DEXIA BANK BELGIUM SA

Limited liability Company of unlimited duration incorporated under Belgian law
With registered office situated at 1000 Brussels, boulevard Pachéco 44
registered in the "Régistre des Personnes Morales" under number 0403.201.185,
and liable to VAT under the number BE 403.201.185.

Issuer

VERY LONG TERM Warrant Series 08-09

Issue Price (Commission included): 10. 00 EUR

The Warrants will be offered to the public from September 17th, 2008 to September 19th, 2008 (4.00 pm) included (except in case of early closing) in the offices of Dexia Bank Belgium SA. The main office is 44 boulevard Pachéco, 1000 Brussels (tel: 0800/999.00).

The Issuer has chosen according to article 28, §1 of the law of 16 June 2006 on the public offerings of securities and the admission to trading of securities on a regulated market to draw up this Prospectus as a single document.

This Prospectus is dated September 15th 2008

1. Table of Contents

2. Summary

The following summary is established in accordance with article 24, §2 of the law of 16 June 2006 on the public offerings of securities and the admission to trading of securities on a regulated market and conveys, in a brief manner and in a non-technical language, the essential characteristics and risks associated with the Issuer and the Warrants.

Summary of the Prospectus

Issue Price (Commission included) : 10.00 EUR

Very Long Term Warrants Series 08-09

(the "Warrants")

issued by

DEXIA BANK BELGIUM S.A.

Limited liability Company of unlimited duration incorporated under Belgian law
With registered office situated at 1000 Brussels, boulevard Pachéco 44
registered in the " Régistre des Personnes Morales" under number 0403.201.185,
and liable to VAT under the number. BE 403.201.185.

The Prospectus including this summary is available free of charge in the offices of the Issuer. The public can subscribe the Warrants from 17 September 2008 to and including 19 September 2008 (4 pm Brussels time), except in case of early closing, in the offices of the Issuer (tel.: 0800/999.00).

The Prospectus is approved by the Banking, Finance and Insurance Commission of Belgium on September 16th, 2008 in accordance with article 23 of the law of 16 June 2006 on the public offerings of securities and the admission to trading of securities on a regulated market. This approval does not entail any appraisal of the appropriateness or the merits of the issue nor of the situation of the Issuer.

WARNING

The investor must be fully aware that he can suffer a loss that can amount to as much as the amount of capital invested. How the Warrant's value develops depends on a multitude of factors (knowledge about which can be gained from the Prospectus) and thus not simply from the evolution of the value of the underlying value.

This summary should only be read as an introduction to the Prospectus. Any decision to invest in the Warrants should be based on consideration of the Prospectus as a whole by potential investors. Where a claim relating to the information contained in this Prospectus is brought before a court, the plaintiff Warrant Holder might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability attaches to those persons who have tabled this summary including any translation thereof, and applied for its notification, such person being the Issuer, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus.

Risk factors

A call warrant on a value gives the holder (the 'Warrant Holder') the right, but not the obligation, to buy the Underlying Value at a predetermined price (the 'Strike Price') and during a predetermined period (the 'Exercise Period').

There are significant risks associated with the Warrants described in this Prospectus including, but not limited to, market risk (market movement of interest rates, Underlying Value and volatility,…), price risk, liquidity risk (there is no large secondary market although Dexia Bank will provide sufficient liquidity through bid prices) and credit risk (creditworthiness of the Issuer).

The Warrants involve a high degree of risk, especially with regard to the development of the Underlying Value. Furthermore the risks may include, among others, interest rates till Maturity Date, time value and political risks. Due to their nature, the Warrants may be subject to considerable fluctuations in value, which may, under certain circumstances, result in a total loss of the purchase price of the Warrants. Prospective purchasers should be aware that the value of the Warrants may decline and be prepared to bear the risk of a total loss of their investment. This risk reflects the nature of a Warrant as an asset which – other factors held constant – tends to decline in value over time and which may become worthless on its Maturity Date.

Prospective purchasers of Warrants should be experienced with respect to warrants and related transactions, should understand the risks of transactions involving the relevant Warrants and should reach an investment decision only after careful consideration, with their advisers, of the suitability of an investment in such Warrants in view of their particular financial circumstances, the information set forth in this summary and the information set forth in the entire Prospectus.

The risk of the loss of some or all of the purchase price of a Warrant upon Maturity Date means that, in order to recover and realise a positive return upon his or her investment, a purchaser of a Warrant has to make a correct estimation of the direction, timing and magnitude of an anticipated change in the Underlying Value of the Warrant.

Fluctuations in the Underlying Value of the Warrant will affect the value of the Warrant. Purchasers of Warrants risk losing their entire investment if the Underlying Value does not move in the anticipated direction.

Summary of the "Information concerning the Warrants to be offered"

Issuer:	Dexia Bank Belgium SA., a limited liability company incorporated under the laws of Belgium (hereinafter "Dexia Bank") (see under article 6 for information about the Issuer)
Offering Period:	The Warrants will be offered for subscription from September 17, 2008 until and including September 19, 2008 (4 pm Brussels time).
Notional Amount:	Maximum 200,000,000 EUR
Issue Date:	29 September 2008
Payment Date:	29 September 2008
Maturity Date:	29 September 2058
Warrant type:	The Call Warrants can only be exercised during the Exercise Period
Exercise Period:	Each business day on which commercial banks in Belgium are open for business from 29 August 2058 until and including the Maturity Date
Exercise Date:	Date during the Exercise Period on which the Warrants are exercised.
Issue Price (Commission included):	10.00 EUR (being 9.50 EUR, increased with the Commission)
Commission:	0.50 EUR
Costs:	There are no additional costs of subscription.
Parity:	The Parity is the number of Warrants necessary to buy an Underlying Value at the payment of the Strike Price. The Parity equals 90.90 % of the Net Asset Value of the Underlying Value at September 30^{th}, 2008 (which will be posted on www.dexia.be on October 1^{st}, 2008) divided by the Issue Price (Commission excluded).
Physical delivery:	Not applicable
Underlying Value:	The Underlying Value is a share of the Dexia Equities L Euro 50 Capitalisation (ISIN code: LU0012091087 – Bloomberg Code: ELK3591 LX), a compartment of the Dexia Equities L, a UCITS incorporated under the laws of Luxembourg
Strike Price:	The Strike Price is equal to the net asset value of the Underlying Value on 30 September 2008 which will be posted on www.dexia.be (Sparen & Beleggen / Producten / Fondsen / Aandelenfondsen – Epargner & Investir / Produits / Fonds / Fonds d'actions) on 1 October 2008 (< TO BE DETERMINED > EUR)
Exercise:	Delivery of the Underlying Value against payment of the Strike Price. The request to Exercise needs to be submitted during the Exercise Period.

Isin Code:	BE0305376205
Governing law:	The Warrants are governed by the laws of Belgium
Listing:	None

Description of the Underlying Value

Dexia Equities L Euro 50 is a compartment of Dexia Equities L, a UCITS incorporated under the laws of Luxembourg. The assets of this compartment consist mainly of a portfolio of variable-yield securities, mainly shares, convertible bonds and warrants issued for the most part by European companies and traded on the stock exchanges of those countries. At least two thirds of the net assets of the portfolio of this compartment are invested in equity-type transferable securities included in the Dow Jones EURO STOXX 50 ® index, although they are not themselves indexed. Two-thirds of the net assets will always be invested in euro-denominated securities on these markets.
The compartment may also hold, on an ancillary basis, cash or money market instruments whose residual maturity does not exceed 12 months.

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

Description of the Dow Jones EURO STOXX 50® index

The Dow Jones EURO STOXX 50® index (Bloomberg code SX5E) represents the performance of 50 companies representing the market sector leaders in the Euro zone. The index is a free float market capitalisation weighted index which captures around 60% of the underlying market capitalisation of the Dow Jones EURO STOXX Total Market ® Index. Components weightings are based on the number of free float shares; i.e. those shares that are available for trading.
The index was developed with a base value of 1000 as of December 31, 1991.
The index is continuously calculated and quoted.

Composition of the index on August 01, 2008 : Aegon NV, Air Liquide SA, Alcatel SA, Allianz AG, ArcelorMittal, Assicurazioni Generali SpA, AXA SA, Banco Bilbao Vizcaya Argentaria SA, Banco Santander Central Hispano SA, BASF AG, Bayer AG, BNP Paribas SA, Carrefour SA, Cie de Saint-Gobain, Credit Agricole SA, DaimlerChrysler AG, Deutsche Bank AG, Deutsche Boerse,AG, Deutsche Telekom AG, E.On AG, Enel SpA, ENI SpA, Fortis, France Telecom SA, Groupe Danone, Iberdrola SA, ING Groep NV, Koninklijke Philips Electronics NV, L'Oreal SA, LVMH Moet Hennessy Louis Vuitton SA, Muenchener Rueckversicherungs AG, Nokia OYJ, Renault SA, Repsol YPF SA, RWE AG, Sanofi-Aventis, Sanpaolo IMI SpA, SAP AG, Schneider Electric SA, Siemens AG, Societé Generale, Suez SA, Telecom Italia SpA, Telefonica SA, Total SA, UniCredito Italiano SpA, Unilever NV, Vinci SA, Vivendi, Volkswagen AG.

Historical evolutions

a) Historical evolution of the Underlying Value

Source: Bloomberg

	HIGH (in EUR)	*LOW (in EUR)*
1 January1999 –31 March 1999	*579.20*	*529.89*
1 April 1999 – 30 June 1999	*596.89*	*552.60*
1 July 1999 - 30 September 1999	*612.44*	*544.27*
1 October 1999 – 31 December 1999	*742.99*	*554.78*
1 January 2000 –31 March 2000	*857.50*	*694.09*
1 April 2000 – 30 June 2000	*834.95*	*756.97*
1 July 2000 - 30 September 2000	*827.75*	*760.75*
1 October 2000 – 31 December 2000	*779.46*	*703.84*
1 January 2001 –31 March 2001	*727.53*	*588.84*
1 April 2001 – 30 June 2001	*694.85*	*610.36*
1 July 2001 - 30 September 2001	*655.56*	*444.26*
1 October 2001 – 31 December 2001	*585.33*	*493.06*
1 January 2002 –31 March 2002	*584.96*	*523.03*
1 April 2002 – 30 June 2002	*575.16*	*452.06*
1 July 2002 - 30 September 2002	*487.56*	*338.82*
1 October 2002 – 31 December 2002	*413.73*	*332.16*
January 2003	*390.71*	*333.57*
February 2003	*350.90*	*318.07*
March 2003	*347.33*	*285.44*
April 2003	*365.53*	*314.64*
May 2003	*369.59*	*346.39*
June 2003	*393.06*	*368.28*
July 2003	*392.43*	*369.09*
August 2003	*405.26*	*380.28*
September 2003	*412.33*	*372.95*
October 2003	*400.73*	*379.31*
November 2003	*413.75*	*399.95*

December 2003	*428.25*	*412.31*
January 2004	*449.95*	*432.12*
February 2004	*456.20*	*437.43*
March 2004	*460.52*	*420.30*
April 2004	*452.37*	*433.36*
May 2004	*439.77*	*413.77*
June 2004	*444.89*	*424.08*
July 2004	*440.21*	*413.80*
August 2004	*425.95*	*406.58*
September 2004	*439.84*	*423.65*
October 2004	*446.24*	*430.17*
November 2004	*458.97*	*448.58*
December 2004	*463.46*	*453.41*
January 2005	*468.06*	*458.59*
February 2005	*484.96*	*471.79*
March 2005	*489.21*	*475.56*
April 2005	*484.47*	*460.83*
May 2005	*490.91*	*464.48*
June 2005	*504.90*	*491.40*
July 2005	*529.78*	*503.63*
August 2005	*536.15*	*512.03*
September 2005	*543.50*	*519.58*
October 2005	*549.35*	*514.17*
November 2005	*550.36*	*526.62*
December 2005	*572.86*	*554.39*
January 2006	*583.46*	*559.68*
February 2006	*603.57*	*581.09*
March 2006	*610.51*	*584.94*
April 2006	*615.20*	*595.33*
May 2006	*613.87*	*557.64*
June 2006	*575.31*	*537.35*
July 2006	*583.10*	*550.69*
August 2006	*604.02*	*574.14*
September 2006	*611.35*	*587.85*
October 2006	*629.77*	*607.66*
November 2006	*642.54*	*621.04*
December 2006	*647.18*	*616.14*
January 2007	*663.23*	*642.05*
February 2007	*674.31*	*642.85*
March 2007	*655.70*	*611.50*
April 2007	*691.54*	*654.29*
May 2007	*717.84*	*692.26*
June 2007	*724.34*	*695.66*
July 2007	*726.19*	*673.99*
August 2007	*695.22*	*646.85*
September 2007	*699.94*	*658.49*
October 2007	*713.42*	*694.54*
November 2007	*703.37*	*669.97*
December 2007	*716.75*	*690.26*
January 2008	*696.89*	*578.67*
February 2008	*621.70*	*590.15*
March 2008	*591.67*	*549.72*
April 2008	*615.49*	*603.23*
May 2008	*630.28*	*607.68*
June 2008	*615.02*	*552.66*
July 2008	*558.33*	*519.76*
August 2008	*565.25*	*537.12*

Net Asset Value ***in EUR (12/09/2008)*** *538.44*

Source: Bloomberg

b) Historical evolution of the Dow Jones EURO STOXX 50 ® index

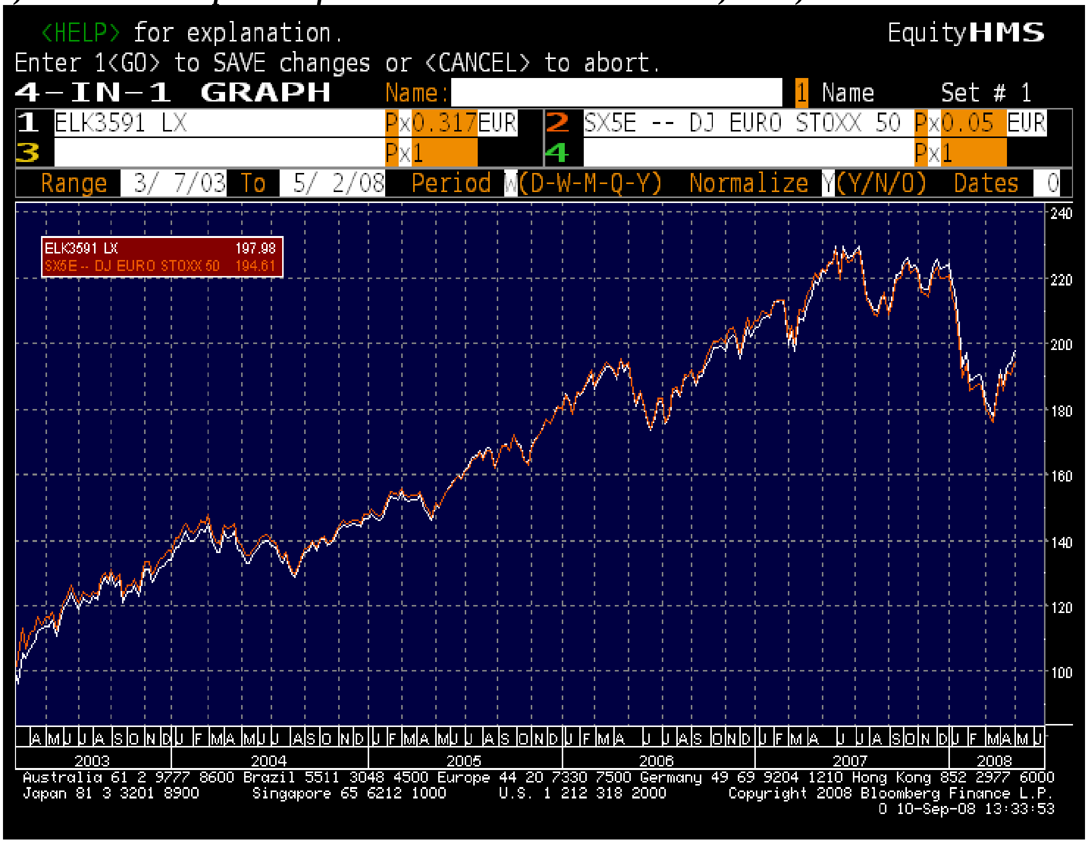
Source: Bloomberg

	HIGH	***LOW***
1 January1999 –31 March 1999	*3685.36*	*3325.56*
1 April 1999 – 30 June 1999	*3867.89*	*3573.60*
1 July 1999 - 30 September 1999	*3971.84*	*3512.71*
1 October 1999 – 31 December 1999	*4904.46*	*3607.72*
1 January 2000 –31 March 2000	*5464.43*	*4500.69*
1 April 2000 – 30 June 2000	*5434.81*	*4903.92*
1 July 2000 - 30 September 2000	*5392.63*	*4915.18*
1 October 2000 – 31 December 2000	*5101.40*	*4614.24*
1 January 2001–31 March 2001	*4787.45*	*3891.49*
1 April 2001 – 30 June 2001	*4582.07*	*4039.16*
1 July 2001 - 30 September 2001	*4304.44*	*2877.68*
1 October 2001 – 31 December 2001	*3828.76*	*3208.31*
1 January 2002–31 March 2002	*3833.09*	*3430.18*
1 April 2002 – 30 June 2002	*3748.44*	*2928.72*
1 July 2002 - 30 September 2002	*3165.47*	*2187.22*
1 October 2002 – 31 December 2002	*2669.89*	*2150.27*
January 2003	*2529.86*	*2154.53*
February 2003	*2280.82*	*2058.97*
March 2003	*2249.11*	*1849.64*
April 2003	*2365.97*	*2067.23*
May 2003	*2389.7*	*2229.43*
June 2003	*2527.44*	*2365.76*
July 2003	*2519.79*	*2366.86*
August 2003	*2593.55*	*2436.06*
September 2003	*2641.55*	*2395.87*
October 2003	*2542.52*	*2427.06*
November 2003	*2592.91*	*2517.38*
December 2003	*2660.37*	*2572.70*
January 2004	*2746.40*	*2687.39*
February 2004	*2775.08*	*2678.48*

March 2004	2804.06	2608.38
April 2004	2795.53	2694.18
May 2004	2753.15	2626.96
June 2004	2840.04	2713.29
July 2004	2806.62	2640.61
August 2004	2712.45	2580.04
September 2004	2790.67	2691.67
October 2004	2834.62	2734.37
November 2004	2922.24	2834.03
December 2004	2955.11	2888.02
January 2005	2984.59	2924.01
February 2005	3085.95	3008.85
March 2005	3114.54	3032.13
April 2005	3090.72	2930.10
May 2005	3096.54	2949.09
June 2005	3190.80	3099.20
July 2005	3333.05	3170.06
August 2005	3370.84	3224.10
September 2005	3429.42	3274.42
October 2005	3464.23	3241.14
November 2005	3471.43	3312.45
December 2005	3616.33	3499.40
January 2006	3691.41	3532.68
February 2006	3840.56	3671.37
March 2006	3874.61	3727.96
April 2006	3888.46	3770.79
May 2006	3890.94	3539.77
June 2006	3648.92	3408.02
July 2006	3710.60	3492.11
August 2006	3817.86	3640.60
September 2006	3899.41	3739.70
October 2006	4027.29	3880.14
November 2006	4109.81	3974.62
December 2006	4140.66	3932.09
January 2007	4195.22	4090.88
February 2007	4272.32	4087.12
March 2007	4191.58	3906.15
April 2007	4416.79	4189.55
May 2007	4512.65	4391.87
June 2007	4556.97	4376.42
July 2007	4557.57	4239.18
August 2007	4364.22	4062.33
September 2007	4389.33	4136.45
October 2007	4489.79	4356.24
November 2007	4415.27	4195.58
December 2007	4469.47	4301.34
January 2008	4339.23	3577.99
February 2008	3867.47	3678.16
March 2008	3684.54	3431.82
April 2008	3828.46	3671.28
May 2008	3882.28	3711.03
June 2008	3737.34	3340.27
July 2008	3387.50	3142.73
August 2008	3445.66	3248.92
Closing Level (12/09/2008)	3278.02	

Source: Bloomberg

c) Historical comparison of the evolution as mentioned under a) and b)



Source: Bloomberg

Financial service

The financial service will be performed by Dexia Bank

The price of the Warrants is available on demand in every agency of Dexia Bank or on www.dexia.be (Epargner & Investir Produits / Autres // Sparen & Beleggen / Producten / Andere). Dexia Bank will organise the secondary market from the day following the Issue Date, thereby providing liquidity through bid prices. These bid prices are subject to a brokerage fee (excluding stock market tax) with a maximum of 1%.

