DEXIA FUNDING NETHERLANDS N.V.

(Incorporated with limited liability under the laws of the Netherlands)
Issuer

DEXIA BANK BELGIUM S.A.

(Incorporated with limited liability under the laws of Belgium)
Issuer, Guarantor, Paying Agent and Calculation Agent

DEXIA BANQUE INTERNATIONALE A LUXEMBOURG,
SOCIETE ANONYME
Fiscal Agent and Principal Paying Agent

NOTES ISSUANCE PROGRAMME

EUR 15,000,000,000

Under the Notes Issuance Programme (the "Programme") described in this Base Prospectus Dexia Bank Belgium S.A. (also named Dexia Banque S.A./Dexia Bank N.V., or "DEXIA BANK") and Dexia Funding Netherlands N.V. ("DFN", together with DEXIA BANK the "Issuers" and each, individually, an "Issuer") may from time to time issue notes (in the case of notes issued by DEXIA BANK referred to as the "DEXIA BANK Notes", in the case of notes issued by DFN as the "DFN Notes", together referred to as the "Notes" and individually as a "Note"), which may be linked to various underlyings (the "Underlying"), that rank as senior obligations of the Issuer (the "Senior Notes") or, for DFN only, that rank as senior subordinated obligations to the Issuer (the "Senior Subordinated Notes"). Senior Notes issued by DFN will be guaranteed by DEXIA BANK (the "Guarantor") pursuant to a senior guarantee (the "Senior Guarantee"). Senior Subordinated Notes issued by DFN will be guaranteed by DEXIA BANK pursuant to a senior subordinated guarantee (the "Senior Subordinated Guarantee").

Each Tranche of Notes will be documented by final terms (the "Final Terms").

The Base Prospectus should be read and construed in conjunction with each relevant Final Terms.

The relevant Final Terms and this Base Prospectus together constitute the Prospectus for each Tranche.
Prior to making an investment decision, prospective investors should consider carefully all of the information set out in the Base Prospectus, including in particular the risk factors as described below in *Condition 5. Risk Factors.*

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 articles 53 and 54 of 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. This Base Prospectus replaces and supersedes the Base Prospectus of DFN and DBB dated 5 January 2010.

The Base Prospectus, including the summary, and the Final Terms of each Tranche are available on the internet site www.dexia.be (under the heading "Sparen & beleggen/Epargner & investir") and a copy can be obtained free of charge in the offices of DEXIA BANK.

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 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. This approval does not entail any appraisal of the appropriateness or the merits of any issue under the programme nor of the situation of the Issuers or the Guarantor.

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2 CHOICES MADE BY THE ISSUER

The Issuers have chosen according to article 5(4) of Directive 2003/71/EC to issue notes under a base prospectus. The specific terms of each Tranche will be set forth in the applicable Final Terms. In addition, the Issuers choose as their home Member State the Kingdom of Belgium.

The Issuers have freely defined the order in the presentation of the required items included in the schedules and building blocks of the Commission Regulation (EC) n°809/2004 of 29 April 2004 implementing Directive 2003/71/EC as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (herein referred to as "Regulation (EC) 809/2004") according to which this Base Prospectus is drawn up. The chosen presentation is a consequence of the combination of Annex IV, Annex V, Annex VI and Annex XI of Regulation (EC) 809/2004. In order to enable the Noteholders to identify in the presentation below the corresponding provisions of Regulation (EC) 809/2004, cross-references will be made to the relevant annexes of Regulation (EC) 809/2004 and their subsections. Finally, any items which do not require, in their absence, an appropriate negative statement according to Regulation (EC) 809/2004, are not included in the presentation when the Issuers so determine.

3 RESPONSIBILITY STATEMENT

(Annex V.1, IV.1 and XI.1 of Regulation (EC) 809/2004)

DFN as Issuer and DEXIA BANK as Issuer or Guarantor accept responsibility for the information given in the Base Prospectus. Having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.

4 SUMMARY

The following summary is established in accordance with Articles 24 and 28 of 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 and conveys, in a brief manner and in a non-technical language, the essential characteristics and risks associated with the Issuers, the Guarantor and the Notes.

WARNING: This summary should only be read as an introduction to the Base Prospectus. Any decision to invest in any Notes should be based on a consideration of the Base Prospectus as a whole and of the relevant Final Terms by the Noteholders. Where a claim relating to the information contained in the Prospectus is brought before a court in an EEA State, the plaintiff Noteholder may, under the national legislation of the EEA State, be required to bear the costs of translating the Prospectus before the legal proceedings are initiated. Nobody bears civil liability on the mere basis of this summary or its translation, except if its contents are misleading, incorrect or inconsistent when read together with other parts of the Prospectus.

Summary of the

DEXIA FUNDING NETHERLANDS N.V.
AND
DEXIA BANK BELGIUM S.A.
NOTES ISSUANCE PROGRAMME

(the "Programme")
EUR 15,000,000,000

The Base Prospectus, including this summary, and the final Terms of each Tranche are available on the internet site www.dexia.be (under the heading "Sparen en beleggen/Epargner & investir") and a copy can be obtained free of charge in the offices of the Guarantor.

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 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. This approval does not entail any appraisal of the appropriateness or the merits of any issue under the programme nor of the situation of the Issuers or the Guarantor.

The following summary does not purport to be complete and is taken from, and is qualified in its entirety by the remainder of, this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. Words and expressions defined or used in "Terms and Conditions of the Notes" shall have the same meaning in this summary.

Issuers:	Dexia Funding Netherlands N.V. Dexia Bank Belgium S.A.
Information relating to DFN:	DFN was incorporated for an unlimited duration under the laws of the Netherlands on 7 July 1987. Its registered office is at "Atrium" 7th Floor, Strawinskylaan 3105, Amsterdam and its postal address is at 1000 BL Amsterdam, P.O. Box 1469. According to Article 3 of its Articles of Association, DFN's objects are – *inter alia* – to enter into and to provide loans and to perform all other transactions of a financial nature, as well as to participate in, to carry on the management of and to finance other enterprises and companies. DFN is registered in the Commercial Register of the Chamber of Commerce in Amsterdam under file number 33.194.789. The authorised share capital of DFN amounts to EUR 2,268,900.00 divided into 5,000 ordinary shares of EUR 453.78 each, of which 1,000 shares have been issued and 25 per cent. are paid up. DFN is a wholly owned subsidiary of DEXIA BANK and is part of the international banking group Dexia ("Dexia").
Information relating to DEXIA BANK:	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. Its registered office is at 1000 Brussels, boulevard Pachéco 44, Belgium, telephone +32 2 222 11 11. DEXIA BANK was established on 23 October 1962 and developed as a financial institution for 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. Together with Dexia Credit Local and Dexia Banque Internationale à Luxembourg, société anonyme ("Dexia BIL"), DEXIA BANK forms the European banking group Dexia. The consolidated assets of Dexia amount to EUR 578 bn as at 31 December 2009. DEXIA BANK's objects include, *inter alia*, carrying on the business of a credit institution, including entering into financial derivatives transactions. DEXIA BANK may for its own account and for the account of third parties, both in Belgium and abroad, undertake any and all activities and carry out all banking transactions including *inter alia*: 1. deposit taking, lending in a broad sense, brokerage, stock exchange related operations, and providing guarantees and surety; 2. short, medium and long-term credit transactions, investments in sustainable developments by provinces, municipalities and regional and local organisations, and investments by the public sector; and 3. by means of appropriate credit transactions, to further the day-to-day financial operations of provinces, municipalities and regional and local organisations and of other public sector institutions. DEXIA BANK also distributes insurance products from third party insurance companies and may acquire, own and sell shares and other participations in other companies, within the limits provided by applicable law relating to credit institutions. DEXIA BANK is entitled to carry out any transactions of whatever nature including, *inter alia*, financial, commercial and real estate transactions, relating directly or indirectly to the furtherance of its objects or of such a nature as to facilitate the achievement of such objects.
Guarantor:	DEXIA BANK (for DFN issues)
Calculation Agent:	DEXIA BANK. All calculations shall be made in a commercially reasonable manner. The Calculation Agent shall have no responsibility to Noteholders for good faith errors or omissions in its calculations (without limitation, errors or omissions due to events which are not under the direct control of the Calculation Agent) and determinations as provided in the

	Terms and Conditions, except for those resulting from the gross negligence or intentional misconduct of the Calculation Agent.
Size of the Programme	EUR 15,000,000,000 (or the equivalent in other currencies at the date of issue) aggregate principal amount of Notes outstanding at any one time.
Fiscal Agent (in respect of Notes issued by DFN):	Dexia Banque Internationale à Luxembourg, société anonyme ("Dexia BIL"), a company incorporated under the laws of Luxembourg.
Principal Paying Agent (in respect of Notes issued by DFN):	Dexia BIL, unless it is specified in the Final Terms relating to any Tranche that another principal paying agent is appointed in respect of that Tranche.
Paying Agent:	DEXIA BANK, unless it is specified in the Final Terms relating to any Tranche that another paying agent is appointed in respect of that Tranche.
Risk Factors:	There are risk factors that fully affect the Issuers' or Guarantor's ability to fulfil their obligations under the Notes. These include Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Risk Management, Regulatory Risk, uncertain economic conditions, competition and current market volatility and recent market developments (see 5 "Risk factors" in the Base Prospectus). There are risk factors which are material for the purpose of assessing the market risks associated with the Notes. These include the risk that the Notes may not be a suitable investment for all investors. There are also risk factors that relate to the structure of a particular issue of Notes. These include specific risk factors for Notes subject to optional redemption by the Issuer, Variable Notes with a multiplier or other coverage factor, Fixed/Floating Rate Notes, foreign currency Notes exposing investors to foreign exchange risk as well as to issuer risk and subordination in respect of Senior Subordinated Notes.
Method of Issue:	The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche will be identical to the terms of other Tranche of the same Series) will be set out in the Final Terms
Offering Period:	The Notes will be offered for subscription during the Offering Period (specified in the relevant Final Terms) at the relevant Issue Price. Any applicable fees or commissions will be specified in the relevant Final Terms. The relevant Issuer has the right to cancel any issue of Notes under the Programme during their Offering Period until the fifth Business Day before their Issue Date, either (i) when it reasonably believes that investors will not subscribe to the offer for an amount of at least the Minimum Amount specified in the relevant Final Terms or (ii) in case it considers there is a material adverse change in market conditions. Investors that have subscribed to these Notes will be notified by letter of such cancellation. The relevant Issuer has the right to anticipatively terminate the Offering Period if the Maximum Amount specified in the Final Terms of the relevant Notes issue has been reached or if the market conditions adversely affect the interest or the redemption amounts to be paid by the relevant Issuer.
Form and Denomination of the Notes:	The DFN Notes are issued in bearer form ("Bearer Notes") in the Denominations specified in the relevant Final Terms. The Denomination of DFN Notes will be at least EUR 1,000. The DEXIA BANK Notes are issued in dematerialised form (the "Dematerialised Notes") in the Denominations specified in the relevant Final Terms.
Issue Price:	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly-paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Maturity:	Any maturity from one month from the date of original issue.
Currency:	Subject to compliance with all relevant laws, regulation and directives,

	Notes may be issued in U.S. dollar, Australian dollar, Canadian dollar, Danish krone, euro, Hong Kong dollar, New Zealand dollar, Norwegian krone, Sterling, Swedish krone, Swiss franc, Turkish lira or Japanese yen or in other currencies; as will be specified in the relevant Final Terms.
Interest:	The interest to be paid on the Notes (the "Interest") can be based on a fixed rate ("Fixed Rate", such Notes to be referred to as "Fixed Rate Notes"), a floating rate ("Floating Rate", such Notes referred to as "Floating Rate Notes") or linked to any other variable, formula or Underlying ("Variable Linked Rate", such Notes to be referred to as "Variable Linked Rate Notes") (Fixed Rate, Floating Rate and Variable Linked Rate are together referred to as "Interest Rate"). The Interest Rate is expressed as a percentage per annum.
Redemption:	The Redemption of the Notes can be at par or applying a certain percentage, as specified in the relevant Final Terms. A Redemption Amount can also be linked to any other variable, formula or Underlying ("Variable Linked Redemption Amount").
Optional Redemption:	The Final Terms in respect of each issue of Notes may state whether such Notes may be redeemed prior to their stated maturity at the option of the relevant Issuer (either in whole or in part) and/or the holders, and if so the terms applicable to such redemption.
Underlying:	In case of Variable Linked Rate Notes or Notes with a Variable Linked Redemption Amount, the Underlying for any Tranche of Notes issued under the Programme will be specified in the relevant Final Terms. The Underlying can be, but is not limited to, any of the following: (i) a Market Rate, (ii) a Share or a Basket of Shares, (iii) a Share Index or a Basket of Share Indices, (iv) a Fund or a Basket of Funds, (v) a Commodity or a Basket of Commodities, or (vi) a Commodity Index or a Basket of Commodity Indices.
Status of the Notes:	If the Notes are specified in the relevant Final Terms to be Senior Notes, they will be direct, unconditional and unsecured obligations of the relevant Issuer and rank at all times *pari passu* without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer, present and future, only to the extent permitted by laws relating to creditor's rights. If the Notes are specified in the relevant Final Terms to be Senior Subordinated Notes, they will be direct, unsecured and senior subordinated obligations of the relevant Issuer and rank at all times *pari passu* without any preference among themselves and at least equally and rateably with all other present and future unsecured, unconditional or conditional senior subordinated obligations of the relevant Issuer from time to time outstanding.
Status of the Guarantee:	Senior Guarantee: The obligations of the Guarantor under the Senior Guarantee in respect of Senior Notes issued by DFN will be direct, unsecured, unconditional and unsubordinated obligations of the Guarantor ranking *pari passu* and without any preference among themselves and equally with all other unsecured and unsubordinated obligations of the Guarantor from time to time outstanding. Senior Subordinated Guarantee: The obligations of the Guarantor under the Senior Subordinated Guarantee in respect of Senior Subordinated Notes issued by DFN will be direct, unsecured, unconditional (unless otherwise provided for in the relevant Final Terms) and senior subordinated obligations of the Guarantor ranking *pari passu* and without any preference among themselves and at least equally and rateably with all other present and future unsecured, unconditional or conditional and senior subordinated obligations of the Guarantor from time to time outstanding.
Secondary Market:	If "Secondary Market" is provided to be "Applicable" in the relevant Final Terms for any Notes, the price of the Notes is available on demand on each Business Day during the term of such Notes in every office of DEXIA BANK until 30 Business Days preceding their Maturity Date or, if

applicable, 10 Business Days before the Optional Redemption Date, unless in DEXIA BANK's determination, market conditions preclude it from quoting a price. In such case, DEXIA BANK can be considered market maker for the Notes and will organise the secondary market, thereby providing liquidity through bid and offer rates. The main terms of the commitment of DEXIA BANK will be specified in the relevant Final Terms and (i) "Maximum Spread" means the maximum spread between the then applicable bid and offer rates; (ii) "Maximum Commission" means the maximum commission on the bid and offer rates; and (iii) "Maximum Exit Penalty" means the maximum exit penalty applicable to the bid and offer rates.

The bid and offer rates of the Notes are subject to the then applicable market conditions, interest rates, forward rates, credit spreads of the relevant Issuer or the Guarantor as applicable, etc.

In case of sale of the Notes before maturity, the sale proceeds can be lower than the invested amount.

Use of Proceeds: The net proceeds of the sale of the Notes will be used for the general funding purposes of DEXIA BANK. In the case of DFN Notes, DFN will grant a loan to DEXIA BANK. If, in respect of any particular issue, there is a particular identified use of proceeds, this will be stated in the applicable Final Terms.

Clearing Systems: In respect of DFN Notes, the clearing systems operated by Euroclear Bank S.A./N.V. ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg") and such other clearing system as may be agreed between the relevant Issuer and the Fiscal Agent and as specified in the relevant Final Terms.

In respect of DEXIA BANK Notes, the clearing system operated by the National Bank of Belgium or any successor thereto (the "BNB System") and such other clearing system as may be specified in the relevant Final Terms.

Governing Law: The Notes and the Guarantee are governed by Belgian law.

All disputes arising out of or in connection with the Notes and the Guarantee shall be submitted to the jurisdiction of the competent courts in Belgium.

The Agency Agreement is governed by the laws of Luxembourg.

Documents on Display: Copies of the annual report dated December 31st, 2009 of the Issuers and of all subsequent annual reports to be published of the Issuers and copies of the articles of association of the Issuers are available free of charge at the office of the Fiscal Agent and at the offices of the Luxembourg and Belgian Paying Agents and will be available during the entire lifetime of the Notes. Additionally, the annual reports of DEXIA BANK are available on its internet site: http://www.dexia.be/Nl/Particulier/VIADEXIA-P29/Publications/ or http://www.dexia.be/fr/Particulier/VIADEXIA-P29/Publications/ the annual and quarterly reports of Dexia S.A. are available on www.dexia.com and recent developments relating to Dexia S.A. are available on www.dexia.com under the news sections. Moreover, copies of the semi-annual and annual reports of Dexia Funding Netherlands and copies of the annual reports of DEXIA BANK are available on the Luxembourg Stock Exchange-website: www.bourse.lu.

5 RISK FACTORS

(Annex V.2, IV.' And XI.3 of Regulation (EC) 809/2004)

The following sets out certain aspects of the offering of the Notes of which prospective investors should be aware. Prior to making an investment decision, prospective investors should consider carefully all of the information set out in the Base Prospectus, including in particular the following risk factors detailed below. All of these factors are contingencies which may or may not occur and neither DEXIA BANK nor DFN is in a position to express a view on the likelihood of all or any of such contingencies occurring.
Prospective investors should also read the detailed information set out elsewhere in the Base Prospectus (including any documents deemed to be incorporated in it by reference) and reach their own views prior to making any investment decision.

In case of doubt in respect of the risks associated with the Notes and in order to assess their adequacy with the personal risk profile, investors should consult their own financial, legal, accounting and tax experts about the risks associated with an investment in these Notes, the appropriate tools to analyse that investment, and the suitability of that investment in each investor's particular circumstances. No investor should purchase the Notes described in the Base Prospectus unless that investor understands and has sufficient financial resources to bear the price, market, liquidity, structure redemption and other risks associated with an investment in these Notes. The market value can be expected to fluctuate significantly and investors should be prepared to assume the market risks associated with these Notes.

Notes may not be a suitable investment for all investors

Each potential investor in any Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including where principal or interest is payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with the help of a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Factors that may affect DEXIA BANK's ability to fulfil its obligations under the Notes

Like other banks, DEXIA BANK faces financial risk in the conduct of its business, such as credit risk, operational risk and market risk (including liquidity risk). Furthermore, DEXIA BANK faces regulatory risk, the uncertain economic conditions and the competition across all the markets.

Credit risk

As a credit institution, DEXIA BANK is exposed to the creditworthiness of its customers and counterparties. DEXIA BANK may suffer losses related to the inability of its customers or other counterparties to meet their financial obligations. Most of the commitment decisions concern customers in the local government sector, which is low risk and also subject to specific controls relating to its public nature. DEXIA BANK cannot assume that its level of provisions will be adequate or that it will not have to make significant additional provisions for possible bad and doubtful debts in future periods. Group Risk Management oversees Dexia Group's risk policy and is responsible for, inter alia, setting and managing the risk surveillance function and decision processes and implementing group-wide risk assessment methods for each of the bank's activities and operational entities.

Market risk

Market risks are all the risks linked to the fluctuations of market prices, including, principally, exposure to loss arising from adverse movements in interest rates, and, to a lesser extent, foreign exchange rates and equity prices, stemming from Dexia Group's activities. Due to the nature of its activity, Dexia Group is prevented from assuming significant exposure to market risk. Market risks generated by the capital markets activities stems mainly from short-term cash management and a portfolio of derivative products with customers that is managed on a market value basis. Market risks generated by the commercial businesses are generally hedged and residual risks are handled by the Asset and Liability Management function.

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 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 organisation 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.

Liquidity risk

The objective of liquidity management is to ensure that, at all times, DEXIA BANK holds sufficient funds to meet its contracted and contingent commitments to customers and counterparties, at an economic price. All the main issues regarding liquidity risk are managed by Dexia Group's Asset and Liability Management teams, which carefully manage resources of the different Dexia Group entities and their use, in particular, the adequacy of expected new lending production with the available resources and Dexia Group's liquidity needs.

Regulatory risk

DEXIA BANK's business activities are subject to substantial regulation and regulatory oversight in the jurisdictions in which it operates. Current, together with future regulatory developments, including changes to accounting standards and the amount of regulatory capital required to support the risk, could have an adverse effect on DEXIA BANK conducting business and on the results of its operations. DEXIA BANK's business and earnings are also affected by fiscal and other policies that are adopted by the various regulatory authorities of the European Union, foreign governments and international agencies. The nature and impact of future changes in such policies are not predictable and are beyond DEXIA BANK's control.

