

A responsibility extended towards environmental, social and societal challenges

The performance aim must lead the company to identifying its main internal and external challenges, be it to better assess its environmental impacts – even if they are minimum impacts in case of a bank – to develop people’s aspirations and abilities to bloom in the company or to accompany society’s aims and evolutions.

Managing our direct environmental impacts

A general environmental policy applies to the whole Group based e.g. on its commitments to the UNEP and the UN Global Compact. In 2005 the environmental reporting perimeter and the circulation of best practices at Group level have been strengthened in order to better report on the Group’s performance and impacts. Gearing the challenges of logistics and purchases was also strengthened in order to take into account the new Group organization, an organization which is more unified and integrated as of January 1, 2006.

Perimeter

Environmental reporting has been implemented within Dexia in 2003. As in previous years this reporting picks up the data of the main operating entities of the Group and covers – depending on the indicators – between 51% and 69.2% of all of the 18,096 FTEs – full-time equivalent positions – taken into account in the environmental report. The perimeter does not include either some of the subsidiaries that apply stricter procedures because of their ISO 14001 or EMAS certifications – e.g. Dexia Sofaxis – or the buildings of the independent agents in Belgium on which Dexia Bank has no technical or operational control.



EMAS and ISO 14001 standards

- The EMAS – Environmental Management and Audit Scheme – process is a system of European environmental management and audit based on the respect of the EU environmental legislation. The standard includes fixed organizational objectives that can be checked by a third party bearing public authorization to do so and foresees the drafting of an environmental declaration.
- The ISO 14001 declaration is an environmental management standard that makes recommendations to analyze and control the environmental impact of the company's activity. The three basic principles of the standard are compliance to the laws and regulations, the prevention of pollution and on-going improvement.



Commitment and awareness raising

Due to the nature of its activities Dexia is neither a polluting business, nor a big energy consumer. However the Group considers that managing its energy consumption and emissions must reflect a responsible attitude towards the Group's environmental impact. Each subsidiary of the Group therefore has an action plan taking into account its features, its constraints, its situation vis-à-vis buildings and premises – ownership or rental – the applicable regulations as well as the objectives discussed with employee representatives e.g. within the framework of Health and Safety Committees.

- In *Belgium*, for instance, the role of the workplace prevention and protection service of Dexia Bank is mainly to advise and raise the awareness of staff members for a better environment, be it on the workplace or outside the company. In close cooperation with trade union representatives, Dexia Bank will organize in the spring of 2006 an awareness-raising week for its employees on the challenges of environmental protection and sustainable development.
- In *Italy* the implementation of an environmental management system compliant with the environmental management and audit standards of the European Union allowed Dexia Crediop to obtain ISO 14001 and EMAS certifications in October 2005. Strengthening the process aimed at improving the quality of environmental data explains the progress made on the recording of some data in 2005. The certification will be complemented in 2006 with the signing of the Environmental Declaration, which will present all of the bank's interlocutors with a precise status report on the bank's environmental impacts and its environmental management scheme.

- In *Austria* Kommunalkredit Austria is one of the first financial corporations to have implemented its own environmental management system in 1997 and to have been EMAS certified. In 2005 the environmental management scheme has been enlarged to include the challenges of sustainable development and e.g. translated into the publication of a sustainable development report written for the first time according to the principles of the Global Reporting Initiative. (Report available on www.kommunalkredit.at)

Waste management

- In *Belgium* Dexia Bank is a pioneering company in the field of waste management and selective sorting. The relocations, foreseen by June 2006, concern the Pacheco, Galilée and Rogier buildings. They led to a significant surplus in office supplies and furniture – 11,868 pieces of furniture – which were donated in September 2005 to countries in difficulty within the framework of a partnership with the Belgian Ministry of Defense. Dexia Bank took care of the sorting and packaging of the furniture whilst the Ministry took care of storing it and choosing the final destination of the furniture. Dexia Insurance Belgium also implemented a waste recycling policy for office waste based on the Ecosmart principle. So all employees are directly made aware of how to act and protect the environment on a daily basis.
- In *France* Dexia Crédit Local pursues its waste paper and cardboard collection policy on all Paris sites. Implementing the same policy at local level through the regional departments is now under review. On the other hand, the bank also introduced a single printer/copier per storey in its Paris buildings in order to phase out individual printers in the near future. The scanning function should be added to this single machine in 2006.



The new Dexia Crédit Local headquarters will regroup – end of 2006 – 1,100 Dexia employees including 900 employees of Dexia Crédit Local and its French subsidiaries, i.e. 53% of the headcount of the companies of Dexia Crédit Local based in France.

- In *Luxembourg* Dexia BIL started several years ago implementing internal process for the HQ and its subsidiaries to sort, recover and recycle waste – e.g. paper, electronic and electrical equipment, cables and wires, metal, wood, batteries, etc. The recovery and recycling of consumables for Xerox machines and printers are a full part in the contracts signed with suppliers. In 2005 obsolete electronic equipment and office furniture have been donated to social structures and charities to be sent to Vietnam. Moreover the computerized system for the electronic management of documents (EMD) implemented on all banking and accounting dossiers thanks to the support of the scanning center of customer records

contributes to sound work environment management thanks to the electronic archiving of all paper records. IT also improves the working conditions of the staff in charge of archiving.

Managing the buildings and the work environment

Managing buildings well has a double aim: on the one hand, providing agreeable and comfortable buildings, where employees can work in the best possible conditions and on the other, reducing emissions and equipment consumption.

- In *Belgium* the building of the Dexia Tower, which will be opened in the city center of Brussels in June 2006, is particularly respectful of environmental standards. As for the demolition of the old building, a sorting center has been installed and will allow handling all the waste of the building. The prefab techniques adopted enabled to significantly reduce the building's lead time – with as a direct consequence strong energy savings and a reduction of the environmental impact of the building site. To build the Dexia Tower the same state-of-the-art technology has been applied as for the renovation of the Pacheco headquarters completed in October 2004, which is based on European standards. Using specialized consultants allowed installing two water tanks aimed at collecting rainwater which will then be used to the automatic sprinkler system. Particular care has been dedicated to the internal atmosphere of the building – i.e. heating, ventilation and lighting. A double façade will provide for the cooling of the building in the summer and retain heat inside in the winter. Finally it is to be stated that almost all building materials adopted are 100% recyclable. The principle of sustainable development has also been applied in the choice of the location of the Dexia Tower, as

The waste management indicator recorded a significant decrease of waste in 2005:
 -22.88% for organic waste
 -12,09% for paper and cardboard waste

WASTE MANAGEMENT IN 2005

	FTE*	Organic waste/kg	Paper and cardboard/kg	Other waste**/kg
Dexia Bank	5,628	112,710	908,710	739,502
Dexia Insurance Belgium	915	10,000	225,488	96,445
Dexia BIL	1,729	222,910	310,306	79,027
Dexia Crédit Local	573	NC	75,780	ND
Dexia Crediop	235	0	30,070	15,305
Dexia SA	136	ND	15,600	27,531
TOTAL	9,216	345,620	1,565,954	957,810
<i>Trend/2004/FTE</i>		-22.88%	-12.09%	+27.37%

* Number of FTEs – full time equivalent – concerned by the indicator.
 ** PMT (Plastic, Metal and Tetra pack) and SHD (small hazardous waste).
 NC: not concerned
 ND: not determined
 0: no consumption

it is located in the closest vicinity of a train and a subway station.

