FY & 4Q 2008 Results

Pierre Mariani, CEO
Philippe Rucheton, CFO

February 26, 2009

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This presentation includes unaudited figures.

During its February 25, 2009 meeting, the Board examined the preliminary 2008 results. Final accounts will be approved following validation by FSA auditors of all accounting operations linked to the split of Insurance and Financial Products activities of FSA, due to be finalized prior to the closing of the deal with Assured Guaranty and which are booked in December 2008 accounts. This validation will be given after the release of FSA accounts, expected on March 12, 2009.

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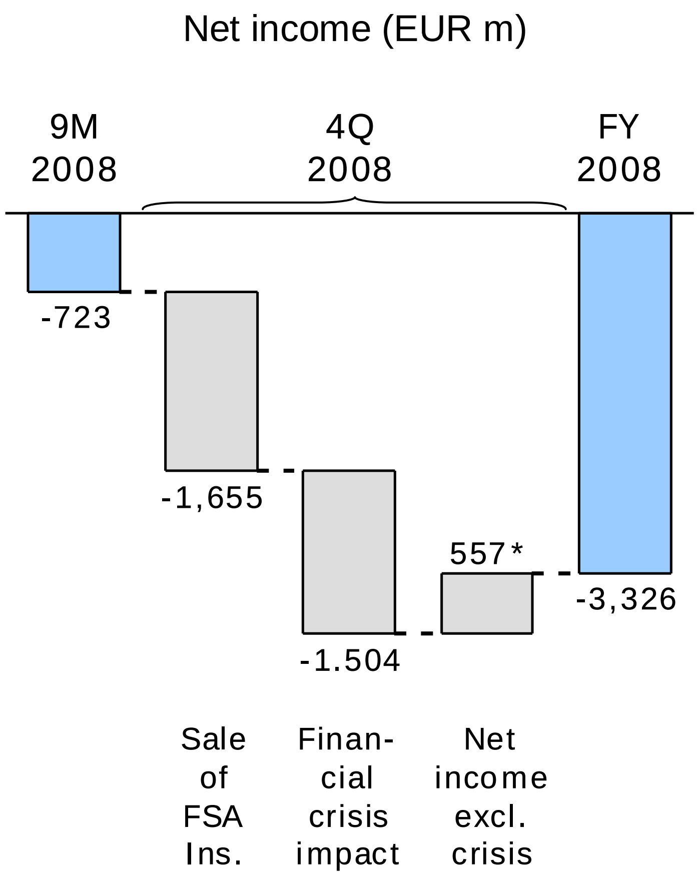
Agenda

- 2008 Results Highlights - Pierre Mariani, CEO
- FY & 4Q 2008 Group Results - Philippe Rucheton, CFO
- Dexia Transformation Plan Update - Pierre Mariani, CEO

4Q and Full Year Results

FSA and crisis in 4Q08 led to a EUR 3.3 bn FY loss

Impacts on 4Q08 net income	Financial impact
• **Sale of FSA Insurance**	-EUR 1,655 m
• **Dislocation of financial markets**	-EUR 1,504 m
• Additional **restructuring** charges (pre-tax)	-EUR 181 m
• Cost of **State guarantees**	Limited in 4Q08
• Beginning of **scaling down of activities/portfolios**	Not yet material in 4Q08



Note: *Including -EUR 181 m restructuring charges (pre-tax)

Tier 1 ratio at 10.6% end of year and no more exposed to FSA

Highlights (1/2)

Group Results

- **Net loss** of EUR 3,326 m in FY08, and EUR 2,603 m in 4Q08
- The **continued deterioration of the US mortgage market** and a **more cautious approach** led to the booking of a EUR 300 m collective impairment in 4Q08
- **Financial crisis impacts** of EUR 5,868 m in FY08 and EUR 3,159 m in 4Q08
- **Impacts related to FSA** of EUR 3,139 m in FY08 and EUR 2,031 m in 4Q08. Dexia now insensitive to FSA Ins.'s P&L

IAS 39 and AFS Reserves

- **IAS 39 amendment**: Dexia reclassified EUR 100 bn of assets (mainly AFS)
- **Limited P&L impact**
- AFS reserves **EUR 1.3 bn lower** without IAS 39 reclassifications

Note: During its Feb 25 meeting, the Board examined the preliminary 2008 results. Final accounts will be approved following validation by FSA auditors of all accounting operations linked to the split of Insurance and FP activities of FSA, due to be finalized prior to the closing of the deal with Assured Guaranty and which are booked in December 2008 accounts. This validation will be given after the release of FSA accounts, expected on March 12, 2009.

Highlights (2/2)

Solvency

- **Prudential ratios** reflecting all consequences of the FSA sale and protected against potential further FP losses, after the expected finalization of States Guarantee on FP assets
- **Tier 1 ratio** of 10.6%, including **core Tier 1 ratio** of 9.6%

Business Lines

- **PWB**: proven resiliency in 4Q08
- **PFS:** stabilization of deposits in Belgium, insurance results affected by impairments, good commercial performance in Turkey
- **AM**: significant market impact on Assets under Management, continued focus on costs
- **IS**: 34% decrease in Assets under Administration masking a good commercial performance

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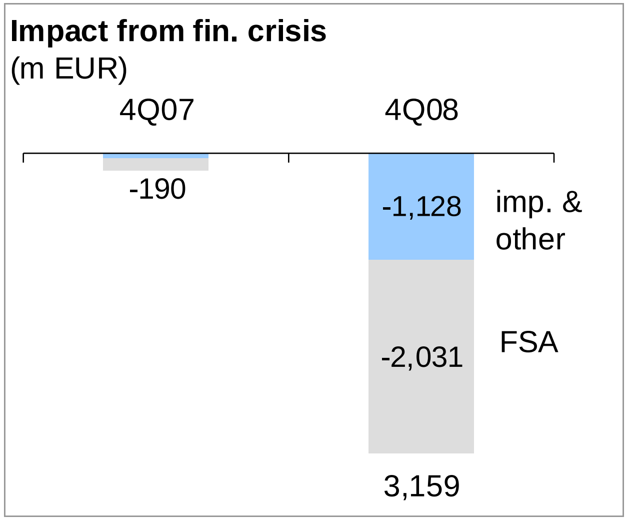
4Q 2008 Results

4Q 2008 mainly affected by FSA exit and new impairments

(m EUR)	4Q 2007	4Q 2008	Var*	*Impact crisis 4Q 2008*
Income	**1,695**	**-249**	**n.s.**	***-2,308***
Expenses	-1,004	-1,177**	17.2%	*0*
Gross operating income	**691**	**-1,426**	**n.s.**	***-2,308***
Cost of risk	-63	-1,438	x22.8	*-1,230*
Pre-tax income	**621**	**-2,874**	**n.s.**	***-3,538***
Net income - Group share	**587**	**-2,603**	**n.s.**	***-3,159***



