

Financial Report

3Q 2009

CONTENTS

I. MANAGEMENT REPORT	3
I.1. FINANCIAL HIGHLIGHTS	3
I.2. FINANCIAL REPORTING	5
I.3. RISK MANAGEMENT	14
I.4. SOLVENCY	17
I.5. SHAREHOLDER INFORMATION	18
I.6. CERTIFICATE FROM THE RESPONSIBLE PERSON	19
II. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS	20

MANAGEMENT REPORT

FINANCIAL HIGHLIGHTS

Consolidated statement of income ⁽¹⁾								
In millions of EUR	3Q08	2Q09	3Q09	Var. 3Q09/ 3Q08	Var. 3Q09/ 2Q09	9M08	9M09	Var. 9M09/ 9M08
Income ⁽²⁾	315	1,640	1,369	x4.3	-16.5%	3,805	4,712	+23.8%
Expenses	-1,055	-875	-916	-13.2%	+4.7%	-2,942	-2,687	-8.7%
Gross operating income	-740	765	453	n.s.	-40.8%	863	2,025	x2.3
Cost of risk & impairments	-1,083	-361	-102	-90.6%	-71.7%	-1,866	-872	-53.3%
Pre-tax income	-1,823	404	351	n.s.	-13.1%	-1,003	1,153	n.s.
Tax expense	281	-83	-65	n.s.	-21.7%	361	-258	n.s.
Net income	-1,542	321	286	n.s.	-10.9%	-642	895	n.s.
Minority interests	2	38	12	x6.0	-70.1%	81	87	+7.6%
Net income Group share	-1,544	283	274	n.s.	-3.2%	-723	808	n.s.
Earnings per share (in EUR) ⁽³⁾	-1.34	0.16	0.16	-	-	-0.62	0.46	-

(1) FSA Ins. deconsolidated since 2Q 2009.

(2) Income (also mentioned as revenues) = interests, fees, and commissions, trading and other income.

(3) The ratio between the net income – Group share and the weighted average number of shares; undiluted.

Balance sheet key figures					
In millions of EUR, except where indicated	30/09/2008	31/12/2008	30/09/2009	Variation 30/09/2009/ 31/12/2008	Variation 30/09/2009/ 30/09/2008
Total assets	636,989	651,006	593,256	-8.9%	-6.9%
of which					
Loans and advances to customers	268,236	368,845	351,652	-4.7%	31.1%
Financial assets at fair value through profit or loss and financial investments	252,001	141,073	126,136	-10.6%	-50.0%
Total liabilities	626,582	645,388	581,544	-9.9%	-7.2%
of which					
Customers borrowings and deposits	114,547	114,728	122,274	6.6%	6.8%
Debt securities	213,242	188,120	210,332	11.8%	-1.4%
Total equity	10,316	5,618	11,712	x2.1	13.5%
Core shareholders' equity ⁽¹⁾	20,089	17,488	18,309	4.7%	-8.9%
Total shareholders' equity ⁽²⁾	8,547	3,916	9,864	x2.5	15.4%
Net assets per share (in EUR) ⁽³⁾					
- related to core shareholders' equity	11.18	9.92	10.39	4.7%	-7.1%
- related to total shareholders' equity	4.63	2.22	5.60	x2.5	21.0%

(1) Without AFS, CFH reserve and cumulative translation adjustments.

(2) With AFS, CFH reserve and cumulative translation adjustments.

(3) The ratio between the shareholders' equity (estimated dividend for the period deducted) and the number of shares at the end of the period (after deduction of treasury shares).

Capital adequacy			
In millions of EUR, except where indicated	30/09/2008	31/12/2008	30/09/2009
Tier 1 ratio	14.5%	10.6%	11.8%
Capital adequacy ratio	15.3%	11.8%	13.5%
Weighted risks	129,400	152,837	144,841

Highlights

- Confirmed profitability for the third consecutive quarter:
 - 3Q 2009 net profit of EUR 274 million vs. 3Q 2008 net loss of EUR -1,544 million
 - 9M 2009 net profit of EUR 808 million vs. 9M 2008 net loss of EUR -723 million
- Aggregate profitability of core businesses improves in 3Q 2009 to EUR 316 million vs. EUR -216 million in 3Q 2008
- Costs reduction on track: 3Q 2009 costs down by 10% yoy excluding FSA Insurance and restructuring charges
- Low cost of risk in 3Q 2009, at 13 bps of average customer loans, after significant provisions in previous quarters

- Further improvement of Group's liquidity:
 - 3Q 2009 marked by renewed access to unsecured unguaranteed funding
 - EUR 13 billion of bonds and loans sold in 9M 2009
 - Strong decrease of guaranteed short term funding

- Reduction of the negative AFS reserve by EUR 2.3 billion in 3Q 2009

- Tier 1 ratio of 11.8% and core Tier 1 ratio of 10.8%

Mr Jean-Luc Dehaene, Chairman of the Board of Directors, said: *"Thanks to a collective and sustained effort from all its stakeholders, the Group is successfully implementing its restructuring. Discussions with the European Commission regarding the restructuring of Dexia are continuing in an open and constructive climate. We will spare no efforts to fulfil our commitments for the benefit of all, employees, customers and shareholders."*

Mr Pierre Mariani, Chief Executive Officer and Chairman of the Management Board, said: *"The progress achieved in one year is sizeable: in 3Q 2009, Dexia confirmed its profitability with a third consecutive positive result, thanks to the good performance of its core activities and to the magnitude of its restructuring plan. The sale of FSA Insurance and the rapid improvement of the liquidity situation considerably reduced the risk profile of the Group. .Already the amount of Dexia's guaranteed debt is reducing sharply. Our businesses are refocused on core franchises and show a rising profitability. In what remains a challenging environment, we will not relax our efforts to complete the restructuring of Dexia while continuing to serve our customers."*

During its November 12, 2009 meeting, the Board of Directors examined the results of Dexia.

3Q 2009 Dexia Group reported results: net profit of EUR 274 million

In 3Q 2009, despite early signs of exit from the crisis, the macro-economic environment remained difficult. The rebound of equity markets continued with a further rise of 20% of the Eurostoxx 50 in 3Q 2009, and spreads on fixed income markets tightened significantly.

In this context, Dexia confirmed its profitability for the third consecutive quarter. This highlights a considerable improvement compared to the situation where the Group was at the end of 2008. While Dexia reported a net loss of EUR -1,544 million in 3Q 2008, the net profit for 3Q 2009 was EUR 274 million. This positive result reflects the reduction of the Group's risk profile, notably after the sale of FSA Insurance.

For 9M 2009, net income Group share amounted to EUR 808 million compared to a net loss of EUR -723 million for 9M 2008.

Consolidated statement of income*								
In millions of EUR	3Q08	2Q09	3Q09	Var. 3Q09/ 3Q08	Var. 3Q09/ 2Q09	9M08	9M09	Var. 9M09/ 9M08
Income**	315	1,640	1,369	x4.3	-16.5%	3,805	4,712	+23.8%
Expenses	-1,055	-875	-916	-13.2%	+4.7%	-2,942	-2,687	-8.7%
Gross operating income	-740	765	453	n.s.	-40.8%	863	2,025	x2.3
Cost of risk & impairments	-1,083	-361	-102	-90.6%	-71.7%	-1,866	-872	-53.3%
Pre-tax income	-1,823	404	351	n.s.	-13.1%	-1,003	1,153	n.s.
Tax expense	281	-83	-65	n.s.	-21.7%	361	-258	n.s.
Net income	-1,542	321	286	n.s.	-10.9%	-642	895	n.s.
Minority interests	2	38	12	x6.0	-70.1%	81	87	+7.6%
Net income Group share	-1,544	283	274	n.s.	-3.2%	-723	808	n.s.
Earnings per share (in EUR)	-1.34	0.16	0.16	-	-	-0.62	0.46	-

* FSA Ins. deconsolidated since 2Q 2009.

** Income (also mentioned as revenues) = interests, fees, and commissions, trading and other income.

For comparison purposes, pro-forma results for the sale of FSA insurance (deconsolidated in 2Q 2009) are shown in the table below.

Consolidated statement of income*								
In millions of EUR	3Q08	2Q09	3Q09	Var. 3Q09/ 3Q08	Var. 3Q09/ 2Q09	9M08	9M09	Var. 9M09/ 9M08
Income	467	1,640	1,369	x3.5	-16.5%	3,909	4,342	+11.1%
Expenses	-1,026	-875	-916	-10.7%	+4.7%	-2,884	-2,660	-7.8%
Gross operating income	-559	765	453	n.s.	-40.8%	1,026	1,682	+63.9%
Cost of risk & impairments	-822	-361	-102	-87.6%	-71.7%	-976	-600	-38.5%
Pre-tax income	-1,381	404	351	n.s.	-13.1%	50	1,083	x21.7
Tax expense	107	-83	-65	n.s.	-21.7%	-45	-188	x4.2
Minority interests	2	38	12	x6.0	-70.1%	81	87	+7.6%
Net income Group share	-1,275	283	274	n.s.	-3.2%	-76	808	n.s.

* Excluding FSA Insurance in all periods.

Excluding FSA Insurance, revenues were 3.5 times higher than in 3Q 2008, which was significantly hit by financial crisis items for a total amount of EUR -1,277 million.

In 3Q 2009, the level of revenues reflected lower atypical items compared to previous quarters as well as the natural loss of revenues related to both the improvement of Dexia's liquidity situation and the financial market normalization. More specifically, 3Q 2009 revenues fell by 17% compared to 2Q 2009, largely owing to a decline in Group Center revenues of circa EUR 300 million. This decline can be explained as follows: firstly, 2Q 2009 was inflated by the EUR 101 million positive adjustment on FSA Insurance sale; secondly, treasury revenues decreased by EUR 102 million as a result of the flattening of the short term yield curve; thirdly, the cost of the Financial Products portfolio guarantee was incurred for the first time in 3Q 2009 (EUR 31 million impact); lastly, deleveraging costs were slightly higher in 3Q 2009 compared to the previous quarter.

Costs reduction plans throughout the Group are on track. Costs were EUR 916 million in 3Q 2009. They included a EUR 39 million restructuring charge related to the measures announced on September 25, 2009, including the reduction of 602 positions in the Group. Excluding restructuring charges and FSA insurance, costs came down by 10% compared to 3Q 2008.

Gross operating income was EUR 453 million in 3Q 2009 compared to EUR -559 million in 3Q 2008 (excluding FSA Insurance) and EUR 765 million in 2Q 2009.

In 3Q 2009, the cost of risk and impairments was EUR 102 million. This was well below 3Q 2008 and 2Q 2009 which were impacted by impairments and losses on the insurance portfolio and on the bond portfolios in run-off as well as by collective impairments. In 3Q 2009, EUR 59 million reversal of impairments, including on Icelandic banks and Lehman Brothers collaterals were booked. The cost of risk was 13 bps on average customer loans.