With a view to optimizing its office automation Dexia Bank implemented in 2005 a “Multi Functional Printers” principle as well as a plan for the reduction of maintenance costs through the pooling of printing, Xeroxing, faxing and scanning function in the same multipurpose equipment whose printing cost will be 3 times lower than the one of a classical printer and which saves on paper thanks to both-sides printing and consumes less electricity. Finally the location of the new printers has been studied and made more rational in order to avoid overlapping and to allow for a better distribution of the machines. The system allowed reducing the consumption of blank paper by more than 30% in 2005. It is to be noted that most of the bank’s publications are printed on Novatech paper – ISO 14001, EMAS, Nordic Swanlabel certified paper bearing a PEFC Certificate – or on Cyclus recycled paper. Dexia Insurance Belgium is also using multipurpose printers. It has by the way decided to discard the old faxes, to use the rightfax principle and to favor scanning.

- In *Luxembourg* the launch of phase one of the new Dexia BIL administrative center, whose construction started in 2003, is scheduled for the end of 2006. Applying the most advanced environmental protection principles the building site received in 2004 from the Grand Duchy authorities the label of “waste management on large building sites” awarded by the Superdreckskecht – which is an emanation of the Environment Ministry and the Chamber of commerce in cooperation with the municipalities. The buildings will be connected to the urban heat

exchanger network to avoid any CO₂ emission on site. Surveys on the reduction of waste and the improvement of waste management are now pending within the framework of the planning project of the future building.

- In *France* Dexia Crédit Local carried out in June 2005 a Bilan Carbone® – i.e. the carbon balance sheet – of its Paris premises and acquired a new HQ building in Paris, which will bring all Paris employees under the same roof at the end of 2006. The planning of the new premises will be a good opportunity to draft a new environmental action plan for 2006 taking into account the results of the Bilan Carbone® and the diagnosis elements of the new building. Against this background the following fields are now being surveyed for feasibility: i.e. technical systems allowing to reduce energy consumption reduction and rationalization of the handling of waste consumables, and a mobility plan encouraging people to use public transports. In order to raise the awareness of its staff on the issue Dexia Crédit Local installed in the hall of its Paris HQ in November 2005 an exhibition on the topic of “Sustainable development at the heart of local policies”. The exhibition was also advertised on the intranet for the employees of the regional network.

- In *Belgium*, the building housing Dexia SA and located at square de Meeûs 1 in Brussels integrates some principles of environmental management: e.g. installation of switch pumps to disconnect from the water supply grid, optimization of the functioning of technical equipment with e.g. the shut-down of the air conditioning in some empty and unoccupied parts of the building – during restoration work e.g. – programming of external lighting on a seasonal basis and according to the sun trajectory, recycling and redistribution of used cell phones, reception of technical fact sheets for cleaning detergents, choice of a supplier privileging a product range respectful of the environment. The employees of the holding company will move into the Dexia Tower in June 2006; it



The Brussels Institute for Environmental Management – IBGE in its French acronym – grants for the Brussels Capital region the label of ecodynamic companies to buildings that can get up to three stars per building occupied. Dexia Bank, which was granted in March 2003 two stars as a follow-up to the official label it received for its building located rue de Trèves 25, also received two stars for the building located Avenue Galilée 5.



will be an opportunity to improve some environmental management principles further.

All in all, the Group's paper and ink cartridge management policy has reached its reduction objective. Paper consumption has decreased by 4.15% in 2005. The reduction is partly due to a reduction of almost 38% of virgin paper consumption. It is to be noted that the

important increase in the consumption of recycled paper in 2005 is due to the integration of Dexia Insurance Belgium within the scope of the environmental reporting. Indeed, 95.6% of virgin paper consumed by Dexia Insurance Belgium is made of recycled paper.

Energy

- For many years Dexia Bank has been implementing energy use optimization actions in *Belgium*. Water consumption has been given particular care. The production of cold and hot water is automated in order to optimize the use of machine yield depending on energy use. Hence any abnormality in the use is reported and there is a better follow-up of the energy production. With each branch renovation an air/air heat pump is systematically installed. It needs to be pointed out that the strong increase of the gas consumption indicator in 2005 is due – among other things – to the opening up of the Pacheco building.

- In *France* Dexia Crédit Local carried out a Bilan Carbone® of its Paris premises in June 2005. The information gathered in the survey is being taken into account in the 2006-2007 environmental action plan which should flank the moving of all teams into a single building at the end of 2006. Against this background Dexia Crédit Local is now reviewing the cross implementation of the different measures – energy savings, purchase of green energy, reforestation – which would allow Dexia to become “carbon neutral”.

- In *Austria* Kommunalkredit has been providing its offices with green electricity since January 1, 2005. The chosen product called AAE Naturstrom is certified and the object of much monitoring. The energy generated comes for 69% from hydroelectric power, for 30% from wind energy and biogas and for 1% from solar photovoltaic energy. The initiative should allow reducing CO₂ emissions in Kommunalkredit buildings by 40% in 2006.

PAPER CONSUMPTION IN 2005

	Virgin paper (ECF** & TCF**)		Client stationary (ECF & TCF)	Recycled	TOTAL
	FTE*	/ton	/ton	/ton	
Dexia Bank	7,279	457	1,776	24	2,257
Dexia Insurance Belgium	915	3	48	65	116
Dexia BIL	2,454	505	88	ND	593
Dexia Crédit Local	1,154	105	49	14	168
Dexia Crediop	235	2	1	18	21
Dexia SA	136	7	0.4	ND	7
TOTAL	12,173	1,079	1,962	121	3,163
<i>Trend/2004/FTE</i>		-7.37%	-5.36%	+99.95%	-4.15%

* Number of FTEs – full-time equivalent – concerned by the indicator.

** ECF (Elementary Chlorine Free) & TCF (Totally Chlorine Free)

ND: not determined

INK CARTRIDGE CONSUMPTION IN 2005

	FTE*	Number of ink cartridges consumed (brand names, generics and second-hand)
Dexia Banque	7,257	7,415
Dexia Insurance Belgium	915	1,405
Dexia BIL	2,454	4,526
Dexia Crédit Local	1,154	3,269
Dexia Crediop	235	416
Dexia SA	136	224
TOTAL	12,151	17,265
<i>Trend/2004/FTE</i>		+1.68%

* Number of FTEs – full-time equivalent – concerned by the indicator.



Dexia Bank is implementing in Belgium a proactive policy in order to take fully account of environmental impacts in its property investments. The new building in Brussels was built in accordance with numerous waste management and reduction of energy consumption policies.

