Press release

DEXIA

Brussels, Paris, 19 September 2017, 20h00

The European Commission approves the conversion of Dexia preference shares

The European Commission has today approved a plan proposed by Belgium and France to convert their Dexia preference shares.

On 31 December 2012, the Belgian and French States had subscribed to a EUR 5.5 bn capital increase, which was realised by the issuance of preference shares. The grant of preferential rights was aimed in particular at meeting the requirements of the European Commission with regard to state aid, which requires that any possible improvement of the financial situation of Dexia will primarily and principally benefit the French and Belgian States, as guarantors and shareholders (*burden sharing*).

From a regulatory perspective, these preference shares qualify as Common Equity Tier 1 (CET1) under a transitional regime, which will expire on 31 December 2017. At the end of that period, if not converted, these preference shares will be treated as Tier 2 capital.

As a consequence, in order for Dexia to fulfil its prudential obligations regarding solvency and as required by the European Central Bank[1], Dexia has prepared a plan to convert those preference shares, observing the burden sharing constraints imposed by the European Commission. This plan has been submitted by France and Belgium to the European Commission, which has validated this plan today. The plan also needs to be submitted for approval to the European Central Bank. Dexia will convene a shareholders' meeting before the end of the year. More detailed information will be provided at that stage.

This conversion of preference shares will be executed as part of the Dexia orderly resolution plan, which was approved by the European Commission in December 2012.

For more information: www.dexia.com

Press contacts
Press Service - Brussels
+32 2 213 57 39
Press Service - Paris
+33 1 58 58 86 75

Investor contact
Investor Relations - Paris
+33 1 58 58 82 48
Investor Relations - Brussels
+32 2 213 57 66

[1] Cf press release Dexia, 15 December 2016.