Uncertain economic conditions

DEXIA BANK's business activities are dependent on the level of banking, finance and financial services required by its customers. In particular, levels of borrowing are heavily dependent on customer confidence, market interest rates and other factors that affect the economy. The profitability of DEXIA BANK's businesses could, therefore, be adversely affected by a worsening of general economic conditions in its markets, as well as by foreign and domestic trading market conditions and/or related factors, including governmental policies and initiatives. An economic downturn or significantly higher interest rates could increase the risk that a greater number of DEXIA BANK's customers would default on their loans or other obligations to DEXIA BANK, or would refrain from seeking additional borrowing.

Increased Regulation

Recent developments in the global markets have led to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. In particular, governmental and regulatory authorities in France, the UK, the United States, Belgium, Luxembourg and elsewhere have provided additional capital and funding and already or may in the future be introducing a significantly more restrictive regulatory environment including new accounting and capital adequacy rules, restriction on termination payments for key personnel in addition to new regulation of derivative instruments. It is uncertain how the more rigorous regulatory climate will impact financial institutions including DEXIA BANK and Dexia Group as a whole but an adverse impact on their respective businesses cannot be excluded, which could in turn affect DEXIA BANK's ability to meet its payments under the Notes.

Competition

DEXIA BANK faces strong competition across all its markets from local and international financial institutions including banks, building societies, life insurance companies and mutual insurance organisations. While DEXIA BANK believes it is positioned to compete effectively with these competitors, there can be no assurance that increased competition will not adversely affect DEXIA BANK in one or more of the markets in which it operates.

Risk Management

Monitoring of the risks relating to DEXIA BANK and its operations and the banking industry is performed jointly by the appropriate committees and the Risk Management department, with the help of tools that it develops, in compliance with the guidelines established by Dexia Group and all legal constraints and rules of prudence.

Factors that may affect DFN's ability to fulfil its obligations under the Notes

Considering the close relationship with, and the guarantee of the obligations of DFN by, DEXIA BANK, the risk factors as set out above in respect of DEXIA BANK may also apply, directly and/or indirectly, to DFN.

Factors which are material for the purpose of assessing the market risks associated with the Notes

Business Conditions and the General Economy

The Issuer's profitability, or that of Dexia Group, could be adversely affected by a worsening of general economic conditions domestically, globally or in certain individual markets such as France, Belgium and Luxembourg. Factors such as interest rates, inflation, investor sentiment, the availability and cost of credit, the liquidity of the global financial markets and the level and volatility of equity prices could significantly affect the activity level of customers. For example:

An economic downturn or significantly higher interest rates could adversely affect the credit quality of the Issuer's or the Group's on-balance sheet and off-balance sheet assets by increasing the risk that a greater number of the Issuer's or the Group's customers would be unable to meet their obligations;

A continued market downturn or further worsening of the economy could cause the Issuer to incur mark-to-market losses in some of its portfolios; and

A continued market downturn would be likely to lead to a decline in the volume of transactions that the Issuer executes for its customers and, therefore, lead to a decline in the income it receives from fees and commissions and interest.

All of the above could in turn affect the Issuer's ability to meet its payments under the Notes.

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 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.

For more than 2 years now, capital and credit markets have been experiencing volatility and disruption, sometimes reaching unprecedented levels, which has resulted in downward pressure on stock prices and significant reduction of the capacity of certain issuers to raise debt.

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 DEXIA BANK's or Dexia Group's business, financial condition and results of operations, which could in turn affect the DEXIA BANK's ability to meet its payments under the Notes.

Risks related to the structure of a particular issue of Notes

A wide range of Notes may be issued under the Programme. A number of these Notes may have features which contain particular risks for potential investors. Set out below is a description of certain such features:

Notes subject to optional redemption by the Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This may also be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. Investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes. Potential investors should consider reinvestment risk in light of other investments available at that time.

Variable Linked Rate Notes

The relevant Issuer may issue Notes with principal or interest determined by reference to an index or formula, to changes in the prices of securities or commodities, to movements in currency exchange rates or other factors (each, a "Relevant Factor"). An investment in Variable Linked Rate Notes entails significant risks that are not associated with similar investments in a conventional fixed or floating rate debt security. The Issuers believe that Variable Linked Rate Notes should only be purchased by investors who are in a position to understand the special risks that an investment in these instruments involves. Potential investors should be aware that:

(i) the market price of such Notes may be volatile;

(ii) an index or indices may be subject to significant changes, whether due to the composition of the index itself, or because of fluctuations in value of the indexed assets;

(iii) the resulting interest rate may be less (or may be more) than that payable on a conventional debt security issued by each Issuer at the same time;

(iv) payment of principal or interest may occur at a different time or in a different currency than expected;

(v) the holder of a non capital guaranteed Variable Linked Rate Note could lose all or a substantial portion of the principal of such Note (whether payable at maturity or upon redemption or repayment), and, if the principal is lost, interest may cease to be payable on the Variable Linked Rate Note;

(vi) a Relevant Factor may be subject to significant fluctuations that may not correlate with changes in interest rates, currencies or other indices;

(vii) if a Relevant Factor is applied to Notes in conjunction with a multiplier greater than one or contains some other leverage factor, the effect of changes in the Relevant Factor on principal or interest payable will likely be magnified;

(viii) the timing of changes in a Relevant Factor may affect the actual yield to investors, even if the average level is consistent with their expectations. In general, the earlier the change in the Relevant Factor, the greater the effect on yield;

(ix) the risks of investing in an Variable Linked Rate Note encompass both risks relating to the underlying indexed securities and risks that are unique to the Note itself;

(x) any Variable Linked Rate Note that is indexed to more than one type of underlying asset, or on formulas that encompass the risks associated with more than one type of asset, may carry levels of risk that are greater than Notes that are indexed to one type of asset only;

(xi) it may not be possible for investors to hedge their exposure to these various risks relating to Variable Linked Rate Notes;

(xii) a significant market disruption could mean that a Relevant Factor on which the Variable Linked Rate Notes are based ceases to exist and that the Notes or redeemed at a value below par; and

(xiii) and index may cease to be published, in which case it may be replaced by an index which does not reflect the exact Relevant Factor, or, in the case where no replacement index exists, the cessation of publication of the index may lead to the early redemption of the Notes.

In addition, the value of Variable Linked Rate Notes on the secondary market is subject to greater levels of risk than is the value of other Notes. The secondary market, if any, for Variable Linked Rate Notes will be affected by a number of factors, independent of the creditworthiness of each Issuer and the value of the applicable currency, stock, interest rate, commodity or other variable, including the volatility of the applicable currency, stock, interest rate, commodity or other variable, the time remaining to the maturity of such Notes, the amount outstanding of such Notes and market interest rates. The value of the applicable currency, stock, interest rate, commodity or other variable depends on a number of interrelated factors, including economic, financial and political events, over which the relevant Issuer has no control. Additionally, if the formula used to determine the amount of principal, premium and/or interest payable with respect to Variable Linked Rate Notes contains a multiplier or leverage factor, the effect of any change in the applicable currency, stock, interest rate, commodity or other variable will be increased.

The historical experience of the relevant currencies, stocks, interest rates, commodities or other variables should not be taken as an indication of future performance of such currencies, stocks, interest rates, commodities or other variables during the term of any Variable Linked Rate Note. Additionally, there may be regulatory and other ramifications associated with the ownership by certain investors of certain Variable Linked Rate Notes.

Various transactions by the Issuers could impact the performance of any Variable Linked Rate Notes, which could lead to conflicts of interest between each of the Issuers and holders of Variable Linked Rate Notes.

The Issuers are active in the international securities and currency markets on a daily basis. They may thus, for their own account or for the account of customers, engage in transactions directly or indirectly involving assets that are "reference assets" under Variable Linked Rate Notes and may make decisions regarding these transactions in the same manner as it would if the Variable Linked Rate Notes had not been issued. The Issuers and their affiliates may on the issue date of the Variable Linked Rate Notes or at any time thereafter be in possession of information in relation to any reference assets that may be material to holders of any Variable Linked Rate Notes and that may not be publicly available or known to the Noteholders. There is no obligation on the part of the Issuers to disclose any such business or information to the Noteholders.

Notes with a multiplier or other leverage factor

Notes with Variable Interest Rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include such features.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes may bear interest at a rate that the relevant Issuer may elect to convert from a fixed rate to a floating rate, or from a floating rate to a fixed rate. The relevant Issuer's ability to convert the interest rate will affect the secondary market and the market value of such Notes, since such Issuer may be expected to convert the rate when it is likely to produce a lower overall cost of borrowing. If the relevant Issuer converts from a fixed rate to a floating rate, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate, the fixed rate may be lower than then prevailing rates on its Notes.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield of Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. That is, investors may reinvest the interest income paid to them only at the relevant lower interest rates then prevailing.

Foreign currency Notes expose investors to foreign-exchange risk as well as to Issuer risk

As purchasers of foreign currency Notes, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to each Issuer or the type of Note being issued.

Issuer's obligations under Senior Subordinated Notes

The Issuer's obligations under Senior Subordinated Notes will be unsecured and senior subordinated and will rank junior to the claims of creditors in respect of unsubordinated obligations (as described in "Terms and Conditions of the Notes").

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Noteholders generally is described below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. The Issuers advise all investors to contact their own tax advisors for advice on the tax impact of an investment in the Notes.

Risks related to Notes generally

Set out below is a brief description of certain risks relating to the Notes generally:

Modification, waivers and substitution

The Terms and Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The trading market for debt securities may be volatile and may be adversely impacted by many events.

The market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

Savings Directive

Under EC Council Directive 2003/48/EC on taxation of savings income (the "Savings Directive"), Member States are required, from 1st July 2005, to provide to the tax authorities of another Member State details of payments of interest (or similar income) paid by a person within its jurisdiction to an individual resident in that other Member State. However, for a transitional period, Belgium, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate instead a withholding system in relation to such payments (the ending of such transitional period being dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries). A number of non-EU countries and territories, including Switzerland, have adopted similar measures (a withholding system in the case of Switzerland) with effect from the same date.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer, the Paying Agent, nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

Effective 1st January 2010, a Belgian paying agent within the meaning of the Savings Directive will no longer apply the Source Tax but will exchange information with the country of tax residence of the beneficial owner regarding interest payments as defined by the Directive. It concerns payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the associated and dependant territories. Residual entities are subject to a specific regime.

The communicated information will include the identity and residence of the beneficial owner, the name and address of the paying agent, the account number of the beneficial owner and information concerning the interest payment.

The exchange of information cannot be avoided by the submission of a certificate.

A proposal for a Council Directive amending the Savings Directive has been published and will, once agreed upon and implemented, amend the currently applicable rules.

Change of law

The Terms and Conditions of the Notes are based on Belgian law in effect as at the date of issue of the relevant Notes. No assurance can be given as to the impact of any possible judicial decision or change to Belgian law or administrative practice after the date of issue of the relevant Notes.

Risks related to the market generally

Set out below is a brief description of certain market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

The secondary market may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the "Investor's Currency") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the equivalent yield on the Notes in the Investor's Currency, (2) the equivalent value of the principal payable on the Notes in the Investor's Currency and (3) the equivalent market value of the Notes in the Investor's Currency.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of Fixed Rate Notes.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent Notes are legal investments for it.

Risk Indicator

In order to increase the transparency of the risks involved in investment products, DEXIA BANK has developed a synthetic risk indicator through a scale going from 1 (lowest risk) to 6 (highest risk). The exact risk level for any investment product is determined in function of different criteria, each with a fixed weighting. These criteria are, in order of importance: (degree of) capital protection, term of the relevant Note, type of return and complexity (Underlying and strategy). The risk level as determined by this risk indicator for any Tranche of Notes will be indicated in the relevant Final Terms.

All related information can be found on the DEXIA BANK internet site: **www.dexia.be.**

6 DOCUMENTS INCORPORATED BY REFERENCE

This Base Prospectus should be read and construed in conjunction with the audited annual accounts of DFN for the years ended 31 December 2009 and 31 December 2008, and the audited 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 (http://www.dexia.be/Nl/Particulier/VIADEXIA-P29/Publications/ or http://www.dexia.be/fr/Particulier/VIADEXIA-P29/Publications/).

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

	DEXIA FUNDING NETHERLANDS N. V.	
	Annual Report 2009	***Annual Report 2008***
Non-consolidated Balance Sheet	14	11
Non-consolidated Profit and Loss Account	15	13
Audit Report	26	25
Notes to the Accounts	16	14

	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
Non-Consolidated Balance Sheet	172	156
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.

7 DEXIA FUNDING NETHERLANDS N.V.

(Annex IV of Regulation (EC) 809/2004)

7.1 GENERAL INFORMATION

Dexia Funding Netherlands N.V. ("DFN") a public limited liability company ("*naamloze vennootschap*"), was incorporated for an unlimited duration under the laws of the Netherlands on 7 July 1987. Its registered office is at "Atrium" 7th Floor, Strawinskylaan 3105, 1077 ZX Amsterdam, the Netherlands, telephone +31 20 406 4482 and its postal address is at P.O. Box 1469, 1000 BL Amsterdam, the Netherlands.

According to Article 3 of its Articles of Association, DFN's objects are – *inter alia* – to enter into and to provide loans and to perform all other transactions of a financial nature, as well as to participate in, to carry on the management of and to finance other enterprises and companies.

DFN is registered in the Commercial Register of the Chamber of Commerce in Amsterdam under file number 33.194.789.

The authorised share capital of DFN amounts to EUR 2,268,900.00 divided into 5,000 ordinary shares of EUR 453.78 each. As of 31 December 2006, and without any changes since then, 250 shares are called and paid up, amounting to EUR 113,445.

DFN is a wholly owned subsidiary of DEXIA BANK. There is no arrangement that may result in a change of control of DFN.

DFN is part of the international banking group Dexia ("Dexia Group").

DFN is dependent on DEXIA BANK for the set up, marketing and sale of its notes issues. In addition, DFN relies on the fees paid by DEXIA BANK to finance its corporate activities.

DFN acts as a finance company. DFN issues notes in the market, whereby proceeds of the issued notes are fully lent on to DEXIA BANK.

There are no recent events particular to DFN 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 DFN's business which could result in any member of the Dexia Group being under an entitlement that is material to DFN's ability to meet its obligations to Noteholders.

DFN has made no investments since the date of the last published financial statements, and no principal fu investments are planned.

The auditors of DFN were KPMG, Burg. Rijnderslaan 10-20, 1185 MC Amstelveen from and including 1 January 2003 to 25 September 2004 and have been Deloitte, P.O. Box 58110, 1040 HC Amsterdam since 30 September 2004, being member of Deloitte Touche Tohmatsu. KPMG resigned due to the work performed by other branches of KPMG for Dexia Group and the change of the rules of independence.

The relevant auditor's report with respect to the audited annual accounts of DFN 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.

7.2 MANAGEMENT AND SUPERVISION

DFN has a Supervisory Board and a Board of Managing Directors. The tasks of the audit committee of DFN have been delegated to the audit committee of DBB.

DFN does not comply with the corporate governance regime of the Noteholders because such regime does not apply to it.

The Supervisory Board, as of 1 May 2010 is composed of the following members:

- Mrs. K. Claessens, General Manager, DEXIA BANK;
- Mr. P. Franck, General Manager, DEXIA BANK; and
- Mr. J. Laenen, General Manager, DEXIA BANK.

The business address of the members is that of DEXIA BANK and they all perform their principal activities for DEXIA BANK.

The Managing Directors of DFN and their respective business addresses are as of 22 December 2006:

- Equity Trust Co. N.V., "Atrium" 7th Floor, Strawinskylaan 3105n 1077 ZX Amsterdam, the Netherlands;
- DEXIA BANK, Boulevard Pachéco 44, 1000 Brussels, Belgium;
- Mr. B. Knuppe, Dexia Bank Nederland N.V., Herengracht 539-543, NL-1017 BW Amsterdam, the Netherlands;
- Mr. J. van Burg, Managing Director, Equity Trust Co. N.V., "Atrium" 7th Floor, Strawinskylaan 3105, 1077 ZX Amsterdam, the Netherlands; and
- Mr. L. Thiry, Dexia Bank Nederland N.V., Herengracht, 539-543, NL-1017 BW Amsterdam, the Netherlands.

No member of the Supervisory Board and none of the Managing Directors work on a full-time basis for DFN.

There are no potential conflicts of interest between any duties to DFN of the members of the Supervisory Board or the Managing Directors and their private interests and other duties.

7.3 FINANCIAL INFORMATION

7.3.1 ANNUAL AUDITED FINANCIAL STATEMENTS OF DEXIA FUNDING NETHERLANDS N.V.

This financial information has been extracted without material adjustment from the annual audited financial statements of DFN for the years ended 31 December 2009 and 31 December 2008 and is prepared according to Dutch accounting standards for issuers from the European Community. DFN is not required to apply international financial reporting standards ("IFRS") when drawing up its financial statements. The most recent year's historical financial information is prepared in a form consistent with that which will be adopted in DFN's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.

The notes to the annual audited financial statements, including a description of the accounting policies, are set out on pages 16 to 25 of DFN's 2009 annual report, which are incorporated herein by reference.

Audited Consolidated Balance Sheet of DFN as at 31 December 2009 and 31 December 2008

BALANCE SHEET (before appropriation of result)		31 December 2009 EUR '000	31 December 2008 EUR '000
ASSETS			
FIXED ASSETS			
Subordinated loans to shareholder	1	718,814	715,178
Non-subordinated loans to shareholder	2	9,998,464	9,463,910
		10,717,277	**10,179,088**
CURRENT ASSETS			
Short-term portion of Non-subordinated loans		685,347	1,323,309
Prepaid corporate income tax		0	6
Other amounts receivable	3	217,465	153,374
Cash	4	3,788	3,333
		906,600	**1,480,023**
		11,623,877	**11,659,111**
SHAREHOLDERS EQUITY	5		
Share capital		113	113
Retained earnings		2,720	2,523
Result for the year		2,646	2,197
		5,479	**4,833**
LONG-TERM LIABILITIES			
Issued subordinated notes	6	718,814	715,178
Issued non-subordinated notes	7	9,998,464	9,463,910
		10,717,277	**10,179,088**
CURRENT LIABILITIES			
Short-term portion long-term liabilities		685,347	1,323,309
Corporate income tax		31	46
Other liabilities and accrued expenses	8	215,742	151,835
		901,120	**1,475,190**
		11,623,877	**11,659,111**

Audited Profit and Loss Account of DFN as of 31 December 2009 and 31 December 2008

PROFIT AND LOSS ACCOUNT

		the year 2009 EUR '000	the year 2008 EUR '000
Interest income and premium income group	9	504,939	326,043
Interest expense notes and discount expense	9	(501,040)	(322,743)
		3,899	3,300
Other income		45	81
		3,944	3,381
Realized capital gains and losses	10	0	0
CAPITAL GAINS AND LOSSES		0	0
OPERATING RESULT		3,944	3,381
General expenses		(418)	(435)
RESULT BEFORE TAXATION		**3,526**	**2,946**
Taxation on result of ordinary acvtivities		(880)	(749)
RESULT AFTER TAXATION		**2,646**	**2,197**

7.3.2 SEMI-ANNUAL UNAUDITED FINANCIAL STATEMENTS OF DEXIA FUNDING NETHERLANDS N.V.

Unaudited Balance sheet of DFN as at 30 June 2010 and 30 June 2009

DEXIA FUNDING NETHERLANDS NV

BALANCE SHEET (UNAUDITED) (before appropriation of result)	30 June 2010 EUR '000	30 June 2009 EUR '000
ASSETS		
FIXED ASSETS		
Subordinated loans to shareholder	766,859	724,144
Non-subordinated loans to shareholder	11,662,425	11,267,607
	12,429,284	**11,991,751**
CURRENT ASSETS		
Prepaid corporate income tax	297	0
Other amounts receivable	213,134	208,862
Cash	2,368	2,627
	215,798	**211,489**
	12,645,082	**12,203,240**
SHAREHOLDERS EQUITY		
Share capital	113	113
Retained earnings	2,866	2,720
Result for the year	1,391	1,327
	4,370	**4,160**
LIABILITIES		
LONG-TERM LIABILITIES		
Issued subordinated notes	766,859	724,144
Issued non-subordinated notes	11,662,425	11,267,607
	12,429,284	**11,991,751**
CURRENT LIABILITIES		
Corporate income tax	0	175
Other liabilities and accrued expenses	211,428	207,154
	211,428	**207,329**
	12,645,082	**12,203,240**

Unaudited Profit and Loss Account of DFN as at 30 June 2010 and 30 June 2009

PROFIT AND LOSS ACCOUNT (UNAUDITED)

	01/01/2010 - 30/06/2010 EUR '000	01/01/2009 - 30/06/2009 EUR '000
Interest income and premium income group	226,186	262,873
Interest expense notes and discount expense	(224,183)	(260,881)
	2,003	1,992
Other income	24	19
	2,027	2,011
Realized capital gains and losses	0	0
CAPITAL GAINS AND LOSSES	0	0
OPERATING RESULT	2,027	2,011
General expenses	(175)	(240)
RESULT BEFORE TAXATION	**1,852**	**1,771**
Taxation on result of ordinary activities	(461)	(444)
RESULT AFTER TAXATION	**1,391**	**1,327**

7.3.3 UNAUDITED CASH FLOW STATEMENT OF DEXIA FUNDING NETHERLANDS N.V.

Unaudited Cash Flow Statement of DFN as at 31 December 2009 and 31 December 2008

The cash flow statements below have been drawn up solely and exclusively for the purpose of the compliance of this Base Prospectus with the requirements of Directive 2003/71/EC. As a consequence, these cash flow statements have been established after the date on which the audited financial statements for the financial years 2008 and 2009 have been published and therefore have not been audited by the statutory auditors of the Issuer. The cash flow statements for the financial years 2008 and 2009 are based on the audited financial statements of the said years and have been drawn up in accordance with Dutch GAAP.