- Dexia BIL will invest for the next two years in the large-scale replacement of the cold generation facilities of its HQ building called *L'Indépendance*. The bank's aim is to reduce energy consumption by 10%. The work foresees the fitting of an ammonium-based cold generation equipment, which will be located outside the building as well as the implementation of a set of optimizing measures. The building of a recovery basin for fire extinction waters is also on the agenda. Finally significant technological changes have been applied to adapt the building to the strictest demands in terms of energy consumption and savings. The old branch cooling devices working on R22 – chlorodifluoromethane gas – will be phased out as well and replaced in the future. The policy will flank Dexia BIL's policy for three of its buildings (i.e. Citius, Altius, Fortius)

where a total of 834 FTEs work, which are supplied by a co-management system whose share of energy consumed for the distribution of hot and cold water decreased by 33% in 2005 – evolution calculated as a percentage of the FTE average for 2005/2004.

Transport

All in all the results of the indicator on professional travels translates the Group's aim to minimize the use of air transport as much as possible in order to privilege train travels.

FLUIDS AND ENERGY CONSUMPTION PER BUILDING IN 2005

	FTE*	Electricity /kWh	Gas** /kWh	Fuel- heating oil /liters	Water /m ³
Dexia Bank	5,736	50,022,277	16,645,651	108,741	108,064
Dexia Insurance Belgium	915	6,517,225	5,484,763	23,000	14,790
Dexia BIL	2,454	19,819,875	NC	42,882	ND
Dexia BIL (FTEs not accounted for in the total of 10,671)	1,260	NC	5,913,428	NC	40,452
Dexia Crédit Local	1,195	6,583,424	397,834	0	22,405
Dexia Crediop	235	1,423,885	350,480	2,700	3,245
Dexia SA	136	197,583	ND	0	544
TOTAL	10,671	84,564,269	28,792,156	177,323	189,500
<i>Evolution/2004 /FTE</i>		+2.82%	+33.38%	-18.84%	+11.15%

* Number of FTEs – full-time equivalent – concerned by the indicator.

** Conversion rate: 1 m³ = 11.06 kWh.

NC: not concerned

ND: not determined

0: no consumption

• Dexia Bank's social partners in *Belgium* signed in December 2000 a mobility plan whose aim is to encourage the use of public transport and of alternative means of transportation like bicycles or car sharing. Applying the mobility plan was pursued further in 2005 within Dexia Bank and at the level of two of the subsidiaries of Dexia BIL in Brussels – Dexia Asset Management Belgium and Dexia Fund Services Belgium. The mobility plan puts forward a precise system for the payment of several financial

compensations aimed at encouraging the least polluting modes of traveling of the bank's employees – public transport, car sharing, bicycle, walking, etc. Since October 2005 a hybrid car – Toyota Prius – is also being tested as the future fleet's car. So the share of employees taken into account in the mobility plan and using public transport or non-polluting means of transportation stays at some 60% of all FTEs in 2005.

PROFESSIONAL TRAVELS IN 2005

	FTE*	Corporate + private cars/km	Plane/km	Train/km	TOTAL
Dexia Bank	7,279	26,367,570	2,773,068	1,885,325	31,025,963
Dexia Insurance Belgium	915	5,574,000	105,870	32,858	5,712,728
Dexia BIL	2,818	1,128,890	4,831,153	810,732	6,770,775
Dexia Crédit Local	1,154	3,531,750	5,122,566	3,435,825	12,090,141
Dexia Crediop	235	225,490	733,166	114,856	1,073,512
Dexia SA	136	1,115,881	782,430	1,636,579	3,534,890
TOTAL	12,537	37,943,581	14,348,253	7,916,175	60,208,009
<i>Variation/2004/FTE</i>		+19.06%	+5.86%	+39.06%	+17.79%

* Number of FTEs – full-time equivalent – concerned by the indicator.

DATA CORRESPONDING TO THE MOBILITY PLAN OF DEXIA BANK AND OF THE TWO DEXIA BIL SUBSIDIARIES IN BRUSSELS (DEXIA FUND SERVICES & DEXIA ASSET MANAGEMENT)

Number*	Management car		Private car without car sharing		Car sharing		Train		Public transport		Bicycle		Motorbike		Pedestrians		
	Units	Share** in %	Units	Share** in %	Units	Share** in %	Units	Share** in %	Units	Share** in %	Units	Share** in %	Units	Share** in %	Units	Share** in %	
2004	8,004	523	7	2,551	32	157	2	3,304	41	1,205	15	163	2	46	1	55	1
2005	8,321	688	8	2,502	30	143	2	3,914	47	835	10	150	2	39	0.5	50	1

* number of employees concerned by the indicator.

** share in percentage of employees using this particular means of transportation.

HR management and social dialogue

Respecting fundamental rights and looking for social equality are basic components of Dexia's action in HR management and social dialogue. Created 10 years ago now Dexia has taken in 2006 a new step in its growth whose prime aim is to strengthen the integration of its employees, to move from a culture of identities towards a Group culture and to define a management adapted to its challenges.

For several years now Dexia has been pursuing a full action program in order to integrate the aim of social responsibility into HR management. In 2005 the process mainly dealt with the position of women and it will go on in 2006 with the promotion of actions in favor of people with disabilities, of ethnic minorities, of seniors and juniors.

An integrated management strategy

In 2005 Dexia Group took a new step in its development by adopting an HR management strategy based on principles that will be common to all entities.

Strong commitments

The commitments the Group intends to respect and have respected in terms of training, hiring, internal mobility and performance management are part of the *HR Quality Charter*. Drafted in 2004 by the HR department of the Group in cooperation with the HR teams of the entities the Quality Charter is part of the follow-up to the *Principles of Social Management* signed in December 2002 by the CEO and the European Works Council. The clarity of the Charter's commitments and the broad circulation they are being given are at the heart of the Group's social responsibility policy. Progressively phased in in 2005 and 2006 the commitments must be effective by the end of 2006 in all head entities of the Group. In order to follow up on the progress achieved a biannual presentation of the respect of the commitment will be made to staff representatives at the level of the European Works Council.

From commitment to action

The charters and commitments in the making in companies are often confronted with limitations due to difficulties in implementation or to the lack of adaptation of the content to practice. In order to remedy such difficulties Dexia created in 2005 the Business Partner function in the different HR departments of the Group. The Business Partner is responsible for the local implementation of the measures adopted at Group level – *Principles of Social Management, HR Quality Charter, non-discrimination commitments, etc.* The Business Partner is also the favored



The HR Quality Charter is:

- 9 commitments on training and career development
- 8 commitments on internal mobility
- 7 commitments on performance assessment



interlocutor of both management and employees; he intervenes on a daily basis on all matters pertaining to needs in hiring, training and career management. As a specialist in both human resources and the business line in which he/she intervenes, the Business Partner fulfills immediate needs – hiring, training – and responds to the need to anticipate longer-term needs in the future – professional profiles needed, career paths, organization, etc.

