Shareholders Meeting

Brussels, May 20th, 2015

DEXIA

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Annual Shareholders Meeting
Agenda

- **Part I** : Orderly resolution well on track
- **Part II** : Significant macro-economic and regulatory shifts
- **Part III** : Progress on strategic objectives in 2014
- **Part IV** : Annual results 2014 and Q1 2015
- **Part V** : Activity of the board of directors and dedicated committees
- **Part VI** : Compensation policy 2014

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Part I:

Orderly resolution well on track

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Orderly resolution well on track

Fundamentals of the plan

Scope: Dexia SA	31/12/2008		31/12/2011		31/12/2014
Balance Sheet (EUR bn)	651	Group Restructuring	413	Group Resolution	247
Tier 1 ratio	10.6%		7.6%		16.4%
Staff	36,700		22,460		1,265

Orderly Resolution Plan, approved by the European Commission on 28 December 2012

- Setting the base of the orderly run-down of the Group's activities, based on support from the Belgian, French and Luxembourg States
- In essence, calling for the disposal of the saleable commercial franchises within a short deadline and the management in run-off of the remaining assets
- No new commercial production allowed: constraining in terms of balance sheet management, Dexia only able to pilote the liability side

EUR 5.5 billion capital increase of Dexia SA subscribed by Belgian and French States on 31 December 2012

EUR 85 billion funding guarantee granted by the Belgian (51.41%), French (45.59%) and Luxembourg (3%) States on 24 January 2013

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Orderly resolution well on track

Entity disposals achieved in 2014

2011
- Dexia Bank Belgium

2012
- Banque Internationale à Luxembourg
- RBC Dexia Investor Services
- DenizBank

2013
- Société de Financement Local
- Sofaxis
- Advanced Dexia Technology Services

2014
- Dexia Asset Management
- Popular Banca Privada

2008 → 508 entities
2015 → 51 entities

End of the entity disposal process as requested by the European Commission

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Orderly resolution well on track

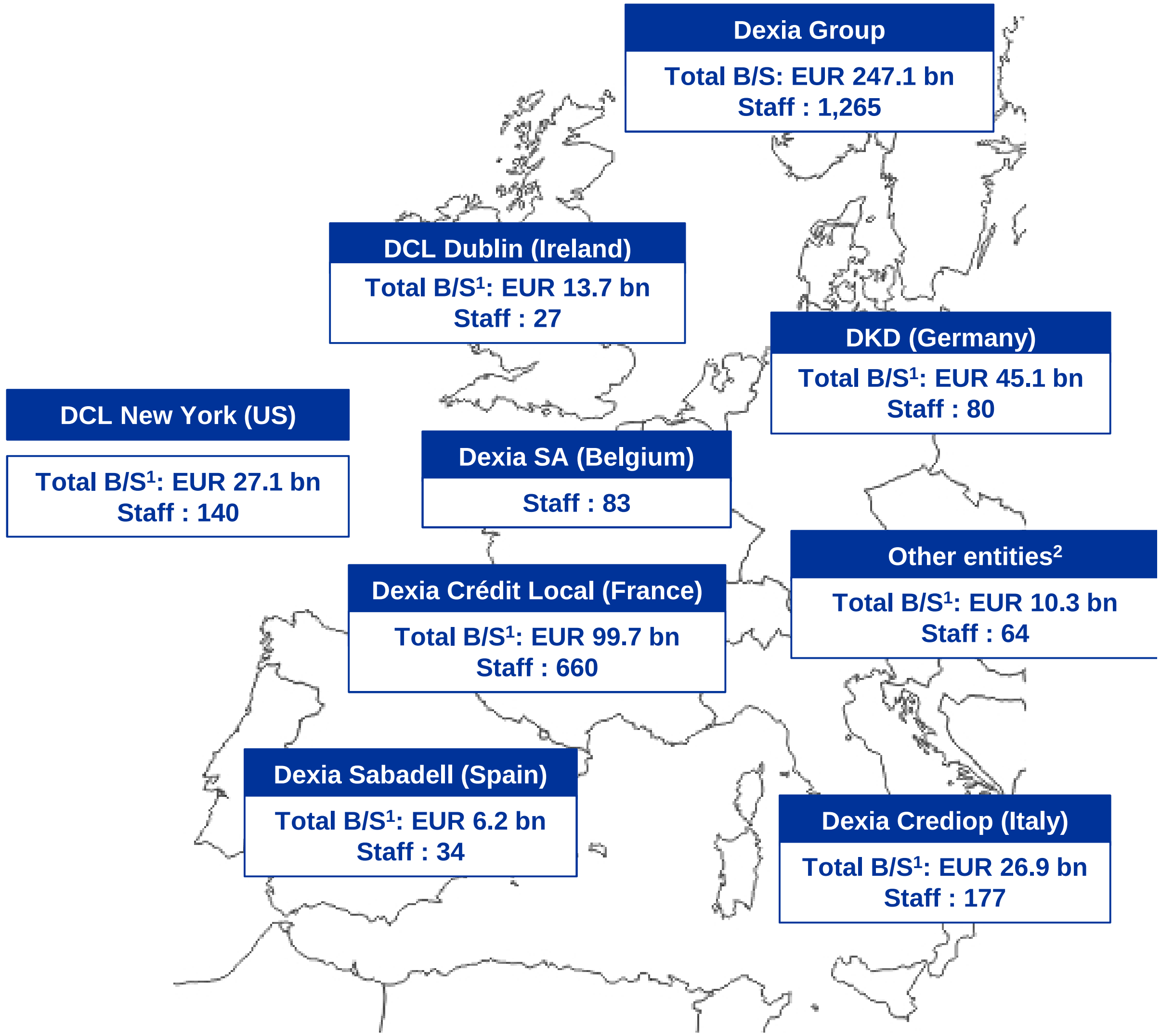
Target resolution scope reached in 2014

Dexia SA

100%

Dexia Crédit Local
(incl. branches in New York and Dublin)

- 70% — Dexia Crediop
- 100%[3] — Dexia Sabadell
- 100% — Dexia Kommunalbank Deutschland

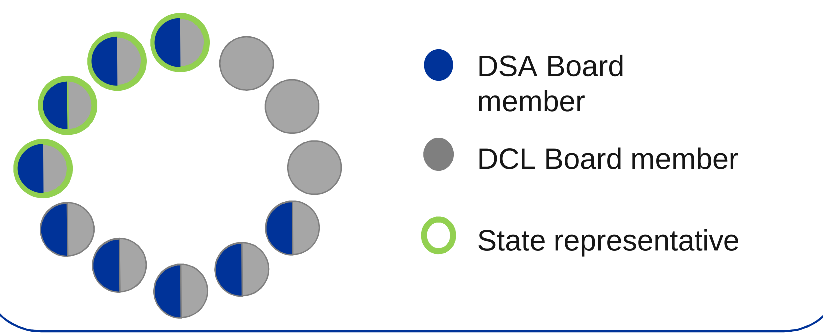


(1) Contribution to the Group's consolidated balance sheet
(2) Including Dexia Israel
(3) Banco Sabadell informed Dexia on 6 July 2012 of its intention to exercise its opinion to sell its 40% holding in Dexia Sabadell to Dexia. At the end of this process, Dexia will hold 100% of Dexia Sabadell

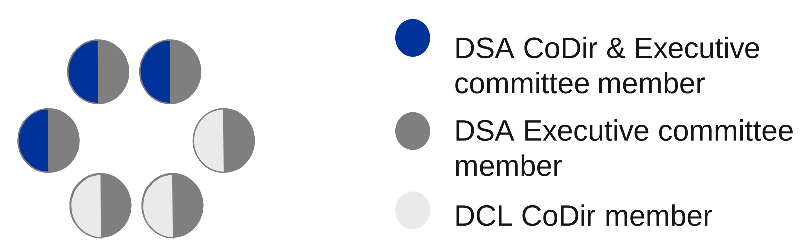
Orderly resolution well on track

New corporate Governance finalized in 2014

Board of directors



CoDir / ExCom



Transaction committee

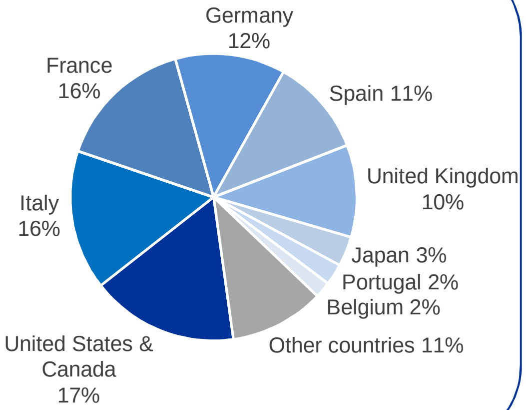
Governance organs of DSA mirror those of DCL

