Press release DEXIA

Regulated Information* – Brussels, Paris, 8 November 2012 – 7.00

Interim Statement – 9M 2012 and Q3 2012

In Q3 2012 the Belgian, French and Luxembourg States continued active discussions with the European Commission with a view in the near future to submitting a revised plan to the Commission for the orderly resolution of the Dexia Group. Within that context, a certain number of hypotheses underlying the plan have been revised, significantly affecting the future profit capabilities of Dexia SA and Dexia Crédit Local which, in accounting terms, resulted, as from today, in a negative net asset position (on a standalone basis) of Dexia SA (the holding company). In order to remedy this situation and to allow the pursuit of the orderly resolution of the Group, the Belgian and French States have publicly stated their commitment to subscribe to a capital increase of Dexia SA in an amount of EUR 5.5 billion resulting in the issuance of preference shares to the States.

Furthermore, Q3 2012 has seen considerable progress made with the orderly resolution plan announced by Dexia in the autumn of 2011, with finalisation of the disposal of Banque Internationale à Luxembourg and DenizBank.

In accordance with applicable law, Dexia is hereby publishing an interim statement for the period ending on 30 September 2012, setting forth details of the most significant recent events and transactions, as well as their impact on the Group's financial situation.

This statement is based on non-audited figures as at 30 September 2012.

1. Significant events and transactions

A – Progress in discussions with the European Commission, negative net assets of Dexia SA on a standalone basis and recapitalisation undertaking by the Belgian and French States

a - Revision of certain hypotheses and principles in the orderly resolution plan

Active discussions between the States and the European Commission on the future of the Dexia Group continued during Q3 2012 with a view to finalising an orderly resolution plan. They resulted in changes to some of the hypotheses and principles in the business plan underlying the plan submitted by the States to the Commission on 21 March 2012.

The States intend to submit a revised plan to the European Commission shortly, containing the following major changes, subject to approval of the Commission:

- The funding plan underlying the initial business plan has been adapted to reflect a lesser dependency on central bank funding. As the resolution plan proceeds, the Group anticipates that it will rely to a greater extent on short and medium-term market funding, for instance through issues guaranteed by the Belgian, French and Luxembourg States, as well as covered (repo) or other market funding. These new funding hypotheses enable the plan to be made consistent with the anticipation of a return to "normalised" market conditions over the Group's resolution period but which appears to be more costly than anticipated in March 2012.
- The ceiling of the definitive liquidity guarantee granted to Dexia SA and Dexia Crédit Local by the Belgian, French and Luxembourg States has been reduced to EUR 85 billion compared to EUR 90 billion initially contemplated, to take into account the recapitalisation undertakings of the Belgian and French States. The split between the States was amended as follows: 51.41% for Belgium, 45.59% for France and 3% for Luxembourg. Dexia will pay, under the definitive guarantee agreement, a monthly guarantee fee to the States based on the outstanding guaranteed debt issued under the

* Dexia is a listed company. This press release contains information subject to legal provisions regarding the transparency of listed companies.

agreement 2011, calculated on an annual rate of 5 basis points against 90 basis points under the temporary guarantee.

- The plan for disposal of Dexia Municipal Agency (DMA) as part of the new organisation of local public sector finance in France may be amended.

These two points and their impacts on the consolidated and stand-alone financial statements of Dexia SA are developed below. They will be an integral part of the orderly resolution plan to be submitted by the States to the European Commission.

b – Negative stand-alone net assets of Dexia SA and recapitalisation undertakings by the Belgian and French States

The interim non-audited stand-alone financial statements of Dexia SA as at 30 September 2012 reveal a negative net asset position essentially resulting from a significant write-down of the value on its holding in Dexia Crédit Local. As stated above, the draft revised resolution plan indeed assumes funding costs which heavily affect the profit outlook for the Dexia Group and particularly Dexia Crédit Local, which, in a prudent approach, considering the uncertainties surrounding the materialisation of the hypotheses underlying the resolution plan, led to a full impairment of the value of Dexia Crédit Local in the Dexia SA stand-alone financial statements. In accordance with applicable law, a Dexia SA Extraordinary Shareholders' Meeting will be held within two months following acknowledgment of this negative net asset situation. The shareholders of Dexia SA will be asked to decide in particular on the continuation of the company's activities and on the measures which will be proposed by the Dexia SA board of directors to remedy the company's financial situation.

With regard to these measures, and in order to enable the orderly resolution plan for the Dexia Group to continue to be implemented, and to avoid the materialisation of a systemic risk in the case of bankruptcy of the Dexia Group the Belgian and French States undertook to subscribe to a capital increase of Dexia SA, subject to prior adoption of enabling legislation, in an aggregate amount of EUR 5.5 billion.