Tax expenses were EUR 65 million in 3Q 2009 and the effective tax rate was around 19% compared to 20% in 2Q 2009. As a reminder, in 3Q 2008, the Group recorded a tax credit of EUR 281 million representing 15% of the pretax loss.

Minorities were EUR 12 million in 3Q 2009 compared to an average EUR 37 million in the previous two quarters, due to the non-payment of coupon on the FRF 1.5 billion DFL hybrid Tier 1 issue, as announced on October 9, 2009 (EUR 16 million impact).

Net income Group share reached EUR 274 million in 3Q 2009. This was the first quarter since the crisis with a limited influence of financial crisis impacts (EUR +6 million net impact in 3Q 2009).

Group results by business line

Reported net income		
In millions of EUR	3Q 2009	9M 2009
Public and Wholesale Banking	95	421
Retail and Commercial Banking	125	364
Asset Management and Services	96	-24
Group Center	-42	47
Total	274	808

The overall profitability of the core businesses (Public and Wholesale Banking, Retail and Commercial Banking and Asset Management and Services) keeps improving and totaled EUR 316 million in 3Q 2009. This compares to a loss of EUR -216 million in 3Q 2008 and EUR 222 million in 2Q 2009. In 9M 2009, core businesses generated EUR 761 million, up by 26% vs. 9M 2008.

Public and Wholesale Banking (PWB)

Statement of income								
In millions of EUR	3Q08	2Q09	3Q09	Var. 3Q09/ 3Q08	Var. 3Q09/ 2Q09	9M08	9M09	Var. 9M09/ 9M08
Income	289	370	341	+18.2%	-7.9%	1,103	1,171	+6.3%
Expenses	-163	-146	-147	-10.0%	+0.7%	-480	-437	-9.0%
Gross operating income	126	224	194	+54.7%	-13.4%	623	735	+18.0%
Cost of risk & impairments	-74	-39	-30	-59.5%	-23.5%	-93	-89	-3.6%
Pre-tax income	52	185	165	x3.2	-11.3%	530	646	+21.7%
Tax expense	-87	-43	-61	-29.7%	+42.7%	-174	-193	+11.1%
Net income Group share	-38	131	95	n.s.	-27.1%	310	421	+35.6%

At EUR 2.8 billion, the loan production of 3Q 2009 was in the same range than in 2Q 2009, and below 3Q 2008. This was a result of PWB's refocus on core markets and of a low demand in France as well as, to a lesser extent, in Belgium. In Italy, where the cap set by Italian authorities on margins to the public sector was relaxed in July, production started to rebound. The production in Spain was solid, benefiting from the current market growth.

Long-term commitments at the end of September were EUR 265 billion declining by -7% year-on-year.

Deposit collection was successful with a 24% year-on-year growth in outstandings at EUR 26 billion at the end of September 2009, which highlights the efforts of the Group to improve its funding situation. Off balance sheet products placed with PWB customers reached EUR 14 billion at the end of September, up by 10% year-on-year.

Revenues in 3Q 2009 increased by 18% compared to 3Q 2008, which was affected by the cost of the exit from Kommunalkredit Austria AG. Compared to 2Q 2009, they were down by 8% to EUR 341 million, mainly due to a lower proportion of atypical revenues (revenues on drawn US liquidity lines were down by EUR 10 million vs. 2Q 2009; additionally, 2Q 2009 revenues were boosted by a positive CVA on swaps in Italy and in the US). Liquidity costs allocated to PWB increased in 3Q 2009, partly reflecting the cost related to the reduction of the Group's liquidity gap. Fees paid to the States for the guarantee on funding were nearly flat compared to 2Q 2009, at EUR 40 million.

Costs went down by 10% compared to 3Q 2008 and remained flat over 3Q 2009, at EUR 147 million.

Gross operating income was EUR 194 million in 3Q 2009, up by 55% year-on-year and down by 13% quarter-on-quarter.

The cost of risk remained low, at a low 5 bps of average commitments in 3Q 2009 or EUR 30 million. It included EUR 12 million collective provisions on project finance exposures.

PWB reported net income Group share came at EUR 95 million, compared to EUR -38 million in 3Q 2008 and EUR 131 million in 2Q 2009.

For the first 9 months of 2009, net income of PWB was EUR 421 million, up by 36% year-on-year.

Retail and Commercial Banking (RCB)

Statement of income								
In millions of EUR	3Q08	2Q09	3Q09	Var. 3Q09/ 3Q08	Var. 3Q09/ 2Q09	9M08	9M09	Var. 9M09/ 9M08
Income	629	718	733	+16.5%	+2.0%	2,036	2,173	+6.7%
Expenses	-533	-469	-469	-12.1%	+0.1%	-1,490	-1,399	-6.1%
Gross operating income	96	250	264	x2.8	+5.8%	545	774	+41.9%
Cost of risk & impairments	-217	-132	-89	-59.0%	-32.6%	-274	-267	-2.6%
Pre-tax income	-121	117	176	n.s.	+49.8%	272	507	+86.5%
Tax expense	-13	-34	-51	x3.9	+48.3%	-118	-143	+21.0%
Net income Group share	-126	82	125	n.s.	+52.0%	162	364	x2.2

RCB deposits grew by EUR 1.5 billion over the quarter to reach EUR 80 billion. Since the beginning of the year, EUR 7.3 billion of deposits were collected, of which EUR 6.2 billion in Belgium and EUR 1.1 billion in Turkey. The customers' off balance sheet products benefited from a positive market effect and rose by EUR 1.3 billion in 3Q 2009 to reach EUR 48 billion at the end of September. The shift of customer assets from off balance sheet to on balance sheet slowed down in 3Q 2009. Savings accounts and certificates of deposits continue nevertheless to be the leading products in terms of asset collection.

At EUR 50 billion at the end of September 2009, customer loans were stable compared to the end of June 2009 and to the end of September 2008, in a context of economic slowdown. In Turkey, the loan-to-deposit ratio improved to 124% at the end of September, compared to 146% at the end of 2008 and the number of retail customers rose by 16% year-on-year.

Revenues were EUR 733 million in 3Q 2009, up by 17% compared to 3Q 2008, which was affected by a client related forex loss in Slovakia and by payments to the deposit guarantee fund set up in Luxembourg following the bankruptcy of Icelandic banks. Compared to 2Q 2009, revenues increased by 2%.

On a country by country basis, revenues trends can be explained as follows:

- In Belgium, revenues were up by 2% over the quarter thanks to the increase in volumes. Compared to 3Q 2008, revenues were stable as the positive volume effect was offset by lower fees on off balance sheet products.
- In Turkey, 3Q 2009 revenues matched the solid 2Q 2009 performance and rose by 16% year-on-year.
- In Luxembourg, a EUR 18 million recovery on the above mentioned payments for the deposit guarantee fund related to Icelandic banks boosted 3Q 2009 revenues.

Costs were nearly stable quarter-on-quarter and down by 6% year-on-year excluding restructuring charges mainly related to the Belgium branch network revamp.

Gross operating income was EUR 264 million in 3Q 2009.

The cost of risk and impairments on tangible assets in 3Q 2009 amounted to EUR 89 million, or 75 bps of average customer loans. In Belgium and Luxembourg, the cost of risk increased slightly to 26 bps in 3Q 2009 from 23 bps in 2Q 2009. In Turkey, the cost of risk was EUR 64 million (314 bps) in 3Q 2009, decreasing from EUR 108 million in 2Q 2009, which included EUR 53 million of collective impairments.

RCB reported net income Group share came at EUR 125 million, compared to a loss of EUR -126 million in 3Q 2008 and a net profit of EUR 82 million in 2Q 2009. The contribution of Turkey to RCB represented EUR 39 million in 3Q 2009, or about 30% of the business line's net income. When adding the contribution of Turkey to the Group Center, DenizBank's overall consolidated net income in 3Q 2009 was EUR 72 million, up by 61% year-on-year.

For the first 9 months of 2009, net income of RCB was EUR 364 million, 2.2 times higher than in 9M 2008.

Asset Management & Services (AMS)

Statement of income								
In millions of EUR	3Q08	2Q09	3Q09	Var. 3Q09/ 3Q08	Var. 3Q09/ 2Q09	9M08	9M09	Var. 9M09/ 9M08
Income	107	198	238	x2.2	+20.3%	679	458	-32.5%
Expenses	-173	-166	-168	-2.6%	+1.2%	-519	-500	-3.6%
Gross operating income	-66	32	70	n.s.	x2.2	160	-42	n.s.
Cost of risk & impairments	0	-17	0	n.s.	n.s.	0	-23	n.s.
Pre-tax income	-66	15	71	n.s.	x4.7	160	-65	n.s.
Tax expense	10	-4	27	x2.7	n.s.	-23	45	n.s.
Net income Group share	-52	9	96	n.s.	x10.7	133	-24	n.s.

Breakdown of AMS net income Group share								
In millions of EUR	3Q08	2Q09	3Q09	Var. 3Q09/ 3Q08	Var. 3Q09/ 2Q09	9M08	9M09	Var. 9M09/ 9M08
Asset Management	4	6	16	x4.0	x2.7	45	24	-45.5%
Investor Services	18	5	6	-63.6%	+33.0%	68	11	-83.8%
Insurance	-73	-2	73	n.s.	n.s.	21	-59	n.s.
Total AMS	-52	9	96	n.s.	x10.7	133	-24	n.s.

3Q 2009 was marked by globally higher volumes and by a significant increase in net income contribution, from EUR 9 million in 2Q 2009 to EUR 96 million in 3Q 2009.

- **Asset Management:** assets under management increased by EUR 5.5 billion (or +7%) over the quarter, mainly thanks to a positive market effect. Inflows in institutional funds continued in 3Q 2009 (EUR 1.2 billion). Outflows were still recorded in retail funds albeit at a slower pace (EUR -1.2 billion in 3Q 2009 vs. EUR -2.1 billion in 2Q 2009). Revenues were up by 24% over the quarter, driven by higher management (+14%) and performance fees (x 5). Costs were nearly flat in 3Q 2009 compared to 2Q 2009. Asset Management net income was EUR 16 million in 3Q 2009.
- **Investor Services:** assets under administration improved by 14% since the end of June 2009, to USD 2,280 billion, due to favorable exchange rate and market effects. Absent the movement in USD, they would have increased by about 9% from 2Q 2009 to 3Q 2009. Revenues were slightly down compared to 2Q 2009 due to the seasonality of the business. Costs were under control, remaining flat over the quarter at EUR 74 million. Investor Services net income was EUR 6 million in 3Q 2009.
- **Insurance:** gross written premiums came down by 22% year-on-year to EUR 563 million in 3Q 2009. Sales of insurance investment products (branch 21 and 23) declined as the Group focused on the distribution of balance sheet products. Revenues jumped by EUR 34 million over the quarter to EUR 106 million, as 2Q 2009 included EUR -48 million negative marks on hedges that have now been unwound. Tax expenses were positively influenced by EUR 32 million one-off adjustment. Insurance net income was EUR 73 million in 3Q 2009.

