Annual report 2009

DEXIA MUNICIPAL AGENCY

PUBLIC SECTOR ASSETS
OBLIGATIONS FONCIÈRES
RATED AAA / Aaa / AAA

DEXIA
Municipal Agency

ANNUAL REPORT 2009

Dexia Municipal Agency

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Contents

This free translation of the annual report published in French is provided solely for the convenience of English-speaking readers.

DEXIA GROUP PROFILE

Dexia is a European bank, with 35,234 employees and core shareholders' equity of EUR 18.5 billion as of December 31, 2009. Dexia Group focuses on Retail and Commercial banking in Europe, mainly in Belgium, Luxembourg and Turkey, and on Public and Wholesale Banking, providing local public finance operators with comprehensive banking and financial solutions. Asset Management and Services provides asset management, investor and insurance services, notably to the clients of the two other business lines. The different business lines interact continuously in order to serve clients better and to support the Group's commercial activity.

BUSINESS LINES

RETAIL AND COMMERCIAL BANKING

Dexia offers a wide range of retail, commercial and private banking services to over 8 million customers.
Dexia is ranked among the three largest banks in Belgium and Luxembourg. In Belgium, Dexia serves its four million customers through over 900 branches. The Luxembourg operation is the international wealth management center within the Group; it also covers the country with a nationwide network of branches. Dexia also holds a strong position in Turkey, through DenizBank. This full-fledged bank is currently the sixth largest privately-held bank and serves its customers through a nationwide network of 450 branches. Dexia also has a presence in Slovakia.
The Group aims at fully extracting the potential from its historical franchises in Belgium and Luxembourg while developing its Turkish operations.

PUBLIC AND WHOLESALE BANKING

Dexia plays a major role in the financing of local facilities and infrastructures, the health and social housing sectors and the social economy. The Group assists all public and semi-public operators in implementing their projects, and participates in the development of local infrastructures and services.
Dexia focuses its activities on its historical markets, France and Belgium, but is also present in Italy and the Iberian Peninsula. Furthermore, the Group is established in Germany with a platform granting access to the *Pfandbriefe* market. Dexia is also active in the field of project finance, adopting a selective approach in areas such as infrastructure and renewable energies in Europe and North America.
Close to its clients and fully in tune with their requirements, Dexia is constantly developing and widening its range of products and services. The aim is to go well beyond the role of specialist lender and, by providing the benefit of its experience, to offer public and semi-public operators the solutions best suited to their needs.

ASSET MANAGEMENT AND SERVICES

This business line includes Dexia's activities in the field of asset management, investor services and insurance activities.
With EUR 82.4 billion of assets under management as of December 31, 2009, Dexia Asset Management is the Group's asset management center. Its four production centers (based in Belgium, France, Luxembourg and Australia) serve a broad client base.
The investor services business is conducted by RBC Dexia Investor Services, a joint venture with Royal Bank of Canada, which offers its expertise in global custody, fund and pension administration and shareholder services to institutions all around the world. Total assets under custody amounted to USD 2,456 billion as of December 31, 2009.
Dexia's insurance activities are mainly concentrated on the Belgian and Luxembourg markets. The Group offers a complete range of contracts to retail, commercial and private banking clients (for both life and non-life insurance) as well as to Dexia's public and semi-public clients. This is done both through a banking-insurance approach and through a network of tied agents.

RATINGS

The Group's main operating entities – Dexia Bank Belgium, Dexia Credit Local and Dexia Banque Internationale à Luxembourg – are rated A+ by Fitch, A1 by Moody's and A by Standard & Poor's. Three of Dexia's European subsidiaries (Dexia Municipal Agency, Dexia Kommunalbank Deutschland and Dexia LdG Banque) issue AAA rated covered bonds.

MANAGEMENT REPORT
Dexia Municipal Agency 2009

1. GENERAL INTRODUCTION ON THE NATURE OF THE COMPANY AND THE GENERAL FRAMEWORK OF ACTIVITIES

1.1 - THE NATURE OF THE COMPANY

Dexia Municipal Agency (Dexia MA) is a French credit institution that is authorized to operate as a *société financière-société de crédit foncier*. As a credit institution, it conducts banking transactions in its ordinary course of business. As a *société financière-société de crédit foncier*, these transactions are specialized and have an exclusive purpose, as defined in articles L.513-13 and following of the Monetary and Financial Code. In the case of Dexia MA, this specialization is reinforced by its own by-laws and by the July 23, 1999, authorization of the CECEI (Comité des établissements de crédit et des entreprises d'investissement), which limits its activity to transactions with public sector entities or entities they guarantee.

Sociétés de crédit foncier, created by a French law passed in June 1999, are well known to bond issuers and investors. They issue covered debt instruments called *obligations foncières* or contract other covered debt, which may or may not be traded on regulated markets. All these instruments are characterized by a legal privilege that in priority allocates the sums from the Company's assets to serve bond interest and reimbursement. *Sociétés de crédit foncier* may also issue or contract non-covered debt.

These *obligations foncières* have become one of the significant components of the international covered bond market.

1.2 - CHANGES IN THE LEGAL FRAMEWORK IN 2009

There was no significant change in the legal framework of *obligations foncières* in 2009.

On the other hand, however, the treatment of the *obligations foncières* held by banks for the calculation of large exposures was specified by an *arrêté* on June 12, 2009. The provisions of this *arrêté* are in compliance with the European directive 2006/48.

For the calculation of large exposures, covered bonds benefiting from a legal privilege or exposures in a form of bonds guaranteed by a legal framework equivalent to that of *sociétés de crédit foncier*:

- are not consolidated with the exposures held by the parent company,
- benefit from a preferential weighting of 10%.

1.3 - GENERAL FRAMEWORK OF ACTIVITIES

The assets held by Dexia Municipal Agency are exclusively comprised of commitments on public sector entities. These assets are financed through the issue of debt that is covered by a legal privilege that guarantees them a priority right on the flow of assets. The surplus of assets not financed by covered bonds, the "over-collateral", is financed by the Company's equity and by a debt contracted with Dexia Credit Local, its sole shareholder. This debt carries no privilege and is thus subordinated to the covered bonds.

a. Assets

The assets held by Dexia Municipal Agency are solely comprised of commitments on public sector entities that are eligible by the terms of articles L.515-15 and following of the Monetary and Financial Code, i.e. States, local governments or groups of such, public sector entities in the European Economic Area, Switzerland, the United States of America, Canada and Japan. Exposures on public sector entities in other countries may be included in Dexia MA's assets, under the condition that they benefit from a high credit rating from a rating agency recognized by the French Banking Commission, but this option is not part of the current strategy of Dexia MA.

These commitments take the form of loans or bonds representing a commitment on or guaranteed by such public sector entities. Debt issued by mutual funds or similar structures (asset-backed securities - ABS) are also eligible for booking on Dexia MA's balance sheet if at least 90% of their assets are directly eligible, and if, upon acquisition, the debt issued has a minimum rating of AA-, Aa3, AA- from a rating agency recognized by the French Banking Commission.

Assets considered by current legislation to be replacement assets correspond to exposures vis-à-vis credit institutions benefiting from a step I rating for a total amount limited to 15% of all privileged debt (*obligations foncières* and registered covered bonds for Dexia MA). In this category, Dexia includes covered bonds issued by other Dexia Group entities with a cover pool comprised of commitments on public sector entities. These covered bonds ensure a synthetic transfer of eligible assets from certain Group entities to Dexia MA, as was the case for Dexia Sabadell and Dexia LdG Banque as of December 31, 2009.

Dexia MA operates a branch in Dublin. The role of this entity is to facilitate financing for the assets generated by the Dexia Group in its international activities. Since the branch's balance sheet is completely integrated into the balance sheet of Dexia MA in Paris, all the assets in Paris and Dublin represent a single volume of collateral to cover *obligations foncières* and other debt benefiting from the legal privilege. *Obligations foncières* and other debt benefiting from the same privilege are issued and funds collected solely from Paris. Financing for the branch is organized for the short term by Dexia Credit Local and for the medium and long term by internal financing from Dexia MA's headquarters in Paris to the Dexia MA branch in Dublin. An extension of the management contract signed by Dexia Credit Local and Dexia MA entrusts management of the Dexia MA branch in Dublin to the Dublin branch of Dexia Credit Local, since *sociétés de crédit foncier* have no direct employees (Monetary and Financial Code, article L.515-22). The existence of a Dexia MA branch in Dublin does not affect the characteristics of the privilege of *sociétés de crédit foncier* under French law.

The Dexia Group, especially through Dexia Credit Local, Dexia MA's shareholder, is a leader in public finance. Thus, the majority of the assets on Dexia MA's balance sheet are naturally generated by the Group's commercial activities.

b. Liabilities

In addition to shareholders' equity, Dexia MA uses two categories of debt to finance its assets:

- debt that benefits from the legal privilege, defined by law as *obligations foncières* or other resources that benefit from the legal privilege by reason of their contract. Dexia MA thus issues registered covered bonds that benefit from the legal privilege by reason of their contract on the same basis as *obligations foncières*. Designed for German institutional investors, these private placements are governed by German law and benefit from the French legal privilege specific to issues by *sociétés de crédit foncier*;
- debt that does not benefit from the legal privilege, i.e. debt that is not covered by the assets and, therefore, would be considered as subordinated debt with regard to debt benefiting from the legal privilege (see below, chapter 7). In addition to shareholders' equity, such debt finances over-collateralization. There are two types:
  - funds borrowed from Dexia Credit Local. This debt is contracted through a financing agreement with the parent company;
  - refinancing obtained from the Banque de France. Since September 2008, Dexia MA has introduced the internal and computer procedures required to participate in the refinancing operations of the Banque de France. The financing obtained does not benefit from the privilege specified by the law on *sociétés de crédit foncier*, but is guaranteed by assets pledged to the Central Bank.

    These pledged assets are temporarily excluded from the cover pool and the calculation of the over-collateralization ratio. Dexia MA made use of this financing to fund its commercial production of assets from September 2008 to July 2009 when the covered bond market was closed.

In addition, in 1999, Dexia Credit Local signed a declaration of support ensuring that it "will ensure that Dexia Municipal Agency… has the financial resources it needs to meet its obligations." This declaration of support is reproduced in issuance documents and Dexia MA's annual report.

c. Legal privilege

The legal privilege is governed by article L.515-19 of the Monetary and Financial Code and has the following characteristics:

- when a *société de crédit foncier* is subject to bankruptcy or liquidation procedures, cash flows generated by the assets, after any financial instrument hedges if appropriate, are allocated in priority to serve the *obligations foncières* and other resources benefiting from the privilege, also after any financial instrument hedges if appropriate;
- the liquidation of a *société de crédit foncier* does not accelerate the reimbursement of *obligations foncières* and other debt benefiting from the privilege, which continue to be paid at their contractual due dates with priority over all other commitments. These other commitments can only be settled after all debt benefiting from the privilege has been discharged.

In addition, the law stipulates that:

- in order to maintain the privilege granted to investors who have acquired *obligations foncières* and other covered bonds, a *société de crédit foncier* would not have any direct employees (who, under French law, would benefit from a priority). A *société de crédit foncier* must, therefore, entrust the management of its operations to another credit institution with which it has signed an agreement (Monetary and Financial Code, article L.515-22). The management agreement itself benefits from the privilege of article L.515-19, to the same degree as holders of privileged debt;
- the bankruptcy or liquidation of the shareholder of a *société de crédit foncier* cannot be extended to the *société de crédit foncier* (Monetary and Financial Code, article L.515-27).

d. Various prudential provisions concerning management

A *société de crédit foncier* is not legally allowed to have a subsidiary or hold an equity interest in another company.

The coverage ratio, i.e. the ratio between the assets hedging the privileged debt and the debt benefiting from the privilege, as well as interest rate and liquidity risk management are discussed below in specific chapters.

As mentioned above, Dexia MA has contractually entrusted its parent company, Dexia Credit Local, with operational management. Specific management agreements have also been signed with other entities in the Group that transfer assets to Dexia MA and continue to handle the administration of these assets vis-à-vis their national clients. At the end of 2009, the following agreements were operative: Kommunalkredit Austria (Austria), Dexia Crediop (Italy), a subsidiary of Dexia Credit Local, and Dexia Bank Belgium, a Dexia SA subsidiary. All these management agreements already existed in previous years. It should be noted that the management agreement with Dexia Public Finance Norden, Dexia Credit Local's branch in Stockholm, which previously existed, was cancelled at the end of 2009. The management of the Swedish loans has been taken over by Dexia Credit Local.

Lastly, as a reminder, since Dexia MA has no subsidiary or equity holding, the Company does not produce consolidated accounts, and is not required to publish its financial statements in IFRS format. Nevertheless, wishing to ensure comparability and transparency, Dexia MA has published its quarterly financial statements in IFRS format since the third quarter of 2008.

2. YEAR'S HIGHLIGHTS

The year 2009 was marked by the reopening of the covered bond market, which had been practically closed for nine months, as well as by the review of the methodologies used to rate covered bonds by the three principal rating agencies – Standard and Poor's, Moody's and Fitch – in order to incorporate a better estimate of the liquidity risk. The year was also marked by the launch of the Dexia Group's transformation plan, designed to improve its financial structure and enable it to focus on its principal lines of business.

The most notable events of the year are presented below.

2.1 - REOPENING OF THE COVERED BOND MARKET

With a total volume of issues of covered bonds of almost EUR 120 billion, up 27% from the previous year, the year 2009 marked the return of the covered bond market, which had closed in the third quarter of 2008. However, it took an announcement by the European Central Bank on May 7 of its plan to buy back EUR 60 billion in covered bonds over a year for the timid reopening observed at the beginning of the year to take definitive form. In fact, before the European Central Bank's announcement, the total volume of emissions amounted to only EUR 15 billion. Once the market reopened, spreads narrowed at a more rapid pace and maturities were longer. Eighty-six percent of the issues were launched with maturity higher than or equal to five years. Because of its high credit rating, Dexia Municipal Agency was able to benefit from this reopening and reported a volume of issues totaling almost EUR 8 billion, primarily through three large benchmarks with maturities of 7, 12 and 15 years.

2.2 - RATING AGENCIES REVIEW METHODOLOGIES USED TO RATE COVERED BONDS

The three principal rating agencies adapted the methodology they use to rate covered bonds, in order to learn a lesson from the financial crisis.

All of them now consider that the rating of a programme of covered bonds is linked to the unsecured intrinsic rating of the bank that issues or sponsors the bonds. This was not the case up to now at Standard and Poor's, but on December 16, 2009, this agency changed the criteria it applies to rate issuers of covered bonds. It introduced this connection and, in function of its appreciation of the liquidity risk of the covered bond program, limited the uplift in the rating between that of the sponsor and that of the coverd bond programme.

In June 2009, Fitch modified its methodology to give more weight to an evaluation of the liquidity risk in the overall analysis. This risk now counts for 35%, instead of the previous 30%, in the determination of the D-factor (Fitch's D-factor is a synthetic indicator that measures the probability of default of an issuer of covered bonds following the default of the sponsor bank).

After Moody's at the beginning of 2009, Fitch and S&P thus also gave more importance in their models to the capacity of an issuer to access the required resources to cover temporary needs in terms of cash in a stress scenario.

These modifications resulted in greater discrimination in the ratings of issuers according to their exposure to the liquidity risk. Whereas certain issuers saw their ratings fall, Dexia Municipal Agency maintained its AAA/Aaa/AAA rating from three agencies (respectively Fitch, Moody's and Standard and Poor's) after each of them applied its new methodology.

2.3 - FINANCIAL POSITION OF THE DEXIA GROUP

In 2009, the Dexia Group pursued the implementation of the transformation plan, which was decided in the fourth quarter of 2008, and which aims to reduce the size of the balance sheet and balance its funding structure. The European Commission approved this transformation plan in February 2010, since it recognized the progress made in terms of reducing the balance sheet and improving the funding structure, as well as the capacity to continue in this direction. The commitments and initiatives taken in the restructuring plan will be carried out by stages in the next five years (2010-2014).
Upon completion of this plan, Dexia's Public and Wholesale Banking business, which produces public sector loans that are eligible for Dexia MA, will be conducted primarily in France and Belgium, its historical markets.

3. CHANGES IN MAIN BALANCE SHEET ITEMS

As of December 31, 2009, Dexia Municipal Agency's cover pool, which is comprised of loans and securities, totaled EUR 77.9 billion, excluding accrued interest not yet due, up 13.2% from the end of 2008. Most of this growth can be attributed to the return in the cover pool of the assets temporarily financed by the Banque de France at the end of 2008. The net rise in assets on the balance sheet was only EUR 1.3 billion, up 1.7% from EUR 76.6 billion to EUR 77.9 billion. Growth was therefore slower than that reported between 2008 and 2007. It reflected the decision to adapt the loading of assets to issue capacities. Since the covered bond issue market was closed for more than five months in 2009, Dexia MA's management tempered its asset production and aquisitions.

Outstanding debt benefiting from the legal privilege (*obligations foncières*, registered covered bonds and collateral received in cash) amounted to EUR 65.3 billion on the balance sheet, corresponding to a swapped value of EUR 66.2 billion, up 3.1% from December 2008.

Debt not benefiting from the privilege, which is contributed by Dexia Credit Local, increased from EUR 4.4 billion to EUR 10.4 billion at the end of 2009, at the level reported as of December 31, 2007. This debt generally finances over-collateralization and the assets waiting to be refinanced by *obligations foncières*. At the end of 2008, it had been reduced to the benefit of the funding obtained from the Banque de France during the period, in which the markets no longer allowed covered bonds to be issued. Financing obtained from the Banque de France was completely eliminated in 2009.

Shareholders' equity according to IFRS (excluding unrealized gains and losses), including net income for the year, stood at EUR 1.2 billion at the end of December 2009.

Key balance sheet items

EUR billions (data from IFRS financial statements)		12/31/2007	12/31/2008	12/31/2009	*Change Dec. 2009 / Dec. 2008*
Cover pool		**69.3**	**68.8**	**77.9**	***13.2 %***
Loans		52.4	56.7	55.8	*1.7%*
Securities		16.9	19.9	22.1	
Assets temporarily removed from cover pool (guarantee for Banque de France refinancing)		-	(7.8)	-	-
Privileged debt	*Swapped value*	**58.4**	**64.1**	**66.2**	***3.3 %***
Obligations foncières *& RCB**	*Balance sheet*	56,4	62.0	63.9	*3.1 %*
Cash collateral		0.0	0.5	1.4	*185.4 %*
Non-privileged debt		**10.4**	**11.9**	**10.4**	***- 13.0 %***
Dexia Credit Local		10.4	4.4	10.4	*135.3 %*
Banque de France		-	7.5	-	-
IFRS shareholder's equity (excluding unrealized gains or losses)		**1.1**	**1.1**	**1.2**	***12,6 %***

** Registered Covered Bonds*

4. CHANGE IN ASSETS IN 2009

4.1 - ASSET PRODUCTION

Gross asset production totaled EUR 10.6 billion, down from EUR 13.8 billion in 2008 (-23.2%). In fact, it was not necessary to bring a high volume of new assets onto the balance sheet, since at the beginning of the year, Dexia MA had a significant volume of assets acquired in the previous year and not yet financed by privileged debt, and also because the primary market for covered bonds re-opened at a later date (June 2009).

Acquisitions of assets

EUR billions	2008			2009		
	Loans	Debt securities	Total	Loans	Debt securities	Total
France	7.2	-	7.2	4.9	1.4	6.3
Outside of France	1.4	5.2	6.6	0.1	4.2	4.3
Total new assets	**8.6**	**5.2**	**13.8**	**5.0**	**5.6**	**10.6**
Amortization	(3.8)	(1.0)	(4.8)	(3.8)	(3.4)	(7.2)
Early reimbursements	(0.8)	(1.0)	(1.8)	(2.1)	-	(2.1)
Sales	-	(0.3)	(0.3)	(0.1)	-	(0.1)
Foreign exchange adjustments	0.4	(0.1)	0.3	0.1	0.0	(0.1)
Changes in provisions	-	-	-	0.0	0.0	-
Net change	**4.4**	**2.8**	**7.2**	**(1.0)**	**2.3**	**1.2**

Early reimbursements were EUR (2.1) billion, and amortization represented EUR (7.2) billion, for a net increase in assets of EUR 1.2 billion.

These early reimbursements included the exposures held by Dexia MA at the end of 2008 on Poland, Hungary, Lithuania and Greece for a total amount of EUR 1.7 billion in the form of loans granted to Dexia Kommunalkredit Bank (DKB) guaranteed by sovereign securities issued by these countries. These loans were subject to early reimbursement in March 2009, in application of a clause in the contract that allowed for this possibility in the event of a decline in DKB's rating.
Amortization of debt securities mainly corresponded to the maturing of *lettres de gage* for EUR 0.25 billion, *cedulas territoriales* for EUR 0.50 billion, and sovereign Belgian and Dutch securities with short-term maturities, acquired and reimbursed during the year (see below) for EUR 2.15 billion.

The geographic breakdown of gross production can be analyzed as follows.

Breakdown of gross acquisitions

EUR billions	2008		2009	
Loans		**8.6**		**5.0**
France	7.2		4.9	
Switzerland	0.6		0.1	
Sweden, Finland, Portugal, other	0.0			
Poland, Hungary, Greece, Lithuania	0.8			
Debt securities		**5.2**		**5.6**
Belgium	1.6		2.4	
Italy	2.3		0.7	
Spain	1.1		0.5	
Greece	0.1			
France			1.4	
United States	0.1			
Japan	0.0			
Ireland			0.2	
Netherlands			0.4	
Total		**13.8**		**10.6**

Acquisitions of long-term assets are comprised of the main following items:

- EUR 5.0 billion generated by Dexia Credit Local and its subsidiaries within the framework of its commercial activity in France and Switzerland;
- EUR 0.7 billion in bonds issued by local governments in Italy and acquired from Dexia Crediop;
- EUR 0.5 billion in *cedulas territoriales* issued by Dexia Sabadell, and classed as replacement assets. These *cedulas* replaced those that matured in June 2009 for the same amount;
- EUR 0.25 billion in securities issued by Dexia Secured Funding Belgium (DSFB 4), a dedicated securitization vehicle set up by Dexia Bank Belgium to finance through Dexia MA loans granted to Belgian local public sector entities.

Assets with a shorter maturity were also acquired:

- EUR 1.4 billion in securities issued by Dexia Credit Local and benefiting from the guarantee of the Belgian (60.5%), French (36.5%) and Luxembourg (3.0%) States. To respond to the significant rise in the amount of cash collateral received to guarantee derivative operations, Dexia MA decided in the first quarter of 2009 to invest this amount as an eligible asset. This investment was made using short-term maturities in keeping with the maturity of the cash collateral that constitutes privileged debt for Dexia MA;
- EUR 2.7 billion in sovereign securities or securities guaranteed by national governments (Belgium, the Netherlands and Ireland), with a maturity equal to or less than one year; these securities were acquired with the goal of smoothing out the capacity to issue *obligations foncières* during the year given the amortization profile of the cover pool and the maturing of benchmark emissions. A part of these securities was reimbursed in 2009 for a total of EUR 2.15 billion, representing all the exposures on the Netherlands for an amount of EUR 0.4 billion and a part of the exposure on Belgium for EUR 1.8 billion.

4.2 - OUTSTANDING ASSETS AS OF DECEMBER 31, 2009

a. Breakdown by country

The breakdown of assets by country showed an increase in the proportion of French, Belgian and Italian assets, reflecting the more targeted acquisitions made in 2009. In addition, after the reimbursement of the loans granted to Dexia Kommunalkredit Bank, which were guaranteed by sales of assets, Dexia MA no longer has any exposure on Eastern European countries.

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

Breakdown of outstanding assets by country (%)

	12/31/2008	12/31/2009
France	63.3	65.9
Italy	9.5	10.0
Switzerland	6.1	5.7
Belgium	5.6	5.8
Spain	4.5	4.4
Luxembourg	3.5	3.1
Poland	1.7	0.0
Germany	1.1	1.0
Sweden and Finland	0.9	0.7
Sub-total	**96.2**	**96.6**
Other countries	3.8	3.4
Total %	**100.00**	**100.0**

b. Replacement assets

As of December 31, 2009, replacement assets totaled EUR 5.55 billion, entirely comprised of public sector covered bonds issued by Dexia Group entities. They are analyzed in the following table.

Replacement assets	Country	Issuer	EUR millions 12/31/08	12/31/09
Cedulas territoriales	Spain	Dexia Sabadell	3,200	3,200
Lettres de gage	Luxembourg	Dexia LdG Banque	2,600	2,350
Total			**5,800**	**5,550**

These replacement assets represented 8.7% of outstanding debt benefiting from the privilege, which totaled EUR 63.9 billion (in swapped value); their amount is limited by law to 15%.

4.3 - ASSET QUALITY

Dexia Municipal Agency's pool of assets is of great quality, with a very low credit risk. It is exclusively composed of exposures on or is guaranteed by public sector entities.

a. Quality of assets in the portfolio

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

The assets are valuated 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 (IFRS rules) or a provision (French GAAP, if it is a portfolio of securities available for sale - *Placement*). These reserves or provisions would only represent losses if Dexia MA were to sell these assets. However, Dexia MA acquired these assets with the intention of holding them to maturity.

As of December 31, 2009, no provision represented losses expected at maturity in any of the securities portfolios, whatever their accounting classification; provisions rather correspond to the difference between the market value and the acquisition cost of the securities.

(EUR millions)

Portfolio IFRS / French GAAP	Capital balance	AFS reserve		Provisions French GAAP	
	12/31/2009	12/31/2008	12/31/2009	12/31/2008	12/31/2009
Loans and advances / *Investissement*	17,163	(177.0)	(156.1)	N.A.	N.A.
Securities issued by Dexia subsidiaries					
Italy - Dexia Crediop per la Cartolarizzazione	*3,836*	*(2.6)*	*(2.4)*		
Belgium - Dexia Secured Funding Belgium	*3,272*	*1.4*	*1.4*		
Spain - Dexia Sabadell	*3,200*	*(20.6)*	*(8.6)*		
Luxembourg - Dexia LdG Banque	*2,350*	*(0.6)*	*(0.4)*		
Other securities					
Germany	*12*	*-*	*-*		
Austria	*84*	*(7,4)*	*(6.6)*		
Belgium	*233*	*0.9*	*-*		
Spain	*50*	*(2.2)*	*(2.0)*		
France	*408*	*8.1*	*7.2*		
Greece	*100*	*(1.5)*	*(1.4)*		
Iceland	*180*	*(11.5)*	*(10.3)*		
Italy	*3,272*	*(133.0)*	*(126.3)*		
Japan	*25*	*-*	*-*		
Luxembourg	*94*	*(1.1)*	*(0.5)*		
Portugal	*47*	*(6.9)*	*(6.2)*		
Loans and advancess / *Placement*	1,761	(15.4)	(14.3)	(12,2)	(53,5)
Germany	*515*	*(1.6)*	*(1.5)*	*(1,6)*	*(11,9)*
Spain	*182*	*(1.4)*	*(1.2)*	*(1,2)*	*(4,1)*
United Kingdom	*754*	*(0.3)*	*(0.3)*	*-*	*(28,5)*
Italy	*202*	*(7.0)*	*(6.6)*	*(6,3)*	*(9,0)*
United States	*108*	*(5.1)*	*(4.7)*	*(3,1)*	*-*
AFS / *Placement*	2,239	(6.8)	(3.5)	(6,8)	(3,7)
France	*1,400*	*-*	*-*	*-*	*-*
Germany	*295*	*(6.8)*	*(3.7)*	*(6,8)*	*(3,7)*
Belgium	*374*	*-*	*0.1*	*-*	*-*
Ireland	*170*	*-*	*0.1*	*-*	*-*
AFS / *Investissement*	995	(157.5)	(92.1)	-	-
Canada	*23*	*(1.6)*	*0.8*		
Greece	*321*	*(52.5)*	*(51.5)*		
Italy	*506*	*(76.2)*	*(43.1)*		
United States	*145*	*(27.2)*	*1.7*		
Accounting adjustments (not broken down) (foreign exchange fluctuations, premium discounts, basis swaps, etc.)	**(235)**	**(1.0)**	**(0.3)**		
General total	**21,923**	**(357.7)**	**(266.3)**	**(19,0)**	**(57,2)**

Most of the securities in the portfolio, which were previously classed as AFS, were restated as of September 30, 2008, in accounting as "Loans and advances". The AFS reserve related to these securities was frozen as of September 30, 2008, and is amortized over the residual life of the securities, as a discount. This amortization explains the decline in the AFS reserves related to the securities restated as "Loans and advances" from EUR 192.4 million in 2008 to EUR 170.4 million in 2009.

In addition, the decline in the AFS reserves related to securities classed as AFS from EUR 164.3 million to EUR 95.6 million, representing a decrease of EUR 68.7 million, was due to the improved market conditions and, in particular, the narrowing of spreads on Italian sovereign issues. The proportion of securities valued according to a new internal model increased significantly during the year.

A provision of EUR 28.5 million on a British counterparty totally guaranteed by the British government was recorded in the financial statements according to French GAAP at the end of 2009. This provision is mainly due to the initial application of the internal valuation model that in particular takes into account the security's liquidity.

Loans to the public sector are downgraded to "Non-performing loans" if they are overdue, and the risk of non-recovery is covered by a provision. These provisions represent a very low amount (EUR 0.9 million), which was stable between 2008 and 2009.

In addition to these provisions for identified risks, general provisions are recorded in the IFRS financial statements. These collective provisions cover the risk of a loss in value on the different portfolios. They are estimated on the basis of each portfolio's past performance and trends, and on the economic environment of the borrower. Their calculation combines probabilities of default (PD) and loss given default (LGD) based on credit risk models designed by Dexia within the framework of Basel II (on this point, see note 7.1 to the financial statements). The low amounts in question, compared with outstanding assets of EUR 55.8 billion, demonstrate the portfolio's overall high quality.

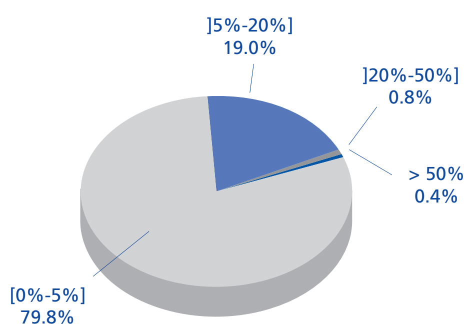
The increase in collective impairment observed between 2008 and 2009 mainly corresponds to the method used to calculate the provisions, which does not take into account the guarantees received. This very conservative method may result in significant variations in the sums allotted for provisions, according to whether the assets recorded on the balance sheet at the year's value are exposures that are totally guaranteed by public sector entities or direct exposures on these entities. In 2009, the share of guaranteed assets recorded on the balance sheet was slightly greater than in the previous year (it represented less than EUR 0.4 million), and thus motivated a rise in provisions.
The methodology used to calculate these provisions, which is defined for the whole Dexia Group, is expected to change in the future and thus better reflect the quality of the risk of Dexia MA's exposures guaranteed by public sector entities.

Portfolio IFRS / French GAAP (EUR millions)	**Capital balance**	**Non-performing loans**		**Specific impairment**	
	12/31/2009	**12/31/2008**	**12/31/2009**	**12/31/2008**	**12/31/2009**
Loans granted to Dexia subsidiaries, guaranteed by exposures on public sector entities	186	-	-	-	-
France - Flobail	*186*				
Other loans	**55,609**	**9.1**	**5.7**	**0.9**	**0.9**
Austria	*210*				
Belgium	*661*				
Finland	*99*				
France	*49,343*	*9.1*	*5.7*	*0.9*	*0.9*
Greece	*300*				
Italy	*15*				
Portugal	*117*				
Sweden	*400*				
Switzerland	*4,464*				
Collective provisions	**-**	**-**	**-**	**10.1**	**14.4**
General total	**55,795**	**9.1**	**5.7**	**11.0**	**15.3**

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 Banking Commission in France and the CBFA in Belgium) authorized the Group to use advanced internal models for the calculation and reporting of equity requirements for credit risk as of January 1, 2008.
This enables Dexia MA to present in the accompanying table an analysis of its exposures, broken down by risk weighting,

such as used for the calculation of equity requirements for the credit risk; these weightings are primarily calculated in function of the probability of default (PD) and loss given default (LGD). This analysis confirms the excellent quality of the assets in Dexia MA's portfolio, since almost 80% of the portfolio assets have a weighting that is less than 5%, and almost 99% of the portfolio assets have a weighting that is less than or equal to 20%, which is the weighting given to local governments using the standard method.

Risk weighting (Basel II) of Dexia MA's portfolio as of December 31, 2009



b. Exposure on subprimes, monoline insurers, ABS and banks

Exposure on subprime and other mortgage loans

Dexia MA has no exposure on mortgage loans, whether sub-prime 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 five issues of large French and Spanish local governments with credit enhancement by a monoline insurer. The breakdown of these exposures is presented in the following table.

Issuer	Country	ISIN code	Amount EUR millions	Monoline insurer
Communauté urbaine de Lille	France	US203403AB67	9.6	AMBAC
Ville de Marseille	France	FR0000481608	5.0	FSA
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			**74.1**	

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

Exposure in the form of ABS

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

Issuer	ISIN code	Amount EUR millions
DSFB - Dexia Secured Funding Belgium SIC (DSFB 1)	BE0933050073	1,504.5
DSFB - Dexia Secured Funding Belgium SIC (DSFB 2)	BE0934330268	1,517.2
DSFB - Dexia Secured Funding Belgium SIC (DSFB 4)	BE6000495752	250.0
DCC - Dexia Crediop per la Cartolarizzazione SRL (DCC 1)	IT0003674691	836.9
DCC - Dexia Crediop per la Cartolarizzazione SRL (DCC 2)	IT0003941124	779.5
DCC - Dexia Crediop per la Cartolarizzazione SRL (DCC 3)	IT0004349665	2,219.5
Sub-total		7,107.5
Blue Danube Loan Funding GmbH	XS0140097873	83.8
Colombo SRL	IT0003156939	10.4
Societa veicolo Astrea SRL	IT0003331292	2.4
Sub-total		96.6
Total		**7,204.1**

Most of these exposures are asset-backed securities specially designed by Dexia to transfer to Dexia MA exposures on Italian and Belgian local governments originated by its commercial network. Dexia MA thus holds almost all of the debt issued by the different compartments of DCC and DSFB, with the remainder held by the Dexia Group entity that originated these assets. With regard to the year's new investment (DSFB 4), Dexia held less than 5% as of December 31, 2009, (EUR 250 million out of a total issue of EUR 4,700 million). The balance is kept by Dexia Bank Belgium and available for a later acquisition by Dexia MA.
The composition of the DCC and DSFB portfolios is presented at the end of this report.

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

Exposure to banks

Dexia MA holds two types of exposure to banks:

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

All of Dexia MA's derivative operations are conducted within the framework of standard ISDA or AFB contracts with major international banks (33 counterparties, excluding the Dexia Group). These contracts have particular characteristics, since they must meet the standards set by rating agencies for *sociétés de crédit foncier* (and other issuers of covered bonds). These interest rate and currency swaps all benefit from the same legal privilege as *obligations foncières*. For this reason, Dexia MA does not pay its derivative counterparties any collateral, whereas they have to pay Dexia MA unless they benefit from the agencies' highest short-term rating.

As of December 31, 2009, Dexia MA was exposed (positive fair value of the swaps) to 11 banking counterparties, nine of which paid collateral, which offsets the exposure, and two paid none since they had a very good rating. These two counterparties represented an exposure of EUR 268 million, mainly concentrated on Calyon (the other counterparty was Barclays).

Long-term derivatives signed with the five largest counterparties represented a total of 35.1% of the notional amounts and those signed with the Dexia Group 24.2%.

5. CHANGES IN DEBT BENEFITING FROM THE PRIVILEGE IN 2009

Dexia Municipal Agency issued the equivalent of EUR 8.0 billion in 2009, compared with EUR 10.2 billion in 2008, representing a decrease of 21.9%.

The decrease in the overall volume of issues between 2008 and 2009 was mainly a result of the late re-opening of the covered bond market, which only took place in June 2009, after the announcement by the European Central Bank of a programme to buy back EUR 60 billion in covered bonds by the end of June 2010. The good quality of Dexia MA's signature enabled it to launch three significant benchmarks with maturities of 7 years, 12 years and 15 years, which were massively subscribed. The issue of EUR 2 billion for 15 years launched in June was the longest maturity issued in this market since July 2007. Dexia MA was also present in the market for privately placed issues, in particular in the form of registered covered bonds.

The pace of issues in 2009 was as follows:

EUR millions	2008	2009
1st quarter	4,273	305
2nd quarter	4,534	4,258
3rd quarter	680	2,310
4th quarter	702	1,087
Total	**10,189**	**7,960**

Public sector issues and private placements are broken down in the following table:

New production

EUR millions		2008	2009
Public sector issues		7,737	5,719
Private placements		2,452	2,241
including	*RCB*	*313*	*1,838*
	Less than 2 years	*130*	*150*
Total		**10,189**	**7,960**

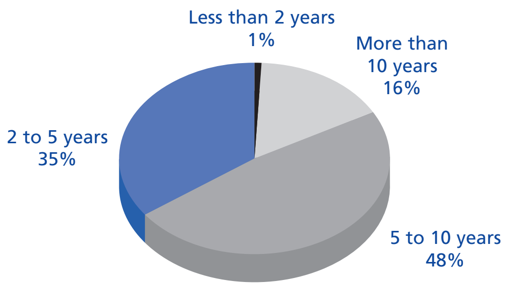
Public sector issues, which totaled EUR 5.7 billion, in particular included:

- three issues of benchmark size in euros with a long maturity: EUR 2 billion for 15 years (July 2024), EUR 1.5 billion for 12 years (June 2021), and EUR 1.0 billion for 7 years, which was boosted by a tap of EUR 0.75 billion (September 2016);
- public sector issues in Swiss francs: CHF 250 million (May 2018) and CHF 150 million (August 2019).

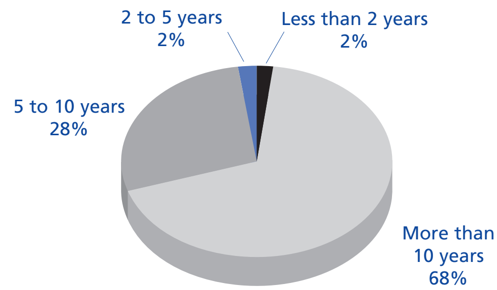
Privately placed issues, which totaled EUR 2.2 billion, included issues in the traditional form of *obligations foncières*, as well as registered covered bonds, designed as private placements for German institutional investors. These issues make it possible to meet the specific needs of certain investors with alacrity and flexibility.

The average life of these issues was much longer in 2009 than in 2008, rising from 5.7 years to 12.4 years.

Breakdown of amount issued in 2008 by maturity



Breakdown of amount issued in 2009 by maturity

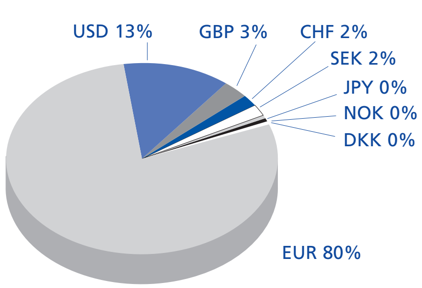


In 2009, the issues denominated in euros totaled EUR 7.7 billion, representing 97% of the total. Only euro investors were truly active. It was therefore not possible to diversify the sources of financing by issues in other currencies, as had been done in previous years. The only issues in non-euro currencies were in Swiss francs for EUR 0.3 billion, representing 3% of the total.

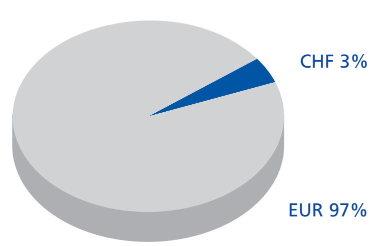
Breakdown by currency

millions	2008		2009	
EUR		**8,135**		**7,696**
Other currencies				
CHF	350		400	
GBP	200			
JPY	5,000			
USD	1,630			
SEK	1,333			
DKK	250			
NOK	230			
Total other currencies in euros		**2,054**		**264**
Total		**10,189**		**7,960**

Breakdown of amount issued in 2008 by currency

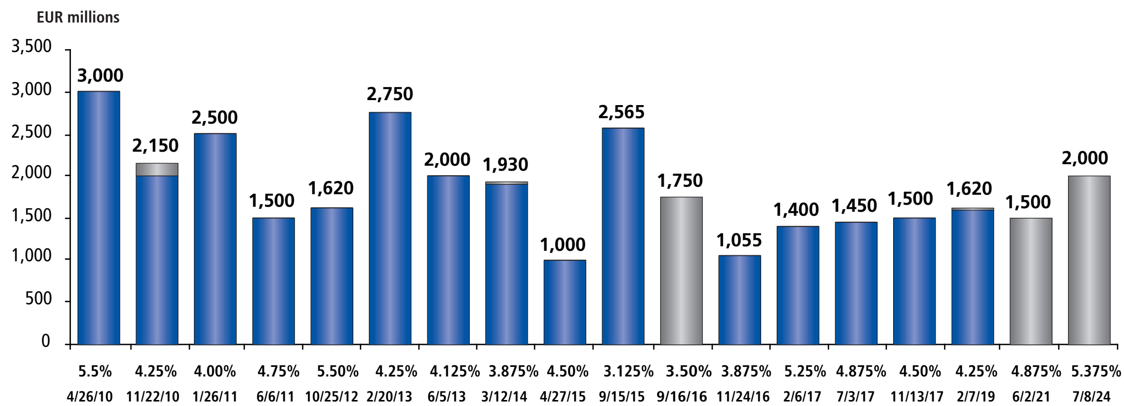


Breakdown of amount issued in 2009 by currency

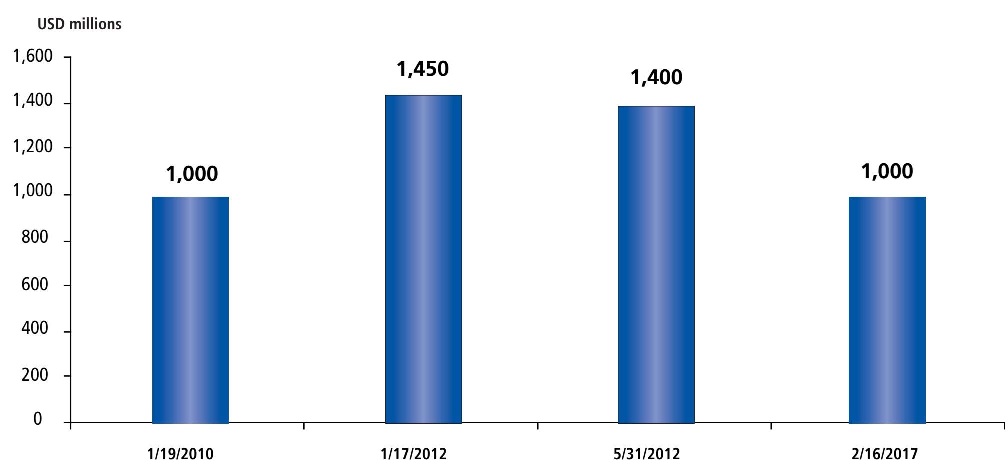


Dexia MA's issuance policy involves a strong presence in the main euro markets and, to a lesser degree, the eurodollar market, building a consistent curve and monitoring the performance of its benchmarks in the secondary market, as well as active diversification in certain selected markets.

