

Positive Outcome from European Commission Negotiations

Presentation to analysts and investors

February 8, 2010

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□ Outcome from EC discussions

- **Dexia's restructuring plan approved by the EC**
- Dexia's deleveraging program backed up
- Cost control efforts confirmed
- Additional measures required

□ Dexia going forward

- Short-term: earlier than anticipated exit from State guarantee scheme on funding
- Short-term: improvement of funding structure
- Mid-term: refocused balance sheet

Common Understanding, Shared with the EC, of 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 158 bn bond portfolio built as part of the public finance activity or liquidity management
- Reliance on wholesale funding markets
- Significant liquidity mismatch

High exposure to the US market

- Exposure to the US financial guarantee business through FSA
- USD 408 bn insured portfolio, of which USD 103 bn insured ABS

Note: data as of end 2008

Acknowledgement by the EC of the Significant Achievements in Dexia's Transformation Plan

1

Priority given to core client franchises

- Run-off of selected PWB international positions and reduction of production to EUR 12 bn in 2009 vs. EUR 52 bn in 2008
- Sale of Crédit du Nord, Dexia Epargne Pension (agreement)
- EUR 16.5 bn of bond sales, 70 bn total deleveraging (11% of balance sheet)
- EUR 8 bn net deposits collected in 2009
- Continuous increase in results of core businesses, each back to profitability since 2Q09 included
- Redesign of Belgium retail network with EUR 350 m investment

2

Improvement of Group's risk profile

- Sale of FSA Inc. and containment of FSA Financial Products portfolio
- Sale of Kommunalkredit Austria
- Proprietary trading stopped and VaR limits divided by 2
- Short term funding need reduced by c.80 bn (-35% vs. crisis peak) and Group debt lengthened with EUR 46 bn long term funds raised in 2009

3

Cost base adaptation

- c.EUR 350 m realized cost savings vs. 2008 (-9%), EUR 150 m over initial 2009 target
- Confirmation of EUR 600 m cost saving plan

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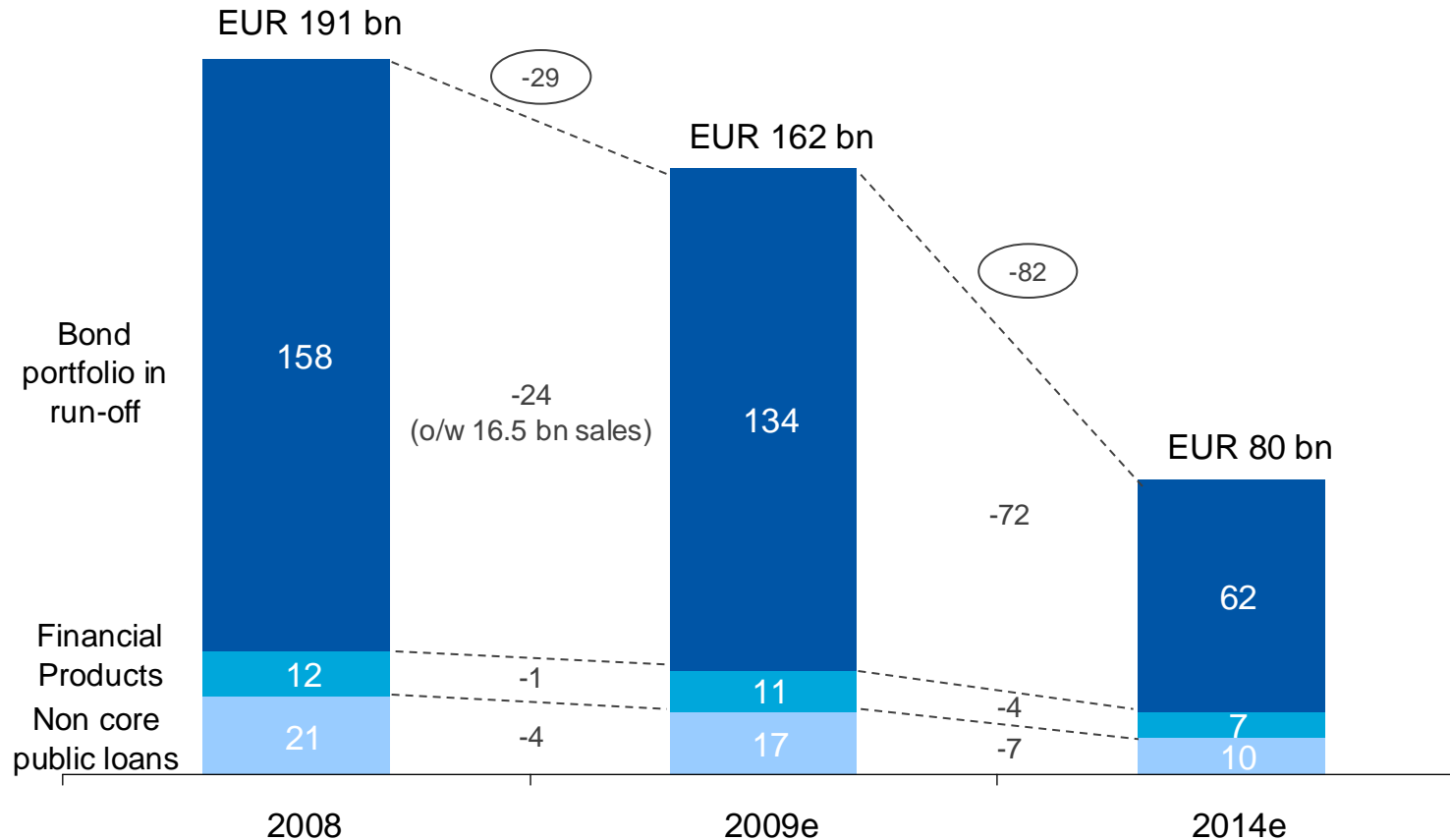
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Recognition by the EC of the Ability to Deliver on Deleveraging Program