In 9M 2009, AMS reported a net loss of EUR -24 million, mainly explained by impairments and losses on insurance investment portfolios booked in 1Q 2009.

Group Center

Statement of income								
In millions of EUR	3Q08	2Q09	3Q09	Var. 3Q09/ 3Q08	Var. 3Q09/ 2Q09	9M08	9M09	Var. 9M09/ 9M08
Income	-710	355	57	n.s.	-84.0%	-12	910	n.s.
Expenses	-187	-96	-132	-29.4%	+37.8%	-454	-352	-22.4%
Gross operating income	-897	259	-75	-91.6%	n.s.	-466	558	n.s.
Cost of risk & impairments	-793	-172	15	n.s.	n.s.	-1,499	-492	-67.2%
Pre-tax income	-1,689	87	-60	-96.5%	n.s.	-1,965	66	n.s.
Tax expense	370	-2	20	-94.7%	n.s.	676	33	-95.1%
Net income Group share	-1,329	61	-42	-96.8%	n.s.	-1,329	47	n.s.

Breakdown of Group Center net income Group share								
In millions of EUR	3Q08	2Q09	3Q09	Var. 3Q09/ 3Q08	Var. 3Q09/ 2Q09	9M08	9M09	Var. 9M09/ 9M08
Bond portfolios in run-off	-1,061	-214	-129	-87.8%	-39.6%	-868	-355	-59.1%
Treasury	19	119	98	x5.2	-17.7%	223	395	+77.4%
Central assets	-287	156	-11	-96.1%	n.s.	-683	7	n.s.
Total AMS	-1,329	61	-42	-96.8%	n.s.	-1,329	47	n.s.

The Group Center business line (which gathers the contributions of Dexia's bond portfolios in run-off, Treasury and Central Assets sub-segments) reported a EUR -42 million net loss in 3Q 2009.

- Bond portfolios in run-off:** as part of its restructuring plan, Dexia placed a portfolio of bonds in run-off (currently representing EUR 139 billion). Revenues generated by this portfolio, which contributes to a large extent to Dexia's liquidity gap, were impacted by higher funding costs in 3Q 2009 vs. 2Q 2009. The deleveraging process of the Group led to EUR 43 million pretax losses on sales of bonds within the portfolio in run-off. In addition, negative marks on trading assets as well as additional collective impairments lowered the contribution of the segment. Of notice, the fees paid to the States for the guarantee on funding and that are allocated to the bond portfolio in run off segment were nearly flat compared to 2Q 2009, at EUR 84 million. The contribution of the USD 15.8 billion Financial Products portfolio (also placed in run-off) was lowered by an own credit risk impact and an additional EUR 21 million impairment. Altogether, the contribution of the bond portfolios in run-off to the Group Center's net result was EUR -129 million in 3Q 2009. This compares to a EUR -1,061 million net loss in 3Q 2008.
- Treasury:** the segment reported a net profit of EUR 98 million, down by 18% compared to 2Q 2009 and 5 times higher than 3Q 2008. Revenues declined by EUR 102 million compared to 2Q 2009 as the contribution from Cash & Liquidity Management activities were impacted by the flattening of the short term yield curve. The net effect of this quarterly decrease in revenues was mitigated by reversal of impairments on Icelandic Banks and Lehman Brothers collaterals, thanks to better recovery rates.
- Central Assets:** this sub-segment booked further gains on the bond portfolio of DenizBank (EUR 40 million before tax) thanks to new rate cuts in Turkey. On the other hand, Central Assets' results were lowered by EUR 18 million of losses (before tax) on the sale of loans, which were completed as part of the deleveraging process of the Group. The EUR 39 million restructuring charge mentioned earlier was also recorded in Central Assets. All in all, the Central Assets segment reported a EUR 11 million net loss in 3Q 2009, compared to a loss of EUR 287 million in 3Q 2008 and a profit of EUR 156 million in 2Q 2009.

In 9M 2009, Group Center's net income was EUR 47 million compared to a loss of EUR -1,329 million in 9M 2008.

Liquidity

Better market conditions, combined with an active deleveraging policy led to a further improvement of the Group's liquidity profile.

Medium and long term liquidity

As of November 3, 2009, Dexia issued a total amount of EUR 44 billion of medium and long-term funds of which 49% are not covered by the State guarantee (vs. 35% in 2Q 2009). The important decrease of the guaranteed portion of the Group's long term liquidity can be explained as follows:

- No new State guaranteed benchmark was issued by Dexia since June 16, 2009.
- Dexia successfully carried on its covered bond funding program, with a total of EUR 12.4 billion issued as of November 3, 2009. Two new benchmarks were issued in 3Q 2009: EUR 1 bn 7 year *Obligations Foncières* issued at mid-swap + 43 bps in September and tapped at mid-swap + 38 bps in November and EUR 500 million 3 year *Lettres de Gage* issued at mid-swap + 40 bps.
- Medium and long term unsecured unguaranteed funding increased significantly during 3Q 2009, reaching EUR 9.1 billion at November 3, 2009. In October, Dexia issued a floating rate benchmark maturing in February 2012 of EUR 1 billion at Euribor 3M + 95 bps. This deal represents a key reference point, as its all-in cost came in below the theoretical all-in cost of a guaranteed bond issue with the same maturity (including the State guarantee fee).

Short term liquidity

3Q 2009 was marked by a significant improvement of the short term liquidity profile of Dexia, with a gradual increase of funding raised via bilateral & triparty Repos (a natural source of funding for a large share of the run-off portfolio) and a better access to unguaranteed short term liquidity.

In addition, the overall funding need of the Group continued to decrease. Altogether, these elements helped to reduce the guaranteed short term funding of Dexia.

Deleveraging

During 3Q 2009, Dexia continued to actively sell bonds within its portfolio in run-off, benefiting from the tightening of market spreads. Total net sales of bonds amounted to EUR 11.3 billion in 9M 2009. EUR 4.7 billion were sold during 3Q 2009 of which 50% were not eligible to repo or central bank refinancing, leading to an improvement of the liquidity profile of the Group.

Furthermore, in line with its strategy of focus on its core franchises, Dexia sold EUR 1.6 billion of loans in 9M 2009.

The total P&L impact of the bonds and loans sales was EUR 104 million before tax in 9M 2009, or 0.8% of the outstanding sold.

As a result of the above, the amount of guaranteed debt reduced significantly, reaching EUR 62 billion on November 3, 2009 compared to a peak of EUR 95 billion in May 2009.

Renewal of the State guarantee

The States of Belgium, France and Luxembourg have mutually agreed with Dexia to renew the guarantee agreement relating to Dexia's funding, until October 31, 2010. The guarantee scheme was amended as follows:

- Given the improvement in the liquidity situation of Dexia, the cap on guaranteed outstanding was lowered from EUR 150 billion to EUR 100 billion;
- The maturity of new long term debts issued under the revised guarantee framework was extended to a maximum of four years.

In addition, Dexia waived, from October 16, 2009, the benefit of the guarantee for all new contracts with a maturity below one month, and all new contracts with no fixed maturity. The Group could easily replace guaranteed by unguaranteed funding thus reducing the total amount of guaranteed debt issued by the Group.

Such modifications are still subject to formal validation by the French and Luxembourg Parliaments and have been notified to the European Commission which authorized the extension of the guarantee until the end of February 2010, or until a definitive decision by the Commission on the aid granted to Dexia and its Transformation Plan, should that decision be taken before then. With this revised guarantee framework, Dexia aims for an orderly exit from the States guarantee on its funding by October 31, 2010, which means that no new government guaranteed debt will be issued by the Group after this date.

Shareholders' equity and solvency

Shareholders' equity and solvency				
	Dec. 31, 2008	June 30, 2009	Sept. 30, 2009	Variation Sept. 30/ June 30
Core shareholders' equity (EUR m)	17,488	18,033	18,309	+1.5%
Total shareholders' equity (EUR m)	3,916	7,277	9,864	+35.6%
Tier 1 capital (EUR m)*	16,126	16,831	17,089	+1.5%
Total weighted risks (EUR m)	152,837	148,630	144,841	-2.5%
Tier 1 ratio*	10.6%	11.3%	11.8%	50 bps
Net assets per share				
– Core shareholders' equity (EUR)	9.92	10.23	10.39	+1.6%
– Total shareholders' equity (EUR)	2.22	4.13	5.60	+35.6%

* Calculation assuming no dividend payment.

At the end of September 2009, Dexia's core shareholders' equity was EUR 18.3 billion, up by 2% compared to end of June 2009 and by 5% as compared to December 2008.

The Group's IFRS total shareholders' equity, including Accumulated Other Comprehensive Income (OCI), improved by EUR 2.6 billion compared to June 2009 and reached EUR 9.9 billion. Total Accumulated OCI reduced from EUR -10.7 billion at the end of June 2009 to EUR -8.4 billion at the end of September 2009. As in 2Q 2009, this improvement is mainly explained by a tightening of secondary spreads which reduced the negative AFS reserve related to the *run-off* portfolio of the Group. The negative AFS reserve improved by EUR 2.3 billion during 3Q 2009 and reached EUR -7.2 billion at the end of September 2009. Year to date it improved by EUR 4.7 billion, or EUR 2.7 per share.

At the end of September 2009, total weighted risks amounted to EUR 144.8 billion, down by EUR 3.8 billion (-3%) as compared to end of June 2009 and EUR 8.0 billion (-5%) as compared to end of December 2008. The decrease of weighted risks during 3Q 2009 is mainly explained by the deleveraging efforts of the Group and by the depreciation of the US Dollar vs. the Euro.

In 3Q 2009, Dexia's Tier 1 ratio further improved, reaching 11.8% at the end of September 2009. The core Tier 1 ratio reached 10.8%, up by 40 bps compared to end of June 2009.

MANAGEMENT REPORT

RISK MANAGEMENT

Introduction

The main risks Dexia has to manage within the context of its activities are described in detail in the Dexia Annual Report 2008. In particular, there are risks in relation to credit, markets, balance sheet management (ALM), liquidity and exchange rates as well as operational risk management.

Dexia wants its development to be vigorous and well-balanced, always respecting its founding values regarding risks and financial solidity. Indeed the Group observes the strictest standards in credit allocation, risk management, operational activities and product quality.

