

FINANCIAL
REPORT
3Q 2008



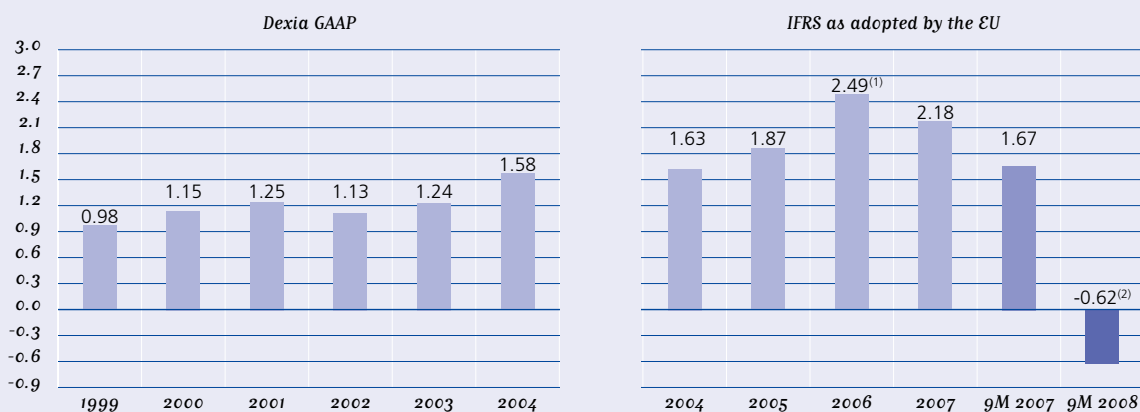
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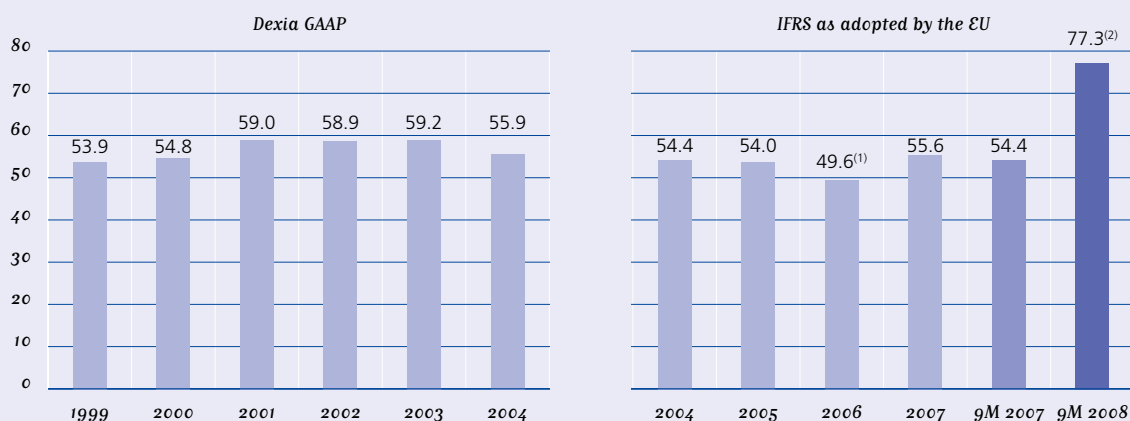
MANAGEMENT REPORT

FINANCIAL HIGHLIGHTS

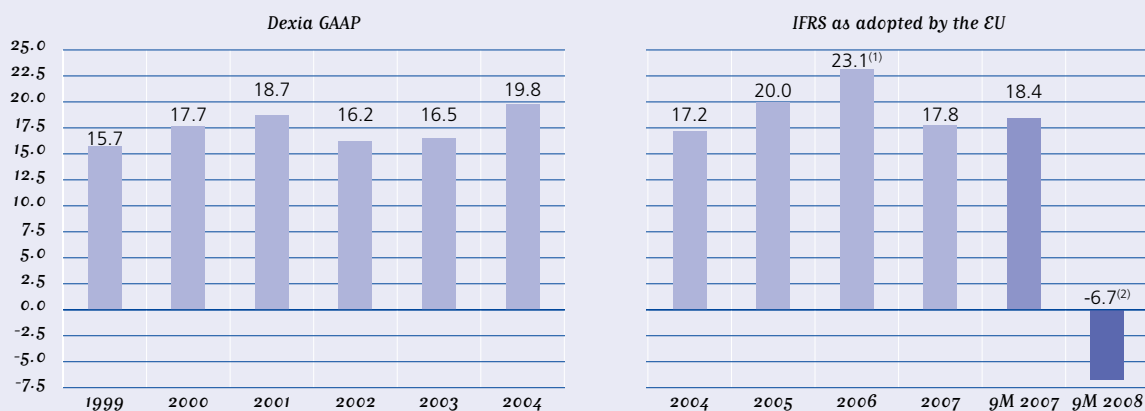
EARNINGS PER SHARE (IN EUR)



COST-INCOME RATIO (%)



RETURN ON EQUITY (%)⁽³⁾



(1) Including EUR 236 million result on Dexia's net asset contribution to the joint venture RBC Dexia Investor Services and EUR 280 million result on the sale of Banque Artesia Nederland.

(2) Including impacts related to the worsening U.S. mortgage environment and the financial crisis.

(3) The ratio between the annualized net income – Group share and the weighted average core shareholders' equity.

REPORTED FIGURES

<i>in millions of EUR, except where indicated</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
STATEMENT OF INCOME						
Income	1,452	315	-78.3%	5,201	3,805	-26.8%
Expenses	(967)	(1,055)	+9.1%	(2,830)	(2,942)	+4.0%
Gross operating income	485	(740)	n.s.	2,371	863	-63.6%
Cost of risk	(47)	(1,078)	x 22.9	(100)	(1,854)	x 18.5
Net income – Group share	439	(1,544)	n.s.	1,946	(723)	n.s.
Earnings per share (basic; in EUR) ⁽¹⁾	0.38	(1.34)	n.s.	1.67	(0.62)	n.s.
KEY RATIOS						
Cost-income ratio ⁽²⁾	66.6%	334.9%		54.4%	77.3%	
Annualized return on equity ⁽³⁾	12.0%	-42.9%		18.4%	-6.7%	

BALANCE SHEET KEY FIGURES

<i>in millions of EUR, except where indicated</i>	Sept. 30, 2007	Dec. 31, 2007	Sept. 30, 2008	Variation Sept. 30, 2008/ Dec. 31, 2007	Variation Sept. 30, 2008/ Sept. 30, 2007
Total assets	584,338	604,564	636,898	+5.3%	+9.0%
<i>of which</i>					
Loans and advances to customers	228,380	242,619	268,236	+10.6%	+17.5%
Financial assets at fair value through profit or loss and financial investments	252,384	257,855	252,001	-2.3%	-0.2%
Total liabilities	566,809	588,170	626,582	+6.5%	+10.5%
<i>of which</i>					
Customer borrowings and deposits	121,655	126,680	114,547	-9.6%	-5.8%
Debt securities	182,309	204,013	213,242	+4.5%	+17.0%
Total equity	17,529	16,394	10,316	-37.1%	-41.1%
Core shareholders' equity ⁽⁴⁾	15,404	16,112	20,089	+24.7%	+30.4%
Total shareholders' equity ⁽⁵⁾	15,598	14,525	8,547	-41.2%	-45.2%
Net assets per share (in EUR)⁽⁶⁾	Sept. 30, 2007	Dec. 31, 2007	Sept. 30, 2008		
- related to core shareholders' equity	12.59	12.87	11.18	-13.1%	-11.2%
- related to total shareholders' equity	12.76	11.51	4.63	-59.8%	-63.7%

CAPITAL ADEQUACY

<i>in millions of EUR, except where indicated</i>	Basel I			Basel II	
	Sept 30, 2007	Dec. 31, 2007	March 31, 2008	June 30, 2008	Sept. 30, 2008
Tier 1 ratio	9.3%	9.1%	11.2%	11.4%	14.5%
Capital adequacy ratio	9.9%	9.6%	12.1%	12.3%	15.3%
Weighted risks	152,284	159,383	120,113	121,670	129,400

(1) The ratio between the net income – Group share and the weighted average number of shares; undiluted.

(2) The ratio between the expenses and the income.

(3) The ratio between the annualized net income – Group share and the weighted average core shareholders' equity.

(4) Without AFS, CFH reserve and cumulative translation adjustments.

(5) With AFS, CFH reserve and cumulative translation adjustments.

(6) The ratio between the shareholders' equity and the number of shares at the end of the period (after deduction of treasury shares).

MANAGEMENT REPORT

FINANCIAL REPORTING

3Q 2008 RESULTS HIGHLIGHTS

- Dexia reported a net loss of EUR 1,544 million in 3Q 2008, reflecting a major negative impact from the financial crisis of EUR 2,191 million.
- Excluding all crisis impacts, net income was stable at EUR 647 million (Group share).
- On a YTD basis, net income (Group share) amounted to a loss of EUR 723 million.
- Dexia has not made use in 3Q of the IAS 39 amendment which enables banks to reclassify their AFS investment and trading portfolio.
- State guarantees have enabled to overcome the liquidity crisis; EUR 6.0 billion capital injection has reinforced Dexia's solvency ratio, up to 14.5% Tier 1 at the end of September.

CONSOLIDATED STATEMENT OF INCOME 3Q AND 9M 2008

<i>in millions of EUR</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
Income	1,452	315	-78.3%	5,201	3,805	-26.8%
Expenses	(967)	(1,055)	+9.1%	(2,830)	(2,942)	+4.0%
Gross operating income	485	(740)	ns	2,371	863	-63.6%
Cost of risk	(47)	(1,078)	x 22.9	(100)	(1,854)	x 18.5
Impairment on (in)tangible assets	0	(5)	ns	0	(12)	ns
Tax expense	23	281	ns	(255)	361	ns
Net income	461	(1,542)	ns	2,016	(642)	ns
Minority interests	22	2	ns	70	81	+15.7%
Net income – Group share	439	(1,544)	ns	1,946	(723)	ns
o/w Impact financial crisis	(216)	(2,191)		(244)	(2,758)	
o/w Net income excl. financial crisis	655	647		2,190	2,035	

- The EUR 1,544 million 3Q 2008 loss was driven by EUR 2,191 million losses directly linked to the financial crisis, of which EUR 460 million from FSA and EUR 1,731 million from other credit and markets effects.
- Revenues down 78% YoY owing to a EUR 1,606 million impact from the financial crisis. Excluding financial crisis impact, revenues were up 9.1% YoY.
- Costs up 9.1% YoY:
 - 1/3 of cost growth due to restructuring charges;
 - remaining 2/3 mainly related to business developments.
- Cost of risk directly impacted by financial crisis for EUR 994 million. Excluding financial crisis, the cost of risk amounted to EUR 84 million.

IMPACT OF THE FINANCIAL CRISIS

FINANCIAL IMPACT ON FSA

<i>in millions of EUR</i>	Revenues (before tax)	Cost of risk (before tax)	Net income (after tax)
Own credit risk	178		115
MTM of insured CDS	(276)		(178)
Non economic FP impairments	(144)		(93)
Economic FP impairments	(139)		(139)
Losses on insured portfolio		(256)	(165)
Total	(381)	(256)	(460)

Due to the deterioration of the economic and of the mortgage and financial markets environment in the US, FSA strengthened its provisions for a total after-tax amount of EUR 460 million:

- Part of it came from the insured portfolio (EUR 165 million, after tax) and is related to the RMBS sector, and more specifically to transactions backed by home equity lines of credit (HELOCs), Alt-A mortgages and option ARMs.
- FSA also established "Other Than Temporary Impairments" for an amount, after tax, of EUR 232 million on certain assets which are held as available for sale in the Financial Products portfolio.
- In addition, FSA suffered from a EUR 178 million negative after tax mark-to-market effect on its insured Credit Default Swap (CDS) portfolio as a result of a further widening of market spreads.
- These negative impacts were partly offset by a positive mark-to-market adjustment on FSA's own credit risk (EUR +115 million, after tax).

IMPACT FROM CREDIT AND FINANCIAL MARKETS

<i>in millions of EUR</i>	Revenues (before tax)	Cost of risk (before tax)	Net income (after tax)
Losses on Dexia's bond investment portfolio	(538)	(292)	(741)
Collective provision for credit risks	(5)	(325)	(320)
Losses on trading books	(407)		(304)
KA, DKB and DBS related losses	(177)	(115)	(267)
Insurance – losses and impairments	(140)		(138)
Client indemnifications & other impairments and trading loss	(111)	(6)	(94)
Securitization-related CDS	153		134
Total	(1,225)	(738)	(1,731)

- Dexia's bond investment portfolios were affected by the deterioration in the creditworthiness of some banking counterparties for a total amount, after tax, of EUR 741 million. This amount breaks down into the following: EUR 482 million on Lehman brothers; EUR 188 million on Icelandic banks; EUR 63 million on Washington Mutual and EUR 9 million on Hypo Real Estate. Losses on Lehman Brothers are higher than first expected as a more conservative recovery rate was retained (10%) and as the replacement costs of derivative products proved higher than anticipated due to adverse market conditions.
- Dexia decided to book an after tax EUR 320 million additional collective provision for credit risks. Reduced visibility and adverse credit risk factors led Dexia to adopt a cautious approach and build this additional reserve.
- Dexia's trading books were affected by the unprecedented market turbulences for an after-tax amount of EUR 304 million. This is mostly explained by the effect of widening spreads on Treasury & Financial Markets trading portfolios, among which the trading portion of the Credit Spread Portfolio is the largest. Of notice, Dexia did not make use of accounting reclassification options related to the recently adopted IAS 39 amendment.
- An after-tax charge of EUR 267 million related to the situation in Central Europe. As disclosed on the 3rd of November, the transaction by which Dexia exits from Kommunalkredit Austria AG and takes full ownership of Dexia Kommunalkredit Bank AG had a net impact of EUR 105 million. In addition, Dexia was affected by a clients related forex loss of EUR 82 million via its Slovakian subsidiary (disclosed on the 28th of October), by a EUR 68 million

after-tax impact related to 3Q 2008 bond impairments at Dexia's previously 49%-held Kommunalkredit Austria and by other items for a total amount of EUR 12 million.