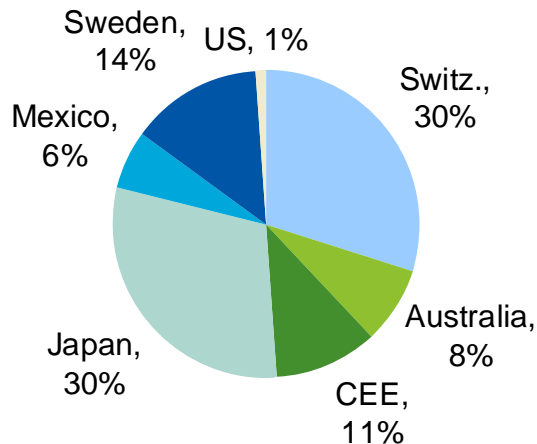
Forward Looking Statement



- Classification of Dexia's portfolios in run-off in a Legacy Portfolio Management Division with a reinforced governance
- Legacy Division results will be impacted by the sustained pace of deleveraging over the next two years

Legacy Division Assets: Low Risk or Covered by Existing State Guarantee Scheme

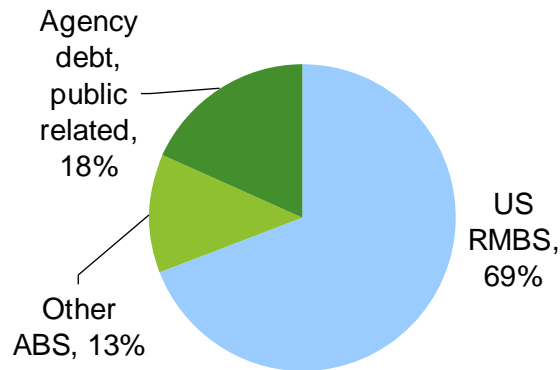
Non-core public loans EUR 17 bn



26% average risk weight⁽¹⁾

- Loans to local authorities or public satellites
- Australian project finance

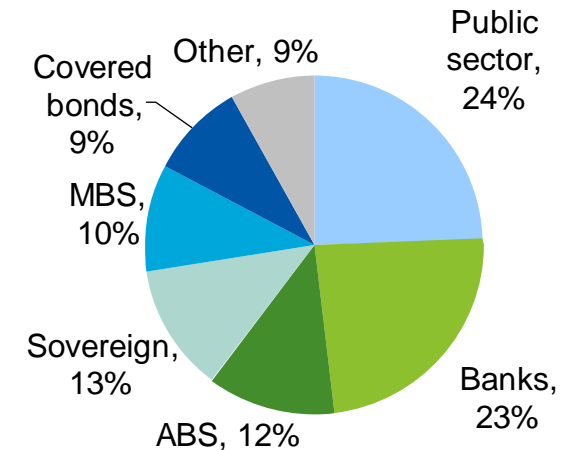
Financial Products Portfolio EUR 11 bn



State Guarantee scheme

- 75% of the portfolio benefit from State guarantee
- Dexia covers a first loss of USD 4.5 bn⁽²⁾. Above USD 4.5 bn, the States will cover losses and be entitled to receive ordinary shares or non voting profit shares
- Dexia solvency fully protected against further FP losses

