Press release

DEXIA

Regulated information * – Brussels, Paris, 21 December 2011 – 4.30 pm

The European Commission approves the tripartite guarantee agreement granted to the Dexia Group

The European Commission has approved the temporary guarantee agreement granted by the Belgian, French and Luxembourg States to Dexia SA and Dexia Crédit Local and validated by Dexia SA's Board of Directors. The agreement is effective as of 22 December 2011 and will enable the Dexia Group to raise guaranteed funding on the market from that date.

As mentioned in the press release dated 5 December 2011, the temporary guarantee constitutes the first step by the three States towards meeting their commitment to provide a EUR 90 billion guarantee subject to a final decision by the European Commission. The three States have already implemented into national laws all measures required for the granting of a final guarantee for an aggregate maximal commitment of EUR 90 billion.

At the States' request, the Commission has approved a temporary agreement enabling the guaranteed entities to raise funding up to maximum EUR 45 billion, via financing with maturities of up to 3 years. As in 2008, in order to be as transparent as possible, the amount of guaranteed debt issued under the terms of the new agreement should be disclosed on the National Bank of Belgium website on a daily basis **.

The guarantee is subject to compensation in accordance with the new European Commission guidelines ***. Dexia will pay the three States, in proportion to the allocation key for the guarantee, a monthly fee calculated on the basis of the guaranteed outstanding amounts as follows:

- for issues whose initial maturity is strictly under 3 months, a fee of 120 basis points (on an annual basis) will be charged plus additional compensation based on the rating of the guaranteed entity ****;
- for issues whose initial maturity is strictly between 3 months and 12 months (exclusively), a fee of 50 basis points (on an annual basis) will be charged plus additional compensation based on the rating of the guaranteed entity ****;
- for issues whose initial maturity is equal to or higher than 12 months, the fee will be conform the formula applied by the European Commission in its communication dated 1 December 2011, i.e. 120 basis points as at 21 December 2011.

The monthly fee can be reduced in case of collateralization of the guaranteed issues, in accordance with the nature and market value of the sureties granted to the guarantor States, as provided for by the terms of the guarantee agreement.

Dexia will also pay the three States, in proportion to their participation to the guarantee, a commitment fee of EUR 225 million.

The implementation of the guarantee will enable the Dexia Group to reduce the amount of its central bank refinancing and, gradually, the financing from Dexia Bank Belgium, which was sold to the Belgian State on 20 October 2011.

This temporary agreement will expire on 31 May 2012; it may be extended if the three States and the European Commission agree to such extension. In compliance with applicable state aid rules, the Dexia Group has undertaken to submit a new restructuring plan to the European Commission within a period of 3 months.

** Dexia is a listed company. This press release contains information subject to the transparency regulations for listed companies.*
*** A link will be made available as soon as possible.*
**** http://europa.eu/rapid/pressReleasesAction.do?reference=IP/11/1488&format=HTML&aged=0&language=EN&guiLanguage=en*
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***** This additional compensation will amount to 20 basis points if the rating the entity is equal to or above A (S&P or Fitch) or A2 (Moody's), 30 basis points if it is equal to à A- (S&P or Fitch) or A3 (Moody's) and 40 basis points if it is below A- (S&P or Fitch) or A3 (Moody's). Dexia SA is rated A+ (Fitch only) and Dexia Crédit Local is rated A+ (Fitch), BBB+ (S&P) and Baa1 (Moody's).*

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