Analysis of benchmark souches in EUR



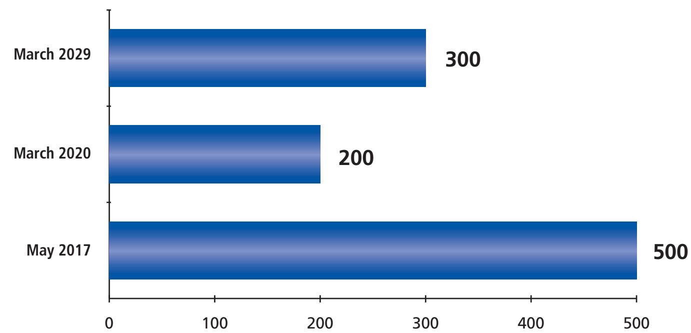
Analysis of benchmark souches in USD



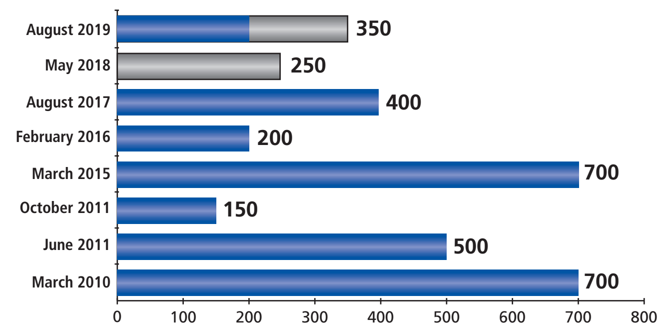
Issues 2009 Issues prior to 2009

Main curves in non-euro currencies (excluding USD)

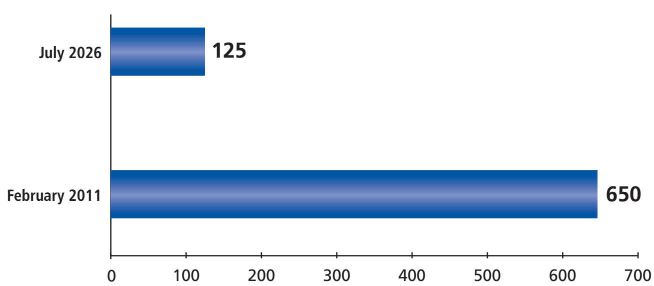
Canadian dollars (CAD millions)



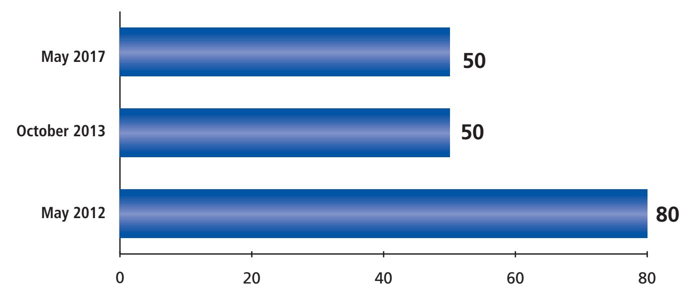
Swiss francs (CHF millions)



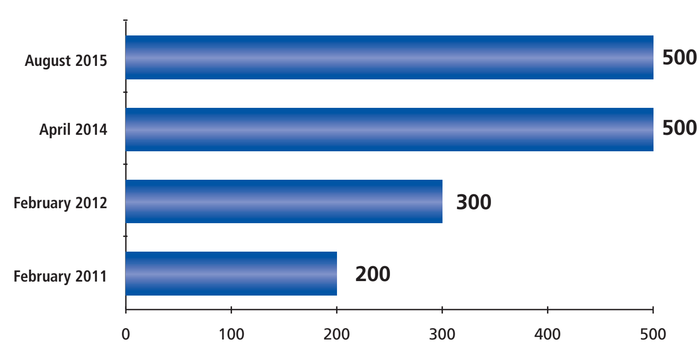
Sterling (GBP millions)



Japanese yen (JPY billions)



Australian dollars (AUD millions)



Issues 2009 Issues prior to 2009

In 2009, Dexia MA reimbursed a total of EUR 6.8 billion in *obligations foncières* (maturity or exercise of calls). The net increase in *obligations foncières* and registered covered bonds was therefore EUR 1.2 billion in 2009, and outstanding commitments totaled EUR 64.8 billion in swapped value at the end of 2009.

Outstanding commitments

EUR millions	2008	2009
Beginning of the year	58,385	63,591
Issues	10,189	7,960
Reimbursements	(4,983)	6,766
End of the year	**63,591**	**64,785**

Privileged debt also includes cash collateral, paid to Dexia MA by swap counterparties, which benefits from the same privilege as *obligations foncières*. According to article L.515-18 of the Monetary and Financial Code, the sums owed for derivative instruments subscribed by *sociétés de crédit foncier* to hedge their assets and liabilities or to cover the overall risk benefit from the legal privilege granted to *sociétés de crédit foncier*.

This protection provided by the law to swap counterparties also enables Dexia MA never to have to pay collateral.
The amount of cash collateral received significantly increased in 2009. It rose from EUR 462 million as of December 31, 2008, to EUR 1,432 million as of December 31, 2009.

6. CHANGES IN THE COVERAGE RATIO IN 2009

The coverage ratio is the ratio between the assets and the resources benefiting from the privilege. The Monetary and Financial Code stipulates that "the total amount of assets of *sociétés de crédit foncier* must be greater than the amount of liabilities benefiting from the privilege". Dexia Municipal Agency's specific controller certifies compliance with this rule for each issue.

CRB (French Banking Regulations Committee) standard 99-10 defines the way the coverage ratio is calculated. The ratio's denominator (article 8) "is comprised of *obligations foncières* and other resources benefiting from the privilege". The ratio's numerator (article 9) "is made up of the assets", weighted to reflect their category. In the case of Dexia MA, since the loans are granted to public sector entities or guaranteed by such, they are accounted for at their historical cost (100% weighting).
The debt securities, *cedulas territoriales* and *lettres de gage* recorded on Dexia MA's balance sheet are accounted for at 100% of their historical cost, a rule that applies to all debt securities and replacement assets.

The securities issued by securitization vehicles are also accounted for at 100% of their historical cost on Dexia MA's balance sheet when their rating by the agencies (Fitch, Moody's or Standard and Poor's) is equal to or higher than AA-, Aa3, AA-. When their rating is downgraded, but remains equal to or higher than A-, A3, A-, the weighting falls to 50%. At the end of 2008 and the beginning of 2009, the agencies lowered the rating of the shares of the DCC mutual fund (compartments 1, 2 and 3) and that of the shares of the DSFB mutual fund (compartments 1 and 2), whose ratings are closely tied to those of Dexia Crediop and Dexia Bank Belgium. Thus since the beginning of 2009, the shares of the DCC and DSFB mutual funds are thus only accounted for at 50% of their value in the calculation of the over-collateralization ratio. This represents a reduction in assets taken into account for this ratio of EUR 3.4 billion. To offset this decrease, Dexia MA moved back to the cover pool an equivalent volume of assets previously refinanced through the Banque de France. The required resources, which do not benefit from the privilege, were obtained from Dexia Credit Local, in keeping with the financing agreement.

The shares of the DSFB 4 fund, acquired in December 2009, are rated AA by Fitch and are thus weighted at 100%.

Dexia Municipal Agency decided to maintain a minimum coverage ratio of 105%, which is considered a safe margin. In practice, given the rate of asset turnover from the Group's commercial activity and asset transfers, the coverage ratio is regularly higher than 105%, as can be seen at the end of each month, when over-collateralization makes it possible to launch issues in the following month. For the reasons explained above (weighting of mutual funds), Dexia MA's real cover pool and over-collateralization are currently much greater than those that resulted from the calculations made according to French regulatory prescriptions

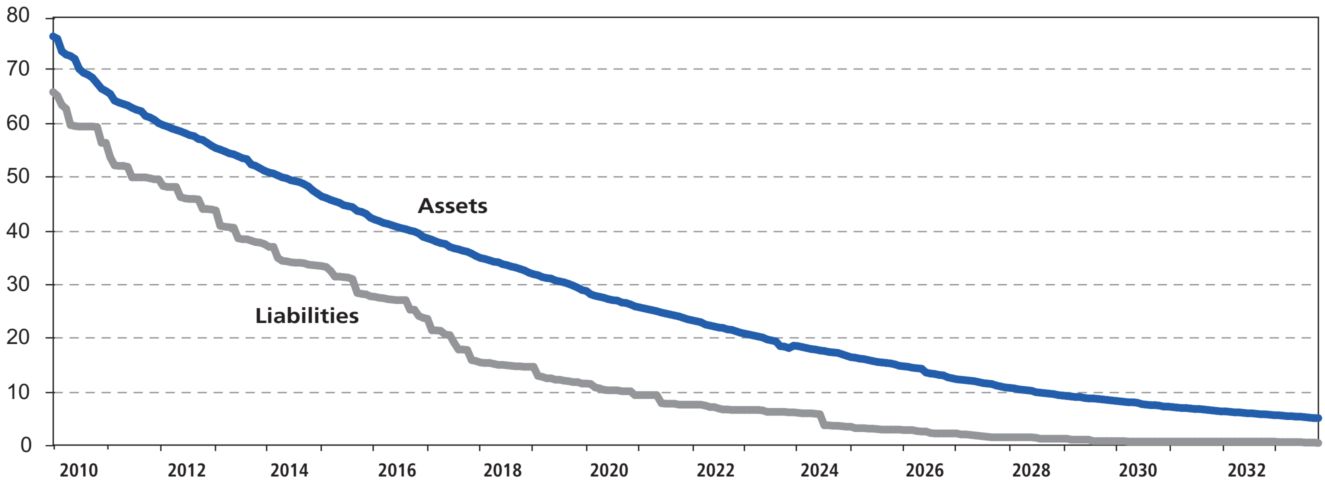
The following table analyzes the coverage ratio at the end of each month in 2009.

1st quarter 2009	Jan-09	109.2%	3rd quarter 2009	Jul-09	108.0%
	Feb-09	109.3%		Aug-09	107.4%
	Mar-09	108.5%		Sep-09	113.7%
2nd quarter 2009	Apr-09	109.0%	4th quarter 2009	Oct-09	110.7%
	May-09	108.9%		Nov-09	108.4%
	Jun-09	108.6%		Dec-09	111.6%

Legal and regulatory references:
article L.515-20 of the Monetary and Financial Code; CRB standard 99-10.

The following graph on over-collateralization presents amortization curves of the assets and of issues benefiting from the privilege as of December 31, 2009.

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



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

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

Since the Company was created, this financing is borrowed only 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 medium term;
- to finance undefined over-collateralization of more than 5% in the short term, using the current account.

Since the end of the month of September 2008, Dexia MA may also use another, complementary source of financing for the assets waiting to be issued, i.e. refinancing through the Banque de France. This debt does not benefit from the privilege provided for by the law on *sociétés de credit foncier*, but is guaranteed by loans and securities deposited as guarantees on Dexia MA's account at the Central Bank. As of December 31, 2009, Dexia MA did not make use of such financing.

As of December 31, 2009, the debt owed to Dexia Credit Local was EUR 10.4 billion, excluding accrued interest not yet due, at the same level as of December 2007. It could be analyzed according to the above-mentioned categories as follows:

- to finance over-collateralization of 5%: EUR 3.5 billion;
- to finance surplus over-collateralization, using the current account: EUR 6.9 billion.

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

EUR billions	Dexia Credit Local	Banque de France	Total
12/31/2007	10.4		10.4
12/31/2008	4.4	7.5	11.9
12/31/2009	10.4		10.4

The EUR 6.0 billion increase in the current account with Dexia Credit Local between December 2008 and December 2009 served to finance the higher ratio of regulatory over-collateralization (including the necessity to offset with new assets the 50% discount on DSFB securities). The surplus of over-collateral required to launch Dexia MA's coming issues of *obligations foncières* was again financed by the current account with Dexia Credit Local, whereas it had been temporarily financed via the Banque de France at the end of 2008.

8. 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 December 31, 2009.

Breakdown of outstanding swaps as of December 31, 2009

	Notional* (EUR billions)	Dexia Group (%)	Counterparties (%)
Euribor against Eonia			
Macro-hedges	111.8	100.0%	0.0%
Total short-term swaps	**111.8**	**100.0%**	**0.0%**
Fixed rate swaps against Euribor			
Micro-hedges on *obligations foncières*	49.7	3.3%	96.7%
Micro-hedges on loans and debt securities	30.0	22.8%	77.2%
Micro-hedges on loans	20.6	72.2%	27.8%
Sub-total	**100.3**	**23.3%**	**76.7%**
Currency swaps			
Micro-hedges on *obligations foncières*	14.1	13.6%	86.4%
Micro-hedges on loans	5.0	58.4%	41.6%
Micro-hedges on debt securities	1.3	85.6%	14.4%
Sub-total	**20.3**	**28.9%**	**71.1%**
Total long-term swaps	**120.6**	**24.2%**	**75.8%**

* Absolute value

The percentage of long-term swaps negotiated with the Dexia Group declined by more than five points between 2008 and 2009.

8.1 - MANAGEMENT OF THE INTEREST RATE RISK

The management of interest rate risk involves two steps.

- In the first stage, all the assets and liabilities benefiting from the privilege and 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 the fixed rate assets that are hedged by macro swaps (in particular, small loans to clients).
  This gap is monitored within very strict limits.
- In the second step, Euribor lending and borrowing flows are swapped against Eonia 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; debt owed to the Banque de France, which is short-term and at a fixed rate, is not hedged, but finances assets that also have a fixed rate.

The sensitivity limits for the fixed rate gap and the monetary gap are defined as the change in the gaps' net present value (NPV) under the impact of a parallel 1% (100 basis points) shift in the yield curve. The aggregate of these two limits for the fixed rate gap and the monetary gap is set at 3% of shareholders' equity, and this figure is reviewed every year at the end of the first quarter. The total sensitivity level was EUR 29.5 million in the first quarter of 2009 and was adjusted to EUR 30.5 million as of the second quarter of 2009, including EUR 4.5 million for the monetary gap and EUR 26 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	1Q 2009	11.9	20.2	5.4	25.5
	2Q 2009	6.9	10.2	3.6	26.0
	3Q 2009	11.4	20.5	3.7	26.0
	4Q 2009	9.7	15.2	6.5	26.0
Monetary	1Q 2009	(0.4)	1.2	(3.6)	4.0
	2Q 2009	(0.6)	1.1	(1.8)	4.5
	3Q 2009	1.0	3.2	(4.0)	4.5
	4Q 2009 *	0.5	4.7	(1.2)	4.5
Total	1Q 2009	11.2	19.9	5.1	29.5
	2Q 2009	6.3	9.8	2.9	30.5
	3Q 2009	8.5	16.7	(1.9)	30.5
	4Q 2009	10.3	15.0	6.7	30.5

* The monetary sensitivity limit was exceeded for a period of three days in December. This can be explained by the recognition of Italian debt securities acquired in December. This operation was carried out before the settlement date, but after the date on which interest rates were set, making it impossible to hedge the interest rate risk 100%. This excess was nevertheless very limited in its amount (EUR 0.2 million) and in the length of time it occurred (three days). The overall sensitivity limit was never exceeded; total sensitivity reached a maximum of EUR 15.0 million, well under the limit of EUR 30.5 million.

8.2 - MANAGEMENT OF 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 enter Dexia MA's balance sheet and until their complete extinguishment.

8.3 - MANAGEMENT OF THE DURATION GAP

With the interest rate risk under control, as explained above, Dexia Municipal Agency manages the congruence of maturities between the assets and the liabilities by maintaining the gap in the duration 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 having been swapped, Dexia MA's balance sheet looks as if there were only 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)".

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

Duration in years	12/31 2008	3/31 2009	6/30 2009	9/30 2009	12/31 2009
Duration of assets	7.79	7.20	6.99	6.62	6.88
Duration of privileged liabilities	4.91	4.77	4.95	5.13	4.95
Gap in asset-liability duration	**2.88**	**2.43**	**2.04**	**1.49**	**1.93**
Duration gap limit	**3**	**3**	**3**	**3**	**3**

The duration gap between the assets and the liabilities widened in 2009 under the combined impact of a decrease in the average maturity of the assets and a lengthening of the average maturity of the liabilities following long-term issues in 2009. The decline in the average maturity of the assets was partly due to the acquisition of short-term debt securities and the re-incorporation into the cover pool of short-term assets (replacement assets) temporarily excluded at the end of 2008 because they were pledged in guarantee to the Banque de France.

8.4 - MANAGEMENT OF THE LIQUIDITY RISK

The liquidity risk can be defined as the risk that Dexia MA may not 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 that of the privileged resources.
To manage this risk, Dexia MA has put a ceiling on its transformation capacity by limiting to three years the maximum duration gap between the assets and the resources benefiting from the privilege (cf. 8.3). This rule enables it to limit the volume of its liquidity needs. From a structural point of view, Dexia MA is therefore not very exposed to the liquidity risk.

In order to meet its liquidity needs, Dexia MA may first of all 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 programme and Dexia MA's annual report) so that Dexia "has the financial resources it needs to meet its obligations."
This support takes the following forms:
- current account, in an unlimited amount, with Dexia Credit Local;
- firm and irrevocable commitment by Dexia Credit Local to make available to Dexia MA the funds it requires to reimburse *obligations foncières* of more than EUR 100 million 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 cash needs are easily covered.
Since it is a credit institution, Dexia MA can mobilize 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 the financing made available by Dexia Credit Local, but is also managed to demonstrate 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. This amount was much greater than the maximum cumulated liquidity needs that Dexia MA might have to face in the future in a run-off situation.

In addition, Dexia MA manages its liquidity risk through the three following indicators:

- the coefficient of liquidity for one month (regulatory statement to the Banking Commission);
- the duration gap between the assets and the resources benefiting from the legal privilege (limited to three years), which is published quarterly;
- cash requirements over the next 180 days: Dexia MA's management enables it 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. In addition, Dexia MA ensures that, at any time, its liquidity needs over a period of 180 days are covered by replacement assets, assets eligible for financing by the Banque de France or by refinancing agreements signed with credit institutions with the best short-term credit quality.

9. COMMITMENTS GIVEN - COMMITMENTS RECEIVED

Commitments granted as of December 31, 2009, were mainly loans granted to local governments and not yet paid out in the amount of EUR 1.6 billion.

Commitments received were principally:

- EUR 7.4 billion in refinancing agreements signed with Dexia Credit Local, covering the reimbursement of *obligations foncières* with maturities of less than a year;
- EUR 5.8 billion in guarantees received on loans granted to local governments;
- EUR 7.1 billion in guarantees received from Dexia Crediop and Dexia Bank Belgium for the guarantee given respectively to the securitization vehicles Dexia Crediop per la Cartolarizzazione and Dexia Secured Funding Belgium.

10. PAYMENT DEADLINES

In application of articles L.441-6-1 and D.441-4 of the French Code of Commerce, Dexia MA must publish every year a breakdown of the balance of the monies it owes to suppliers by due date.
Dexia MA has a very limited number of direct suppliers, since its management is contractually entrusted to Dexia Credit Local, in conformity with article L.515-22 of the Monetary and Financial Code. Dexia MA usually settles its bills as soon as they are recorded, and the balance of monies owed to suppliers is theoretically always zero. As of December 31, 2009, all supplier accounts were settled. The only supplier debt recorded corresponded to invoices not yet received.

11. INCOME STATEMENT FOR THE PERIOD IN IFRS

In addition to the publication of the financial statements according to French GAAP, Dexia MA publishes financial statements in 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 by the Dexia Group and are consistent with IFRS, as adopted by the European Commission. The financial statements presented below give a better picture of the Company's real performance and results, in particular by avoiding certain asymmetrical treatments of debt rescheduling characteristic of French GAAP.

The income statement for the year is presented synthetically in the following table.

EUR millions - IFRS	2007	2008	2009	Change 2009/2008
Interest margin	201	255	281	
Net commissions	(5)	(4)	(5)	
Net result of hedge accounting	1	-	-	
Net result of financial assets available for sale	6	3	28	
Other income and expense	-	-	-	
Net banking income	**203**	**254**	**304**	**+20%**
General operating expenses	(75)	(83)	(87)	
Taxes	(8)	(9)	(5)	
Operating income before cost of risk	**120**	**162**	**212**	**+31%**
Cost of risk	-	(3)	(5)	
Pre-tax income	**120**	**159**	**207**	**+30%**
Income tax	(40)	(46)	(73)	
Net income	**80**	**113**	**134**	**+19%**

Net banking income increased by 20% (EUR 50 million), rising from EUR 254 million to EUR 304 million.
The increase came from the interest margin, up more than 10% (EUR 26 million), and income from financial assets available for sale, which rose EUR 25 million. The interest margin corresponds to the difference between income from the assets and cost of liabilities (hedged against interest rate and foreign exchange risks). It basically increases in function of changes in the volume and margins of new operations.

Growth was slower than in the previous year (EUR 26 million versus EUR 51 million), reflecting a more moderate increase in outstanding assets. Average outstanding assets rose 4.2% between 2008 and 2009, from EUR 70.8 billion to EUR 73.8 billion, whereas they had increased by 17.0% between 2007 and 2008. The average commercial margin on inventories remained stable with regard to French assets and rose slightly as far as the other assets were concerned. Refinancing costs showed contrasting results during the year, with a significant decrease in the cost of non-privileged resources (current account with Dexia Credit Local, indexed on Eonia, and Banque de France financing) in the first part of the year and a rise in the cost of privileged resources in the second part of the year, in particular after the long-term benchmark issues.

The item "Net result of financial assets available for sale" included penalties received for early reimbursement of customer loans (EUR 7 million), gains reported on early reimbursement of loans (EUR 7 million), and capital gains from the sale of assets (EUR 14 million).

Operating expenses increased by 6%, compared with 11% in the previous year. The increase was closely linked to the rise in the volume of operations managed (cover pool and *obligations foncières*), and for 2009 reflected more moderate growth of assets in order to take into account issue capacities. Operating expenses are mainly comprised of commissions paid to Dexia Credit Local for the operational management of the Company within the framework of the agreement described in article L.515-22 of the Monetary and Financial Code. Taxes on certain items (Organic, *taxe professionnelle*) decreased, since the relevant tax base was linked to interest rates, which declined significantly during the year.

The cost of risk, primarily comprised of general provisions on portfolios, reflects the volume and quality of new loans. The cost of risk was higher in 2009 than in 2008, as the balance sheet increase in the volume of loans guaranteed by French local governments was greater than in the previous year. The method used to calculate provisions does not take into account guarantees received (cf. 4-3 a Quality of assets).

Net income for the period was up 19%, rising EUR 21 million; it increased from EUR 113 million to EUR 134 million.

12. INCOME STATEMENT FOR THE PERIOD IN FRENCH GAAP

The income statement is presented synthetically in the following table.

EUR millions - French GAAP	2007	2008	2009	Change 2009/2008
Interest margin	335	303	296	
Net commissions	(4)	(4)	(6)	
Provisions and income on available for sale securities	(1)	(54)	(38)	
Other income and expense	-	-	-	
Net banking income	**330**	**245**	**252**	**+ 3%**
General operating expenses	(75)	(84)	(87)	
Taxes	(8)	(9)	(5)	
Operating income before cost of risk	**247**	**152**	**160**	**+ 5%**
Cost of risk	-	-	-	
Operating income	**247**	**152**	**160**	**+ 5%**
Income tax	(81)	(53)	(54)	
Regulated provision on long- and medium- term loans	(12)	(8)	(8)	
Net income	**154**	**91**	**98**	**+ 8%**

Net banking income rose 3% compared with the previous year. This increase can be attributed to:

- a decline in the interest margin of EUR 7 million (-2.3%);
- a EUR 16 million decrease compared with the previous year in the allocation to provisions on a portfolio of securities available for sale: EUR 38 million versus EUR 54 million.

The change in the interest margin is analyzed above in the presentation of the IFRS financial statements. This interest margin varies differently when it is presented in IFRS (economic presentation) or in French GAAP (tax presentation). The way debt rescheduling is accounted for is, in certain cases, asymmetrical in French GAAP (see below), a fact that can make it difficult to interpret the changes, especially the years in which local government debt management is very active, as in 2007.

Readers are reminded that Dexia MA applies an accounting treatment to early loan reimbursement penalties and swap cancellation equalization payments that is in compliance with the tax treatment specified by government authorities.
This accounting method introduces accelerated recognition of income compared with systematic amortization.
These penalties and payments are generated by early reimbursements, but also by renegotiations, which generally accompany active debt management by borrowers.
The methods employed, which have not changed in the last three years, are described in the rules of presentation and evaluation of the financial statements in the notes to the financial statements in the sections entitled "Customer loans", "Micro-hedge transactions" and "Macro-hedge transactions".

The allocation to provisions on the portfolio of securities available for sale totaled EUR 38 million in 2009, and can be analyzed as follows:

Country (EUR millions)	Allocation	Reversal	Net
Spain	(2.3)	0.6	(1.7)
Italy	(3.8)	1.1	(2.7)
Germany	(11.7)	3.2	(8.5)
United States	0.0	3.1	3.1
United Kingdom	(28.5)	0.0	(28.5)
	(46.3)	**8.0**	**(38.3)**

The principal depreciation concerned exposure on a British counterparty totally guaranteed by the British government. The amount of this provision was particularly due to a change in valuation with the application of an internal model that takes into account the security's liquidity.

Operating expenses were identical to this item in the financial statements in accordance with IFRS.

The cost of risk was close to zero, reflecting the excellent quality of the assets (EUR 0.2 million).

Net income increased by 8% to EUR 98 million.

13. PROPOSED ALLOCATION OF NET INCOME

In previous years, Dexia Municipal Agency distributed the following dividends.

Year of distribution	Distributed from the year's income	Amount distributed (EUR)	Amount per share (EUR)
2000	1999	3,600,000	1.20
2001	2000	-	
2002	2001	-	
2003	2002	-	
2004	From retained earnings and 2003	120,000,000	24.00
2005	2004	62,000,000	10.00
2006	2005	84,320,000	12.40
2007	2006	116,280,000	15.30
2008	2007	70,080,000	8.00
2009	2008	113,520,000	12.00

The Shareholders' Meeting, both ordinary and extraordinary, will be asked, in its ordinary capacity, to vote a resolution to allocate 2009 net income and to distribute a dividend as follows (sums in euros).

Net income for the year 2009	98,050,921.61
Allocated to the legal reserve (5%)	(4,902,546.08)
Income available	**93,148,375.53**
Prior retained earnings	49,544,776.85
Amount available for distribution	**142,693,152.38**
Proposed distribution, EUR 12.60 per share	(133,560,000.00)
Retained earnings after distribution	**9,133,152.38**

14. CAPITAL INCREASE

The Shareholders' Meeting, both ordinary and extraordinary, of May 26, 2010, will be asked, in its extraordinary capacity, to increase the capital by EUR 130 million, raising the capital from EUR 1,060 million to EUR 1,190 million.

15. OUTLOOK FOR 2010

In 2010, the global covered bond market is expected to remain very active, and Dexia MA's strengths should enable it to be present throughout the year through benchmark emissions and private placements. The issuance volume is expected to be at the same level as in the previous two years (EUR 8 billion to EUR 10 billion).

Assets from French commercial production or transferred to Dexia MA by the Dexia Group entities that originated them will be added to the cover pool according to needs in order to maintain the level of over-collateralization to which Dexia MA has committed itself. In a geographic breakdown of the cover pool, France's position should vary little (60% to 65% of exposure on French local governments).

Loans to local governments and bonds as of December 31, 2009

EUR millions	12/31/2009			12/31/2008		
	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
France						
State	228.1	-	228.1	-	-	-
Regions	2,005.6	161.8	2,167.4	1,943.6	171.4	2,115.0
Departments	6,504.4	-	6,504.4	6,071.4	-	6,071.4
Municipalities	18,899.7	117.9	19,017.6	19,674.9	257.5	19,932.4
Group of municipalities	10,358.3	128.1	10,486.4	10,110.2	-	10,110.2
Public sector entities	9,868.2	-	9,868.2	9,502.7	-	9,502.7
Loans guaranteed by local governments	1,664.5	-	1,664.5	791.4	-	791.4
Credit institutions (certificate of deposit)	-	1,400.0	1,400.0	-	-	-
Total	**49,528.8**	**1,807.8**	**51,336.6**	**48,094.2**	**428.9**	**48,523.1**
Austria						
Länder	210.0	-	210.0	210.4	-	210.4
ABS	-	83.8	83.8	-	86.3	86.3
Total	**210.0**	**83.8**	**293.8**	**210.4**	**86.3**	**296.7**
Portugal						
Municipalities	105.1	-	105.1	113.4	-	113.4
Public sector entities	11.6	-	11.6	13.3	-	13.3
Securities guaranteed by the State or by local governments	-	47.5	47.5	-	47.5	47.5
Total	**116.7**	**47.5**	**164.2**	**126.7**	**47.5**	**174.2**
Iceland						
Securities guaranteed by the State or by local governments	-	180,4	180,4	-	180.4	180.4
Total	**-**	**180,4**	**180,4**	**-**	**180.4**	**180.4**
Finland						
Municipalities	41.0	-	41.0	49.7	-	49.7
Public sector entities	58.0	-	58.0	72.9	-	72.9
Total	**99.0**	**-**	**99.0**	**122.6**	**-**	**122.6**
Greece						
State	300.0	321.2	621.2	300.0	321.2	621.2
Loans guaranteed by the State or by local governments	-	-	-	110.0	-	110.0
Securities guaranteed by the State or by local governments	-	100.0	100.0	-	100.0	100.0
Total	**300.0**	**421.2**	**721.2**	**410.0**	**421.2**	**831.2**
Italy						
State	-	506.3	506.3	-	506.3	506.3
Regions	-	1,533.2	1,533.2	-	1,042.6	1,042.6
Provinces	-	203.6	203.6	-	163.4	163.4
Municipalities	15.0	1,609.6	1,624.6	16.6	1,449.9	1,466.5
ABS	-	12.8	12.8	-	17.5	17.5
Securities issued by DCC (see note 1 below)	-	3,835.8	3,835.8	-	4,010.1	4,010.1
Securities guaranteed by the State or by local governments	-	106.0	106.0	-	107.2	107.2
Total	**15.0**	**7,807.3**	**7,822.3**	**16.6**	**7,297.0**	**7,313.6**

EUR millions	12/31/2009			12/31/2008		
	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
Spain						
Cedulas territoriales	-	3,200.0	3,200.0	-	3,200.0	3,200.0
Regions	-	178.9	178.9	-	166.6	166.6
Securities guaranteed by the State or by local governments	-	49.4	49.4	-	64.9	64.9
Total	**-**	**3,428.3**	**3,428.3**	**-**	**3,431.5**	**3,431.5**
Switzerland						
Cantons	1,391.4	-	1,391.4	1,324.8	-	1,324.8
Municipalities	1,134.3	-	1,134.3	1,107.0	-	1,107.0
Public sector entities	101.1	-	101.1	127.9	-	127.9
Loans guaranteed by the State or by local governments	1,837.8	-	1,837.8	2,113.5	-	2,113.5
Total	**4,464.6**	**-**	**4,464.6**	**4,673.2**	**-**	**4,673.2**
Belgium						
State	-	374.0	374.0	-	-	-
Regions	382.2	93.3	475.5	428.3	93.3	521.6
Communities	74.4	125.0	199.4	74.4	125.0	199.4
Public sector entities	91.6	-	91.6	33.2	-	33.2
Securities guaranteed by the State or by local governments	-	15.0	15.0	-	15.0	15.0
Securities issued by DSFB (see note 2 below)	-	3,271.7	3,271.7	-	3,179.5	3,179.5
Loans guaranteed by the State or by local governments	112.5	-	112.5	342.9	-	342.9
Total	**660.7**	**3,879.0**	**4,539.7**	**878.8**	**3,412.8**	**4,291.6**
Germany						
Länder	-	503.1	503.1	-	535.0	535.0
Securities guaranteed by the State or by local governments	-	302.9	302.9	-	299.8	299.8
Total	**-**	**806.0**	**806.0**	**-**	**834.8**	**834.8**
United States						
States	-	252.9	252.9	-	249.7	249.7
Total	**-**	**252.9**	**252.9**	**-**	**249.7**	**249.7**
Sweden						
Municipalities	137.8	-	137.8	202.1	-	202.1
Loans guaranteed by local governments	262.7	-	262.7	351.9	-	351.9
Total	**400.5**	**-**	**400.5**	**554.0**	**-**	**554.0**
Canada						
Provinces	-	22.4	22.4	-	22.4	22.4
Total	**-**	**22.4**	**22.4**	**-**	**22.4**	**22.4**
United Kingdom						
Securities guaranteed by the State or by local governments	-	725.3	725.3	-	758.3	758.3
Total	**-**	725.3	**725.3**	**-**	**758.3**	**758.3**
Luxembourg						
Lettres de gage	-	2,350.0	2,350.0	-	2,600.0	2,600.0
Securities guaranteed by the State or by local governments	-	93.8	93.8	-	122.7	122.7
Total	**-**	**2,443.8**	**2,443.8**	**-**	**2,722.7**	**2,722.7**

EUR millions	12/31/2009			12/31/2008		
	Loans to local governments	Bonds	Total	Loans to local governments	Bonds	Total
Hungary						
Loans guaranteed by the State or by local governments	-	-	-	281.0	-	281.0
Total	**-**	**-**	**-**	**281.0**	**-**	**281.0**
Lithuania						
Loans guaranteed by the State or by local governments	-	-	-	80.0	-	80.0
Total	**-**	**-**	**-**	**80.0**	**-**	**80.0**
Poland						
Loans guaranteed by the State or by local governments	-	-	-	1,278.0	-	1,278.0
Total	**-**	**-**	**-**	**1,278.0**	**-**	**1,278.0**
Japan						
Municipalities	-	25.0	25.0	-	25.0	25.0
Total	**-**	**25.0**	**25.0**	**-**	**25.0**	**25.0**
Ireland						
Securities guaranteed by the State	-	170.0	170.0	-	-	-
Total	**-**	**170.0**	**170.0**	**-**	**-**	**-**
General total *	**55,795,3**	**22,100,7**	**77,896,0**	**56,725.5**	**19,918.5**	**76,644.0**

* Excluding premiums and discounts, recorded in accruals

	12/31/2009	12/31/2008
Premiums and discounts on securities	(17.3)	(9.6)
Translation adjustments on securities	(217.2)	(248.6)
Value of securities on the balance sheet (French GAAP)	**21,866.2**	**19,660.3**

NOTE 1:
The DCC securities, in the amount of EUR 3,888.0 million as of December 31, 2009, were subscribed by Dexia MA for EUR 3,385.8 million. The purpose of this securitization vehicle created by Dexia Crediop is to allow refinancing by Dexia MA of Italian public sector assets transferred by Dexia Crediop to DCC. The securities held by Dexia MA benefit from the guarantee of Dexia Crediop and are consequently rated A+ by Fitch, A by Standard & Poor's, and A2 by Moody's. As of December 31, 2009, the assets held by DCC (series 1-2-3) could be broken down as follows:

NOTE 2:
The DSFB securities, in the amount of EUR 8,035.8 million as of December 31, 2009, were subscribed by Dexia MA for EUR 3,271.7 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 1 and 2 held by Dexia MA benefit from the guarantee of Dexia Bank Belgium, and are consequently rated A+ by Fitch, A by Standard and Poor's and A1 by Moody's. DSFB 4 does not benefit from the guarantee of Dexia Bank Belgium but is rated AA by Fitch. As of December 31, 2009, the assets held by DSFB (Compartment 1, 2 and 4) were Belgian public-sector assets that could be broken down as follows :

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

Italian assets	EUR millions
State	0.0
Regions	2,006.8
Provinces	698.7
Municipalities	1,116.8
DCC bank account with Dexia Bank Belgium	66.4
Total	**3,888.0**

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

Belgian assets	EUR millions
State	0.0
Regions	647.4
Provinces	3,983.7
Public sector entities	2,479.5
Group of public sector entities	88.1
Loans guaranteed by local governments	837.1
Total	**8,035.8**

Supervisory Board and Executive Board

SUPERVISORY BOARD (MARCH 2010)

CHAIRMAN
Philippe Rucheton

VICE CHAIRMAN
Benoît Debroise

Dexia Bank Belgium represented by
Michel Luttgens

Dexia Crediop represented by
Jean Le Naour

Dexia Credit Local represented by
Pascal Poupelle

Dexia Sabadell represented by
José Luis Castillo

Didier Casas

Edouard Daryabegui-Guilani

Jean-Luc Guitard

Claude Schon

Johan Vankelecom

Stéphane Vermeire

EXECUTIVE BOARD (MARCH 2010)

CHAIRMAN
François Laugier

CHIEF EXECUTIVE OFFICER
Gilles Gallerne

CHIEF EXECUTIVE OFFICER
Cécile Van De Moosdyk

Christophe Piatte

Hervé Foyan Djoudom

Directorships of members of management bodies

In application of article L.225-102-1 of the Commercial Code, the following list presents the directorships and functions exercised in 2009 by each corporate officer of Dexia Municipal Agency who served during the year.

SUPERVISORY BOARD

CHAIRMAN

Philippe Rucheton (since April 1, 2009)
61 years old
Dexia SA – Place Rogier 11 – B-1210 Brussels
Member of the Management Board, Dexia SA
Member of the Board of Directors, Dexia Credit Local (since February 2009)
Member of the Board of Directors, Dexia Asset Management Luxembourg (since February 2009)
Member of the Board of Directors, Denizbank as (since February 2009)
Member of the Board of Directors, Dexia Holdings, Inc. (since June 2009)
Member of the Board of Directors, Dexia FP Holdings Inc. (since June 2009)
Member of the Board of Directors, HF Services LLC (since June 2009)
Member of the Board of Directors, FSA Asset Management LLC (since June 2009)
Member of the Board of Directors, FSA Capital Markets Services LLC (since June 2009)
Member of the Board of Directors, FSA Capital Management Services LLC (since June 2009)
Member of the Board of Directors, Dexia Insurance Belgium (since May 2009)
Member of the Board of Directors, Crédit du Nord (from May to December 2009)

VICE CHAIRMAN

Benoît Debroise
49 years old
Dexia SA – Place Rogier 11 – B-1210 Brussels
Member of the Management Board, Dexia SA
Member of the Board of Directors and member of the Management Board (since May 2009), Dexia Bank Belgium
Member of the Board of Directors, Dexia Crediop (since April 2009)
Chairman of the Board of Directors, Dexia Real Estate Capital Markets (since April 2009)
Member of the Board of Directors, Dexia Capital Ireland (since June 2009)
Member of the Board of Directors, Dexia Investments Ireland (since June 2009)
Member of the Board of Directors, Dexia Microcredit Fund
Chairman of the Board of Directors, Dexia Securities France SA
Chairman of the Board of Directors, Dexia Securities France Holding
Member of the Board of Directors, Dexia Holdings, Inc. (since June 2009)
Member of the Board of Directors, Dexia FP Holdings Inc. (since June 2009)
Member of the Board of Directors, HF Services LLC (since June 2009)
Member of the Board of Directors, FSA Asset Management LLC (since June 2009)
Member of the Board of Directors, FSA Capital Markets Services LLC (since June 2009)
Member of the Board of Directors, FSA Capital Management Services LLC (since June 2009)
Member of the Board of Directors, FSA PAL (since June 2009)
Member of the Board of Directors, FSA Global Funding Ltd (from June to December 2009)
Member of the Board of Directors, Premier International Funding Co. (from June to December 2009)

MEMBERS

Didier Casas
39 years old
Dexia Credit Local – Tour Dexia La Défense 2
1, Passerelle des Reflets – 92913 La Défense
Chief Executive Officer and member of the Board of Directors, Dexia Habitat (until July 2009)
Permanent representative of Dexia Credit Local, member of the Board of Directors, Dexia CLF Immo (until September 2009)
Chairman and member of the Board of Directors, Dexia CLF Immo (since September 2009)
Permanent representative of Dexia Credit Local, member of the Board of Directors, Dexia Finance (until October 2009)
Permanent representative of Dexia Credit Local, member of the Board of Directors, Floral (until October 2009)
Permanent representative of Dexia CLF Immo, member of the Board of Directors, Compagnie pour le Foncier et l'Habitat (CFH)

Dexia Bank Belgium represented by Michel Luttgens
41 years old
Dexia Bank Belgium – Avenue Galilée 5 – B-1210 Brussels
Member of the Board of Directors, ADINFO Belgium SA
Chairman and member of the Board of Directors, Cevi NV
Chairman and member of the Board of Directors, Logins NV

Dexia Crediop represented by Marc Brugiere Garde (until November 27, 2009)
56 years old
Dexia Credit Local – Tour Dexia La Défense 2
1, Passerelle des Reflets – 92913 La Défense
Chief Executive Officer, Dexia Crediop (until August 2009)

Dexia Crediop represented by
Jean Le Naour (since November 27, 2009)
44 years old
Dexia Crediop – Via Venti Settembre, 30 - I-00187 Rome
Chief Executive Officer, Dexia Crediop (since September 2009)
Member of the Supervisory Board, Dexia Municipal Agency (until July 2009)
Manager, CBX.IA 1 (until July 2009)
Manager, CBX.IA 2 (until July 2009)
Chairman of the Board of Directors and Chief Executive Officer, Compagnie pour le Foncier et l'Habitat (CFH) (until July 2009)
Chairman of the Board of Directors and Chief Executive Officer, Dexia CLF Immo (until July 2009)
Chairman of the Board of Directors and Chief Executive Officer, CBX.GEST (until July 2009)
Member of the Supervisory Board, Dexia Kommunalbank Deutschland AG (until July 2009)
Member of the Board of Directors, Dexia Sabadell (until July 2009)

Dexia Credit Local represented by
Gérard Bayol (until February 3, 2009)
56 years old
3, rue Théodule Ribot – 75017 Paris
Member of the Board of Directors, Dexia Credit Local (until February 2009)
Member of the Board of Directors, Dexia Crediop (until February 2009)
Chairman of the Board of Directors, Dexia Sofaxis (until February 2009)
Permanent representative of Dexia Credit Local, member of the Board of Directors, Dexia CLF Banque (until February 2009)
Managing partner, SCI Bayoli

Dexia Credit Local represented by
Pascal Poupelle (since February 3, 2009)
55 years old
Dexia SA – Place Rogier 11 – B-1210 Brussels
Member of the Management Board, Dexia SA
Member of the Board of Directors (since February 2009) and Chief Executive Officer, Dexia Credit Local
Vice Chairman, Dexia Crediop
Chairman of the Board of Directors, Dexia Sabadell
Member of the Board of Directors, Financial Security Assurance Holdings Ltd (until July 2009)
Permanent representative of Dexia Credit Local, member, SOFCA-GIE
Chairman of the Board of Directors, LCL Obligations Euro
Chairman of the Board of Directors, Dexia Sofaxis (since March 2009)
Permanent representative of Dexia Credit Local, member of the Supervisory Board, Dexia CLF Banque (since February 2009)
Member of the Board of Directors, Dexia Holdings, Inc. (since July 2009)
Member of the Board of Directors, Dexia FP Holdings Inc. (since July 2009)
Member of the Board of Directors, HF Services LLC (since July 2009)
Member of the Board of Directors, FSA Asset Management LLC (since July 2009)
Member of the Board of Directors, FSA Capital Markets Services LLC (since July 2009)
Member of the Board of Directors, FSA Capital Management Services LLC (since July 2009)

Dexia Sabadell represented by
José Luis Castillo
55 years old
Dexia Sabadell – Paseo de las Doce Estrellas, n°4 - Campo de las Naciones 28042 Madrid
Chief Executive Officer, Dexia Sabadell
Member of the Board of Directors, Popular Banca Privada
Member of the Board of Directors, Dexia Crédito Local México S.A. de C.V. (from February to July 2009)

Edouard Daryabegui-Guilani (since December 3, 2009)
42 years old
Dexia Credit Local – Tour Dexia La Défense 2
1, Passerelle des Reflets – 92913 La Défense
Member of the Management Board, Dexia Kommunalkredit Bank AG (since July 2009)
Member of the Supervisory Board, Dexia Kommunalkredit Bank Polska (since July 2009)

François Durollet (until March 20, 2009)
54 years old
31, rue Claude Bernard – 75005 Paris
Chairman of the Supervisory Board, Dexia Kommunalkredit Bank AG (until March 2009)
Chairman of the Supervisory Board, Dexia Kommunalkredit Bank Polska (until March 2009)
Vice Chairman of the Supervisory Board, Dexia banka Slovensko (until April 2009)
Chairman of the Board of Directors, Dexia Crédito Local México S.A. de C.V. (until February 2009)
Chairman of the Supervisory Board, Dexia Kommunalbank Deutschland AG (until February 2009)
Chairman of the Board of Directors, Dexia Israel Bank Ltd (until May 2009)
Chairman of the Board of Directors, Dexia Credit Local Asia Pacific Pty Ltd (until March 2009)
Chairman of the Board of Directors, Dexia Public Finance (Switzerland) SA (until April 2009)
Chairman of the Board of Directors, Dexia Credit Local Research & Development India Private Ltd (until March 2009)
Chairman of the Board of Directors, D&F Service Company (until March 2009)
Member of the Board of Directors FSA (UK) Ltd (until March 2009)

