Pricing Supplement

Municipal Agency

DEXIA MUNICIPAL AGENCY

Euro 35,000,000,000
Euro Medium Term Note Programme
for the issue of Obligations Foncières

SERIES NO:86

TRANCHE NO: 1

EUR 40,000,000 CMS Linked Instalment *Obligations Foncières* due March 2021

Issue Price: 100.00 per cent.

PRICING SUPPLEMENT

CDC IXIS CAPITAL MARKETS

Holders and prospective purchasers of *Obligations Foncières* should ensure that they understand the nature of the *Obligations Foncières* and the extent of their exposure to risk and that they consider the suitability of the *Obligations Foncières* as an investment in the light of their own circumstances and financial condition. Holders and prospective purchasers of the *Obligations Foncières* should conduct their own investigations and, in deciding whether or not to purchase the *Obligations Foncières*.

Given the highly specialised nature of the *Obligations Foncières*, the Issuer and the Dealer consider that they are only suitable for highly sophisticated investors who are able to determine for themselves the risk of an investment on which the return is determined in this way.

Consequently, if you are not an investor who falls within the description above you should not consider purchasing these *Obligations Foncières* without taking detailed advice from a specialised professional adviser.

The date of this Pricing Supplement is 11 March 2004.

This Pricing Supplement, and the Annex attached thereto, under which the *obligations foncières* described herein (the "***Obligations Foncières***") are issued, contains the final terms of the Notes, and is supplemental to, and should be read in conjunction with, the original offering circular (the "**Offering Circular**") dated 3 July 2003 issued in relation to the Euro 35,000,000,000 Euro Medium Term Note Programme of Dexia Municipal Agency for the issue of *Obligations Foncières*. Terms defined in the Offering Circular have the same meaning in this Pricing Supplement. The *Obligations Foncières* will be issued on the terms of this Pricing Supplement read together with the Offering Circular. The Issuer accepts responsibility for the information contained in this Pricing Supplement which, when read together with the Offering Circular, contains all information that is material in the context of the issue of the *Obligations Foncières*.

This Pricing Supplement does not constitute, and may not be used for the purposes of, an offer of, or an invitation by or on behalf of anyone to subscribe or purchase any of the *Obligations Foncières*.

Except as disclosed in this document, there has been no significant change in the financial or trading position of the Issuer or, Dexia Crédit Local since 30 June 2003 and no material adverse change in the financial position or prospects of the Issuer or Dexia Crédit Local since 31 December 2002.

The Offering Circular, together with this Pricing Supplement, contains all information relating to the assets and liabilities, financial position, profits and losses of the Issuer or Dexia Crédit Local which is material in the context of the issue and offering of the *Obligations Foncières* and nothing has happened which would require the Offering Circular to be further supplemented or to be updated in the context of the issue and offering of the *Obligations Foncières*.

Signed:

Authorised Officer

This Pricing Supplement has not been submitted to the clearance procedures of the *Autorité des marchés financiers*.

1	Issuer:	Dexia Municipal Agency
2	(i) Series Number:	86
	(ii) Tranche Number:	1
3	Specified Currency or Currencies:	Euro ("EUR")
4	Aggregate Nominal Amount:	
	(i) Series:	EUR 40,000,000
	(ii) Tranche:	EUR 40,000,000
5	(i) Issue Price:	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Net proceeds:	EUR 40,000,000
6	Specified Denominations:	EUR 10,000
7	(i) Issue Date:	15 March 2004
	(ii) Interest Commencement Date:	15 March 2004
8	Maturity Date:	15 March 2021
9	Interest Basis:	Index Linked Interest (further particulars specified below)
10	Redemption/Payment Basis:	Instalment (further particulars specified below)
11	Change of Interest or Redemption/Payment Basis:	See Item 29
12	Options:	Not Applicable
13	Status:	*Obligations Foncières*
14	Listing:	Luxembourg
15	Method of distribution:	Non-syndicated

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

16	Fixed Rate *Obligation Foncière* Provisions	Not Applicable
17	Floating Rate Provisions	Not Applicable
18	Zero Coupon *Obligation Foncière* Provisions	Not Applicable
19	Index Linked Interest *Obligation Foncière* Provisions	Applicable
	(i) Index/Formula:	See Annex
	(ii) Calculation Agent responsible for calculating the interest due:	CDC IXIS Capital Markets

