

Regulated Information\* – Brussels, Paris, 5 October 2012 – 2:30 pm

## Closing of the sale of Banque Internationale à Luxembourg

Following the signature of sale and purchase agreements on 5 April 2012, today Dexia announces the closing of the sale of its 99.906% holding in Banque Internationale à Luxembourg to Precision Capital, a Bank Holding Company, incorporated in Luxembourg and ultimately owned by the Al Thani family of Qatar and the Grand Duchy of Luxembourg. Precision Capital now holds 90% of Dexia's interest in Banque Internationale à Luxembourg and the Grand Duchy the remaining 10%.

All of the regulatory authorisations have been received, including approval from the European Commission. After the sale of Denizbank, announced on 28 September, with the sale of Banque Internationale à Luxembourg a significant milestone has been passed on the path to implementing the plan for the orderly resolution of the Dexia Group.

The transaction price is EUR 730 million. The "Legacy" asset portfolio<sup>1</sup> was transferred to Dexia Crédit Local. The holdings in subsidiaries excluded from the scope of that sale, Dexia Asset Management Luxembourg, RBC Dexia, Dexia LDG Banque, Popular Banca Privada and Parfipar, were also taken over by the Dexia Group or sold on the market. Dexia Crédit Local is now the shareholder of Dexia LDG Banque.

On 2 October 2012, Dexia increased the shareholders' equity of Banque Internationale à Luxembourg by EUR 204 million, in order to partially offset<sup>1</sup> the one-off losses generated by the sale of the "Legacy" portfolio, already recognised in Banque Internationale à Luxembourg's year-end 2011 annual accounts. This increase of shareholders' equity takes the bank's Core Tier 1 ratio to a level of 9% under fully-applied Basle III rules, as per the terms of the sale and purchase agreements. A potential adjustment could be made later on, based on the audited closing accounts as at 30 September 2012.

On the basis of data available as at 30 June 2012 and the amount of the increase of shareholders' equity, the sale results in a total loss of EUR 199 million for the Dexia Group. This amount has already been integrated into the accounts for the first half-year 2012 and only minor adjustments (a gain of EUR 4 million) will be booked in the accounts for the third quarter 2012. The estimated negative impact on Tier 1 capital and Core Tier 1 capital is EUR 413 million and EUR 188 million respectively, the difference being due to the exit of BIL's hybrid capital from Dexia's balance sheet. The decrease of the Core Tier 1 capital has already been taken into account as at 30 June 2012. The impact on Tier 1 capital has been partially factored in, as the exit of the hybrid capital is effective at the closing of the sale.

Considering the date of sale of the entity and in accordance with applicable accounting rules, Banque Internationale à Luxembourg will be deconsolidated from the Dexia Group in the fourth quarter 2012, resulting in a reduction of Dexia's balance sheet by EUR 12 billion and a EUR 3.4 billion reduction of weighted risks.

Based on 30 June 2012, the isolated impact of the sale of Banque Internationale à Luxembourg on Dexia's Tier 1 and Core Tier 1 ratios is -23 bp and +2 bp respectively, as well as -72 bp on the CAD ratio. Taking into account the elements already factored in, the expected residual impact is +1 bp on the Tier 1 ratio, as the exit of the hybrid capital is more than offset by the decrease in weighted risks, +26 bp on the Core Tier 1 ratio and -48 bp on the CAD ratio as a result of the decrease in capital due the exit of the subordinated debt.

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<sup>1</sup> see press release of the 24 august 2012

# Press release

The net proceeds of the sale will be used to continue to reduce Belfius' exposure to the Dexia group.

Karel De Boeck, Dexia Group CEO, declared: *“The sale of Banque Internationale à Luxembourg is a significant milestone in the implementation of the plan for the orderly resolution of the Dexia Group. With this new shareholder, Banque Internationale à Luxembourg can continue to develop its franchise and to accompany its clients.”*

*\* Dexia is a listed company. This press release contains information subject to the transparency regulations for listed companies.*

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