Raising the teams' awareness for sustainable development

- Sustainable development deals with many areas it is important to regularly raise the awareness of teams about. The *HR Quality Charter* reaffirms – in its training strand – the commitment of Dexia Group to raising the awareness of all its managers on the principles of social responsibility. In 2005 the theme of sustainable development was the topic of many articles be it on the company's magazine *team+spirit* or on the *team+spirit welcome* intranet.
- The awareness raising aim is jointly implemented by each entity of the Group as well as by their subsidiaries. So in *Italy* Dexia Crediop organized – within the framework of its EMAS standardization and the relaunch of its sustainable development program, manager workshops on sustainable development. The action was then relayed through the organization of training seminars and the posting of internal information for all staff members on the *Infoflash*.

The Group's employment situation in 2005

The return to a reasonable growth in headcount – started in 2004 – went on in 2005. Employment is slightly increasing in the Group with 24,418 employees in 2005 against 24,019 in 2004 (i.e. +1.7%).

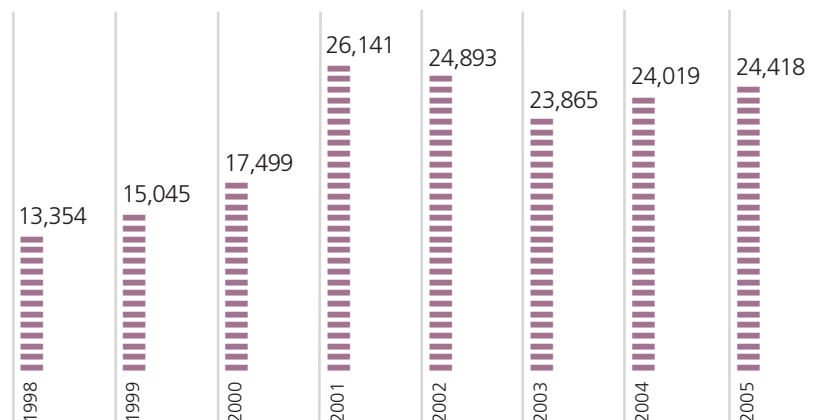
If structural effects are neutralized, the organic growth of the workforce even reaches 2%. 2005 was marked by significant geographical expansion with new business developments in Mexico, Canada, Bulgaria, Japan, Romania, the Czech Republic and Poland. In 2005 Dexia was an employer in 30 countries through 111 companies, managed a total of 114 expats and organized 253 employer mobility operations.

- The male (53.47%)/female (46.53%) distribution has recorded a slight increase in favor of women.
- Turn-over has decreased slightly and is now at 6.69% (against 6.94% in 2004) of the headcount under long-term contracts. It is to be recalled that Dexia neutralizes structural effects of the calculation of the turn-over rate in order for it to faithfully reflect changes in the workforce.



In *Italy*, special topics of Dexia Crediop's *Infoflash* are dedicated to sustainable development.

Evolution of the Dexia workforce



The detailed social balance sheet is available in the Appendix on pp. 59-63.



The Marco Polo program of the DCU which focuses on the international mobility of the Group was elected best European training program by *Funds Europe* magazine.

Managing restructuring

Dexia applied the *Job Services* process, first implemented in 2002, to accompany the merger or restructuring processes that happened in the Group in 2005. E.g. the process implies anticipating upon the suppression of jobs and upon the vacancies available in all of the Group's entities; it also implies minimum recourse to fixed-term employment contracts, the optimization of the reconversion process in order to limit external hiring and to proceed with the temporary employment – with their agreement – of surplus employees as well as the provision of an adequate and individual training plan depending on the needs identified within the framework of the intended reconversion. The process – deployed in order to implement the *social management principles* adopted with the European Works Council in 2002 – accompanied the restructuring of Dexia Private Banking, Dexia Securities France and of the insurance broker Rekord in Germany whose activity was discontinued end of 2005.

Promoting the blooming of talents

Favoring mobility

Present in 30 countries Dexia Group offers – because of the diversity of its business lines – true career evolution opportunities. In order to facilitate international exchanges of employees joint rules have been implemented with the *Passport for Dexia project*. The document provides for a set of common rules and principles applicable to posted and expat employees and contributes to the integration of employees

and to the development of a feeling of belonging to the Group.

In order to be as close as possible to the international evolution of the Group and to integrate the great diversity of mobility, 7 important categories of mobility have been identified – each one with its specifics and its relevant remuneration package. A unit including HR professionals of the main entities of the Group called the “Global Mobility Team” has been especially set up to supervise the proper implementation of the policy.

Developing training

- To guarantee the long-term sustainability of the company, it is important to provide for the development of the skills that will be needed in the future and to have all managers adhere to a common management model. Amongst the actions undertaken by the HR department in 2005 consolidating the Dexia Corporate University (DCU) was undeniably one of the most striking elements. The role of the university is to add to the programs already in place in the entities with strategic and international initiatives. The university aims at providing high-level programs and personal development opportunities to Dexia's top executives and managers, and to high-potential executives. It also integrates programs geared towards all employees of the Group in order to allow for the deployment of training actions that correspond to horizontal issues. The University is organized in 6 main faculties each one corresponding to one of the Group's issues, i.e. Management & Leadership, Sales & Business Development, Finance & Risk Management, Operations & Technology, Tax, Legal & Accounting and Communication & Languages. A mixed strategic committee with HR representatives and operations managers guarantees the continuous adequacy of the curricula of the DCU with the present and future topics Dexia has to handle. To this training offer two additional services need to be added i.e.

a *Corporate Club*, that allows the participants in a DCU training course to exchange their experiences and a *Dexia Business Review* that takes care of disseminating reports and minutes of the meetings of the different faculties to all of the executives of the University. In 2005 697 employees from 45 entities of the Group followed classes at the Dexia Corporate University, mainly in the “Sales and Business Development” and “Management & Leadership” faculties.

• In addition to the programs of the DCU developing managers’ skills also goes through an individualized and adapted approach. In 2005 Dexia developed two new approaches: coaching and mentoring. Being the object of a limited contact between a professional coach and a manager, coaching aims at training managers by working on precise short and mid-term objectives. Mentoring on the other hand establishes a link between senior and junior employees in order to help the latter better assess, plan and reach the important goals in his/her career development.

Promoting diversity

• Within the framework of its sustainable development action plan Dexia launched in the beginning of 2004 several actions promoting diversity. This process went on in 2005 at the level of the HR management policy both at Group level and in the entities. Diversity was the main theme of the yearly seminar of HR professionals and internal communication specialists of Dexia Group in Budapest in March 2005. For Dexia the notion of diversity includes a broad range of areas e.g. languages, culture, or training and does not just boil down to the “non-discrimination” principle or to ethnic diversity.

• In 2005 Dexia committed itself to promoting diversity in all areas and mainly developed actions on the issue of equal opportunities between men and women – throughout the Group – on ethnic diversity – in *France* and in *Belgium* – and on the integration of disabled workers in *France*. Such commitments were relayed through several initiatives at the level of the entities.