(iii)	Provisions for determining Coupon where calculation by reference to Index and/or Formula is impossible or impracticable:	See Annex
(iv)	Interest Period(s):	The Interest Period means the period from (and including) the Interest Commencement Date to (but excluding) the first Specified Interest Payment Date falling on 15 March 2005 and each successive period from (and including) a Specified Interest Payment Date to (but excluding) the next succeeding Specified Interest Payment Date
(v)	Specified Interest Payment Dates:	The interest amount will be payable annually in arrear on each 15 March commencing on 15 March 2005, up to (and including) the Maturity Date subject to adjustment in accordance with the Business Day Convention defined in the paragraph (vi) below.
(vi)	Business Day Convention:	Modified Following Business Day Convention
(vii)	Business Centre(s) (Condition 5(a)):	Target
(viii)	Minimum Rate of Interest:	Zero per cent. per annum
(ix)	Maximum Rate of Interest:	Not Applicable
(x)	Day Count Fraction (Condition 5(a)):	Not Applicable
20	**Dual Currency *Obligation Foncière* Provisions**	Not Applicable

PROVISIONS RELATING TO REDEMPTION

21	**Call Option**	Not Applicable
22	**Other Option**	Not Applicable
23	**Final Redemption Amount**	The Final Redemption Amount is equal to the last Instalment Amount due on the Maturity Date per Denomination
24	**Early Redemption Amount**	Not Applicable

GENERAL PROVISIONS APPLICABLE TO THE *OBLIGATIONS FONCIÈRES*

25	**Form of *Obligations Foncières:***	Dematerialised *Obligations Foncières*
(i)	Form of Dematerialised *Obligations Foncières:*	Bearer dematerialised form (*au porteur*)
(ii)	Registration Agent	Not Applicable
(iii)	Temporary Global Certificate:	Not Applicable

	(iv) Applicable TEFRA exemption:	Not Applicable
26	Financial Centre(s) (Condition 7(h)) or other special provisions relating to payment dates:	Not Applicable
	(i) Adjusted Payment Date (Condition 7(h)):	The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.
27	Talons for future Coupons or Receipts to be attached to definitive Materialised *Obligations Foncières* (and dates on which such Talons mature):	Not Applicable.
28	Details relating to Partly Paid *Obligations Foncières*: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:	Not Applicable
29	Details relating to Instalment *Obligations Foncières:*	Applicable
	(i) Instalment Amount(s):	Each Note will be redeemed by the Issuer in instalments (each an "**Instalment Amount**"), such Instalments being due on 15 March of each year as mentioned below (each an "**Instalment Date**"). The Instalment Amounts to be paid on each Instalment Date are set fort below:

Instalment Date:	Instalment Amount:
15 March 2004	0
15 March 2013	EUR 10,000,000 (EUR 2,500 per Denomination)
15 March 2018	EUR 10,000,000 (EUR 2,500 per Denomination)
15 March 2020	EUR 10,000,000 (EUR 2,500 per Denomination)
15 March 2021	EUR 10,000,000 (EUR 2,500 per Denomination)

	(ii) Instalment Date(s):	See Item 29(i) above
	(iii) Minimum Instalment Amount:	Not Applicable

	(iv) Maximum Instalment Amount:	Not Applicable
30	Redenomination, renominalisation and reconventioning provisions:	Not Applicable
31	Consolidation provisions:	Not Applicable
32	*Masse* (Condition 10)	Holders of *Obligations Foncières* will be grouped automatically for the defence of their common interests in a *Masse*; The *Masse* will be governed by the provisions of the French Code of commerce with the exception of Articles L.228-47, L.228-48 and L.228-59 and by the decree no. 67-236 of 23 March 1967, with the exception of Articles 218, 222 and 224; The initial Representative will be: Mr. Antoine de Chauveron 29, avenue du Roule 92200 Neuilly-sur-Seine France The Alternative Representative will be: Mr. Laurent Vallery Radot 15, rue des Pins 92100 Boulogne France The Representative will not be remunerated.
33	Other terms or special conditions:	Not Applicable

DISTRIBUTION

34	(i) If syndicated, names of Managers:	Not Applicable
	(ii) Stabilising Manager (if any):	Not Applicable
	(iii) Dealer's Commission:	None
35	If non-syndicated, name of Dealer:	CDC IXIS Capital Markets

36	Additional selling restrictions:	FRANCE: The Dealer and the Issuer has acknowledged that the *Obligations Foncières* are deemed to be issued outside the Republic of France. The Dealer and the Issuer has represented and agreed that, (i) it has not offered or sold and will not offer or sell, directly or indirectly, *Obligations Foncières* to the public in the Republic of France and, (ii) offers and sales of *Obligations Foncières* will be made in the Republic of France only to qualified investors in accordance with Article L.411-2 of the French *Code monétaire et financier* and decree no. 98-880 dated 10 October 1998. In addition, each of the Dealer and the Issuer has represented and agreed that in has not distributed or caused to be distributed and will not distribute or cause to be distributed in the Republic of France, the Offering Circular or any other offering material relating to the *Obligations Foncières* other than to qualified investors.