Bond Portfolio in Run-Off EUR 134 bn

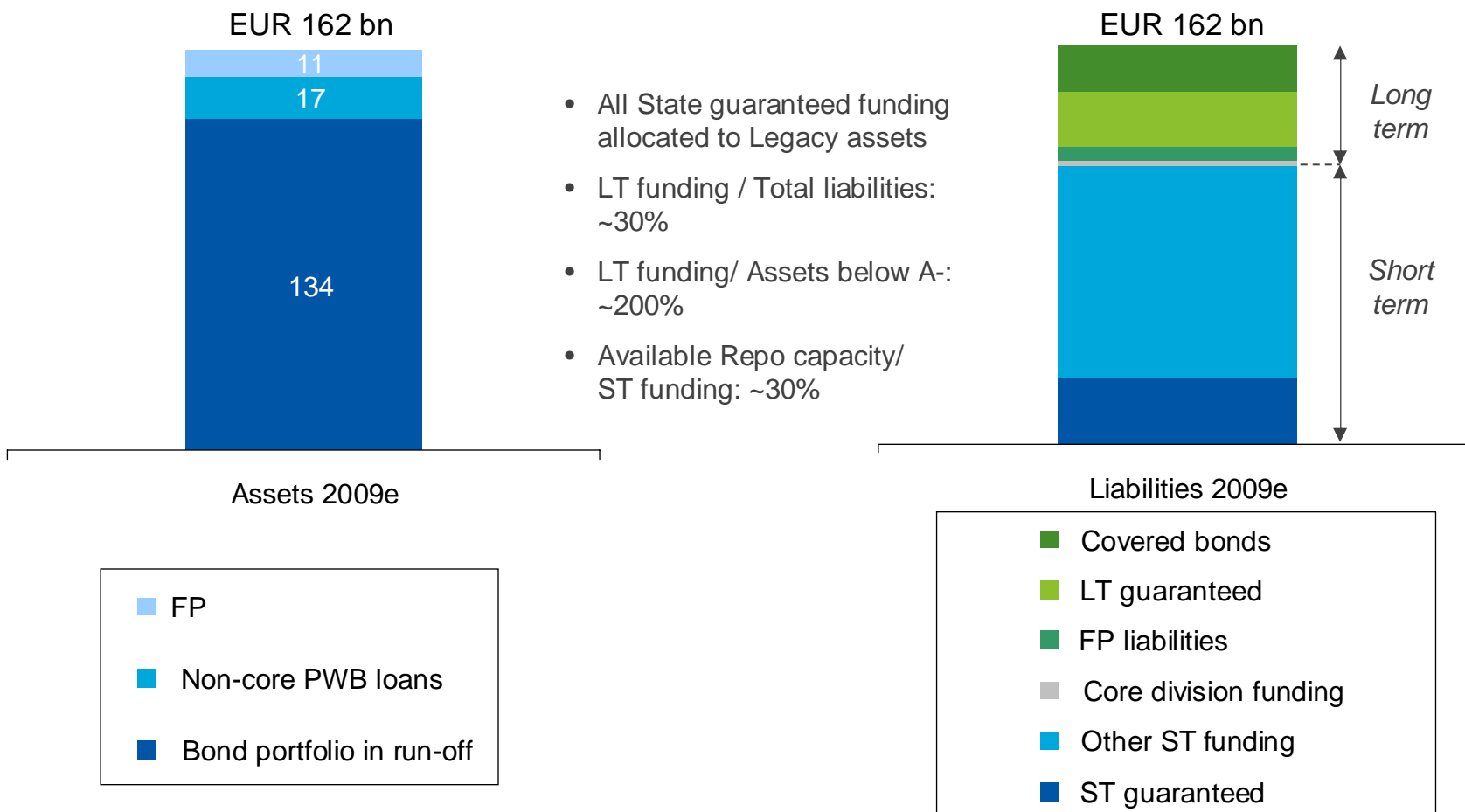


97% investment grade

- Good stability of ratings since the worst of the crisis
- Provisions largely limited to Lehman, Icelandic banks exposures, booked in 3Q08

Allocation of a Clear Funding Structure to Legacy Assets

Forward Looking Statement



- Core businesses to be funded mostly by covered bonds and stable deposits
- Presentation of the Group's revised financial reporting separating Core and Legacy divisions at 2Q2010 Investor day

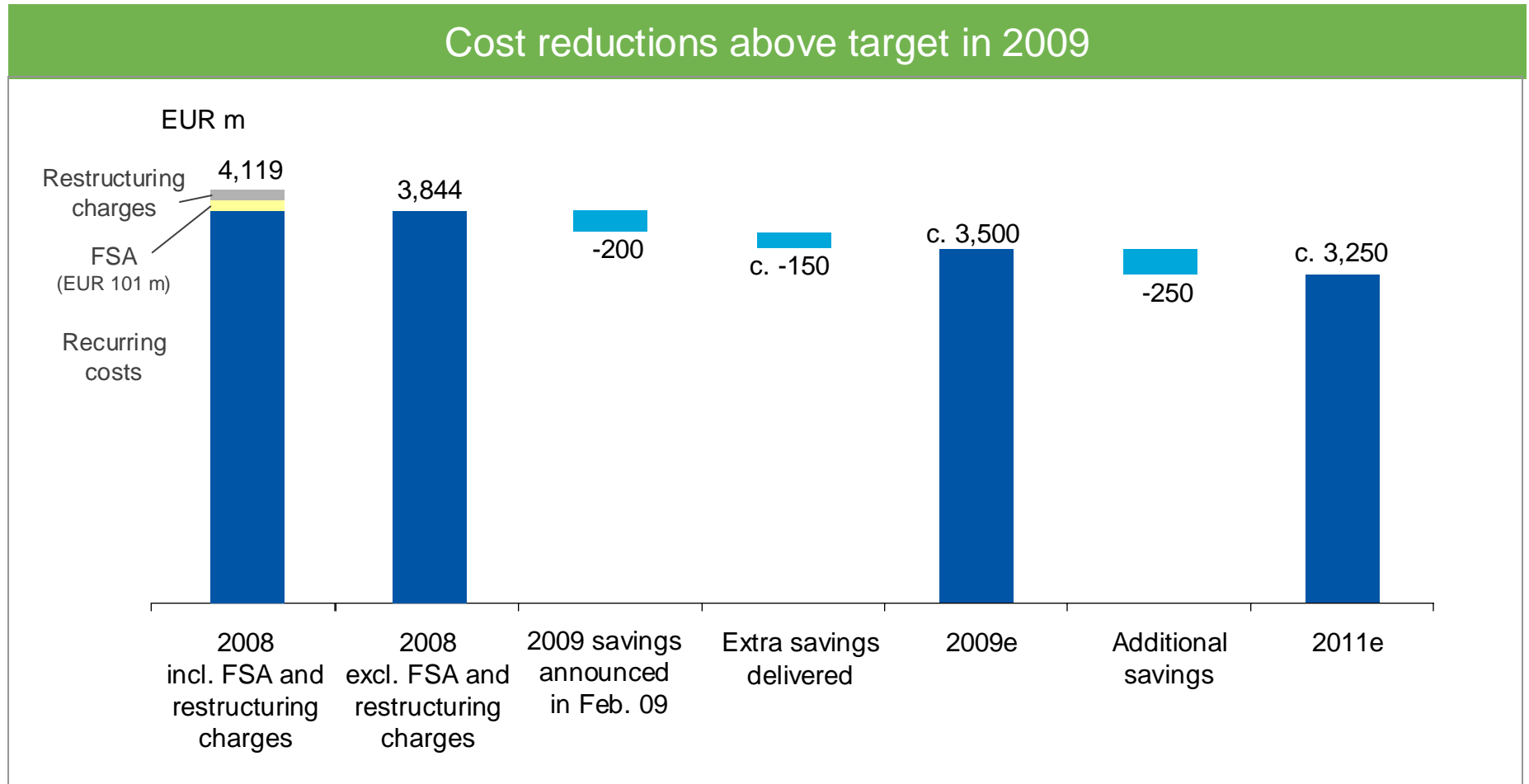
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Recognition by the EC of the Ability to Deliver Cost Reductions



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- **Additional measures required**
 - **Agreed sales of activities**
 - Restrictions on dividends, hybrids and acquisitions

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Recognition by the EC of the Significant Disposals Already Completed in 2008 and 2009



EUR bn **2008**

Partner in CEE

□ Total assets	37.5
□ Net loss ⁽¹⁾	-1.5

Sold Nov 2008
(49% stake)



USD bn **2008**

US monoline insurer

□ Insured portfolio	408
□ o/w ABS	103
□ Net loss ⁽²⁾ (EUR bn, Dexia IFRS)	-2.8

Sold July 2009
(100% FSA Ins.)

