DEXIA BANK BELGIUM NV/SA

Limited liability company
with registered office at B-1000 Brussels, Pachecolaan 44
registered under number 0403.201.185

(the "Issuer")

VERY LONG TERM WARRANT

€ 100,000,000

This Base Prospectus was approved by the Banking, Finance and Insurance Commission of Belgium in accordance with article 23 of the Prospectus Law of 16 June 2006. This approval does not entail any appraisal of the appropriateness or the merits of the issue nor of the situation of the Issuer.

This Base Prospectus should be read and construed in conjunction with any relevant Final Terms.. This Base Prospectus, the relevant Final Terms and the Summary together constitute the Prospectus.

This Base Prospectus is dated 28 December 2010 and is valid for one year from that date, provided that the Base Prospectus may be updated by any supplements in accordance with article 54, §2 of the Prospectus Law of 16 June 2006.

The Base Prospectus, the Final Terms and the Summary are available on the internet site www.dexia.com and a copy can be obtained free of charge in the offices of Dexia Bank.

Prospective purchasers of Warrants should ensure that they understand the nature of the relevant Warrants and the extent of their exposure to risks and that they consider the suitability of the relevant Warrants as an investment in the light of their own circumstances and financial condition. The Warrants involve a high degree of risk and potential investors should be prepared to sustain a total loss of the purchase price of the Warrants. See the "Important Remarks" on page 2 and the description of the "Risk Factors" on page 14 of this Base Prospectus.

IMPORTANT REMARKS

Potential investors in the Warrants and potential investors interested in this Offer are explicitly reminded that any investment involves financial risks. They are therefore advised to read this Base Prospectus, including the relevant Final Terms, carefully and in its entirety.

It is recommended that they consult about the Offer and the Warrants, and the risks related to any investment therein, with their legal, tax, investment and accounting advisors prior to making any investment decision.

Neither this Base Prospectus nor any other information supplied in connection with the Base Prospectus (i) is intended to provide the basis of any credit or other evaluation or (ii) should be considered as a recommendation by the Issuer that any recipient of this Base Prospectus or any other information supplied in connection with the Base Prospectus should purchase any Warrants. Each investor contemplating purchasing any Warrants should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuer. Neither this Base Prospectus nor any other information supplied in connection with the Base Prospectus constitutes an offer or an invitation by or on behalf of the Issuer or any other person to subscribe for or to purchase any Warrants.

The delivery of this Base Prospectus does not at any time imply that the information contained herein concerning the Issuer is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Base Prospectus is correct as of any time subsequent to the date indicated in the document containing the same. Investors should review, inter alia, the most recently published annual and interim financial statements of the Issuer, when deciding whether or not to purchase any Warrants.

No person is authorized to give any information or to make any representation not contained in or not consistent with this document or any other information supplied in connection with the Base Prospectus and, if given or made, such information or representation must not be relied upon as having been authorized by the Issuer.

This document is to be read and construed in conjunction with any amendment or supplement hereto, with any Final Terms and with all documents which are deemed to be incorporated herein by reference.

The Warrants create options exercisable by the relevant holder. There is no obligation upon any holder to exercise his Warrant nor, in the absence of such exercise, any obligation on the Issuer to pay any amount to any holder of a Warrant, unless provided otherwise. The Warrants will be exercisable in the manner set forth herein and in the relevant Final Terms. The only means through which the Warrant Holder can realize value from the Warrant prior to the Exercise Period is to sell it through the secondary market.

The Warrants of each issue may be sold by the Issuer at such time and at such prices as the Issuer may select. There is no obligation upon the Issuer to sell all of the Warrants of any issue. The Warrants of any issue may be offered or sold from time to time in one or more transactions in the over-the-counter market or otherwise at prevailing market prices or in negotiated transactions, at the discretion of the Issuer.

The Issuer shall have complete discretion as to what type of Warrants it issues and when.

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SUMMARY

The following Summary must be read as an introduction to the Base Prospectus and any decision to invest in the Warrants should be based on a careful consideration of the Base Prospectus as a whole, including the documents incorporated by reference and including the information in the applicable Final Terms. Civil liability relating to this Summary, including any translation thereof, attaches to the Issuer only in case this Summary is misleading, inaccurate or inconsistent when read together with the other parts of the Base Prospectus. Where a claim relating to the information contained in the Base Prospectus is brought before a court in a member state of the European Economic Area, the plaintiff investor may, under the national legislation of that member state, have to bear the costs of translating the Base Prospectus before the legal proceedings are initiated.

Words and expressions defined elsewhere in this Base Prospectus shall have the same meaning in this Summary.

Issuer:	Dexia Bank Belgium NV (abbreviated as "Dexia Bank") is a limited liability company ("naamloze vennootschap"/"société anonyme") incorporated under Belgian law and registered under the number 0403.201.185 and with its registered office situated at Pachecolaan 44, B-1000 Brussels, Belgium.
Group:	Dexia Bank Belgium NV is held for 99.9% by Dexia NV, a limited liability company ("naamloze vennootschap"/"société anonyme") incorporated under Belgian law and registered under the number 0458.548.296 and with its registered office situated at Rogierplein 11, B-1210 Brussels, Belgium. Dexia NV is listed on the Euronext Stock Exchange in Paris and in Brussels and on the Luxembourg Stock Exchange.
Warrants:	Each and any warrant offered pursuant to this Base Prospectus and the relevant Final Terms.
Form and Denomination:	The Warrants shall be represented by a temporary global warrant (the "Global Warrant") representing the Warrants in bearer. The Global Warrant will be deposited on the Issue Date with the Issuer and will not be exchangeable for definitive Warrants. The Issuer will not charge any fees for Warrants held in securities account with the Issuer or for the opening of such securities account.
Exercise Period:	The Warrants can be exercised during the Exercise Period. Consequently, the only means through which the Warrant Holder can realize value from the Warrant prior to the Exercise Period is to sell it through the secondary market.
Offer:	The Warrants will be offered for subscription as specified in the relevant Final Terms at the relevant Issue Price (Commission included). The Issuer has the right to anticipatively terminate the Offering Period if the maximum amount of the Warrants issue has been reached or if the market conditions adversely affect the interest of the Issuer, as the case may be.
Offering Period:	The offering period specified as such in the relevant Final Terms.
Issue Price:	The issue price specified as such in the relevant Final Terms.
Underlying Value:	The underlying value specified as such in the relevant Final Terms.
Status of the Warrants:	The Warrants constitute direct, unconditional, unsubordinated and

unsecured obligations of the Issuer and rank and will rank at all times pari passu without any preference among them. The payment obligations of the Issuer under the Warrants shall, subject to any exceptions as from time to time exist under applicable law, at all times rank equally with all its other present and future unsecured and unsubordinated obligations. In particular, the Warrants will not be secured by the Underlying Value to which such Warrants relate.

Use of Proceeds: The net proceeds of the issue of the Warrants will be used for covering the risks resulting of the issue of the Warrants by the Issuer. The Warrants issue will be subject to some out-of-pocket expenses and publicity fees estimated to be around EUR 25,000.

Governing law and Competent Courts: The Offer and the Warrants are governed by the laws of Belgium. All disputes arising out of or in connection with the Offer and the Warrants shall be exclusively submitted to the jurisdiction of the competent courts in Brussels.

Risk Factors: Prospective purchasers of the Warrants offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all of the information in this document and, in particular, the risk factors set forth in the Base Prospectus in making an investment decision. These include risk factors relating to the Warrants, such as (i) the influence of trading or hedging transactions of the Issuer on the Warrants, (ii) hedging against the market risk, (iii) adjustments, (iv) possible illiquidity of the Warrants in the secondary market, (v) potential conflicts of interest, (vi) liquidity risk, or (vii) post-issuance information. They also include risk factors relating to the Issuer, such as (i) economic setting, (ii) operational risk, (iii) credit risk, (iv) market risk, (v) liquidity risk, (vi) lowering of the ratings and (vii) risks due to the crisis on the international financial markets.

Warrants involve a high degree of risk and investors must be prepared to sustain a total loss of the purchase price of their Warrants. The occurrence of fluctuations or the non-occurrence of anticipated fluctuations in the price of the underlying share will disproportionately affect the value of the Warrants and may lead to the Warrants expiring worthless. Purchasers of Warrants risk losing their entire investment if the share underlying the Warrants does not perform as anticipated. Further risks may include, among others, interest rate, foreign exchange, time value and political risks. The Warrants do not entitle the holder of the Warrants to receive a coupon payment or dividend yield and therefore do not constitute a regular source of income. Possible losses in connection with an investment in the Warrants can therefore not be compensated by other income from the Warrants.

Prospective purchasers of Warrants should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Warrants and should reach an investment decision only after careful consideration, with their financial and tax advisers, of the suitability of such Warrants in light of their particular financial circumstances.

See the Section “Risk factors” in the Base Prospectus.

DEFINITIONS

The terms used in this Base Prospectus shall have the meaning as expressed hereunder, unless defined otherwise in this Base Prospectus. The definitions do not apply to terms used in the extracts and press releases that, as the case may be, are mentioned in this Base Prospectus.

Audit Committee	:	The committee established on 18 December 2002 to assist the board of directors in supervising the activities of Dexia Bank;
Banking, Finance and Insurance Commission	:	The *Commissie voor het Bank-, Financie en Assurantiewezen / Commission bancaire, financière et des assurances*, designated by the Prospectus Law of 16 June 2006 as the authority competent to approve this Base Prospectus;
Base Prospectus	:	the present document, including, for the avoidance of doubt, the Summary, any of its Annexes or, as the case may be, subsequent supplements, which together constitute a base prospectus for the purposes of the articles 29 and 49 of the Prospectus Law of 16 June 2006;
Calculation Agent	:	Dexia Bank Belgium NV/SA (abbreviated as "Dexia Bank"), unless specified otherwise in the relevant Final Terms;
Commission	:	The commission included in the Issue Price, as specified under the relevant Final Terms;
Company Code	:	The Belgian company code, introduced by the Law of 7 May 1999 (as amended);
De-listing	:	Means that the Shares cease, for any reason, to be listed on the Related Exchange;
Dexia Bank	:	Dexia Bank Belgium NV/SA, a limited liability company of unlimited duration incorporated under Belgian law and registered under the number 0403.201.185 and having its registered office at Pachecolaan 44, B-1000 Brussels;
Dexia BIL	:	Dexia Banque Internationale à Luxembourg, a limited liability company incorporated under the law of Luxembourg and registered under the number B-6307 and having its registered office at 69, route d'Esch, L-2953 Luxembourg;
Dexia CL	:	Dexia Crédit Local S.A., a limited liability company incorporated under French law and having its registered office at 1, Passerelle des Reflets, Tour Dexia La Défense, TSA 92202, F-92919 La Défense Cedex;
Dexia Group	:	Dexia Bank, together with Dexia CL and Dexia BIL and any of their subsidiaries;
Dexia NV	:	Dexia NV/SA, a limited liability company of unlimited duration incorporated under Belgian law and registered under the number 0458.548.296 and having its registered office at Rogierplein 11, B-1210 Brussels;
Disrupted Day	:	Any scheduled trading day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on

which a Market Disruption Event has occurred;

Early Closure	:	The closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its scheduled closing time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the scheduled closing time on such Exchange Business Day;
Early Termination Amount	:	Means that, if the Warrants, are cancelled the Issuer will pay an amount to each Warrant Holder in respect of each Warrant held by such Warrant Holder which amount shall be the fair market value of a Warrant, taking into account the Merger Event, De-listing, Nationalization or Insolvency, as the case may be, less the cost to the Issuer of unwinding any underlying related hedging arrangements, all as determined by the Calculation Agent in its sole and absolute discretion;
Euronext Stock Exchange	:	A regulated market operating under the name "*Euronext*", including Euronext Brussels NV/SA located at Beursplein, B-1000 Brussels and Euronext Paris located at 39 rue Cambon, F-75039 Paris Cedex 01;
Exchange	:	Each exchange or quotation system, any successor or any substitute exchange or quotation system, including for the avoidance of doubt but without limitation, any regulated market;
Exchange Business Day	:	A day on which the Exchange is open for business;
Exchange Disruption	:	Any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general (i) to effect transactions in, or obtain market values for, the Shares on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange;
Exercise	:	Delivery of the Underlying Value against payment of the Strike Price. The request to Exercise needs to be submitted during the Exercise Period;
Exercise Date	:	Date during the Exercise Period on which the Warrants are exercised;
Exercise Period	:	Each business day on which commercial banks in Belgium are open for business from the date as specified in the relevant Final Terms until and including the Maturity Date;
Final Terms	:	The document containing the specific final terms relating to a specific series of the Warrants;
Global Warrant	:	A temporary warrant representing the Warrants in bearer;
IFRS	:	International Financial Reporting Standards;
Insolvency	:	Means that by reason of the voluntary or involuntary liquidation, bankruptcy or insolvency of or any analogous proceeding affecting Dexia Bank (i) all the Shares are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Shares become legally prohibited from transferring them;

Issue Date	:	The issue date specified as such in the relevant Final Terms;
Issue Price	:	The issue price specified as such in the relevant Final Terms;
Issuer	:	Dexia Bank;
Luxembourg Stock Exchange	:	The regulated market Bourse de Luxembourg, located at 11, avenue de la Porte-Neuve, L-2227 Luxembourg;
Market Disruption Event	:	Means in respect of any Share, the occurrence or existence of (i) a Trading Disruption, (ii) any disruption that affect a relevant Exchange which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant scheduled closing time or (iii) an Early Closure;
Maturity Date	:	The maturity date specified as such in the relevant Final Terms;
Merger Date	:	Means, in respect of a Merger Event, the date upon which all holders of Shares (other than, in the case of a takeover offer, Shares owned or controlled by the offeror) have agreed or have irrevocably become obliged to transfer their Shares;
Merger Event	:	Means any (i) reclassification or change of Shares that results in a transfer of or an irrevocable commitment to transfer all Shares outstanding, (ii) consolidation, amalgamation or merger of Dexia Bank with or into another entity (other than a consolidation, amalgamation or merger in which Dexia Bank is the continuing entity and which does not result in any such reclassification or change of all Shares outstanding) or (iii) other takeover offer for Shares that results in a transfer of or an irrevocable commitment to transfer all Shares (other than Shares owned or controlled by the offeror), in each case if the Merger Date is on or before the Valuation Date in respect of the relevant Warrant;
Nationalization	:	Means that all the Shares or all the assets or substantially all the assets of Dexia Bank are nationalized, expropriated or are otherwise required to be transferred to any governmental agency, authority or entity;
Offer	:	Any offer on the basis of and, in accordance with, this Base Prospectus;
Offering Period	:	The offering period specified as such in the relevant Final Terms;
Potential Adjustment Event	:	Means any of the following: (i) a subdivision, consolidation or reclassification of Shares (unless a Merger Event) or a free distribution or dividend of Shares to existing holders by way of bonus, capitalization or similar issue; (ii) a distribution or dividend to existing holders of Shares of (a) Shares or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of Dexia Bank equally or proportionately with such payments to holders of Shares or (c) any other type of securities, rights or price as determined by the Calculation Agent; (iii) an extraordinary dividend (provided that any ordinary dividend, whether or not in the form of cash, will not be considered as a Potential

		Adjustment Event);
		(iv) a call by Dexia Bank in respect of Shares that are not fully paid;
		(v) a repurchase by Dexia Bank of Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or
		(vi) any other event having, in the opinion of the Calculation Agent, a diluting or concentrative effect on the theoretical value of the Shares;
Prospectus Law of 16 June 2006	:	The Belgian Law of 16 June 2006 on the public offer of investment instruments and the admission to trading of investment instruments on a regulated market (as amended);
Related Exchange	:	Means, in respect of the Share, each exchange or quotation system where trading has a material effect (as determined by the Calculation Agent) on the overall market for futures or options contracts relating to such Share;
Share	:	The Underlying Value, specified as such in the relevant Final Terms;
Strike Price	:	The Strike Price is equal to the net asset value of the Underlying Value, specified as such in the relevant Final Terms;
Summary	:	The summary of the Base Prospectus as such term is used in the Prospectus Law of 16 June 2006;
Trading Disruption	:	Any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the relevant Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange;
Underlying Value	:	The underlying value specified as such in the relevant Final Terms;
Valuation Date	:	Means in respect of any exercised Warrant, the Exercise Date in respect of such Warrant;
Warrant	:	Means a warrant that is offered pursuant to this Base Prospectus and the relevant Final Terms;
Warrant Holder	:	A person holding Warrants through a participant or, in the case a participant acts on its own account, that participant.

DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the audited annual accounts of DEXIA BANK for the years ended 31 December 2008 and 31 December 2009, including the reports of the statutory auditors in respect thereof, which are incorporated by reference in this Base Prospectus. Copies of all documents incorporated by reference will be available free of charge from the offices of DEXIA BANK. Additionally, the annual reports of DEXIA BANK are available on the internet site of DEXIA BANK (www.dexia.be/viadexia/publications).

The balance sheet, income statements, accounting policies, notes and auditors' reports of DEXIA BANK are set out on the following pages of the annual reports of the Issuer:

	DEXIA BANK BELGIUM S.A.	
	Annual Report 2009	***Annual Report 2008***
Consolidated Balance Sheet	46	32
Consolidated Statement of Income	48	34
Audit Report	168	152
Notes to the Consolidated Financial Statements	58	43
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Non-Consolidated Statement of Income	175	159
Audit Report	230	214
Notes to the non-Consolidated Financial Statements	183	167

Information contained in the documents incorporated by reference other than information listed in the table above is for information purposes only.

SELLING RESTRICTIONS

This Base Prospectus was approved by the Banking, Finance and Insurance Commission of Belgium on 28 December 2010, in accordance with article 23 of the Prospectus Law of 16 June 2006.

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State"), an offer to the public of the Warrants may only be made once the prospectus has been passported in such Relevant Member State in accordance with the Prospectus Directive as implemented by such Relevant Member State. For the other Relevant Member States an offer to the public in that Relevant Member State of any Shares may only be made at any time under the following exemptions under the Prospectus Directive, if and to the extent that they have been implemented in that Relevant Member State: (a) to legal entities which are authorised or regulated to operate in the financial markets or, if not so authorised or regulated, whose corporate purpose is solely to invest in securities; (b) to any legal entity which has two or more of (1) an average of at least 250 employees during the last financial year; (2) a total balance sheet of more than €43,000,000 and (3) an annual net turnover of more than €50,000,000, as shown in its last annual or consolidated accounts; (c) to fewer than 100 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) in such Relevant Member State; or (d) in any other circumstances falling within Article 3(2) of the Prospectus Directive, as implemented by the Relevant Member States; and in each of the circumstances mentioned under (a) to (d) (included) provided that no such offer of Shares shall result in a requirement for the publication by the Issuer or any offeror of the Warrants of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any offer of Warrants in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the Offer and/or any Warrants to be offered so as to enable an investor to decide to purchase or subscribe for the Warrants, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

This Base Prospectus and/or any of the Final Terms does not constitute an offer of, or invitation by or on behalf of the Issuer to subscribe for or purchase any Warrants. The distribution of this Base Prospectus and/or any of the Final Terms, and the Offer of Warrants in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus and/or any of the Final Terms comes are required by the Issuer to inform themselves about and to observe any such restrictions. This document does not constitute, and may not be used for the purposes of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation and no action is being taken to permit an offering of the Warrants or the distribution of this document in any jurisdiction where any such action is required.

In particular, and without prejudice to the foregoing, the Warrants have not been offered, sold or delivered and will not be offered, sold or delivered, as part of their distribution at any time, or otherwise until 40 days after the commencement of the offering within the United States or to, or for the account or the benefit of, U.S. persons and a dealer to which the Warrants are sold during the restricted period, will receive a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the U.S. or to, or for the account or benefit of, U.S. persons.

Until 40 days after the commencement of the offering, an offer or sale of Warrants within the U.S. by a dealer that is not participating in the offering may violate the registration requirements imposed by the U.S. Securities Act of 1933, as amended.

FORWARD-LOOKING STATEMENTS

The sections of this Base Prospectus may contain forward-looking statements. (such as for instance the sections with information relating to, respectively, the Issuer, the Offer and the Warrants). Dexia Bank and Dexia NV may also make forward-looking statements in their audited annual financial statements, in their interim financial statements, in their offering circulars, in press releases and other written materials and in oral statements made by their officers, directors or employees to third parties. Statements that are not historical facts, including statements about the Dexia Bank and Dexia NV's beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and therefore undue reliance should not be placed on them. Forward-looking statements speak only as of the date they are made, and Dexia Bank and Dexia NV undertake no obligation to update publicly any of them in light of new information or future events.

RISK FACTORS

Prospective purchasers of the Warrants offered hereby should consider carefully, among other things and in light of their financial circumstances and investment objectives, all of the information in this document and, in particular, the risk factors set forth below (which the Issuer, in its reasonable opinion, believes represents or may represent the risk factors known to it which may affect such Issuer's ability to fulfill its obligations under the Warrants) in making an investment decision. Investors may lose the value of their entire investment in certain circumstances.

Risk factors relating to the Warrants

General

Warrants involve a high degree of risk and investors must be prepared to sustain a total loss of the purchase price of their Warrants. The occurrence of fluctuations or the non-occurrence of anticipated fluctuations in the price of the underlying share will disproportionately affect the value of the Warrants and may lead to the Warrants expiring worthless.

Purchasers of Warrants risk losing their entire investment if the share underlying the Warrants does not perform as anticipated. Further risks may include, among others, interest rate, foreign exchange, time value and political risks. A Warrant is an asset which, other factors held constant, tends to decline in value over time and which may become worthless when it expires. Prospective purchasers of Warrants should be experienced with respect to options and option transactions, should understand the risks of transactions involving the relevant Warrants and should reach an investment decision only after careful consideration, with their financial and tax advisers, of the suitability of such Warrants in light of their particular financial circumstances.

The risk of the loss of some or all of the purchase price of a Warrant upon expiration means that, in order to recover and realize a return upon his or her investment, a purchaser of a Warrant must generally be correct about the direction, timing and magnitude of an anticipated change in the value of the share underlying the Warrants. Assuming all other factors are held constant, the more a Warrant is 'out-of-the-money' and the shorter its remaining term to expiration, the greater the risk that purchasers of such Warrants will lose all or part of their investment.

In addition, investors should consider that the return on the investment in Warrants is reduced by the costs in connection with the purchase and exercise or sale of the Warrants.

The Warrants do not entitle the holder of the Warrants to receive a coupon payment or dividend yield and therefore do not constitute a regular source of income. Possible losses in connection with an investment in the Warrants can therefore not be compensated by other income from the Warrants. Further to this, the investor bears the risk that the financial situation of the Issuer declines - or that insolvency or bankruptcy proceedings are instituted against the Issuer - and that as a result the Issuer cannot fulfill its payment obligations under the Warrants.

The influence of trading or hedging transactions of the Issuer on the Warrants

The Issuer may in the course of its normal business activity engage in trading in the underlying shares. In addition, the Issuer may conclude transactions in order to hedge itself partially or completely against the risks associated with the issue of the Warrants. These activities of the Issuer may have an influence on the market price of the Warrants. A possibly negative impact of the conclusion or dissolution of these transactions on the value of the Warrants cannot be excluded.

Hedging against the market risk

Due to fluctuating supply and demand for the Warrants, there is no assurance that their value will correlate with movements of the underlying share. Prospective purchasers intending to purchase Warrants to hedge against the market risk associated with investing in the underlying share should recognize the complexities of utilizing Warrants in this manner. For example, the value of the Warrants may not exactly correlate with the value of the underlying share.

Adjustments

In relation to the terms and conditions of the Warrants, events relating to the underlying share may bring about adjustments to such terms and conditions which may vary from those made by the organized derivatives markets.

Possible illiquidity of the Warrants in the secondary market

It is not possible to predict the price at which Warrants will trade in the secondary market or whether such market will be liquid or illiquid. The Issuer may, but is not obliged to, list Warrants on an Exchange.

The Issuer may, but is not obliged to, at any time purchase Warrants at any price in the open market or by tender or private treaty. Any Warrants so purchased may be held or resold or surrendered for cancellation. The Issuer may, but is not obliged to, be a market-maker for an issue of Warrants. Even if the Issuer is a market-maker for an issue of Warrants, the secondary market for such Warrants may be limited. To the extent that an issue of Warrants becomes illiquid, an investor may have to exercise such Warrants to realize value.

The Warrants can be freely transferred to any third party, provided the transferee holds the Warrants on a securities account with Dexia Bank..

Potential conflicts of interest

The Issuer may also engage in trading activities (including hedging activities) related to the share underlying the Warrants and other instruments or derivative products based on or related to the underlying share for their proprietary accounts or for other accounts under their management. The Issuer may also issue other derivative instruments in respect of the underlying share. The Issuer may also act as underwriter in connection with future offerings of the underlying shares or other securities related to the shares underlying the Warrants or may act as financial adviser to certain companies or in a commercial banking capacity for certain companies. Such activities could present certain conflicts of interest, could influence the prices of the underlying shares or other securities referring to the underlying share and could adversely affect the value of such Warrants. In case the Calculation Agent should make determinations and calculations in respect of the Warrants, the Calculation Agent shall act at all times in good faith and a commercially reasonable manner, but not necessarily in the interest of the Warrant Holder.

Liquidity risk

No application is made to list the Warrants on an Exchange. There is no assurance that an active trading market for the Warrants will develop.

Post-issuance information

The relevant Final Terms may specify that the relevant Issuer will not provide post-issuance information in relation to the Underlying Value. In such an event, investors will not be entitled to obtain such information from the relevant Issuer.

Risk factors relating to the Issuer

Economic setting

Demand for the products and services offered by the Issuer is mainly dependent upon economic performance as a whole. In the area of corporate and investment banking, for example, sluggish economic activity has a direct impact on companies' demand for credit and causes lending to decline and average creditworthiness to deteriorate. As there is also a greater likelihood of companies becoming insolvent and consequently defaulting on their loans in a shaky economic environment, higher provisioning is necessary. Moreover, a poorer corporate profit outlook leads to lower evaluations of companies and as a result to less interest in both mergers and acquisitions and such capital-market transactions as IPOs, capital increases and takeovers; accordingly, the revenues from advising clients and placing their shares decline when economic activity is sluggish. Furthermore, proprietary trading and the trading profit are also dependent upon the capital-market situation and the expectations of market participants. In the retail banking and asset management division, lower company evaluations prompt investors to turn to forms of investment entailing less risk (such as moneymarket funds rather than other fund products), the sale of which generate only weaker commissions.

Should the overall economic conditions deteriorate further or should the incentives and reforms necessary to boost the economies fail to materialize, this could have a serious negative impact on the Issuer's net assets, financial position and earnings performance.

Operational risk

Within Dexia Bank, operational risk comprises the exposure to loss from inadequate or failed internal processes, people and systems or from external events (such as, but not limited to natural disasters and fires), risk relating to the security of information systems, litigation risk and reputation risk. Operational risks are inherent in all activities within the organisation, in outsourced activities and in all interaction with external parties.

Dexia Bank's operational risk management framework, is responsible for, inter alia, coordinating the collection of risk event data and risk and control self-assessment within the different entities and activities of the Dexia Group, defining methodological principles, selecting adequate tools and ensuring global consistency.

Unforeseen events like severe natural catastrophes, terrorist attacks or other states of emergency can lead to an abrupt interruption of Dexia Bank's operations, which can cause substantial losses. Such losses can relate to property, financial assets, trading positions and to key employees. Such unforeseen events can also lead to additional costs (such as relocation of employees affected) and increase Dexia Bank's costs (such as insurance premiums). Such events may also make insurance coverage for certain risks unavailable and thus increase Dexia Bank's risk.

As with most other banks, Dexia Bank relies heavily on communications and information systems to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in the Issuer's customer relationship management, general ledger, deposit, servicing and/or loan organization systems. Dexia Bank cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have a material adverse effect on Dexia Bank's financial condition and results of operations.

Credit risk

The Issuer is exposed to credit risk, i.e. the risk of losses or lost profits as a result of the default or deterioration in the creditworthiness of counterparties and also the resulting negative changes in the market value of financial products. Apart from the traditional risk, credit risk also covers country risk and issuer risk, as well as counterparty and settlement risk arising from trading transactions. This can arise, for instance, through customers' lack of liquidity or insolvency, which may be due either to the economic downturn, mistakes made in the corporate management of the relevant customers or competitive reasons. Such credit risks exist in every transaction which a bank conducts with a customer, including the purchase of securities (risk of price losses due to the unexpected deterioration in the creditworthiness of an issuer (issuer risk)) or, for instance, the hedging of credit risk by means of credit derivatives (counterparty risk). A credit risk exists to an especially high degree, however, in connection with the granting of credits, since, if this risk is realized, not only is the compensation for the activity lost, but also and above all the loans which have been made available. The Issuer believes that adequate provision has been made for all of its recognized potentially or acutely endangered credit commitments. It cannot be ruled out, however, that the Issuer will have to make further provision for possible loan losses or realize further loan losses, possibly as a consequence of the persistently weak economic situation, the continuing deterioration in the financial situation of borrowers from Dexia Bank, the increase in corporate and private insolvencies, the decline in the value of collateral, the impossibility in some cases of realizing collateral values or a change in the provisioning and risk-management requirements. This could have a serious negative impact on the Issuer's net assets, financial position and earnings performance.

Market risk

Market risk covers the potential negative change in value of the Issuer's positions as a result of changes in market prices – for example, interest rates, currency and equity prices, or parameters which influence prices (volatilities, correlations).

Fluctuations in current interest rates (including changes in the relative levels of short- and long-term interest rates) could affect the results of the Issuer's banking activities. Changes in the level of both the short- and the long-term interest rates always affect the level of gains and losses on securities held in the Issuer's financial investments portfolio and the point of time at which these gains and losses were realized. A rise in the interest-rate level could substantially reduce the value of the fixed-income financial investments, and unforeseen interest-rate fluctuations could have a very adverse effect on the value of the bond and interest-rate derivative portfolios held by the Issuer.

The Issuer's management of interest-rate risk also influences the treasury result. The relationship of assets to liabilities as well as any imbalance stemming from this relationship causes the revenues from the Issuer's banking activities to change with different correlations when interest rates fluctuate. Significant for the Issuer are above all changes in the interest-rate level for different maturity brackets and currencies in which the Issuer holds interest-sensitive positions. An imbalance between interest-bearing assets and interest-bearing liabilities with regard to maturities can have a considerable adverse effect on the financial position and earnings performance of the Issuer's banking business in the relevant month or quarter. Should the Issuer be unable to balance mismatches between interest-bearing assets and liabilities, the consequences of a narrowing of the interest margin and interest income might be a considerable adverse impact on the Issuer's earnings performance.