In addition, the bid prices of the Warrants are subject to the market conditions (in practice, the conditions between 16.30 and 17.30 (Brussels Time)) concerning interest rates, the Underlying Value, volatility,...

Information related to the pricing of the Warrants.

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

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

remaining maturity. Therefore under normal circumstances, the value of the Warrant with a longer remaining maturity will be greater than the value of a Warrant with a shorter remaining maturity. In short, the value of the Warrant decreases if the remaining maturity diminishes.

- The interest rate for the remaining maturity: the value of the Warrant increases if the interest rate until Maturity Date increases.

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

Information related to the behaviour of the Warrants.

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

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

(Leverage = $\partial P/\partial S$ x S/P)

where:

S = the price of the Underlying Value

P = the value of the Warrant

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

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

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

Tax rules on Warrants in Belgium

(a) Tax rules applicable to natural persons resident in Belgium

There are no income taxes due on the surplus values obtained by the Warrant Holders through the sale or the Exercise of the Warrants, provided the surplus values have no speculative (as set forth in article 90, 1 Belgian Income Tax Code) or professional character. The losses are not tax deductible.

The sale and purchase on the secondary market of Warrants through a professional Belgian intermediary is subject to a 0.17% stock market tax (beurstaks, taxe sur opérations boursières) on the sales price with a maximum of EUR 500 per transaction and per party.

(b) Tax rules applicable to tax payers taxed as corporations in Belgium

The surplus values obtained by the Warrant Holders through the sale of the Warrants are subject to corporate income tax. The losses are tax deductible.

The sale and purchase on the secondary market of Warrants through a professional Belgian intermediary is subject to a 0.17% stock market tax (beurstaks, taxe sur opérations boursières) on the sales price with a maximum of EUR 500 per transaction and per party.

The surplus values obtained by the Warrant Holders through the sale of the shares (acquired through the Exercise of the Warrants) are subject to corporate income tax. The losses are not tax deductible. In case of the Exercise of a Warrant, the amount paid by the Warrant Holder to acquire the Warrant is not tax deductible.

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

Delivery of the Warrants

The Warrants cannot be physically delivered and shall be deposited on a Dexia Bank securities account. Dexia Bank shall not charge any fees for the safekeeping of the Warrants in a securities account.

Exercise procedure

a) Exercise notice

The day on which the Warrants are exercised is called the Exercise Date and falls within the Exercise Period (each business day on which commercial banks in Belgium are open for business from 29 August 2058 to and including the Maturity Date). In order to exercise the Warrants the Warrant Holder shall fill out and file the attached exercise form (avis d'exercice, uitoefeningsformulier) at a Dexia Bank agency at the earliest at the start of the Exercise Period and at the latest on the Maturity Date. The exercise form (avis d'exercice, uitoefeningsformulier) is available in all Dexia Bank agencies.

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

The costs (commission) related to the Exercise amount to 2.5% of the Strike Price of the Warrant with a minimum of 100 EUR per transaction increased with the subscription costs and fees related to the Underlying Value.

If the Warrants are not exercised within the above-mentioned Exercise Period, they will be bought back by the Issuer at Maturity Date against the bid price at that date, which at Maturity Date equals the Net Asset Value of the Underlying Value minus the Strike Price, insofar as this difference is a positive number. This amount will subsequently be reduced with the brokerage fee (with a maximum of 1%) and the stock market tax.

b) Settlement

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

c) Consequence of the Exercise

The Exercise is irrevocable.

Information about the Issuer

Dexia Bank is a limited liability Company of unlimited duration incorporated under Belgian law and registered in the "Régistre des Personnes Morales" under number 0403.201.185, and liable to VAT under the number BE 403.201.185.

According to Article 3 of its Articles of Association, Dexia Bank's main object is financial services to the Belgian local authorities. In addition, Dexia Bank also has commercial activities, together with private banking activities, wealth management and fund management. Dexia Bank is also active on the capital markets.

Exercise Notice

AVIS D'EXERCICE

Je, soussigné(e)

Nom : ____
Prénom : ____
Adresse : ____
titulaire de ________ (nombre) Very Long Term Warrants L EURO Series 08-09 sur l'action Dexia Equities L Euro 50 Capitalisation:

- déclare par la présente vouloir exercer ________ (nombre) Warrants et donc acheter le total des actions Dexia Equities L EURO 50 Capitalisation auxquelles j'ai droit au prix de < TO BE DETERMINED > EUR (le Prix d'Exercice mentionné dans le Prospectus relatif à l'émission des Very Long Term Warrants Series 08-09);

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

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

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

- déclare avoir pris entière connaissance des conditions mentionnées dans le Prospectus de Dexia Banque Belgique S.A. relatif à l'émission des Very Long Term Warrants Series 08-09.

Fait le________________________________ à _______________________

Signature :

UITOEFENINGSFORMULIER

Ik, ondergetekende

Naam : ____
Voornaam : ____
Adres : ____
houder van __________ (aantal) Very Long Term Warrants Series 08-09 op het aandeel Dexia Equities L Euro 50 Kapitalisatie:

* verklaar hierbij _____ (aantal) Warrants te willen uitoefenen en aldus het overeenstemmende aantal aandelen Dexia Equities L EURO 50 Kapitalisatie waarop ik recht heb aan te kopen tegen < TO BE DETERMINED > EUR (de Uitoefenprijs vermeld in het Prospectus van de uitgifte van de Very Long Term Warrants Series 08-09);

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

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

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

* verklaar volledig kennis te hebben van de voorwaarden die vermeld staan in het Prospectus van Dexia Bank België N.V. betreffende de uitgifte van Very Long Term Warrants Series 08-09.

Opgemaakt te____________________________ op _______________________

Handtekening :

3. Risk factors related to the Warrants (Annex XII 2.)

This article sets out certain aspects of the offering of the Warrants of which prospective investors should be aware. Prior to making an investment decision, prospective investors should carefully consider all the information set out in this Prospectus, including in particular the risk factors detailed below. This overview is not intended to be exhaustive and prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus.

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

Price risk
The price of the Warrants is subject to the market conditions, interest rates, volatilities,... In case of sale of the Warrants before maturity, the sale proceeds can be lower than the invested amount.

Liquidity risk
No application is made to list the Warrants on a stock Exchange. There is no assurance that an active trading market for the Warrants will develop. Dexia Bank Belgium SA will organise the secondary market from the day following the Issue Date and provide liquidity through bid prices. These bid prices are subject to a brokerage fee (excluding stock market tax) of 1% maximum.

Potential investors should take into account the possible risk of a total value loss of their investment.

4. Documents incorporated by reference

This Prospectus should be read and construed in conjunction with the audited consolidated accounts of Dexia Bank for the years ended 31st December 2006 and 31st December 2005, including the reports of the statutory auditors in respect thereof, which are incorporated by reference in this Prospectus. Copies of all documents incorporated by reference will be available free of charge from the offices of the Issuer. Additionally, the annual reports of the Issuer are available on the internet site of Dexia (www.dexia.be/viadexia/publications).

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

(a)		*DEXIA BANK BELGIUM S.A.*	
(b)	**(c)**	***(d)* Annual Report 2007(**	***(f)* Annual Report 2006(g)**
Consolidated Balance Sheet		26	30
Consolidated Statement of Income		28	32
Audit Report		130	122
Notes to the Consolidated Financial Statements		37	40
Non-Consolidated Balance Sheet		134	126
Non-Consolidated Statement of Income		137	129
Audit Report		194	188

(a)		*DEXIA BANK BELGIUM S.A.*	
(b)	(c)	*(d) Annual Report 2007(*	*(f) Annu al Report 2006*(g)
Notes to the Consolidated Financial Statements		145	137

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

5. Minimum disclosure requirements (Regulation (EC) 809/2004, Annex XI and XII)

The Issuer has freely defined the order in the presentation of the required items included in the schedules and building blocks of the Commission Regulation (EC) n°809/2004 of 29 April 2004 implementing Directive 2003/71/EC as regards information contained in prospectuses as well as the format, incorporation by reference and publication of such prospectuses and dissemination of advertisements (hereinafter referred to as "Regulation (EC) 809/2004") according to which this Prospectus is drawn up. The chosen presentation is a consequence of the combination of Annex XI and Annex XII of Regulation (EC) 809/2004. In order to enable the Warrant Holders to identify in the presentation below the corresponding provisions of Regulation (EC) 809/2004, each subparagraph will be preceded by a cross-reference to Regulation (EC) 809/2004 and the relevant Annex. Finally, any items which do not require, in their absence, an appropriate negative statement according to Regulation (EC) 809/2004, are not included in the presentation when the Issuer so determines.

1. Persons responsible (Annex XI 1.)

Dexia Bank Belgium SA having its registered office at boulevard Pachéco, 44 in 1000 Brussels, Belgium (hereinafter "the Issuer" or "Dexia Bank") accepts joint and several liability for the information contained in all parts of this single Prospectus.

The Issuer declares that, having taken all reasonable care to ensure that this is the case, the information contained in all parts of this single Prospectus is, to the best of his knowledge, in accordance with the facts and contains no omission likely to affect its import.

2. Statutory auditors (Annex XI 2.)

The auditor of the Issuer is B.C.V. Deloitte & Touche (Member of Deloitte Touche Tohmatsu International), Britselei 23/25, B - 2000 Antwerpen. (member of IBR – IRE Instituut der Bedrijfsrevisoren/ Institut des Réviseurs d'Entreprises).

3. Selected financial information of the Issuer

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

The consolidated financial information below has been extracted without material adjustment from the consolidated audited financial statements of Dexia Bank for the years ended 31 December 2007 and 31 December 2006 which were prepared in accordance with IFRS.

Audited Consolidated Balance Sheet of the Issuer as of December 31, 2007 and December 31, 2006

ASSETS

in thousands of EUR		Dec. 31, 2006	Dec. 31, 2007
I.	Cash and balances with central banks	938 245	4 912 969
II.	Loans and advances due from banks	80 693 485	79 269 848
III.	Loans and advances to customers	83 545 044	80 205 945
IV.	Financial assets measured at fair value through profit or loss	15 484 989	16 195 140
V.	Financial investments	54 288 491	64 477 908
VI.	Derivatives	15 189 000	14 943 021
VII.	Fair value revaluation of portfolio hedge	225 929	(109 849)
VIII.	Investments in associates	616 901	628 391
IX.	Tangible fixed assets	1 318 279	1 297 492
X.	Intangible assets and goodwill	218 953	217 032
XI.	Tax assets	243 418	481 021
XII.	Other assets	1 616 848	2 149 498
XIII.	Non current assets held for sale	44 590	29 112
	Total assets	**254 424 172**	**264 697 528**

LIABILITIES

in thousands of EUR		Dec. 31, 2006	Dec. 31, 2007
I.	Due to banks	119 470 433	113 091 738
II.	Customer borrowings and deposits	66 536 382	76 079 030
III.	Financial liabilities measured at fair value through profit or loss	5 333 071	7 052 683
IV.	Derivatives	15 428 478	14 306 907
V.	Fair value revaluation of portfolio hedge	0	0
VI.	Debt securities	21 990 958	26 820 484
VII.	Subordinated debts	3 139 242	3 087 464
VIII.	Technical provisions of insurance companies	12 143 466	14 929 260
IX.	Provisions and other obligations	1 002 512	901 613
X.	Tax liabilities	186 627	130 903
XI.	Other liabilities	2 325 293	2 911 885
XII.	Liabilities included in disposal groups held for sale	0	0
Total liabilities		**247 556 462**	**259 311 967**

EQUITY
in thousands of EUR

XIV.	Subscribed capital	958 066	958 066
XV.	Additional paid-in capital	209 232	209 232
XVI.	Treasury shares	0	0
XVII.	Reserves and retained earnings	3 202 512	3 216 186
XVIII.	Net income for the period	1 157 195	1 046 693
Core shareholders' equity		**5 527 005**	**5 430 177**
XIX.	Gains and losses not recognized in the statement of income	886 946	(231 557)
Total shareholders' equity		**6 413 951**	**5 198 620**
XX.	Minority interests	27 729	71 916
XXI.	Discretionary participation features of insurance contracts	426 030	115 025
Total equity		**6 867 710**	**5 385 561**
Total liabilities and equity		**254 424 172**	**264 697 528**

Audited Consolidated Statement of Income of the Issuer as of December 31, 2007 and December 31, 2006

in thousands of EUR		Dec. 31, 2006	Dec. 31, 2007
I.	Interest income	37 929 848	54 832 258
II.	Interest expense	(35 967 959)	(52 624 237)
III.	Dividend income	118 068	114 550
IV.	Net income from associates	122 346	110 329
V.	Net income from financial instruments at fair value through profit or loss	78 324	(24 183)
VI.	Net income on investments	652 393 (1)	270 683
VII.	Fee and commission income	486 042	554 590
VIII.	Fee and commission expense	(92 595)	(102 000)
IX.	Premiums and technical income from insurance activities	3 521 081	4 518 424
X.	Technical expense from insurance activities	(3 735 193)	(4 826 133)
XI.	Other net income	(60 115)	63 125
	Income	**3 052 240**	**2 887 406**
XII.	Staff expense	(764 379)	(695 280)
XIII.	General and administrative expense	(517 308)	(564 856)
XIV.	Network costs	(352 575)	(366 889)
XV.	Depreciation & amortization	(142 371)	(108 660)
XVI.	Deferred acquisition costs	0	0
	Expenses	**(1 776 633)**	**(1 735 685)**
	Gross operating income	**1 275 607**	**1 151 721**
XVII.	Impairment on loans and provisions for credit commitments	(38 391)	(60 065)
XVIII.	Impairment on tangible and intangible assets	(1 269)	(1 370)
XIX.	Impairment on goodwill	0	0
	Net income before tax	**1 235 947**	**1 090 286**
XX.	Tax expense	(74 898)	(37 835)
	Net income of continuing operations	**1 161 049**	**1 052 451**
XXI.	**Discontinued operations (net of tax)**		
	Net income	**1 161 049**	**1 052 451**
	Attributable to minority interest	3 854	5 758
	Attributable to equity holders of the parent	1 157 195	1 046 693

Audited Cash Flow Statement of the Issuer as of December 31, 2007 and December 31, 2006

in thousands of EUR	Dec. 31, 2006	Dec. 31, 2007
Cash flow from operating activities		
Net income after income taxes	1 161 049	1 052 451
Adjustment for:		
- Depreciation , amortization and other impairment	154 324	127 625
- Impairment on bonds , equities, loans and other assets	(64 919)	33 496
- Net gains on investments	(532 487)	(333 974)
- Charges for provisions (mainly insurance provision)	2 796 093	3 325 947
- Unrealized gains or losses	207	(25 841)
- Income from associates	(122 346)	(110 329)
- Dividends from associates	78 239	71 095
- Deferred taxes	(69 062)	(42 464)
- Other adjustments		
Changes in operating assets and liabilities	13 183 330	15 250 648
Net cash provided (used) by operating activities	**16 584 428**	**19 348 654**

Cash flow from investing activities		
Purchase of fixed assets	(149 116)	(273 503)
Sales of fixed assets	131 784	216 374
Acquisitions of unconsolidated equity shares	(826 965)	(2 265 014)
Sales of unconsolidated equity shares	983 581	1 663 980
Acquisitions of subsidiaries and of business units	217	(1 884)
Sales of subsidiaries and of business units	147 975	63 666
Net cash provided (used) by investing activities	**287 476**	**(596 381)**
Cash flow from financing activities		
Issuance of new shares	1 843	10 056
Issuance of subordinated debts	667 525	241 090
Reimbursement of subordinated debts	(238 561)	(276 905)
Purchase of treasury shares		
Sale of treasury shares		
Dividends paid	(881 457)	(871 284)
Net cash provided (used) by financing activities	**(450 650)**	**(897 043)**
Net cash provided	**16 421 254**	**17 855 230**
Cash and cash equivalents at the beginning of the period	**43 128 870**	**59 546 293**
Cash flow from operating activities	16 584 428	19 348 654
Cash flow from investing activities	287 476	(596 381)
Cash flow from financing activities	(450 650)	(897 043)
Effect of exchange rate changes and change in scope of consolidation on cash and cash equivalents	(3 831)	(3 092)
Cash and cash equivalents at the end of the period	**59 546 293**	**77 398 431**
Additional information		
Income tax paid	(165 956)	(76 089)
Dividends received	196 307	185 646
Interest received	38 940 874	56 169 377
Interest paid	(37 926 778)	(53 469 298)