This capital increase would be subscribed for by the Belgian and French States and would result in the allocation to the States of preference shares giving them priority, in the amount of 8% of the nominal value of the shares per annum, on any dividend distribution which would be made by Dexia SA. The total dividend shortcomings compared to the 8% rate per annum would constitute a liquidation supplement giving the States a priority right to the distribution of any distributable net assets in case of liquidation. The preference rights attributed to the new shares would be limited and/or suspended in case the Group would not respect certain prudential ratio thresholds.

These preference rights would thus implement the principle, already announced by Dexia in the framework of the publication of its Annual Report in relation to the 2011 financial year, according to which any future improvement of the financial situation of Dexia SA must primarily and principally benefit the guarantor States, in order to take account of the risk they are taking. They also implement the requirement of burden sharing stated by the European Commission under the rules governing State aids.

The board of directors of Dexia SA agreed in principle to this operation, which technical terms will be defined in the coming days. The transaction will be submitted to shareholders' approval at an Extraordinary Shareholders Meeting to be held in December 2012 which will also decide on the continuation of the activities of Dexia SA.

Insofar as the capital increase would be effected as part of recovery measures decided by the General Shareholders' Meeting of a company in difficulty within the meaning of Article 633 of the Belgian Company Code, the States will not be obliged to make a mandatory public tender offer if they hold more than 30% of the shares with voting right securities of Dexia SA at the close of the transaction.

The proceeds of the capital increase will be allocated by Dexia SA to the repayment of its liabilities vis-à-vis Dexia Crédit Local[1] and to an increase of the capital of Dexia Crédit Local in order to increase the core equity of Dexia Crédit Local in accordance with French corporate accounting and prudential standards.

[1] As at 30 September 2012, the liabilities of DCL in the form of loans to Dexia SA amounted to EUR 1,610 million. Furthermore, Dexia SA granted various guarantees to DCL, in particular on the Greek securities of DMA and DKD, on the Financial Products portfolio as well as on litigations involving DCL.

c – Adaptations of the plan to dispose of DMA

The main changes which could be made to the *"Protocole d'intentions"* approved by the Dexia SA board of directors and signed by all the parties on 15 March 2012 relate to the following points:

- A change in the shareholder structure of the new credit institution (NEC) controlling DMA:

  Contrary to what was contemplated in the original Protocol, Dexia Crédit Local would no longer be a shareholder of the new credit institution (NEC) which would become the parent company of DMA and for which the French State would act as a majority shareholder.

- Removal of the guarantees which Dexia was to grant to DMA:

  The "Protocole d'intentions" provided that Dexia would grant DMA, on the one hand, guarantees relating to a portfolio of structured loans concluded with French local authorities for a nominal amount of approximately EUR 10 billion and, on the other hand, a guarantee in case of a loss exceeding 10 basis points on DMA's total loans outstanding. Subject to the approval of the European Commission, Dexia would have benefited from a guarantee from the French State on the losses suffered by Dexia by virtue of the guarantee relating to the portfolio of structured loans in an amount of 70% of losses above EUR 500 million.

  All of these guarantees and the counter-guarantee would be eliminated in the revised plan and DMA would retain on its balance sheet the structured loans involved in the guarantee initially planned, the present amount of which is EUR 9.4 billion.

- Revision of the DMA sale price:

  As a consequence of the changes under consideration, the price for the sale of DMA by Dexia may be set at 1 euro as compared to EUR 380 million (increased by the amount of the result for the current period) in the Protocol. The impact of this change of the DMA sale price on Dexia's 9M 2012 consolidated financial statements is detailed in Section 2 "Non-audited financial situation".

The changes described below must be submitted for the approval of the involved stakeholders.

B – Significant progress made on the Group orderly resolution plan

a – Continuation of entity disposals

During Q3 2012, Dexia continued actively to implement the plan to dispose of its main operating entities, announced by its board of directors in October 2011.

- The sale of the 50% holding of Banque Internationale à Luxembourg in RBC Dexia Investor Services (RBC-D) to the Royal Bank of Canada was finalised on 27 July 2012, following the signature of an agreement on 3 April 2012;
- On 28 September 2012, Dexia also completed the sale of DenizBank and its subsidiaries to Sberbank. A binding agreement was signed by the parties on 8 June 2012;
- The sale of Banque Internationale à Luxembourg (BIL) was closed on 5 October 2012. The Dexia Group's 99.906% holding in BIL was sold to Precision Capital and the Grand Duchy of Luxembourg. The scope of this sale excluded the Legacy asset portfolio which was transferred to Dexia Crédit Local as well as the subsidiaries RBC-D, Dexia Asset Management Luxembourg, Dexia LDG Banque, Popular Banca Privada and Parfipar;
- On 7 November 2012, Dexia signed a sell and purchase agreement to dispose of Dexia Kommunalkredit Bank Polska, the Polish subsidiary of Dexia Kommunalkredit Bank. The anticipated financial impact for the Dexia Group is not significant;
- Finally, the process to sell Dexia Asset Management, initiated in 2012, is still ongoing.