- DCL's board of directors has the same members as DSA's plus 1 executive director and 2 additional independent directors
- The executive bodies of both entities have the same composition
- Creation of a Transaction committee competent for individual credits, assets restructuring and funding decisions. Members: CoDir/ExCom members, minus the CEO

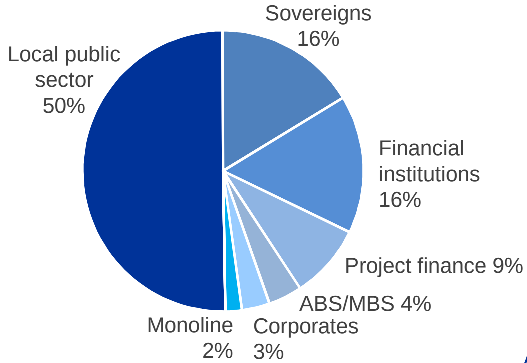
Orderly resolution well on track

Overview of the asset portfolio

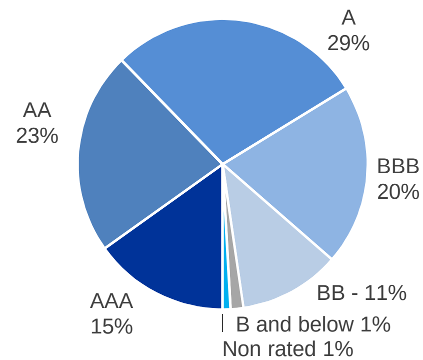
Exposures by region



Exposures by counterparty



Exposures by rating



- Total commitments of EUR 172.2 billion at 31 December 2014 (EUR 82.7 billion loans and EUR 76.3 bonds)[1]
- Portfolio reflecting DCL's historic leadership in public financing and project finance
- Illiquid, long-term loans : ~60% of the portfolio with a maturity of more than 10 years
- Assets well rated, 86% investment grade, with an average low cost of risk but concentration risk
- Interest rate risk hedged by derivatives

(1) Scope Dexia SA at 31 December 2014. All exposures are expressed as Maximum Credit Risk Exposure (MCRE), which represents the accounting net carrying amount of exposure, being the notional amount after deduction of specific impairment and available for sale reserve amount, and taking into account accrued interest and impact of fair-value hedge accounting

Orderly resolution well on track

Long term financial roadmap

Indicative Consolidated Assets 2013-2019

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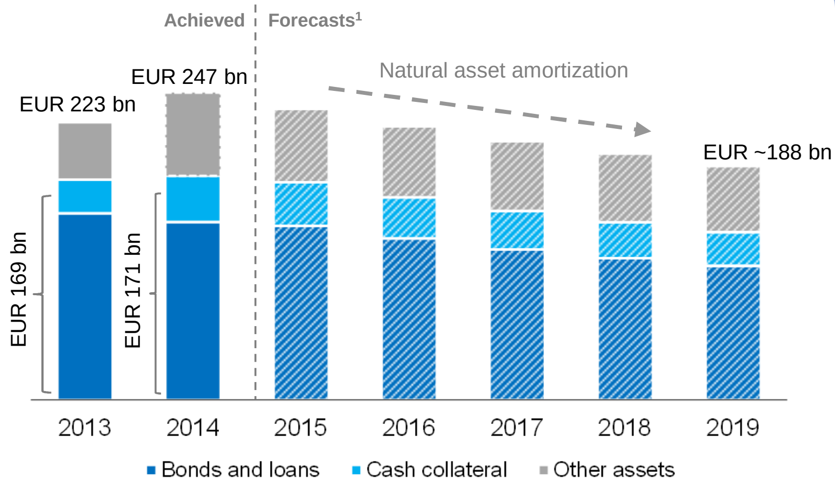

Indicative Consolidated Liabilities 2013-2019

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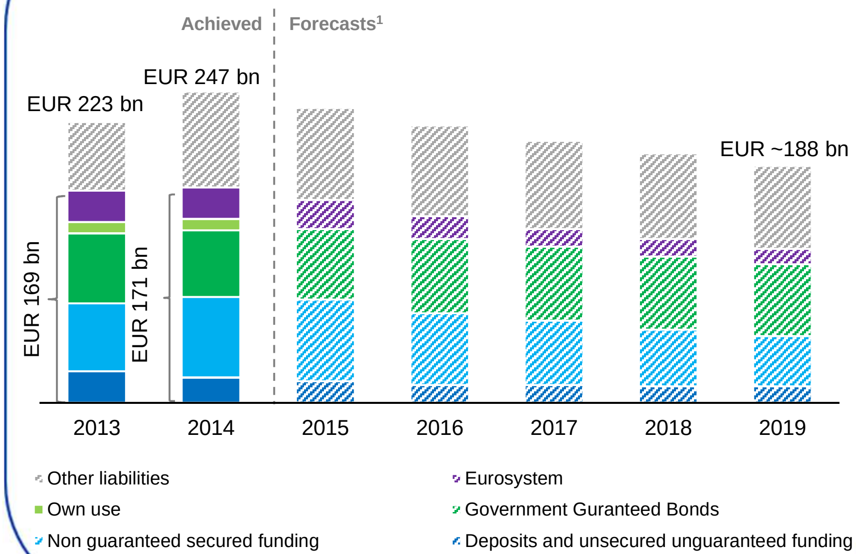

- Balance sheet expected to be reduced by ~25% over the period 2014 – 2020; balance sheet subject to increase due to exogeneous factors
- No numerical targets set by European Commission in terms of asset disposal; deleveraging mainly driven by asset value optimization

- Until end 2015, changes in the funding mix related to end of own use refinancing operations and important redemptions of government guaranteed funding
- As from 2016 onward, more stable funding mix

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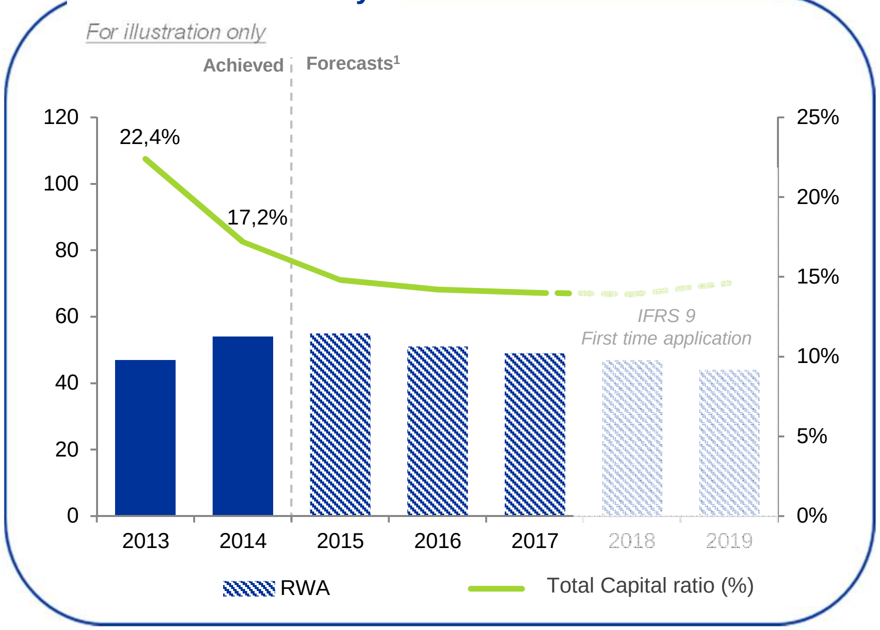
(1) Targeted figures as determined in the business plan of November 2012 (updated in December 2014) underlying the Orderly Resolution Plan approved by the European Commission