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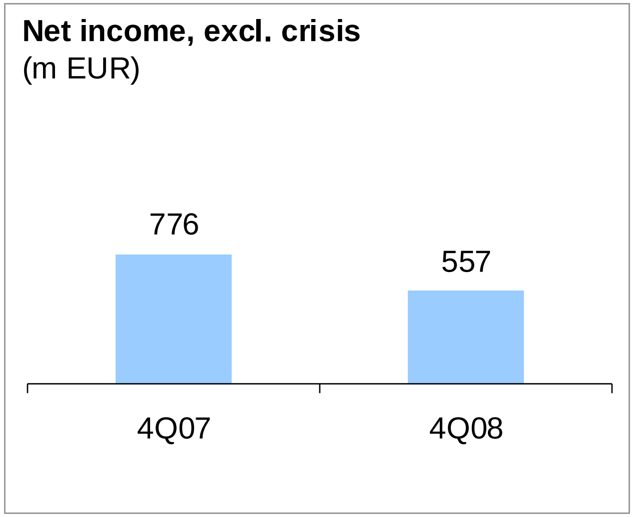


* At current exchange rates, ** including EUR 181 m of exceptional charges linked to the transformation plan

EUR 3.2 bn Financial Crisis Impact in 4Q 2008

Major items: FSA exit, insurance impairments, monolines

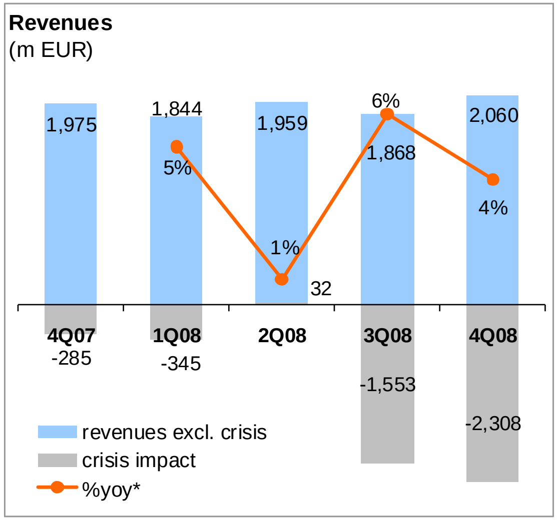
(m EUR)	Revenues (before tax)	Cost of risk (before tax)	Net income
FSA	**-1,302**	**-781**	**-2,031**
FSA - Financial products	-38	-339	-378
Including EUR 300 m collective impairment booked in 4Q08			
Sale of FSA Insurance	-1,264	-442	-1,655
Realised loss on disposal and deconsolidation effects (write-down of deferred tax assets, reversal of positive own credit risk, etc.)			
Impairments and other	**-1,006**	**-450**	**-1,128**
Own credit risk (excl FSA)	118	-	83
Impairments & losses - insurance activities	-509	-	-456
Impairments & losses - banking counterparties*	-118	-77	-173
Collective impairments	-	-176	-71
Monolines	-201	-91	-202
Other value adjustments	-162	-	-127
Trading losses, mainly within TFM			
Other	-134	-107	-182
Including Madoff exposure, Dexia AM one-off commercial action and impairments on investments in funds			
Total financial crisis impact	**-2,308**	**-1,230**	**-3,159**

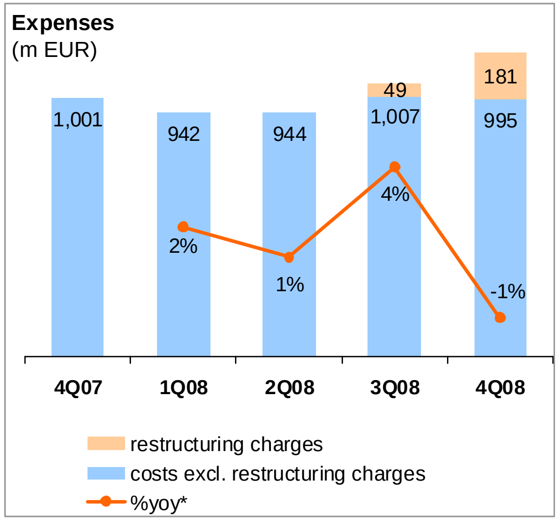
* Excluding banking counterparties within insurance activities

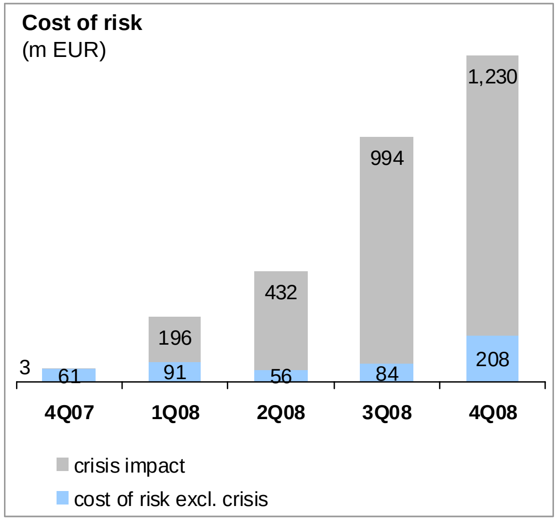
Quarterly Results
Excluding Crisis Impact

Resilient revenues, beginning of cost reductions

4Q 2008 net income excl. crisis: EUR 557 m including restructuring charges



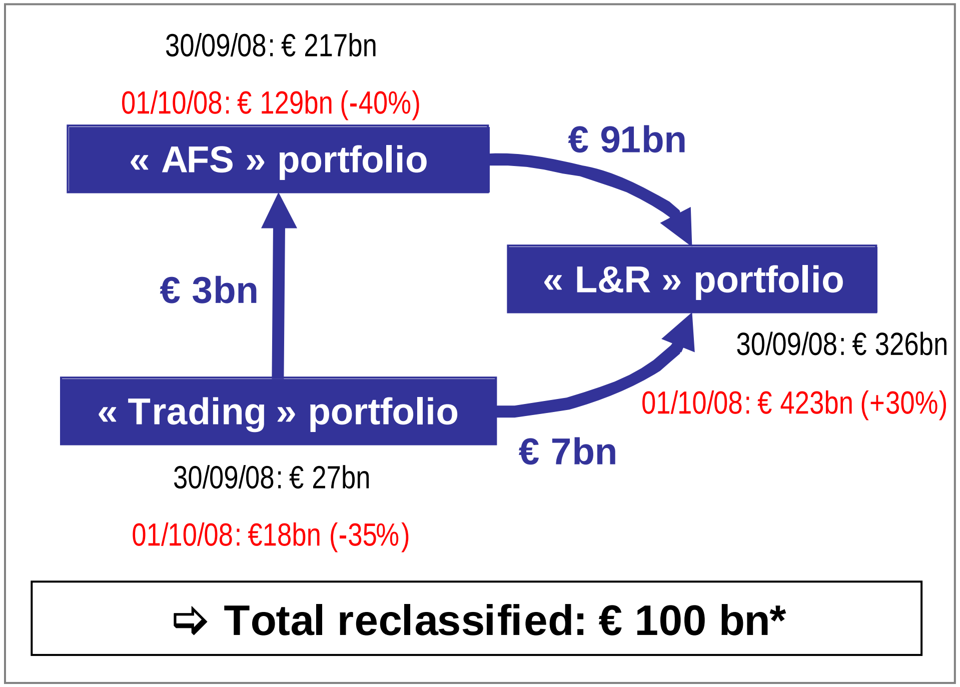




* Excluding crisis impact and restructuring charges, at current exchange rate

Impact of IAS 39 Reclassification

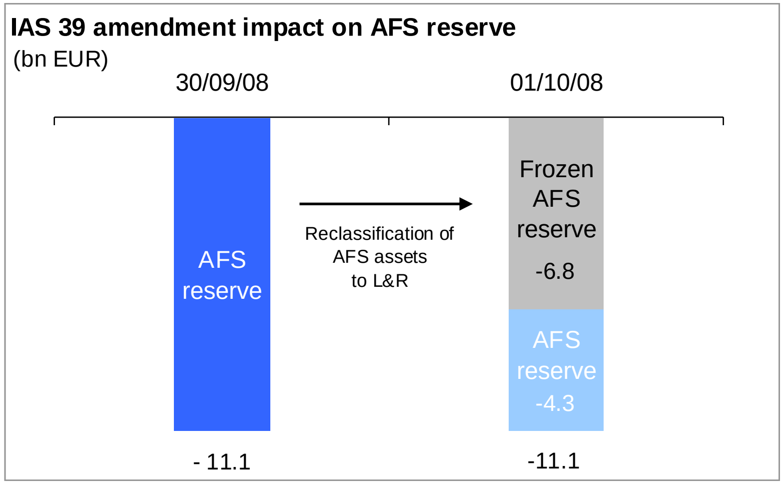
EUR 100 bn reclassified without significant P&L impact*