OPERATIONAL INFORMATION

37	ISIN Code:	FR0010063727
38	Common Code:	018833107
39	WKN:	Not Applicable
40	Depositary(ies)	
	(i) Euroclear France to act as Central Depositary	Yes
	(ii) Common Depositary for Euroclear and Clearstream, Luxembourg	No
	(iii) Clearstream Banking AG, Frankfurt	No
41	Any clearing system(s) other than Euroclear France, Euroclear Clearstream, Luxembourg and the relevant identification number(s):	Not Applicable
42	Delivery:	Delivery against payment

43	The Agents appointed in respect of the *Obligations Foncières* are:	**Fiscal Agent, Principal Paying Agent and Luxembourg Listing Agent:** Dexia Banque Internationale à Luxembourg Société Anonyme 69, route d'Esch L-1470 Luxembourg Grand-Duchy of Luxembourg **Paying Agents:** Dexia Banque S.A./Dexia Bank N.V. 44, boulevard Pachéco B-1000 Brussels Belgium Dexia Banque Privée France 30, rue d'Anjou 75008 Paris France **Calculation Agent:** CDC IXIS Capital Markets 47, quai d'Austerlitz 75648 Paris Cedex 13 France
44	In the case of *Obligations Foncières* listed on Euronext Paris S.A.:	
(a)	the number of *Obligations Foncières* to be issued in each Denomination:	Not Applicable
(b)	Paying Agent in France	Not Applicable
	(i) address in Paris where documents to be made available for inspection may be inspected:	Not Applicable
	(ii) list of such documents available for inspection:	Not Applicable
(c)	specialist broker:	Not Applicable
(d)	responsibility statement in French and brief summary in French of the main characteristics of any *Obligations Foncières* which are to be listed on Euronext Paris S.A. and of the Issuer to be inserted:	Not Applicable

(e)	remuneration paid or payable by the Issuer to its Statutory Auditors and the members of their network:	Not Applicable
45	OTHER INFORMATION	Not Applicable

GENERAL

46	The aggregate principal amount of *Obligations Foncières* issued has been translated into Euro at the rate of [•], producing a sum of:	Not Applicable
47	Rating	AAA by Standard & Poors Rating Services and Fitch Ratings Aaa by Moody's Investors Services, Inc. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency

ANNEX

The amount of interest to be paid per Specified Denomination ("**EUR 10,000**") (the "**Interest Amount**" or "**I**") for each Interest Period shall be calculated by the Calculation Agent in accordance with the following formula:

$$I = \text{EUR } 10{,}000 \times (5.47 \text{ per cent.} \times \frac{N_F}{365(Fixed)})$$

where

N_F = The number of calendar days in the relevant Interest Period in respect of which the Reference Rate is greater than or equal to 0.00 per cent.

Reference Rate means: 30 year CMS – 2 year CMS

Where "**30 year CMS**" means the annual swap rate for a euro swap transactions with a maturity of 30 years (annual, 30/360) versus EURIBOR 6 month, expressed as a percentage, which appear on the Reuters Screen ISDAFIX2 Page (or any successor page to that page) under the heading "**EURIBOR BASIS**" as of 11:00 a.m Frankfurt time on the Determination Date.

Where "**2 year CMS**" means the annual swap rate for a euro swap transactions with a maturity of 2 years (annual, 30/360) versus EURIBOR 6 month), expressed as a percentage, which appear on the Reuters Screen ISDAFIX2 Page (or any successor page to that page) under the heading "**EURIBOR BASIS**" as of 11:00 a.m Frankfurt time on the Determination Date.

If a Determination Date within the relevant Interest Period is not a Target Business Day, then the Reference Rate for such Determination Date will be the Reference Rate determined on the previous Determination Date which was a Target Business Day.

Determination Date means in relation to the relevant Interest Period :

- from and including the first day of the Interest Period to but excluding the Rate Cut-Off Date: each calendar day, and
- from and including the Rate Cut-Off Date to but excluding the next Interest Payment Date: the Rate Cut-Off Date.

Rate Cut-Off Date means the day which is the fifth (5^{th}) Target Business Day prior to any Interest Payment Date.