All the sales finalised have received the prior agreement of the regulatory authorities, the relevant staff representative bodies and the European Commission.

b – Evolution of the organisation of Dexia in France

The plan to reorganise Dexia in France involves certain adjustments[2], particularly with a view to the incorporation of the NEC and the provision by Dexia of the tools, systems and staff necessary for its activity.

Moreover, the narrowing of the Group scope will lead Dexia to simplify its operations and the organisation of its teams. The organisations of DSA (France and Belgium) and DCL will be integrated whilst retaining distinct legal structures and in full respect for the social process. At the same time, in October DSA and DCL were given a common management team chaired by Karel De Boeck.

C –Banco Sabadell's holding in Dexia-Sabadell

On 6 July 2012, Banco Sabadell informed Dexia of its intention to exercise its option to sell its 40% holding in Dexia Sabadell to Dexia[3]. The two parties entered into discussions to agree the terms of implementation of this transaction.

2. Non-audited financial situation

A – Non-audited result 9M 2012 and Q3 2012

During the first nine months of 2012, the Dexia Group posted a net loss - Group share of EUR -2,391 million. The net loss incurred on continuing activities amounted to EUR -1,380 million and discontinued activities posted a net loss of EUR -1,034 million; non-controlling interests amounted to EUR 23 million.

The result for 9M 2012 was essentially impacted by various one-off elements detailed below, in a pre-tax amount of EUR -1,988 million.

Excluding these one-off elements, the net result for the period remains negative and down EUR 714 million compared to the result posted for 9M 2011. This is explained essentially by high funding costs, given the reliance on the temporary liquidity guarantee granted by the Belgian, French and Luxembourg States and emergency liquidity assistance (ELA). Indeed the sum of guarantee costs paid to the States on the basis of the outstanding amount of existing guaranteed debt and of the ELA costs amount to EUR 725 million pre-tax over the first nine months of 2012. The additional cost related to guarantees amounts to EUR 185 million compared to 9M 2011. 9M 2012 revenues were also impacted by the very sharp slowdown of new loan production and the cessation of certain activities such as project finance in 2012. So, compared to 9M 2011, revenues from the PWB business line show a fall of EUR 80 million over 9M 2012.

A significant number of one-off elements arose during Q3 2012. Among the more significant of these were the loss recorded on the sale of DenizBank (EUR -599 million), adjustments in relation to the change of the sale price for DMA (EUR -466 million), restructuring costs associated with the resizing of the DCL and DSA teams in France (EUR -58 million) and the gain recorded on the sale of the holding in RBC-D (EUR 40 million).

In Q3 2012, the Dexia Group posted a net loss - Group share of EUR -1,225 million. The net loss incurred on continuing activities amounted to EUR -296 million and discontinued activities posted a net loss of EUR -933 million; non-controlling interests amounted to EUR 4 million.

B - Impact of significant elements on the Group's consolidated financial situation

The impact of these events on solvency and the balance sheet are detailed in the Section "Evolution of the Group's balance sheet and solvency situation".

a - Adjustments associated with entity disposals

DenizBank

The sale price for DenizBank was set at TRY 6,469 million (EUR 2,790 million). The sale agreement provides an additional adjustment in a maximum amount of TRY 433 million (EUR 187 million), essentially corresponding to the evolution of the net asset value of DenizBank between 1 January 2012 and 28

[2] See press release dated 28 September 2012

[3] See press release dated 6 July 2012

September 2012. This adjustment, which should be paid to Dexia in 1Q 2013 has been booked in the Group's consolidated accounts as at 30 September 2012.

Taking account of the gain of EUR 50 million made on the foreign exchange hedge, the total impact of the transaction is EUR -806 million, of which EUR -799 million was booked for 9M 2012. In Q3 2012, Dexia posted a loss of EUR -599 million, principally by virtue of other comprehensive income (OCI), related to the depreciation of the Turkish Lira since the acquisition, booked in P&L on finalisation of the sale.

Considering the regulatory filtering of other comprehensive income (OCI) and goodwill, the impact of the sale on Tier 1 and Core Tier 1 capital is positive (cf. Section entitled "Evolution of the Group's balance sheet and solvency situation").

Dexia Municipal Agency

The impact of the change of the DMA sale price (cf. Section entitled "Significant events and transactions") was booked as at 30 September 2012. At the same time, applying accounting standards, Dexia integrated DMA's adjustments to fair value in order to take account of the variation of other comprehensive income (OCI) since the end of 2011.