Jean-Luc Guitard (since April 1, 2009)
44 years old
Dexia Credit Local – Tour Dexia La Défense 2
1, Passerelle des Reflets – 92913 La Défense
Chairman of the Board of Directors, Dexia CLF Banque
Member of the Board of Directors, then Chairman of the Board of Directors and Chief Executive Officer (since November 2009), Floral
Member of the Board of Directors, Dexia Sofaxis
Member of the Board of Directors, Domiserve

Member of the Board of Directors, Dexia LdG Banque SA
Permanent representative of Dexia Credit Local, member of the Board of Directors, Dexia Flobail
Permanent representative of Dexia Credit Local, member of the Board of Directors, Dexia CLF Régions Bail
Permanent representative of Dexia Credit Local, member of the Board of Directors, Dexia Bail
Permanent representative of Dexia Credit Local, member of the Board of Directors, Domiserve +
Member of the Board of Directors (until September 2009), then permanent representative of Dexia Credit Local, member of the Board of Directors (since september 2009), Dexia CLF Immo
Permanent representative of Dexia Credit Local, member of the Board of Directors, Publiservices (since May 2009)
Member of the Collegial Committee, Exterimmo
Member of the Board of Directors, Fédération des entreprises publiques locales

Jean Le Naour (until July 15, 2009)
44 years old
Dexia Crediop – Via Venti Settembre, 30 - I-00187 Rome
Chief Executive Officer, Dexia Crediop (since September 2009)
Permanent representative of Dexia Crediop, member of the Supervisory Board, Dexia Municipal Agency (since November 2009)
Manager, CBX.IA 1 (until July 2009)
Manager, CBX.IA 2 (until July 2009)
Chairman of the Board of Directors and Chief Executive Officer, Compagnie pour le Foncier et l'Habitat (CFH) (until July 2009)
Chairman of the Board of Directors and Chief Executive Officer, Dexia CLF Immo (until July 2009)
Chairman of the Board of Directors and Chief Executive Officer, CBX.GEST (until July 2009)
Member of the Supervisory Board, Dexia Kommunalbank Deutschland AG (until July 2009)
Member of the Board of Directors, Dexia Sabadell (until July 2009)

Claude Schon
53 years old
Dexia SA – Luxembourg branch – 69 route d'Esch – L 2953 Luxembourg
Vice Chairman of the Supervisory Board, Dexia Kommunalbank Deutschland AG
Member and Vice Chairman of the Board of Directors, RBC Dexia Investor Services Bank SA (until August 2009)
Chairman of the Board of Directors, Dexia Funding Luxembourg
Member of the Board of Directors, Dexia Investment Company
Member of the Board of Directors, Dexia LdG Banque SA
Member of the Board of Directors, Parfipar SA
Member of the Board of Directors, Société de la Bourse de Luxembourg SA (since September 2009)

Johan Vankelecom
38 years old
Dexia SA – Place Rogier 11 – B-1210 Brussels

Stéphane Vermeire (since April 1, 2009)
38 years old
Dexia Credit Local – Tour Dexia La Défense 2
1, Passerelle des Reflets – 92913 La Défense
Chairman of the Supervisory Board, Dexia Kommunalbank Deutschland AG (since February 2009)
Chairman of the Supervisory Board, Dexia Kommunalkredit Bank AG (since March 2009)
Chairman of the Board of Directors, Dexia Israel Bank Ltd (since May 2009)
Chairman of the Board of Directors, Dexia Credit Local Asia Pacific Pty Ltd (since March 2009)
Chairman of the Board of Directors, Dexia Public Finance (Switzerland) SA (from April to December 2009)
Member of the Board of Directors, Dexia Sabadell SA (since September 2009)
Member of the Board of Directors, Dexia Funding Luxembourg (until July 2009)
Member of the Board of Directors, Dexia Participation Belgique (until July 2009)
Member of the Board of Directors, Dexia Participation Luxembourg (until July 2009)
Member of the Board of Directors, Fonds de pension complémentaire Dexia
Chairman of the Board of Directors, Vermeire Transmissions SA
Chairman of the Board of Directors, Vermeire Aandrijvingen, NV
Chairman of the Board of Directors, Produits pour le Commerce pour l'Industrie

EXECUTIVE BOARD

CHAIRMAN

François Laugier
45 years old
Dexia Credit Local – Tour Dexia La Défense 2
1, Passerelle des Reflets – 92913 La Défense
Member of the Supervisory Board, Dexia Kommunalkredit Bank AG
Member of the Board of Directors, SISL
Member of the Board of Directors, Dexia LdG Banque SA
Member of the Supervisory Board, Dexia Kommunalbank Deutschland AG (since September 2009)
Member of the Board of Directors, Dexia Crediop (since April 2009)

MEMBERS

Gilles Gallerne - Chief Executive Officer
46 years old
Dexia Credit Local – Tour Dexia La Défense 2
1, Passerelle des Reflets – 92913 La Défense
Member of the Board of Directors, CBX.GEST

Véronique Hugues - Chief Executive Officer (until August 27, 2009)
39 years old
Dexia Credit Local – Tour Dexia La Défense 2
1, Passerelle des Reflets – 92913 La Défense

Cécile Van De Moosdyk - Chief Executive Officer (since August 27, 2009)
39 years old
Dexia Bank Belgium – Boulevard Pachéco 44 – B-1000 Brussels

Laurent Bouscharain (until August 27, 2009)
37 years old
HF Services – 445 Park Avenue – 10022 New York
Managing Director, Dexia Municipal Agency Dublin Branch (until September 2009)
Member of the Board of Directors, SISL (until July 2009)
Member of the Board of Directors, SISL UK Co (until July 2009)
Member of the Management Board, Dexia Kommunalkredit Bank AG (until June 2009)
Member of the Supervisory Board, Dexia Kommunalkredit Bank Polska (until June 2009)
Member of the Board of Directors, Dexia Holdings, Inc. (since June 2009)
Member of the Board of Directors, Dexia FP Holdings Inc. (since June 2009)
Member of the Board of Directors, HF Services LLC (since June 2009)
Member of the Board of Directors, FSA Asset Management LLC (since June 2009)
Member of the Board of Directors, FSA Capital Markets Services LLC (since June 2009)
Member of the Board of Directors, FSA Capital Management Services LLC (since June 2009)
Member of the Board of Directors, FSA Portfolio Asset Limited (since June 2009)
Member of the Board of Directors, FSA Global Funding (since December 2009)
Member of the Board of Directors, Premier International Funding Co (since December 2009)

Hervé Foyan Djoudom
36 years old
Dexia Credit Local Dublin Branch – 6 George's Dock – IFSC, Dublin 1
Managing Director, Dexia Credit Local Dublin Branch
Managing Director, Dexia Municipal Agency Dublin Branch

Christophe Piatte (since August 27, 2009)
36 years old
Dexia Credit Local – Tour Dexia La Défense 2
1, Passerelle des Reflets – 92913 La Défense
Managing Director, Dexia Municipal Agency Dublin Branch (since September 2009)
Member of the Board of Directors, SISL (since July 2009)
Member of the Board of Directors, SISL UK Co (since July 2009)

COMPENSATION OF MEMBERS OF MANAGEMENT BODIES

Dexia Municipal Agency pays no compensation to the members of its management bodies, all of whom are employees within the Dexia Group. They exercise their mandates with no specific compensation.

At its meeting on December 3, 2009, the Supervisory Board, informed of the changes made to regulation 97-02, decided, in light of the existence of a compensation committee at Dexia SA, not to create a specific committee for Dexia MA.

STATUTORY AUDITORS

The Statutory Auditors of Dexia Municipal Agency and their alternates are:

MAZARS
Exaltis - 61, rue Henri Regnault – 92075 La Défense Cedex
represented by Hervé Hélias, Partner, and
Virginie Chauvin, Partner
Alternate: Pierre Masieri
Re-appointed by the Ordinary and Extraordinary Shareholders' Meeting of March 24, 2005, until the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2010.

DELOITTE ET ASSOCIÉS
185, avenue Charles de Gaulle – 92524 Neuilly-sur-Seine Cedex
represented by José-Luis Garcia, Partner
Alternate: BEAS, represented by Mireille Berthelot, Partner
Appointed by the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2008, until the end of the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2010.

SPECIFIC CONTROLLER

FIDUS
12, rue de Ponthieu – 75008 Paris
represented by Christian Comerman

Alternate: GROUPEMENT D'EXPERTISE DE FRANCE
10, rue de la Grange Batelière – 75009 Paris
represented by François Dumenil

IFRS FINANCIAL STATEMENTS

Assets as of December 31, 2009

EUR millions	Note	12/31/2007	12/31/2008	12/31/2009
Central banks	2.1	15	0	4
Financial assets at fair value through profit or loss		0	0	0
Hedging derivatives	4.1	3,261	4,026	2,814
Financial assets available for sale	2.2	17,159	1,325	3,304
Interbank loans and advances	2.3	3,182	10,174	7,810
Customer loans and advances	2.4	49,419	70,287	71,060
Fair value revaluation of portfolio hedge		147	801	692
Financial assets held to maturity		0	0	0
Current tax assets	2.5	0	11	4
Deferred tax assets	2.5	55	223	132
Accruals and other assets	2.6	20	0	10
Total Assets		**73,258**	**86,847**	**85,830**

Liabilities as of December 31, 2009

EUR millions	Note	12/31/2007	12/31/2008	12/31/2009
Central banks	3.1	0	7,473	0
Financial liabilities at fair value through profit or loss		0	0	0
Hedging derivatives	4.1	4,507	8,463	5,806
Interbank loans and deposits	3.2	10,424	4,410	10,352
Customer borrowings and deposits		0	0	0
Debt securities	3.3	57,296	64,266	65,933
Fair value revaluation of portfolio hedge		(14)	990	1,256
Current tax liabilities	3.4	21	6	3
Deferred tax liabilities	3.4	0	0	9
Accruals and other liabilities	3.5	70	525	1,481
Provisions		0	0	0
Subordinated debt		0	0	0
Shareholders' equity	**3.6**	**954**	**714**	**990**
Capital stock and additional paid-in capital		876	946	1,060
Reserves and retained earnings		2	12	12
Unrealized or deferred gains and losses		(4)	(357)	(216)
Net income		80	113	134
Total Liabilities		**73,258**	**86,847**	**85,380**

Income statement for the year ended December 31, 2009

EUR millions	Note	2007	2008	2009
Interest income	5.1	10,187	12,394	7,308
Interest expense	5.1	(9,986)	(12,139)	(7,026)
Fee and commission income	5.2	0	0	0
Fee and commission expense	5.2	(5)	(4)	(5)
Net gains (losses) on financial instruments at fair value though profit or loss	5.3	1	0	0
Net gains (losses) on financial assets available for sale	5.4	6	3	28
Other income		0	0	0
Other expense		0	0	0
Net banking income		**203**	**254**	**305**
Operating expense	5.5	(83)	(92)	(92)
Cost of risk	5.6	0	(3)	(5)
Operating income		**120**	**159**	**207**
Net gains (losses) on other assets		0	0	0
Income before tax		**120**	**159**	**207**
Income tax	5.7	(40)	(46)	(73)
Net income, Group share		**80**	**113**	**134**
Earnings per share (EUR)				
- Basic		9	12	13
- Diluted		9	12	13

Net income and unrealized or deferred gains and losses through shareholders' equity

EUR millions	2008	2009
Net income	**113**	**134**
Translation adjustments	0	0
Unrealized or deferred gains and losses of financial assets available for sale	(353)	91
Unrealized or deferred gains and losses of cash flow hedges	(163)	125
Taxes	161	(75)
Total of unrealized or deferred gains and losses through shareholders' equity	**(355)**	**142**
Net income and unrealized or deferred gains and losses through shareholders' equity	**(242)**	**276**

Shareholders' equity

	Core shareholders' equity			Unrealized or deferred gains and losses			
EUR millions	**Capital stock Additional paid-in capital**	**Retained earnings and net income for the period**	**Total**	**Net change in fair value of available for sale financial assets after tax**	**Net change in fair value of hedging derivatives, after tax**	**Total**	**Shareholders' equity**
As of December 31, 2008, IFRS	**946**	**125**	**1,071**	**(252)**	**(105)**	**(357)**	**714**
Movements during the period							
Capital stock	114	0	114	0	0	0	114
Dividends	0	(114)	(114)	0	0	0	(114)
Changes in fair value of available for sale financial assets through shareholders' equity	0	0	0	62	0	62	62
Changes in fair value of hedging derivatives through shareholders' equity	0	0	0	0	80	80	80
Changes in fair value of available for sale financial assets through profit and loss	0	0	0	0	0	0	0
Changes in fair value of hedging derivatives through profit and loss	0	0	0	0	0	0	0
Net income for the period	0	134	134	0	0	0	134
Other movements	0	0	0	0	0	0	0
As of December 31, 2009, IFRS	**1,060**	**145**	**1,205**	**(190)**	**(25)**	**(215)**	**990**

On May 26, 2009, the Shareholders' Meeting, both ordinary and extraordinary, decided:

(i) to allocate the 2008 net income of EUR 91.3 million to retained earnings, constituting an income for distribution of EUR 163.1 million after allocation to the legal reserve;

(ii) to distribute a dividend of EUR 113.5 million;

(iii) to increase the capital in cash by EUR 114 million. This capital increase was subscribed by Dexia Credit Local and carried out on June 9, 2009.

Dexia MA has capital stock of EUR 1,060 million and is made up of 10,600,000 shares with a par value of EUR 100.

Cash Flow Statement

EUR millions	2007	2008	2009
Net income before taxes	**120**	**159**	**134**
+/- Amortization and depreciation and other impairment on property and intangible assets	0	0	0
+/- Depreciation and write-downs	0	3	4
+/- Expense/income from operating activities	(160)	(269)	116
+/- Expense/income from financing activities	199	240	32
+/- Other non-cash items	2	(59)	33
= Non-monetary items included in net income before tax and other adjustments	**41**	**(85)**	**185**
+/- Cash from interbank operations (Dexia Credit Local and Banque de France)	(2,000)	7,726	(7,126)
+/- Cash from interbank operations (customer loans)	(1,154)	(987)	1,995
+/- Cash from customer operations	(4,375)	(2,949)	(1,003)
+/- Cash from financing assets	(5,865)	(2,888)	(2,217)
+/- Cash from hedging financial instruments	26	247	1,143
- Income tax paid	(81)	(75)	(45)
= Decrease/(increase) in cash from operating activities	**(13,449)**	**1,074**	**(7,252)**
Cash flow from operating activities (A)	**(13,288)**	**1,148**	**(6,933)**
+/- Cash from financing assets and long-term investments	0	0	0
+/- Cash from investment property	0	0	0
+/- Cash from property and intangible assets	0	0	0
Cash flow from investing activities (B)	**0**	**0**	**0**
+/- Cash from or for shareholders	0	0	0
+/- Other cash from financing activities	8,623	5,174	1,278
Cash flow from financing activities (C)	**8,623**	**5,174**	**1,278**
Effect of changes in exchange rates on cash and cash equivalents (D)	**0**	**0**	**0**
Increase/(decrease) in cash and cash equivalents (A + B + C + D)	**(4,665)**	**6,322**	**(5,655)**
Cash flow from operating activities (A)	(13,288)	1,148	(6,933)
Cash flow from investing activities (B)	0	0	0
Cash flow from financing activities (C)	8,623	5,174	1,278
Effect of exchange rates on cash and cash equivalents (D)	0	0	0
Cash and cash equivalents at the beginning of the period	**(2,819)**	**(7,484)**	**(1,162)**
Central banks (assets and liabilities)	2	15	(334)
Interbank accounts (assets and liabilities) and loans/deposits at sight	(2,821)	(7,499)	(828)
Cash and cash equivalents at the end of the period	**(7,484)**	**(1,162)**	**(6,817)**
Central banks (assets and liabilities)	15	(334)	4
Interbank accounts (assets and liabilities) and loans/deposits at sight	(7,499)	(828)	(6,821)
Net cash	**(4,665)**	**6,322**	**(5,655)**

NOTES TO THE FINANCIAL STATEMENTS

CONTEXT OF PUBLICATION

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

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

Dexia Municipal Agency presented its first annual financial statements prepared according to IFRS to report the fiscal year 2008. The financial statements as of December 31, 2009 were examined by the Executive Board on March 17, 2010 .

APPLICABLE ACCOUNTING PRINCIPLES

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

On July 19, 2002, the European Commission published regulation EC 1606/2002, which obliged listed groups to apply IFRS as of January 1, 2005. Dexia has thus applied these standards since that date.

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

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

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

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

The financial statements are prepared on a going concern basis. They are stated in millions of euros (EUR) unless otherwise noted. They are compliant with CNC recommendation 2009 R04 issued on July 2, 2009.

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

Judgments and estimates are principally made in the following areas:
- estimate of the recoverable amount of impaired assets;
- determination of fair value of non-quoted financial instruments;
- estimate of present obligations resulting from past events in the recognition of provisions;
- estimate of future taxable profit for the measurement of deferred tax assets;
- judgment on impairment of financial assets.

• CHANGES IN ACCOUNTING POLICIES SINCE JANUARY 1, 2009

a. Texts adopted by the European Commission

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

Standards

- Revised IFRS 3 "Business combinations", which replaces the standard as issued in 2004 and will be effective for annual reporting periods that begin on or after July 1, 2009. The revision of this standard has no impact on the financial statements of Dexia Municipal Agency.

- Revised IAS 27 "Consolidated and separate financial statements" will be effective for annual reporting periods that begin on or after July 1, 2009, and is mainly related to the accounting for changes in the level of ownership interest in a subsidiary. This amendment should be seen in relation with the revised IFRS 3 "Business combinations". The revision of this standard has no significant impact on the financial statements of Dexia Municipal Agency.

- Revised IFRS 1 "First-Time adoption of International Financial Reporting Standards", which replaces the standard as issued in June 2003. This text is effective for entities that present IFRS financial statements for the first time for annual periods beginning on or after January 1, 2009. The revision of this standard has no impact on Dexia Municipal Agency financial statements, which is not a first-time adopter anymore.

Amendments to standards

- Improvements made in 2008 to IFRS and IAS, a series of amendments to IFRS applicable as of January 1, 2009, with no impact on the financial statements of Dexia Municipal Agency.

- Amendments to IAS 32 "Financial Instruments: Presentation" and IAS 1 "Presentation of Financial Statements" entitled "Puttable Instruments and Obligations Arising on Liquidation", applicable as of January 1, 2009. These amendments have no impact on the financial statements of Dexia Municipal Agency.

- Amendments to IFRS 1 "First-time Adoption of IFRS" and IAS 27 "Consolidated and Separate Financial Statements" concerning the cost of an equity interest in a subsidiary, a jointly controlled entity or a company accounted for by the equity method. These amendments have no impact on the financial statements of Dexia Municipal Agency.

- Amendment to IAS 39 "Financial instruments: Recognition and Measurement: Eligible Hedged Items" which is effective as from July 1, 2009. This amendment has no impact on the financial statements of Dexia Municipal Agency.

- Amendment to IAS 39 "Reclassification of Financial Assets : Effective Date and Transition". This amendment has no impact on the financial statements of Dexia Municipal Agency.

- Amendments to IFRIC 9 and IAS 39 "Embedded Derivatives" applicable for fiscal years beginning on or after June 30, 2009. These amendments have no impact on Dexia Municipal Agency.

- Amendments to IFRS 7 "Improving disclosures about financial instruments" that enhance disclosures about fair value measurement and liquidity risk related to financial instruments. Following the application of these amendments, the notes to Dexia Municipal Agency's financial statements have been updated.

- Amendment to IAS 32 "Classification of issuance rights" applicable for fiscal years beginning on or after January 1, 2010. This amendment has no impact on Dexia Municipal Agency.

Interpretations

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

- IFRIC 16 "Hedges of a Net Investment in a Foreign Operation", which is applicable as of July 1, 2009, and has no impact on Dexia Municipal Agency.

- IFRIC 15 "Agreements for the construction of Real Estate", applicable for fiscal years beginning on or after January 1, 2009. This interpretation has no impact on Dexia Municipal Agency.

- IFRIC 17 "Distributions of non-cash assets to owners", applicable for fiscal years beginning on or after July 1, 2009. This interpretation has no impact on Dexia Municipal Agency.

- IFRIC 18 "Transfers of assets from customers", applicable for fiscal years beginning on or after July 1, 2009. This interpretation has no impact on Dexia Municipal Agency.

b. Texts endorsed by the European Commission before 2009 that have a significant impact and are applicable as of December 31, 2009

In the financial statements as of December 31, 2009, Dexia Municipal Agency applies:

- the revised IAS 1 and as a result, discloses a statement called "Net income and unrealized or deferred gains and losses through shareholder's equity".
- IFRS 8 "Segment Reporting", for the first time.

c. Texts not yet adopted by the European Commission

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

Standards

IASB issued the following standards:

- IFRS 9 "Financial instruments" deals with the classification and measurement of financial assets. This new standard will apply for fiscal years beginning on or after January 1, 2013. The impact of this new standard on Dexia Municipal Agency is currently being assessed.

- Revised IAS 24 "Related Party Disclosures", which will replace the standard as issued in 2003 and will apply for fiscal years beginning on or January 1, 2011. The revision of this standard has no impact on Dexia Municipal Agency financial statements.

Amendments to standards

IASB published a series of amendments to existing standards.

- Amendments to IFRS 2 "Share-based Payment" "Group Cash-settled Share-based Payment Transactions", applicable for fiscal years beginning on or after January 1, 2010. These amendments aim to clarify the scope of IFRS 2. There is no impact for Dexia Municipal Agency, as Dexia Municipal Agency does not offer cash-settled share-based payments.

- Amendments to IFRS 1 "Additional exemptions for first time adopters", applicable for fiscal years beginning on or after January 1, 2010. These amendments have no impact on Dexia Municipal Agency, which is not a first-time adopter anymore.

The IASB also issued:
- "Improvements to existing standards", a collection of amendments to existing International Financial Reporting Standards. Unless otherwise specified, the amendments will apply for fiscal years beginning on or after January 1, 2010. No significant impact is expected for Dexia Municipal Agency.

Interpretations
IFRIC issued an interpretation and an amendment to an interpretation:
- IFRIC 19 "Extinguishing financial liabilities with equity instruments", which will apply for fiscal years beginning on or after July 1, 2010. This interpretation has no impact on Dexia Municipal Agency.
- Amendment to IFRIC 14 "Prepayment of a minimum funding requirement", which will apply for fiscal years beginning on or after January 1, 2011. The amendment to this interpretation has no impact on Dexia Municipal Agency.

1. ACCOUNTING PRINCIPLES APPLIED TO THE FINANCIAL STATEMENTS

1.1 - OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

1.2 - FOREIGN CURRENCY TRANSLATION AND TRANSACTIONS

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

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

1.3 - TRADE DATE AND SETTLEMENT DATE ACCOUNTING

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

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

1.4 - FINANCIAL ASSETS

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

b. Financial assets held for trading
Dexia Municipal Agency holds no assets for trading.

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

d. Financial assets available for sale and held to maturity
Management determines the appropriate classification of its investments at the time of the purchase. However, under certain conditions, the financial asset may be restated at a later date.

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

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

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

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

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

e. Realized gains and losses on sales of financial assets

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

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

f. Accounting for early reimbursement penalties

Dexia Municipal Agency has determined the accounting principles applicable to the restructuring of loans in accordance with AG 62 of IAS 39 concerning the restructuring of debt on financial assets.
Regarding the method of accounting for early reimbursement penalties, there are several possibilities depending on whether the early reimbursement is recognized as being an early reimbursement with refinancing or an extinguishment without refinancing.

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

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

Early reimbursement penalties are recognized immediately in income or else amortized over the life of the new loan depending on the results of the eligibility test. If the eligibility test is passed (i.e. the difference in net present value is less than 10%), any early reimbursement penalties are amortized over the term of the new loan. If not (i.e. the difference exceeds 10%), early reimbursement penalties are recognized immediately in income.

Early reimbursement without refinancing
When a loan has been extinguished, Dexia Municipal Agency recognizes the early reimbursement penalty and any gains or losses of unamortized premium or discount, as income for the period, as required by IFRS.

g. Impairment of financial assets

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

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

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

- **Specific loss allowance**. The amount of the provision on specifically identified assets is the difference between the carrying amount and the recoverable amount, being the present value of expected cash flows, net of guarantees and collateral discounted using the effective interest rate at the time of the test of impairment. Impairment and reversal of impairment are recognized on a case-by-case basis in accordance with the standard.

  Financial assets with small balances that share similar risk characteristics are generally aggregated in this measurement.

- **Collective allowance**. Loss impairments cover incurred losses not covered by specific impairment where there is objective evidence that probable losses are present in segments of the portfolio or other lending commitments at the balance-sheet date. These have been estimated on the basis of past performance and historical patterns of losses in each segment, the credit ratings allocated to the borrowers, and the current economic environment in which the borrowers operate. For that purpose, Dexia MA uses the credit risk model developed by Dexia Credit Local, which is based on an approach that combines appropriate default probabilities and losses in the event of default that are subject to regular back testing and are based on Basel II data and risk models.

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

The country risk is included within collective and specific impairment.

When a financial asset is reclassified, the impairment amount is equal to the difference between the carrying amount and the expected value of the cash flows discounted using the effective interest rate recalculated at the transfer date.

Financial assets available for sale (AFS) are only subject to specific loss allowances. Impairment on fixed income financial assets held to maturity (HTM) and fixed income financial assets available for sale (AFS) is reported in "Cost of risk".
For fixed income financial assets, if the amount of the impairment subsequently decreases due to an event occurring after the write-down of the initial impairment, the reversal of the provision is credited to the "Cost of risk".

h. Sale and repurchase agreements and lending of securities

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

Securities purchased under agreements to resell (reverse repos) are recorded as:
- an off-balance sheet obligation to return securities; and
- "Interbank loans and advances" or " Customer loans and advances" as appropriate.

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

Securities lent to counterparties are retained in the financial statements. Securities borrowed are not recognized in the financial statements. If the borrowed securities are sold to third parties, the obligation to return them is recorded at fair value in "Financial liabilities designated at fair value through profit or loss", and the gain or loss is included in "Net gains (losses) on financial instruments at fair value through profit or loss".
Currently, Dexia Municipal Agency does not engage in this type of transaction.

1.5 - FINANCIAL LIABILITIES

a. Liabilities designated at fair value through profit or loss

Dexia Municipal Agency does not use this option.

b. Borrowings

Borrowings are recognized initially at fair value, i.e. their issue proceeds net of transaction costs incurred. Subsequently, borrowings are stated at amortized cost and any difference between net proceeds and the redemption value is recognized in income over the period of the borrowings using the effective interest rate method.

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

1) *Obligations foncières*

*Obligations foncière*s are recorded at nominal value.
Reimbursement premiums and issue premiums are amortized according to the straight line method over the life of the securities concerned, as of the first year, *prorata temporis*. They are recorded on the balance sheet in items corresponding to the type of debt concerned.
The amortization of these premiums is recorded in the income statement as interest income and charge on bonds and fixed income securities. In the case of bonds issued above par, the spread of issue premiums is deducted from related interest income and charge on bonds and fixed income securities.
Interest related to bonds is accounted for as banking operating charges for accrued amounts, due and not yet due, calculated *prorata temporis* on the basis of contractual rates.
Fees and commissions on bond issues are spread in equal fractions over the life of the loans to which they are attached.

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

2) Registered covered bonds

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

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

1.6 - DERIVATIVES

a. Derivatives used in a hedging relationship

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

b. Hedging derivatives

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

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

Hedge accounting may be used for derivatives designated in this way, provided certain criteria are met.
The criteria for a derivative instrument to be accounted for as a hedge include *inter alia*:

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

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

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

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

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

c. Hedging of the interest rate risk of a portfolio

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

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

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

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

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

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

On the balance sheet, revaluation is recognized as:

- fair value revaluation of the asset hedge portfolio, or
- fair value revaluation of the liability hedge portfolio.

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

1.7 - FAIR VALUE OF FINANCIAL INSTRUMENTS

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

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

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

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

Financial investments classified as trading, available for sale, or designated at fair value through profit or loss, derivatives and other transactions undertaken for trading purposes are measured at fair value by reference to quoted market prices when available. If quoted market prices are not available, then fair values are estimated on the basis of pricing models or discounted cash flows, including observable and non-observable market data.
For assets and liabilities available for sale (AFS), or designated at fair value through profit or loss, when quoted prices are not available, the pricing models attempt to reflect as accurately as possible market conditions at the calculation date as well as changes in the credit quality of the financial instruments and market liquidity.

The following remarks could be made regarding the fair value of loans and advances presented in the notes:
- the fair value of fixed rate loans and mortgages is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans;
- caps, floors and early reimbursement options are included in determining the fair value of loans and advances.

1.8 - INTEREST INCOME AND EXPENSE

Interest income and expense are recognized in the income statement for all interest-bearing instruments on an accrual basis using the effective interest rate method based on the purchase price (including transaction costs).
Transaction costs are incremental costs that are directly attributable to the acquisition of a financial asset or liability and are used for the calculation of the effective interest rate.

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

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

1.9 - COMMISSION INCOME AND EXPENSE

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

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

1.10 - DEFERRED TAXES

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

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

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

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

1.11 - PROVISION FOR RISKS AND CHARGES

A provision represents a liability of uncertain timing or amount.

Provisions are recognized based on their discounted value when:
- Dexia Municipal Agency has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate of the amount of the obligation can be made.

1.12 - DIVIDENDS ON ORDINARY SHARES

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

1.13 - EARNINGS PER SHARE

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

1.14 - RELATED PARTY TRANSACTIONS

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

1.15 - SEGMENT REPORTING

Dexia Municipal Agency's sole activity is the financing or refinancing of commitments on public sector entities originated by Dexia's commercial network. These assets are primarily financed by the issue of *obligations foncières*. This sole business is part of the operational business line Public and Wholesale Banking (PWB) of the Dexia Group.

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

1.16 - CASH AND CASH EQUIVALENTS

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

2. NOTES ON THE ASSETS

2.1 - CENTRAL BANKS

EUR millions	12/31/2008	12/31/2009
Mandatory reserve deposits	0	4
Other deposits	0	0
Total	**0**	**4**

2.2 - FINANCIAL ASSETS AVAILABLE FOR SALE

a. Analysis by nature

EUR millions	12/31/2008	12/31/2009
Loans	0	0
Bonds	1,325	3,304
Total	**1,325**	**3,304**

b. Analysis by counterparty

EUR millions	12/31/2008	12/31/2009
Public sector	1,036	1,437
Credit institutions guaranteed by the public sector	289	1,867
Other - guaranteed by a State or local government	0	0
Other - ABS made up solely of public commitments	0	0
Total public sector	**1,325**	**3,304**
Replacement assets	0	0
Total	**1,325**	**3,304**
of which eligible for Central Bank refinancing	1,038	3,026

c. Impairment

EUR millions	12/31/2008	12/31/2009
Public sector bonds or bonds guaranteed by the public sector	1,325	3,304
Replacement assets	0	0
Total performing assets	**1,325**	**3,304**
Public sector bonds or bonds guaranteed by the public sector	0	0
Replacement assets	0	0
Total impaired assets	**0**	**0**
Specific impairment	0	0
Total assets after impairment	**1,325**	**3,304**

d. Transfers between portfolios

EUR millions	12/31/2008	12/31/2009
Accounting value as of December 31, 2008, of available for sale securities transferred to loans and advances as of September 30, 2008: see note 2.7	18,162	0

e. Analysis by residual maturity: see note 7.3

2.3 - INTERBANK LOANS AND ADVANCES

a. Analysis by nature

EUR millions	12/31/2008	12/31/2009
Sight accounts	59	0
Other interbank loans and advances	10,115	7,810
Performing assets	**10,174**	**7,810**
Impaired loans and advances	0	0
Impaired assets	**0**	**0**
Total assets before impairment	**10,174**	**7,810**
Specific impairment	0	0
Collective impairment	0	0
Total	**10,174**	**7,810**

b. Breakdown by counterparty

EUR millions	12/31/2008	12/31/2009
Swiss cantonal banks benefiting from their canton's legal guarantee	2,189	1,899
Banks guaranteed by a local government, *crédits municipaux*	145	170
Credit institutions belonging to the Dexia Group: loans benefiting from the assignment in guarantee of refinanced public debt	1,965	186
Credit institutions guaranteed by the State	8	10
Replacement assets	5,867	5,545
Total	**10,174**	**7,810**
of which eligible for Central Bank refinancing	5,808	5,545

c. Replacement assets

EUR millions	Rating	12/31/2008	12/31/2009
Dexia Sabadell - *Cedulas territoriales*	Moody's Aa2	3,202	3,195
Dexia LdG Banque - *Lettres de gage*	S&P AAA	2,606	2,350
Dexia Credit Local - Dublin sight account		59	0
Total		**5,867**	**5,545**

d. Analysis by residual maturity: see note 7.3

2.4 - CUSTOMER LOANS AND ADVANCES

a. Analysis by counterparty

EUR millions	12/31/2008	12/31/2009
Public sector	58,130	59,737
Other - guaranteed by a State or local government	4,808	4,125
Other - ABS made up solely of public commitments	7,351	7,208
Performing assets	**70,289**	**71,070**
Impaired loans and advances	8	5
Impaired assets	**8**	**5**
Total assets before impairment	**70,297**	**71,075**
Specific impairment	0	(1)
Collective impairment	(10)	(14)
Total	**70,287**	**71,060**
of which eligible for Central Bank refinancing	*	45,057

** data not available*

b. Public sector ABS

EUR millions	Rating	12/31/2008	12/31/2009
Colombo	Aaa Moody's, AAA S&P	13	10
Astrea	AA- Fitch, Aa2 Mody's	4	2
Blue Danube	AA+ S&P	80	77
DCC - Dexia Crediop per la Cartolarizzazione	A+ Fitch, A2 Moody's, A S&P	4,058	3,843
DSFB - Dexia Secured Funding Belgium 1 and 2	A+ Fitch, A1 Moody's, A S&P	3,196	3,026
DSFB - Dexia Secured Funding Belgium 4	AA Fitch		250
Total		**7,351**	**7,208**

c. Analysis by residual maturity: see note 7.3

2.5 - TAX ASSETS

EUR millions	12/31/2008	12/31/2009
Current income tax	11	4
Other taxes	0	0
Current tax assets	**11**	**4**
Deferred tax assets (see note 4.2)	**223**	**132**

2.6 - ACCRUALS AND OTHER ASSETS

EUR millions	12/31/2008	12/31/2009
Cash collateral	0	0
Other accounts receivable	0	0
Prepaid charges	0	0
Other assets	0	10
Total accruals and other assets	**0**	**10**

2.7 - RESTATEMENT OF FINANCIAL ASSETS (IAS 39 AMENDED)

EUR millions	From "Financial assets held for trading" to "Loans and advances" (1)	From "Financial assets held for trading" to "Financial assets available for sale" (2)	From "Financial assets available for sale" to "Loans and advances" (3)
Carrying amount of assets reclassified as of October 1, 2008			17,855
Carrying amount of assets reclassified as of December 31, 2009			16,704
Fair value of reclassified assets as of December 31, 2009			16,341
Amount not recognized in profit or loss (1) and (2) due to reclassification			
Amount not recognized in AFS reserve (3) due to reclassification			(363)
Premium/discount amortization through income			
Premium/discount amortization through AFS reserve			21

3. NOTES TO THE LIABILITIES

3.1 - CENTRAL BANKS

This item includes refinancing obtained through Banque de France tenders.
Dexia Municipal Agency has not used Banque de France financing since July 2009. The use of such financing organized by tenders involved the pledging of eligible assets within the framework of a general guarantee management agreement (3G). This resource does not benefit from the privilege defined in article L.515-19 of the Monetary and Financial Code.

EUR millions	12/31/2008	12/31/2009
Overnight borrowing	334	0
Time borrowing, maturity first quarter 2009	7,126	0
Accrued interest	13	0
Total funding from the Banque de France	**7,473**	**0**

3.2 - INTERBANK LOANS AND DEPOSITS

a. Analysis by nature

EUR millions	12/31/2008	12/31/2009
Demand deposits	882	6,823
Time deposits	3,528	3,529
Total	**4,410**	**10,352**

This item includes the balance of the account opened with Dexia Credit Local. This account is intended to finance the needs of Dexia Municipal Agency related to its activity, in particular, to finance structural over-collateralization and loans prior to the issue of *obligations foncières*.

Sub-accounts make it possible to distinguish within the master-account among types of financing (over-collateralization, stock of assets prior to issue and other). The master-account totaled EUR 10,320 million, broken down as follows (excluding accrued interest):

- sub-account indexed on Eonia, with no defined maturity, financing assets not yet included in the issue programme and miscellaneous needs with a balance of EUR 6,820 million;

- sub-account comprised of various borrowings earmarked to finance the structural over-collateralization of 5%. Dexia MA's policy is to maintain minimum structural over-collateralization of 5%, i.e. 105% of outstanding *obligations foncières* and registered covered bonds. These borrowings totaled EUR 3,500 million as of December 31, 2009; they are indexed on the annual money market rate (TAM).

The current account agreement between Dexia Credit Local and Dexia MA will exist as long as Dexia MA is authorized to operate as a *société de crédit foncier* and acquires or grants loans to public sector entities.

EUR millions	12/31/2008	12/31/2009
Sub-account - pre-financing of assets	880	6,820
Interest accrued not yet due	2	3
Sub-account - financing of over-collateralization	3,500	3,500
Interest accrued not yet due	28	29
Total Dexia Credit Local	**4,410**	**10,352**

b. Analysis by residual maturity: see note 7.3

3.3 - DEBT SECURITIES

a. Analysis by nature

EUR millions	12/31/2008	12/31/2009
Obligations foncières	62,411	62,218
Registered covered bonds	1,855	3,715
Total	**64,266**	**65,933**

b. Analysis by residual maturity: see note 7.3

3.4 - TAX LIABILITIES

EUR millions	12/31/2008	12/31/2009
Current income tax	0	0
Other taxes	6	3
Current tax liabilities	**6**	**3**
Deferred tax liabilities (see note 4.2)	**0**	**9**

3.5 - ACCRUALS AND OTHER LIABILITIES

EUR millions	12/31/2008	12/31/2009
Cash received as collateral	462	1,427
Other accrued charges	57	50
Deferred income	0	0
Other accounts payable and other liabilities	6	4
Total	**525**	**1,481**

3.6 - DEXIA MUNICIPAL AGENCY - SHAREHOLDERS' EQUITY

	Core shareholders' equity			Unrealized or deferred gains and losses			
EUR millions	Capital stock Additional paid-in capital	Retained earnings and net income for the period	Total	Net change in fair value of available for sale financial assets after tax	Net change in fair value of hedging derivatives, after tax	Total	Shareholders' equity
As of December 31, 2008, IFRS	**946**	**125**	**1,071**	**(252)**	**(105)**	**(357)**	**714**
Movements during the period							
Capital stock	114	0	114	0	0	0	114
Dividends	0	(114)	(114)	0	0	0	(114)
Changes in fair value of available for sale financial assets through shareholders' equity	0	0	0	62	0	62	62
Changes in fair value of hedging derivatives through shareholders' equity	0	0	0	0	80	80	80
Changes in fair value of available for sale financial assets through profit and loss	0	0	0	0	0	0	0
Changes in fair value of hedging derivatives through profit and loss	0	0	0	0	0	0	0
Net income for the period	0	134	134	0	0	0	134
Other movements	0	0	0	0	0	0	0
As of December 31, 2009, IFRS	**1,060**	**145**	**1,205**	**(190)**	**(25)**	**(215)**	**990**

On May 26, 2009, the Shareholders' Meeting, both ordinary and extraordinary, decided:
(i) to allocate the 2008 net income of EUR 91.3 million to retained earnings, constituting an income for distribution of EUR 163.1 million after allocation to the legal reserve;
(ii) to distribute a dividend of EUR 113.5 million;
(iii) to increase the capital in cash by EUR 114 million. This capital increase was subscribed by Dexia Credit Local and carried out on June 9, 2009.
Dexia MA has capital stock of EUR 1,060 million and is made up of 10,600,000 shares with a par value of EUR 100.

4. OTHER NOTES ON THE BALANCE SHEET

4.1 - DERIVATIVES

a. Analysis by nature

EUR millions	12/31/2008		12/31/2009	
	Assets	Liabilities	Assets	Liabilities
Derivatives at fair value through profit or loss	**0**	**0**	**0**	**0**
Derivatives designated as fair value hedges	1,809	6,362	1,015	4,703
Derivatives designated as cash flow hedges	8	250	1	125
Derivatives designated as portfolio hedges	2,209	1,851	1,798	978
Hedging derivatives	**4,026**	**8,463**	**2,814**	**5,806**
Total derivatives	**4,026**	**8,463**	**2,814**	**5,806**

b. Detail of derivatives designated as fair value hedges

EUR millions	12/31/2008				12/31/2009			
	Notional amount		Assets	Liabilities	Notional amount		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Foreign exchange derivatives	19,789	21,001	1,146	1,501	17,675	18,351	589	839
Interest rate derivatives	41,211	41,211	663	4,861	43,820	43,820	427	3,864
Total	**61,000**	**62,212**	**1,809**	**6,362**	**61,495**	**62,171**	**1,015**	**4,703**

c. Detail of derivatives designated as cash flow hedges

EUR millions	12/31/2008				12/31/2009			
	Notional amount		Assets	Liabilities	Notional amount		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Foreign exchange derivatives	2,472	2,551	8	250	2,223	2,307	1	125
Interest rate derivatives	0	0	0	0	0	0	0	0
Total	**2,472**	**2,551**	**8**	**250**	**2,223**	**2,307**	**1**	**125**

EUR millions	12/31/2008	12/31/2009
Amount removed from equity and included in the carrying amount of a non-financial instrument, in case of a CFH on forecast transaction	0	0

d. Detail of derivatives designated as portfolio hedges

EUR millions	12/31/2008				12/31/2009			
	Notional amount		Assets	Liabilities	Notional amount		Assets	Liabilities
	To receive	To deliver			To receive	To deliver		
Foreign exchange derivatives	0	0	0	0	0	0	0	0
Interest rate derivatives	174,562	174,562	2,209	1,851	167,734	167,729	1,798	978
Total	**174,562**	**174,562**	**2,209**	**1,851**	**167,734**	**167,729**	**1,798**	**978**

4.2 - DEFERRED TAXES

a. Analysis by nature

EUR millions	12/31/2008	12/31/2009
Deferred tax assets before impairment	223	132
Impairment on deferred tax assets	0	0
Deferred tax assets (1)	223	132
Deferred tax liabilities (1)	0	(9)
Total	**223**	**123**

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

b. Movements

EUR millions	12/31/2008	12/31/2009
As of January 1	**55**	**223**
Charge/credit recognized in the income statement	7	(25)
Effect of change in tax rates - impact on the income statement	0	0
Movements directly recognized in shareholders' equity	161	(75)
Effect of change in tax rates - impact on shareholders'equity	0	0
Translation adjustment	0	0
Other movements	0	0
As of December 31	**223**	**123**

c. Deferred taxes coming from assets on the balance sheet

EUR millions	12/31/2008	12/31/2009
Loans (and loan loss provisions)	62	51
Securities	104	67
Derivatives	57	12
Accruals and other assets	18	14
Total	**241**	**144**

d. Deferred taxes coming from liabilities on the balance sheet

EUR millions	12/31/2008	12/31/2009
Derivatives	0	0
Borrowings, deposits and issues of debt securities	0	0
Provisions	0	0
Regulatory provisions	(18)	(21)
Accruals and other liabilities	0	0
Total	**(18)**	**(21)**

4.3 - RELATED-PARTY TRANSACTIONS

Analysis by nature (EUR millions)	Parent company and entities consolidated by Dexia Credit Local		Other related parties (1)	
	12/31/2008	12/31/2009	12/31/2008	12/31/2009
Assets				
Loans and advances (2)	9,283	7,224	5,802	5,376
Bonds (2)	0	1,401	0	0
Liabilities				
Balance of current account	882	6,823	0	0
Interbank loans	3,528	3,529	0	0
Income statement				
Interest income on loans and advances (3)	270	163	73	95
Interest income on bonds (4)	215	6	188	0
Interest expense on loans	(144)	(39)	0	0
Fee and commission expense	(3)	0	0	0
Off-balance sheet				
Interest rate derivatives	140,857	128,588	3,972	6,472
Guarantees issued by the Group	4,010	3,836	3,194	3,274

(1) This item includes transactions with entities of Belgian and Luxembourg sub-groups consolidated by Dexia SA, the parent company of Dexia Credit Local.
(2) Restatement of securities available for sale as loans and advances as of October 1, 2008 (cf. note 2.7).
(3) Including interest in the fourth quarter of 2008 from securities restated as loans and advances as of October 1, 2008 (cf. note 2.7).
(4) Interest as of September 30, 2008, from securities restated as loans and advances as of October 1, 2008 (cf. note 2.7).