Some of the revenues and some of the expenses of the Issuer arise outside the Eurozone. As a result, it is subject to a currency risk. As the Issuer's consolidated financial statements are drawn up in Euros, foreign-currency transactions and the non-Euro positions of the individual financial statements of the subsidiary, which are consolidated in the Issuer's financial statements, are translated into Euros at the exchange rates valid at the end of the respective period. The Issuer's results are subject, therefore, to the effects of the Euro's fluctuations against other currencies, e.g. the Pound sterling. If, due to currency fluctuations, the revenues denominated in a currency other than the Euro prove to be lower on translation, while expenses denominated in a currency other than the Euro prove to be higher on translation, this might have an adverse impact on the Issuer's financial position and earnings performance.

The trading profit of the Issuer may be volatile and is dependent on numerous factors which lie beyond the Issuer's control, such as the general market environment, trading activity as a whole, the interest rate level, currency fluctuations and general market volatility.

Liquidity risk

The Issuer is exposed to liquidity risk, i.e. the risk that the Issuer is unable to meet its current and future payment commitments, or is unable to meet them on time (solvency or refinancing risk). In addition, the risk exists for the Issuer that inadequate market liquidity (market-liquidity risk) will prevent the Issuer from selling trading positions at short notice or hedging them, or that it can only dispose of them at a lower price. Liquidity risk can arise in various forms. It may happen that on a given day the Issuer is unable to meet its payment commitments and then has to procure liquidity at short notice in the market on expensive conditions. There is also the danger that deposits are withdrawn prematurely or lending commitments are taken up unexpectedly.

Lowering of the ratings

The rating agencies Standard & Poor's, Moody's and Fitch Ratings use ratings to assess whether a potential borrower will be able in future to meet its credit commitments as agreed. A major element in the rating for this purpose is an appraisal of the company's net assets, financial position and earnings performance. A bank's rating is an important comparative element in its competition with other banks. In particular, it also has a significant influence on the individual ratings of the most important subsidiaries. A downgrading or the mere possibility of a downgrading of the rating of the Issuer or one of its subsidiaries might have adverse effects on the relationship with customers and on the sales of the products and services of the company in question. In this way, new business could suffer, the company's competitiveness in the market might be reduced, and its funding costs would increase substantially. A downgrading of the rating would also have adverse effects on the costs to the Issuer of raising equity and borrowed funds and might lead to new liabilities arising or to existing liabilities being called that are dependent upon a given rating being maintained. It could also happen that, after a downgrading, the Issuer would have to provide additional collateral for derivatives in connection with rating-based collateral agreements. If the rating of the Issuer were to fall to within reach of the non-investment grade category, it would suffer considerably. In turn, this would have an adverse effect on the Issuer's ability to be active in certain business areas.

Current Market Volatility and Recent Market Developments

Significant declines in the housing market in the United States and in various other countries in the past two years have contributed to significant write-downs of asset values by financial institutions, including government-sponsored entities and major commercial and investment banks. These write-downs have caused many financial institutions to seek additional capital, to merge with larger and stronger institutions and, in some cases, to fail. Amid concerns about the stability of the financial markets generally and the strength of counterparties, many lenders and institutional investors have substantially reduced, and in some cases, halted their funding to borrowers, including other financial institutions.

While the capital and credit markets have been experiencing volatility and disruption for more than 12 months, the volatility and disruption has reached unprecedented levels in recent months. In some cases, this has resulted in downward pressure on stock prices and significantly reduced the capacity of certain issuers to raise debt. The resulting lack of credit availability, lack of confidence in the financial sector, increased volatility in the financial markets and reduced business activity could materially and adversely affect the Issuer’s or Dexia Group’s business, financial condition and results of operations, which could in turn affect the Issuer’s ability to meet its payments under the Warrants.

INFORMATION RELATING TO THE ISSUER

General Information

Persons responsible

Dexia Bank accepts responsibility for the information contained in this Base Prospectus and each relevant Final Terms. To the best of the knowledge of the Issuer (who has taken all reasonable care to ensure that such is the case), the information contained herein is in accordance with the facts and does not omit anything likely to affect the import of such information.

Information contained in this Base Prospectus which is sourced from a third party has been accurately reproduced and, as far as the Issuer is aware and is able to ascertain from information published by the relevant third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer has also identified the source(s) of such information.

Information about the issuer

History and development

Dexia Bank Belgium S.A. ("DEXIA BANK") is a limited liability company of unlimited duration incorporated under Belgian law and registered with the Crossroads Bank for Enterprises under business identification number 0403.201.185 and with VAT number BE 403.201.185. Its registered office is located at 1000 Brussels, Boulevard Pachéco 44, Belgium, telephone +32 2 222 11 11.

DEXIA BANK was created and developed as the financial institution of municipalities. The bank has also approached the market of private individuals and set up a network of branches. From 1990 onwards it has been operating on the international market and in 1996 it has joined Crédit Local de France (now Dexia Crédit Local S.A. ("Dexia CL")) and Banque Internationale à Luxembourg (now Dexia Banque Internationale à Luxembourg, société anonyme ("Dexia BIL")) to create Dexia Group, an important European banking group. The total assets of Dexia Group amounted to EUR 578 billion at 31st December 2009.

While Dexia Group has become the world leader in Public & Project Finance and financial services for local authorities, DEXIA BANK has always ranked first in Belgium in this business line for the local sector and other public authorities.
Following the merger with Artesia Banking Corporation (Banque Artesia, BACOB, Artesia Services) in 2002, DEXIA BANK became one of the major players in the Belgian retail market and strengthened its activity in the field of insurance, financial markets, social profit as well as private and corporate banking.

DEXIA BANK's object is to carry on the business of a credit institution and it has in furtherance of its object all the necessary powers, including the power to enter into transactions on financial derivatives. As such DEXIA BANK may - for its own account and for the account of third parties or in cooperation with third parties - even by intermediary of a natural person or a legal entity, both in Belgium and abroad, undertake any and all activities and carry out all banking transactions including *inter alia*:

1° transactions regarding deposits, credits within the broadest sense, brokerage, stock exchange related operations, launches of issues, guarantees and surety;

2° short, medium and long-term credit transactions, sustain investments by provinces, municipalities and organisations of a regional and local character, and likewise investments effected by all public establishments, companies, associations and organisations, which are constituted for regional and local purposes, and which provinces, municipalities and organisations of a regional and local character are authorised to support;

3° to further, by means of appropriate credit transactions, the day-to-day operation of the budgets of provinces, municipalities and organisations of a regional and local character, and of all other institutions referred to in 2° above, and likewise the day-to-day management of their concerns, public companies and enterprises.

Furthermore, DEXIA BANK may distribute insurance products from third party insurance companies. DEXIA BANK may acquire, own and sell shares and participations in one or more companies, within the limits provided for by the legal status of credit institutions.

DEXIA BANK is entitled to carry out any transactions of whatever nature, *inter alia* financial, commercial, including goods and estate, relating directly or indirectly to the furtherance of its object or of such a nature as to facilitate the achievement thereof.

All the provisions of the present article must be interpreted in the broadest sense and within the context of the laws and regulations governing transactions of credit institutions.

The main shareholders of Dexia S.A. are Arco Group (13.754%), Holding Communal (14.485%), Caisse des dépôts et consignations (17.614%), CNP Assurances (2.961%), Ethias Group (5.040%), the Belgian Federal State through *Société de Prise de Participations et d'Investissements- Federale Participatie- en Investeringsmaatschappij("SFPI-FPIM")* (5.731%), the French State, through *Société de Prise de Participation de l'Etat ("SPPE")* (5.731%), the Flemish Region, through *Vlaams Toekomstfonds* (2.866%), the Walloon Region, through *FIWAPAC* (2.006%) and the Brussels-Capital Region (0.860%) as at 30th September 2010. The employees of Dexia Group held 1.5% of the Dexia S.A. shares. At the same date, and to Dexia S.A.'s knowledge, no individual shareholder, with the exception of Arco Group, Holding Communal, Caisse des dépôts et consignations, Ethias, SFPI-FPIM and SPPE held more than 3% of Dexia S.A.'s capital. Dexia S.A. indirectly held 293,570 of its own shares as of 1 January 2010. In addition the directors of Dexia S.A. held 10,420 shares as of 31 December 2009.

There is no arrangement that may result in a change in control of DEXIA BANK.

The actual ratings of DEXIA BANK are A1 (Moody's), A (Standard & Poors) and A+ (Fitch-Ibca).

There have been no recent events particular to DEXIA BANK which are, to a material extent, relevant to the evaluation of its solvency.

There have been no material contracts that are not entered into in the ordinary course of DEXIA BANK's business which could result in any member of the Dexia Group being under an entitlement that is material to DEXIA BANK's ability to meet its obligations to Noteholders.

DEXIA BANK has made no investments since the date of the last published financial statements, and no principa future investments are planned.

The auditor of DEXIA BANK is Deloitte Bedrijfsrevisoren BV o.v.v.e CVBA (Member of Deloitte Touche Tohmatsu International), Berkenlaan 8B - 1831 Diegem (member of IBR – IRE Instituut der Bedrijfsrevisoren/ Institut des Réviseurs d'Entreprises).

The relevant auditor's report with respect to the audited accounts of DEXIA BANK for the years ended 31 December 2008 and 31 December 2009, as incorporated by reference (See *Condition 6. Documents incorporated by reference*), were delivered without any reservations.

Business Overview

DEXIA BANK today leads the market in the provision of financial services to the public and social sectors and in project finance and corporate banking. This position is based essentially on the long-term relationship that the bank has been able to develop with its customers and on its capacity for on-going renewal of the range of products and services it offers. This vast range enables the bank to satisfy the ever more complex needs of its customers by offering tailor-made services and multi-service lending products or structured loans, capital solutions, insurance and investment products, debt management and short-term cash management facilities, etc.

1. RETAIL & COMMERCIAL BANKING

The collapse of the economy and the financial markets during the early months of 2009 also had a marked effect on the retail bank. The fall in confidence paralysed business. When it came to their investments and their borrowings, private individuals and small and medium-sized businesses held back, waiting to see what would happen. Volumes were therefore very small. As from the spring, green shoots began to emerge in the economy thanks to a highly flexible monetary policy involving extremely low interest rates and a great deal of liquidity. In the same way, expansive government budgets made a helpful contribution. The economy recovered slowly and the situation on the financial markets returned to normal. The equity markets saw a spectacular rise from the beginning of March. Interest-bearing assets produced a far lower yield because of the extremely low level of interest rates.

When the crisis broke, it was Dexia Bank's main concern to immediately send a clear, transparent message to its customers.

This approach was adopted over the first three quarters of 2009, both via the website and in the form of information letters. In September Mr Stefaan Decraene, Chairman of the Management Board of Dexia Bank, wrote a letter to over 1.4 million households to thank them for their confidence and to tell them about the position of the bank.

Since the last quarter of 2009 the media have been publishing a series of advertisements bearing the strap line "Banking for people, banking for communities". The campaign was the launching pad for the bank's new communication offensive. The response has been favourable. The messages stress the specificity of Dexia Bank, namely to raise funds from private individuals and lend them to businesses and local government.

The papers regularly published articles about the record volumes on savings accounts. Factors contributing towards this were the inclination to wait and see what happened, the marked aversion to risk demonstrated by savers and investors alike and the changes brought about in the crediting of interest on 1 April 2009. Dexia Bank explained these major changes in great detail to its customers. As a result, volumes had increased by over 23% to EUR 28.1 billion by the end of the year 2009. At the same time balances on short-term accounts naturally fell back, thanks to falling interest rates – which downsized up to 92%.

In 2009 the priority of every investor was total security – fixed income, fixed term and capital guarantee. Most of the gross business written was achieved in long-term balance-sheet products (with maturities of 3 years and more) which confirmed the confidence of customers in Dexia Bank's long-term stability. Bonds issued by Dexia Funding Netherlands held their attraction, with seven major successful issues raising EUR 1.7 billion during the first half of the year. After the summer the number of issues tailed off, but they were followed in December by a major one of over EUR 300 million.

Savings bonds were popular throughout the year and achieved certain highlights, like in May with the 4-year savings bond at 4% and the 6-year savings bond at 5%. October focused on the promotion of the "Savings bond for local projects" with two savings bonds on offer, for 5 and 7 years respectively. These savings bonds were highly successful and rose over EUR 1 billion in four weeks.

Notwithstanding the positive effect of the market, the desire for security was reflected in a fall in balances held in investment funds, unit trusts and branch 23 insurance products (-22%). For the sake of transparency and to improve the net inventory value per subfund through economies of scale, the range of unit trusts sold by Dexia Bank was simplified.

Young adults still take insufficient advantage of the opportunities for tax savings or pension saving. A media campaign targeted at them seeks to make them aware of the situation. Since June 2009, Dexia Life Horizon has also been bringing a response to the needs of progressive savers who wish to save gradually and at regular intervals over a long period of time in order then to be able to receive a regular annuity from a particular date, often the time they retire.

In the portfolios of Private Banking customers, too, the desire for security was even more dominant than before the crisis. Outstanding amounts on savings accounts and in savings bonds rose rapidly and currently account for 35% of these portfolios. The relative size of the management mandates remained the same. It should be noted that the volume of Private Banking customers' assets under management returned to the high level it had reached in 2007.

In the field of personal lending, 2009 was a difficult year because of the shrinking economy, the rise in temporary and long-term unemployment and the breakdown in confidence. Outstanding borrowings by retail and private customers amounted at the end of the year up to EUR 23 billion, up 3% in one year. Mortgages rose by 4% while consumer loans fell by 1%. The substantial increase in mortgage loans was the result of generous incentives provided by the federal and regional governments for building and renovation (VAT at 6% instead of 21%, premiums for energy saving devices, ...).

Eco-loans received a boost thanks to the law on green loans for which the public authorities have, since the middle of 2009, been covering part of the interest payable on sums borrowed for certain types of work. These measures relate both to instalment loans and to mortgages.

As part of the "Holiday check-up" campaign, the *www.dexia.be* website posted up a practical guide for carefree holidays, both financially with consumer credit and as regards insurance and easy payments.

Business Banking is an essential part of the Retail and Commercial Banking strategy. In order to be able to make its name known in the small and medium-sized business sector, Dexia Bank has published the *Practical Guide to SME Loans*, that shows how to identify the needs of a company, how to put together a plan and how to make a critical evaluation of an application for a loan.

In addition to providing finance for business and cash management, Dexia Bank has launched a range of unique and highly innovative products on the market, such as Energy line (which provides leasing, comprehensive insurance and other facilities for solar panels), particulars of which have been published in a detailed brochure. Loans to SMEs increased by 9% despite the substantial fall in demand for business loans. The drop in demand is quite normal in a period of economic recession when investment projects are frequently deferred and takeover and business expansion plans are postponed.

For small businesses and the self-employed, the transfer or cessation of business represents an enormous challenge, both psychological and financial, which is why Dexia Bank has adopted a global concept. Throughout the process, which can take more than three years, a Business Banking specialist from Dexia Bank will act as a personal adviser, mentor and coach to whom the customer can turn at any time. He prepares a comprehensive programme tailored to the customer's needs, using the necessary contacts he has in the field of law, tax and finance.

To respond to the need to build up networks, Dexia Bank attended a series of professional workshops and organised events at all levels – local, regional and national – that included, among others, the colloquium on "Business strategies: spotlight on mobility" organised with the Inter-University Centre for the Study of Mobility (CIEM – *Centre Interuniversitaire d'Etude de la Mobilité*), the sponsoring of "Enterprize" and the work-shop on "Why do intelligent managers sometimes take stupid decisions?" by Professor Dr. Paul Buelens as part of the "Business in Flanders 2009" trade fair.

Over 100 local information meetings were organised, mainly on Energy Line and alternative forms of finance for cars and equipment.

Such information meetings were also organised for private individuals, including some 120 meetings for Private Banking, mainly on inheritance planning and risk management. In addition, Dexia Private Banking launched a specific "Financial Planning" service to meet a growing need from customers in this field as well as to respond to a clear trend in the market. Once a detailed list of a customer's current assets and his expected financial flows has been drawn up, it is possible to outline the options for inheritance planning and for apportioning the whole of the estate in the best possible manner.

Taking the consumer price index as an example, Axion launched the Dexia Youth Index in June 2009, an index of products specifically targeted at young people in order to determine their purchasing power. The basket of products consumed by young people was compiled on the basis of a survey carried out by GfK Significant at the behest of

Dexia Bank. By constantly giving them advice and tips, Axion seeks to help the young to manage their money intelligently.

The number of people who use the internet is increasing. Along with the other Belgian banks, Dexia is one of prime movers in the quest to make online banking secure. However, it is also up to customers to take the necessary precautions; and over the year specific advice was given to them in order to make them aware of this.

Following the inexorable rise in the buying and selling of products and services online, Dexia Direct Net, the online services programme, also expanded this year. It was thus possible as from 1 April to buy savings bonds online. In addition, natural persons domiciled in Belgium can become online customers without having to go to a branch. *Zoomit*, which allows a customer to access all his financial documents (payslips, invoices), also shot into the limelight thanks to a competition. The advantages of the electronic management of bank statements were once again explained to customers: convenience, flexibility and the ecological benefits.

The big news this year was the new layout of the Dexia Bank website, *www.dexia.be*. The site became more dynamic, dossiers were positioned more clearly and access to information and products was made easier in order to respond better to customers' needs.

The implementation of the New Distribution Model based on an integrated multi-channel approach continued as planned. The New Distribution Model that was prepared in 2008 was gradually installed in 2009. The ability to achieve economies of scale is one of its major features.

As regards the wage-earning network, branches were grouped into regions and a new collective labour agreement (CLA) was signed by the management and the unions on 8 April 2009. The new CLA divides the branches into 31 regions, regulates the organisation of branch opening hours and underpins the New Distribution Model in the definition of jobs and working conditions. Once the CLA had been signed, all wage-earning staff was assigned new jobs. These regions were launched on 1 January 2010. On 1 January 2009 twenty cooperative companies (SCRL) of the self-employed network merged. The operation involved the closure of 57 small or redundant branches in both networks. At the end of 2009 Dexia Bank had 902 branches through which to implement its strategy.

The achievement of economies of scale makes it possible to develop specialisations in the field of housing credit, consumer credit and insurance, Private Banking and Business Banking. These specialisations mean that time can be freed up for the management of customer relationships by the designated contact persons. Each investor is allocated a contact person.

925 new high performance banknote recycling machines were installed in all Dexia Bank branches. These machines immediately credit to the account the amounts fed in. Dexia Bank is thus the first bank in Belgium to offer this service throughout all its branches.

At present 143 branches have already adopted the open branch lay-out, a design that has no cashiers but an open information and service space which reflects the personalised approach to customers. With this design, Dexia Bank offers a secure means of handling funds because the branch staff no longer has access to ready cash. Round the clock CCTV surveillance is also in operation. Both the branch staff and the customers are extremely satisfied with this design.

2. PUBLIC AND WHOLESALE BANKING

Public and Wholesale Banking (PWB), which manages relations with the Public and the Social Profit sectors as well as the activities of Corporate Banking, produced fairly good results in 2009 in an inauspicious market environment. The world economic and financial crisis continued to rage in 2009 and affected the market, with the result that investment was down on previous years. It has to be said, however, that the crisis did create opportunities.

Motivated by its concern to promote sustainable development, Dexia Bank responds to the investment needs of the public authorities, the welfare sector, businesses and project sponsors, and so contributes towards the achievement of the long-term developments of our society.

For a century and a half Dexia Bank has maintained a privileged relationship with local authorities and the exceptional events arising out of this financial crisis have served only to strengthen those bonds. Indeed, throughout the whole of this period, Dexia Bank was consistently able to bid for funding contracts whenever local government authorities issued a call for tender.

For a large number of local government institutions, the 2009 accounting year fell in the middle of a legislature, with the result that lending was relatively weak in comparison with other years. The economic crisis also helped to depress the figures. So the overall volume of the outstanding loans to governmental and social authorities was 1% down on 2008 at EUR 47.3 billion.

The teams on the ground operating close to the customers were able during these past twelve months to take the time to explain the situation of Dexia Bank and the stability of its structure as a traditional bank, in such a way that deposits are not negatively impacted.

2009 was a bountiful year for insurance, with an increase in reserves and the winning of several major pension insurance contracts. The deposits into circulation increased significantly.

Dexia Bank also won a number of important cashier contracts during the year, notably from the Region of Wallonia and the French-speaking Community, which renewed their confidence after nearly 20 years of regular collaboration.

Energy and the ageing of the population remained for Dexia Bank centres of ongoing concern. With regard to ageing, Dexia Bank elaborated a particularly well tailored product in the form of housing certificates. Among its services, the bank is preparing to offer its customers a demographic study specific to regions they cover, which should enable them to gain an even better understanding of the issues that will be raised by the major changes they will face in the future.

Energy Line continued its upward progress through new installations of solar panels and cogeneration, among others. In view of the success of the concept, it has been taken over by the Retail and Commercial Banking Division.

The numerous satisfaction surveys that Dexia Bank carried out, have clearly shown that E-Banking (Dexiaweb & Dexiasoft) is one of Dexia Bank's prime assets.

In the segment of institutions and, more specifically, welfare organisations, Dexia Bank lent a close ear throughout the year to what its customers were saying, and so was able to draw attention to the transparent and innovative quality of its approach, particularly in the field of investments. As a result the volume of long-term funds the bank was able to raise was remarkable.

In the Corporate sector, too, the initiatives launched, achieved their objectives. A well balanced management of risk combined with an active and focused approach to the market enabled the bank to build up a healthy loan portfolio in which write-downs occurred within very acceptable limits. The total volume of loans outstanding to Corporate customers amounted to EUR 11.2 bil-lion, an increase of over 10%.

An energetic cross-selling policy resulted in a good balance between loan-generated and non-loan generated income.

Corporate customers continued to trust Dexia Bank, so that overall funding retained the status quo. By achieving a better and sometimes more nuanced spread of customers' and prospects' investment portfolios, it was possible to create opportunities to diversify the range of products and satisfy customers' requests and wishes.

International business was affected by the economic and financial crisis. Customers' imports and exports declined but resisted fairly well given the depth and duration of the crisis.

Thanks to the external trading conditions, the dealing room reported excellent results. Various hedging structures were set up at the request of customers and generated an increase in revenue. On the other hand, the conventional hedging arrangements for imports and exports saw a decline.

The efforts deployed by the bank to help customers in an equally difficult climate enabled it to develop its asset finance activities (leasing, factoring, and autolease).

In the funding of renewable energy projects, Dexia Bank has enhanced its position on the market by lending more than EUR 500 million over the past two years.

The financing of renewable energy projects is the spearhead of the bank's commercial strategy and involves projects in the fields of wind, solar and biomass energy. We should draw particular attention to the role of Dexia Bank as financial adviser and as mandated lead arranger for the financing of the Belwind offshore wind turbine project which is to be built on a sandbank 46 km out to sea off Zeebrugge. The total cost of the investment for the first phase of 55 wind turbines is estimated at EUR 620 million. It is the biggest offshore wind farm financed without recourse and the first transaction of this kind since the beginning of the banking crisis.

In the field of Structured & Project Finance, Dexia Bank continues to be a major operator in several fields, notably on the Belgian market where its activities cover syndicated lending, the funding of take-overs, project finance, Public-Private Partnerships (PPP) and the financing of seaport infrastructure projects.

On the Belgian syndicated lending market, loan rescheduling operations were undertaken with various companies and agreements were adapted to reflect the new economic reality. The ongoing priority is to enable businesses to continue in the long term in a constructive manner. On the M&A market, business was fairly limited, though the second half of the year saw a cautious turnaround by the average segment of the market and an upturn in take-overs in the industrial sector.

In 2009 Dexia Structured & Project Finance was also actively involved in developing a series of Public-Private Partnerships in a broad range of infrastructural projects. Among these, Dexia acted as mandated lead arranger for the EUR 180 million Brabo 1 tramway project in Antwerp, the first of a series of PPP projects developed at the behest of the Flemish public transport company, De Lijn.

In port and shipping, the emphasis was on structures that aim to ensure the continuity of companies. New projects to be mentioned include the Nautinvest project to renovate the fleet of pilot ships for the Flemish Region. Given the enormous financial implications of acquiring a new fleet of pilot ships, the Flemish government has opted for an alternative form of finance. In collaboration with the team of specialists in the Structured Finance division of Dexia Bank and Dexia Lease Services, a suitable structure was designed involving the rental of new ships on the basis of bareboat contracts, a system frequently used in the maritime sector which enables the financial burden to be spread over several years. The deal helped Dexia Bank demonstrate its strategic commitment to supporting the development of infrastructural and transport projects in the Public and Corporate sectors.

Given the gloom and doom of the economic climate and in the aftermath of the crisis on the stock market, a number of companies sought to strengthen their financial resources by turning to the public for more capital. Dexia Corporate Finance helped companies do this and acted as a leading adviser for capital increases of real estate bonds and advised companies in other fields.

The strategy of Dexia Corporate Finance to focus on energy, real estate and infrastructure sectors also enabled the bank to conclude a series of Belgian and international M&A transactions in the field of conventional and renewable energy.

Dexia Private Equity (DPE) oriented its investments (notably in the form of partnerships) towards sectors close to its heart: infrastructure, clean technology and real estate. In 2009 it participated mainly in the infrastructural investments of DG Infra+ in Brabo 1 (PPP project, De Lijn) and *Energie Fleuves*. To support its corporate banking activities, DPE also took a major participation in the XL Fund, an initiative by the GIMV and the VPM (*Vlaamse Participatiemaatschappij* – Flemish Participation Company). It also relinquished several of its participations in 2009, both in companies (direct participations) and in funds (fund of funds). Although 2009 was a very difficult year economically, DPE managed to exceed its return on equity target. At the same time it was able to maintain the integrity of its assets under management with virtually no negative impact on book value.

DCM activities (Debt Capital Markets) cover all activities where the borrower (issuer) goes directly to the financial markets and where the bank acts as an intermediary in the setting up of a programme or a standalone bond issue (Arranger), in the placing of bonds (Bookrunner/Dealer) and in providing the financial servicing (Domiciliary, Issuing, Paying & Listing agent).

Following the economic and financial crisis, 2009 saw a high level of demand for DCM products both by public and semi public-sector issuers and by corporates. Dexia Bank reported a steep rise both in the number of transactions and in volumes. For the first time and/or increasingly, many customers turned towards the capital markets in search of alternative forms of funding for their (considerable) financing needs following the decline in available credit and/or the rise in credit spreads.

At the same time Dexia Bank faced a strong demand from investors, both institutional and retail (private savers), the latter showing a clear preference for corporate bonds as an alternative and/or as a means of offsetting the relative decline in yields from conventional savings products.

Dexia Bank is committed to playing a leading role for its principal clients in the field of DCM products and to creating added value in order to maintain a long-term relationship with its issuing customers. That commitment was confirmed on several occasions throughout 2009 when Dexia Bank acted as an Arranger and Lead Manager for various programmes and bond issues.

Dexia Bank thus enhanced its position as leader in the market in public and semi-public-sector treasury bills by implementing 14 new treasury bill programmes worth a total of EUR 2,238 bil-lion, and acting as an Arranger in 12 programmes on behalf of the towns and communes and the public sector utilities.

2009 was also notable for the increasing recourse which the regions and communities had to the capital markets in order to finance their considerable medium and long-term borrowing requirements. Among other things, Dexia Bank acted as a joint book-runner in March 2009 when, for the first time, the Flemish Community raised EUR 2.5 billion through the public issue of 3 and 5 year notes as part of its new EMTN (Euro Medium Term Notes) programme for which Dexia Bank is also the domiciliary agent. Furthermore, Dexia Bank was highly active in the field of Private Placements, such as those for the Brussels Capital Region and the French-speaking community as part of their existing programmes with Dexia Bank. Attention should be drawn to the ability of the bank to attract the maximum number of investors for these "subsovereign" issuers, as a result of which they will be able to finance their future needs on the best possible terms.

In 2009 Dexia Bank also played the role of a joint-lead manager for the public retail bond issue by the *Caisse d'investissement de Wallonie* (CIW) and for the retail bond issued by the public utility company Fluxys.

In spite of the crisis, Dexia Real Estate Banking continued to show confidence in its customers, honouring its promises to find adequate solutions in the public and private sectors, and managed, despite the difficult market conditions, to produce good operating results thanks to a long-term vision combined with a correct assessment of the market.

Special attention was paid to the quality of the projects and counterparties and to the supporting of public and private initiatives in the building sector. Increasing concern was given to sustainable development, a trend that the bank has also noticed in the literature published by the authorities and in the contracts awarded by the different levels of government. Various products in Dexia Bank's Energy Line range qualify.

On the real estate market in the public and welfare sector, the first (D)BF(M) contracts (DBFM = design, build, finance, maintenance) were put out to tender. Several of these contracts have since been awarded to Dexia Real Estate Banking and some of them have already been successfully completed. In addition to building loans, the first contract for "housing certificates" was awarded to Dexia Real Estate Banking.

Once again Dexia Real Estate Banking showed itself ready to bring a tailor-made and/or innovative response to the building needs of the public and welfare sectors.

An increasing number of PPP solutions in a variety of forms were published. The expected standardisation is gradually beginning to emerge. Dexia Real Estate Banking remains vigilant and is ready to support any initiatives that will raise the level of professionalism on the market. Lastly, the investment by Dexia Immorent in five rest homes – operated by a professional management company – is part of the strategy to support the work of the public and welfare sectors.

On the project development market, most of the projects currently undertaken by Deximmo are deliberately in the residential sector where the risk profile is therefore limited. The low level of market rates in fact makes the construction of houses and apartments in the right places a still very attractive proposition. The impact of the energy-efficiency regulations obliges Deximmo to innovate and attention is now focused on eco-sites, low-impact housing and sustainable materials. Entrepreneurs who are able to keep up with the trend are the ones who will survive in the future.

In view of the very difficult market in office accommodation, funding risks were reduced to as little as possible. This position will be maintained in 2010. Housing and the building of apartments had a relatively good year and even managed to report a slight advance on 2008.

In summary, Dexia Real Estate Banking is ready for the market and can view the future with confidence as it pursues its policy of diversification and takes advantage of the opportunities that present themselves in the field of sustainable development in both the Public and the Private sectors.

3. TREASURY AND FINANCIAL MARKETS (TFM)

The Group Center comprises all support services for the commercial business lines. In this annual report two important services are focused upon: Treasury and Financial Markets (TFM) and Human Resources Management (HRM).

The principal task of **Treasury and Financial Markets** (TFM) is to provide support for the two business lines in Dexia Bank by suggesting quality financial products to customers of the different sales networks. In addition, TFM manages the bank's cash reserves, develops new sources of funding and liquidity and ensures that the best use is made of its working capital allocation. It also manages the securities portfolio under a management contract bestowed upon it by the Management Board.