For the avoidance of doubt the Reference Rate of the relevant Rate Cut-Off Date shall be the applicable Reference Rate from the relevant Rate Cut-Off Date (including) to the next Interest Payment Date (excluding) for that Interest Period.

Target Business Day means a day (other than a Saturday of Sunday) on which commercial banks and foreign exchange markets settle payment in Frankfurt.

If the Calculation Agent determines in its sole and absolute discretion that, on any Determination Date the 30 year CMS or the 2 year CMS as the case may be:

(i) does not appear on the Reuters Page ISDAFIX2 (or any successor or the other relevant page); or

(ii) for any other reason, is unavailable or cannot reasonably be calculated,

the 30 year CMS or the 2 year CMS as the case may be will be the rate determined by the Calculation Agent as the EUR-Annual Swap Rate Reference banks as defined in the 2000 ISDA Definitions.

DESCRIPTION OF THE ASSETS
(unaudited)
source: Dexia Municipal Agency

Assets as at 30 September 2003 [1]:

LOANS TO LOCAL GOVERNMENTS:

Loans to French local authorities	**Amounts in millions of Euros**
Regions	1,195.28
Departments	3,747.45
Municipalities	14,991.66
Groups of municipalities	5,699.73
Public sector entities	4,359.09
Loans wholly guaranteed by local governments	267.34
TOTAL	**30,260.55**

The loans come from the activity of Dexia Crédit Local either by *cession* from its balance sheet or as loans granted by Dexia Municipal Agency and commercialised by Dexia Crédit Local

Austria	
Loans wholly guaranteed by local governments	218.64
TOTAL	**218.64**

Loans granted by Dexia Municipal Agency and commercialised by Kommunalkredit Austria

Italy	
Municipalities	19.50
TOTAL	**19.50**

Loans granted by Dexia Municipal Agency and commercialised by Dexia Crediop

Portugal

[1] *latest description of the Issuer's assets publicly disclosed.*

Regions	148.61
Municipalities	160.19
TOTAL	**308.80**
Belgium	
Regions	286.55
Communities	74.40
Loans wholly guaranteed by local governments	145.76
TOTAL	**506.71**
Switzerland	
Municipalities	49.40
Loans wholly guaranteed by local governments	921.84
TOTAL	**971.24**
Finland	
Municipalities	55.40
Public sector entities	36.57
TOTAL	**91.97**
Monaco	
Public sector entities	**0.51**
TOTAL	**0.51**
Sweden	
Municipalities	111.69
Loans wholly guaranteed by local governments	71.56
TOTAL	**183.25**

DEBT SECURITIES : (historical value after swap)

France

State	0
Regions	4.96

Departments	3.05
Municipalities	66.19
Groups of municipalities	156.25
TOTAL	**230.45**

Italy

State	599.23
Regions	431.49
Provinces	225.10
Municipalities	831.92
Asset Backed Securities	72.61
Groups of municipalities	10.10
Debt securities guaranteed by State or by local governments	0.70
TOTAL	**2,171.15**

Greece

State	31.21
Regions	0
Departments	0
Towns	0
Asset Backed Securities	0
Others Public Authorities	0
TOTAL	**31.21**

Finland

State	7.62
Regions	0
Departments	0
Towns	0
Other Public Authorities	0
TOTAL	**7.62**

Portugal

State	0
Regions	8.5
Departments	0
Towns	0
Other Public Authorities	0
TOTAL	**8.5**

Austria

State	0
Regions	0
Departments	0
Towns	0
Asset Backed Securities	94.40
Other Public Authorities	0
TOTAL	**94.40**

Iceland

State	0
Regions	0
Departments	0
Towns	0
Asset Backed Securities	0
Debt securities guaranteed by state or by local governments	50.41
TOTAL	**50.41**

Spain

State	0
Regions	0
Departments	0
Towns	0
Asset Backed Securities	0
Debt securities guaranteed by state or by local governments	50.00
TOTAL	**50.00**

Belgium

State	0
Regions	93.35
Communities	189.58
Towns	0
Asset Backed Securities	0
Debt securities guaranteed by state or by local governments	126.55
TOTAL	**409.48**

Switzerland

Cantons	57.60
TOTAL	**57.60**

USA

Member States	145.00
TOTAL	**145.00**

Germany

Länder	70.00
TOTAL	**70.00**

Canada

Provinces	35.59
Municipalities	4.67
TOTAL	**40.26**

RECENT DEVELOPMENTS

Since 1 January 2003, Dexia Municipal Agency has made the following issues of *Obligations Foncières*:

