

Statement re Dexia and FSA exposure to Ambac

Following the announcement of a downgrade by Fitch of financial guarantor Ambac from AAA to AA, Dexia provides its exposure to assets guaranteed by Ambac.

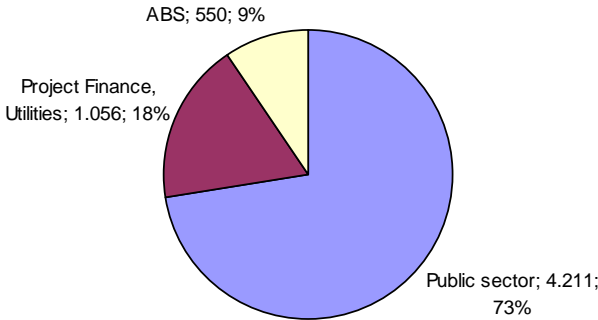
Dexia has no direct exposure to Ambac Group and is only indirectly exposed through assets with a financial guaranty from Ambac.

As a general policy Dexia or FSA only acquire or guarantee assets based on the credit analysis of the underlying risk without taking into consideration the existence of a financial guaranty provided by a monoline insurance company.

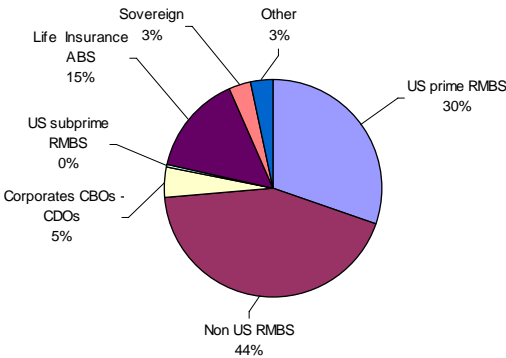
Dexia considers that its exposure to underlying assets guaranteed by Ambac has an overall risk profile similar to Dexia's. Therefore, Dexia does not expect Ambac's downgrade, as such, to have any significant impact in terms of credit quality or results. Dexia and FSA have no exposure to Ambac CDOs of ABS transactions.

Dexia, excluding FSA, as of 31/12/2007

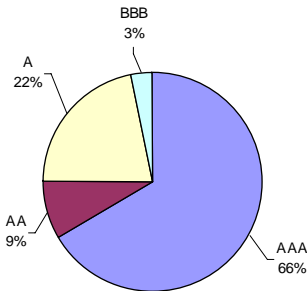
Dexia 's exposure on assets guaranteed by Ambac (EUR 5,816m)



Breakdown of ABS exposure by nature (EUR 550m)



Breakdown of ABS exposure by rating (EUR 550m)



FSA, as of 31/12/2007

Financial Security Assurance Inc. (FSA) does not expect the Fitch Ratings downgrade of monoline bond insurer Ambac Assurance Corporation (Ambac) to have any negative effect on FSA's Triple-A ratings or any material effect on its capital requirements.

FSA has exposure to Ambac primarily through its FSA-insured portfolio (guarantees of transactions already insured by Ambac), investment portfolio and the Financial Products investment portfolio. Additionally, Ambac has provided \$1.3 billion of reinsurance of FSA-insured transactions. These are primarily U.S. health care and international public finance transactions.

When insuring a previously insured transaction, FSA analyzes the underlying transaction and affirms that it would generally meet our underwriting standards for FSA-insured originations. In making investments in both the FSA and Financial Products investment portfolios, FSA generally acquires small amounts of substantially larger-insured transactions and reviews underlying credit and security.