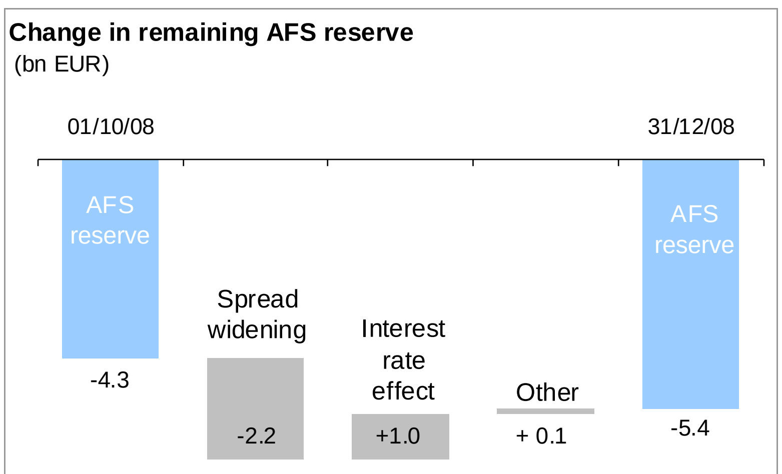


- As announced mid-November, Dexia reclassified part of its AFS and trading assets. Reclassification took effect on 1/10/08
- Impact on results: if these reclassifications had not been made, the net impact from value movements and impairments on FY 2008 and 4Q 2008 profit and loss accounts would have been limited
- Impact on AFS reserve: if these reclassifications had not been made, the AFS reserve would have been EUR 1.3 bn lower at end Dec. 2008

(*) value of assets transferred minus associated negative AFS reserve
L&R: Loans and Receivables due from banks and customers; AFS: Available For Sale

AFS Reserve – 4Q 2008 Evolution





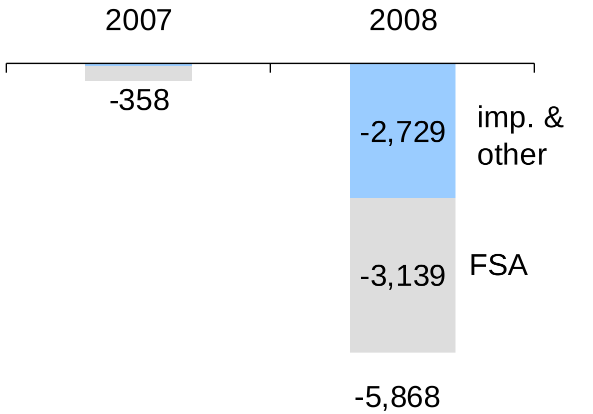
- As a result of IAS 39 reclassification, part of the AFS reserve was "frozen"
- The "frozen" AFS reserve is amortized on an accrual basis
- As some markets have become inactive mark to model was applied on non reclassified and illiquid assets
- Largest contributors to negative AFS reserves are the bond portfolios in run-off (including FSA's FP)

FY 2008 Results

EUR 3.3 bn net loss, 10.6% Tier 1 ratio

(m EUR)	FY 2007	FY 2008	Var*	Impact crisis FY 2008
Income	**6,896**	**3,556**	**-48.4%**	***-4,173***
Expenses	-3,834	-4,119**	7.4%	*0*
Gross operating income	**3,062**	**-563**	**n.s.**	***-4,173***
Cost of risk	-163	-3,292	x20.2	*-2,852*
Pre-tax income	**2,892**	**-3,877**	**n.s.**	***-7,026***
Net income - Group share	**2,533**	**-3,326**	**n.s.**	***-5,868***

Impact from fin. crisis
(m EUR)



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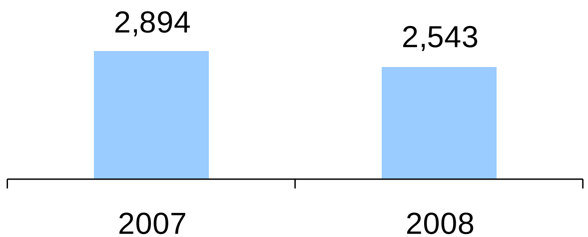
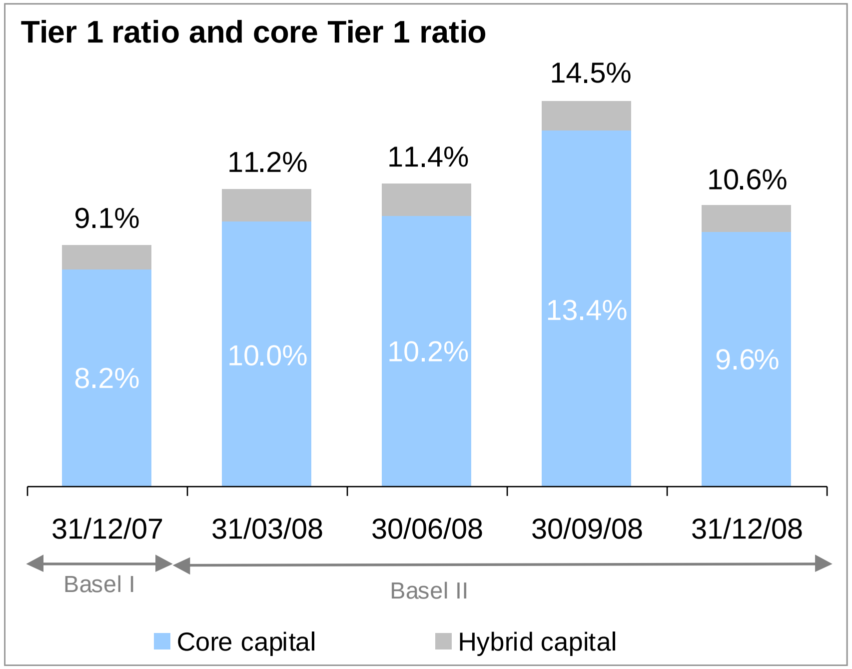
Net income, excl. crisis
(m EUR)



* At current exchange rates, ** including EUR 230 m of exceptional charges linked to the transformation plan

