

Regulated information * – Brussels, Paris, 4 October 2011

Since the end of 2008 Dexia Group has been involved in an in-depth rebuilding of its financial structure whilst continuing to develop its commercial franchises. Considerable progress has been achieved:

- the balance sheet was reduced from 651 to 518 billion euros between the end of 2008 and June 2011, in particular by virtue of non-strategic asset disposals (74 billion euros) including the sale of almost all of the Group's Financial Products portfolio;
- the short-term funding requirement has been reduced by 164 billion euros and current central bank funding has been reduced considerably;
- at the same time a clear roadmap has been defined for each of the business lines. The PWB franchise is focused on its historical markets and business lines, and Retail and Commercial Banking has been in constant development in Turkey, Luxembourg and Belgium since 2008.

Thanks to the efforts of its staff members, Dexia Group has consolidated its solvency position – the Group's Tier 1 ratio is 11.4%, compared with 10.6% at the end of 2008 – in line with the restructuring plan approved by the European Commission.

The worsening of the European sovereign debt crisis and the tensions on the interbank market led Dexia to accelerate its restructuring plan in May 2011. However, in the current environment, the size of the non-strategic asset portfolio (so-called *legacy*) impacts the Group structurally despite the good credit quality of its assets.

This is why the Board of Directors asked the CEO, in consultation with the relevant governments and the supervisory authorities, to prepare the necessary measures to resolve the structural problems penalising the Group's operational activities, and to open up new prospects for the development of its historical commercial franchises in Belgium and France.

The Group's shareholders would like to reaffirm their unity and their solidarity in the phase which begins today. They have confirmed their confidence in the Dexia management so that they can complete these operations with unfailing concern for the interests of all Dexia stakeholders.

The states shareholders have confirmed their will to support Dexia Group, so that it can implement the various measures in an orderly manner and under the best conditions.

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

About Dexia

Dexia is a European bank, with about 35,200 members of staff and core shareholders' equity of EUR 15.3 billion as at 30 June 2011. The Dexia Group focuses on Retail and Commercial Banking in Europe, mainly 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, in particular to the clients of the other two business lines. The different business lines interact constantly in order to serve clients better and to support the Group's commercial activity. Dexia integrates sustainable development into its daily activities.

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