- Insurance operations also booked a number of impairments, mainly on financial bonds and shares, for a total after-tax amount of EUR 128 million. With realized gains below realized financial losses, the estimated impact from the financial crisis is estimated at EUR -138 million, after tax.

- A number of smaller negative impacts were also identified as a direct consequence of this exceptional financial crisis for an amount of EUR 94 million, after tax.
- Two securitization-related CDS had a positive after-tax impact of EUR 134 million, as a result of the widening of market credit spreads.

3Q RESULTS PER BUSINESS LINE

All major business lines were impacted by the financial crisis.

NET INCOME 3Q 2008			
<i>in millions of EUR</i>	Net income (excl. financial crisis)	Impact financial crisis	Reported net income
PWB ⁽¹⁾ (excl. FSA)	309	(430)	(121)
FSA	93	(460)	(366)
PFS ⁽¹⁾	125	(278)	(153)
TFM ⁽¹⁾	118	(981)	(863)
AM ⁽¹⁾	20	(16)	4
IS ⁽¹⁾	18	0	18
CA ⁽¹⁾	(36)	(28)	(64)
Total	647	(2,191)	(1,544)

(1) PWB = Public and Wholesale Banking; PFS = Personal Financial Services; AM = Asset Management; TFM = Treasury and Financial Markets; IS = Insurance Services; CA = Central Assets.

PUBLIC AND WHOLESALE BANKING (EXCLUDING FSA)

REPORTED STATEMENT OF INCOME						
<i>in millions of EUR</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
Income	575	485	-15.6%	1,702	1,899	+11.6%
Expenses	(206)	(231)	+12.3%	(596)	(658)	+10.4%
Gross operating income	369	254	-31.1%	1,106	1,241	+12.2%
Cost of risk	(12)	(288)	x 24	(31)	(324)	x 10.5
Net income – Group share	269	(121)	n.s.	789	645	-18.3%
o/w Impact financial crisis	4	(430)		5	(280)	
o/w Net income excl. financial crisis	265	309		784	925	

- 3Q 2008 net loss resulting from a EUR 430 million loss related to the financial crisis, partly offset by EUR 41 million non recurring items.
- Financial crisis effects mainly reflect the situation in Central Europe (KA, DKB and DBS) and a part of the Group 3Q 2008 collective provision for credit risks.
- Excluding crisis impact and non recurring:
 - revenues up 9% YoY;
 - costs up 12% YoY due to international developments;

- operating profit up 6% YoY;
- cost of risk remained low at EUR 34 million;
- slight increase in net income.

In terms of PWB activity:

- outstanding up 18.5% YoY, due to strong originations during previous years/quarters;

- originations down 23% due to overall liquidity constraints/constrained growth of bond portfolio;

- origination capabilities were refocused on historic markets (+36% in 3Q) and high margin commercial relationships;
- improving asset margins and market shares in France and Belgium.

PERSONAL FINANCIAL SERVICES

REPORTED STATEMENT OF INCOME						
<i>in millions of EUR</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
Income	695	518	-25.5%	2,103	1,960	-6.8%
Expenses	(476)	(537)	+12.8%	(1,391)	1,499	+7.8%
Gross operating income	220	(19)	n.s.	712	461	-35.2%
Cost of risk	(19)	(159)	x 8.3	(47)	(200)	x 4.3
Net income – Group share	175	(154)	n.s.	565	198	-64.9%
o/w Impact financial crisis	0	(278)		0	(278)	
o/w Net income excl. financial crisis	175	125		565	476	

- 3Q 2008 net loss resulting from:
 - EUR 278 million loss related to the financial crisis;
 - EUR 46 million restructuring charges: Russia and Belgium.
- Financial crisis effects mainly reflect:
 - impairments/losses on the Insurance subsidiary investment portfolio;
 - part of the Group 3Q 2008 collective provision for credit risks;
 - payment to deposit guarantee in Luxembourg;
 - loss in Slovakia.
- Excluding crisis impact and restructuring charges:
 - revenues up 3% YoY, o/w DenizBank up 34%;
 - costs up 6% YoY, o/w DenizBank up 25%;
 - cost of risk unchanged;
 - net income flat YoY.

In terms of PFS activity:

- customer assets down 5% YoY, as market effects more than offset positive net inflows;
- customer assets down 2% QoQ (mainly due to a negative market effect), but customer deposits base was resilient;
- loans up 15% YoY with double digit growth in all categories;
- strong growth at Denizbank (loans up 55% and customer assets up 24% YoY).

ASSET MANAGEMENT

REPORTED STATEMENT OF INCOME						
<i>in millions of EUR</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
Income	68	35	-48.7%	211	159	-24.7%
Expenses	(39)	(33)	-15.6%	(114)	(107)	-5.7%
Gross operating income	30	2	-92.1%	97	51	-46.9%
Cost of risk	0	0	n.s.	0	0	n.s.
Net income – Group share	26	4	-85.1%	87	45	-48.7%
o/w Impact financial crisis	0	(16)		0	(16)	
o/w Net income excl. financial crisis	26	20		87	61	

- Volumes under pressure: Assets under management at EUR 94 billion, down EUR 5.1 billion QoQ (of which EUR 2.8 billion due to a negative market effect).
- Net profit affected by a financial crisis related commercial cost (EUR 16 million, post tax).

- Excluding financial crisis effect:
 - Asset Management revenues suffered from challenging market context (-25%YoY);
 - focus on cost control (-16% YoY).

INVESTOR SERVICES

REPORTED STATEMENT OF INCOME						
<i>in millions of EUR</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
Income	103	101	-1.4%	314	320	+1.9%
Expenses	(74)	(76)	+3.4%	(209)	(223)	+6.8%
Gross operating income	29	25	-13.5%	106	98	-7.9%
Cost of risk	1	0	n.s.	0	0	n.s.
Net income – Group share	20	18	-9.7%	77	68	-11.9%
o/w Impact financial crisis	0	0		0	0	
o/w Net income excl. financial crisis	20	18		77	68	

- Commercial performance:
 - number of funds under administration up 7% QoQ (+11% YoY);
 - number of shareholder accounts in transfer agent up 2% QoQ (+18% YoY).
- Assets under administration (USD 2.4 trillion) down 14% QoQ (-16% YoY) due to a significant negative market effect.
- Resilient revenue performance; +3.0% at constant exchange rate.
- Continued sizeable investments: costs up 6.7% at constant exchange rate.

TREASURY AND FINANCIAL MARKETS

REPORTED STATEMENT OF INCOME						
<i>in millions of EUR</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
Income	25	(606)	n.s.	436	(222)	n.s.
Expenses	(57)	(66)	+15.6%	(163)	(180)	+10.7%
Gross operating income	(33)	(672)	n.s.	273	(402)	n.s.
Cost of risk	0	(353)	n.s.	0	(353)	n.s.
Net income – Group share	(22)	(863)	n.s.	223	(633)	n.s.
o/w Impact financial crisis	(82)	(981)		(82)	(1,048)	
o/w Net income excl. financial crisis	60	118		305	415	

- 3Q 2008 net loss resulting from:
 - EUR 981 million loss related to the financial crisis;
 - EUR 20 million restructuring charge.
- EUR 981 million financial crisis related loss mainly reflects:
 - EUR 741 million loss on bond investment portfolios (Lehman Brothers, Icelandic banks, Washington Mutual, Hypo Real Estate);
 - EUR 301 million negative MtM on trading portfolios and credit value adjustment.
- Still high contribution of Cash & Liquidity Management until the end of September (EUR 128 million in 3Q).
- Size of CSP portfolio was stabilized.
- Costs are stable excluding restructuring charges.

STRONG SOLVENCY

Dexia's solvency ratio improved substantially over the quarter from 11.4% at the end of June 2008 to 14.5% at the end of September.

This marked improvement is entirely due to the EUR 6.0 billion capital increase recently underwritten by Dexia's main shareholders and the French and Belgian States. As also announced on the 30th of September 2008, an additional EUR 0.4 billion Tier 1 capital will be provided by the Government of Luxembourg in the form of convertible bonds. At that point in time, Dexia highlighted that the EUR 6.4 billion Tier 1 capital increase secures a strong solvency for the Group, even when accounting for the impacts from the financial crisis.

After an important reduction due to market spread changes during 1H 2008, the Group's IFRS total shareholders' equity stabilized at EUR 8.5 billion as of September 2008, despite the EUR 6.0 billion positive impact related to the capital increase. With credit market spreads widening substantially during the 3Q of 2008, accumulated Other Comprehensive Income (OCI) deteriorated from EUR -7.0 billion at end of June 2008 to EUR -11.5 billion at end of September 2008 (Dexia did not make use of accounting reclassification options related to the recently adopted IAS 39 amendment).

Core shareholders' equity, which excludes accumulated Other Comprehensive Income, was EUR 20.1 billion at end of September 2008.

SHAREHOLDERS' EQUITY AND SOLVENCY

	Dec. 2007	June 2008	Sept. 2008	Variation in 3 months
Core shareholders' equity (in millions of EUR)	16,112	15,639	20,089	+28.5%
Total shareholders' equity (in millions of EUR)	14,525	8,604	8,547	-0.7%
Tier 1 capital (in millions of EUR) ⁽¹⁾	14,549	13,843	18,741	+35.4%
Total weighted risks (in millions of EUR) ⁽¹⁾	159,383	121,670	129,400	+6.4%
Tier 1 ratio ⁽¹⁾	9.1%	11.4%	14.5%	
Net assets per share				
Core shareholders' equity (in EUR)	12.87	13.07	11.18	
Total shareholders' equity (in EUR)	11.51	6.99	4.63	

(1) Basel I applied as of Dec 2007; Basel II applied as of June and Sept. 2008.

OUTLOOK 4Q

4Q reported results will be adversely impacted but solvency will remain strong:

- dislocation of financial markets in the beginning of 4Q;
- IAS39 amendment to be implemented in 4Q;
- sale of FSA Inc. and containment of Financial Products;
- increased cost of funding:
 - market deteriorations since end of 3Q;
 - additional costs linked to State guarantees.
- beginning of scaling down of activities/portfolios;
- additional restructuring charges.

FINANCIAL CRISIS IMPACT ON 3Q 2008

	Revenues	Cost of risk	Net income	PWB ⁽¹⁾	PFS ⁽¹⁾	AM ⁽¹⁾	TFM ⁽¹⁾	CA ⁽¹⁾
FSA	(381)	(256)	(460)	(460)	-	-	-	-
Own credit risk	178		115					
MTM of insured CDS	(276)		(178)					
Non-economic FP impairments	(144)		(93)					
Economic FP impairments	(139)		(139)					
Losses on insured portfolio		(256)	(165)					
Losses on Dexia's bond investment portfolio	(538)	(292)	(741)	-	-	-	(741)	-
Lehman Brothers	(335)	(202)	(482)					
Icelandic banks	(122)	(90)	(188)					
Washington Mutual	(72)		(63)					
Hypo Real Estate	(10)		(9)					
Collective provision for credit risks	(5)	(325)	(320)	(249)	(71)	-	-	-
Losses on trading books	(407)		(304)	(3)	-	-	(301)	-
KA, DKB and DBS related losses⁽²⁾	(177)	(115)	(267)	(174)	(47)	-	(47)	-
KA & DKB related transaction	(109)		(105)					
Losses on KA's exposures on defaulting banks	(68)		(68)					
Clients related forex losses (DBS)		(103)	(82)					
Other		(12)	(12)					
Insurance – losses and impairments	(140)		(138)	(13)	(126)	-	-	-
Realized gains & losses	(12)		(11)					
Impairments on shares	(57)		(57)					
Impairments on bonds	(71)		(71)					
Client indemnifications & other impairments and trading loss	(111)	(6)	(94)	(6)	(34)	(16)	(8)	(28)
Securitization-related CDS	153		134	17	-	-	117	-
Total financial crisis impact	(1,606)	(994)	(2,191)	(888)	(278)	(16)	(980)	(28)

(1) PWB = Public and Wholesale Banking; PFS = Personal Financial Services; AM = Asset Management; TFM = Treasury and Financial Markets; CA = Central Assets.

(2) KA = Kommunalkredit Austria; DKB = Dexia Kommunalbank; DBS = Dexia banka Slovensko.