Solvency

Core Tier 1 at 9.6%, taking into account all impacts of the FSA transaction

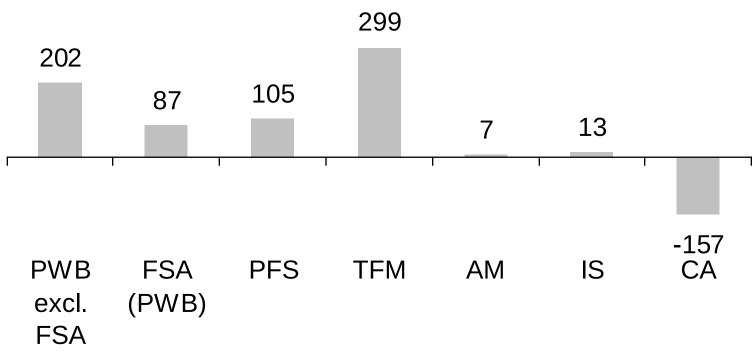


- All impacts from the ongoing sale of FSA Insurance and prudential consolidation of FP were taken into account in 4Q08
- Dexia Tier 1 ratio protected against potential further FP losses, after the expected finalization of States Guarantee on FP assets
- 350 bps negative 4Q08 impact from the FSA transaction resulting from: (i) EUR 1,655 m loss related to FSA sale; (ii) EUR 25 bn increase in RWA (FP)
- Not included: EUR 0.4 bn Tier 1 contribution from Luxembourg announced Sept 30, 2008
- Core capital contributes to 91% of Tier 1 capital

4Q 2008 Results Impacted by FSA Sale and Insurance Impairments

4Q 2008 figures

Net income, excl. financial crisis: EUR 557 m
(m EUR)



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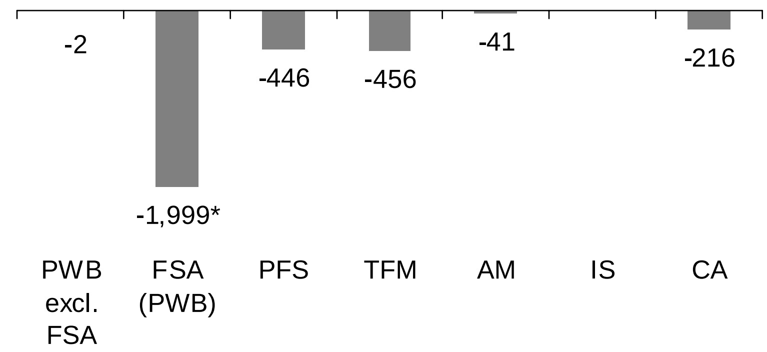
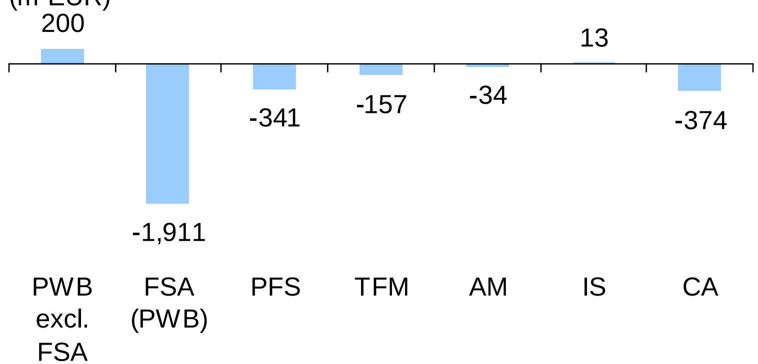
Impact from financial crisis: EUR -3,159 m
(m EUR)



Reported net income: EUR -2,603 m
(m EUR)



NOTE: the scope of the various divisions as well as transfer prices within the group were maintained for the purpose of 4Q and FY reporting. As they will change in the near future, we will disclose pro-forma historical data

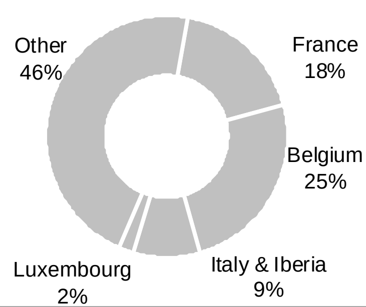
* EUR 34 m additional FSA related losses booked in Central Assets

Public and Wholesale Banking: Key Financials Excluding FSA

Resilient performance during 4Q 2008

(m EUR)	4Q08 2007	4Q08 2008	4Q08 Var*	FY08 2008	FY08 Var*
Income	**557**	**553**	**-0.7%**	**2,452**	**8.5%**
Expenses	-220	-210	-4.5%	-869	6.6%
Gross operating income	**337**	**344**	**1.8%**	**1,583**	**9.7%**
Cost of risk	-27	-67	x2.5	-391	x6.7
Pre-tax income	**310**	**276**	**-11.2%**	**1,184**	**-14.5%**
Tax expense	-41	-76	84.8%	-286	-3.7%
Net income - Group share	**252**	**200**	**-20.6%**	**843**	**-19.0%**
o/w Impact financial crisis	3	-2	n.s.	-283	n.s.
o/w Without financial crisis	**249**	**202**	**-18.7%**	**1,126**	**9.0%**

Income by country excl. FSA & crisis impact (FY 2008)



- FY08 net income increased by 9% yoy when excluding a EUR -283 m crisis impact (mainly related to KA/DKB transaction)
- 4Q08 net income, excl. crisis impacts, down 19% due to higher taxes. Pre-tax profit, excl. crisis impacts, was up 9% yoy

Highlights of PWB

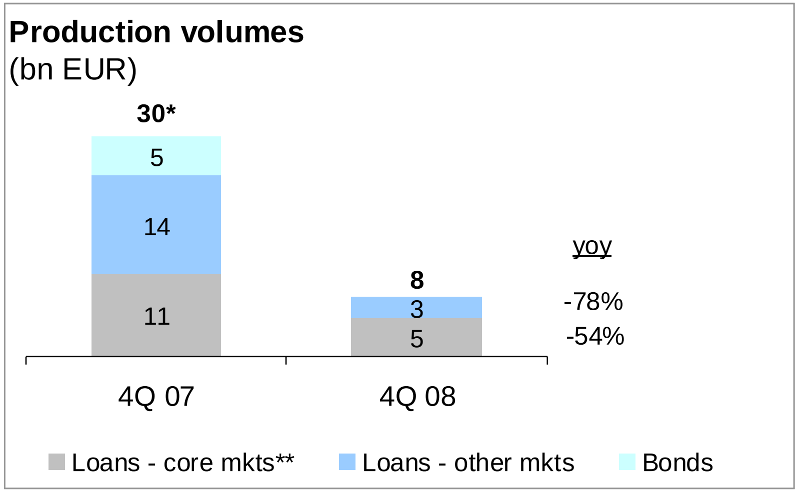
- **Slowdown of production and focus on core markets**
- **Resilient in terms of revenue base (+14% in FY08 excl. crisis impact and FSA)**
- **High proportion of businesses with solid fundamentals**
- **Diversified by products in Belgium (<50% of revenues coming from financing products)**