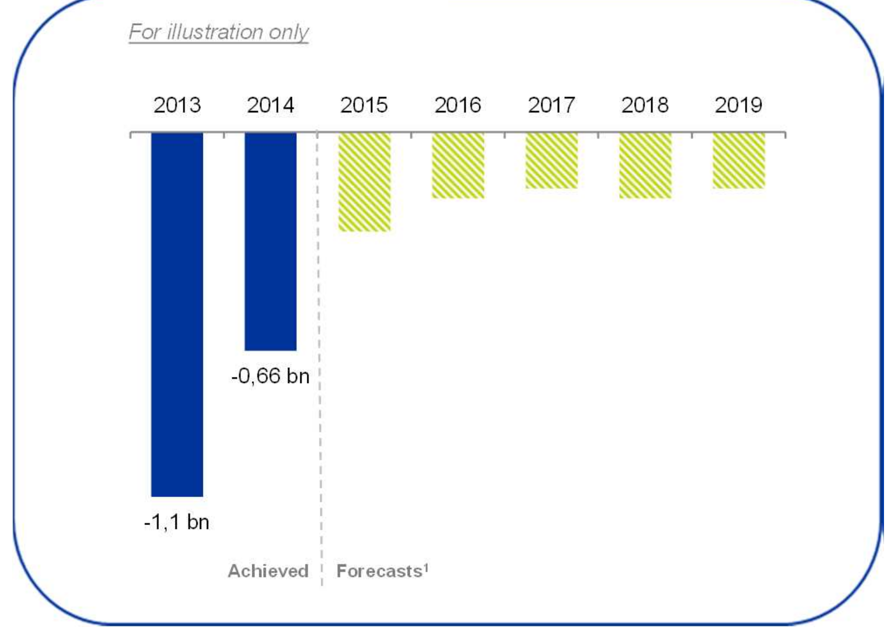
Orderly resolution well on track

Long term financial roadmap

Forecasted solvency



Forecasted Net Result



- First application of the Basel III regulatory framework in 2014, resulting in a decrease of the Common Equity ratio
- Progressive deduction of 20% per year of non-sovereign AFS reserve[1]
- As from 2016 onwards, forecast highly sensitive to depending assumptions on the regulatory and accouting framework

- In 2014, improvement of the Net Result Group Share mainly driven by a decrease of the funding costs in combination with the low cost of risk
- Significant impact of accounting volatility elements in 2013 and 2014

(1) Targeted figures as determined in the business plan of November 2012 (updated in December 2014) underlying the Orderly Resolution Plan approved by the European Commission

Orderly resolution well on track

Long term financial roadmap

The Orderly Resolution plan is based on a number of assumptions, updated semi-annually

Operating assumptions	
Going concern	Going concern and banking license maintained
Rating	Dexia Group and its entities maintain their current rating
Accounting principles	Accounting principles as known at the time of the update
Macroeconomic assumptions	
Interest and exchange rates	Based on forward rates
Inflation rates	Based on economic forecast and IMF data
Credit spreads	Projections of credit spread evolutions
Assets and liabilities assumptions	
Derivatives	Projected fair values based on forward rates
Funding plan	Assessment of market appetite by funding type

Orderly resolution well on track
Long term financial roadmap

The realisation of the plan is dependent on external factors, over which the Group has little control

Sensitivity to the macro-economic context	
Lower interest rates	▪ Increase in cash collateral, triggering higher funding needs ▪ Decreased income from free capital remuneration
Deterioration of credit environment	▪ Increase in AFS reserve from widening of credit spreads ▪ Impact on cost of risk
Weakening of euro against main currencies	▪ Increase in the Risk Weighted Assets ▪ Increase in cash collateral to be posted by the Group (cross-currency swaps), triggering higher funding needs

Sensitivity of the projected funding plan	
Reduced market appetite for secured funding	▪ Higher reliance on central bank funding and Government guaranteed funding
Reduced market appetite for government guaranteed funding	▪ Progressive impact on profitability ▪ Long lasting market disruption would be a major strain for the resolution plan

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Part II:

Significant macro-economic and regulatory shifts

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Significant macro-economic and regulatory shifts

Two major external forces in 2014

1 Challenging macro-economic environment

2 Major shift in the prudential and regulatory framework

Impact on

Solvency & Liquidity

Balance sheet size

Funding costs

Cost of risk

Reporting

Significant macro-economic and regulatory shifts

A challenging macro-economic environment

Weak economic growth in the Eurozone

- A modest economic recovery in 2014 with an average GDP growth of 0.9%
- Lower oil prices should support growth in 2015, projected at 1.5%

+

Very low inflation in the Eurozone

- Eurozone inflation has been persistently declining over the past years (contrary to US and UK) to reach 0.54% in 2014
- Increasing risk of deflation

Real GDP Eurozone (2003-2014, % evolution)

Source: Eurostat

Inflation Eurozone (2003-2014, % evolution)

Source: Eurostat

Severe risk of stagnation of the Eurozone economy

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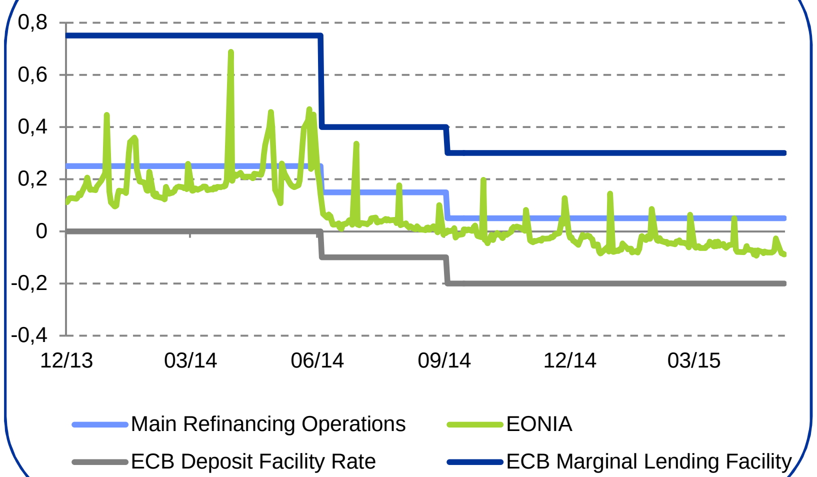
Significant macro-economic and regulatory shifts

ECB Intervention

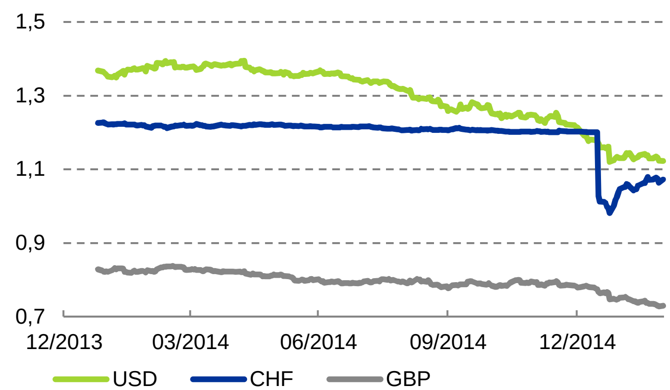
An accomodating monetary policy conducted by the European Central Bank

- Several measures taken by the ECB in 2014 and the beginning of 2015 to foster inflation up to 2%
- Lowering of ECB policy interest rates resulting in an historical low interest rate environment and a depreciation of the euro against the other main currencies
- Quantitative Easing resulting in a tightening of the credits spreads of several Sovereigns

ECB policy interest rates



Euro exchange rates



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Significant macro-economic and regulatory shifts