5. NOTES ON THE INCOME STATEMENT

5.1 - INTEREST INCOME - INTEREST EXPENSE

EUR millions	2008	2009
Interest income	**12,394**	**7,308**
Central banks	1	0
Interbank loans and advances (1)	234	176
Customer loans and advances (2)	2,236	2,147
Financial assets available for sale	706	69
Financial assets held to maturity	0	0
Derivatives used for hedging	9,217	4,916
Impaired assets	0	0
Other	0	0
Interest expense	**(12,139)**	**(7,026)**
Central banks	(48)	(40)
Interbank loans and deposits	(327)	(77)
Customer borrowings and deposits	0	0
Debt securities	(2,657)	(2,632)
Subordinated debt	0	0
Derivatives used for hedging	(9,107)	(4,277)
Other	0	0
Interest margin	**255**	**282**

(1) of which from securities transferred to loans and advances	75
(2) of which from securities transferred to loans and advances	157

5.2 - FEES AND COMMISSIONS

EUR millions	2008			2009		
	Income	Expense	Net	Income	Expense	Net
Lending activity	0	0	0	0	0	0
Purchase and sale of securities	0	0	0	0	0	0
Financial engineering	0	0	0	0	0	0
Services on securities other than custodial services	0	(4)	(4)	0	(5)	(5)
Custodial services	0	0	0	0	0	0
Issuance and underwriters of securities	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	**0**	**(4)**	**(4)**	**0**	**(5)**	**(5)**

5.3 - NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

EUR millions	2008	2009
Net result of hedge accounting	0	0
Net result of foreign exchange transactions	0	0
Total	**0**	**0**

All the interest received and paid on the assets, liabilities and derivatives is recognized in the interest margin, as required by IFRS. Consequently, the net gains and losses on hedging operations only include the change in the clean value of the derivatives and the re-evaluation of the assets and liabilities in a hedging relationship.

Analysis of net result of hedge accounting

EUR millions	2008	2009
Fair value hedges	**0**	**0**
Fair value changes in the hedged item attributable to the hedged risk	3,598	(335)
Fair value changes in the hedging derivatives	(3,598)	335
Cash flow hedges	**0**	**0**
Fair value changes in the hedging derivatives – ineffective portion	0	0
Discontinuation of cash flow hedge accounting (Cash flows no longer expected to occur)	0	0
Portfolio hedge	**0**	**0**
Fair value changes in the hedged item	(350)	(374)
Fair value changes in the hedging derivatives	350	374
Total	**0**	**0**

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

EUR millions	2008	2009
Net gain (loss) on disposals of loans and securities available for sale	(1)	0
Net gain (loss) on disposals of debt securities	0	7
Net gain (loss) on the sale or cancellation of loans and advances	4	21
Total	**3**	**28**

5.5 - OPERATING EXPENSE

EUR millions	2008	2009
Payroll costs	0	0
Management fees	0	0
Other general and administrative expense	(83)	(87)
Taxes	(9)	(5)
Total	**(92)**	**(92)**

Dexia Municipal Agency has no salaried employees in accordance with article L.515-22 of the Monetary and Financial Code. Within the framework of its management contract, Dexia Credit Local conducts all operations, transactions and functions of all types on behalf of Dexia MA.
In addition, specific management agreements grant different entities of the Dexia Group the management of loans and securities in their respective countries (Kommunalkredit Austria, Dexia Crediop and Dexia Bank Belgium). The agreement with Dexia Public Finance Norden was cancelled at the end of 2009.

5.6 - COST OF RISK

The methodology used to calculate provisions, defined for the whole Dexia Group, is expected to change in the future, and thus better reflect the risk quality of Dexia MA's exposures that are guaranteed by public sector entities.

EUR millions	2008			2009		
	Collective impairment	Specific impairment and losses	Total	Collective impairment	Specific impairment and losses (1)	Total
Loans, commitments and securities held to maturity	(3)	0	(3)	(5)	0	(5)
Fixed income securities available for sale	0	0	0	0	0	0
Total	**(3)**	**0**	**(3)**	**(5)**	**0**	**(5)**

(1) The allocation for the period was EUR 0.3 million, rounded off to 0 in the table, while the balance sheet figure rose to EUR 0.6 million, rounded off to EUR 1 million.

Detail of collective and specific impairment

Collective impairment	2008			2009		
(EUR millions)	Charges	Recoveries and uses	Total	Charges	Recoveries and uses	Total
Loans and securities held to maturity	(3)	0	(3)	(5)	0	(5)
Off-balance sheet commitments	0	0	0	0	0	0
Total	**(3)**	**0**	**(3)**	**(5)**	**0**	**(5)**

The methodology used to calculate collective impairment, for the different portfolios that make up Dexia MA's cover pool does not take into account the guarantees received. This very conservative method may result in significant changes in provisions, depending on whether the assets recorded on the balance sheet during the year are exposures that are totally guaranteed by public sector entities or direct exposures on these entities. In 2009, the portion of guaranteed assets recorded on the balance sheet was slightly higher than in the previous year (it represented less than EUR 0.4 billion), and thus led to a rise in provisions.

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

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

5.7 - INCOME TAX

a. Detail of tax expense

EUR millions	2008	2009
Current taxes	(53)	(54)
Deferred taxes	7	(19)
Tax on prior years' income	0	0
Deferred taxes on prior years	0	0
Provisions for tax litigation	0	0
Total	**(46)**	**(73)**

b. Effective tax expense

The standard corporate tax rate applicable in France is 34.43%. The tax rate applied on the contributions of foreign subsidiaries is the rate applied locally in accordance with each individual national tax system.
The effective tax rate observed as of December 31, 2009, amounted to 35.3%.

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

EUR millions	2008	2009
Income before income taxes	**159**	**207**
Net income from associates	0	0
Tax base	**159**	**207**
Applicable tax rate at end of the period	34.43%	34.43%
Theoretical income tax at the standard rate	**55**	**71**
Impact of differences between foreign tax rates and the standard French tax rate	(9)	2
Tax effect of non-deductible expenses	0	0
Tax effect of non-taxable income	0	0
Impact of items taxed at a reduced rate	0	0
Other additional taxes or tax savings	0	0
Liability method	0	0
Provisions for tax litigation	0	0
Income tax recorded in the income statement	**46**	**73**
Effective tax rate	**29.0%**	**35.3%**

c. Tax consolidation group

Dexia Municipal Agency applies the tax consolidation system.
Dexia Municipal Agency and its parent company Dexia Credit Local are lodged in a tax consolidation structure. Since January 1, 2002, the consolidating company has been Dexia SA's permanent establishment in France.
This entity pays the total tax owed by the companies in the tax group and the minimum corporate income tax payment for the Group. Dexia MA records in its accounts the amount of tax for which it would be liable if it were not a member of the tax group. Tax savings realized by the tax group are recorded in the accounts of Dexia's permanent establishment in France.

6. NOTE ON OFF-BALANCE SHEET ITEMS

6.1 - REGULAR WAY TRADE

EUR millions	12/31/2008 *	12/31/2009
Assets to be delivered	212	216
Liabilities to be received	137	151

Currency swaps with a deferred start that perfectly hedge loans or bond issues.

6.2 - GUARANTEES

EUR millions	12/31/2008 *	12/31/2009
Guarantees received from credit institutions (1)	7,204	7,110
Guarantees received from customers (2)	5,518	5,812

(1) The guarantees received from credit institutions corresponded to the guarantee provided by Dexia Crediop on Dexia Crediop per la Cartolarizzazione securities in the amount of EUR 3,836 million and the guarantee provided by Dexia Bank Belgium on DSFB 1 and DSFB 2 securities in the amount of EUR 3,274 million.
(2) Guarantees received from customers are generally granted by local governments.

6.3 - LOAN COMMITMENTS

EUR millions	12/31/2008	12/31/2009
Loan commitments given to credit institutions	11	6
Loan commitments given to customers (1)	3,177	1,630
Loan commitments received from credit institutions (2)	5,432	7,412
Loan commitments received from customers	0	0

(1) The financing commitments on loans and lines of credit corresponded to contracts issued but not paid out as of December 31, 2009.
(2) This item concerned a firm and irrevocable commitment by Dexia Credit Local to make available to Dexia MA the funds required to reimburse the *obligations foncières* that will mature in the next 12 months.

6.4 - OTHER COMMITMENTS

EUR millions	12/31/2008 *	12/31/2009
Commitments given (1)	7,811	0
Commitments received	1,936	421

(1) Accounting value of the financial assets pledged to the Banque de France

* The amounts as of December 31, 2008, were reclassified to match the presentation as of December 31, 2009, and updated to include regular way trade.

Version published as of December 31, 2008

EUR millions	12/31/2008
6.1 Regular way trade: assets to deliver	0
6.1 Regular way trade: liabilities to receive	0
6.2 Guarantees given to the Banque de France	7,811
6.2 Guarantees received from customers	7,455
6.4 Commitments given	0
6.4 Commitments received	7,204

7. NOTES ON RISK EXPOSURE AS OF DECEMBER 31, 2009

7.1 - FAIR VALUE

a. Composition of the fair value of the assets

	12/31/2008			12/31/2009		
EUR millions	Book value	Fair value	Unrecognized fair value adjustment	Book value	Fair value	Unrecognized fair value adjustment
Central banks	0	0	0	4	4	0
Hedging derivatives (see note 4.1.a) (1)	4,026	4,026		2,814	2,814	
Financial assets available for sale (1)	1,325	1,325		3,304	3,304	
Interbank loans and advance	10,174	10,025	(149)	7,810	7,795	(15)
Customer loans and advances	70,287	71,736	1,449	71,060	67,845	(3,215)
Fair value revaluation of portfolio hedge (1) (2)	801	801		692	692	
Other assets	234	234	0	146	146	0
Total	**86,847**	**88,147**	**1,300**	**85,830**	**82,600**	**(3,230)**

(1) For these items, fair value is the book value.
(2) The item "Fair value revaluation of portfolio hedge" corresponds to the revaluation of the interest rate risk of liabilities that are covered by a portfolio hedge.

The above-mentioned fair value only includes the effects linked to interest rates, except for "Liabilities held for trading" and "Liabilities at fair value through profit or loss".

b. Composition of the fair value of the liabilities, excluding shareholders' equity

EUR millions	12/31/2008 Book value	Fair value	Unrecognized fair value adjustment	12/31/2009 Book value	Fair value	Unrecognized fair value adjustment
Central banks	7,473	7,473	0	0	0	0
Hedging derivatives (see note 4.1.a) (1)	8,463	8,463		5,806	5,806	
Interbank loans and deposits	4,410	4,429	19	10,352	10,399	47
Customer borrowing and deposits	0	0	0	0	0	0
Debt securities	64,266	63,555	(711)	65,933	65,211	(722)
Fair value revaluation of portfolio hedge (1) (2)	990	990		1,256	1,256	
Other liabilities	531	531	0	1,493	1,493	0
Total	**86,133**	**85,441**	**(692)**	**84,840**	**84,165**	**(675)**

(1) For these items, fair value is the book value.
(2) The item "Fair value revaluation of portfolio hedge" corresponds to the revaluation of the interest rate risk of liabilities that are covered by a portfolio hedge.
These liabilities are recorded under "Interbank loans and deposits", "Customer borrowings and deposits", and "Debt securities".

The above-mentioned fair value only includes the effects linked to interest rates, except for "Liabilities held for trading" and "Liabilities at fair value through profit or loss".

c. Methods used to determine the fair value of financial instruments

Fair value of financial assets (EUR millions)	12/31/2009 Level 1 (1)	Level 2 (2)	Level 3 (3)	Total
Interbank loans and deposits	0	2,263	5,532	7,795
Customer loans and advances	0	54,681	13,164	67,845
Hedging derivatives (see note 4.1.a)	0	2,790	24	2,814
Financial assets available for sale	1,037	204	2,063	3,304
Fair value revaluation of portfolio hedge	0	692	0	692
Total	**1,037**	**60,630**	**20,783**	**82,450**

(1) Price quoted on an active market for the same type of instrument.
(2) Price quoted on an active market for a similar (but not exactly the same) instrument or use of a valuation technique in which all the signficant parameters are observable.
(3) Use of a valuation technique in which all the significant parameters are not observable.

Fair value of financial liabilities (EUR millions)	12/31/2009 Level 1 (1)	Level 2 (2)	Level 3 (3)	Total
Central banks	0	0	0	0
Interbank loans and deposits		3,576	6,823	10,399
Customer borrowings and deposits	0	0	0	0
Hedging derivatives (see note 4.1.a)	0	5,411	395	5,806
Fair value revaluation of portfolio hedge	0	1,256	0	1,256
Debt securities	0	65,211	0	65,211
Total	**0**	**75,454**	**7,218**	**82,672**

(1) Price quoted on an active market for the same type of instrument.
(2) Price quoted on an active market for a similar (but not exactly the same) instrument or use of a valuation technique in which all the signficant parameters are observable.
(3) Use of a valuation technique in which all the significant parameters are not observable.

d. Level 3: Reconciliation

EUR millions	Dec. 31, 2008	Restatement according to new definition	Jan. 1, 2009	Total gains and losses through profit and loss	Total unrealized or deferred gains and losses	Purchase	Sale	Direct origination	Settlement	Transfer to level 3	Transfer out of level 3	Other variations	Dec. 31, 2009
Financial assets available for sale	0	0	0	22	27	0	0	1,400	(9)	628	0	(5)	2,063
Hedging derivatives	(101)	166	65	628	0	9	0	0	(708)	42	(2)	(10)	24
Total financial assets	**(101)**	**166**	**65**	**650**	**27**	**9**	**0**	**1,400**	**(717)**	**670**	**(2)**	**(15)**	**2,087**
Hedging derivatives	317	(109)	208	185	0	0	0	0	(290)	304	(10)	(2)	395
Total financial liabilities	**317**	**(109)**	**208**	**185**	**0**	**0**	**0**	**0**	**(290)**	**304**	**(10)**	**(2)**	**395**

7.2 - EXPOSURE TO CREDIT RISKS

Exposure to credit risks, as presented to management, includes:

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

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

a. Breakdown of exposure to credit risks

Analysis of exposure by geographic region

EUR millions	12/31/2009
Belgium	5,425
France	52,952
Germany	842
Italy	7,922
Luxembourg	2,392
Other European Union countries	5,992
Rest of Europe	4,760
United States and Canada	325
Japan	25
Other countries	26
Total exposure	**80,661**

Analysis of exposure by category of counterparty

EUR millions	12/31/2009
States	4,774
Local public sector	67,945
ABS	90
Financial institutions	7,852
Total exposure	**80,661**

The exposures on financial institutions are primarily comprised of counterparties in hedging derivatives and the covered bonds classified as replacement assets.

Exposures on ABS correspond to the three ABS that are 100% guaranteed by a public sector entity or have a pool of 100% public sector assets: Blue Danube Loan Funding GmbH, Colombo SrL, Societa veicolo Astrea SrL.

Analysis of exposure by category of instrument

EUR millions	12/31/2009
Debt securities	3,304
Loans and advances	75,404
Financing commitments on loans	1,636
Hedging derivatives	317
Total exposure	**80,661**

b. Evaluation of asset credit quality

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

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

This analysis confirms the excellent quality of the assets in Dexia MA's portfolio. 80% of the portfolio has a weighting of less than 5% and 99% of the portfolio has a weighting that is less than or equal to 20%.

	Risk weighting (Basel II)				
EUR millions	From 0 to 5%	From 5% to 20%	From 20% to 50%	More than 50%	Total
Debt securities	2,953	351	0	0	3,304
Loans and advances	60,187	14,772	168	277	75,404
Financing commitments on loans	1,442	177	0	17	1,636
Hedging derivatives	(268)	66	514	5	317
Total exposure	**64,314**	**15,366**	**682**	**299**	**80,661**
Share	**79.7%**	**19.0%**	**0.8%**	**0.4%**	**100.0%**

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

7.3 - LIQUIDITY RISK : ANALYSIS BY TERM TO MATURITY

a. Analysis of assets

	12/31/2009									
EUR millions	Sight	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	No fixed maturity	Accrued interest	Fair value adjustment	Impairment	Total
Central banks	4	0	0	0	0	0	0	0	0	4
Derivatives	0	0	0	0	0	0	1,962	852	0	2,814
Financial assets available for sale	0	1,400	543	175	1,060	0	14	112	0	3,304
Interbank loans and advances	0	291	2,689	3,977	763	0	32	58	0	7,810
Customer loans and advances	0	1,637	3,114	14,129	47,931	0	909	3,350	(10)	71,060
Fair value revaluation of portfolio hedge	0	0	0	0	0	0	0	692	0	692
Financial assets held to maturity	0	0	0	0	0	0	0	0	0	0
Tax assets	0	0	0	0	0	136	0	0	0	136
Accruals and other assets	0	0	0	0	5	5	0	0	0	10
Total	**4**	**3,328**	**6,346**	**18,281**	**49,759**	**141**	**2,917**	**5,064**	**(10)**	**85,830**

b. Analysis of liabilities, excluding shareholders' equity

	12/31/2009								
EUR millions	Sight	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	No fixed maturity	Accrued interest	Fair value adjustment	Total
Central banks	0	0	0	0	0	0	0	0	0
Hedging derivatives	0	0	0	0	0	0	2,878	2,928	5,806
Interbank loans and deposits	6,820	0	0	0	3,500	0	32	0	10,352
Customer borrowing and deposits	0	0	0	0	0	0	0	0	0
Debt securities	0	1,204	6,061	22,088	34,217	0	1,388	975	65,933
Fair value revaluation of portfolio hedge	0	0	0	0	0	0	0	1,256	1,256
Tax liabilities	0	0	0	0	0	12	0	0	12
Accruals and other liabilities	0	1,481	0	0	0	0	0	0	1,481
Provisions	0	0	0	0	0	0	0	0	0
Subordinated debt	0	0	0	0	0	0	0	0	0
Total	**6,820**	**2,685**	**6,061**	**22,088**	**37,717**	**12**	**4,298**	**5,159**	**84,840**

c. Net liquidity gap

EUR millions	Sight	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	No fixed maturity
As of 12/31/2009	(6,816)	643	285	(3,807)	12,042	129

This table presents the balance sheet at the closing date; it does not take into account the management decisions that will make it possible to manage differences in maturity or the future production of assets and liabilities. Dexia MA's liquidity is provided by its refinancing agreement with Dexia Credit Local. In addition, the Company may obtain funding from the Banque de France, by giving certain of these assets in guarantee (this process was tested in 2008, and the great majority of Dexia MA's assets are eligible for refinancing by the Banque de France). Dexia MA can thus obtain funding from the Banque de France enabling it to reimburse *obligations foncières* when they arrive at maturity; the assets given in guarantee are therefore excluded from the calculation of the solvency ratio. The sight debt of EUR 6,820 million corresponds to the current account with Dexia Credit Local; this debt does not benefit from the privilege of the law on *sociétés de crédit foncier*.

7.4 - RISK ON RESETTING OF INTEREST RATES: ANALYSIS BY TIME UNTIL NEXT INTEREST RATE RESET DATE

a. Analysis of assets

	12/31/2009									
EUR millions	Sight	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	No fixed maturity	Accrued interest	Fair value adjustment	Impairment	Total
Central banks	4	0	0	0	0	0	0			4
Derivatives							1,962	852		2,814
Financial assets available for sale	0	1,699	744	0	735	0	14	112	0	3,304
Interbank loans and advances	0	4,199	1,078	1,262	1,182	0	32	58	0	7,810
Customer loans and advances	0	12,863	12,440	12,842	28,667	0	909	3,350	(10)	71,060
Fair value revaluation of portfolio hedge								692		692
Financial assets held to maturity	0	0	0	0	0	0	0	0	0	0
Tax assets						136			0	136
Accruals and other assets	0	10	0	0	0	0	0	0	0	10
Total	**4**	**18,770**	**14,262**	**14,104**	**30,583**	**136**	**2,917**	**5,064**	**(10)**	**85,830**

b. Analysis of liabilities, excluding shareholders' equity

	12/31/2009								
EUR millions	Sight	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	No fixed maturity	Accrued interest	Fair value adjustment	Total
Central banks		0	0	0	0	0	0	0	0
Hedging derivatives							2,878	2,928	5,806
Interbank loans and deposits	6,820		3,500	0			32	0	10,352
Customer borrowings and deposits	0	0	0	0	0	0	0	0	0
Debt securities	0	3,912	8,324	20,688	30,645	0	1,388	975	65,933
Fair value revaluation of portfolio hedge								1,256	1,256
Tax liabilities						12			12
Accruals and other liabilities	0	1,481	0	0	0	0	0		1,481
Provisions						0			0
Subordinated debt	0	0	0	0	0	0	0	0	0
Total	**6,820**	**5,393**	**11,824**	**20,688**	**30,645**	**12**	**4,298**	**5,159**	**84,840**

c. Balance sheet sensitivity gap

EUR millions	Sight	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	No fixed maturity
As of 12/31/2009	(6,816)	13,377	2,438	(6,584)	(62)	124

The balance sheet sensitivity gap is hedged by derivatives.

7.5 - CURRENCY RISK

Classification by original currency	12/31/2008				
(EUR millions)	EUR	Other EU currencies	U.S. dollars	Other currencies	Total
Total assets	70,443	3,991	8,504	3,909	86,847
Total liabilities and shareholders' equity	70,443	3,991	8,504	3,909	86,847
Net balance sheet position	**0**	**0**	**0**	**0**	**0**

Classification by original currency	12/31/2009				
(EUR millions)	EUR	Other EU currencies	U.S. dollars	Other currencies	Total
Total assets	71,695	4,284	6,292	3,559	85,830
Total liabilities and shareholders' equity	71,695	4,284	6,292	3,559	85,830
Net balance sheet position	**0**	**0**	**0**	**0**	**0**

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

7.6 - SENSITIVITY TO INTEREST RATE RISK

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

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

Dexia Municipal Agency uses interest rate micro-hedges on a part of the assets and on the liabilities benefiting from the legal privilege, and interest rate macro-hedges on other assets and on off-balance sheet items to manage the overall interest rate risk. The micro-hedges cover the interest rate risk on the securities portfolio, on certain loans, on *obligations foncières* (and registered covered bonds). The macro-hedges are mainly used to manage the interest rate risk on fixed rate loans not hedged by micro-hedges (principally because the unit amount is too low) and to manage differences in Euribor fixing dates by Eonia hedges.
The residual interest rate risk from macro-hedges has been contained within a limit set since 2005, with the approval of the rating agencies, at 3% of equity. This limit is reviewed yearly and is currently set at EUR 30.5 million, of which EUR 4.5 million for the monetary gap and EUR 26.0 million for the fixed rate gap. Real sensitivity is maintained well under this limit.
The sensitivity thus measured corresponds to the change in the gap's net present value under the impact of a change in the yield curve of 100 basis points.
The results of this management in the last four quarters are presented in the following table.

Sensitivity of the gap		Average	Maximum	Minimum	Limit
Fixed rate	1Q 2009	11.9	20.2	5.4	25.5
	2Q 2009	6.9	10.2	3.6	26.0
	3Q 2009	11.4	20.5	3.7	26.0
	4Q 2009	9.7	15.2	6.5	26.0
Monetary	1Q 2009	(0.4)	1.2	(3.6)	4.0
	2Q 2009	(0.6)	1.1	(1.8)	4.5
	3Q 2009	1.0	3.2	(4.0)	4.5
	4Q 2009*	0.5	4.7	(1.2)	4.5
Total	1Q 2009	11.2	19.9	5.1	29.5
	2Q 2009	6.3	9.8	2.9	30.5
	3Q 2009	8.5	16.7	(1.9)	30.5
	4Q 2009	10.3	15.0	6.7	30.5

* The monetary sensitivity limit was exceeded for a period of three days in December. This can be explained by the recognition of Italian debt securities acquired in December. This operation was carried out before the settlement date, but after the date on which interest rates were set, making it impossible to hedge the interest rate risk 100%. This excess was, nevertheless, very limited in its amount (EUR 0.2 million) and in the length of time it occurred (three days). The overall sensitivity limit was never exceeded; total sensitivity reached a maximum of EUR 15.0 million, well under the limit of EUR 30.5 million.

Statutory Auditors' report on the IFRS financial statements

Year ended December 31, 2009

This is a free translation into English of the Statutory Auditors' report on the financial statements issued in the French language and is provided solely for the convenience of English-speaking users.
This report should be read in conjunction with, and is construed in accordance with French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of Dexia Municipal Agency (the "Company") and pursuant to your request, in the context of the wish of your Company to provide more extensive financial information to investors, we have audited the accompanying financial statements of Dexia Municipal Agency for the year ended December 31, 2009, prepared in accordance with IFRS standards, as adopted by the European Union.

The financial statements have been approved by the Executive Board in a context of economic and financial crisis which is still characterized by a high market volatility and a certain difficulty to apprehend the economic outlook. Our responsibility is to express an opinion on these financial statements, based on our audit.

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view in all material respects of the assets and liabilities and of the financial position of the Group as of December 31, 2009, and of the results of its operations for the year then ended in accordance with IFRS as adopted by the European Union.

This report does not constitute a report on the statutory audit of the financial statements prepared in accordance with French general accounting rules and principles pursuant to article L.823-9 of the French Commercial Code (Code de commerce). In addition to the information relating to the specific verification required by law, covering, in particular, the management report, this auditors' report includes, in accordance with article L.823-9, paragraph 2, of the French Commercial Code, a justification of our assessments.

This report is made for your exclusive attention in the context described above and should not be used or transmitted for other uses.

We disclaim any liability in the use of this report by any third party receiving it.

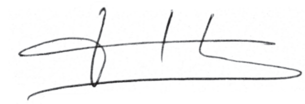
This report is governed by French law. French courts shall have exclusive jurisdiction for hearing any litigation, claim or dispute arising from our engagement letter, this report or any question relating thereto. Each party hereby irrevocably waives its right to contest any legal action that may be brought before French courts or allege that any legal action has been brought before a French court not having proper jurisdiction or that French courts do not have jurisdiction.

Neuilly-sur-Seine and Courbevoie, March 30, 2010
The Statutory Auditors

Deloitte & Associés
José-Luis Garcia
Partner

Mazars
Virginie Chauvin
Partner

Hervé Helias
Partner



FRENCH GAAP FINANCIAL STATEMENTS

Assets as of December 31, 2009

EUR millions	Notes	12/31/2007	12/31/2008	12/31/2009
Central banks	2.1	15	0	4
Government and public entity securities eligible for central bank refinancing	2.2	3,439	3,740	4,593
Interbank loans and advances	2.3	3,193	4,310	2,229
Customer loans	2.4	50,012	53,367	54,386
Bonds and other fixed income securities	2.5	13,637	16,141	17,425
Equities and other variable income securities		0	0	0
Investments in non-consolidated companies and other long-term investments		0	0	0
Investments in consolidated companies		0	0	0
Intangible assets		0	0	0
Property and equipment		0	0	0
Unpaid capital		0	0	0
Treasury stock		0	0	0
Other assets	2.6	1	13	4
Accruals and other assets	2.7	3,227	3,797	2,831
Total assets	**2.8**	**73,524**	**81,368**	**81,472**

Liabilities as of December 31, 2009

EUR millions	Notes	12/31/2007	12/31/2008	12/31/2009
Central banks	3.1	0	7,473	0
Interbank loans	3.2	10,432	4,416	10,352
Customer loans		0	0	0
Debt securities	3.3	57,537	63,351	65,298
Other liabilities	3.4	40	497	1,433
Accruals and other liabilities	3.5	4,421	4,436	3,073
Provisions for risks and charges	3.6	0	2	16
Regulated provisions	3.6	44	52	60
General banking risks reserve		0	0	0
Subordinated debt		0	0	0
Shareholders' equity		**1,050**	**1,141**	**1,240**
Capital stock	3.7	876	946	1,060
Additional paid-in capital	3.7	0	0	0
Reserves and retained earnings	3.7	21	104	82
Net income	3.7	153	91	98
Total liabilities	**3.8**	**73,524**	**81,368**	**81,472**

Off-balance sheet items as of December 31, 2009

EUR millions	Notes	12/31/2007	12/31/2008	12/31/2009
Commitments granted	**4.1**	**4,839**	**10,999**	**1,636**
Financing commitments		4,839	3,188	1,636
Guarantees granted		0	0	0
Other commitments granted		0	7,811	0
Commitments received	**4.2**	**10,576**	**12,887**	**20,771**
Financing commitments		4,684	5,432	7,412
Guarantees received		5,892	5,970	13,359
Other commitments received		0	1,485	0
Foreign currency transactions	4.3	46,294	45,813	40,556
Interest rate derivatives	4.4	203,663	216,370	212,111
Commitments related to securities transactions	4.5	0	0	0

Income statement for the year ended December 31, 2009

EUR millions	Notes	2007	2008	2009
Interest income	5.0	6,945	8,542	3,728
Interest expense	5.0	(6,609)	(8,240)	(3,432)
Income from variable income securities		0	0	0
Commission income	5.2	0	0	0
Commission expense	5.2	(5)	(4)	(6)
Net gains (losses) on held for trading portfolio	5.3	0	0	0
Net gains (losses) on available for sale portfolio	5.3	(1)	(54)	(38)
Other banking income		0	0	0
Other banking expense		0	0	0
Net banking income		**330**	**244**	**252**
General operating expense	5.1	(83)	(92)	(92)
Depreciation and amortization		0	0	0
Operating income before cost of risk		**247**	**152**	**160**
Cost of risk		0	0	0
Income from operations		**247**	**152**	**160**
Income (loss) on fixed assets		0	0	0
Income before non-recurring items and taxes		**247**	**152**	**160**
Non-recurring items		0	0	0
Income tax	5.4	(82)	(53)	(54)
Net allocation to general banking risks reserve and regulated provisions		(12)	(8)	(8)
Net income		**153**	**91**	**98**
Basic earnings per share (EUR)		17.47	9.62	9.25
Diluted earnings per share (EUR)		17.47	9.62	9.25

Shareholders' equity

EUR millions	Amount
As of 12/31/2008	
Capital stock	946
Additional paid-in capital (APIC)	0
Commitments to increase capital stock and APIC	0
Reserves and retained earnings	104
Net income for the year	91
Interim dividends	0
Shareholders' equity as of 12/31/2008	1,141
Movements for the period	
Changes in capital stock	114
Changes in APIC	0
Changes in commitments to increase capital stock and APIC	0
Changes in reserves and retained earnings *	1
Dividends paid (-)	(114)
Net income for the period	98
Other movements	0
As of 12/31/2009	
Capital stock	1,060
Additional paid-in capital (APIC)	0
Commitments to increase capital stock and APIC	0
Reserves and retained earnings	82
Net income for the period	98
Shareholders' equity as of December 31, 2009	1,240

** Rounded off*

Cash Flow Statement

EUR millions	2007	2008	2009
Net income before taxes	**247**	**152**	**160**
+/- Amortization and depreciation and other impairment on property and intangible assets	0	0	0
+/- Depreciation and write-downs	0	0	0
+/- Expense/income from operating activities	(246)	(252)	149
+/- Expense/income from financing activities	199	240	32
+/- Other non-cash items	(39)	(66)	(21)
= Non-monetary items included in net income before tax and other adjustments	**(86)**	**(78)**	**160**
+/- Cash from interbank operations (Dexia Credit Local and Banque de France)	(2,000)	7,726	(7,126)
+/- Cash from interbank operations (customer loans)	(1,154)	(987)	1,995
+/- Cash from customer operations	(4,375)	(2,949)	(1,003)
+/- Cash from financing assets	(5,865)	(2,888)	(2,217)
+/- Cash from hedging financial instruments	26	247	1,143
- Income tax paid	(81)	(75)	(45)
= Decrease/(increase) in cash from operating activities	**(13,449)**	**1,074**	**(7,252)**
Cash flow from operating activities (A)	**(13,288)**	**1,148**	**(6,933)**
+/- Cash from financing assets and long-term investments	0	0	0
+/- Cash from investment property	0	0	0
+/- Cash from property and intangible assets	0	0	0
Cash flow from investing activities (B)	**0**	**0**	**0**
+/- Cash from or for shareholders	0	0	0
+/- Other cash from financing activities	8,623	5,174	1,278
Cash flow from financing activities (C)	**8,623**	**5,174**	**1,278**
Effect of changes in exchange rates on cash and cash equivalents (D)	**0**	**0**	**0**
Increase/(decrease) in cash and cash equivalents (A + B + C + D)	**(4,665)**	**6,322**	**(5,655)**
Cash flow from operating activities (A)	(13,288)	1,148	(6,933)
Cash flow from investing activities (B)	0	0	0
Cash flow from financing activities (C)	8,623	5,174	1,278
Effect of exchange rates on cash and cash equivalents (D)	0	0	0
Cash and cash equivalents at the beginning of the period	**(2,819)**	**(7,484)**	**(1,162)**
Central banks (assets and liabilities)	2	15	(334)
Interbank accounts (assets and liabilities) and loans/deposits at sight	(2,821)	(7,499)	(828)
Cash and cash equivalents at the end of the period	**(7,484)**	**(1,162)**	**(6,817)**
Central banks (assets and liabilities)	15	(334)	4
Interbank accounts (assets and liabilities) and loans/deposits at sight	(7,499)	(828)	(6,821)
Net cash	**(4,665)**	**6,322**	**(5,655)**

NOTES TO THE FRENCH GAAP FINANCIAL STATEMENTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 - ACCOUNTING PRINCIPLES

Dexia Municipal Agency prepares its annual and semiannual financial statements in compliance with CRC standards 99-04 and 00-03 as modified.

The financial statements as of December 31, 2009, were drawn up using the same accounting principles as those used in the financial statements as of December 31, 2008, except the early application of CRC 2009-03 related to the accounting treatment of commissions received and transaction costs related to the granting or the acquisition of a loan. This change has no impact on Dexia Municipal Agency's financial statements as of December 2009.

The financial statements have been prepared in accordance with French generally accepted accounting principles, respecting the principle of prudence, on the basis of the following assumptions:
- going concern principle,
- segregation of accounting periods,
- consistency of methods.

The accounts conform to the indications of directive 86/635/EEC of the Council of European Communities and standard 91-02 of the Banking Regulation Committee (CRB).

1.2 - CUSTOMER LOANS

Customer loans are stated in the balance sheet net of depreciation for possible losses. The undrawn portion of signed loan agreements is recorded as an off-balance sheet item.

Interest on loans is recorded as banking income *prorata temporis* for accrued amounts due and not yet due, as is interest on unpaid installments.

Dexia Municipal Agency applies CRC standard 2002-03, modified by CRC standard 2005-03. This standard stipulates that a loan is considered as non-performing when it presents one of the following characteristics:
- a probable or certain risk that it will not be repaid (unpaid for more than nine months for local government borrowers, and for more than three months for the others);
- a factual bad risk (worsening of the financial situation, alert procedures);
- the existence of litigation.

In addition, this standard introduces a new category of bad debt: compromised non-performing loans. Loans unpaid for more than one year are recorded in this category. Interest on these loans no longer contributes to the interest margin once they have been transferred to the category of compromised non-performing loans. This standard also requires the identification of outstanding loans that have been restructured under non-market conditions; Dexia Municipal Agency had no outstanding loans in this category as of December 31, 2009.

Article 13 of this standard recommends recognizing in discounted value the provisions covering the losses expected on the non-performing and compromised non-performing loans. With respect to the level of non-performing loans and of the corresponding provisions, the introduction of discounted provisions in the financial statements of Dexia Municipal Agency as of December 31, 2009, would not have been significant.

The rate of depreciation applied to bad debt is proportional to the risk involved. The amount of interest is depreciated for 100% in compliance with current banking practice. Because of the low risk of loss in the local government sector, the depreciation allotted covers 3% of the capital.

Commissions received and transaction costs related to the granting or the acquisition of a loan, if they are significant, are spread over the life of the loan. Other commission income is recorded in the income statement on a cash basis.

Early loan reimbursement penalties recorded up to December 31, 2004, continue to be amortized, on a tax and accounting basis, over the residual life of the repaid loans, in function of the amount of interest that would have been paid on these loans. The remaining penalties to be spread over time are recorded in accruals and other liabilities.
Since January 1, 2005, early loan reimbursement penalties have been recorded in the income statement at the date they occur.

1.3 - SECURITIES TRANSACTIONS

The securities held by Dexia Municipal Agency are recorded in the assets as:
- government and public entity securities eligible for central bank refinancing;
- bonds and other fixed income securities.

They are recognized for accounting purposes as:
- investment securities (held to maturity);
- securities available for sale.

The item "Government and public entity securities eligible for central bank refinancing" includes debt securities issued by public sector entities that may be refinanced through the European system of central banks.

The item "Bonds and other fixed income securities" includes the following categories of securities:

- debt securities issued by public sector entities that are not eligible for refinancing by central banks;
- debt securities guaranteed by public sector entities;
- debt securities issued by securitization structures for Italian public sector assets, Colombo and Astrea ;
- debt securities issued by an Austrian securitization structure, Blue Danube Loan Funding, guaranteed by the Land of Lower Austria;
- debt securities issued by subsidiaries of the Dexia Credit Local Group and by other Dexia Group entities for Dexia Municipal Agency, in order to facilitate asset transfers and refinancing. As of December 31, 2009, there were four types of such securities, which fell into two categories:

  1/ guaranteed bonds, which are debt securities issued within a national legal framework of covered bonds:
  - *cedulas territoriales* issued by Dexia Sabadell, the Spanish subsidiary of Dexia Credit Local. These covered bonds benefit from an Aa2 rating (Moody's);
  - *lettres de gage* in Luxembourg, issued by Dexia LdG Banque, a fully-owned subsidiary of Dexia BIL in Luxembourg. These covered bonds benefit from a AAA rating (Standard and Poor's).

  2/ debt securities issued by a securitization vehicle within the Dexia Group, and which correspond to specialized operations whereby assets are transferred between Group entities, which generate these assets, and Dexia Municipal Agency, which refinances them:
  - debt securities issued by DCC (Dexia Crediop per la Cartolarizzazione srl), the securitization vehicle of Dexia Crediop, the Italian subsidiary of Dexia Credit Local. This securitization vehicle is solely dedicated to the refinancing of Italian public sector assets by Dexia Municipal Agency. In addition, the securities it issues for Dexia Municipal Agency benefit from a total guarantee by Dexia Crediop. The DCC securitization vehicle was introduced in the second quarter of 2004 with an issue for Dexia Municipal Agency of EUR 1.1 billion in securities representing the Italian public sector assets held by the vehicle. Since then, DCC has issued two other securities for Dexia Municipal Agency, the second in 2005 for EUR 1 billion and the third in March 2008 for EUR 2.3 billion;
  - debt securities issued by Dexia Secured Funding Belgium NV (DSFB), a *société en investissement de créances* governed by Belgian law and a securitization vehicle created in June 2007 by Dexia Bank Belgium, a subsidiary of Dexia SA, to facilitate the refinancing of certain assets. In June 2007, through its compartment DSFB 1, which is entirely comprised of loans to the Belgian public sector, DSFB issued EUR 1,714,500,000, of which EUR 1,680,250,000 were acquired by Dexia Municipal Agency and the rest by Dexia Bank Belgium; DSFB issued other securities in April 2008, through its compartment DSFB 2, for an amount of EUR 1,621,250,000 of which EUR 1,589,000,000 were acquired by Dexia Municipal Agency and the rest by Dexia Bank Belgium. In December 2009, DSFB issued EUR 5,060,000,000 through its compartment DSFB 4, of which EUR 250,000,000 were acquired by Dexia Municipal Agency.

Securities considered as investment securities are recorded on the date of purchase at acquisition clean price excluding fees. Interest accrued at the date of acquisition is recorded in a separate account. The positive or negative difference between the redemption value and the market clean price (discount or premium) is amortized on a quasi actuarial basis over the residual life of the security.

At the end of the accounting period, unrealized gains are not recorded and no depreciation is recorded except in the following cases:

- a doubt about the issuer's ability to meet his obligations;
- the probability that the company will not hold these securities until maturity owing to new circumstances.

It should be noted that the accounting classification as securities available for sale previously implied the necessity to recognize any security so classified as a "replacement asset". The new formulation of articles L.515-15 and following of the Monetary and Financial Code (May 2007) enables the company to choose the accounting classification (investment or available for sale) it prefers for eligible debt securities.

The sole debt securities to be considered as "replacement assets" are now debt securities the debtors of which are credit institutions or investment firms benefiting from the highest level of credit quality determined by a rating agency recognized by the Banking Commission (corresponding to a minimum rating of AA-/Aa3/AA- by Fitch, Moody's and Standard and Poor's). The percentage of these replacement assets may not exceed 15% of the nominal amount of the *obligations foncières* and other resources benefiting from the privilege mentioned in §2 of part I of article L.515-13 of the Monetary and Financial Code.

Securities available for sale are recorded on the date of purchase at acquisition clean cost excluding fees. Interest accrued at the date of acquisition is recorded in a separate account. The positive or negative difference between the redemption value and the acquisition clean cost (discount or premium) is amortized on a quasi-actuarial basis over the residual life of the security.

At closing, in application of the principle of prudence, securities available for sale are recorded on the balance sheet at their acquisition cost or selling price at closing, whichever is lower, after accounting, when relevant, for the value of the micro-hedge swap.

If the market for a financial instrument is not active, valuation techniques are used to calculate the selling price (or market value as defined in the notes to the financial statements). The valuation model should take into account all the factors that market players would consider to valuate the asset. Within this framework, Dexia Municipal Agency relies on its own valuation models, making every effort to take into account the market conditions at the date of the valuation as well as any changes in the credit risk quality of these financial instruments and market liquidity.
When the decrease in the value of the security exceeds the unrealized gain on the micro-hedge, the decrease in net value is recorded as asset impairment.

Securities available for sale transferred to investment securities are recorded at their acquisition cost and previously recognized impairment is reversed over the residual life of the securities concerned (in conformity with article 8 of CRC standard 2005-01).

1.4 - DEBT SECURITIES

This chapter includes *obligations foncières* and other resources benefiting from the privilege defined in article L.515-19 of the Monetary and Financial Code. As of December 31, 2009, it is subdivided into two categories.

a. Debt securities, for *obligations foncières*
These debt securities are recorded at face value.
From the first year, redemption and issue premiums are amortized on a straight-line basis over the life of the securities *prorata temporis*. They are recorded on the balance sheet under the same headings as the corresponding outstanding debt.
Amortization of these premiums is recorded in the income statement as "Interest expense on bonds and other fixed income securities". In the event bonds are issued above par, amortization of issue premiums is deducted from interest expense on bonds and other fixed income securities.
Interest on bonds is recorded as a banking expense for accrued amounts paid and not yet due calculated *prorata temporis* on the basis of contractual rates.
Bond issuance costs and commissions are amortized in equal parts on a straight-line basis over the life of the related loans.

Bonds denominated in foreign currencies are accounted for by the same method as foreign currency transactions (see below).

b. Other debt securities, for registered covered bonds
These private placements are recorded at their face value. Issue premiums are treated the same way as *obligations foncières* (see above).

Pursuant to article L.515-20 of the Monetary and Financial Code and article 6 of CRB standard 99-10 of July 27, 1999, total assets must always exceed liabilities benefiting from the privilege referred to in article L.515-19 of the Monetary and Financial Code.

1.5 - PROVISION FOR RISKS AND CHARGES

Provisions are recognized based on their discounted value when the following three conditions are met:
- Dexia Municipal Agency has a present legal or constructive obligation as a result of past events;
- it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- a reliable estimate of the amount of the obligation can be made.