2009 saw a clear return to normal by the financial markets. The European Central Bank and the other central banks played an important role in re-establishing general liquidity and confidence in the markets. The high degree of volatility on the different markets produced wider spreads, as is reflected in the superb results TFM achieved on the management of customers' funds on the bond market and swaps. The equity markets also reported a net recovery after a difficult first quarter.

In the wake of the economic and financial crisis, Dexia Bank had already drawn up a strategy by the end of 2008 to reorient its activities and preserve its commercial brand.

The new TFM business model is part of that strategy and is based on the three following principles: lowering of risk limits, simplifying the organisation and structure of governance, redefining trading activities and centralising them predominantly in the Brussels dealing room.

The new structure is centred around two poles of activity, "Treasury and Portfolio Services" (TPS) and "Trading, Structuring and Distribution" (TSD).

Three lines of business were developed within Treasury and Portfolio Services. The "Cash & Liquidity Management" (CLM) and "Long Term Funding" (LTF) teams are responsible for managing the short and long-term funding of Dexia Bank with a view to optimising the balance between short and long-term funding. In addition these teams play an important role in coordinating the liquidity position of the Dexia Group.

The "Portfolio Management Group" (PMG) is the second pillar which manages the run-off portfolios by focusing on the task of optimising the credit risk.

The third pillar, “Market Solutions”, offers solutions involving alternative financing opportunities and securitisation of the commercial loans by RCB and PWB.

Trading, Structuring and Distribution integrates all trading, structuring and sales activities into a single body in order, in so doing, to facilitate internal synergies. This pole of activities serves both public and private sector customers. Distribution has been expanded to include “Equity Sales” and “Global Financial Institutions” (GFI) in order to achieve an even greater degree of interaction between the various divisions.

The two poles of activity can call on the “Support & Organisation” team for administrative and operational support and supervision of activities. The implementation of this new structure has meant reducing the number of jobs in the dealing room from 162 to 140.

The TFM transformation plan has been gradually implemented throughout the year: “Equity Research” was stopped, “Balance-sheet Management” (formerly ALM) was transferred to Finance and certain trading activities were relocated from Paris and Luxembourg to Brussels.

In addition to Brussels, TFM continues to operate in Dublin and London. Dublin is the competence centre for portfolio management while London plays a central role for liquidity and sales in GBP.

4. SUPPORT ACTIVITIES

Human Resources Management

Key figures
At the end of 2009 Dexia Bank was employing 6,322 people from 17 different nationalities (6,896 including non-active workers).

Seniority – Over 20% of the staff have worked for the bank for less than ten years. The average seniority is 18 years.
Age – The staff of the bank is relatively young: in total, 19% are below the age of 35 and 35% below the age of 40. Theaverage for men is 44 and for women 41; overall the average age is 43.
Men/women – The overall distribution between male and female staff is well balanced at respectively 54% and 46%.
Turnover (including non-active workers) – 9% of the staff on indefinite contracts.
Part time – 15% of the staff work part time.

Measures contained in the Transformation Plan
Under the Transformation Plan the number of employees with Dexia Bank Belgium was set to fall in 2009 by 265 full-time equivalents (FTE). By stimulating internal mobility, shedding jobs and applying a restrictive recruitment policy, it was possible to achieve that reduction in large part through already predicted departures and natural wastage. The necessary support measures were worked out in the Collective Labour Agreement “Support measures for the restructuring of jobs, geographical mobility and departures” that was signed in April. That CLA contains measures to enhance internal mobility and provide support from the Job Center for staff whose jobs have been cut. For a limited number of workers in specific departments, the CLA also provides for early retirement and departure measures.

At the end of September Dexia Bank announced a further cut of 384 full-time equivalents (FTE) in its staff by the end of 2011, as well as the transfer of certain activities, and the staff performing them, between entities within the Group. Social dialogue has already begun between the management and the unions on the necessary support measures and general arrangements for those transfers.

New Distribution Model
One of the main issues in the field of labour relations in 2009 was the preparation and negotiation of a support mechanism / collective labour agreement regarding the introduction on 1 January 2010 of the New Distribution Model among the employees of Dexia Bank. The new CLA makes it possible to integrate the new jobs of the sales & service model and to group branches into regions. The agreement takes account of the impact for employees that it will have on the organisation of work and the logging of working hours, the sales organisation, pay, mobility and

performance evaluation. Moreover, training and development is essential for integrating employees and for preparing them to face the challenges posed by the New Distribution Model.

Social and cultural policy

During these periods of great change for the company, Dexia Bank remained true to its desire to create a corporate culture that motivates all its employees, notably by promoting an entrepreneurial spirit and fostering a better balance between private and professional life. Following an internal survey carried out two years ago and the closure of recreation centres belonging to Dexia Bank, a new social and cultural policy was drawn up in 2009, founded on several pillars including, among others, care for the children of employees during the school holidays and the organisation of cultural activities and sports events for families and between colleagues, ... This policy will be implemented in greater detail in 2010.

Social Initiatives for Commitment Improvement

Following the satisfaction survey carried out in 2008 and in the light of the plans to restructure the organisation, Dexia Bank sought to give greater space for actions designed to develop "social initiatives" in order to contribute, among other things, towards improving motivation and collaboration at the workplace. Various initiatives to achieve this were taken in 2009, including the elaboration of a policy to support employees when absent on sick-leave, the training of departmental heads to make them aware of their psycho-social responsibilities (such as the stress experienced in the wake of major changes), communication on health and the provision of tools for supporting employees (such as coaching sessions or a help-network composed of specialists).

Paperless

In its pursuit of sustainable development, Dexia Bank is keen to contribute towards the reduction of paper consumption within the company. It has managed to do this particularly in the Human Resources Department through a series of developments in "E-HR" in which the department offers employees a whole range of services through its E-HR portal such as assessments, training offers, requests for leave and a personalised "Compensations & Benefits Statement".

The project was extended in 2009 and will be continued in 2010 through new initiatives such as the possibility of opting to receive payslips solely online and one's personal data file (biographical document) in PDF format with, later on, the ability to apply online for requests to modify these data.

RECENT DEVELOPMENTS

Recent developments relating to Dexia S.A. and Dexia Group

Implementation of the Transformation Plan

The year 2009 was strongly marked by the impact of the financial crisis which shook the banking system in 2008 and by the transformation plan initiated by Dexia in November 2008 to re-establish a solid foundation for the Dexia Group. The strategic themes of this transformation plan are aimed at refocusing the Dexia Group on its core client franchises, improving its risk profile and optimizing its cost structure.

Various measures were implemented in 2009 and in the first nine months of 2010, and significant progress has already been made. The agreement reached between the Dexia Group and the European Commission in February 2010, by which the Commission ratified the transformation plan, will continue to have a significant impact on Dexia in the near future.

Divestments

Pursuant to the terms of the transformation plan, Dexia divested several of its assets in 2009 and 2010, of which FSA was the most significant. These divestments contributed to the reduction of Dexia's balance sheet and risk profile.

Disposal of Financial Security Assurance

The sale of FSA's insurance activities to Assured Guaranty was announced in November 2008 and completed on 1 July 2009. This transaction enabled the Dexia Group to exit the municipal monoline insurance business and to get rid of a USD 416 billion exposure to the US market as of October 2008, including USD 113 billion in asset-backed securities.

The total amount of the sale was USD 816.5 million, comprising USD 546 million in cash and 21.85 million common shares of Assured Guaranty[1].

Dexia FSA's Financial Products asset portfolio amounted to USD 15.5 billion as at 31 December 2009. This portfolio has been managed in run-off and is for the most part counter-guaranteed by the Belgian and French States[2]. That guarantee was approved by the European Commission on 13 March 2009 and provides for Dexia to cover a first loss of USD 4.5 billion. If final losses exceed USD 4.5 billion, Dexia can ask the States to intervene in exchange for common shares or profit shares in Dexia. The mechanism for issuing shares and profit shares was approved by the Dexia Extraordinary Shareholders' meeting on 24 June 2010.

The Financial Products activity is fully consolidated in the financial statements of Dexia. At the end of September 2010, the Financial Products portfolio amounted to USD 14.2 billion. Cumulative impairments amounted to USD 1.95 billion and cash shortfalls and realized losses amounted to USD 542 million.

Disposal of Assured Guaranty shares

On 11 March 2010, a secondary public offering of all the Assured Guaranty shares held by Dexia SA that were acquired from the sale of FSA's insurance activities to Assured Guaranty was finalized. Sales by Dexia SA of its Assured Guaranty shares pursuant to that offering generated a gain of EUR 153 million at Dexia SA level.

Exit from Kommunalkredit Austria

Under the terms of the recapitalization plan for Kommunalkredit Austria announced on 3 November 2008, Dexia Credit Local sold its 49% stake in Kommunalkredit Austria and bought Kommunalkredit Austria's stake in Dexia Kommunalkredit Bank, bringing its total stake in that company to 100%.

Sale of Crédit du Nord

In 2009, Dexia sold to Société Générale its 20% stake in Crédit du Nord for EUR 676 million in cash. The sale, which was part of the Dexia Group's transformation plan, was finalized on 11 December 2009 and generated a capital gain of EUR 153 million. At the same time, Dexia Credit Local acquired Crédit du Nord's 20% stake in Dexia CLF Banque for EUR 13 million in cash, taking its ownership in Dexia CLF Banque to 100% of the issued share capital.

Sale of Dexia Épargne Pension

In December 2009, Dexia signed an agreement to sell Dexia Épargne Pension, a Dexia Credit Local affiliate specialized in the sale of life insurance products in France, to BNP Paribas Assurance. The transaction was finalized on 30 April 2010 and generated a capital gain of EUR 29 million.

Disposal of the stake in SPE

0n 1 June 2010, Dexia concluded an agreement with EDF on the sale of its 6.13% stake in SPE, a company operating in the energy sector in Belgium. This transaction is part of the agreement with the European Commission that provides for the disposal of Dexia's holding in SPE by 31 December 2010. The transaction generated a capital gain of EUR 69 million.

Disposal of Adinfo

On 30 June 2010, Dexia concluded an agreement with Net work Research Belgium, a Belgian IT service provider, on the sale of its 51% stake in Adinfo, a company active in IT services for Belgian local authorities. The transaction was closed in the third quarter of 2010 and generated a capital gain of EUR 14 million. This divestment is part of the agreement with the European Commission that provides for the disposal of Dexia's holding in Adinfo by 31 December 2010.

Sale of Dexia banka Slovensko

[1] Closing price of Assured shares as of June 30, 2009 : USD 12.38
[2] The Financial Products portfolio is subdivided into two parts:
USD 11.2 billion in assets covered by the guarantee;
USD 4.3 billion of high quality assets (100% investment grade) are excluded from the guarantee.

On 11 November 2010 Dexia reached an agreement with the Central European investment group Penta Investments on the sale of its 88.71% stake in Dexia banka Slovensko. This divestment is part of the agreement with the European Commission that provides for the disposal of Dexia banka Slovensko by 31 October 2012. The transaction is expected to be completed during the first quarter of 2011.

Additional disposals

As part of the negotiations with the European Commission, it was decided that the Dexia Group would sell off its 70%-holdings in Dexia Crediop in Italy by October 31, 2012, and its 60%-stake in Dexia Sabadell in Spain by December 31, 2013. Dexia also agreed to divest or float DenizEmeklilik, the insurance subsidiary of DenizBank in Turkey by 31 October 2012.

Reorganization of trading operations

The reorganization of trading operations initiated in 2008 pursuant to the objectives set out in the Dexia Group's restructuring plan resulted in:

- the discontinuation of all proprietary trading operations,
- a 50% reduction of all VaR limits, and
- the centralization of the management of the run-off bond portfolios from Dublin.

Creation of a "Legacy Division"

In agreement with the European Commission, Dexia has brought together its run-off portfolios and certain non core loans and off-balance sheet commitments of the Public and Wholesale Banking line of business into a specific division, distinct from its primary lines of business.

This division includes:

- the bond portfolio in run-off,
- a number of non-strategic loans to public sector entities;
- the Financial Products portfolio.

These assets remain on the Group's balance sheet, and are backed by clearly identified and allocated sources of funding. All of the funding guaranteed by the states is allocated to this division. This new analytical segmentation is expected to significantly improve the visibility of the Group's main business lines.

Active balance-sheet deleveraging policy

In 2010, balance-sheet deleveraging remained a high priority for the Group which pursued the active policy initiated at the end of 2008. EUR 20.2 billion of Core and Legacy bonds and EUR 3.7 billion of PWB run-off loans were sold in the first nine months of 2010, with a total P&L impact of EUR -142 million.

As the result of this deleveraging policy:

- the bond portfolio managed in run-off (encompassing the former public bond portfolio, credit spread portfolio and TFM trading portfolio) was reduced to EUR 114 billion as at 30 September 2010 compared to EUR 158 billion as at 31 December 2008;
- the Financial Products portfolio was written down to USD 14.2 billion as at December 31, 2009, compared to USD 16.1 billion as at 31 December 2008.
- the PWB loans in run-off further decreased to EUR 13.4 billion as at 30 September 2010 as compared to EUR 23.0 billion as at 31 December 2008.

This policy helped reduce Dexia's balance sheet by 8%, from EUR 651 billion as at 31 December 2008 to EUR 599 billion as at 30 September 2010.

Improvement of Dexia's liquidity profile

To recall, in October 2008, the Belgian, French and Luxembourg States granted a guarantee on a large proportion of Dexia's short-term and medium-term funding, to assist the Group in facing the liquidity crisis confronting it.

Substantial progress was made in improving the Dexia Group's liquidity in 2009 and in the first half of 2010, allowing the Group to fully exit the State Guarantee framework as at 30 June 2010.

The Group raised EUR 41.6 billion of medium and long-term wholesale funding by the end of October 2010. Funds raised to this date involved over EUR 23.2 billion of state guaranteed debt and EUR 18.4 billion raised without the benefit of the guarantee of which EUR 13.2 billion of long dated covered bonds.

Over the year, the Group made further substantial progress in reducing its short-term liquidity gap and improving its short-term funding mix. By the end of September, the short-term funding need was reduced by EUR 64 billion compared to September 2009, at EUR 121 billion. In the third quarter, Dexia accelerated the cutback of central bank borrowings (down EUR 20 billion compared to June 2010) and was no longer funded by short-term government guaranteed funding. The shift towards longer-term bilateral and tri-party repos was confirmed during the quarter.

By the end of September 2010, the total amount of repo and central bank eligible securities amounted to EUR 114 billion of which EUR 57 billion were used, allowing for a significant liquidity buffer despite the Group's active deleverage policy.

Cost reduction

To keep the Dexia Group's profitability centered on its most important franchises, Dexia announced in 2008 its intention to reduce its cost structure by 15% in three years, with a positive annual impact of EUR 200 million expected starting in 2009 that would increase to EUR 600 million by the end of 2011.

Restrictions on dividends, hybrid instruments and acquisitions

The agreement with the European Commission also provides for certain restrictions on dividends, hybrid instruments and acquisitions for the next two years. Accordingly, Dexia,

- will not acquire any financial institutions prior to December 31, 2011;
- will pay coupons on its subordinated debt instruments, including Tier 1 and Upper Tier 2 issues, only if it is contractually obliged to do so, and will not make any prepayments (calls) before the end of 2011.

Outlook: Dexia 2014

In October 2010, Dexia presented its financial and commercial targets going forward to 2014. In this framework Dexia Group's plan includes four pillars:

- To become a retail and commercial bank with 10 million customers;
- To tap the dynamic growth potential of retail and commercial banking in Turkey;
- To finalise the financial restructuring of the Group and to create a bank with a robust financial structure;
- To be a bank aiming at operational excellence

This Base Prospectus should be read in combination with the latest available information, which is published under the news sections on www.dexia.com and www.dexia.be.

The recent press releases with respect to Dexia S.A. or Dexia Group are included in Annex 3.

Management and Supervision

BOARD OF DIRECTORS

In accordance with Belgian law governing Belgian *sociétés anonymes* and the articles of association of DEXIA BANK, DEXIA BANK is administered by its Board of Directors, which is entitled to take any action the right to which is not expressly reserved to the general meeting of shareholders of DEXIA BANK by law or the articles of association of DEXIA BANK. In accordance with Belgian banking law, the Board of Directors may delegate all or part of its powers, provided that such delegation does not affect either the determination of general policy or any actions which are reserved to the Board of Directors by law.

The Board of Directors of DEXIA BANK has delegated to the Management Board of DEXIA BANK all such powers to the maximum extent permitted under Belgian law.

Pursuant to the articles of association of DEXIA BANK, the Board of Directors of DEXIA BANK is composed of a maximum of 26 members appointed for maximum terms of four years, and includes a maximum of eight members with professional banking experience proposed by the Board of Directors of DEXIA BANK, each of whom must also be a member of the Management Board of DEXIA BANK, and a majority of members representing the local authorities. The table below sets forth the names, principal occupation or employment, dates of initial election as directors and the years of expiration of their current terms as members of the Board of Directors of DEXIA BANK.

The executive members of the Board of Directors shall withdraw on the date of the general shareholders' meeting held in the year in which they reach the age of 65.
The non-executive members of the Board of Directors shall withdraw on the date of the general shareholders' meeting held in the year in which they reach the age of 70.
The Board of Directors has the right to make an exception to the aforementioned principles on a case by case basis if it considers it to be in the company's best interest.

The business address for the members of the Board of Directors is Boulevard Pachéco 44, B-1000 Brussels, Belgium.

The table below sets forth the names and positions and dates of initial appointment and expiry of term of the members of the Board of Directors as of 14 September 2010.

Last Name	First Name	Mandate Board of Directors DBB	Principal Occupation or Employment	Start mandate	mandate
Deconinck	Marc	Chairman and Member of the Audit Committee	Mayor of Beauvechain	28/03/2002	30/04/2014
Dehaene	Jean-Luc	Vice-Chairman	Chairman of the Board of Directors of Dexia SA	21/10/2008	25/04/2012
Decraene	Stefaan	Member and Chairman of the Management Board	Member of the Management Board of Dexia SA	01/07/2003	30/04/2014
De Roeck	Ann	Member and Member of the Management Board	Secretary General, Head of the Compliance, Legal and Tax Departments, the Department for Wealth Analysis & Planning and the General Secretariat & Participations	28/02/2007	30/04/2014
de Walque	Xavier	Member and Member of the Management Board	Chief Financial Officer	01/03/2009	25/04/2012
Debroise	Benoît	Member and Member of the Management Board	Head of Treasury and Financial Markets	11/05/2009	24/04/2013
Gyselinck	Dirk	Member and Member of the Management Board	Head of Public and Wholesale Banking	28/02/2007	30/04/2014
Lauwers	Marc	Member and Member of the Management Board	Head of Retail and Commercial Banking	28/02/2007	30/04/2014
Leyssens	Roger	Member and Member of the Management Board	Head of Human Resources Management	28/02/2007	30/04/2014
Martin	Jean-François	Member and Member of the Management Board	Chief Risk Officer	28/02/2007	30/04/2014
Van Thielen	Luc	Member and Member of the Management Board	Chief Operations Officer, Head of IT, Operations, Facility Management and Organisation	21/10/2008	25/04/2012
de Metz	Robert	Member and Member of the Audit Committee	Executive Director of La Fayette Management Ltd	26/05/2010	30/04/2010
Demeester	Wivina	Member and Chairman of the Audit Committee	Consultant and independent director	28/03/2002	30/04/2014
Develtere	Patrick	Member	Chief Executive Officer of the ACW	14/09/2010	30/04/2014
Jacques	Thierry	Member	President of the *Mouvement ouvrier chrétien*	26/04/2006	30/04/2014
Janssens	Patrick	Member	Mayor of Antwerp	08/03/2007	30/04/2014
Justaert	Marc	Member	President of the *Fédération des mutualités chrétiennes*	28/03/2002	30/04/2014
Kubla	Serge	Member	Mayor of Waterloo	08/03/2007	30/04/2014
Lachaert	Patrick	Member	Lawyer and Municipal Councillor for Merelbeke	08/03/2007	30/04/2014
Mariani	Pierre	Member	Chief Executive Officer and Chairman of the Management Board of Dexia SA	21/10/2008	25/04/2012
Martens	Luc	Member	Mayor of Roeselare	26/02/2010	24/04/2013
Rolin	Claude	Member	Secretary General of the *Confédération des Syndicats Chrétiens de Belgique*	26/04/2006	30/04/2014
Swiggers	Francine	Member	Chairman of the Management Board of the ARCO Group	30/01/2009	25/04/2012
Thiry	Bernard	Member	Chairman of the Management Board of Ethias	11/05/2009	24/04/2013
Van Parys	Tony	Member	Lawyer and Municipal Councillor for Ghent	28/03/2002	30/04/2014
Viseur	Jean-Jacques	Member	Mayor of Charleroi	30/08/2006	30/04/2014

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Dexia Bank is managed by a Board of Directors comprising twenty-six members, nine of whom also serve on the Management Board. The Board of Directors applies the general policy as adopted on Group level.

The day-to-day management of Dexia Bank is entrusted to the Management Board whose members are also members of the Board of Directors.

Audit Committee

The Audit Committee, set up on 18 December 2002, is an advisory subcommittee of the Board of Directors consisting of three non-executive directors.

The Chairman of the Audit Committee is Mrs Wivina Demeester.

Composition

Chairman
Wivina Demeester

Members
Marc Deconinck
Robert De Metz

Tasks and powers

The Audit Committee assists the Board of Directors in its task of carrying out prudential supervision and exercising general control.

Financial Reporting
The Audit Committee monitors the integrity of the financial information provided by the company, in particular by evaluating the accounting standards used and the criteria governing the scope of the consolidation. It also oversees the follow-up of regular financial information before its submission to the bank's Board of Directors.

Internal audit and risk management
At least once a year the Audit Committee examines the efficiency of the internal audit and risk management systems set up by the executive management to ensure that the main risks (including the risks linked to compliance with current legislation and regulations) are properly identified and managed. To that end the Management Board submits to the Audit Committee a report on the internal audit system and risk management.

During 2009 the Audit Committee received reports on the activities of the Legal Department and on outstanding legal disputes, on the activities of the Compliance Department and on those of Audit and Supervision, on the monitoring of credit, market (including liquidity) and operational risks, and on the effects of the banking crisis.

Internal Audit
The Audit Committee assesses the operational efficiency and independence of the Internal Audit division. The Audit Committee also verifies the extent to which the management responds to the findings of the Audit Department and its recommendations. In 2009 the Audit Committee examined and approved the Annual Report for 2008, the 2009 Half-yearly Report and the 2009 Audit Plan.

Statutory auditing of the financial statements and the consolidated financial statements
In 2009 the Audit Committee reported to the Board of Directors on the consolidated financial statements of Dexia Bank at 31 December 2008, 31 March 2009, 30 June 2009 and 30 September 2009. After considering the comments received from the management of the bank and the auditors, the Audit Committee delivered a favourable opinion on the financial results and on the facts that had influenced them.

External audit and monitoring of the independence of the auditor
The Audit Committee verifies that the auditors carry out their external audits satisfactorily.

The Audit Committee issues opinions to the Board of Directors regarding the appointment or re-appointment of auditors by the Ordinary Shareholders' Meeting and regarding their independence and pay.

The Audit Committee monitors the independence of the auditors and their auditing programmes.

Monitoring of the financial reporting process, the internal audit and risk management systems, the financial statements and the independence of the auditor of Dexia Funding Netherlands
Since the end of August 2009 the Audit Committee has, pursuant to the European Directive 2006/43/EC, assumed the role and responsibilities of Audit Committee for Dexia Funding Netherlands, a wholly-owned Dutch subsidiary and issuing vehicle for Dexia Bank.

Functioning of the Audit Committee

The Audit Committee can require to be provided with any useful information or supporting evidence and can carry out any inspection whatsoever. To that end it relies on the Internal Audit Department of Dexia Bank which reports to the Management Board.

In 2009 the Audit Committee met five times. At those meetings, which were held before the meetings of the Board of Directors, the Audit Committee examined in particular the quarterly, half-yearly and financial statements.

Internal audit

Applying the vision and strategy of the Group, the Dexia financial group has established a uniform and integrated audit function with a support line of auditing departments in the different business units within a framework that meets the most exacting standards and which is consistent for all of Dexia's activities. The methodology and audit plan are integrated throughout the entire Group.

The remit of the audit function is to promote internal supervision and constantly ensure that existing auditing systems operate effectively and that they are efficiently applied.

The audit function helps maintain the good reputation of Dexia Bank and the effectiveness and integrity of its structures and values, which it considers of particular importance.

Internal Audit verifies that the risks that Dexia Bank takes in the framework of all its activities are duly identified, analysed and covered.

Operations of the Board of Directors

The Board of Directors conducts the general policy as determined at Dexia S.A. level. It decides the strategic direction for the bank in accordance with the basic strategy devised at Dexia S.A. level, and approves the plans and budgets as well as any major structural modifications.

As defined in the protocol on the autonomy or the banking function, the management of the bank is entrusted to the Management Board, comprising members of the Board of Directors. The Management Board currently consists of eight members.

MANAGEMENT BOARD

The Management Board manages the bank in accordance with the general policy guidelines laid down by the bank's Board of Directors, and indirectly by the Board of Directors of Dexia S.A.. The Management Board has the necessary decision-making powers for this purpose and powers of representation. The Management Board operates in accordance with the principle of joint and several liabilities.
The table below sets forth the names and positions of the members of the Management Board as of 14 September 2010.

• Name	• Position
Stefaan Decraene	Chairman
Xavier de Walque	Vice-Chairman, Chief Financial Officer
Dirk Gyselinck	Public & Wholesale Banking and Corporate
Marc Lauwers	Retail & Commercial Banking
Luc Van Thielen	Chief Operations Officer, responsible for IT, Operations, Facility Management and Organisation
Benoît Debroise	Treasury and Financial Services
Jean-François Martin	Risk Management
Roger Leyssens	Human Resources Management

• Name	• Position
Ann De Roeck	Secretary General, Legal and Fiscal Services and Wealth Analysis and Planning, Secretariat General and Participations

There are no potential conflicts of interest between any duties to DEXIA BANK of the members of the Management Board and their private interests and other duties.

EXTERNAL DUTIES OF THE DIRECTORS

Under the Banking, Finance and Insurance Commission Regulation, approved by the Royal Decree dated 19th July 2002 and concerning the performance of external duties by executive managers of credit institutions, DEXIA BANK is required to disclose the external duties performed by its directors and executive managers. DEXIA BANK chose to publish the posts mentioned in the bank's official annual report, which is lodged with the National Bank of Belgium.

SUPERVISION

Since November 1962, DEXIA BANK (formerly Artesia Banking Corporation) has been under the supervision of the Banking, Finance and Insurance Commission.

Financial Information

Under a Belgian Royal Decree of 5 December 2004, Belgian credit institutions and investment firms are required to apply IFRS when drawing up their financial statements for financial years commencing on or after 1 January 2006. DEXIA BANK has therefore produced and published financial statements in accordance with IFRS from 1 January 2006 onwards.

The notes to the consolidated annual audited financial statements, including a description of the accounting policies, are set out on pages 58 to 166 of DEXIA BANK's 2009 annual report, which is incorporated herein by reference.

The consolidated financial information below has been extracted without material adjustment from the consolidated audited financial statements of DEXIA BANK for the years ended 31 December 2008 and 31 December 2009 which were prepared in accordance with IFRS.

CONSOLIDATED ANNUAL FINANCIAL STATEMENTS OF DEXIA BANK BELGIUM S.A.

Audited Consolidated Balance Sheet of DEXIA BANK as of 31 December 2009 and 31 December 2008

DEXIA BANK BELGIUM - CONSOLIDATED BALANCE SHEET

ASSETS

in thousands of EUR		Note	Dec. 31, 2008	Dec. 31, 2009
I.	Cash and balances with central banks	7.2	489,522	501,637
II.	Loans and advances due from banks	7.3	65,793,492	63,911,755
III.	Loans and advances to customers	7.4	103,520,175	103,007,194
IV.	Financial assets measured at fair value through profit or loss	7.5	9,056,208	6,463,000
V.	Financial investments	7.6	44,557,424	41,456,991
VI.	Derivatives	9.1	33,839,959	28,744,619
VII.	Fair value revaluation of portfolio hedge		1,541,525	1,739,298
VIII.	Investments in associates	7.8	521,052	284,014
IX.	Tangible fixed assets	7.9	1,364,044	1,334,211
X.	Intangible assets and goodwill	7.10	227,412	228,507
XI.	Tax assets	7.11 & 9.2	1,096,387	683,063
XII.	Other assets	7.12 & 9.3	1,062,585	1,058,982
XIII.	Non current assets held for sale	7.13	23,104	4,357,477
	Total assets		**263,092,889**	**253,770,748**

DEXIA BANK BELGIUM - CONSOLIDATED BALANCE SHEET

LIABILITIES

in thousands of EUR	Note	Dec. 31, 2008	Dec. 31, 2009
I. Due to banks	8.1	104,027,770	74,119,120
II. Customer borrowings and deposits	8.2	69,815,391	77,798,775
III. Financial liabilities measured at fair value through profit or loss	8.3	9,224,831	10,837,556
IV. Derivatives	9.1	36,301,702	32,311,209
V. Fair value revaluation of portfolio hedge		0	0
VI. Debt securities	8.4	17,349,142	29,437,038
VII. Subordinated debts	8.5	3,224,965	2,943,831
VIII. Technical provisions of insurance companies	9.3	16,731,674	13,384,676
IX. Provisions and other obligations	8.6	912,752	911,551
X. Tax liabilities	8.7 & 9.2	71,653	39,035
XI. Other liabilities	8.8	1,920,640	1,977,510
XII. Liabilities included in disposal groups held for sale	8.9	0	4,335,466
Total liabilities		**259,580,520**	**248,095,767**

EQUITY

in thousands of EUR	Note	Dec. 31, 2008	Dec. 31, 2009
XIV. Subscribed capital	9.7	3,458,066	3,458,066
XV. Additional paid-in capital		209,232	209,232
XVI. Treasury shares		0	0
XVII. Reserves and retained earnings		3,762,009	3,181,191
XVIII. Net income for the period		-573,884	421,469
Core shareholders' equity		**6,855,423**	**7,269,958**
XIX. Gains and losses not recognized in the statement of income		(3,381,778)	(1,627,383)
a) Available-for-sale reserve on securities		*-3,346,558*	*-1,610,454*
b) Other reserves		*-35,220*	*-16,929*
Total shareholders' equity		**3,473,645**	**5,642,575**
XX. Minority interests		38,724	31,633
XXI. Discretionary participation features of insurance contracts	9.3	0	773
Total equity		**3,512,369**	**5,674,981**
Total liabilities and equity		**263,092,889**	**253,770,748**

Audited Consolidated Statement of Income of DEXIA BANK as of 31 December 2008 and 31 December 2009

DEXIA BANK BELGIUM - CONSOLIDATED STATEMENT OF INCOME				
in thousands of EUR		Note	Dec. 31, 2008	Dec. 31, 2009
I.	Interest income	11.1	56,890,538	35,384,889
II.	Interest expense	11.1	-54,032,340	-32,975,919
III.	Dividend income	11.2	150,384	91,004
IV.	Net income from associates	11.3	-25,438	38,360
V.	Net income from financial instruments at fair value through profit or loss	11.4	-370,959	-294,104
VI.	Net income on investments	11.5	-1,121,465	20,312
VII.	Fee and commission income	11.6	539,566	440,703
VIII.	Fee and commission expense	11.6	-100,489	-110,175
IX.	Premiums and technical income from insurance activities	11.7 & 9.3	4,100,789	2,661,284
X.	Technical expense from insurance activities		-4,386,499	-3,032,309
XI.	Other net income	11.8	58,518	31,675
	Income		**1,702,605**	**2,255,720**
XII.	Staff expense	11.9	-733,832	-698,757
XIII.	General and administrative expense	11.10	-581,304	-497,607
XIV.	Network costs		-370,238	-366,098
XV.	Depreciation & amortization	11.11	-105,382	-122,551
XVI.	Deferred acquisition costs			
	Expenses		**-1,790,756**	**-1,685,013**
	Gross operating income		**-88,151**	**570,707**
XVII.	Impairment on loans and provisions for credit commitments	11.12	-558,812	-184,036
XVIII.	Impairment on tangible and intangible assets	11.13	-6,657	-1,506
XIX.	Impairment on goodwill	11.14		
	Net income before tax		**-653,620**	**385,165**
XX.	Tax expense	11.15	53,414	19,211
	Net income of continuing operations		**-600,206**	**404,376**
XXI.	**Discontinued operations (net of tax)**			
	Net income		**-600,206**	**404,376**
	Attributable to minority interest		-26,322	-17,093
	Attributable to equity holders of the parent		-573,884	421,469

CONSOLIDATED SEMI-ANNUAL FINANCIAL STATEMENTS OF DEXIA BANK BELGIUM S.A.