Impact on Dexia Group

Macro-economic evolutions having an ambivalent impact on Dexia's financials

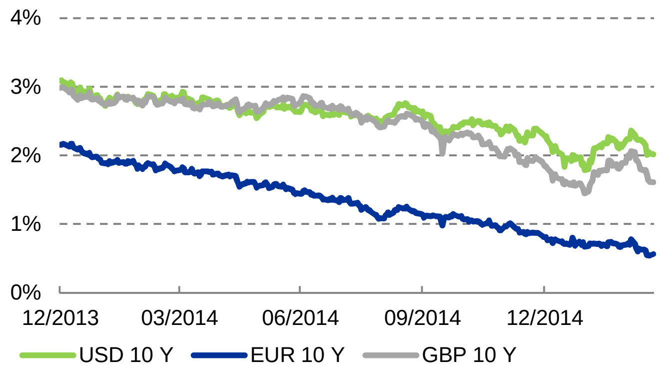
	Positive impact	Negative impact
Tightening of Sovereign credit spreads	• Improvement of AFS reserve and therefore of the regulatory capital base • Decrease of the government guaranteed funding costs • Indirect decrease of the cost of risk	
Depreciation of the Euro		• Increase of cash collateral and funding needs • Increase of total balance sheet • Increase of risk weighted assets and AFS reserve impacting the regulatory capital base
Decline of interest rates	• Decrease of financing costs	• Increase of cash collateral and funding needs

Significant macro-economic and regulatory shifts

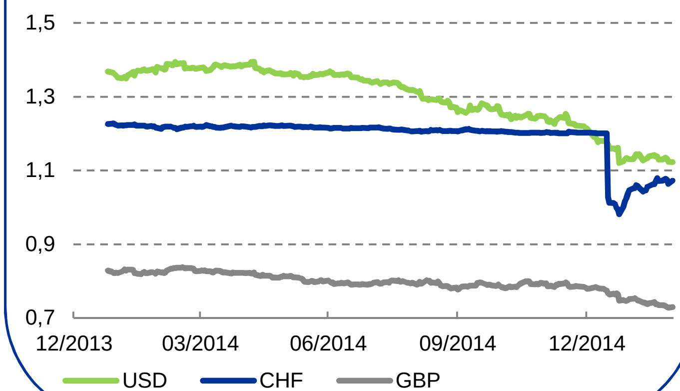
Funding need sensitive to exogenous factors

Macro-economic environment

Interest rates



Exchange rates



What happens with hedging contracts when rates move ?

- 0.1%
decrease of interest rate

+ EUR 1.1 Bn
of extra cash collateral that Dexia has to borrow

- In case of a decline of the interest rates, the marked-to-market value of the swap contrats executed by Dexia to hedge its assets increases, leading Dexia to post more cash collateral to its counterparties
- A 10 basis point decline in interest rates over the entire interest rate curve results in an increase of EUR 1.1 billion of the cash collateral that the Group has to post

+ EUR 15 Bn
of extra cash that Dexia had to borrow at end of March 2015 compared to end of December 2013

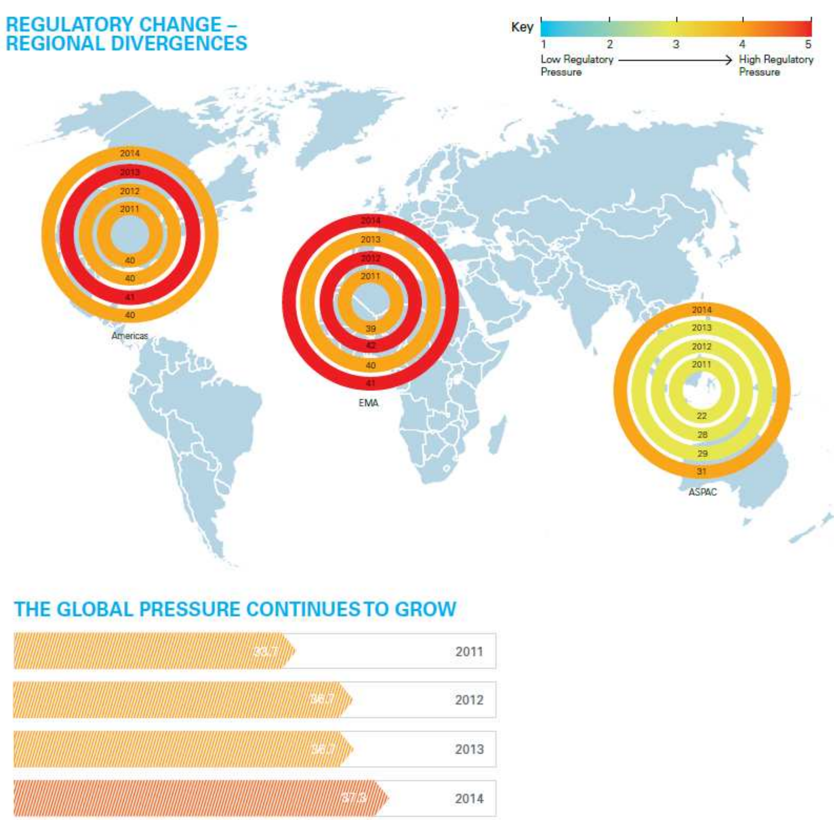
Significant macro-economic and regulatory shifts

Evolution of the prudential and regulatory framework

A flow of new prudential and regulatory initiatives increasing the pressure on European banks

- A series of regulatory initiatives, aimed at improving the resilience of banks, is radically reshaping the banking sector
- Six years after the global financial crisis, 2014 was a pivotal year in terms of regulatory reforms in Europe with the implementation of:
  - The Bank Resolution and Recovery Directive
  - The Single Resolution Mechanism
  - The Basel III Capital Requirement Directive IV
- On November 4, 2014 the ECB became the single banking supervisor in the Banking Union area, taking on direct supervision for the major 120 banks
- Dexia, as a significant bank, falls under the direct supervison of the ECB

Regulatory pressure index - KPMG



Source: KPMG – Regulatory Pressure Index illustrating the scale of the challenge posed by key areas of regulatory reform

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Significant macro-economic and regulatory shifts

Overview of recent and pending regulations

Financial institutions

- Remuneration policies
- Corporate governance
- DGS and bank contributions
- CRD IV / Basel III
- Financial Conglomerates Directive
- Crisis Management and bank resolution

Financial Markets

- Central Securities Depository Directive
- Market Abuse Directive
- Securities Law Directive
- Transparency
- Markets in Financial Instruments Directive
- European Market Infrastructure Regulation (EMIR)

Accounting (2013 & 2014)

- IFRS 7 (disclosures)
- IFRS 9 (classification financial instruments)
- IFRS 10, 11 and 12 (consolidation, joint ventures and related disclosures)
- IFRS 13 (fair value measurement)
- IAS 19 (employee benefits)
- IAS 32 (financial instruments presentation)
- IFRIC 21

Cross-sector

- Money laundering and terrorist financing
- Shadow Banking
- Financial Transaction Tax
- Foreign Account Tax Comliance Act (FATCA)
- Banking Union
- Supervision

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Part III:

Progress on strategic objectives in 2014

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Progress on strategic objectives in 2014

A clear mandate

Manage the balance sheet wind-down while protecting the interests of the Group's State shareholders and guarantors

Strategic priorities

1 Maintain the ability to refinance the balance sheet throughout the orderly resolution

2 Preserve the capital base to comply with regulatory ratios

3 Ensure operational continuity by retaining necessary resources and developing information systems

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Progress on strategic objectives in 2014

Main achievements

Over the year, we delivered on our strategic priorities:

1 Secure the liquidity

Prudent liquidity management

- Favourable evolution of the funding structure resulting in a decrease of the funding cost and a positive recurring net banking income
- Two major liquidity challenges in 2014: large funding redemptions and a significant increase in the cash collateral

2 Preserve the capital base

Confirmation of the orderly resolution trajectory by the ECB

- Comprehensive Assessment: baseline economic scenario of the stress-test showing a projected solvency ratio for 2016 above the regulatory minimum, as such validating the orderly resolution plan of the Group
- Confirmation of the good quality of the asset portfolio and of the sound risk management practices of the Group

3 Ensure operational continuity

First step towards a cost-efficient operating model

- Successful finalisation of the split from SFIL and Belfius
- Streamlining of the Group's governance
- First draft for overhaul of information systems and processes to combat diseconomies of scale

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Progress on strategic objectives in 2014
Prudent liquidity management

1 Secure Liquidity

Two important liquidity challenges needed to be dealt with at the same time :