1.6 - DERIVATIVE TRANSACTIONS

Dexia Municipal Agency engages in derivative transactions to hedge the interest rate and foreign exchange risks to which it is exposed in its activity.

Depending on their purpose, these transactions are assigned to micro-hedge or macro-hedge portfolios as defined by CRB standards 90-15 and 92-04. Evaluation and accounting principles are determined according to the portfolio to which they are assigned.

Pursuant to article L.515-18 of the Monetary and Financial Code, these transactions benefit from the privilege defined in article L.515-19 of the Monetary and Financial Code provided that their purpose is to hedge the assets or debt benefiting from the privilege and the overall risk on the assets, liabilities and off-balance sheet items.

The law stipulates that derivative transactions do not benefit from the privilege when related to sources of financing that do not benefit from the privilege. For Dexia Municipal Agency, the only resources that do not benefit from the privilege comprise the debt with Dexia Credit Local, which is not hedged.

The notional amount of these hedging transactions is recorded as an off-balance sheet item over the life of the contract, i.e. from the date the contract is signed (including forward contracts) up to maturity. The amount recorded is adjusted to reflect any changes in notional amounts so as to represent the maximum current or future commitment.

Equalization payments at the inception of hedging derivatives are spread over their maturity for the time remaining on a quasi actuarial method.

a. Micro-hedge transactions

Transactions are booked as micro-hedges when they are designed to hedge against the interest rate risk related to an item or set of homogeneous items identified from the start. They involve swaps used to hedge primary issues, securities in the investment bond portfolio and certain customer assets.

Expense and income on these transactions are recorded in the income statement in the same way income and expense on the hedged item or set of homogeneous items are recorded.
In the event of early repayment, the sale of the hedged item, or early repayment within the framework of the renegotiation of the hedged item, the cancellation equalization payment received or paid because of the early interruption of the hedging instrument is recorded in the following manner, if the hedging instrument has been cancelled:

(i) prior to January 1, 2005, the equalization payment is extended over the length of time remaining of the cancelled transaction;
(ii) since January 1, 2005, the equalization payment is recorded in the income statement over the period of cancellation; however, the equalization payment paid by Dexia Municipal Agency is charged against income only for the portion that exceeds gains not yet recorded in income in the symmetric position.

In both cases, equalization payments remaining to be extended are recorded as accruals in the assets and/or liabilities.

b. Macro-hedge transactions

This category includes transactions designed to hedge and manage the Company's overall exposure to interest rate risk on assets, liabilities and off-balance sheet items, excluding micro-hedge transactions. They were authorized by a specific decision of the Executive Board of Dexia Municipal Agency on December 1, 1999, pursuant to article 14 of CRB standard 99-10.

Expense and income on these transactions are recorded in the income statement *prorata temporis* respectively as "Interest expense on macro-hedge transactions" and "Interest income from macro-hedge transactions". The contra entry is recorded in accruals until the date of payment of the funds.
If an early repayment transaction leads to the cancellation of macro-hedge swaps, the swap cancellation equalization payment is treated in the following way if the cancellation has taken place:

(i) prior to January 1, 2005, the equalization payment is extended over the length of time remaining of the cancelled transaction. Equalization payments remaining to be extended are recorded in accruals in the assets and/or liabilities;
(ii) since January 1, 2005, the equalization payment is recorded in the income statement at cancellation.

Micro-hedges and macro-hedges correspond to the use of derivative instruments that benefit from the privilege defined in article L.515-19 of the Monetary and Financial Code, pursuant to article L.515-18 of the Monetary and Financial Code.

c. Monitoring market risks

Market risks refer to the risk of loss linked to fluctuations in market prices and interest rates, their interactions and levels of volatility.

Market risks linked to trading portfolios are not compatible with the activity of Dexia Municipal Agency. The Company cannot have a derivative instrument in an isolated open position. All derivatives used by Dexia Municipal Agency are part of a hedging strategy, either micro- or macro-hedges.

The policy of Dexia Municipal Agency is to avoid any foreign exchange risk. Market risks related to foreign exchange transactions are eliminated from the start by currency swaps when an asset or liability that is not denominated in euros is recorded on the balance sheet.
General accounting verifies that at each closing there is no foreign exchange risk.
The market back-office and market accounting units regularly control the symmetry of micro-hedge swaps.

1.7 - FOREIGN CURRENCY TRANSACTIONS

Pursuant to CRB standard 89-01, amended by standard 90-01 of February 23, 1990, Dexia Municipal Agency records foreign currency transactions in accounts opened and denominated in each of the currencies used.
Specific foreign exchange position accounts and foreign exchange position equivalent accounts are opened in each currency.
At the end of each accounting period, the differences between the amounts resulting from a market price valuation of the foreign exchange position accounts at the date of closing and the amounts recorded in the foreign exchange position equivalent accounts are recorded in the income statement.

1.8 - FOREIGN EXCHANGE TRANSACTIONS

In the course of systematic hedging of its foreign exchange risk, Dexia Municipal Agency enters into currency swaps. These currency swaps are initiated to eliminate the risk of foreign exchange rate fluctuations that might affect an asset or liability as soon as such a risk is recognized. They are mainly used to hedge certain bond issues and, in the assets, certain debt securities and customer loans.

Results of foreign exchange hedging transactions are accounted for by recording the difference between the hedging rate and the spot rate – contango or backwardation – *prorata tempori*s in the income statement.

1.9 - NON-RECURRING INCOME AND EXPENSE

Non-recurring income and expense result from events or transactions that do not relate to ordinary business operations or routine management of the Company's assets and liabilities.
Furthermore, the income or expense involved does not depend on decisions taken within the framework of usual management of the Company's activities or assets, but results from external events of a completely exceptional nature. Only items of this nature that have a significant impact on the period's net income are recorded as non-recurring income and expense.

1.10 - TAX CONSOLIDATION

Dexia Municipal Agency applies the tax consolidation system. Dexia Municipal Agency and its parent company Dexia Credit Local are lodged in a tax consolidation structure. Since January 1, 2002, the consolidating company has been Dexia SA's permanent establishment in France.
This entity pays the total tax owed by the companies in the tax group and the minimum corporate income tax payment for the group. Dexia Municipal Agency records in its accounts the amount of tax for which it would be liable if it were not a member of the tax group.
Tax savings realized by the tax group are recorded in the accounts of Dexia SA's permanent establishment in France.

1.11 - OFFICES AND ACTIVITIES IN UNCOOPERATIVE STATES OR TERRITORIES

In application of article L.511-45 of the Monetary and Financial Code, it should be noted that Dexia Municipal Agency has no offices in States that have not signed an administrative assistance agreement (subsidiaries, branches, including *ad hoc* entities, and equity interest in other entities over which the Company has exclusive or joint – or *de facto* – control).

IDENTITY OF THE PARENT COMPANY CONSOLIDATING THE ACCOUNTS OF DEXIA MUNICIPAL AGENCY

Dexia Credit Local
Tour Dexia La Défense 2
1, Passerelle des Reflets
92913 La Défense
France

2. NOTES TO THE ASSETS (EUR millions)

2.1 - CENTRAL BANKS

	12/31/2008	12/31/2009
Mandatory reserves	0	4
Total	**0**	**4**

2.2 - GOVERNMENT AND PUBLIC ENTITY SECURITIES ELIGIBLE FOR CENTRAL BANK REFINANCING

a. Accrued interest included in this item: 81

b. Analysis by residual maturity excluding accrued interest

Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
143	438	246	3,685	4,512

c. Analysis by listed securities and other securities excluding accrued interest

	Amount as of 12/31/2009	Unrealized capital loss as of 12/31/2009
Listed securities (1)	2,946	5
Other securities	1,566	0
Total	**4,512**	**5**

(1) Listed securities are registered for trading on a stock exchange.

d. Analysis by type of portfolio excluding accrued interest and changes during the year

Portfolio	Gross amount as of 12/31/2008	Increases	Decreases	Other changes	Impairment as of 12/31/2009	Net amount as of 12/31/2009
Trading	0	0	0	0	0	0
Available for sale	737	2,524	(2,151)	(2)	(5)	1,103
Investment	2,926	566	(20)	(63)	0	3,409
Total	**3,663**	**3,090**	**(2,171)**	**(65)**	**(5)**	**4,512**

2.3 - INTERBANK LOANS AND ADVANCES

2.3.1 - Sight interbank loans

	12/31/2008	12/31/2009
Current account Dublin	58	0
Accrued interest not yet due on the current account	0	0
Unallocated sums	0	0
Total	**58**	**0**

2.3.2 - Time interbank loans

This item is composed of loans to Swiss cantonal banks, which benefit from a legal guarantee of their cantons for an amount of EUR 1,809 million (excluding accrued interest).
The remainder is comprised of loans guaranteed by local governments (loans to *crédits municipaux*) or by the transfer as guarantee of the public assets refinanced through the loans.

a. Accrued interest included in this item: 28

b. Analysis by residual maturity excluding accrued interest

Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
48	552	925	676	2,201

c. Analysis by initial maturity excluding accrued interest

	Net amount as of 12/31/2008	Gross amount as of 12/31/2009	Decrease in value as of 12/31/2009	Net amount as of 12/31/2009
Loans of less than 1 year	0	0	0	0
Loans of more than 1 year	4,196	2,201	0	2,201
Total	**4,196**	**2,201**	**0**	**2,201**

d. Breakdown by counterparty

	12/31/2009
Swiss cantonal banks benefiting from their canton's legal guarantee	1,809
Crédits municipaux and institutions guaranteed by a public entity	206
Credit institutions in the Dexia Group: loans benefiting from the assignment in guarantee of refinanced public debt	186
Total	**2,201**

2.4 - CUSTOMER LOANS

a. Accrued interest included in this item: 792

b. Analysis by residual maturity excluding accrued interest

Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
1,525	3,071	13,868	35,130	53,594

c. Analysis of commitments by the counterparty's economic sector excluding accrued interest

Economic sector	12/31/2008	12/31/2009
Public sector	49,182	49,637
Other sectors	3,348	3,957
Total	**52,530**	**53,594**
of which eligible for Central Bank refinancing	*	41,608

** data not available*

d. Analysis by initial maturity excluding accrued interest

	Net amount as of 12/31/2008	Gross amount as of 12/31/2009	Impairment as of 12/31/2009	Net amount as of 12/31/2009
Loans of less than 1 year	0	0	0	0
Loans of more than 1 year	52,529	53,594	(1)	53,593
Total	**52,529**	**53,594**	**(1)**	**53,593**

e. Analysis of loans by category of outstanding commitments excluding accrued interest

	Net amount as of 12/31/2008	Gross amount as of 12/31/2009	Impairment as of 12/31/2009	Net amount as of 12/31/2009
Performing loans	52,521	53,589	0	53,589
Restructured loans	0	0	0	0
Non-performing loans	4	4	0	4
Compromised non-performing loans	4	1	(1)	0
Total	**52,529**	**53,594**	**(1)**	**53,593**

f. Depreciation for non-performing loans - changes during the year

Depreciation on non-performing loans	12/31/2008	Allocations	Reversals	Transfers	12/31/2009
For non-performing loans					
On loans	0	0	0	0	0
On interest	(1)	0	1	0	0
For compromised non-performing loans					
On loans	0	0	0	0	0
On interest	0	(1)	0	0	(1)
Total	**(1)**	**(1)**	**1**	**0**	**(1)**

- Provisions on interest are recorded in Net banking income.
- Provisions on outstanding are recorded in Cost of risk

2.5 - BONDS AND OTHER FIXED INCOME SECURITIES

a. Accrued interest included in this item: 55

b. Analysis by residual maturity excluding accrued interest

Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
1,830	3,036	4,700	7,804	17,370

c. Analysis by the issuer's economic sector excluding accrued interest

Issuer's economic sector	12/31/2008	12/31/2009
Public sector	1,464	1,591
Other sectors (guaranteed by a State or local government) (1)	1,444	3,025
Other sectors (ABS) (2)	104	97
Cedulas territoriales issued by Dexia Sabadell	3,200	3,200
DCC – Dexia Crediop per la Cartolarizzazione	4,010	3,836
DSFB – Dexia Secured Funding Belgium	3,180	3,272
Lettres de gage issued by Dexia LdG Banque	2,599	2,350
Total	**16,001**	**17,370**
- of which eligible for Central Bank refinancing:	6,598	7,979
- of which replacement assets:	5,799	5,550

(1) The change is mainly due to the certificate of deposit issued by Dexia Credit Local with the guarantee of the Belgian, French and Luxembourg States for EUR 1,400 million.

(2) Asset-backed securities (ABS):
- Colombo: 10.42 (rated Aaa Moody's, AAA S&P)
- Astrea: 2.40 (rated AA- Fitch, Aa2 Moody's)
  The Colombo and Astrea ABS are entirely composed of Italian public sector commitments.
- Blue Danube Loan Funding: 83.82 (rated AA+ S&P – guaranteed by the Land of Lower Austria)

d. Replacement assets

Covered bonds	Rating	12/31/2009
Dexia Sabadell - *Cedulas territoriales*	Moody's Aa2	3,200
Dexia LdG Banque - *Lettres de gage*	S&P AAA	2,350
Total		**5,550**

e. Analysis by listed securities and other securities excluding accrued interest

	12/31/2008	12/31/2009	Unrealized capital loss as of 12/31/2009
Listed securities	7,605	7,710	35
Other securities	8,396	9,660	0
Total	**16,001**	**17,370**	**35**

f. Analysis by type of portfolio excluding accrued interest and changes during the year

Portfolio	Gross amount as of 12/31/2008	Increases	Decreases or sales	Other changes	Impairment as of 12/31/2009	Net amount as of 12/31/2009
Trading	0	0	0	0	0	0
Available for sale	1,183	4,720	(3,153)	38	(36)	2,751
Investment	14,831	955	(1,208)	40	0	14,619
Total	**16,014**	**5,675**	**(4,361)**	**78**	**(36)**	**17,370**

2.6 - OTHER ASSETS

	12/31/2008	12/31/2009
Other receivables	13	4
Total	**13**	**4**

This item includes EUR 4 million in tax credit, the difference between the prepaid amounts based on the 2008 fiscal result and the real tax charge booked in Dexia MA's accounts as of December 31, 2009.

2.7 - ACCRUALS AND OTHER ASSETS

	12/31/2008	12/31/2009
Deferred losses on hedging transactions	397	382
Deferred charges on bond issues	378	358
Deferred charges on hedging transactions	322	240
Premiums on acquisition of loans from Dexia Credit Local	125	140
Premiums on acquisition of loans from other Group entities	17	11
Other prepaid charges	0	0
Accrued interest not yet due on hedging transactions	2,558	1,690
Other accruals	0	10
Total	**3,797**	**2,831**

2.8 - TOTAL ASSETS

Analysis by original currency	Amount in original currency as of 12/31/2009	Amount in euros as of 12/31/2009
EUR	67,399	67,399
AUD	1,626	1,015
CAD	1,012	670
CHF	3,617	2,439
DKK	262	35
GBP	1,344	1,514
HKD	201	18
JPY	240,738	1,804
NOK	244	29
PLN	59	14
SEK	1,378	134
USD	9,179	6,375
ZAR	270	26
Total		**81,472**

3. NOTES TO THE LIABILITIES (EUR millions)

3.1 - CENTRAL BANKS

Dexia Municipal Agency has not made use of Banque de France financing since July 2009. The use of such tender-based financing is carried out by the transfer of eligible assets in guarantee within the framework of a general guarantee management agreement (3G).

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

	12/31/2008	12/31/2009
Overnight borrowing	334	0
Time borrowing, maturity first quarter 2009	7,126	0
Accrued interest	13	0
Total Banque de France refinancing	**7,473**	**0**

3.2 - INTERBANK LOANS AND DEPOSITS

This item includes the balance of the account opened with Dexia Credit Local. This account is intended to finance the needs of Dexia Municipal Agency related to its activity, in particular, to finance loans prior to the issue of *obligations foncières* as well as the structural over-collateralization of the assets.
Sub-accounts make it possible to distinguish betwen the financing of over-collateralization and the financing of assets prior to issue. The whole account totaled EUR 10,320 million, broken down as follows (excluding accrued interest):

- a sub-account indexed on Eonia, with no defined maturity, financing assets not yet included in the issue programme and miscellaneous needs with a balance of EUR 6,820 million;
- a sub-account comprised of a borrowing earmarked to finance the structural over-collateralization of 5%. Dexia MA's policy is to maintain minimum structural over-collateralization of 5%, i.e. 105% of outstanding *obligations foncières* and registered covered bonds. This borrowing totaled EUR 3,500 million as of December 31, 2009; it is indexed on the annual money market rate (TAM). The current account agreement between Dexia Credit Local and Dexia MA will exist as long as Dexia MA is authorized to operate as a *société de crédit foncier* and acquires or grants loans to public sector entities.

	12/31/2008	12/31/2009
Sub-account - prefinancing of assets	880	6,820
Interest accrued not yet due	2	3
Sub-account - financing of over-collateralization	3,500	3,500
Interest accrued not yet due	28	29
Unallocated sums	6	0
Total Dexia Credit Local	**4,416**	**10,352**

Analysis by residual maturity excluding accrued interest

Sight	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
6,820	0	0	0	3,500	10,320

3.3 - DEBT SECURITIES

3.3.1 - Debt securities (*obligations foncières*)

a. Accrued interest included in this item: 1,304

b. Analysis by residual maturity excluding accrued interest

Type of securities	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Obligations foncières	1,336	6,058	22,080	30,888	60,362
of which issue premiums (1)	0	(3)	(13)	(105)	(121)

(1) The gross amount, before amortization, of issue premiums totaled EUR 164.6 million.

c. Changes during the year excluding accrued interest

Amount as of 12/31/2008	Increases	Decreases	Translation adjustments	Amount as of 12/31/2009
60,288	6,259	(6,327)	142	60,362

3.3.2 - Other bonds (registered covered bonds)

a. Accrued interest included in this item: 85

b. Analysis by residual maturity excluding accrued interest

Type of securities	Less 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Registered covered bonds	0	0	0	3,547	3,547
of which issuance premiums (1)	0	0	0	(3)	(3)

(1) The gross amount of issue premiums, before amortization,totaled EUR 3.3 million.

c. Changes during the year excluding accrued interest

Amount as of 12/31/2008	Increases	Decreases	Translation adjustments	Amount as of 12/31/2009
1,709	1,838	0	0	3,547

3.4 - OTHER LIABILITIES

	12/31/2008	12/31/2009
Cash received as collateral	462	1,427
Accrued interest not yet due on cash received as collateral	0	0
Taxes	6	6
Balances to pay on unwound hedging contracts	29	0
Total	**497**	**1,433**

3.5 - ACCRUALS AND OTHER LIABILITIES

	12/31/2008	12/31/2009
Deferred gains on hedging transactions	52	0
Deferred income on hedging transactions	805	808
Deferred income on loans	40	31
Discounts on acquisition of loans from Dexia Credit Local	74	96
Discounts on acquisition of loans from other Group entities	82	76
Accrued interest not yet due on hedging transactions	2,064	1,252
Other accrued charges	27	50
Translation adjustments	1,291	760
Other accruals	1	0
Total	**4,436**	**3,073**

3.6 - REGULATED PROVISIONS

a. Regulated provision for risks on medium- and long-term loans

Amount as of 12/31/2008	Increases	Decreases	Amount as of 12/31/2009
52	8	0	60

b. Provision for risks on financial instruments

Amount as of 12/31/2008	Increases	Decreases	Amount as of 12/31/2009
2	14	0	16

3.7 - EQUITY

	12/31/2008	12/31/2009
Capital stock	946	1,060
Legal reserve	28	33
Retained earnings (+/-)	76	50
Net income (+/-)	91	98
Total	**1,141**	**1,240**

On May 26, 2009, the Shareholders' Meeting, both ordinary and extraordinary, decided:

(i) to allocate the 2008 net income of EUR 91.3 million to retained earnings, constituting income for distribution of EUR 163.1 million, after allocation to the legal reserve;

(ii) to distribute a dividend of EUR 113.5 million;

(iii) to increase the capital in cash by EUR 114 million. This capital increase was subscribed by Dexia Credit Local and enacted on June 9, 2009.

Dexia MA's capital stock totaled EUR 1,060 million, comprising 10,600,000 shares with a face value of EUR 100.

3.8 - TOTAL LIABILITIES

Analysis by original currency	Amount in original currency as of 12/31/2009	Amount in euros as of 12/31/2009
EUR	67,399	67,399
AUD	1,626	1,015
CAD	1,012	670
CHF	3,617	2,439
DKK	262	35
GBP	1,344	1,514
HKD	201	18
JPY	240,738	1,804
NOK	244	29
PLN	59	14
SEK	1,378	134
USD	9,179	6,375
ZAR	270	26
Total		**81,472**

3.9 - TRANSACTIONS WITH RELATED PARTIES

Analysis by nature (EUR millions)	Parent company and entities consolidated by Dexia Credit Local		Other related parties (1)	
	12/31/2008	12/31/2009	12/31/2008	12/31/2009
Assets				
Interbank commitments - sight	58	0	0	0
Interbank commitments - time	1,965	186	0	0
Bonds and other fixed income securities	7,237	7,048	5,801	5,375
Liabilities				
Interbank commitments - sight	882	6,823	0	0
Interbank commitments - time	3,528	3,529	0	0
Income statement				
Interest income on loans and advances	85	13	0	0
Interest income on debt securities	400	132	261	94
Interest expense on borrowings	(144)	(39)	0	0
Net commissions	(3)	0	0	0
Off-balance sheet				
Interest rate derivatives	140,945	128,588	3,972	6,472

(1) This item includes transactions with companies of the Belgian and Luxembourg sub-groups consolidated by Dexia SA, the parent company of Dexia Credit Local.

4. NOTES TO THE OFF-BALANCE SHEET ITEMS (EUR millions)

4.1 - COMMITMENTS GRANTED

	12/31/2008	12/31/2009
Financing commitments granted to credit institutions	11	6
Financing commitments granted to customers (1)	3,177	1,630
Other commitments given, securities as collateral (2)	7,811	0
Total	**10,999**	1,636

(1) Financing commitments on loans and advances correspond to contracts signed for loans not yet paid out to customers as of December 31, 2009.
(2) Banque de France.

4.2 - COMMITMENTS RECEIVED

	12/31/2008	12/31/2009
Financing commitments received from credit institutions (1)	5,432	7,412
Currencies borrowed	0	0
Guarantees received from credit institutions (2)	0	7,110
Guarantees received from local governments and asset transfers as guarantees of commitments on local governments	7,455	6,249
Total	**12,887**	**20,771**

(1) This concerns the refinancing agreement within the framework of the current account agreement between Dexia Credit Local and Dexia Municipal Agency.
(2) As of December 31, 2008, the commitment totaled EUR 7,204 million.

4.3 - FOREIGN CURRENCY TRANSACTIONS

Cash and forward foreign exchange transactions are recorded at their value in foreign currencies translated at the exchange rate at the end of the period.
The items "Currencies to receive" and "Currencies to deliver" are composed of long currency swaps with intermediate payment flows corresponding to hedging transactions.

	Amount as of 12/31/2008	Amount as of 12/31/2009	Fair value as of 12/31/2009
Currencies to receive	22,261	19,898	370
Currencies to deliver	23,552	20,658	221
Total	**45,813**	**40,556**	**591**

4.4 - COMMITMENTS ON INTEREST RATE DERIVATIVES

Commitments on interest rate derivatives are recorded in accordance with CRB standards 88-02 and 90-15: amounts related to unconditional operations are recorded at the contractual notional value.

a. Analysis of over-the-counter interest rate transactions by residual life

Type of transaction	Amount as of 12/31/2008	Less than 1 year (1)	1 year to 5 years (2)	More than 5 years (3)	Total as of 12/31/2009
Unconditional transactions	216,370	47,013	94,474	70,624	212,111

(1) of which deferred start:	2,197
(2) of which deferred start:	848
(3) of which deferred start:	2,681
Total	5,726

These hedging transactions include micro-hedge and macro-hedge transactions.

b. Analysis of interest rate transactions by product type

	12/31/2008	12/31/2009
Interest rate swaps	216,370	212,111
Futures	0	0
Interest rate options	0	0
Total	**216,370**	**212,111**

c. Analysis of interest rate swap transactions

	Amount as of 12/31/2008	Amount as of 12/31/2009	Fair value as of 12/31/2009
Micro-hedges	75,770	79,359	(205)
Macro-hedges	140,600	132,752	(858)
Total	**216,370**	**212,111**	**(1,063)**

d. Analysis of interest rate transactions by counterparty

	12/31/2008	12/31/2009
Parent and other Dexia Group companies	144,917	127,366
Counterparties with equity interests	0	0
Other counterparties	71,453	84,745
Total	**216,370**	**212,111**

4.5 - COMMITMENTS RELATED TO SECURITIES TRANSACTIONS

	12/31/2008	12/31/2009
Securities purchased:		
Spot	0.0	0.0
Forward	0.0	0.0
Total	**0.0**	**0.0**

5. NOTES TO THE STATEMENT OF INCOME (EUR millions)

5.0.a - INTEREST AND RELATED INCOME

In particular, this item comprises:

- EUR 78 million in interest due and interest accrued and not yet due on operations with credit institutions;
- EUR 1,648 million in interest due and interest accrued and not yet due on customer loans, payments for early reimbursement of loans and the result of micro-hedging operations;
- EUR 392 million in interest due and interest accrued and not yet due on bonds and other fixed income securities, income and expense from the spreading of discounts and premiums on investment and available-for-sale securities, and the result of micro-hedging operations on these securities;
- EUR 1,610 million in income from macro-hedging operations.

5.0.b - INTEREST AND RELATED EXPENSE

In particular, this item comprises:

- EUR 117 million in interest due and interest accrued and not yet due on refinancing operations (including EUR 73 million with Dexia Credit Local, and EUR 32 million with the Banque de France);
- EUR 41 million in expense on customer loans;

- EUR 1,113 million in interest due, interest accrued and not yet due, income and expense from the spreading of debit and credit issue premiums for *obligations foncières* and registered covered bonds, and the result of micro-hedging operations.
- EUR 2,161 million in expense on macro-hedging operations.

5.1 - GENERAL OPERATING EXPENSES

Dexia Municipal Agency has no salaried employees in accordance with article L.515-22 of the Monetary and Financial Code. Within the framework of its management contract, Dexia Credit Local conducts all operations, transactions and functions of all types on behalf of Dexia MA.
In addition, specific management contracts grant different entities of the Dexia Group the management of loans and securities in their respective countries (Kommunalkredit Austria, Dexia Crediop and Dexia Bank Belgium).
General operating expense can be broken down as follows.

	2008	2009
Taxes	9	5
Other general operating expense	83	87
(This item mainly includes the management commissions billed by Dexia Credit Local and other Group companies to Dexia Municipal Agency under the management contracts they have signed, i.e. EUR 84 million.)		
Total	**92**	**92**

5.2 - ANALYSIS OF COMMISSIONS PAID

	2008	2009
Commission for business brokerage and securities portfolio management billed by Dexia Crediop	(3)	(4)
Commission paid on securities transactions	(1)	(2)
Total	**(4)**	**(6)**

5.3 - ANALYSIS OF INCOME FROM FINANCIAL TRANSACTIONS

	2008	2009
Transactions on available-for-sale securities (1)	(54)	(38)
Transactions on investment securities	0	0
Transactions on interest rate derivatives	0	0
Foreign exchange transactions	0	0
Total	**(54)**	**(38)**

(1) This item regroups capital gains and losses on sales and provisions and reversals on these portfolios.

5.4 - INCOME TAX

	2008	2009
Income tax	(53)	(54)
Total	**(53)**	**(54)**

The tax rate used for 2009 is 34.43% for France.
The tax rate used for the Dublin branch is 12.50%.

Statutory Auditors' report
Financial Statements – Year ended December 31, 2009

This is a free translation into English of the Statutory Auditors' report in French, and is provided solely for the convenience of English-speaking readers. This report includes information specifically required by French law and this is presented after the Opinion on the financial statements. This information includes an explanatory paragraph discussing the auditors' assessment of certain significant accounting matters. These assessments were made for the purpose of issuing an opinion on the financial statements taken as a whole and not to provide separate assurance on individual account captions or on information taken outside of the financial statements. The report also includes information relating to the specific verification of information in the management report. This report should be read in conjunction with French law and professional auditing standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your Annual General Shareholders' Meeting, we hereby report to you, for the year ended December 31, 2009, on:
- the audit of the accompanying financial statements of Dexia Municipal Agency;
- the justification of our assessments;
- the specific verifications and disclosures required by law.

These financial statements have been approved by the Executive Board. Our role is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with professional standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, using sample testing techniques or other selection methods, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made, as well as evaluating the overall financial statement presentation. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of Dexia Municipal Agency as of December 31, 2009, and of the results of its operations for the year then ended, in accordance with accounting rules and principles applicable in France.

Without qualifying the opinion expressed above, we draw your attention to Note 1.1 to the financial statements which describes the early application of CRC regulation 2009-03 of December 3, 2009 (French National Accounting Regulation Committee) relating to the recognition of commissions received from a credit institution and the marginal transaction costs incurred upon the granting or securing of a loan.

2. JUSTIFICATION OF ASSESSMENTS

The accounting assessments used for the financial statements prepared as of December 31, 2009, have been made in a context of economic and financial crisis which is still characterized by high market volatility and a certain difficulty to apprehend the economic outlook. In this context and in accordance with the requirements of article L.823-9 of the French Commercial Code (Code de commerce) relating to the justification of our assessments, we bring to your attention the following matters.

Changes in accounting policies and methods

As part of our assessment of the accounting policies and methods applied by your company, we assured ourselves of the appropriateness of the changes in accounting policies and methods and of their presentation in the financial statements.

Credit risks provision

As described in Note "1.2 – Customer loans" of the notes to the financial statements, your company records provisions to cover credit risks inherent in any banking activity. As part of our assessment of these accounting estimates, we examined the credit risk review process, the assessment of the irrecoverability risk and the adequacy of specific allowances for loan losses.

Valuation of financial instruments

As described in Note "1.3 – Securities transactions" of the notes to the financial statements, your company uses internal models and methods to value financial instruments that are not listed on liquid markets, as well as for the recording of certain provisions. Our procedures consisted in reviewing the control procedures related to the illiquidity assessment of the market, the verification of the models and the determination of the data and assumptions used.

These assessments were made in the context of our audit of the financial statements, taken as a whole, and therefore contributed to the opinion we formed and which is expressed in the first part of this report.

3. SPECIFIC VERIFICATIONS AND DISCLOSURES

We also performed the specific verifications required by law, in accordance with professional standards applicable in France.

We have no matters to report regarding the fair presentation and the consistency with the financial statements of the information given in the Management Report of the Executive Board, and in the documents addressed to the shareholders with respect to the financial position and the financial statements.

In application of the law, we indicate that the information required by article L.225-102-1 of the French Commercial Code does not include the compensation paid and personal benefits granted by the controlling company to the members of your Company's management bodies for their duties in the controlling company, for the reasons presented in the paragraph on the compensation of members of management bodies in the above-mentioned report.

Neuilly-sur-Seine and Courbevoie, March 30, 2010
The Statutory Auditors

Deloitte & Associés
José-Luis Garcia
Partner

Mazars
Virginie Chauvin
Partner

Hervé Helias
Partner

SUPPLEMENTAL DISCLOSURES

Dexia Municipal Agency was authorized to operate as a *société de crédit foncier* on July 23, 1999, by the *Comité des établissements de crédit et des entreprises d'investissement* (CECEI). It is therefore subject to the regulations governing credit institutions and investment firms.
In addition, *sociétés de crédit foncier* are governed by articles L.515-13 to L.515-33 and R.515-2 to R.515-14 of Book V, Title I, Chapter V, Section 4 of the Monetary and Financial Code.

The regulatory documents for the following ratios are prepared on a consolidated basis by Dexia Credit Local, which owns 99.99% of the capital of Dexia MA:

- capital adequacy ratio,
- control of major risks.

On the other hand, the liquidity ratio is calculated on the basis of data presented in the financial statements of Dexia MA. In 2009, Dexia MA had a monthly liquidity ratio of more than 100%; as of December 31, 2009, it was 131%.

Pursuant to article L.515-20 of the Monetary and Financial Code and article 6 of CRB standard 99-10, modified by the *arrêté* of May 7, 2007, Dexia MA's total assets must always exceed liabilities benefiting from the privilege referred to in article L.515-19 of the Monetary and Financial Code. As of December 31, 2009, the coverage ratio was 111.6%.

Income for the last five years

EUR thousands	2005	2006	2007	2008	2009
Financial position					
Capital stock	680,000	760,000	876,000	946,000	1,060,000
Number of shares	6,800,000	7,600,000	8,760,000	9,460,000	10,600,000
Results of operations					
Revenues (2)	1,234,255	1,810,050	2,840,096	3,741,424	1,562,281
Income before income tax, amortization, depreciation and contingencies net of reversals	143,937	197,057	247,582	205,439	195,766
Income tax	47,887	64,585	81,417	53,123	53,797
Income after income tax, amortization, depreciation and contingencies net of reversals	88,947	122,512	153,475	91,265	98,051
Exceptional distribution	-	-	-	-	-
Dividend (1)	84,320	116,280	70,080	113,520	133,560
Per share data (EUR)					
Revenues (2)	181.51	238.16	324.21	395.50	147.39
Income after income tax, before amortization, depreciation and contingencies net of reversals	14.13	17.43	18.97	16.10	13.39
Income tax	7.04	8.50	9.29	5.62	5.08
Income after income tax, amortization, depreciation and contingencies net of reversals	13.08	16.12	17.52	9.65	9.25
Exceptional distribution	-	-	-	-	-
Dividend per share (1)	12.40	15.30	8.00	12.00	12.60

(1) Proposed distribution for 2009

(2) Revenues are comprised of the following items:
- interest and related income, netted of macro-hedging expense;
- commission income;
- net income on foreign exchange transactions;
- other operating income.

Coverage ratio

Pursuant to article L.515-20 of the Monetary and Financial Code and article 6 of CRBF regulation 99-10 of July 27, 1999, the total of the assets of a *société de crédit foncier* must always exceed liabilities benefiting from the privilege referred to in article L.515-19 of the Monetary and Financial Code.

Assets covering sources of funds benefiting from the privilege (weighted amounts in EUR millions)	**12/31/2009**
Exposures on public sector entities	65,884.3
Shares in funds or similar entities that meet the conditions of article L.515-16	3,781.6
Secure and liquid deposits and securities	5,554.4
Other assets	1,664.0
Total assets	**76,884.4**

Sources of funds benefiting from the privilege defined in article L.515-19 of the Monetary and Financial Code (weighted amounts in EUR millions)	**12/31/2009**
Obligations foncières	60,484.4
Other bonds benefiting from the privilege	3,550.3
Liabilities related to these securities	1,388.1
Amounts owed under the contact provided for in article L.515-22 of the Monetary and Financial Code	48.1
Amounts owed for financial futures benefiting from the privilege defined in article L.515-19 of the Monetary and Financial Code	3,438.8
Total liabilities	**68,909.6**
Coverage ratio	**111.57%**

Statutory Auditors' fees in 2009

	Mazars				**Deloitte & Associés**			
EUR thousands	**Amount (excl.VAT)**		**%**		**Amount (excl.VAT)**		**%**	
	2009	**2008**	**2009**	**2008**	**2009**	**2008**	**2009**	**2008**
Audit services rendered								
Audit, certification, examination of company financial statements	139.9	295.6	100 %	100 %	139.9	295.6	100 %	100 %
Other services rendered directly linked to audit	-	-	-	-	-	-	-	-
Sub-total	139.9	295.6	100 %	100 %	139.9	295.6	100 %	100 %
Other services								
Legal, tax, labor issues	-	-	-	-	-	-	-	-
Other (to specify if >10% of audit fees)	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-
Total	**139.9**	**295.6**	**100 %**	**100 %**	**139.9**	**295.6**	**100 %**	**100 %**

List of bonds issued by Dexia Municipal Agency
(*obligations foncières*, registered covered bonds)

Obligations foncières ISIN number	Currency	Nominal amount in foreign currency	Balance (EUR millions)	Redemption value (*) (EUR millions)	Final due date	First call option date	Stock exchange
AU0000DXAH15	AUD	200,000,000	125	125	15-Feb-11		Sydney
AU0000DXAHB0	AUD	20,000,000	12	11	16-Jan-26		Sydney
AU0000DXAHD6	AUD	200,000,000	124	121	2-Apr-14		Sydney
AU0000DXAHD6	AUD	150,000,000	93	90	2-Apr-14		Sydney
AU0000DXAHD6	AUD	150,000,000	93	90	2-Apr-14		Sydney
AU0000DXAHE4	AUD	200,000,000	125	117	7-Feb-12		Sydney
AU0000DXAHE4	AUD	100,000,000	62	59	7-Feb-12		Sydney
AU0000DXAHH7	AUD	200,000,000	124	124	24-Aug-15		Sydney
AU0000DXAHH7	AUD	200,000,000	126	123	24-Aug-15		Sydney
AU0000DXAHH7	AUD	100,000,000	61	58	24-Aug-15		Sydney
FR0010340091	AUD	25,870,000	22	21	1-Jul-11		Unlisted
FR0010397828	AUD	11,600,000	7	7	20-Mar-14		Unlisted
FR0010503011	AUD	29,400,000	18	19	19-Jun-14		Luxembourg
Sub-total	**AUD**	**1,586,870,000**	**992**	**965**			
FR0010172098	CAD	200,000,000	132	122	9-Mar-20		Luxembourg
FR0010443630	CAD	200,000,000	132	131	9-Mar-29		Luxembourg
FR0010443630	CAD	100,000,000	61	69	9-Mar-29		Luxembourg
FR0010477083	CAD	500,000,000	331	335	30-May-17		Luxembourg
Sub-total	**CAD**	**1,000,000,000**	**657**	**658**			
CH0010431168	CHF	500,000,000	337	311	8-Mar-10		Zurich
CH0010431168	CHF	200,000,000	135	128	8-Mar-10		Zurich
CH0019454054	CHF	150,000,000	101	98	12-Oct-11		Zurich
CH0020643760	CHF	200,000,000	136	128	11-Mar-15		Zurich
CH0020643760	CHF	100,000,000	68	65	11-Mar-15		Zurich
CH0020643760	CHF	150,000,000	103	97	11-Mar-15		Zurich
CH0020643760	CHF	100,000,000	68	64	11-Mar-15		Zurich
CH0020643760	CHF	100,000,000	66	64	11-Mar-15		Zurich
CH0020643760	CHF	50,000,000	33	31	11-Mar-15		Zurich
CH0021644452	CHF	250,000,000	169	162	24-Jun-11		Zurich
CH0023984815	CHF	200,000,000	136	129	9-Feb-16		Zurich
CH0032508563	CHF	165,000,000	111	100	9-Aug-17		Zurich
CH0032508563	CHF	135,000,000	93	81	9-Aug-17		Zurich
CH0032508563	CHF	100,000,000	67	62	9-Aug-17		Zurich
CH0033023216	CHF	200,000,000	136	121	28-Aug-19		Zurich
CH0043323317	CHF	250,000,000	169	155	21-Jun-11		Zurich
CH0105994203	CHF	250,000,000	169	165	2-May-18		Zurich
CH0106680777	CHF	150,000,000	102	99	12-Aug-19		Zurich
FR0010526376	CHF	20,000,000	13	12	15-Oct-27		Unlisted
FR0010535658	CHF	80,000,000	54	48	30-May-13		Unlisted
FR0010555748	CHF	50,000,000	34	30	20-Dec-17		Unlisted
Sub-total	**CHF**	**3,400,000,000**	**2,300**	**2,150**			
FR0010653568	DKK	250,000,000	34	34	7-Jan-11		Unlisted
Sub-total	**DKK**	**250,000,000**	**34**	**34**			
FR0000470148	EUR	10,000,000	10	10	6-Sep-12		Luxembourg
FR0000470221	EUR	20,000,000	20	20	3-Oct-14		Luxembourg
FR0000470361	EUR	33,000,000	33	33	30-Sep-14		Luxembourg
FR0000470494	EUR	20,000,000	20	20	22-Oct-14		Luxembourg
FR0000472417	EUR	1,000,000,000	998	1,000	20-Feb-13		Luxembourg - Paris
FR0000472417	EUR	500,000,000	499	500	20-Feb-13		Luxembourg - Paris

* Value determined by the interest rate and currency swaps contracted to hedge the issue of *obligations foncières* and registered covered bonds.

Obligations foncières ISIN number	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
FR0000472417	EUR	500,000,000	501	500	20-Feb-13		Luxembourg - Paris
FR0000472417	EUR	250,000,000	251	250	20-Feb-13		Luxembourg - Paris
FR0000472417	EUR	250,000,000	250	250	20-Feb-13		Luxembourg - Paris
FR0000472417	EUR	150,000,000	149	150	20-Feb-13		Luxembourg - Paris
FR0000472417	EUR	45,000,000	44	45	20-Feb-13		Luxembourg - Paris
FR0000472417	EUR	55,000,000	54	55	20-Feb-13		Luxembourg - Paris
FR0000472474	EUR	53,000,000	53	53	7-Dec-15		Luxembourg
FR0000473357	EUR	126,000,000	126	126	2-Apr-18		Luxembourg
FR0000473522	EUR	140,000,000	140	140	30-Dec-13		Luxembourg
FR0000473589	EUR	25,000,000	25	25	8-Apr-13		Luxembourg
FR0000474256	EUR	25,350,000	25	25	30-Dec-13		Luxembourg
FR0000480055	EUR	30,000,000	30	30	16-Jul-12		Luxembourg
FR0000480071	EUR	15,000,000	15	15	5-Jul-12		Luxembourg
FR0000480329	EUR	300,000,000	300	300	9-Aug-17		Luxembourg
FR0000480329	EUR	100,000,000	100	100	9-Aug-17		Luxembourg
FR0000480329	EUR	131,000,000	133	131	9-Aug-17		Luxembourg
FR0000480329	EUR	40,000,000	40	40	9-Aug-17		Luxembourg
FR0000480329	EUR	50,000,000	50	50	9-Aug-17		Luxembourg
FR0000480329	EUR	168,000,000	168	168	9-Aug-17		Luxembourg
FR0000480329	EUR	30,000,000	30	30	9-Aug-17		Luxembourg
FR0000480329	EUR	50,000,000	50	50	9-Aug-17		Luxembourg
FR0000480329	EUR	77,800,000	77	78	9-Aug-17		Luxembourg
FR0000480329	EUR	20,000,000	20	20	9-Aug-17		Luxembourg
FR0000480675	EUR	200,000,000	200	200	17-May-12		Paris
FR0000480683	EUR	135,000,000	135	135	24-May-10		Paris
FR0000481178	EUR	15,000,000	15	15	7-Jul-10		Paris
FR0000488132	EUR	750,000,000	742	750	6-Feb-17		Luxembourg - Paris
FR0000488132	EUR	100,000,000	101	100	6-Feb-17		Luxembourg - Paris
FR0000488132	EUR	150,000,000	156	150	6-Feb-17		Luxembourg - Paris
FR0000488132	EUR	150,000,000	156	150	6-Feb-17		Luxembourg - Paris
FR0000488132	EUR	250,000,000	277	250	6-Feb-17		Luxembourg - Paris
FR0000488835	EUR	30,000,000	30	30	12-Apr-12		Luxembourg
FR0000488884	EUR	15,000,000	15	15	7-May-12		Luxembourg
FR0000489296	EUR	1,000,000,000	998	1,000	25-Oct-12		Luxembourg - Paris
FR0000489296	EUR	250,000,000	253	250	25-Oct-12		Luxembourg - Paris
FR0000489296	EUR	250,000,000	253	250	25-Oct-12		Luxembourg - Paris
FR0000489296	EUR	100,000,000	103	100	25-Oct-12		Luxembourg - Paris
FR0000489296	EUR	20,000,000	20	20	25-Oct-12		Luxembourg - Paris
FR0000489395	EUR	30,000,000	30	30	29-May-14		Luxembourg
FR0000489411	EUR	30,000,000	30	30	30-May-14		Luxembourg
FR0000489890	EUR	13,000,000	13	13	30-Jun-14		Luxembourg
FR0000497430	EUR	1,250,000,000	1,249	1,250	26-Apr-10		Various exchanges
FR0000497430	EUR	500,000,000	500	500	26-Apr-10		Various exchanges
FR0000497430	EUR	300,000,000	300	300	26-Apr-10		Various exchanges
FR0000497430	EUR	250,000,000	250	250	26-Apr-10		Various exchanges
FR0000497430	EUR	700,000,000	701	700	26-Apr-10		Various exchanges
FR0000499030	EUR	30,000,000	30	30	23-Feb-15		Luxembourg
FR0010007565	EUR	25,000,000	25	25	2-Sep-13		Luxembourg
FR0010014902	EUR	50,000,000	50	50	24-Sep-13		Luxembourg
FR0010018028	EUR	62,000,000	62	62	9-Oct-15		Luxembourg
FR0010018044	EUR	30,000,000	30	30	26-Sep-13		Luxembourg
FR0010019406	EUR	95,000,000	95	95	1-Oct-13		Luxembourg
FR0010019406	EUR	25,000,000	25	25	1-Oct-13		Luxembourg

* Value determined by the interest rate and currency swaps contracted to hedge the issue of *obligations foncières* and registered covered bonds.