*At current exchange rate

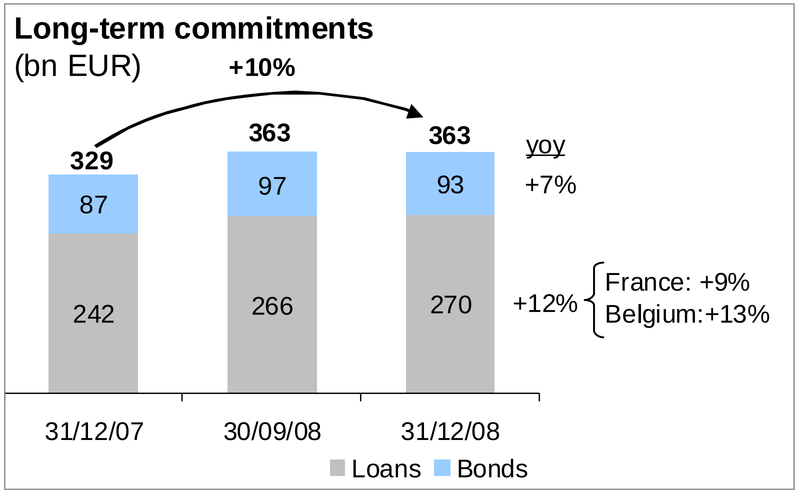
The scope of the various divisions as well as transfer prices within the Group were maintained for the purpose of 4Q and FY reporting. As they will change in the near future, we will disclose pro-forma historical data

Public and Wholesale Banking: Activity Figures Excluding FSA

Slowdown of production and focus on core markets



- 4Q08 production significantly lower as the public bond portfolio was put in run-off
- 4Q08 loan origination was focused on core markets and valuable commercial relationships



- Commitments up 10% yoy, due to strong originations during previous year/quarters and long amortization profile
- Stable commitments in 4Q08

Notes:

* EUR 30 bn production in 4Q07 includes EUR 4 bn from the acquired portfolio of UK social housing loans from B&B

** core markets include France, Belgium, Luxembourg, Italy, Spain

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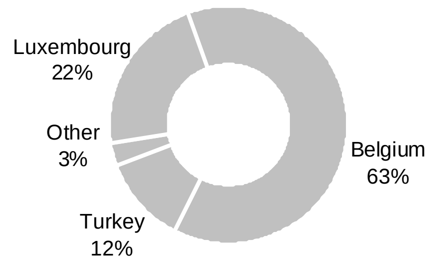
Personal Financial Services: Key Financials

Insurance impairments affecting reported results

(m EUR)	4Q08 2007	4Q08 2008	4Q08 Var*	FY08 2008	FY08 Var*
Income	**717**	**237**	**-67.0%**	**2,197**	**-22.1%**
Expenses	-497	-497	-0.1%	-1,997	5.7%
Gross operating income	**220**	**-260**	**n.s.**	**200**	**-78.5%**
Cost of risk	-15	-168	x11.2	-368	x6.0
Pre-tax income	**201**	**-435**	**n.s.**	**-180**	**n.s.**
Tax expense	-35	86	n.s.	19	n.s.
Net income - Group share	**164**	**-341**	**n.s.**	**-143**	**n.s.**
o/w Impact financial crisis	0	-446	n.s.	-723	n.s.
o/w Without financial crisis	**164**	**105**	**-35.8%**	**581**	**-20.3%**

- FY08 income impacted by impairments and losses on the insurance investment portfolio
- 4Q08 excl. crisis impact: net profit down 36% yoy due to lower volumes (savings accounts and mutual funds) and fees in Belgium and Luxembourg vs. 4Q07
- 4Q08 cost of risk largely inflated by Madoff exposure

Net income by country excl. crisis impact (FY 2008)



Highlights of PFS:

- **A diversified business (72% retail - 28% private banking on outstandings)**
- **A solid franchise in Belgium with stable deposits in 2008 despite the crisis**
- **A profitable and long term growth platform in Turkey**

* At current exchange rate

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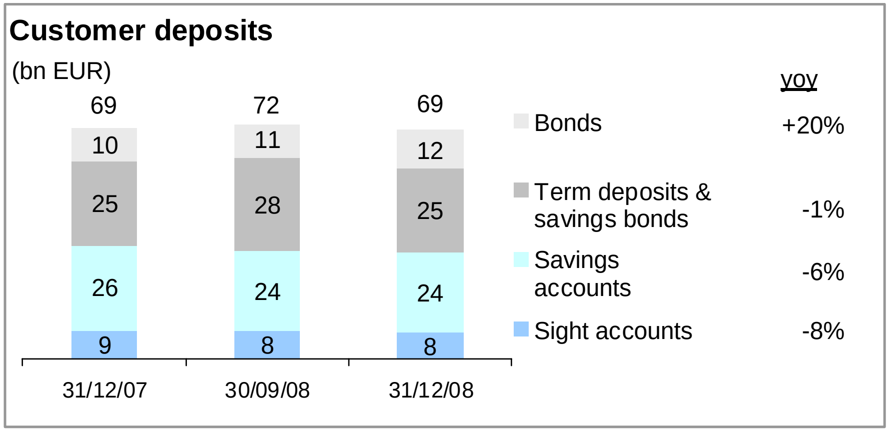
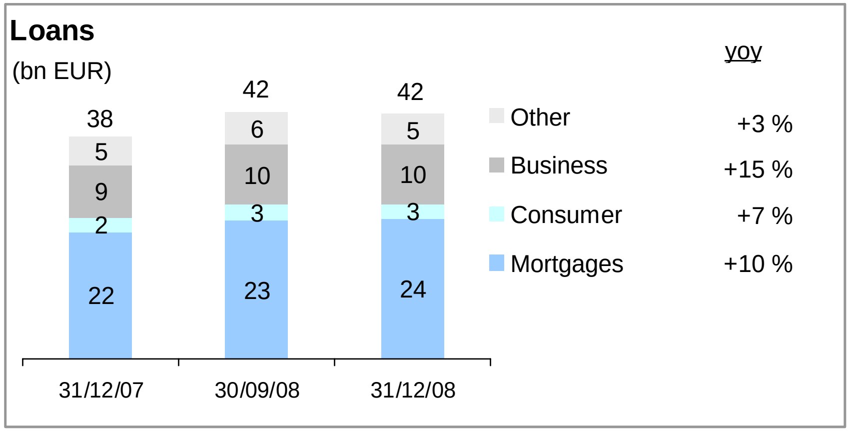
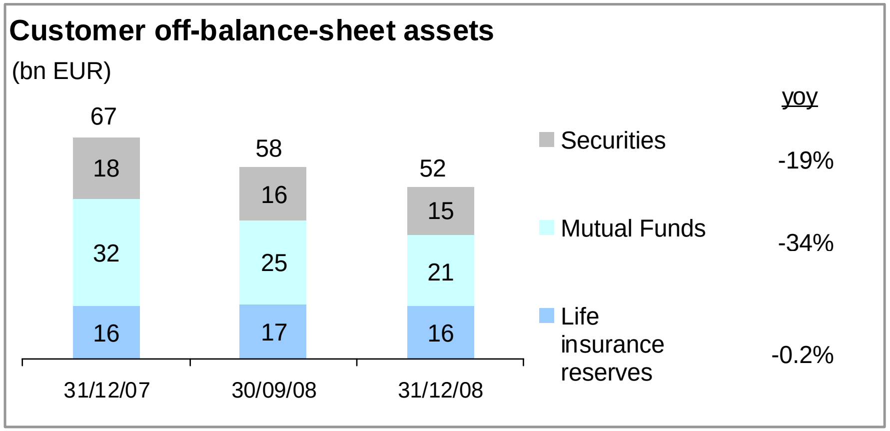
Personal Financial Services: Activity Figures