DEXIA FUNDING NETHERLANDS

In thousands of EUR

	2008.12	2009.12
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	2,197	2,647
Net income attributable to minority interests		
ADJUSTMENT FOR :		
Depreciation, amortization and other impairment		
Impairment on bonds, equities,loans and other assets		
Net gains on investments		
Charges for provisions		
Unrealised fair value (gains) losses via P & L, i.e. for investment property, PPE, intangible assets,...		
Net unrealised gains from cash flow hedges		
Net unrealised gains from available-for-sale investments		
Income from associates (except dividends received)		
Dividends received from associates		
Deferred tax income		
Deferred taxes charges		
Other adjustments		
Changes in operating assets and liabilities	349,982	(1153 351)
NET CASH PROVIDED BY OPERATING ACTIVITIES	352,179	(1150 704)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		
Sale of fixed assets		
Acquisitions of unconsolidated equity shares		
Sales of unconsolidated equity shares		
Acquisitions of subsidiaries and of business units		
Sales of subsidiaries and of business units		
NET CASH PROVIDED BY INVESTING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of new shares		
Reimbursement of capital		
Issuance of subordinated debt	300,000	
Reimbursement of subordinated debt		
Purchase of treasury shares		
Sales of treasury shares		
Dividend paid	(3 300)	(2 000)
NET CASH PROVIDED BY FINANCING ACTIVITIES	296,700	(2 000)
Effect of exchange rates changes and change in scope of consolidation on cash and cash equivalents		
CASH & CASH EQUIVALENT AT THE BEGINNING OF PERIOD	724,430	1,373,309
NET CASH PROVIDED BY OPERATING ACTIVITIES	352,179	(1150 704)
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET CASH PROVIDED BY FINANCING ACTIVITIES	296,700	(2 000)

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

CASH FLOW FROM OPERATING ACTIVITIES		
Net income after income taxes	1,327,431	1,390,759
ADJUSTMENT FOR :		
Depreciation, amortization and other impairment		
Impairment on bonds, equities,loans and other assets		
Net gains on investments		
Charges for provisions		
Unrealized gains or losses of revisions to expectations of future income		
Income from associates (except dividends received)		
Dividends received from associates		
Deferred taxes		
Other adjustments		
Changes in operating assets and liabilities	-809,233,865	-8,768,893
NET CASH PROVIDED BY OPERATING ACTIVITIES	-807,906,434	-7,378,134
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets		
Sale of fixed assets		
Acquisitions of unconsolidated equity shares		
Sales of unconsolidated equity shares		
Acquisitions of subsidiaries and of business units		
Sales of subsidiaries and of business units		
NET CASH PROVIDED BY INVESTING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of new shares		
Reimbursement of capital		
Issuance of subordinated and convertible debt		
Reimbursement of subordinated and convertible debt		
Purchase of treasury shares		
Sales of treasury shares		
Dividend paid	-2,000,000	-2,500,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	-2,000,000	-2,500,000
Effect of exchange rates changes on cash and cash equivalents		
CASH & CASH EQUIVALENT AT THE BEGINNING OF PERIOD	1,373,308,516	220,604,857
NET CASH PROVIDED BY OPERATING ACTIVITIES	-807,906,434	-7,378,134
NET CASH PROVIDED BY INVESTING ACTIVITIES		
NET CASH PROVIDED BY FINANCING ACTIVITIES	-2,000,000	-2,500,000
EFFECT OF EXCHANGE RATES CHANGES ON CASH AND CASH EQUIV.		
CASH & CASH EQUIVALENT AT THE END OF PERIOD	563,402,082	210,726,723

8 DEXIA BANK BELGIUM S.A.

(Annex XI of Regulation (EC) 809/2004)

8.1 GENERAL INFORMATION

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 bn 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 princ 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.

8.2 BUSINESS OVERVIEW

8.2.1 PUBLIC, SOCIAL AND CORPORATE SECTOR

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 billion, 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 billion, 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.

8.2.2 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

[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 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

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 4 and Annex 6.

8.3 MANAGEMENT AND SUPERVISION

8.3.1 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.

8.3.2 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
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.

8.3.3 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.

8.3.4 SUPERVISION

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

8.4 FINANCIAL INFORMATION

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

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.

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	010 Dec. 31, 2008	020 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

8.4.2 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

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**

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 currer	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

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**

8.4.3 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

8.5 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.

9 TERMS AND CONDITIONS OF THE NOTES

(Annex V.4 of Regulation (EC) 809/2004)

The following is the text of the terms and conditions (the "Terms and Conditions", each chapter or subchapter individually referred to as "Condition") of the Notes, subject to completion and amendment and as supplemented or varied in accordance with the relevant provisions of the Final Terms. In the event of any inconsistency between the provisions of the Final Terms and the other provisions of this Programme, the Final Terms will prevail. All capitalised terms that are not defined in these Terms and Conditions will have the meanings given to them in the relevant Final Terms.
References in the Terms and Conditions to the Notes are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The DFN Notes are issued under an agency agreement dated 28 December 2010 (as amended or supplemented as at the date of issue of the Notes (the "Issue Date"), referred to as the "Agency Agreement"), between DFN as Issuer, DEXIA BANK as Guarantor, the Fiscal Agent, the Principal Paying Agent, the Paying Agent (together with the Principal Paying Agent the "Paying Agents") and the Calculation Agent.

The Notes will be issued in series (each a "Series") having one or more issue dates and on terms otherwise identical (or identical other than in respect of the first payment of interest), the Notes of each Series being intended to be interchangeable with all other Notes of that Series. Each Series may be issued in tranches (each a "Tranche") on the same or different issue dates. The specific terms of each Tranche (which will be supplemented, where necessary, with supplemental terms and conditions and, save in respect of the issue date, issue price, first payment of interest and principal amount of the Tranche will be identical to the terms of other Tranche of the same Series) will be set out in the Final Terms.

9.1 FORM, DENOMINATION AND TITLE

The DFN Notes are issued in bearer form ("Bearer Notes") in the Denominations specified in the relevant Final Terms.
The Denomination of DFN Notes will be at least EUR 1,000. They will be represented by a permanent global note, deposited with Dexia BIL as common depositary for Euroclear and Clearstream Luxembourg and will not be exchangeable for definitive notes, unless specified otherwise in the relevant Final Terms.

The DEXIA BANK Notes are issued in dematerialised form ("Dematerialised Notes") in the Denomination(s) specified in the relevant Final Terms.

Dematerialised Notes are issued in dematerialised form via a book-entry system maintained in the records of the National Bank of Belgium ("BNB") as operator of the BNB System in accordance with Article 468 and following of the Belgian Code of Companies and will be credited to the accounts held with the BNB System by DEXIA BANK, Euroclear Bank S.A./N.V. ("Euroclear"), Clearstream Banking société anonyme ("Clearstream, Luxembourg") or other BNB System participants for credit by DEXIA BANK, Euroclear, Clearstream, Luxembourg or other BNB System participants to the securities accounts of their subscribers.

Transfer of Dematerialised Notes will be effected only through records maintained by the BNB System, DEXIA BANK, Euroclear and Clearstream, Luxembourg or other BNB System participants and in accordance with the applicable procedures of the BNB System, Euroclear and Clearstream, Luxembourg or other BNB System participants.

The Notes will not be physically delivered. They will be held in a securities account. DEXIA BANK will not charge any fees for Notes held in a DEXIA BANK securities account, or for the opening of such account.

Title to the DFN Notes shall pass by transfer to or from the securities account. In these Terms and Conditions, the "Noteholder" means the person who has the Notes on his or her securities account.

9.2 INTEREST ON THE NOTES

The interest to be paid on the Notes (the "Interest") can be based on a fixed rate ("Fixed Rate", such Notes to be referred to as "Fixed Rate Notes"), a floating rate ("Floating Rate", such Notes referred to as "Floating Rate Notes") or linked to any other variable, formula and/or underlying ("Variable Linked Rate", such Notes to be referred to as

"Variable Linked Rate Notes") (Fixed Rate, Floating Rate and Variable Linked Rate are together referred to as "Interest Rate"). The Interest Rate is expressed as a percentage per annum.

The Notes can also be Zero Coupon Notes, in which case no Interest is paid periodically.

The Interest is calculated per Note for each Interest Period as the product of the Calculation Amount, the Interest Rate and the Day Count Fraction, unless an Interest Amount is specified in the relevant Final Terms, in which case the Interest payable in respect of such Note for such Interest Period shall equal such Interest Amount.

Interest shall cease to accrue on each Note from the due date for redemption thereof unless payment of the principal thereof or delivery of the Redemption Amount (as defined below) to be delivered in respect thereof is improperly withheld or refused or unless default is otherwise made in respect of such payment. In such event, interest shall only cease to accrue from the date on which payment of such Redemption Amount in respect thereof is made or, if earlier and if applicable, from the seventh day after notice is given to the Noteholders in accordance with these Terms and Conditions that payment of the Redemption Amount will be made, provided that, upon such presentation, payment is in fact made.

9.2.1 FIXED RATE NOTES

Fixed Rate Notes bear Interest at the Fixed Rate specified in the relevant Final Terms, payable in arrears.

9.2.2 FLOATING RATE NOTES

Floating Rate Notes bear Interest at the Floating Rate specified in the relevant Final Terms, as fixed on the Interest Determination Date applicable to the relevant Interest Payment Date and payable in arrears. The Floating Rate will be determined by the Calculation Agent as the rate published on the Publication Source for the specified Designated Maturity plus the Spread, all as specified in the relevant Final Terms.

9.2.3 VARIABLE LINKED RATE NOTES

Variable Linked Rate Notes bear Interest at the Variable Linked Rate specified in the relevant Final Terms, as fixed in the way specified in the Final Terms, and payable in arrears. The Variable Linked Provisions below will apply.

9.2.4 ZERO COUPON NOTES

Zero Coupon Notes may be issued at their principal amount or at a discount to it, applying an Amortisation Yield, and will not bear Interest. Zero Coupon Notes that are also Bearer Notes may be subject to certain formalities on transfer under the laws of the Netherlands.

9.2.5 PAYMENT OF THE INTEREST

Interest on the Notes will be payable in arrears at the end of the relevant Interest Period on the applicable Interest Payment Date. The first payment of Interest will be on the first Interest Payment Date following the Issue Date. The last payment will be on the Maturity Date.

9.3 DEFINITIONS

"Averaging Dates": Means the dates specified as such in the relevant Final Terms.

If an Averaging Date in respect of the Underlying is not a Scheduled Trading Day, then, the Averaging Date for such Underlying shall be the first succeeding Valid Date. If the first succeeding Valid Date has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Initial Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of such Underlying and, (2) the Calculation Agent shall determine its good faith estimate of the value for the Underlying as of the Valuation Time on that Averaging Date

If an Averaging Date for the Underlying is affected by the occurrence of a Disrupted Day, then, the Averaging Date for such Underlying shall be the first succeeding Valid Date. If the first succeeding Valid Date in respect of such Underlying has not occurred as of the Valuation Time on the eighth Scheduled Trading Day immediately following the original date that, but for the occurrence of another Averaging Date or Disrupted Day, would have been the final Averaging Date in relation to the relevant Scheduled Valuation Date, then (1) that eighth Scheduled Trading Day shall be deemed the Averaging Date (irrespective of whether that eighth Scheduled Trading Day is already an Averaging Date) in respect of such Underlying and, (2) the Calculation Agent shall determine its good faith estimate of the value for the Underlying as of the Valuation Time on that Averaging Date

"**Business Day**": means a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealings in foreign exchange and foreign currency deposits) in the place(s) and on the days specified for that purpose in the related Final Terms, a TARGET Settlement Day, if "TARGET", "TARGET2" or "TARGET Settlement Day" is specified for that purpose in the related Final Terms or if place(s) and days, or such terms, are not so specified in the related Final Terms.

"**Business Day Convention**": means the convention for adjusting any relevant date if it would otherwise fall on a day that is not a Business Day. The following terms, when used in conjunction with the term "Business Day Convention" and a date, shall mean that an adjustment will be made if that date would otherwise fall on a day that is not a Business Day so that:

(i) if "**Following**" is specified, that date will be the first following day that is a Business Day;

(ii) if "**Modified Following**" or "**Modified**" is specified, that date will be the first following day that is a Business Day unless that day falls in the next calendar month, in which case that date will be the first preceding day that is a Business Day; and

(iii) if "**Preceding**" is specified, that date will be the first preceding day that is a Business Day.

"**Calculation Agent**": means DEXIA BANK, unless specified otherwise in the relevant Final Terms. Whenever the Calculation Agent is required to act or to exercise judgment in any way, it will do so in good faith and in a commercially reasonable manner. The Calculation Agent shall have no responsibility to Noteholders for good faith errors or omissions in its calculations (without limitation, errors or omissions due to events which are not under the direct control of the Calculation Agent) and determinations as provided in the Terms and Conditions, except for those resulting from the gross negligence or intentional misconduct of the Calculation Agent. (see 9.12 "Responsibility of the Calculation Agent" in the Base Prospectus)

"Calculation Amount": means the Denomination.

"**Day Count Fraction**": means, in respect of the Notes and the calculation of the Interest:

(i) if "**1/1**" is specified or nothing is specified, 1,

(ii) if "**Actual/Actual**" or "**Act/Act**" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of:

  (a) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366; and

  (b) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);

(iii) if "**Actual/365 (Fixed)**", "**Act/365 (Fixed)**", "**A/365 (Fixed)**" or "**A/365F**" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 365;

(iv) if "**Actual/360**", "**Act/360**" or "**A/360**" is specified, the actual number of days in the Interest Period in respect of which payment is being made divided by 360;

(v) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30; and

(vi) if "**30E/360**" or "**Eurobond Basis**" is specified, the number of days in the Interest Period in respect of which payment is being made divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

Where:

"Y_1" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Interest Period falls;

"D_1" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D_2 will be 30.

"**EURIBOR**" means that the rate for the relevant Interest Determination Date will be the rate for deposits in euros for a period of the Designated Maturity as of 11:00 a.m., Brussels time on the day that is two TARGET Settlement Days preceding that Interest Determination Date, as determined by the Calculation Agent.

"**Hedge Positions**" means any purchase, sale, entry into or maintenance of one or more (i) positions or contracts in securities, options, futures, derivatives or foreign exchange, (ii) stock loan transactions or (iii) other instruments or arrangements (howsoever described) by the Issuer or, in the case of DFN Notes, Guarantor in order to hedge, individually or on a portfolio basis, the Notes.

"**Interest Commencement Date**": means the Issue Date or such other date specified in the relevant Final Terms.

"**Interest Determination Date**": means each date specified as such in the relevant Final Terms.

"**Interest Payment Date**":	means each date, as specified in the relevant Final Terms, on which the Interest as determined by the Calculation Agent for the applicable Interest Period is payable in accordance with Condition 9.2.5 *Payment of the Interest*. If such day is not a Business Day it will be adjusted by the Following Business Day Convention, unless otherwise specified in the relevant Final Terms.
"**Interest Period**":	means each period from, and including, one Interest Period End Date to, but excluding, the next following applicable Interest Period End Date, except that the initial Interest Period will commence on, and include, the Interest Commencement Date.
"**Interest Period End Date**":	means each Interest Payment Date, unless specified otherwise in the relevant Final Terms.
"**Issue Date**":	means the date on which the Notes are issued as specified in the relevant Final Terms.
"**Maturity Date**":	means the date on which the Notes come to maturity as specified in the relevant Final Terms, unless such day is not a Business Day in which case it will be adjusted by the Following Business Day Convention, unless otherwise specified in the relevant Final Terms.
"**Specified Currency**":	means the currency of the Notes as specified in the relevant Final Terms.
"**TARGET Settlement Day**":	means any day on which TARGET 2 (the Trans-European Automated Real-time Gross settlement Express Transfer system) is open.
"**Valid Date**":	Means a Scheduled Trading Day that is not a Disrupted Day and on which another Averaging Date, or Initial Averaging Date as applicable, in respect of the relevant Valuation Date, or Initial Valuation Date as applicable, does not or is not deemed to occur.

9.4 REDEMPTION AND PURCHASE

9.4.1 FINAL REDEMPTION

Unless previously redeemed, purchased and cancelled or unless its maturity is extended pursuant to an Issuer's or Noteholder's Option the Notes shall be redeemed on the Maturity Date. The Notes may not be redeemed prior to that date, without prejudice to the other provisions of this Terms and Conditions.

The Redemption of the Notes can be Variable Linked ("Variable Linked Redemption Amount"), in which case the Variable Linked Provisions below will apply.

9.4.2 REDEMPTION AT THE OPTION OF THE ISSUER

If a Call Option is provided to be applicable in the relevant Final Terms, the Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Optional Redemption Period redeem all or, if so provided, some of the Notes in the principal amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount together with interest accrued to the date fixed for redemption, unless otherwise specified in the relevant Final Terms. Any such redemption or exercise must relate to the Notes of a nominal amount at least equal to the Minimum Redemption Amount to be redeemed, as specified in the relevant Final Terms, and no greater than the Maximum Redemption Amount to be redeemed, as specified in the relevant Final Terms.

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice.

Early Redemption for any Senior Subordinated Notes can only occur at the option of the Issuer. In case of early redemption by the Issuer an approval must be obtained from the Belgian Banking, Finance and Insurance Commission.

9.4.3 REPURCHASE

The Issuer or, in the case of DFN Notes, the Guarantor and any of their subsidiaries may at any time purchase Notes in the open market or otherwise at any price.

9.4.4 CANCELLATION

All Notes purchased by or on behalf of the Issuer, the Guarantor or any of their subsidiaries may thereafter be cancelled by, in the case of DFN Notes, the Fiscal Agent by a reduction of the principal amount of such notes. Any Notes so redeemed or purchased and cancelled in accordance with this Information concerning the Notes to be offered, may not be reissued or resold and the obligations of the Issuer and, in the case of DFN Notes, the Guarantor in respect of any such Notes shall be discharged.

9.5 PAYMENT

Investors shall pay the Denominations on the subscribed Notes in cash at the time of subscription or by debit of the cash account linked to the securities account, in which Notes are to be held, on the Issue Date.
If the Issue Date is a day, which is not a Business Day in the place of payment of the Denominations, payment will be due on that day as adjusted by the Following Business Day Convention, unless otherwise specified in the relevant Final Terms.

Any amounts payable by the Issuer in respect of the Notes, be they Interests, Redemption Amounts or other, shall be made by transfer to the cash account linked to the securities account in which the Notes are held subject to all applicable laws and regulations.
If the date for payment of Interest, Redemption Amount or any other amount due to the Noteholders is a day, which is not a Business Day in the place of payment, the Noteholders shall not be entitled to payment until the day as adjusted by the Following Business Day Convention, unless specified otherwise in the relevant Final Terms.

9.6 VARIABLE LINKED PROVISIONS

A Variable Linked Rate or a Variable Linked Redemption Amount can depend on the evolution of one or more Underlyings. If it is specified in the Final Terms that the Underlying is either (i) one or more Market Rates; (ii) a Share or a Basket of Shares, (iii) a Share Index or a Basket of Share Indices, (iv) a Fund or a Basket of Funds, (v) a Commodity or a Basket of Commodities, or (vi) a Commodity Index or a Basket of Commodity Indices, the applicable provisions below in relating to the respective Underlying will apply.