- So in *Belgium* Dexia Bank signed in June 2005 – next to more than 40 Brussels-based companies – the “Diversity Charter in the company”. The process – adapted to the specifics of the company and based on objective criteria linked with on-the-job demands – is a direct follow-up to the Dexia *White Paper* project and the signing in *France* of the “Diversity Charter” that took place at the end of 2004.
- In *Luxembourg* the Dexia BIL HR teams participated in 2005 in a training on gender balance organized by the Ministry for Equal Opportunities. A framework contract was signed between the bank and head hunting firms committing Dexia to looking for candidates without applying any gender bias to their hiring.



The standardized framework

Dexia Group’s diversity policy revolves around a standard framework including internal and external commitments:

• **internally:**

- the *Principles of Social Management* at Group level were signed in 2002,
- and reaffirmed and clarified in the *HR Quality Charter* circulated in October 2005.

• **externally:**

- in *France* and in *Belgium*, the “Diversity Charter in the company”,
- in *France*, a “Charte de l’Apprentissage” (Apprenticeship Charter),
- in *France* an “equal opportunity label” for Dexia Sofaxis.

Strengthening the position of women in managerial positions

• Whilst equal opportunities between men and women are well respected on the total headcount of the Group, unbalance remains significant in managerial positions. Indeed the share of women is 9.3% only amongst the 259 top executives of the Group, 24% of the Dexia high-potential executives and 28% of all executives. Therefore unbalance is particularly blatant in the pool of high-potential executives who will be – within the next 5 to 10 years – Dexia’s management. This is why Dexia launched – within the framework of the implementation of its social responsibility action plan – a project titled “The place of women within the Dexia Group”. The aim pursued by the action plan is twofold: make mentalities evolve and allow for the fostering of a pool of competencies essential to the long-term development of the Group. Following the release in September 2004 of a White

Paper drafted by nine top executive women of the Group, a series of actions were adopted in 2005 and phased into the Group.

- Some entities took several initiatives in parallel to Group policies.
 - In *France* Dexia Sofaxis received on November 17th 2005 the “Equality Label” awarded by the French Ministry for Social Cohesion and Equal Opportunities. Dexia Sofaxis is the 17th French company and the first in Dexia Group to be awarded this label. In order to spread the best practice to all of the Group’s entities, Dexia Sofaxis will suggest in 2006 to the different entities of the Group to benchmark their practice and hence benefit from already acquired expertise.
 - In *Belgium* Dexia Bank has been nominated in the large corporations category for the award of the company that best respects equal opportunities between man and women and as least discriminatory company. The trophy was handed in by Comeva, the women’s platform that



9 measures to strengthen the position of women

1. Raising the awareness of managers on the challenges of equal opportunities.
2. Prohibition of direct and indirect discrimination.
3. Promoting the hiring of female talents: no positive discrimination but the headhunting consultancies and the HR teams will have to implement means allowing to present an equal number of male and female candidates to managers.
4. Better respect for private lives: a time charter has been drafted in each entity to avoid as much as possible e.g. late or unforeseen meetings.
5. A better balance between private and professional life: to allow for increased flexibility of working time management, Dexia has committed itself to widening possibilities to access professional emails and IT files on line from a distance.
6. Building bridges and easing the return to work: allowing women to stay in touch with their company during their maternity leaves to make it easier for them to come back to work.
7. Allowing non-linear career paths – double ambitions: the Group commits itself to develop a system allowing women to officially put their career evolution on the backburner when they wish to dedicate their time to raising their children.
8. Succession management: promoting the identification of high potential women by increasing the number of women selected by the entities to participate in skill assessments.
9. Performance assessment: integrating feminine values in the executives assessment process.

gathers the editors' offices of magazines like *Flair*, *Libelle*, *Feeling*, *Evita* or *Glam*IT*, and the job site *Jobat*.

- In *Luxembourg* as the winner of the *Femina* award in 2003, Dexia BIL will be in the 2006 jury which awards the initiatives in terms of equal opportunities in Grand Duchy companies.

Integrating people with disabilities

- The objective of non-discrimination towards disabled people is well-placed in the Group's *Principles of Social Management* and in the *HR Quality Charter*. However, reporting on the integration of people with disabilities remains hard to implement due to the fact that the definition of disability and the way to account for people with disabilities varies considerably from one country to the next. In 2005 Dexia had a combined action on the following: direct hiring of people with disabilities, subcontracting to sheltered workshops employing people with disabilities, payment of a mandatory contribution to the association managing the fund for the professional integration of people with disabilities in order to abide by its employment obligation towards disabled people.

- In *France* Dexia Crédit Local has launched since March 2005 a specific action plan towards integrating people with disabilities. The policy is twofold: internal communication and awareness-raising actions have first been organized with staff representatives and operations managers in order to remove taboos in the company. Step two – getting to know people with disabilities and their difficulties to integrate – materialized through a series of partnerships between the bank and specialized associations like “*Tremplin*” – an association of businesses aimed at supporting disabled students and at orientating their university studies towards

business activities –, “*Club Etre*” – an association of sharing of experiences between companies – or *AFIJH* – the association promoting the integration of young people including people with disabilities. The positions susceptible to welcome – more easily – disabled workers have been identified and should be filled in 2006.

Acting on cultural and ethnic diversity

With the 68 nationalities part of the Group's headcount, Dexia is aware of the challenge represented by diversity for the company as well as for the integration of some minorities. In *France* Dexia Crédit Local signed in 2005 a series of partnerships with associations whose aim is to favor the hiring and promoting of candidates from prominent minorities or less favored neighborhoods. Dexia Crédit Local is e.g. partner of the Association promoting the professional integration of young graduates (*AFIJ*) since June 2005 and of the association “*Des Entreprises aux Couleurs de la France*” (association of companies trooping France's colors) since January 2006.



In *Luxembourg*, Dexia BIL takes part in the “*Femina* award” initiative.

30%

In 2006 the challenge of the seniors will be the object of a dedicated policy. 30% of the Group's employees are now between 45 and 65.

The challenge of the seniors

With an average age of 39 for its workforce Dexia is a relatively young company. However due to the massive hiring that happened in the Dexia Group banks during the 1980ies when they were developing their activities, the number of employees over 50 will increase sharply in absolute terms after 2010. In order to prepare the inversion of its age pyramid Dexia therefore decided to put the topic of ageing staff in its HR action plan. Launched in 2005 by Dexia Bank the "Silver" project allowed looking into the specifics of the age pyramid of the bank with the social partners in house. An awareness raising campaign on the issue has been organized by the HR department through a department-based mapping exercise. In 2006 new proposals will be drafted for older employees in order to strengthen their integration into the bank's departments.

Sharing growth

Employee shareholding

A socially responsible group must also involve its employees in its growth. So since the beginning Dexia has created a common and universal system applicable to all employees wherever they may live that allows them to become shareholders of their company. To date Dexia is still the only company under Belgian law to provide an international shareholding

plan with a classical offer and two leveraged offers allowing its employees to invest depending on their financial means in shares of their company. In 2005 4.82% of all Dexia shares were detained by Dexia employees, which represents a stock exchange value of more than EUR 1 billion as of December 30, 2005.

