

Exane BNP Paribas European Seminar

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Agenda



Dexia's Transformation



Highlights of 1Q 2009 Group Results



Conclusion



Appendices

The Financial Crisis Highlighted Dexia's Imbalances

Developments far from core markets

- Presence in markets with no relevant commercial franchise, local funding or potential for profitable growth

Reliance on wholesale debt markets & excessive leverage

- EUR 157bn bond portfolio built as part of the public finance activity or liquidity management
- Reliance on wholesale funding markets
- Liquidity mismatch

High exposure to the US market

- Exposure to the US financial guarantee business through FSA
- USD 425 bn insured portfolio, of which USD 110 bn insured ABS

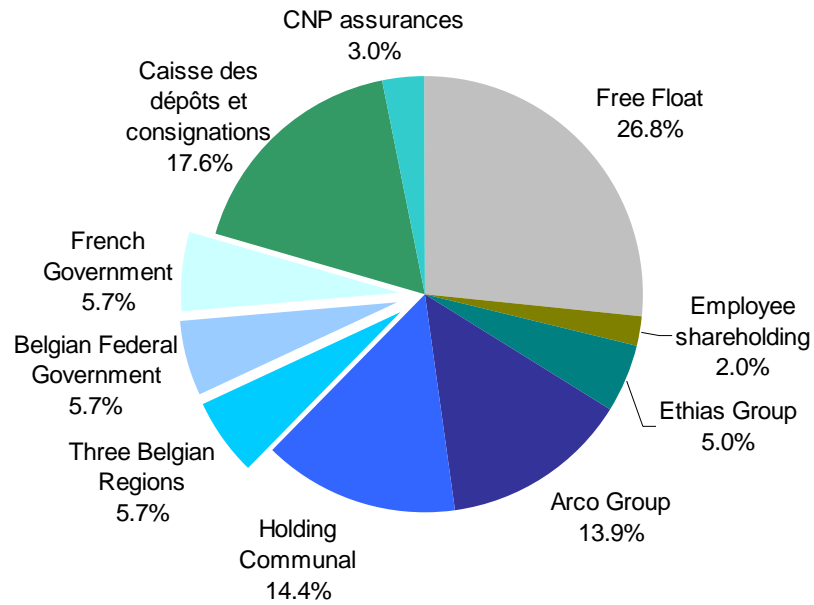
Leading the States of Belgium, France and Luxembourg to Strongly Support the Group

September-November 2008 support measures

States support

- EUR 6.0 bn capital increase underwritten by the Belgian and French States and by Dexia's main shareholders
- Guarantee on Dexia's new unsecured borrowings up to EUR 150 bn until Oct. 2009
- Guarantee on FSA Financial Products assets

Dexia's shareholders base



Launch of Transformation Plan to Address Key Challenges

Implementation on track

1

Priority given to core client franchises

2

Improvement of the Group's risk profile

3

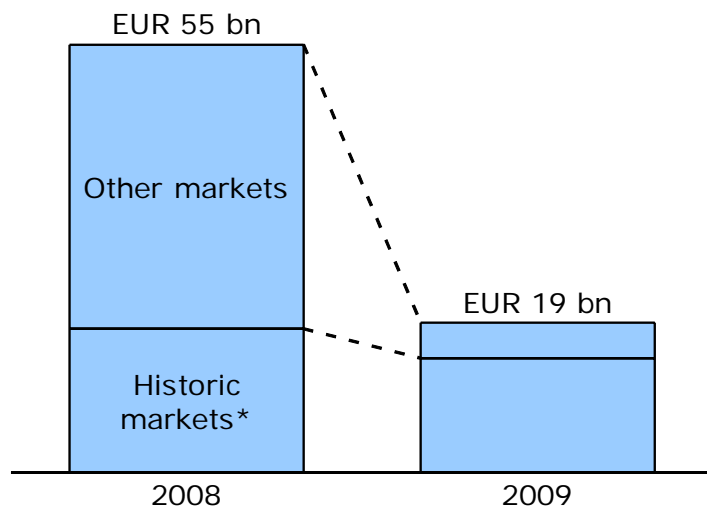
Adaptation of the cost base

① Priority Given to Core Client Franchises

Rapid refocus of the Public & Wholesale Banking business

Refocus on markets with core client franchises

New loan production



- Confirmation of the commercial franchise in Belgium, France, Luxembourg, Italy and Iberia
- Platforms to tap into local funding sources without commercial development in Germany, Japan and Switzerland
- Significant reduction of activities in UK and North America
- Discontinuation of activities in Australia, CEE (excl. Slovakia), Mexico, India and Scandinavia

1Q09 production highlights Dexia's new focus with EUR 2bn new loan production, almost entirely on core markets