Obligations foncières ISIN number	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
FR0010019471	EUR	50,000,000	50	50	9-Aug-17		Luxembourg
FR0010032813	EUR	15,000,000	15	15	28-Mar-11		Luxembourg
FR0010033357	EUR	50,000,000	50	50	20-Nov-18		Luxembourg
FR0010034371	EUR	75,000,000	75	75	15-Dec-19		Luxembourg
FR0010039032	EUR	1,000,000,000	1,000	1,000	26-Jan-11		Luxembourg - Paris
FR0010039032	EUR	150,000,000	151	150	26-Jan-11		Luxembourg - Paris
FR0010039032	EUR	200,000,000	202	200	26-Jan-11		Luxembourg - Paris
FR0010039032	EUR	200,000,000	203	200	26-Jan-11		Luxembourg - Paris
FR0010039032	EUR	150,000,000	150	150	26-Jan-11		Luxembourg - Paris
FR0010039032	EUR	300,000,000	300	300	26-Jan-11		Luxembourg - Paris
FR0010039032	EUR	200,000,000	200	200	26-Jan-11		Luxembourg - Paris
FR0010039032	EUR	150,000,000	150	150	26-Jan-11		Luxembourg - Paris
FR0010039032	EUR	150,000,000	149	150	26-Jan-11		Luxembourg - Paris
FR0010039164	EUR	40,000,000	40	40	19-Feb-18		Luxembourg
FR0010039172	EUR	13,000,000	13	13	2-Feb-14		Luxembourg
FR0010051698	EUR	111,500,000	112	112	20-Feb-19		Luxembourg
FR0010053769	EUR	20,000,000	20	20	26-Feb-16		Luxembourg
FR0010054049	EUR	20,000,000	20	20	3-Mar-14		Luxembourg
FR0010060350	EUR	50,000,000	50	50	17-Mar-14		Luxembourg
FR0010060384	EUR	30,000,000	30	30	5-Mar-20		Luxembourg
FR0010061978	EUR	50,000,000	50	50	15-Mar-16		Luxembourg
FR0010061986	EUR	65,000,000	65	65	15-Mar-19		Luxembourg
FR0010061994	EUR	15,000,000	15	15	29-Mar-19		Luxembourg
FR0010063727	EUR	40,000,000	40	40	15-Mar-21		Luxembourg
FR0010063768	EUR	10,600,000	11	11	10-Mar-14		Luxembourg
FR0010068361	EUR	100,000,000	100	100	15-Apr-19		Luxembourg
FR0010068437	EUR	51,500,000	52	52	15-Apr-19		Luxembourg
FR0010070888	EUR	27,000,000	27	27	15-Apr-19		Luxembourg
FR0010071852	EUR	35,000,000	35	35	26-Apr-19		Luxembourg
FR0010081869	EUR	23,000,000	23	23	21-May-14		Luxembourg
FR0010081885	EUR	10,000,000	10	10	21-May-16		Luxembourg
FR0010089839	EUR	90 200,000	90	90	24-Jun-24		Luxembourg
FR0010092908	EUR	10,000,000	10	10	7-Jun-19		Luxembourg
FR0010093336	EUR	50,000,000	50	50	22-Jun-24		Luxembourg
FR0010096131	EUR	63,000,000	63	63	2-Jul-14		Luxembourg
FR0010096818	EUR	37,000,000	37	37	15-Jul-19	15-Jul-14	Luxembourg
FR0010108811	EUR	80,000,000	80	80	1-Sep-19		Luxembourg
FR0010114371	EUR	20,082,322	20	15	24-Sep-24		Luxembourg
FR0010115741	EUR	28,500,000	29	29	30-Sep-14		Luxembourg
FR0010120519	EUR	65,000,000	65	65	21-Oct-19	21-Oct-14	Luxembourg
FR0010125732	EUR	100,000,000	100	100	11-Oct-19		Luxembourg
FR0010125823	EUR	200,000,000	200	200	5-Nov-10		Luxembourg
FR0010130419	EUR	15,000,000	15	15	18-Nov-19		Luxembourg
FR0010130435	EUR	200,000,000	200	200	2-Dec-19		Luxembourg
FR0010133645	EUR	100,000,000	100	100	14-Jan-15		Luxembourg
FR0010133645	EUR	75,000,000	75	75	14-Jan-15		Luxembourg
FR0010134577	EUR	120,000,000	120	120	3-Dec-24		Luxembourg
FR0010134601	EUR	75,000,000	75	75	26-Nov-11		Luxembourg
FR0010134601	EUR	75,000,000	75	75	26-Nov-11		Luxembourg
FR0010137489	EUR	50,000,000	50	50	6-Dec-14		Luxembourg
FR0010160911	EUR	20,000,000	20	20	28-Jan-25		Luxembourg
FR0010163394	EUR	230,000,000	220	230	10-Feb-25		Luxembourg
FR0010165696	EUR	60,000,000	60	60	17-Feb-20		Luxembourg

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Obligations foncières ISIN number	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
FR0010167304	EUR	50,000,000	50	50	7-Mar-20		Luxembourg
FR0010167312	EUR	50,000,000	50	50	2-Mar-20		Unlisted
FR0010170589	EUR	31,000,000	31	31	10-Mar-20		Unlisted
FR0010170597	EUR	30,000,000	30	30	15-Mar-20		Luxembourg
FR0010170696	EUR	20,000,000	20	20	4-Mar-20		Luxembourg
FR0010170712	EUR	6,000,000	6	6	15-Mar-20		Luxembourg
FR0010172031	EUR	50,000,000	50	50	11-Mar-20		Luxembourg
FR0010172106	EUR	30,000,000	30	30	14-Mar-17		Luxembourg
FR0010173716	EUR	100,000,000	100	100	23-Mar-15		Luxembourg
FR0010173724	EUR	5,000,000	5	5	6-Apr-20	6-Apr-06	Luxembourg
FR0010173765	EUR	75,000,000	75	75	15-Jul-15		Luxembourg
FR0010175844	EUR	140,000,000	140	140	24-Mar-20		Unlisted
FR0010175869	EUR	76 000,000	76	76	30-Mar-20		Unlisted
FR0010178467	EUR	35,000,000	35	35	22-Apr-15		Luxembourg
FR0010185892	EUR	100,000,000	100	100	29-Apr-22		Luxembourg
FR0010186163	EUR	155,000,000	155	155	6-May-20		Luxembourg
FR0010190066	EUR	100,000,000	100	100	6-May-22		Luxembourg
FR0010190181	EUR	25,000,000	25	25	20-May-20		Luxembourg
FR0010190199	EUR	150,000,000	150	150	27-Apr-20		Luxembourg
FR0010190207	EUR	41,520,000	42	42	20-Jun-12		Luxembourg
FR0010190207	EUR	12,500,000	13	13	20-Jun-12		Luxembourg
FR0010190231	EUR	100,000,000	100	100	13-May-22		Luxembourg
FR0010190264	EUR	25,000,000	25	25	20-May-20		Luxembourg
FR0010192989	EUR	40,000,000	40	40	26-May-15	26-May-08	Luxembourg
FR0010194506	EUR	100,000,000	100	100	20-May-22		Luxembourg
FR0010194522	EUR	60,000,000	60	60	19-May-20	19-May-08	Luxembourg
FR0010199877	EUR	12,500,000	13	13	27-May-20	27-May-11	Luxembourg
FR0010199935	EUR	10,000,000	10	10	6-Jun-30	6-Jun-12	Luxembourg
FR0010199984	EUR	10,000,000	10	10	8-Jun-20		Luxembourg
FR0010208587	EUR	10,000,000	10	10	24-Jun-20		Luxembourg
FR0010209924	EUR	6,500,000	7	7	29-Jun-17	29-Dec-05	Luxembourg
FR0010209924	EUR	5,170,000	5	5	29-Jun-17	29-Dec-05	Luxembourg
FR0010209940	EUR	15,000,000	15	15	29-Jun-20		Luxembourg
FR0010210005	EUR	10,000,000	10	10	6-Jul-20		Luxembourg
FR0010212977	EUR	22,000,000	22	22	8-Aug-25		Luxembourg
FR0010224402	EUR	50,000,000	50	50	8-Sep-20		Luxembourg
FR0010224410	EUR	50,000,000	50	50	8-Sep-20		Luxembourg
FR0010224477	EUR	30,000,000	30	30	24-Aug-12		Unlisted
FR0010225359	EUR	16,150,000	16	16	7-Oct-10		Unlisted
FR0010231324	EUR	16,000,000	16	16	15-Sep-17	15-Sep-12	Luxembourg
FR0010231357	EUR	1,000,000,000	995	1,000	15-Sep-15		Luxembourg
FR0010231357	EUR	500,000,000	488	500	15-Sep-15		Luxembourg
FR0010231357	EUR	500,000,000	474	500	15-Sep-15		Luxembourg
FR0010231357	EUR	500,000,000	477	500	15-Sep-15		Luxembourg
FR0010231357	EUR	65,000,000	59	65	15-Sep-15		Luxembourg
FR0010231365	EUR	30,000,000	30	30	14-Sep-12		Unlisted
FR0010235366	EUR	30,000,000	30	30	17-Oct-15	17-Oct-06	Luxembourg
FR0010235374	EUR	5,000,000	5	5	22-Sep-15	22-Dec-05	Luxembourg
FR0010235416	EUR	30,000,000	30	30	28-Sep-12		Unlisted
FR0010237032	EUR	50,000,000	50	50	27-Sep-13		Unlisted
FR0010237081	EUR	55,000,000	55	55	3-Oct-20		Luxembourg
FR0010237149	EUR	50,000,000	50	50	15-Jul-30	17-Jan-11	Luxembourg
FR0010237172	EUR	80,000,000	80	80	15-Jul-30	17-Jan-11	Luxembourg

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Obligations foncières ISIN number	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
FR0010242628	EUR	40,000,000	40	40	21-Oct-30	21-Oct-08	Luxembourg
FR0010245738	EUR	30,000,000	30	30	26-Oct-22		Unlisted
FR0010248609	EUR	100,000,000	100	100	16-Nov-15		Luxembourg
FR0010248658	EUR	100,000,000	100	100	21-Dec-15		Luxembourg
FR0010248666	EUR	100,000,000	100	100	9-Nov-30	10-Nov-08	Luxembourg
FR0010249565	EUR	10,000,000	10	10	14-Nov-25	16-Nov-15	Luxembourg
FR0010249722	EUR	100,000,000	100	100	10-Nov-30	10-Nov-08	Luxembourg
FR0010261412	EUR	277,500,000	278	278	15-Dec-20		Luxembourg
FR0010261412	EUR	155,500,000	156	156	15-Dec-20		Luxembourg
FR0010261412	EUR	100,000,000	100	100	15-Dec-20		Luxembourg
FR0010261412	EUR	98 500,000	99	99	15-Dec-20		Luxembourg
FR0010261412	EUR	35,000,000	35	35	15-Dec-20		Luxembourg
FR0010261412	EUR	20,000,000	19	20	15-Dec-20		Luxembourg
FR0010261412	EUR	30,000,000	29	30	15-Dec-20		Luxembourg
FR0010261529	EUR	50,000,000	50	50	4-Jan-26		Luxembourg
FR0010264093	EUR	50,000,000	50	50	12-Mar-13		Unlisted
FR0010265306	EUR	11,000,000	11	11	28-Jan-13		Unlisted
FR0010265488	EUR	100,000,000	100	100	5-Jan-26	5-Jan-16	Luxembourg
FR0010279109	EUR	30,000,000	85	85	24-Jan-34		Luxembourg
FR0010289322	EUR	21 500,000	22	22	16-Feb-26		Unlisted
FR0010289397	EUR	15,000,000	15	15	16-Feb-26		Luxembourg
FR0010297242	EUR	100,000,000	100	100	20-Mar-26		Luxembourg
FR0010301796	EUR	15,000,000	15	15	23-Mar-16		Luxembourg
FR0010306068	EUR	50,000,000	50	50	16-Jan-13		Unlisted
FR0010306373	EUR	29,000,000	29	29	31-Mar-16		Luxembourg
FR0010306373	EUR	34,000,000	34	34	31-Mar-16		Luxembourg
FR0010306456	EUR	10,000,000	10	10	7-Apr-25		Unlisted
FR0010306472	EUR	10,000,000	10	10	6-Apr-20		Unlisted
FR0010306480	EUR	20,000,000	20	20	6-Apr-20		Unlisted
FR0010306498	EUR	10,000,000	10	10	7-Apr-25		Unlisted
FR0010306506	EUR	5,000,000	5	5	7-Apr-26		Unlisted
FR0010306514	EUR	5,000,000	5	5	6-Apr-27		Unlisted
FR0010306522	EUR	5,000,000	5	5	5-Apr-30		Unlisted
FR0010306605	EUR	50,000,000	50	50	19-Apr-18		Luxembourg
FR0010318410	EUR	50,000,000	50	50	24-Apr-26		Unlisted
FR0010322792	EUR	65,000,000	65	65	5-May-36	5-May-11	Luxembourg
FR0010333534	EUR	60,000,000	60	60	9-Jun-16		Luxembourg
FR0010342378	EUR	10,000,000	10	10	21-Jun-21		Luxembourg
FR0010342519	EUR	10,000,000	10	10	12-Jul-18		Luxembourg
FR0010345066	EUR	27,000,000	27	27	19-Jun-16	20-Jun-11	Unlisted
FR0010347625	EUR	50,000,000	50	50	26-Apr-13		Unlisted
FR0010347815	EUR	50,000,000	50	50	7-Oct-15		Unlisted
FR0010348029	EUR	153,410,000	153	153	10-Jan-12		Unlisted
FR0010359729	EUR	50,000,000	50	50	27-Feb-13		Unlisted
FR0010359943	EUR	100,000,000	100	100	16-Aug-18		Luxembourg
FR0010363325	EUR	200,000,000	200	200	22-Aug-22		Luxembourg
FR0010363325	EUR	31,000,000	31	31	22-Aug-22		Luxembourg
FR0010363382	EUR	50,000,000	50	50	23-Nov-11		Unlisted
FR0010363457	EUR	20,000,000	20	20	25-Aug-16		Luxembourg
FR0010363473	EUR	50,000,000	50	50	23-Sep-15		Unlisted
FR0010369231	EUR	50,000,000	50	50	11-May-16		Unlisted
FR0010369306	EUR	1,000,000,000	1,000	1,000	12-Mar-14		Luxembourg
FR0010369306	EUR	250,000,000	243	250	12-Mar-14		Luxembourg

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Obligations foncières ISIN number	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
FR0010369306	EUR	200,000,000	198	200	12-Mar-14		Luxembourg
FR0010369306	EUR	150,000,000	149	150	12-Mar-14		Luxembourg
FR0010369306	EUR	150,000,000	148	150	12-Mar-14		Luxembourg
FR0010369306	EUR	150,000,000	148	150	12-Mar-14		Luxembourg
FR0010369306	EUR	30,000,000	30	30	12-Mar-14		Luxembourg
FR0010369330	EUR	50,000,000	50	50	27-Sep-18		Luxembourg
FR0010369546	EUR	50,000,000	50	50	3-Oct-21		Luxembourg
FR0010369645	EUR	30,000,000	30	30	20-Sep-18		Unlisted
FR0010379073	EUR	50,000,000	50	50	10-Oct-21		Luxembourg
FR0010379081	EUR	50,000,000	50	50	27-Feb-15		Unlisted
FR0010385930	EUR	50,000,000	50	50	27-Oct-21		Unlisted
FR0010386078	EUR	55,000,000	55	55	7-Nov-16		Luxembourg
FR0010386086	EUR	55,000,000	55	55	7-Nov-16	7-Nov-07	Luxembourg
FR0010391078	EUR	50,000,000	50	50	27-Jul-12		Unlisted
FR0010391110	EUR	12,000,000	12	12	21-Nov-18		Luxembourg
FR0010391334	EUR	51,300,000	51	51	6-Nov-13	6-Nov-07	Luxembourg
FR0010394502	EUR	5,000,000	5	5	8-Nov-11		Unlisted
FR0010398115	EUR	1,000,000,000	997	1,000	24-Nov-16		Luxembourg
FR0010398115	EUR	30,000,000	28	30	24-Nov-16		Luxembourg
FR0010398115	EUR	25,000,000	23	25	24-Nov-16		Luxembourg
FR0010412577	EUR	10,000,000	10	10	29-Dec-21		Luxembourg
FR0010412684	EUR	100,000,000	100	100	9-Jan-17		Luxembourg
FR0010422972	EUR	50,000,000	50	50	30-Jan-13		Unlisted
FR0010428003	EUR	20 500,000	21	21	15-Feb-22		Luxembourg
FR0010428185	EUR	1,000,000,000	997	1,000	7-Feb-19		Luxembourg
FR0010428185	EUR	150,000,000	145	150	7-Feb-19		Luxembourg
FR0010428185	EUR	150,000,000	145	150	7-Feb-19		Luxembourg
FR0010428185	EUR	20,000,000	18	20	7-Feb-19		Luxembourg
FR0010428185	EUR	125,000,000	118	125	7-Feb-19		Luxembourg
FR0010428185	EUR	150,000,000	147	150	7-Feb-19		Luxembourg
FR0010428185	EUR	25,000,000	24	25	7-Feb-19		Luxembourg
FR0010449892	EUR	50,000,000	50	50	30-Mar-20	30-Mar-10	Luxembourg
FR0010451948	EUR	100,000,000	100	100	26-Jul-13		Unlisted
FR0010455147	EUR	20,000,000	20	20	20-Mar-14		Unlisted
FR0010459230	EUR	44,400,000	44	44	20-Jun-14		Luxembourg
FR0010466003	EUR	30,000,000	30	30	2-May-17		Luxembourg
FR0010469809	EUR	19,300,000	19	19	20-Jun-14		Luxembourg
FR0010470914	EUR	20,000,000	20	20	20-Mar-14		Unlisted
FR0010492025	EUR	1,250,000,000	1,246	1,250	3-Jul-17		Luxembourg
FR0010492025	EUR	150,000,000	148	150	3-Jul-17		Luxembourg
FR0010492025	EUR	20,000,000	20	20	3-Jul-17		Luxembourg
FR0010492025	EUR	30,000,000	31	30	3-Jul-17		Luxembourg
FR0010500413	EUR	50,000,000	50	50	17-Jan-17		Unlisted
FR0010501825	EUR	200,000,000	200	200	20-Jul-22		Luxembourg
FR0010504761	EUR	45,000,000	45	45	2-Aug-32		Luxembourg
FR0010505008	EUR	50,000,000	50	50	27-Apr-16		Unlisted
FR0010520874	EUR	50,000,000	50	50	18-Jun-10		Unlisted
FR0010524488	EUR	50,000,000	50	50	27-Feb-17		Unlisted
FR0010526962	EUR	50,000,000	50	50	13-Feb-15		Unlisted
FR0010537696	EUR	50,000,000	50	50	30-Oct-12		Unlisted
FR0010538157	EUR	206,000,000	206	206	8-Nov-10	8-Feb-08	Luxembourg
FR0010539734	EUR	1,500,000,000	1,492	1,500	13-Nov-17		Luxembourg
FR0010547349	EUR	1,500,000,000	1,499	1,500	22-Nov-10		Luxembourg

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Obligations foncières ISIN number	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
FR0010547349	EUR	250,000,000	250	250	22-Nov-10		Luxembourg
FR0010547349	EUR	250,000,000	248	250	22-Nov-10		Luxembourg
FR0010547349	EUR	150,000,000	151	150	22-Nov-10		Luxembourg
FR0010557686	EUR	50,000,000	50	50	18-Oct-12		Unlisted
FR0010581520	EUR	2,000,000,000	1,998	2,000	5-Jun-13		Luxembourg
FR0010584581	EUR	10,000,000	10	10	21-Feb-18		Luxembourg
FR0010594374	EUR	47,500,000	48	48	8-Aug-25		Luxembourg
FR0010611491	EUR	1,000,000,000	998	1,000	27-Apr-15		Luxembourg
FR0010617217	EUR	50,000,000	50	50	16-May-23		Luxembourg
FR0010626960	EUR	1,250,000,000	1,249	1,250	6-Jun-11		Luxembourg
FR0010626960	EUR	250,000,000	249	250	6-Jun-11		Luxembourg
FR0010631762	EUR	153,000,000	153	153	26-Jun-23		Luxembourg
FR0010634527	EUR	300,000,000	300	300	13-Jan-14		Luxembourg
FR0010646216	EUR	10,000,000	10	10	22-Jul-13		Luxembourg
FR0010653204	EUR	36 000,000	36	36	11-Aug-11		Luxembourg
FR0010679357	EUR	50,000,000	50	50	26-Apr-10		Luxembourg
FR0010753814	EUR	32,000,000	32	32	10-Sep-14		Luxembourg
FR0010760769	EUR	10,500,000	11	11	22-May-29	22-May-19	Luxembourg
FR0010762039	EUR	1,500,000,000	1,499	1,500	2-Jun-21		Luxembourg
FR0010766923	EUR	10,000,000	10	10	7-Mar-26		Luxembourg
FR0010775486	EUR	2,000,000,000	1,998	2,000	8-Jul-24		Luxembourg
FR0010781591	EUR	15,000,000	15	15	16-Feb-26		Unlisted
FR0010801068	EUR	1,000,000,000	999	1,000	16-Sep-16		Luxembourg
FR0010801068	EUR	750,000,000	750	750	16-Sep-16		Luxembourg
FR0010806752	EUR	25,000,000	25	25	29-Mar-19		Luxembourg
FR0010810408	EUR	100,000,000	100	100	7-Oct-14		Luxembourg
FR0010810424	EUR	50,000,000	50	50	7-Oct-19		Luxembourg
FR0010821074	EUR	10,000,000	10	10	12-Nov-18		Luxembourg
FR0010840108	EUR	150,000,000	150	150	23-Dec-24		Luxembourg
XS0122951899	EUR	250,000,000	251	250	21-Feb-11		Luxembourg
XS0122951899	EUR	240,000,000	240	240	21-Feb-11		Luxembourg
XS0158657087	EUR	100,000,000	100	100	8-Mar-10		Luxembourg
XS0179341473	EUR	75,000,000	75	75	31-Mar-11		Luxembourg
XS0195411698	EUR	75,000,000	75	75	28-Dec-12		Luxembourg
Sub-total	**EUR**	**46,820,782,322**	**46,764**	**46,870**			
FR0000470775	GBP	189,000,000	213	300	22-Nov-17		Unlisted
FR0000486581	GBP	125,000,000	140	205	16-Jul-26		Luxembourg
FR0000487738	GBP	215,000,000	242	345	14-Dec-16		Unlisted
FR0010286971	GBP	200,000,000	225	291	7-Feb-11		Luxembourg
FR0010286971	GBP	100,000,000	111	152	7-Feb-11		Luxembourg
FR0010286971	GBP	100,000,000	111	147	7-Feb-11		Luxembourg
FR0010286971	GBP	50,000,000	55	74	7-Feb-11		Luxembourg
FR0010286971	GBP	100,000,000	112	133	7-Feb-11		Luxembourg
FR0010286971	GBP	100,000,000	112	126	7-Feb-11		Luxembourg
FR0010306803	GBP	100,000,000	113	143	19-Apr-16		Luxembourg
FR0010556506	GBP	31,000,000	35	44	7-Dec-12		Unlisted
Sub-total	**GBP**	**1,310,000,000**	**1,469**	**1,960**			
FR0000471195	HKD	200,000,000	18	26	5-Dec-17		Luxembourg
Sub-total	**HKD**	**200,000,000**	**18**	**26**			
FR0000486821	JPY	3 000,000,000	22	28	8-Aug-16		Luxembourg
FR0010161075	JPY	1,000,000,000	7	7	17-Feb-20	17-Aug-05	Unlisted
FR0010197822	JPY	60,000,000,000	449	442	21-May-12		Luxembourg
FR0010197822	JPY	20,000,000,000	150	152	21-May-12		Luxembourg

* Value determined by the interest rate and currency swaps contracted to hedge the issue of *obligations foncières* and registered covered bonds.

Obligations foncières ISIN number	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
FR0010199802	JPY	10,000,000,000	75	74	14-Jun-17		Unlisted
FR0010225433	JPY	10,000,000,000	75	74	1-Sep-20		Unlisted
FR0010239335	JPY	1,000,000,000	7	7	27-Oct-20	27-Oct-06	Unlisted
FR0010279240	JPY	1,000,000,000	7	7	30-Jan-26		Unlisted
FR0010287078	JPY	500,000,000	4	4	16-Feb-26	16-Feb-07	Unlisted
FR0010292151	JPY	500,000,000	4	4	1-Mar-21	1-Sep-06	Unlisted
FR0010333526	JPY	600,000,000	4	4	1-Jun-21	1-Jun-07	Unlisted
FR0010347930	JPY	5,000,000,000	37	34	20-Jul-21		Unlisted
FR0010386128	JPY	50,000,000,000	374	336	31-Oct-13		Luxembourg
FR0010412742	JPY	5,000,000,000	37	32	18-Jan-17		Unlisted
FR0010437343	JPY	2,000,000,000	15	13	26-Mar-14		Unlisted
FR0010466086	JPY	1,100,000,000	8	7	26-Mar-14		Unlisted
FR0010468652	JPY	50,000,000,000	375	308	9-May-17		Luxembourg
FR0010469817	JPY	7,600,000,000	57	47	20-Jun-14		Luxembourg
FR0010526475	JPY	5,000,000,000	37	31	18-Oct-17		Unlisted
FR0010629592	JPY	5,000,000,000	37	31	25-Jun-18		Unlisted
Sub-total	**JPY**	**238,300,000,000**	**1,785**	**1,641**			
FR0010655183	NOK	230,000,000	28	29	7-Jan-11		Unlisted
Sub-total	**NOK**	**230,000,000**	**28**	**29**			
FR0010306548	PLN	25,000,000	14	15	12-Apr-25		Unlisted
Sub-total	**PLN**	**25,000,000**	**14**	**15**			
FR0010636423	SEK	1,000,000,000	98	106	29-Jun-15		Luxembourg
FR0010640557	SEK	333,000,000	32	35	8-Jul-15		Luxembourg
Sub-total	**SEK**	**1,333,000,000**	**130**	**142**			
FR0000470239	USD	20,000,000	14	20	12-Sep-17		Luxembourg
FR0010031070	USD	344,190,000	239	300	26-Nov-10		Unlisted
FR0010096982	USD	269,500,000	187	223	1-Jul-19		Luxembourg
FR0010130476	USD	127,920,000	89	100	17-Nov-14		Unlisted
FR0010251306	USD	120,000,000	83	99	15-Nov-35	15-Nov-10	Luxembourg
FR0010261511	USD	100,000,000	69	85	9-Dec-13		Unlisted
FR0010289488	USD	300,000,000	208	249	30-Jan-14		Unlisted
FR0010306563	USD	200,000,000	139	167	25-Apr-14		Unlisted
FR0010322826	USD	61,800,000	43	50	10-Jun-13		Luxembourg
FR0010345215	USD	300,000,000	208	238	21-Jun-12		Unlisted
FR0010363507	USD	100,000,000	69	79	25-Mar-15		Unlisted
FR0010386045	USD	1,210,000,000	840	965	17-Jan-12		Luxembourg
FR0010386045	USD	200,000,000	140	129	17-Jan-12		Luxembourg
FR0010422477	USD	1,000,000,000	695	763	19-Jan-10		Luxembourg
FR0010422980	USD	24,020,000	17	19	24-Mar-14		Unlisted
FR0010422980	USD	10,000,000	7	7	24-Mar-14		Unlisted
FR0010437368	USD	895,000,000	621	687	16-Feb-17		Luxembourg
FR0010452805	USD	100,000,000	69	75	27-Mar-13		Unlisted
FR0010479964	USD	1,210,000,000	839	899	31-May-12		Luxembourg
FR0010479964	USD	150,000,000	105	97	31-May-12		Luxembourg
FR0010487108	USD	30,000,000	21	22	24-Jun-14		Unlisted
FR0010487538	USD	100,000,000	69	75	19-May-11		Unlisted
FR0010491597	USD	40,000,000	28	30	20-Jun-14		Luxembourg
FR0010555060	USD	100,000,000	69	68	10-Mar-10		Unlisted
FR0010568758	USD	300,000,000	208	204	31-Dec-15		Unlisted
FR0010571109	USD	200,000,000	138	135	18-Dec-17		Unlisted
FR0010572552	USD	250,000,000	173	168	22-Jan-18		Luxembourg
FR0010584805	USD	200,000,000	139	138	15-Feb-13		Unlisted
FR0010605725	USD	200,000,000	139	127	1-Jul-11		Unlisted

* Value determined by the interest rate and currency swaps contracted to hedge the issue of *obligations foncières* and registered covered bonds.

Obligations foncières ISIN number	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
FR0010611400	USD	40,000,000	180	178	30-Apr-38	30-Apr-13	Luxembourg
FR0010617464	USD	40,000,000	131	129	16-May-33	16-May-12	Luxembourg
FR0010641464	USD	50,000,000	35	32	11-Jul-11		Luxembourg
XS0193749636	USD	70,000,000	49	58	12-Dec-12		Luxembourg
XS0211544746	USD	75,000,000	52	58	4-Mar-15		Luxembourg
XS0211544746	USD	50,000,000	35	42	4-Mar-15		Luxembourg
Sub-total	**USD**	**8,487,430,000**	**6,149**	**6,713**			
FR0010237198	ZAR	250,000,000	24	32	18-Jan-11		Luxembourg
Sub-total	**ZAR**	**250,000,000**	**24**	**32**			
TOTAL *OBLIGATIONS FONCIÈRES*			**60,362**	**61,235**			

* Value determined by the interest rate and currency swaps contracted to hedge the issue of *obligations foncières* and registered covered bonds.

Registered covered bonds	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
	EUR	37,735,849	38	38	15-Aug-24		Unlisted
	EUR	26,829,268	27	27	15-Aug-33		Unlisted
	EUR	26,190,476	26	26	15-Nov-33		Unlisted
	EUR	21 951,220	22	22	15-Aug-33		Unlisted
	EUR	21,428,571	21	21	15-Nov-33		Unlisted
	EUR	37,735,849	38	38	15-Feb-24		Unlisted
	EUR	15,000,000	15	15	15-May-25		Unlisted
	EUR	28,947,368	29	29	15-Feb-33		Unlisted
	EUR	27,500,000	27	28	16-May-33		Unlisted
	EUR	23,684,211	24	24	15-Feb-33		Unlisted
	EUR	22,500,000	22	23	16-May-33		Unlisted
	EUR	37,735,849	38	38	15-May-24		Unlisted
	EUR	37,735,849	38	38	15-Nov-24		Unlisted
	EUR	15,000,000	15	15	17-Feb-25		Unlisted
	EUR	15,000,000	15	15	15-Aug-25		Unlisted
	EUR	15,000,000	15	15	17-Nov-25		Unlisted
	EUR	21,000,000	21	21	21-Oct-41	21-Oct-16	Unlisted
	EUR	10,000,000	10	10	24-Oct-16		Unlisted
	EUR	100,000,000	100	100	6-Nov-23		Unlisted
	EUR	30,000,000	30	30	6-Nov-24		Unlisted
	EUR	15,000,000	15	15	26-Nov-29		Unlisted
	EUR	15,000,000	15	15	26-Nov-29		Unlisted
	EUR	15,000,000	15	15	22-Nov-21		Unlisted
	EUR	10,000,000	10	10	17-Jan-24		Unlisted
	EUR	50,000,000	50	50	17-Jan-24		Unlisted
	EUR	15,000,000	15	15	22-Jan-27		Unlisted
	EUR	50,000,000	50	50	15-Feb-27		Unlisted
	EUR	50,000,000	50	50	15-Feb-27		Unlisted
	EUR	50,000,000	50	50	26-Feb-27		Unlisted
	EUR	50,000,000	50	50	26-Feb-27		Unlisted
	EUR	20,000,000	20	20	28-Feb-17		Unlisted
	EUR	10,000,000	10	10	17-Mar-42	17-Mar-17	Unlisted
	EUR	10,000,000	10	10	17-Mar-42	17-Mar-17	Unlisted
	EUR	20,000,000	20	20	16-Apr-17		Unlisted
	EUR	10,000,000	10	10	23-Apr-27		Unlisted
	EUR	20,000,000	20	20	24-Apr-17		Unlisted

* Value determined by the interest rate and currency swaps contracted to hedge the issue of *obligations foncières* and registered covered bonds.

Registered covered bonds	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
	EUR	15,000,000	15	15	9-May-42	9-May-17	Unlisted
	EUR	15,000,000	15	15	9-May-42	9-May-17	Unlisted
	EUR	20,000,000	20	20	25-May-27		Unlisted
	EUR	15,000,000	15	15	4-Jun-27		Unlisted
	EUR	10,000,000	10	10	12-Jun-17		Unlisted
	EUR	10,000,000	10	10	12-Jun-17		Unlisted
	EUR	2,000,000	2	2	12-Jun-17		Unlisted
	EUR	50,000,000	50	50	11-Jun-27		Unlisted
	EUR	50,000,000	50	50	11-Jun-27		Unlisted
	EUR	20,000,000	20	20	28-Nov-17		Unlisted
	EUR	10,000,000	10	10	28-Nov-17		Unlisted
	EUR	10,000,000	10	10	26-Jun-17		Unlisted
	EUR	10,000,000	10	10	26-Jun-17		Unlisted
	EUR	10,000,000	10	10	9-Jul-27		Unlisted
	EUR	75,000,000	75	75	14-Aug-26		Unlisted
	EUR	10,000,000	10	10	23-Oct-47	23-Oct-17	Unlisted
	EUR	1,000,000	1	1	23-Oct-47	23-Oct-17	Unlisted
	EUR	1 500,000	2	2	23-Oct-47	23-Oct-17	Unlisted
	EUR	1 500,000	2	2	23-Oct-47	23-Oct-17	Unlisted
	EUR	1,000,000	1	1	23-Oct-47	23-Oct-17	Unlisted
	EUR	20,000,000	20	20	19-Nov-47	16-Nov-17	Unlisted
	EUR	10,000,000	10	10	19-Nov-47	16-Nov-17	Unlisted
	EUR	1,000,000	1	1	19-Nov-47	16-Nov-17	Unlisted
	EUR	25,000,000	25	25	7-Dec-47	7-Dec-17	Unlisted
	EUR	25,000,000	25	25	7-Dec-47	7-Dec-17	Unlisted
	EUR	11,000,000	11	11	14-Jan-48	14-Jan-18	Unlisted
	EUR	5,000,000	5	5	14-Jan-48	14-Jan-18	Unlisted
	EUR	2,000,000	2	2	14-Jan-48	14-Jan-18	Unlisted
	EUR	2,000,000	2	2	14-Jan-48	14-Jan-18	Unlisted
	EUR	15,000,000	15	15	24-Jan-48	24-Jan-18	Unlisted
	EUR	5,000,000	5	5	24-Jan-48	24-Jan-18	Unlisted
	EUR	10,000,000	10	10	24-Jan-48		Unlisted
	EUR	10,000,000	10	10	7-Feb-48	7-Feb-18	Unlisted
	EUR	5,000,000	5	5	15-May-28		Unlisted
	EUR	8,090 718	8	8	15-May-28		Unlisted
	EUR	10,000,000	10	10	20-May-48	20-May-18	Unlisted
	EUR	10,000,000	10	10	20-May-48	20-May-18	Unlisted
	EUR	10,000,000	10	10	16-Jun-23		Unlisted
	EUR	50,000,000	50	50	23-Jun-20		Unlisted
	EUR	20,000,000	20	20	19-Jun-48	19-Jun-18	Unlisted
	EUR	50,000,000	50	50	30-Jul-18		Unlisted
	EUR	25,000,000	25	25	6-Aug-25		Unlisted
	EUR	20,000,000	20	20	16-Dec-23	16-Dec-14	Unlisted
	EUR	10,000,000	10	10	11-Dec-23		Unlisted
	EUR	20,000,000	20	20	11-Dec-23		Unlisted
	EUR	15,000,000	15	15	20-Dec-24		Unlisted
	EUR	5,000,000	5	5	25-Feb-29	25-Feb-19	Unlisted
	EUR	1,000,000	1	1	25-Feb-29	25-Feb-19	Unlisted
	EUR	14,000,000	14	14	25-Feb-29	25-Feb-19	Unlisted
	EUR	2,000,000	2	2	5-Mar-27	5-Mar-18	Unlisted
	EUR	10,000,000	10	10	5-Mar-27	5-Mar-18	Unlisted
	EUR	8,000,000	8	8	5-Mar-27	5-Mar-18	Unlisted
	EUR	20,000,000	20	20	5-Mar-19		Unlisted

* Value determined by the interest rate and currency swaps contracted to hedge the issue of *obligations foncières* and registered covered bonds.

Registered covered bonds	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
	EUR	10,000,000	10	10	5-Mar-19		Unlisted
	EUR	20,000,000	20	20	17-Mar-26	17-Mar-19	Unlisted
	EUR	65,200,000	65	65	1-Apr-24		Unlisted
	EUR	5,000,000	5	5	8-Apr-22		Unlisted
	EUR	5,000,000	5	5	8-Apr-22		Unlisted
	EUR	5,000,000	5	5	8-Apr-22		Unlisted
	EUR	5,000,000	5	5	8-Apr-22		Unlisted
	EUR	5,000,000	5	5	8-Apr-22		Unlisted
	EUR	5,000,000	5	5	8-Apr-22		Unlisted
	EUR	50,000,000	50	50	22-Apr-26		Unlisted
	EUR	10,000,000	10	10	22-Apr-26		Unlisted
	EUR	50,000,000	50	50	6-May-22		Unlisted
	EUR	50,000,000	50	50	5-May-23		Unlisted
	EUR	25,000,000	25	25	5-May-23		Unlisted
	EUR	10,000,000	10	10	5-May-23		Unlisted
	EUR	50,000,000	50	50	19-May-26		Unlisted
	EUR	50,000,000	50	50	19-May-25		Unlisted
	EUR	20,000,000	20	20	19-May-26		Unlisted
	EUR	20,000,000	20	20	19-May-25		Unlisted
	EUR	10,000,000	10	10	19-May-26		Unlisted
	EUR	50,000,000	50	50	28-May-27		Unlisted
	EUR	25,000,000	25	25	28-May-27		Unlisted
	EUR	50,000,000	50	50	26-May-28		Unlisted
	EUR	50,000,000	50	50	9-Jun-23		Unlisted
	EUR	25,000,000	25	25	9-Jun-23		Unlisted
	EUR	15,000,000	15	15	9-Jun-23		Unlisted
	EUR	50,000,000	50	50	24-Jun-19		Unlisted
	EUR	10,000,000	10	10	24-Jun-19		Unlisted
	EUR	50,000,000	50	50	8-Jul-26		Unlisted
	EUR	25,000,000	25	25	8-Jul-26		Unlisted
	EUR	10,000,000	10	10	8-Jul-26		Unlisted
	EUR	50,000,000	50	50	10-Jul-28		Unlisted
	EUR	25,000,000	25	25	10-Jul-28		Unlisted
	EUR	10,000,000	10	10	10-Jul-28		Unlisted
	EUR	20,000,000	20	20	10-Jul-28		Unlisted
	EUR	10,000,000	10	10	21-Jul-25		Unlisted
	EUR	15,000,000	15	15	21-Jul-25		Unlisted
	EUR	50,000,000	50	50	22-Jul-27		Unlisted
	EUR	10,000,000	10	10	22-Jul-27		Unlisted
	EUR	20,000,000	20	20	20-Jul-29		Unlisted
	EUR	15,000,000	15	15	29-Jul-27		Unlisted
	EUR	10,000,000	10	10	29-Jul-27		Unlisted
	EUR	10,000,000	10	10	31-Jul-23		Unlisted
	EUR	15,000,000	15	15	30-Jul-26		Unlisted
	EUR	10,000,000	10	10	30-Jul-27		Unlisted
	EUR	10,000,000	10	10	12-Aug-24		Unlisted
	EUR	50,000,000	50	50	12-Aug-27		Unlisted
	EUR	50,000,000	50	50	14-Aug-28		Unlisted
	EUR	25,000,000	25	25	14-Aug-28		Unlisted
	EUR	15,000,000	15	15	14-Aug-28		Unlisted
	EUR	10,000,000	10	10	14-Aug-28		Unlisted
	EUR	15,000,000	15	15	14-Aug-24		Unlisted
	EUR	10,000,000	10	10	23-Sep-26		Unlisted

* Value determined by the interest rate and currency swaps contracted to hedge the issue of *obligations foncières* and registered covered bonds.

Registered covered bonds	Currency	Nominal amount in foreign currency	Balance	Redemption value (*)	Final due date	First call option date	Stock exchange
			(EUR millions)				
	EUR	50,000,000	50	50	27-Aug-29		Unlisted
	EUR	25,000,000	25	25	27-Aug-29		Unlisted
	EUR	50,000,000	50	50	31-Aug-29		Unlisted
	EUR	50,000,000	50	50	31-Aug-29		Unlisted
	EUR	50,000,000	50	50	31-Aug-29		Unlisted
	EUR	5,500,000	6	6	30-Aug-24		Unlisted
	EUR	14 500,000	15	15	7-Sep-29		Unlisted
	EUR	15,000,000	15	15	14-Sep-21		Unlisted
	EUR	50,000,000	50	50	14-Sep-27		Unlisted
	EUR	15,000,000	15	15	14-Sep-27		Unlisted
	EUR	10,000,000	10	10	14-Sep-27		Unlisted
	EUR	5,000,000	5	5	14-Sep-27		Unlisted
	EUR	20,000,000	20	20	16-Sep-24		Unlisted
	EUR	10,000,000	10	10	17-Sep-29		Unlisted
	EUR	5,000,000	5	5	17-Sep-29		Unlisted
	EUR	20,000,000	20	20	24-Sep-31		Unlisted
	EUR	20,000,000	20	20	26-Sep-33		Unlisted
	EUR	10,000,000	10	10	9-Oct-24		Unlisted
	EUR	5,000,000	5	5	9-Oct-24		Unlisted
	EUR	10,000,000	10	10	22-Oct-24		Unlisted
	EUR	20,000,000	20	20	25-Oct-21		Unlisted
	EUR	8,000,000	8	8	26-Oct-29		Unlisted
	EUR	15,000,000	15	15	21-Dec-28		Unlisted
	EUR	10,000,000	10	10	24-May-17		Unlisted
Sub-total	**EUR**	**3,550,265,228**	**3,547**	**3,550**			
TOTAL REGISTERED COVERED BONDS			**3,547**	**3,550**			
BALANCE SHEET TOTAL			**63,910**	**64,785**			

* Value determined by the interest rate and currency swaps contracted to hedge the issue of *obligations foncières* and registered covered bonds.

Report of the Chairman of the Supervisory Board prepared in accordance with article L.225-68 of the Commercial Code

This report describes the principles and procedures applied during the year 2009.

As a credit institution, Dexia Municipal Agency refers, in order to draw up this report, to the provisions of the French Banking Standards Committee (CRB) standard 97-02, as modified by the decrees of March 31, 2005, June 17, 2005, February 20, 2007, July 2, 2007, September 11, 2008, January 14, 2009, May 5, 2009, October 29, 2009, and November 3, 2009, which defines the roles, principles and organization of internal control, as well as to the reference framework published by the French Financial Markets Authority (AMF).