The track record of this strengthened employee participation policy is very positive as after the success of the five previous capital increase operations reserved to Dexia employees almost 7 employees out of 10 now hold Dexia shares. Dexia employees are now Dexia's 5th biggest shareholder with 4.82% of Dexia's capital against 0.4% only in the beginning of January 2000.

A company project

2005 was marked at Dexia Bank by the pursuit of the company project renamed "*The Dexia Way*" (formerly called ENJOY). The project materialized in the launch of several activities. Within the framework of Leadership the bank intends to promote to its top managers a better balance between an operational attitude and an approach that focuses more on the "company's values". Whilst the first leadership model was being drafted, some members of the top management have also been submitted to a 360° assessment. In 2006 all higher executives are invited to a similar assessment and will benefit from a wide range of training modules on "Leadership & Change".

96% of all employees consider that employee shareholding is important or very important for them.
(Anonymous satisfaction survey done early 2005 by Dexia).

4.82%

of Dexia's capital is in the hands of its employees.

Health and safety at work

• The nature of Dexia Group’s activities does not generate significant hazards for the health and safety of its workforce. In each entity prevention plans are nevertheless drafted in close cooperation with occupational doctors and staff representatives. The scope of work and contents vary according to the law applicable in each country.

So e.g. *Belgium* has an overall five-year prevention plan and *France* a single risk assessment document linked to a yearly prevention plan.

In *Luxembourg* Dexia BIL has – since the 1990ies – a sick bay that handles some 2,000 consultations per annum and carries out several vaccination and guidance actions – travel, dietetics, alcoholism, tobacco consumption, etc. There is a possibility for employees over 48 years of age to undergo a health check-up fully covered by the company. The results of the check-up are strictly protected by medical secrecy. Therefore Dexia BIL’s action goes beyond what is strictly provided for by law which

only imposes welcoming and taking care of any employee going to an emergency consultation to receive primary health care.

• Preventing moral harassment is a strong topic of Dexia’s HR policy. Its entities implement specific action plans in this particular area. Hence, in *Luxembourg* a charter including 7 precise commitments against harassment has been signed on October 25, 2005 by Dexia BIL’s management and staff representatives. A joint committee with 3 members from management and 3 members from staff will handle complaints and make mandatory decisions within the next 15 working days.

Well-being at work

Aware of the importance of well-being at work some entities of the Group developed in 2005 a series of initiatives aimed at providing their employees with working conditions conducive to increased performance and to a better management of stress at work.

In the course of 2006 the topic will be reviewed by the European Works Council and – to be more precise – by its social committee.

• In *Luxembourg* for instance Dexia BIL offers anti-stress massage sessions to its employees; the cost of the sessions is partly or fully paid for by the bank. The joint management structure of Dexia BIL social activities opened up in 2004 a crèche called “Dexiastaff” for those Dexia BIL employees whose workplace is located on Grand Duchy soil. Its capacity to welcome children being limited the bank set up in 2005 a toddlers’ care bonus system. Dexia BIL also developed – with 3 health care organizations in Luxembourg and Belgium – child care contracts for sick children. The will to help employees better reconcile the needs of their private lives with the demands of being



Preventing nicotine addiction

In 2005 the different entities of the Group developed projects aimed at limiting nicotine addiction in the company.

• In *Luxembourg* Dexia BIL launched in April 2005 the “Oxygen” program. The aim of the program – organized in partnership with the Luxembourg Foundation against Cancer (FLCC in its French acronym) – is to turn Dexia BIL into a totally smoke-free environment by June 2006. The decision will be applied to all buildings of the bank including the new Belval-Ouest building. In order to reach the objective,

the bank will support smokers and non-smokers in its staff through different awareness-raising actions and cover the cost of seeking medical support to quit smoking.

• In *France* Dexia Crédit Local launched a similar action program for its future Paris headquarters at the end of 2005.



present at work also led Dexia BIL to offer different types of services – i.e. bakery, dry cleaning, caterer, press shop, shoe repair and drug store – in the premises of the building *L'Indépendance*.

- In *Slovakia* as well Dexia banka Slovensko provides its employees with free vacation centers and offers a social benefit to its employees in difficult social situations.

Industrial relations and social innovation

A resolutely innovative European Works Council

The European Works Council (EWC) brings together – around the Chairman of Dexia's Management Board – the Group's Head of HR, the social relations managers of the main entities as well as 29 employee representatives from each of those entities that employ more than 150 people. 2005 was also the year of new dynamics for the exchanges with the EWC, such exchanges being marked e.g. by several new initiatives:

- the strengthening of exchanges with a Bureau meeting every six weeks and six plenary EWC meetings during the year;

- a better adaptation of the EWC organization with the setting up of specialized committees in charge of handling the work of EWC elects and of studying technical questions;
- a strengthening of the information procedures of the EWC with the possibility for the latter to have the consolidated financial statements of the Group analyzed by chartered account of the EWC's choice;
- a strengthening of EWC communication over the Intranet of the Group and the possibility for all entities of the Group to view the minutes of meetings.

An improved social dialogue

The social dialogue life of the Group's main entities was particularly intense in 2005. Indeed 39 collective agreements were signed with all trade union representatives of the Group's staff. The agreements mainly dealt with wage savings (25%), trade union rights (21%), pay and employee status (20%) as well as working time (13%).

The partnership between Dexia and the Royal Bank of Canada was one of the major events of the social year. The new joint venture will regroup the fund administration activities of both partners. For Dexia this called for removing some of the fund administration activities from some of its entities – i.e. Dexia BIL, Dexia Private Banking France and Switzerland – in anticipation of the change in the shareholding structure as of January 1, 2006. The evolution translated in the signing of collective agreements intended to clarify or organize the terms of the transfer of both activities and employees into the new joint venture.

In 2005 those companies sending out representatives to the Dexia EWC represented close to 80% of the Group's headcount.

39

collective agreements have been signed in 2005 in the Group's head entities.



Within Dexia 32% of women and 6.5% of men chose to work part time in order to strike a better work-life balance.

In total 18.5% of the Group's headcount opted for this solution in 2005 – against 17.5% in 2004 and 15% in 2003.



The position of **women** at **Dexia**: creating value for more **diversified** **management**

April 2004: Implementation of the “Social Responsibility” action plan of Dexia Group

Aware of the insufficient number of women amongst the Group’s top executives Dexia integrates a reflection on the position of women in the company into its Social Responsibility action plan.

September 2004: Publication of the “White Paper on the place of women”

A White Paper underlining the need for Dexia to create conditions for diversified management is drafted by a committee of 9 top executive women of the Group.

January 2005: Drafting of 12 measures

In accordance with the recommendations of the White Paper, the Management Board of Dexia Group drafts and validates a list of 12 actions.

February 2005: Circulation of the measures to all Dexia Group employees.