Note: * Belgium, France and Luxembourg

② Improvement of the Group's Risk Profile

Update on closing of the FSA transaction

- States guarantee from Belgium and France on Financial Products is finalized
- The clearance of the deal by rating agencies, as well as legal documentation of the transaction are well on track
- Upon completion of both steps, Assured will have a maximum of 45 days during which it will raise funds, before closing the transaction
- Closing of the transaction expected by the end of June. Dexia will then retain:
 - ✓ *A stake in FSA-Assured: maximum of 24.7%*
 - ✓ *USD 16.6 bn FSA's Financial Products, on which risks are contained by the States guarantee*



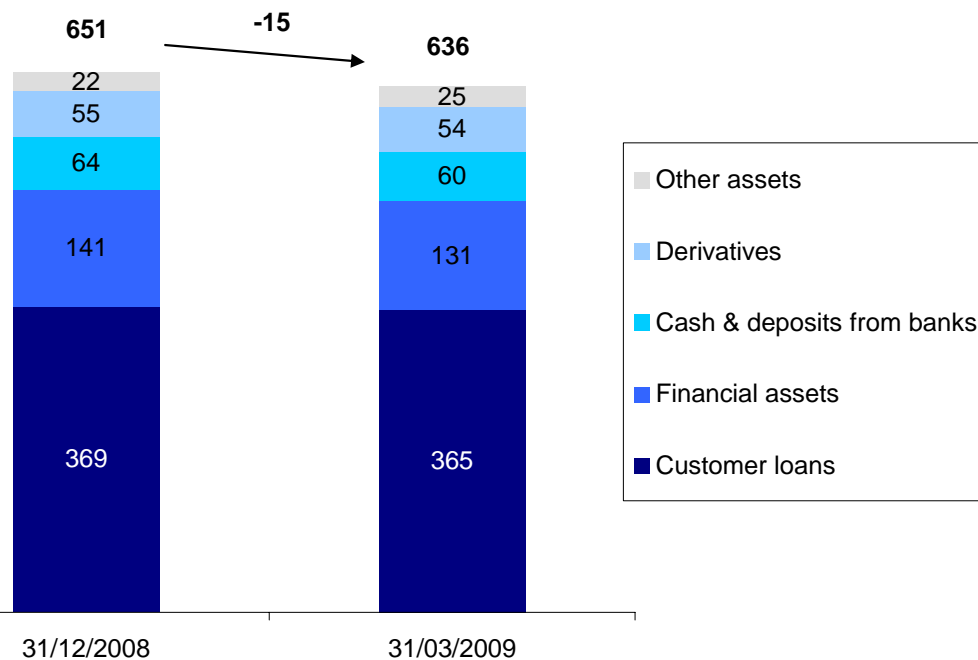
Significant step in Dexia's Transformation Plan about to be achieved

② Improvement of the Group's Risk Profile

Balance sheet deleveraging

Group assets by category

EUR bn

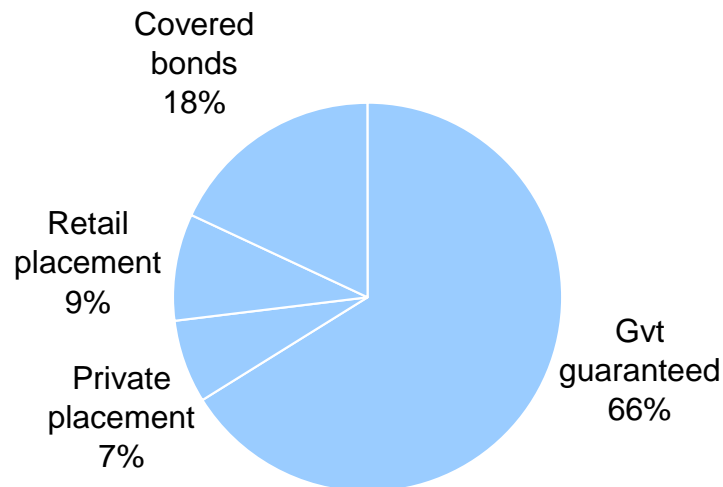


- First results of deleveraging efforts in a challenging environment. Total assets down by EUR 15 bn since Dec. 2008
- EUR 5bn bond sales realized since Oct. 2008 with limited P&L impact
- Reduced new loan production in 1Q09, entirely focused on core markets

② Improvement of the Group's Risk Profile

Improving liquidity situation

EUR 27.2bn long term funds raised YTD (at June 5th, 2009)