MANAGEMENT REPORT

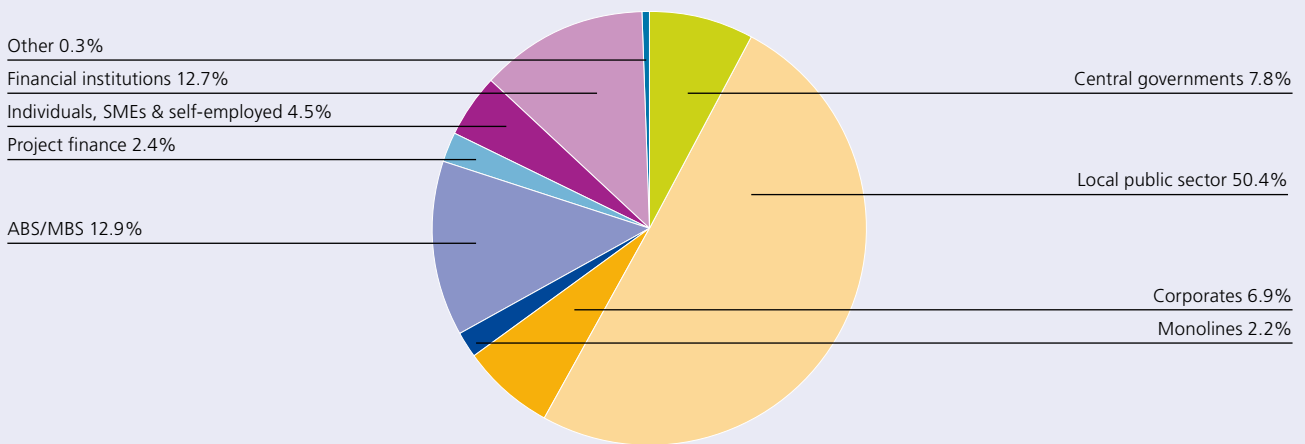
RISK MANAGEMENT

RISKS

CREDIT RISK

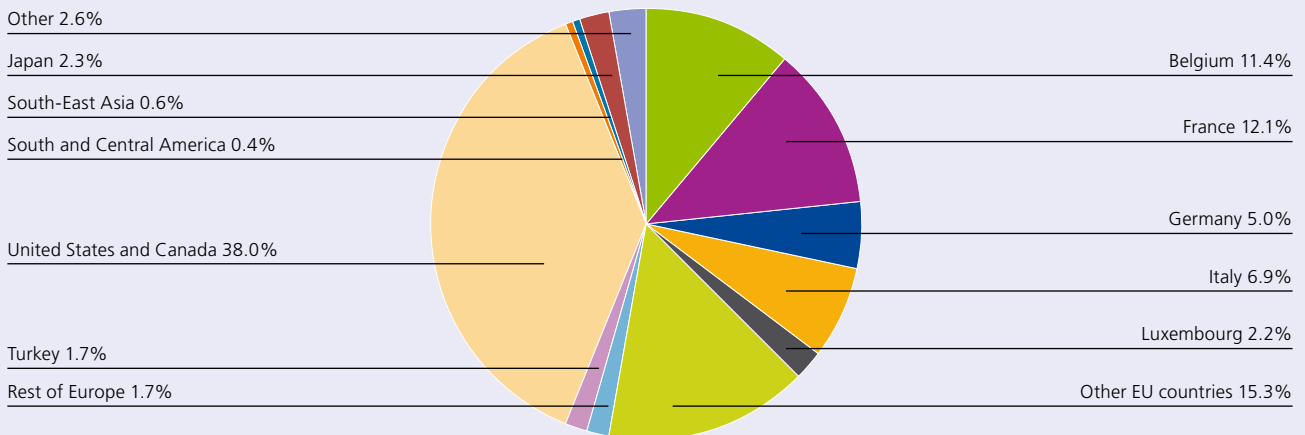
BREAKDOWN OF DEXIA GROUP EXPOSURE BY CATEGORY OF COUNTERPART
AS OF SEPTEMBER 30, 2008

Consolidated exposure: EUR 969.1 billion



BREAKDOWN OF DEXIA GROUP EXPOSURE BY GEOGRAPHICAL REGION
AS OF SEPTEMBER 30, 2008

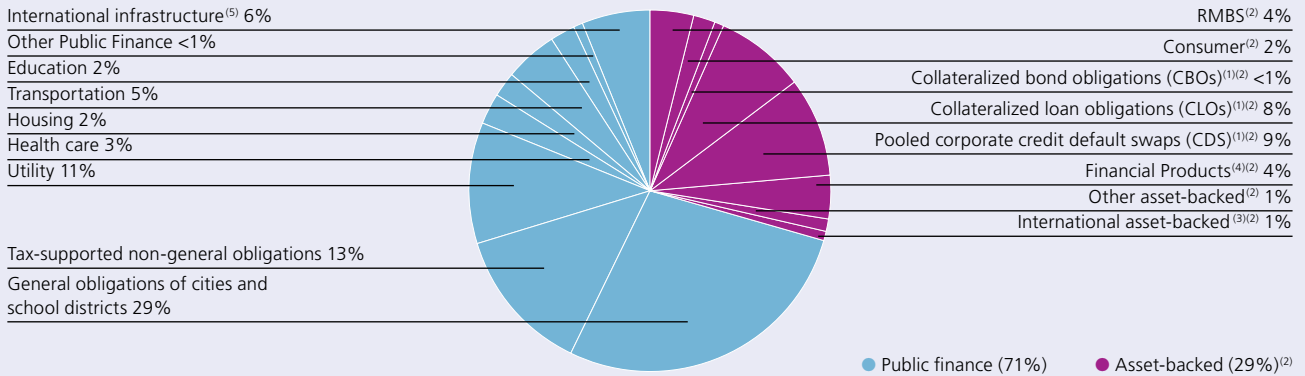
Consolidated exposure: EUR 969.1 billion



FINANCIAL SECURITY ASSURANCE

FSA INSURED PORTFOLIO AS OF SEPTEMBER 30, 2008

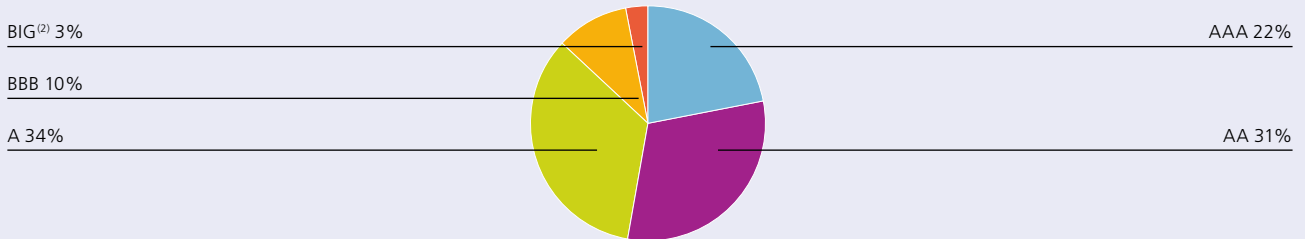
Total net par outstanding: USD 442.0 billion



- (1) Includes U.S. and International. CDS of CBOs and CDS of CLOs are included in CBOs and CLOs, respectively. CDS referencing obligations outside the pooled corporate sector are included in the appropriate asset-backed or public finance categories.
- (2) Discontinued business in run off.
- (3) Excludes CBOs, CLOs and pooled corporate CDS.
- (4) Guaranteed investment contracts issued by FSA's Financial Products affiliates.
- (5) Primarily PFI/PPP and utility.

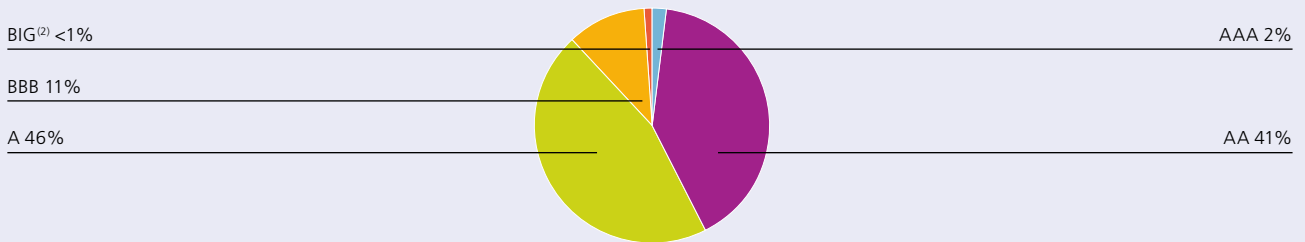
OVERALL (PUBLIC FINANCE + ASSET-BACKED)⁽¹⁾

Total net par outstanding: USD 442.0 billion



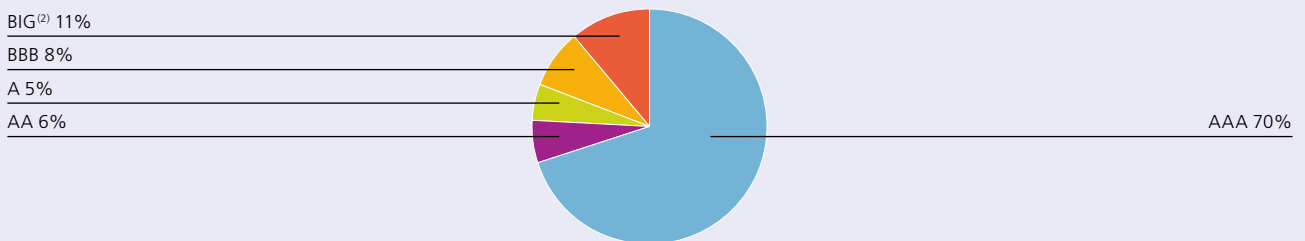
PUBLIC FINANCE⁽¹⁾

Total net par outstanding: USD 314.4 billion



ASSET-BACKED⁽¹⁾

Total net par outstanding: USD 127.6 billion



- (1) Internal FSA ratings expressed in industry terms; reflects benefit of layered loss reinsurance.
- (2) BIG: below investment grade.

MARKET RISK

TFM'S VALUE AT RISK ⁽¹⁾									
in millions of EUR	VaR (10 days, 99%)	3Q 2007				3Q 2008			
		IR ⁽²⁾ & FX ⁽³⁾ (Trading and Banking) ⁽⁴⁾	EQT ⁽⁵⁾ Trading	Spread Trading	Other (Inflation, CO ₂ , commodities) ⁽⁶⁾	IR ⁽²⁾ & FX ⁽³⁾ (Trading and Banking) ⁽⁴⁾	EQT ⁽⁵⁾ Trading	Spread Trading	Other (Inflation, CO ₂ , commodities) ⁽⁶⁾
Individual	Avg.	14.1	9.0	32.1	0.2	37.3	8.0	78.0	2.4
	Max.	21.3	16.0	55.9	0.2	48.0	12.2	116.0	3.0
Global	Avg.	55.3				125.7			
	Max.	80.9				176.6			
	Limit	142.0				178.0			

DENIZBANK'S ⁽⁷⁾ VALUE AT RISK				
in millions of EUR	VaR (10 days, 99%)	3Q 2008		
		IR ⁽²⁾ & FX ⁽³⁾ Trading	EQT ⁽⁵⁾ Trading	
Individual	Avg.	1.05	0.03	
	Max.	2.33	0.04	
Global	Avg.	1.1		
	Max.	2.4		
	Limit	5		

- (1) DenizBank excluded.
(2) IR: Interest rate.
(3) FX: Forex.
(4) Without Assets and Liabilities Management (ALM) Non Delegated and without ALM Dynamic.
(5) EQT: Equities.
(6) Only inflation for 3Q 2008.
(7) Applied to DenizBank Financial Services Group on a consolidated basis.

ASSET AND LIABILITY MANAGEMENT (ALM)

LISTED SHARES SENSITIVITY – BANKING COMPANIES PORTFOLIO				
in millions of EUR	Market value	VaR	% VaR/MV ⁽¹⁾	EaR
September 30, 2007	1,558	117	7.5%	(11)
December 31, 2007	1,105	97	8.7%	(11)
March 31, 2008	895	94	10.5%	(57)
June 30, 2008	822	96	11.6%	(94)
September 30, 2008	599	76	12.8%	(129)

- (1) % VaR/MV represents the percentage loss that can be experienced on the market value.

LISTED SHARES SENSITIVITY – INSURANCE COMPANIES PORTFOLIO				
in millions of EUR	Market value	VaR	% VaR/MV ⁽¹⁾	EaR
September 30, 2007	2,236	144	6.4%	(23)
December 31, 2007	2,451	170	6.9%	(36)
March 31, 2008	2,635	237	9.0%	(153)
June 30, 2008	2,397	205	8.6%	(369)
September 30, 2008	1,985	190	9.6%	(440)

- (1) % VaR/MV represents the percentage loss that can be experienced on the market value.

MANAGEMENT REPORT

RISK MANAGEMENT

CAPITAL ADEQUACY – WEIGHTED RISKS – ASSET QUALITY – RATINGS

CAPITAL ADEQUACY					
<i>in millions of EUR, except where indicated</i>	Basel I		Basel II		
	Sept. 30, 2007	Dec. 31, 2007	March 31, 2008	June 30, 2008	Sept. 30, 2008
Tier 1 capital	14,098	14,549	13,483	13,843	18,741
Total regulatory capital	15,101	15,345	14,533	14,997	19,747
Weighted risks	152,284	159,383	120,113	121,670	129,400
Tier 1 ratio	9.3%	9.1%	11.2%	11.4%	14.5%
Capital adequacy ratio	9.9%	9.6%	12.1%	12.3%	15.3%

Nota Bene: for the calculation of the solvency ratios in 2007, the treatment of qualified participations in banking and insurance institutions is the deduction of the total regulatory capital.

WEIGHTED RISKS UNDER BASEL I		
<i>in millions of EUR</i>	Basel I	
	Sept. 30, 2007	Dec. 31, 2007
20%-weighted counterparts	47,065	47,531
50%-weighted counterparts	17,343	19,161
100%-weighted counterparts	78,840	84,795
Trading portfolio	9,036	7,896
Total	152,284	159,383

WEIGHTED RISKS UNDER BASEL II			
<i>in millions of EUR</i>	Basel II		
	March 31, 2008	June 30, 2008	Sept. 30, 2008
Weighted credit risks	105,094	106,884	114,580
Weighted market risks	5,923	5,690	5,724
Weighted operational risks	9,096	9,096	9,096
Total	120,113	121,670	129,400

QUALITY OF RISKS					
<i>in millions of EUR, except where indicated</i>	Sept. 30, 2007	Dec. 31, 2007	March 31, 2008	June 30, 2008	Sept. 30, 2008
	Impaired loans	1,251	1,218	1,170	1,227
Portfolio impairments ⁽¹⁾	865	818	789	810	843
Assets quality ratio ⁽²⁾	0.55%	0.50%	0.48%	0.47%	0.50%
Coverage ratio ⁽³⁾	69.1%	67.2%	67.4%	66.0%	63.99%

(1) Does not include the collective impairment set aside to cover potential risk on share-leasing products.

(2) The ratio between the impaired loans and the gross outstanding loans.

(3) The ratio between the portfolio impairments and the impaired loans.