EUR 35.7 Bn
of long term funding maturing between end 2013 and Q1 2015

+

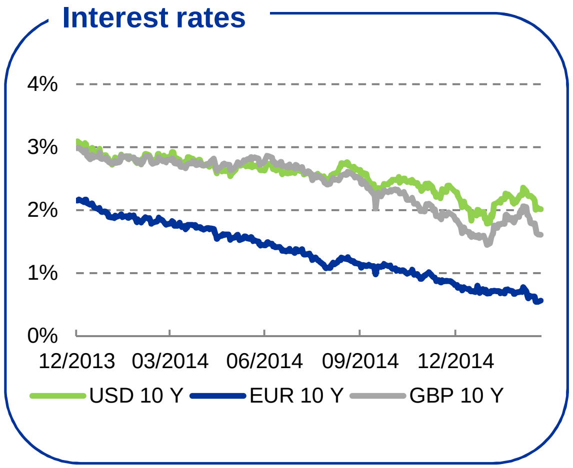
EUR 15 Bn
of increased funding need between end 2013 and Q1 2015

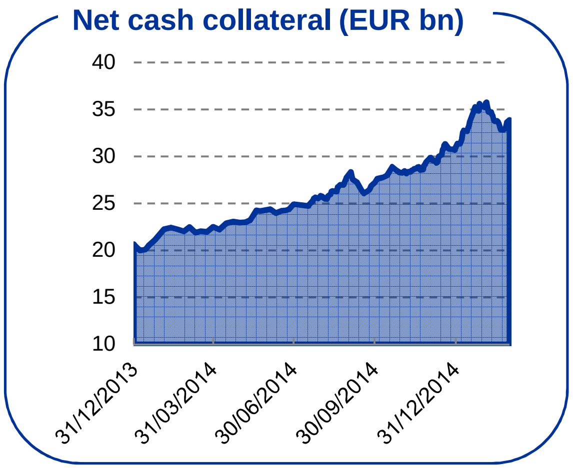
1. Significant long term funding redemptions to be replaced

- 12.9 Bn of Government guaranteed debt repaid to Belfius in 2014 & Q1 2015
- 9.8 Bn of debt issued under the 2008 Government guarantee repaid in 2014
- 13 Bn of government guaranteed debt repaid to the Eurosystem in February 2015 : progressive exit from the own-use system

2. An increased funding need

- Net cash collateral posted, up by 15 billion EUR between end 2013 and March 2015





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Progress on strategic objectives in 2014
Prudent liquidity management

1 Secure Liquidity

EUR 35.7 Bn
of long term funding maturing between end 2013 and Q1 2015

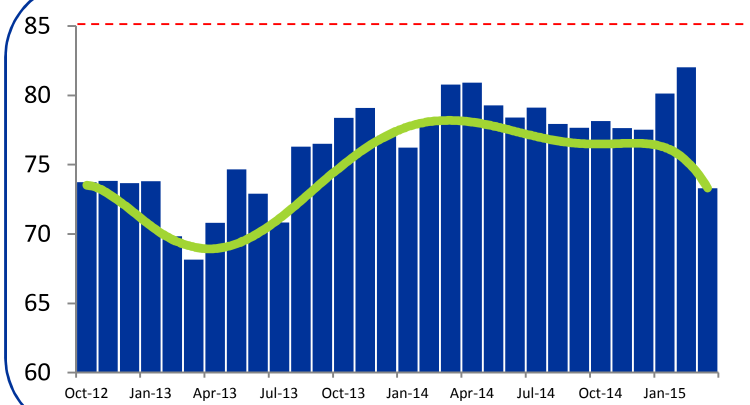
+

EUR 15 Bn
of increased funding need between end 2013 and Q1 2015

Prudent liquidity management to face these challenges

- Creation of a liquidity buffer placed at the Fed, reaching a high point of EUR 12.6 Bn in March 2014

Outstanding of guaranteed debt (EUR bn) [1]



Resulting in a temporary increase of government guaranteed debt

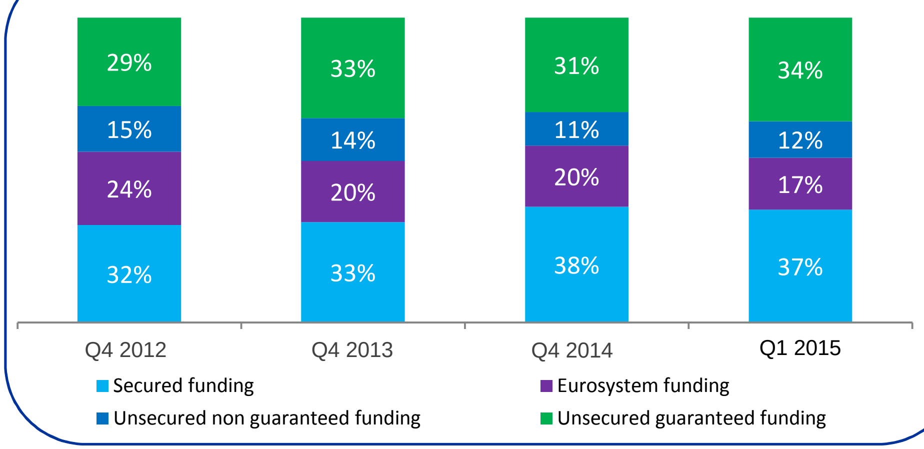
- Government guaranteed debt outstanding reaching EUR 82 billion as at 17 February 2015
- Projected use of the government guaranteed funding at around EUR 60 bn as of end 2015

(1) Evolution of outstanding guaranteed debt under the 2008 and 2011 & 2013 guarantees. Source: site NBB

Progress on strategic objectives in 2014
Prudent liquidity management

1 Secure Liquidity

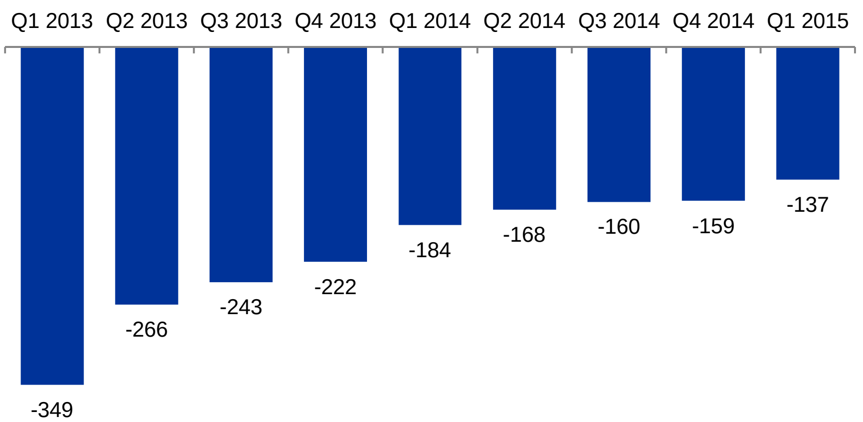
Funding structure



Further diversification of the funding structure

- Over the year, further development of repo funding with a significant increase in number of counterparties
- Proportion of central bank funding steadily decreasing since end 2012

Funding costs (EUR million)



Contributing to a decrease of the funding cost

- Over the year, amortization of expensive funding sources
- Combined with the decrease of the interest rates since June 2014, resulting in a progressive reduction of the funding cost

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Progress on strategic objectives in 2014

Confirmation of the resolution trajectory by the ECB

Dexia is the only bank in orderly resolution subject to the in-depth assessment conducted by the ECB

Source: PWC

Objectives

- Enhance banking transparency and restore confidence in European banks
- Repair banks and increase capital
- Prepare for the ECB's new supervisory role, as of November 4, 2014

Components of the Comprehensive Assessment

Asset Quality Review

- Point-in-time assessment of the accuracy of the carrying value of the banks' assets as at December 31, 2013
- Uniform methodology for all banks, in line with capital requirements regulations and directives (CRR/CRD IV)
- Banks required to have a min. CET 1 ratio of 8%

Stress Test

- Forward looking examination of the resilience of banks' solvency under a baseline and adverse scenario
- Banks required to have a minimum CET 1 ratio of 5.5% in the adverse scenario