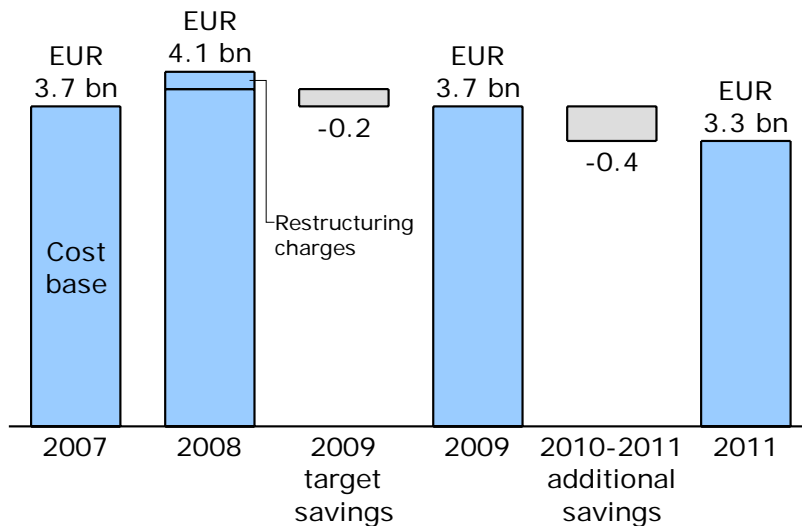
- Further improvement of access to short term liquidity
- EUR 27.2 bn long term issues year to date (as at June 5th, 2009), of which 66% government guaranteed, and 34% non guaranteed
- Two covered bonds issued in May by DMA and DKD
- Additional decrease of draws on US liquidity lines
- RCB deposits increase in 1Q09: +EUR 3.5 bn

3 Adaptation of the Cost Base

EUR 200m cost savings in 2009, EUR 600m by 2011

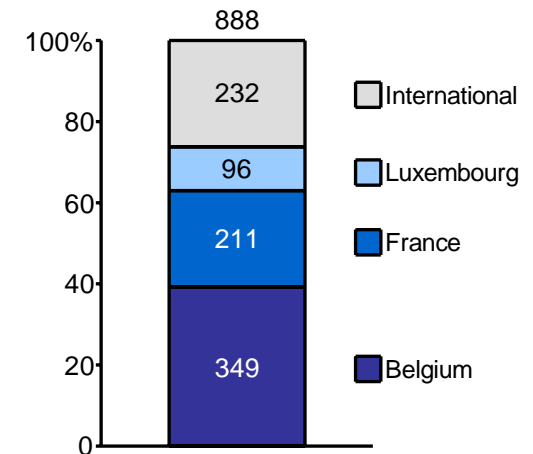


EUR 200 m cost savings in 2009
(c. EUR 300 m full year impact)



Initiatives to realise 2010-2011 savings outlined

Reduction of 888 full time positions in 2009



Constructive dialogue with our social partners initiated

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Dexia's Transformation Plan



Highlights of 1Q 2009 Group Results



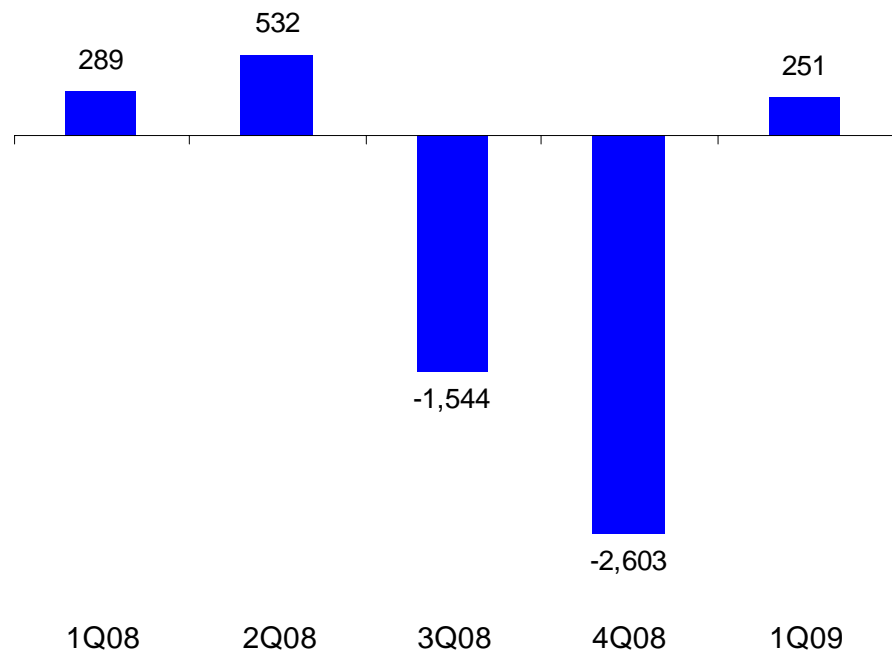
Conclusion



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Quarterly group results

EUR m

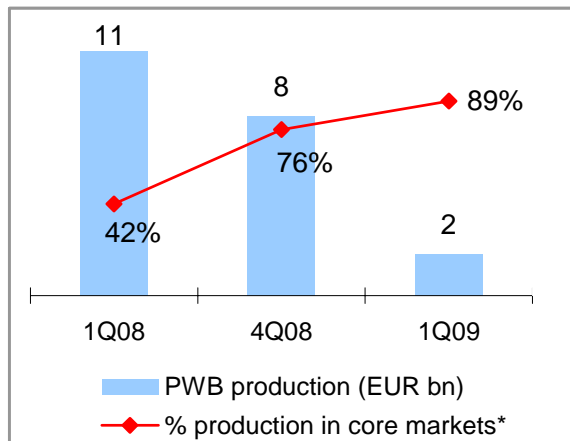


- Positive results in 1Q09
- 1Q09 highlights the resiliency of Dexia in a challenging environment
- No major one-off shock suffered in 1Q09
- Financial crisis impact of EUR -419 m
- Quality of the asset base is confirmed