9.6.1 Market Rate

The Underlying can be a Market Rate, such as the EUR CMS Rate, as defined below, or any other Market Rate, as defined in the relevant Final Terms.

EUR CMS Rate:	Means that the rate for the relevant Interest Determination Date will be the annual swap rate for euro swap transactions with a maturity of the Designated Maturity, expressed as a percentage, as of 11:00 a.m., Frankfurt time, on the day that is two TARGET Settlement Days preceding that Interest Determination Date, as determined by the Calculation Agent.

9.6.2 Share or Basket of Shares

9.6.2.1 Definitions

Share:	Means the share specified as such in the relevant Final Terms.
Share Basket:	Means a basket of shares as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Share in the Share Basket separately.
w:	Means the weight of a certain Share in the Share Basket.
Exchange:	Means each exchange or quotation system specified as such for such Share in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable

	liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).
Related Exchange:	Means, each exchange or quotation system specified as such for the relevant Share in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Share has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Share on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where “All Exchanges” is specified as the Related Exchange in the relevant Final Terms, “Related Exchange” shall mean 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.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the Relevant Price of the relevant Share at the Valuation Time on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date, or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the prices of the relevant Share or Share Basket as of the Valuation Time on each Initial Averaging Date.
Final Price:	Means the Relevant Price of the relevant Share on the relevant Valuation Date, as determined by the Calculation Agent, or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the prices of the relevant Share or Share Basket as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Share, the Initial Price of such Share shall be determined on the basis of the Relevant Price of such Share as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Share, the Final Price of such Share shall be determined on the basis of the Relevant Price of such Share as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Averaging is specified as applicable, means the final Averaging Date
Relevant Price:	Means the price of the relevant Share determined by the Calculation Agent at the Valuation Time on the Exchange.
Valuation Time:	Means the time on the relevant Valuation Date, specified as such in the related Final terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, in relation to each Share to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.
Scheduled Closing Time:	Means in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.
Scheduled Trading Day:	Means any day on which the Exchange and each Related Exchange

	are scheduled to be open for trading for their respective regular trading sessions.
Exchange Business Day:	Means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

9.6.2.2 Market Disruption

"**Market Disruption Event**" means in respect of a 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 Valuation Time or (iii) an Early Closure.

In that respect, "**Trading Disruption**" means 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 Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

In that respect, "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) the Shares on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

In that respect, "**Early Closure**" means 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 Valuation Time on such Exchange Business Day.

In addition, in that respect "**Disrupted Day**" means 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.

If any Valuation Date is a Disrupted Day, then:

(a) if the Underlying is a Share, 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 scheduled 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 Valuation Time on that eighth Scheduled Trading Day; and

(b) if the Underlying is a Basket of Shares, the Valuation Date for each Share not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date, and the Valuation Date for each Share affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Share, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Share. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Share, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine its good faith estimate of the value for that Share as of the Valuation Time on that eighth Scheduled Trading Day.

9.6.2.3 Potential Adjustment Events

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date of a Potential Adjustment Event (as defined below), the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Shares and if so will:

(i) make the corresponding adjustment(s), if any, to any relevant variable in the Variable Linked formulae of the Notes, which may include the Initial Price or the Final Price, used to calculate any Variable Linked Rate or Variable Linked Redemption Amount as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and

(ii) determine the effective date(s) of the adjustment(s).

The Calculation Agent may (but need not) determine the appropriate adjustment(s) by reference to the adjustment(s) in respect of such Potential Adjustment Event made by an options exchange to options on the relevant Shares traded on such options exchange.

For the purpose hereof, "**Potential Adjustment Event**" shall mean any of the following:

- a subdivision, consolidation or reclassification of relevant Shares (unless resulting in a Merger Event), or, a free distribution or dividend of any such Shares to existing holders by way of bonus, capitalisation or similar issue;

- a distribution, issue or dividend to existing holders of the relevant Shares of (a) such Shares, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the issuer of such Shares equally or proportionately with such payments to holders of such Shares, or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the issuer of the Shares as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- an extraordinary dividend as determined by the Calculation Agent;

- a call by the issuer of the relevant Shares in respect of such Shares that are not fully paid;

- a repurchase by the issuer of the relevant Shares or any of its subsidiaries of such Shares whether out of profits or capital and whether the consideration for such repurchase is cash, securities or otherwise; or

- in respect of the issuer of the relevant Shares, an event that results in any shareholder rights being distributed or becoming separated from shares of common stock or other shares of the capital stock of the issuer of the Shares pursuant to a shareholder rights plan or arrangement directed against hostile takeovers that provides upon the occurrence of certain events for a distribution of preferred stock, warrants, debt instruments or stock rights at a price below their market value, as determined by the Calculation Agent, provided that any adjustment effected as a result of such an event shall be readjusted upon any redemption of such rights; or

- any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Shares.

If the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Potential Adjustment Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.2.4 Extraordinary Events

"**Extraordinary Event**" means any of Merger Event, Tender Offer, Nationalisation, Insolvency, Delisting, De-merger Event, Change in Law or Insolvency Filing, as the case may be.

"Merger Event" means in respect of any relevant Shares:

- any reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person; or
- any consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Shares with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding);
- any takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the issuer of the relevant Shares that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person); or
- any consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Shares or its subsidiaries with or into another entity in which the issuer of the relevant Shares is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "Reverse Merger") in each case if the effective date of the Merger Event is on or before the final Valuation Date.

"Tender Offer" means a takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person that results in such entity or person purchasing, or otherwise obtaining or having the right to obtain, by conversion or other means, greater than 10% and less than 100% of the outstanding voting shares of the issuer of the relevant Shares, as determined by the Calculation Agent, based upon the making of filings with governmental or self-regulatory agencies or such other information as the Calculation Agent deems relevant.

"Nationalisation" means that all the Shares or all the assets or substantially all the assets of the issuer of the relevant Shares are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

"Insolvency" means that by reason of the voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting the issuer of the relevant Shares, (A) all the Shares of that issuer are required to be transferred to a trustee, liquidator or other similar official or (B) holders of the Shares of that issuer become legally prohibited from transferring them (each time as determined in good faith by the Calculation Agent).

"Delisting" means that the Exchange announces that pursuant to the rules of such Exchange, the Shares cease (or will cease) to be listed, traded or publicly quoted on the Exchange for any reason (other than a Merger Event or Tender Offer) and are not immediately re-listed, re-traded or re-quoted on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any member state of the European Union).

"De-merger Event" means that the issuer of the relevant Shares is affected by a de-merger (such as, but not limited to, spin off, scission or any operation of a similar nature) leading to the attribution of a basket comprising New Shares and/ or Other Consideration and/ or the relevant Share affected by the de-merger (as the case may be), such basket resulting from such de-merger.

In that respect, "**New Shares**" means ordinary or common shares, whether of the entity or person involved or a third party, that are promptly scheduled to be (i) publicly quoted, traded or listed on an exchange or quotation system located in the same country as the Exchange (or where the Exchange is within the European Union, in any member state of the European Union) and (ii) not subject to any currency exchange controls, trading restrictions or other trading limitations. Other Consideration means cash and/or any securities (other than New Shares) or assets whether of the entity or person involved or a third party.

"Change in Law" means that on or after the Issue Date of the Notes (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal to hold, acquire or dispose of Hedge Positions relating to the Notes.

"Insolvency Filing" means that the issuer of the relevant Shares institutes or has instituted against it by a regulator, supervisor, or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, or it consents to a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors' rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official or it consents to such a petition, provided that proceedings instituted or petitions presented by creditors and not consented to by the issuer of the relevant Shares shall not be deemed an Insolvency Filing.

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date, in the determination of the Calculation Agent, of an Extraordinary Event in respect of any Share, the Calculation Agent, on or after the effective date of such Extraordinary Event, may make such adjustments as it, acting in good faith, deems appropriate (including substitution of any affected Share). Such adjustments to be effective as of the date determined by the Calculation Agent, to account for the effect of the relevant Extraordinary Event to protect the theoretical value of the Notes to the Noteholders immediately prior to such Extraordinary Event.

For the avoidance of doubt, if the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Extraordinary Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.3 Share Index or Basket of Share Indices

The terms applicable to an Index will differ, depending on whether the Index is specified in the relevant Final Terms to be Multiple Exchange or not. The applicable provisions below will apply.

9.6.3.1 Terms applicable irrespective of whether an Index is Multiple Exchange or not

Definitions

Index:	Means the index specified as such in the relevant Final Terms.
Index Basket:	Means a basket of indices as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Index in the Index Basket separately.
w:	Means the weight of a certain Index in the Index Basket.
Index Sponsor:	Means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Index and (b) announces (directly or through an agent) the level for the relevant Index on a regular basis during each Scheduled Trading Day.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the level of the relevant Index at the Valuation Time on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date, or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the levels of the relevant Index as of the Valuation Time on each Initial Averaging Date.
Final Price:	Means the level of the relevant Index at the Valuation Time on the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the levels of the relevant Index as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Index, the Initial Price of such Index shall be determined on the basis of the level of such Index as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Trading Day in respect of the relevant Index, the Final Price of such Index shall be determined on the basis of the level of such Index as calculated on the immediately following Scheduled Trading Day, subject to Market Disruption, or, if Averaging is specified as applicable, means the final Averaging Date
Relevant Price	Means the level of the relevant Index determined by the Calculation Agent at the Valuation Time on the relevant Valuation Date.
Scheduled Closing Time:	Means in respect of an Exchange or Related Exchange and a Scheduled Trading Day, the scheduled weekday closing time of such Exchange or Related Exchange on such Scheduled Trading Day, without regard to after hours or any other trading outside of the regular trading session hours.

Consequences of Disrupted Days

If any Valuation Date is a Disrupted Day, then:

(a) if the Underlying is an Index, 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 scheduled 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 the level of the Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating the Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in the Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day); and

(b) if the Underlying is a Basket of Indices, the Valuation Date for each Index not affected by the occurrence of a Disrupted Day shall be the scheduled Valuation Date, and the Valuation Date for each Index affected by the occurrence of a Disrupted Day shall be the first succeeding Scheduled Trading Day that is not a Disrupted Day relating to that Index, unless each of the eight Scheduled Trading Days immediately following the Scheduled Valuation Date is a Disrupted Day relating to that Index. In that case, (i) that eighth Scheduled Trading Day shall be deemed to be the Valuation Date for the relevant Index, notwithstanding the fact that such day is a Disrupted Day, and (ii) the Calculation Agent shall determine the level of that Index as of the Valuation Time on that eighth Scheduled Trading Day in accordance with the formula for and method of calculating that Index last in effect prior to the occurrence of the first Disrupted Day using the Exchange traded or quoted price as of the Valuation Time on that eighth Scheduled Trading Day of each security comprised in that Index (or, if an event giving rise to a Disrupted Day has occurred in respect of the relevant security on that eighth Scheduled Trading Day, its good faith estimate of the value for the relevant security as of the Valuation Time on that eighth Scheduled Trading Day).

Adjustment to Indices

(A) If a relevant Index is (i) not calculated and announced by the Index Sponsor but is calculated and announced by a successor sponsor acceptable to the Calculation Agent, or (ii) replaced by a successor index using, in the determination of the Calculation Agent, the same or a substantially similar formula for and method of calculation as used in the calculation of that Index, then that index (the "**Successor Index**") will be deemed to be the Index.

(B) If (i) on or prior to any Valuation Date in respect of an Index, the relevant Index Sponsor announces that it will make a material change in the formula for or the method of calculating that Index or in any other way materially modifies that Index (other than a modification prescribed in that formula or method to maintain that Index in the event of changes in constituent stock and capitalization and other routine events) (an "**Index Modification**") or permanently cancels the Index and no Successor Index exists (an "**Index Cancellation**") or (ii) on any Valuation Date, the Index Sponsor fails to calculate and announce a relevant Index (an "**Index Disruption**" and together with an Index Modification and an Index Cancellation, each an "**Index Adjustment Event**"), the Calculation Agent shall determine if such Index Adjustment Event has a material effect on the Notes and if so, shall calculate the level of the Index, using, in lieu of a published level for that Index, the level for that Index as at that Valuation Date as determined by the Calculation Agent in accordance with the formula for and the method of calculating that Index last in effect prior to the change, failure or cancellation, but using only those securities that comprised that Index immediately prior to that Index Adjustment Event.

For the purpose hereof "**Index Sponsor**" means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the Index and (b) announces (directly or through an agent) the level of the Index on a regular basis during each Scheduled Trading Day.

Change in Law

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date, in the determination of the Calculation Agent, of a Change in Law in respect of any Index, the Calculation Agent, on or after the effective date of such Change in Law, may make such adjustments as it, acting in good faith, deems appropriate. Such adjustments to be effective as of the date determined by the Calculation Agent, to account for the effect of the Change in Law to protect the theoretical value of the Notes to the Noteholders immediately prior to such Change in Law.

In that respect, "**Change in Law**" means that, on or after the Issue Date (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal to hold, acquire or dispose of Hedge Positions relating to the Notes.

For the avoidance of doubt, if the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Index Adjustment Event or Change in Law shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.3.2 Terms applicable to an Index that is not Multiple Exchange

Exchange:	Means each exchange or quotation system specified as such for such Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in the Shares underlying such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to such Share on such temporary substitute exchange or quotation system as on the original Exchange).
Related Exchange:	Means, each exchange or quotation system specified as such for the relevant Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where "All Exchanges" is specified as the Related Exchange in the relevant Final Terms, "Related Exchange" shall mean 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 Index.
Valuation Time:	Means the time on the relevant Valuation Date, specified as such in the related Final terms or, if no such time is specified, the Scheduled Closing Time on the relevant Exchange on the relevant Valuation Date, in relation to each Index to be valued. If the relevant Exchange closes prior to its Scheduled Closing Time and the specified Valuation Time is after the actual closing time for its regular trading session, then the Valuation Time shall be such actual closing time.
Scheduled Trading Day:	Means any day on which the Exchange and each Related Exchange are scheduled to be open for trading for their respective regular trading sessions.
Exchange Business Day:	Means any Scheduled Trading Day on which each Exchange and each Related Exchange are open for trading during their respective regular trading sessions, notwithstanding any such Exchange or Related Exchange closing prior to its Scheduled Closing Time.

Market Disruption

"**Market Disruption Event**" means in respect of an Index, 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 Valuation Time or (iii) an Early Closure. For the purposes of determining whether a Market Disruption Event exists at any time, if a Market Disruption Event occurs in respect of a security included in the relevant Index at any time, then the relevant percentage contribution of that security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that security and (y) the overall level of the Index, in each case immediately before the occurrence of such Market Disruption Event.

In that respect, "**Trading Disruption**" means 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 securities that comprise 20 percent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

In that respect, "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for, (i) securities that comprise 20 percent or more of the level of the relevant Index, or (ii) in futures or options contracts relating to the relevant Index on any relevant Related Exchange.

In that respect, “**Early Closure**” means the closure on any Exchange Business Day of any relevant Exchange(s) relating to securities that comprise 20 percent or more of the level of the relevant Index 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 Valuation Time on such Exchange Business Day.

In addition, in that respect “**Disrupted Day**” means 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.

9.6.3.3 Terms applicable to an Index that is Multiple Exchange

Exchange:	Means in respect of each component security of the Index (each, a “Component Security”), the principal stock exchange on which such Component Security is principally traded, as determined by the Calculation Agent.
Related Exchange:	Means, each exchange or quotation system specified as such for the relevant Index in the relevant Final Terms, any successor to such exchange or quotation system or any substitute exchange or quotation system to which trading in futures or options contracts relating to such Index has temporarily relocated (provided that the Calculation Agent has determined that there is comparable liquidity relative to the futures or options contracts relating to such Index on such temporary substitute exchange or quotation system as on the original Related Exchange), provided, however, that where “All Exchanges” is specified as the Related Exchange in the relevant Final Terms, “Related Exchange” shall mean 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 Index.
Valuation Time:	Means: (i) for the purposes of determining whether a Market Disruption Event has occurred: (a) in respect of any Component Security, the Scheduled Closing Time on the Exchange in respect of such Component Security, and (b) in respect of any options contracts or future contracts on the Index, the close of trading on the Related Exchange; and (ii) in all other circumstances, the time at which the official level of the Index is calculated and published by the Index Sponsor.
Scheduled Trading Day:	Means any day on which: (i) the Index Sponsor is scheduled to publish the level of the Index and (ii) the Related Exchange is scheduled to be open for trading for its regular trading session.
Exchange Business Day:	Means any Scheduled Trading Day on which (i) the Index Sponsor publishes the level of the Index; and (ii) the Related Exchange is open for trading during its respective regular trading session, notwithstanding any Exchange or the Related Exchange closing prior to its Scheduled Closing Time.

Market Disruption

“**Market Disruption Event**” means either

(i) (a) the occurrence or existence, in respect of any Component Security of:
   (1) a Trading Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded;
   (2) an Exchange Disruption in respect of such Component Security, which the Calculation Agent determines is material, at any time during the one hour period that ends at the relevant Valuation Time in respect of the Exchange on which such Component Security is principally traded; OR
   (3) an Early Closure in respect of such Component Security; AND
(b) the aggregate of all Component Security in respect of which a Trading Disruption, an Exchange Disruption or an Early Closure occurs or exists comprises 20 per cent. or more of the level of the Index; OR

(ii) the occurrence or existence, in respect of futures or options contracts relating to the Index, of: (a) a Trading Disruption; (b) 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 Valuation Time in respect of the Related Exchange; or (c) an Early Closure, in each case in respect of such futures or options contracts.

For the purposes of determining whether a Market Disruption Event in respect of any Index exists at any time, if a Market Disruption Event occurs in respect of a Component Security at any time, then the relevant percentage contribution of that Component Security to the level of the Index shall be based on a comparison of (x) the portion of the level of the Index attributable to that Component Security and (y) the overall level of the Index, in each case using the official opening weightings as published by the Index Sponsor as part of the market "opening data".

In that respect, "**Trading Disruption**" means 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 any Component Security on the Exchange in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

In that respect, "**Exchange Disruption**" means any event (other than an Early Closure) that disrupts or impairs (as determined by the Calculation Agent) the ability of market participants in general to effect transactions in, or obtain market values for: (i) any Component Security on the Exchange, in respect of such Component Security; or (ii) in futures or options contracts relating to the Index on the Related Exchange.

In that respect, "**Early Closure**" means the closure on any Exchange Business Day of the Exchange in respect of any Component Security or the Related Exchange prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange or Related Exchange (as the case may be) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange or Related Exchange (as the case may be) 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 relevant Valuation Time on such Exchange Business Day.

In addition, in that respect "**Disrupted Day**" means any Scheduled Trading Day on which: (i) the Index Sponsor fails to publish the level of the Index; (ii) the Related Exchange fails to open for trading during its regular trading session; or (iii) a Market Disruption Event has occurred.

9.6.4 Fund or Basket of Funds

9.6.4.1 <u>Definitions</u>

Reference Fund:	Means the Reference Fund specified as such in the relevant Final Terms.
Fund Basket:	Means a basket of Reference Funds as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Reference Fund in the Fund Basket separately.
w:	Means the weight of a certain Reference Fund in the Fund Basket.
Fund Interest Unit:	Means a notional unit of account of ownership in a Reference Fund, whether a share or another type of unit.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the Relevant Price of a Fund Interest Unit in the relevant Reference Fund for the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date, or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the prices of the relevant Fund Interest Unit in the relevant Reference Fund as of the Valuation Time on each Initial Averaging Date.
Final Price:	Means the Relevant Price of a Fund Interest Unit in the relevant Reference Fund for the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the prices of the relevant Fund Interest Unit in the relevant Reference Fund as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Fund Valuation Date in respect of the relevant Reference Fund, the Initial Price of a Fund Interest Unit in such Reference Fund shall be determined on the basis of the Relevant Price

	of such Fund Interest Unit as calculated on the immediately following Scheduled Fund Valuation Date, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Fund Valuation Date in respect of the relevant Reference Fund, the Final Price of a Fund Interest Unit in such Reference Fund shall be determined on the basis of the Relevant Price of such Fund Interest Unit as calculated on the immediately following Scheduled Fund Valuation Date, or, if Averaging is specified as applicable, means the final Averaging Date
Relevant Price:	Means the price of the relevant Fund Interest Unit as published by the Fund Administrator. In case a price in respect of any Valuation Date is not published by the fourth Scheduled Fund Valuation Date, the Calculation Agent may determine such price taking into account prevailing market conditions.
Scheduled Fund Valuation Date:	Means any date in respect of which the relevant Reference Fund (or its service provider that generally determines such value) is scheduled, according to its Fund Documents (without giving effect to any gating, deferral, suspension or other provisions permitting the Reference Fund to delay or refuse redemption of Fund Interest Units); to determine the value of such Fund Interest Unit or, if the relevant Reference Fund only reports its aggregate net asset value, the date in respect of which such Reference Fund is scheduled to determine its aggregate net asset value.
Fund Documents:	Means, with respect to any Fund Interest Unit, the constitutive and governing documents, subscription agreements and other agreements of the related Reference Fund specifying the terms and conditions relating to such Fund Interest Unit, as amended from time to time.