This report, drawn up by the Chairman of the Supervisory Board of Dexia Municipal Agency, was prepared by the Executive Board, which gathered the necessary information from all the operating departments and support functions concerned, in particular the risk management and permanent control division and the finance division.

1. CONDITIONS OF PREPARATION AND ORGANIZATION OF THE SUPERVISORY BOARD'S GOVERNANCE

The purpose of Dexia Municipal Agency is to finance public sector commitments generated by the Dexia Group by issuing *obligations foncières* and raising other funds benefiting from the same privilege, all rated triple-A. This role is strategic for the Dexia Group's public finance activity.

The Supervisory Board exercises permanent control of the Company's management by the Executive Board. The Supervisory Board has 12 members, whose term of office is six years and who are appointed by the Annual Shareholders' Meeting by reason of their expertise and the contribution they can make to the Company. Since the last Annual Shareholders' Meeting, two changes were made in the Board's composition. Edouard Daryabegui-Guilani was named a member of the Board, replacing Jean Le Naour, and the function of permanent representative of Dexia Crediop was given to Jean Le Naour, who replaced Marc Brugière Garde.

The Supervisory Board meets at least every three months; the two auditors and the specific controller of the *société de crédit foncier* also attend the meetings. In advance of the meeting, the Chairman of the Supervisory Board and the Chairman of the Executive Board send the Board members an agenda and a file with reports or documents relating to the subjects to be discussed. The Board met five times in 2009, in particular since the Chairman of the Supervisory Board decided to hold a special meeting in May to discuss the Company's strategy. The rate of assiduity was 72.4%.

The agenda respects a regular format: minutes, business review of the previous quarter and of current trends including issuance conditions, the presentation of the financial statements, and the development of projects for asset acquisition from Dexia Credit Local and foreign entities. Specific topics are added at different times of the year: the report on internal control and the report on risk assessment and surveillance in application of articles 42 and 43 of CRB standard 97-02 as modified; information to be published relating to the quality of assets as well as the level and sensitivity of the interest rate position in application of article 13 of CRB standard 99-10.

The information and documents forwarded to the members enable the Board to have a full, clear and accurate view of the Company's position, profitability and development.

During Supervisory Board meetings, the Executive Board develops the points on the agenda by comments and synthetic presentations. The Board advises on strategic choices and, if necessary, makes recommendations that are followed up on in subsequent meetings. The Board pays special attention to transfers of public sector assets to Dexia MA.

It closely monitors the performance of Dexia MA's *obligations foncières* in the primary and secondary markets. The Supervisory Board considers that the optimization of Dexia MA's issuance conditions is linked (independently of market conditions) to investors' perception of the excellent quality of the Company's assets (beyond the triple-A ratings by Moody's, Fitch and Standard and Poor's) and its very low risk profile with regard to client and market counterparties, interest rates and liquidity. The Supervisory Board pays particular attention to the reports submitted by the Executive Board on these subjects, and to the transparency of communication to investors.

Information concerning compensation and other advantages granted to members of the management bodies is presented in the section of the management report entitled "Compensation of members of management bodies".

None of the managers of Dexia Municipal Agency receive compensation for the work they do for Dexia MA.

The recent change in CRB standard 97-02 authorizes an entity to refer to the parent company's compensation committee for the definition of its compensation policy. On December 3, 2009, the Supervisory Board of Dexia Municipal Agency decided not to create a specific committee at the level of Dexia Municipal Agency since there is a compensation committee at the level of

Dexia SA, which is responsible for Dexia Credit Local and Dexia Municipal Agency.

2. DEXIA MUNICIPAL AGENCY'S PARTICULAR OPERATING STRUCTURE

Dexia Municipal Agency is a legally independent company with its own Supervisory Board and Executive Board. However, in order to preserve the privilege enjoyed by holders of *obligations foncières* and other privileged debt securities, the law stipulates that a *société de crédit foncier* is not allowed to employ staff directly and must entrust the management of all its operations to a credit institution with which it signs an agreement (article L.515-22 of the Monetary and Financial Code). This is because employees would have a priority that would supersede any other claim in the event of bankruptcy or liquidation, whereas the management agreement, which benefits from the privilege granted by the law on *sociétés de crédit foncier*, is *pari passu* with the holders of *obligations foncières* and other privileged debt securities. Thus, there are divisions, departments and units at Dexia Credit Local that handle transactions conducted in the name of Dexia MA. The management of Dexia MA is, therefore, subject to the procedures and controls usually applicable to Dexia Credit Local, in addition to the procedures and controls specific to the legal standards and rules that govern the management of Dexia MA.
In terms of governance, and in areas that concern it, Dexia MA applies the practices of its parent company.

3. INTERNAL CONTROL

3.1 - ORGANIZATION OF INTERNAL CONTROL

3.1.1 Responsibilities of internal control and the general architecture of internal control

a. Responsibilities of internal control

Like all credit institutions, Dexia Municipal Agency and Dexia Credit Local, which manages Dexia MA's operations, are subject to the oversight of the French Banking Commission. The objectives and organization of their internal control are defined within the framework set by the Monetary and Financial Code, and the French Banking Standards Committee (CRB) standard 97-02 as modified, the correct application of which is periodically checked by the internal audit division.
The internal control system, according to CRB standard 97-02 as modified, ensures that different control procedures are applied to provide:

- the compliance of internal operations and procedures;
- reliable and quality financial and accounting data;
- security in processing information;
- systems to measure and monitor risks and results.

More specifically, the responsibilities assigned to internal control in effect at Dexia Credit Local and applicable to Dexia MA are designed to:

- verify that the risk control system applied is solid and efficient; the internal control system aims to guarantee the Executive Board that the risks taken by the Company are in line with the policy defined by the Supervisory Board and the Executive Board;
- ensure that the financial and accounting data produced is reliable and relevant.

The main objective of the financial information is to give a true and fair view of the position of Dexia MA in a regular, complete and transparent manner. The internal control system is focused on the achievement of this objective.
Dexia MA has set up a number of procedures and controls within the framework of the organization of Dexia Credit Local's internal control system, which aim to ensure the proper operation of Dexia MA in compliance with standards and prudential principles, while exercising efficient management of available resources. Internal control is a process that provides reasonable assurance that the above-mentioned objectives will be achieved at the desired level.
It should, nevertheless, be mentioned that, like any control system, this organization may not be considered as an absolute guarantee of the proper achievement of the Company's objectives.

b. General architecture of the internal control system

The system's general architecture is based on general principles that apply to all lines of business and all support functions. Dexia Credit Local's internal control system relies on activities integrated into all operating, support, management, accounting, etc. processes, the oversight of which is a permanent responsibility of management with successive levels of control.
Moreover, there is a transparent separation of functions designed to maintain and ensure a clear distinction between the operators who conduct operations and transactions, and those in charge of validation, control and settlement.
Following this logic, the general architecture of the internal control system of Dexia Credit Local and Dexia Municipal Agency is grounded on an organization with three levels.

- The first level of control is exercised by each employee and the corresponding chain of command in function of the responsibilities that have been explicitly delegated, the procedures that apply to the activities conducted, and the instructions given.
- The second level of control involves specialized functions that are independent of the activities controlled and report directly to the Management Board of Dexia Credit Local. This second level may also be the responsibility of specialized committees, made up of staff from operating, support and control functions, like compliance and risk management, and chaired by a member of the Management Board.

- The third level of control is represented by the Dexia Group's audit division, which exercises permanent control of the efficient application of the first two levels of control in the parent company and in all of its subsidiaries and branches.

c. Functions of internal control

Relying on the internal control architecture described above, Dexia Credit Local has defined separate functions designed to meet the specific needs of each of its entities (including Dexia MA).

- Permanent control excluding compliance
  This control verifies that the risk control system applied is solid and efficient, ensures the quality of financial and accounting data as well as of the information systems. The organization of permanent control excluding compliance is developed in paragraph 3.1.6. below.
- Compliance control
  This control verifies that all the standards and procedures are applied on a permanent basis and do not expose the Company, by reason of their absence or non-application, to any risk of administrative or disciplinary sanctions, financial risk, or damage to its reputation. The organization of this function is developed in paragraph 3.1.7. below.
- Periodic control or internal audit
  This control, exercised by the internal audit division of Dexia Credit Local, in close coordination with the Dexia Group's internal audit teams, is responsible for monitoring the efficiency and effective application of the controls, in the parent company and all the subsidiaries and branches. The organization of this function is developed in paragraph 3.1.8. below.
- Internal references
  In order to ensure that the appropriate information and instructions are available to all the players in internal control, the Dexia Credit Local Group has progressively developed a common set of references.

These reference documents may be regrouped in four broad categories.

- The charters define, for each business line or activity, the reference objectives and policies that the Group has set for itself, and develop a conceptual framework governing organization and operation. This is, for example, the case of the internal audit charter and the compliance charter defined by the Dexia Group.
- The codes regroup, for a given activity, rules of conduct or best practices that apply to all the employees concerned, independently of their hierarchical or functional reporting lines. The code of business ethics was updated in 2009 to take into account the various regulatory changes that have recently been introduced. This code is distributed to all employees, both at headquarters and in the subsidiaries and branches. It can be easily accessed by all employees *via* the Intranet, under the heading "Compliance".
- The rules of conduct, also called directives, are the first level of operational application of these charters and codes. They set practical standards of quality, define effective limits and organize the delegation system. The rules of conduct drawn up by the Dexia Group's risk management team thus make it possible to determine all the counterparty limits set for the Dexia Credit Local Group.
- Finally, in application of the charters, codes and directives, the procedures define the organization, the measures to be taken and the control to be exercised to perform a given activity. All employees in their units or divisions should have a manual of procedures applicable to the position they occupy. For the same reasons, service agreements are signed to formalize the relations between two divisions or two Dexia Group entities in a customer-supplier relationship by specifying the level of service that is expected.

In addition, the definition of processes, within the framework of Dexia Credit Local's ISO 9001 quality certification (although it mainly targets customer satisfaction) guided the Company in an approach that ensures the overall control of its activities.

3.1.2. Executive Board

The Executive Board (*Directoire*) is the front-ranking guarantor of the efficient operation of the Company's internal control procedures. Given the structure of Dexia MA and the management agreement that binds it to Dexia Credit Local, the Executive Board relies on the organization of internal control in effect at Dexia Credit Local.

The Chief Executive Officer of Dexia Credit Local defines and coordinates the policy of the Dexia Credit Local Group in terms of internal control. He allocates resources and sets deadlines for measures taken within the framework of this policy. He verifies that the objectives are achieved and that the internal control system is adapted to needs. Lastly, he adjusts these needs in function of internal and external developments.
To carry out this assignment, the Chief Executive Officer relies on the Management Board, whose members are permanently involved in the internal control system through their operating responsibilities, their participation in the different monitoring committees, and the reports, especially audits, that are systematically submitted.
Those responsible for internal audit, compliance, risk management and permanent control report directly to the Chief Executive Officer.

3.1.3. Operating divisions

The managers of the operating divisions guarantee the adaptation and efficiency of internal control in their field of activity. In particular, they are in charge of analyzing the risks involved in all the transactions they have initiated and verifying that they are compatible with internal control procedures in their division. If there is a change in the internal or external environment that may have an impact on the system, they should propose or make, in function of their level of responsibility, the adaptations required to maintain proper control of any risks incurred.

3.1.4. Risk management and permanent control division

The risk management and permanent control division monitors and manages risks in conformity with the recommendations of the Management Board and oversees permanent control of the Company.

The head of risk management and permanent control of Dexia Municipal Agency is the head of risk management and permanent control of Dexia Credit Local. He is a member of the Management Board of Dexia Credit Local, and a member of the committee organized by the head of risk at the Group level, which brings together the heads of risk management in Group entities and the relevant functional managers at the Group level. Since the end of 2009, and within the framework of the new organization of the Dexia Group's risk management activities, he reports to Dexia's head of risk under a "directive" link and to the Chief Executive Officer of Dexia Credit Local under a "strong functional" link. He has no hierarchical link with the other units. He exercises his role in full independence of the operating divisions.

The risk management and permanent control division is competent to monitor all the risks generated by banking activities, including credit, market, liquidity and operational risks as defined by CRB standard 97-02 modified. As mentioned above, the risk management and permanent control division is responsible for the permanent control of the Company.

Risk management and permanent control strictly follow the instructions of the Dexia Group with regard to risk assessment methods, reporting limits and procedures, which are defined by the Group's risk management division. It also ensures that Dexia MA's specific rules in this area are respected.

3.1.5 Committees

All operations conducted by Dexia Municipal Agency are subject to the control of different committees set up by Dexia Credit Local or the Dexia Group. This control takes into account the particular rules and limits applicable to Dexia MA (cf. 3.4). A description of the committees follows.

a. Management of credit risk

Several cross-company committees are organized by Dexia SA:

- the Risk Policy Committee, which meets quarterly to approve the rules for the attribution of credit risks, leading to policy decisions concerning credit risks;
- the Risk Executive Committee, which meets weekly to decide on the risk management strategy and the organization of the risk network;
- the Management Credit Committee, which meets weekly to take commitment decisions on major projects or credit proposals with a high risk profile.

The head of risk management of Dexia Credit Local is a member of the Risk Executive Committee and the Management Credit Committee.

Commitment decisions and the monitoring of these commitments are the responsibility of several committees. They are organized by business line and include the PWB (Public and Wholesale Banking) credit committees and TFM (Treasury and Financial Markets) credit committees. They approve transactions that are not delegated to the different subsidiaries and branches and operate under the delegation of the Management Credit Committee. Every project presented to a committee is accompanied by an independent analysis drawn up by the risk management division of Dexia Credit Local or the Dexia Group.

The credit committees meet weekly to take commitment decisions on projects.

The following committees meet quarterly.

- The Special Mention and Watchlist Committees monitor "sensitive" assets put under surveillance.
- The Default Committees qualify and monitor default counterparties in accordance with Basel II, applying the rules in effect at Dexia.
- The Impairments Committee determines every quarter the amount of provisions allocated and monitors the cost of risk.
- The Rating Committees verifies the proper application of internal rating systems and the appropriateness of rating processes.
- The Credit Line Committee attributes and controls the limits for certain counterparties monitored by the competence center on credit risk in market transactions.

The PWB committees are organized at the level of the different subsidiaries and branches (local committees), of Dexia Credit Local headquarters, and of the Group for projects that are not delegated. The risk division of Dexia Credit Local chairs the committees of Dexia Credit Local. It systematically participates in Group committees and presents projects that concern Dexia Credit Local and its different subsidiaries and branches. It approves the projects to be entrusted to Dexia Credit Local and its different subsidiaries and branches. It also has a right of veto for these projects. The TFM committees only exist at the Group level. The risk division of Dexia Credit Local also systematically participates in TFM committees, approves the projects to be entrusted to Dexia Credit Local and its different subsidiaries and branches, and also has a right of veto for these projects.

The delegations granted to international entities for public sector customers and project finance were cancelled at the end of 2008. Extremely limited delegations were reintroduced in mid-2009, mainly for the Italian and Spanish subsidiaries and only for public sector customers. The delegations granted to the commercial network in France were maintained.

b. Market risk management

- The ALM (ALCO committee) meets on a monthly basis at the level of the Dexia Group and Dexia Credit Local within the framework of its competence and the limits defined for each committee. It decides on the strategy to apply for interest rate, foreign exchange and liquidity risks for all Group entities and for Dexia Credit Local and its different subsidiaries and branches with significant activity in this field.

- The market committee (MRGC) meets on a monthly basis to monitor respect for the limits on market risks set at the level of the Dexia Group or Dexia Credit Local, analyze business and define operating orientations.

The role of these committees is developed in the paragraphs on market risks and the management of the balance sheet in section 3.4 of this report.

c. Diversification of business
- The new products committee meets on a monthly basis to verify upstream of the launch of any new activity or product that any related risks have been correctly analyzed, assessed and controlled, and that the appropriate management systems are in place. Equivalent committees are also set up in the subsidiaries.
- The committee for business ethics and evaluation of commercial risks (CEERC) meets quarterly to monitor commercial initiatives and analyze the commercial risks linked to the sale of structured loans and financing. On this basis, it directs the policy implemented in marketing operations.

d. Major projects (information systems, standards, organization)
- Project steering committees monitor projects in the works, determine the required resources, take final decisions and organize communication to the Management Board of the Dexia Credit Local Group.
- The responsibilities of the committee for the security of the information systems are described below in a separate section.

Most of these committees report to the Management Board on a quarterly basis.

In order to optimize the skills of each employee in the risk management division, in 2010 risk management activities will move toward an organization based on competence centers specialized along the lines of Dexia's different lines of business (Public and Wholesale Banking credit risk, Retail and Commercial Banking credit risk and market operations credit risk), resulting in the creation of risk committees specialized by competence center, coordinated by cross-company committees.

3.1.6 Permanent control excluding compliance

At Dexia Municipal Agency, this area is the responsibility of the head of the risk management and permanent control division, who is a member of the Management Board of Dexia Credit Local. He monitors and manages risks in conformity with the recommendations of the Executive Board and oversees the Company's permanent control. He has no hierarchical link with the other units. He exercises his role in full independence of the operating divisions.

The monitoring of permanent control relies on teams that measure and monitor risks, on decentralized resources in corporate divisions, subsidiaries and branches, and on exchanges of information within the framework of permanent control committees to ensure consolidated oversight.

Permanent control at the second level is also conducted in the risk management and permanent control division by the unit in charge of piloting audits. This team works for the division of operating risks, security of information systems and permanent control in order to muster all possible synergies among the different levels of control.

The architecture of such control is organized on the first two levels of the architecture presented in 3.1.1.b of this report.

It should be noted that within the framework of the extension of this function to the whole Dexia Group, this unit will report to the General Secretary as of 2010. The synergies developed with the operating risks unit will, however, be maintained.

Permanent control is based on a control plan, the results of which are reported quarterly to the Management Board of Dexia Credit Local. These controls cover the main business processes in the bank and were selected together with the operating divisions. The relevance of this choice is reviewed every year when the control plan is subjected to a challenging process based both on the mapping of the operating processes developed within the framework of the ISO 9001 Quality project and on the mapping of risks and controls employed within the framework of the management of operational risks.

3.1.7 Compliance control

The head of compliance at Dexia Credit Local is in charge of compliance at Dexia MA. Compliance is organized in a network that encompasses the whole Dexia Group, from the holding company to the French and foreign subsidiaries and affiliates of Dexia Credit Local. This function is independent and, since the reorganization in October 2008, operates under the authority of Dexia's General Secretary. The head of compliance at Dexia Credit Local is responsible for the cross-company monitoring of all compliance issues for the Public and Wholesale Banking business line, an area that particularly concerns all the assets of Dexia Municipal Agency.

At Dexia Credit Local, the head of compliance reports to the General Secretary, who has been designated as the compliance contact for the Banking Commission. The head of compliance has a functional link with the head of compliance of the Dexia Group. He also acts as the TRACFIN correspondent within the framework of the obligations of banks in the fight against money laundering and the financing of terrorist activities. The head of compliance has professional identification (an RCSI card) from the AMF both for Dexia Credit Local and Dexia CLF Banque, both of which provide investment services. Another employee of the compliance division also has an RCSI card.

The Dexia Credit Local Group operates in highly regulated sectors. It must, therefore, constantly be able to control that it complies with all legal and regulatory requirements and local rules. In addition to these requirements, the Group has developed its own set of rules. Rules of appropriate conduct were assembled in codes of conduct such as the integrity policy and the compliance charter, which were updated in December 2009. They are presented in a code of conduct distributed to all employees. A code of conduct for market traders was drawn up and distributed to the employees concerned. This code of conduct was updated in 2009, in particular to take into account the most recent regulatory changes.

More specifically, with regard to money laundering, the Dexia Group complies with French rules and local rules at each of its international entities. Beyond these basics, the Group has introduced stricter standardized criteria in terms of client acceptability and respectability. The objective is to work only with counterparties whose identity is perfectly established and who share its criteria of integrity and responsibility.
The general anti-money laundering and anti-terrorist procedure is being updated after the transposition into French law of the provisions of the third directive. It is accessible to all employees. USA Patriot Act certification for all the Group entities concerned is available on Dexia's Internet site.

A priori, Dexia MA is not exposed to the risk of money laundering with regard to its assets, for which its counterparties are public sector entities. Concerning investors in the liabilities, precautions are taken with bank counterparties who act as dealers in the placement of Dexia MA issues. As intermediaries between Dexia MA and investors, they commit, in the documentation of the EMTN programme or other programmes, if such are launched, and issue-by-issue in private placements or in stand-alone issues, to obtain and record reliable information on the identity of subscribers, in compliance with the requirements of the anti-money laundering directive, or in compliance with equally strict requirements for those not governed by the European directive. These counterparties commit to alert their respective oversight authorities if they learn or suspect that subscribers are engaged in money laundering or the financing of terrorist activities.

During the year, all of the employees at Dexia Credit Local headquarters benefited from training sessions on compliance. These initiatives will be extended to units throughout France in 2010. In addition, specific sessions were organized for those who work in the financial markets.

In 2009, responding to the policy defined at the level of the Dexia Group, the compliance action plan was pursued and completed. The compliance division ensures a regulatory watch by constantly adapting applicable texts. A full guide to compliance procedures was drawn up and is regularly updated. A control plan was organized and implemented. The mapping of compliance risks is updated every two years (it will be updated in 2010). Following the new definition of the range of issues overseen by the compliance division, including the protection of personal data, the division has assumed responsibility for updating the data processing reports to be filed with the CNIL.

The compliance division was also involved in the definition of marketing policy with regard to structured loans. Compliance now chairs the Commercial risks ethics and evaluation committee (CEERC) at the level of Dexia Credit Local and the Committee of evaluation and prevention of commercial risks at the level of the Dexia Group.

3.1.8 Periodic control

Periodic control includes the internal audit and inspection divisions. Internal audit is assigned the task of promoting internal control in the Group and constantly monitoring the efficiency and effective application of the internal control system.

Within this framework, internal audit assesses, in particular through its audits, whether the risks incurred by the Dexia Credit Local Group within the framework of its different activities are adequately perceived and covered. It also verifies that the recommendations and directives of the Chief Executive Officer are applied.

A common audit charter indicates the fundamental principles that govern internal audit in the Dexia Group by describing its objectives, its role, its responsibilities and its operating procedures.

The internal audit division of Dexia Credit Local conducts its evaluation of internal control operations in all entities of the Dexia Credit Local Group, including headquarters, the network in France, subsidiaries, branches and representation offices in France and other countries.

More specifically, the general auditor of Dexia Credit Local exercises a particular function concerning Dexia MA, as spelled out in article 9 of the management agreement between Dexia MA and Dexia Credit Local: "Dexia Credit Local's internal audit division audits all of the transactions and procedures of Dexia MA, as it does those of Dexia Credit Local and that company's other subsidiaries within the framework of the criteria generally applicable to the Dexia Group. In addition, it acts as Dexia MA's own internal control unit for all that concerns CRB standard 97-02 modified (control of Dexia MA's transactions and internal procedures, audit trails, measurement of risks and results, etc.)." The general auditor has direct access to the Chairman of the Supervisory Board of Dexia MA.

The internal audit division is under the responsibility of Dexia Credit Local's general auditor, who reports hierarchically to the Chief Executive Officer of Dexia Credit Local, and functionally to the general auditor of the Dexia Group in keeping with the audit charter. The general auditor has direct access to the Chairman of the Board. He is also responsible for inspection services.

The inspection division conducts investigations in order to prevent fraud and to ensure that the prescriptions of the code of conduct and the company charter are respected.

Every year, the inspection division of Dexia Credit Local prepares an action plan with some 20 investigations and controls, targeting investment services, employee business ethics and specific projects such as control procedures in the trading rooms, at headquarters and in the subsidiaries and branches. There are also the investigations requested by the Chief Executive Officer and the general auditor.

In 2009, the internal audit and inspection divisions employed 36 auditors and inspectors, for 40 available positions.

In 2009, a certain number of methodological initiatives were launched, including a new methodology for risk analysis and the definition of the audit plan, a common internal audit tool to monitor recommendations, and a new reporting model with an update of the "underlying audit methodology".

The new method is an answer to the increased need for audit efficiency by making it possible to target critical audit units at the origin of key risks or subject to key controls to achieve the objectives of the business lines and the support functions, and consequently, a lesser focus on less important audit units. This new method also responds to the necessity to take into account the transformations in Dexia's activities by strengthening the upstream phase of analysis of risks linked to the activities conducted by all Group entities (by aiming to identify local characteristics in terms of objectives and risks) and of cooperation with business line managers.

The new methodology thus includes two major developments, i.e. a new audit universe and a new risk analysis method. The review of the audit universe (breakdown of Dexia's activities into processes and sub-processes called "audit units") is an attempt to simplify the system by reducing the number of audit units through logical regroupings in function of the business line, product or service, customer profile, distribution channel or support process. The new method of risk analysis, in keeping with the methodology promoted by the Institute of Internal Auditors favors a top-down approach with the following stages:

- an identification of critical potential risks (strategic, operating, reporting and compliance) that would prevent the achievement of corporate objectives by business line and/or support process;
- an evaluation of the degree of Dexia's vulnerability to these critical risks, *via* an assessment of the impact and of the probability of occurrence, thus making it possible to identify the greatest risks;
- the identification of the audit units that are either at the origin of risks or in charge of preventing them.

The audits target the audit units running the greatest risks, those which, in all the business lines and the support processes, imply the greatest number of key risks with regard to the achievement of the Group's objectives. Audit units that do not imply major risks are subject to a simplified approach that responds to regulatory requirements for audit universe coverage. The first application of this approach was launched in the second half of 2009 to develop the 2010 audit plan for all the entities in the Dexia Group.

The audit plans, which include audits at Dexia MA, are presented to the management committees of the entities concerned, and then submitted for approval to their audit committees and/or to their boards of directors or supervisory boards. In this way, every year, Dexia MA is audited by internal audit either as an independent entity or within the framework of an audit process on the broader scale of Dexia Credit Local including Dexia MA. In the event of an independent investigation, the audit is first approved by the Executive Board.

Every audit is summarized in a contradictory report and recommendations are issued in the form of action plans. The latter are designed to shore up weak points discovered by the audit services in order to consolidate the internal control system. Each action plan is approved by the management of the entity concerned and its accomplishment is monitored on a regular basis.

The results of the audits and the action plans are reported in the annual report of Dexia Municipal Agency in keeping with CRB standard 97-02 modified, which is presented to the Supervisory Board and then sent to the Banking Commission.

The operation of the audit network is characterized by significant integration, with the definition of a single audit plan for the Group, and the cross-company piloting of the Group's audit plan by five segment officers (a segment corresponds to a business line and/or a regrouping of support activities).

This organization has not modified the responsibilities of Dexia Credit Local 's internal audit activities. The auditors on the existing team remain under the authority of the general auditor of Dexia Credit Local, who remains the main contact for Dexia Credit Local 's Management Board, the audit committee and regulators. The general auditor continues to ensure that there is adequate coverage of all the risks generated by the activities of Dexia Credit Local and its subsidiaries and branches. He is involved in the steering of the Dexia Group's audit activities. The operation of internal audit services relies on two structures: the Internal Audit Management Committee (IAMC) and the Internal Audit Executive Committee (IAEC).

Composed of the general auditor of Dexia SA, who chairs the group, and the general auditors of Dexia Bank Belgium, Dexia Credit Local and Dexia Banque Internationale à Luxembourg, the IAMC defines the internal audit methodology applicable in the Dexia Group, determines the Group's general audit plan, defines the resources and the segments, and names segment officers.

The IAEC is composed of the general auditor of Dexia SA, who chairs the group, and the general auditors of Dexia Bank Belgium, Dexia Credit Local and Dexia Banque Internationale à Luxembourg, as well as the segment officers. The head of the Audit, Process, Management & Organization unit also attends. The committee defines the audit universe and updates it regularly, validates the risk mapping prepared by each of the segment officers, proposes a general audit plan for the Group, ensures optimal planning of audits, proposes any changes that are necessary in terms of resources, methodology and tools, defines the training policy for the audit teams, analyzes the results of performance monitoring activities, and validates internal and external reporting procedures.

An Audit, Process, Management & Organization unit was created in Dexia SA and the operating entities to provide support for the audit activities. It is designed to define and update methodology and the audit process, manage audit planning, prepare activity reports for management, provide and maintain the tools necessary to carry out audit activities, coordinate projects with the teams that manage operational risks and compliance, produce performance indicators for the audits conducted, and finally organize auditor training and quality reviews in order to ensure the proper application of the method and audit processes.

The transformation of audit activities, within the framework of the Dexia Group's reorganization in 2010 is based on the following principles:

- the adaptation of the organization of audit activities to the Group's new organization so that each member of the Management Board has one clearly identified audit contact who has an overview of the risks in his area of responsibility;
- strengthened control of subsidiaries and branches (particularly the subsidiaries and branches in Dexia's international network);
- a review of audit methodologies to improve the relevance and efficiency of the audit process;
- the complete integration of the Audit, Process, Management & Organization unit in order to ensure a single definition of audit methodologies, monitoring and application throughout the Group;
- the creation of a structure for the investigation and monitoring of audit in commercial agencies at Dexia SA in charge of defining cross-company methodologies as well as overseeing cross-company investigations involving several entities in the Dexia Group.

The changes caused by the application of the principles presented above have thus led to:

- the merger of the respective roles of the Group head of Audit in Public and Wholesale Banking, with that of the general auditor of Dexia Credit Local, and the Group head of Audit in Retail and Commercial Banking, with that of the general auditor of Dexia Bank Belgium;
- the review of the areas of responsibility of the other Group heads of Audit so that there will be two contacts for all the support functions (Operations, IT, Finance, Risks, etc.) and cross-company functions (Markets, Liquidity, etc.);
- the continued use of a minimal number of auditors in the international subsidiaries and branches, and the multiplication of joint audits, i.e. audits conducted in the subsidiaries and branches by central teams in cooperation with local teams;
- the regrouping of the other auditors in a shared service center for France, Belgium (excluding Dexia Insurance Belgium), Luxembourg, and Turkey, as well as the formation of a pool of IT auditors. The regrouping of auditors in shared service centers by country will reinforce integration and hone the piloting of cross-company audits;
- fuller monitoring of oversight bodies in charge of subsidiaries and branches (audit committees, supervisory boards) and of the audits conducted by local regulators.

Thus, the function of Dexia Credit Local's general auditor has changed. It covers not only the current areas (presented in the introduction above) but also:

- risk assessment of PWB business lines, an audit plan for these lines, and the monitoring of such activities;
- the management of the French auditors' shared service center.

The piloting of the audit of cross-company functions and support functions will be shared between the two Group heads of Audit as follows:

- a Group Head of Audit will be in charge of Risks, Finance, ALM (now called BSM), Markets and Liquidity;
- the other Group Head of Audit will be in charge of IT and the other support functions (Compliance, Communication, HR, etc.). He will also manage the pool of IT auditors with the current IT auditors of Dexia SA, Dexia Bank Belgium, Dexia Credit Local and Dexia Banque Internationale à Luxembourg and Dexia Technology Services.

The head of the Audit, Process, Management & Organization unit defines, ensures the maintenance and organizes the application of the audit methodologies. Within the framework of cross-company projects, he pilots the introduction of tools designed to support the main audit processes. He coordinates projects and/or prepares the different reports produced by the audit division, organizes and participates in Dexia SA's audit committee, and ensures the proper organization of oversight bodies of the entities, their subsidiaries and branches. Lastly, he plans all the investigations programmed in the audit plan as well as any additional inspections.

The head of "investigation/audit in commercial agencies" unit defines a general framework, as well as common metho dologies or approaches with regard to investigations and the periodic control of the agency network. He takes charge of any cross-company investigations involving several Group entities.

3.1.9 Dexia Group

Dexia's main management body is the Group Management Board.

The role of the Group Management Board consists in steering the Dexia Group and coordinating its various businesses and specialized activities that support them.

Within the framework of the Group transformation plan, Dexia SA's Management Board was renewed and remodeled by the Board of Directors at its November 13, 2008, meeting, in particular to reduce the Group's management team and to simplify the decision-making process. The Management Board, chaired by the Chief Executive Officer, was reduced from ten to five members. The members of the Management Board are assigned specific responsibilities that are divided up among themselves, i.e. Public and Wholesale Banking and Retail and Commercial Banking in addition to the Finance and Risks functions. The members of the Management Board exercise functional authority over their correspondents on the Management Board of Dexia Credit Local.

The Group's Management Board may also meet in its extended form, and be called the Group's executive committee. This structure deals with cross-company subjects and matters of a certain importance. In addition to the members of the Management Board, the executive committee includes the other Group control and support functions, i.e. the heads of Treasury and Financial Markets, Operations & IT, Strategy, M&A and Transversal Projects, Human Resources, and Conformity, Legal and Tax.

The teams and individuals more specifically concerned by internal control are the following:

- internal audit, which reports directly to the Chief Executive Officer, Chairman of the Management Board, and defines the methodology used in the Group, coordinates and participates in cross-company audits involving several entities, audits Group functions and the audit functions of the various entities;
- the risk management team under the responsibility of the head of risk management, a member of the Management Board, which supervises risk management policy. It articulates rules of conduct for limits and delegations, controls and assess cumulated risks at the level of the Group and applies methods that have been harmonized among the different entities;
- the Group Compliance Officer, who reports to the General Secretary, and coordinates the network of compliance officers in the different entities and ensures the respect of the integrity policy and the development of an ethics-based corporate culture, which is a strong point in Dexia's reputation since its creation (cf. paragraph 3.1.7).

3.2 - CONTROLS BY THE SPECIFIC CONTROLLER

The specific controller of Dexia Municipal Agency is a French professionally certified auditor named by the Company's executive management upon approval of the French Banking Commission.

The specific controller conducts controls pursuant to articles L.515-30 and L.515-31 of the Monetary and Financial Code as well as to decree 99-710 of August 3, 1999, and CRB standard 99-10. He is responsible for ensuring that the Company respects its exclusive corporate purpose and prudential standards. He carries out appropriate audits in cooperation with the Statutory Auditors and is completely independent vis-à-vis the Company's other officers. He is also liable for the negative consequences of any error or negligence committed in the exercise of his functions.

The specific controller has access to all information, from management, internal control and internal audit. In addition, operating services and internal control units have been instructed to provide specified information in order to allow the specific controller to monitor the coverage ratio, the nature of new assets, interest rate risk management, and the asset/liability duration gap on a regular basis. For every Dexia MA issue contract, he affirms compliance with legal and regulatory standards concerning the ratio of coverage of the privileged liabilities by the assets, once the issue has been paid. The specific controller certifies the documents that the Company sends to the Banking Commission to meet legal and regulatory requirements for *sociétés de crédit foncier*. He submits an annual report on his activity to the Supervisory Board of Dexia MA, and a copy is forwarded to the Banking Commission.

3.3 - PREPARATION OF ACCOUNTING AND FINANCIAL INFORMATION

3.3.1 Financial statements

A company's annual financial statements should give a true and fair view of its assets, financial position and results. For credit institutions, CRB standard 97-02 modified, on internal control, highlights in its accounting title that the organization adopted should guarantee the existence of procedures called "audit tracks". They make it possible to establish a link between any accounting data and the original justification, and *vice-versa*. This is the principle that grounds the organization of accounting practices in the Dexia Credit Local Group and it applies to Dexia MA as well.

a. Organization of the accounting services

The organization of accounting at Dexia Municipal Agency is the responsibility of the general accounting unit of Dexia Credit Local, within the framework of the management agreement between the two companies. Accounting plays a centralizing role in the organization of Dexia Credit Local. It reports to the Company's Chief Financial Officer, who is a member of the Management Board.

Accounting produces basic accounting data and the annual financial statements of Dexia Credit Local and Dexia MA, as well as of other subsidiaries that do not have their own accounting units. It is also responsible for producing the consolidated financial statements of the Dexia Credit Local Group. A specific team monitors the respect of regulatory and prudential standards.

Accounting also analyzes and monitors the accounting data of subsidiaries and branches in France and other countries within the framework of the consolidation process. In particular, it verifies that the information supplied is homogeneous and in compliance with Group practices.

More generally, accounting has varied sources of information to ensure its role in monitoring accounting operations in the broad sense. It contributes to committees that may be of interest in its assignments or receive its reports. Its teams regularly visit foreign subsidiaries and branches. It participates in the development of information systems, in order to make sure that its specific needs are taken into account.

Under general accounting, the accounting standards, controls and development unit is comprised of teams in charge of the accounting information system and standards, an independent control team, and a team in charge of quality. Together, they contribute to the continued search for performance, reliability and quality in the production of accounting data for consolidation, in particular in a context of uniform use of IFRS within the Dexia Credit Local Group. The independent control team contributes to permanent control activities. It is responsible for verifying the materiality and relevance of the control undertaken at the head office of Dexia Credit Local and Dexia MA upon the publication of quarterly reports. It conducts regular investigations in international entities, according to a timetable that is adapted to their size and financial importance, in particular to ensure the proper application of accounting principles.

Within this general framework, the annual financial statements of Dexia MA are produced by its own general accounting unit, in addition to dedicated accounting teams in auxiliary accounting units. The same officer supervises the general accounting team that produces the annual financial statements of Dexia MA according to French GAAP and IFRS, as well as the team that produces the annual financial statements of Dexia Credit Local according to French GAAP and IFRS.

Preparation of individual financial statements

In the preparation of financial statements, the accounting system of Dexia Credit Local and Dexia Municipal Agency is in large measure automatically supplied by upstream management systems that manage transactions with customers and market counterparties. When data is entered into one of the management systems, it is automatically recorded in accounting according to a pre-defined plan. These entries help constitute the financial statements in a single accounting system based on a double set of references (French GAAP and EU IFRS), which produces the three sets of data required (financial statements in French GAAP, in IFRS and the contribution to the consolidation of the Group in IFRS).

The internal control system guarantees the completeness and accuracy of accounting entries. The team in charge of compliance with standards validates the automated accounting procedures on the basis of the double set of references, as well as complex or unusual operations, which are sometimes accounted for manually, but are processed using specific internal control procedures.

A first level of control is conducted by accounting teams that are specialized by business line, in particular by analyzing bank reconciliation and technical suspense accounts. Every month, operations recorded in the accounts are compared with management balances, and symmetry controls are conducted on micro-hedges. Interest expense and income are compared with average outstanding balances, and average rates are compared between periods. These teams also produce a synthesis of their own audits and of points requiring special attention or improved procedures when the next financial statements are produced.

Other accounting teams conduct additional controls at monthly, quarterly and annual closing periods. The work already accomplished in accounting for operations in the business lines is periodically reviewed to ensure that the controls on a formalized checklist have been properly carried out. The memorandum the teams draw up is also reviewed. End-of-quarter accounting results are compared with management results, and their consistency from one period to the next is verified using analytical controls. Major discrepancies are to be explained.

Accounting entries generated by these processes are then regrouped and aggregated according to an automated and standardized process to serve as the basis for the annual financial statements of Dexia MA in French GAAP, IFRS and the Company's contribution to the consolidated IFRS financial statements of Dexia Credit Local. Using these statements, and in certain cases data supplied by the management systems, accounting then carries out cross-referenced controls between the syntheses and the notes to the financial statements.

During the process, reviews and controls are conducted on the consistency and application of procedures according to hierarchically established delegations. All of this data and these analyses are collected in a report, a copy of which is forwarded to a member of Dexia MA's Executive Board.
The same task is done in each of the entities in the Dexia Credit Local Group, according to the degree of complexity, in function of the size and business of these entities.

Finalization of the financial statements
The financial statements, balance sheet, income statement and notes are subject to particular scrutiny during the preparatory phase and in their final form by a delegated member of Dexia MA's Executive Board. Dexia MA's Executive Board meets to approve the quarterly financial statements. The Company's two Statutory Auditors attend the meeting and the specific controller is also invited. The period's management report is also examined at this meeting.

The annual report is prepared by Dexia MA's Executive Board in liaison with units of Dexia Credit Local, in particular, general accounting, back offices, risk control and the General Secretariat. The Company's Statutory Auditors verify the information it contains. All these documents are presented to Dexia MA's Supervisory Board, and then to the Annual General Meeting of Shareholders.

The Supervisory Board is also informed of its Chairman's report on internal control, which will be presented at the Shareholders' Meeting.

Publication of the financial statements of Dexia Municipal Agency
This accounting and financial information is made public in several ways.

In addition to the regulatory publication in the BALO, the quarterly, half year and annual financial statements, together with the corresponding management reports, are posted on the Internet site www.dexia-ma.com, and on the site of a financial information wire (HUGIN) registered with the French Financial Markets Authority (AMF) as concerns regulatory information.

The information is also available, with some differences in presentation, in the document on the quality of the assets and the management of interest rate risk that is submitted to the Banking Commission and published in the BALO, in compliance with instruction 2000-04.

b. Role of the Statutory Auditors
Dexia Municipal Agency is audited by two specialized auditing firms, which crosscheck their findings. The Statutory Auditors are associated throughout the process used to control financial and accounting data in order to ensure efficiency and transparency. In due diligence, they analyze accounting procedures and evaluate current internal control systems solely to determine the nature, period and extent of their controls. Their audit makes no judgment on the efficiency and reliability of internal control systems. Nevertheless, on this occasion, they may make recommendations on internal control procedures and systems that could influence the quality of financial and accounting information produced, submitted to the Supervisory Board and published. Their assessment of the Company's internal control is based on substantive procedures, such as obtaining confirmation of a selection of external counterparties.

The Statutory Auditors organize meetings to synthesize the results of their review and, when required, appreciate the interpretation given of legal and regulatory texts by the standards unit. They also review the accounting manuals, as well as instructions issued by accounting. They consult internal audit reports, to which they have ready access, as well as the minutes of meetings of the Executive Board. They check the consistency of the management report and the financial statements with all the items they have reviewed and audited.

Lastly, they employ due diligence to obtain reasonable assurance that the financial statements are free of any material misstatement.

3.3.2 Management and sector information
The financial statements (balance sheet, off-balance sheet, income statement, cash flow statement and notes) are not the only quantified items of analysis that Dexia MA makes public. They are complemented by the activity reports, prospects and risk assessments, which are presented in the annual report.
Some of these items are directly supplied by the operating divisions or the risk control department. Their accuracy is therefore guaranteed by the internal control system of the divisions concerned.

Dexia Municipal Agency's sole business is the financing or refinancing of public sector debt originated by Dexia's commercial network. Assets are primarily financed by the issue of *obligations foncières*. This special business is part of the Dexia Group's Public and Wholesale Banking activity.

Dexia MA works from Paris (and through its Dublin branch). The Company has no direct activity in any other countries and is unable to present a relevant breakdown of its results by geographic region. The geographic breakdown of assets according to the counterparty's country of residence is presented quarterly at the end of the management report. This information is prepared by accounting on the basis of management data reconciled with accounting.

3.4 - MAIN RISKS AND SPECIFIC INTERNAL CONTROL PROCEDURES

Banking generates four principal types of risks – credit risks, market risks, structural risks (interest rate, foreign exchange and liquidity), and operational risks.

Monitoring all these types of risks is the joint responsibility of dedicated committees and the risk management and permanent control department, with the help of tools it has developed, in compliance with regulatory and prudential constraints and within the framework of the limits set by the Dexia Group.

Because the Company is an issuer of covered bonds, the risks authorized for Dexia MA are strictly selected and limited. When the Company was created, a distinction was made between risks that are compatible and risks that are not compatible with the legal and regulatory framework of *sociétés de crédit foncier* and with the specific nature of Dexia MA's by-laws and its approval by French banking authorities (the Banque de France's Comité des établissements de crédit et des entreprises d'investissement - CECEI).

The rating agencies imposed restrictions or validated limits for risks compatible with the Company's activity. Subsequently, a policy paper was drafted to make a synthesis of these compatible risks, entitled Principles and Rules for Risk Management at Dexia Municipal Agency. This document received the approval of the rating agencies. These principles have not been modified since that time.

The general approach adopted by the Executive Board of Dexia MA and applied in every unit of Dexia Credit Local in charge of the operations concerned involves monitoring:

- that risks not compatible with the activity of Dexia MA are not taken by the Company or are eliminated from the start;
- that risks compatible with the activity are maintained exactly within authorized limits;
- that control reports are established at the level of the front and middle offices of Dexia Credit Local, that they are forwarded to the Executive Board of Dexia MA, that the results of such controls are presented to the Supervisory Board and, finally, that these results are reported to the specific controller and that the data is made available for his investigations.