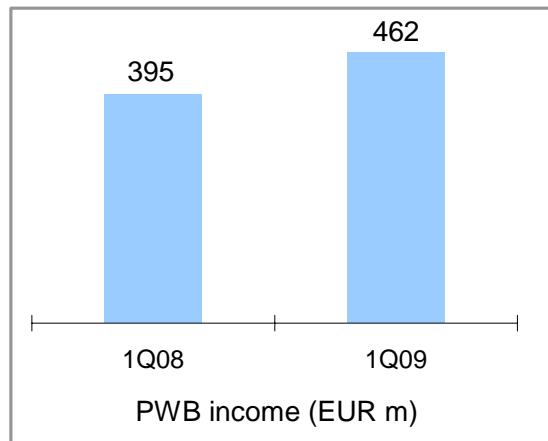
1Q 2009 Public & Wholesale Banking Performance

Confirmed solidity and profitability of PWB activities

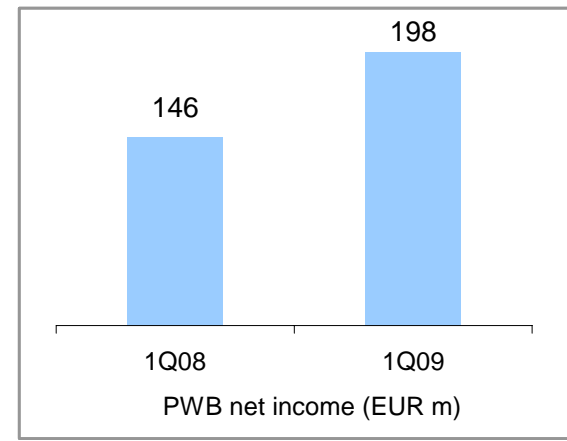
Rapid refocus on core markets



Resilient business



Profitable

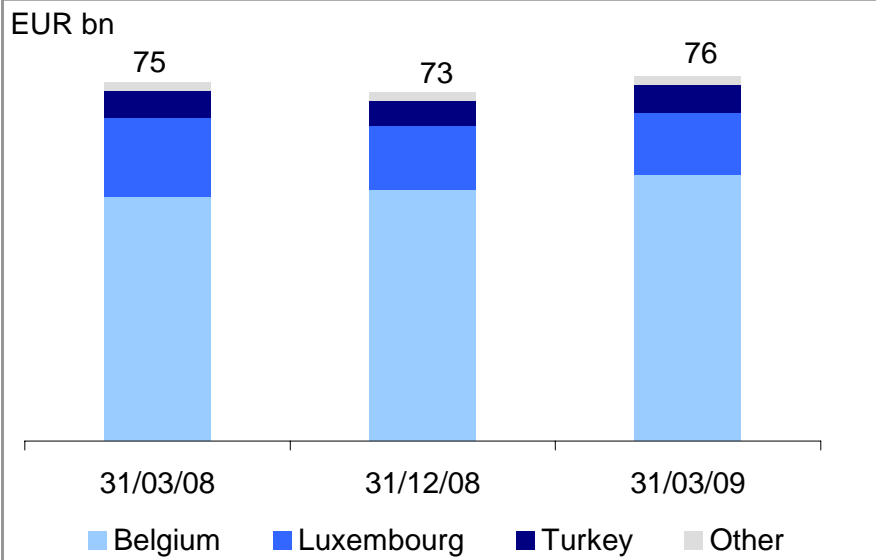


Note: * Belgium, France, Italy, Iberia

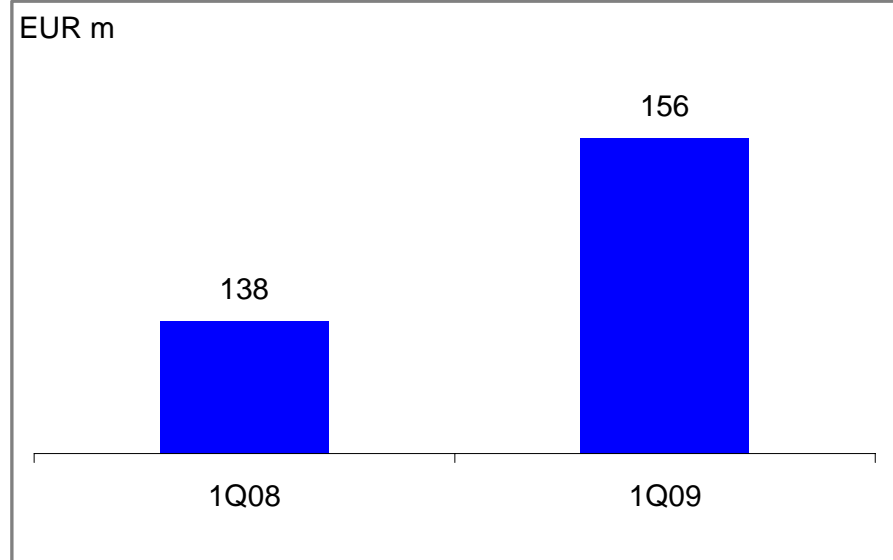
1Q 2009 Retail & Commercial Banking Performance