**2006: Decentralized
implementation and deepening
up of the measures throughout
the Group.**





Community involvement

Analyzing the impact of the company must integrate all of the company's contributions and partnerships in order to assess its involvement in the community and its local presence. Many policies and initiatives therefore allow developing the company's citizenship dimension: i.e. sponsoring actions, links with civil society, awareness raising and training actions, etc. Dexia's citizenship commitment takes different objectives depending on the features of the countries and on the expectations of the local communities. The total amount of the Group's financial commitment in this area is a little more than EUR 7.1 million, i.e. +15.9% in 2005 compared with 2004 and +13.2% at constant consolidation scope. However this amount does not include e.g.; the operating costs derived from the actions taken, some important sport sponsoring operations that may be linked to the bank's marketing activities, as well as the time spent by Dexia employees working for existing Foundations of the Group.

What might also be pointed out is the financial participation of Dexia through the Group's charitable works. It is however hard to give a uniform overview of this participation given the differences in legislations between the different countries of the different entities. The amount dedicated by Dexia to charitable work at the level of the Group's head entities in 2005 is hence mentioned for information only: EUR 3.9 million. The amount includes budgets for the joint management of charitable works by Dexia BIL in Luxembourg, the charitable activities budget of the Dexia Crédit Local works

council, the budgets of the vacation centers and camps and of the Dexia Bank Club 44, as well as the money spent for the *Dexia Games* (339 participants meeting in Belgium in September 2005).

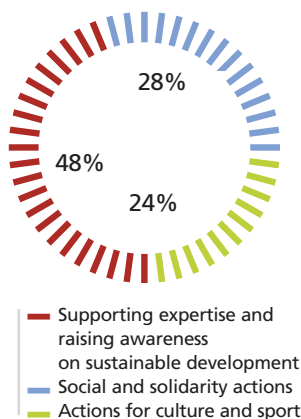
Supporting expertise and raising awareness on sustainable development

Next to its expertise in local finance, Dexia pursued in 2005 its policy for the circulation of best sustainable development practice in partnership with networks of experts and associations of local authorities. Dexia's commitment to citizenship is primarily expressed in this field (48%).

- In *France* in December 2005 Dexia was e.g. the partner of the European Award on Finance & Sustainable Development research with the Forum for Responsible Investment. For the 3rd year running Dexia Crédit Local organized "Les rubans du développement durable" (the Ribbons of Sustainable Development) in cooperation with Comité 21, the Association of Mayors of France's Big Cities (AMGVF) and the Association of French Mayors (AMF). Since the beginning the event awarded 32 local authorities whose expertise has been broadly circulated and communicated through 3 books released by Dexia Editions. Several other books and surveys have been published: e.g. in France a guide titled *Faciliter la mobilité des citoyens* (Making it easier for citizens to be mobile), published in partnership with the Fédération Nationale des Travaux Publics (French acronym for the National Federation of Public Works) as well as the guide titled *Le changement climatique, enjeu des politiques*

DISTRIBUTION OF THE MAIN TOPICS

in % of the overall financial amount (EUR 7.1 million) dedicated to citizenship actions by the Group and its main subsidiaries in 2005



EUR 7.1
million

is the overall amount committed by the Group and its main subsidiaries for citizenship action.

locales (Climate change, the challenge of local policies), published in partnership with the Association of French Mayors, the Association of Mayors of France's Big Cities, the Agency of the Environment and the Mastering of Energy and the Interministerial Mission on the Greenhouse Effect, *Le changement climatique, enjeu des politiques locales*. Moreover Dexia Crédit Local intervened during the national conference on HQE – high environmental quality – and organized information meetings in partnership with the HQE association. The *HQE® Guide* published in 2003 has been updated in 2005. In November 2005, Dexia Crédit Local carried out with the opinion poll institute Ipsos a national survey titled “The French, their local elects and sustainable development” and pursued its partnership with the BMJ Urbivalor agency by organizing several actions and surveys including a thematic survey highlighting the best practice of cities in the area of climate change. In November 2005 the bank also supported the Civitas Forum organized within the framework of the European Union program on the promotion of clean and sustainable transport in European cities. Finally within the framework of the awareness raising action of local elects through environmental protection, the Dexia

Crédit Local Foundation supported the organization of an exhibition in partnership with the Conservatoire du littoral and the regional national parks during the Congress of French Mayors in November 2005.

- In *Italy* Dexia Crediop joined the coordination of the local Italian Agenda 21 structures it sponsored the yearly convention of. The Italian subsidiary participated – in partnership with the European Union and the coordination body of Italian Agenda 21 structures – in the conception and establishment of best practice to prepare urban environmental management plans for the South of Europe. Within the framework of the signing of an agreement with Legambiente – an NGO – and the Ambiente Italia research institute, it will fund in 2006 the carrying out of first comparative survey on environmental indicators and best practices in large European cities.

- In *Luxembourg* Dexia BIL has been offering since 2004 on its website www.dexia-bil.lu a section dedicated to sustainable development. The pages of the site – available in four languages – introduce the bank's responsible action.

- In *the Netherlands* Banque Artesia Nederland organized – for the benefit of charities – meetings with its clients in order



In France, Dexia Crédit Local published in July 2005 a guide titled *Faciliter la mobilité des citoyens*, in partnership with FNTP.



Published in November 2005, the local management guide titled *Le changement climatique, enjeu des politiques locales* is intended as an awareness raising tool developed with a view to pulling local policies towards struggling against climate change.



As an awareness raising tool for the elects on the issue of HQE the High Environmental Quality local management guide published in 2003 with the National HQE Association has been updated in November 2005.



The publication of the book titled *Le développement durable à l'usage des collectivités locales* accompanies the 2005 edition of the Ribbons of Sustainable Development. Prefaced by astrophysician Hubert Reeves, the book introduces the best practice of the 11 winners of the 2005 edition of the Ribbons.



Since 1997 Dexia Editions participates in the publishing of collections of books focusing on highlighting the historical, urban planning, architectural and artistic aspects of the heritage of local authorities in partnership e.g. with the Conservatoire du littoral. In 2005 Dexia Editions participated in partnership with the regional natural parks and the Dexia Crédit Local Foundation in the release of the *Almanach du développement durable*, printed in more than 15,000 copies. The foundation also supported the launch of a new collection of books titled *Balades entre terre et mer*, sur les sites du Conservatoire du littoral (A journey through the territory of the Conservatory) within the framework of its policy to support the editing of books by the Conservatoire du littoral.

to introduce the advantages of socially responsible investment to the clientele.

- In *Slovakia* Dexia banka Slovensko is one of the sole Slovak banks to be regularly called by social institutions and public authorities to participate in events linked to the environment. This is why the bank organized e.g. two national conferences on the financing of environmental infrastructures and sustainable development in 2005, i.e. the conference titled “Scientific Potential of Universities, when using EU Funds for Municipal Projects” as well as a conference on how to manage the national register on emission quotas, organized in partnership with the Environment Ministry. Dexia banka Slovensko is also partner in actions supporting rural development organized by the Ministry for Construction and Regional Development and by the Agency for Rural Development. As such the bank sponsored and participated as jury member in the “Village Territory 2005” contest organized by the Ministry of Agriculture.