The unaudited interim consolidated financial information below has been extracted without material adjustment from the unaudited interim consolidated financial information of DEXIA BANK for the six months ended 30 June 2009 and 30 June 2010 which were prepared solely to enable Dexia S.A. to prepare its unaudited interim condensed consolidated financial statements as of 30 June 2010 in accordance with IFRS and not to report on DEXIA BANK as a separate entity. Accordingly, the unaudited interim consolidated financial information below is not intended to present fairly the financial position of DEXIA BANK as of 30 June 2010 in conformity with IFRS. It has been subject to certain specific procedures by the auditors of DEXIA BANK to allow the auditors of DEXIA S.A. to issue a limited review opinion in accordance with the International Standards on Review Engagements 2410 on the unaudited interim condensed consolidated financial statements of DEXIA S.A. as per 30 June 2010. This limited review for DEXIA S.A. can be found on www.dexia.com under the legal information section, financial report 2Q2010

Consolidated Balance Sheet of DEXIA BANK as at 30 June 2009 and 30 June 2010

DEXIA BANK BELGIUM

Assets	Consolidated Figures June 2009	Consolidated Figures June 2010
I. Cash and balances with central banks	1,069,799,677	354,929,090
II. Loans and advances due from banks	58,129,655,901	66,922,002,938
III. Loans and advances to customers	104,982,424,069	104,319,244,172
Financial assets measured at Fair value through profit or loss	9,596,166,895	6,874,471,649
IV. Loans and securities held for trading	4,875,545,287	3,044,298,203
V. Loans and securities designated at fair value	4,720,621,608	3,830,173,446
Financial investments	41,994,932,231	39,246,139,232
VI. Loans and securities available for sale	41,972,294,466	39,246,139,232
VII. Securities held to maturity	22,637,765	0
VIII. Derivatives	28,341,761,952	41,874,003,048
IX. Fair value revaluation of Portfolio hedge	1,694,235,257	2,394,665,174
X. Investments in associates	523,099,147	263,642,591
XI. Tangible fixed assets	1,375,568,630	1,332,506,100
XII. Intangible assets and goodwill	233,651,831	230,301,586
XIII. Tax assets	878,403,198	897,000,718
Other assets and other assets specific to insurance companies	1,151,001,870	1,541,304,641
XIV. Other assets specific to insurance companies	261,818,550	256,910,712
XV. Other assets	889,183,320	1,284,393,929
XVI. Assets held for sale	24,021,048	84,381,300
Total Assets	**249,994,721,705**	**266,334,592,238**

DEXIA BANK BELGIUM

Liabilities

	Consolidated Figures June 2009	Consolidated Figures June 2010
I. Due to banks	81,559,387,907	67,660,762,573
II. Customer borrowings and deposits	76,206,639,770	80,091,757,512
Financial liabilities measured at Fair value through profit or loss	10,272,092,652	11,833,587,395
III. Liabilities held for trading	180,823,025	734,316,249
IV. Liabilities designed at fair value	10,091,269,627	11,099,271,146
V. Derivatives	30,157,108,169	47,226,684,866
VI. Fair value revaluation of Portfolio hedge	0	0
VII. Debt securities	24,208,201,042	33,457,834,320
VIII. Subordinated debts	3,090,241,157	2,756,593,854
IX. Technical provisions from insurance companies	16,920,129,221	14,906,485,581
X. Provisions and other obligations	919,347,180	893,729,784
XI. Tax liabilities	64,927,338	46,638,447
Other Liabilities	2,045,800,394	2,421,462,640
XII. Other liabilities	2,045,800,394	2,421,462,640
XII.B Other liabilities - Liabilities associated with transferred assets		
XIII. Liabilities included in disposal groups held for sale	0	16,756,847
Total Liabilities	**245,443,874,830**	**261,312,293,820**
Equity		
XIV. Subscribed capital	3,458,066,227	3,458,066,227
XV. Additional paid-in capital	209,232,120	209,232,120
XVI. Treasury shares	-129	-129
Reserves and retained earnings	3,181,021,036	3,603,886,303
XVII. Other reserves	2,504,596,953	2,982,258,214
XVIII. Retained earnings	676,424,084	621,628,090
XIX. Net income for the period	16,717,208	253,237,497
Core shareholders' equity	6,865,036,462	7,524,422,019
Gains and losses not recognised in the statement of income	-2,338,535,443	-2,533,073,126
XX. Gains and losses of securities not recognised in the incom	-2,324,861,613	-2,507,549,741
XXI. Gains and losses of derivatives not recognised in the inco	-6,695,196	-26,244,760
XXII. Gains and losses of associates not recognised in the incc	-1,023,493	-121,449
XXIII. Non realized performance reserves relating to non curre	0	0
XXIV. Cumulative translation adjustments	-5,955,140	842,825
Total shareholders' equity	4,526,501,019	4,991,348,892
XXV. Minority interests	24,345,856	30,948,492
XXVI. Discretionary Participation Feature (Insurance)	0	1,034
Total equity	**4,550,846,875**	**5,022,298,418**
Total equity and liabilities	**249,994,721,705**	**266,334,592,238**

Unaudited Consolidated Statement of Income of DEXIA BANK as at 30 June 2009 and 30 June 2010

DEXIA BANK BELGIUM

Income Statement

	Consolidated Figures June 2009	Consolidated Figures June 2010
I. Interest income	19,675,665,105	11,262,867,180
II. Interest expense	-18,407,908,259	-10,250,845,454
III. Dividend income	59,809,018	44,966,436
IV. Net income from associates	12,970,026	14,046,942
V. Net income from financial instruments at fair value through profit or loss	-128,562,595	-33,467,746
VI. Net income on investments	-262,305,676	92,446,603
Net income on capital	**949,667,619**	**1,130,013,961**
VII. Fee and commission income	221,476,814	253,230,046
VIII. Fee and commission expense	-60,643,797	-67,013,285
IX. Technical margin in insurance companies	-158,223,454	-201,927,972
Premiums and technical income from insurance activities	1,395,656,372	2,288,723,723
Technical expense from insurance activities	-1,553,879,826	-2,490,651,695
X. Other net income	7,483,334	14,020,069
Income	**959,760,517**	**1,128,322,820**
XI. Staff expense	-339,013,922	-326,905,096
XII. General and administrative expense	-247,729,788	-245,373,589
XIII. Network costs	-182,059,012	-183,996,355
XIV. Depreciation & amortisation	-55,410,185	-56,003,385
Expenses	**-824,212,906**	**-812,278,424**
Gross operating income	**135,547,611**	**316,044,395**
IMPAIRMENTS	-177,817,992	-2,868,110
XVI. Impairment on loans and provisions for credit commitments	-179,757,863	-2,949,178
XVII. Impairment on tangible and intangible assets	-624,729	1,277,946
XVIII. Impairment on goodwill		
XVIIIB Provisions for legal litigations	2,564,600	-1,196,878
Net income before tax	**-42,270,381**	**313,176,285**
XIX. Tax expense	38,769,911	-59,630,041
Net income of continuing operations	**-3,500,471**	**253,546,244**
XX. Discontinued operations, net of tax	0	0
Net income	**-3,500,471**	**253,546,244**
XXI. Minority interests	20,217,679	-308,747
XXII. Net result attributable to shareholders of the parent	**16,717,208**	**253,237,497**

AUDITED CASH FLOW STATEMENTS OF DEXIA BANK BELGIUM S.A.

Audited Cash Flow Statement of DEXIA BANK as at 31 December 2008 and 31 December 2009

DEXIA BANK BELGIUM - CONSOLIDATED CASH FLOW STATEMENT

in thousands of EUR		Dec. 31, 2008	Dec. 31, 2009
Cash flow from operating activities			
Net income after income taxes	**8000**	-600,206	404,376
Adjustment for:			
- Depreciation , amortization and other impairment	**8100**	130,115	142,139
- Impairment on bonds , equities, loans and other assets	**8110**	1,310,960	-565,977
- Net gains on investments	**8120**	25,506	635,647
- Charges for provisions (mainly insurance provision)	**8130**	2,133,176	1,117,233
- Unrealized gains or losses	**8140**	-166,995	29,610
- Income from associates	**8150**	25,438	-38,360
- Dividends from associates	**8160**	63,090	19,640
- Deferred taxes	**8170**	-61,546	-1,420
- Other adjustments	**8180**	7,259	2,762
Changes in operating assets and liabilities	**8190**	-24,767,969	-19,993,215
Net cash provided (used) by operating activities	**8199**	**-21,901,172**	**-18,247,565**
Cash flow from investing activities			
Purchase of fixed assets	**8200**	-350,456	-306,768
Sales of fixed assets	**8210**	134,376	118,990
Acquisitions of unconsolidated equity shares	**8220**	-2,110,320	-1,461,009
Sales of unconsolidated equity shares	**8230**	2,107,757	1,957,772
Acquisitions of subsidiaries and of business units	**8240**	-4,153	-25,383
Sales of subsidiaries and of business units	**8250**	7,036	-17
Net cash provided (used) by investing activities	**8299**	**-215,760**	**283,585**
Cash flow from financing activities			
Issuance of new shares	**8300**	2,517,559	-192
Issuance of subordinated debts	**8310**	550,580	20,256
Reimbursement of subordinated debts	**8320**	-264,465	-185,239
Purchase of treasury shares	**8330**		
Sale of treasury shares	**8340**		
Dividends paid	**8350**	-500,998	-4,194
Net cash provided (used) by financing activities	**8399**	**2,302,676**	**-169,369**
Net cash provided	**8499**	**-19,814,256**	**-18,133,349**
Cash and cash equivalents at the beginning of the period	**8500**	**77,398,431**	**57,584,407**
Cash flow from operating activities	**8510**	-21,901,172	-18,247,565
Cash flow from investing activities	**8520**	-215,760	283,585
Cash flow from financing activities	**8530**	2,302,676	-169,369
Effect of exchange rate changes and change in scope of consolidation on cash and cash equivalents	**8540**	232	-544
Cash and cash equivalents at the end of the period	**8599**	**57,584,407**	**39,450,514**

Unaudited Cash Flow Statement of DEXIA BANK as at 30 June 2009 and 30 June 2010

DBB CONSOLIDATED
in EUR

	2009.06	2010.06
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	16,717,208	253,237,497
Net income attributable to minority interests	-20,217,679	308,747
ADJUSTMENT FOR :		
Depreciation, amortization and other impairment	64,472,036	62,193,231
Impairment on bonds, equities,loans and other assets	-369,664,335	-86,397,302
Net gains on investments	656,572,682	-51,423,282
Charges for provisions	254,039,178	1,471,549,492
Unrealised fair value (gains) losses via P & L, i.e. for investment property, PPE, intangible assets,...	-8,558,355	1,746,031
Net unrealised gains from cash flow hedges	-652,130	-3,387,876
Net unrealised gains from available-for-sale investments	60,209,455	-41,460,498
Income from associates (except dividends received)	-12,970,026	-14,046,942
Dividends received from associates	19,639,643	28,996,814
Deferred tax income	-206,136,176	-109,771,952
Deferred taxes charges	188,963,218	119,603,154
Other adjustments	2,001,090	754,321
Changes in operating assets and liabilities	-18,028,938,848	815,365,264
NET CASH PROVIDED BY OPERATING ACTIVITIES	**-17,384,523,039**	**2,447,266,698**
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-127,812,604	-142,453,742
Sale of fixed assets	33,446,784	78,940,768
Acquisitions of unconsolidated equity shares	-68,959,196	-481,218,993
Sales of unconsolidated equity shares	845,665,500	1,030,240,516
Acquisitions of subsidiaries and of business units	-26,384,535	0
Sales of subsidiaries and of business units	-19,964	-77,718,427
NET CASH PROVIDED BY INVESTING ACTIVITIES	**655,935,985**	**407,790,122**
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of new shares	62,146	0
Reimbursement of capital	-3,615	228
Issuance of subordinated debt	1,431,824	1,049,763
Reimbursement of subordinated debt	-73,811,952	-312,310,480
Purchase of treasury shares		
Sales of treasury shares		
Dividend paid	-4,203,094	-4,326,846
NET CASH PROVIDED BY FINANCING ACTIVITIES	**-76,524,691**	**-315,587,335**
Effect of exchange rates changes and change in scope of consolidation on cash and cash equivalents	**-130,165**	**3,242,325**
CASH & CASH EQUIVALENT AT THE BEGINNING OF PERIOD	**57,584,407,405**	**39,450,514,156**
NET CASH PROVIDED BY OPERATING ACTIVITIES	-17,384,523,039	2,447,266,698
NET CASH PROVIDED BY INVESTING ACTIVITIES	655,935,985	407,790,122
NET CASH PROVIDED BY FINANCING ACTIVITIES	-76,524,691	-315,587,335
EFFECT OF EXCHANGE RATES CHANGES ON CASH AND CASH EQUIV.	-130,165	3,242,325
CASH & CASH EQUIVALENT AT THE END OF PERIOD	**40,779,165,495**	**41,993,225,966**

1.1 Legal and Arbitration Proceedings

Lernout & Hauspie

The involvement of DEXIA BANK in various proceedings relating to the Lernout & Hauspie Speech Products (LHSP) bankruptcy matter has been described in the Annual Reports 2005, 2006, 2007, 2008 and 2009.

On September 20, 2010, Dexia Bank Belgium NV/SA, as well as a former member of the management committee of Artesia Bank, has been cleared of all charges by the Ghent Court of Appeal.
Neither the Public Prosecutor nor any of the parties claiming damages in the criminal file ("*burgerlijke partijen*"/"*parties civiles*) have brought the case before the Supreme Court.
The proceedings brought before the Supreme Court by 6 out of the 8 condemned persons, has no bearing on the acquittal of Dexia Bank Belgium, which is therefore final.

For any further details with respect to the LHSP file, please consult the 2009 Annual Report or the 2010 Q3 Activity Report on www.dexia.com

INFORMATION RELATING TO THE OFFER

Terms and conditions of the Offer

The Warrants will be offered for subscription as specified in the relevant Final Terms (the "Offering Period") at the relevant Issue Price (Commission included). The Issuer has the right to anticipatively terminate the Offering Period if the maximum amount of the Warrants issue has been reached or if the market conditions adversely affect the interest of the Issuer, as the case may be.

The Warrants have not been offered or sold and will not be offered or sold directly or indirectly and the Base Prospectus and the relevant Final Terms has not been distributed and will not be distributed, except in such circumstances that will result in compliance with all applicable laws and regulations.

The Warrants are deposited in a Dexia Bank securities account and Dexia Bank will not charge any fees for this service, nor for the opening of such securities account.

The Warrants have not been and will not be registered under the U.S. Securities Act of 1933, as amended, and are subject to U.S. tax law requirements and, subject to certain exceptions, Warrants may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons.

The Warrants will be offered at the relevant Issue Price (Commission included). This price comprises all costs.

The financial service will be performed by Dexia Bank.

The Offer is governed by the laws of Belgium. All disputes arising out of or in connection with the Offer shall be exclusively submitted to the jurisdiction of the competent courts in Brussels.

Use of the proceeds

The net proceeds of the issue of the Warrants will be used for covering the risks resulting of the issue of the Warrants by the Issuer. The Warrants issue will be subject to some out-of-pocket expenses and publicity fees estimated to be around EUR 25,000.

Admission to the Exchange

The Warrants offered will not be the object of an application for admission to trading on a stock Exchange or a regulated market. There are no securities of the same class as the Warrants to be offered that are already admitted to trading on an Exchange.

Dexia Bank will organise the secondary market from the day following the Issue Date, thereby providing liquidity through a single bid price per trading day. These bid prices are subject to a brokerage fee (excluding stock market tax) of 1% maximum. In addition, the bid prices of the Warrants are subject to the market conditions (in practice, the conditions between 4.30 p.m. and 5.30 p.m. (Brussels time)) concerning, amongst other things, interest rates, the Underlying Value or volatility. The price of each previously executed transaction with the Warrants is available on demand in every agency of Dexia Bank Belgium or on www.dexia.be the day after the transaction occurred (Corporate Banking / Beleggingen / Warranten / Corporate Banking / Placements / Warrants).

Tax treatment

This section on the income tax treatment only contains general information which is not intended to deal with specific aspects of an investment in Warrants. Potential investors are recommended to consult their tax or others advisers and make any assessment regarding the purchase of the Warrants on the basis of their own particular situation.

Income tax regime applicable to individuals subject to the Belgian personal income tax regime

The purchase of the Warrants by an individual subject to the Belgian personal income tax regime is in principle not subject to any income taxes. Any capital gains realised upon the transfer of the Warrants, the exercise of the Warrants and/or upon the sale of the underlying assets are principally not taxable provided that the transaction concerned falls within the scope of the normal management of the individual's private estate. Any capital losses realised upon the transfer of the Warrants, the exercise of the Warrants and/or upon the sale of the underlying assets are principally not tax deductible.

If the individual would acquire the Warrants from his employer as compensation for professional services rendered, the individual will be deemed to have received a taxable benefit in kind. Such benefit in kind is taxable at the time of attribution of the Warrants which is the sixtieth day following the date of offer of the Warrants by the employer provided that the individual has accepted the offer at the latest on the sixtieth day following the date of offer of the Warrants. The amount of the benefit in kind will be determined on the basis of the value of the underlying assets on the day preceding the day of offer of the Warrants reduced with the price paid by the individual, if any. Any capital gains realised upon the transfer of the Warrants, the exercise of the Warrants and/or upon the sale of the underlying assets are not taxable provided that the transaction concerned falls within the scope of the normal management of the individual's private estate. Any capital losses realised are principally not tax deductible.

Income tax regime applicable to companies subject to the Belgian corporate income tax regime

The purchase of the Warrants by a company subject to the Belgian corporate income tax regime is in principle not subject to any income taxes. Any capital gains realised upon the transfer of the Warrants or upon the sale of the underlying assets are taxable at the ordinary corporate income tax rate. Any capital losses realised upon the transfer of the Warrants are principally tax deductible. Any capital losses realised upon the sale of the underlying assets are not tax deductible.

If the company would grant the purchased Warrants (partly) for no consideration to its employees, the company should record the amount of the taxable benefit in kind on the salary slips of the individual concerned and on the summary year-end statements. The company should principally also levy salary taxes on the taxable amount. The non-compliance with such reporting and withholding obligations may trigger sanctions for the company.

Additional information

Except for the audited financial statements of the Issuer, there is no information in the Base Prospectus which has been audited or reviewed by statutory auditors and no auditor has produced a report with respect to this Base Prospectus.

There is no statement or report attributed to a person as an expert included in the Base Prospectus.

The Issuer does not intend to provide post-issuance information.

INFORMATION RELATING TO THE WARRANTS

Terms and conditions of the Warrants

Form, denomination and title

The Warrants shall be represented by a temporary global warrant (the “Global Warrant”) representing the Warrants in bearer. The Global Warrant will be deposited on the Issue Date with Dexia Bank and will not be exchangeable for definitive Warrants. Dexia Bank will not charge any fees for Warrants held in securities account with Dexia Bank or for the opening of such securities account.

These Warrants can be exercised during the Exercise Period. Consequently, the only means through which the Warrant Holder can realize value from the Warrant prior to the Exercise Date is to sell it through the secondary market.

The issue of the Warrants has been authorized by resolutions of the Issuer, as will be specified in the relevant Final Terms.

Governing law and jurisdiction

The Warrants are governed by the laws of Belgium. All disputes arising out of or in connection with the Warrants shall be exclusively submitted to the jurisdiction of the competent courts in Brussels.

Currency

The Warrants are issued in EUR and their value will always be expressed in EUR.

Status

The Warrants constitute direct, unconditional, unsubordinated and unsecured obligations of the Issuer and rank and will rank at all times pari passu without any preference among them. The payment obligations of the Issuer under the Warrants shall, subject to any exceptions as from time to time exist under applicable law, at all times rank equally with all its other present and future unsecured and unsubordinated obligations.

In particular, the Warrants will not be secured by the Underlying Value to which such Warrants relate.

Exercise procedure

Exercise notice

The day on which the Warrants are exercised is called the Exercise Date and falls within the Exercise Period. In order to exercise the Warrants the Warrant Holder shall fill out and file the attached exercise form at a Dexia Bank agency at the earliest at the start of the Exercise Period and at the latest on the Maturity Date. The exercise form (“avis d’exercice” / “uitoefeningsformulier”) is available in all Dexia Bank agencies.

In case of an Exercise the Warrant Holder will receive the Underlying Value on his securities account 3 business days after the Exercise Date.

There are nocosts related to the Exercise other than the ordinary charges related to the acquisition of the Underlying Value, as may exist at such time. As of the date of this Base Prospectus, such costs do not exceed 2.5% of the amount so acquired, with a minimum of 100 EUR per transaction.

Settlement

Dexia Bank delivers or will deliver the Underlying Value to a securities account chosen by the investor or which must be opened by the investor for this purpose.

Consequence of the Exercise

The Exercise is irrevocable.

Exercise period

The Exercise Period is defined in the relevant Final Terms.

Exercise Notice

AVIS D'EXERCICE

Je, soussigné(e)

Nom : ____
Prénom : ____
Adresse : ____
titulaire de ________ (nombre) Very Long Term Warrants L EURO Series _________ sur l'action Dexia Equities L Euro 50 Capitalisation:

- déclare par la présente vouloir exercer ________ (nombre) Warrants et donc acheter le total des actions Dexia Equities L EURO 50 Capitalisation auxquelles j'ai droit au prix de < TO BE DETERMINED > EUR (le Prix d'Exercice mentionné dans les Final Terms relatif à l'émission des Very Long Term Warrants Series ________);

- m'engage à ce qu'à la Date d'Exercice mon compte _ _ _ - _ _ _ _ _ _ _ - _ _ chez Dexia Banque soit suffisamment approvisionné pour satisfaire le montant total du Prix d'Exercice, à savoir ______________ EUR, plus les frais liés à l'Exercice;

- autorise Dexia Banque à prélever le montant total du Prix d'Exercice plus les frais, sur ce compte;

- demande que les Valeurs Sous-Jacentes me soient livrées par inscription en mon dossier-titres numéro _ _ _ - _ _ _ _ _ _ _ - _ _ chez Dexia Banque;

- déclare avoir pris entière connaissance des conditions mentionnées dans le Prospectus de Base et les Final Terms de Dexia Banque relatif à l'émission des Very Long Term Warrants Series __________.

Fait le_________________________________ à _______________________

Signature :

UITOEFENINGSFORMULIER

Ik, ondergetekende

Naam : ____
Voornaam : ____
Adres : ____
houder van __________ (aantal) Very Long Term Warrants Series _________ op het aandeel Dexia Equities L Euro 50 Kapitalisatie:

* verklaar hierbij _____ (aantal) Warrants te willen uitoefenen en aldus het overeenstemmende aantal aandelen Dexia Equities L EURO 50 Kapitalisatie waarop ik recht heb aan te kopen tegen < TO BE DETERMINED > EUR (de Uitoefenprijs vermeld in de Final Terms van de uitgifte van de Very Long Term Warrants Series ___________);

* verbind mij ertoe dat op datum van de Uitoefening mijn rekening _ _ _ - _ _ _ _ _ _ _ - _ _ bij Dexia Bank over voldoende provisie zal beschikken om aan het totaal bedrag van de Uitoefenprijs, namelijk ______________ EUR te voldoen vermeerderd met de kosten verbonden aan de Uitoefening;

* geef Dexia Bank volmacht om het totaal bedrag van de Uitoefenprijs vermeerderd met de kosten, van deze rekening op te nemen;

* vraag dat de Onderliggende Waarden mij worden geleverd via inschrijving op mijn effectendossier
nr. _ _ _ - _ _ _ _ _ _ _ - _ _ bij Dexia Bank;

verklaar volledig kennis te hebben van de voorwaarden die vermeld staan in het Prospectus en de Final Terms van Dexia Bank betreffende de uitgifte van Very Long Term Warrants Series __________.

Opgemaakt te____________________________ op _______________________

Handtekening :

Notices

For the Warrants held in a Dexia Bank securities account, all notices to the Warrant Holders shall be validly given by a direct notification from the Issuer each time the Issuer shall deem it necessary to give fair and reasonable notice. The Warrant Holder will be notified of his or her existing position at least once a year.

Any such notice shall be deemed to have been given on the date immediately following the date of notification from the Issuer.

Further information relating to the Warrants

Information relating to the pricing of the Warrants.

The value of the Warrants is determined, as with options, by valuation models for options (for example, the 'Black & Scholes' model, trinomial model,…). This value is determined by different variables. The impact of some of these variables can be described as follows:

- The value of the Underlying Value: the value of the Warrant increases if the Underlying Value increases in respect to the Strike Price.
- The Strike Price: the value of the Warrant increases if the Underlying Value increases in respect to the Strike Price.
- The volatility: the value of the Warrant varies according to the expected volatility of the Underlying Value until Maturity Date. The volatility is the change in the value of the Underlying Value calculated over a fixed time interval. The probability of a Warrant being more in-the-money is higher if the Underlying Values is highly volatile (i.e. if it has a large number of substantial price movements), than when the Underlying Value is little volatile. Accordingly, the value of a Warrant will increase if the volatility of the Underlying Value increases.
- The remaining maturity: the longer the remaining maturity (until Maturity Date) of a Warrant, the greater the probability of the Warrant being in-the-money at a certain point in time during this remaining maturity. Therefore under normal circumstances, the value of the Warrant with a longer remaining maturity will be greater than the value of a Warrant with a shorter remaining maturity. In short, the value of the Warrant decreases if the remaining maturity diminishes.
- The interest rate for the remaining maturity: the value of the Warrant increases if the interest rate until Maturity Date increases.

Investors may find information about the historical returns of the Underlying Value on the website of the Issuer or, if such information cannot be consulted on the website, through a written request at the corporate seat of the Issuer

Investors should take into consideration that all variables mentioned above may each influence the value of the Warrant independently. In practice, any of these variables can vary at the same time. Consequently, the change in the value of the Warrant can only be determined by taking into consideration the combined effect of the changes in value of each of these variables separately.

Information relating to the behaviour of the Warrants.

The Warrant has a leverage effect. This means that any variation in the price of the Underlying Value is in theory amplified.

A Warrant's leverage effect is determined by applying the following formula:

$$(\text{Leverage} = \partial P/\partial S \times S/P)$$

where:

S = the price of the Underlying Value
P = the value of the Warrant

The ratio $\partial P/\partial S$, which is called the Delta of the Warrant, is the degree to which the Warrant changes value divided by the degree to which the Underlying Value changes value. $\partial P/\partial S$ is not a constant, and the ratio changes throughout the term of the Warrant.

As and when the leverage effect approaches 1, a Warrant behaves more and more like the Underlying Value, and the risk associated with the Warrant is therefore almost the same as the risk associated with retaining that Underlying Value. The above formula reveals that the leverage tends towards 1 if the Delta of the Warrant, $\partial P/\partial S$, and S/P tend towards 1. Both ratios move towards 1 as and when, among other things, the Warrant's term gets longer and therefore the Warrant's initial time value rises.

The Warrants issued by Dexia Bank have a very long term. The unavoidable consequence of this is that the initial leverage effect of the Warrant is almost equal to 1 (between 1 and 1.2). That also remains so for a large part of the lifetime of the Warrant.

Description of market disruption event or settlement disruption that affects the underlying

"Market Disruption Event" means in respect of the Share, the occurrence or existence of (i) a Trading Disruption, (ii) an Exchange Disruption, which in either case the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant scheduled closing time or (iii) an Early Closure.

If any Valuation Date is a Disrupted Day, then the Valuation Date shall be the first succeeding scheduled trading day that is not a Disrupted Day, unless each of the eight scheduled trading days immediately following the original Valuation Date is a Disrupted Day. In that case, (i) that eighth scheduled trading day shall be deemed to be the Valuation Date, notwithstanding the fact that such day is a Disrupted Day and (ii) the Calculation Agent shall determine, its good faith estimate of the value of the Share as of the scheduled closing time on that eight scheduled trading day.

For the avoidance of doubt, the Valuation Date for the Share not affected by the occurrence of a Disrupted Day shall be the original Valuation Date.

Adjustments to the Underlying Value

Adjustments in case of the occurrence of a Potential Adjustment Event

Following the declaration by Dexia Bank of the terms of any Potential Adjustment Event, the Calculation Agent will, in its sole and absolute discretion, determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the Shares and, if so, will (i) make the corresponding adjustment, if any, to any one or more of the Strike Price and/or any of the other terms of these terms and conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate to account for that diluting or concentrative effect and (ii) determine the effective date of that adjustment (provided that no adjustment will be made as a result of any payment of an ordinary dividend, whether or not in the form of cash). The Calculation Agent may, but need not, determine the appropriate adjustment by reference to the adjustment in respect of such Potential Adjustment Event made by the Related Exchange to options on the Shares traded on that Related Exchange.