**Crédit
du Nord**



EUR bn **2008**

Retail France

□ Total assets ⁽¹⁾	40.7
□ Net income group share ⁽¹⁾	0.3

Sold Dec 2009
(20% stake)



EUR bn **2008**

Life insurance France

□ Total assets	5.3
□ Premiums	1.0

**Sale agreement
Dec 09**

Divest Crediop, Dexia Sabadell and Dexia Banka Slovensko in the Next Three Years



<i>EUR m</i>	<u>2008</u>
□ Total assets	58,779
□ Weighted risks	4,918
□ Market share	
■ Outstandings	30%
□ Italy's n°2 lender to local authorities	
□ Revenues	250
□ Net income group share ⁽¹⁾	136

Dexia Sabadell

<i>EUR m</i>	<u>2008</u>
□ Total assets	15,799
□ Weighted risks	2,925
□ Market share	
■ Outstandings	8.4%
□ Spanish's n°3 lender to local authorities	
□ Revenues	85
□ Net income group share ⁽²⁾	29



<i>EUR m</i>	<u>2008</u>
□ Total assets	2,723
□ Weighted risks	1,409
□ Market share	
■ Loans to local authorities	80%
■ Retail deposits	4%
□ 7 th bank in Slovakia by assets	
□ Revenues	71
□ Net income group share ⁽³⁾	-15

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Restriction on Dividends, Hybrids and Acquisitions for the Next Two Years

Until 31 December, 2011

- Dexia will not make any acquisition of financial institutions
- Dexia will be able to pay dividends on common equity in shares only, conditioned to Tier 1 requirements commitments
- Dexia will pay coupons on its subordinated debt instruments only if deemed contractually mandatory and will not call them

Agenda

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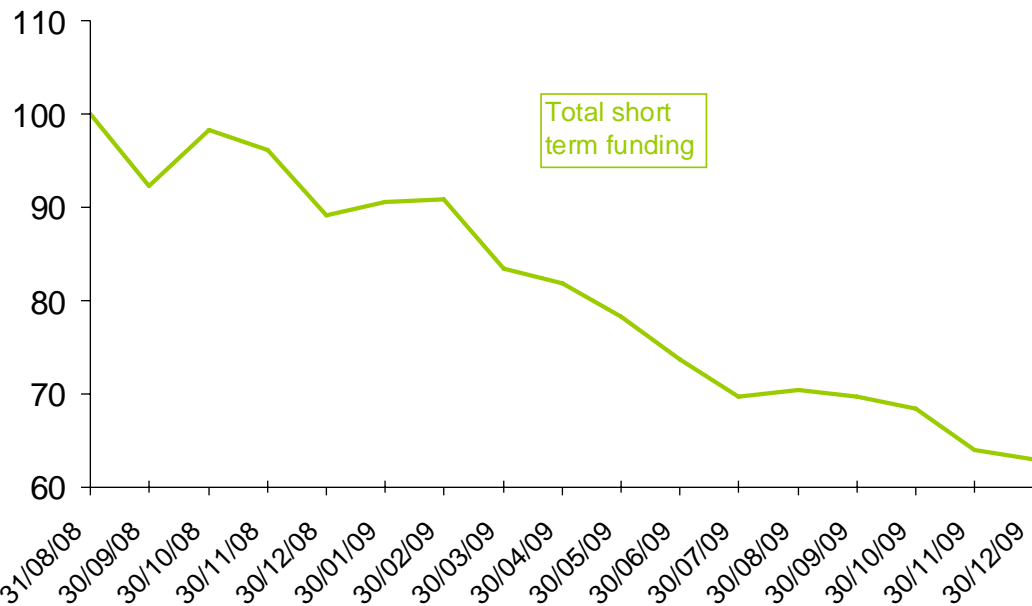
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Important Decrease of Short Term Funding Need in 2009