Good commercial and financial results

RCB deposits



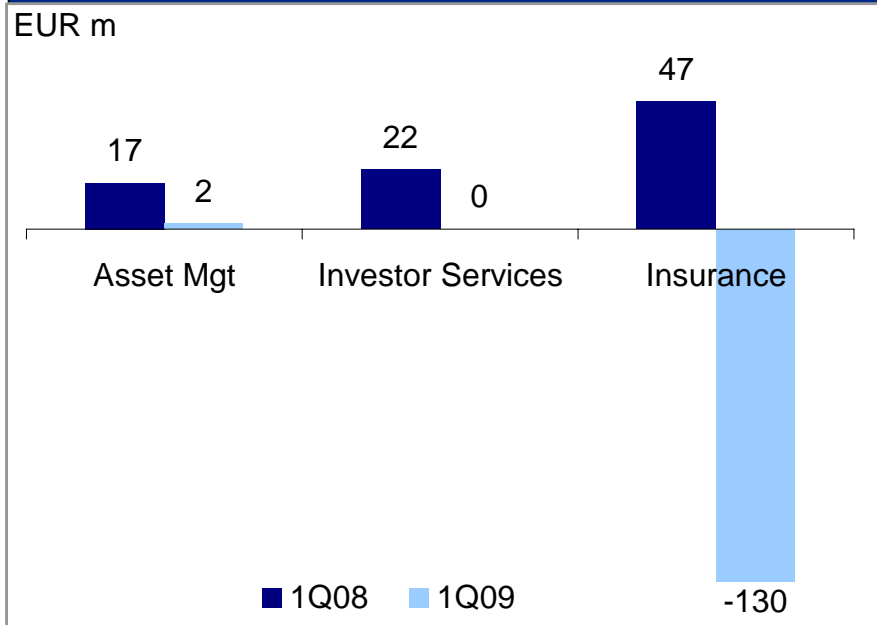
RCB net income



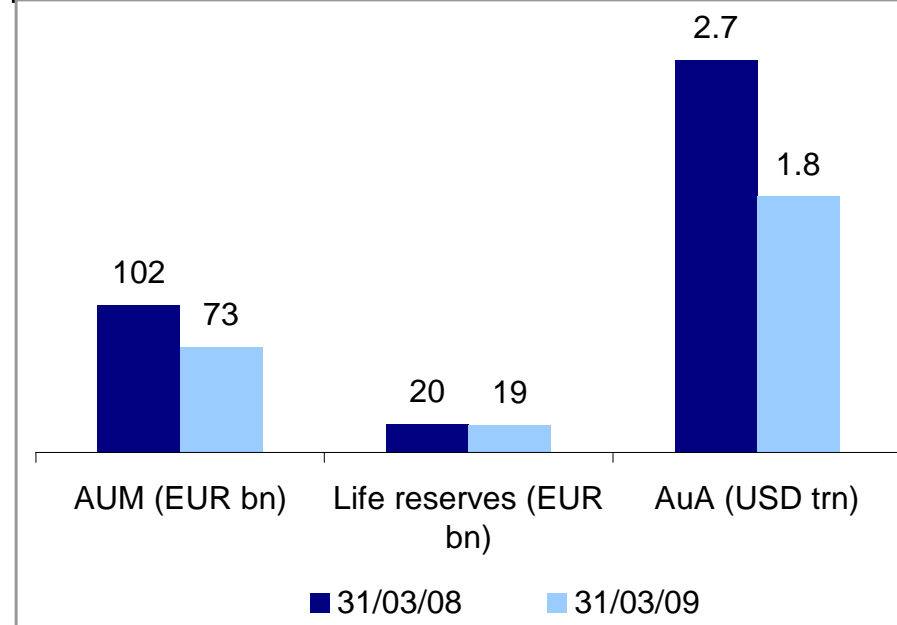
1Q 2009 Asset Management & Services Performance