Credit Risk

Dexia Group exposure by category (as of September 30, 2009)

In millions of EUR

Central governments	86,120
Public sector entities	276,761
Corporate	48,756
Monolines	11,045
ABS/MBS	39,531
Project finance	17,311
Individuals, SME and self-employed	44,860
Financial institutions	92,177
Other	962
Total	617,523

Dexia Group exposure by geographical region (as of September 30, 2009)

In millions of EUR

Belgium	116,422
France	108,461
Germany	40,554
Italy	59,866
Luxembourg	13,246
Other EU countries	114,158
Rest of Europe	15,499
Turkey	10,547
United States and Canada	93,426
South and Central America	4,055
Southeast Asia	4,077
Japan	16,239
Other	20,971
Total	617,523

Market Risk

		2008															
TFM's Value at risk ⁽¹⁾	VaR (10 d., 99 %) In millions of EUR	IR ⁽²⁾ & FX ⁽³⁾ (Trading and Banking) ⁽⁴⁾				EQT ⁽⁵⁾ Trading				Spread Trading				Other risk ⁽⁶⁾			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	Avg	30.0	43.6	38.4	62.7	6.5	7.7	7.5	7.7	60.0	79.4	78.0	75.9	1.8	1.3	2.4	3.7
Individual	Max	37.1	52.1	48.0	90.6	14.4	12.2	11.3	11.9	78.4	91.1	116.0	112.7	3.5	2.4	3.0	5.9
Global	Avg Max Limit									126.6 179.1							
										3Q: 178, 4Q: 130							

		2009															
TFM's Value at risk ⁽¹⁾	VaR (10 d., 99 %) In millions of EUR	IR ⁽²⁾ & FX ⁽³⁾ (Trading and Banking) ⁽⁴⁾				EQT ⁽⁵⁾ Trading				Spread Trading				Other risk ⁽⁶⁾			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
	Avg	58.9	24.0	17.2		6.3	5.6	4.2		43.4	43.4	42.0		4.9	4.4	4.6	
Individual	Max	86.5	32.3	23.1		7.6	9.7	8.6		59.2	51.2	47.3		7.8	5.3	5.1	
Global	Avg Max Limit									3Q: 68.1 3Q end: 67.6							
										3Q: 79.4 100.0							

(1) DenizBank Included.

(2) IR: interest rate.

(3) FX: forex.

(4) IR and FX: without ALM long term (local and directional).

(5) EQT: equities

(6) Other risk: inflation, commodities and CO₂.

Asset and Liability Management (ALM)

Listed shares sensitivity – Banking companies portfolio				
In millions of EUR	Market value	VaR	% VaR / MV ⁽¹⁾	EaR
September 30, 2008	599	76	12.7%	(129)
December 31, 2008	396	66	16.7%	(69)
March 31, 2009	318	53	16.7%	(64)
June 30, 2009	281	45	16.0%	(29)
September 30, 2009	516	37	7.2%	(13)

(1) % VaR/MV represents the percentage loss that can be experienced on the market value.

Listed shares sensitivity – Insurance companies portfolio				
In millions of EUR	Market value	VaR	% VaR / MV ⁽¹⁾	EaR
September 30, 2008	1,985	190	9.6%	(440)
December 31, 2008	1,601	225	14.1%	(307)
March 31, 2009	1,101	85	7.8%	(286)
June 30, 2009	947	97	10.2%	(213)
September 30, 2009	1,167	151	12.9%	(144)

(1) % VaR/MV represents the percentage loss that can be experienced on the market value.

Asset quality, ratings

Quality of risks					
In millions of EUR, except where indicated	30/09/2008	31/12/2008 (4)	31/03/2009	30/06/2009	30/09/2009
Impaired loans to customers	1,317	3,535	3,652	3,624	3,720
Portfolio impairments ⁽¹⁾	843	2,083	2,318	2,324	2,366
Assets quality ratio ⁽²⁾	0.50%	0.99%	1.03%	1.04%	1.09%
Coverage ratio ⁽³⁾	64.0%	58.9%	63.5%	64.1%	63.6%

(1) Does not include the collective impairment set aside to cover potential risk on share-leasing products.

(2) The ratio between the impaired loans and the gross outstanding loans.

(3) The ratio between the portfolio impairments and the impaired loans.

(4) Increase largely due to IAS 39 related reclassification.

Ratings as of September 30, 2009			
	Long-term	Outlook	Short-term
Fitch			
Dexia Bank Belgium	A+	Stable outlook	F1+
Dexia Crédit Local	A+	Stable outlook	F1+
Dexia Banque Internationale à Luxembourg	A+	Stable outlook	F1+
Dexia Municipal Agency	AAA	-	
Moody's			
Dexia Bank Belgium	A1	Negative outlook	P-1
Dexia Crédit Local	A1	Negative outlook	P-1
Dexia Banque Internationale à Luxembourg	A1	Negative outlook	P-1
Dexia Municipal Agency	Aaa	-	
Standard & Poor's			
Dexia Bank Belgium	A	Stable outlook	A-1
Dexia Crédit Local	A	Stable outlook	A-1
Dexia Banque Internationale à Luxembourg	A	Stable outlook	A-1
Dexia Municipal Agency	AAA	-	

Comparison total equity (financial statements) and total equity as calculated for regulatory requirements

In millions of EUR	Dec. 31, 2008		Sept. 30, 2009	
	Financial Statements	Regulatory purposes	Financial Statements	Regulatory purposes
Total shareholders' equity	3,916	3,916	9,864	9,864
Minority interests	1,702	1,694	1,831	1,821
<i>of which Core equity</i>	1,757	1,749	1,826	1,817
<i>of which Gains and Losses not recognized in the statement of income</i>	-55	-55	5	4
Discretionary participation features of insurance contracts	0	0	17	0
Total equity	5,618	5,610	11,712	11,685

For regulatory purposes, insurance companies are accounted for by the equity method. Therefore, minority interests differ from those published in the Financial Statements. Discretionary Participation Features only relate to insurance companies.

Regulatory capital

In millions of EUR	Dec. 31, 2008	Sept. 30, 2009
Total regulatory capital (after income appropriation)	18,077	19,591
Tier 1 capital	16,126	17,089
Core shareholders' equity	17,488	18,309
Cumulative translation adjustments-Group	-540	-582
Minority interests (eligible in Tier 1) ⁽¹⁾	557	624
Deductions and prudential filters	-2,800	-2,683
Hybrid regulatory Tier 1 capital ⁽²⁾	1,421	1,421
Additional own funds	1,951	2,502
Perpetuals	815	759
Subordinated liabilities	2,795	2,638
Deductions and prudential filters	-1,659	-895

(1) On a regulatory approach, the amounts booked in minority interests and eligible as hybrid regulatory Tier 1 capital are presented separately. As of December 31, 2008 and as of Sept. 30, 2009 EUR 1,196 million eligible as hybrid regulatory Tier 1 capital is included in minority interests' core equity.

(2) This amount is the result of three operations:

- undated deeply subordinated non-cumulative Notes for EUR 700 million, issued by Dexia Crédit Local and booked for EUR 698 million in Minority interests;
- Undated subordinated non-cumulative Notes for EUR 500 million, issued by Dexia Funding Luxembourg and booked in Minority interests for EUR 498 million;
- Hybrid capital issued by Dexia BIL on July 6, 2001 for an amount of EUR 225 million bearing an interest of 6.821% and booked in Subordinated debts in the financial statements.

Weighted risks

In millions of EUR	30/09/2008	31/12/2008	31/03/2009	30/06/2009	30/09/2009
Credit risks	114,580	139,495	139,231	135,381	132,069
Market risks	5,724	3,073	3,814	2,980	2,503
Operational risks	9,096	10,269	10,269	10,269	10,269
Total	129,400	152,837	153,314	148,630	144,841

Solvency ratios

	30/09/2008	31/12/2008	31/03/2009	30/06/2009	30/09/2009
Tier 1 ratio	14.5%	10.6%	10.7%	11.3%	11.8%
Capital adequacy ratio	15.3%	11.8%	12.0%	13.0%	13.5%

MANAGEMENT REPORT

SHAREHOLDER INFORMATION

Shareholders' base as of September 30, 2009

Caisse des dépôts et consignations	17.6%
Holding Communal	14.6%
Arco Group	14.0%
French State	5.7%
Belgian federal state	5.7%
Three Belgian Regions	5.7%
Ethias Group	5.0%
CNP Assurances	3.0%
Employee shareholding	1.9%
Other institutional and individual shareholders	26.8%

Principal related party transactions

There have not been any significant transactions with related parties during 3Q 2009. For more details please refer the latest annual disclosure on related party transactions in the Dexia annual report on page 169.

Number of shares

	Sept. 30, 2008	Dec. 31, 2008	Sept. 30, 2009
Number of shares	1,762,473,283	1,762,478,783	1,762,478,783
of which Treasury shares	370,693	293,570	293,570
Number of options	72,170,335	71,787,214	71,787,214
Total number current/potential future shares⁽¹⁾	1,834,643,618	1,834,265,997	1,834,265,997

(1) For more details refer to "Legal information" on www.dexia.com.

Data per share

	Sept. 30, 2008	Dec. 31, 2008	Sept. 30, 2009
Average weighted number of shares ⁽¹⁾	1,158,189,941	1,309,993,150	1,762,185,213
Diluted average weighted number of shares ⁽¹⁾	1,158,189,941	1,309,993,150	1,762,185,213
Earnings per share – EPS (in EUR)			
- basic ⁽²⁾	-0.62	-2.54	0.46
- diluted ⁽³⁾	-0.62	-2.54	0.46
Net assets per share (in EUR) ⁽⁴⁾			
- related to core shareholders' equity ⁽⁵⁾	11.18	9.92	10.39
- related to total shareholders' equity ⁽⁶⁾	4.63	2.22	5.60

(1) Excluding shares held in treasury stocks.

(2) The ratio between the net income – Group share and the average weighted number of shares.

(3) The ratio between the net income – Group share and the average weighted diluted number of shares.

(4) The ratio between the shareholders' equity and the number of shares (after deduction of treasury shares) at end of period.

(5) Without AFS, CFH reserve and cumulative translation adjustments.

(6) With AFS, CFH reserve and cumulative translation adjustments.

MANAGEMENT REPORT

CERTIFICATE FROM THE RESPONSIBLE PERSON

I the undersigned, Pierre Mariani, Chief Executive Officer and Chairman of the Management Board of Dexia SA, certify that to my knowledge:

- a) the summary financial statements, established in accordance with applicable accounting standards, present an accurate picture of the assets, the financial situation and the earnings of the company and the businesses included in the consolidation;
- b) the management report contains a true statement of the information which must appear therein in accordance with applicable regulations.