Audited Consolidated Balance Sheet of the Issuer as of 30 June 2007 and 30 June 2008

DEXIA BANK BELGIUM

Assets	Consolidated Figures June 2007	Consolidated Figures June 2008	Δ
I. Cash and balances with central banks	596.591.435	3.272.353.220	2.675.761.785
II. Loans and advances due from banks	70.903.782.696	86.502.070.213	15.598.287.517
III. Loans and advances to customers	87.564.600.763	88.052.682.412	488.081.649
IV. Financial assets measured at fair value through profit or loss	16.546.292.889	17.091.802.449	545.509.560
V. Financial investments	56.797.823.164	62.767.185.512	5.969.362.348
VI. Derivatives	16.684.896.440	19.390.799.662	2.705.903.222
VII. Fair value revaluation of Portfolio hedge	-323.128.567	-537.582.109	-214.453.542
VIII. Investments in associates	597.769.299	578.337.599	-19.431.700
IX. Tangible fixed assets	1.246.860.520	1.294.162.525	47.302.005
X. Intangible assets and goodwill	206.489.906	228.078.705	21.588.799
XI. Tax assets	514.625.416	750.576.166	235.950.750
XII. Other assets	2.705.744.322	1.206.455.668	-1.499.288.654
XIII. Non current assets held for sale	37.932.792	41.550.003	3.617.211
Total Assets	**254.080.281.075**	**280.638.472.024**	**26.558.190.949**

DEXIA BANK BELGIUM

Liabilities

	Consolidated Figures June 2007	Consolidated Figures June 2008	Δ
Liabilities			
I. Due to banks	111.542.050.746	125.057.552.805	13.515.502.059
II. Customer borrowings and deposits	72.134.331.586	80.546.608.621	8.412.277.035
III. Financial liabilities measured at fair value through profit or loss	5.076.990.520	7.052.812.169	1.975.821.649
IV. Derivatives	14.997.288.326	17.508.628.558	2.511.340.232
V. Fair value revaluation of Portfolio hedge	0	0	0
VI. Debt securities and convertible debts	23.904.918.443	24.358.947.626	454.029.183
VII. Subordinated debts	3.340.141.070	2.839.777.410	-500.363.660
VIII. Technical provisions of insurance companies	13.128.404.674	16.915.375.525	3.786.970.851
IX. Provisions and other obligations	889.657.401	864.878.932	-24.778.469
X. Tax liabilities	213.264.523	173.215.337	-40.049.186
XI. Other liabilities	2.957.459.056	2.242.851.335	-714.607.721
XIII. Liabilities included in disposal groups held for sale	0	11.301.005	11.301.005
Total Liabilities	**248.184.506.345**	**277.571.949.323**	**29.387.442.978**
Equity			
XIV. Subscribed capital	958.066.226	958.066.226	0
XV. Additional paid-in capital	209.232.120	209.232.120	0
XVI. Treasury shares	-87	-87	0
XVII. Other reserves	2.648.259.527	3.030.509.757	382.250.230
XVIII. Retained earnings	547.392.070	733.462.916	186.070.846
XIX. Net income for the period	635.161.409	553.447.742	-81.713.667
Core shareholders' equity	**4.998.111.265**	**5.484.718.674**	**486.607.409**
Gains and losses not recognised in the statement of income	**639.313.586**	**-2.466.363.548**	**-3.105.677.134**
XX. Gains and losses of securities not recognised in the income statement	634.887.314	-2.428.430.239	-3.063.317.553
XXI. Gains and losses of derivatives not recognised in the income statement	-1.760.844	-12.689.222	-10.928.378
XXII. Gains and losses of associates not recognised in the income statement	10.064.400	-13.019.556	-23.083.956
XXIII. Non realized performance reserves relating to non current assets held for sale	0	0	0
XXIV. Cumulative translation adjustments	-3.877.284	-12.224.531	-8.347.247
Total shareholders' equity	**5.637.424.851**	**3.018.355.126**	**-2.619.069.725**
XXV. Minority interests	27.635.247	48.139.298	20.504.051
XXVI. Discretionary Participation Feature (Insurance)	230.714.632	28.277	-230.686.355
Total equity	**5.895.774.730**	**3.066.522.701**	**-2.829.252.029**
Total equity and liabilities	**254.080.281.075**	**280.638.472.024**	**26.558.190.949**

Audited consolidated Statement of Income of the Issuer as of 30 June 2007 and 30 June 2008

DEXIA BANK BELGIUM

Income Statement	Consolidated Figures June 2007	Consolidated Figures June 2008	Δ
I. Interest income	25.918.892.542	28.101.049.700	2.182.157.158
II. Interest expense	-24.916.822.522	-26.735.289.438	-1.818.466.916
Net interest income	1.002.070.019	1.365.760.263	363.690.244
III. Dividend income	87.119.113	114.545.127	27.426.014
IV. Net income from associates	67.886.744	32.528.534	-35.358.210
V. Net income from financial instruments at fair value through profit or loss	94.063.737	-65.218.296	-159.282.033
VI. Net income on investments	228.515.020	34.689.627	-193.825.393
Net income on capital	**1.479.654.633**	**1.482.305.255**	**2.650.622**
VII. Fee and commission income	282.642.934	286.146.783	3.503.849
VIII. Fee and commission expense	-53.748.102	-59.278.433	-5.530.331
Net commissions	228.894.832	226.868.351	-2.026.481
IX. Premium and technical income from insurance companies	2.052.600.323	2.929.595.514	876.995.191
IX. Technical expense from insurance activities	-2.274.682.297	-3.130.098.561	-855.416.264
X. Other net income	22.485.078	23.055.771	570.694
Income	**1.508.952.569**	**1.531.726.330**	**22.773.761**
XI. Staff expense	-338.432.060	-344.916.431	-6.484.371
XII. General and administrative expense	-274.387.582	-274.475.211	-87.629
XIII. Network costs	-182.470.664	-183.786.258	-1.315.594
XIV. Depreciation & amortisation	-53.998.832	-50.663.530	3.335.302
XV. Deferred acquisition costs	0	0	0
Expenses	**-849.289.138**	**-853.841.430**	**-4.552.292**
Gross operating income	**659.663.431**	**677.884.900**	**18.221.469**
XVI. Impairment on financial assets and provisions for credit commitments	-25.596.498	-17.730.688	7.865.810
XVII. Impairment on tangible and intangible assets	198.056	628.978	430.922
XVIII. Impairment on goodwill			
Net income before tax	**634.264.989**	**660.783.190**	**26.518.201**
XIX. Tax expense	2.425.055	-103.321.301	-105.746.356
Net income	**636.690.044**	**557.461.889**	**-79.228.155**
XXI. Minority interests	-1.528.634	-4.014.145	-2.485.510
XXII. Net result attributable to shareholders of the parent	**635.161.410**	**553.447.744**	**-81.713.666**

Audited Cash Flow Statement of the Issuer as of 30 June 2007 and 30 June 2008

DBB CONSOLIDATED	30/06/08	30/06/07
CASH FLOW FROM OPERATING ACTIVITIES		
Net income for the period	553,447,743	635,161,409
Net income attributable to minority interests	4,014,145	1,528,634
ADJUSTMENT FOR :		
Depreciation, amortization and other impairment	59,117,460	62,776,293
Impairment on bonds, equities,loans and other assets	51,714,521	6,731,727
Net gains on investments	-95,073,686	-257,360,127
Charges for provisions	1,989,577,376	1,461,250,849
Unrealised gains or losses	-11,665,973	-8,407,929
Income from associates (except dividends received)	-32,528,534	-67,886,744
Dividends received from associates	62,490,579	68,369,547
Deferred taxes	19,496,087	-97,613,303
Other adjustments	2,805,060	0
Changes in operating assets and liabilities	-3,551,878,049	7,303,670,654
NET CASH PROVIDED BY OPERATING ACTIVITIES	**-948,483,271**	**9,108,221,010**
CASH FLOW FROM FINANCING ACTIVITIES		
Issuance of new shares	0	767,802
Reimbursement of capital	0	0
Issuance of subordinated debt	300,000,000	262,904,319
Reimbursement of subordinated debt	-186,153,517	-43,259,890
Purchase of treasury shares		
Sales of treasury shares		
Dividend paid	-503,545,444	-871,300,552
NET CASH PROVIDED BY FINANCING ACTIVITIES	**-389,698,961**	**-650,888,321**
Effect of exchange rates changes on cash and cash equivalents	**-250,355**	**-1,274,613**
NET INCREASE IN CASH AND CASH EQUIVALENT	**-1,983,122,882**	**8,383,445,063**
CASH & CASH EQUIVALENT AT THE BEGINNING OF PERIOD	77,398,430,713	59,546,292,575
NET CASH PROVIDED BY OPERATING ACTIVITIES	-948,483,271	9,108,221,010
NET CASH PROVIDED BY INVESTING ACTIVITIES	-644,690,295	-72,613,013
NET CASH PROVIDED BY FINANCING ACTIVITIES	-389,698,961	-650,888,321
EFFECT OF EXCHANGE RATES CHANGES ON CASH AND CASH EQUIV.	-250,355	-1,274,613
CASH & CASH EQUIVALENT AT THE END OF PERIOD	75,415,307,831	67,929,737,638

3.2. The latest Dexia Group Press Release dated August 29, 2008, relative to Dexia Group activity for the 2th quarter is available in Annex 2 for informational purposes.

4. Risk factors related to the Issuer (Annex XI 3.)

Operational Risk

Operational risk is defined as the risk of loss arising from the inadequacy or failure of procedures, individuals or internal systems, or even external events (such as, but not limited to natural disasters and fires). It includes risk relating to the security of information systems, litigation risk and reputation risk.

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

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

Credit Risk
As a credit institution, the Issuer is exposed to the creditworthiness of its customers and counterparties. The Issuer may suffer losses related to the inability of its customers or other counterparties to meet their financial obligations.

Capital Adequacy
The introduction in 2007 of the general agreement of the Basel Committee for Bank Supervision for the International Convergence of Capital Measurement and Capital Standards of June 2004, or Basel II, is likely to bring changes to banks' capital ratios, including those of the Issuer. The direction and magnitude of the impact of Basel II will depend on the particular asset structures of each bank and its precise impact on the Issuer cannot be quantified with certainty at this time.

Market Risk
Market risk is the risk of loss relating to fluctuations in market prices and interest rates, their interactions and their level of volatility. Due to the nature of its activity, Dexia Bank Belgium is prevented from assuming significant exposure to market risk.

The prominent risk factors that are material to the Warrants are stated under article 4 above.

6. Information about the Issuer (Annex XI 4.)

6.1. Dexia Bank is a Société Anonyme incorporated under Belgian law on 23rd October, 1962 and registered in the "Régistre des Personnes Morales" under number 0403.201.185, and liable to VAT under the number. BE 403.201.185. Its registered office is situated at 1000 Brussels, boulevard Pacheco 44 and its telephone number is +32.2.222.11.11

Dexia Bank was created and developed as the financial institution of municipalities in 1860. Since 1945, the bank has also approached the market of private individuals and set up a network of branches. From 1990 onwards it has been operating on the international market and in 1996 it has joined Crédit Local de France and Banque Internationale à Luxembourg to create the Dexia Group ("Dexia").

While Dexia has become the world leader in Public & Project Finance and financial services for local authorities, Dexia Bank has always ranked first in Belgium in this business line for the local sector and other public authorities.

Following the merger with Artesia Banking Corporation (Banque Artesia, BACOB, Artesia Services) in 2002[1], Dexia Bank became one of the major players in the Belgian retail market and strengthened its activity in the field of insurance, financial markets, social profit as well as private and corporate banking.

Together with Dexia Crédit Local S.A. ("Dexia CL") and Dexia Banque Internationale à Luxembourg, société anonyme ("Dexia BIL"), Dexia Bank is part of the important European banking group Dexia ("Dexia").

Dexia is a European banking group and the world leader in local public finance Dexia provides financial services to the local public sector, retail and private banking services, asset management, insurance and investor services in various parts of the world, mainly in Europe and in the United States.

.Dexia is one of the top fifteen banking groups in the euro zone with a stock market capitalization of EUR 11.7 billion as of June 30, 2008. At the end of 2007, Dexia employed 35,200 people in 37 countries.

Dexia Bank's object is to carry on the business of a credit institution and it has in furtherance of its object all the necessary powers, including the power to enter into transactions on financial derivatives. As such Dexia Bank may - for its own account and for the account of third parties - even by intermediary of a natural person or a legal

[1] On April 1, 2002, Artesia Banking Corporation SA has legally taken over Dexia Bank Belgium SA and changed its name into Dexia Bank Belgium. The "old" Dexia Bank Belgium has been dissolved without liquidation. The date of incorporation of the "new" Dexia Bank Belgium (previously named ao "Financieringsbank" and "Artesia Banking Corporation") is 23 October 1962.

entity, both in Belgium and abroad, undertake any and all activities and carry out all banking transactions including inter alia:

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

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

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

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

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

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

The Group's principal banking entities – Dexia Crédit Local, Dexia Bank and Dexia BIL – are all rated AA/Aa1/AA+, which were recently affirmed by the rating agencies but placed on negative outlook by Standard & Poor's on 9 July 2007, by Fitch on 17 July 2008 and by Moody's on 14 August 2008; three of Dexia's European subsidiaries issue Triple-A rated secured bonds; and U.S. subsidiary Financial Security Assurance (FSA) one of the world's three largest bond insurers is a Triple-A rated company. On 21 July 2008, Moody's announced that it would review FSA's Aaa rating for possible downgrade, citing a number of systemic concerns. This was followed on 6 August 2008 by Standard & Poor's affirming FSA's AAA rating, but with a negative outlook. Fitch affirmed FSA's AAA. FSA will work closely with the three rating agencies to maintain its triple A ratings.

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6.2. Investments

6.2.1. There have been no investments made since the date of the last published financial statements.

6.2.2. The Issuer has not planned any principal future investments.

6.2.3. Seen that there are no firm commitments for future investments, no information regarding the anticipated sources of funds needed to fulfil them is provided.

7. Business overview of the Issuer (Annex XI 5.)

Public, social and corporate sector

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

Public and social sector

2007, being the first year of the new legislature, did not see any genuine recovery in demand for new funding by local authorities. Total new long-term loans granted by Dexia Bank in 2007 to local government amounted to EUR 1,115 million. Thanks to the exemplary efforts by a public finance network made up of commercial staff spread throughout the country, Dexia Bank was able to maintain its leading position on the market with a market share of some 78%.

Other public sector customers were also able to rely on the bank, which granted a total of EUR 1,464 million to finance new projects. Worth highlighting is the funding provided for a new telecom operator which sought to launch its business at regional level, and for a para-federal agency of the energy sector which obtained the finance required to operate on the international markets.

The social sector took out new funding contracts worth a total of EUR 515 million.

At December 31, 2007 the total volume of outstanding long-term loans granted to the public and social sectors by Dexia bank and its subsidiaries amounted to EUR 28.6 billion, up 7% on the previous year. At the end of 2007 the total volume of outstanding short-term loans to these sectors amounted to EUR 3.5 billion.

At the end of 2007 public and social sector sums on deposit and assets under management amounted to EUR 12.6 billion, up 21 % on the position at the end of 2006.

With regard to insurance products, the professional and integrated approach to customers resulted in a growth of over 20% in premiums paid by public sector customers throughout the year as a whole, amounting to a total of EUR 55 million.

In 2007 too, Dexia Bank made several major advances in the improvement of the range of products and services it offers to the public and social sectors. In addition to its general banking services, customers welcomed the introduction of decision support tools in the field of assistance, information needs and training. in line with Dexia's vision of sustainable development, Dexia Bank focuses mainly on structural problems which, if they are not sufficiently addressed in the near future, risk compromising the financial balance of the public authorities and institutions in the social sector. The "energy line" and "people line" programs thus contain among other things proposals for solutions which the authorities and institutions can apply with a view to achieving a responsible consumption of energy and for managing the consequences of an ageing population.

With the "it line" the bank has rationalized its full range of electronic services to the public and social sectors. This is a field in which the bank has been ahead of the market for over ten years. Customers appreciate this approach as can be seen from the 800 users of the "papyrus" application for managing dematerialized documents which, in legal and security terms, have the same value as their paper-based versions. "Dexia Immoline" offers local authorities and social institutions solutions that enable them to manage their extensive real-estate assets in the most efficient manner possible.

For institutions in the health sector (hospitals, rest homes, institutions for the care of the handicapped) Dexia Bank has specifically developed tailor-made financing systems as part of the Vipa (Vlaams Instrastructuurfonds voor Persoonsgebonden aangelegenheden – Flemish infrastructural fund for matters linked to persons) alternative funding system. The first applications for funding made by the Flemish care institutions under this new system of subsidies were entrusted to Dexia Bank. The bank is also a major partner in the provision of alternative funding through the CRAC (Centre régional d'Aide aux communes – regional centre for assistance to municipalities) account for local government supra-municipal investments in the hospital sector in Wallonia. The approved lending companies in the social housing sector, whose funding since 2007 has been guaranteed by the

Flemish community, have appointed Dexia bank as the sole financier of their loans. As part of the current restructuring of French-speaking university institutions, a partnership has been concluded with the bank which has been able to offer the Belgian market original and novel solutions for large scale financing projects.