Significant impact of the market turmoil

Net income contributions



Evolution of assets

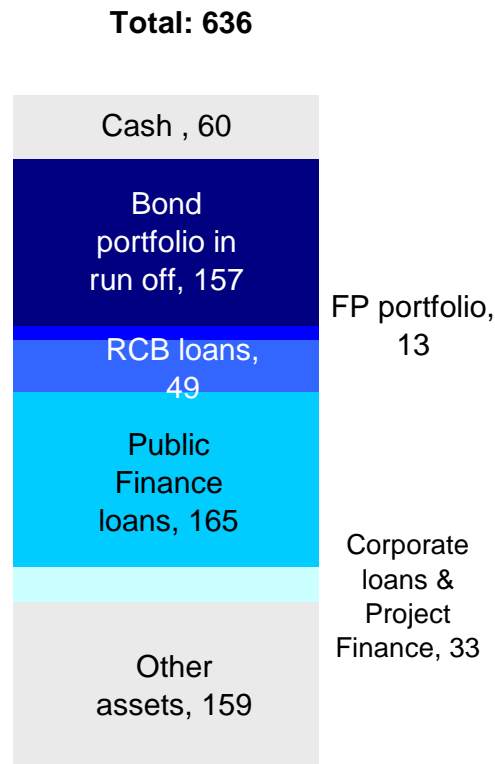


Asset Quality and Cost of Risk (1)

Proven resiliency of asset base in 1Q09

Group total assets by nature

As of Mar 09
Eur bn



- Bond portfolio in run-off: 99% investment grade, no impairment in 1Q09
- Financial Products Portfolio: EUR 35 m net impairments in 1Q09
- RCB loans: risks mostly concentrated in Turkey where conservative provisioning standards are applied
- Public Finance loans: risk charge remained low in 1Q09

=> Limited increase in impaired loans to customers in 1Q09 (+3% qoq)

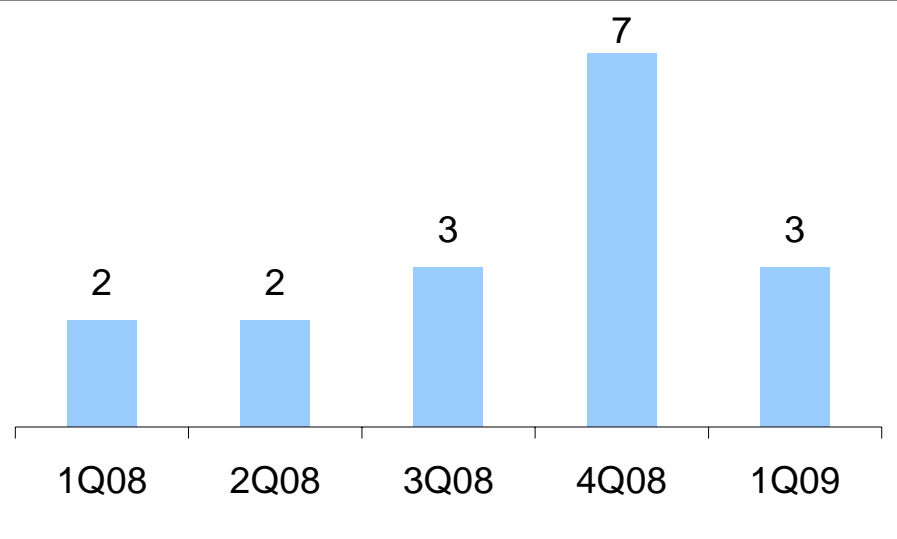
=> Risk charge limited to EUR 97 m in 1Q09 (11 bps)*

* Excluding FSA Inc and financial crisis impacts, on average customer loans

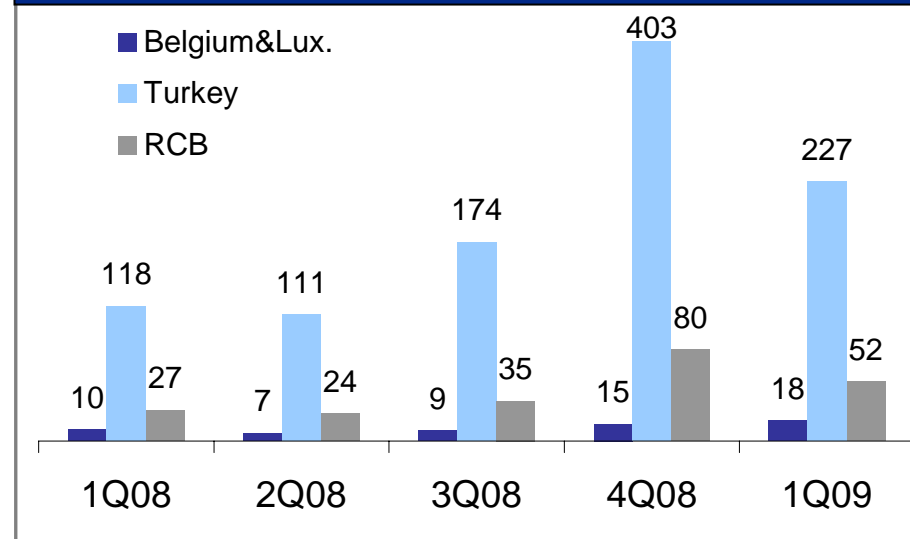
Asset Quality and Cost of Risk (2)

Evolution of the cost of risk by business line

Cost of risk PWB (bps)



Cost of risk RCB (bps)