Upon the making of any such adjustment by the Calculation Agent, the Calculation Agent shall give notice as soon as practicable to the Warrant Holders, stating the adjustment to the Strike Price and/or any of the other terms of these terms and conditions and/or the applicable Final Terms and giving brief details of the Potential Adjustment Event.

Adjustments in case of the occurrence of a De-listing, Insolvency, Merger Event or Nationalization

If a De-listing, Insolvency, Merger Event or Nationalization occurs in relation to the Share, the Issuer in its sole and absolute discretion may take the action described in (i), (ii) or (iii) below:

(i) require the Calculation Agent to determine in its sole and absolute discretion the appropriate adjustment, if any, to be made to any one or more of the Strike Price and/or any of the other terms of these terms and conditions and/or the applicable Final Terms to account for the Merger Event, De-listing, Nationalization or Insolvency, as the case may be, and determine the effective date of that adjustment. The Calculation Agent may (but need not) determine the appropriate adjustment by reference to the adjustment in respect of the Merger Event, De-listing, Nationalization or Insolvency made by the Related Exchange to options on the Shares traded on that Related Exchange; or

(ii) cancel the Warrants by giving notice. If the Warrants are so cancelled the Issuer will pay the Early Termination Amount. If the Early Termination Amount is zero or negative, no payment will be due. Payments will be made in such manner as shall be notified to the Warrant Holders; or

(iii) following such adjustment to the settlement terms of options on the Shares traded on the Related Exchange, require the Calculation Agent to make a corresponding adjustment to any one or more of the Strike Price and/or any of the other terms of these terms and conditions and/or the applicable Final Terms, which adjustment will be effective as of the date determined by the Calculation Agent to be the effective date of the corresponding adjustment made by the Related Exchange. If options on the Shares are not traded on the Related Exchange, the Calculation Agent will make such adjustment, if any, to any one or more of the Strike Price and/or any of the other terms of these terms and conditions and/or the applicable Final Terms as the Calculation Agent in its sole and absolute discretion determines appropriate, with reference to the rules and precedents (if any) set by the Related Exchange to account for the Merger Event, De-listing, Nationalization or Insolvency, as the case may be, that in the determination of the Calculation Agent would have given rise to an adjustment by the Related Exchange if such options were so traded.

Upon the occurrence of a Merger Event, De-listing, Nationalization or Insolvency, the Issuer shall give notice as soon as practicable to the Warrant Holders stating the occurrence of the Merger Event, De-listing, Nationalization or Insolvency, as the case may be, giving details thereof and the action proposed to be taken in relation thereto.

FINAL TERMS

Set out below is the form of Final Terms which will be completed for each series of Warrants issued under the Programme.

[Date]

DEXIA BANK
Limited liability Company of unlimited duration incorporated under Belgian law
Issue of […] (Aggregate Nominal Amount of Series of Warrants)
[Title of relevant Series of Warrants]
under the EUR 100,000,000
Very Long Term Warrant

The issue of the Warrants has been authorized by resolutions of the Issuer dated [●].

Terms used herein shall be deemed to be defined as such in the Base Prospectus dated [●] which constitutes a base prospectus for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Warrants described herein for the purposes of Article 29, §2 of the Prospectus Law of 16 June 2006 and must be read in conjunction with the Base Prospectus, including, for the avoidance of any doubt, the Summary and any supplements to the Base Prospectus. Full information on the Issuer and the offer of the Warrants is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for viewing at [●] and copies may be obtained from the Issuer at that address.

These Final Terms relate to the securities and must be read in conjunction with, and are subject to, the provisions contained in the Base Prospectus as so supplemented. These Final Terms, and the relevant provisions constitute the conditions of each series of the Warrants described herein.

In case of any inconsistency between the Base Prospectus and the Final Terms, the Final Terms shall prevail.

Commission:	[●] EUR;
Costs:	There are no additional costs of subscription;
Exercise Date:	Date during the Exercise Period on which the Warrants are exercised;
Exercise Period:	Each business day on which commercial banks in Belgium are open for business from [●] until and including the Maturity Date;
Exercise:	Delivery of the Underlying Value against payment of the Strike Price. The request to Exercise needs to be submitted during the Exercise Period;
Governing law and jurisdiction:	The Warrants are governed by the laws of Belgium. All disputes arising out of or in connection with the Warrants shall be exclusively submitted to the jurisdiction of the competent courts in Brussels;
ISIN Code:	[●];
Issue Date:	[●];

Issue Price (Commission included):	10.00 EUR (being [●] EUR, increased with the Commission);
Issuer:	Dexia Bank, a limited liability company incorporated under the laws of Belgium (hereinafter "Dexia Bank") (see the Base Prospectus for information about the Issuer);
Listing:	None;
Maturity Date:	[●];
Notional Amount:	Maximum [●] EUR;
Offering Period:	The Warrants will be offered for subscription from [●] until and including [●] (4 p.m. Brussels time);
Parity:	The Parity is the number of Warrants necessary to buy an Underlying Value at the payment of the Strike Price. The Parity equals [●]% of the net asset value of the Underlying Value at [●] (which will be posted on www.dexia.be on [●]) divided by the Issue Price (Commission excluded);
Payment Date:	[●];
Physical delivery:	Not applicable;
Responsibility:	The Issuer accepts responsibility for the information contained in these Final Terms;
Strike Price:	[The Strike Price is equal to the net asset value of the Underlying Value on [●] which will be posted on www.dexia.be (Sparen & Beleggen / Producten / Fondsen / Aandelenfondsen – Epargner & Investir / Produits / Fonds / Fonds d'actions) on [●] EUR)];
Underlying Value:	[The Underlying Value is a share of Dexia Equities L Euro 50 Capitalisation (ISIN code: LU0012091087 – Bloomberg Code: ELK3591 LX), a compartment of the Dexia Equities L, a UCITS incorporated under the laws of Luxembourg];
Warrant type:	The [●] Warrants can only be exercised during the Exercise Period.

Information relating to the Underlying Value

[The information regarding the Underlying Value has been sourced from the prospectus of Dexia Equities L Euro 50 (that is available free of charge in all Dexia Bank agencies and can be consulted at www.dexia.be : Sparen & Beleggen / Producten / Fondsen / Aandelenfondsen – Epargner & Investir / Produits / Fonds / Fonds SICAV d'actions). The Issuer confirms that this information has been partly reproduced from the Bloomberg screens < ELK3591 LX >. The Issuer also confirms that as far as it is aware and able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[This information has been extracted from [Insert source]. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware, and is able to ascertain from information published by [●], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Description and historical evolution of the Underlying Value

[Dexia Equities L Euro 50 is a compartment of Dexia Equities L, a UCITS incorporated under the laws of Luxembourg. The assets of this compartment consist mainly of a portfolio of variable-yield securities, mainly shares, convertible bonds and warrants issued for the most part by European companies and traded on the stock exchanges of those countries. At least two thirds of the net assets of the portfolio of this compartment are invested in equity-type transferable securities included in the Dow Jones EURO STOXX 50® index, although they are not themselves indexed. Two-thirds of the net assets will always be invested in euro-denominated securities on these markets.]

[The compartment may also hold, on an ancillary basis, cash or money market instruments whose residual maturity does not exceed 12 months.]

<u>Historical evolution of the Underlying Value</u>

<u>Source</u>: Bloomberg

	HIGH (in EUR)	***LOW (in EUR)***
1 January 1999 –31 March 1999	*579.20*	*529.89*
1 April 1999 – 30 June 1999	*596.89*	*552.60*
1 July 1999 - 30 September 1999	*612.44*	*544.27*
1 October 1999 – 31 December 1999	*742.99*	*554.78*
1 January2000 –31 March 2000	*857.50*	*694.09*
1 April 2000 – 30 June 2000	*834.95*	*756.97*
1 July 2000 - 30 September 2000	*827.75*	*760.75*
1 October 2000 – 31 December 2000	*779.46*	*703.84*
1 January 2001 –31 March 2001	*727.53*	*588.84*
1 April 2001 – 30 June 2001	*694.85*	*610.36*
1 July 2001 - 30 September 2001	*655.56*	*444.26*
1 October 2001 – 31 December 2001	*585.33*	*493.06*
1 January 2002 –31 March 2002	*584.96*	*523.03*

1 April 2002 – 30 June 2002	*575.16*	*452.06*
1 July 2002 - 30 September 2002	*487.56*	*338.82*
1 October 2002 – 31 December 2002	*413.73*	*332.16*
January 2003	*390.71*	*333.57*
February 2003	*350.90*	*318.07*
March 2003	*347.33*	*285.44*
April 2003	*365.53*	*314.64*
May 2003	*369.59*	*346.39*
June 2003	*393.06*	*368.28*
July 2003	*392.43*	*369.09*
August 2003	*405.26*	*380.28*
September 2003	*412.33*	*372.95*
October 2003	*400.73*	*379.31*
November 2003	*413.75*	*399.95*
December 2003	*428.25*	*412.31*
January 2004	*449.95*	*432.12*
February 2004	*456.20*	*437.43*
March 2004	*460.52*	*420.30*
April 2004	*452.37*	*433.36*
May 2004	*439.77*	*413.77*
June 2004	*444.89*	*424.08*
July 2004	*440.21*	*413.80*
August 2004	*425.95*	*406.58*
September 2004	*439.84*	*423.65*
October 2004	*446.24*	*430.17*
November 2004	*458.97*	*448.58*
December 2004	*463.46*	*453.41*
January 2005	*468.06*	*458.59*
February 2005	*484.96*	*471.79*
March 2005	*489.21*	*475.56*
April 2004	*484.47*	*460.83*
May 2005	*490.91*	*464.48*
June 2005	*504.90*	*491.40*
July 2005	*529.78*	*503.63*
August 2005	*536.15*	*512.03*
September 2005	*543.50*	*519.58*
October 2005	*549.35*	*514.17*
November 2005	*550.36*	*526.62*
December 2005	*572.86*	*554.39*
January 2006	*583.46*	*559.68*
February 2006	*603.57*	*581.09*
March 2006	*610.51*	*584.94*
April 2006	*615.20*	*595.33*
May 2006	*613.87*	*557.64*
June 2006	*575.31*	*537.35*
July 2006	*583.10*	*550.69*
August 2006	*604.02*	*574.14*
September 2006	*611.35*	*587.85*
October 2006	*629.77*	*607.66*
November 2006	*642.54*	*621.04*
December 2006	*647.18*	*616.14*
January 2007	*663.23*	*642.05*
February 2007	*674.31*	*642.85*
March 2007	*655.70*	*611.50*
April 2007	*691.54*	*654.29*
May 2007	*717.84*	*692.26*

June 2007	*724.34*	*695.66*
July 2007	*726.19*	*673.99*
August 2007	*695.22*	*646.85*
September 2007	*699.94*	*658.49*
October 2007	*713.42*	*694.54*
November 2007	*703.37*	*669.97*
December 2007	*716.75*	*690.26*
January 2008	*696.89*	*578.67*
February 2008	*621.70*	*590.15*
March 2008	*591.67*	*549.72*
April 2008	*615.49*	*603.23*
May 2008	*630.28*	*607.68*
June 2008	*615.02*	*552.66*
July 2008	*558.33*	*519.76*
August 2008	*565.25*	*537.12*
September 2008	*563.28*	*483.90*
October 2008	*497.09*	*360.24*
November 2008	*442.30*	*350.78*
December 2008	*399.56*	*362.62*
January 2009	*471.42*	*401.48*
February 2009	*374.22*	*315.30*
March 2009	*346.62*	*321.48*
April 2009	*375.54*	*339.34*
May 2009	*396.18*	*378.64*
June 2009	*402.74*	*379.88*
July 2009	*420.50*	*367.26*
August 2009	*446.04*	*412.48*
September 2009	*463.12*	*428.23*
October 2009	*468.24*	*430.12*
November 2009	*461.33*	*424.59*
December 2009	*471.42*	*442.71*
January 2010	*477.84*	*432.54*
February 2010	*416.10*	*447.84*
March 2010	*437.42*	*467.95*
April 2010	*442.41*	*477.39*
May 2010	*397.96*	*447.83*
June 2010	*399.86*	*443.49*
July 2010	*399.98*	*442.64*
August 2010	*416.34*	*455.32*
September 2010	*434.50*	*449.06*
October 2010	*429.69*	*458.36*
November 2010	*420.07*	*461.01*
Net Asset Value in EUR (15/12/2010)	*449.67*	

Source: Bloomberg

Description and historical evolution of the Dow Jones Euro Stoxx 50 ® index

General

The Dow Jones EURO STOXX 50 ® index represents the performance of 50 companies representing the market sector leaders in the Euro zone. The index is a free float market capitalisation weighted index which captures around 60% of the underlying market capitalisation of the Dow Jones EURO STOXX Total Market ® Index. Components weightings are based on the number of free float shares, i.e. those shares that are available for trading.

The index was developed with a base value of 1000 as of 31 December 1991.

The index is continuously calculated and quoted.

Calculation method and dissemination

The Dow Jones EURO STOXX 50 ® (Price EUR) index is calculated with the Laspeyres formula which measures price changes against a fixed base quantity weight.
The formula can be simplified as follows:

$\text{Index}_t = M_t / D_t$

D_t	= B_t / Base Value = divisor at time (t)
P_{i0}	= the closing price of stock (i) at the base date (31 December 1991)
q_{i0}	= the number of shares of company (i) at the base date (31 December 1991)
p_{it}	= the price of stock (i) at time (t)
q_{it}	= the number of shares of company (i) at time (t)
C_t	= the adjustment factor for the base date market capitalisation
t	= the time the index is computed
M_t	= market capitalisation of the index at time (t)
B_t	= adjusted base date market capitalisation of the index at time (t)
X_{it}^{EURO}	= cross rate: domestic currency in euros of company (i) at time (t) {applies only for companies that are not traded in euros}
Base value	= 1,000 for the blue chip indexes and 100 for all other indexes on the base date; i.e. 31 December 1991

The closing value of the Dow Jones EURO STOXX 50 ® index is calculated at 20.00 CET (Central European Time) based on the closing/adjusted price of the shares in the Dow Jones EURO STOXX 50 ® index. If a stock did not trade all day then the previous day's closing/adjusted price is used. The same applies in case of a suspended quotation or stock exchange holiday.

More information is also available on the internet web site: http://www.stoxx.com/

Revision of the index

Annual review procedure:

(1) Selection List

- For each of the 18 market sectors, the largest stocks in the Dow Jones EURO STOXX ® index qualify for the selection list until the coverage is as close to, above or below, 60% of the relevant Dow Jones EURO STOXX ® Total Market ® Index (TMI) sector™s total free float market capitalisation at the end of August, with changes effective on the third Friday in September.
- All current components of the Dow Jones EURO STOXX 50 ® index.
- All stocks on the selection list are then ranked by free float market capitalisation.
- In exceptional cases the supervisory board could make additions or deletions to the selection list.

(2) 40-60 Rule

The 40-60™ rule is then applied to select the blue chip stocks from the selection list:

- The largest 40 stocks on the list are selected.
- The remaining 10 stocks are selected from the largest remaining current stocks ranked between 41 and 60.
- If the number of stocks selected is still below 50, the largest remaining stocks are selected to bring the total to 50.

In addition, a selection list is also published on the first trading day of every month to indicate possible changes to the blue chip index composition at the next annual review or in case of extraordinary corporate actions.

The free float factors are reviewed quarterly. If the free float weighting of a blue chip component is more than 10% of the total free float market capitalisation of the Dow Jones EURO STOXX 50® index at a quarterly review, then it is reduced to 10% by a weighting cap factor that is fixed until the next quarterly review.

Composition of the index (as of 20 September 2010)

Ticker	**Name**
AI FP Equity	Air Liquide
ALV GY Equity	Allianz SE
ALO FP Equity	Alstom SA
ABI BB Equity	Anheuser-Busch InBev NV
MTP FP Equity	ArcelorMittal
G IM Equity	Assicurazioni Generali SpA
CS FP Equity	AXA SA
BBVA SQ Equity	Banco Bilbao Vizcaya Argentaria SA
SAN SQ Equity	Banco Santander Central Hispano SA
BAS GY Equity	BASF AG
BAY GY Equity	Bayer AG
BMW GY Equity	BMW AG
BNP FP Equity	BNP Paribas
CA FP Equity	Carrefour SA
SGO FP Equity	Cie de Saint-Gobain
ACA FP Equity	Credit Agricole SA
CRH ID Equity	CRH PLC
DAI GY Equity	Daimler AG
BN FP Equity	Danone
DBK GY Equity	Deutsche Bank AG
DB1 GY Equity	Deutsche Boerse AG
DTE GY Equity	Deutsche Telekom AG
EOA GY Equity	E.ON AG
ENEL IM Equity	Enel SpA
ENI IM Equity	ENI SpA
FTE FP Equity	France Telecom SA
GSZ FP Equity	GDF Suez
IBE SQ Equity	Iberdrola SA
INGA NA Equity	ING Groep NV
ISP IM Equity	Intesa Sanpaolo SpA
PHIA NA Equity	Koninklijke Philips Electronics NV
OR FP Equity	L'Oreal SA
MC FP Equity	LVMH Moet Hennessy Louis Vuitton SA
MUV2 GY Equity	Muenchener Rueckversicherungs AG
NOK1V FH Equity	Nokia OYJ
REP SQ Equity	Repsol YPF SA
RWE GY Equity	RWE AG
SAN FP Equity	Sanofi-Aventis AG
SAP GY Equity	SAP AG
SU FP Equity	Schneider Electric SA
SIE GY Equity	Siemens AG
GLE FP Equity	Societe Generale

TIT IM Equity	Telecom Italia SpA
TEF SQ Equity	Telefonica SA
FP FP Equity	Total SA
UC IM Equity	UniCredito SpA
UNA NA Equity	Unilever NV
DG FP Equity	Vinci SA
VIV FP Equity	Vivendi
VOW GR Equity	Volkswagen AG

Source: *Bloomberg*

Historical evolution of the index

Source: *Bloomberg*

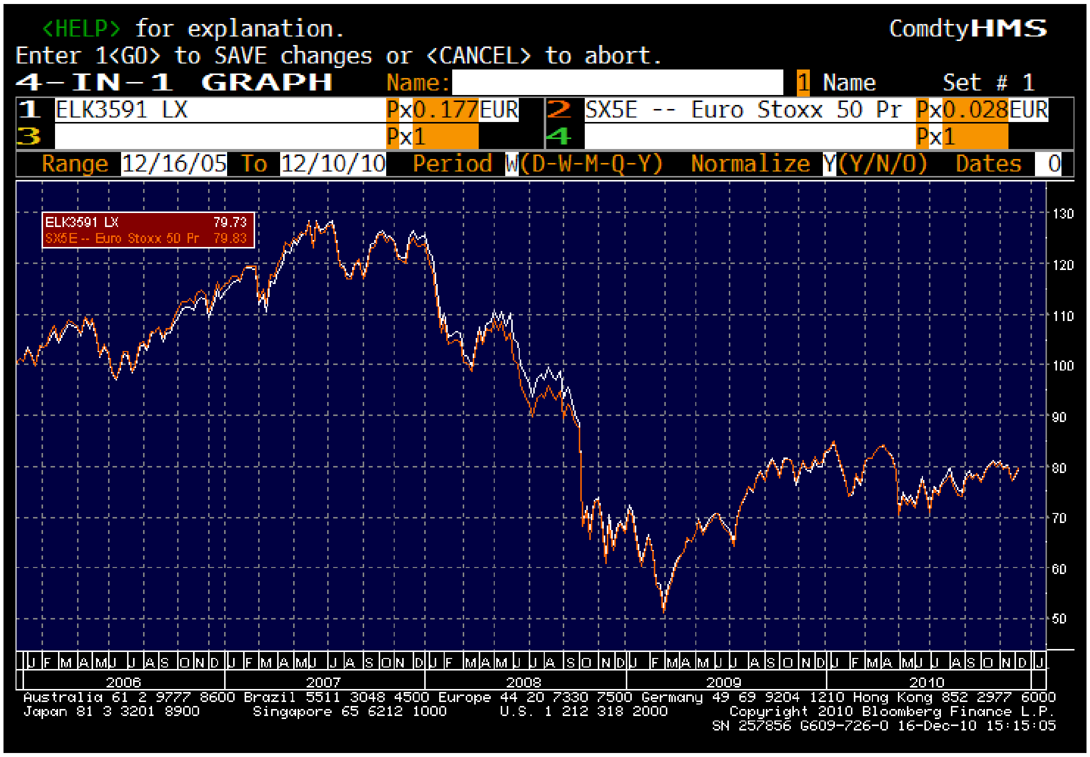
	HIGH	***LOW***
1 January1999 –31 March 1999	*3685.36*	*3325.56*
1 April 1999 – 30 June 1999	*3867.89*	*3573.60*
1 July 1999 – 30 September 1999	*3971.84*	*3512.71*
1 October 1999 – 31 December 1999	*4904.46*	*3607.72*
1 January2000 –31 March 2000	*5464.43*	*4500.69*
1 April 2000 – 30 June 2000	*5434.81*	*4903.92*
1 July 2000 – 30 September 2000	*5392.63*	*4915.18*
1 October 2000 – 31 December 2000	*5101.40*	*4614.24*
1 January 2001–31 March 2001	*4787.45*	*3891.49*
1 April 2001 – 30 June 2001	*4582.07*	*4039.16*
1 July 2001 – 30 September 2001	*4304.44*	*2877.68*
1 October 2001 – 31 December 2001	*3828.76*	*3208.31*
1 January 2002–31 March 2002	*3833.09*	*3430.18*
1 April 2002 – 30 June 2002	*3748.44*	*2928.72*
1 July 2002 – 30 September 2002	*3165.47*	*2187.22*

1 October 2002 – 31 December 2002	*2669.89*	*2150.27*
January 2003	*2529.86*	*2154.53*
February 2003	*2280.82*	*2058.97*
March 2003	*2249.11*	*1849.64*
April 2003	*2365.97*	*2067.23*
May 2003	*2389.7*	*2229.43*
June 2003	*2527.44*	*2365.76*
July 2003	*2519.79*	*2366.86*
August 2003	*2593.55*	*2436.06*
September 2003	*2641.55*	*2395.87*
October 2003	*2542.52*	*2427.06*
November 2003	*2592.91*	*2517.38*
December 2003	*2660.37*	*2572.70*
January 2004	*2746.40*	*2687.39*
February 2004	*2775.08*	*2678.48*
March 2004	*2804.06*	*2608.38*
April 2004	*2795.53*	*2694.18*
May 2004	*2753.15*	*2626.96*
June 2004	*2840.04*	*2713.29*
July 2004	*2806.62*	*2640.61*
August 2004	*2712.45*	*2580.04*
September 2004	*2790.67*	*2691.67*
October 2004	*2834.62*	*2734.37*
November 2004	*2922.24*	*2834.03*
December 2004	*2955.11*	*2888.02*
January 2005	*2984.59*	*2924.01*
February 2005	*3085.95*	*3008.85*
March 2005	*3114.54*	*3032.13*
April 2004	*3090.72*	*2930.10*
May 2005	*3096.54*	*2949.09*
June 2005	*3190.80*	*3099.20*
July 2005	*3333.05*	*3170.06*
August 2005	*3370.84*	*3224.10*
September 2005	*3429.42*	*3274.42*
October 2005	*3464.23*	*3241.14*
November 2005	*3471.43*	*3312.45*
December 2005	*3616.33*	*3499.40*
January 2006	*3691.41*	*3532.68*
February 2006	*3840.56*	*3671.37*
March 2006	*3874.61*	*3727.96*
April 2006	*3888.46*	*3770.79*
May 2006	*3890.94*	*3539.77*
June 2006	*3648.92*	*3408.02*
July 2006	*3710.60*	*3492.11*
August 2006	*3817.86*	*3640.60*
September 2006	*3899.41*	*3739.70*
October 2006	*4027.29*	*3880.14*
November 2006	*4109.81*	*3974.62*
December 2006	*4140.66*	*3932.09*
January 2007	*4195.22*	*4090.88*
February 2007	*4272.32*	*4087.12*
March 2007	*4191.58*	*3906.15*
April 2007	*4416.79*	*4189.55*
May 2007	*4512.65*	*4391.87*
June 2007	*4556.97*	*4376.42*
July 2007	*4557.57*	*4239.18*

August 2007	*4364.22*	*4062.33*
September 2007	*4389.33*	*4136.45*
October 2007	*4489.79*	*4356.24*
November 2007	*4415.27*	*4195.58*
December 2007	*4469.47*	*4301.34*
January 2008	*4339.23*	*3577.99*
February 2008	*3867.47*	*3678.16*
March 2008	*3684.54*	*3431.82*
April 2008	*3828.46*	*3671.28*
May 2008	*3882.28*	*3711.03*
June 2008	*3737.34*	*3340.27*
July 2008	*3387.50*	*3142.73*
August 2008	*3445.66*	*3248.92*
September 2008	*3416.46*	*3000.83*
October 2008	*3113.82*	*2293.05*
November 2008	*2755.12*	*2165.91*
December 2008	*2495.58*	*2252.09*
January 2009	*2578.43*	*2147.87*
February 2009	*2348.95*	*1965.26*
March 2009	*2156.97*	*1809.98*
April 2009	*2375.34*	*2097.57*
May 2009	*2487.17*	*2353.53*
June 2009	*2537.35*	*2353.48*
July 2009	*2654.74*	*2281.47*
August 2009	*2803.65*	*2603.79*
September 2009	*2899.12*	*2699.22*
October 2009	*2950.82*	*2743.50*
November 2009	*2926.15*	*2712.30*
December 2009	*2992.08*	*2818.10*
January 2010	*3017.85*	*2737.33*
February 2010	*2631.64*	*2830.01*
March 2010	*2948.09*	*2772.70*
April 2010	*2788.54*	*3012.65*
May 2010	*2488.50*	*2816.50*
Juni 2010	*2529.97*	*2768.27*
July 2010	*2507.83*	*2769.31*
August 2010	*2587.40*	*2827.27*
September 2010	*2715.19*	*2806.47*
October 2010	*2701.02*	*2882.29*
November 2010	*2650.99*	*2890.64*
Closing level (15/12/2010)		*2841.99*

Source: Bloomberg

Historical evolution of the Underlying Value compared to the Index



<u>Source</u>: Bloomberg

ANNEXES

Annex 1: Articles of Association (unofficial translation)

DEXIA BANK BELGIUM
Abbreviated: Dexia Bank
Société anonyme

Boulevard Pachéco 44
1000 Brussels

RPM Brussels
VAT BE 403.201.185

CO-ORDINATED ARTICLES OF ASSOCIATION

Article 1 - NAME, LEGAL FORM, DURATION

The Company is a limited liability Company of unlimited duration.

The name of the Company is "Dexia Banque Belgique" in French, "Dexia Bank België" in Dutch, "Dexia Bank Belgien" in German and "Dexia Bank Belgium" in English, or in abbreviated form "Dexia Banque" and "Dexia Bank".

The Company may also carry on its business activities under the following commercial denominations "Artesia Banking Corporation", "Artesia BC", "Artesia Bank", "Banque Artesia", "Artesia", "BACOB", "BACOB Bank" and "BACOB Banque".

The Company publicly appeals to savings funds.

Article 2 - REGISTERED OFFICE, OTHER OFFICES

The registered office of the Company is situated at 1000 Brussels, boulevard Pachéco 44. The registered office may be transferred to another place, within the Region of Brussels-capital by decision of the Board of Directors.

The Company may establish offices and branches wherever the Board of Directors deems it useful.

Article 3 - OBJECT

The Company's object is to carry on the business of a credit institution and it has in furtherance of its object all the necessary powers, including the power to enter into transactions on financial derivatives. As such, the Company may - for its own account and for the account of third parties or in cooperation with third parties- even by intermediary of a natural person or a legal entity, both in Belgium and abroad, undertake any and all activities and carry out all banking transactions including inter alia:

1° transactions regarding deposits, credits within the broadest sense, brokerage, stock exchange related operations, launches of issues, guarantees and surety;

2° short, medium and long-term credit transactions, sustain investments by provinces, municipalities and organisations of a regional and local character, and likewise investments effected by all public establishments, companies, associations and organisations, which are constituted for regional and local purposes, and which provinces, municipalities and organisations of a regional and local character are authorised to support;

3° to further, by means of appropriate credit transactions, the day-to-day operation of the budgets of provinces, municipalities and organisations of a regional and local character, and of all other institutions referred to in 2° above, and likewise the day-to-day management of their concerns, public companies and enterprises.

Furthermore, the Company may distribute insurance products from third party insurance companies. The Company may acquire, own and sell shares and participations in one or more companies, within the limits provided for by the legal status of credit institutions.

The Company is entitled to carry out any transactions of whatever nature, inter alia financial, commercial, including goods and estate, relating directly or indirectly to the furtherance of its object or of such a nature as to facilitate the achievement thereof.

All the provisions of the present article must be interpreted in the broadest sense and within the context of the laws and regulations governing transactions of credit institutions.

Article 4 - CAPITAL, SHARES

The issued and fully paid-up capital amounts to three billion four hundred fifty eight million sixty six thousand two hundred twenty seven euros and forty one cent (EUR 3.458.066.227,41). It is divided into three hundred and fifty-nine million four hundred and twelve thousand six hundred sixteen registered shares (359.412.616) with no face value, each representing one / three hundred and fifty-nine million four hundred and twelve thousand six hundred sixteenth ($1/359.412.616^{th}$) fraction of the share capital.

Article 4bis – AUTHORIZED CAPITAL

The board of directors is authorized to increase the authorized capital of the company in one or more instalments at such times and on such terms and conditions as it shall determine up to a maximum amount of twenty five million euros (25.000.000,00 EUR). Such authority shall be valid for a period of five years from the gazetting in the annexes to the Moniteur Belge [Official Gazette] of the alteration of the Articles resolved by the extraordinary general meeting of June 18^{th} 2007. It shall be renewable.

The board of directors is authorized to issue in one or more instalments and on the conditions permitted by law, convertible bonds, equity notes, warrants or other financial instruments with share warrants attached up to a maximum amount fixed such that the capital resulting form the conversion or redemption of bonds or the exercise of the warrants or other financial instruments is not increased above the remaining maximum limit to which the board of directors is authorized to increase the capital pursuant to paragraph 1 hereof.

Increases of capital effected pursuant to these authorizations may be made by way of cash subscriptions, non-cash contributions within the permitted statutory limits, by capitalization of available or appropriated reserves, or share premiums, with or without an issue of new shares.