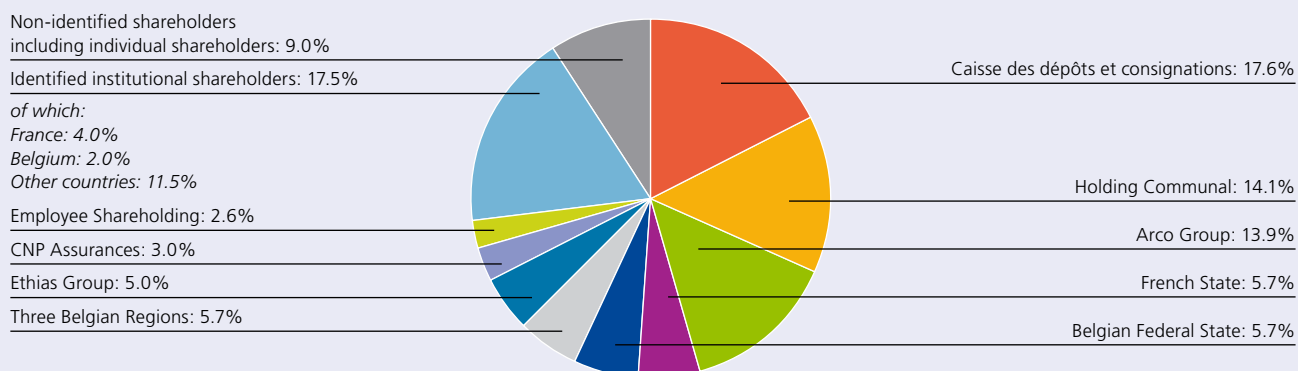
RATINGS (long term)					
	DEXIA BANK	DEXIA CRÉDIT LOCAL	DEXIA BIL	DEXIA MUNICIPAL AGENCY	FSA
Moody's	Aa3	Aa3	Aa3	Aaa	Aaa
Standard & Poor's	A+	A+	A+	AAA	AAA
Fitch	AA-	AA-	AA-	AAA	AAA
DBRS	AA	AA	AA		

The Group's principal banking entities – Dexia Bank, Dexia Crédit Local and Dexia BIL – are rated AA- with stable outlook by Fitch (September 30, 2008), Aa3 on review for possible downgrade by Moody's (October 1, 2008) and A+ on watch developing by Standard & Poor's (October 7, 2008). The triple-A rating of Dexia Municipal Agency was affirmed with stable outlook by Fitch (October 2, 2008) and Standard & Poor's (October 7, 2008) but placed on review for possible downgrade by Moody's on October 8, 2008. As far as FSA is concerned, Moody's announced on July 21, 2008 that it would review FSA's Aaa rating for possible downgrade. This was followed on August 6, 2008 by Standard & Poor's affirming FSA's AAA rating, but with a negative outlook. Fitch affirmed FSA's AAA with stable outlook on August 6, 2008.

MANAGEMENT REPORT

SHAREHOLDER INFORMATION

SHAREHOLDERS' BASE AS OF OCTOBER 3, 2008



NUMBER OF SHARES

	Sept. 30, 2007	Dec. 31, 2007	Sept. 30, 2008
Number of shares	1,167,499,018	1,178,576,763	1,762,473,283
of which treasury shares	5,678,577	8,967,312	370,693
Number of options	64,622,925	62,817,843	72,170,335
Total number of current/potential future shares⁽¹⁾	1,232,121,943	1,241,394,606	1,835,014,311

(1) For more details refer to "Legal Information" on www.dexia.com.

CAPITAL INCREASE

Due to the significant deterioration in the business and market environment and the financial distress of a number of financial services companies, Dexia made a careful assessment of its situation and decided to take decisive action and raise EUR 6.4 billion of Tier 1 capital.

The Governments of Belgium, France and Luxembourg and the existing shareholders announced on September 30, 2008 that they subscribed for an increase of the capital of Dexia, providing for the following allocation:

- Belgian authorities and Belgian shareholders invest in total EUR 3 billion;
- The French State and French shareholders invest in total EUR 3 billion;
- The Luxembourg State will invest EUR 376 million in Dexia Banque Internationale à Luxembourg, in the form of convertible bonds.

Through this capital increase, which was completed on October 3, 2008, the Belgian Federal and Regional authorities and the French State, as well as the existing core reference shareholders of Dexia, subscribed for a total of 606,060,606 newly-issued shares for a total amount (including issue premium) of EUR 6 billion, bringing the total number of shares at 1,762,473,283.

DATA PER SHARE

	Sept. 30, 2007	Sept. 30, 2008	
Average weighted number of shares ⁽¹⁾	1,163,221,296	1,158,189,941	
Diluted average weighted number of shares ⁽¹⁾	1,181,495,336	1,158,189,941	
Earnings per share – EPS (in EUR)			
- basic ⁽²⁾	1.67	(0.62)	
- diluted ⁽³⁾	1.65	(0.62)	
Net assets per share (in EUR)⁽⁴⁾	Sept. 30, 2007	Dec. 31, 2007	Sept. 30, 2008
- related to core shareholders' equity ⁽⁵⁾	12.59	12.87	11.18
- related to total shareholders' equity ⁽⁶⁾	12.76	11.51	4.63

(1) Excluding shares held in treasury stocks.

(2) The ratio between the net income – Group share and the average weighted number of shares.

(3) The ratio between the net income – Group share and the diluted average weighted number of shares.

(4) The ratio between the shareholders' equity and the number of shares (after deduction of treasury shares).

(5) Without AFS, CFH reserve and cumulative translation adjustments.

(6) With AFS, CFH reserve and cumulative translation adjustments.

STOCK EXCHANGE DATA

	Dec. 31, 2007	Sept. 30, 2008	
Price per share (in EUR) ⁽¹⁾	17.22	7.511	
Stock market capitalization (in millions of EUR)	20,295	8,685	
Stock Exchange		Brussels	Paris
Share price as of Dec. 31, 2007 (in EUR)		17.23	17.21
Share price as of Sept. 30, 2008 (in EUR)		7.500	7.522
Highest price/Lowest price during the first 9 months 2008 (in EUR)		18.86/6.750	18.86/6.620
Average daily trading volume during the first 9 months 2008 (in millions of EUR)		83.32	67.60
Average daily trading volume during the first 9 months 2008 (in thousands of shares)		6,405	5,269

(1) Average closing prices on Euronext Brussels and Euronext Paris.

SEGMENT REPORTING

<i>in millions of EUR</i>	Public and Wholesale Banking	Personal Financial Services	Asset Management	Investor Services	Treasury and Financial Markets	Central Assets	Dexia
REPORTED STATEMENT OF INCOME							
3Q 2008							
Income	268	518	35	101	(606)	0	315
<i>of which net commissions</i>	75	185	54	63	4	(21)	359
Expenses	(263)	(537)	(33)	(76)	(66)	(81)	(1,055)
Gross operating income	5	(19)	2	25	(672)	(82)	(740)
Cost of risk	(549)	(159)	0	0	(353)	(17)	(1,078)
Impairments on (in)tangible assets	0	(5)	0	0	0	0	(5)
Tax expense	61	17	2	(7)	153	54	281
Net income	(483)	(167)	5	18	(872)	(44)	(1,542)
Minority interests	3	(13)	1	0	(9)	19	2
Net income – Group share	(487)	(154)	4	18	(863)	(63)	(1,544)
REPORTED STATEMENT OF INCOME							
9M 2008							
Income	1,564	1,960	159	320	(222)	23	3,805
<i>of which net commissions</i>	196	571	176	202	10	(51)	1,103
Expenses	(724)	(1,499)	(107)	(223)	(180)	(209)	(2,942)
Gross operating income	841	461	51	98	(402)	(186)	863
Cost of risk	(1,213)	(200)	0	0	(353)	(87)	(1,854)
Impairments on (in)tangible assets	(8)	(5)	0	0	0	1	(12)
Tax expense	217	(67)	(3)	(28)	121	121	361
Net income	(163)	188	49	70	(635)	(152)	(642)
Minority interests	48	(10)	4	2	(2)	39	81
Net income – Group share	(211)	198	45	68	(633)	(191)	(723)
Total allocated equity (average)	6,454	2,528	80	171	1,891	2,001	13,123
Weighted risks – Basel II	75,442	20,561	396	3,709	21,940	7,352	129,400

SEGMENT REPORTING

PUBLIC AND WHOLESALE BANKING

ACTIVITY

ACTIVITY STATISTICS

All statistics hereunder relate to the final take underwriting, acceptance or purchase of Public / project finance sector debt obligations, under the form of long-term loans, notes and bonds, liquidity guarantees, all forms of credit procurement as applicable in those countries where Dexia operates. The short-term facilities are not included.

in millions of EUR	LONG-TERM COMMITMENTS ⁽¹⁾				LONG-TERM ORIGINATIONS ⁽¹⁾		
	Sept. 30, 2007	Sept. 30, 2008	Variation	Variation constant exchange rate	9M 2007	9M 2008	Variation
Historic markets	107,215	120,639	+12.5%	-	12,753	14,238	+11.6%
Belgium	37,554	42,889	+14.2%	-	5,249	6,714	+27.9%
France	67,327	75,207	+11.7%	-	7,284	7,190	-1.3%
Luxembourg	2,334	2,543	+9.0%	-	220	334	+51.8%
Rest of Europe	111,243	129,441	+16.4%	-	14,929	19,972	+33.8%
Germany	35,627	39,130	+9.8%	-	4,411	4,376	-0.8%
Iberia (Spain & Portugal)	10,031	15,019	+49.7%	-	1,793	4,685	x 2.6
Italy	38,856	39,873	+2.6%	-	3,180	2,992	-5.9%
Sweden	3,832	4,135	+7.9%	+14.9%	489	950	+94.4%
Switzerland	4,182	5,112	+22.2%	+16.0%	867	419	-51.7%
United Kingdom	9,648	13,623	+41.2%	+59.5%	1,764	2,133	+20.9%
Central and Eastern Europe	6,217	8,159	+31.2%	-	1,083	1,776	+64.1%
Turkey	2,851	4,390	+53.9%	+60.5%	1,343	2,641	+96.7%
Rest of the world	56,951	79,216	+39.1%	-	13,713	21,709	+58.3%
United States and Canada	48,442	63,707	+31.5%	+30.0%	8,624	15,184	+76.1%
Australia	1,040	1,492	+43.4%	+58.8%	516	654	+26.7%
Israel	590	883	+49.6%	+27.3%	146	203	+39.4%
Japan	5,528	11,632	x 2.1	+92.1%	3,912	5,204	+33.0%
Mexico	1,351	1,502	+11.2%	+10.4%	516	464	-10.0%
International headquarters⁽³⁾	30,638	33,408	+9.0%	-	9,211	2,482	-73.1%
Fully-consolidated subsidiaries	306,046	362,704	+18.5%	+18.6%	50,607	58,401	+15.4%
of which public sector	260,051	305,109	+17.3%	17.1%	34,818	43,132	+23.9%
of which project finance	30,598	37,828	+23.6%	25.6%	8,386	8,531	+1.7%
of which corporate banking	15,397	19,767	+28.4%	30.0%	7,403	6,739	-9.0%

(1) These amounts are stated at current exchange rate.

(2) "International headquarters" refers to the transactions carried out by the head office in countries where the Group has no direct presence.

DEPOSIT-TAKING SERVICES AND INVESTMENT PRODUCTS (including off-balance-sheet products)

in millions of EUR	Sept. 30, 2007	Sept. 30, 2008	Variation
Balance sheet	23,459	29,637	+26.3%
Off-balance sheet	14,680	10,274	-30.0%
Total	38,138	39,911	+4.6%

FSA: ACTIVITY STATISTICS

<i>in millions of USD</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
Gross present value originations⁽¹⁾	537	62	-88.5%	953	653	-31.5%
Public finance originations	381	60	-84.2%	605	571	-5.5%
<i>United States⁽²⁾</i>	97	55	-43.9%	249	521	x 2.1
<i>International⁽²⁾</i>	284	6	-98.0%	356	50	-85.8%
Asset-backed originations ⁽³⁾	121	1	-99.3%	263	81	-69.2%
<i>United States⁽²⁾</i>	101	1	-99.3%	217	58	-73.2%
<i>International⁽²⁾</i>	19	0	-99.2%	46	23	-50.0%
Financial Products ⁽⁴⁾	35	1	-98.4%	85	1	-99.3%
<i>in millions of USD</i>				Sept. 2007	Sept. 2008	Variation
Net par outstanding⁽⁵⁾				414,072	442,043	+6.8%
Public finance obligations				271,714	314,445	+15.7%
<i>United States</i>				248,344	286,695	+15.4%
<i>International</i>				23,370	27,750	+18.7%
Asset-backed obligations ⁽³⁾				123,559	109,775	-11.2%
<i>United States</i>				93,589	85,436	-8.7%
<i>International</i>				29,970	24,339	-18.8%
Financial Products ⁽⁴⁾				18,799	17,823	-5.2%

(1) Financial Security Assurance Holdings Ltd.

(2) Present value of premiums originated and present value of credit derivative fees originated.

(3) Discontinued activity in run off.

(4) Present value of future net interest margin from guaranteed investments contracts (GICs) issued to municipalities and other market participants; activity in run off.

(5) Financial Security Assurance Inc.

RESULTS

REPORTED STATEMENT OF INCOME – QUARTERLY SERIES⁽¹⁾

<i>in millions of EUR</i>	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008
Income	672	677	486	515	504	792	268
<i>of which net commissions</i>	61	55	57	51	59	61	75
Expenses	(225)	(233)	(238)	(255)	(236)	(225)	(263)
Gross operating income	447	444	248	260	269	567	5
Cost of risk	(9)	(18)	(19)	(36)	(212)	(452)	(549)
Impairments on (in)tangible assets	0	0	0	0	0	(8)	0
Tax expense	(108)	(103)	(30)	(4)	61	96	61
Net income	330	323	199	220	118	203	(483)
Minority interests	10	12	8	17	11	34	3
Net income – Group share	320	310	191	203	107	169	(487)

(1) Pro forma for 1Q 2007 to 4Q 2007.