The total of these two elements results in a loss of EUR - 516 million for 9M 2012 including EUR - 466 million in Q3 2012. In accordance with IFRS rules, the balance of other comprehensive income (OCI) will only be taken into account on finalisation of the sale. At present this amounts to EUR -207 million.

Banque Internationale à Luxembourg

The sale of BIL, for a price of EUR 730 million, was preceded by a capital contribution of EUR 204 million from Dexia to BIL, in accordance with the sale agreements. This capital contribution may be revised, upwards or downwards, as a result of customary post-closing adjustments. The loss booked on this sale for 9M 2012 is EUR -188 million. Considering the value adjustments made on the reclassification of BIL under IFRS 5, the impact of the sale on Q3 2012 is not significant.

Holding in RBC Dexia Investor Services

The sale of BIL's 50% holding in RBC-D to the Royal Bank of Canada was finalised on 27 July 2012, for a sale price of EUR 837.5 million. Dexia booked a gain on the sale of EUR 31 million in its accounts as at 30 September 2012, with the impact on Q3 2012 amounting to EUR 40 million.

b - Losses on asset sales

Over the first nine months of 2012, the Group continued to follow an opportunist asset disposal strategy. Bonds were essentially sold to offset the liquidity impact of the repurchase of perpetual subordinated securities issued by DCL and also within the context of a securities exchange made on signature of the agreement to sell RBC-D to the Royal Bank of Canada[4]. Loan sales, essentially relating to two portfolios in Mexico and Canada, were also aimed at reducing liquidity requirements.

Losses on sales amounted to EUR 194 million over the first three quarters of 2012; disposals were mostly made in the second quarter, and the losses on sales recorded in the third quarter are not significant.

c - Impairment on the participation capital in Kommunalkredit Austria

In 2012, Dexia decided on an impairment of EUR 179 million on the EUR 200 million of participation capital held by Dexia Crédit Local in KA Finanz AG and KA new, the two banks resulting from the split of Kommunalkredit Austria AG in 2009[5]. This corresponds to an impairment of the entire claim on KA Finanz AG and of part of the debt on KA new and does not prejudge the result of ongoing legal proceedings.

As the impairment was booked for H1 2012, only an insignificant adjustment has been booked for Q3 2012.

d - Restructuring costs

Restructuring costs of EUR -72 million have been booked for 9M 2012 within the context of implementing the orderly resolution plan. In particular, considering the resizing of the DSA and DCL teams in France

[4] See press release dated 3 April 2012
[5] See interim declaration Q1 2012 published on 9 May 2012 and press release relating to the results for H1 2012 published on 3 August 2012.

announced on 28 September, resulting in some job losses within those entities, restructuring costs were booked for Q3 in an amount of EUR 58 million.

C - Evolution of the Group's consolidated balance sheet and solvency situation

a – Balance sheet reduction of EUR 29 billion over the first nine months of 2012

Over the first nine months of 2012, the consolidated balance sheet was reduced by EUR 29.1 billion to EUR 384 billion as at the end of September 2012. This occurred essentially in Q3 2012, the period during which the sales of RBC-D and of DenizBank (EUR -15.2 billion) were finalised. In addition to these two main elements, the evolution of the balance sheet over the first nine months of the year is also explained by:

- a structural reduction of "Core" Public and Wholesale Banking loans outstanding (EUR -10.2 billion), the Group having very sharply reduced new production and ceased certain activities;
- a fall in Legacy division assets (EUR -8.3 billion);
- an increase in the value of derivatives (EUR +4.4 billion) and an increase of the collateral posted by the Group (EUR +0.6 billion) as a result of the fall of long-term interest rates compared to the end of 2011.

b - Positive impact of the sale of DenizBank on solvency

At the end of September 2012, the Group's core equity was EUR 5.7 billion after the impact of the net loss of EUR 2.4 billion recorded for 9M 2012. Other comprehensive income (OCI) was EUR -9.2 billion, an improvement of EUR 0.4 billion compared to 31 December 2011 and EUR 0.6 billion compared to the end of June 2012. This is explained by the entity disposals finalised in Q3 resulting in cumulative translation adjustments (CTA) of EUR +0.8 billion between the end of December 2011 and the end of September 2012 (EUR +0.5 billion between the end of June 2012 and the end of September 2012) partly offset by a slight deterioration of the AFS reserve by EUR -0.3 billion since the end of December 2011 (EUR +0.2 billion over the past quarter) resulting from fluctuations of credit margins.