The board of directors shall act in observance of shareholders' statutory pre-emption rights. The board of directors may, in the interest of the company and in the conditions prescribed by statute, restrict or disapply existing shareholders' statutory pre-emption rights in respect of increases of capital subscribed in cash and for issues of convertible bonds, equity notes, warrants or other financial instruments with share warrants attached resolved by it, including in favour of one or more identified individuals other than employees of the company or its subsidiaries.

Any share premium resulting from an increase of capital resolved by the board of directors shall be recorded in a reserve account not available for distribution, which shall afford the same third party guarantees as the capital, and may not, other than where capitalised by resolution of the general meeting or board of directors as provided above, be reduced or cancelled other than by resolution of the general meeting taken in the conditions prescribed by article 612 of the Companies Code.

Article 5 - BENEFICIAL SHARES

There are three hundred thousand (300,000) registered beneficial shares. These beneficial shares have no face value and do not represent the share capital.

The beneficial shares are neither negotiable nor transferable, either for consideration or free of charge, except with the prior approval of the Board of Directors. Moreover, they cannot be pledged and may not be subject to the right of usufruct or any other form of splitting up economic and legal ownership, except with the prior approval of the Board of Directors.

Unless there are legal provisions to the contrary, beneficial shares shall not entitle their holders to attend General Meetings of the Company or to exercise any voting right.

They may only be cancelled by observing the procedure as provided for in article 560 of the Belgian Companies Code.

In case of a share capital increase, the holders of beneficial shares shall not enjoy any right of preferential subscription. Neither shall they have any preferential right when beneficial shares are issued on a later date.

Beneficial shares shall give right to a preferential dividend to be determined in a separate agreement. The total amount of dividends attributable each financial year to the entirety of the beneficial shares may not be more than two point two eight per cent (2.28 %) of the available profits as defined in article 13 of the articles of association, specific legal limits included. Beneficial shares shall give no right to the normal dividends distributed to the shareholders representing the share capital. A beneficial share shall no longer give right to a dividend when the beneficiary ceases to exist, after having received the dividend for the financial year preceding the financial year during the course of which the aforementioned occurs.

In the event of a winding up of the Company, if the beneficial shares still exist at that moment, and after all corporate debts being discharged or after allocation of the funds necessary to discharge those debts being made, the net proceeds of the winding up shall serve in the first place to pay the dividends to which the holders of beneficial shares are entitled until the date of winding up and which have not yet been paid. The holders of beneficial shares shall have no other right to participate in the distribution of the remaining portion of the net proceeds from the winding up of the Company.

Article 6 - COMPOSITION OF THE BOARD OF DIRECTORS

The Company is managed by a Board of Directors composed of maximum twenty-six members, who are appointed and may be revoked by the General Meeting. The majority of Directors, other than those referred to in the second paragraph, must be public representatives of local authorities.

The Board is composed of eight members who have professional experience in banking and financial matters, who shall be appointed by proposal of the Board of Directors in their capacity as members of the Management Board.

The mandates of the members of the Board of Directors are granted for a period of maximum four years. The members are eligible for re-election.

The General Meeting determines the remuneration of the members, with the exception of the members of the Board referred to in the second paragraph.

In the event of there being a vacancy on the Board, the Board of Directors provides for an interim appointment, in accordance with the nomination procedures referred to in this article. The following General Meeting shall make a permanent appointment. The mandate of the person so appointed shall be granted for a period of maximum four years.

The Chairman and Vice-Chairmen are appointed by the Board of Directors from among the members of the Board other than those referred to in the second paragraph.

The Board of Directors may set up one or more advisory committees from among its number and on its own responsibility. The Board shall determine their membership and describe their tasks.

The Board may appoint a Secretary, who is either a Director or not.

Article 7 – POWERS OF THE BOARD OF DIRECTORS

The Board of Directors shall have the powers to carry out all acts which are useful or necessary for the achievement of the object of the Company, except for the powers reserved to the General Meeting by law.

The Board of Directors may delegate special powers to its Chairman, its Vice-Chairmen or one or more of its members.

Article 8 – MANAGEMENT COMMITTEE

In accordance with the law, the Board of Directors may delegate all or part of the powers referred to in article 522, paragraph 1, 1 of the Belgian Companies Code to a Management Committee, for which only members of the Board of Directors can qualify. However, this delegation may not involve either the determination of general policy or acts reserved to the Board of Directors by other provisions of the said Company Code.

The Management Committee consists of maximum eight members who constitute a collegial body. The Chairman, Vice-Chairman and members are appointed by the Board of Directors from among the members referred to in article 6, second paragraph, by nomination of the Management Committee and with the approval of the Banking, Finance and Insurance Commission. The Chairman, Vice-Chairman and members may be removed from office by the Board of Directors, on the advice of the Management Committee and with the approval of the Banking, Finance and Insurance Commission. Termination of the mandate of a member of the Management Committee will result in the immediate termination of his mandate as a member of the Board of Directors. The remuneration of members of the Management Committee is determined by the Board of Directors in consultation with the Chairman of the Management Committee.

Every year, the Board of Directors will advise on the discharge to be given to the members of the Management Committee regarding the execution of their missions during the previous year.

The Management Board may appoint a Secretary, who is either a member of the Committee or not.

The quorum with which the committee may validly transact its business is at least half the directors present in person or by proxy. Each member may give a proxy to a fellow committee member by ordinary letter, telefax, printed email or any other way in writing. Provided that no director may hold proxies for more than one other committee member.

Meetings may be held by telephone conference or by videoconference. In that case, the meeting of the management committee shall be deemed to be held at the company's registered office.

The Management Board may validly deliberate and decide only when at least half of its members are present or represented. Each member is allowed to give another member power of proxy by letter, telefax, printed e-mail or any other written document. Each member can be represented by only one of his colleagues.

The decisions of the Management Board shall be taken by the simple majority of votes of all members present or represented. In case of a tighted vote, the vote of the chairman shall prevail.

Copies and extracts of the minutes of the Management Committee are signed by its Chairman, its Vice-Chairman, one of its members or the Secretary.

The Management Committee may delegate special powers to its Chairman, Vice-Chairman, one or more of its members, one or more members of the staff or any other person. The Committee may authorise sub-delegation thereof..

Article 9 – MEETINGS OF THE BOARD OF DIRECTORS

The Board meets when convened by the Chairman or, in the event of his absence, by one of the Vice-Chairmen or, in the event of the absence of the latter, two other members of the Board, whenever the interests of the Company so require. A meeting must be convened if three members of the Board so request.

Notices of meetings shall be validly made by letter, fax, email or any other means referred to in article 2281 of the Civil Code. Any director present or duly represented shall be assumed automatically to have been properly convened.

The meetings are chaired by the Chairman of the Board. In the absence of the Chairman, he shall be replaced by one of the Vice-Chairmen and, in the latter's absence, by a member designated by the other members of the Board from among members other than those referred to in article 6, second paragraph.

All deliberations require at least half of the members to be present or represented.

Decisions are taken by a majority of votes cast by the members present or represented, and in the event of a tied vote, the Chairman or the person representing him has the casting vote.

A member of the Board who is unable to be present may, by letter or any other means of communication in which the authority to vote on his behalf is recorded in a document, authorise another member to represent him and vote in his stead. However, no member of the Board may represent more than one other member.

In exceptional cases, duly justified by their urgency and in the interests of the Company, the decisions of the Board of Directors may be taken through the unanimous written consent of its members. The signatures of members of the Board may be placed either on one single document or on several copies of the same document. The decisions shall bear the date of the last signature placed on the said document or documents. However, recourse to this procedure shall not be possible for the closing of the annual accounts.

Meetings may be held by telephone conference or by videoconference. In that case, the meeting of the Board of Directors shall be deemed to be held at the company's registered office.

The minutes of the meetings are approved by the Board and signed by the Chairman or one of the Vice-Chairmen.

Copies and extracts of the minutes of the Board are signed either by the Chairman or one of the Vice-Chairmen of the Board, by the Chairman or the Vice Chairman or a member of the Committee, or by the Secretary of the Board

Article 10 - REPRESENTATION OF THE COMPANY

The Company is represented, both in legal proceedings and in relation to third parties, by two members of the Management Committee acting jointly.

The Company is also validly represented by one or more specially authorised agents within the limits of the powers conferred upon them.

Article 11 – AUDITORS

The auditing of the financial situation and the annual accounts of the Company is entrusted to one or more auditors approved by the Banking, Finance and Insurance Commission, who are appointed for a period of three years by the General Meeting, on the proposal of the Board of Directors and on the nomination of the Works Council.

If several auditors are appointed, they shall form a collegial body.

Article 12 – FINANCIAL YEAR, INVENTORY, ANNUAL ACCOUNTS

The financial year starts on the first of January and ends on the thirty-first of December.

On the thirty-first of December each year, the Board of Directors draws up an inventory of all assets, rights, receivables, debts and liabilities of whatever kind relating to the business activity of the Company and the Company's own funds allocated to this.

It reconciles the accounts with the inventory data and draws up the annual accounts.

Article 13 – DISTRIBUTION OF PROFITS

I. To the amount of the legal minimum, at least one twentieth of the net profits is taken each year to be allocated to the legal reserve.

Distributable profits are made up of the net profits for the financial year, minus prior losses and the allocation provided for in the preceding paragraph, increased by the amount of credit balances carried forward.

II. The General Meeting, on the proposal of the Board of Directors, determines the portion of the distributable profits to be allocated to shareholders in the form of dividends, taking into account the provisions of article 5 of the present articles of association. With regard to any surplus, if any, the General Meeting decides either to carry it forward or to enter it under one or more reserve items of which it regulates the use and application. Furthermore, the General Meeting may decide to distribute sums withdrawn from the reserves available to it; in this case, the decision shall expressly indicate the reserve items from which the withdrawals are made. However, dividends are in the first instance taken from the distributable profits of the respective financial year.

III. The terms of payment of dividends are determined by the Board of Directors.

Under the conditions provided for in the Belgian Company Code, the Board of Directors may pay interim dividends.

Article 14 – ANNUAL MEETING

The Annual Meeting of shareholders takes place on the last Wednesday of April at 2.30 p.m., at the registered office or any other place indicated in the attendance notice. If that day is a legal or bank holiday, the Meeting will take place on the following bank working day.

Article 15 – FORMALITIES FOR ADMISSION TO THE GENERAL MEETING

The holders of registered shares must give notice of their intention to attend the General Meeting.

Any shareholder may be represented at the General Meeting by a proxy holder, whether the latter is himself a shareholder or not.

Bondholders, holders of warrants and certificates, issued in collaboration with the Company, may only attend the General Meeting in an advisory capacity.

Registered bondholders, registered holders of warrants and certificates, issued in collaboration with the Company, must at least five days prior to the date of the General Meeting, give notice in writing of their intention to attend the General Meeting.

Bearer bondholders, holders of warrants and certificates, issued in collaboration with the Company, must at least five days prior to the date of the General Meeting, deposit their securities at the registered office of the Company or at another place mentioned in the attendance notice; the holders of dematerialised securities must in the same manner deposit a certificate which is drawn up by the certified account holder or clearing institution, confirming that the securities are unavailable until the date of the Meeting, inclusive. They shall be admitted to the General Meeting upon presentation of the certificate proving that their securities or the certificate were deposited in time.

Co-owners, beneficial owners and bare owners, secured creditors and secured debtors must be represented respectively by one and the same person.

With the exception of resolutions which have to be passed by notarial act, the shareholders may adopt all resolutions, unanimously and in writing, for which the General Meeting is empowered. For this purpose the Board of Directors shall send the shareholders a registered circular and send the directors and statutory auditors a circular by ordinary mail, fax, e-mail or any other medium stating the agenda and motions and requesting approval of the motions by the shareholders and return of the letter, duly signed, to the address stated in the circular, within a period of fifteen banking days of receipt. If the approval of all shareholders is not received within this period, the resolution shall be deemed not passed. The holders of bonds, warrants and certificates issued with the company’s collaboration may take note of the resolutions.

Article 16 – GENERAL MEETING

The Chairman of the Board of Directors chairs the Meeting. He also acts as a member of the board of the Meeting.

In the event of his absence, the Chairman is replaced by one of the Vice-Chairmen or, in the event of the latter’s absence, by a member of the Board designated by the other members.

The minutes of the Meeting shall be signed by the members of the Board of the Meeting and by the shareholders who so request.

Copies and extracts of the minutes of the Meeting shall be signed by the Chairman or one of the Vice-Chairmen of the Board of Directors or by the Chairman, the Vice-Chairman or a member of the Management Committee.

Article 17 – WINDING-UP, DISTRIBUTION OF AVAILABLE ASSETS

In the event of the Company being wound up, the General Meeting appoints one or more liquidators, and determines their powers and fees and fixes the liquidation procedure.

The Board of Directors is as a matter of law responsible for the liquidation until the liquidators are appointed.

After clearance of the Company's debts and liabilities, the liquidation proceeds are distributed equally between the shareholders in one or more instalments.

Article 18 – ELECTION OF DOMICILE

The shareholders, members of the Board, auditors and liquidators are obliged to elect domicile in Belgium for all their dealings with the Company. If they do not comply with this obligation, they shall be deemed to have elected domicile at the registered office of the Company, where all writs, notices and summons will be served upon them and where all letters and communications may be sent to them.

TRANSITIONAL PROVISION

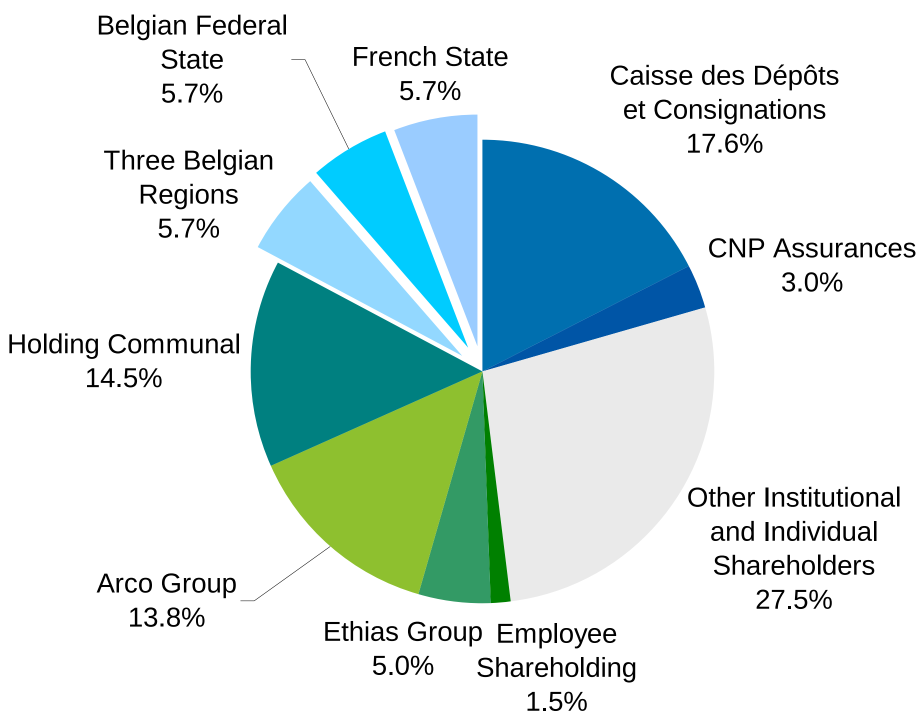
The new names and abbreviations are applicable as from the first of April two thousand and two. Any document emanating from the Company bearing the former names and abbreviations or the names or abbreviations of one of the Companies merged, even after the first of April two thousand and two, must, however, be read as emanating from the Company bearing the new names and abbreviations.

Annex 2 : Shareholder structure on September 30, 2010

This shareholder structure relates to Dexia NV. Any reference to "Dexia" is to be read as a reference to Dexia NV.

This shareholder structure relates to Dexia NV. Any reference to "Dexia" is to be read as a reference to Dexia NV.

	Shareholding in Dexia
Belgian Federal State, through *Société de Participations et d'Investissement-Federale Participatie- en investeringsmaatschappij*	5.731%
Flemish Region, through *Vlaams Toekomstfonds*	2.866%
Walloon Region, through *FIWAPAC*	2.006%
Brussels-Capital Region	0.860%
Holding Communal	14.485%
Arco Group	13.754%
Ethias Group	5.04%
French State, through *Société de Prise de Participation de l'Etat*	5.7%
Caisse des Dépôts et Consignations	17.614%
CNP Assurances	2.961%
Employee Shareholding	1.5%
Other institutional and individual shareholders	27.453%



Annex 3 : Press Release February 24, 2010

This press release relates to Dexia NV. Any reference to "Dexia" is to be read as a reference to Dexia NV.

Regulated information* – Brussels, Paris, February 24, 2010 – 05.45 pm

Transformation plan ahead of target

Net profit of EUR 1,010 million in 2009 and EUR 202 million in 4Q 2009

Highlights

- **Transformation plan ahead of target**: Group refocused on core client franchises, risk profile of the Group strongly improved and cost reduction well on track
- **Agreement reached with the European Commission** on the restructuring plan of the Group

Full Year 2009: recovery of the Group's profitability

- Net profit of EUR 1,010 million vs. 2008 net loss of EUR 3,326 million
- Profitability of core businesses confirmed quarter after quarter

4Q 2009

- Net profit of EUR 202 million vs. 4Q 2008 net loss of EUR 2,603 million

- **Strong solvency**: Tier 1 ratio of 12.3% and core Tier 1 ratio of 11.3%

- **Dividend:** The Board of Directors intends to submit to the Shareholders' General Meeting a proposal to pay a dividend in shares corresponding to a 35% pay-out

- **Outlook 2010**
  - Further implementation of the transformation plan, integrating the content of the agreement with European Commission announced on February 5, 2010
  - Early exit from the States guarantee on funding: full exit planned for June 30, 2010
  - Presentation of the business reviews during an **Investor Day** to be held on **May 27, 2010**

Mr. Jean Luc Dehaene, Chairman of the Board of Directors, said: "The transformation initiated end of 2008 and the mobilization of all the Group's staff were up to the challenges the bank then faced. The progresses we have made was acknowledged by the European Commission and Dexia is now refocused on its historical perimeter. With this strong base, Dexia has given itself the means to reinvest in its commercial franchises."

Mr. Pierre Mariani, Chief Executive Officer and Chairman of the Management Board, said: “In 2009, quarter after quarter, Dexia has kept to or exceeded its commitments and has returned to profitability. After a loss of EUR 3.3 billion in 2008, the Group demonstrates the profitability of its core businesses. Refocused on its commercial franchises, in its historic markets, Dexia will deploy, in what remains a challenging environment, its strategy, business by business and continuously better serve its client base.”

** Dexia is a listed company. This press release contains information subject to the transparency regulations for listed companies.*

During its February 24, 2010 meeting, the Board of Directors examined the results of Dexia.

Transformation plan: ahead of target

Refocus on the historical franchises of the Group

In November 2008 the Group committed to exit its non-strategic territories, to decrease its Public and Wholesale Banking production sharply from EUR 52 billion in 2008 to EUR 19 billion in 2009 and to increase its client deposits base.

These targets have been reached. The Group has stopped its commercial activities in Australia, Mexico, India, Scandinavia, Switzerland (in the field of public finance), Japan as well as Central and Eastern Europe. Activities in the United Kingdom and North America have been sharply reduced. New production in Public & Wholesale Banking has been brought back to EUR 12 billion in 2009. Moreover, EUR 8.4 billion of additional deposits have been collected in Retail & Commercial Banking and Public & Wholesale Banking.

Dexia was equally committed to develop its commercial franchises in Retail & Commercial Banking in Belgium, Turkey and Luxembourg. A EUR 350 million investment program was decided upon to modernise the branch network in Belgium, of which EUR 105 million was committed in 2009. In Turkey, the bank has acquired 615,000 more clients over the year.

Beyond these commitments, Dexia signed an agreement for the sale of Dexia Epargne Pension, sold its 20%-stake in Crédit du Nord and refocused its Private Banking activities on Luxembourg and Switzerland.

In accordance with the agreement with the European Commission, Dexia has undertaken, within the coming three years, to dispose of its stakes in Dexia Crediop (by 31/10/2012), Dexia Sabadell (by 31/12/2013), Dexia banka Slovensko (by 31/10/2012) as well as its stakes in AdInfo (by 31/12/2010), its insurance activities in Turkey (by 31/10/2012) and SPE (by 31/12/2010). The disposal of these entities will enable the Group to reduce its balance sheet by an amount of approximately EUR 44 billion.

Improvement of the Group's risk profile and liquidity situation of the Group

As early as November 2008 Dexia undertook to improve its risk profile by way of the disposal of FSA Insurance, an improvement to its liquidity situation (the latter to be improved through the use of State-guaranteed funding, the progressive disposal of its bond portfolios and non-strategic loans as well as the adjustment of its Public & Wholesale Banking production to its refinancing capacity) and lastly, the in-depth reorganisation of its trading activities.

In line with the calendar, FSA Insurance was disposed of on July 1, 2009. The States of Belgium and France guarantee 75% of the assets held in the Financial Products portfolio. By way of this guarantee the States will cover losses above a first loss of USD 4.5 billion (see details in press releases dated November 14, 2008). As at December 31, 2009, Dexia had booked a total provision of USD 2 billion in relation to the Financial Products portfolio. It is important to note that the Group's solvency ratios are immunized against the potential losses of the guaranteed portfolio.

In terms of liquidity the Group has well exceeded its objectives. The debt profile of the Group was extended, with EUR 46 billion of medium and long-term debt raised during 2009, of which EUR 13 billion in the format of Covered Bonds. Half these issues were made without using the States guarantee. The size of the balance sheet was down scaled by EUR 73 billion (11%) between the end of 2008 and end of 2009, notably via the sale of EUR 18 billion of bonds and non-strategic loans. The production in Public & Wholesale Banking was brought back in line with the Group's long-term funding capacity and the availability of its stable funding (deposits and covered bonds).

As a consequence the need for short-term funding has been reduced by around EUR 80 billion in 2009, enabling the Group to reduce the outstanding amount of State guaranteed funding from EUR 95 billion at the peak of its use in May 2009 to EUR 50 billion at the end of December 2009 while at the same time reducing the outstanding amounts being refinanced via the central banks from EUR 122 billion at the end of 2008 to EUR 57 billion at the end of 2009. At the end of 2009, Dexia had EUR 136 billion worth of central bank eligible assets on its balance sheet of which EUR 94 billion were mobilized to raise secured funding via repos and central bank operations.

In line accordance with the agreement concluded with the European Commission, the Group's short-term funding will decrease steadily to reach a maximum of 11% of the total balance sheet in 2014, with a target at 23% by the end of 2010. The average life of funding excluding deposits will increase by 1 year until December 2014 to reduce the asset/liabilities duration gap. Lastly, the ratio of stable funding (defined as the sum of covered bonds and deposits) over total assets will increase over time to reach 58% by the end of 2014 with a target of 40% by the end of 2010.

A reporting on the three above-mentioned commitments will be made to the European Commission every 6 months.

Proprietary trading was stopped and the VaR limits cut by half. The use of VaR fell sharply, from EUR 127.5 million in the last quarter of 2008 to EUR 46 million in the fourth quarter of 2009. Finally, trading activities were centralised in Brussels and the management of portfolios in run-off in Dublin.

Cost Reduction

Dexia undertook to reduce its cost base by EUR 600 million by 2011, o/w EUR 200 million in savings to be realised in 2009.

Excluding restructuring charges, EUR 434 million in cost savings were realised in 2009, o/w EUR 73 million linked to the disposal of FSA Insurance. At constant perimeter Dexia has exceeded its cost reduction target by EUR 161 million in 2009.

Group's profitability recovered in 2009

Consolidated statement of income*

In millions of EUR	4Q08	3Q09	4Q09	Var. 4Q09/ 4Q08	Var. 4Q09/ 3Q09	2008	2009	Var. 2009/ 2008
Income**	**-249**	**1,369**	**1,451**	**n.s.**	**+6.0%**	**3,556**	**6,163**	**+73.3%**
Expenses	-1,177	-916	-920	-21.8%	+0.4%	-4,119	-3,607	-12.4%
Gross operating income	**-1,426**	**453**	**531**	**n.s.**	**+17.2%**	**-563**	**2,556**	**n.s.**
Cost of risk & impairments	-1,448	-102	-281	-80.6%	x2.8	-3,314	-1,153	-65.2%
Pre-tax income	**-2,874**	**351**	**250**	**n.s.**	**-28.8%**	**-3,877**	**1,403**	**n.s.**
Tax expense	268	-65	-56	n.s.	-15.1%	629	-314	n.s.
Net income	**-2,606**	**286**	**194**	**n.s.**	**-32.2%**	**-3,248**	**1,089**	**n.s.**
Minority interests	3	-12	8	x2.7	-33.3%	-78	-79	n.s.
Net income Group share	**-2,603**	**274**	**202**	**n.s.**	**-26.3%**	**-3,326**	**1,010**	**n.s.**
Return on Equity***						**-22.6%**	**+5.6%**	
Earnings per share (in EUR)	-1.48	0.16	0.11	-	-	-2.54	0.57	-

* FSA Insurance deconsolidated since 2Q 2009.
** Income (also mentioned as revenues) = interests, fees, and commissions, trading and other income.
*** ROE calculated on Core Shareholders Equity

Note : 2009 figures unaudited

For comparison purposes, pro-forma results taking into account the sale of FSA Insurance (deconsolidated in 2Q 2009) are shown in the Appendix.

In 2009, after recording a loss of EUR 3,326 million in 2008, Dexia returned to profit following four consecutive positive quarters. Net income Group share amounted to EUR 1,010 million as of December 31, 2009.

At EUR 6,163 million revenues were up by 73% in 2009 as compared to the previous year. Aggregate revenues of Retail & Commercial Banking, Public and Wholesale Banking and Asset Management & Services increased by 16% yoy. Revenues from Group Center (comprising Treasury, Portfolios in run-off and Central Assets) which had been strongly impacted by the crisis in 2008 (EUR -994 million) amounted to EUR 898 million in 2009.

In 2009, the cost of risk and impairments reached EUR 1,153 million, far from the pre-crisis level (EUR 170 million in 2007), but below the 2008 EUR 3,314 million cost of risk and impairments which were severely impacted by the crisis (of which EUR 1,665 million due to the sale of FSA Insurance).

Return on equity reached 5.6%, reflecting the first impacts of Dexia's transformation plan launched in November 2008.

In 4Q 2009, revenues, including a EUR 153 million capital gain related to the sale of the Group's 20% stake in Crédit du Nord were equal to EUR 1,451 million vs. a loss of EUR 249 million in 4Q 2008 impacted by crisis items and up 6% vs. 3Q 2009.

Thanks to constant efforts throughout the year, costs were down 21.8% vs. 4Q 2008 and flat compared to the previous quarter.

At EUR 281 million, the cost of risk and impairments were up by EUR 179 million vs 3Q 2009 which benefited from reversals on provisions. During 4Q 2009, the Group took a provision of EUR 140 million on the Financial Products portfolio, thus enabling to keep the stock of provisions on this portfolio unchanged despite USD 100 million of cash losses in 4Q 2009.

For the fourth quarter in a row, net income Group share was positive at EUR 202 million vs. a loss of EUR 2,603 million recorded in 4Q 2008.

Dividend: The Board of Directors intends to submit to the Shareholders' General Meeting a proposal to pay a dividend in shares corresponding to a 35% pay-out

Improved operational performance of all business lines

Retail & Commercial Banking (RCB)

Statement of income

In millions of EUR	4Q08	3Q09	4Q09	Var. 4Q09/ 4Q08	Var. 4Q09/ 3Q09	2008	2009	Var. 2009/ 2008
Income	**686**	**733**	**862**	**+25.7%**	**+17.6%**	**2,722**	**3,035**	**+11.5 %**
Expenses	-488	-469	-476	-2.4%	+1.5%	-1,978	-1,875	-5.2%

Gross operating income	**198**	**264**	**386**	**+94.9%**	**+46.3%**	**744**	**1,160**	**+56.1 %**
Cost of risk & impairments	-235	-89	-96	-59.1%	+7.9%	-508	-363	-28.5%
Pre-tax income	**-37**	**176**	**290**	**n.s.**	**+65.1%**	**235**	**797**	**x3.4**
Tax expense	54	-51	-47	n.s.	-7.6%	-64	-190	x3.0
Net income Group share	**23**	**125**	**243**	**x10.6**	**+94.2%**	**184**	**608**	**x3.3**

Note : 2009 figures unaudited

In 2009, the Group placed an emphasis on developing its retail franchise both in its historical markets and also in Turkey which turned in a strong RCB commercial performance. At EUR 3,035 million including EUR 153 million capital gain on the sale of the 20%-stake in Crédit du Nord, RCB's revenues increased by 11.5% on 2008. Excluding this gain, revenues went up by 5.9% yoy. Costs decreased by 5% yoy and the cost of risk and impairments decreased by 28.5% on 2008 that was impacted by significant provisioning. As a result net income in 2009 was EUR 608 million equal to 3.3 times 2008 net income.

- In **Belgium**, the client base grew by 3.5% to reach 4.5 million clients. Client satisfaction surveys largely improved over the year in most valuable client segments. Furthermore Dexia launched a program of deployment of its new retail platform representing a EUR 350 million investment including EUR 105 million in 2009: 133 open & cashless branches were opened during the year, out of a target of 308 in 2011 and 400 additional account managers were appointed. This new concept was greeted by strong customer acceptance. Marketing campaigns helped the Group aggressively to regain share of voice in communication and supported the collection of deposits. All this contributed to a growth of EUR 7.2 billion (+14%) of deposits over the year. Loans grew by 5% driven by business credit and mortgages.

  Revenues grew by 7% in 2009 vs. 2008 due to the capital gain realized on the sale of Crédit du Nord and supported by volume growth and favorable deposit mix. As a result of cost control, costs were down 2% and the cost-income ratio decreased by 3 percentage points in 2009 on 2008. Pre-tax income amounted to EUR 302 million in 2009 (including capital gain on the sale of the 20%-stake in Crédit du Nord).

- In **Luxembourg**, the franchise remained resilient despite a turbulent environment. There was a slight increase in international private banking assets and the Group's retail market share remained stable. Revenues were up 17% in 2009 vs. 2008 which was marked by financial crisis related items. Costs were down 7% in 2009 vs. 2008 supported by IT and overhead cost reduction. Pre-tax income amounted to EUR 262 million in 2009.

- In **Turkey**, the dynamic expansion of DenizBank's retail platform was confirmed through the acquisition of 615,000 new retail and business customers (+20% yoy) and the opening of 50 new branches. Deposits grew by 24% through specific commercial initiatives and loans increased by 7%. As a result, the loan-deposit ratio improved strongly (126% at end-2009 versus 146% at end-2008).