Deposit Base stabilized







- Total deposits stable yoy at EUR 69 bn
- Deposits down 4% compared to Sept. 2008. In Belgium deposits are above pre-crisis level (up 1% compared to Sept. 08)
- Luxembourg more affected by the crisis
- Loans up 10% yoy with increasing margins
- Strong growth at DenizBank: loans up 43% yoy and deposits up 28% yoy at constant exchange rate (LDR ratio 89%)

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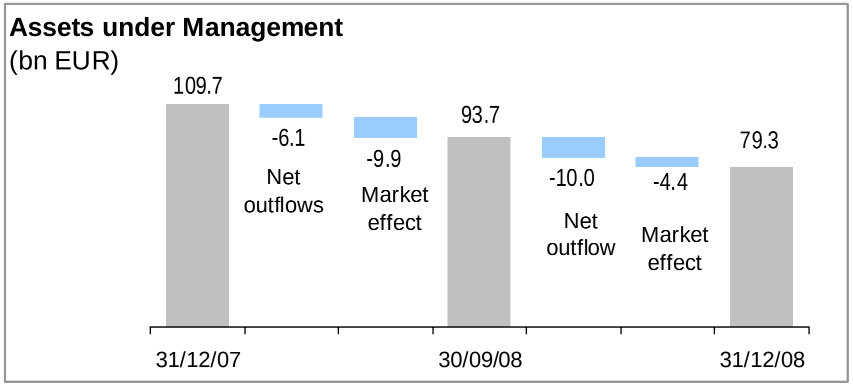
Asset Management: Key Financials

AuM down by 28% in 2008, costs being reduced

(m EUR)	2007	4Q08 2008	4Q08 Var*	FY08 2008	FY08 Var*
Income	**73**	**2**	**-97.2%**	**161**	**-43.4%**
Expenses	-45	-36	-20.6%	-143	-9.9%
Gross operating income	**28**	**-33**	**n.s.**	**18**	**-85.7%**
Cost of risk	0	0	-	0	-
Pre-tax income	**28**	**-33**	**n.s.**	**18**	**-85.7%**
Tax expense	-1	1	n.s.	-2	-76.5%
Net income - Group share	**26**	**-34**	**n.s.**	**11**	**-90.1%**
o/w Impact financial crisis	0	-41	n.s.	-57	n.s.
o/w Without financial crisis	**26**	**7**	**-72.3%**	**69**	**-39.8%**

- 4Q08 results affected by a one-off commercial action related to the crisis (EUR 41 m, pre- and post-tax)



Highlights of Asset Management

- **Activity heavily impacted by the crisis**
- **AuM down 28% yoy at EUR 79bn, of which 15% of net outflows (mainly in fixed income and money market funds)**
- **Strong focus on cost reduction**

* At current exchange rate

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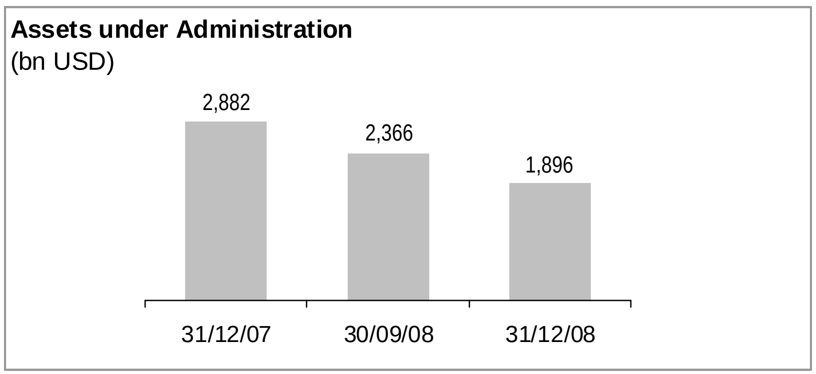
Investor Services: Key Financials

Assets under Administration down 34% but good commercial performance

(m EUR)	4Q08 2007	4Q08 2008	4Q08 Var*	FY08 2008	FY08 Var*
Income	**112**	**89**	**-20.8%**	**409**	**-4.1%**
Expenses	-76	-75	-2.1%	-297	4.4%
Gross operating income	**36**	**14**	**-60.6%**	**112**	**-21.2%**
Cost of risk	0	-1	n.s.	-1	n.s.
Pre-tax income	**34**	**13**	**-62.0%**	**111**	**-21.2%**
Tax expense	-12	1	n.s.	-27	-28.9%
Net income - Group share	**22**	**13**	**-41.1%**	**81**	**-18.5%**
o/w Impact financial crisis	0	0	n.s.	0	n.s.
o/w Without financial crisis	**22**	**13**	**-41.1%**	**81**	**-18.5%**



- 4Q08 and FY08 revenues decreased by resp. 21% and 4% yoy as a result of both decreasing levels of asset value and transactions
- FY08 costs growing by 4% yoy, but starting to decrease in 4Q08

Highlights of Investor Services

- **Assets under Administration down 20% qoq and 34% yoy**
- **Commercial performance remaining strong with number of funds under administration up 6% qoq and 17% yoy, and number of shareholder accounts flat qoq and up +6% yoy**
- **Cost reduction efforts initiated**

* At current exchange rate

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Treasury and Financial Markets: Key Financials

(m EUR)	4Q08 2007	4Q08 2008	4Q08 Var*	FY08 2008	FY08 Var*
Income	**145**	**255**	**75.6%**	**33**	**-94.3%**
Expenses	-52	-65	24.4%	-245	14.0%
Gross operating income	**93**	**190**	**x2.0**	**-212**	**n.s.**
Cost of risk	-9	-362	x39.3	-716	x79.5
Pre-tax income	**84**	**-174**	**n.s.**	**-930**	**n.s.**
Tax expense	12	19	62.5%	140	n.s.
Net income - Group share	**95**	**-157**	**n.s.**	**-789**	**n.s.**
o/w Impact financial crisis	-72	-456	n.s.	-1,504	x9.7
o/w Without financial crisis	**167**	**299**	**79.4%**	**715**	**51.4%**

Highlights of TFM

- **Substantial reduction of risk-taking strategy**
  - **Exit of proprietary trading activities**
  - **VaR limits divided by 2 on other trading**
- **Positive contribution from Cash & Liquidity Management**

- FY08 results deeply impacted by the financial crisis (EUR 1,504 m), including:
  - Impairments on banking portfolios (EUR 750 m)
  - Value adjustments (EUR 201 m) and monolines (EUR 320 m)
  - Collective impairments (EUR 177 m)
  - Pre-tax crisis impact: EUR 1,156m in revenues and EUR 710 m in cost of risk
- 4Q08 results affected by a EUR -456 m financial crisis impact, including:
  - EUR 202 m impairment on monolines
  - EUR 177 m collective impairments

* At current exchange rate

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Agenda

Dexia's Key Challenges

Refocus Public & Wholesale Banking	Grow and improve profitability of R&CB	Reduce the size of Portfolios
• Refocus on markets with local long term funding, true commercial franchise and potential for profitable growth • Preservation of core franchises until long term funding reopens	• Growth of deposit base • Improvement of relative cost position (C/I ratio) • Exploiting existing networks' potential	• Large scale deleveraging efforts in current market environment • Dexia's overall liquidity situation to be gradually improved