SEGMENT REPORTING

PERSONAL FINANCIAL SERVICES

ACTIVITY

CUSTOMER ASSETS & LIABILITIES							
<i>in millions of EUR</i>	2007		2008			Variation Sept. 30, 2008/ Dec. 31, 2007	Variation Sept. 30, 2008/ Sept. 30, 2007
	Sept. 30	Dec. 31	March 31	June 30	Sept. 30		
Total customer assets & liabilities	173,478	173,793	171,879	172,387	171,252	-1.5%	-1.3%
Total customer assets	136,962	136,013	133,502	132,117	129,384	-4.9%	-5.5%
Balance-sheet assets	68,924	69,272	70,324	72,128	71,611	+3.4%	+3.9%
<i>Sight accounts</i>	8,408	8,536	8,654	8,806	8,440	-1.1%	+0.4%
<i>Savings accounts</i>	26,155	25,701	25,714	24,817	24,013	-6.6%	-8.2%
<i>Savings bonds & term deposits</i>	24,436	25,257	26,573	28,125	28,256	+11.9%	+15.6%
<i>Bonds issued by the Group</i>	9,926	9,778	9,383	10,380	10,901	+11.5%	+9.8%
Off-balance-sheet assets	53,255	50,853	46,399	43,354	41,239	-18.9%	-22.6%
Mutual funds	34,248	32,407	28,999	26,701	24,966	-23.0%	-27.1%
Direct securities	19,007	18,446	17,400	16,653	16,274	-11.8%	-14.4%
Life insurance technical reserves	14,783	15,887	16,780	16,635	16,534	+4.1%	+11.8%
Total customer liabilities	36,516	37,780	38,376	40,270	41,868	+10.8%	+14.7%
<i>Mortgage loans</i>	21,074	21,512	21,970	22,681	23,368	+8.6%	+10.9%
<i>Consumer loans</i>	2,324	2,422	2,385	2,637	2,844	+17.4%	+22.3%
<i>Business loans</i>	8,339	8,769	9,099	9,609	10,048	+14.6%	+20.5%
<i>Other loans</i>	4,779	5,078	4,923	5,343	5,607	+10.4%	+17.3%

RETAIL & SME BANKING – PRIVATE BANKING							
<i>in millions of EUR</i>	2007		2008			Variation Sept. 30, 2008/ Dec. 31, 2007	Variation Sept. 30, 2008/ Sept. 30, 2007
	Sept. 30	Dec. 31	March 31	June 30	Sept. 30		
Retail & SME customer assets & liabilities	120,729	120,645	120,239	120,548	120,206	n.s.	-0.4%
Assets	88,289	87,151	86,182	85,022	83,426	-3.2%	-5.5%
Liabilities	32,440	33,493	34,057	35,525	36,780	+8.0%	+13.4%
Private customer assets & liabilities	52,749	53,148	51,639	51,839	51,046	-1.1%	-3.2%
Assets	48,673	48,862	47,320	47,094	45,958	-2.9%	-5.6%
Liabilities	4,076	4,287	4,319	4,745	5,088	+17.8%	+24.8%

RESULTS

REPORTED STATEMENT OF INCOME – QUARTERLY SERIES ⁽¹⁾							
<i>in millions of EUR</i>	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008
Income	656	752	695	717	720	722	518
<i>of which net commissions</i>	<i>187</i>	<i>191</i>	<i>191</i>	<i>185</i>	<i>195</i>	<i>191</i>	<i>185</i>
Expenses	(450)	(465)	(476)	(497)	(477)	(486)	(537)
Gross operating income	206	286	220	220	244	235	(19)
Cost of risk	(16)	(12)	(19)	(15)	(24)	(16)	(159)
Impairments on (in)tangible assets	0	0	0	(4)	0	0	(5)
Tax expense	(29)	(44)	(24)	(35)	(38)	(46)	17
Net income	160	231	177	166	182	173	(167)
Minority interests	1	0	2	2	2	1	(13)
Net income – Group share	159	230	175	164	180	172	(154)

(1) Pro forma for 1Q 2007 to 4Q 2007.

SEGMENT REPORTING

ASSET MANAGEMENT

ACTIVITY

ASSETS UNDER MANAGEMENT ⁽¹⁾							
<i>in billions of EUR</i>	2007		2008			Variation Sept. 30, 2008/ June 30, 2008	Variation Sept. 30, 2008/ Sept. 30, 2007
	Sept. 30	Dec. 31	March 31	June 30	Sept. 30		
Total	112.0	109.7	102.2	98.8	93.7	-5.2%	-16.3%
By type of management							
Mutual funds	72.3	69.5	62.6	59.6	55.5	-6.9%	-23.3%
<i>Institutional funds</i>	26.8	25.7	23.6	23.4	22.0	-6.0%	-17.9%
<i>Retail funds</i>	45.5	43.7	39.0	36.2	33.5	-7.5%	-26.5%
Private mandates	5.7	5.5	5.1	5.0	4.1	-16.4%	-26.9%
Institutional mandates	34.0	34.8	34.5	34.3	34.1	-0.6%	+0.3%
By type of mutual fund							
Equity funds	15.7	14.3	11.2	10.7	9.2	-14.2%	-41.5%
Bond funds	18.9	18.3	17.4	15.7	14.0	-10.9%	-26.2%
Money market funds	11.9	12.4	12.7	13.7	15.3	+11.8%	+29.4%
Alternative funds	9.1	7.8	6.5	6.1	4.8	-21.6%	-47.4%
Global balanced funds	13.2	12.9	11.6	10.9	9.9	-8.6%	-24.9%
Structured products	3.2	3.0	2.5	2.3	2.1	-8.5%	-33.3%
Other	0.3	0.8	0.8	0.2	0.2	-25.8%	-53.8%

(1) Assets under the management of Dexia Asset Management. Assets counted twice included.

RESULTS

REPORTED STATEMENT OF INCOME – QUARTERLY SERIES ⁽¹⁾							
<i>in millions of EUR</i>	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008
Income	69	74	68	73	58	65	35
<i>of which net commissions</i>	68	73	67	73	58	64	54
Expenses	(36)	(39)	(39)	(45)	(38)	(37)	(33)
Gross operating income	33	35	30	28	21	28	2
Cost of risk	0	0	0	0	0	0	0
Impairments on (in) tangible assets	0	0	0	0	0	0	0
Tax expense	(1)	(3)	(2)	(1)	(2)	(3)	2
Net income	32	31	27	28	18	25	5
Minority interests	1	1	1	1	1	2	1
Net income – Group share	31	30	26	26	17	24	4

(1) Pro forma for 1Q 2007 to 4Q 2007.

SEGMENT REPORTING

INVESTOR SERVICES

ACTIVITY

INVESTOR SERVICES							
	2007		2008			Variation Sept. 30, 2008/ Dec. 31, 2008	Variation Sept. 30, 2008/ Sept. 30, 2007
	Sept. 30	Dec. 31	March 31	June 30	Sept. 30		
Assets under administration ⁽¹⁾ (in billions of USD)	2,819	2,882	2,720	2,765	2,366	-17.9%	-16.1%
Number of funds under administration	5,083	5,134	5,249	5,288	5,646	+10.0%	+11.1%
Number of shareholder accounts in transfer agent (in thousands)	6,861	7,645	7,832	7,961	8,102	+6.0%	+18.1%

(1) i.e. assets under custody, administration and transfer agent.

RESULTS

REPORTED STATEMENT OF INCOME – QUARTERLY SERIES ⁽¹⁾							
<i>in millions of EUR</i>	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008
Income	99	113	103	112	105	114	101
<i>of which net commissions</i>	62	76	68	70	66	74	63
Expenses	(66)	(69)	(74)	(76)	(73)	(74)	(76)
Gross operating income	33	44	29	36	32	40	25
Cost of risk	0	(1)	1	0	0	0	0
Impairments on (in)tangible assets	0	0	0	(1)	0	0	0
Tax expense	(10)	(8)	(9)	(12)	(9)	(12)	(7)
Net income	23	35	21	23	23	28	18
Minority interests	1	1	1	0	0	1	0
Net income – Group share	23	35	20	22	23	27	18

(1) Pro forma for 1Q 2007 to 4Q 2007.

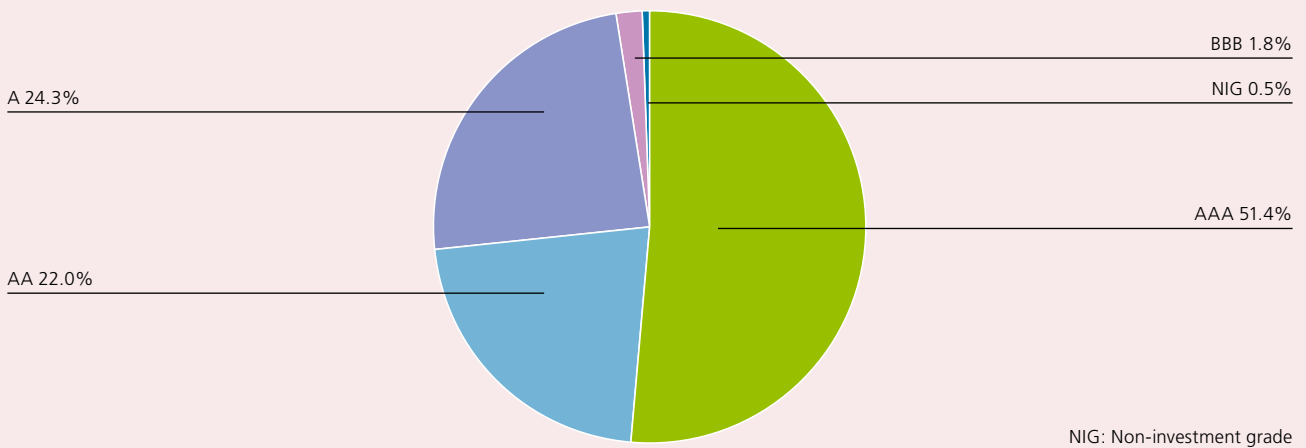
SEGMENT REPORTING

TREASURY AND FINANCIAL MARKETS

ACTIVITY

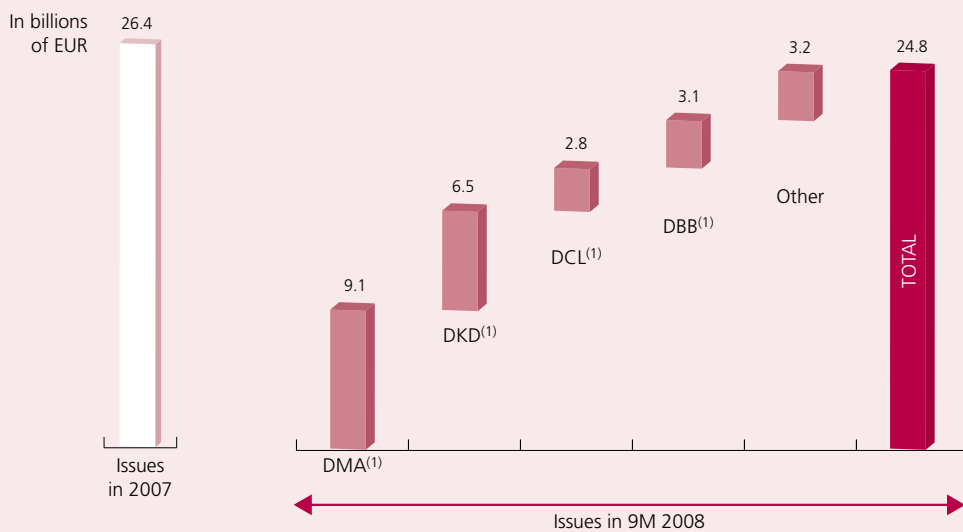
CREDIT SPREAD PORTFOLIO QUALITY AS OF SEPTEMBER 30, 2008

Outstanding amount: EUR 61.5 billion⁽¹⁾



(1) Excluding hedged outstandings.

LONG-TERM ISSUES



(1) DMA: Dexia Municipal Agency; DKD: Dexia Kommunalbank Deutschland; DCL: Dexia Crédit Local; DBB: Dexia Bank Belgium.

RESULTS

REPORTED STATEMENT OF INCOME – QUARTERLY SERIES ⁽¹⁾							
<i>in millions of EUR</i>	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008
Income	217	194	25	145	122	263	(606)
<i>of which net commissions</i>	6	6	1	5	7	(1)	4
Expenses	(52)	(53)	(57)	(52)	(56)	(58)	(66)
Gross operating income	164	141	(33)	93	66	205	(672)
Cost of risk	0	0	0	(9)	0	(1)	(353)
Impairments on (in)tangible assets	0	0	0	0	0	0	0
Tax expense	(38)	(22)	11	12	(3)	(29)	153
Net income	127	120	(22)	96	63	174	(872)
Minority interests	2	0	0	1	3	4	(9)
Net income – Group share	125	120	(22)	95	60	170	(863)

(1) Pro forma for 1Q 2007 to 4Q 2007.

SEGMENT REPORTING

CENTRAL ASSETS

RESULTS

STATEMENT OF INCOME – QUARTERLY SERIES ⁽¹⁾							
<i>in millions of EUR</i>	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008
Income	67	150	71	128	(11)	35	0
<i>of which net commissions</i>	<i>(13)</i>	<i>(11)</i>	<i>(11)</i>	<i>(19)</i>	<i>(16)</i>	<i>(14)</i>	<i>(21)</i>
Expenses	(92)	(73)	(81)	(76)	(63)	(64)	(81)
Gross operating income	(25)	77	(10)	53	(74)	(29)	(82)
Cost of risk	4	1	(8)	(3)	(52)	(19)	(17)
Impairments on (in)tangible assets	0	0	0	(2)	1	0	0
Tax expense	95	(5)	78	39	39	27	54
Net income	73	72	60	86	(87)	(21)	(44)
Minority interests	9	10	11	10	10	10	19
Net income – Group share	64	62	48	76	(97)	(30)	(63)

(1) Pro forma for 1Q 2007 to 4Q 2007.