Risks compatible with the activity of Dexia MA are subject to the supervision and management of limits. Such oversight and the resources made available by Dexia Credit Local to manage these risks in practice, on a daily basis as in exceptional circumstances, are developed below.

3.4.1 Credit risk

Credit risk represents the potential loss (loss in the value of the asset or default of payment) that may affect Dexia MA by reason of a decrease in a counterparty's financial position.

Risk management principles are presented in the management report and the figures on exposure by geographic region and by category of counterparty are presented in the notes to the financial statements according to IFRS.

a. Approval process

Any commitment that may generate a credit risk must be approved following a decision-making process organized in function of the volume and the type of counterparty. The process used by the credit committee is described in paragraph 3.1.5. The approval process also includes a system of delegations for customers in the French public sector and very limited delegations for the Italian and Spanish subsidiaries, again solely for public sector customers.

The application of these delegation rules is controlled by Dexia Credit Local teams in charge of project analysis and the management of credit committees in function of the type of customer.

b. Determination of limits

Limits on credit risks are defined altogether for Dexia in order to manage the general risk profile and limit the concentration of risks. A limit is set for each counterparty in keeping with credit risk policies. This limit represents the maximum exposition to a credit risk that Dexia is willing to accept for a given counterparty. For a given counterparty, the exposures held by Dexia Credit Local and its subsidiaries combined with the exposures held by the other Group entities must thus be under this limit. Limits by economic sector and by product may also be imposed. To take into account the most recent events, specific limits may be frozen at any moment by the risk management division.

These limits are controlled *a priori* operation by operation before the lending decision and *a posteriori* in regulatory reports on exposure and for the bank's decision-making bodies.

c. Control of eligibility at Dexia MA

Almost all of the assets come directly from the commercial activities of Dexia Group entities in the Public and Wholesale Banking business. When an asset is transferred or assigned to Dexia MA's balance sheet, eligibility is verified at two successive levels for French assets, as well as for non-French assets. These controls are governed by standardized procedures.

For the new production of French loans, these controls are conducted successively:

- by "management and middle-office centers" of the back office;
- by daily processing at headquarter's back office .

For assets from foreign countries, the control is conducted:

- by the entity that originated the assets from a foreign country;
- by a specialized unit, risk management's "local public sectors" and if required, by the legal service;
- lastly, a final control is also conducted by a member of Dexia MA's Executive Board.

In addition, the specific controller thoroughly and regularly verifies, *a posteriori*, the eligibility of the assets.

d. Surveillance system and information

The architecture of the surveillance system is based on two levels:

- the first level, which is the responsibility of the sales teams at headquarters, branches and subsidiaries within the framework of the permanent monitoring of their counterparties' financial base;
- the second level, which is the responsibility of the risk management and permanent control department, which quarterly receives and consolidates exposures, unpaid invoices and non-performing loans, and participates in the determination of the provisions.

Every quarter, the Management Board of Dexia Credit Local reviews risks, noting development in the different risks. At the level of the subsidiaries and branches, the consolidated monitoring of risks relies on the risk management practices described above.

e. Internal rating system

In order to assess its credit risk, Dexia Credit Local uses internal rating systems set up within the framework of Basel II at the level of the Dexia Group. Credit risk analysts are responsible for rating all counterparties. Every rating corresponds to an assessment of the counterparty's level of risk expressed on an internal scale, which, excluding justified exceptions, takes into account any potential risk linked to the country in which it operates. When determined, the internal rating is a key factor in the decision of the credit committee. The review of ratings on an annual basis makes it possible to identify proactively the counterparties requiring more regular monitoring, who will then be put on a list to be watched. The list is reviewed quarterly, in cooperation with the credit risk and marketing divisions through a Special Mention and Watchlist Committee.

The proper use of the rating system is controlled by the Quality Control team, which regularly conducts quality reviews of data and results.

The year 2009 was the second year in which Pillar I, Basel II rating models were used. Back testing during the year made it possible to confirm the solidity of these models and the credit conversion factors could be modeled for all the rating systems in the local public sector. Roll-outs were continued, corresponding to the plan to develop the rating system applied to GSFP groups (*Groupements sans fiscalité propre*) and public satellites, while use test aspects were reinforced.

f. Provisioning policy

The risk of default, which is a component of credit risk, is very low on the assets of Dexia MA, which are comprised of commitments on public sector entities or entities they have guaranteed, as defined in articles L.515-15 and following of the Monetary and Financial Code. The credit quality of the assets and the strength of related controls of commitments is reflected in the low level of non-performing commitments and provisions.

A provisions committee is chaired by the risk management and permanent control division. Every quarter, this committee determines the amount of provisions allocated and determines the cost of risk. A portfolio-based provision makes it possible to create reserves that can protect the bank in the event of possible mishaps, in compliance with IFRS rules. These provisions are controlled, in particular through a reconciliation process using accounting data.

As of December 31, 2009, non-performing loans and compromised non-performing loans amounted to EUR 4.7 million for a loan total on the balance sheet of EUR 56 billion (there are no non-performing commitments in debt securities). Provisions on non-performing commitments were EUR 0.9 million at the end of 2009.

g. Credit risk on bank counterparties

For Dexia MA, bank counterparty risk concerns:

- on the one hand, securities issued by banks recorded as replacement assets (for Dexia MA, these assets are only covered bonds, a category of assets that presents a very low risk),
- on the other, counterparties in hedging operations with which the Company has signed ISDA or AFB (French banking association) master agreements that meet rating agencies' standards for *sociétés de crédit foncier*. Only counterparties with a minimum level of rating are admitted. The market risk management division monitors these ratings and any changes; the information is forwarded to a member of Dexia MA's Executive Board. At the end of December 2009, all external counterparties had a good or very good short-term rating: F1+ or F1 / P1 / A-1+ or A-1, from Fitch, Moody's and Standard and Poor's respectively, except for two German *Landesbanken*, whose S&P rating went down to A-2, but which kept a good or very good short-term rating by the other two agencies. The Executive Board initiates specific action whenever a counterparty ceases to be eligible because of a downgrade in rating. Collateral management is initiated by a competence center that regularly reports on the potential irregularity observed in the payment of collateral. In addition, Dexia Credit Local, which benefits from a short-term rating of F1+/P1/A-1 is the largest swap counterparty, accounting for approximately 17% of nominal outstanding long-term derivatives, and it was the only counterparty for monetary swaps from Euribor to Eonia as of December 31, 2009.

It should be noted that these currency swaps and interest rate swaps benefit from the legal privilege to the same extent as *obligations foncières*.

3.4.2. Market risks

a. Scope

Market risks refer to the risk of loss linked to fluctuations in market prices and interest rates, their interactions and levels of volatility.

Dexia Municipal Agency has a bond portfolio composed of bonds of very high quality. It is a portfolio close to commercial public sector financing activities. This portfolio is managed without exposure to interest rate risk by using appropriate hedging. The only risk run in addition to the risk of the issuer's default is the risk of credit spread, whose movement impacts the AFS reserve for bonds classed in AFS in the IFRS financial statements and the income statement for the bonds classed as "*placement*" securities according to French GAAP. The changes in spread for the bonds classified as Loans and advances in IFRS or as investment securities in French GAAP have no influence on income or the reserves.

Bonds in the assets are recorded in "*investissement*" or "*placements*" portfolios in French GAAP, and in portfolios of loans or securities available for sale in IFRS. Market risks linked to trading portfolios are not compatible with Dexia MA's activities.

A part of Dexia MA's bond portfolio corresponds to replacement assets, defined by article L.515-17 of the Monetary and Financial Code, which may be issued by credit institutions with the best credit quality rating (minimum AA-, Aa3, AA-) from an external credit assessment organization recognized by the Banking Commission. The total amount of these securities, which are considered to be secure and liquid assets and can be mobilized at the central bank, should not exceed 15% of the amount of *obligations foncières* and other debt benefiting from the privilege. Replacement assets as of December 31, 2009, totaled EUR 5.6 billion, representing 8.7% of outstanding privileged debt. They are solely covered bonds rated triple-A, which were issued by credit institutions in the Dexia Group.

The Company cannot have a derivative instrument in an isolated open position. All derivatives used by Dexia MA are part of a hedging strategy, either micro- or macro-hedges. The market back office and market accounting units regularly control the symmetry of micro-hedge swaps.

Management of these risks is described in the chapter "Management of balance sheet risks" in the management report, and the figures on exposure to interest rate risks are presented in the notes to the IFRS financial statements "Risk on resetting of interest rates: analysis by time until next interest rate reset date".

b. Monitoring risks

The monitoring of risks linked to the financial markets is organized around two committees.

- The Market Risk Group Committee meets every month at the level of the Dexia Group. Dexia Credit Local is represented by the head of risks and permanent control or by the head of financial markets, who receives a specific mandate that specifies decision-making authority. The committee is responsible for the definition and monitoring of risk policy (guidelines' market risk limits).
  This committee prepares guidelines for the development of all new market activities. Specific committees meet quarterly to monitor risks and results in the business lines.
- The Weekly Operational Committee of Dexia Credit Local makes it possible to monitor locally the implementation of the standards and decisions of Dexia's Market Risk Group Committee and sees to the proper communication of information to Dexia Credit Local's management. Dexia MA is represented on this committee by one of the members of its Executive Board.

Risk assessment is carried out regularly by Market Risk Management, which reports to risks and permanent control. Dexia MA's Executive Board is regularly informed of developments in risks at the Company (exposure, limits, occasions on which limits are exceeded), which are presented in detail in the management report and, if required, of changes in the monitoring system (modifications of assessment methods or guidelines).

3.4.3 Structural risks: interest rate, foreign exchange and liquidity

a. Scope

These risks are regrouped as Balance Sheet Management (BSM) risks. The objective of BSM is to cover in part or in whole the risks linked to the structure of the balance sheet. The management principles for these risks are presented in the chapter "Management of balance sheet risks" in the management report, and the figures on exposure to interest rate, foreign exchange and liquidity risks are presented in the notes to the financial statements according to IFRS ("Liquidity risk" and "Foreign exchange risk").

b. Monitoring risks

The monitoring of risks linked to BSM is organized around four committees.

- Dexia ALM (ALCO committee)
  The Dexia ALM committee meets monthly on a Group basis to define risk policy and hedging procedures. The orientations determined by Dexia's ALM committee lead to individual hedging decisions, but may also be subject to management delegations granted to Dexia's ALM managers. The committee verifies the consistent use of these limits in function of its own view of the trend in interest rates. As in all the risk committees, the representative of Dexia Credit Local is either the Chief Executive Officer or the head of risks and permanent control.

- Finance committee
  The Group ALCO delegates to the finance committee the operating management of its own balance sheet. This committee is composed of the Chief Executive Officer and/or the head of risks and permanent control, the Chief Financial Officer, and the head of financial markets.
- Tactical ALCO
  The decisions of the finance committee and the Group committee are implemented by a local committee (tactical ALCO), which meets every week for Dexia Credit Local and Dexia MA, and is attended by the risks and permanent control division and the financial markets division. The main purpose of this committee is to monitor the risks related to commercial production on a weekly basis.
- Funding and Liquidity Committee (FLC)
  Under delegation of the Group ALCO, this committee centralizes and coordinates the decision-making process with regard to liquidity. The FLC is responsible for monitoring changes in financing needs in the short and long term, and to define Dexia's general financing strategy. It also studies and updates stress scenarios concerning liquidity, organizes emergency plans and proposes corrective measures to improve the liquidity profile, and coordinates general liquidity reports for company boards, rating agencies, regulators, central banks and governments.

  In any event, the four committees monitor developments in risk based on the sensitivity of the net present value of the assets and liabilities within the ALM scope to a given variation in market interest rates (100 basis points).

c. Dexia MA's specific management rules

- General interest rate risk
  Dexia MA is subject to specific management, since the goal is to neutralize interest rate exposure as much as possible. Dexia MA uses micro interest rate hedges on a part of the assets and liabilities benefiting from the legal privilege, and macro interest rate hedges on another part of the assets and off-balance sheet in order to manage the general interest rate risk. Micro-hedges cover the interest rate risk on a part of debt securities, on certain loans, and on *obligations foncières* and registered covered bonds.

  Macro-hedges are basically used to manage interest rate risk on fixed rate loans not covered by micro-hedges and to manage differences in Euribor fixing dates by Eonia hedges.

  The method used is based on simple principles and consists in converting assets and liabilities into two masses on a variable index so that they move in a parallel manner under the impact of yield curve movements. Interest rate risk has, in this way, been contained within a set limit of 3% of shareholders' equity since 2005, with the approval of the rating agencies. For 2009, the limit was EUR 30.5 million, with the monetary gap limit set at EUR 4.5 million, and the remainder for the fixed rate gap. Sensitivity was considered as a variation in the gap's net present value for a change in the yield curve of 100 basis points.

  The control of this management rule and of the respect of limits is monitored by Dexia Credit Local's BSM team as a first level control, and Market Risk Management for the second level. The latter entity produces a weekly report. In addition, the back office monitors hedging operations. The market back-office, market accounting, customer accounting and general accounting verify the symmetry of the micro hedges. The specific controller receives the report issued by Market Risk Management and can judge whether the congruence of interest rates between the assets and the liabilities is sufficient.

- Foreign exchange risk
  Dexia MA's policy is to have no foreign exchange risk. Market risks related to foreign exchange transactions are eliminated from the start by currency swaps when an asset or liability that is not denominated in euros is recorded on the balance sheet. For each closing date, general accounting verifies that there is no foreign exchange risk.

- Liquidity risk, risk of non-compliance with the coverage ratio, risk of insufficient congruence of maturities
  The liquidity risk can be defined as the risk that Dexia MA may not 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 that of the privileged resources.
  To manage this risk, Dexia MA has put a ceiling on its transformation capacity by limiting to three years the maximum duration gap between the assets and the resources benefiting from the privilege. This rule enables it to limit the volume of its liquidity needs. From a structural point of view, Dexia MA is therefore not very exposed to the liquidity risk.
  In order to meet its liquidity needs, Dexia MA may first of all 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 programme 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:
  - a current account, in an unlimited amount, 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* of more than EUR 100 million 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. 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 liquidity needs are easily covered, 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).

Since it is a credit institution, Dexia MA can mobilize 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 the financing made available by Dexia Credit Local, but it also managed to demonstrate 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. This amount was much greater than the maximum cumulated liquidity needs that Dexia MA might have to face in the future.

The coverage of long-term liquidity needs is tested by stress scenarios conducted by or under the control of rating agencies and which serve to define the level of over-collateralization that matches a triple-A rating. Stress scenarios are practiced on the basis of the extinguishment of assets, i.e. without adding new assets, and on outstanding privileged debt. Dexia MA committed to maintain a safe level of over-collateralization of 5%. Several controls are conducted to ensure that this level of security is still respected. All planned issue programmes give rise to stress scenario tests to check whether the planned programme, without increasing the assets, will satisfy collateral requirements and the rating agencies' objectives of stressed cashflows. Two of the rating agencies systematically give their approval of these planned programmes on a monthly basis, thereby enabling the Company to lock in its triple-A rating *a priori*.

In addition, Dexia MA manages its liquidity risk through the three following indicators:

- the liquidity ratio for one month (regulatory reporting to the Banking Commission);
- the duration gap between the assets and the resources benefiting from the legal privilege (limited to three years), which is published quarterly;
- liquidity requirements over the next 180 days: Dexia MA's management enables it to provide structural coverage for its liquidity needs up to the extinguishment of privileged liabilities by assets eligible for refinancing by the Banque de France. In addition, Dexia MA ensures that at any time, its liquidity needs over a period of 180 days are covered by replacement assets, assets eligible for Banque de France financing or by refinancing agreements signed with credit institutions with the best short-term credit quality.

  Lastly, the specific controller receives the information he needs to assess whether the congruence of maturities of the assets and the liabilities is sufficient and to certify for each issue that the company respects the coverage ratio on a permanent basis.

3.4.4 Operational risks

a. Scope

Operational risks are risks of loss resulting from the lack of adaptation or failure on the part of procedures, individuals, systems and also external events. It includes the risks linked to the security of information systems, as well as legal risks. Dexia chose to include the risk of reputation in its management of operational risks.

b. Monitoring risks

Operational risk management system

The Dexia Group introduced procedures and a management tool that incorporates risk mapping corresponding to the criteria of the Basel II standard method, in compliance with "the sound practices for the management and supervision of operational risks" published by the Basel committee.

Dexia Credit Local has an operational risks team in the risks and permanent control division, relayed by a network of correspondents named in every division and entity. The involvement of the heads of the business lines ensures the effectiveness of the system. All the operational functions exercised by Dexia Credit Local on behalf of Dexia MA respect the same requirement.

Management of operational risks is coordinated at the level of the Dexia Group in the Operational Risk Management Committee (ORMC), which meets monthly.

Identification, analysis and treatment of incidents

A process to identify incidents and operational losses was defined for the Group in keeping with Basel II recommendations. The incidents are classified and analyzed by the operational risks correspondents with the help of the central team. In function of the results of the analysis, corrective or preventive actions are taken in order to reduce exposure to operational risks.

Dexia has a common operational risk management tool, and in particular a module available in different Group entities to identify risks.

A quarterly report is submitted to the Management Board, on the one hand, and to the heads of the business units on the other.

Risk mapping

In addition to the incidents observed, it is necessary to evaluate the main areas of risk by taking into account existing controls so as to be able to define the Dexia Group's risk profile. Mapping (self-evaluation) is carried out by the divisions or entities using a method that is common to the whole Dexia Group. In function of the results, action plans may be introduced to control the level of risk.

Reports result in an analysis of the bank's risk profile by entity, activity, process or type of event such as defined in Basel II recommendations. They are presented to the Management Board every year.

c. IT security

Here it is a question of all the measures taken to protect the information system from any threat that could affect its confidentiality, its integrity or its availability.
The security of Dexia MA's IT systems is managed like that of Dexia Credit Local.

All these measures are included in Dexia Credit Local's policy on IT security. This defines the principles applicable by security issue, as well as the roles and responsibilities of the different players in security. It is based on a number of directives, specific security policies, guidelines and operating procedures, as well as on the recommendations of ISO standard 27000/17799.
A contingency plan was drawn up with all operating services under the supervision of a specific steering committee. Within this framework, the consequences of an incident affecting the offices or information systems, or a loss of service are analyzed from a business point of view in order to identify the critical activities. The results of this analysis were used to determine how long it would take to reboot activities and meet operating deadlines. The implementation of this strategy is based on formalized technical systems, procedures and organization. This plan and these procedures are updated yearly and tested according to a schedule drawn up by the Management Board. Tests are reported to the steering committee.

In addition, critical IT production systems are installed at a single location with a service provider in a highly secured environment with a broadband connection to Dexia Credit Local (and thus to Dexia MA). For additional security, a mirror site was installed with duplicate connections to take over in the event of a failure at the primary installation. Data is periodically saved and this site may, if needed, take over for the master site very rapidly. The backup system was successfully tested in 2009.

Responsibility for this area is shared among three players.

- The IT security committee proposes security policy guidelines to the Management Board, assigns directives in every activity, and ensures their implementation. It brings together the different stakeholders concerned: risks, compliance, IT, logistics. It is chaired by the member of the Management Board in charge of risks and permanent control and meets every two months.
- The head of IT security proposes to the security committee the definition of the security policy and its directives. He pilots the practical application of the rules that make up the security policy, heightens employee awareness and advises the various divisions. He reports to the operating risks, permanent control and security unit, thereby guaranteeing his independence *vis-à-vis* operating services.
- IT services are in charge of designing and installing security hardware and software. They also introduce related operating rules and procedures. They conduct inspections at the first and second levels to test the proper application of security rules. A position was created for an IT security officer in the IT division to coordinate these measures.

In addition, a yearly review of contingency plans for subsidiaries and branches is organized to assess the sufficiency of the plans proposed by the entities and to define action plans, if necessary.

d. Legal risks

Dexia MA's control of legal risks, concerning agreements related to assets or liabilities, is under the responsibility of the General Secretary of Dexia Credit Local. Dexia MA's contractual commitments originate in or are approved by Dexia Credit Local's legal and tax division, in compliance with the Group's general practice.

e. Insurance of operational risks

Dexia Credit Local insures against traditional risks for its offices and IT systems, vehicles and liability. These policies cover French subsidiaries, including Dexia Municipal Agency.

Dexia Credit Local has also subscribed insurance policies to cover the liability of the members of its management bodies, professional liability, the loss of banking operations and general banking risks, including fraud and the monetary consequences of damage to valuables and/or documents. These guarantees also apply for the French and foreign entities controlled by Dexia Credit Local, including Dexia MA.

3.5 - STEERING AND OVERSIGHT OF THE INTERNAL CONTROL SYSTEM

The Executive Board of Dexia Municipal Agency checks with the management of Dexia Credit Local that the internal control system set up for its own operations and those of Dexia MA is efficient, and that it also covers the legal standards and management guidelines of Dexia MA by appropriate procedures and controls.

3.5.1 The Chief Executive Officer and the Management Board of Dexia Credit Local

The Chief Executive Officer, assisted by the Management Board he chairs, plays an essential role in the appreciation of internal control. He has several sources of information that allow him to fulfill his responsibilities in this field. There is no potential conflict of interest between the Chief Executive Officer's responsibilities with regard to Dexia Credit Local and his private interests and/or other obligations.

The members of the Management Board are all personally entrusted with operating responsibilities by business or by support function. They are thus well aware of the limits and opportunities that exist in their branch and can define and then evaluate the efficiency of internal control procedures.
The most significant cross-company committees are chaired by a member of the Management Board, who may then present the main lines to the other members.

The Management Board has also introduced a system of delegation and reporting that requires the operating divisions to present and approve key indicators that enable it to appreciate the quality and efficiency of the internal control system.

Internal audit is also a privileged source of information for the Chief Executive Officer and the Management Board. They receive all the audit reports, which are discussed and commented on at meetings. They approve the recommendations and action plans. The general auditor presents his recommendations to the Management Board. As well, the Chief Executive Officer may also ask internal audit to carry out investigations that were not in the year's audit plan, on subjects he believes require immediate attention.

3.5.2 External controllers

The Statutory Auditors, within the framework of their assignment, and the regulators (for France, primarily the Banking Commission and the Financial Markets Authority), within the framework of their inspections, are also led in their reviews to formulate recommendations for improvement on specific internal control issues. The Management Board launches measures that will result in the implementation of these recommendations as soon as possible.

3.5.3 Dexia Group

The Dexia Group plays a major role in monitoring internal control procedures at Dexia Municipal Agency. Several members of the Supervisory Board of Dexia MA sit on the Management Boards of Dexia or Dexia Credit Local, including the Chief Executive Officer of Dexia Credit Local. They thus have access to the cross-company audit reports, which generally concern Dexia Credit Local and Dexia MA, and which are presented at Board meetings.

Philippe Rucheton
Chairman of the Supervisory Board

Statutory Auditors' report,
prepared in accordance with article L.225-235 of the French Commercial Code (Code de Commerce) on the report prepared by the Chairman of the Supervisory Board of Dexia Municipal Agency
Year ended December 31, 2009

To the Shareholders,

In our capacity as Statutory Auditors of Dexia Municipal Agency, and in accordance with article L.225-235 of the French Commercial Code (*Code de Commerce*), we hereby report to you on the report prepared by the Chairman of your company in accordance with article L.225-68 of the French Commercial Code (*Code de Commerce*) for the year ended December 31, 2009.
It is the Chairman's responsibility to prepare, and submit to the Supervisory Board for approval, a report on the internal control and risk management procedures implemented by the company and containing the other disclosures required by article L.225-68 of the French Commercial Code (*Code de Commerce*), particularly in terms of corporate governance.

It is our responsibility:
- to report to you on the information contained in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information, and
- to attest that this report contains the other disclosures required by article L.225-68 of the French Commercial Code (*Code de commerce*), it being specified that we are not responsible for verifying the fairness of these disclosures.

We conducted our work in accordance with professional standards applicable in France.

Information on the internal control procedures relating to the preparation and processing of accounting and financial information
The professional standards require that we perform the necessary procedures to assess the fairness of the information provided in the Chairman's report in respect of the internal control procedures relating to the preparation and processing of the accounting and financial information. These procedures consisted mainly in:
- obtaining an understanding of the internal control procedures relating to the preparation and processing of the accounting and financial information on which the information presented in the Chairman's report is based and the existing documentation;
- obtaining an understanding of the work involved in the preparation of this information and the existing documentation;
- determining if any significant weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we would have noted in the course of our engagement are properly disclosed in the Chairman's report.

On the basis of our work, we have nothing to report on the information in respect of the company's internal control procedures relating to the preparation and processing of accounting and financial information contained in the report prepared by the Chairman of the Supervisory Board in accordance with article L.225-68 of the French Commercial Code (Code de Commerce).

Other disclosures
We hereby attest that the Chairman’s report includes the other disclosures required by article L.225-68 of the French Commercial Code (*Code de commerce*).

Neuilly-sur-Seine and Courbevoie, March 30, 2010
The Statutory Auditors

Deloitte & Associés
José-Luis Garcia
Partner

Mazars
Virginie Chauvin
Partner

Hervé Helias
Partner

SHAREHOLDERS' MEETING OF MAY 26, 2010

Statutory Auditors' special report on regulated agreements and commitments

This is a free translation into English of the Statutory Auditors' report issued in the French language and is provided solely for English-speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present to you our report on regulated agreements and commitments.
The terms of our engagement do not require us to identify such agreements and commitments, if any, but to communicate to you, based on information provided to us, the principal terms and conditions of those agreements and commitments brought to our attention, without expressing an opinion on their usefulness and appropriateness. It is your responsibility, pursuant to article R.225-58 of the French Commercial Code (Code de Commerce), to assess the interest involved in respect of the conclusion of these agreements and commitments for the purpose of approving them.

ABSENCE OF AGREEMENTS AND COMMITMENTS

We hereby inform you that no agreement or commitment entered into during the year to which article L.225-86 of the French Commercial Code would be applicable has been brought to our attention.

CONTINUING AGREEMENTS AND COMMITMENTS ENTERED INTO IN PRIOR YEARS

In addition, pursuant to the French Commercial Code, we have been advised that the following agreement authorized in previous years has had continuing effect during 2009.

Declaration of financial support on behalf of Dexia Municipal Agency

The "declaration of financial support" agreement of September 16, 1999, between Dexia Credit Local and Dexia Municipal Agency benefits the holders of bonds issued by Dexia Municipal Agency. This agreement stipulates that Dexia Credit Local will hold over 95% of the share capital of Dexia Municipal Agency on a long-term basis. In addition, Dexia Credit Local will ensure that Dexia Municipal Agency develops its activity in compliance with the provisions of articles L.515-13 through L.515-33 of the French Monetary and Financial Code (*Code monétaire et financier*) concerning mortgage credit companies ("*société de credit foncier*") and has the financial resources it needs to meet its obligations.

We conducted our procedures in accordance with the professional guidelines of the French National Institute of Statutory Auditors (Compagnie Nationale des Commissaires aux Comptes) relating to this engagement. Those procedures consisted in verifying the information provided to us with the relevant source documents.

Neuilly-sur-Seine and Courbevoie, March 30, 2010
The Statutory Auditors

Deloitte & Associés
José-Luis Garcia
Partner

Mazars
Virginie Chauvin
Partner

Hervé Helias
Partner

Observations of the Supervisory Board

Pursuant to the provisions of article L.225-68 of the Commercial Code, we hereby state that we have no comment to make on the management report of the Executive Board or on the financial statements for the year ended December 31, 2009.

The Supervisory Board wishes to thank the Executive Board for the initiatives taken and the results achieved during the year ended December 31, 2009.

The Supervisory Board

Resolutions proposed to the Ordinary and Extraordinary Shareholders' Meeting of May 26, 2010

TO THE ORDINARY SHAREHOLDERS' MEETING

First resolution

Approval of the financial statements

The Ordinary Shareholders' Meeting, after hearing the reports of the Executive Board, the Chairman of the Supervisory Board and the Statutory Auditors, as well as the observations of the Supervisory Board, approves the financial statements for the year ended December 31, 2009, as presented, with all the transactions that generated these financial statements or are mentioned in the above reports, showing net income of EUR 98,050,921.61.

Second resolution

Approval of regulated agreements and commitments

After hearing the Statutory Auditors' special report on regulated agreements and commitments, governed by article L.225-86 of the Commercial Code, the Ordinary Shareholders' Meeting approves this report.

Third resolution

Discharge to members of the management bodies

By virtue of the adoption of the first two resolutions, the Ordinary Shareholders' Meeting gives full discharge to the members of the management bodies for the performance of their duties during the year ended December 31, 2009.

Fourth resolution

Allocation of net income

The Ordinary Shareholders' Meeting resolves to allocate net income for the year as follows:

Allocation of net income	EUR
Net income for the year	98,050,921.61
Legal reserve (5%)	(4,902,546.08)
Retained earnings	49,544,776.85
2009 income available for distribution	**142,693,152.38**
Dividends distributed	(133,560,000.00)
Retained earnings after allocation	**9,133,152.38**

Each share will receive a dividend of EUR 12.60 eligible for a rebate of 40% according to article 158.3-2 of the French General Tax Code (Code Général des Impôts).

The dividend will be paid as of May 28, 2010.

The Ordinary Shareholders' Meeting recalls, pursuant to article 243 bis of the French General Tax Code, that the following dividends were paid in the previous three years.

EUR	2006	2007	2008
Net dividend per share	15.30	8	12
Amount per share eligible for rebate (article 158.3-2 of the French General Tax Code)	15.30 (1)	8 (1)	12 (1)
Total amount eligible for rebate (article 158.3-2 of the French General Tax Code)	116,280,000 (1)	70,080,000 (1)	113,520,000 (1)

(1) Rate 40%

Fifth resolution
Certification of the financial statements

In application of article L.822-14 of the Commercial Code, the Ordinary Shareholders' Meeting takes note that the financial statements for the year ended December 31, 2009, were certified by the Statutory Auditors:

- Hervé Hélias, Partner, and Virginie Chauvin, Partner, representing the firm Mazars on the one hand,
- José-Luis Garcia, Partner, representing the firm Deloitte & Associés on the other hand.

Sixth resolution
Ratification of appointment

The Ordinary Shareholders' Meeting ratifies the decision of the Supervisory Board at its meeting on December 3, 2009, to name Edouard Daryabegui-Guilani as a member of the Supervisory Board, replacing Jean Le Naour, who resigned, for the remaining portion of the latter's term, until the Shareholders' Meeting called to approve the financial statements for the year ending December 31, 2010.

TO THE EXTRAORDINARY SHAREHOLDERS' MEETING

Seventh resolution
Capital increase of an amount of EUR 130 million via the creation of new shares in cash

The Extraordinary Shareholders' Meeting, after hearing the Executive Board's report and noting that the capital stock is entirely paid up, decides to increase capital stock by EUR 130,000,000 from EUR 1,060,000,000 million to EUR 1,190,000,000 via the creation of 1,300,000 new shares in cash with a par value of EUR 100 each.

The new shares are issued at par and will be fully paid up at subscription in cash. They will have effect as of January 1, 2010, whatever the date of the capital increase, and will be completely assimilated to existing shares and subject to all the provisions of the by-laws and decisions of the Shareholders' Meetings from their creation.

Subscriptions will be received at the Company's registered office between May 26 and June 11, 2010, included. The funds paid to back the subscriptions will be deposited with Dexia CLF Banque.

Eighth resolution
Subsequent amendment of article 6 of the by-laws

The Extraordinary Shareholders' Meeting, with the suspensive condition that there is, in fact, a capital increase, decides to amend article 6 of the Company's by-laws as follows:
Article 6: Capital stock
"Capital stock is set at the sum of EUR 1,190,000,000. It is divided into 11,900,000 shares."
The accomplishment of the capital increase will be sufficiently evidenced by the certificate of deposit of funds drawn up by Dexia CLF Banque.

Ninth resolution
Powers

The Shareholders' Meeting gives full powers to the bearer of an original, a copy or an excerpt of the minutes of this meeting to carry out all legal formalities, in particular to notify the Tribunal de Commerce de Nanterre of any changes.

GENERAL INFORMATION

LEGAL AND ADMINISTRATIVE INFORMATION

INFORMATION ABOUT THE COMPANY

CORPORATE NAME

The name Dexia Municipal Agency was adopted at the Extraordinary Shareholders' Meeting of August 31, 1999.

REGISTERED OFFICE

The Company's registered office is located at:
1, Passerelle des Reflets - Tour Dexia
La Défense 2 - 92913 La Défense

LEGAL STRUCTURE

Société anonyme à Directoire et Conseil de Surveillance, a joint-stock corporation with an Executive Board and a Supervisory Board.

OFFICIAL CECEI APPROVAL

The Company was approved by the Comité des établissements de crédit et des entreprises d'investissement (CECEI) on July 23, 1999, as a *société financière - société de crédit foncier*. This approval became definitive on October 1, 1999.

APPLICABLE LEGISLATION

A corporation under the provisions of articles L.210-1 and following of the Commercial Code, articles L.511-1 and following of the Monetary and Financial Code and articles L.515-13 and following of the Monetary and Financial Code.

INCORPORATION DATE

The Company was created on December 29, 1998, for a period of 99 years.

CORPORATE PURPOSE (ARTICLE 2 OF THE BY-LAWS)

The Company's exclusive purpose is:
- to grant or acquire loans to public sector entities as defined in article L.515-15 of the Monetary and Financial Code as well as assets considered as loans as defined in article L.515-16 of the same code;
- to hold assets defined by decree as replacement assets;
- in order to finance the above-mentioned loans, to issue *obligations foncières* benefiting from the privilege defined in article L.515-19 of the Monetary and Financial Code and to raise other funds, under issue or subscription contract referring to the privilege.

The Company may also fund the above-mentioned activities by issuing bonds or other sources of financing that do not benefit from the privilege defined in article L.515-19 of the Monetary and Financial Code.
Pursuant to the law of January 2, 1981, facilitating corporate borrowing, the Company may assign all the assets it owns, whatever their nature (whether professional or not).

COMPANY REGISTRATION AND APE BUSINESS IDENTIFICATION CODE

Dexia Municipal Agency is registered as a corporate entity under the designation NANTERRE 421 318 064 (Registre du Commerce et des Sociétés). Its APE code is 6492Z.

AVAILABILITY OF INFORMATION

Legal documents on Dexia Municipal Agency may be consulted at the Company's registered office:
1, Passerelle des Reflets
Tour Dexia - La Défense 2
92913 La Défense

FISCAL YEAR (ARTICLE 39 OF THE BY-LAWS)

The Company's fiscal year begins on January 1 and ends on December 31.

EXCEPTIONAL EVENTS AND LEGAL PROCEEDINGS

There is no exceptional event or legal proceeding pending or in process that could have a material impact on the assets and liabilities, financial position or results of the Company and its subsidiaries.

ALLOCATION OF INCOME (ARTICLE 40 OF THE BY-LAWS)

Income available for distribution comprises net income for the year minus any prior year losses and any allocations to reserves pursuant to current legislation, plus any retained earnings carried forward from previous years.
From the available surplus, the Ordinary Shareholders' Meeting, voting on a recommendation of the Executive Board, may allocate all or a part of the remaining income to retained earnings.
There are no priority shares or dividends.

ANNUAL SHAREHOLDERS' MEETINGS

Calling of meetings (article 28 of the by-laws)

Annual shareholders' meetings are called as required by current legislation. They are held at the Company's registered office or any other location specified in the notice of meeting.
All shareholders have the right to obtain copies of the documents required to make an informed decision concerning the overall management and control of the Company.
The types of documents concerned and the terms of their availability and dispatch are determined by the applicable legislation and regulations.

Right to attend annual shareholders' meetings (article 28 of the by-laws)

All shareholders are entitled to attend the meetings upon presentation of proof of identity, provided that their shares have been paid up to the extent called and are registered in their name at least five days prior to the date of the meeting.
Shareholders may give proxy to another shareholder.
Proxies must be deposited at the company's headquarters at least five days prior to the date of the meeting.

Voting rights (article 32 of the by-laws)

The voting rights attached to the shares are proportional to the percentage of capital the shares represent. Each share conveys one voting right. At annual shareholders' meetings, the number of votes that may be cast by each shareholder corresponds to the number of shares held plus the number of shares for which the shareholder holds proxy.

INFORMATION ABOUT THE COMPANY'S CAPITAL AND SHARES

CAPITAL

Capital stock currently stands at EUR 1,060,000,000 represented by 10,600,000 nominative shares with no stated par value.
There are no other securities that grant rights to shares in the capital of Dexia Municipal Agency.

SHAREHOLDING STRUCTURE IN THE LAST FIVE YEARS

Date of the shareholders' meeting	Date of the capital increase	Amount of the capital increase (EUR)	Cumulated capital (EUR)
3/24/05	3/31/05	60,000,000	680,000,000
5/16/06	5/24/06	80,000,000	760,000,000
5/15/07	5/18/07	116,000,000	876,000,000
5/26/08	5/28/08	70,000,000	946,000,000
5/26/09	6/9/09	114,000,000	1,060,000,000

Breakdown of capital	2005	2006	2007	2008	2009
Dexia Credit Local	99.99%	99.99%	99.99%	99.99%	99.99%
French and/or Belgian private, institutional and corporate investors	0.01%	0.01%	0.01%	0.01%	0.01%

At the Shareholders' Meeting of May 26, 2009, there were 9,460,000 voting rights in existence.

DECLARATION OF FINANCIAL SUPPORT

On September 16, 1999, Dexia Credit Local formalized a declaration of financial support for its subsidiary Dexia Municipal Agency.
"*Within the scope of its financing policies, Credit Local de France has created a* société de crédit foncier*, governed by section IV of the law 99-532 of June 25, 1999, and named Dexia Municipal Agency.*
"Credit Local de France will hold more than 95% of the capital of Dexia Municipal Agency on a long-term basis.
"Credit Local de France will ensure that Dexia Municipal Agency develops its activity in compliance with the requirements of the above-mentioned law and has the financial resources it needs to meet its obligations."

Statement by the person responsible

This is a free translation of the French language original.

I, the undersigned Gilles Gallerne, Chief Executive Officer of Dexia Municipal Agency,

hereby affirm that to the best of my knowledge, the financial statements have been prepared in conformity with applicable accounting standards and present fairly, in all material aspects, the assets and liabilities, financial position and results of Dexia Municipal Agency, and that the management report presents a fair image of trends in the Company's business, results and financial position, as well as a description of the main risks and uncertainties it must face.

La Défense, March 30, 2010

Gilles Gallerne
Chief Executive Officer

LIST OF INFORMATION PUBLISHED OR DISCLOSED
in the last 12 months (in application of article L.451-1-1 of the Monetary and Financial Code and of article 222-7 of the general regulations of the French Financial Markets Authority - AMF)

Nature of the information	Publication or announcement
I - Activity and results	
Quarterly financial report as of December 31, 2009	BALO 3/10/2010
Quarterly financial report as of September 30, 2009	BALO 12/9/2009
Semiannual financial report as of June 30, 2009	BALO 10/23/2009
Quarterly financial report as of June 30, 2009	BALO 9/7/2009
Banking commission memorandum on the quality of assets as of December 31, 2008	BALO 6/12/2009
Quarterly financial report as of March 31, 2009	BALO 6/12/2009
Approval of 2008 annual financial statements	BALO 6/26/2009
2008 annual financial statements	BALO 4/27/2009
II - Corporate organization	
Modified registration – Change in permanent representative of a member of the Supervisory Board – Change in composition of the Supervisory Board	Les Petites Affiches 12/24/2009
Modified registration – Change in composition of the Executive Board and in Chief Executive Officer – change in composition of the Supervisory Board	Les Petites Affiches 10/7/2009
Modified registration – Change in capital increase	Les Petites Affiches 6/24/2009
Modified registration – Change in composition of the Supervisory Board and in the Chairman of the Supervisory Board	Les Petites Affiches 6/9/2009
Shareholder notification of the Annual Shareholders' Meeting of May 26, 2009	BALO 4/10/2009
Modified registration – Change in permanent representative of a member of the Supervisory Board	Les Petites Affiches 3/10/2009
III – Other information	
Dexia Municipal Agency – Rapport financier semestriel 2009	HUGIN (1) 8/28/2009
Dexia Municipal Agency – 2009 Half year financial report	HUGIN 8/28/2009
Dexia Municipal Agency – Rapport annuel 2007	HUGIN 4/10/2009
Dexia Municipal Agency – 2008 Annual Report	HUGIN 4/10/2009
Bond issues	
Dexia Municipal Agency - EMTN 403 TR 1 EUR 100,000,000 maturity February 2018	HUGIN 2/15/2010
Dexia Municipal Agency - EMTN 402 TR 1 EUR 1,000,000,000 maturity January 26, 2022	HUGIN 1/25/2010
Dexia Municipal Agency - EMTN 401 TR 1 EUR 150,000,000 maturity December 23, 2024	HUGIN 12/22/2009
Dexia Municipal Agency - EMTN 396 TR 2 EUR 750,000,000 maturity September 16, 2016	HUGIN 11/12/2009
Dexia Municipal Agency - ETMN 400 TR1 EUR 10,000,000 maturity November 12, 2018	HUGIN 11/10/2009
Dexia Municipal Agency - EMTN 399 TR 1 EUR 50,000,000 maturity October 2019	HUGIN 10/6/2009
Dexia Municipal Agency - EMTN 398 TR 1 EUR 100,000,000 maturity October 2014	HUGIN 10/6/2009
Dexia Municipal Agency - EMTN 397 TR 1 EUR 25,000,000 maturity March 30, 2019	HUGIN 9/28/2009
Dexia Municipal Agency - EMTN 396 TR 1 EUR 1,000,000,000 maturity September 16, 2016	HUGIN 9/14/2009
Dexia Municipal Agency - EMTN 349 TR 1 EUR 50,000,000 maturity February 27, 2017	HUGIN 7/6/2009
Dexia Municipal Agency - EMTN 394 TR 1 EUR 2,000,000,000 maturity July 8, 2024	HUGIN 7/6/2009
Dexia Municipal Agency - EMTN 393 TR 1 EUR 10,000,000 maturity March 7, 2026	HUGIN 6/4/2009
Dexia Municipal Agency – EMTN 273 TR1 EUR 50,000,000 maturity April 26, 2013	HUGIN 5/29/2009
Dexia Municipal Agency - EMTN 392 TR 1 EUR 1,500,000,000 maturity June 2, 2021	HUGIN 5/28/2009
Dexia Municipal Agency - EMTN 391 TR 1 EUR 10,500,000 maturity May 22, 2029	HUGIN 5/20/2009
Dexia Municipal Agency - EMTN 319 TR 7 EUR 25,000,000 maturity February 2019	HUGIN 5/14/2009
Dexia Municipal Agency - EMTN 390 TR 1 EUR 32,000,000 maturity September 2014	HUGIN 5/5/2009
Dexia Municipal Agency - EMTN 288 TR 7 EUR 30,000,000 maturity March 12, 2014	HUGIN 5/4/2009
Dexia Municipal Agency - EMTN 358 TR 4 EUR 150,000,000 maturity November 22, 2010	HUGIN 1/13/2009
Certificate of approval	
CSSF certificate of approval dated 2/9/2010 concerning the fourth supplement to the 2009 basic prospectus	AMF 2/10/2010
CSSF certificate of approval dated 1/15/2010 concerning the third supplement to the 2009 basic prospectus	AMF 1/15/2010
CSSF certificate of approval dated 12/8/2009 concerning the second supplement to the 2009 basic prospectus	AMF 12/8/2009
CSSF certificate of approval dated 9/1/2009 concerning the first supplement to the 2009 basic prospectus	AMF 9/1/2009
CSSF certificate of approval dated 8/18/2009 concerning the 2009 basic prospectus	AMF 8/18/2009
CSSF certificate of approval dated 6/15/2009 concerning the fourth supplement to the 2008 basic prospectus	AMF 6/16/2009
CSSF certificate of approval dated 4/16/2009 concerning the third supplement to the 2008 basic prospectus	AMF 4/16/2009
Dexia Municipal Agency, the Dexia Group's *société de crédit foncier* successfully launched a benchmark issue of EUR 1.5 billion	Press release 5/19/2009

(1) Professional wire for regulatory information, AMF registered.

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Société Anonyme à Directoire et Conseil de Surveillance
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