9.6.4.2 <u>Potential Adjustment Events</u>

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date of a Potential Adjustment Event (as defined below), the Calculation Agent will determine whether such Potential Adjustment Event has a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units and if so will:

(i) make the corresponding adjustment(s), if any, to any relevant variable in the Variable Linked formulae of the Notes, which may include the Initial Price or the Final Price, used to calculate any Variable Linked Rate or Variable Linked Redemption Amount as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends or liquidity relative to the relevant Fund Interest Unit) and

(ii) determine the effective date(s) of the adjustment(s).

For the purpose hereof, "**Potential Adjustment Event**" shall mean any of the following:

- a subdivision, consolidation or reclassification of relevant Fund Interest Units or a free distribution or dividend of any such Fund Interest Units to existing holders by way of bonus, capitalisation or similar issue;

- a distribution, issue or dividend to existing holders of the relevant Fund Interest Units of (a) an additional amount of such Fund Interest Units, or (b) other share capital or securities granting the right to payment of dividends and/or the proceeds of liquidation of the Reference Fund equally or proportionately with such payments to holders of such Fund Interest Units, or (c) share capital or other securities of another issuer acquired or owned (directly or indirectly) by the Reference Fund as a result of a spin-off or other similar transaction or (d) any other type of securities, rights or warrants or other assets, in any case for payment (cash or other consideration) at less than the prevailing market price as determined by the Calculation Agent;

- an extraordinary dividend as determined by the Calculation Agent;

- a repurchase by the Reference Fund of relevant Fund Interest Units whether the consideration for such repurchase is cash, securities or otherwise, other than in respect of a redemption of Fund Interest Units initiated by an investor in such Fund Interest Units initiated by an investor in such Fund Interest Units that is consistent with the Fund Documents; or

- any other event that may have a diluting or concentrative effect on the theoretical value of the relevant Fund Interest Units.

If the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent may notify the Noteholders, in accordance with the paragraph “Notices”, that the relevant consequence of the Potential Adjustment Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.4.3 Extraordinary Events

Means any of Nationalisation, Insolvency, Fund Insolvency Event, Fund Modification, Strategy Breach, Fund Hedging Disruption, Regulatory Action, Reporting Disruption, Change in Law and Increased Cost of Hedging.

“**Nationalisation**” means that all the Fund Interest Units or all or substantially all the assets of a Reference Fund are nationalised, expropriated or are otherwise required to be transferred to any governmental agency, authority, entity or instrumentality thereof.

“**Insolvency**” means that by reason of voluntary or involuntary liquidation, bankruptcy, insolvency, dissolution or winding-up of or any analogous proceeding affecting a Reference Fund, (i) all the fund Interests of that Reference Fund are required to be transferred to a trustee, liquidator or other similar official or (ii) holders of the Fund Interest Units of that Reference Fund become legally prohibited from transferring or redeeming them.

“**Fund Insolvency Event**” means, in respect of any Fund Interest Unit, that the related Reference Fund (i) is dissolved or has a resolution passed for its dissolution, winding-up, official liquidation (other than pursuant to a consolidation, amalgamation or merger); (ii) makes a general assignment or arrangement with or for the benefit of its creditors; (iii) (A) institutes or has instituted against it, by a regulator, supervisor or any similar official with primary insolvency, rehabilitative or regulatory jurisdiction over it in the jurisdiction of its incorporation or organization or the jurisdiction of its head or home office, a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation by it or such regulator, supervisor or similar official, or (B) has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and such proceeding or petition is instituted or presented by a person or entity not described in clause (A) above and either (x) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (y) is not dismissed, discharged, stayed or restrained in each case within fifteen days of the institution or presentation thereof; (iv) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets; (v) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all of its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within fifteen days thereafter; or (vi) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (v) through (vi) above.

“**Fund Modification**” means (i) any change or modification of the related Fund Documents that could reasonably be expected to affect the value of such Fund Interest or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent, or (ii) the Reference Fund Investment Manager imposes fees or dealing rules that increase the effective dealing costs relating to any Reference Fund.

“**Strategy Breach**” means any breach or violation of any strategy or investment guidelines stated in the related Fund Documents that is reasonably likely to affect the value of such Fund Interest or the rights or remedies of any holders thereof, in each case, as determined by the Calculation Agent.

“**Fund Hedging Disruption**” means that the Issuer [or the Guarantor] is unable, or it is impractical for the Issuer [or Guarantor], after using commercially reasonable efforts, to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transaction or asset it deems necessary or appropriate to hedge the price risk relating to such Fund Interest Unit of entering into and performing its obligations under the Notes, or (ii) realize, recover or remit the proceeds of any such transaction or asset, including, without limitation, where such inability or impracticability has arisen by reason of (A) any restrictions or increase in charges or fees imposed by the relevant Reference Fund on any investor’s ability to redeem such Fund Interest Unit, in whole or in part, or any existing or new investor’s ability to make new or additional investments in such Fund Interest Unit, or (B) any mandatory redemption, in whole or in part, of such Fund Interest Unit imposed by the relevant Reference Fund.

"**Regulatory Action**" means, with respect to any Fund Interest Unit, (i) cancellation, suspension or revocation of the registration or approval of such Fund Interest Unit or the related Reference Fund by any governmental, legal or regulatory entity with authority over such Fund Interest Unit or Reference Fund, (ii) any change in the legal, tax, accounting, or regulatory treatments of the relevant Reference Fund that is reasonably likely to have an adverse impact on the value of such Fund Interest Unit or on any investor therein (as determined by the Calculation Agent), or (iii) the related Reference Fund or its Fund Investment Manager becoming subject to any investigation, proceeding or litigation by any relevant governmental, legal or regulatory authority involving the alleged violation of applicable law for any activities relating to or resulting from the operation of such Reference Fund or Fund Investment Manager.

"**Reporting Disruption**" means, in respect of any Fund Interest Unit, the occurrence of any event affecting such Fund Interest Unit that, in the determination of the Calculation Agent, would make it impossible or impracticable for the Calculation Agent to determine the value of such Fund Interest Unit, and such event is expected to continue for the foreseeable future.

"**Change in Law**" means that on or after the Issue Date (i) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (ii) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Calculation Agent determines in good faith that it has become illegal to hold, acquire or dispose of Hedge Positions in the Notes.

"**Increased Cost of Hedging**" means that the Issuer [or the Guarantor] would incur a materially increased amount of tax, duty, expense or fee (other than brokerage commissions) to (i) acquire, establish, re-establish, substitute, maintain, unwind or dispose of any transactions(s) or asset(s) it deems necessary to hedge the price risk relating to any Fund Interest Unit under the Notes, or (ii) realize, recover or remit the proceeds of any such transaction(s) or asset(s), provided that any such materially increased amount that is incurred solely due to the deterioration of the creditworthiness of the Issuer [or Guarantor] shall not be deemed an Increased Cost of Hedging.

Upon the occurrence on or after the Issue Date up to and including the last Valuation Date, in the determination of the Calculation Agent, of an Extraordinary Event in respect of any Reference Fund, the Calculation Agent, on or after the effective date of such Extraordinary Event, may make such adjustments as it, acting in good faith, deems appropriate (including substitution of any affected Share). Such adjustments to be effective as of the date determined by the Calculation Agent, to account for the effect of the relevant Extraordinary Event to protect the theoretical value of the Notes to the Noteholders immediately prior to such Extraordinary Event.

For the avoidance of doubt, if the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Extraordinary Event shall be the early redemption of such Notes. For Nationalisation and Insolvency, the relevant consequence will always be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.5 Commodity or Basket of Commodities

9.6.5.1 <u>Definitions</u>

Commodity:	Means the Commodity specified as such in the relevant Final Terms.
Commodity Basket:	Means a basket of Commodities as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Commodity in the Commodity Basket separately.
w:	Means the weight of a certain Commodity in the Commodity Basket.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the price of the relevant Commodity on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the prices of the relevant Commodity or Commodity Basket as of the Valuation Time on each Initial Averaging Date..
Final Price:	Means the price of the relevant Commodity at the Valuation Time on the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means

	the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the prices of the relevant ommodity or Commodity Basket as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Commodity Business Day in respect of the relevant Commodity, the Initial Price of such Commodity shall be determined on the basis of the price of such Commodity as calculated on the immediately following Commodity Business Day, subject to Market Disruption, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date.
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Commodity Business Day in respect of the relevant Commodity, the Final Price of such Commodity shall be determined on the basis of the Relevant Price of such Commodity as calculated on the immediately following Commodity Business Day, subject to Market Disruption, or, if Averaging is specified as applicable, means the final Averaging Date
Relevant Price	Means the price of the relevant Commodity determined by the Calculation Agent at the Valuation Time on the relevant Valuation Date.
Commodity Business Day:	Means for the relevant Commodity a day that is (or, but for the occurrence of a Market Disruption Event, would have been) a day on which the relevant Exchange is open for trading during its regular trading session, notwithstanding any such Exchange closing prior to its scheduled closing time.
Exchange:	Means the exchange or principal trading market specified in the relevant Final Terms.

9.6.5.2 Market Disruption

"**Market Disruption Event**" means any of (i) Price Source Disruption, (ii) Trading Disruption, (iii) Disappearance of Commodity, (iv) Material Change in Formula, (v) Material Change in Content or (vi) Tax Disruption, as defined below, except that for a Commodity that is Bullion, (iv) Material Change in Formula and (v) Material Change in Content will not apply.

(i) "**Price Source Disruption**" means (A) the failure of the Price Source to announce or publish the price (or the information necessary for determining the price) for the relevant Commodity; or (B) the temporary or permanent discontinuance or unavailability of the Price Source.

(ii) "**Trading Disruption**" means the material suspension of, or the material limitation imposed on, trading in the futures contract on the Commodity or the Commodity on the Exchange. For these purposes:

- (A) a suspension of the trading in the futures contract on the Commodity or the Commodity on any Commodity Business Day shall be deemed to be material only if:
  - (1) all trading in the futures contract on the Commodity or the Commodity is suspended for the entire day; or
  - (2) all trading in the futures contract on the Commodity or the Commodity is suspended subsequent to the opening of trading on that day, trading does not recommence prior to the regularly scheduled close of trading in such futures contract on the Commodity or Commodity on such day and such suspension is announced less than one hour preceding its commencement; and
- (B) a limitation of trading in the futures contract on the Commodity or the Commodity on any Commodity Business Day shall be deemed to be material only if the relevant Exchange establishes limits on the range within which the price of the futures contract on the Commodity or the Commodity may fluctuate and the closing or settlement price of the futures contract on the Commodity or the Commodity on such day is at the upper or lower limit of that range.

(iii) "**Disappearance of Commodity**" means:

- (A) the permanent discontinuation of trading, in the relevant futures contract on the Commodity; or
- (B) the disappearance of, or of trading in, the relevant Commodity; or
- (C) the disappearance or permanent discontinuance or unavailability of a price for the Commodity, notwithstanding the availability of the related Price Source or the status of trading in the relevant futures contract on the Commodity or the relevant Commodity.

(iv) "**Material Change in Formula**" means the occurrence of a material change in the formula for or the method of calculating the relevant price of the Commodity.

(v) "**Material Change in Content**" means the occurrence of a material change in the content, composition or constitution of the Commodity or relevant futures contract on the Commodity.

(vi) "**Tax Disruption**" means the imposition of, change in or removal of an excise, severance, sales, use, value-added, transfer, stamp, documentary, recording or similar tax on, or measured by reference to, the relevant

Commodity (other than a tax on, or measured by reference to overall gross or net income) by any government or taxation authority, if the direct effect of such imposition, change or removal is to raise or lower the Relevant Price on the day that would otherwise be a Pricing Date from what it would have been without that imposition, change or removal.

"**Bullion**" means Gold, Silver, Platinum or Palladium, as the case may be.

In case a Market Disruption Event occurs the Calculation Agent will determine in good faith and in a commercially reasonable manner the Final Price of the relevant Commodity (or a method for determining the Final Price of the relevant Commodity).

If the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Market Disruption Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

9.6.6 Commodity Index or Basket of Commodity Indices

9.6.6.1 Definitions

Commodity Index:	Means the Commodity Index specified as such in the relevant Final Terms.
Commodity Index Basket:	Means a basket of Commodities Indices as specified in the relevant Final Terms.
i:	The addition of the letter i in subscript to any term indicates that this term is meant to apply to each Commodity Index in the Commodity Index Basket separately.
w:	Means the weight of a certain Commodity Index in the Commodity Index Basket.
Initial Price:	Means the price specified as such or otherwise determined in the relevant Final Terms or, if no means for determining the Initial Price are so provided: in respect of the Initial Valuation Date, the level of the relevant Commodity Index or Basket on the Initial Valuation Date, as determined by the Calculation Agent, and in respect of the each subsequent Valuation Date, the Final Price for the Valuation Date immediately preceding such Valuation Date or, if Initial Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Initial Valuation Date, of the levels of the relevant Commodity Index or Commodity Index Basket as of the Valuation Time on each Initial Averaging Date.
Final Price:	Means the level of the relevant Commodity Index at the Valuation Time on the relevant Valuation Date, as determined by the Calculation Agent or, if Averaging is specified as applicable under the relevant Final Terms, means the arithmetic mean, as determined by the Calculation Agent on the Valuation Date, of the levels of the relevant Commodity Index or Commodity Index Basket as of the Valuation Time on each Averaging Date.
Initial Valuation Date:	Means the Issue Date or such other date as specified in the relevant Final Terms, and if such date is not a Scheduled Publication Day in respect of the relevant Commodity Index, the Initial Price of such Commodity Index shall be determined on the basis of the price of such Commodity Index as calculated on the immediately following Scheduled Publication Day, subject to the occurrence of any Commodity Index Event, or, if Initial Averaging is specified as applicable, means the final Initial Averaging Date
Valuation Date:	Means any date specified as such in the relevant Final Terms, and if such date is not a Scheduled Publication Day in respect of the relevant Commodity Index, the Final Price of such Commodity Index shall be determined on the basis of the Relevant Price of such Commodity Index as calculated on the immediately following Scheduled Publication Day, subject to the occurrence of any Commodity Index Event, or, if Averaging is specified as applicable, means the final Averaging Date
Relevant Price	Means the level of the relevant Index or Basket determined by the Calculation Agent at the Valuation Time on the relevant Valuation Date.
Scheduled Publication Day:	Means any day on which the Commodity Index Sponsor is scheduled to

	publish the level of the relevant Commodity Index.
Commodity Index Sponsor:	Means the corporation or other entity that (a) is responsible for setting and reviewing the rules and procedures and the methods of calculation and adjustments, if any, related to the relevant Commodity Index and (b) announces (directly or through an agent) the level of the Commodity Index on a regular basis.

9.6.6.2 Commodity Index Event

If, in the opinion of the Calculation Agent, any Commodity Index is modified by the Commodity Index Sponsor, cancelled by the Commodity Index Sponsor, replaced by a successor commodity index or remains unpublished by the Commodity Index Sponsor, or if, in the opinion of the Calculation Agent, a Commodity Index Market Disruption Event occurs (any of the above events, a "Commodity Index Event"), the Calculation Agent shall determine in its sole discretion, but in good faith and in a commercially reasonable manner, how such Commodity Index Event affects the Notes and what it consequences should be.

If the Calculation Agent determines that no adjustment that it could make would produce a commercially reasonable result, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Commodity Index Event shall be the early redemption of the Notes. In case of such early redemption, the Calculation Agent shall give its good faith estimate of the value of such Notes.

A "**Commodity Index Market Disruption Event**" means any of (a) the termination or suspension of, or material limitation or disruption in, the trading of any exchange-traded futures contract included in a relevant Commodity Index, and (b) the settlement price of any such contract has increased or decreased by an amount equal to the maximum permitted price change from the previous day's settlement price, or (c) the exchange fails to publish official settlement prices for any such contract.

9.7 ROUNDING

For the purposes of any calculations required pursuant to these Terms and Conditions (unless otherwise specified in the relevant Final Terms), (i) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), and (ii) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up). For these purposes "unit" means, the lowest amount of such currency that is available as legal tender in the country of such currency.

9.8 STATUS

9.8.1 Status of Senior Notes

The Notes that are specified in the Final Terms to be Senior Notes and the payments of principal and interest relating to them are direct, unconditional and unsecured obligations of the Issuer and rank at all times *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the relevant Issuer, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights.

9.8.2 Status of Senior Subordinated Notes

The Notes that are specified in the Final Terms to be Senior Subordinated Notes and the payments of principal and interest relating to them are direct, unsecured and senior subordinated obligations of the Issuer and shall at all times rank *pari passu* and without any preference among themselves. The payment obligation of the Issuer under the Senior Subordinated Notes and the payments of principal and interest relating to them shall at all times rank equally with all other Senior Subordinated Obligations (as defined below).

Senior Subordinated Notes that constitute Lower Tier II Capital will have a minimum maturity of five years.

Early Redemption for any Senior Subordinated Notes can only occur at the option of the relevant Issuer. In case of early redemption by the Issuer an approval must be obtained from the Belgian Banking, Finance and Insurance Commission.

In the event of a moratorium (in the case of DEXIA BANK "réorganisation judiciaire/gerechtelijke reorganisatie" and in the case of DFN "*surseance van betaling*"[3]), bankruptcy ("*faillite/faillissement*") or liquidation of the Issuer (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Issuer), the rights of the holders of Senior Subordinated Notes shall rank ahead of:

(i) those persons whose claims are in respect of any class of equity (including preference shares) of the Issuer; and

(ii) creditors whose claims are in respect of any obligations of the Issuer that rank or are expressed to rank (whether only in the winding up of the Issuer or otherwise) junior to Senior Subordinated Obligations,

but shall be subordinated to the claims of:

(iii) all Senior Creditors of the relevant Issuer.

"**Senior Creditors**" means all creditors who are depositors or other general, unsubordinated creditors; and
"**Senior Subordinated Obligations**" means all indebtedness and monetary obligations of the relevant Issuer present and future, including any guarantee by the relevant Issuer, that rank or are expressed to rank junior in right of payment (whether only in the event of the winding up of the relevant Issuer or otherwise) to the claims of Senior Creditors but that are not subordinated so as to rank in point of subordination to any other obligations of the relevant Issuer.

9.9 CLEARING SYSTEMS

The clearing systems operated by Euroclear Bank S.A./N.V. ("Euroclear"), Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), the BNB system, and such other clearing system as may be agreed between the Issuer and the Fiscal Agent and as specified in the relevant Final Terms.

9.10 EVENTS OF DEFAULT

In any of the following events ("Events of Default") any Noteholder may by written notice to the Issuer and, in the case of DFN Notes, the Guarantor at its or their specified office declare his Note or Notes immediately due and payable, and thereupon an early redemption shall occur, unless, prior to the giving of such notice, all Events of Default shall have been cured:

(a) if default is made by the Issuer for a period of 30 calendar days or more in the payment of the final Redemption Amount, or interest on the Notes when and as the same shall become due and payable; or

(b) in the event of default by the Issuer or, in the case of DFN Notes, the Guarantor, as the case may be, in the due performance of any other obligation under the terms and conditions of the Notes, unless remedied within 45 days after receipt of a written notice thereof given by any Noteholder; or

(c) in the event of a merger, consolidation or other reorganisation of the Issuer or, in the case of DFN Notes, the Guarantor with, or a sale or other transfer by the Issuer or, in the case of DFN Notes, the Guarantor of all or a substantial part of its assets to, any other incorporated or unincorporated person or legal entity, unless, in each case not involving or arising out of insolvency, the person or entity surviving such merger, consolidation or other reorganisation or to which such assets shall have been sold or transferred shall have assumed expressly and effectively or by law all obligations of the Issuer or, in the case of DFN Notes, the Guarantor, as the case may be, with respect to the Notes and, the interests of the holders of Notes are not materially prejudiced thereby; or

(d) in the event that the Issuer or, in the case of DFN Notes, the Guarantor is adjudicated bankrupt or insolvent, or admits in writing its inability to pay its debts as they mature, or makes an assignment for the benefit of its creditors, or enters into a composition with its creditors, or applies for a moratorium, or institutes or has instituted any proceedings under any applicable bankruptcy law, insolvency law, composition law or any law governing the appointment of a receiver, administrator, trustee or other similar official for the whole or any substantial part of its assets or property or any other similar law, or in the event that any such proceedings are instituted against the Issuer or, in the case of DFN Notes, the Guarantor and remain undismissed for a period of 30 days, or

[3] This concept under Dutch law means "suspension of payment".

