provisions	Not Applicable

#### **PROVISIONS RELATING TO REDEMPTION**

20	Call Option	Not Applicable
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<b>21</b>	Other Option	Not Applicable
<b>22</b>	Final Redemption Amount of each <i>Obligation Foncière</i>	EUR 1,000 per <i>Obligation Foncière</i> of EUR 1,000 Specified Denomination
<b>23</b>	Early Redemption Amount 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

#### **GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES***

<b>24</b>	Form of <i>Obligations Foncières</i> :	Dematerialised <i>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>	Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:	Target – Following Business Day Convention
<b>26</b>	Talons for future Coupons or Receipts to be attached to definitive Materialised <i>Obligations Foncières</i> (and dates on which such Talons mature):	Not Applicable
<b>27</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	Not Applicable
<b>28</b>	Details relating to Instalment <i>Obligations Foncières</i> : amount of each instalment, date on which each payment is to be made:	Not Applicable
<b>29</b>	Redenomination, renominatisation and reconventioning provisions:	Not Applicable
<b>30</b>	Consolidation provisions:	Not Applicable

<b>31</b> Representation of holders of <i>Obligations Foncières Masse</i> (Condition 10):	<p>Holders of <i>Obligations Foncières</i> will be grouped automatically for the defence of their common interests in a <i>Masse</i>.</p> <p>The <i>Masse</i> will be governed by the provisions of the French <i>Code of commerce</i> with the exception of Articles L.228-47, L.228-48 and L.228-59 and by the decree no. 67-236 of 23 March 1967, with the exception of Articles 218, 222 and 224.</p> <p>The initial Representative will be:          Antoine de Chauveron          23, avenue Foch          75016 Paris</p> <p>The alternative Representative will be:          Laurent Vallery Radot          23, avenue Foch          75016 Paris</p> <p>The Representative will not be remunerated.</p> <p>Not Applicable</p>
<b>32</b> Other final terms:	
<b>DISTRIBUTION</b>	
<b>33</b> (i) If syndicated, names and addresses of Managers and underwriting commitments:	<p><b>BNP Paribas</b>          10 Harewood Avenue          London NW1 6AA          United Kingdom          Underwriting commitment of          EUR 250,000,000</p>
	<p><b>IXIS Corporate &amp; Investment Bank</b>          47, quai d'Austerlitz          75648 Paris Cedex 13          France          Underwriting commitment of          EUR 250,000,000</p>
(ii) Date of Subscription Agreement:	5 July 2006
(iii) Stabilising Manager(s) (if any):	IXIS Corporate & Investment Bank
<b>34</b> If non-syndicated, name and address of Dealer:	Not Applicable
<b>35</b> Total commission and concession:	0.035 per cent. of the Aggregate Nominal Amount of the Tranche
<b>36</b> Additional selling restrictions:	<p><b>FRANCE:</b></p> <p>Each of the Managers and the Issuer has acknowledged that the <i>Obligations Foncières</i> are deemed to be issued outside</p>

the Republic of France and, accordingly each of the Managers and the Issuer has represented and agreed that, (i) it has not offered or sold and will not offer or sell, directly or indirectly, any *Obligations Foncières* to the public (*appel public à l'épargne*) in the Republic of France and (ii) offers and sales of *Obligations Foncières* in the Republic of France will be made to qualified investors (*investisseurs qualifiés*) as defined in, and in accordance with, Articles L.411-1, L.411-2 and D. 411-1 to D. 411-3 of the French *Code monétaire et financier*, but excluding individuals referred to in Article D.411-1 II 2° of the French *Code monétaire et financier*.

In addition, each of the Managers and the Issuer has represented and agreed that, it has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Base Prospectus, any of the supplements to the Base Prospectus, these Final Terms or any other offering material relating to the *Obligations Foncières* other than to those investors (if any) to whom offers and sales of the *Obligations Foncières* in the Republic of France may be made as described above.

The Base Prospectus and these Final Terms have not been submitted to the clearance procedures of the French *Autorité des marchés financiers*.

#### **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: Jean-Claude SYNAVE

## PART B – OTHER INFORMATION

### 1. RISK FACTORS

See “Risk Factors” in the Base Prospectus; there are no additional risk factors.

### 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 7 July 2006.
- The existing EUR 1,500,000,000 3.125 per cent. *Obligations Foncières* due 15 September 2015 are already admitted to trading on the regulated market of the *Bourse de Luxembourg*.

### 3. PUBLIC OFFERS

Not Applicable

### 4. RATINGS

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

### 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 *Code monétaire et financier*, after settlement of this issue and of the issues which have been the subject of previous attestations.

### 6. NOTIFICATION

Not Applicable.

### 7. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE OFFER

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

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

- (i) Reasons for the offer: The net proceeds of the issue of the *Obligations Foncières* will be used for the Issuer's general corporate purposes.
- (ii) Estimated net proceeds: EUR 470,330,000
- (iii) Estimated total expenses: EUR 175,000 (Managers' commission)

## **9. OFFER STATISTICS AND EXPECTED TIMETABLE**

- (i) Offer statistics Not Applicable
- (ii) Expected timetable Not Applicable

## **10. YIELD**

Indication of yield: 4.255 per cent.

Calculated at the Issue Date in accordance with the ICMA (formerly known as ISMA) method, which determines the effective interest rate of the *Obligations Foncières* taking into account accrued interest on a daily basis on the Issue Date.

As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

## **11. HISTORIC INTEREST RATES**

Not Applicable (Floating Rate *Obligations Foncières* only)

## **12. PERFORMANCE OF INDEX/FORMULA/OTHER VARIABLE, EXPLANATION OF EFFECT ON VALUE OF INVESTMENT AND ASSOCIATED RISKS AND OTHER INFORMATION CONCERNING THE UNDERLYING**

Not Applicable (Index-Linked or other variable-linked *Obligations Foncières* only)

## **13. PERFORMANCE OF RATE[S] OF EXCHANGE AND EXPLANATION OF EFFECT ON VALUE OF INVESTMENT**

Not Applicable (Dual currency *Obligations Foncières* only)

## **14. EXPLANATION OF EFFECT ON VALUE OF INVESTMENT, RETURN ON DERIVATIVES SECURITIES AND INFORMATION CONCERNING THE UNDERLYING**

Not Applicable (*Derivatives* only)

## 15. OPERATIONAL INFORMATION

ISIN Code: FR0010231357

Common Code: 022917609

Stabilising Manager (*if syndicated*): IXIS Corporate & Investment Bank

Depositories:

Euroclear France to act as Central Depositary Yes

Common Depositary for Euroclear Bank S.A./N.V. and Clearstream Luxembourg No

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

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

**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 SA  
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: Not Applicable

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