Brussels, November 13, 2009

For the Management Board

Pierre Mariani
Chief Executive Officer and Chairman of the Management Board
Dexia SA

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF SEPTEMBER 30, 2009	20
CONSOLIDATED BALANCE SHEET	21
CONSOLIDATED STATEMENT OF INCOME	23
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	24
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME	26
CONSOLIDATED CASH FLOW STATEMENT	27
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	28
Note I. Accounting principles and rules of the condensed consolidated financial statements	28
Note II. Significant changes in scope of consolidation	30
Note III. Business reporting	31
Note IV. Contribution by activity – Income	33
Note V. Exchange rates	33
Note VI. Significant items included in the statement of income	34
Note VII. Post balance sheet events	35
Note VIII. Litigations	36
REVIEW REPORT OF AUDITORS	38

DEXIA – CONSOLIDATED BALANCE SHEET

ASSETS <i>in millions of EUR</i>	Sept. 30, 2008	Dec. 31, 2008	Sept. 30, 2009
I. Cash and balances with central banks	2,067	2,448	9,524
II. Loans and advances due from banks	57,483	61,864	48,660
III. Loans and advances to customers	268,236	368,845	351,652
IV. Financial assets measured at fair value through profit or loss	32,883	16,044	13,666
V. Financial investments	219,118	125,029	112,470
VI. Derivatives	36,761	55,213	43,119
VII. Fair value revaluation of portfolio hedge	235	3,938	3,986
VIII. Investments in associates	675	682	702
IX. Tangible fixed assets	2,303	2,353	2,372
X. Intangible assets and goodwill	2,447	2,193	2,180
XI. Tax assets	4,427 ⁽¹⁾	4,139	3,035
XII. Other assets	10,230 ⁽¹⁾	1,998	1,830
XIII. Non current assets held for sale	33	6,260	60
Total assets	636,898	651,006	593,256

(1) An amount of EUR 73 million representing operational taxes was transferred from "Tax assets" to "Other assets".

The notes on pages 28 to 37 are an integral part of these condensed consolidated financial statements.

DEXIA – CONSOLIDATED BALANCE SHEET

LIABILITIES <i>in millions of EUR</i>	Sept. 30, 2008	Dec. 31, 2008	Sept. 30, 2009
I. Due to banks	206,299	213,192	139,096
II. Customer borrowings and deposits	114,547	114,728	122,274
III. Financial liabilities measured at fair value through profit or loss	19,835	18,952	18,885
IV. Derivatives	40,880	75,834	60,606
V. Fair value revaluation of portfolio hedge	(283)	1,543	2,132
VI. Debt securities	213,242	188,120	210,332
VII. Subordinated debts	4,261	4,407	4,209
VIII. Technical provisions of insurance companies	17,727	16,739	17,233
IX. Provisions and other obligations	1,529	1,487	1,520
X. Tax liabilities	600 ⁽¹⁾	302	400
XI. Other liabilities	7,945 ⁽¹⁾	4,393	4,857
XII. Liabilities included in disposal groups held for sale	0	5,691	0
Total liabilities	626,582	645,388	581,544
EQUITY <i>in millions of EUR</i>			
XIV. Subscribed capital	8,089	8,089	8,089
XV. Additional paid-in capital	13,618	13,618	13,618
XVI. Treasury shares	(27)	(23)	(21)
XVII. Reserves and retained earnings	(868)	(870)	(4,185)
XVIII. Net income for the period	(723)	(3,326)	808
Core shareholders' equity	20,089	17,488	18,309
XIX. Gains and losses not recognized in the statement of income	(11,542)	(13,572)	(8,445)
a) Available for sale reserve on securities	(11,122)	(11,866)	(7,171)
b) Other reserves	(420)	(1,706)	(1,274)
Total shareholders' equity	8,547	3,916	9,864
XX. Minority interest	1,769	1,702	1,831
XXI. Discretionary participation features of insurance contracts	0	0	17
Total equity	10,316	5,618	11,712
Total liabilities and equity	636,898	651,006	593,256

(1) An amount of EUR 138 million representing operational taxes was transferred from "Tax liabilities" to "Other liabilities".

The notes on pages 28 to 37 are an integral part of these condensed consolidated financial statements.

DEXIA – CONSOLIDATED STATEMENT OF INCOME				
<i>in millions of EUR</i>	Quarter ended		Year-to-date	
	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009
I. Interest income	27,492	13,724	81,494	50,239
II. Interest expense	(25,976)	(12,625)	(77,217)	(46,256)
III. Dividend income	21	13	150	90
IV. Net income from associates	(59)	13	(15)	35
V. Net income from financial instruments at fair value through profit or loss	(433)	(77)	(35)	129
VI. Net income on investments	(1,073)	94	(1,636)	(204)
VII. Fee and commission income	432	372	1,358	1,112
VIII. Fee and commission expense	(73)	(72)	(255)	(219)
IX. Premiums and technical income from insurance activities	662	610	3,828	2,044
X. Technical expense from insurance activities	(656)	(717)	(3,873)	(2,293)
XI. Other net income	(22)	34	6	35
Income	315	1,369	3,805	4,712
XII. Staff expense	(556)	(483)	(1,514)	(1,377)
XIII. General and administrative expense	(319)	(265)	(903)	(811)
XIV. Network costs	(92)	(92)	(276)	(274)
XV. Depreciation & amortization	(76)	(76)	(218)	(218)
XVI. Deferred acquisition costs	(12)	0	(31)	(7)
Expenses	(1,055)	(916)	(2,942)	(2,687)
Gross operating income	(740)	453	863	2,025
XVII. Impairment on loans and provisions for credit commitments	(1,078)	(84)	(1,854)	(821)
XVIII. Impairment on tangible and intangible assets	(5)	(18)	(4)	(51)
XIX. Impairment on goodwill	0	0	(8)	0
Net income before tax	(1,823)	351	(1,003)	1,153
XX. Tax expense	281	(65)	361	(258)
Net income	(1,542)	286	(642)	895
Attributable to minority interest	2	12	81	87
Attributable to equity holders of the parent	(1,544)	274	(723)	808
<i>in EUR</i>				
Earnings per share				
- basic			(0.62)	0.46
- diluted			(0.62)	0.46

The notes on pages 28 to 37 are an integral part of these condensed consolidated financial statements.

DEXIA – CONSOLIDATED STATEMENT OF CHANGES IN EQUITY						
CORE SHAREHOLDERS' EQUITY	Subscribed capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Net income for the period	Core shareholders' equity
<i>in millions of EUR</i>						
As of December 31, 2007	5,307	10,399	(176)	(1,951)	2,533	16,112
<i>Movements of the period</i>						
- Issuance of subscribed capital	2,782	3,219		(1)		6,000
- Acquisition of treasury shares			(231)			(231)
- Trading activities on treasury shares			(28)			(28)
- Sale and cancellation of treasury shares			408	(407)		1
- Transfers to reserves				2,533	(2,533)	0
- Dividends				(1,052)		(1,052)
- Share based payments: value of employee services				18		18
- Variation of scope of consolidation				(3)		(3)
- Other movements				(5)		(5)
- Net income for the period					(723)	(723)
As of September 30, 2008	8,089	13,618	(27)	(868)	(723)	20,089
GAINS AND LOSSES NOT RECOGNIZED IN THE STATEMENT OF INCOME	Gains and losses not recognized in the statement of income					
	Securities (AFS)	Derivatives (CFH & FX Invt)	Associates (AFS, CFH)	Cumulative translation adjustments (CTA)	Total gains and losses Group share	
<i>in millions of EUR</i>						
As of December 31, 2007	(1,490)	74	(24)	(147)	(1,587)	
<i>Movements of the period</i>						
- Net change in fair value through equity – Available for sale investments	(9,996)		(115)		(10,111)	
- Net change in fair value due to transfers to income – Available for sale investments	842				842	
- Cancellation of FV following AFS disposals	(155)				(155)	
- Net change in fair value through equity – Cash flow hedges		(265)			(265)	
- Translation adjustments	(303)			(80)	(383)	
- Variation of scope of consolidation	(20)	2	135		117	
As of September 30, 2008	(11,122)	(189)	(4)	(227)	(11,542)	
MINORITY INTEREST	Core equity	Gains and losses not recognized in the statement of income	Minority interest	DISCRETIONARY PARTICIPATION FEATURES OF INSURANCE CONTRACTS		
<i>in millions of EUR</i>				<i>in millions of EUR</i>		
As of December 31, 2007	1,721	33	1,754	115		
<i>Movements of the period</i>						
- Increase of capital	93		93			
- Dividends	(25)		(25)			
- Net income for the period	81		81			
- Net change in fair value through equity		(91)	(91)	(115)		
- Cancellation of FV following AFS disposals		4	4			
- Net change in fair value due to transfers to income		4	4			
- Translation adjustments		9	9			
- Variation of scope of consolidation	(77)	15	(62)			
- Others	2		2			
As of September 30, 2008	1,795	(26)	1,769	0		
Core shareholders' equity						20,089
Gains and losses not recognized in the statement of income attributable to equity holders of the parent						(11,542)
Minority interest						1,769
Discretionary participation features of insurance contracts						0
TOTAL EQUITY as of September 30, 2008						10,316

The notes on pages 28 to 37 are an integral part of these condensed consolidated financial statements.

DEXIA – CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

CORE SHAREHOLDERS' EQUITY	Subscribed capital	Additional paid-in capital	Treasury shares	Reserves and retained earnings	Net income for the period	Core shareholders' equity
<i>in millions of EUR</i>						
As of December 31, 2008	8,089	13,618	(23)	(870)	(3,326)	17,488
<i>Movements of the period</i>						
- Issuance of subscribed capital				(1)		(1)
- Trading activities on treasury shares			2			2
- Transfers to reserves				(3,326)	3,326	0
- Share based payments: value of employee services				8		8
- Variation of scope of consolidation				4		4
- Net income for the period					808	808
As of September 30, 2009	8,089	13,618	(21)	(4,185)	808	18,309
GAINS AND LOSSES NOT RECOGNIZED IN THE STATEMENT OF INCOME	Gains and losses not recognized in the statement of income					
	Securities (AFS)	Derivatives (CFH & FX Inv't)	Associates (AFS, CFH)	Cumulative translation adjustments (CTA)	Total gains and losses Group share	
<i>in millions of EUR</i>						
As of December 31, 2008	(11,866)	(1,156)	(9)	(541)	(13,572)	
<i>Movements of the period</i>						
- Net change in fair value through equity – Available for sale investments	3,411				3,411	
- Net change in fair value due to transfers to income – Available for sale investments	209				209	
- Cancellation of FV following AFS disposals	347				347	
- Amortization of net fair value on reclassified portfolio in application of IAS 39 amended	536				536	
- Net change in fair value through equity – Cash flow hedges		454			454	
- Net change in fair value due to transfers to income – Cash flow hedges		(11)			(11)	
- Net changes in fair value of associates			22		22	
- Translation adjustments	205	8		(41)	172	
- Variation of scope of consolidation	(13)				(13)	
As of September 30, 2009	(7,171)	(705)	13	(582)	(8,445)	
MINORITY INTEREST	Core equity	Gains and losses not recognized in the statement of income	Minority interest	DISCRETIONARY PARTICIPATION FEATURES OF INSURANCE CONTRACTS		
<i>in millions of EUR</i>				<i>in millions of EUR</i>		
As of December 31, 2008	1,756	(54)	1,702	0		
<i>Movements of the period</i>						
- Increase of capital	2		2			
- Dividends	(10)		(10)			
- Net income for the period	87		87			
- Net change in fair value through equity		39	39	17		
- Translation adjustments		(1)	(1)			
- Variation of scope of consolidation	(9)	13	4			
- Amortization of net fair value on reclassified portfolio in application of IAS 39 amended		8	8			
As of September 30, 2009	1,826	5	1,831	17		
Core shareholders' equity						18,309
Gains and losses not recognized in the statement of income attributable to equity holders of the parent						(8,445)
Minority interest						1,831
Discretionary participation features of insurance contracts						17
TOTAL EQUITY as of September 30, 2009						11,712

The notes on pages 28 to 37 are an integral part of these condensed consolidated financial statements.