(e) if, for any reason, the Guarantee ceases to be in full force and effect.

Notice of any Event of Default shall be given to the Noteholders in accordance with the Condition *9.16 Notices*.

9.11 MODIFICATIONS OF THE AGENCY AGREEMENT

The Issuer and, in the case of DFN Notes, the Guarantor shall only permit any modification of, or any waiver or authorisation of any breach or proposed breach of or any failure to comply with, the Agency Agreement, if to do so could not reasonably be expected to be prejudicial to the interests of the Noteholders.

9.12 RESPONSIBILITY OF THE CALCULATION AGENT

All calculations shall be made in a commercially reasonable manner. The Calculation Agent shall have no responsibility to Noteholders for good faith errors or omissions in its calculations (without limitation, errors or omissions due to events which are not under the direct control of the Calculation Agent) and determinations as provided in the Terms and Conditions, except for those resulting from the gross negligence or intentional misconduct of the Calculation Agent. The calculations and determinations of the Calculation Agent shall be made in accordance with the Terms and Conditions (having regard in each case to the criteria stipulated herein and where relevant on the basis of information provided to or obtained by employees or officers of the Calculation Agent responsible for making the relevant calculation or determination) and shall, in the absence of manifest error, be final, conclusive and binding on the Issuer and the Noteholders. The Calculation Agent acts solely as agent of the Issuer and does not assume any obligations or duty to, or any relationship of agency or trust for or with, the Noteholders.

9.13 PRESCRIPTION

Claims against the Issuer or, in the case of DFN Notes, the Guarantor for payment in respect of any Note shall be prescribed and become void unless made within five years from the date on which such payment first becomes due.

9.14 CURRENCY INDEMNITY

Any amount received or recovered in a currency other than the currency in which payment under the relevant Note is due (whether as a result of, or of the enforcement of, a judgment or order of a court of any jurisdiction, in the winding-up or dissolution of the Issuer or, in the case of DFN Notes, the Guarantor or otherwise) by any Noteholder in respect of any sum expressed to be due to it from the Issuer or, in the case of DFN Notes, the Guarantor shall only constitute a discharge to the Issuer or, in the case of DFN Notes, the Guarantor, as the case may be, to the extent of the amount in the currency of payment under the relevant Note that the recipient is able to purchase with the amount so received or recovered in that other currency on the date of that receipt or recovery (or, if it is not practicable to make that purchase on that date, on the first date on which it is practicable to do so). If the amount received or recovered is less than the amount expressed to be due to the recipient under any Note, the Issuer, failing whom , in the case of DFN Notes, the Guarantor, shall indemnify it against any loss sustained by it as a result. In any event, the Issuer, failing whom, in the case of DFN Notes, the Guarantor, shall indemnify the recipient against the cost of making any such purchase. For the purposes of this Condition, it shall be sufficient for the Noteholder, as the case may be, to demonstrate that it would have suffered a loss had an actual purchase been made. These indemnities constitute a separate and independent obligation from the Issuer's and, in the case of DFN Notes, the Guarantor's other obligations, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any Noteholder and shall continue in full force and effect despite any other judgment, order, claim or proof for a liquidated amount in respect of any sum due under any Note or any other judgment or order.

9.15 SUBSTITUTION

(i) The Issuer and, in the case of DFN Notes, the Guarantor may, without any further consent or co-operation from the Noteholders, at any time, procure that any affiliated or associated corporation of the Issuer or, in the case of DFN Notes, the Guarantor is substituted for the Issuer as the debtor under the Terms and Conditions to be offered by assigning all its rights and obligations to such other corporation (the "Substituted Issuer"), provided that the Substituted Issuer has a long-term debt rating of at least the same level as the one of the Issuer, if any, and provided that:

(a) no payment of any Redemption Amount or of interest on any Note is overdue and no other circumstances exist capable of causing the acceleration of maturity of the Notes;

(b) the Substituted Issuer shall agree to indemnify the holders of each Note against: all tax, duty, fee or governmental charge which is imposed on such holder by the jurisdiction of the country of the Substituted Issuer's residence for tax purposes and, if different, of its incorporation or any political subdivision or taxing authority thereof or therein with respect to such Note and which would not have been so imposed had such substitution not been made; and any costs or expenses incurred in connection with any such substitution; and

(c) in the case of DFN Notes, the Guarantor agrees on the provisions of such substitution as described herein, undertakes that the provisions in the Guarantee with respect to the Issuer will apply to the New Issuer in the event of such substitution and shall be bound by all the obligations to be fulfilled by it under the Guarantee and the Terms and Conditions of the Notes as a result of such substitution and such obligations shall be legal, valid and enforceable; if the Issuer is substituted by the Guarantor, there is no requirement for an additional and separate guarantee of the obligations under the Notes.

(ii) The Issuer hereby irrevocably and unconditionally guarantees that the Substituted Issuer shall pay all amounts of Redemption Amount of and interest on the Notes when due. In the event of substitution, this guarantee ceasing to be the valid and binding obligation of the Issuer, enforceable against the Issuer in accordance with its terms, shall constitute an Event of Default.

(iii) In the event of substitution all references in these Terms and Conditions to the Issuer shall from then on be deemed to refer to the Substituted Issuer and the references in Condition 9.18 *Taxation* to the Netherlands shall be deemed to be to the country where the Substituted Debtor has its domicile or tax residence.

Notice of any substitution shall be given to the Noteholders in accordance with Condition 9.16 *Notices*.

9.16 NOTICES

The Notes being held in a securities account, all notices to the Noteholders shall be validly given by a direct notification, in the case of DFN Notes from the Paying Agent, to the Noteholders and, in the case of DEXIA BANK Notes from DEXIA BANK to the Noteholders, each time as the Issuer in his discretionary opinion shall deem necessary to give fair and reasonable notice to the Noteholders.

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

9.17 MEETING OF NOTEHOLDERS

9.17.1 Definitions:

1. references to a meeting are to a meeting of Noteholders of a single Series of Notes and include, unless the context otherwise requires, any adjournment

2. references to "**Notes**" and "**Noteholders**" are only to the Notes of the Series in respect of which a meeting has been, or is to be, called and to the holders of those Notes, respectively

3. "**agent**" means a holder of a voting certificate or a proxy for, or representative of, a Noteholder

4. "**block voting instruction**" means an instruction issued in accordance with paragraphs 8 to 14

5. "**Extraordinary Resolution**" means a resolution passed at a meeting duly convened and held in accordance with this Agreement by a majority of at least 75 per cent of the votes cast

6. "**voting certificate**" means a certificate issued in accordance with paragraphs 5, 6, 7 and 13 and

7. references to persons representing a proportion of the Notes are to Noteholders or agents holding or representing in the aggregate at least that proportion in principal amount of the Notes for the time being outstanding.

9.17.2 Powers of meetings

A meeting shall, subject to the Terms and Conditions and without prejudice to any powers conferred on other persons by the Agency Agreement, have power by Extraordinary Resolution:

1. to sanction any proposal by the relevant Issuer or the Guarantor or any modification, abrogation, variation or compromise of, or arrangement in respect of, the rights of the Noteholders against the Issuer or the Guarantor, whether or not those rights arise under the Notes

2. to sanction the exchange or substitution for the Notes of, or the conversion of the Notes into, shares, bonds or other obligations or securities of the Issuer, the Guarantor or any other entity

3. to assent to any modification of the Agency Agreement, the Notes proposed by the Issuer, the Guarantor or the Fiscal Agent

4. to authorise anyone to concur in and do anything necessary to carry out and give effect to an Extraordinary Resolution

5. to give any authority, direction or sanction required to be given by Extraordinary Resolution

6. to appoint any persons (whether Noteholders or not) as a committee or committees to represent the Noteholders' interests and to confer on them any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution and

7. to approve the substitution of any entity for the relevant Issuer or the Guarantor (or any previous substitute) as principal debtor or guarantor in circumstances not provided for in the Terms and Conditions

8. provided that the special quorum provisions in paragraph 19 shall apply to any Extraordinary Resolution (a "special quorum resolution") for the purpose of sub-paragraph 2.2 or 2.7, any of the proposals listed in Condition 12(a) or any amendment to this proviso.

9.17.3 Convening a meeting

1. The relevant Issuer or the Guarantor may at any time convene a meeting. If it receives a written request by Noteholders holding at least 10 per cent in principal amount of the Notes of any Series for the time being outstanding and is indemnified to its satisfaction against all costs and expenses, the Issuer shall convene a meeting of the Noteholders of that Series. The meeting shall be held at a time and place as determined by the Issuer or, where applicable, the Guarantor, subject to, in the case of DFN Notes, approval by the Fiscal Agent.

2. At least 21 days' notice (exclusive of the day on which the notice is given and of the day of the meeting) shall be given to the Noteholders. A copy of the notice shall be given by the party convening the meeting to the other parties. The notice shall specify the day, time and place of meeting and the nature of the resolutions to be proposed and shall explain how Noteholders may appoint proxies or representatives, obtain voting certificates and use block voting instructions and the details of the time limits applicable.

9.17.4 Arrangements for voting

1. If a Noteholder Note wishes to obtain a voting certificate in respect of it for a meeting, he must notify the Paying Agent at least 48 hours before the time fixed for the meeting. The Paying Agent shall then issue a voting certificate in respect of it.

2. A voting certificate shall:

- be a document in the English language
- be dated

- specify the meeting concerned and the serial numbers of the Notes and
- entitle, and state that it entitles, its bearer to attend and vote at that meeting in respect of those Notes.

2. Once a Paying Agent has issued a voting certificate for a meeting in respect of a Note, it shall not release the Note until either:

- the meeting has been concluded or
- the voting certificate has been surrendered to the Paying Agent.

3. If a Noteholder wishes the votes attributable to it to be included in a block voting instruction for a meeting, then, at least 48 hours before the time fixed for the meeting, (i) he must notify for that purpose the Paying Agent and (ii) he or a duly authorised person on his behalf must direct the Paying Agent how those votes are to be cast. The Paying Agent shall issue a block voting instruction in respect of the votes attributable to all Notes for which it has received such notification.

4. A block voting instruction shall:

- be a document in the English language
- be dated
- specify the meeting concerned
- list the total number and serial numbers of the Notes, distinguishing with regard to each resolution between those voting for and those voting against it
- certify that such list is in accordance with directions received as provided in paragraphs 8, 10 and 13 and
- appoint a named person (a "proxy") to vote at that meeting in respect of those Notes and in accordance with that list. A proxy need not be a Noteholder.

5. Once a Paying Agent has issued a block voting instruction for a meeting in respect of the votes attributable to any Notes the directions to which it gives effect may not be revoked or altered during the 48 hours before the time fixed for the meeting.

6. Each block voting instruction shall be deposited at least 24 hours before the time fixed for the meeting at the specified office of the relevant Issuer or the Guarantor or such other place as the Issuer shall designate or approve, and in default it shall not be valid unless the chairman of the meeting decides otherwise before the meeting proceeds to business. If the Issuer requires, a notarially certified copy of each block voting instruction shall be produced by the proxy at the meeting but the Issuer need not investigate or be concerned with the validity of the proxy's appointment.

7. A vote cast in accordance with a block voting instruction shall be valid even if it or any of the Noteholders' instructions pursuant to which it was executed has previously been revoked or amended, unless written intimation of such revocation or amendment is received from the relevant Issuer by the chairman of the meeting in each case at least 24 hours before the time fixed for the meeting.

8. No instructions may be giving by the Noteholder to the Paying Agent at the same time for the purposes of both paragraph 5 and paragraph 8 for the same meeting.

9.17.5 Chairman

The chairman of a meeting shall be such person as the Issuer may nominate in writing, but if no such nomination is made or if the person nominated is not present within 15 minutes after the time fixed for the meeting the Noteholders or agents present shall choose one of their number to be chairman, failing which the Issuer may appoint a chairman. The chairman need not be a Noteholder or agent. The chairman of an adjourned meeting need not be the same person as the chairman of the original meeting.

9.17.6 Attendance

The following may attend and speak at a meeting:

1. Noteholders and agents

2. the chairman

3. the Issuer, the Guarantor and the Fiscal Agent as applicable (through their respective representatives) and their respective financial and legal advisers

4. the Dealers and their advisers.

5. No-one else may attend or speak.

9.17.7 Quorum and Adjournment

1. No business (except choosing a chairman) shall be transacted at a meeting unless a quorum is present at the commencement of business. If a quorum is not present within 15 minutes from the time initially fixed for the meeting, it shall, if convened on the requisition of Noteholders, be dissolved. In any other case it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, it shall be adjourned until such date, not less than 14 nor more than 42 days later, and time and place as the chairman may decide. If a quorum is not present within 15 minutes from the time fixed for a meeting so adjourned, the meeting shall be dissolved.

2. Two or more Noteholders or agents present in person shall be a quorum:-

3. in the cases marked "No minimum proportion" in the table below, whatever the proportion of the Notes which they represent

4. in any other case, only if they represent the proportion of the Notes shown by the table below.

COLUMN 1	**COLUMN 2**	**COLUMN 3**	**COLUMN 4**
Purpose of Meeting	Any meeting except one referred to in column 3	Meeting previously once adjourned through want of a quorum	Meeting previously twice adjourned through want of a quorum
	Required proportion	Required Proportion	Required Proportion
To pass a special quorum resolution	two thirds	one third	No minimum proportion
To pass any other Extraordinary Resolution	A clear majority	No minimum proportion	No minimum proportion
Any other purpose	10 per cent	No minimum proportion	No minimum proportion

5. The chairman may with the consent of (and shall if directed by) a meeting adjourn the meeting from time to time and from place to place. Only business which could have been transacted at the original meeting may be transacted at a meeting adjourned in accordance with this paragraph or paragraph 18.

6. At least 10 days' notice of a meeting adjourned through want of a quorum shall be given in the same manner as for an original meeting and that notice shall state the quorum required at the adjourned meeting. No notice need, however, otherwise be given of an adjourned meeting.

9.17.8 Voting

1. Each question submitted to a meeting shall be decided by a show of hands unless a poll is (before, or on the declaration of the result of, the show of hands) demanded by the chairman, the Issuer, the Guarantor or one or more persons representing 2 per cent of the Notes.

2. Unless a poll is demanded a declaration by the chairman that a resolution has or has not been passed shall be conclusive evidence of the fact without proof of the number or proportion of the votes cast in favour of or against it.

3. If a poll is demanded, it shall be taken in such manner and (subject as provided below) either at once or after such adjournment as the chairman directs. The result of the poll shall be deemed to be the resolution of the meeting at which it was demanded as at the date it was taken. A demand for a poll shall not prevent the meeting continuing for the transaction of business other than the question on which it has been demanded.

4. A poll demanded on the election of a chairman or on a question of adjournment shall be taken at once.

5. On a show of hands every person who is present in person and who produces a voting certificate or is a proxy or representative has one vote. On a poll every such person has one vote in respect of each principal amount equal to the minimum denomination of such Series of Notes so produced or represented by the voting certificate so produced or for which he is a proxy or representative. Without prejudice to the obligations of proxies, a person entitled to more than one vote need not use them all or cast them all in the same way.

6. In case of equality of votes the chairman shall both on a show of hands and on a poll have a casting vote in addition to any other votes which he may have.

9.17.9 Effect and Publication of an Extraordinary Resolution

An Extraordinary Resolution shall be binding on all the Noteholders, whether or not present at the meeting and each of them shall be bound to give effect to it accordingly. The passing of such a resolution shall be conclusive evidence that the circumstances justify its being passed. The Issuer shall give notice of the passing of an Extraordinary Resolution to Noteholders within 14 days but failure to do so shall not invalidate the resolution.

9.17.10 Minutes

1. Minutes shall be made of all resolutions and proceedings at every meeting and, if purporting to be signed by the chairman of that meeting or of the next succeeding meeting, shall be conclusive evidence of the matters in them. Until the contrary is proved every meeting for which minutes have been so made and signed shall be deemed to have been duly convened and held and all resolutions passed or proceedings transacted at it to have been duly passed and transacted.

2. The holder of a Global Note (unless such Global Note represents only one Note) be treated as two persons for the purposes of any quorum requirements of a meeting of Noteholders.

9.18 TAXATION

BELGIAN TAXATION ON THE NOTES

The following is a general description of the principal Belgian tax consequences for investors receiving interest in respect of or disposing of, the Notes issued by DEXIA BANK and the Notes issued by DFN and is of a general nature based on the issuers' understanding of current law and practice. This general description is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date (for example the rate of the withholding tax). Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding, selling or converting the Notes issued by DEXIA BANK and/or DFN under the laws of their countries of citizenship, residence, ordinary residence or domicile.

1 Notes issued by DEXIA BANK

Belgian Withholding Tax

All payments by or on behalf of the Issuer of interest on the Notes are in principle subject to the 15 per cent. Belgian withholding tax on the gross amount of the interest.

In this regard, "interest" means the periodic interest income, any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date) and, in case of a realisation of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period.

However, payments of interest and principal under the Notes by or on behalf of the Issuer may be made without deduction of withholding tax in respect of the Notes if and as long as at the moment of payment or attribution of interest they are held by certain eligible investors (the "Eligible Investors", see hereinafter) in an exempt securities account (an "X Account") that has been opened with a financial institution that is a direct or indirect participant (a "Participant") in the X/N Clearing System operated by the National Bank of Belgium (the "NBB" and the "X/N System"). Euroclear and Clearstream, Luxembourg are directly or indirectly Participants for this purpose.

Holding the Notes through the X/N System enables Eligible Investors to receive the gross interest income on their Notes and to transfer the Notes on a gross basis.

Participants to the X/N system must enter the Notes which they hold on behalf of Eligible Investors in an X Account.

Eligible Investors are those entities referred to in article 4 of the Arrêté Royal du 26 mai 1994 relatif à la perception et à la bonification du précompte mobilier (Belgian Royal Decree of 26 May 1994 on the deduction of withholding tax) which include, *inter alia*:

(i) Belgian corporations subject to Belgian corporate income tax;

(ii) institutions, associations or companies specified in article 2, §3 of the law of 9 July 1975 on the control of insurance companies other than those referred to in 1° and 3° subject to the application of article 262, 1° and 5° of the Income Tax Code of 1992;

(iii) state regulated institutions ("institutions parastatales", "parastatalen") for social security, or institutions which are assimilated therewith, provided for in article 105, 2º of the Royal Decree implementing the Income Tax Code 1992;

(iv) non-resident investors provided for in article 105, 5º of the same decree;

(v) investment funds, recognised in the framework of pension savings, provided for in article 115 of the same decree;

(vi) tax payers provided for in article 227, 2º of the Income Tax Code 1992 which have used the income generating capital for the exercise of their professional activities in Belgium and which are subject to non-resident income tax pursuant to article 233 of the same code;

(vii) the Belgian State in respect of investments which are exempt from withholding tax in accordance with a article 265 of the Income Tax Code 1992;

(viii) investment funds governed by foreign law which are an indivisible estate managed by a management company for the account of the participants, provided the fund units are not offered publicly in Belgium or traded in Belgium; and,

(ix) Belgian resident corporations, not provided for under (i), when their activities exclusively or principally consist of the granting of credits and loans.

Eligible Investors do not include, *inter alia*:

- private individuals resident in Belgium for tax purposes;

- entities subject to the Belgian legal entities tax (“rechtspersonenbelasting”, “impôts des personnes morales”) except if they are mentioned in the above list of Eligible Investors; and,
- Belgian pension funds that take the form of Organization for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision.

Participants to the X/N System must keep the Notes which they hold on behalf of the non-Eligible Investors in a non-exempt securities account (an “N Account”). In such instance all payments of interest are subject to the 15 per cent. withholding tax. This withholding tax is withheld by the NBB and paid to the Belgian Treasury.

Upon opening of an X Account for the holding of Notes, the Eligible Investor is required to provide the Participant with a statement of its eligible status on a form approved by the Minister of Finance. There is no ongoing declaration requirement to the X/N System as to the eligible status.

An Exempt Account may be opened with a Participant by an intermediary (an “Intermediary”) in respect of Notes that the Intermediary holds for the account of its clients (the “Beneficial Owners”), provided that each Beneficial Owner is an Eligible Investor. In such a case, the Intermediary must deliver to the Participant a statement on a form approved by the Minister of Finance confirming that (i) the Intermediary is itself an Eligible Investor, and (ii) the Beneficial Owners holding their Notes through it are also Eligible Investors. A Beneficial Owner is also required to deliver a statement of its eligible status to the intermediary.