Transformation Plan to Address Key Challenges

Implementation on track

1. **Priority given to core client franchises**
2. **Improvement of the Group’s risk profile**
3. **Adaptation of the cost base**

① Priority Given to Core Client Franchises

Public & Wholesale Banking: resilient business

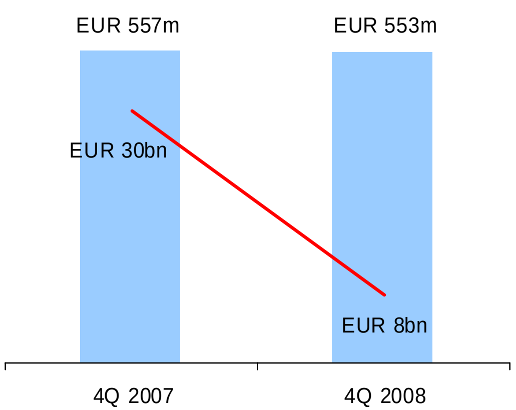
Resilient business

High proportion of businesses with solid fundamentals

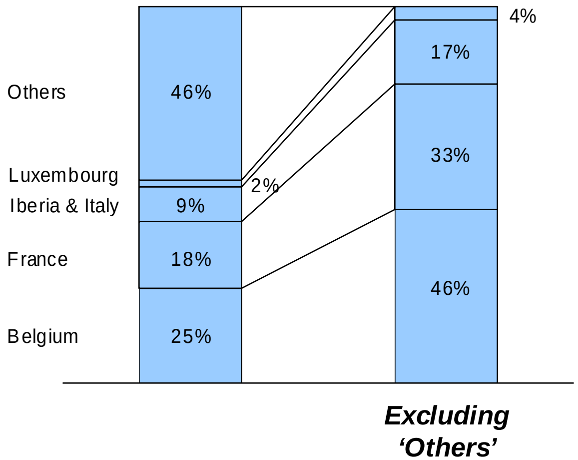
Diversified and profitable business in Belgium

PWB income excl. FSA (EUR m)

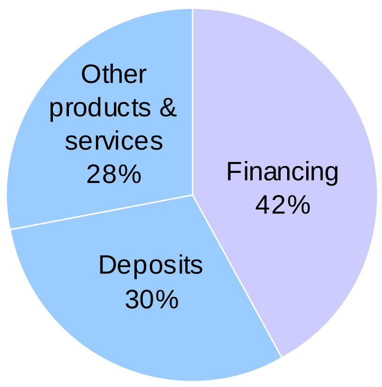
PWB production (EUR bn)



PWB income (2008, excl. FSA and crisis impact)



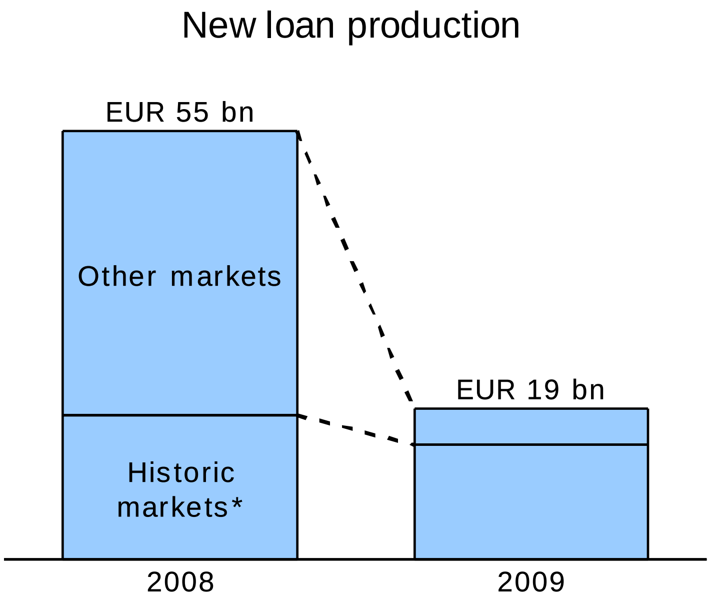
Belgium PWB activity: 2008 revenue by product



1 Priority Given to Core Client Franchises

Rapid refocus of the Public & Wholesale Banking business

Refocus on markets with core client franchises



- Confirmation of the commercial franchise in Belgium, France, Luxembourg, Italy and Iberia
- Platforms to tap into local funding sources without commercial development in Germany, Japan and Switzerland
- Significant reduction of activities in UK and North America
- Discontinuation of activities in Australia, CEE (excl. Slovakia), Mexico, India and Scandinavia

Adaptation of workforce to current market environment (e.g. France)

Note: * Belgium, France and Luxembourg

② Improvement of the Group's Risk Profile

Actions to improve risk profile are on track

FSA sale process in line with plan

- Approval by US anti-trust
- Guarantee from the Belgian and French governments on the FP assets being finalized
- All accounting and prudential impacts of the sale recorded in 4Q08
- Dexia Tier 1 ratio protected against potential further FP losses, after the expected finalization of the Guarantee

Target closing: early 2Q09

Liquidity situation gradually improving

- Benefits from the States' guarantee
  - Increased short-term funding capacity
  - First issuance of EUR 3 bn public benchmark bond (Oct. 2011 maturity) on February 5, 2009
- Deposits above pre-crisis level in Belgium
- Decrease of draws on committed lines in the US

In-depth reorganization of trading activities

- Exit of proprietary trading activities
- VaR limits for remaining trading activities divided by 2
- Centralization of trading activities in Brussels
- Centralization of run-off portfolio management in Dublin

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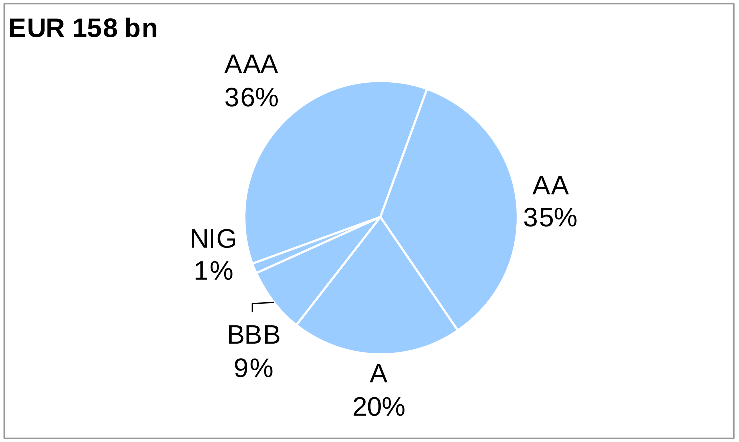
② Improvement of the Group's Risk Profile

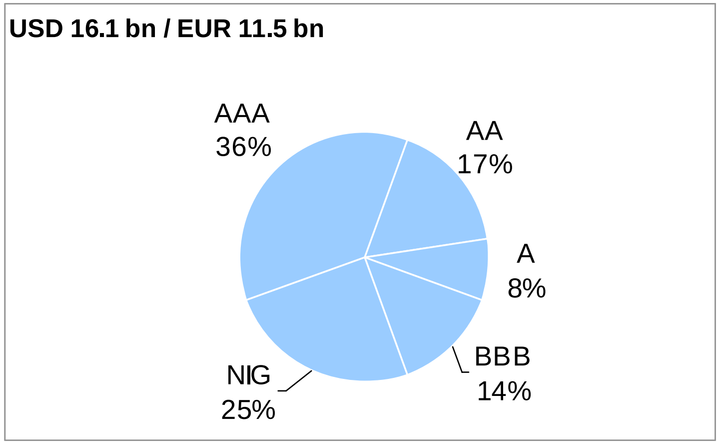
All portfolios regrouped and put in run-off