SEGMENT REPORTING

DEXIA

RESULTS

REPORTED STATEMENT OF INCOME – QUARTERLY SERIES ⁽¹⁾							
<i>in millions of EUR</i>	1Q 2007	2Q 2007	3Q 2007	4Q 2007	1Q 2008	2Q 2008	3Q 2008
Income	1,779	1,959	1,448	1,690	1,499	1,991	315
<i>of which net commissions</i>	<i>371</i>	<i>389</i>	<i>374</i>	<i>366</i>	<i>369</i>	<i>375</i>	<i>359</i>
Expenses	(921)	(933)	(964)	(1,001)	(942)	(945)	(1,055)
Gross operating income	858	1,026	484	690	557	1,046	(740)
Cost of risk	(22)	(29)	(45)	(64)	(288)	(488)	(1,078)
Impairments on (in)tangible assets	0	0	0	(7)	1	(8)	(5)
Tax expense	(90)	(185)	23	(1)	47	33	281
Net income	746	812	462	618	317	583	(1,542)
Minority interests	23	25	23	31	28	51	2
Net income – Group share	723	788	439	586	289	532	(1,544)

(1) Pro forma for 1Q 2007 to 4Q 2007.

SEGMENT REPORTING

ADDITIONAL INFORMATION: INSURANCE ACTIVITIES ⁽¹⁾

ACTIVITY

TOTAL GROSS WRITTEN PREMIUMS						
<i>in millions of EUR</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
Total premiums (by type)	925	724	-21.7%	2,983	3,666	+22.9%
Nonlife	104	109	+4.8%	343	364	+6.0%
Life	820	615	-25.1%	2,639	3,302	+25.1%
Branch 21 (classical life included)	746	496	-33.5%	2,309	2,950	+27.7%
Branch 23 (unit-linked contracts)	66	113	+70.3%	271	297	+9.9%
Branch 26 (guaranteed/public sector)	8	6	-28.1%	60	55	-8.2%
Total premiums (by segment)	925	724	-21.7%	2,983	3,666	+22.9%
Public and Wholesale Banking (PWB)	53	67	+27.3%	240	265	+10.2%
Personal Financial Services (PFS)	872	657	-24.7%	2,742	3,401	+24.0%

RESULTS

RESULTS OF DEXIA INSURANCE SERVICES						
<i>in millions of EUR</i>	3Q 2007	3Q 2008	Variation	9M 2007	9M 2008	Variation
Income	104	(31)	n.s.	319	195	-38.9%
<i>of which</i>						
Financial revenues	134	61	-54.7%	544	468	-13.9%
Technical margin	(41)	(98)	x 2.4	(258)	(295)	14.6%
Expenses	(59)	(63)	+7.0%	(174)	(186)	7.0%
Gross operating income	45	(93)	n.s.	145	9	-93.8%
Taxes & others	11	20	n.s.	12	11	-6.6%
Net income – Group share	56	(73)	n.s.	157	20	-87.4%

(1) Dexia Insurance Services is the insurance pool of the Dexia Group operating in Belgium, France, Luxembourg, Turkey and Ireland.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2008 **32**

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DEXIA – CONSOLIDATED BALANCE SHEET

ASSETS <i>in millions of EUR</i>	Sept. 30, 2007	Dec. 31, 2007	Sept. 30, 2008
I. Cash and balances with central banks	6,242	8,835	2,067
II. Loans and advances due from banks	59,699	54,776	57,483
III. Loans and advances to customers	228,380	242,619	268,236
IV. Financial assets measured at fair value through profit or loss	38,068	37,565	32,883
V. Financial investments	214,316	220,290	219,118
VI. Derivatives	26,495	29,218	36,761
VII. Fair value revaluation of portfolio hedge	(27)	(185)	235
VIII. Investments in associates	845	861	675
IX. Tangible fixed assets	2,194	2,257	2,303
X. Intangible assets and goodwill	2,517	2,524	2,447
XI. Tax assets	1,039	1,445	4,500
XII. Other assets	4,528	4,320	10,157
XIII. Non current assets held for sale	42	39	33
Total assets	584,338	604,564	636,898

The notes on pages 38 to 46 are an integral part of these consolidated financial statements.

DEXIA – CONSOLIDATED BALANCE SHEET

LIABILITIES <i>in millions of EUR</i>	Sept. 30, 2007	Dec. 31, 2007	Sept. 30, 2008
I. Due to banks	188,864	178,681	206,299
II. Customer borrowings and deposits	121,655 ⁽¹⁾	126,680	114,547
III. Financial liabilities measured at fair value through profit or loss	15,993 ⁽¹⁾	18,301	19,835
IV. Derivatives	28,910	31,365	40,880
V. Fair value revaluation of portfolio hedge	(185)	(206)	(283)
VI. Debt securities	182,309	204,013	213,242
VII. Subordinated debts	5,035	4,885	4,261
VIII. Technical provisions of insurance companies	13,858	15,071	17,727
IX. Provisions and other obligations	1,354	1,353	1,529
X. Tax liabilities	980	778	738
XI. Other liabilities	8,036	7,249	7,807
XII. Liabilities included in disposal groups held for sale	0	0	0
Total liabilities	566,809	588,170	626,582
EQUITY <i>in millions of EUR</i>			
XIV. Subscribed capital	5,257	5,307	8,089
XV. Additional paid-in capital	10,270	10,399	13,618
XVI. Treasury shares	(115)	(176)	(27)
XVII. Reserves and retained earnings	(1,954)	(1,951)	(868)
XVIII. Net income for the period	1,946	2,533	(723)
Core shareholders' equity	15,404	16,112	20,089
XIX. Gains and losses not recognized in the statement of income	194	(1,587)	(11,542)
Total shareholders' equity	15,598	14,525	8,547
XX. Minority interests	1,752	1,754	1,769
XXI. Discretionary participation features of insurance contracts	179	115	0
Total equity	17,529	16,394	10,316
Total liabilities and equity	584,338	604,564	636,898

(1) As explained in Note I. 2.3 Changes in presentation, an amount of EUR 8,360 million as of September 30, 2007 has been reclassified from III. Financial liabilities measured at fair value through profit or loss to II. Customer borrowings and deposits. This has no impact on the result of the period.

The notes on pages 38 to 46 are an integral part of these consolidated financial statements.

DEXIA – CONSOLIDATED STATEMENT OF INCOME				
<i>in millions of EUR</i>	Quarter ended		Year to date	
	Sept. 30, 2007	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2008
I. Interest income	25,805	27,492	72,856	81,494
II. Interest expense	(24,726)	(25,976)	(69,641)	(77,217)
III. Dividend income	19	21	132	150
IV. Net income from associates	26	(59)	87	(15)
V. Net income from financial instruments at fair value through profit or loss	(210)	(433)	54	(35)
VI. Net income on investments	118	(1,073)	574	(1,636)
VII. Fee and commission income	451	432	1,392	1,358
VIII. Fee and commission expense	(77)	(73)	(256)	(255)
IX. Premiums and technical income from insurance activities	971	662	3,262	3,828
X. Technical expense from insurance activities	(938)	(656)	(3,294)	(3,873)
XI. Other net income	13	(22)	35	6
Income	1,452	315	5,201	3,805
XII. Staff expense	(485)	(556)	(1,409)	(1,514)
XIII. General and administrative expense	(310)	(319)	(906)	(903)
XIV. Network costs	(94)	(92)	(277)	(276)
XV. Depreciation & amortization	(68)	(76)	(203)	(218)
XVI. Deferred acquisition costs	(10)	(12)	(35)	(31)
Expenses	(967)	(1,055)	(2,830)	(2,942)
Gross operating income	485	(740)	2,371	863
XVII. Impairment on loans and provisions for credit commitments	(47)	(1,078)	(100)	(1,854)
XVIII. Impairment on tangible and intangible assets	0	(5)	0	(4)
XIX. Impairment on goodwill	0	0	0	(8)
Net income before tax	438	(1,823)	2,271	(1,003)
XX. Tax expense	23	281	(255)	361
Net income	461	(1,542)	2,016	(642)
Attributable to minority interest	22	2	70	81
Attributable to equity holders of the parent	439	(1,544)	1,946	(723)
<i>in EUR</i>				
Earnings per share				
- basic			1.67	(0.62)
- diluted			1.65	(0.62)

The notes on pages 38 to 46 are an integral part of these consolidated financial statements.

DEXIA – CONSOLIDATED STATEMENT OF CHANGE IN EQUITY						
CORE SHAREHOLDERS' EQUITY	Subscribed capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Net income for the period	Core shareholders' equity
<i>in millions of EUR</i>						
As of Dec. 31, 2006	5,238	10,229	(1)	(3,783)	2,750	14,433
<i>Movements of the period</i>						
- Issuance of subscribed capital	19	41		(1)		59
- Acquisition of treasury shares			(112)			(112)
- Trading activities on treasury shares			(3)			(3)
- Sale and cancellation of treasury shares			1			1
- Transfers to reserves				2,750	(2,750)	0
- Dividends				(942)		(942)
- Share based payments: value of employee services				25		25
- Variation of consolidation scope				(6)		(6)
- Other movements				3		3
- Net income for the period					1,946	1,946
As of September 30, 2007	5,257	10,270	(115)	(1,954)	1,946	15,404
GAINS AND LOSSES NOT RECOGNIZED IN THE STATEMENT OF INCOME	Gains and losses not recognized in the statement of income				Cumulative translation adjustments (CTA)	Total gains and losses Group share
<i>in millions of EUR</i>	Subsidiaries held for sale	Securities (AFS)	Derivatives (CFH)	Associates (AFS, CFH)		
As of Dec. 31, 2006	1	1,958	10	15	(118)	1,866
<i>Movements of the period</i>						
- Net change in fair value through equity – Available for sale investments		(1,585)		(22)		(1,607)
- Net change in fair value through equity – Cash flow hedges			245			245
- Net change in fair value due to transfers to income – Cash flow hedges			(82)			(82)
- Translation adjustments		14	3		34	51
- Variation of scope of consolidation	(1)	11	3			13
- Cancellation of FV following AFS disposals		(284)		(8)		(292)
As of September 30, 2007	0	114	179	(15)	(84)	194
MINORITY INTERESTS	Core equity	Gains and losses not recognized in the statement of income	Minority interests	DISCRETIONARY PARTICIPATION FEATURES OF INSURANCE CONTRACTS		
<i>in millions of EUR</i>				<i>in millions of EUR</i>		
As of Dec. 31, 2006	1,664	46	1,710			426
<i>Movements of the period</i>						
- Increase of capital	9		9			
- Dividends	(23)		(23)			
- Net income for the period	71		71			
- Net change in fair value through equity		(12)	(12)			(230)
- Cancellation of FV following AFS disposals			0			(2)
- Variation of scope of consolidation	(2)		(2)			(15)
- Others	(1)		(1)			
As of September 30, 2007	1,718	34	1,752			179
Core shareholders' equity						15,404
Gains and losses not recognized in the statement of income attributable to equity holders of the parent						194
Minority interests						1,752
Discretionary participation features of insurance contracts						179
TOTAL EQUITY as of September 30, 2007						17,529

The notes on pages 38 to 46 are an integral part of these consolidated financial statements.

DEXIA - CONSOLIDATED STATEMENT OF CHANGE IN EQUITY						
CORE SHAREHOLDERS' EQUITY	Subscribed capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Net income for the period	Core shareholders' equity
<i>in millions of EUR</i>						
As of Dec. 31, 2007	5,307	10,399	(176)	(1,951)	2,533	16,112
<i>Movements of the period</i>						
- Issuance of subscribed capital	2,782	3,219		(1)		6,000
- Acquisition of treasury shares			(231)			(231)
- Trading activities on treasury shares			(28)			(28)
- Sale and cancellation of treasury shares			408	(407)		1
- Transfers to reserves				2,533	(2,533)	0
- Dividends				(1,052)		(1,052)
- Share based payments : value of employee services				18		18
- Variation of consolidation scope				(3)		(3)
- Other movements				(5)		(5)
- Net income for the period					(723)	(723)
As of September 30, 2008	8,089	13,618	(27)	(868)	(723)	20,089
GAINS AND LOSSES NOT RECOGNIZED IN THE STATEMENT OF INCOME						
		Gains and losses not recognized in the statement of income			Cumulative translation adjustments	Total gains and losses
<i>in millions of EUR</i>		Securities (AFS)	Derivatives (CFH)	Associates (AFS, CFH)	(CTA)	Group share
As of Dec. 31, 2007		(1,490)	74	(24)	(147)	(1,587)
<i>Movements of the period</i>						
- Net change in fair value through equity – Available for sale investments		(9,996)		(115)		(10,111)
- Net change in fair value through equity – Cash flow hedges			(265)			(265)
- Net change in fair value due to transfers to income – Available for sale investments		842				842
- Cancellation of FV following AFS disposals		(155)				(155)
- Translation adjustments		(303)	0		(80)	(383)
- Variation of scope of consolidation		(20)	2	135		117
As of September 30, 2008		(11,122)	(189)	(4)	(227)	(11,542)
MINORITY INTERESTS						
	Core equity	Gains and losses not recognized in the statement of income	Minority interests	DISCRETIONARY PARTICIPATION FEATURES OF INSURANCE CONTRACTS		
<i>in millions of EUR</i>				<i>in millions of EUR</i>		
As of Dec. 31, 2007	1,721	33	1,754	115		
<i>Movements of the period</i>						
- Increase of capital	93		93			
- Dividends	(25)		(25)			
- Net income for the period	81		81			
- Net change in fair value through equity		(91)	(91)	(115)		
- Cancellation of FV following AFS disposals		4	4			
- Net change in fair value due to transfers to income		4	4			
- Translation adjustments		9	9			
- Variation of scope of consolidation	(77)	15	(62)			
- Other	2	0	2			
As of September 30, 2008	1,795	(26)	1,769	0		
Core shareholders' equity						20,089
Gains and losses not recognized in the statement of income attributable to equity holders of the parent						(11,542)
Minority interests						1,769
Discretionary participation features of insurance contracts						0
TOTAL EQUITY as of September 30, 2008						10,316

The notes on pages 38 to 46 are an integral part of these consolidated financial statements.