Dexia Bank enhanced its reputation in 2007 as an expert in financial information for local government. The brochure entitled “What is at stake financially for new local councils” provided the newly elected representatives with information on the principal issues that will have financial repercussions on local government finance during the new municipal legislature. With the “New socio-economic typology of municipalities” the bank has updated its ten-year-old classification of Belgian local councils into categories that are as homogeneous as possible on the basis of a broader set of socio-economic criteria. The distribution offers a framework within which it is possible to show a growth dynamic of groups of municipalities which operate under similar socio-economic conditions. That dynamic can have serious consequences for the issues confronting local government and the availability of funding to finance certain strategic options.

By adding a “rest-home” section to the annual financial analysis of institutions in the social sector (MARA or Model for Automatic Resthome Analysis) in collaboration with the two Flemish umbrella organizations, Dexia Bank has again enhanced its expertise in this widely disparate sector.

Corporate sector

Innovation and diversification in corporate banking, combined with a solid approach to customers, are the basic ingredients in the bank’s success in developing business in the different segments of the market. The creation of new products as presented in an innovative “energy line”, the search for diversification in debt management and the introduction of appropriate web applications for electronic banking for corporate customers are a few examples of such innovation.

Initiated last year, the commercial approach adopted by Dexia bank and its subsidiaries (which consists in integrating a system for coordinating information and commercial experience into the strategic account plans) made a substantial contribution in 2007 to the 110% (EUR 4.6 billion) rise in the volume of new long-term financing contracts concluded.

As regards structured & project finance, Dexia Bank was able to use its experience and expertise in the financing of large-scale national and international infrastructure projects. In Belgium the bank acted as the sole Mandated Lead Arranger (MLA) for a EUR 111 million arrangement of long-term debt for C-Power to finance the first phase of the construction and running of the wind farm off the Belgian coast. “Project Finance Magazine” awarded the project its “Deal of the Year 2007” prize. In collaboration with three other MLAs, Brussels Airport was granted credit lines amounting to EUR 1.6 billion to replace its existing credit facilities of EUR 1.1 billion. In this way Brussels Airport will be able to fund a series of infrastructural projects, among them the new “Brucargo West” freight space.

Large financing projects were also undertaken with other MLAs in the harbor infrastructure sector, notably the Maher Container Terminals in the port of New York and the Carrix on the west coast of North America. Dexia Bank also participated to the tune of EUR 286 million as co-MLA in the acquisition by Benelux Port Holdings of two specialized installations in the handling of bulk merchandize and cargo in general. Dexia Bank consolidated its position in shipping finance by a number of funding operations for various Belgian and international shipping companies. The USD 450 million multi-option credit granted by the bank as lead manager to CSAV, the main Latin-American container operator was nominated the “Most innovative shipping finance deal” of 2007 by Lloyds Shipping Economist.

Within Dexia Corporate Finance, the bank was able to boast several successful operations in such key sectors as electricity supply and property in Belgium, France and Denmark. it intervened as a promoter for the introduction to the stock market of the European tranche of the private placement by the sustainable French energy company “Velcan Energy” for which EUR 20 million were placed with several institutional customers. As senior co-lead manager, it organized the private placement of EUR 153 million in shares of the renewable Danish energy company “Greentech Energy System”.

On the Belgian market Dexia Bank intervened as a Joint Global coordinator for one of the biggest capital increases last year, the Befimmo SPO[a], the proceeds of which served to finance the acquisition of Fedimmo (Belgian state Sicaf – fixed capital investment fund). The bank was also the financial adviser for the public offering of Dolmen for the purchase of its own shares, a first on the Belgian capital market. Furthermore, Dexia Bank was a co-manager for the placement of Fortis shares when it increased its capital by EUR 13.4 billion (an operation without precedent on the Belgian market), a joint lead manager and a promoter of the capital issue of Quest For Growth (EUR 19.8 million) and co-manager for the retail tranche of the Transics IPO[(b)].

Dexia Private Equity contributed to the success of the sale of Indaver, a high-tech company specializing in the sustainable and integral management of waste for public sector enterprises and administrations. However special mention should be made of the EUR 135 million first closure of DG Infra+, the investment fund run by Dexia and GIMV (the regional investment company of Flanders) for infrastructural projects and public-private sector partnerships in the Benelux. At that first closure, several major investors, including Ethias, Holding Communal, SRWI (the regional investment company of Wallonia) and Arcofin, subscribed. The call for funds was launched in September 2007 and will without doubt be definitively closed in the spring of 2008.

The activities of Dexia Real Estate were affected above all by the slowdown in the Brussels office property market. However, that slowdown was offset by the increase in funding operations on the residential market and the support provided by the property-market transactions carried out by Belgian customers in Luxembourg. The prominent position of the bank on the public sector property market in Belgium was confirmed by the delivery of the “LEX” building to the European council of ministers and the “D4” building to the European parliament. The participation in the Scholenbouw Vlaanderen (school buildings of Flanders) tender and the creation of Dexia Immorent in collaboration with Arco, Holding Communal and GVA, are evidence of an active search for alternative building solutions for the local authorities.

Personal financial services

Unlike last year, the economy in general and the climate on the financial markets in particular gave rise to a certain degree of glumness on the part of households and entrepreneurs.

Although kept buoyant at the beginning of the year under the favorable effects of new jobs being created, consumer confidence was seriously shaken in the middle of the year by the liquidity crisis and its repercussion on the stock markets. The savings rate remained stable though relatively low, thus sustaining consumer spending despite the rise in energy and food prices. The building sector sustained a slight setback following the rise in the long-term interest rate, above all during the first half of the year and from the hike in prices. However, both the mortgage market and the business lending market continued to grow unabated.

For Belgian investors 2007 was a year of disappointment. Until May, there was nothing to suggest that the long rise in the stock market prices would ever end. Then the markets were engulfed in the liquidity crisis following the defaults on redemptions of American mortgages, which resulted in the BEL20 sustaining in 2007 its first loss for five years with a fall of 6%. Since then this liquidity crisis has also ended the rising trend in the short-term and long-term rates and caused them to fall.

The weakening of the stock markets and the decline in rates prompted wary investors to look around for suitable returns, thereby enhancing the competition between the banks. Savings accounts have always been less attractive to savers than fixed term accounts. During the first half of the year until the stock market hit hard times, equity-linked investment products (investment funds and investments in branch 23 insurance products) had found favor with investors.

The total investments by retail and private banking customers at Dexia bank amounted at the end of 2007 to EUR 98 billion, a rise of 3.1 % on the previous year. Like last year, the main thrust came from the bank’s private banking customers. For the second year running, balances on savings accounts fell, settling at EUR 24 billion at the end of 2007, down 8% on the previous year.

The relative share of savings accounts in the overall investments of retail customers thus fell to a quarter. During the course of 2007 the basic rate of interest on savings accounts remained unchanged whereas it was only during the month of January – traditionally the month for sales drives on savings accounts – that the growth premium was raised from 0.5 to 2%.

(a) SPO: Secondary Public Offering.

(b) IPO: Initial Public Offering.

The lack of interest in savings accounts initially benefited term accounts on which the rate of interest, particularly for short periods, increased. As a result fixed-term account balances almost doubled. Savings bonds were not really able to take advantage of the limited and hesitant increases in rates that were brought in up to the middle of 2007. The cuts in rates applied in august and November 2007 ended up causing a 6% drop in year-end balances as compared with December 2006. To attract investors more to savings bonds, Dexia bank launched the 5-year DexiaBon with its annual fixed or progressive coupon but allowing the bank the possibility of early redemption (from the payment of the 2nd coupon).

Investment products on which the return depends in whole or in part on the progress of the stock market were affected by the fall in prices, mainly during the second half. at the end of 2007 both the net assets of investment funds and the branch 23 insurance investment reserves were 8% down on the previous year. However, the 60 structured bonded loans which the bank offered its retail and private banking customers through its Dexia funding Netherlands subsidiary met with considerable success. Even so, the biggest growth was to be found in investments in branch 21 insurance products with a guaranteed return, whose reserves increased by no less than 36% in 2007.

In order to establish a long-term sustainable relationship, Dexia bank aims to achieve a maximum degree of satisfaction among its customers through the range of financial services it offers private individuals and small companies. Which is why the bank adopts the role of partner with its customers in the achievement of their objectives through a range of specific information to enable them to take the right decisions in the complex and ever-developing field of investment. The bank thus invests considerably in the structural aid brought to its agents and sales staff when advising customers and selling the bank's products.

In connection with that, the bank has developed a major new instrument that enables investment advisers to effect an in-depth examination of an investment portfolio when discussing it with the customer. The system takes into account as many of the factors that can influence the customer's present and future financial situation as possible, such as his current assets, his family situation, his chosen investor profile as well as his needs and future projects. These factors make it possible to simulate a typical portfolio best able to respond to the customer's expectations and future needs and, should he wish so, to formulate proposals to steer his portfolio in that direction within the guidelines laid down by the MiFiD directives.

In the autumn of 2007 the bank organized no fewer than 360 talks in the framework of the "Dexia investor Days". These talks, arranged by the sales networks throughout the country and with the collaboration of specialists from the head office, covered certain subjects linked to investment, pension provision, inheritance, and subjects of concern to small and medium-sized businesses (e.g. transfer from a family business). The abundance of information that risks overwhelming the customer is distilled during these talks to its essential and objective points, supplemented by the experienced view of the bank's specialists. These initiatives have been widely appreciated all round, have promoted customer satisfaction and opened up avenues for a proactive approach to customers.

With regard to the problem of pensions in particular, Dexia Bank has put in a lot of additional work to make customers aware of the need to constitute a pension capital in good time. The sales network has been equipped with a simulator which gives the customer an idea of the extra efforts he will have to make to save in order to maintain his desired purchasing power. That capital can be constituted through Dexia Horizon B, a flexible investment fund without any capital guarantee but in which the risk of loss is almost automatically excluded, on the one hand by the long duration and on the other by a gradual shift from holdings in equities to holdings in bonds as the maturity date approaches.

2007 was also a fruitful year for lending. Outstanding loans to retail and private banking customers amounted at the end of the year to EUR 27.7 billion, a rise of 9.4% in one year. as with investment, the main rise (+31 %) was to be found in the private banking segment. This favorable development is still dictated by mortgages in a market that has certainly peaked but where competition remains intense. At 10%, the increase in outstanding mortgages in 2007 was slightly down on that of the previous year. The rise in outstanding consumer loans on the other hand was halved to 4%. Loans to small and medium-sized businesses did well, with outstanding loans increasing by 9% in 2007 against 6% in 2006.

The favorable development of business loans shows that Dexia Bank is on the right path to achieving its ambitions in the field of business banking. The main objectives here are to recruit new customers, become their principal banker through cross-sales and persuade them also to entrust their private investments to the bank. SCRLs (limited liability cooperative companies) and the branch network were able to count on the support of some thirty business bankers specializing mainly in approaching business customers, particularly medium-sized companies. Spread throughout the country on a regional basis, they act as direct partners of their business customers and offer them expertise and knowledge beyond that possessed by employees in the branches.

Dexia Business Banking thus takes as its example the success story of Dexia Private Banking (DPB). For several years DPB has been working with more than forty private bankers who approach their private banking customers directly from the regional head offices or indirectly by supporting the sales networks. Such a win-win collaboration between the private bankers and the sales networks bore fruit in 2007 as well. In a market where customers change, where products become increasingly complex and where new competitors emerge, DPB managed to increase its clientele by 8% in 2007. Investments rose by 10% and lending by 30% under highly volatile and less favorable market conditions.

Asset management contracts (discretionary and advisory) saw a sharp rise (23%) in terms of the net value of assets under management. New products enabled DPB to respond to the wishes of new customers. “Dexia Portfolio Advanced” is a new discretionary management contract offering greater flexibility for reacting to changing market conditions. The launching of a new asset-management training program, the Dexia Private Banking Academy, provided a means of continually improving the aptitudes and skills of those responsible for private banking in the branch networks. For the fact is that specialized and highly qualified employees are still the best weapon with which to address the virulent competition between market operators when it comes to attracting and retaining customers.

The focus on the customer and on customer satisfaction is also the cornerstone of the new range of current account services offered by Dexia bank. Everything indicates that the customer prefers to carry out his transactions electronically by using a debit or credit card or over the internet. And in so doing, he demands a clear and transparent overall package that enables him to make payments rapidly, simply and in full security both in Belgium and abroad. From now on every retail customer can choose between five current accounts and go for the account with its cards and services that suits him best. The new accounts bear the name of the colour of the card linked to the account and also reflect the range of services that go with it (from blue for the accounts with all the basic services to platinum for accounts offering additional services for payments in Belgium and abroad).

Still in the field of payments, Dexia bank has installed eight new automatic teller machines at Brussels Airport which, with 60,000 to 70,000 people passing through each day, is undeniably a “high traffic point” and is very important for its brand image as a point of access to Brussels and Belgium. From now on one can buy tickets to enter various theme parks and festivals using one’s debit card in cashless machines located in those branches that display the Dexia ticket shop logo.

In 2007 the number of subscribers to Dexia Direct net increased by 260,000 – up 35% on the previous year – bringing the total to over a million subscribers. The enormous success of the internet bank was enhanced last year by the extension of the range of transactions that can be carried out on line such as the opening of a pension-savings account, the application for a credit card, consultation of the status of loans and obtaining digitalized bank statements.

In the light of the Dexia Group’s commitment to sustainable development, Dexia bank continued to expand its range of green products for its retail customers: eco-housing credit, eco-car credit and variable mileage insurance. The bank aims to limit the direct impact it has on the environment by offering the option mentioned above of requesting bank statements through Dexia Direct net in digitalized rather than paper-based form and by using electronic signatures for documents in the branches – two measures which produce a considerable saving in paper.

Treasury and financial markets

Through its activities on the financial markets Dexia Bank aims first and foremost to offer high quality financial products to customers of the different commercial networks. Treasury & Financial Markets (TFM) is also responsible for the dynamic management of the bank’s balance sheet putting the working capital allocated to the business lines to work in the best possible manner. TFM activities focus on the preparation and development of new business and the generation of additional revenue for the bank.

These characteristics also lie at the heart of the new organizational structure of TFM. The bank’s business on the financial markets has been divided into three groups, which has made it possible to bring together expertise in certain segments of the market. TFM's aim is always to raise and stimulate the customer focus of the business through interaction with other divisions within the business unit.

The first group is Treasury, which is responsible for the financial management of Dexia Bank's balance sheet and includes such departments as cash & liquidity management, alm short term, long term-funding and ALM LT. The second group, Market Engineering & Trading (MET), brings together all the expertise in Forex, equities and structured products both for retail customers and for the public sector. The third group, Fixed Income, covers all transactions regarding the Credit Spread Portfolio (CSP), Credit Structuring & Trading (CST), securitization, Structured Solutions, and Sales & Modelling.

The multi-annual strategy for TFM ("TFM +") fits in perfectly with this new organizational structure and is intended to enable TFM to make a greater contribution towards the income of the Dexia Group. The aim is to make the most of the bank's skills in these activities, such as its knowledge of particular assets, its capacity for "origination" through its branch networks, its technological and innovative strength and the management of its balance sheet. at the same time the it infrastructures of all the dealing rooms of the Dexia Group match each other in the best possible manner, thereby making it possible to adopt an effective and integrated front-to-back approach to transactions.

The creation of Dexia Investment Company (DIC) in 2006 provided the bank with a skills centre for its long-term ALM investments. In 2008 DIC will become the Dexia Group's only skills and investment centre for the Group's long-term ALM investments in EUR.

In 2007 the TFM activities of the London branch were integrated into Dexia Bank, the main task being to develop funding activities in sterling within Cash & Liquidity Management and ALM Short Term. In a second stage, Sales & Equity business will also be launched and developed in London.

In the field of securitization Dexia also carried out various transactions in 2007. Using a synthetic securitization transaction, the bank was able to pass on the risk on a 3 billion usD portfolio of abs (asset backed securities). a second transaction related to public sector loans. A EUR 1.7 billion portfolio was transferred to Dexia Municipal Agency with a view to generating finance through the issuing of hedged bonds. Lastly, Denizbank also raised funds by issuing abs notes based on the future cash flows to turkey that pass through Denizbank accounts from abroad.

In order to meet its long-term funding needs, the bank issued a total of EUR 3.4 billion in structured bonded loans either itself, or through its subsidiary Dexia Funding Netherlands (DFN). 70 of the 78 issues were launched by DFN. 60 issues were sold through the bank's branch network and placed with its retail and private banking customers.

RECENT DEVELOPMENTS

On July 3, Dexia's approved the plans for the changes in the operational organization of Dexia. This project aims to bring out greater integration within the Group and simplify its organisation and decision-making procedures. This involves in particular:

- giving Dexia the status of a European company (Dexia SE) to assert the European foundations of a group that has been attached to its Belgian and French roots since its creation;
- simplifying the way the various lines of activity are organised to increase commercial efficiency;
- strengthening the integration of the support functions within Dexia SE, among other things by sharing their competence centres.

During the summer, these proposals will be presented to the Group's regulators and finalised within each entity concerned, and then from September onwards consultations will be held with social partners with a view to the gradual implementation from the end of 2008.

The ratings of Dexia Bank, Dexia Crédit Local and Dexia BIL were recently affirmed by the rating agencies but placed on negative outlook by Standard & Poor's on July 9, by Fitch on July 17 and by Moody's on August 14.

On July 21 Moody's announced that it would review FSA's Aaa rating for possible downgrade, citing a number of systemic concerns. This was followed on August 6 by Standard & Poor's affirming FSA's AAA rating, but with a negative outlook. Fitch affirmed FSA's AAA. FSA will work closely with the three rating agencies to maintain its triple A ratings.

Over the last months, Dexia conducted a broad and deep review of FSA's strategy and prospects. Whilst it is clear that there are many uncertainties in the monoline industry over the near to intermediate term, the Group has come to the conclusion that there is value to be made for its shareholders by focusing FSA on Dexia's core franchise of worldwide leader in Public Finance. As a result, Dexia released on August 6 a number of key decisions regarding FSA: discontinue the ABS and structured finance activity and downsize the Financial Products business line; support directly FSA's Financial Products business (details will be communicated in due time); strengthen FSA's provisions to anticipate a prolongation of the mortgage crisis well into mid-2009 with a return to a normalized situation not before the middle of 2010; the injection of an additional USD 300 million in FSA to add to its capital strength and support new business originations in Public and Infrastructure Finance.