Join Up

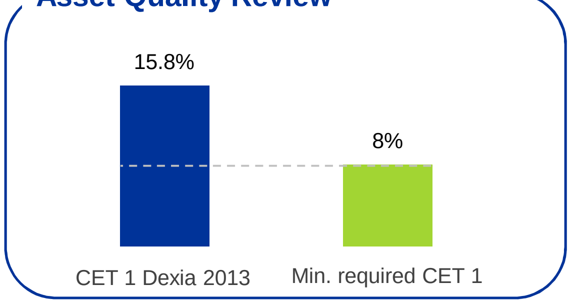
- Integration of the AQR results into the stress test

Progress on strategic objectives in 2014

Confirmation of the resolution trajectory by the ECB

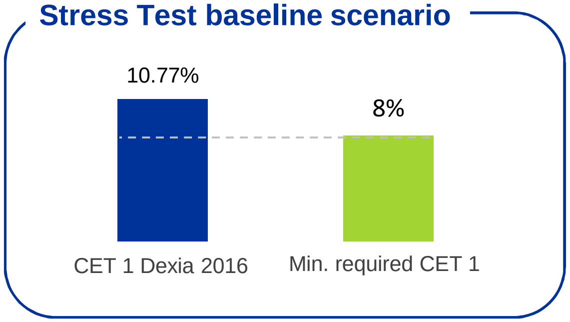
The conclusions published by the ECB on 26 October 2014 confirm the path of Dexia's orderly resolution

Asset Quality Review



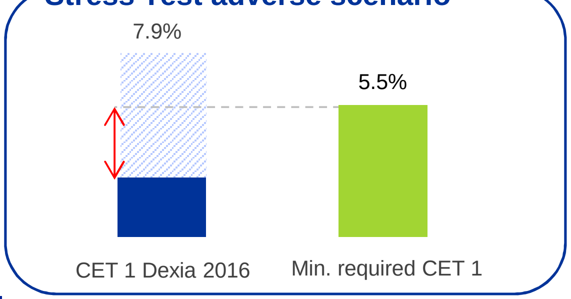
- Confirmation of the quality of Dexia's asset portfolio and sound risk assessment
- Three recommendations from the ECB regarding the credit risk provisioning, the valuation methodology of illiquid assets and the Credit Valuation Adjustment
- Adjustments made in line with ECB recommendations

Stress Test baseline scenario



- After join-up with AQR, baseline scenario resulting in projected CET 1 ratio of 10.77% in 2016, above the required minimum of 8%
- Confirmation of the Group's orderly resolution path

Stress Test adverse scenario



- Severe treatment of Sovereign exposures: projected CET 1 ratio of 4.95% by 2016, under the 5.5% hurdle rate
- With current national discretions: projected CET 1 ratio of 7.49% instead of 4.95%

ECB conclusion: no capital increase required

Progress on strategic objectives in 2014

First step towards a cost-efficient operating model

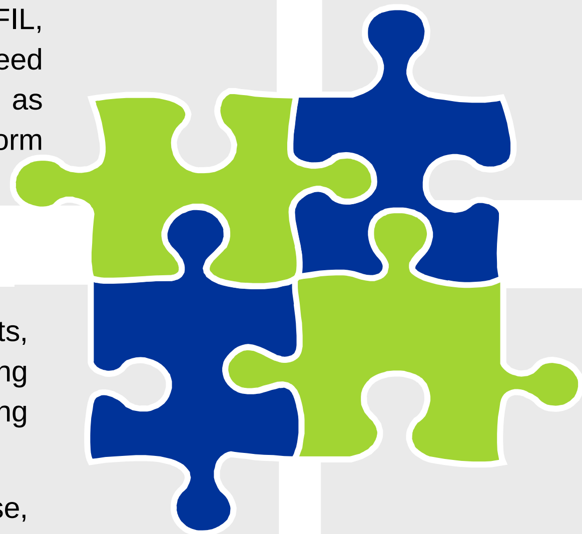
3 Ensure Operational Continuity

1. Make Dexia whole again

- Complex disentanglement with SFIL and Belfius: IT systems, employees, intra-group financings
- Finalisation of the split with SFIL, repayment of all government guaranteed bonds subscribed by Belfius as well as development of a repo lending platform (previously at Belfius)

2. Streamlining of governance

- Simplification and unification of the governance between Dexia SA and Dexia Crédit Local; members of Management Board and Board of Directors of Dexia SA being members of those of Dexia Crédit Local



3. Combat diseconomies of scale

- Following the amortisation of its assets, Dexia is confronted with decreasing revenues while at the same time facing rigid fixed costs
- In order to reduce its fixed cost base, Dexia analysed several initiatives, including outsourcing of activities in 2014

4. Operating model centralisation

- Decentralised IT systems, operations and control activities leading to disynergies of scale
- The Company Project aims at more effective data management, integration of systems and centralisation of activities
- Partial operational integration of Dexia Management Services UK in Dexia's head office

Maximise synergies and drive medium and long term cost efficiencies

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Part IV:

Annual results 2014 and Q1 2015

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Results FY 2014 and Q1 2015

FY 2014 – Income Statement

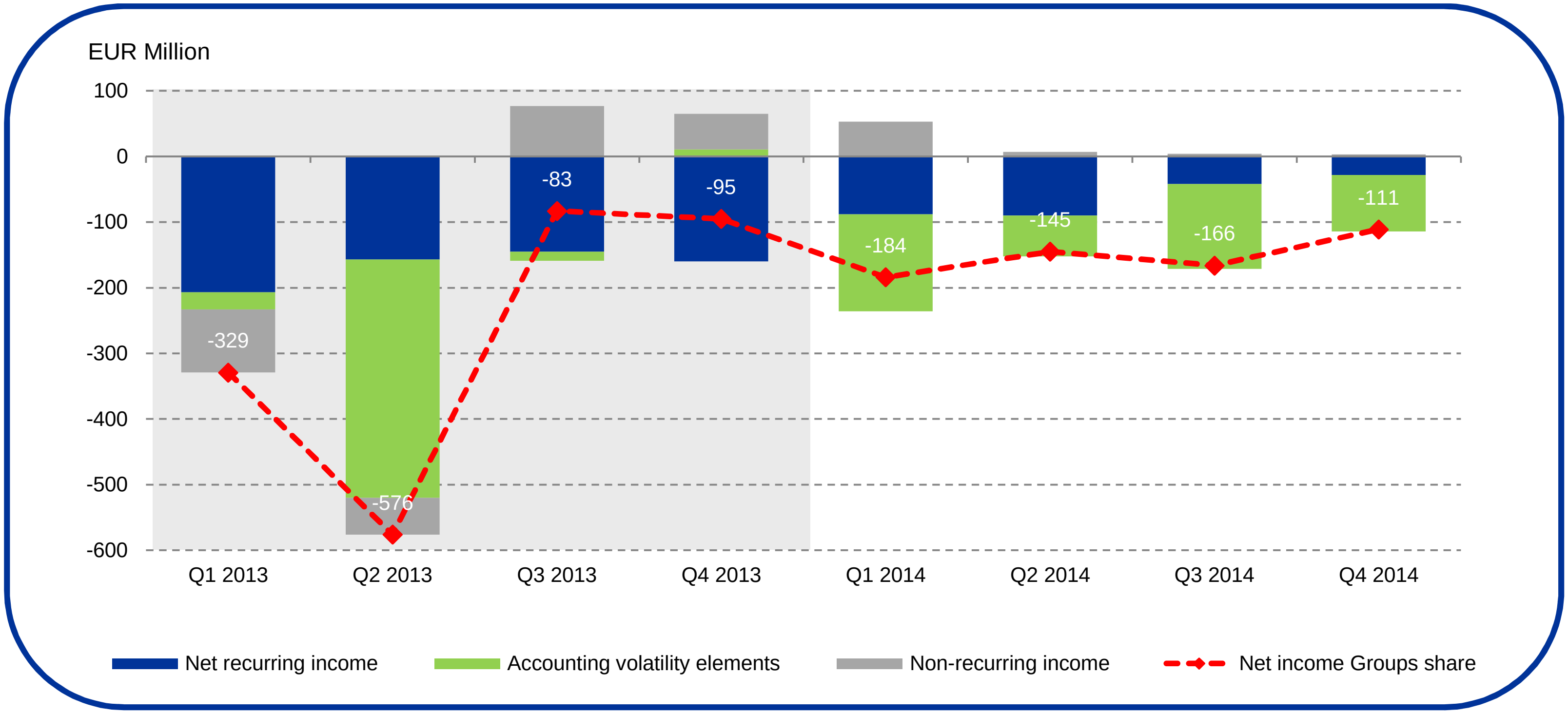
Net result Group share	EUR -606 million
Recurring elements	EUR -248 million
Accounting volatility elements	EUR -425 million
Non-recurring elements	EUR 67 million

Income slightly higher than assumed in the orderly resolution plan despite the impact of accounting volatility elements[1]

(1) These accounting volatility elements are changes in market values. They do not correspond to cash gains or losses but are taken back over the lifespan of the assets or liabilities. As such they generate volatility on each accounting date.