Evolution of Group's short term funding need

Rebased on 100



Overall decrease of short term funding need in 2009

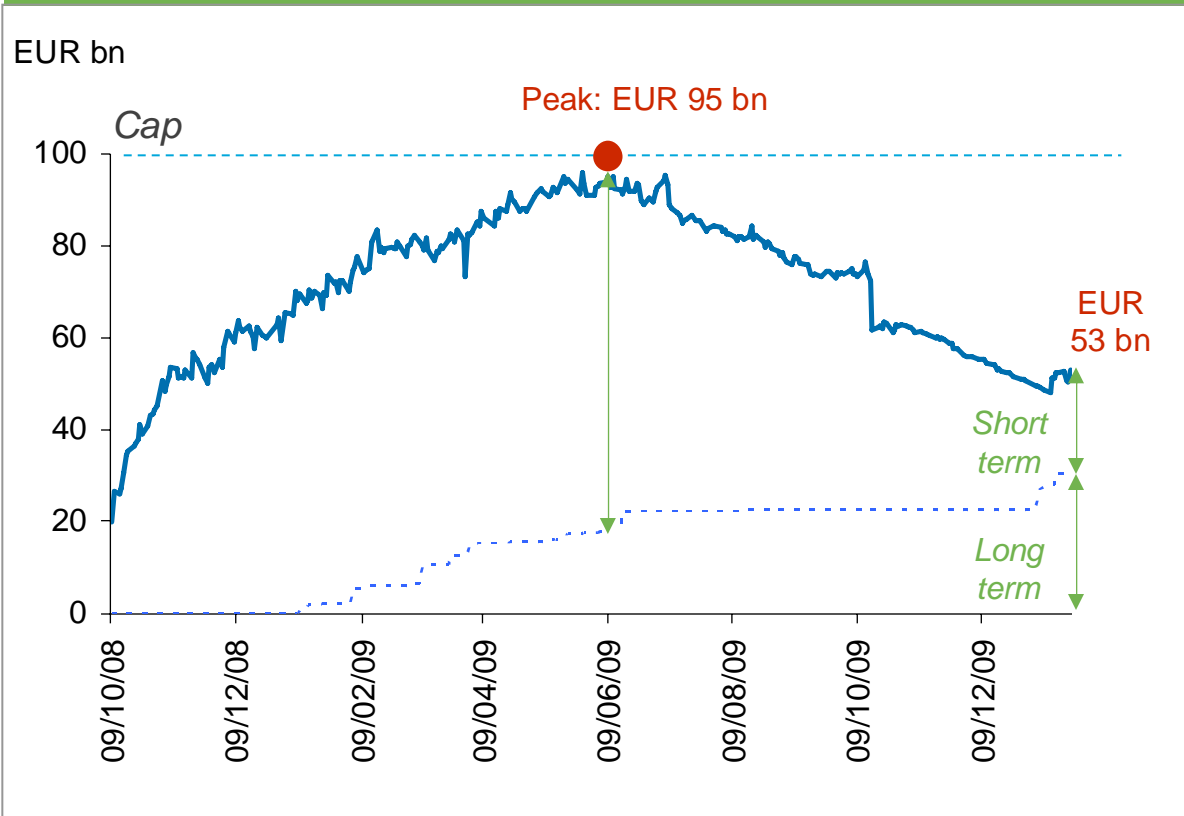
- Lengthening of maturity profile of group's debt: EUR 46 bn medium and long term funds raised in 2009
- Deposit net collection in 2009: EUR 8 bn
- Active deleverage of the balance sheet: bond portfolios in run-off decreased by 15%
- Limited PWB new production: EUR 12 bn new commitments in 2009 vs. EUR 52 bn in 2008

Solid 2010 start of LT funding program

- EUR 8 bn GGB issued in 2010 to date with an average maturity of 3.2 years at Eur 3 m + 26 bps (excl. State guarantee fee)
- EUR 2.4 bn covered bond issued (avge maturity 9 years, issuance at Eur 3 m + 57 bps)

Significant Decrease in Use of Guaranteed Debt

Guaranteed debt outstandings



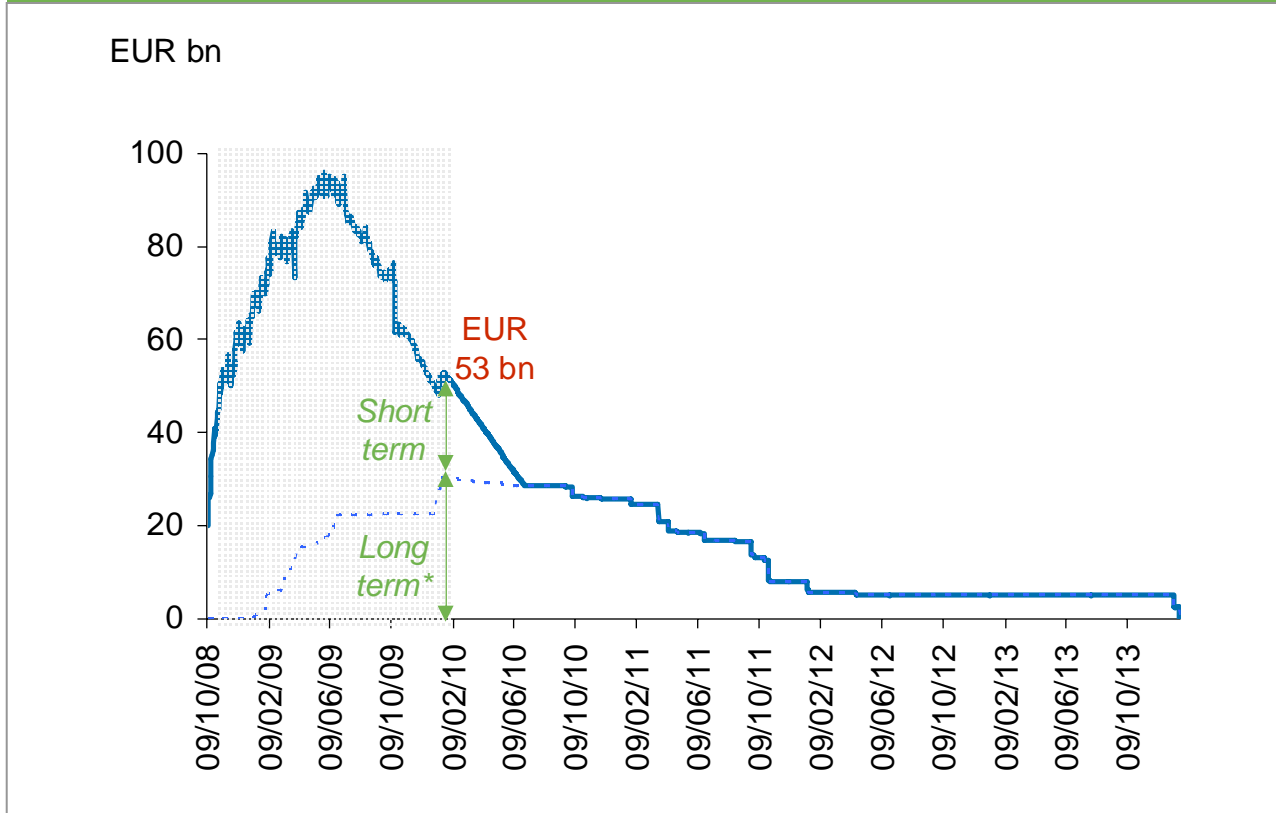
Sizeable decrease of short term guaranteed funding