Since August 6, Dexia and FSA have been working actively on implementing the above-mentioned strategic decisions. In the meantime, the Group also continues to monitor market developments and assess additional actions given market conditions and the current low visibility prevailing in the industry.

A more comprehensive report of the strategic review of FSA is available in Annex 3 for informational purposes.

8. Organisational structure (Annex XI 6.)

8.1 Dexia Bank is held for 99.9% by Dexia, Rogierplein 11, 1210 Brussels.

8.2. The Issuer is part of the Dexia Group, but is not dependent on its parent company Dexia SA, except for matters which are common in a company group structure and which do not adversely affect i) its business or ii) financial position.

9. Trend information (Annex XI 7.)

The Credit Crunch and its impact on the Issuer have already been discussed in depth in article 7.

The Dexia Group Press Release dated September 15, 2008, relative to exposure to Lehman Brothers is available in Annex 5 for informational purposes.

Other than that, there has been no material adverse change in the prospects of the Issuer since 31 December 2007. In addition, there are no other known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the prospects of the Issuer for the current financial year.

10. MANAGEMENT AND SUPERVISION (Annex XI 9.)

Management – Board of Directors

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

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

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

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

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

(h).. ame	*(i) Principal Occupation or Employment*	*(j) S ince*	*(k) Te rm Expires*
Chairman			
Marc Deconinck..................	Burgomaster - Beauvechain	2002	2010
Vice-chairmen			
Jozef Gabriels.....................	Burgomaster - Genk	2002	2010
Pierre Richard.....................	Chairman of the Board of Directors of Dexia S.A.	2002	2010
Members			
Stefaan Decraene...............	Chairman of the Management Board, Director of Dexia Insurance Belgium	2003	2010
Dirk Gyselinck	Member of the Management Board, Public and Social Sector and Corporate	2007	2010
Marc Lauwers	Member of the Management Board, Personal Financial Services	2007	2010
Jean-François Martin	Member of the Management Board, Chief	2007	2010

(h)..ame	*(i) Principal Occupation or Employment*	*(j) Since*	*(k) Term Expires*
	Financial Officer and Risk Management		
Ann De Roeck	Member of the Management Board, Secretary General, Legal and Fiscal Services, Wealth Analysis and Planning	2007	2010
Roger Leyssens	Member of the Management Board, Human Resources Services	2007	2010
Dirk Vanderschrick	Member of the Management Board, IT, Operations, Facility Management & Organization	2007	2010
Henri Branson.....................	Administrator	2002	2010
Wivina Demeester	Former Municipal Councillor – Zoersel	2002	2010
Jean-Jacques Viseur	Burgomaster - Charleroi	2006	2010
Marc Justaert......................	Chairman of the National Alliance of Christian Mutual Societies	2002	2010
Serge Kubla	Burgomaster – Waterloo	2007	2010
Patrick Lachaert	Municipal Councillor – Merelbeke	2007	2010
Thierry Jacques	Chairman of the Christian Workers Movement	2006	2010
Patrick Janssens	Burgomaster - Antwerpen	2007	2010
Claude Rolin	Secretary General Confederation of Belgian Christian Unions	2006	2010
Tony Van Parys...................	Municipal Councillor Ghent	2002	2010
Herman Van Rompuy	Lecturer	2002	2010
Bernard Lux	Vice-chancellor of the University of Mons-Hainaut	2006	2010
Bruno Flichy........................	Director and honorary chairman of Crédit du Nord	2004	2010
Axel Miller	Chairman of the Management Board of Dexia S.A., Member of the Board of Directors of Dexia S.A.	2002	2010
Jacques Guerber	Vice-chairman of the Management Board of Dexia S.A.	2006	2010

Specialised committee set up by the Board of Directors

Audit Committee

The Audit Committee, installed on 18th December 2002, is composed of three directors who must not be members of the Management Board of DEXIA BANK. The Auditor General of the bank and, at his request, the Group Auditor General, the Chairman or a member of the Management Board and the college of statutory auditors of DEXIA BANK attend the meetings.

The role of the Audit Committee is to assist the Board of Directors in supervising the activities of DEXIA BANK, taking into account principles of good corporate governance, and to improve communication between the members of the Board of Directors, the Management Board, the internal audit department and the auditors. In this regard, the Audit Committee considers external financial information, compliance with legal, regulatory and statutory provisions, risks and the effectiveness of internal control mechanisms to manage risks, internal auditing and audit plans produced by them.

The Audit Committee currently comprises Bruno Flichy, Chairman, and Herman Van Rompuy and Marc Deconinck.

DEXIA BANK voluntarily complies with the corporate governance regime in Belgium that applies to listed companies in Belgium only.

Operations of the Board of Directors

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

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

The Management Board manages DEXIA BANK in accordance with the general policy guidelines laid down by DEXIA BANK's Board of Directors, and indirectly by the Board of Directors of Dexia S.A.. The Management Board has the necessary decision-making powers for this purpose and powers of representation. The Management Board operates in accordance with the principle of joint and several liability.

The table below sets forth the names and positions of the members of the Management Board.

(I) Name	Position
Stefaan Decraene	Chairman
Dirk Gyselinck	Public and Social Sector and Corporate
Marc Lauwers	Personal Financial Services
Dirk Vanderschrick	IT, Operations, Facility Management and Organisation
Jean-François Martin	Chief Financial Officer and Risk Management
Roger Leyssens	HRM
Ann De Roeck	Secretary General, Legal and Tax Services and Wealth Analysis and Planning

(*) Chairman since 1st January 2006

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

External Duties of the Directors

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

Supervision

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

11. Major shareholders (Annex XI 10.)

11.1. The Issuer is part of the international banking group Dexia Group.

The parent company of the Dexia Group is Dexia SA, which is a limited liability company incorporated and domiciled in Belgium for an indefinite period on 15 July 1996 under Belgian law with enterprise number 458,548,296. The address of its registered office is Place Rogier 11, B-1210 Brussels. Dexia SA is listed on the Euronext Stock Exchange in Paris and in Brussels and on the Luxembourg Stock Exchange.

The main shareholders of the Dexia SA are Arcofin (18.%), Holding Communal (17.0%), Caisse des dépôts et consignations (11.9%) and Ethias (6.4%) as at June 30,2008. Dexia SA directly or indirectly held none of its own shares as at June 30, 2008 (0,0%). The employees of the Dexia Group held 3.9% of the company shares. In addition, the directors of Dexia SA held 102,830 shares in the company as of December 31, 2007.

As of the same date, and to the company's knowledge, no individual shareholder, with the exception of Arcofin, Holding Communal, Caisse des dépôts et consignations and Groupe Ethias held more than 3% of Dexia SA.

11.2. There is no arrangement that may result in a change in control of the Issuer.

12. Key information (Annex XII 3.)

12.1. Interest of natural and legal persons involved in the issue/offer
The net proceeds of the issue of the Warrants will be used for the management of the risks resulting of the issue of the Warrants by the Issuer.
To the best knowledge of the Issuer, there is no such interest that is material to the issue or offer of Warrants.

12.2. The Warrants issue will be subject to some out-of-pocket expenses and publicity fees estimated to be around EUR 25,000.

13. Information concerning the Warrants to be offered (Annex XII 4.)

13.1. Form, denomination and Title

The Very Long Term Warrant Series 08-09 (ISIN Code: BE0305376205) (the "Warrants" or individually referred to as "each Warrant") shall be represented by a temporary global warrant (the "Global Warrant") representing the Warrants in bearer. The Global Warrant will be deposited on the Issue Date with Dexia Bank Belgium and will not be exchangeable for definitive Warrants. Dexia Bank will not charge any fees for Warrants held in securities account with Dexia Bank or for the opening of such securities account.

These Warrants can be exercised during the Exercise Period. Consequently, the only means through which the Warrant Holder can realize value from the Warrant prior to the Exercise Date is to sell it through the secondary market (see point 15.3.)

The issue of the Warrants has been authorized by resolutions of the Issuer dated September 16th, 2008.

13.2. Information related to the pricing of the Warrants

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

- The value of the Underlying Value: the value of the Warrant increases if the Underlying Value increases in respect to the Strike Price.
- The Strike Price: the value of the Warrant increases if the Underlying Value increases in respect to the Strike Price.

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

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

13.3. Governing law and jurisdiction

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

13.4. Currency

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

13.5. Status

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

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

13.6. Exercise procedure

a) Exercise notice (see Annex 1)

The day on which the Warrants are exercised is called the Exercise Date and falls within the Exercise Period (each business day on which commercial banks in Belgium are open for business from 29 August 2058 to and including the Maturity Date). In order to exercise the Warrants the Warrant Holder shall fill out and file the attached exercise form (avis d'exercice, uitoefeningsformulier) at a Dexia Bank agency at the earliest at the start of the Exercise Period and at the latest on the Maturity Date. The exercise form (avis d'exercice, uitoefeningsformulier) is available in all Dexia Bank agencies.
In case of an Exercise the Warrant Holder will receive the Underlying Value on his securities account 3 business days after the Exercise Date.

The costs (commission) related to the Exercise amount to 2.5% of the Strike Price of the Warrant with a minimum of 100 EUR per transaction increased with the subscription costs and fees related to the Underlying Value.

If the Warrants are not exercised within the above-mentioned Exercise Period, they will be bought back by the Issuer at Maturity Date against the bid price at that date, which at Maturity Date equals the Net Asset Value of the Underlying Value minus the Strike Price, in as far as this difference is a positive number. This amount will subsequently be reduced with a brokerage fee (with a maximum of 1%) and the stock market tax.

b) Settlement

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

c) Consequence of the Exercise

The Exercise is irrevocable.

13.7. Information concerning the Underlying Value

The Underlying Value is the Dexia Equities L Euro 50 Capitalisation (ISIN code: LU0012091087 – Bloomberg Code: ELK3591 LX). The information regarding the Underlying Value has been sourced from the prospectus of Dexia Equities L Euro 50 (that is available free of charge in all Dexia Bank agencies and can be consulted at www.dexia.be : Sparen & Beleggen / Producten / Fondsen / Aandelenfondsen – Epargner & Investir / Produits / Fonds / Fonds SICAV d'actions). The Issuer confirms that this information has been partly reproduced from the Bloomberg screens < ELK3591 LX >. The Issuer also confirms that as far as it is aware and able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

- Description of the Underlying Value

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

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

- Description of the Dow Jones Euro Stoxx 50 ® index

The Dow Jones EURO STOXX 50 ® index (Bloomberg code SX5E) represents the performance of 50 companies representing the market sector leaders in the Euro zone. The index is a free float market capitalisation weighted index which captures around 60% of the underlying market capitalisation of the Dow Jones EURO STOXX Total Market ® Index. Components weightings are based on the number of free float shares; i.e. those shares that are available for trading.

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

The index is continuously calculated and quoted.

Composition of the index on August 01, 2008 : Aegon NV, Air Liquide SA, Alcatel SA, Allianz AG, ArcelorMittal, Assicurazioni Generali SpA, AXA SA, Banco Bilbao Vizcaya Argentaria SA, Banco Santander Central Hispano SA, BASF AG, Bayer AG, BNP Paribas SA, Carrefour SA, Cie de Saint-Gobain, Credit Agricole SA, DaimlerChrysler AG, Deutsche Bank AG, Deutsche Boerse,AG, Deutsche Telekom AG, E.On AG, Enel SpA, ENI SpA, Fortis, France Telecom SA, Groupe Danone, Iberdrola SA, ING Groep NV, Koninklijke Philips Electronics NV, L'Oreal SA, LVMH Moet Hennessy Louis Vuitton SA, Muenchener Rueckversicherungs AG, Nokia OYJ, Renault SA, Repsol YPF SA, RWE AG, Sanofi-Aventis, Sanpaolo IMI SpA, SAP AG, Schneider Electric SA, Siemens AG, Societé Generale, Suez SA, Telecom Italia SpA, Telefonica SA, Total SA, UniCredito Italiano SpA, Unilever NV, Vinci SA, Vivendi, Volkswagen AG.

- Historical evolutions

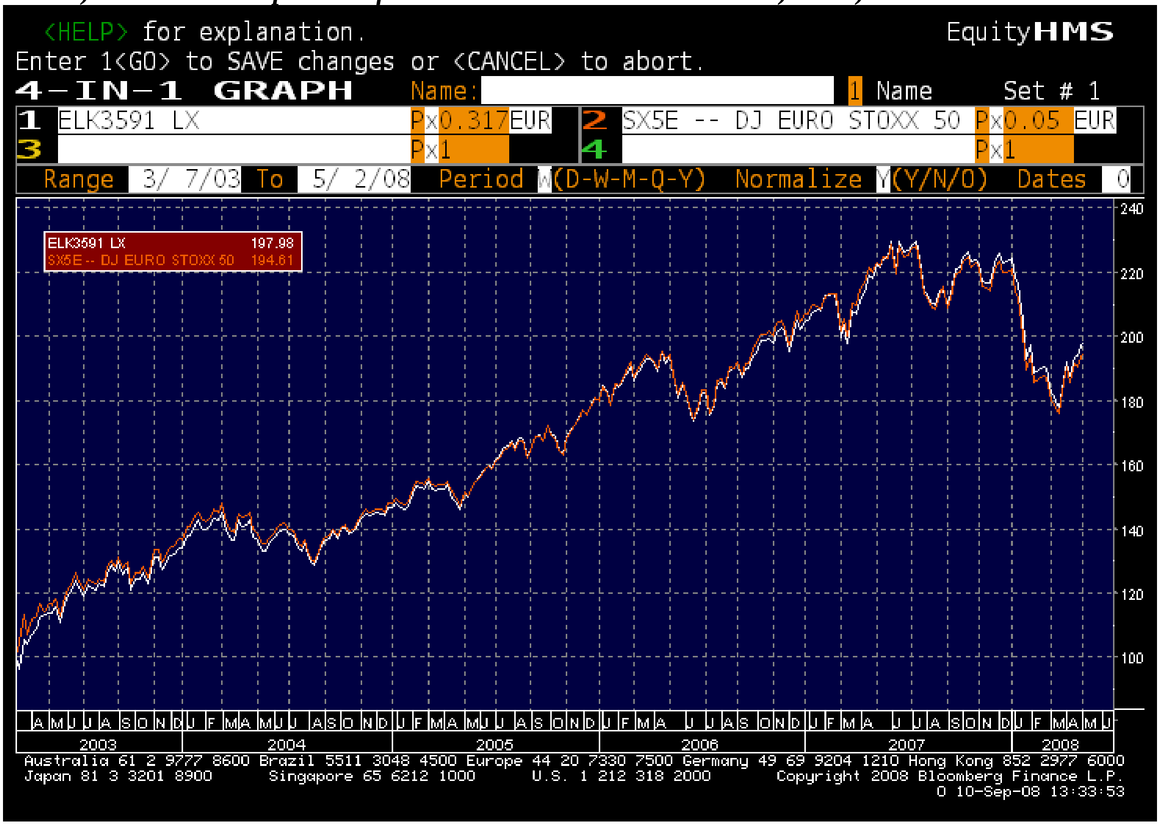
a) ***Historical evolution of the Underlying Value***

<u>Source</u>: *Bloomberg*

b) ***Historical evolution of the Dow Jones Euro Stoxx 50 ®index***

<u>Source</u>: *Bloomberg*

c) Historical comparison of the evolution as mentioned under a) and b)



Source: Bloomberg

- Information regarding the Underlying Value

The prospectus of Dexia Equities L Euro 50 is available free of charge in all Dexia Bank agencies and can also be consulted at www.dexia.be : Sparen & Beleggen / Producten / Fondsen / Aandelenfondsen – Epargner & Investir / Produits / Fonds / Fonds d'actions).

Dexia Equities L Euro 50 is issued by Dexia Equities L SA and is a compartment of this UCITS (SICAV de droit luxembourgeois).

13.8. Market Disruption Event

For the purpose of Condition 13.8; 13.9 and 13.10 any reference to a "Share" will be a reference to the Underlying Value.

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

In that respect, "Trading Disruption" means any suspension of or limitation imposed on trading by the relevant Exchange or Related Exchange or otherwise and whether by reason of movements in price exceeding limits permitted by the relevant Exchange or Related Exchange or otherwise (i) relating to the Share on the Exchange, or (ii) in futures or options contracts relating to the Share on any relevant Related Exchange.

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

In that respect, "Early Closure" means the closure on any Exchange Business Day of the relevant Exchange or any Related Exchange(s) prior to its Scheduled Closing Time unless such earlier closing time is announced by such Exchange(s) or Related Exchange(s) at least one hour prior to the earlier of (i) the actual closing time for the regular trading session on such Exchange(s) or Related Exchange(s) on such Exchange Business Day and (ii) the submission deadline for orders to be entered into the Exchange or Related Exchange system for execution at the Scheduled Closing Time on such Exchange Business Day.

In addition, in that respect “Disrupted Day” means any Scheduled Trading Day on which a relevant Exchange or any Related Exchange fails to open for trading during its regular trading session or on which a Market Disruption Event has occurred.

13.9 Consequences of Disrupted Days, Market Disruption Event

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

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

13.10. Adjustments to the Underlying Value in case of an Adjustment Event and Change in Law

1. Adjustments following a Potential Adjustment Event

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

(i) make the corresponding adjustment(s), if any, to any relevant variable in the Redemption Amount formula(s) of the Warrants or the number of Shares used to calculate any Redemption Amount as the Calculation Agent determines appropriate to account for that diluting or concentrative effect (provided that no adjustments will be made to account solely for changes in volatility, expected dividends, stock loan rate or liquidity relative to the relevant Share) and

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

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

For the purpose hereof, “Potential Adjustment Event” shall mean any of the following:

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

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

- an extraordinary dividend as determined by the Calculation Agent;

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

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

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

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

If the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, the Calculation Agent may notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Potential Adjustment Event shall be Early Redemption.

<u>2. Consequences of Merger Event, Tender Offer, Nationalization, Insolvency, Delisting, Change in Law, Insolvency Filing and De-merger Event (each an "Extraordinary Event")</u>

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

For the avoidance of doubt, if the Calculation Agent determines that no adjustment that it could make will produce a commercially reasonable result, the Calculation Agent will notify the Noteholders, in accordance with the paragraph "Notices", that the relevant consequence of the Extraordinary Event shall be Early Redemption.