As at 30 September 2012, Core Tier capital was EUR 5.6 billion, up EUR 262 million on year-end 2011. This evolution is essentially explained by the following elements, which in their entirety more than offset the loss recorded over the first nine months of 2012:

- a reduction in intangible assets and goodwill of EUR 1.2 billion associated with finalisation of the sales of DenizBank and RBC-D;
- a positive effect of EUR 730 million associated with the depreciation of the euro and the reversal of cumulative translation adjustments (CTA) on the sale of DenizBank;
- the proceeds of EUR 486 million resulting from the buy-back of the Hybrid Tier 1 capital issued by Dexia Crédit Local. These proceeds were not booked as income but as Group shareholders equity, applying IFRS;
- An amount of EUR 141 million deducted from Tier 1 to take account of subordinated loans issued by Denizbank, and held by Dexia Crédit Local, but partially offset by the repayment by Belfius Bank & Insurance of subordinated debts held by Dexia.

On the same date, Tier 1 capital was EUR 5.9 billion, down EUR 416 million since the beginning of the year. The increase of Core T1 (EUR +262 million) and the disappearance of the limit for recognition of hybrid issues (haircut) which applied in 2011 (EUR +424 million) did not in fact offset the fall of EUR 1.1 billion in hybrid capital resulting from the buy-backs of issues by Dexia Crédit Local and Dexia Funding Luxembourg.

On 30 September 2012, weighted risks amounted to EUR 65.6 billion, down EUR 17.8 billion on the end of December 2011. This evolution is explained by the reduction of weighted risks by EUR 22.8 billion associated with the sales of DenizBank and RBC-D, partially offset by an increase of credit risk principally associated with ABS and sovereign risk deteriorations as well as a currency impact over the period concerned.

These elements lead to a Tier 1 ratio of 9.0% (against 7.6% at the end of December 2011 and 6.6% at the end of June 2012) and a Core Tier 1 ratio of 8.5% (against 6.4% at the end of December 2011 and 6.2% at the end of June 2012).

The Dexia Group's CAD ratio is 11.2%, against 10.3% as at 31 December 2011 and 8.4% as at 30 June 2012.

D - Evolution of the Group's liquidity situation

a - Contrasted market evolution in 9M 2012

9M 2012 was marked by contrasted evolutions of market conditions. Q3 benefited from an easing of different credit indicators whilst persisting concerns about sovereign debts within the euro zone weighed heavily on the markets during H1 2012, resulting in a fall of long-term rates accompanied by very high volatility.

These evolutions, which weighed on the Dexia Group's liquidity situation in Q2 are illustrated by two favourable trends in Q3:

- The upward trend of long-term rates in Q3 2012 resulted in an EUR 1.3 billion reduction of the net requirement for collateral to be posted for derivative counterparties compared to the end of June 2012.

  Combined with the structural balance sheet reduction and the maintenance of long-term funding outstanding over the quarter, the Group's short-term funding requirement was EUR 55.6 billion at the end of September, having been falling constantly since the end of 2011 (EUR 88 billion at the end of December 2011 and EUR 60.3 billion at the end of June 2012).

- The respite in the sovereign debt crisis affecting the euro zone enabled Dexia to refinance its liquidity gap by taking advantage of an increased investor appetite, particularly on the US market.

  Against that background, Dexia made full use of the temporary guarantee mechanism authorised by the European Commission and renewed on 28 September until the end of January 2013, with a ceiling set at EUR 55 billion. Indeed, at the end of September, outstanding on the guaranteed funding under the 2011 agreement reached EUR 50.5 billion, or EUR 3.9 billion and EUR 9.5 billion more respectively than at the end of June (EUR 46.6 billion) and the end of March (EUR 41 billion).

  It is to be noted that USD 4.2 billion of guaranteed debt was placed with US institutional investors and the average maturity of the guaranteed debt was 1.3 years.

  The guaranteed debt issues enabled the Group to reduce drawing on the emergency liquidity assistance (ELA) which, from EUR 14.2 billion at the end of June, fell back to EUR 11.3 billion at the end of September 2012, or EUR 7.4 billion below its level as at 31 December 2011. These trends continued in October. As at 30 October, guaranteed debt outstanding was in fact EUR 53.8 billion and the ELA, a more costly source of funding for the Group, was EUR 8.2 billion.

Long-term debt issues (final maturity more than 12 months) were focussed on the guaranteed debt, as Dexia Crédit Local had been able to take advantage of the improving market conditions during Q3 to issue in a broader palette of currencies such as the yen, the Swiss franc and the US dollar. Activity on the covered bonds segment remained subdued. Dexia was not involved in any new covered bonds buy-back other than those concluded in H1 by DMA (EUR 830 million) and Dexia Kommunalkredit Deutschland (EUR 2.6 billion) in order to optimise treasury management as well as management of the cover pool of those two issuers.