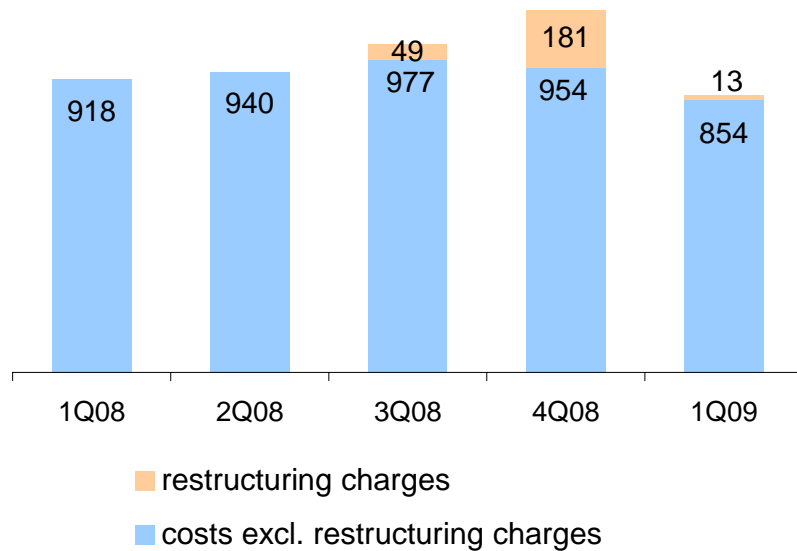
Expressed on average customer loans, incl. off balance sheet commitments for PWB