For the purpose hereof the following definitions will apply:

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

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

"Merger Event" means in respect of the Share:

- any reclassification or change of such Shares that results in a transfer of or an irrevocable commitment to transfer all of such Shares outstanding to another entity or person; or

- any consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Share with or into another entity or person (other than a consolidation, amalgamation, merger or binding share exchange in which such issuer is the continuing entity and which does not result in a reclassification or change of all of such Shares outstanding);

- any takeover offer, tender offer, exchange offer, solicitation, proposal or other event by any entity or person to purchase or otherwise obtain 100% of the outstanding Shares of the issuer of the relevant Shares that results in a transfer of or an irrevocable commitment to transfer all such Shares (other than such Shares owned or controlled by such other entity or person); or

- any consolidation, amalgamation, merger or binding share exchange of the issuer of the relevant Share or its subsidiaries with or into another entity in which the issuer of the relevant Share is the continuing entity and which does not result in a reclassification or change of all such Shares outstanding but results in the outstanding

Shares (other than Shares owned or controlled by such other entity) immediately prior to such event collectively representing less than 50% of the outstanding Shares immediately following such event (a "Reverse Merger") in each case if the effective date of the Merger Event is on or before the final Valuation Date.

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

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

"De-merger Event" means, in respect of the relevant Share that the issuer of such Share is affected by a de-merger (such as, but not limited to, spin off, scission or any operation of a similar nature) leading to the attribution of a basket comprising New Shares and/ or Other Consideration and/ or the relevant Share affected by the de-merger (as the case may be), such basket resulting from such de-merger.
For the purpose hereof, "New Shares" shall mean shares (whether of the same issuer as the affected relevant Shares or any third party) that are listed or quoted on a recognised exchange (each time as determined in good faith by the Calculation Agent); "Other Consideration" shall mean cash and/ or any securities (other than New Shares) or assets shares (whether of the same issuer as the affected relevant Shares or any third party).

"Change in Law" means that on or after the Issue Date of the Warrants (A) due to the adoption of or any change in any applicable law or regulation (including, without limitation, any tax law), or (B) due to the promulgation of or any change in the interpretation by any court, tribunal or regulatory authority with competent jurisdiction of any applicable law or regulation (including any action taken by a taxing authority), the Issuer determines in good faith that (X) it has become illegal to hold, acquire or dispose of relevant Shares, or (Y) it will incur a materially increased cost in performing its obligations under the Warrants (including, without any limitation, due to any increase in tax benefit or other adverse effect on its tax position).

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

13.11. Maturity Date

The Maturity Date is 29 September 2058.

13.12. Exercise Period

The Exercise Period is defined as each business day on which commercial banks in Belgium are open for business 29 August 2058 to and including the Maturity Date.

13.13. Strike Price

The Strike Price is equal to the Net Asset Value of the Underlying Value on 30 September 2008 will be posted on www.dexia.be (Sparen & Beleggen / Producten / Fondsen / Aandelenfondsen – Epargner & Investir / Produits / Fonds / Fonds d'actions) on 1 October 2008.

13.14. Taxation

(a) Tax rules applicable to natural persons resident in Belgium

There are no income taxes due on the surplus values obtained by the Warrant Holders through the sale or the Exercise of the Warrants, provided the surplus values have no speculative (as set forth in article 90, 1° Belgian Income Tax Code) or professional character. The losses are not tax deductible.

The sale and purchase on the secondary market of Warrants through a professional Belgian intermediary is subject to a 0.17% stock market tax (beurstaks, taxe sur opérations boursières) on the sales price with a maximum of EUR 500 per transaction and per party.

(b) Tax rules applicable to tax payers taxed as corporations in Belgium

The surplus values obtained by the Warrant Holders through the sale of the Warrants are subject to corporate income tax. The losses are tax deductible.

The sale and purchase on the secondary market of Warrants through a professional Belgian intermediary is subject to a 0.17% stock market tax (beurstaks, taxe sur opérations de bourse) on the sales price with a maximum of EUR 500 per transaction and per party.

The surplus values obtained by the Warrant Holders through the sale of the shares (acquired through the Exercise of the Warrants) are subject to corporate income tax. The losses are not tax deductible. In case of the Exercise of a Warrant, the amount paid by the Warrant Holder to acquire the Warrant is not tax deductible.

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

13.15. Notices

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

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

14. Terms and conditions of the offer (Annex XII 5.)

The Warrants will be offered for subscription from September 17th, 2008 to September 19th, 2008 (4 pm Brussels time) (the "Offering Period") at the relevant Issue Price (Commission included). The Issuer has the right to anticipatively terminate the Offering Period if the maximum amount of the Warrants issue has been reached or if the market conditions adversely affect the interest of the Issuer, as the case may be.

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

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

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

The Warrants have not been offered, sold or delivered and will not be offered, sold or delivered, as part of their distribution at any time, or otherwise until 40 days after the commencement of the offering within the United

States or to, or for the account or the benefit of, U.S. persons and a dealer to which the Warrants are sold during the restricted period, will receive a confirmation or other notice setting forth the restrictions on offers and sales of the Warrants within the U.S. or to, or for the account or benefit of, U.S. persons.

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

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

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

The Warrants will be offered at an Issue Price of 10.00 EUR (Commission included). This price comprises all costs.

The financial service will be performed by Dexia Bank.

15. Admission to trading and dealing arrangements (Annex XII 6.)

15.1. The Warrants offered will not be the object of an application for admission to trading on a regulated market.

15.2. There are no securities of the same class as the Warrants to be offered that are already admitted to trading on a regulated market or equivalent market.

15.3. The price of the Warrants is available on demand in every agency of Dexia Bank or on www.dexia.be (Epargner & Investir Produits / Autres // Sparen & Beleggen / Producten / Andere). Dexia Bank will organise the secondary market from the day following the Issue Date, thereby providing liquidity through bid prices. These bid prices are subject to a brokerage fee (excluding stock market tax) of 1% maximum. In addition, the bid prices of the Warrants are subject to the market conditions (in practice, the conditions between 16.30 and 17.30 (Brussels Time)) concerning interest rates, the Underlying Value, volatility,...

16. Additional information about the Warrants (Annex XII 7.)

16.1. There are no advisors connected with the issue of Warrants mentioned in this Prospectus.

16.2. There is no information in the Prospectus which has been audited or reviewed by statutory auditors and no auditor has produced a report with respect to this Prospectus.

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

16.4. The information regarding the Underlying Value has been sourced from the prospectus of Dexia Equities L Euro 50 (that is available free of charge in all Dexia Bank agencies and can be consulted at www.dexia.be:

Sparen & Beleggen / Producten / Fondsen / Aandelenfondsen – Epargner & Investir / Produits / Fonds / FondsSICAV d'actions. The Issuer confirms that this information has been partly reproduced from the Bloomberg screens < ELK3591 LX >. The Issuer also confirms that as far as it is aware and able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

16.5. The Issuer does not intend to provide post-issuance information except the prices (see under article 15.3)

17. Financial information concerning the Issuer's assets and liabilities, financial position and profits and losses (Annex XI 11.)

The consolidated financial statements of Dexia Bank are prepared in accordance with the IFRS standards as adopted by the European Union.

Financial information concerning the Issuer as of 31 December, 2007:
Consolidated balance sheet Dexia Bank
Consolidated off-balance sheet items Dexia Bank
Consolidated statement of income Dexia Bank
Notes to the consolidated financial statements

1. Basis of consolidation and accounting policies
2. Notes to the consolidated assets
3. Notes to the consolidated liabilities and shareholders' equity
4. Notes to the consolidated off-balance sheet items
5. Notes to the consolidated statement of income

Audited Consolidated Balance Sheet of the Issuer as of December 31, 2007 and December 31, 2006

ASSETS

in thousands of EUR		Dec. 31, 2006	Dec. 31, 2007
I.	Cash and balances with central banks	938 245	4 912 969
II.	Loans and advances due from banks	80 693 485	79 269 848
III.	Loans and advances to customers	83 545 044	80 205 945
IV.	Financial assets measured at fair value through profit or loss	15 484 989	16 195 140
V.	Financial investments	54 288 491	64 477 908
VI.	Derivatives	15 189 000	14 943 021
VII.	Fair value revaluation of portfolio hedge	225 929	(109 849)
VIII.	Investments in associates	616 901	628 391
IX.	Tangible fixed assets	1 318 279	1 297 492
X.	Intangible assets and goodwill	218 953	217 032
XI.	Tax assets	243 418	481 021
XII.	Other assets	1 616 848	2 149 498
XIII.	Non current assets held for sale	44 590	29 112
	Total assets	**254 424 172**	**264 697 528**

LIABILITIES

in thousands of EUR		Dec. 31, 2006	Dec. 31, 2007
I.	Due to banks	119 470 433	113 091 738
II.	Customer borrowings and deposits	66 536 382	76 079 030
III.	Financial liabilities measured at fair value through profit or loss	5 333 071	7 052 683
IV.	Derivatives	15 428 478	14 306 907
V.	Fair value revaluation of portfolio hedge	0	0
VI.	Debt securities	21 990 958	26 820 484
VII.	Subordinated debts	3 139 242	3 087 464
VIII.	Technical provisions of insurance companies	12 143 466	14 929 260
IX.	Provisions and other obligations	1 002 512	901 613
X.	Tax liabilities	186 627	130 903
XI.	Other liabilities	2 325 293	2 911 885
XII.	Liabilities included in disposal groups held for sale	0	0
Total liabilities		**247 556 462**	**259 311 967**

EQUITY

in thousands of EUR			
XIV.	Subscribed capital	958 066	958 066
XV.	Additional paid-in capital	209 232	209 232
XVI.	Treasury shares	0	0
XVII.	Reserves and retained earnings	3 202 512	3 216 186
XVIII.	Net income for the period	1 157 195	1 046 693
Core shareholders' equity		**5 527 005**	**5 430 177**
XIX.	Gains and losses not recognized in the statement of income	886 946	(231 557)
Total shareholders' equity		**6 413 951**	**5 198 620**
XX.	Minority interests	27 729	71 916
XXI.	Discretionary participation features of insurance contracts	426 030	115 025
Total equity		**6 867 710**	**5 385 561**
Total liabilities and equity		**254 424 172**	**264 697 528**

Audited Consolidated Statement of Income of the Issuer as of December 31, 2007 and December 31, 2006

in thousands of EUR		Dec. 31, 2006		Dec. 31, 2007
I.	Interest income	37 929 848		54 832 258
II.	Interest expense	(35 967 959)		(52 624 237)
III.	Dividend income	118 068		114 550
IV.	Net income from associates	122 346		110 329
V.	Net income from financial instruments at fair value through profit or loss	78 324		(24 183)
VI.	Net income on investments	652 393	(1)	270 683
VII.	Fee and commission income	486 042		554 590
VIII.	Fee and commission expense	(92 595)		(102 000)
IX.	Premiums and technical income from insurance activities	3 521 081		4 518 424
X.	Technical expense from insurance activities	(3 735 193)		(4 826 133)
XI.	Other net income	(60 115)		63 125
	Income	**3 052 240**		**2 887 406**
XII.	Staff expense	(764 379)		(695 280)
XIII.	General and administrative expense	(517 308)		(564 856)
XIV.	Network costs	(352 575)		(366 889)
XV.	Depreciation & amortization	(142 371)		(108 660)
XVI.	Deferred acquisition costs	0		0
	Expenses	**(1 776 633)**		**(1 735 685)**
	Gross operating income	**1 275 607**		**1 151 721**
XVII.	Impairment on loans and provisions for credit commitments	(38 391)		(60 065)
XVIII.	Impairment on tangible and intangible assets	(1 269)		(1 370)
XIX.	Impairment on goodwill	0		0
	Net income before tax	**1 235 947**		**1 090 286**
XX.	Tax expense	(74 898)		(37 835)
	Net income of continuing operations	**1 161 049**		**1 052 451**
XXI.	**Discontinued operations (net of tax)**			
	Net income	**1 161 049**		**1 052 451**
	Attributable to minority interest	3 854		5 758
	Attributable to equity holders of the parent	1 157 195		1 046 693

Audited Cash Flow Statement of the Issuer as of December 31, 2007 and December 31, 2006

in thousands of EUR	Dec. 31, 2006	Dec. 31, 2007
Cash flow from operating activities		
Net income after income taxes	1 161 049	1 052 451
Adjustment for:		
- Depreciation , amortization and other impairment	154 324	127 625
- Impairment on bonds , equities, loans and other assets	(64 919)	33 496
- Net gains on investments	(532 487)	(333 974)
- Charges for provisions (mainly insurance provision)	2 796 093	3 325 947
- Unrealized gains or losses	207	(25 841)
- Income from associates	(122 346)	(110 329)
- Dividends from associates	78 239	71 095
- Deferred taxes	(69 062)	(42 464)
- Other adjustments		
Changes in operating assets and liabilities	13 183 330	15 250 648
Net cash provided (used) by operating activities	**16 584 428**	**19 348 654**
Cash flow from investing activities		
Purchase of fixed assets	(149 116)	(273 503)
Sales of fixed assets	131 784	216 374
Acquisitions of unconsolidated equity shares	(826 965)	(2 265 014)
Sales of unconsolidated equity shares	983 581	1 663 980
Acquisitions of subsidiaries and of business units	217	(1 884)
Sales of subsidiaries and of business units	147 975	63 666
Net cash provided (used) by investing activities	**287 476**	**(596 381)**
Cash flow from financing activities		
Issuance of new shares	1 843	10 056
Issuance of subordinated debts	667 525	241 090
Reimbursement of subordinated debts	(238 561)	(276 905)
Purchase of treasury shares		
Sale of treasury shares		
Dividends paid	(881 457)	(871 284)
Net cash provided (used) by financing activities	**(450 650)**	**(897 043)**
Net cash provided	**16 421 254**	**17 855 230**
Cash and cash equivalents at the beginning of the period	**43 128 870**	**59 546 293**
Cash flow from operating activities	16 584 428	19 348 654
Cash flow from investing activities	287 476	(596 381)
Cash flow from financing activities	(450 650)	(897 043)
Effect of exchange rate changes and change in scope of consolidation on cash and cash equivalents	(3 831)	(3 092)
Cash and cash equivalents at the end of the period	**59 546 293**	**77 398 431**
Additional information		
Income tax paid	(165 956)	(76 089)
Dividends received	196 307	185 646
Interest received	38 940 874	56 169 377
Interest paid	(37 926 778)	(53 469 298)

Report of the Board of Auditors of the Issuer on the annual accounts for the year ended 31 December 2007

1. The following report is a copy of the Board of Auditors of the Issuer on the consolidated accounts for the year ended December 31, 2008, dated 28 March 2008 and as reproduced in the Issuer 2007 annual report:

To the shareholders

As required by law and the company's articles of association, we report to you in the context of our appointment as statutory auditors. This report includes our opinion on the consolidated accounts and the required additional disclosure.

Unqualified opinion on the consolidated accounts

We have audited the consolidated accounts of Dexia bank Belgium NV/SA and its subsidiaries (the "Group") as of and for the year ended 31 December 2007, prepared in accordance with the international financial reporting standards, as adopted by the European union, and with the legal and regulatory requirements applicable in Belgium. these consolidated accounts comprise the consolidated balance sheet as of 31 December 2007, the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The total of the consolidated balance sheet amounts to eur 264,697,528 (000) and the consolidated statement of income shows a profit for the year (Group share) of eur 1,046,693 (000).

The company's board of directors is responsible for the preparation of the consolidated accounts. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with the legal requirements and auditing standards applicable in belgium, as issued by the "institut des reviseurs d'entreprises/instituut der bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free from material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The selection of these procedures is a matter of our judgment, as is the assessment of the risk that the consolidated accounts contain material misstatements, whether due to fraud or error. in making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of the consolidated accounts taken as a whole. Finally, we have obtained from the board of directors and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated accounts give a true and fair view of the Group's net worth and financial position as of 31 December 2007 and of its results and cash flows for the year then ended in accordance with international financial reporting standards, as adopted by the European union, and with the legal and regulatory requirements applicable in Belgium.

Additional disclosures

the company's board of directors is responsible for the preparation and content of the directors' report on the consolidated accounts.

our responsibility is to include in our report the following additional disclosure, which does not change the scope of our opinion on the consolidated accounts:

• the management report deals with the information required by the law and is consistent with the consolidated accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the company, the state of its affairs, its foreseeable development or the significant influence of certain events on its future development. Nevertheless, we can confirm that the information provided is not in obvious contradiction with the information we have acquired in the context of our appointment.

Brussels 28 march 2008

The Board of Auditors

PricewaterhouseCoopers Reviseurs d'Entreprises represented by	Deloitte Reviseurs d'Entreprises SC s.f.d SCRL represented by
Reobert Peirce Reviseur d'Entreprise	Joseph Vlaminckx Reviseur d'Entreprise"

2. The following report is a copy of the Board of Auditors of the Issuer on the consolidated accounts for the year ended December 31, 2006, dated 28 March 2007 and as reproduced in the Issuer 2006 annual report:

To the shareholders

As required by law and the company's articles of association, we report to you in the context of our appointment as statutory auditors. This report includes our opinion on the consolidated accounts and the required additional disclosure.

Unqualified opinion on the consolidated accounts

We have audited the consolidated accounts of Dexia Bank Belgium NV/SA and its subsidiaries (the "Group") as of and for the year ended 31 December 2006, prepared in accordance with the International Financial Reporting Standards (IFRS), as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium. These consolidated accounts comprise the consolidated balance sheet as of 31 December 2006, the consolidated statements of income, changes in shareholders' equity and cash flows for the year then ended, as well as the summary of significant accounting policies and other explanatory notes. The total of the consolidated balance-sheet amounts to EUR 254,424,172 (000) and the consolidated statement of income shows a profit for the year (Group share) of EUR 1,157,195 (000).

The company's board of directors is responsible for the preparation of the consolidated accounts. This responsibility includes among other things: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated accounts that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these consolidated accounts based on our audit. We conducted our audit in accordance with the legal requirements and auditing standards applicable in Belgium, as issued by the "Institut des Reviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those auditing standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated accounts are free from material misstatement.