DEXIA – CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

<i>in millions of EUR</i>	Quarter ended		Year-to-date	
	Sept. 30, 2008	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009
Net result recognized in the statement of income	(1,542)	286	(642)	895
Unrealized gains (losses) on available-for-sale financial investments, before tax	(5,753)	2,953	(12,088)	5,988
Gains (losses) on cash flow hedges, before tax	(509)	31	(404)	511
Cumulative translation adjustments	318	(35)	(75)	(43)
Other comprehensive income from associates	79	13	20	22
Tax relating to components of other comprehensive income	1,359	(628)	2,533	(1,291)
Other comprehensive income, net of tax	(4,506)	2,334	(10,014)	5,187
Total comprehensive income, net of tax	(6,048)	2,620	(10,656)	6,082
Attributable to equity holders of the parent	(6,051)	2,586	(10,678)	5,935
Attributable to minority interest	3	34	22	147

The notes on pages 28 to 37 are an integral part of these condensed consolidated financial statements.

DEXIA – CONSOLIDATED CASH FLOW STATEMENT		
<i>in millions of EUR</i>	Sept. 30, 2008	Sept. 30, 2009
Cash flow from operating activities		
Net income after income taxes	(642)	895
<i>Adjustment for:</i>		
- Depreciation, amortization and other impairment	250	295
- Impairment on bonds, equities, loans and other assets	2,127	(287)
- Net gains on investments	(65)	797
- Charges for provisions (mainly insurance provision)	3,306	1,159
- Unrealized gains or losses	24	39
- Income from associates	15	(35)
- Dividends from associates	45	33
- Deferred taxes	(506)	(24)
- Other adjustments	17	7
Changes in operating assets and liabilities	(6,084)	3,238
Net cash provided (used) by operating activities	(1,513)	6,117
Cash flow from investing activities		
Purchase of fixed assets	(392)	(476)
Sales of fixed assets	91	123
Acquisitions of unconsolidated equity shares	(2,444)	(418)
Sales of unconsolidated equity shares	2,582	1,311
Acquisitions of subsidiaries and of business units	(15)	(41)
Sales of subsidiaries and of business units	10	372
Net cash provided (used) by investing activities	(168)	871
Cash flow from financing activities		
Issuance of new shares	127 ⁽¹⁾	1
Issuance of subordinated debts	299	2
Reimbursement of subordinated debts	(668)	(115)
Purchase of treasury shares	(231)	0
Dividends paid	(1,077)	(10)
Net cash provided (used) by financing activities	(1,550)	(122)
Net cash provided	(3,231)	6,866
Cash and cash equivalents at the beginning of the period	51,603	49,715
Cash flow from operating activities	(1,513)	6,117
Cash flow from investing activities	(168)	871
Cash flow from financing activities	(1,550)	(122)
Effect of exchange rate changes and change in scope of consolidation on cash and cash equivalents	125	(168)
Cash and cash equivalents at the end of the period	48,497	56,413
Additional information		
Income tax paid	(218)	(301)
Dividends received	194	123
Interest received	78,944	51,156
Interest paid	(75,066)	(46,568)

(1) Capital increase of EUR 6 billion was paid on October 3, 2008.

The notes on pages 28 to 37 are an integral part of these condensed consolidated financial statements.

NOTE I. ACCOUNTING PRINCIPLES AND RULES OF THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

These condensed consolidated financial statements include the disclosures required by the European Accounting Regulation published up to September 30, 2009. Additional accounting policies and disclosures may be required in order to comply with local laws, accounting standards and stock exchange regulations.

GENERAL INFORMATION

Dexia provides financial services to the local public sector and is one of the world's largest players in Public and Wholesale Banking. In Europe, Dexia offers retail and private banking services but also asset management and insurance services.

The parent company of the Group is Dexia SA, which is a limited liability company and is incorporated and domiciled in Belgium. The address of its registered office is: Place Rogier 11 – B-1210 Brussels (Belgium).

Dexia is listed on the NYSE Euronext Stock Exchange in Brussels and also on the Luxembourg Stock Exchange.

These condensed financial statements have been approved for issue by the Board of Directors on November 12, 2009.

NOTES TO THE FINANCIAL STATEMENTS

The principal accounting policies adopted in the preparation of these condensed consolidated financial statements are set out below.

The common used abbreviations below are:

- ARC: Accounting Regulatory Committee
- EFRAG: European Financial Reporting Advisory Group
- EU GAAP: International Financial Reporting Standards as adopted by the European Union (EU)
- IASB: International Accounting Standards Board
- IFRIC: International Financial Reporting Interpretations Committee
- IFRS: International Financial Reporting Standard

ACCOUNTING POLICIES

1. Basis of accounting

The condensed consolidated financial statements of Dexia are prepared in accordance with all IFRSs as adopted by the EU.

The European Commission published Regulation EC 1606/2002 on July 19, 2002, requiring listed groups to apply IFRS as from January 1, 2005. This regulation has been updated several times since 2002. The European Commission issued Regulation EC 1126/2008 on November 3, 2008, which encompasses all standards and interpretations as adopted by the EU until October 15, 2008 in order to simplify Community legislation on accounting standards.

Dexia's condensed financial statements have therefore been prepared "in accordance with all IFRSs as adopted by the EU" and endorsed by the EC up to September 30, 2009, including the conditions of application of interest rate portfolio hedging and the possibility to hedge core deposits.

The condensed consolidated financial statements are prepared on a going concern basis. They are stated in millions of euro (EUR) unless otherwise stated.

This interim report for the period ended September 30, 2009 is prepared in accordance with IAS 34 Interim Financial Reporting. The same accounting policies and methods of computation are followed in the interim financial statements as compared with the 2008 annual financial statements.

In preparing the condensed consolidated financial statements, management is required to make estimates and assumptions that affect amounts reported. While management believes they have considered all available information in developing these estimates, actual results may differ from such estimates and the differences could be material to the financial statements.

Judgments and estimates are principally made in the following areas:

- Estimation of the recoverable amount of impaired assets
- Determination of fair values of non-quoted financial instruments
- Determination of the useful life and the residual value of property, plant and equipment, investment property and intangible assets

- Measurement of liabilities for insurance contracts
- Actuarial assumptions related to the measurement of employee benefits obligations and plan assets
- Estimation of present obligations resulting from past events in the recognition of provisions.

2. Changes in accounting policies since the previous annual publication that may impact Dexia Group

2.1 New IFRS standards, IFRIC interpretations and amendments

The IASB issued four series of amendments to the existing standards.

- **Amendments to IFRS 7 – Improving disclosures about financial instruments**, applicable as from January 1, 2009.

These amendments will enhance disclosures about fair value measurement (by introducing a 3-level hierarchy) and liquidity risk. These amendments do not have an impact on the income statement nor on the balance sheet of Dexia, but only on disclosures.

- **Amendments to IFRIC 9 and IAS 39 Embedded derivatives**, applicable for annual periods ending on or after June 30, 2009.

These amendments require a reassessment of the embedded derivatives at the moment of reclassification. These amendments do not have impact on Dexia's financial statements.

- **Amendments to IFRS 2 "Share-based Payment" "Group Cash-settled Share-based Payment Transactions"**, applicable for annual periods beginning on or after January 1, 2010.

These amendments aim to clarify the scope of IFRS 2. There is no impact for Dexia, as Dexia does not offer cash-settled share-based payments.

- **Amendments to IFRS 1 "Additional exemptions for first time adopters"**, applicable for annual periods beginning on or after January 1, 2010.

These amendments have no impact on Dexia, which is not a first-time adopter anymore.

The IASB also issued:

- **"Improvements to existing standards"**, which are a collection of amendments to existing International Financial Reporting Standards. Unless otherwise specified, the amendments are effective for annual period beginning on or after January 1, 2010. No significant impact is expected for Dexia.

The IFRIC issued an **interpretation**, which will be effective for annual periods that begin on or after July 1, 2009:

- **IFRIC 18 "Transfers of assets from customer"**

This interpretation does not have an impact on Dexia.

2.2 IASB and IFRIC texts endorsed by the European Commission

The following amendments to standards or interpretation have been endorsed by the European Commission:

- **"Improvements 2008 to IFRSs" issued by the IASB in May 2008**. Unless otherwise specified the amendments are effective for annual periods beginning on or after January 1, 2009.

The amendments issued are presented in two parts: those that involve accounting changes for presentation, recognition or measurement purposes, and those involving terminology or editorial changes with minimal effect on accounting.

The revision of these standards is mainly impacting Dexia in the following ways:

If Dexia is committed to a sale plan involving loss of control of a subsidiary, Dexia will classify all the assets and liabilities of that subsidiary as held for sale, regardless of whether Dexia will retain a non-controlling interest in its former subsidiary after the sale.

The IASB published an amendment to bring "property under construction and development" for future use as an investment property in the scope of IAS 40 and no longer in the scope of IAS 16. Impact is limited to presentation without any consequence on measurement.

- **Amendment to IAS 32 and IAS 1 – "Puttable financial instruments and obligations arising on liquidation"**.

- **Amendment to IFRS 1 "First Time Adoption of IFRS" and to IAS 27 "Consolidated and separate financial statements", entitled "Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate"**.

These two amendments are applicable as from January 1, 2009, without any major impact for Dexia.

- **Revised IFRS 3 "Business combinations"**, which replaces the standard as issued in 2004, and will be effective for annual reporting periods that begin on or after July 1, 2009.

The revision of this standard impacts Dexia for several reasons:

For new acquisitions, Dexia can no longer capitalize acquisition-related costs as part of the cost of the business acquired.

In case of a step-acquisition, Dexia will first remeasure the existing associate to fair value with recognition of the fair value adjustments to previously recognized assets and liabilities in profit or loss.

For each new investment in a non-controlling interest in an acquired entity, Dexia has the possibility to make an option for the “full goodwill method”.

For new acquisitions, an analysis will be required to determine whether or not a contingent liability of the acquiree is a present obligation.

- **Amendments to IAS 27 “Consolidated and separate financial statements”**, which will be effective for annual reporting periods that begin on or after July 1, 2009.

Changes in a parent’s controlling ownership of a subsidiary will have no impact on profit or loss but will impact equity.

- **Amendment to IAS 39 Financial Instruments: “Recognition and Measurement: Eligible Hedged Items”** which is effective as from July 1, 2009. This amendment has an impact on only a limited number of hedge transactions.