- Orderly exit of contracts below 1 month from the guarantee on October 16th, 2009
- Overall decrease of Group's short term funding need

Early Exit from State Guarantee: June 2010 vs. October 2010 initial Target

Forward Looking Statement

Projected guaranteed debt outstandings



- End all issue of short term guaranteed debt as early as 31 May, 2010
- End all issue of short term and long term guaranteed debt as early as 30 June, 2010

* EUR 8 bn State Guaranteed bond issued in 2010 to date (21/01/2010), out of a 2010 plan of EUR 15 bn

Agenda

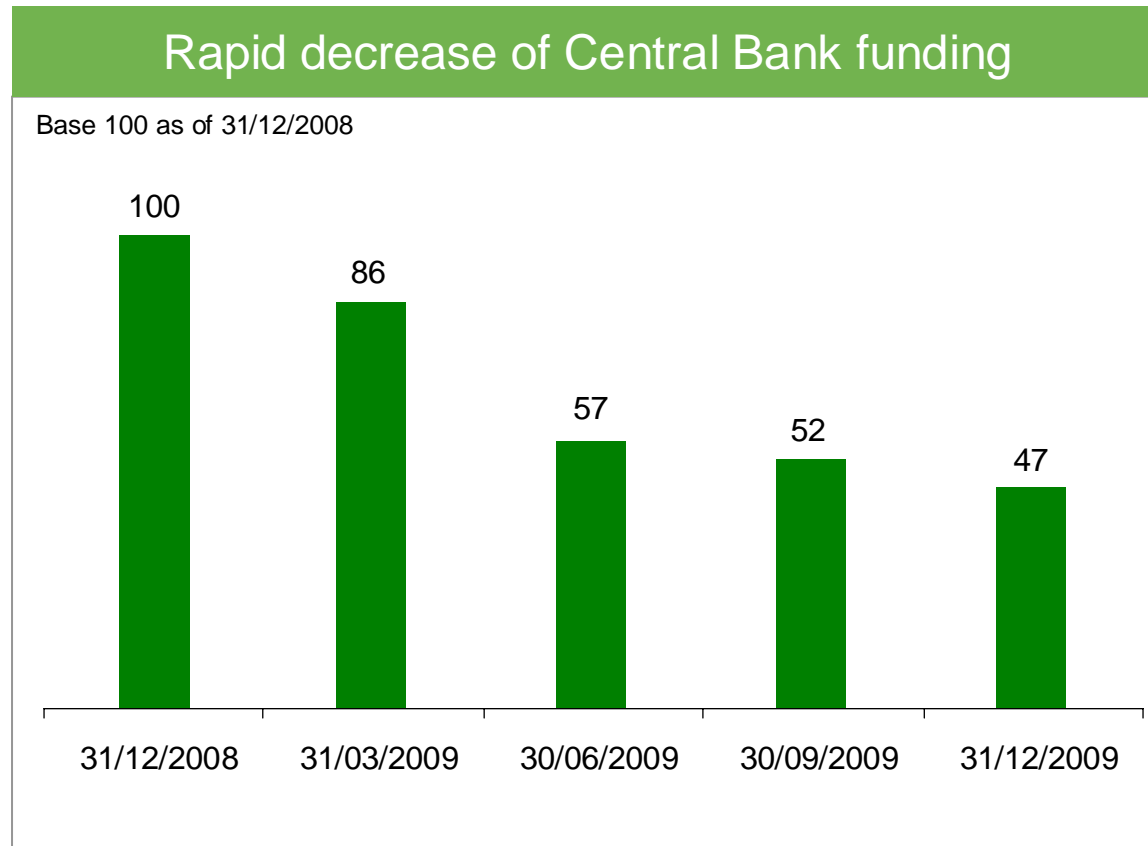
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Commitment to Pursue Improvement of Funding Structure



Commitments in line with efforts achieved to date

- Strong reduction of short term guaranteed funding
- Strong reduction of Central bank repos
- Increase of LT funding particularly through deposits and covered bonds
- Improved weighted average life of liabilities going forward