In accordance with the auditing standards referred to above, we have carried out procedures to obtain audit evidence about the amounts and disclosures in the consolidated accounts. The selection of these procedures is a matter of our judgment, as is the assessment of the risk that the consolidated accounts contain material misstatements, whether due to fraud or error. In making those risk assessments, we have considered the Group's internal control relating to the preparation and fair presentation of the consolidated accounts, in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have also evaluated the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by management, as well as the presentation of

the consolidated accounts taken as a whole. Finally, we have obtained from the board of directors and Group officials the explanations and information necessary for our audit. We believe that the audit evidence we have obtained provides a reasonable basis for our opinion.

In our opinion, the consolidated accounts give a true and fair view of the Group's net worth and financial position as of 31 December 2006 and of its results and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and with the legal and regulatory requirements applicable in Belgium.

Additional disclosure

The company's board of directors is responsible for the preparation and content of the directors' report on the consolidated accounts.

Our responsibility is to include in our report the following additional disclosure, which does not change the scope of our opinion on the consolidated accounts:

• The directors' report on the consolidated accounts includes the information required by the law and is in agreement with the consolidated accounts. However, we are not in a position to express an opinion on the description of the principal risks and uncertainties facing the companies included in the consolidation, the state of their affairs, their forecast development or the significant influence of certain events on their future development. Nevertheless, we can confirm that the information provided is not in contradiction with the information we have acquired in the context of our appointment.

28 March 2007

The Board of Auditors

PricewaterhouseCoopers Reviseurs d'Entreprises represented by	Deloitte Reviseurs d'Entreprises SC s.f.d SCRL represented by
Reobert Peirce Reviseur d'Entreprise	Joseph Vlaminckx Reviseur d'Entreprise"

18. Additional information about the Issuer

18.1. The capital stock of Dexia Bank totals EUR 958.066.225,54and is represented by 359.412.609 shares held by Dexia S.A., Dexia Lease Services SA (6 shares) and Arcofin SCRL (1 share).
There are also 300,000 registered beneficial shares. These shares have no par value and do not represent the capital stock. The rights attached to these founders' shares are laid down by the articles of association and by agreements.

18.2. Dexia Bank is a limited liability Company of unlimited duration incorporated under Belgian law and registered in the " Régistre des Personnes Morales" under number 0403.201.185, and liable to VAT under the number. BE 403.201.185

Together with Dexia Crédit Local S.A. ("Dexia CL") and Dexia Banque Internationale à Luxembourg, société anonyme ("Dexia BIL"), Dexia Bank forms the important European banking group Dexia ("Dexia"). The combined assets of Dexia amount to EUR 604.564 million at 31st December 2007 .

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

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

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

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

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

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

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

19. Material contracts of the Issuer (Annex XI 12.)

There have been no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligation to security holders in respect of the securities being issued.

20. Third party information and statement by experts and declarations of any interest (Annex XI 13.)

20.1. There has been no statement or report attributed to a person as an expert which is included in this prospectus.

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

21. Documents on display (Annex XI 14.)

Copies of the annual reports dated December 31st, 2007 and of all subsequent annual reports to be published of the Issuer, copies of the articles of association of the Issuer are available free of charge at the office of the Issuer will be available during the entire lifetime of the Warrants.
Additionally, the annual report of the Issuer and of Dexia Group is available on the internet site of Dexia: www.dexia.com. On August 29th, 2008 the results for the 2th Quarter of 2008 of the Dexia Group are published (see Annex 2), this publication is also available on the internet site of Dexia (www.dexia.com).

Annex 1: Exercise Notice

AVIS D’EXERCICE

Je, soussigné(e)

Nom : ____
Prénom : ____
Adresse : ____
titulaire de ________ (nombre) Very Long Term Warrants 50 Series 08-09 sur l’action Dexia Equities L Euro 50 Capitalisation:

- déclare par la présente vouloir exercer ________ (nombre) Warrants et donc acheter le total des actions Dexia Equities L EURO 50 Capitalisation auxquelles j'ai droit au prix de < TO BE DETERMINED > EUR (le Prix d'Exercice mentionné dans le Prospectus relatif à l'émission des Very Long Term Warrants Series 08-09);

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

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

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

- déclare avoir pris entière connaissance des conditions mentionnées dans le Prospectus de Dexia Banque Belgique S.A. relatif à l’émission des Very Long Term Warrants Series 08-09.

Fait le________________________________ à _______________________

Signature :

UITOEFENINGSFORMULIER

Ik, ondergetekende

Naam : ____
Voornaam : ____
Adres : ____
houder van __________ (aantal) Very Long Term Warrants Series 08-09 op het aandeel Dexia Equities L Euro 50 Kapitalisatie:

* verklaar hierbij _____ (aantal) Warrants te willen uitoefenen en aldus het overeenstemmende aantal aandelen van Dexia Equities L EURO 50 Kapitalisatie waarop ik recht heb aan te kopen tegen < TO BE DETERMINED > EUR (de Uitoefenprijs vermeld in het Prospectus van de uitgifte van de Very Long Term Warrants Series 08-09);

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

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

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

* verklaar volledig kennis te hebben van de voorwaarden die vermeld staan in het Prospectus van Dexia Bank België N.V. betreffende de uitgifte van Very Long Term Warrants Series 08-09.

Opgemaakt te____________________________ op _______________________

Handtekening :

Annex 2: Activity and results Dexia Group for the 2th Quarter of 2008 - Press Release 29/08/2008

PRESS RELEASE

DEXIA

Dexia 2Q 2008 Activity and Results

Regulated information – Brussels, Paris, August 29, 2008, 7:00 am.

Highlights

- **The strengthening of provisions at FSA had a significant impact on Group earnings** in the second quarter. Overall FSA lowered Dexia's 2Q08 reported net income by EUR 216 million to EUR 532 million (-32.4% compared to the second quarter of 2007). 2Q08 reported EPS decreased by 32.1 % to EUR 0.46.
- **Excluding FSA and on an underlying[1] basis, Dexia achieved a 23.8% growth in net income** to EUR 760 million, thanks to a 9.9% increase in revenues, the ongoing control of costs (+4.5%) and to a low cost of risk (4.3 bps annualized). A EUR 48 million tax benefit also contributed to the net income improvement for the quarter.
- **Dynamic Public/Project Finance activity:** on a constant exchange rate, originations rose by 48%, partly driven by US operations.
- **Record level results in Public/Project Finance (excluding FSA) and Treasury and Financial Markets business lines.** Underlying net income of these business lines increased by respectively 54.4% and 43.9% on a constant exchange rate to EUR 398 million and EUR 170 million.
- **Good solvency position** with a Tier 1 ratio at 11.4% at the end of June 2008. Total accounting shareholders' equity reached EUR 8.6 billion. Negative OCI of EUR -7.0 billion at the end of June 2008 remained at a similar level compared to the end of March 2008 (EUR -6.7 billion). Core shareholders' equity amounted to EUR 15.6 billion at the end of June 2008.
- **Healthy liquidity position:** the Cash & Liquidity Management activity line booked once again excellent profits during 2Q08; volumes of long-term bond issues were ahead of budget and funding cost was competitive.
- For the first half of 2008, reported net income amounted to EUR 821 million (-45.5% compared to the first half of 2007). Reported EPS was EUR 0.71 (-45.4%). Excluding FSA and on an underlying basis, net income increased by 15.4% to EUR 1,348 million.

Commenting on 2Q08 results, Axel Miller, Group CEO, stated:

"During the second quarter of 2008, Dexia proved resilient in a particularly challenging market. Excluding FSA, underlying net income increased by 24% to EUR 760 million. Including the provisions made during 2Q08 for FSA, our solvency level of 11.4% improved and is well above our target.

As announced on August 6, we will proceed with a number of key decisions to realign FSA's activity on Dexia's core public finance franchise and reduce its risk profile. We will, of course, continue to monitor market developments and assess additional actions given market conditions and the current low visibility prevailing on the industry.

The second half of 2008 will obviously still be marked by a high level of volatility and economic uncertainties. We will continue to focus on the control of risks while still developing our franchises. Dexia is well prepared to face these challenges. "

"Underlying results" exclude the effects of the changes in scope of consolidation, and also exclude the non-operating factors. They are defined on page 6 of the Financial Report 2Q 2008

Consolidated statement of income for the second quarter of 2008

2Q08 CONSOLIDATED STATEMENT OF INCOME							
in millions of EUR	Reported			Underlying*			
	2Q 2007	2Q 2008	Variation	2Q 2007 Pro forma	2Q 2008	Variation	Variation on a constant exchange rate
Income	1,964	1,991	+1.4%	1,866	1,817	-2.6%	-1.5%
Expenses	-937	-945	+0.9%	-933	- 944	+1.2%	+2.7%
Gross operating income	1,027	1,046	+1.9%	933	873	-6.5%	-5.7%
Cost of risk	-30	-488	x 16.3	-29	- 470	x 15.9	x 18.1
Impairment on (in)tangible assets	0	-8	n.s.	0	0	n.s.	
Tax expense	-185	33	n.s.	-185	87	n.s.	
Net income	812	583	-28.2%	718	490	-31.8%	-31.2%
Minority interests	25	51	x 2.1	25	50	x 2.0	x 2.1
Net income – Group share	787	532	-32.4%	693	440	-36.6%	-36.1%
Cost-income ratio	47.7%	47.5%		50.0%	52.0%		
ROE (annualized)	22.1%	14.2%					

** "Underlying results" exclude the effects of the changes in scope of consolidation, and also exclude the non-operating factors. They are defined on page 6 of the Financial Report 2Q 2008.*

Consolidated statement of income for the second quarter of 2008, excluding FSA

2Q08 CONSOLIDATED STATEMENT OF INCOME EXCLUDING FSA							
in millions of EUR	Reported			Underlying*			
	2Q 2007	2Q 2008	Variation	2Q 2007 Pro forma	2Q 2008	Variation	Variation on a constant exchange rate
Income	1,858	1,901	+2.3%	1,718	1,888	+9.9%	+10.0%
Expenses	-902	-938	+4.0%	-897	-937	+4.5%	+5.5%
Gross operating income	956	963	+0.7%	821	951	+15.7%	+14.8%
Cost of risk	-26	-57	x 2.2	-26	-38	+45.9%	+65.3%
Impairment on (in)tangible assets	0	-8	n.s.	0	0	n.s.	n.s.
Tax expense	-171	-98	-42.7%	-158	-100	-36.4%	-38.4%
Net income	759	800	+5.4%	638	813	+27.4%	+26.5%
Minority interests	25	52	x 2.1	24	52	x 2.2	x 2.2
Net income – Group share	734	748	+1.9%	614	760	+23.8%	+22.9%
Cost-income ratio	48.5%	49.3%		52.2%	49.6%		

** "Underlying results" exclude the effects of the changes in scope of consolidation, and also exclude the non-operating factors. They are defined on page 6 of the Financial Report 2Q 2008.*

Reported net income of EUR 532 million in 2Q08 (-32.4% year-on-year) was negatively impacted by FSA

During this second quarter of 2008, Dexia's reported earnings have been marked by the strengthening of provisions and a number of accounting adjustments, the majority of which related to FSA.

- Overall, FSA reduced Dexia's reported net income – Group share by EUR 216 million. This is the direct effect of FSA's USD 331 million loss reported on August 6, with little adjustments between US GAAP and IFRS. Due to the deterioration of the economic and of the mortgage environment in the US, FSA strengthened its provisions for potential future losses for a total pre-tax amount of USD 987 million. The majority of the provisions are related to the RMBS sector, and more specifically to transactions backed by home equity lines of credit (HELOCs) and Alt-A closed-end second lien mortgages. FSA also established "Other Than Temporary Impairments" on certain assets which are held as available for sale in the Financial Products portfolio. This strengthening of provisions was partly offset by the positive effect of nonrecurring revenues at FSA, related to mark-to-market adjustments on own credit risk and insured CDS transactions.
- Other non-operating items not related to FSA's results amounted to EUR -12 million in the second quarter, net of tax.

Underlying net income excluding FSA increased by 23.8% to EUR 760 million

- Excluding FSA, underlying revenues rose by 9.9% to EUR 1,888 million. Approximately half of this performance was due to positive mark-to-market effects: EUR 46 million on two securitization-related CDS and EUR 36 million on fixed-income trading portfolios. Isolating mark-to-market impacts, underlying revenues excluding FSA rose by 5.1 % in the second quarter of 2008 vs. the second quarter of 2007.
- Underlying costs increased by 4.5% compared to 2Q07 to EUR 937 million.
- Gross operating income (underlying and excluding FSA) was up 15.7% to EUR 951 million.
- The risk charge for the quarter, on an underlying basis and excluding FSA, remained low at EUR 38 million, representing 4.3 bps of banking commitments.
- Underlying net income – Group share excluding FSA was up 23.8% to EUR 760 million.
- Operating efficiency improved with an underlying cost-income ratio of 49.6% in the second quarter of 2008 vs. 52.2% in the second quarter of 2007.

The 2Q08 underlying performance was driven by record results within Public/Project Finance (excluding FSA) and Treasury and Financial Markets

UNDERLYING NET INCOME – GROUP SHARE BY BUSINESS LINE			
In millions of EUR	2Q 2008	2Q 2008 / 2Q 2007	2Q 2008 / 2Q 2007*
Public/Project Finance & Credit Enhancement	71	- 78.9%	- 77.8%
of which PPFCE excl. FSA	*398*	*+ 50.0%*	*+ 54.4%*
of which FSA	*-326*	*n.s.*	*n.s.*
Personal Financial Services	171	- 10.3%	- 9.9%
Asset Management	24	- 21.6%	- 21.6%
Investor Services	27	- 5.1%	- 2.8%
Treasury and Financial Markets	170	+ 41.7%	+ 43.9%
Central Assets	- 24	n.s.	n.s.
Total Dexia	**440**	**- 36.6%**	**- 36.1%**

** on a constant exchange rate*

Record performance of Public/Project Finance, excluding FSA

Public/Project Finance and Credit Enhancement reported an underlying net income – Group share of EUR 71 million in 2Q08, compared to EUR 338 million in 2Q07. Excluding FSA and on a constant exchange rate, underlying net income was up 54.4% to a record EUR 398 million. For the first six months of 2008, it was up 51.4% to EUR 773 million on a constant exchange rate. Results benefited from a strong commercial activity, improved margins (despite higher funding costs), positive mark to market adjustments, and a net EUR 68 million (EUR 48 million excluding minority interests) tax benefit following a one-off tax measure in Italy.

- Long-term originations in 2Q08 surged by 48% on a constant exchange rate to EUR 24.0 billion. This performance was partly attributable to banking originations in the United States, where the on-going disruption of the municipal financing market benefited a small number of banks which, like Dexia, enjoy good liquidity and solvency. Long-term commitments climbed to EUR 342 billion, up by 21 % on a constant exchange rate.
- PPFCE revenues in the second quarter were strong and supported by robust volumes as well as by good margins with the rise in commercial spreads exceeding the increase in funding costs. They were also boosted by two mark-to-market adjustments: (i) EUR 45 million on a securitization-related CDS, and (ii) EUR 16 million on public assets trading portfolios. Excluding FSA and these adjustments, revenues grew by 14.5% on a constant exchange rate.
- Excluding FSA and on a constant exchange rate, costs were up by 11.8% in 2Q08 vs. 2Q07, as a result of continued investments to support growing activities (Turkey, Japan, US and Canada...). The cost/income ratio, excluding FSA and the positive mark-to-market adjustments, improved to 33.9% in 2Q08.
- Gross operating income was up 16.1 % on a constant exchange rate, excluding FSA and the above-mentioned mark-to-market adjustments.
- Cost of risk excluding FSA remained low at EUR 20 million.

Personal Financial Services (PFS) still benefited from DenizBank's rapid growth
Compared to a record 2Q07, PFS underlying net income – Group share amounted to EUR 171 million in 2Q08, i.e. a 10.3% decrease mainly attributable to higher taxes. For the first half of 2008, underlying net income was flat at EUR 351 million.

- Customer loans continued to expand at a rapid pace during the second quarter of 2008, showing an increase of 12.9% compared to 2Q07. All segments reported double-digit growth rates: +20.3% for business loans, +15.9% for consumer loans and +10.5% for mortgages. In Turkey, DenizBank continued to deliver high growth in its loan book (+55.4% year-on-year), reaching EUR 3.7 billion as of June 2008.
- In the context of challenging financial markets, customer assets came to EUR 132.1 billion at the end of June 2008 (-3.9% compared to June 2007 and -1.2% compared to March 2008). In Turkey, customer assets reached EUR 4.5 billion at the end of June 2008 (+23.3% year-on-year).
- Revenues rose by 2.6% year-on-year to EUR 722 million. In Belgium and Luxembourg, revenues were stable, with higher income on payments offsetting the pressure on mutual funds fees. In Turkey, revenues increased by 23.3% compared to 2Q07 thanks to a continued high growth in loan volumes.
- Expenses were up 4.6% year-on-year. Turkey remained the main driver of costs growth (costs increased by 18.2% in 2Q08 compared to 2Q07). In Belgium and Luxembourg, Dexia continued to strictly monitor its cost base, limiting the increase at 2.3% year-on-year.
- Cost of risk was still low, rising from EUR 12 million in 2Q07 to EUR 16 million in 2Q08.

Record results for Treasury & Financial Markets (TFM) driven by buoyant Cash & Liquidity Management
Second quarter 2008 TFM underlying net income – Group share amounted to a record EUR 170 million, compared with EUR 120 million in 2Q07 and EUR 60 million in 1Q08. For the first half of 2008, underlying net income amounted to EUR 230 million, down 6.1 % compared to the first half of 2007.

- 2Q08 revenues amounted to EUR 262 million up 35.2% year on year. This included a EUR 21 million positive impact from mark-to-market adjustments on TFM's fixed income trading portfolios. As was the case in 1 Q08, the Treasury segment recorded exceptionally high revenues of EUR 122 million (+34.5% compared to 2Q07). This was largely attributable to Cash & Liquidity Management activities, which benefited from the global liquidity shortage again in the second quarter.
- Expenses increased by 9.2% in 2Q08 vs. 2Q07, due to a number of small development projects.

