

Regulated information – Brussels, Paris, 7 December 2017, 18:00 pm

An extraordinary shareholders' meeting of Dexia SA approves the conversion of the company's preference shares and the issue of profit shares to the States

An extraordinary shareholders' meeting of Dexia SA was held on 7 December 2017, and approved the proposal to convert the preference shares subscribed in 2012 by the Belgian and French States and to issue profit shares¹.

As part of this conversion², all the preference shares issued on 31 December 2012 and held by the Belgian and French States are converted into ordinary shares, at a conversion rate of 14.446 ordinary shares (i.e. currently category A shares) against one preference share (currently category B shares). Furthermore, profit shares bearing Contingent Liquidation Rights (CLR) are granted to the Belgian and French States. These CLR do not represent the capital of Dexia, but grant the States the right to benefit from a preferential distribution, on the liquidation of Dexia, after settlement of the debts and charges, in an amount of EUR 440 million per annum to count from 1 January 2018 up to the date of liquidation. This right to a preferential distribution in the event of liquidation may only be exercised once, of the occasion of Dexia's liquidation.

The conversion plan approved by the extraordinary shareholders' meeting today falls within the framework of the Dexia orderly resolution plan approved by the European Commission on 28 December 2012. It is implemented with a view to meeting the requirements of banking regulations. In particular, the conversion plan has the following two objectives:

- on the one hand, to ensure the observance by the Company of the capital ratios imposed by the European Central Bank (ECB) in its decision dated 8 December 2016;
- and on the other hand, to ensure the ongoing observance of the "burden sharing" requirements imposed by the European Commission in its decision dated 28 December 2012 by virtue of the regulations on State aid which, to recall, aim to guarantee that any improvement in Dexia's financial situation will primarily and principally benefit the States³.

The plan was approved by the European Commission on 19 September 2017. On 27 November 2017, the ECB gave its consent to the ordinary shares emanating from the conversion to be effectively treated as Common Equity Tier 1.

The share capital of Dexia SA now amounts to five hundred million euros (EUR 500,000,000.00), represented by 420,134,302 shares without indication of their nominal value.

For more information: www.dexia.com

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¹ Cf. *Dexia Press Release dated 19 September 2017, available at www.dexia.com.*

² Cf. *Dexia Press Releases dated 18 October and 20 November 2017, available at www.dexia.com.*

³ Cf. *Decision of the European Commission on 28 December 2012 concerning State aid in favour of Dexia, DBB/Belfius and DMA, paragraph.101.*