Bond portfolio (excl. FPs)



- 99% investment grade
- Cumulative losses of EUR 0.9 bn at end of 2008, mostly related to Lehman and Icelandic banks (mainly in 3Q)
- Includes former Public Bonds, Credit Spread Portfolios, TFM trading portfolios

Financial Products portfolio



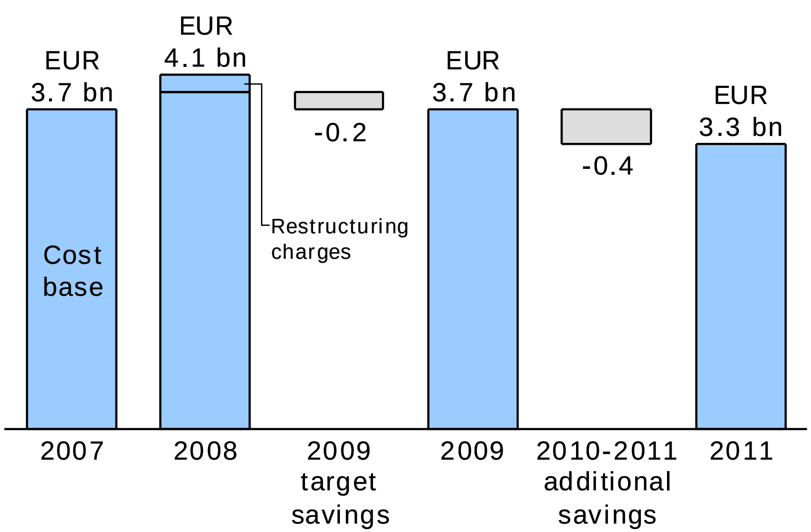
- 75% investment grade
- Cumul. impairments of USD 1.5 bn (end 08); Collective impairment on RMBS in 4Q08: USD 440 m (EUR 300 m)
- States' Guarantee above cumul. losses of USD 4.5 bn; cash losses USD 12 m (end 08)
- All impacts from prudential consolidation of FP taken into account in 4Q08

③ Adaptation of the Cost Base

EUR 200m cost savings in 2009, EUR 600m by 2011

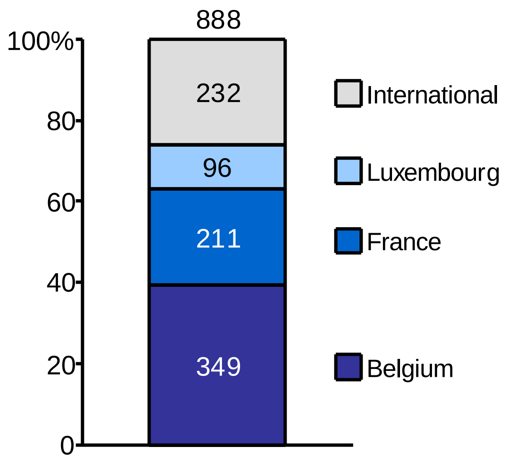
1 **TFM transformation** + **2** **PWB transformation** + **3** **Efficiency and cost reduction in 2009**

EUR 200 m cost savings in 2009
(c. EUR 300 m full year impact)



Initiatives to realise 2010-2011 savings outlined

Reduction of 888 full time positions in 2009



Constructive dialogue with our social partners initiated

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3 Adaptation of the Cost Base

Initiatives to deliver cost savings in 2010 and 2011 launched

	1 Transformation of the Businesses	2 Transformation of the Support Lines	3 Efficiency and cost reduction
Initiatives detailed to our social partners	• TFM transformation • PWB transformation		• Efficiency and cost reduction 2009
Initiatives already shared with our social partners	• Retail & Commercial Banking transformation	• Organization of the Support Lines (e.g. Finance, Risk, HR, Ops & IT, etc.)	• Efficiency 2010-2011 (e.g. Facilities & Logistics, Procurement, etc.)

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New Management Board

Experienced leadership team

CEO
P. Mariani

- CEO and chairman of Dexia Group Management Board since Oct. 2008
- Previously, Senior Executive Vice-President of BNP Paribas and co-Head of Retail Banking, in charge of International Retail Services at BNP Paribas

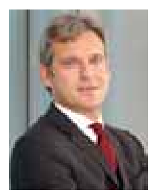
Risks
C. Piret

- Chief Risk Officer and member of Dexia Group Management Board since 2004
- Several management positions in Dexia Group and Bacob/ Artesia

Public & Wholesale Banking & CEO DCL
P. Poupelle

- Head of PWB and member of Dexia Group Management Board since Nov. 2008
- Previously, Deputy General Manager, Global Head of Corporate Coverage, and member of Calyon's Board

Retail & Commercial Banking & CEO DBB
S. Decraene



- Head of RCB and member of Dexia Group Management Board since Nov. 2008
- Several management positions in Dexia Group and Bacob/ Artesia since 1988

Finance
P. Rucheton

- CFO and member of Dexia Group Management Board since Dec. 2008
- Previously, CFO of NewEdge and career in banking (Deputy CEO of Komercni Banka and Former Head of ALM of Société Générale)

DEXIA

Dexia Group Profile

10.6% Tier 1 ratio after impact of the crisis and sale of FSA

Public & Wholesale Banking (excl. FSA)

- **EUR 2.5 bn income**
- **35% C/I ratio**

This results from:
- EUR 270 bn long-term loans outstanding
- EUR 55 bn loan production in 2008 (EUR 19 bn in 2009 mainly in historic markets)
- 80% of income in NII, 12% in fees & commissions

Retail & Commercial Banking

- **EUR 2.7 bn income**
- **89% C/I ratio**

This results from:
- EUR 69 bn stable customer deposits
- EUR 52 bn customer off-balance sheet assets, o/w EUR 16 bn Life reserves
- EUR 42 bn loans outstanding
- EUR 79 bn AuM
- USD 1.9 trn AuA

Portfolios in run-off

- **EUR 158 bn bonds**
- **EUR 11.5 bn FP**

With following profile:
- 99% of bond portfolio and 75% of Financial Products portfolio is investment grade
- Cumulative impairments of EUR 2.0 bn (incl. FP)
- Additional collective impairment on US RMBS (FP) of EUR 300 m in 4Q08

FSA Insurance sold

- **USD 425 bn (at end of 3Q 2008)**

With following impact:
- EUR 1,655 m loss due to the sale of FSA Insurance
- Dexia now insensitive to FSA Insurance P&L
- Dexia to retain up to 24.7% in Assured / FSA (USD 0.4 bn as of 13/11/08)

Note: All figures are for fiscal year 2008 and/or at year-end 2008, except when stated otherwise

Conclusion from the CEO

- Economic and financial environment to remain very challenging in 2009
- Quality of outstanding and resiliency of revenues will support PWB performance until the re-opening of long-term funding markets
- Robustness of retail banking activities demonstrated over recent months, esp. in Belgium and Turkey
- Global balance sheet structure to progressively improve based on set of actions initiated recently
- Financial solidity now protected from potential further losses of FSA's activities
- Liquidity situation gradually improving notably thanks to States guarantees
- Strict cost control