  Revenues were up 10% in 2009 vs. 2008 (or +25% in YTL) thanks to improvement of margins and volume growth. Costs decreased by 7% in 2009 vs. 2008. Pre-tax income amounted to EUR 184 million up by 60% compared to end 2008.

In 4Q 2009, revenues excluding the capital gain realized on the sale of the 20%-stake in Crédit du Nord declined slightly vs. 3Q 2009, mainly owing to Luxembourg (EUR 18 million recovery of the payments made to the deposit guarantee fund related to Icelandic banks boosted 3Q 2009 revenues). Belgium's revenues increased by 4% vs 3Q 2009 excluding the capital gain on the sale of the 20%-stake in Crédit du Nord by virtue of volume growth. In Turkey, 4Q 2009 revenues slowed against a challenging 3Q 2009 base.

Costs were up by 2% qoq partly explained by the opening of 29 new branches in Turkey. The cost of risk based on average customer loans was up 5 bps vs. 3Q 2009 at 80 bps in 4Q 2009 driven by Turkey (340 bps in 4Q 2009 vs. 314 bps in 3Q 2009). RCB's Net income Group share for the quarter was EUR 243 million.

In 2010, Dexia will pursue the deployment of its new distribution model in Belgium, leverage its wealth management capabilities and customer base in Luxembourg to strengthen its private banking activities and capitalize on a strong commercial momentum in Turkey.

Public & Wholesale Banking (PWB)

Statement of income								
In millions of EUR	**4Q08**	**3Q09**	**4Q09**	**Var. 4Q09/ 4Q08**	**Var. 4Q09/ 3Q09**	**2008**	**2009**	**Var. 2009/ 2008**
Income	**380**	**341**	**310**	**-18.5%**	**-9.1%**	**1.483**	**1,482**	**-0.1%**
Expenses	-157	-147	-152	-3.1%	+3.8%	-637	-589	-7.5%
Gross operating income	**223**	**194**	**158**	**-29.3%**	**-18.8%**	**846**	**893**	**+5.5%**
Cost of risk & impairments	-141	-30	-51	-63.8%	x 1.7	-234	-141	-39.7%
Pre-tax income	**81**	**165**	**106**	**+30.3%**	**+35.5%**	**612**	**752**	**+22.9%**
Tax expense	-10	-61	-29	x 2.9	-53.1%	-183	-222	+20.9%
Net income Group share	**78**	**95**	**81**	**3.8%**	**-14.9%**	**388**	**502**	**+29.2%**

Note : 2009 figures unaudited

In 2009, as a result of the rapid refocus of the business line on its core franchises, long-term commitments (EUR 260 billion) were down 7.1% compared to the previous year (EUR 280 billion).

In core countries, the public finance business was however resilient, with commitments only down by 1% yoy in Belgium and down by 4% yoy in France. Besides, in 4Q 2009 new loan production recovered on 9M 2009 (+50% qoq in France and + 25% qoq in Belgium).

Throughout 2009, PWB’s production was profitable as margins on new loans more than offset Dexia’s increased cost of funding. The focus on deposits collection and cross-selling to local authorities in core markets led to an increase of deposits and services and investment products of 4%.

In Project Finance, Dexia confirmed the strength of its expertise and franchises and gained mandates on core sectors such as social infrastructure & transportation PPP as well as renewable energies and environment. 2009 was characterized by high levels of pricing especially in the US and Canada, substantially shorter tenors, and reduced final take.

PWB confirmed its profitability in 2009 with a net profit of EUR 502 million, compared to EUR 388 million in 2008, which had been negatively impacted by charges of EUR 199 million on Kommunalkredit Austria. Quarter after quarter, pressure on revenues caused by higher funding costs was mitigated by significant cost reduction efforts and an overall low risk charge (5 bps on average for the full year 2009). Globally, expenses were down by 7.5% in 2009 vs. 2008 (-6% in Belgium and France and -13% in other markets) leading to a decrease of the cost income ratio from 43% to 40% between 2008 and 2009.

In 4Q 2009, revenues were down by 9% qoq, linked to a drop in trading revenues allocated to Public & Wholesale Banking. Liquidity costs stabilized vs 3Q09, notably thanks to the decrease of payments on States guarantee fees. Costs were up 4% qoq and down 3% yoy. The cost of risk increased by EUR 21 Group share for 4Q 2009 was EUR 81 million.

In 2010 and going forward, Dexia will align its lending activity with its funding capacity, focus on new business protecting the group’s profitability and further develop expertise in Project Finance.

In line with the European Commission agreement, the new production will respect a minimum RAROC of 10% (reporting will be made every 6 months to the European Commission). Accounting for 26% of the Group’s full year revenue (excluding FSA) in 2009, the proportion of revenue generated by Public and Wholesale Banking is expected to converge towards 20% by 2014.

Asset Management & Services (AMS)

Statement of income

In millions of EUR	4Q08	3Q09	4Q09	Var. 4Q09/ 4Q08	Var. 4Q09/ 3Q09	2008	2009	Var. 2009/ 2008
Income	**-334**	**238**	**290**	**n.s.**	**+21.8%**	**345**	**748**	**x2.2**
Expenses	-176	-168	-173	-1.7%	+2.6%	-694	-672	-3.1%
Gross operating income	**-509**	**70**	**118**	**n.s.**	**+67.7%**	**-349**	**76**	**n.s.**
Cost of risk & impairments	-1	0	0	n.s.	n.s.	-1	-23	n.s.
Pre-tax income	**-510**	**71**	**118**	**n.s.**	**+67.4%**	**-350**	**53**	**n.s.**
Tax expense	52	27	-19	n.s.	n.s.	28	26	-10.1%
Net income Group share	**-462**	**96**	**98**	**n.s.**	**n.s.**	**-329**	**74**	**n.s.**

Note: 2009 figures unaudited

Breakdown of AMS net income Group share

In millions of EUR	4Q08	3Q09	4Q09	Var. 4Q09/ 4Q08	Var. 4Q09/ 3Q09	2008	2009	Var. 2009/ 2008
Asset Management	-34	16	13	n.s.	-21.6%	11	37	x3.4
Investor Services	13	6	8	-41.0%	+17.4%	80	19	-76.9%
Insurance	-441	73	77	n.s.	+5.4%	-420	19	n.s.
Total AMS	**-462**	**96**	**98**	**n.s.**	**n.s.**	**-329**	**74**	**n.s.**

Note: 2009 figures unaudited

In 2009, after a difficult first quarter marked by impairments and losses on insurance investment portfolios, the results of AMS which includes Asset Management, Investor Services and Insurance, have continually improved throughout the year. AMS reported a net profit of EUR 74 million for the full year against a loss of EUR 329 million in 2008.

In 4Q 2009, net income Group share stood at EUR 98 million in line with 3Q 2009.

- **Asset Management**: In 2009, Assets under management (AuM) went up by 4% yoy to reach EUR 82.4 billion as positive market effects more than offset outflows. Such outflows mainly came from retail funds (EUR -7.9 billion), whilst institutional funds recorded net new cash of EUR 1.5 billion over the year. This trend was confirmed in 4Q 2009 leading to stable AuM vs. 3Q 2009.

  In 2009, net income Group share was more than three times that of 2008 thanks to rising performance fees (+44%), lower crisis impacts and good cost control (-11%).
  In 4Q 2009, revenues were slightly up qoq with an increase in performance fees. Net profit was slightly down on 3Q 2009 due to the seasonality of costs.
- **Investor Services**: In 2009, assets under administration (AuA) improved by 31% at USD 2,456 billion as compared to end of 2008, mainly driven by market effects. AuA continued their increase in 4Q 2009 with additional USD 176 billion (+7.7% on 3Q 2009). Similarly, assets under custody (AuC) were up 32.9% over the year at USD 1,883 billion (+9.5% qoq) supported by both forex and market effects.Yoy transfer agent accounts grew by 9.7% (or 788,000 accounts) driven by a mix of organic client growth and new business.

In 2009, Investor Services' revenues declined by 20% yoy at EUR 327 million mainly driven by decreasing interest and forex margins. Expenses remained flat in 2009 vs. 2008.

In 4Q 2009, net income Group share was EUR 8 million, up 17% qoq. Revenues were stable vs. 3Q 2009 at EUR 81 million supported by an increasing forex margin. Expenses proved to be under control, showing a 4% decrease qoq.

Insurance: Gross written premiums were up 34% yoy to EUR 895 million by the end of 2009 with life insurance reserves increasing by 5% yoy and non-life premiums up by 5% yoy. In 4Q 2009, the collection of insurance premiums was driven by a particularly strong momentum especially for life insurance products.

In 2009, Insurance reported a net income of EUR 19 millions vs. a loss of EUR 420 million in 2008 which was impacted by impairments on the investment portfolio.

While 4Q 2008 revenues were severely impacted by the financial crisis, 4Q 2009 revenues were supported by improved financial revenues (including a.o. write-back of impairments) which were not fully offset by profit-sharing allocation.

Group Center

Statement of income

In millions of EUR	4Q08	3Q09	4Q09	Var. 4Q09/ 4Q08	Var. 4Q09/ 3Q09	2008	2009	Var. 2009/ 2008
Income	**-982**	**57**	**-12**	**n.s.**	**n.s.**	**-994**	**898**	**n.s.**
Expenses	-355	-132	-118	-66.7%	-10.3%	-809	-471	-41.9%
Gross operating income	**-1,337**	**-75**	**-130**	**n.s.**	**n.s.**	**-1,804**	**428**	**n.s.**
Cost of risk & impairments	-1.070	15	-134	n.s.	n.s.	-2,569	-626	-75.6
Pre-tax income	**-2,408**	**-60**	**-265**	**-89.0%**	**n.s.**	**-4,373**	**-198**	**n.s.**
Tax expense	172	20	39	-77.3%	n.s.	848	73	-91.4%
Net income Group share	**-2.241**	**-42**	**-220**	**-90.2%**	**n.s.**	**-3,570**	**-173**	**n.s.**

Note: 2009 figures unaudited

Breakdown of Group Center net income Group share

In millions of EUR	4Q08	3Q09	4Q09	Var. 4Q09/ 4Q08	Var. 4Q09/ 3Q09	2008	2009	Var. 2009/ 2008
Bond portfolios in run-off	-1,234	-129	-159	n.s	n.s	-2,102	-514	n.s
Treasury	232	98	74	-67.9%	-23.9%	454	469	+3.2%
Central assets	-1,239	-11	-135	n.s	n.s.	-1,922	-128	n.s.
Total Group Center	**-2.241**	**-42**	**-220**	**-90.2%**	**n.s.**	**-3,570**	**-173**	**n.s.**

Note: 2009 figures unaudited

Full year and 4Q 2009

The Group Center business line – which gathers the contributions of Dexia's bond portfolios in run-off (including the Financial Products portfolio), the Treasury and Central Assets sub-segments – reported a EUR 220 million net loss in 4Q 2009 and a EUR 173 net loss for the full year 2009.

- **Bond portfolios in run-off**

The **bond portfolio in run-off** represented EUR 134 billion at the end of 2009 vs. EUR 158 billion at the end of 2008. Revenues generated by this portfolio continued to be impacted by higher funding costs, although these are stabilizing in 4Q 2009 thanks to the decrease in payments for the States guarantee (which fell by EUR 18 million in 4Q 2009

vs 3Q 2009) and by the cost of deleveraging. EUR 16.5 billion bonds were sold in 2009 (EUR 15 billion of net sales within the bond portfolio in run off and EUR 1.5 billion from ALM portfolios) leading to a loss of EUR -136 million. In 4Q 2009, the net loss of bond sales amounted to EUR -67 million for a total amount of net sale of EUR 5.2 billion.
Going forward, the cost of deleverage will burden the result of the bond portfolio in run-off while at the same time reducing its negative cost of carry.

The contribution of the USD 15.4 billion **Financial Products portfolio** was lowered by an additional EUR 140 million impairment in 4Q 2009 of which 77million of collective impairment due to an increase in ABS collective impairment and EUR 64 million of specific allowances on US RMBS. The net loss of the Financial Products portfolio amounted to EUR 134 million in 4Q 2009 and EUR 354 million for 2009.

- **Treasury:** the segment reported a net profit of EUR 74 million in 4Q 2009 and EUR 469 million in 2009. Whilst declining by EUR 102 million in 3Q 2009 vs. 2Q 2009, 4Q 2009 revenues were slightly up vs 3Q 2009. This can be explained by a greater use of less expensive unsecured non-guaranteed short-term funds during 4Q 2009, compared to Central bank or States guaranteed funds.
- **Central Assets**: this sub-segment booked a EUR 135 million loss in 4Q 2009 and a loss of EUR 128 million in 2009. Despite further gains on the bond portfolio of DenizBank (EUR 40 million before tax), Central Assets results were impacted in 4Q 2009 by the non-recurrence of one-off revenues, additional impairments of deferred tax assets on entities in run-off, a EUR -24 million restructuring charge and a EUR -30 million one-off adjustment.

Strong solvency ratios

Shareholders' equity and solvency

	Dec 31, 2008	Sept 30, 2009	Dec 31, 2009	Variation Dec 31, 09/ Sept 30, 09	Variation Dec 31, 09/ Dec 31, 08
Core shareholders' equity (EUR m)	17,488	18,309	18,498	+1.0%	+5.8%
Total shareholders' equity (EUR m)	3,916	9,864	10,182	+3.2%	x2.6
Tier 1 capital (EUR m) *	16,126	17,089	17,573	+2.8%	+9.0%
Total weighted risks (EUR m)	152,837	144,841	143,170	-1.2%	-6.3%
Tier 1 ratio *	10.6%	11.8%	12,3%	+50 bps	+172 bps
Net assets per share					
– Core shareholders' equity (EUR)	9.92	10.39	10.50	+1.1%	+5.8%
– Total shareholders' equity (EUR)	2.22	5.60	5.78	+3.2%	x2.6

* Calculation assuming no cash dividend payment

Note: 2009 figures unaudited

At the end of December 2009, Dexia's core shareholders' equity was EUR 18.5 billion, up by 1% compared to end of September 2009 and by 5.8% as compared to December 2008.

The Group's IFRS total shareholders' equity, including Accumulated Other Comprehensive Income (OCI), improved by EUR 0.3 billion compared to September 2009 and reached EUR 10.2 billion.

On a yearly basis, total shareholders' equity improved by EUR 6.3 billion mainly as a result of the contraction of the negative Available-for-Sale reserve on Securities (AFS) which improved by EUR 4.8 billion. Such improvement is mainly explained by the tightening of secondary spreads which reduced the negative AFS reserve related to the Group's bond portfolio in run-off. The AFS reserve remained almost stable on a quarterly basis.

In the framework of IAS 39, an amount of EUR 91.6 billion of Available-for-Sales (AFS) assets were reclassified in Loans and Receivables (L&R) in 2008. The related AFS reserve is amortized over time and amounted to EUR -5.6 billion as of December 31, 2009 (versus EUR -6.5 billion as of December 31, 2008).
As of December 31, 2009, the carrying amount of these reclassified assets was EUR 83.8 billion. If the reclassification had not been made, an additional EUR -0.6 billion would have been recognized in AFS reserve.

At the end of December 2009, total weighted risks amounted to EUR 143.2 billion, down by EUR 1.6 billion (-1.2%) as compared to the end of September 2009 and by EUR 9.7 billion (-6.3%) as compared to the end of December 2008. The decrease of weighted risks in 2009 is mainly explained by the deleveraging efforts of the group and by the depreciation of the US dollar against the euro.

In 2009, the Group's Tier 1 ratio further improved by 172 bps to 12.3% supported by organic generation of Tier 1 capital of EUR 1.45 billion (equivalent to 95 bps) and by a decrease of total weighted risks by EUR 9.7 billion (equivalent to 77 bps). The core Tier 1 ratio reached 11.3%, up by 50 bps compared to the end of September 2009 illustrating the solid solvency situation of the Group. The core Tier 1 ratio of the Group will be maintained at or above 10.6% in 2010 as agreed with the European Commission.

At EUR 577.6 billion at the end of December 2009, the total balance sheet of the Group is down by EUR 73.4 billion (11%) as compared to December 2008, reflecting the refocus on core commercial franchises and active deleveraging of the Group as part of the implementation of the transformation plan.

Outlook 2010

Continuation of the execution of the transformation plan

In what remains a challenging environment, the transformation plan will focus on the development of **commercial franchises**: Retail & Commercial Banking in Belgium, Turkey and Luxembourg as well as the reinforcement of Public & Wholesale Banking in France and Belgium. The Group will be mindfull of the development of Dexia Crediop, Dexia Sabadell and Dexia banka Slovensko, and will maintain the quality of service to clients in the period leading to the disposal of these entities.

Improvement of the **Group's risk profile** will continue at a sustained pace, in accordance with the European Commission agreement and will translate into a continuous down sizing of the balance sheet in 2010. The program aiming at the lengthening of the refinancing profile of the Group will be maintained. It is important to note that, as of February 18, 2010 the Group has already realised 45% of its 2010 long-term issuance target. The production in Public & Wholesale Banking will be aligned to long-term funding capacities and will not be more than EUR 15 billion.

The plan for **reducing costs**, which is ahead of target, will continue to have beneficial impacts on Group profitability throughout 2010 and 2011.

Early exit from the States guarantee on the funding

Given the significant improvement in the Group's liquidity situation, Dexia undertakes to exit the States guarantee mechanism earlier than was initially planned:

- Exit from “contracts” and notably from interbank deposits by March 1, 2010, anticipating the calendar agreed with the European Commission,

- End of all guaranteed short-term issues by May 31, 2010,

- End of all guaranteed long-term issues by June 30, 2010.

Consequently, by the end of June Dexia will have recovered its full funding autonomy.

Strategic business reviews

A strategic review of the businesses will be presented during an **Investor Day** to be held on **May, 27 2010**.

APPENDIX

Pro-forma results for the sale of FSA insurance (deconsolidated in 2Q 2009)

Consolidated statement of income*								
In millions of EUR	4Q08	3Q09	4Q09	Var. 4Q09/ 4Q08	Var. 4Q09/ 3Q09	2008	2009	Var. 2009/ 2008
Income	**491**	**1,369**	**1,451**	**x3.0**	**6.0%**	**4,401**	**5,792**	**+31.6%**
Expenses	-1,135	-916	-920	-19.0%	+0.4%	-4,018	-3,579	-10.9%
Gross operating income	**-643**	**453**	**531**	**n.s.**	**+17.3%**	**383**	**2,213**	**x5.8**
Cost of risk & impairments	-957	-102	-281	-70.1%	-x2.8%	-1,933	-881	-54.4%
Pre-tax income	**-1,600**	**351**	**250**	**n.s.**	**-28.9%**	**-1,551**	**1,332**	**n.s.**
Tax expense	8	-65	-56	n.s.	-15.1%	-37	-243	x6.6
Minority interests	-2	12	8	x6.0	-33.3%	78	79	+1.1%
Net income Group share	**-1,590**	**274**	**202**	**n.s.**	**-26.3%**	**-1,666**	**1,010**	**n.s.**

Excluding FSA Insurance in all periods.

Note: 2009 figures unaudited

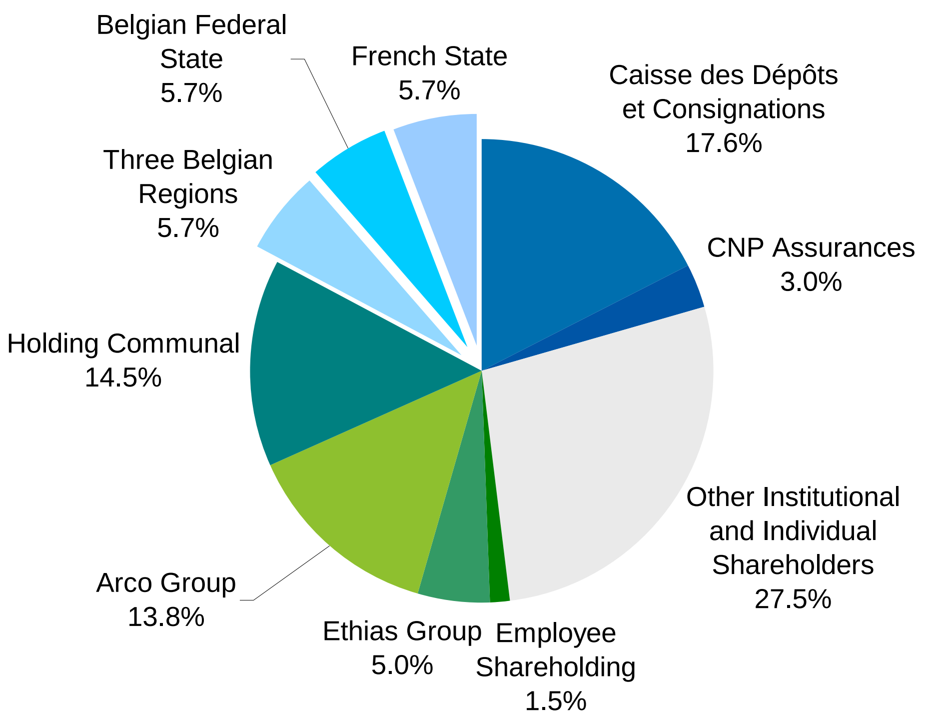
Detailed information on reported results are provided in the presentation "FY & 4Q 2009 Results, Achievements of the Transformation Plan and Business Highlights" available on the website www.dexia.com.

For detailed information on the results and the balance sheet elements, please consult the 2009 Annual Report, which was drawn up in accordance with the Royal Decree of 14 November 2007 and will be available on www.dexia.com as from April 1, 2010

Annex 5 : Shareholder structure on SEPTEMBER 30, 2010

This shareholder structure relates to Dexia NV. Any reference to "Dexia" is to be read as a reference to Dexia NV.

	Shareholding in Dexia
Belgian Federal State, through *Société de Participations et d'Investissement-Federale Participatie- en investeringsmaatschappij*	5.731%
Flemish Region, through *Vlaams Toekomstfonds*	2.866%
Walloon Region, through *FIWAPAC*	2.006%
Brussels-Capital Region	0.860%
Holding Communal	14.485%
Arco Group	13.754%
Ethias Group	5.04%
French State, through *Société de Prise de Participation de l'Etat*	5.7%
Caisse des Dépôts et Consignations	17.614%
CNP Assurances	2.961%
Employee Shareholding	1.5%
Other institutional and individual shareholders	27.453%



Net profit of EUR 203 million in 3Q 2010

Sustained dynamic of commercial business lines and confirmed business model

Strong Tier 1 generation capacity

Highlights

Net profit of EUR 203 million in 3Q 2010 and EUR 667 million in 9M 2010

- Sustained dynamic of commercial business lines
- Excluding capital gains on divestments, revenues of commercial business lines** up 5%
  vs. 2Q 2010
- Costs stable qoq excluding EUR 93 million restructuring costs booked in 3Q 2010
- Important decrease in the cost of risk: -61% vs. 2Q 2010

Transformation plan recording significant progress

- Short-term funding need: EUR -23 billion vs. June 2010 / EUR -64 billion vs. September 2009
- EUR 25.7 billion of bonds and loans sold at contained costs as per the end of October 2010

Confirmed Tier 1 generation capacity

- Tier 1 ratio: 12.8% (+59 bps vs. June 2010 / +100 bps vs. September 2009)
- Core Tier 1 ratio: 11.8% (+55 bps vs. June 2010 / +99 bps vs. September 2009)

** Retail and Commercial Banking (RCB), Public and Wholesale Banking (PWB) and Asset Management and Services (AMS)

Jean-Luc Dehaene, Chairman of the Board of Directors, said, “During the third quarter 2010, Dexia continued to implement its transformation plan with the same determination, in line with the objectives agreed with the European Commission. The Group therefore continued to refocus its activities on its core commercial franchises and its efforts towards financial restructuring. Cost efficiency remained a priority for the Group and an additional step of the plan was announced on 15 September. With the mobilisation of all members of staff and management, I am fully confident in the Group’s ability to achieve the targets it has set for 2014, as communicated on 12 October last.”

Pierre Mariani, CEO and Chairman of the Management Board, said, “The third quarter results reflect again the reality of the new dynamic that drives the commercial franchises of the Group as well as the effects of a significant reduction in the cost of risk across all business lines. On the Retail and Commercial Banking side, the first nine months of 2010 positively demonstrate the benefits of the deployment of the new distribution model in Belgium and of the ambitious development of DenizBank in Turkey: Customer satisfaction is up in Belgium and the pace of new branch opening in Turkey is one of the highest in the country. By displaying a strong capital generation capacity the Group affirms this quarter again its comfort with regards to the future evolutions of regulatory capital requirements and its capacity to effectively meet them”.

** Dexia is a listed company. This press release contains information subject to the transparency regulations for listed companies*

During its 10 November 2010 meeting, the Board of Directors approved the 3Q and 9M 2010 results of Dexia.

3Q and 9M 2010 reported statement of income and update on the transformation plan

Consolidated statement of income*

In millions of EUR	3Q09**	2Q10	3Q10	Var. 3Q10/ 3Q09	Var. 3Q10/ 2Q10	9M09**	9M10	Var. 9M10/ 9M09
Income* **	**1,369**	**1,371**	**1,234**	**-9.9%**	**-10.0%**	**4,702**	**4,096**	**-12.9%**
Expenses	-916	-874	-973	+6.2%	+11.3%	-2,687	-2,731	+1.6%
Gross operating income	**453**	**497**	**261**	**-42.4%**	**-47.5%**	**2,015**	**1,365**	**-32.3%**
Cost of risk	-84	-126	-49	-41.7%	-61.1%	-821	-440	-46.4%
Other impairments & provisions for legal litigations**	-18	-135	3	n.s.	n.s.	-41	-149	x3.6
Pre-tax income	**351**	**236**	**215**	**-38.7%**	**-8.9%**	**1,153**	**776**	**-32.7%**
Tax expense	-65	30	3	n.s.	-90.0%	-258	-57	-77.9%
Net income	**286**	**266**	**218**	**-23.8%**	**-18.0%**	**895**	**719**	**-19.7%**
Minority interests	12	18	15	+25.0%	-16.7%	87	52	-40.2%
Net income Group share	**274**	**248**	**203**	**-25.9%**	**-18.1%**	**808**	**667**	**-17.5%**
Return on Equity******	**6.0%**	**5.3%**	**4.2%**			**6.0%**	**4.7%**	
Earnings per share (in EUR)	0.15	0.13	0.11			0.44	0.36	

** FSA Insurance deconsolidated since 2Q 2009.*
*** The provisions for legal litigations were previously included in income (other net income).*
**** Income (also mentioned as revenues) = interests, fees, commissions, trading and other income.*
***** The ratio between the net income Group share and the weighted average core shareholders' equity.*

3Q 2010 Dexia Group reported results: net profit of EUR 203 million

In 3Q 2010, **income** stood at EUR 1,234 million, down 10.0% compared to 2Q 2010. Excluding capital gains booked in 2Q 2010 and in 3Q 2010, as well as the EUR -43 million impact of the spread tightening on the CDS purchased with the framework of the synthetic securitizations Dublin Oak and Wise and of credit value adjustments on CDS intermediation (against EUR +53 million in 2Q 2010), income was roughly stable qoq.

Restated from the capital gains, revenues of the commercial business lines were up by 5.0% qoq. Group Center revenues were sharply down qoq (EUR -73 million) as 2Q 2010 revenues were supported by a EUR 29 million capital gain on the sale of Dexia Epargne Pension (DEP) and positive foreign exchange results that were reversed in 3Q 2010. Revenues of the Legacy Portfolio Management Division (LPM Division) fell by EUR 68 million qoq mainly as a result of the above-mentioned impact of the spread tightening on the CDS linked to synthetic securitizations and of credit value adjustments on CDS intermediation.

Within the context of its restructuring plan, Dexia booked EUR 93 million of provisions for restructuring costs in 3Q 2010. As a consequence, **costs** amounted to EUR 973 million up 11.3% compared to 2Q 2010. Excluding those restructuring costs and a reversal of bonuses in 2Q 2010, costs fell by 1.5% qoq.

The **cost of risk** amounted to EUR 49 million, down 61.1% compared to 2Q 2010 by virtue of a decrease of EUR 21 million in the Core Division driven by RCB in Turkey and a lower cost of risk in the LPM division (EUR -56 million). The cost of risk on the Financial Products portfolio fell by EUR 88 million versus 2Q 2010 but there were fewer reversals on the PWB run-off commitments and the bond portfolios in run-off in 3Q 2010 (EUR 21 million) compared to 2Q 2010 (EUR 53 million).

Other impairments and provisions for legal litigations decreased qoq, as EUR 138 million provisions were booked in 2Q 2010 to cover the potential risk related to the Ritro litigation in Slovakia.

In 3Q 2010, **pre-tax income** amounted to EUR 215 million, down 8.9% against 2Q 2010.

Tax expenses stood at EUR +3 million and were positively impacted by USD 51 million (EUR 39 million) one-off tax refunds in the US.

As a consequence of the above-mentioned evolutions, **net income Group share** amounted to EUR 203 million in 3Q 2010 compared to EUR 248 million in 2Q 2010 and EUR 274 million in 3Q 2009.

In the first 9 months of 2010, reported net income Group share was EUR 667 million against EUR 808 million for 9M 2009.

Further progress on the transformation plan

Execution of the Group's restructuring plan made further progress during the third quarter 2010 in line with the commitments given to the European Commission.

After the sale of SPE and Dexia Epargne Pension in 2Q 2010, Dexia reached an agreement with Network Research Belgium on the sale of its 51% stake in AdInfo, a company active in IT services for Belgian local authorities and closed the transaction in the third quarter of 2010 with EUR 14 million capital gain. This divestment was part of the agreement with the European Commission providing for the disposal of AdInfo by 31 December 2010.

Deleveraging the balance-sheet remained a high priority for the Group. Despite poorer liquidity over the summer months, EUR 20.2 billion of Core and Legacy bonds and EUR 3.7 billion of PWB run-off loans were sold as per end of September 2010 with a total P&L impact of EUR -142 million (0.6% of loss on the nominal amount of assets sold). This compares to EUR 16 billion of bonds and loans sold per end of June 2010 for a total loss of EUR 107 million (0.7% of loss on the nominal amount of assets sold). The decrease of the average loss on nominal is partly explained by capital gains booked on ALM bonds. The bonds sold in 9M 2010 had an average life of 5.2 years.

EUR 25.7 billion of bonds and loans were sold as at end of October 2010, with a total loss of EUR 148 million (0.6% loss on the nominal amount of assets sold).