- AUD 20,000,000 due January 2006; and
- AUD 250,000,000 due February 2009; and
- under the EMTN Programme a total of approximately Euro 9,359,707,381.78

FORM OF SPECIFIC CONTROLLER'S CERTIFICATE IN FRENCH LANGUAGE

FIDUS

12 Rue de Ponthieu – 75008 Paris
Tél. 01.42.56.07.77 – Télécopieur 01.42.25.15.32

ATTESTATION

Messieurs les membres du Directoire
de la société Dexia Municipal Agency,

En notre qualité de contrôleur spécifique de votre société et en exécution des dispositions prévues par les Articles L.515-29 à L.515-31 du Code monétaire et financier et par l'Article 9-IV du décret n° 99-710 du 3 août 1999, nous devons établir une attestation du respect de la règle prévue à l'Article L.515-20 de ce Code dans le cadre de toute émission d'obligations foncières d'une valeur unitaire au moins égale à 500 millions d'euros.

Dans le cas où les émissions d'un montant unitaire inférieur à 500 millions d'euros ne font pas l'objet d'une attestation dans le cadre du programme trimestriel d'émission de ressources découlant de la règle prévue à l'Article L.515-20 du Code monétaire et financier, il nous appartient de produire une attestation du respect de cette règle pour chaque émission quel que soit son montant.

L'Article L.515-20 du Code monétaire et financier dispose que le montant total des éléments d'actif des sociétés de crédit foncier doit être supérieur au montant des éléments de passif bénéficiant du privilège mentionné à l'Article L.515-19 de ce même Code.

La société Dexia Municipal Agency envisage d'émettre un emprunt de quarante millions (EUR 40.000.000) d'euros à échéance du 15 mars 2021.

A la date de la présente attestation, nous avons vérifié le respect de la règle prévue par l'Article L.515-20 du Code monétaire et financier et les modalités de calcul du ratio de couverture prévues par les dispositions du règlement n° 99-10 du 9 juillet 1999 du Comité de la réglementation bancaire et financière, en effectuant les travaux que nous avons estimés nécessaires.

Sur la base de ces travaux, nous attestons que le montant des éléments d'actif de la société Dexia Municipal Agency sera supérieur au montant des éléments de passif privilégiés tels que définis par l'Article L.515-19 du code précité, après prise en compte du règlement de la présente émission et des émissions ayant fait l'objet d'attestations antérieures.

Paris, le10 mars 2004

Le Contrôleur spécifique
FIDUS
Représentée par
Christian COMERMAN
Associé

FORM OF SPECIFIC CONTROLLER CERTIFICATE

Translation from French for information purposes only

CERTIFICATION

The following is a convenience translation of the original French language certificate:

"To the members of the *Directoire* of Dexia Municipal Agency,

In our capacity as specific controller (*contrôleur spécifique*) of your company and in compliance with the duties imposed under Articles L.515-29 to L.515-31 of the French *Code monétaire et financier* and Article 9-IV of the French decree n. 99-710 of 3 August 1999, we are required to provide an attestation of the compliance with the rule set out in Article L.515-20 of this *Code* in the case of any issue of *obligations foncières* for a total amount of at least Euro 500 million.

In the case of issues of a principal amount of less than Euro 500 million which are not subject to certification on the basis of the quarterly programme according to the rules set out in Article L.515-20 of the French *Code monétaire et* financier, it is our duty to issue "statement concerning compliance with such rule for every issue, whatever its amount is.

Pursuant to Article L.515-20 of the French *Code monétaire et financier*, the total value of the assets of the *sociétés de crédit foncier* shall be greater than the value of their liabilities benefiting from the *privilège* defined in Article L.515-19 of this *Code.*

Dexia Municipal Agency proposes to issue *obligations foncières* in an amount of Euro forty millions (40 million) maturing on 15 March 2021.

As of the date hereof, we have reviewed the compliance with the rule set out in Article L.515-20 of the French *Code monétaire et financier* and the method for calculating the cover ratio set out in Regulation no 99-10 of 9 July 1999 of the *Comité de la Règlementation bancaire et financière, by carriying out such diligence as we have deemed necessary.*

On the basis of our examination, we hereby certify that the value of the assets of Dexia Municipal Agency will be greater than the value of its liabilities benefiting from the privilege defined in Article L.515-19 of this *Code*, after settlement of this issue and of the issues which have been the subject of previous attestations.

Paris, on March 10, 2004

The Specific Controller
FIDUS
Represented by
Christian COMERMAN
Associate"