Progress on cost reductions

Cost savings program on track

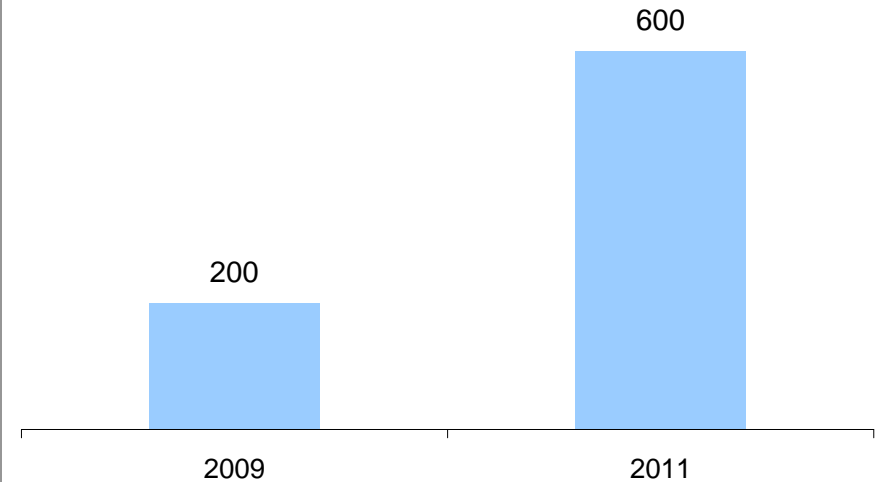
Quarterly trend in group expenses*

EUR m



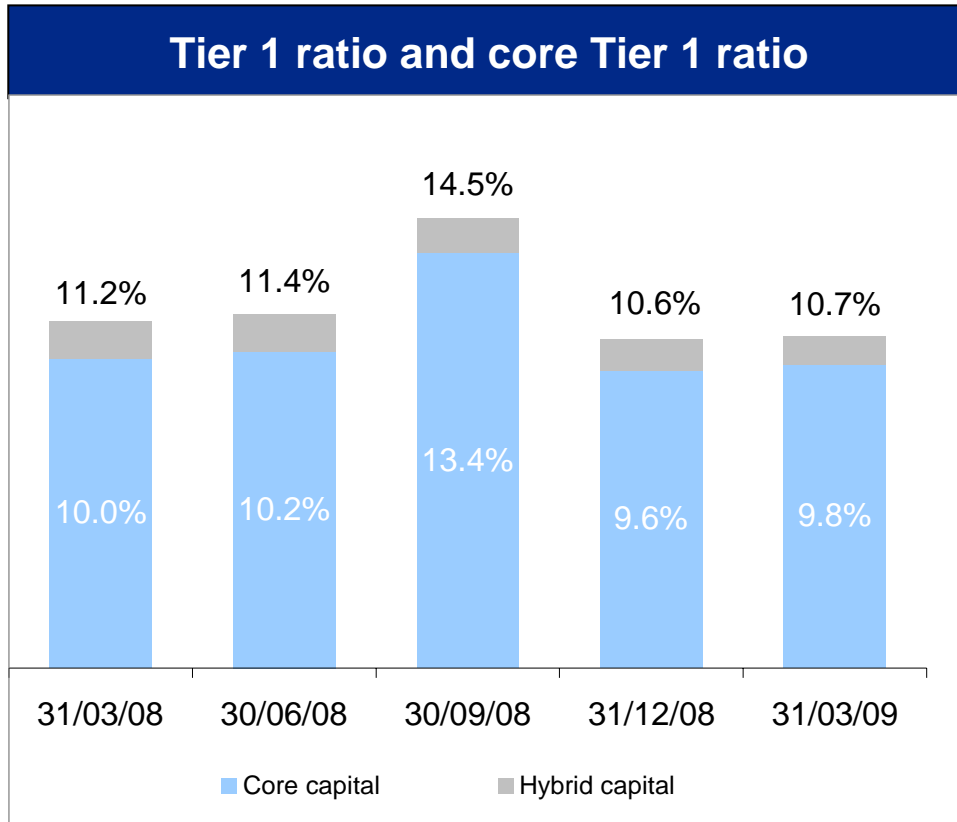
Cost savings program

EUR m



* Excluding FSA Insurance

Tier 1 ratio and core Tier 1 ratio



- All impacts from the sale of FSA Insurance and prudential consolidation of FP were taken into account in 4Q08
- Dexia Tier 1 ratio protected against further FP losses since 31/12/2008
- Core capital contributes to 92% of Tier 1 capital

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Dexia's Transformation Plan



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- Back to profitability in 1Q09 after a difficult end of 2008
- PWB and RCB core businesses proved their resiliency and profitability
- Quality of the asset base is confirmed
- Cost savings program on track, group expenses are down 6% in 1Q09 vs. last year
- Sale of FSA to Assured about to be closed
- Ongoing improvement of group liquidity, notably thanks to healthy long term issuance volumes. First covered bonds issued in May without recourse to the State guarantee
- High solvency ratios, with a core Tier 1 of 9.8%, largely protected from potential additional losses of Financial Products

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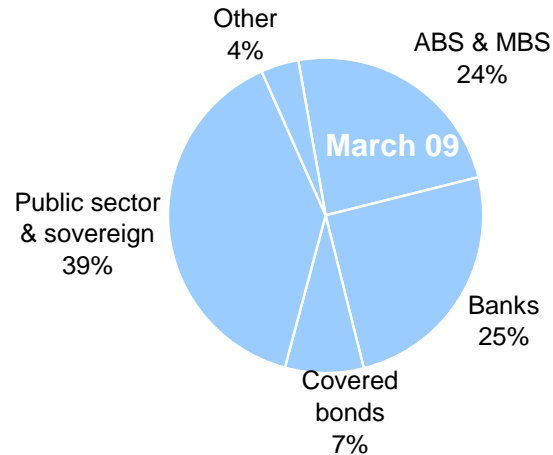


Appendices

Bond Portfolios in Run-Off, Excluding FP

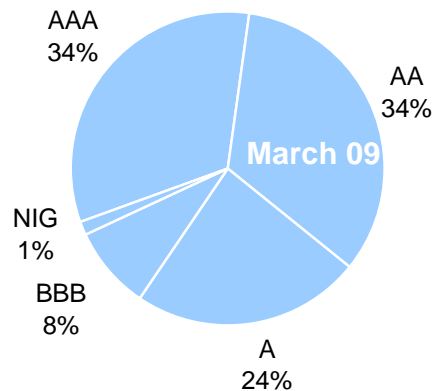
99% investment grade

By asset class
(EUR 157 bn)



- Includes former Public Bonds and Credit Spread Portfolios, TFM trading portfolios
- EUR 5 bn net sales since October 2008
- Average life of 11 years
- 99% of portfolio is investment grade
- No major impairments in 1Q09

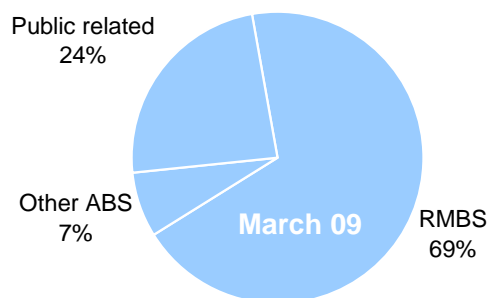
By rating
(EUR 157 bn)



FSA's Financial Products Portfolio, in Run-Off

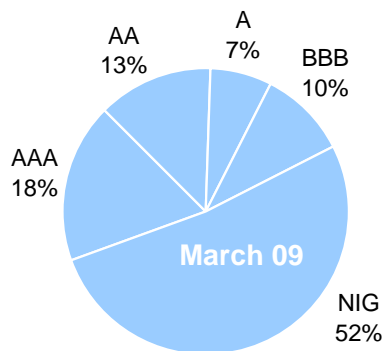
By asset class

(USD 16.6 bn /
EUR 12.5 bn)



By rating

(USD 16.6 bn /
EUR 12.5 bn)



- Portfolio reclassified in L&R in Dexia IFRS accounts
- Net impairments in 1Q09 were USD 45 m (EUR 35 m)
- Cumulative impairments of USD 2.0 bn (EUR 1.5 bn)
- Cash losses to date: USD 13.5 m of which USD 1 m in 1Q09

Gross amount. Corresponding figure as at end Dec 08 was USD 16.9 bn.

Ratings are the lower of S&P and Moody's.