- **Amendment to IAS 39 “Reclassification of Financial Assets: Effective Date and Transition”**, which clarifies the effective date and transition requirements of the amendment to IAS 39 on reclassification of financial assets issued in October 2008. This text has no impact on Dexia.

- **IFRIC 12 “Service concessions arrangements”**, which is effective for annual periods beginning on or after January 1, 2008.

- **IFRIC 16 “Hedges of a net investment in a foreign operation”**, which is effective for annual periods beginning on or after January 1, 2009.

- **IFRIC 15 “Agreements for the construction of Real Estate”**, which is effective for annual periods beginning on or after January 1, 2009.

These IFRIC interpretations do not have an impact on Dexia.

2.3 Changes in presentation

Reclassification of operational taxes

In the condensed consolidated financial statements as of September 30, 2008, operational taxes were reclassified:

- An amount of EUR 73 million from “Tax assets” (line XI) to “Other assets” (line XII) and,
- An amount of EUR 138 million from “Tax liabilities” (line X) to “Other liabilities” (line XI).

NOTE II. SIGNIFICANT CHANGES IN SCOPE OF CONSOLIDATION

AS OF SEPTEMBER 30, 2008

Dexia exits from Kommunalkredit Austria AG (KA) and takes full ownership of Dexia Kommunalkredit Bank AG (DKB).

Dexia’s partner in Central & Eastern Europe, Kommunalkredit Austria AG (KA), is affected by the ongoing financial crisis, and has called for the support of the Austrian State.

As a consequence of the recapitalization plan of KA, Dexia (i) sells its 49% stake in KA, (ii) buys the 49% stake of KA in DKB, raising its stake to 100%.

AS OF SEPTEMBER 30, 2009

As from April 1, 2009, Dexia no longer consolidates the activities of Financial Security Assurance Holdings Ltd (hereafter FSA Insurance) sold to Assured Guaranty Ltd (Assured).

FSA Insurance’s result of the first quarter is consolidated on a line by line basis and the net result is offset in “Net Income on Investments”.

The sale was completed as of July 1, 2009. The sales price was partially paid with 21.85 million Assured shares which are included in Available for Sale Portfolio as Dexia does not have a significant influence in Assured Guaranty Ltd.

NOTE III. BUSINESS REPORTING

IFRS 8 OPERATING SEGMENTS SUPERSEDED IAS 14 SEGMENT REPORTING AS FROM JANUARY 1, 2009

As of January 1, 2009, Dexia changed its business reporting in line with its new organization and applied IFRS 8 for the first time. To enable comparisons, figures as of September 30, 2008 and as of December 31, 2008 were restated accordingly.

DESCRIPTION OF DIFFERENCES FROM LAST ANNUAL FINANCIAL STATEMENTS

The business segmentation was adapted to Dexia's new profile and strategic directions. The Group is now divided in three divisions representing operational activities focused on homogeneous client franchises (Public and Wholesale Banking or PWB, Retail and Commercial Banking or RCB, Asset Management & Services or AMS). A fourth division, named Group Center (GC), includes treasury operations and activities in run-off as well as the former Central Asset segment.

Compared to the previous business segmentation, the main changes are:

- "Treasury and Financial Markets" is no longer a business line but is now reallocated to the Group Center and to operational business lines (Structuring, sales and trading activities being allocated to corresponding sub-segments);
- Insurance is no longer distributed between RCB and PWB, but is now part of the newly created AMS which also include Asset Management and Investor Services;
- All bond portfolios in run-off (Public bonds and Financial Products portfolios previously in PWB; Credit Spread Portfolios and trading portfolios previously in TFM) are entirely reallocated to Group Center;
- FSA insurance is taken out of PWB and included in Group Center;
- The former PWB activities of Turkey, Luxembourg and Slovakia are now included in RCB.

The basis of measurement of segment profit or loss is not materially different in IFRS 8 from IAS 14.

BUSINESS REPORTING		
<i>in millions of EUR</i>	As of Dec. 31, 2008	As of Sept. 30, 2009
	Assets	Assets
Public and Wholesale Banking	231,660	222,842
Retail and Commercial Banking	58,375	57,157
Asset Management and Services	25,039	25,018
<i>Asset Management</i>	300	256
<i>Investor Services</i>	6,153	5,664
<i>Insurance</i>	18,586	19,098
Group Center	250,409	215,490
<i>Treasury</i>	50,347	38,654
<i>Bond portfolios in run-off</i>	187,686	165,000
<i>Central assets</i>	12,376	11,836
Sub-total⁽¹⁾	565,483	520,507
Unallocated items⁽²⁾	85,523	72,749
Total	651,006	593,256

(1) Includes due from banks, loans and advances to customers, loans and securities held for trading, loans and securities available for sale, investments in associates, other assets specific to insurance companies.

(2) Includes mainly "VI. Derivatives" and "XII. Other assets". The impact of corresponding items in P&L is nevertheless allocated by segment result.

BUSINESS REPORTING						
	Income	o/w net income from associates	Net income before tax	Net income – Group share	o/w impact of the financial crisis	Net income – Group share excluding financial crisis impact
<i>in millions of EUR</i>						
As of September 30, 2008						
Public and Wholesale Banking	1,102	(59)	530	310	(225)	535
Retail and Commercial Banking	2,036	30	272	162	(183)	345
Asset Management and Services	679	1	160	133	(155)	288
<i>Asset Management</i>	159	0	51	44	(17)	61
<i>Investor Services</i>	320	0	97	68	0	68
<i>Insurance</i>	200	1	12	21	(138)	159
Group Center	(12)	13	(1,965)	(1,328)	(2,146)	818
<i>Treasury</i>	450	0	310	223	(107)	330
<i>Bond portfolios in run-off</i>	(517)	0	(1,090)	(868)	(1,198)	330
<i>Central assets</i>	55	13	(1,185)	(683)	(841)	158
Total	3,805	(15)	(1,003)	(723)	(2,709)	1,986
As of September 30, 2009						
Public and Wholesale Banking	1,171	0	645	421	(10)	431
Retail and Commercial Banking	2,173	23	507	364	(14)	378
Asset Management and Services	458	1	(65)	(24)	(251)	227
<i>Asset Management</i>	126	0	33	24	1	23
<i>Investor Services</i>	247	0	17	11	(4)	15
<i>Insurance</i>	85	1	(115)	(59)	(248)	189
Group Center	910	11	66	47	(332)	379
<i>Treasury</i>	614	0	600	395	20	375
<i>Bond portfolios in run-off</i>	(302)	0	(635)	(355)	(393)	38
<i>Central assets</i>	598	11	101	7	41	(34)
Total	4,712	35	1,153	808	(607)	1,415

Relations between business lines, and especially between commercial business lines, financial markets and production and service centers are subject to retrocessions and/or analytical transfers, governed by service level agreements based on normal commercial terms and market conditions. The results of each business line also include:

- The earnings from commercial transformation, including the management costs of this transformation and the Group equity allocated to this activity on the basis of medium and long-term outstanding;

- Interest on economic capital: economic capital is allocated to the business lines for internal purposes and the return on economic capital is used to measure the performance of each business line;
- Funding cost.

NOTE IV. CONTRIBUTION BY ACTIVITY – INCOME

CONTRIBUTION BY ACTIVITY								
	September 30, 2008				September 30, 2009			
	Banking and other activities	FSA ⁽¹⁾	Other insurance activities ⁽²⁾	Total	Banking and other activities	FSA ⁽¹⁾	Other insurance activities ⁽²⁾	Total
Interest margin	3,665	165	447	4,277	3,448	44	491	3,983
Dividend income	50	1	99	150	46	0	44	90
Net income from associates	(16)	0	1	(15)	33	0	2	35
Net income from financial instruments at fair value through profit or loss	(238)	199	4	(35)	(194)	346	(23)	129
Net income on investments	(598)	(956)	(82)	(1,636)	177	(176)	(205)	(204)
Net fees and commissions	1,083	(2)	22	1,103	877	(2)	18	893
Premiums and technical income from insurance activities	4	328	3,496	3,828	4	28	2,012	2,044
Technical expense from insurance activities	0	(81)	(3,792)	(3,873)	(16)	(3)	(2,274)	(2,293)
Other net income	(10)	16	0	6	41	(5)	(1)	35
Income	3,940	(330)	195	3,805	4,416	232	64	4,712
Staff expense	(1,424)	(12)	(78)	(1,514)	(1,274)	(21)	(82)	(1,377)
General and administrative expense	(825)	(23)	(55)	(903)	(758)	(16)	(37)	(811)
Network costs	(230)	0	(46)	(276)	(229)	0	(45)	(274)
Depreciation & amortization	(209)	(2)	(7)	(218)	(201)	(1)	(16)	(218)
Deferred acquisition costs	0	(31)	0	(31)	0	(7)	0	(7)
Expenses	(2,688)	(68)	(186)	(2,942)	(2,462)	(45)	(180)	(2,687)
Gross operating income	1,252	(398)	9	863	1,954	187	(116)	2,025
Impairment on loans and provisions for credit commitments	(965)	(889)	0	(1,854)	(441)	(363)	(17)	(821)
Impairment on tangible and intangible assets	(4)	0	0	(4)	(51)	0	0	(51)
Impairment on goodwill	0	(8)	0	(8)	0	0	0	0
Net income before tax	283	(1,295)	9	(1,003)	1,462	(176)	(133)	1,153
Tax expense	(82)	434	9	361	(292)	(12)	46	(258)
Net income	201	(861)	18	(642)	1,170	(188)	(87)	895
Attributable to minority interest	85	(5)	1	81	87	0	0	87
Attributable to equity holders of the parent	116	(856)	17	(723)	1,083	(188)	(87)	808

(1) As of September 30, 2008 the column includes the full group FSA while as of September 30, 2009, FSA column includes 3-months results of the sold activities on a line by line basis, but offset in Net income on investments and 9-months result of Financial Products activities.

(2) Dexia Insurance Belgium Group and Deniz Hayat Sigorta.

NOTE V. EXCHANGE RATES

EXCHANGE RATES						
		Closing rate			Average rate	
		Sept. 30, 2008	Dec. 31, 2008	Sept. 30, 2009	Sept. 30, 2008	Sept. 30, 2009
Canadian dollar	CAD	1.4939	1.6943	1.5690	1.5527	1.5897
New Turkish lira	TRY	1.7978	2.1332	2.1611	1.8599	2.1374
US dollar	USD	1.4050	1.3971	1.4616	1.5234	1.3709

NOTE VI. SIGNIFICANT ITEMS INCLUDED IN THE STATEMENT OF INCOME

Reported amounts are significant and/or unusual transactions and not only large transactions. The amounts mentioned are year-to-date.

As explained in Note II. Significant changes in scope of consolidation, Dexia no longer consolidates the activities of Financial Security Assurance Holdings Ltd (hereafter FSA Insurance) sold to Assured Guaranty Ltd (Assured) as from April 1, 2009.