These identification requirements do not apply to Notes held in Euroclear or Clearstream, Luxembourg as Participants to the X/N Clearing System, provided that Euroclear or Clearstream only hold X Accounts and that they are able to identify the holders for whom they hold Notes in such account.

In accordance with the X/N System, a Noteholder who is withdrawing Notes from an Exempt Account will, following the payment of interest on those Notes, be entitled to claim an indemnity from the Belgian tax authorities of an amount equal to the withholding on the interest payable on the Notes from the last preceding Interest Payment Date until the date of withdrawal of the Notes from the X/N System. As a condition of acceptance of the Notes into the X/N System, the Noteholders waive the right to claim such indemnity.

Belgian income tax and capital gains

1.1 Belgian resident individuals

For natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (“Personenbelasting” / “Impôt des personnes physiques”) and who hold the Notes as a private investment, payment of the 15 per cent. withholding tax fully discharges them from their personal income tax liability with respect to these interest payments (“précompte mobilier libératoire”, “bevrijdende roerende voorheffing”). This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided withholding tax was levied on these interest payments.

Belgian resident individuals may nevertheless elect to declare the interest payment (as defined in section 1.1 entitled “Belgian Withholding Tax”) in their personal income tax return. Where the beneficiary opts to declare them, interest payments will normally be taxed at the interest withholding tax of 15 per cent. plus communal surcharges (or at the progressive personal tax rate taking into account the taxpayer’s other declared income, whichever is lower). If the interest payment is declared, the withholding tax retained by the NBB may be credited.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one’s private estate or unless the capital gains qualify as interest (as defined in section entitled “Belgian Withholding Tax”). Capital losses are in principle not tax deductible.

Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

1.2 Belgian resident companies

Interest attributed or paid to corporations Note holders who are Belgian residents for tax purposes, i.e. who are subject to the Belgian Corporate Income Tax (“vennootschapsbelasting/ impôt des sociétés”), as well as capital gains realized upon the sale of the Notes are taxable at the ordinary corporate income tax rate of in principle 33.99 per cent. Capital losses realised upon the sale of the Notes are in principle tax deductible.

1.3 Belgian legal entities

Belgian legal entities subject to the Belgian legal entities tax (“rechtspersonenbelasting”, “impôts des personnes morales”) which do not qualify as Eligible Investors are subject to a withholding tax of 15 per cent. on interest payments. The withholding tax constitutes the final taxation.

Belgian legal entities which qualify as Eligible Investors (see above “Belgian Withholding Tax”) and which consequently have received gross interest income are required to pay the 15 per cent. withholding tax themselves.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains qualify as interest (as defined in section 1.1 entitled “Belgian Withholding Tax”). Capital losses are in principle not tax deductible.

1.4 Organization for Financing Pensions

Interest paid or attributed to Organizations for Financing Pensions in the meaning of the Law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision is in principle subject to a 15 per cent. withholding tax. This Belgian withholding tax is fully creditable against any corporate income tax due and any excess amount is in principle refundable. Interest derived by OFP Note holders on the Notes and capital gains realised on the Notes will be exempt from Belgian Corporate Income Tax.

1.5 Belgian non-residents

Noteholders who are not residents of Belgium for Belgian tax purposes and who are not holding the Notes through their permanent establishment in Belgium, will not become liable for any Belgian tax on income or capital gains by reason only of the acquisition or disposal of the Notes provided that they qualify as Eligible Investors and that they hold their Notes in an X Account.

Tax on stock exchange transactions

A tax on stock exchange transactions will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.07 per cent. with a maximum amount of Euro 500 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

A tax on repurchase transactions at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party.

However none of the taxes referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the Code des droits et taxes divers (Code of various duties and taxes) for the taxe sur les opérations de bourse and Article 139, second paragraph, of the same code for the taxe sur les reports.

2 Notes issued by DFN

Withholding Tax and Income Tax

2.1 Tax rules applicable to natural persons resident in Belgium

Belgian natural persons who are Belgian residents for tax purposes, i.e., who are subject to the Belgian personal income tax (“Personenbelasting”/“Impôt des personnes physiques”) and who hold the Notes as a private investment, are in

Belgium subject to the following tax treatment with respect to the Notes. Other tax rules apply to Belgian resident individuals who do not hold the Notes as a private investment.

In accordance with Belgian tax law, the following amounts are qualified and taxable as “interest”: (i) periodic interest income (ii) amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date) (iii) if the Notes qualify as “fixed income securities” (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in case of a realisation of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period. “Fixed income securities” are defined as bonds, specific debt certificates issued by banks (‘kasbon’/ ‘bon de caisse’) and other similar securities, including securities where income is capitalised or securities which do not generate a periodic payment of income but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 15 per cent. withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided withholding tax was levied on these interest payments.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return and will be taxed at a flat rate of 15 per cent. plus communal surcharges.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one’s private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

2.2 Belgian resident companies

Corporations Note holders who are Belgian residents for tax purposes, i.e. who are subject to Belgian Corporate Income Tax (“Vennootschapsbelasting/ Impôt des sociétés”) are in Belgium subject to the following tax treatment with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax of 33.99 per cent. Capital losses are in principle deductible.

Interest payments on the Notes made through a paying agent in Belgium can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered. The Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

2.3 Belgian legal entities

Legal entities Note holders who are Belgian residents for tax purposes, i.e. who are subject to Belgian tax on legal entities (“Rechtspersonenbelasting/ impôt des personnes morales”) are in Belgium subject to the following tax treatment with respect to the Notes.

In accordance with Belgian tax law, the following amounts are qualified and taxable as “interest”: (i) periodic interest income (ii) amounts paid by the Issuer in excess of the issue price (whether or not on the maturity date) (iii) if the Notes qualify as “fixed income securities” (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in case of a realisation of the Notes between two interest payment dates, the pro rata of accrued interest corresponding to the detention period. “Fixed income securities” are defined as bonds, specific debt certificates issued by banks (‘kasbon’ / ‘bon de caisse’) and other similar securities, including securities where income is capitalised or securities which do not generate a periodic payment of income but are issued with a discount corresponding to the capitalised interest up to the maturity date of the security.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 15 per cent. withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if the interest is paid outside Belgium without the intervention of a Belgian paying agent and without the deduction of Belgian withholding tax, the legal entity itself is responsible for the deduction and payment of the 15 per cent. withholding tax.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined above). Capital losses are in principle not tax deductible.

2.4 Organization for Financing Pensions

Belgian pension fund entities that have the form of an Organization for Financing Pensions (OFP) are subject to Belgian Corporate Income Tax ("Vennootschapsbelasting/ Impôt des sociétés"). OFPs are in Belgium subject to the following tax treatment with respect to the Notes.

Interest derived by OFP Note holders on the Notes and capital gains realised on the Notes will be exempt from Belgian Corporate Income Tax.

The Belgian withholding tax that has been levied is creditable in accordance with the applicable legal provisions.

2.5 Belgian non-residents

The interest income on the Notes paid through a professional intermediary in Belgium will, in principle, be subject to a 15 per cent. withholding tax, if the Note holder is resident in a country with which Belgium has concluded a double taxation agreement and delivers the requested affidavit. If the income is not collected through a financial institution or other intermediary established in Belgium, no Belgian withholding tax is due.

Non-resident investors can also obtain an exemption of Belgian withholding tax on interest from the Notes if they are the owners or usufructors of the Notes and they deliver an affidavit confirming that they have not allocated the Notes to business activities in Belgium and that they are non-residents, provided that (i) the interest is paid through a Belgian credit institution, stock market company or clearing or settlement institution and that (ii) the Notes are not used by the Issuer for carrying on a business in Belgium.

The non-residents who use the debt instruments to exercise a professional activity in Belgium through a permanent establishment are subject to the same tax rules as the Belgian resident companies (see 2.2 above). Non-resident Note holders who do not allocate the Notes to a professional activity in Belgium are not subject to Belgian income tax, save, as the case may be, in the form of withholding tax.

Tax on stock exchange transactions

A tax on stock exchange transactions will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.07 per cent. with a maximum amount of Euro 500 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

A tax on repurchase transactions at the rate of 0.085 per cent. will be due from each party to any such transaction entered into or settled in Belgium in which a stockbroker acts for either party.

However none of the taxes referred to above will be payable by exempt persons acting for their own account including investors who are not Belgian residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors as defined in Article 126.1 2° of the Code des droits et taxes divers (Code of various duties and taxes) for the taxe sur les opérations de bourse and Article 139, second paragraph, of the same code for the taxe sur les reports.

European Directive on taxation of savings income in the form of interest payments

Effective 1st January 2010, a Belgian paying agent within the meaning of the Savings Directive will no longer apply the Source Tax but will exchange information with the country of tax residence of the beneficial owner regarding interest payments as defined by the Directive. It concerns payments made to an individual, beneficial owner of the interest payments and resident in another EU Member State or resident in one of the associated and dependent territories. Residual entities are subject to a specific regime.

The communicated information will include the identity and residence of the beneficial owner, the name and address of the paying agent, the account number of the beneficial owner and information concerning the interest payment.

The exchange of information cannot be avoided by the submission of a certificate.

A proposal for a Council Directive amending the Savings Directive has been published and will, once agreed upon and implemented, amend the currently applicable rules.

This is general information, which is not intended to deal with all aspects of an investment in Notes. Potential investors are recommended to consult their tax adviser on the basis of their own particular situation.

This general description is based upon the law as in effect on the date of the Prospectus and is subject to any change in law that may take effect after such date.

LUXEMBOURG TAXATION ON THE NOTES

The following is a general description of certain tax laws relating to the Notes as in effect and as applied by the relevant tax authorities as at the date hereof and does not purport to be a comprehensive discussion of the tax treatment of the Notes.
Prospective investors should consult their own professional advisers on the implications of making an investment in, holding or disposing of Notes and the receipt of interest with respect to such Notes under the laws of the countries in which they may be liable to taxation.

Luxembourg non-resident individuals
Under the Savings Directive and the Luxembourg laws dated 21 June 2005 (the "Laws") implementing the Savings Directive, a Luxembourg based paying agent (within the meaning of the Savings Directive) is required since 1 July 2005 to withhold tax on interest and other similar income paid by it to (or under certain circumstances, to the benefit of) an individual resident in another EU Member State or in certain EU dependent or associated territories, unless the beneficiary of the interest payments elects for the procedure of exchange of information or for the tax certificate procedure. (see "Risk Factors - Risks related to Notes generally – EU Savings Directive"). The same treatment will apply to payments of interest and other similar income to certain so called "residual entities" within the meaning of Article 4.2 of the Savings Directive established in a Member State or in certain EU dependent or associated territories (i.e., entities which are not legal persons (the Finnish and Swedish companies listed in Article 4.5 of the Savings Directive are not considered as legal persons for this purpose), whose profits are not taxed under the general arrangements for the business taxation, that are not UCITS recognised in accordance with the Council Directive 85/611/EEC or similar collective investment funds located in Jersey, Guernsey, the Isle of Man, the Turks and Caicos Islands, the Cayman Islands, Montserrat or the British Virgin Islands and have not opted to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC).
The withholding tax rate is 20 per cent. increasing to 35 per cent. as from 1 July 2011. The withholding tax system will only apply during a transitional period, the ending of which depends on the conclusion of certain agreements relating to information exchange with certain third countries.

Luxembourg resident individuals
As from 1 January 2006, interest payments made by Luxembourg paying agents (defined in the same way as in the Savings Directive) to Luxembourg individual residents or to certain residual entities that secure interest payments on behalf of such individuals (unless such entities have opted either to be treated as UCITS recognised in accordance with the Council Directive 85/611/EEC or for the exchange of information regime) are subject to a 10 per cent. withholding tax (the "10 per cent. Withholding Tax"). Pursuant to the Luxembourg law of 23 December 2005 as amended by the law of 17 July 2008, Luxembourg resident individuals, acting in the course of their private wealth, can opt to self-declare and pay a 10 per cent. tax (the "10 per cent. Tax") on interest payments made after 31 December 2007 by paying agents (defined in the same way as in the Savings Directive) located in an EU Member State other than Luxembourg, a Member State of the European Economic Area other than an EU Member State or in a State or territory which has concluded an international agreement directly related to the Savings Directive. The 10 per cent. Withholding Tax or the 10 per cent. Tax represent the final tax liability for the Luxembourg individual resident taxpayers, receiving the payment in the course of their private wealth.

Corporate entities

No tax is withheld in Luxembourg on interest payments (including accrued but unpaid interest) made to a corporate entity Noteholder, irrespective of its location.

9.19 GOVERNING LAW AND JURISDICTION

The Notes and the Guarantee are governed by Belgian law.
All disputes arising out of or in connection with the Notes or the Guarantee shall be submitted to the jurisdiction of the competent courts in Belgium.

The Agency Agreement is governed by Luxembourg law.

9.20 FINANCIAL SERVICE

The financial service will be performed by DEXIA BANK (Belgium) and Dexia BIL (Luxembourg).

9.21 REPRESENTATION OF DEBT SECURITY HOLDERS

There is no representation of debt security holders in relation to any offer of Notes.

9.22 GUARANTEE

Sections 9.22.1 and 9.22.2 below only apply to DFN Notes.

9.22.1 Senior Guarantee

The Guarantor has, by a Senior guarantee, unconditionally and irrevocably guaranteed on an unsubordinated basis the due and punctual payment of the principal of and interest on the Senior Notes as well as of any additional amounts which may be required to be paid by DFN (as described under Condition 9.18 *Taxation*) (the "Senior Guarantee" and a "Guarantee", see Annex 2).
The obligations of the Guarantor under the Senior Guarantee are direct, unconditional and unsecured obligations of the Guarantor and rank *pari passu* with all other outstanding unsecured and unsubordinated obligations of the Guarantor, present and future, but, in the event of insolvency, only to the extent permitted by laws relating to creditors' rights.

9.22.2 Senior Subordinated Guarantee

The Guarantor has, by a senior subordinated guarantee, unconditionally and irrevocably guaranteed on a senior subordinated basis, the due and punctual payment of the principal of and interest on the Senior Subordinated Notes, as well as of any additional amounts which may be required to be paid by DFN (as described under Condition 9.18 *Taxation*) (the "Senior Subordinated Guarantee" and a "Guarantee", see Annex 3).

In the event of a dissolution or liquidation of the Guarantor (including the following events creating a "*concours de créanciers/samenloop van schuldeisers*": bankruptcy ("*faillite/faillissement*"); judicial composition ("*concordat judiciaire/gerechtelijk akkoord*") and judicial or voluntary liquidation ("*liquidation volontaire ou force/vrijwillige of gedwongen liquidatie*") (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Guarantor)), the Holders of Senior Subordinated Notes irrevocably waive their rights to equal treatment with other unsecured creditors ("*créanciers chirographaires/chirografaire schuldeisers*"). Consequently, the Holders of Senior Subordinated Notes agree that upon the occurrence of any of the events described in the preceding sentence, the Guarantor will have no obligation to pay any principal or interest due to them until all Senior Creditors of the Guarantor have been paid, or the funds necessary to satisfy the Senior Creditors (as defined above) have been put in escrow ("*en consignation/in consignatie").*

On demand, the Noteholders can have access to a copy of the Guarantee by contacting one of the Paying Agents during normal business hours.

10 TERMS AND CONDITIONS OF THE OFFER

(Annex V.5 of Regulation (EC) 809/2004)

The Notes will be offered for subscription during the Offering Period (specified in the relevant Final Terms) at the relevant Issue Price. Any applicable fees or commissions will be specified in the relevant Final Terms. The Issuer has the right to cancel any issue of Notes under the Programme during their Offering Period until the fifth Business Day before their Issue Date, either (i) when it reasonably believes that investors will not subscribe to the offer for an amount of at least the Minimum Amount specified in the relevant Final Terms or (ii) in case it considers there is a material adverse change in market conditions. Investors that have subscribed to these Notes will be notified by letter of such cancellation. The Issuer has the right to anticipatively terminate the Offering Period if the Maximum Amount of the relevant Notes issue has been reached or if the market conditions adversely affect the interest or the redemption amounts to be paid by the Issuer.

The cash account of the client will be debited on the Issue Date. At the same date, the Notes will be transferred on the securities accounts of the clients.

If Notes are deposited in a securities account with DEXIA BANK, DEXIA BANK will not charge any fees for this service, nor for the opening of such securities account. If a Noteholder chooses to deposit his or her securities with another financial institution, he or she must inquire into the fees charged by this institution.

The Notes have not been offered or sold and will not be offered or sold directly or indirectly and the Prospectus 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 Notes 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, Notes may not be offered, sold or delivered within the United States of America, including its territories and possessions, or to U.S. persons.

The Notes 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 Notes are sold during the restricted period, will receive a confirmation or other notice setting forth the restrictions on offers and sales of the Notes 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 Notes 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.

Any document connected with the issue of the Notes has only been issued or passed on and will only be issued and passed on in the United Kingdom to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the “FSMA”)) in connection with the issue or sale of any Notes, has only been communicated or caused to be communicated and will only be communicated or caused to be communicated in circumstances in which section 21(1) of the FSMA does not apply to the Issuer and all applicable provisions of the FSMA with respect to anything done in relation to such Notes in, from or otherwise involving the United Kingdom have been complied with and will be complied with.

11 ADMISSION TO TRADING AND DEALING ARRANGEMENTS

(Annex V.6 of Regulation (EC) 809/2004)

The Notes will not be the subject of an application for admission to trading on a regulated market, nor have any Notes previously issued under the Notes Issuance Programme ever been the subject of an application for admission to trading on a regulated market or equivalent market.

If "Secondary Market" is provided to be "Applicable" in the relevant Final Terms for any Notes, the price of the Notes is available on demand on each Business Day during the term of such Notes in every office of DEXIA BANK until 30 Business Days preceding their Maturity Date, unless in DEXIA BANK's determination, market conditions preclude it from quoting a price. In such case, DEXIA BANK can be considered market maker for the Notes and will organise the secondary market, thereby providing liquidity through bid and offer rates. The main terms of the commitment of DEXIA BANK will be specified in the relevant Final Terms and (i) "Maximum Spread" means on any given moment the maximum spread between the then applicable bid and offer rates; (ii) "Maximum Commission" means the maximum commission on the bid and offer rates; and (iii) "Maximum Exit Penalty" means the maximum exit penalty applicable to the bid and offer rates. The bid and offer rates of the Notes on any given moment are subject to the market conditions, interest rates, forward rates; credit spreads of the relevant Issuer or, in the case of DFN Notes, the Guarantor, etc.

In case of sale of the Notes before maturity, the sale proceeds can be lower than the invested amount.

12 USE OF PROCEEDS

The net proceeds of Notes, i.e. the Nominal Amount less any expenses and fees, will for general corporate purposes of DEXIA BANK. In the case of DFN Notes, DFN will grant a loan to DEXIA BANK.

13 THIRD PARTY INFORMATION, EXPERT STATEMENTS AND DECLARATIONS

(Annex IV.16 and XI.13 of Regulation (EC) 809/2004)

There has not been any statement or report attributed to a person as an expert which is included in this Base Prospectus.

14 DOCUMENTS ON DISPLAY

(Annex IV.17 and XI.14 of Regulation (EC) 809/2004)

Copies of the annual reports dated December 31st, 2009 for DEXIA BANK and DFN and of all subsequent annual reports to be published, copies of the articles of association of DEXIA BANK and DFN are available free of charge at the office of DEXIA BANK and will be available during the entire lifetime of the Notes. Additionally, the annual reports of DEXIA BANK are available on its internet site: http://www.dexia.be/Nl/Particulier/VIADEXIA-P29/Publications/ or http://www.dexia.be/fr/Particulier/VIADEXIA-P29/Publications/, the annual and quarterly reports of Dexia S.A. are available on www.dexia.com and recent developments relating to Dexia S.A. are available on www.dexia.com under the news sections. Moreover, copies of the semi-annual and annual reports of Dexia Funding Netherlands and copies of the annual reports of DEXIA BANK are available on the Luxembourg Stock Exchange-website: www.bourse.lu.

ANNEX 1: TEMPLATE FOR FINAL TERMS

APPLICABLE FINAL TERMS

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

Final Terms dated [●]

[DEXIA FUNDING NETHERLANDS N.V./DEXIA BANK BELGIUM S.A.]

Issue of [Title of Notes]
[Guaranteed by Dexia Bank Belgium S.A.]
under the

DEXIA FUNDING NETHERLANDS N.V.

and

DEXIA BANK BELGIUM S.A.

Notes Issuance Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Terms and Conditions set forth in the Base Prospectus dated [●] December 2010, which constitutes a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the "Prospectus Directive"). **This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus and any supplement thereto.** These Final Terms and the Base Prospectus together constitute the Programme for the Tranche. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus is available for inspection at [the office of the Guarantor], the office of the Issuer and the website www.dexia.be.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Final Terms.]