DEXIA – CONSOLIDATED CASH FLOW STATEMENT		
	Sept. 30, 2007	Sept. 30, 2008
Cash flow from operating activities		
Net income after income taxes	2,016	(642)
<i>Adjustment for:</i>		
- Depreciation, amortization and other impairment	220	250
- Impairment on bonds, equities, loans and other assets	(22)	2,127
- Net gains on investments	(498) ⁽¹⁾	(65)
- Charges for provisions (mainly insurance provision)	2,115	3,306
- Unrealized gains or losses	(108)	24
- Income from associates	(87)	15
- Dividends from associates	44	45
- Deferred taxes	(110)	(506)
- Other adjustments	25	17
Changes in operating assets and liabilities	(2,849)	(6,084)
Net cash provided (used) by operating activities	746	(1,513)
Cash flow from investing activities		
Purchase of fixed assets	(359)	(392)
Sales of fixed assets	163	91
Acquisitions of unconsolidated equity shares	(1,637)	(2,444)
Sales of unconsolidated equity shares	1,314	2,582
Acquisitions of subsidiaries and of business units	(17)	(15)
Sales of subsidiaries and of business units	170	10
Net cash provided (used) by investing activities	(366)	(168)
Cash flow from financing activities		
Issuance of new shares	68	127 ⁽²⁾
Issuance of subordinated debts	1,296	299
Reimbursement of subordinated debts	(549)	(668)
Purchase of treasury shares	(112)	(231)
Sale of treasury shares	2	0
Dividends paid	(965)	(1,077)
Net cash provided (used) by financing activities	(260)	(1,550)
Net cash provided	120	(3,231)
Cash and cash equivalents at the beginning of the period	57,941	51,603
Cash flow from operating activities	746	(1,513)
Cash flow from investing activities	(366)	(168)
Cash flow from financing activities	(260)	(1,550)
Effect of exchange rate changes and change in scope of consolidation on cash and cash equivalents	40	125
Cash and cash equivalents at the end of the period	58,101	48,497
Additional information		
Income tax paid	(370)	(218)
Dividends received	176	194
Interest received	73,319	78,944
Interest paid	(70,590)	(75,066)

(1) Includes EUR 54 million due to the sale of Belstar Assurances SA and EUR 48 million due to the sale of Dexia Banque Privée France.

(2) Capital increase of EUR 6 billion was paid on October 3, 2008.

The notes on pages 38 to 46 are an integral part of these consolidated financial statements.

NOTE I. ACCOUNTING PRINCIPLES AND RULES OF THE CONSOLIDATED FINANCIAL STATEMENTS

These financial statements include the disclosures required by the European Accounting Regulation published up to September 30, 2008. Additional accounting policies and disclosures may be required in order to comply with local laws, accounting standards and stock exchange regulations.

GENERAL INFORMATION

Dexia provides financial services to the local public sector and is one of the world's largest players in Public and Wholesale Banking. In Europe, Dexia offers retail and private banking services but also asset management and insurance services.

The parent company of the Group is Dexia SA, which is a limited liability company and is incorporated and domiciled in Belgium. The address of its registered office is: Place Rogier 11 – B-1210 Brussels (Belgium).

Dexia is listed on the NYSE Euronext Stock Exchange in Paris and in Brussels and also on the Luxembourg Stock Exchange.

These financial statements have been approved for issue by the Board of Directors on November 13, 2008.

NOTES TO THE FINANCIAL STATEMENTS

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below.

The common used abbreviations below are:

- ARC: Accounting Regulatory Committee
- EFRAG: European Financial Reporting Advisory Group
- EU GAAP: International Financial Reporting Standards as adopted by the European Union (EU)
- IASB: International Accounting Standards Board
- IFRIC: International Financial Reporting Interpretations Committee
- IFRS: International Financial Reporting Standard

ACCOUNTING POLICIES

1. Basis of accounting

The consolidated financial statements of Dexia are prepared in accordance with all IFRSs as adopted by the EU.

The European Commission published Regulation EC 1606/2002 on July 19, 2002, requiring listed groups to apply IFRS as from January 1, 2005. This regulation has been updated several times since 2002, validating the various texts published by the IASB with the exception of certain rules included in IAS 39.

The European Commission carved out some paragraphs of IAS 39 with the objective of enabling European companies to reflect appropriately in their consolidated financial statements the economic hedges they make in the management of their interest rate risk exposure.

Dexia's financial statements have therefore been prepared "in accordance with all IFRSs as adopted by the EU" and endorsed by the EC up to September 30, 2008, including the conditions of application of interest rate portfolio hedging and the possibility to hedge core deposits.

The consolidated financial statements are stated in millions of euro (EUR) unless otherwise stated.

This interim report for the period ended September 30, 2008 is prepared in accordance with IAS 34 Interim Financial Reporting.

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

Judgments and estimates are principally made in the following areas:

- Estimation of the recoverable amount of impaired assets
- Determination of fair values of non-quoted financial instruments
- Determination of the useful life and the residual value of property, plant and equipment, investment property and intangible assets
- Measurement of liabilities for insurance contracts
- Actuarial assumptions related to the measurement of employee benefits obligations and plan assets
- Estimation of present obligations resulting from past events in the recognition of provisions.

2. Changes in accounting policies since the previous annual publication that may impact Dexia group

2.1 New IFRS standards, IFRIC interpretations and amendments

The IASB published three revised standards which will replace existing standards and will be respectively effective for annual reporting periods that begin on or after July 1, 2009 for the first two standards and on or after January 1, 2009 for the last one.

- IFRS 3 “Business combinations”, which replaces the standard as issued in 2004.

The revision of this standard impacts Dexia for several reasons:

For new acquisitions, Dexia can no longer capitalize acquisition-related costs as part of the cost of the business acquired.

In case of a step-acquisition, Dexia will first remeasure the existing associate to fair value with recognition of the fair value adjustments to previously recognized assets and liabilities in profit or loss.

For each new investment in a non-controlling interest in an acquired entity, Dexia has the possibility to make an option for the “full goodwill method”.

For new acquisitions, an analysis will be required to determine whether or not a contingent liability of the acquiree is a present obligation.

- IAS 27 “Consolidated and separate financial statements”.

Changes in a parent’s controlling ownership of a subsidiary will have no impact on profit or loss but will impact equity.

- Revised IAS 14 “Segment Reporting”.

The IASB issued a revised IAS 14 Segment Reporting in January 2008 that has no major impact for Dexia. IFRS 8 will supersede IAS 14 for annual reporting periods that begin on or after January 1, 2009.

The IASB also issued four amendments to the existing standards. Three of them will be applicable as from January 1, 2009. The last one dealing with eligible hedged items is applicable as from July 1, 2009. Earlier application is permitted.

- Amendment to IFRS 2 – “Vesting conditions and cancellations”
- Amendment to IAS 32 and IAS 1 – “Puttable financial instruments and obligations”
- Amendment to IFRS 1 “First Time Adoption of IFRS” and to IAS 27 “Consolidated and separate financial statements”, entitled “Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate”.
- Amendment to IAS 39 – “Eligible hedged items”.

The first three amendments have no major impact for Dexia.

The impact on the last amendment is under investigation.

- Annual Improvements 2008 to IFRS.

The International Accounting Standards Board (IASB) issued on May 22, 2008 Improvements to IFRSs – a collection of amendments to International Financial Reporting Standards (IFRSs). These amendments are the result of conclusions the Board reached on proposals made in its annual improvements project.

The amendments issued are presented in two parts:

- those that involve accounting changes for presentation, recognition or measurement purposes, and
- those involving terminology or editorial changes with minimal effect on accounting.

Unless otherwise specified the amendments are effective for annual periods beginning on or after January 1, 2009, although entities are permitted to adopt them earlier.

The revision of these standards mainly impacts Dexia in the following ways:

If Dexia is committed to a sale plan involving loss of control of a subsidiary, Dexia will classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether Dexia will retain a non-controlling interest in its former subsidiary after the sale.

The IASB published an amendment to bring "property under construction and development" for future use as an investment property in the scope of IAS 40 and no longer in the scope of IAS 16.

On October 13, 2008, the IASB issued an amended IAS 39 Financial Instruments: Recognition and Measurement and IFRS 7 Financial Instruments: Disclosures permitting the reclassification of some financial instruments. The amended Standards enable companies reporting according to IFRSs to use the reclassification amendments, if they so wish, from July 1, 2008 whereby some non-derivative financial assets were transferred out of (i) Held for Trading into Available for Sale and into Loans and Receivables and (ii) Available for Sale into Loans and Receivables.

Dexia currently investigates to reclassify as from October 1, 2008 on.

The IFRIC issued two interpretations, which are both effective on or after January 1, 2009:

- IFRIC 15 Accounting for agreements for the construction of real estate
- IFRIC 16 Hedges of a net investment in a foreign operation

NOTE II. SIGNIFICANT CHANGES IN SCOPE OF CONSOLIDATION

AS OF SEPTEMBER 30, 2007

As of June 30, 2007 Dexia Banque Privée France and Belstar Assurances SA. left the scope of the Group following the closing of their sale.

Deniz Hayat Sigorta AS, Turkish insurance company is consolidated as from April 1, 2007.

Dexia LdG Banque SA, a 100% owned subsidiary of Dexia BIL, is fully consolidated as from July 1, 2007. Dexia LdG Banque SA's principal activity will be the refinancing of assets generated by Dexia Group's public sector financing business in OECD countries and in the European Economic Area through the issuance of covered bonds.

2.2 IASB and IFRIC texts endorsed by the European Commission

The European Commission endorsed the amended IAS 39 Financial Instruments: Recognition and measurement and IFRS 7 Financial Instruments: Disclosures on October 15 and the endorsement has been published in the Official Journal on October 16, 2008.

2.3 Changes in presentation

Reclassification of some liabilities designated at fair value through profit or loss

FSA raises funds by providing guaranteed investment contracts (GICs) to different issuers. Assets and liabilities either naturally indexed to Libor or converted to Libor via interest rate hedging instruments to minimize interest rate risk create a stable net interest margin contribution to income. During its analysis of the impact of SFAS 157 on its financial statements as from January 1, 2008, FSA noted that a part of some liabilities hedged were classified under "Liabilities designated at fair value through profit or loss" whereas the management intention and the related documentation were to hedge only the interest risk.

In the consolidated financial statements as of September 30, 2007, an amount of EUR 8,360 million was reclassified from "III. Financial liabilities measured at fair value through profit or loss" to "II. Customers borrowings and deposits". This reclassification has no impact on the result of period, nor on the result of previous year.

AS OF SEPTEMBER 30, 2008

Dexia exits from Kommunalkredit Austria AG (KA) and takes full ownership of Dexia Kommunalkredit Bank AG (DKB).

Dexia's partner in Central & Eastern Europe, Kommunalkredit Austria AG (KA), is affected by the ongoing financial crisis, and has called for the support of the Austrian State.

As a consequence of the recapitalization plan of KA, Dexia (i) sells its 49% stake in KA, (ii) buys the 49% stake of KA in DKB, raising its stake to 100%.

NOTE III. BUSINESS AND GEOGRAPHIC REPORTING

BUSINESS REPORTING						
<i>in millions of EUR</i>	Public and Wholesale Banking	Personal Financial Services	Asset Management and Investor Services	Treasury and Financial Markets	Non allocated - Central Assets	Dexia
As of September 30, 2007						
Income	1,835	2,118	525	436	287	5,201
<i>of which Net income from associates</i>	19	52	0	0	16	87
Net income before tax	1,093	664	203	273	38	2,271
As of September 30, 2008						
Income	1,564	1,960	479	(222)	24	3,805
<i>of which Net income from associates</i>	(59)	32	0	0	12	(15)
Net income before tax	(380)	256	149	(756)	(272)	(1,003)

To enable comparisons, figures as of September 30, 2007 were restated following changes in the segment reporting as of January 1, 2008. The details about these modifications have been published on April 18, 2008 on www.dexia.com. In 3Q 2008, the name "Public/Project Finance and Credit Enhancement" is simplified in "Public and Wholesale Banking".

Relations between business lines, and especially between commercial business lines, financial markets and production and service centers are subject to retrocessions and/or analytical transfers, governed by service level agreements based on normal commercial terms and market conditions. The results of each business line also include:

- The earnings from commercial transformation, including the management costs of this transformation and the Group equity allocated to this activity on the basis of medium and long-term outstanding;
- Interest on economic capital: economic capital is allocated to the business lines for internal purposes and the return on economic capital is used to measure the performance of each business line;
- Funding cost.

Tangible and intangible assets are allocated to "Non allocated - Central Assets" except when they are directly managed by a commercial or financial business line.

GEOGRAPHIC REPORTING					
<i>in millions of EUR</i>	Euro zone ⁽¹⁾	Rest of Europe ⁽²⁾	USA	Rest of the world	Dexia
As of September 30, 2007					
Net income before tax	1,712	268	202	89	2,271
As of September 30, 2008					
Net income before tax	(52)	255	(1,092)	(114)	(1,003)

(1) Countries using the euro currency.

(2) Including Turkey as from reporting 2Q 2008, figures as of september 30, 2007 have therefore been restated.

Geographic reporting is done based on booking centers, being the country of the company having recorded the transaction, and not the country of the customers.