The contribution of FSA Insurance's first quarter 2009 result in Dexia's consolidated financial statements on a line by line basis impacts significantly some publication lines among which "Net income from financial instruments at fair value through profit or loss" for EUR 478 million, "Impairment on loans and provisions for credit commitments" for EUR -272 million and "Tax expenses" for EUR -71 million. The net result of EUR 163 million is offset in "Net income on investments" so that the net contribution of FSA Insurance is zero.

As the sales price of FSA Insurance to Assured Guaranty includes Assured Guaranty shares that were valued at USD 8.1 per share on December 31, 2008 (price at the moment of signing sales purchase agreement) and as the quotation of Assured Guaranty shares was USD 12.38 per share on June 30, 2009; a positive amount of EUR 69 million is included in the "Net income on investments" to come to the definitive result on the sale.

The impact of the US mortgage crisis on the Financial Products activity led to the recognition of an amount of EUR -65 million due to impairments on FP portfolio.

A deferred tax asset previously not recognized was recorded for an amount of EUR 59 million.

A charge of EUR 365 million was recognized in interest margin for the retribution of the Belgian, French and Luxembourg states for the guarantee they give to Dexia.

Financial turmoil effects still generated the recognition of several amounts in net income:

- EUR -138 million for own credit risk adjustments
- EUR -231 million for capital losses and impairments on shares belonging to insurance portfolio
- EUR -84 million due to cost of risk on other portfolios
- EUR -47 million for credit value adjustments on derivatives concluded with monolines
- EUR -123 million for mark-to-market adjustments on CDS.

On October 9, 2009, Dexia Funding Luxembourg announced that it will waive the interest payment of November 2, 2009 on its EUR 500 million Fixed Rate/Floating Rate Perpetual Non-cumulative Guaranteed Securities (XS0273230572). The interest payment is discretionary according to the terms and conditions of the Securities. As the interests were distributed to minority interests, this leads to a decrease of minority interests' result of EUR 16 million.

Significant items included in the statement of income as at September 30, 2008 have been reported in Dexia Financial Report 3Q 2008.

Significant items of the quarter are discussed in the management report.

NOTE VII. POST BALANCE SHEET EVENTS

On October 6, 2009 Dexia and Société Générale announced having agreed to enter into negotiations regarding the purchase by Société Générale of Dexia's 20 % interest in Crédit du Nord. With respect to Dexia, this disposal is part of the restructuring of the scope of the Group activities. Société Générale and Dexia expect to finalize this transaction before the end of 2009, after receiving approval from the competent bodies.

On October 14, 2009, by Addendum to the Guarantee Agreement of December 9, 2008, the Belgian, French and Luxembourg governments on the one hand and Dexia on the other, agreed to renew the guarantee scheme for a period of one year, until October 31, 2010.

The renewal also brings some modifications to the guarantee scheme:

- the outstanding guaranteed amount is lowered from EUR 150 billion to EUR 100 billion, with a commitment by Dexia to do its best efforts to limit the use of the guarantee to no more than EUR 80 billion, considering the improvement of Dexia's liquidity position
- the extension to 4 years of the maximum duration of the new financing issued under the revised guarantee scheme
- the waiver by Dexia of the benefit of the guarantee, as from October 16, 2009 for all new contracts with a maturity of less than one month and all contracts with an indefinite term.

The Addendum of October 14, 2009 has been duly authorized by an interim decision of the European Commission for a period of 4 months as from October 30, 2009 or until the final decision – if such decision is adopted before the expiry of such period of 4 months – of the European Commission in the context of the State aid procedure on the compatibility of the aid granted to Dexia with community rules.

This authorisation was delivered by the Commission subject to several prior undertakings which have been approved by the Dexia Board of Directors and which are also valid for the same period of 4 months or until the definitive decision by the Commission, should that decision be taken before then.

During that entire period, Dexia undertakes:

- not to pay dividends to the Group's external shareholders
- not to make any payment of any discretionary coupons, or to exercise any call options on any hybrid Tier 1 instruments or on any Upper Tier 2 perpetual instruments issued by any entity of the Group
- not to carry out any acquisition of credit institutions, insurance companies or investment firms, either directly or via majority-held subsidiaries.

NOTE VIII. LITIGATIONS

1. DEXIA BANK NEDERLAND

Reference is made to the previous disclosures, in particular in the Annual Report 2008 (pages 91-92) and in the Half-yearly financial report 2Q and 1H 2009 (page 37). Since the Half-yearly financial report, no important developments took place. A decision of the Amsterdam Court of Appeal in respect of the interpretation of the important decision of the Netherlands Supreme Court of June 5, 2009 is expected in December 2009.

2. LERNOUT & HAUSPIE

Dexia is involved in various ways in the bankruptcy of Lernout & Hauspie Speech Products (LHSP) and the consequences thereof. The Dexia Annual Report 2008 (especially pages 92-95) describes in detail the various legal actions both in Belgium and abroad and gives a summary of the amounts claimed in the criminal proceedings and in the civil actions and which are known to the bank. Details of the latest developments have been given in the Half-yearly financial report 2Q and 1H 2009 (pages 37-38). The Annual Report 2008 and the Half-yearly financial report 2Q and 1H 2009 can be consulted on www.dexia.com.

Dexia Bank stands by its position that it has substantive arguments to refute all the allegations that have been made against it and emphasizes once again its innocence in this matter.

During the third quarter of 2009, no relevant developments occurred in the Belgian criminal case.

The Luxembourg proceedings have come to an end since the appeal by GE-BAN against the decision of the Luxembourg Court of Appeal of July 12, 2006 was rejected by the Luxembourg Supreme Court on May 14, 2009.

In the Netherlands, Messrs. Hauspie and Willaert did not file any appeal before the Supreme Court against the judgment of the Amsterdam Court of Appeal which confirmed judgments of March 17, 2004 and February 15, 2006 ordering them to pay to GE-BAN an amount of USD 24,999,000 in principal as their security for the loan of USD 25,000,000 granted by Banque Artesia Nederland to Mr. Gaston Bastiaens on July 24, 2000. The condemnation of Hauspie and Willaert to pay these amounts has thus become final.

As already stated in the previous Financial Reports, on January 30, 2009 the Court of Appeal in Ghent deliberated on the criminal case and will deliver its decision at a later, unspecified date.

3. FINANCIAL SECURITY ASSURANCE (SUBPOENA)

On July 1, 2009, Dexia completed the sale of the insurance activities of FSA. As the Financial Products activity was not sold, Dexia remains exposed to the legal risks mentioned in the Dexia Annual Report 2008 (especially page 95), which is available on www.dexia.com.

4. INVESTIGATIONS ABOUT ALLEGED SHORTCOMINGS IN FINANCIAL COMMUNICATION

A shareholder, Mr. Robert Casanovas, and his wife Mrs. Marie Christine Guil, lodged a complaint with the Public Prosecutors in Brussels and Paris on March 11, 2009. These complaints gave rise to the opening of two preliminary investigations which are currently ongoing.

Mr. Casanovas and his wife also served direct summonses on the company Dexia SA and several former and current executives of the Group to appear on October 29, 2009 before the Criminal Court in Paris.

Mr. Casanovas alleges that he has been deceived by the presentation of Dexia's situation in several press releases which he considers inaccurate. He maintains that Dexia minimized the reality of risks and thus failed to fulfil its obligations regarding information and transparency.

He claimed compensation for a loss assessed at EUR 665,850.

Dexia denied any shortcomings in its financial communication, indicating that the allegations made by Mr. Robert Casanovas were unfounded.

As for the criminal complaints, by a decision dated October 14, 2009, the Public Prosecutor in Paris declared the complaint filed by Mr. Robert Casanovas and his wife to be unfounded.

As for the direct summons to appear on October 20, 2009 before the Criminal court in Paris, Mr. Robert Casanovas and his wife Mrs. Marie Christine Guil, who did not attend the hearing, withdrew their action against the company Dexia SA and its former and current executives.

5. DEXIA BANKA SLOVENSKO

In October 2008, some foreign currency trading transactions managed by the treasury of Dexia banka Slovensko (“DBS”) on behalf of some of its professional clients were closed by the bank. Actually the clients concerned, who had been required to, no longer fulfilled their contractual obligation to provide the bank with enough collateral to cover the bank for any potential loss. In the transaction with one of those clients, DBS has recorded a specific provision of EUR 92 million (the bank’s full loss when closing the transactions concerned) and another one of EUR 0.2 million for litigation costs.

In June 2009, this client filed a legal action, for an amount of EUR 162 million, claiming unjustified enrichment on the part of the bank and recovery of the loss arising from the closing of the FX trades concerned. According to this client, the bank did not act in accordance with the laws and contracts. In October 2009 the client reduced the amount of his claim to EUR 110 million. Dexia considers any claim made by this client to be unjustified and speculative and therefore did not make any provision.

LIMITED REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2009

To the Board of Directors

We have performed a limited review of the accompanying condensed consolidated interim financial information, including the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, the consolidated statement of comprehensive income, the consolidated cash flow statement and notes related thereto (jointly the "interim financial information") of Dexia SA ("the company") and its subsidiaries (jointly "the Group") for the nine-month period ended September 30, 2009 as included on pages 21-37 of Dexia's Financial Report 3Q 2009. The Board of Directors of the company is responsible for the preparation and fair presentation of this interim financial information. Our responsibility is to express a conclusion on this interim financial information based on our review.

The interim financial information has been prepared in accordance with IAS 34, "Interim Financial Reporting" as adopted by the EU.

Our limited review of the interim financial information was conducted in accordance with the recommended auditing standards on limited reviews applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". A limited review consists of making inquiries of Group management and applying analytical and other review procedures to the interim financial information and underlying financial data. A limited review is substantially less in scope than an audit performed in accordance with the auditing standards on consolidated annual accounts as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Accordingly, we do not express an audit opinion.

Based on our limited review nothing has come to our attention that causes us to believe that the interim financial information for the nine-month period ended September 30, 2009 is not prepared, in all material respects, in accordance with IAS 34 "Interim Financial Reporting" as adopted by the EU.

Without modifying the conclusion in the preceding paragraph, we draw your attention to the comments included in the 9M & 3Q 2009 results presentation of management with regard to the financial crisis impacting the liquidity position of Dexia.

November 12, 2009

The statutory auditor

DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises

SC s.f.d. SCRL

Represented by Frank Verhaegen

Partner

DELOITTE Bedrijfsrevisoren/Reviseurs d'Entreprises

SC s.f.d. SCRL

Represented by Bernard De Meulemeester

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FINANCIAL CALENDAR

DATES

February 25, 2010

May 12, 2010

May 12, 2010

August 5, 2010

November 10, 2010

EVENTS

Results publication – December 31, 2009

Results publication – March 31, 2010

Annual Shareholders' Meeting for the year 2009

Results publication – June 30, 2010

Results publication – September 30, 2010