The positive developments in Q3 were not sufficient however to offset the pressure suffered by the Dexia Group on its liquidity. In fact, the Group's sensitivity to certain external factors such as the evolution of interest rates and, more broadly, market conditions linked to the evolution of the sovereign context in Europe, remains high. Moreover, the Dexia Group will have to overcome an increased liquidity requirement arising from the significant amortisation of funding in an amount of approximately EUR 12 billion from January 2013. In that same period, its cash flow situation will also be subject still to finalisation of the disposal of DMA, planned for January 2013, and which should have a positive impact on Dexia's cash-flows. Indeed, in the short-term, the Group's funding capacity still remains dependent on an increase of the guarantee ceiling under the definitive guarantee forming part of the Group's orderly resolution plan.

b - Significant evolution of the balance sheet funding structure during 9M 2012

The Dexia Group's funding structure underwent significant evolution during the first nine months of 2012 with the combined effect of strategic entity disposals and the market developments described above. These elements had the effect of:

- Reducing the amounts of deposits of the "Retail and Commercial Banking" division by EUR 12.7 billion between the end of December 2011 and the end of September 2012, as a consequence of the sale of DenizBank[6];
- Increasing long-term funding outstanding (12 months and more), the increase of the outstanding guaranteed debt issue (EUR +10.2 billion) and alternative secured long-term funding (EUR +16 billion) more than offsetting the reduction of outstanding on senior non-guaranteed debt (EUR -8.6 billion) and covered bonds (EUR -9.3 billion);
- Sharply lowering short-term funding outstanding (EUR -83 billion), reflected over the period concerned by a very sharp reduction of the part of the balance sheet funded over the short term. In fact this fell from 22% at the end of December 2011 to 14% at the end of September 2012.

It should be noted that the proceeds from the finalisation of the disposals of DenizBank and BIL did not directly improve the Group's liquidity profile. In fact, applying the undertakings made on the sale of Belfius Bank & Insurance to the Belgian State, Dexia continued to break off the financial links between the two institutions initiated at the end of 2011. Whilst unsecured funding was fully repaid during H1 2012, Dexia started to finish with the secured funding which represented some EUR 12 billion outstanding[7] at the end of September, relying on the amounts received from sales.

[6] BIL will be deconsolidated in Q4 2012

[7] Excluding Government Guaranteed Bonds issued by Dexia Crédit Local and subscribed by Belfius Bank & Insurance, for an amount of EUR 14 billion.

Appendices

Appendix 1 – Capital adequacy (unaudited figures)

EUR m (except where indicated)	Dec. 31, 2011	June 30, 2012	Sept 30, 2012
Tier 1 capital	6,305	5,762	5,889
Total regulatory capital	8,589	7,357	7,343
Weighted risks	83,374	87,903	65,584
Tier 1 ratio	7.6%	6.6%	9.0%
Core Tier ratio	6.4%	6.2%	8.5%
Capital adequacy ratio	10.3%	8.4%	11.2%

Appendix 2 – Maximum Credit Risk Exposure as at 30 September 2012 (unaudited figures)

The maximum credit risk exposure (MCRE) represents the accounting net carrying amount of exposures, being the notional amounts after deduction of specific impairments and available for sale reserve amounts, and taking into account accrued interests and impact of fair-value hedge accounting.

MCRE calculated according to IFRS 7

DEXIA GROUP EXPOSURE BY GEOGRAPHICAL REGION			
EUR m	Total	Activities held for sale (IFRS 5)	Continued activities
Austria	2,438	473	1,964
Belgium	19,567	6,152	13,415
Central and eastern Europe	6,025	48	5,977
France (Including Dom-Tom)	88,914	54,584	34,330
Germany	26,407	1,762	24,644
Greece	405	3	402
Ireland	1,665	5	1,660
Italy	38,481	4,263	34,218
Japan	8,755	89	8,666
Luxembourg	11,404	11,287	117
Netherlands	1,115	45	1,070
Others	8,570	750	7,820
Portugal	3,767	151	3,616
Scandinavian countries	2,423	720	1,703
South and Central America	1,475	104	1,371
Southeast Asia	1,822	151	1,671
Spain	24,147	930	23,217
Supra-European	922	248	674
Switzerland	5,480	5,300	179
Turkey	1,273	11	1,262
United Kingdom	19,022	816	18,205
United States and Canada	34,707	878	33,829
Total exposure	**308,781**	**88,770**	**220,011**

DEXIA GROUP EXPOSURE BY CATEGORY OF COUNTERPART			
EUR m	Total	Activities held for sale (IFRS 5)	Continued activities
Central governments	41,149	11,361	29,788
Local public sector	167,270	58,876	108,394
Corporate	12,736	3,380	9,356
Monolines	5,953	0	5,953
ABS/MBS	13,290	4,993	8,297
Project finance	16,268	132	16,136
Individuals, SME and self-employed	7,179	7,145	34
Financial institutions	44,896	2,842	42,054
Other	41	41	0
Total exposure	**308,781**	**88,770**	**220,011**