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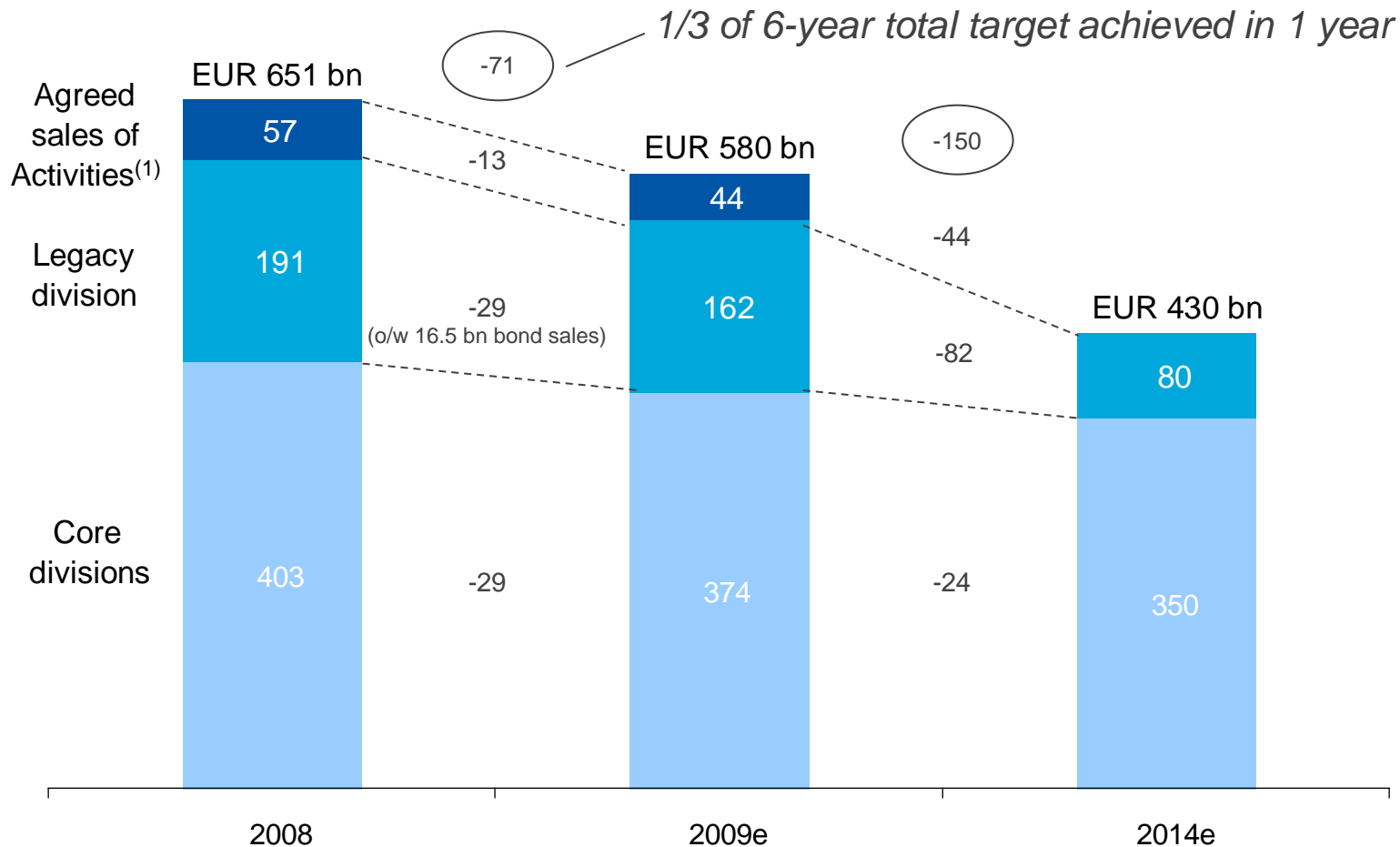
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A Refocused Balance Sheet, Reduced at ~EUR 430 bn by 2014 (-35% vs. 2008)

Forward Looking Statement

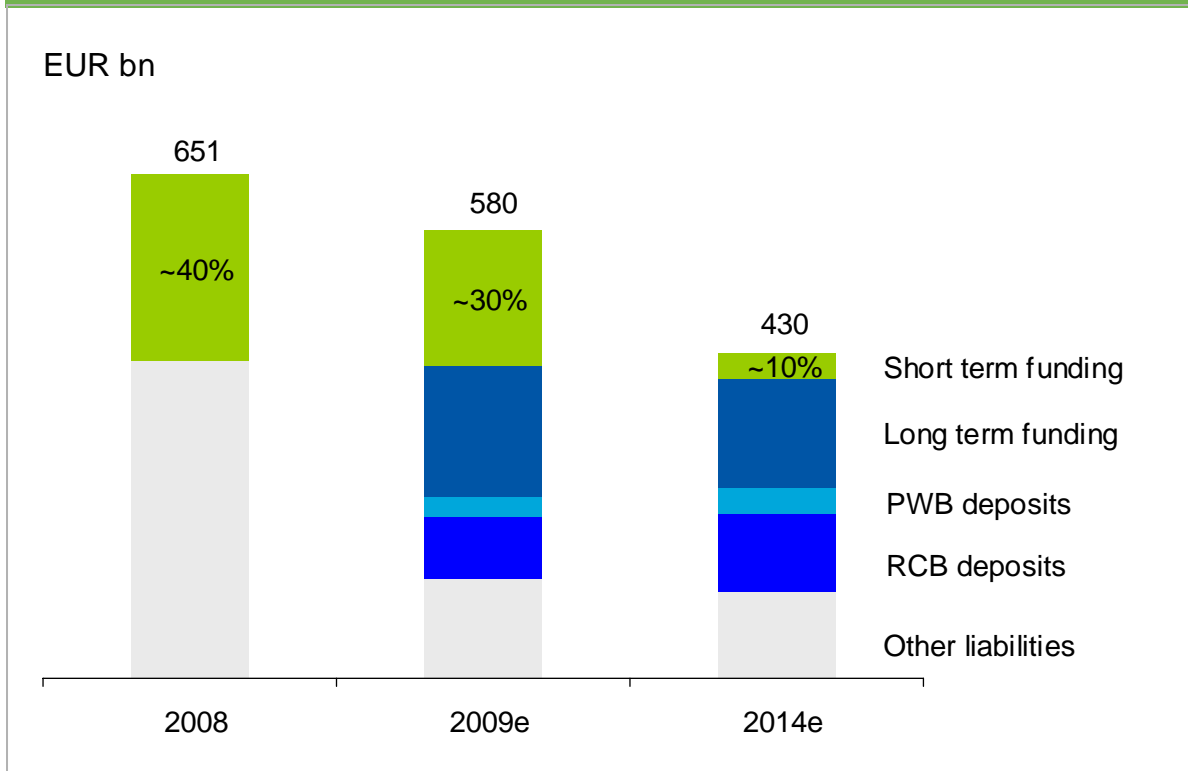


- Core PWB yearly production will remain in the range of EUR 15-18 bn
- Expected decrease of Core Division balance sheet mostly related to reduction of ALM and Treasury assets
- Report on the execution of the restructuring plan will be submitted to the EC every 6 months