The deleverage enabled the Group to reduce its short term liquidity gap by additional EUR 23 billion over the third quarter and as much as EUR 64 billion between end of September 2009 and end of September 2010 *(see paragraph related to the update on liquidity).*

Results by division

Core Division

Statement of income

In millions of EUR	3Q09*	2Q10	3Q10	Var. 3Q10/ 3Q09	Var. 3Q10/ 2Q10	9M09*	9M10	Var. 9M10/ 9M09
Income**	**1,274**	**1,311**	**1,241**	**-2.6%**	**-5.4%**	**3,783**	**3,731**	**-1.4%**
Expenses	-877	-846	-941	+7.3%	+11.2%	-2,556	-2,642	+3.4%
Gross operating income	**397**	**466**	**300**	**-24.5%**	**-35.6%**	**1,227**	**1,089**	**-11.3%**
Cost of risk	-31	-55	-34	+11.9%	-37.6%	-327	-196	-40.1%
Other impairments & provisions for legal litigations*	-18	-135	3	n.s.	n.s.	-45	-147	x3.3

Pre-tax income	**349**	**275**	**268**	**-23.0%**	**-2.4%**	**855**	**746**	**-12.8%**

** The provisions for legal litigations were previously included in income (other net income).*
*** Income (also mentioned as revenues) = interests, fees, and commissions, trading and other income.*

Under the segment reporting introduced in 1Q 2010, the Core Division includes the contributions of Retail and Commercial Banking (RCB), Public and Wholesale Banking (PWB), Asset Management and Services (AMS) and Group Center.

The capital gains related to the sale of SPE (EUR 69 million) and of DEP (EUR 29 million) both closed in 2Q 2010 and of AdInfo (EUR 14 million) closed in 3Q 2010 were recorded in the Core Division.

In 3Q 2010, the Core Division reported an income of EUR 1,241 million against EUR 1,311 million in 2Q 2010. Restated from the above mentioned capital gains, income rose by 1.1%.

Excluding the EUR 93 million restructuring costs booked in 3Q 2010 and a reversal of bonuses in 2Q 2010, costs fell by 1.9% qoq.

The cost of risk decreased by 37.6% mainly supported by DenizBank (-95 bps vs 2Q 2010). Other impairments and provisions for legal litigations decreased qoq as EUR 138 million provisions were booked in 2Q 2010 to cover potential risk related to the Ritro litigation in Slovakia.

The Core Division reported a pre-tax income of EUR 268 million in 3Q 2010, against EUR 275 million in 2Q 2010. 9M 2010 pre-tax income amounted to EUR 746 million compared to EUR 855 million in 9M 2009.

Retail and Commercial Banking (RCB)

(See business line statement of income in appendix)

Retail and Commercial Banking enjoyed a positive commercial dynamic in 2010, as a result of the deployment of the New Distribution Model in Belgium and of the ambitious development of DenizBank in Turkey. Globally, the customer product mix in Retail and Commercial Banking was still oriented towards deposits and life insurance. Total customer assets amounted to EUR 135 billion at the end of September 2010, up 5% yoy driven by deposits (+8% or EUR 7 billion collected) and life insurance (+9%). In 3Q 2010, deposits were slightly increasing as a consequence of diverging trends: an increase of EUR 1 billion, mainly at the level of savings accounts and Eurobonds was offset by seasonal outflows from sight accounts. Life technical reserves were up EUR 0.4 billion qoq (or 3%). Total customer liabilities amounted to EUR 54 billion at the end of September 2010, up 10% yoy supported by business and consumer loans and up 1% compared to the end of June.

- In **Belgium**, deposits amounted to EUR 63 billion and life insurance reserves to EUR 11 billion, both increasing by 7% yoy. Off-balance-sheet products, at EUR 20 billion, were still suffering from the product mix focused on structured bonds, savings accounts and life insurance products. Loans stood at EUR 33 billion, up 5% yoy. Several initiatives were launched during the third quarter: a business banking offer tailored for the medical sector, fidelity savings accounts and a free energy-advice contest linked to mortgage loans. Customer satisfaction improved by a further 9 percentage points against September 2009.
- In **Luxembourg**, customer assets (EUR 30 billion) were stable in 3Q 2010. Deposits amounted to EUR 13.3 billion, up 3% yoy and slightly decreasing qoq. To note, new retail account openings were 13% higher than one year ago. Life insurance products were actively sold, increasing by 30% yoy and 20% qoq. Loans stabilized at EUR 8.9 billion in 3Q 2010 (up 3% yoy). Dexia’s market share as main banker for Luxembourg individuals increased by 1% to 14%.
- In **Turkey**, DenizBank pursued its development in line with the plan. 26 new branches were opened in 3Q 2010, leading to a total of 477 branches at the end of September. This

dynamic pace placed DenizBank among the most active players in terms of branch opening: +5.8% in 3Q 2010 compared to 2.1% for the banking sector and +13.3% since September of last year against +5.4% for the sector. The number of new retail and business customers increased by 483,000 or 14% yoy. The growing franchise of DenizBank translated in deposits increasing by 9% qoq (+25% yoy), especially in the corporate and commercial segments at TRY 18.1 billion whereas loans were up 3% qoq (+20% yoy) at TRY 21.6 billion. As a result, at 119% by the end of September 2010, the loan to deposit ratio further improved compared the end of June 2010 (126%) illustrating DenizBank' ability to fund its growth with stable deposits.

At EUR 715 million, 3Q 2010 income was down 1% compared to 2Q 2010 mainly due to the normalization of the interest margin in line with the improvement of the credit environment in Turkey and a seasonal effect, only partially offset by volume increase.

Costs were up 1% qoq, at EUR 477 million in 3Q 2010, mainly as a result of a slight increase in Belgium and Luxembourg after write-backs in 2Q 2010. Despite the opening of 26 new branches during the quarter expenses were stable in Turkey versus 2Q 2010, which was impacted by higher advertisement costs.

After the peak reached in 4Q 2009, the cost of risk improved qoq and reached EUR 31 million in 3Q 2010 (down 48% versus 2Q 2010). The cost of risk in Belgium and Luxembourg normalized at EUR 13 million or 13 bps on average customer loans. In Turkey, it decreased by 95 bps on average customer loans in 3Q 2010, after a similar improvement in 2Q 2010, to reach EUR 16 million or 58 bps on average customer loans.

In 3Q 2010, pre-tax income amounted to EUR 208 million, up 11% qoq supported by 28% growth in Turkey. 9M 2010 pre-tax income amounted to EUR 563 million, up by 33% compared to 9M 2009, mainly due to a lower level of impairments (-26%) compared to 9M 2009.

Public and Wholesale Banking (PWB)

(See business line statement of income in appendix)

PWB long-term commitments amounted to EUR 229 billion as at end of September 2010, slightly down compared to June 2010 and September 2009.

In **public banking**, long-term commitments were stable qoq and down 3% yoy at EUR 193 billion, reflecting the strategy of the Group to adjust new commitments to the business line's stable funding capacity. 9M 2010 new commitments amounted to EUR 5.5 billion mainly focused on France, Belgium and Spain. New commitments were booked on a selective basis, at satisfactory level of margins.

New commitments in **project finance** were up 30% yoy, at EUR 1 billion, confirming Dexia's expertise and sustained presence in infrastructure, transport and renewable energy. The McGill Hospital PPP project in Canada illustrates this dynamic deal-flow.

At EUR 27 billion, deposits were up 5% compared to June 2010 and 11% versus beginning of the year, reflecting the focus on the collection of new PWB deposit. This growth was notably sustained in Belgium driven by corporate sight accounts and mutual funds for local authorities.

3Q 2010 revenues amounted to EUR 235 million, down 18% versus 2Q 2010 which benefited from EUR 69 million capital gain on the sale of Dexia's stake in SPE, against EUR 14 million capital gain in 3Q 2010 related to the sale of AdInfo. Restated from these impacts, revenues rose by 2.2% compared to 2Q 2010.

3Q 2010 costs remained under control and stable compared to 2Q 2010.

Cost of Risk in 3Q 2010 was EUR 6 million, the very low level of risk traditionally recorded by the business line being, as in 2Q 2010, emphazised by provisions write backs.

As a result PWB posted a pre-tax income of EUR 98 million in 3Q 2010, against EUR 147 million in 2Q 2010, which benefited from significant capital gains. Excluding capital gains, pre-tax income was up 7%.

9M 2010 pre-tax income amounted to EUR 323 million compared to EUR 504 million in 9M 2009, due to a 24% fall in revenues mainly explained by higher costs of funding recorded in 1Q 2010, to align the business line with the EC 2014 short-term funding target and due to lower financial market revenues. This negative impact was only partially offset by capital gains and by a lower level of impairments (60%), following collective provisions posted in 1H 2009.

Asset Management and Services (AMS)

(See business line statement of income in appendix)

In 3Q 2010, pre-tax income of Asset Management and Services amounted to EUR 114 million, twice the level of 2Q 2010 and 3Q 2009 mainly driven by Insurance. For the first 9 months of 2010 pre-tax income stood at EUR 242 million, 6.5 times more than 9M 2009.

- **Asset Management**: Assets under Management (AuM) reached EUR 86.2 billion at the end of September 2010, up 4.6% compared to December 2009. This increase of EUR 3.8 billion was supported by EUR 0.8 billion inflow of net new cash and EUR 3 billion of positive market effect (+3.7%). Retail funds and low-margin institutional money market funds suffered from YTD outflows (EUR 3.0 billion) while year to date, private and institutional mandates gathered EUR 3.8 billion of net new cash. Qoq, AuM increased by EUR 3.5 billion or 4.3%. Whereas in the first half of 2010 there were still limited outflows of funds (EUR -0.2 billion), the third quarter was marked by a net inflow of new cash (EUR +0.9 billion). During 3Q 2010, retail funds continued to suffer from net outflows (EUR -0.3 billion) whereas institutional funds (for the first time in 2010) and private and institutional mandates generated EUR 1.2 billion net new cash.

  In 3Q 2010, Dexia AM won several mandates, from new and existing institutional clients in various countries. Dexia Asset Management's enhanced approach to asset allocation was intensively marketed via a well targeted and multi-channel campaign.

  Revenues amounted to EUR 47 million in 3Q 2010, down 6% qoq as higher investment management fees were more than offset by negative seasonal effects and financial income compared to 2Q 2010.

  Costs remained well controlled in 3Q 2010 and stable compared to 2Q 2010. The total costs on average AuM decreased from 15.6 bps in 9M 2009 to 15.0 bps in 9M 2010 reflecting the efficiency of the business line.

  In 3Q 2010, Asset Management posted a pre-tax income of EUR 16 million against EUR 18 million in 2Q 2010.

  At EUR 50 million, 9M 2010 pre-tax income was 2.3 times more than 9M 2009 pre-tax income (EUR 22 million) driven by an increase in revenues (+27%) due to both higher recurrent management fees (+21%) and financial income, which was negative for 9M 2009.

- **Investor Services**: Investor Services enjoyed a positive commercial dynamic in 9M 2010, reflected by:

  - Assets under Administration (AuA) increasing by 15% year to date (+3% qoq when restated from currency impact), reaching EUR 1,957 billion at the end of September 2010;
  - Assets under Custody (AuC) expressed in Euro increasing by 17% year-to-date (-2% qoq) at EUR 1,533 billion;
  - Transfer agent accounts continuing to increase in 3Q 2010, with 141 000 additional new accounts leading to 660,000 new accounts since December 2009.

  3Q 2010 revenues came in at EUR 96 million, down 5% compared to 2Q 2010. The positive increase in core businesses (+2%) and interest margins (+8%), following the base rate increase by Bank of Canada, was offset by a EUR 6 million decrease of securities lending, due to negative seasonal effect as the second quarter benefited from dividend payments.

3Q 2010 costs remained even, at EUR 84 million qoq.

Investor Services posted a pre-tax income of EUR 12 million in 3Q 2010 compared to EUR 17 million in 2Q 2010.

9M 2010 pre-tax income more than doubled at EUR 40 million as a result of an increase in revenues (+16% compared to 9M 2009) driven by a core business favourably impacted by the increase in AuA.

- **Insurance**: In 2010, Insurance benefited from a strong commercial momentum supported by the commercial focus on insurance in Luxembourg and by the life and non-life distribution channels in Belgium. This translated in a solid increase in the total gross written premiums collected. Indeed, at EUR 2,827 million as at 30 September 2010, they were up by 78% compared to the first nine months of 2009 and, compared to 3Q 2009, the premium production more than doubled to reach EUR 904 million in 3Q 2010. About 50% of the premiums were collected in Luxembourg. At the end of October, the Decavi Trophy for Innovation was awarded to Dexia Life Horizon, a combined guaranteed yield (branch 21) and unit-linked (branch 23) contract adapted to senior customer needs.

  Revenues amounted to EUR 146 million supported by financial revenues (mainly due to capital gains on the sale of bonds and equities), moratorium interest received on fiscal claims and limited allocation to profit-sharing provisions. Compared to 2Q 2010, revenues were up EUR 65 million (or +81%) as additional profit-sharing provisions (EUR 52 million) and impairments and losses on sales of assets were booked in 2Q 2010, offsetting the positive flow of revenues.

  At EUR 59 million, costs were, down 1% vs 2Q 2010.

  As a result, 3Q 2010 pre-tax income was 3.7 times higher than in 2Q 2010 at EUR 86 million.

  9M 2010 pre-tax income amounted to EUR 151 million compared to a EUR 2 million loss in 9M 2009, which was negatively impacted by crisis items.

Group Center

(See business line statement of income in appendix)

Group Center combines the contributions of the Treasury, ALM and Central Assets sub-segments.

In 3Q 2010, Group Center posted revenues of EUR 3 million, down EUR 73 million qoq. 2Q 2010 revenues included a EUR 29 million gain on the sale of DEP. Apart from this one-off item, this decrease is mainly due to a EUR 35 million fall of revenues on Turkish CPI bonds resulting from negative inflation during the summer and the negative impact of own credit risk, accounting for EUR 26 million.

Expenses were negatively impacted by EUR 93 million restructuring costs, following the cost-cutting plan announced in September 2010. As a result, 3Q 2010 expenses more than doubled compared to 2Q 2010 and amounted to EUR 158 million.

At EUR +4 million in 3Q 2010, other impairments and provisions improved by EUR 139 million during the quarter, mainly explained by the EUR 138 million provision related to the Ritro litigation in Slovakia posted in 2Q 2010.

As a result, Group Center reported a pre-tax loss of EUR 151 million in 3Q 2010, compared to a loss of EUR 117 million in 2Q 2010.

9M 2010 pre-tax income amounted to EUR -383 million vs. EUR -109 million in 9M 2009. The main drivers of such evolution are the decreasing contribution of the Treasury result allocated to Group Center
(EUR -117 million between 9M 2009 and 9M 2010) and the provision related to the Ritro litigation posted in 2Q 2010.

Legacy Portfolio Management Division

Statement of income

In millions of EUR	3Q09*	2Q10	3Q10	Var. 3Q10/ 3Q09	Var. 3Q10/ 2Q10	9M09*	9M10	Var. 9M10/ 9M09
Income**	**95**	**61**	**-7**	**n.s.**	**n.s.**	**919**	**365**	**-60.2%**
Expenses	-39	-29	-32	-19.0%	+9.9%	-132	-89	-32.6%
Gross operating income	**56**	**32**	**-39**	**n.s.**	**n.s.**	**787**	**277**	**-64.9%**
Cost of risk	-53	-71	-15	-72.4%	-79.4%	-494	-245	-50.5%
Other impairments & provisions for legal litigations*	0	0	0	n.s.	n.s.	5	-1	n.s.
Pre-tax income	**2**	**-39**	**-53**	**n.s.**	**n.s.**	**298**	**30**	**-89.8%**
*o/w changes in scope****	*10*	*0*	*0*	*n.s.*	*n.s.*	*100*	*0*	*n.s.*

** The provisions for legal litigations were previously included in income (other net income).*
*** Income (also mentioned as revenues) = interests, fees, and commissions, trading and other income.*
**** Mainly FSA Insurance and Crédit du Nord.*

The LPM Division includes the contributions of Dexia's bond portfolios in run-off (including the Financial Products portfolio) and of the PWB run-off commitments. The LPM Division is also allocated part of the Treasury result. Entities to be divested are still reported in the Core Division.

The LPM division posted a pre-tax income of EUR -53 million in 3Q 2010 down EUR 14 million compared to 2Q 2010 and a 9M 2010 pre-tax income of EUR 30 million against EUR 298 million in 9M 2009. Main drivers explaining such evolution are commented below.

- At EUR 114.2 billion at the end of September 2010, the **bond portfolio in run-off** was down by EUR 11 billion over the quarter due to EUR 4.6 billion asset sales, EUR 2.1 billion amortization and EUR 4.3 billion forex effect. At the end of September 2010, the portfolio was 95% investment grade (stable against June 2010) and the stock of impairments went down by

EUR 11 million on June 2010, at EUR 927 million, mainly supported by EUR 19 million reversal of the ABS provision.

The Group actively pursued its **deleveraging process** (*see chapter related to the transformation plan*). EUR 4.5 billion Legacy bonds were sold over the quarter for a total P&L impact of EUR -55 million. This compares to EUR 6.5 billion of Legacy bonds sold in 2Q 2010 for a loss of EUR 31 million. By end of September, a total of EUR 16.8 billion of Legacy bonds were sold at an average 0.8% of nominal loss.

In 3Q 2010, the pre-tax income of the bond portfolio in run-off amounted to EUR -90 million, against EUR 35 million in 2Q 2010. Besides EUR 55 million losses on the sale of bonds, the segment "bond portfolio in run-off" was also affected by a EUR -43 million impact of the spread tightening on the CDS purchased with the framework of the synthetic securitizations Dublin Oak and Wise and of credit value adjustments on CDS intermediation (against EUR +53 million in 2Q 2010). In 9M 2010, pre-tax income was up by EUR 265 million on 9M 2009 supported by EUR 84 million reversal of provisions in 2010 whereas 2009 was marked by additional provisions.

- In 3Q 2010, the total size of the **Financial Products portfolio** decreased by USD 0.4 billion from 2Q 2010, at USD 14.2 billion as a consequence of the sale of USD 131 million of NIMs wrapped by Radian, amortization and realised losses on assets. The expected weighted average life of the portfolio was about 9 years by end of September 2010.

  The total cash shortfalls and realised losses on the portfolio rose by USD 109 million over the quarter, at USD 542 million.

  The economic view of the portfolio did not change a lot over the quarter and the Group remains cautious with regards to the future direction of the US real estate market. Despite increased severity risk drivers, the economic loss assessment (total discounted expected cash shortfalls excluding realised losses) on the portfolio went down by USD 135 million qoq due to USD 91 million realised shortfalls and USD 18 million loss on the sale of NIMs in 3Q 2010. Such estimates are made to the best of Dexia's knowledge and on the basis of market conditions as at the end of September 2010.

  Total provisions amounted to USD 1.95 billion as at 30 September 2010 and exceeded the economic loss assessment as defined above by USD 840 million (up USD 57 million compared to June 2010).

  In 3Q 2010, the Financial Products portfolio segment posted a pre-tax income of EUR 22 million against a loss of EUR -101 million in 2Q 2010. This is mainly explained by:

  - EUR 33 million increase in income from 2Q 2010, supported by USD 44 million (EUR 34 million) adjustment on the result of the sale of FSA Insurance,
  - a reduction of the cost of risk qoq (EUR +88 million).

  9M 2010 pre-tax income was flat compared to 9M 2009 at EUR -55 million. The EUR 237 million increase in income due to the capital gain on the sale of the participation in Assured Guaranty booked in 1Q 2010 was offset by EUR 236 million increase in cost of risk due to higher specific impairments in application of IAS 39.

- In 3Q 2010, **PWB run-off commitments** reported a pre-tax income of EUR -12 million down by EUR 11 million against 2Q 2010. Such decrease was mainly due to the sale of loans (EUR 1.6 billion of loans sold in 3Q 2010 for a total loss of EUR 15.4 million against EUR 1.8 billion sale in 2Q 2010 for a loss of EUR 10.5 million). Additionally the portfolio benefited from a EUR 6 million reversal of impairments in 2Q 2010. 9M 2010 pre-tax profit was down by EUR 125 million on 9M 2010 mostly as a result of losses on the sale of run-off loans and of the impact on the net interest margin of the natural run-off of the US Stand-By-Purchase-Agreement.

- At EUR 27 million in 3Q 2010, the **Treasury result allocated to the LPM Division** was stable compared to the previous quarter. 9M 2010 pre-tax income fell sharply (EUR -307 million) compared to 9M 2009 as a consequence of the flattening of the short-term cash curve and the reduction of the Group’s short-term liquidity gap.

Balance-sheet, solvency and liquidity

Total assets, shareholders' equity and solvency					
	Dec. 31, 2009*	**June 30, 2010**	**Sept. 30, 2010**	**Variation** Sept. 30, 10/ Dec. 31, 09	**Variation** Sept. 30, 10/ June. 30, 10
Total assets (EUR m)	577,630	608,510	598,517	+3.6%	-1.6%
Core shareholders' equity (EUR m)	18,498	18,965	19,167	+3.6%	+1.1%
Total shareholders' equity (EUR m)	10,181	7,614	9,070	-10.9%	+19.1%
Tier 1 capital (EUR m)	17,573	18,216	18,418	+4.8%	+1.1%
Total weighted risks (EUR m)	143,170	149,254	143,962	+0.6%	-3.5%
Tier 1 ratio	12.3%	12.2%	12.8%	+52 bps	+59 bps
Core Tier 1 ratio	11.3%	11.3%	11.8%	+52 bps	+55 bps
Net assets per share					
– Core shareholders' equity (EUR)	10.02	10.27	10.38	+3.6%	+1.1%
– Total shareholders' equity (EUR)	5.52	4.12	4.91	-11.1%	+19.2%

* *Figures for December 2009 were restated to take into consideration the bonus shares (free of charge) distributed to the shareholders.*

Balance-sheet and solvency

At the end of September 2010, Dexia's total assets reached EUR 599 billion, down by EUR 10 billion compared to June 2010 (EUR +21 billion on December 2009). Over the third quarter of 2010, the positive impact of the deleveraging (EUR -7.9 billion) and foreign exchange (EUR -10.5 billion) was partially offset by the increase in cash collateral and fair value adjustments of assets (mainly derivatives) following the flattening of the EUR and USD interest rate curves (EUR +9 billion).

To note that Dexia bank Belgium SA recently became clearing member in Swapclear, this should help optimizing the collateral management.

At the end of September 2010, weighted risks amounted to EUR 144 billion, down EUR 5.3 billion compared to June 2010 (flat compared to December 2009). The quarterly decrease of weighted risks was mainly due to the forex impact (EUR -5.2 billion) as the impact of the deleverage (EUR -0.7 billion) was offset by the new production (EUR +0.3 billion) and the limited impact of downgrades (EUR +0.3 billion). Core weighted risks decreased by 1% (EUR -1.0 billion) driven by Investor Services (-30%). Legacy weighted risks fell by 8% (EUR -4.2 billion), mainly due to forex impact (EUR -2.5 billion on Financial Products) and deleveraging efforts.

At EUR 19.2 billion, Dexia's core shareholders' equity increased by 1.1% on June 2010 and 3.6% on December 2009 by virtue of organic capital generation.

The Group's total shareholders' equity amounted to EUR 9.1 billion, down 10.9% (EUR 1.1 billion) from the end of 2009 but up 19.1% (EUR 1.4 billion) compared to June 2010. The quarterly variation was due to a positive evolution of the Other Comprehensive Income, and in particular to the improvement of the negative available-for-sale reserve on securities (AFS), from EUR -10.4 billion at the end of June 2010 to

EUR -9.1 billion at the end of September 2010. The AFS reserve related to assets reclassified in Loans & Receivables (L&R) improved by EUR 1 billion, at EUR -5.2 billion at the end of September 2010. This was mainly linked to the forex (EUR 0.5 billion) and the impact of amortization and sales on both the Financial Products and the bond portfolio in run-off (EUR 0.2 billion). Excluding assets reclassified in L&R, the AFS reserve improved by EUR 0.3 billion compared to June 2010. The AFS reserve on equity went up by EUR 0.1 billion qoq. The EUR 0.2 billion positive variation of the AFS reserve on bonds (EUR -4.2 billion as at 30 September 2010) was mainly due to the impact of interest rate as credit spread impact remained neutral.

At the end of September 2010, Dexia's Tier 1 reached 12.8%, +59 bps on June 2010 and +100 bps on September 2009. At 11.8% at the end of the third quarter, the Core Tier 1 ratio was up 55 bps on June 2010 and +99 bps on September 2009, confirming the capital generation capacity of the Group.

Update on liquidity

The Group raised EUR 41.6 billion of medium and long-term wholesale funding by the end of October 2010. Funds raised to this date involved over EUR 23.2 billion of state guaranteed debt and EUR 18.4 billion raised without the benefit of the guarantee of which EUR 13.2 billion of long dated covered bonds. An innovative offer of exchange was launched by Dexia Municipal Agency in September 2010, targeting extension of its liabilities: 2 long-dated benchmarks (EUR 2 billion in total) were newly created on the basis of 42% cash coming from the exchange.

No new medium term Government guaranteed issue was executed since 1 July 2010 in line with Dexia's decision to early exit the State Guarantee.

Over the quarter, the Group made further substantial progress in reducing its short-term liquidity gap and improving its short-term funding mix. By end of September, the short-term funding need was reduced by an additional EUR 23 billion compared to the end of June 2010 (EUR 64 billion vs. September 2009) at EUR 121 billion. In 3Q 2010, Dexia accelerated the cutback of central bank borrowings (down EUR 20 billion compared to June 2010) and was no longer funded by short-term government guaranteed funding. The shift towards longer-term bilateral and tri-party repos was confirmed during the quarter.

By the end of September 2010, the total amount of repo and central bank eligible securities amounted to EUR 114 billion of which EUR 57 billion were used, allowing for a significant liquidity buffer despite the Group's active deleverage policy.

APPENDIX

Retail and Commercial Banking (RCB)

Statement of income								
In millions of EUR	3Q09*	2Q10	3Q10	Var. 3Q10/ 3Q09	Var. 3Q10/ 2Q10	9M09*	9M10	Var. 9M10/ 9M09
Income	**696**	**718**	**715**	**+2.7%**	**-0.5%**	**2,068**	**2,145**	**+3.7%**
Expenses	-463	-472	-477	+3.1%	+1.1%	-1,382	-1,422	+2.9%
Gross operating income	**232**	**246**	**237**	**+2.0%**	**-3.6%**	**686**	**723**	**+5.3%**
Cost of risk	-70	-59	-31	-55.9%	-47.6%	-216	-159	-26.3%
Other impairments & provisions for legal litigations*	-18	-1	2	n.s.	n.s.	-47	0	n.s.
Pre-tax income	**145**	**187**	**208**	**+43.4%**	**+11.4%**	**423**	**563**	**+33.1 %**

** The provisions for legal litigations were previously included in income (other net income).*

Public and Wholesale Banking (PWB)

Statement of income								
In millions of EUR	3Q09*	2Q10*	3Q10	Var. 3Q10/ 3Q09	Var. 3Q10/ 2Q10	9M09*	9M10	Var. 9M10/ 9M09
Income	**286**	**285**	**235**	**-17.9%**	**-17.6%**	**994**	**753**	**-24.2%**
Expenses	-135	-130	-131	-2.7%	+0.4%	-397	-393	-1.0%
Gross operating income	**151**	**155**	**104**	**-31.5%**	**-32.8%**	**597**	**360**	**-39.7%**
Cost of risk	-24	-7	-4	-83.9%	-46.5%	-92	-35	-62.3%
Other impairments & provisions for legal litigations*	0	0	-2	n.s.	n.s.	-1	-2	x2.0
Pre-tax income	**128**	**147**	**98**	**-23.2%**	**-33.6%**	**504**	**323**	**-35.9%**

** The provisions for legal litigations were previously included in income (other net income). The results of AdInfo previously recorded in PWB are now recorded in Group Center.*

Asset Management and Services (AMS)

Statement of income								
In millions of EUR	3Q09*	2Q10	3Q10	Var. 3Q10/ 3Q09	Var. 3Q10/ 2Q10	9M09*	9M10	Var. 9M10/ 9M09
Income	**220**	**232**	**289**	**+31.3%**	**+24.5%**	**547**	**757**	**+38.3 %**
Expenses	-165	-176	-175	+6.1%	-0.6%	-490	-518	+5.7%
Gross operating income	**55**	**56**	**114**	**x2.1**	**x2.0**	**57**	**239**	**x4.2**
Cost of risk	1	2	0	n.s.	n.s.	-22	3	n.s.
Other impairments & provisions for legal litigations*	0	0	0	n.s.	n.s.	2	0	n.s.
Pre-tax income	**56**	**58**	**114**	**x2.0**	**+95.4%**	**37**	**242**	**x6.5**
Of which								
Asset Management	*19*	*18*	*16*	*-18.2%*	*-12.8%*	*22*	*50*	*x2.3*
Investor Services	*7*	*17*	*12*	*+76.7%*	*-31.7%*	*17*	*40*	*x2.4*

Insurance	*30*	*23*	*86*	*x2.9*	*x3.7*	*-2*	*151*	n.s.

** The provisions for legal litigations were previously included in income (other net income). The results of DEP previously recorded in AMS are now recorded in Group Center.*

Group Center

Statement of income								
In millions of EUR	3Q09*	2Q10*	3Q10	Var. 3Q10/ 3Q09	Var. 3Q10/ 2Q10	9M09*	9M10	Var. 9M10/ 9M09
Income	**73**	**76**	**3**	**-70**	**-73**	**174**	**76**	**-98**
Expenses	-115	-67	-158	-43	-91	-287	-309	-22
Gross operating income	**-42**	**9**	**-155**	**-113**	**-164**	**-113**	**-233**	**-120**
Cost of risk	62	9	0	-62	-9	4	-4	-8
Other impairments & provisions for legal litigations*	0	-135	4	+4	+139	0	-146	-146
Pre-tax income	**20**	**-117**	**-151**	**-171**	**-34**	**-109**	**-383**	**-274**

** The provisions for legal litigations were previously included in income (other net income). The results of DEP previously recorded in AMS and the results of AdInfo previously recorded in PWB are now recorded in Group Center.*

Detailed information on reported results are provided in the presentation "3Q & 9M 2010 Results and Business Highlights" available on *www.dexia.com*.

For detailed information on the results and the balance sheet elements, please consult the Financial Report 3Q and 9M 2010 on *www.dexia.com*.

About Dexia

Dexia is a European bank, with about 35,200 members of staff and core shareholders' equity of EUR 19.2 billion as at 30 September 2010. The Dexia Group focuses on Retail and Commercial Banking in Europe, mainly Belgium, Luxembourg and Turkey and on Public and Wholesale Banking, providing local public finance operators with comprehensive banking and financial solutions. Asset Management and Services provides asset management, investor and insurance services, in particular to the clients of the other two business lines. The different business lines interact constantly in order to serve clients better and to support the Group's commercial activity.

For more information: www.dexia.com

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