Appendix 3 – Group exposures to GIIPS risk at 30 September 2012 (unaudited figures)

(MCRE on final counterparts)

Group exposure to GIIPS risk (MCRE on final counterparts)

EUR m	Local public sector	Corporate and project finance	Financial institutions	ABS/MBS	Other non-sovereign exposures	Total*
Greece	88	106	0	39	3	405
Ireland	0	91	1,482	90	2	1,665
Italy	19,044	1,480	1572**	199	41	38,481
Portugal	2,055	237	216	154	10	3,767
Spain	11,527	3,040	7,914	1,059	111	24,147

*including sovereign exposures

**o/w EUR 1,3 bn on the group Belfius

Appendix 4 – Group exposure to GIIPS Government Bonds (unaudited figures)

Group exposure to Government Bonds on GIIPS

EUR m	31/12/2011 Notional	30/06/2012 Notional	30/09/2012 Notional	30/09/2012 MCRE	o/w banking	Var notional 30 sept 2012 vs 31 dec 2011
Greece	3,117	819	819	169	169	-74%
Ireland	0	0	0	0	0	-
Italy*	9,604	10,778	11,774	12,391	12,391	23%
Portugal	1,967	1,867	1,822	1,071	1,071	-7%
Spain	488	482	479	433	433	-2%

* The increase in nominal exposure on Italian sovereign bonds is due to the restructuring swaps in bonds

Appendix 5 – Bond portfolio in run-off at 30 September 2012 (unaudited figures)

Bond portfolio in run-off						
EUR bn	AAA	AA	A	BBB	NIG	Total
Public sector	1.2	12.7	4.4	4.1	1.5	23.9
Sovereigns	1.2	1.6	7.0	0.9	2.0	12.7
Banks	1.4	2.1	2.3	1.2	0.5	7.4
Covered bonds	1.4	0.1	2.0	3.4	0.3	7.2
ABS	4.6	0.2	0.2	0.2	0.1	5.2
MBS	0.4	0.7	0.5	0.2	0.5	2.3
Other	0.1	0.8	2.0	6.0	1.5	10.3
Total (nominal bef. protection)	**10.2**	**18.1**	**18.3**	**15.9**	**6.4**	**69.0**

Appendix 6 – Ratings as at 8 november 2012

	Long-term	Outlook	Short-term
Dexia Credit Local			
Fitch	A+	Negative outlook	F1+
Moody's	Baa2	Negative outlook	P-2
Standard & Poor's	BBB	On credit watch negative	A-2
Dexia Municipal Agency (obligations foncières)			
Fitch	AAA	-	-
Moody's	Aa2	Under rev. for possible downgrade	-
Standard & Poor's	AA+	On credit watch negative	-
Dexia Kommunalbank Deutschland (Pfanbriefe)			
Standard & Poor's	AA-	On credit watch negative	-
Dexia LGD Banque (lettres de gage)			
Standard & Poor's	AA	On credit watch negative	-

Appendix 7 – State guarantee fees (unaudited figures)

EUR m	YTD 2011	YTD 2012
Funding related fees (2008 guarantee)	-224	-133
Financial Products portfolio related fees (2008 guarantee)	-47	0
Setting-up fee for the new guarantee (2011)	0	-50
New guarantee related fees	0	-273
Total fees paid	**-271**	**-456**

Appendix 8 - Litigations

Like many financial institutions, Dexia is subject to a number of regulatory investigations and litigations, including class action lawsuits in the US and Israel. Except as otherwise indicated, the status of the most significant litigations and investigations summarised below is as per 30 September 2012, and is based on the information available to Dexia at such date. On the basis of the information available to Dexia as per that date, other litigations and investigations are not expected to have a material impact on the Group's financial situation or it is too early properly to assess whether they may have such an impact.

The updated data below is provided for the purposes of comparison and should be read in association with the corresponding summaries contained or mentioned in the section "Legal Risk" of the Annual Report 2011 (pages 83 to 86 inclusive), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

The consequences, as assessed by Dexia based on the information available to it as per the above referenced date, of the most significant litigations and investigations that are liable to have a material impact on the Group's financial situation, its results or its business generally are provided in the Group's financial statements. Subject to the terms and conditions of the professional liability insurance and Directors' liability insurance policies entered into by Dexia, the adverse financial consequences of all or certain litigations and investigations may be covered, in whole or in part, under such insurance policies entered into by Dexia, and, upon acceptance of such risks by the relevant insurers, be offset against any pay-out Dexia would receive pursuant thereto.