[When completing any final terms, or adding any other final terms or information, consideration should be given as to whether such terms or information constitute "significant new factors" and consequently trigger the need for a supplement to the Programme under Article 16 of the Prospectus Directive.]

General Description on the Notes

[●]

1	(i)	Issuer:	[Dexia Bank Belgium S.A.][Dexia Funding Netherlands N.V.]
	(ii)	Guarantor:	[N/A][Dexia Bank Belgium S.A.]

	(iii) Calculation Agent:	Dexia Bank Belgium S.A.
2	(i) Series Number:	[●]
	[(ii) Tranche Number:	[●] *(If fungible with an existing Series, details of that Series, including the date on which the Notes become fungible).*
3	Specified Currency or Currencies:	[●]
4	Maximum Amount:	
	[(i)]Series:	[●]
	[(ii) Tranche:	[●]]
5	Minimum Amount:	
	[(i)]Series:	[●]
	[(ii) Tranche:	[●]]
6	Offering Period:	[●] (except in case of early closing)
7	Issue Price:	[●] per cent. [plus accrued interest from [*insert date*] (*in the case of fungible issues only, if applicable)*]
8	Brokerage Fee:	[●]
9	Denominations:	[●]
10	[(i)] Issue Date:	[●]
	[[(ii)] Interest Commencement Date:	[●]]
11	[Scheduled] Maturity Date:	[●]
12	Interest Basis:	[[●] per cent. Fixed Rate] [Floating Rate] [Zero Coupon] [Variable Linked Rate] [Other (*specify*)] (further particulars specified below)
13	Redemption/Payment Basis:	[Redemption at par] [Variable Linked Redemption] [Other (*specify*)] (further particulars specified below)
14	Change of Interest or Redemption/Payment Basis:	[Not Applicable/*(Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis)*]
15	Put/Call Options:	[Put/Call/Not Applicable] [(further particulars specified below)]
16	Status of the Notes:	[Senior Notes/Senior Subordinated Notes]
17	[Date [Board] approval for issuance of	[●] *(N.B Only relevant where Board (or similar)*

	Notes obtained:	*authorisation is required for the particular Tranche of Notes)]*
18	Form of Notes:	Bearer Notes/Dematerialised Notes
19	new global note:	Not Applicable

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

20	**Fixed Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Fixed Rate:	[●] per cent. per annum
	(ii) Interest Payment Date(s):	[annually/semi-annually/quarterly on ●]
	(iii) Business Days:	[●]
	(iv) Business Day Convention:	[●]
	[(v) Fixed Interest Amount:	[●]]
	[(v)/(vi) Day Count Fraction:	[●]]
	[(v)/(vi)/(vii) Interest Period End Date(s):	[●]]
	[Other terms relating to the method of calculating interest for Fixed Rate Notes:	[●](*N.B. Give details*)]
21	**Floating Rate Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Publication Source:	[EUR-EURIBOR-Reuters (ISDA)/Other]
	(ii) Designated Maturity:	[●]
	(iii) Spread:	[●]
	(iv) Interest Payment Date(s):	[annually/semi-annually/quarterly on ●]
	(v) Day Count Fraction:	[●]
	(vi) Interest Determination Date:	[●]
	(vii) Business Days:	[●]
	(viii) Business Day Convention:	[●]
	[(ix) Interest Period End Date(s)	[●]]
22	**Zero Coupon Note Provisions**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Amortisation Yield:	[●] per cent. per annum
	(ii) Business Days:	[●]
	(iii) Business Day Convention:	[●]
	(iv) Any other formula/basis of determining amount payable:	[●]
23	**Variable Linked Rate Note Provisions**	[Applicable/Not Applicable]

		(If not applicable, delete the remaining sub-paragraphs of this paragraph)
	(i) Underlying:	[Market Rate/Share/Basket of Shares/Share Index/Basket of Share Indices/Fund/Basket of Funds/Commodity/Basket of Commodities/Commodity Index/Basket of Commodity Indices/Other]
	(ii) Variable Linked Rate:	[●] *(Provide the formula or other method of determination)*
	(iii) Interest Payment Date(s):	[●]
	(iv) Business Days:	[●]
	(v) Business Day Convention:	[●]

PROVISIONS RELATING TO REDEMPTION

24	**Call Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(v) Optional Redemption Date(s):	[●]
	(vi) Optional Redemption Period:	[●]
	(vii) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Note of [●] Denomination
	(viii) If redeemable in part:	
	(a) Minimum Redemption Amount:	[●]
	(b) Maximum Redemption Amount:	[●]
	(ix) Notice period:	[●]
25	**Put Option**	[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(x) Optional Redemption Date(s):	[●]
	(xi) Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Note of [●] Denomination
	(xii) Notice period:	[●]
26	**Redemption Amount(s) of each Note**	[[●] per Note of [●] Denomination] *(delete in case of Variable Linked Redemption)*

(Include below provisions in case of a Variable Linked Redemption)

Variable Linked Redemption

(i) Underlying:	[●]
(ii) Variable Linked Redemption Amount:	[●] *(Provide the formula or other method of*

	determination)
(iii) Business Days:	[●]
(iv) Business Day Convention:	[●]
(v) Initial Averaging:	[Not Applicable / Applicable]
(vi) Averaging:	[Not Applicable / Applicable]
[(vi) Initial Averaging Dates:	[●]]
[(vi) Averaging Dates:	[●]]

VARIABLE LINKED PROVISIONS

*(Include the relevant provisions below, if the Underlying is one or more **Market Rates**)*

(i) Publication Source:	[●]
(ii) Designated Maturity:	[●]
(iii) Spread:	[●]
(iv) Interest Determination Date:	[●]
[(v) Day count Fraction:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Share**)*

(i) Share:	[●] *(Insert full title of the Share and its ISIN code)*
(ii) Exchange:	[●]
(iii) Related Exchange:	[[●]/All Exchanges]
(iv) Valuation Date(s):	[●]
[(v) Initial Valuation Date:	[●]]
[(v) Initial Price:	[●]]

*(Include the relevant provisions below, if the Underlying is **Share Basket**)*

(i) Share Basket:

i	*w*	Share	Exchange	Related Exchange	Securities Code
1	[●]%	[●]	[●]	[●]/All Exchanges	[●]
2	[●]%	[●]	[●]	[●]/All Exchanges	[●]
…	[●]%	[●]	[●]	[●]/All Exchanges	[●]

(ii) Valuation Date(s):	[●]
[(iii) Initial Valuation Date:	[●]]

*(Include the relevant provisions below, if the Underlying is an **Share Index**)*

(i) Index:	[●]

(ii)	Exchange:	[[●]/Multiple Exchange]
(iii)	Related Exchange:	[[●]/All Exchanges]
(iv)	Valuation Date(s):	[●]
[(v)	Initial Valuation Date:	[●]]
[(v)	Initial Price:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Basket of Share Indices**)*

(i) Index Basket:

i	*w*	Index	Exchange	Related Exchange
1	[●]%	[●]	[●]/Multiple Exchange	[●]/All Exchanges
2	[●]%	[●]	[●]/Multiple Exchange	[●]/All Exchanges
…	[●]%	[●]	[●]/Multiple Exchange	[●]/All Exchanges

(ii)	Valuation Date(s):	[●]
[(iii)	Initial Valuation Date:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Fund**)*

(i)	Reference Fund:	[●] *(Insert full title of the Reference Fund, including its sponsor, the ISIN code, class, if applicable, and a short description)*
(ii)	Valuation Date(s):	[●]
[(iii)	Initial Valuation Date:	[●]]
[(iii)	Initial Price:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Basket of Funds**)*

(i) Fund Basket:

i	*w*	Reference Fund	Class	Fund Description	Fund Administrator	ISIN Code
1	[●]%	[●]	[●]	[●]	[●]	[●]
2	[●]%	[●]	[●]	[●]	[●]	[●]
…	[●]%	[●]	[●]	[●]	[●]	[●]

(ii)	Valuation Date(s):	[●]
[(iii)	Initial Valuation Date:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Commodity**)*

(i)	Commodity:	[●]
(ii)	Exchange:	[●]

(iii)	Price Source:	[●]
(iv)	Valuation Time:	[●]
(v)	Valuation Date(s):	[●]
[(vi)	Initial Valuation Date:	[●]]
[(vi)	Initial Price:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Basket of Commodity**)*

(i) Commodity Basket:

i	*w*	Commodity	Exchange	Price Source	Valuation Time
1	[●]%	[●]	[●]	[●]	[●]
2	[●]%	[●]	[●]	[●]	[●]
…	[●]%	[●]	[●]	[●]	[●]

(ii)	Valuation Date(s):	[●]
[(iii)	Initial Valuation Date:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Commodity Index**)*

(i)	Commodity Index:	[●]
(ii)	Valuation Time:	[●]
(iii)	Valuation Date(s):	[●]
[(iv)	Initial Valuation Date:	[●]]
[(iv)	Initial Price:	[●]]

*(Include the relevant provisions below, if the Underlying is a **Basket of Commodity Indices**)*

(i) Commodity Index Basket:

i	*w*	Commodity Index	Valuation Time
1	[●]%	[●]	[●]
2	[●]%	[●]	[●]
…	[●]%	[●]	[●]

(ii)	Valuation Date(s):	[●]
[(iii)	Initial Valuation Date:	[●]]

DISTRIBUTION

Dealer(s):	[Dexia Bank Belgium S.A./ [●]]
[Selling fees:	[●]]
[Additional selling restrictions:	[●]]

OPERATIONAL INFORMATION

ISIN Code:	[●]
Common Code:	[●]
Clearing System(s):	[●]
Principal Paying Agent:	*[DEXIA BANK][Dexia BIL]
Paying Agent:	*[N/A][DEXIA BANK]

SECONDARY MARKET *(Include this provision if Secondary Market is provided)*

[Applicable]

Maximum Spread:	[●]
Maximum Commission:	[●]
Maximum Exit Penalty:	[●]

RESPONSIBILITY

The Issuer [and the Guarantor] accept responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

By:..

Duly authorised

[Signed on behalf of the Guarantor:

By:..

Duly authorised]

[PART B – SIMULATIONS [AND OTHER INFORMATION]]

RISK INDICATOR

In order to increase the transparency of the risks involved in investment products, DEXIA BANK has developed a synthetic risk indicator through a scale going from 1 (lowest risk) to 6 (highest risk). The exact risk level for any investment product is determined in function of different criteria, each with a fixed weighting. These criteria are, in order of importance: (degree of) capital protection, term of the relevant Note, type of return (distribution or capitalisation) and complexity (Underlying and strategy).

Risk Level: [●]

[SIMULATIONS]

[●] *(Please insert simulations for the Variable Rate or the Variable Linked Redemption Amount)*
[These simulations are fictitious examples and by no means represent reliable indicators.]

[OTHER INFORMATION]

[●] *(Insert other information such as the historical evolution of the Floating Rate or the Underlying(s))*

[This information has been extracted from [Insert source]. [Each of] the Issuer [and the Guarantor] 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]

ANNEX 2: SENIOR GUARANTEE

A form of the Senior Guarantee is reproduced here below:

DEXIA FUNDING NETHERLANDS N.V.
and
DEXIA BANK

Notes Issuance Programme

SENIOR GUARANTEE
by
DEXIA BANK BELGIUM S.A.

28 December 2010

WHEREAS the Board of Managing Directors of Dexia Funding Netherlands N.V. (the “Issuer” or “DFN”) has decided on 17 November 2010, to update the Notes Issuance Programme (the "Programme") under which it may from time to time issue Notes (the “DFN Notes”), which may be linked to various underlyings (the “Underlying”), that rank as senior obligations of the Issuer (the “Senior DFN Notes”) or that rank as senior subordinated obligations to the issuer (the “Senior Subordinated DFN Notes”) according to the terms and conditions enumerated in such decision. Senior DFN Notes will be guaranteed by Dexia Bank Belgium S.A. (also named Dexia Banque S.A./Dexia Bank N.V.) (the “Guarantor” or “DEXIA BANK”) on a senior basis pursuant to this Senior Guarantee;

WHEREAS the Management Board of DEXIA BANK has approved to guarantee on a senior basis the issue by DFN of Senior DFN Notes under the Programme by decision of 1 December 2010;

WHEREAS the Management Board of DEXIA BANK in its decision of 1 December 2010 has delegated all powers to execute such Senior Guarantee to Mr. B. Debroise, member of the Management Board, with the right for him to delegate his powers;

The Guarantor hereby unconditionally and irrevocably guarantees as and for its own debt to each holder of each Senior DFN Note (each a “Noteholder” and together the “Noteholders”) to pay or procure to pay such amounts to the Noteholders who have not obtained due payment from the Issuer if and when such amounts fall due under the Terms and Conditions. The Terms and Conditions are those enumerated in the Base Prospectus and the relevant Final Terms, included by reference in the present Senior Guarantee. This Senior Guarantee is enforceable against the Guarantor upon first demand sent by the holder by registered mail to the registered office of the Guarantor.

The Base Prospectus has been approved by the Belgian Banking, Finance and Insurance Commission in its decision of 28 December 2010.

It is understood that any payments to be made under this Senior Guarantee shall be made in the currency of the underlying Notes.

This Senior Guarantee is a continuing guarantee and nothing but payment in full of the amounts due by the Issuer in application of the Notes hereby guaranteed shall discharge the Guarantor of its obligations hereunder in respect of such Notes.

This Senior Guarantee shall be governed by, and interpreted in accordance with, the laws of Belgium.

This Senior Guarantee may be executed in any number of counterparts.

All actions arising out of or based upon this Senior Guarantee are to be brought before the competent Courts in Brussels.

In witness whereof, the Guarantor has authorised and caused this Senior Guarantee to be duly executed and delivered as of 28 December 2010.

On behalf of DEXIA BANK BELGIUM S.A.

Benoît Debroise
Member of the Management Board

ANNEX 3: SENIOR SUBORDINATED GUARANTEE

A form of the Senior Subordinated Guarantee is reproduced here below:

DEXIA FUNDING NETHERLANDS N.V.
and
DEXIA BANK

Notes Issuance Programme

SENIOR SUBORDINATED GUARANTEE
by
DEXIA BANK BELGIUM S.A.

28 December 2010

WHEREAS the Board of Managing Directors of Dexia Funding Netherlands N.V. (the “Issuer” or “DFN”) has decided on 17 November 2010, to update the Notes Issuance Programme (the "Programme"), under which it may from time to time issue Notes (the “DFN Notes”), which may be linked to various underlyings (the “Underlying”), that rank as senior obligations of the Issuer (the “Senior DFN Notes”) or that rank as senior subordinated obligations to the issuer (the “Senior Subordinated DFN Notes”) according to the terms and conditions enumerated in such decision. Senior Subordinated DFN Notes will be guaranteed by Dexia Bank Belgium S.A. (also named Dexia Banque S.A./Dexia Bank N.V.) (the “Guarantor” or “DEXIA BANK”) on a senior subordinated basis pursuant to this Senior Subordinated Guarantee;

WHEREAS the Management Board of DEXIA BANK has approved to guarantee on a senior subordinated basis the issue by DFN of Senior Subordinated Notes under the Programme by decision of 1 December 2010;

WHEREAS the Management Board of DEXIA BANK in its decision of 1 December 2010 has delegated all powers to execute such Senior Subordinated Guarantee to Mr. B. Debroise, member of the Management Board, with the right for him to delegate his powers;

The Guarantor hereby unconditionally and irrevocably guarantees as and for its own debt to each holder of each Senior Subordinated DFN Note (each a “Noteholder” and together the “Noteholders”) to pay or procure to pay such amounts to the Noteholders who have not obtained due payment from the Issuer if and when such amounts fall due under the Terms and Conditions. The Terms and Conditions are those enumerated in the Base Prospectus and the relevant Final Terms, included by reference in the present Senior Subordinated Guarantee. This Senior Subordinated Guarantee is enforceable against the Guarantor upon first demand sent by the holder by registered mail to the registered office of the Guarantor.

This Senior Subordinated Guarantee is granted by the Grantor on a senior subordinated basis. This means that in the event of a dissolution or liquidation of the Guarantor (including the following events creating a “*concours de créanciers/samenloop van schuldeisers*”: bankruptcy (“*faillite/faillissement*”); judicial composition (“*réorganisation judiciaire/gerechtelijk reorganisatie*”) and judicial or voluntary liquidation (“*liquidation volontaire ou force/vrijwillige of gedwongen liquidatie*”) (other than a voluntary liquidation in connection with a reconstruction, merger or amalgamation where the continuing corporation assumes all the liabilities of the Guarantor)), the holders of Senior Subordinated DFN Notes irrevocably waive their rights to equal treatment with other unsecured creditors (“*créanciers chirographaires/chirografaire schuldeisers*”). Consequently, the holders of Senior Subordinated DFN Notes agree that upon the occurrence of any of the events described in the preceding sentence, the Guarantor will have no obligation to pay any principal or interest due to them until all Senior Creditors of the Guarantor have been paid, or the funds necessary to satisfy the Senior Creditors have been put in escrow (“*en consignation/in consignatie”).*

“Senior Creditors” means all creditors who are depositors or other general, unsubordinated creditors.

The Base Prospectus has been approved by the Belgian Banking, Finance and Insurance Commission in its decision of 28 December 2010.

It is understood that any payments to be made under this Senior Subordinated Guarantee shall be made in the currency of the underlying DFN Notes.

This Senior Subordinated Guarantee is a continuing guarantee and nothing but payment in full of the amounts due by the Issuer in application of the Notes hereby guaranteed shall discharge the Guarantor of its obligations hereunder in respect of such DFN Notes.

This Senior Subordinated Guarantee shall be governed by, and interpreted in accordance with, the laws of Belgium.

This Senior Subordinated Guarantee may be executed in any number of counterparts.

All actions arising out of or based upon this Senior Subordinated Guarantee are to be brought before the competent Courts in Brussels.

In witness whereof, the Guarantor has authorised and caused this Senior Subordinated Guarantee to be duly executed and delivered as of 28 December 2010.

On behalf of DEXIA BANK BELGIUM S.A.

Benoît Debroise
Member of the Management Board

ANNEX 4: PRESS RELEASE

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

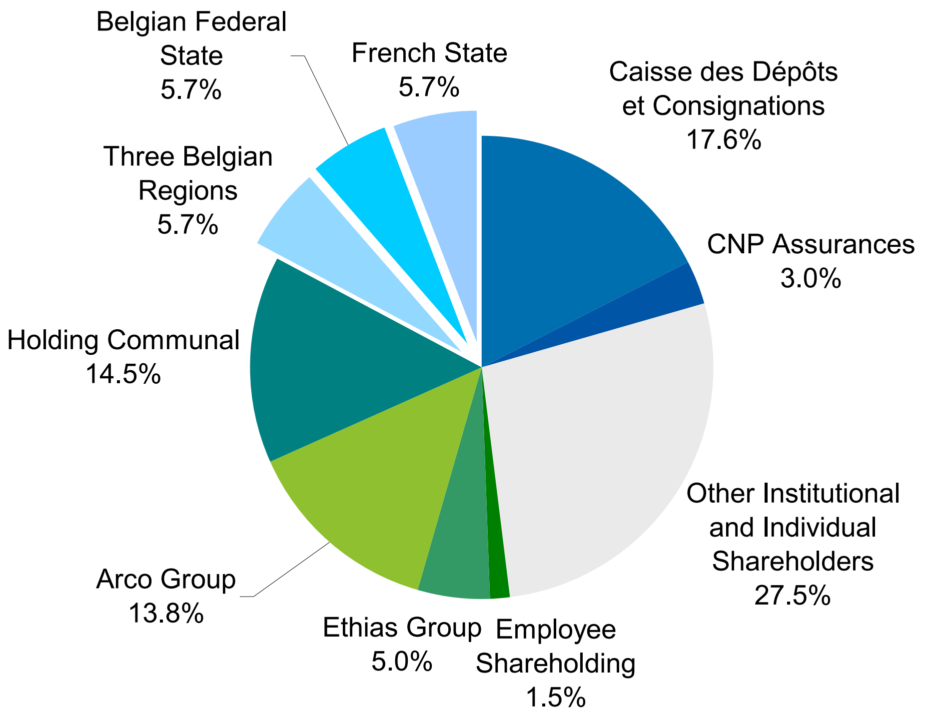
Detailed information on reported results are provided in the presentation "FY & 4Q 2009 Results, Achievements of the Transformation Plan and Business Highlights" available on the website www.dexia.com.

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%



ANNEX 6: PRESS RELEASE

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

In millions of EUR	3Q09*	2Q10*	3Q10	Var. 3Q10/ 3Q09	Var. 3Q10/ 2Q10	9M09*	9M10	Var. 9M10/ 9M09
Statement of income								
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.

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