A Soundly Funded Balance Sheet, with Limited Reliance on Short-Term Funding

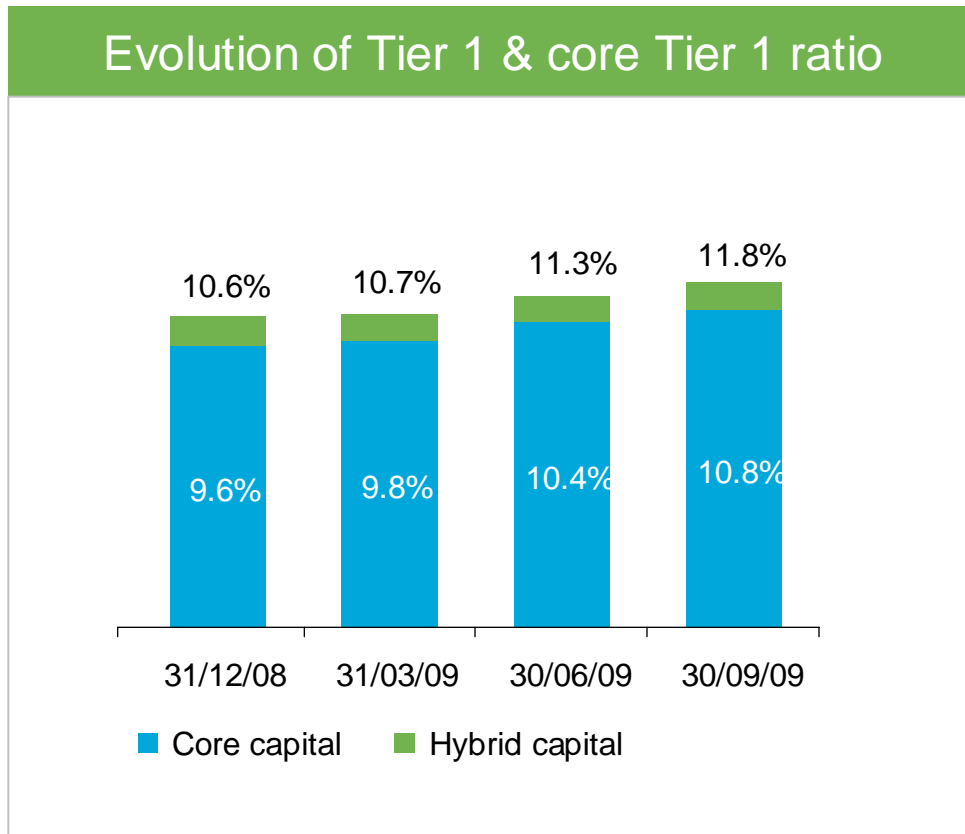
Forward Looking Statement

Indicative 2014 Balance Sheet



- Significantly reduced reliance on short term funding
- Large part of Group funding based on stable and/or long term resources
- Covered bonds
 - 3 issuers (DMA, DKD, DLG) with well diversified and complementary investor bases
 - Among the very few to offer pure pools of public collateral
 - Acting under legal frameworks enabling the refinancing of different eligible assets
- Unsecured long term DCL and DBB funding
- RCB and PWB deposits

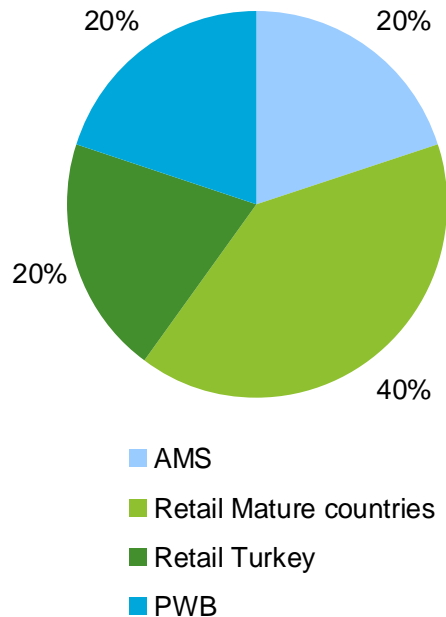
An Ability to Maintain High Level Core Tier 1 Ratio



- Strong solvency: 11.8% Tier 1 ratio and 10.8% Core Tier 1 ratio as of Q309
- Commitment to condition dividend distribution to a conservative Core Tier 1 ratio

Dexia Refocused on its Historical Franchises with an Increased Weight of Retail Activities

Indicative 2014 Revenues - Core Divisions -



- After transformation plan full implementation, Core businesses move towards robust ROE - details will be provided at 2010 Dexia's Investor Day

Retail & Commercial Banking Belgium & Lux.

- Leading positions with profitability improvement potential
- In Belgium: initiatives to align cost/income ratio with competitors' and to implement new distribution model
- In Luxembourg: optimisation of platforms and organisation to reinforce private banking and local retail banking franchise

Retail & Commercial Banking Turkey

- Disciplined loan growth strategy and prudent risk management
- Full funding autonomy
- Ambitious network development

Public & Wholesale Banking

- Consolidation of historical customer base and offer, i.e full fledged banking relationship in Belgium and local sector expertise in France
- Development on selected markets offering good growth opportunities
- Future development in line with Group's funding conditions and value creation criteria

Asset Management & Services

- Asset Management: develop synergies within the group and maintain strong cost control
- Insurance: focus on costs and optimization of platforms
- Investor Services: potential to grow valuable franchise

In second quarter of 2010:

Dexia's Investor Day to introduce partition between Legacy and Core Divisions and review detailed strategies on each Core businesses