Dexia Nederland

Reference is made to the detailed disclosure in the Dexia Annual Report 2011 (pages 83 and 84), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

Financial Security Assurance

Reference is made to the detailed disclosure in the Dexia Annual Report 2011 (page 84), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

Mr Goldberg who was, on 11 May 2012, convicted for fraud, was sentenced at the end of October 2012 to a prison sentence and criminal fine. Mr Goldberg has indicated that he intends to appeal the conviction..

Alleged shortcomings in financial communication

Reference is made to the detailed disclosure in the Dexia Annual Report 2011 (pages 84 and 85), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

No substantial development took place during Q3 2012 with respect to the files linked to alleged shortcomings in financial communication mentioned, or referred to, in the 2012 H1 Report.

Dexia banka Slovensko

During Q3 Dexia was informed of the Supreme Court Judgment dismissing the former client's extraordinary appeal (against the ruling of the Appeal Court) on procedural grounds, whereby the Supreme Court confirmed that no grounds were presented which merited an extraordinary review of the Appeal Court's ruling. The case is thus remanded to the Court of First Instance (District Court Bratislava I.), which should rule in accordance with the instructions/reasoning of the decision by the Appeal Court.

Reference is made to the detailed disclosure in the Dexia Annual Report 2011 (page 85), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

Dexia Crediop

As at 30 September 2012, Crediop was involved in 10 litigations relating to debt restructuring transactions and accompanying hedging arrangements with Italian regions, provincies or cities. Reference is made to the summary disclosure in the Dexia Annual Report 2011 (page 85), as supplemented by the 2012 H1 Report, both available on www.dexia.com..

In the litigation opposing Dexia Crediop to the Province of Pisa, both the initial and the supplemental expert report ordered by the Council of State- the conclusions of which are both favourable to Dexia Crediop- were filed but no final decision has yet been taken by the Council of State on the matter.. The appeal lodged by Dexia Crediop with the Italian Supreme Court against the first decision of the Council of State according to which Italian administrative courts have exclusive jurisdiction on the matter, irrespective of the election of English courts made by the parties in the hedging agreements, is also still pending.

At the date hereof, Dexia Crediop is not able, taking into account the particulars of each claim, to reasonably predict the duration or outcome of these legal proceedings or their potential financial repercussions.

Dexia Asset Management

No substantial development took place during Q3 2012 in respect of the matters outlined, and reference is made to the detailed disclosure in respect thereof in the Dexia Annual Report 2011 (page 86), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

Dexia Crédit Local

Reference is made to the detailed disclosure in the Dexia Annual Report 2011 (pages 85 and 86), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

The number of clients having filed claims against Dexia Crédit Local, as at 30 September 2012, amounts to fifty-seven. The proceedings are ongoing and, to date, no final decisions on the merits of such claims has been passed.

At the date hereof, Dexia is not able, taking into account the particulars of each claim, to reasonably predict the duration or outcome of these legal proceedings or their potential financial repercussions.

Dexia Israel

Reference is made to the detailed disclosure in the Dexia Annual Report 2011 (page 86), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

In Q3, certain minority shareholders have filed a derivative claim, on behalf of Dexia Israel, against Dexia Crédit Local and certain of its representatives, claiming, among others, a reimbursement of of dividends distributed by Dexia Israel to Dexia Crédit Local since the acquisition of its shareholding.

At the date hereof, Dexia is not able to reasonably predict the duration or outcome of these legal proceedings or their potential financial repercussions.

Dexia SA and Dexia Crédit Local: request of annulment of the Belgian Royal Decree implementing the State guarantee

No substantial development took place during Q3 2012 with respect to in this file, and reference is made to the detailed disclosure in the Dexia Annual Report 2011 (page 86), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

Kommunalkredit Austria AG

No substantial development took place during Q3 2012 with respect to in this file, and reference is made to the detailed disclosure in the Dexia Annual Report 2011 (page 86), as supplemented by the 2012 H1 Report, both available on www.dexia.com.

Banque Internationale à Luxembourg

On 5 October 2012, Dexia completed the divestment of its 99.906% shareholding in Banque Internationale à Luxembourg to Precision Capital.

The sale and purchase agreement includes certain representations and warranties that are subject to usual restrictions for this type of operation and certain specific indemnities, in particular in respect of claims related to the Madoff case and certain other pending litigations. Reference is also made to the detailed disclosure in the Dexia Annual Report 2011 (pages 85 and 86) in relation to litigations in which Banque Internationale à Luxembourg is a defendant, as supplemented by the 2012 H1 Report, both available on www.dexia.com.

DenizBank

On 28 September 2012, Dexia SA completed the divestment of its 99.84% shareholding in DenizBank AS to Sberbank.

The sale and purchase agreement includes certain representations and warranties that are subject to usual restrictions for this type of operation as well as certain specific indemnities. To date, no claim under these representations and warranties or specific indemnities has been notified to Dexia.

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