NOTE IV. CONTRIBUTION BY ACTIVITY - INCOME

CONTRIBUTION BY ACTIVITY								
	September 30, 2007				September 30, 2008			
	Banking and other activities	FSA	Other insurance ⁽¹⁾	Total	Banking and other activities	FSA	Other insurance ⁽¹⁾	Total
Interest margin	2,722	153	340	3,215	3,665	165	447	4,277
Dividend income	73	2	57	132	50	1	99	150
Net income from associates	85	0	2	87	(16)	0	1	(15)
Net income from financial instruments at fair value through profit or loss	293	(240)	1	54	(238)	199	4	(35)
Net income on investments	416	3	155	574	(598)	(956)	(82)	(1,636)
Net fees and commissions	1,106	(2)	32	1,136	1,083	(2)	22	1,103
Premiums and technical income from insurance activities	4	356	2,902	3,262	4	328	3,496	3,828
Technical expense from insurance activities	0	(129)	(3,165)	(3,294)	0	(81)	(3,792)	(3,873)
Other net income	33	2	0	35	(10)	16	0	6
Income	4,732	145	324	5,201	3,940	(330)	195	3,805
Staff expense	(1,287)	(46)	(76)	(1,409)	(1,424)	(12)	(78)	(1,514)
General and administrative expense	(836)	(21)	(49)	(906)	(825)	(23)	(55)	(903)
Network costs	(232)	0	(45)	(277)	(230)	0	(46)	(276)
Depreciation & amortization	(195)	(2)	(6)	(203)	(209)	(2)	(7)	(218)
Deferred acquisition costs	0	(35)	0	(35)	0	(31)	0	(31)
Expenses	(2,550)	(104)	(176)	(2,830)	(2,688)	(68)	(186)	(2,942)
Gross operating income	2,182	41	148	2,371	1,252	(398)	9	863
Impairment on loans and provisions for credit commitments	(86)	(14)	0	(100)	(965)	(889)	0	(1,854)
Impairment on tangible and intangible assets	0	0	0	0	(4)	0	0	(4)
Impairment on goodwill	0	0	0	0	0	(8)	0	(8)
Net income before tax	2,096	27	148	2,271	283	(1,295)	9	(1,003)
Tax expense	(286)	21	10	(255)	(82)	434	9	361
Net income	1,810	48	158	2,016	201	(861)	18	(642)
Attributable to minority interest	68	0	2	70	85	(5)	1	81
Attributable to equity holders of the parent	1,742	48	156	1,946	116	(856)	17	(723)

(1) Dexia Insurance Belgium Group and Deniz Hayat Sigorta.

NOTE V. EXCHANGE RATES

EXCHANGE RATES						
		Closing rate			Average rate	
		Sept. 30, 2007	Dec. 31, 2007	Sept. 30, 2008	Sept. 30, 2007	Sept. 30, 2008
Canadian dollar	CAD	1.4146	1.4439	1.4939	1.4803	1.5527
New Turkish lira	TRY	1.7086	1.7060	1.7978	1.7928	1.8599
US dollar	USD	1.4218	1.4718	1.4050	1.3519	1.5234

NOTE VI. SIGNIFICANT ITEMS INCLUDED IN THE NET INCOME

Reported amounts are significant and unusual transactions and not only large transactions. They therefore do not include results on sales of securities nor provisions thereon or on customers. All amounts are reported before tax, unless otherwise stated.

The Dutch Supreme Court has ruled on March 28, 2008 that spouse consent is mandatory to enter into share-leasing agreements. The financial consequences of this final judgment for Dexia are expected to amount to about EUR 32 million which was provided for in 1Q 2008.

The financial crisis leads to an increase in credit spread resulting in a negative mark-to-market of the CDS of FSA for a gross amount of EUR 452 million. Due to the continuous deterioration of the mortgage environment in USA, FSA recognized EUR 962 million impairment on bonds and recorded a net provision of EUR 889 million. A positive amount of EUR 672 million was recorded on FSA's liabilities due to its own credit risk deterioration.

Dexia booked an impairment of EUR 8 million on FSA's goodwill.

The CDS purchased within the framework of the synthetic securitizations Dublin Oak and Wise lead to a positive mark-to-market gross amount of EUR 441 million.

Dexia Crediop booked a favorable tax impact thanks to a one-off tax credit of EUR 68 million.

Dexia exits from Kommunalkredit Austria AG (KA) and takes full ownership of Dexia Kommunalkredit Bank AG (DKB). The transaction lead to a net loss after tax of EUR 105 million.

Capital losses and impairments were recorded in net income on investments if related to bonds or in cost of risk if related to loans and guarantees. The main losses were booked on Lehman Brothers, Washington Mutual, Icelandic Banks and also on some Dexia banka Slovensko's professional clients. As a consequence of the deterioration of the general economic situation, additional amounts were recorded in collective impairments.

All impacts on 3Q 2008 related to the financial crisis are reported in the Financial Report on page 12.

NOTE VII. POST-BALANCE-SHEET EVENTS

In the context of the recapitalization plan of Kommunalkredit Austria AG (KA), Dexia has decided to subscribe EUR 200 million preferred shares of KA.

In order to support Dexia's activity and to strengthen its development, the French, Belgian and Luxembourg Governments, jointly undertook, from October 9, 2008 until October 31, 2009, to guarantee new interbank and institutional deposits and financing as well as new bond issuance intended for institutional investors, with a maximum maturity of three years, raised by Dexia SA, Dexia Banque Internationale à Luxembourg, Dexia Bank Belgium and Dexia Crédit Local, as well as their issuing vehicles incorporated under Belgian, French and Luxembourgish Law.

This guarantee, which may be renewed for a term of one year, will be subject to remuneration, reflecting the advance thus obtained by the entities of the Dexia Group concerned.

This guarantee gives an assurance to depositors that Dexia will have sufficient liquidity to meet its obligations towards its clients.

Dexia has signed a binding agreement to sell FSA Holdings to Assured Guaranty Ltd, a bond insurer listed on the NY stock exchange. Financial Products activity is excluded from the scope of the transaction. This sale will be paid in cash and in buyer's shares. Regulatory and Shareholders' approvals are still outstanding.

The Belgian and French States have agreed to provide a guarantee of the assets managed by FSA Asset Management ("FSAM"). Dexia will cover first loss of USD 3.1 billion above the amount of USD 1.4 billion already reserved for at September 30, 2008. If the losses exceed USD 4.5 billion, the States will be entitled to receive ordinary shares of Dexia or profit sharing certificates. This mechanism will be submitted for approval to a Dexia extraordinary shareholders' meeting.

NOTE VIII. SOLVENCY

COMPARISON TOTAL EQUITY (FINANCIAL STATEMENTS) AND TOTAL EQUITY AS CALCULATED FOR REGULATORY REQUIREMENTS				
	Dec. 31, 2007		Sept. 30, 2008	
	Financial statements	Regulatory purposes	Financial statements	Regulatory purposes
Total shareholders' equity	14,525	14,525	8,547	8,547
Minority interests	1,754	1,749	1,769	1,779
<i>of which Core equity</i>	1,721	1,711	1,795	1,789
<i>of which Gains and Losses not recognized in the statement of income</i>	33	38	(26)	(10)
Discretionary participation features of insurance contracts	115	0	0	0
Total equity	16,394	16,274	10,316	10,326

For regulatory purposes, insurance companies are accounted for by the equity method. Therefore, minority interests differ from those published in the financial statements. Discretionary participation features only relate to insurance companies.

REGULATORY CAPITAL, TOTAL WEIGHTED RISKS AND SOLVENCY RATIOS		
	Dec. 31, 2007 Basel I	Sept. 30, 2008 Basel II
Total regulatory capital (after profit appropriation)	15,345	19,747
Tier 1 capital	14,549	18,741
Core shareholders' equity ⁽¹⁾	16,112	20,089
Cumulative translation adjustments – Group	(147)	(227)
Minority interests (eligible in Tier 1) ⁽²⁾	517	601
Deductions and prudential filters ⁽³⁾	(3,356)	(3,143)
Hybrid regulatory Tier 1 capital ⁽⁴⁾	1,423	1,421
Additional own funds	796	1,006
Perpetuals	767	761
Subordinated liabilities	3,053	2,804
Deductions and prudential filters	(3,024)	(2,559)

- (1) The amount as of September 2008 takes into account EUR 6 billion capital raised from the Governments of Belgium and France and from existing shareholders.
- (2) On a regulatory approach, the amounts booked in minority interests and eligible as hybrid regulatory tier 1 capital are presented separately. As of December 31, 2007 and as of September 30, 2008 respectively EUR 1,198 million and EUR 1,196 million eligible as hybrid regulatory tier 1 capital are included in minority interests' core equity.
- (3) Including an assumed dividend payout to shareholders and minority interests (pro rata for the period).
- (4) This amount is the result of three operations:
- undated deeply subordinated non-cumulative Notes for EUR 700 million, issued by Dexia Crédit Local and booked for EUR 698 million in Minority interests;
 - undated subordinated non-cumulative Notes for EUR 500 million, issued by Dexia Funding Luxembourg and booked in Minority interests for EUR 498 million;
 - hybrid capital issued by Dexia BIL on July 6, 2001 for an amount of EUR 225 million bearing an interest of 6.821% and booked in Subordinated debts in the financial statements.

Weighted risks	159,383	129,400
Credit risk	153,504	114,580
Market risk	5,879	5,724
Operational risk	n.a.	9,096
Solvency ratios		
Tier 1 ratio	9.1%	14.5%
Capital Adequacy Ratio	9.6%	15.3%

NOTE IX. LITIGATIONS

1. UPDATE OF THE DISCLOSURE CONCERNING SHARE LEASING

With respect to Dexia Bank Nederland NV (DBnl) reference is made to the detailed disclosure in the Dexia Annual Report 2007 (especially on pages 144 to 145), in the Activity Reports published during the year 2007 and in the Financial Report 1Q 2008 and 2Q 2008, which are all available on www.dexia.com.

The judgments of the Dutch Supreme Court in respect of duty of care issues (including the correct definition of relevant damage) and the matter of the applicability of the Netherlands Consumer Credit Act, are expected to be rendered in 1Q 2009.

On October 14, 2008, the Amsterdam Court of Appeal ruled that the so-called Dexia Offer, a settlement signed by clients in 2003, is a valid settlement-agreement indeed. As a result of this decision, there is no need to change the provisions of DBnl in this respect.

The number of court cases decreased in 3Q 2008 and will continue to decrease because of court decisions and settlements, and because of cancellations of court cases after DBnl paid sums due in respect of the spouse judgment of the Dutch Supreme Court of March 28, 2008.

2. UPDATE OF THE DISCLOSURE CONCERNING LERNOUT & HAUSPIE

Dexia is concerned in various ways with the bankruptcy of Lernout & Hauspie Speech Products (LHSP) and the consequences thereof.

This was described in detail in Dexia's Annual Report 2007 (especially pages 146-147), and in the Financial Reports 1Q 2008 and 2Q 2008, which are available on www.dexia.com.

Dexia Bank still considers it has serious grounds for contesting all charges and once again underlines its innocence in this matter.

During the third quarter of 2008, the following relevant events occurred.

1. The criminal proceedings in Belgium

On September 22, Dexia Bank filed its written arguments on the civil aspect of the case. At the moment these arguments were filed, Dexia Bank was aware of about 15,000 civil parties claiming damages for a total amount of about EUR 320,000,000 in principal. Some of these parties are actually claiming provisional amounts.

The most important claim remains the one of the Belgian bankruptcy receivers of LHSP, who are claiming EUR 744,128,638.37 in principal. As stated on page 146 of the 2007 Annual Report, this claim is in part duplicative of the claims of other civil parties.

The Ghent Court of Appeal separated the civil aspect from the criminal action. As a consequence, the discussion on the civil claims has been postponed indefinitely.

2. The proceedings in the USA, the Netherlands and Luxembourg

During the third quarter of 2008, the proceeding filed by the Litigation Trustee in the USA has been stopped.

All proceedings brought against Dexia Bank in the United States with respect to the LHSP file, have now entirely and irrevocably closed.

No important developments took place in the proceedings in the Netherlands and Luxembourg during the third quarter of 2008.

3. UPDATE OF THE DISCLOSURE CONCERNING FINANCIAL SECURITY ASSURANCE – SUBPOENA

Reference is made to the detailed disclosure in the Dexia Annual Report 2007 (especially on page 147), which is available on www.dexia.com.

On February 4, 2008, FSA received a letter from the SEC, commonly called a "Wells Notice", indicating that the SEC staff is considering recommending that the SEC authorize the staff to bring a civil injunctive action and/or institute administrative proceedings against FSA, alleging violations of certain provisions of the US securities

laws. FSA remains in discussions with the SEC staff regarding the subject matter of the Wells Notice. FSA expects to receive a global proposal from the DOJ in the fourth quarter of 2008 that, if agreed to, would settle the matter with the DOJ, the SEC, and the Internal Revenue Service, including in regard to the Wells Notice received in February 2008. If the State attorney generals elect to participate in the global proposal, it would also settle the matter with the State attorney generals.

Commencing in the second quarter of 2008, a number of civil lawsuits were commenced on behalf of various US municipalities against numerous financial institutions, including FSA, seeking damages and alleging, among other things, a conspiracy to fix the pricing of, and manipulate bids for, municipal derivatives, including GICs. Certain of these lawsuits purport to be class actions, and an action has commenced to consolidate most if not all these purported class action lawsuits into a single litigation. All of the lawsuits make reference to the ongoing investigations by the DOJ and the SEC regarding such activities. FSA intends to contest these litigations vigorously.

LIMITED REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2008

To the Board of Directors

We have performed a limited review of the accompanying condensed consolidated interim financial information, including the consolidated balance sheet, income statement, cash flow statement, statement of changes in equity and notes related thereto (jointly the "interim financial information") of Dexia SA ("the company") and its subsidiaries (Jointly "the group") for the nine-month period ended September 30, 2008 as included on pages 32-46 of Dexia's Financial Report 3Q 2008. The Board of Directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". A limited review consists of making inquiries of group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the nine-month period ended September 30, 2008 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

Without modifying the conclusion in the preceding paragraph, we draw your attention to the comments included in the management report and in the note VII. Post-balance-sheet events with regard to the financial crisis impacting the financial position of Dexia SA and the potential impact on the future financial statements of the agreement to sell FSA's Insurance Business.

November 14, 2008

The statutory auditor

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SC s.f.d. SCRL
Represented by Frank Verhaegen

DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises
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FINANCIAL CALENDAR

DATES

February 26, 2009

May 13, 2009

May 13, 2009

August 6, 2009

November 13, 2009

EVENTS

Results publication – December 31, 2008

Results publication – March 31, 2009

Annual Shareholders' Meeting

Results publication – June 30, 2009

Results publication – September 30, 2009