Results FY 2014 and Q1 2015

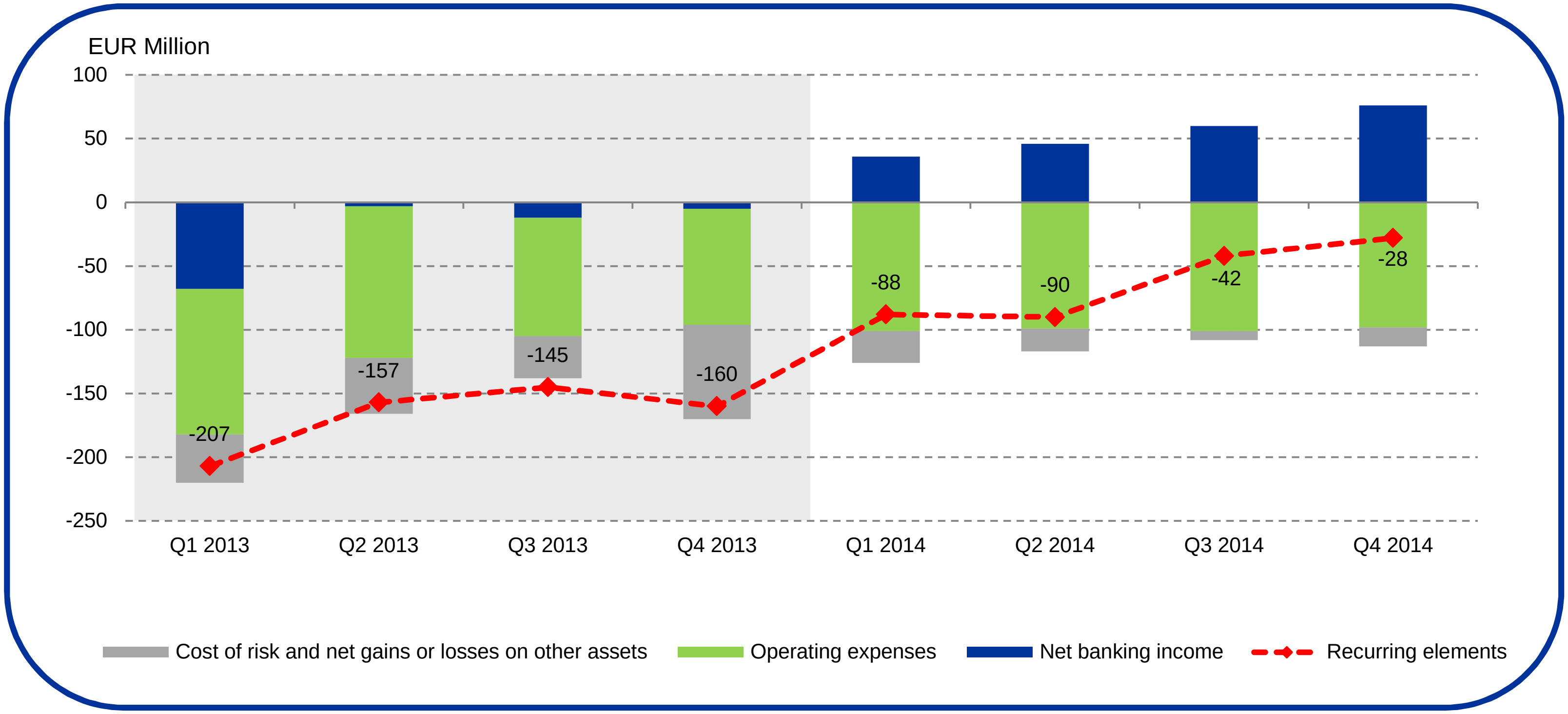
FY 2014 - Analytical Presentation



- Positive evolution of the net recurring income over 2014
- Negative impact of accounting volatility elements, due to the unfavourable evolution of market parameters over the year
- Non-recurring income mainly explained by the capital gains on the disposal of Dexia Asset Management and Popular Banca Privada (EUR 88 million)

Results FY 2014 and Q1 2015

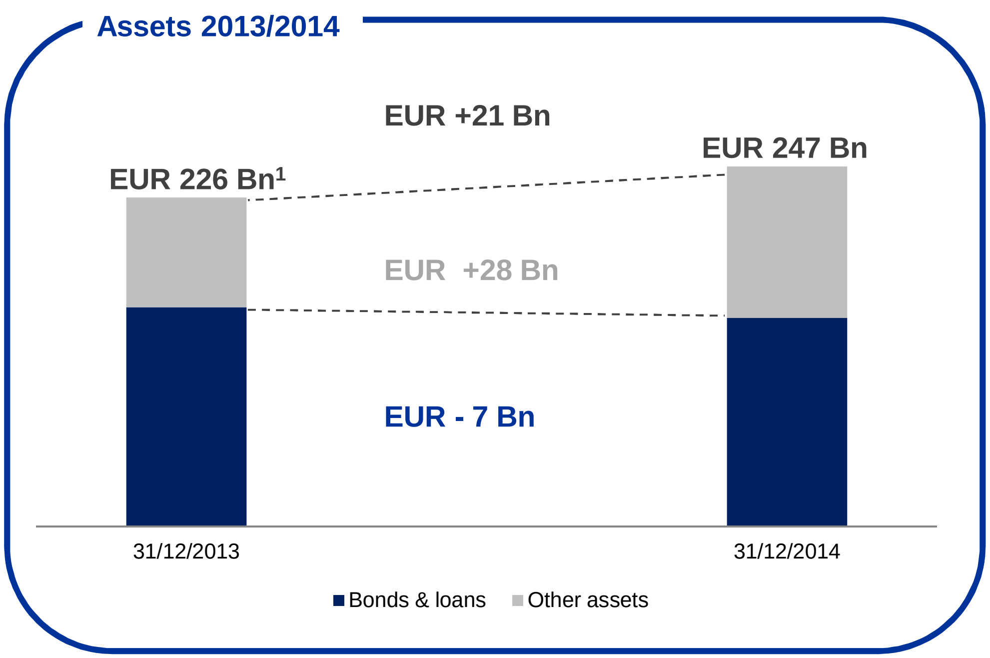
FY 2014 - Focus on Recurring Elements



- Constant improvement of the net banking income, as a result of a decrease in funding costs
- Limited cost of risk, at a yearly average of 3.6 basis points
- Operating expenses under control