Social and solidarity actions

The social and solidarity actions of Dexia Group have been implemented within the framework of its Foundations and managed directly by the bank and its teams.



- Initiated in 2005 the intervention of the Dexia Crédit Local Foundation is very revealing of the commitment of the bank in the social strand of sustainable development. In 2005 the Foundation pursued its support action in favor of citizen initiatives further and signed a new draft agreement with the National Council of the local missions for youth integration; the agreement is valid for the 2005-2008 period. Following the unrest experienced by some less favored neighborhoods in *France* in November 2005 Pierre Richard strengthened the action of the Fondation Dexia Crédit Local in support of the 20 local missions that mainly intervene in so-called sensitive urban areas – ZUS in the French acronym. In this manner the Dexia Crédit Local Foundation contributes to reinforcing the presence of local missions in such ZUS areas and supports young people so they can participate in the improvement of public policies dealing with young people. Since March 2005 several employees of the Dexia Crédit Local general directorate of Nord-Pas-de-Calais have also committed themselves in sponsoring young people of the local mission from Lille. The Foundation then decided to do the same throughout France and established a country-wide skill sponsoring program at company level. In 2005 36 winners were identified.

- In *Belgium* Dexia Bank created end of 2004 the Dexia Foundation ASBL – non profit-making association – whose aim is among other things to consistently reshuffle the sponsoring actions of the bank in Belgium for the long-term. In 2005 the Foundation pursued the implementation

of social sponsoring projects of the bank on the following line: supporting projects selected for the strong link they have with the bank's challenges using financial but also human means. In a very proactive way the Foundation supports three types of projects that are marked (cf. p. 50) by their outreach and direct aid features:

- supporting young talents;
- supporting palliative care wards in hospitals: the bank wishes to actively contribute to supporting sick people and their families by offering quality and maximum autonomy at the end of their lives. About 44 hospitals now have palliative care wards in Belgium;
- developing microcredit and assisted social loans. Dexia Foundation dedicates a significant share of its funds to the production of financial solutions aimed at those excluded from the banking system for economic and/or social reasons and needing adapted funding either to set up their own business – microcredit – or to acquire what they need to be integrated into society again – assisted social loan.

On December 22, 2005 Dexia Foundation Belgium and Crédal signed a partnership agreement on microcredit and assisted social loans that applies to the Walloon and Brussels regions. The action is part of the policy developed by Dexia Bank in support of poorer people and in line with the United Nations declaration of 2005 as the International Year of Microcredit. A joint legal structure has been created to cover the partnership. The target production of the first program drafted for the 2006-2009 period is 80 to 120 microcredit dossiers per annum. The Foundation also foresees a yearly production of 175 assisted social loans. Both

types of loans are partly guaranteed by the public authorities and by a guarantee fund the Foundation is involved in. The partnership provides for a participation of the Foundation in the cooperative capital of Crédal to the amount of EUR 300,000 and the granting of a credit line estimated at EUR 3.1 million. The project also includes providing some 30 volunteers covered by the Foundation.

- The entities of the Group also organize humanitarian and solidarity actions.
 - In *Sweden* Dexia supports Médecins sans Frontières and Stadsmissionen, an association supporting the homeless.
 - In *France* Dexia Sofaxis dedicates 10% of its purchase budget to products bought from sheltered workshops.
 - In *Belgium* for the fifth year running Dexia Asset Management has been implementing its program "Helping those who help" whose basic principle is to replace company gifts by donations to outreach structures employees of the bank are close to. 10 charities have been selected in 2005.
 - In *Belgium* DVV Insurance – Dexia Insurance Belgium – is involved in the strengthening of road safety. Consistent with its insurance activity the company intends to create conditions for a better society and to avoid the human drama linked to road accidents. Therefore Dexia Insurance Belgium launched in 2005 a competition with its employees; the aim was to find an idea the company could implement in the area of road safety and mobility. The best 5 ideas – posted on the intranet – will lead to the printing in 2006 of a series of glow-in-the-dark stickers recalling the basic rules of road safety preceded by the terms: "I love..."

The new Dexia Crédit Local sustainable development brochure

With a view to making its policy of active support to local sustainable development brief and easily understandable Dexia Crédit Local published in November 2005 a commercial brochure introducing the commitments, financial products and awareness-raising actions within the framework of its sustainable development policy.



Partnerships with microcredit organizations

Crédal is an alternative credit organization active in the Walloon and Brussels regions that supports social projects by offering loans at low rates flanked by management guidance as well as solidarity-based investment solutions. Contacts have been taken with Hefboom – amongst others – a similar organization in Flanders in order to develop the project in the Flemish region.



Actions in sport and culture

Most of the Group's entities are involved in supporting culture, publishing, art, music, theater and sport.

- In *Belgium* Dexia Foundation pursues an active policy in support of young talents which expresses itself through two events: the Dexia Classics music contest – formerly known as Pro Civitate – that the Bank has been supporting since 1965, and the yearly plastic art exhibition called Dexia Art. The support is twofold: the financing of musical instruments and training courses and the

awarding of grants and financial support.

Within the framework of its sponsoring actions, the Bank plays the role of financial institution whilst Dexia Foundation makes sure the projects funded by the bank deliver and are adequately followed up on.

- In *Luxembourg* Dexia BIL has been supporting – for a long time now – prestigious musical events like the festivals in Echternach and Wiltz, the “Musical Spring” of the city of Luxembourg, as well as the Blues and Jazz rally. For several years the Axion program has been sponsoring events more specifically aimed at young people as well as several Luxembourg students' clubs abroad. In the field of art the Bank supports the Fondation Indépendance for the promotion of art and culture in many different ways. Finally Dexia BIL is also involved in promoting sport in Luxembourg as it supports e.g. Dexia BIL Route du Vin, a half marathon, and the Prix Dexia BIL – golf – as well as many sports club – e.g. soccer, basketball, tennis and handball.
- In *Germany* Dexia Kommunalbank Deutschland supports the art and culture center Die Möwe as well as a musical center called Konzerthaus.
- In *France* Dexia Crédit Local has been since 1983 the biggest private sponsor of the Avignon Festival whose aim is to promote primarily European creation in theater and dance. The financial support of Dexia Crédit Local represented some EUR 336,000 in 2005.

EUR 250,000

is the amount of the budget allocated to Dexia Foundation ASBL (non profit-making association) to support young talents in Belgium.



Supporting the victims of natural disasters

Against the background of the many natural disasters of 2005 several entities of the Group showed support e.g. to the victims of the tsunami. Dexia SA paid EUR 200,000 to the Red Cross for the victims whilst in *the Netherlands* Banque Artesia Nederland also sent EUR 6,000 in employee donations topped up by the bank itself. In the *Grand Duchy of Luxembourg* a total sum of EUR 90,000 was donated to NGOs by Dexia BL. In *Germany* Dexia Kommunalbank Deutschland donated some money to the Red Cross in support of the victims of the earthquake in Pakistan.