Press release DEXIA

Brussels, Paris, 28 September 2012

Dexia announces a new phase in its orderly resolution plan for France

Dexia's European Works Council (EWC) met in Paris on 28 September 2012 to review the orderly resolution plan announced in the autumn of 2011 and to examine the next steps. The meeting was chaired by Chief Executive Officer Karel De Boeck.

The plan is being implemented in accordance with the initial objectives. Following the sale of Belfius (formerly Dexia Banque Belgique) on 20 October 2011 and of the 50 % holding in RBC Dexia on 27 July 2012, Dexia is continuing to adapt the scope of the group by moving forward with the ongoing process of selling Banque Internationale in Luxembourg and Denzibank. As part of the discussions on the group's restructuring, on 26 September 2012 the European Commission approved a second extension, until 31 January 2013, of the temporary liquidity guarantee granted by Belgium, France and Luxembourg to Dexia SA and Dexia Crédit Local (DCL).

In France, following the signing by the French State, the Caisse des Dépôts (CDC) and La Banque Postale (LBP) of a memorandum of understanding with Dexia on 16 March 2012, exchanges with the European Commission continued throughout the summer to finalise the outline of Dexia and of the new financing system for the local public sector in France.The project described below (the precise terms and procedures of which still have to be finally agreed between the parties), as well as Dexia's overall orderly resolution plan, are subject to authorisation by the European Commission and are based on a number of principles that could still change without, however, according to Dexia, leading to a reassessment of the main lines of the sizing linked to the project.

The financing scheme planned for the French local public sector is based on two axes: on one hand, the marketing of new loans by the joint venture between La Banque Postale and Caisse des Dépôts (JV LBP/CDC) and, on the other, the creation of the Nouvel Etablissement de Crédit (NEC), a management company which is set to become a new player in this sector's financing. The planned transaction calls for the sale to NEC (an entity that would ultimately be held indirectly by the French state, the Caisse des Dépôts and La Banque Postale) of Dexia Municipal Agency (DMA), a local public sector refinancing vehicle in France and currently a subsidiary of DCL.

In order to create NEC, the plan is for Dexia, subject to the approval by the competent authorities, to provide NEC with tools and systems and to transfer the personnel required for its activity. NEC is expected to employ 376 people.

The sale of DMA and the creation of NEC would mark a significant step in Dexia's orderly resolution plan. Once this sale has been finalised and subject to the approval of the European Commission, Dexia would then become a group with a tight scope benefiting from government support.

Given its new business perimeter and its new missions, Dexia is set to simplify its operating method and the organisation of its teams. In particular, the DSA (Belgium and France) and DCL organisations are to be combined without merging their legal structures. This organisation will employ 86 people in Belgium and 645 in France.

The project, as defined for NEC and Dexia, implies a resizing of the DSA and DCL teams in France. This would imply the reduction of 312 current positions. In parallel, 235 positions would become available to promote the redeployment of employees whose positions have been reduced.

During the first half of 2013, DCL employees would also be able to submit applications for vacant positions for local public sector financing at LBP and the JV LBP/CDC (potentially 80) and benefit from priority recruiting.

Employees whose positions may have been eliminated would benefit from the social measures already negotiated between the trade union organisations and Dexia.

The entire project will be presented as of today, first to employee representatives then to employees. It will be discussed in line with the culture of social dialogue which has always prevailed at Dexia. Dexia will do everything in its power to ensure the success of the planned project and to ensure that all employees will benefit from either internal or external job repositioning.

Karel De Boeck, Chief Executive Officer of Dexia Group, stated that: *"Following the sale of several operating entities, Dexia has made a strong commitment to the new phase of its orderly resolution plan for France by adapting its scope to its new missions. Backed up by DCL's competences, NEC is set to become a new player in local public financing setting up in France, while Dexia will take care to limit the risks linked to current exposure for its shareholders, the guarantor States and the financial system. This redefinition of Dexia's role will necessarily have consequences for the employment of staff, whom we will support in this restructuring process and to whom solutions will be proposed.*

Alain Clot, Managing Director of Dexia Crédit Local: *"We are aware of the concern caused by the restructuring of the group which began in the autumn of 2011, in a difficult economic environment. The time has come to adapt the group's scope to its missions. Dexia is committed to equipping itself with all the resources needed to support its staff during the restructuring project presented to employee representatives today."*

For more information: www.dexia.com

Press contacts
Press Department – Brussels
+32 2 222 02 57
Press Department – Paris
+33 1 58 58 86 75

Investor contact
Investor Relations
+33 1 58 58 85 97/82 48