Results FY 2014 and Q1 2015

FY 2014 – Balance Sheet

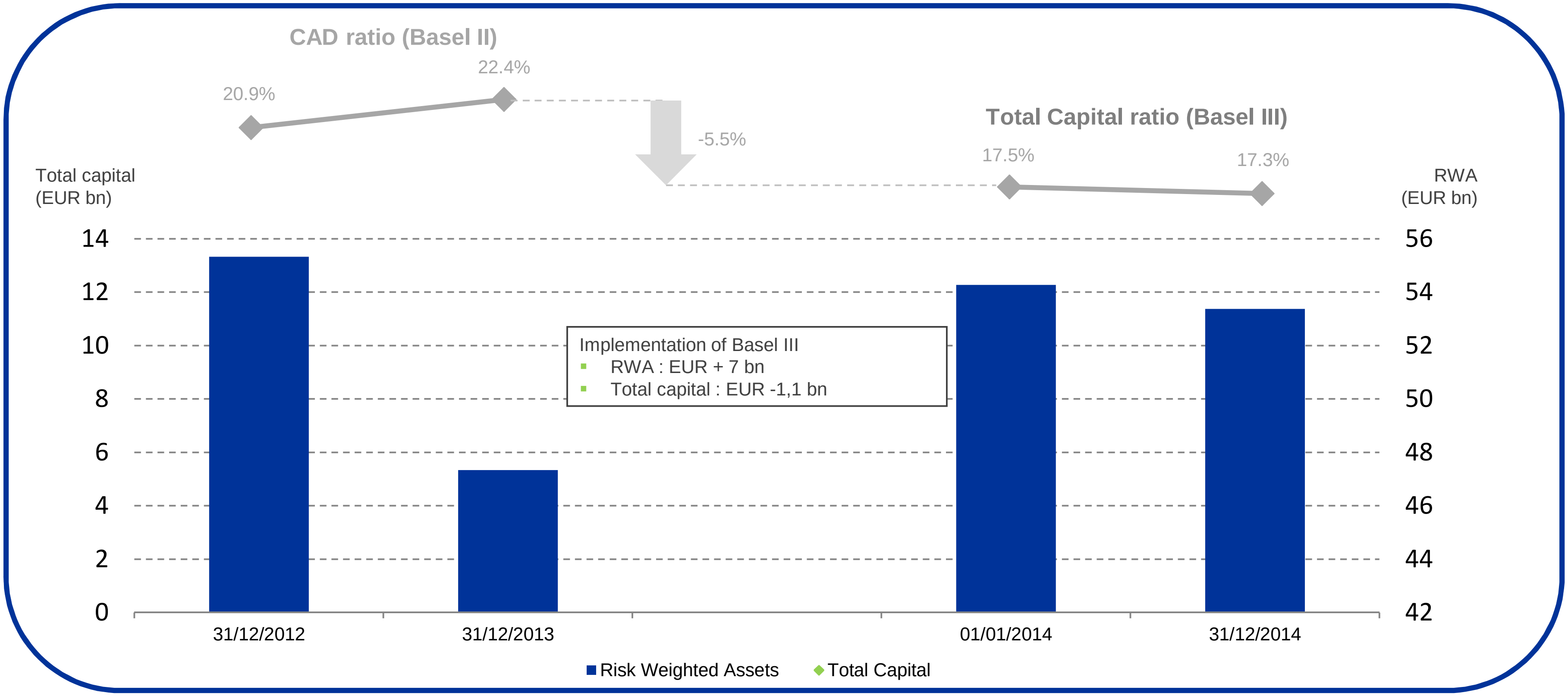


(1) Estimation EUR/USD constant 31/12/2014

- At constant exchange rate, balance sheet up by EUR 21 billion
  - Sharp decrease of interest rates significantly increasing fair value and derivative valuations and cash collateral posted for an amount of EUR 28 billion
  - Natural amortization and opportunistic sales reducing the asset portfolio by EUR 7 billion

Results FY 2014 and Q1 2015

FY 2014 – Solvency



- Impact of Basel III first application, resulting in an increase in risk-weighted assets and a decrease of the regulatory capital base
- Excluding this impact, solvency ratios slightly decreasing:
  - Impact of the loss posted in 2014
  - Change in AFS reserve
  - Decrease in risk-weighted assets, as a result of amortization and asset sales

Results FY 2014 and Q1 2015

Q1 2015 – Income Statement

Net result Group share	EUR -125 million
Recurring elements	EUR -212 million
Accounting volatility elements	EUR +127 million
Non-recurring elements	EUR -41 million

- Net recurring income at EUR -212 million, impacted by the cost of risk (EUR -130 million) and operational taxes (EUR -41 million) :
  - Stable portfolio revenues and decreasing cost of funding
  - EUR -197 million provisioning on Heta Asset Resolution exposures
- Positive contribution of accounting volatility elements, driven by the evolution of the market value of derivatives based on an OIS curve
- Non-recurring elements including provisions for litigations and voluntary contribution to support funds to local authorities and hospitals in France

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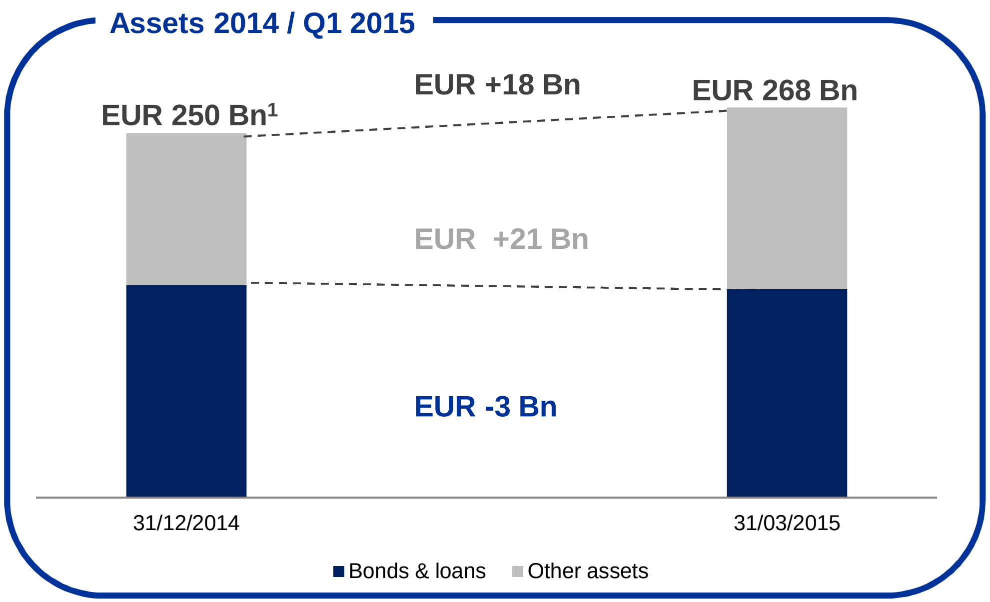
Results FY 2014 and Q1 2015

Q1 2015 – Balance Sheet and Solvency



(1) Estimation EUR/USD constant 31/03/2015

- At constant exchange rate, increase in balance sheet by EUR 18 billion over Q1 2015, driven by the rise in fair values and cash collateral as well as the constitution of a liquidity buffer placed with the Federal Reserve
- Common Equity ratio at 14.3% as at end of March 2015, compared to 16.4% at the end of 2014
  - Impact of the loss of the period
  - Deduction of an additional 20% of the non-sovereign AFS reserve
  - Increase in Risk Weighted Assets, mainly due to a downgrading of internal ratings and exchange rate effect

Part V:

Activity of the Board of Directors and Dedicated Committees

Activity of the Board of Directors and the Dedicated Committees

Number of meetings	2009	2010	2011	2012	2013	2014
Board of Directors	**11**	**11**	**20**	**25**	**13**	**12**
Audit Committee	9	8	12	11	5	6
Strategic Committee	1	2	8	3	1	1
Appointments and Compensation Committee	7	5	9	7	5	4
TOTAL Dexia SA	**28**	**26**	**49**	**46**	**24**	**23**

- Topics regularly dealt with by the board of directors and the specialised committees
  - the revised orderly resolution plan and State undertakings in relation to the European Commission
  - the Group liquidity
  - the comprehensive assessment by the European Central Bank
  - changes in the Group's governance
  - the sale of operating entities
  - the Company project

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Part VI:

Human resources

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Human resources
Human resources policy

- A human resources challenge:
  - To keep qualified and experienced members of staff to manage the balance-sheet in run-off
  - To improve the perception of the general interest mission
  - To make available HR tools considering compensation restrictions

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Human resources

2014 compensation report

- Change in the compensation of the Directors
  - Harmonisation of the compensation between the Directors of Dexia SA and the ones of Dexia Crédit Local
  - Re-assessment of the compensation of the president of the audit committee
  - Reduced attendance fees when several meetings are held on the same working day
- No change in the compensation of the members of the Management board
- Members of the Management Board, the Executive Committee and the Group Committee are not entitled to variable remuneration.
- Measures related to the leaving indemnities for Management Board members aligned with the new Belgian Banking Law
- Workers' Council met 27 times in 2014.
- Strict compliance with legislative developments regarding compensation at a national, European and international level

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Annual Shareholders Meeting

Brussels, May 20th, 2015

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