Asset Management resilient in a challenging environment
Underlying net income – Group share reached EUR 24 million in 2Q08 (-21.6% vs. 2Q07). For the first half of 2008, underlying net income fell by 33.3% to EUR 41 million.

- Assets under management amounted to EUR 98.8 billion at the end of June 2008, down EUR 3.4 billion (or - 3.3%) from March 2008. The negative market effect accounted for EUR 1.4 billion of the quarterly decrease, while net outflows were limited to EUR 1.9 billion.
- Revenues were down 11.5% in 2Q08 compared to 2Q07 as management fees were penalized by the negative market effect on funds as well as net outflows. The ratio of fees/assets under management was resilient throughout the period, and stable compared to 2Q07.
- Expenses fell to EUR 37 million (-4.8% year-on-year) thanks to the ongoing active cost management. IT and marketing costs were reduced, and staff costs were kept stable. Dexia Asset Management's productivity remained best in class with a cost on assets under management of 15 bps.

Investor Services: increase in assets under administration
Underlying net income – Group share decreased by 2.8% on a constant exchange rate, reaching EUR 27 million in the second quarter. For the first half of the 2008, underlying net income was EUR 50 million, up 1.7% on a constant exchange rate compared to the first half of 2007.

- As of June 30, 2008, RBC Dexia Investor Services had assets under administration of USD 2,765 billion, reflecting a 5.0% year-on-year increase.
- Revenues amounted to EUR 114 million, rising by 3.3% on a constant exchange rate. The benefit of higher volumes was partly offset by a decrease in fees and foreign exchange income, and by the decreasing share of equities within customers' assets.
- Expenses increased by 8.5% on a constant exchange rate to EUR 74 million, largely due to an increase in staff costs and IT expenditure.

Good liquidity and solvency

After an important reduction due to market spread changes during 1Q08, the Group's IFRS total shareholders' equity stabilized at EUR 8.6 billion as of June 2008.

Accumulated Other Comprehensive Income (OCI) amounted to EUR -7.0 billion at end of June 2008 against EUR -6.7 billion at end of March 2008.

Core shareholders' equity, which excludes accumulated Other Comprehensive Income, was EUR 15.6 billion at end of June 2008.

The solvency of Dexia, with a Tier 1 ratio of 11.4% at June 2008 improved and is well above the 10.5% target.

The Group's easy access to liquidity, partly built on its sizeable public finance asset pool, once again proved to be a highly valuable asset and the Cash & Liquidity Management desk booked excellent profits during 2Q08.

Access to long-term funding was very satisfactory. During 1 H08, long-term issues amounted to EUR 20.0 billion, corresponding to 60% of the annual budget. The average funding cost against Euribor increased from 4.5 bps in 1Q08 to 8.1 bps in 2Q08, remaining at a modest level compared to market spreads.

SHAREHOLDERS' EQUITY AND SOLVENCY	Dec 2007	March 2008	June 2008	Variation in 3 months
Core shareholders' equity (EUR m)	16,112	16,188	15,639	- 3.4%
Total shareholders' equity (EUR m)	14,525	9,529	8,604	- 9.7%
Tier 1 capital (EUR m) *	14,549	13,483	13,843	+2.7%
Total weighted risks (EUR m) *	159,383	120,113	121,670	+1.3%
Tier 1 ratio *	9.1%	11.2%	11.4%	+0.2 pts
Net assets per share				
- Core shareholders' equity (EUR)	12.87	12.83	13.07	+ 1.9%
- Total shareholders' equity (EUR)	11.51	7.07	6.99	- 1.1%

** Basel I applied as of Dec 2007; Basel II applied as of March and June 2008.*

Conclusions of FSA's strategic review

Over the last months, Dexia conducted a broad and deep review of FSA's strategy and prospects. Whilst it is clear that there are many uncertainties in the monoline industry over the near to intermediate term, the Group has come to the conclusion that there is value to be made for its shareholders by focusing FSA on Dexia's core franchise of worldwide leader in Public Finance. As a result, Dexia released on August 6 a number of key decisions regarding FSA: discontinue the ABS and structured finance activity and downsize the Financial Products business line; support directly FSA's Financial Products business (details will be communicated in due time); strengthen FSA's provisions to anticipate a prolongation of the mortgage crisis well into mid-2009 with a return to a normalized situation not before the middle of 2010; the injection of an additional USD 300 million in FSA to add to its capital strength and support new business originations in Public and Infrastructure Finance.

Since August 6, Dexia and FSA have been working actively on implementing the above-mentioned strategic decisions. In the meantime, the Group continues to monitor market developments and assess additional actions given market conditions and the current low visibility prevailing in the industry.

__Dexia__ (www.dexia.com) is a European bank and the world leader in local public finance. Dexia is one of the top twenty banking groups in the euro zone with a stock market capitalization of EUR 11.7 billion and more than 36,500 employees in 39 countries as of June 30, 2008. Dexia has one of the highest credit ratings in the banking industry. Dexia's development strategy is based on two pillars: its Universal Banking business in Europe (Belgium, Luxembourg, Slovakia and Turkey), and world leadership in Public/Project Finance.

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Annex 3: Strategic review of FSA - Press Release 06/08/2008

P R E S S   R E L E A S E

DEXIA

DEXIA ANNOUNCES THE RESULTS OF ITS STRATEGIC REVIEW OF FSA

• FSA TO EXIT THE ASSET-BACKED BUSINESS AND FOCUS ON CORE PUBLIC FINANCE MARKET

• FSA'S RESERVES STRENGTHENED TO REFLECT A MORE SEVERE U.S. MORTGAGE MARKET SCENARIO

• TO CONSOLIDATE FSA'S FINANCIAL STRENGTH DEXIA INJECTS USD 300 MILLION IN FSA AND CONTINUES TO SUPPORT FSA'S FINANCIAL PRODUCTS BUSINESS

DEXIA RESILIENT DURING 2Q 2008 WITH STRONG FINANCIAL SOLIDITY AND LIQUIDITY MAINTAINED

Regulated information – Brussels, Paris, August 6, 2008 – Dexia announced the results of a strategic business review of Financial Security Assurance (FSA) undertaken during 2Q 2008. Dexia also announced preliminary 2Q 2008 figures to confirm its strong financial solidity and liquidity.

Conclusions of the strategic review: exit Asset-Backed business, downsize Financial Products and focus on Public Finance; Dexia injects USD 300 million in FSA and will continue to support FSA's Financial Products business line

Dexia's management has been conducting an in-depth analysis of FSA's businesses and has performed a number of stress scenarios considering an unprecedented deterioration of both financial markets and economic prospects in the U.S. This business review included a regular dialogue with the rating agencies. Finally, Dexia's management carefully assessed the future of the municipal financial guaranty market in the U.S.

In this context, Dexia announces today that its subsidiary FSA will exit the Asset-Backed business and commit its resources to Global Public Finance. Supporting FSA, Dexia contributed USD 300 million of additional capital (or any other form of capital contribution which would have the same capital effect) into FSA and will take responsibility for the liquidity and the credit risk of the Financial Products business line[1].

[1] For additional details on the Financial Products business, please refer to Dexia and FSA's presentations on Dexia's website (www.dexia.com).

Dexia announced in June that it was providing a USD 5 billion committed unsecured standby line of credit to FSA's Financial Products asset management subsidiary, in order to ensure an orderly repayment of the liabilities of this business and avoid the crystallisation of losses linked to accelerated sales of the assets comprised in this portfolio. The liquidity line has so far remained undrawn and the business line still has cash available of USD 1.5 billion at the end of June 2008.

FSA to narrow focus on Global Public Finance, downsize the Financial Products business line and exit the Asset-Backed business

Dexia affirms its strategic objective of global leadership in Public Finance. The U.S. market is among the largest and most promising markets and is today experiencing a major disruption in terms of products, competition and profitability. Dexia is active in this market via two operating formats: banking and financial guaranty. Over the first half of the year, Dexia as a whole significantly expanded its market shares in the U.S. with record volumes. New long-term bank loans and commitments more than doubled at around USD 22 billion and new bonds insured by FSA in U.S. Public Finance increased by 50.9% at USD 39.6 billion. Margins on the new business were at a record high.

Indeed, during 1 H 2008, FSA enjoyed a unique leadership position in the U.S. municipal market, generating record present value originations of USD 591 million, up 42% compared to 1 H 2007, with high returns on deployed equity (20%+).

In this environment, FSA creates value for the municipal market and its various stakeholders. FSA's insurance brings not only default protection but also liquidity and risk analysis to a market made up of a broad array of different issuers, including, among others, municipalities, schools, utilities and airports, each having unique characteristics. Dexia believes that these attributes constitute the real value proposition of FSA, both for issuers and investors.

U.S. and Global Public Finance entail low risks and good predictability, and are consistent with Dexia's risk appetite and, to the extent risks in the U.S. public finance market may increase due to current economic conditions, this will be more than offset by record profitability on new business and conservative underwriting policy. This is not the case for the Asset-Backed market, which FSA will exit.

FSA will reduce the size of the Financial Products business line to rely on municipal funding only.

These steps will not only reduce the risk profile of FSA but also align all the financial and human resources of FSA with Dexia's core businesses.

FSA will adjust its human resources and expense levels accordingly. This will result initially in a 10% headcount reduction, a one-off charge of about USD 6 million and a USD 30 million annual cost reduction.

FSA reserves strengthened to reflect a more severe U.S. mortgage market scenario

Due to the deterioration of the economic environment in the US, FSA significantly strengthened its reserves for potential future losses in the RMBS sector for a total amount of USD 936 million (pre-tax) in 2Q 2008.

Assuming that the current stressed performance of insured transactions will continue well into 2009, and not return to normal until mid-2010, FSA increased reserves by USD 620 million (pre-tax). This is primarily related to transactions backed by home equity lines of credit (HELOCs) and Alt-A (near-prime) closed-end second-lien (CES) mortgage loans.

FSA also established reserves for economic losses on certain assets which are held for sale in the Financial Products investment portfolio for an amount of USD 316 million. Beyond the level of expected losses, the marking-to-market of these assets has an additional impact on reported net income, but absent actual additional economic loss, these marks are expected to sum to zero as the risks mature.

The effect of the above-mentioned losses on FSA's reported net profit is partly offset by non operating positive mark-to-market value adjustments on own credit risk and insured CDS transactions. Overall, FSA announced a 2Q 2008 reported net loss of USD 331 million under US GAAP and an operating net loss of USD 503 million.

FSA qualified statutory capital amounted to USD 2,474 million at the end of June 2008 compared to USD 2,703 million at end of December 2007. The Claims-Paying Resources amounted to around USD 7.9 billion at the end of June 2008.

FSA's comprehensive 2Q 2008 results release are available on both www.dexia.com and www.fsa.com websites.

For Dexia excluding FSA, underlying and reported 2Q 2008 net income were up respectively 24% and 3% year on year. Financial solidity and liquidity are strong.

Accounting figures mentioned below are estimates and have not been audited yet. Final and comprehensive 2Q 08 results will be released, as initially planned, on August 29.

Excluding FSA:

- Dexia benefited from strong levels of activity;
- Underlying revenues increased by 10% (or 5% excluding positive mark-to-market adjustments) and operating expenses by 4% compared to 2Q 2007;
- Underlying operating profit before provisions increased by 16% compared to 2Q 2007;
- Underlying net income increased by 24% to EUR 760 million;
- Reported net income increased by 3% to EUR 755 million

After taking into account FSA's related losses, Dexia's 2Q 2008 reported net income is estimated at EUR 539 million (-32% compared to 2Q 2007). Underlying net income[2] decreased by 37%, at EUR 440 million.

As at the end of June 2008, Dexia Group had an estimated Tier 1 ratio of 11.3%. Financial solidity is strong and is well above our 10.5% target. Similarly, there is no change in the Group's liquidity position which remains very healthy.

Total accounting shareholders' equity was EUR 8.6 billion and core shareholders' equity amounted to EUR 15.6 billion. With market credit spreads still very stretched at the end of June, accumulated Other Comprehensive Income (OCI) reserves remained negative (EUR -7.0 billion) at a level similar to the end of March 2008 (EUR -6.7 billion).

Axel Miller, Chief Executive Officer of Dexia, said: "Over the last months, we have conducted a broad and deep review of FSA's strategy and prospects. Whilst we recognize that there are many uncertainties in the monoline industry over the near-to intermediate term, we have come to the conclusion that there is value to be made for our shareholders by focusing FSA on Dexia's core franchise of worldwide leader in Public and Infrastructure Finance. As a result, we have taken the decision to strengthen the managerial and risk management lines between Dexia and FSA, to discontinue the ABS and structured finance activity and to downsize the Financial Products activity and have its risks taken over by Dexia. We have also strengthened FSA's reserves to anticipate a prolongation of the mortgage crisis in the US well into mid-2009 with a return to a more normal situation not before the middle of 2010. The injection of an additional USD 300 million will add to FSA's AAA capital strength and support new business originations in Public and Infrastructure Finance.

The outlook for the industry and even for AAA-rated participants is likely to remain negative for a number of months, but we believe that with these actions, a FSA centered on munis will be able to maintain and develop further a valuable franchise in a strategic market for Dexia, with an important value potential and a product that adequately complements Dexia's own banking offer. There are and will be enormous needs for new public infrastructure and replacement of aging projects throughout the world. The public finance markets offer broad and deep opportunities consistent with Dexia's and FSA's conservative business model at historically very attractive levels. Credit spreads are wide, US public issuers remain numerous and of diverse credit quality, and once the dust settles, we believe that there will remain an attractive position for a specialized municipal bond insurer with the capacity to adapt to potentially changing market circumstances.

During the second quarter of 2008, Dexia proved resilient in a particularly challenging market. Excluding FSA, underlying net income increased by an estimated 24% to EUR 760 million. Including the reserves made during 2Q 2008 for FSA, our solvency level of 11.3% Tier 1 ratio remains well above our target. Dexia is therefore in a position to proceed with this strategic realignment with no detrimental effect on its own capital position or policy. We will of course continue to monitor market developments and assess additional actions given market conditions and the current low visibility prevailing in the industry."

[2] Underlying net profit excluded fair value adjustment on the group's own credit risks. This was the only change in the definition of "Underlying" figures during 2Q 2008 and was justified by the significant size of this adjustment during 2Q 2008. Non operating earnings at FSA benefited from USD 500.3 million net fair-value adjustments attributable to FSA's own credit risk. There is no such item at Dexia level, excluding FSA.

Annex 4: Description of the Underlying Value and the index

1) Description of the the Underlying Value

a) General description of the Underlying Value

The Underlying Value is the Dexia Equities L Euro 50 Capitalisation (ISIN code: LU0012091087 – Bloomberg Code: ELK3591 LX). The information regarding the Underlying Value has been sourced from the prospectus of Dexia Equities L Euro 50 (that is available free of charge in all Dexia Bank agencies and can be consulated at www.dexiainvestor.be : Producten / ICB / Aandelenbevek - Produits / OPC / SICAV d'actions). The Issuer confirms that this information has been partly reproduced from the Bloomberg screens < ELK3591 LX >. The Issuer also confirms that as far as it is aware and able to ascertain from such information, no facts have been omitted which would render the reproduced information inaccurate or misleading.

Dexia Equities L Euro 50 is a compartiment of Dexia Equities L, a UCITS incorporated under the laws of Luxembourg. The assets of this compartiment consist mainly of a portfolio of variable-yield securities, mainly shares, convertible bonds and warrants issued for the most part by European companies and traded on the stock exchanges of those countries. At least two thirds of the net assets of the portfolio of this compartiment are invested in equity-type transferable securities included in the Dow Jones EURO STOXX 50 ® index, although they are not themselves indexed. Two-thirds of the net assets will always be invested in euro-denominated securities on these markets.
The compartiment may also hold, on an ancillary basis, cash or money market instruments whose residual maturity does not exceed 12 months.

b) Historical evolution of the Underlying Value

Source: Bloomberg

	HIGH (in EUR)	***LOW (in EUR)***
1 January1999 –31 March 1999	*579.20*	*529.89*
1 April 1999 – 30 June 1999	*596.89*	*552.60*
1 July 1999 - 30 September 1999	*612.44*	*544.27*
1 October 1999 – 31 December 1999	*742.99*	*554.78*
1 January2000 –31 March 2000	*857.50*	*694.09*
1 April 2000 – 30 June 2000	*834.95*	*756.97*
1 July 2000 - 30 September 2000	*827.75*	*760.75*
1 October 2000 – 31 December 2000	*779.46*	*703.84*
1 January 2001 –31 March 2001	*727.53*	*588.84*
1 April 2001 – 30 June 2001	*694.85*	*610.36*
1 July 2001 - 30 September 2001	*655.56*	*444.26*
1 October 2001 – 31 December 2001	*585.33*	*493.06*
1 January 2002 –31 March 2002	*584.96*	*523.03*
1 April 2002 – 30 June 2002	*575.16*	*452.06*
1 July 2002 - 30 September 2002	*487.56*	*338.82*
1 October 2002 – 31 December 2002	*413.73*	*332.16*
January 2003	*390.71*	*333.57*
February 2003	*350.90*	*318.07*
March 2003	*347.33*	*285.44*
April 2003	*365.53*	*314.64*
May 2003	*369.59*	*346.39*
June 2003	*393.06*	*368.28*
July 2003	*392.43*	*369.09*
August 2003	*405.26*	*380.28*
September 2003	*412.33*	*372.95*
October 2003	*400.73*	*379.31*
November 2003	*413.75*	*399.95*
December 2003	*428.25*	*412.31*
January 2004	*449.95*	*432.12*
February 2004	*456.20*	*437.43*
March 2004	*460.52*	*420.30*
April 2004	*452.37*	*433.36*
May 2004	*439.77*	*413.77*
June 2004	*444.89*	*424.08*
July 2004	*440.21*	*413.80*
August 2004	*425.95*	*406.58*
September 2004	*439.84*	*423.65*
October 2004	*446.24*	*430.17*
November 2004	*458.97*	*448.58*
December 2004	*463.46*	*453.41*
January 2005	*468.06*	*458.59*
February 2005	*484.96*	*471.79*
March 2005	*489.21*	*475.56*
April 2004	*484.47*	*460.83*
May 2005	*490.91*	*464.48*
June 2005	*504.90*	*491.40*
July 2005	*529.78*	*503.63*
August 2005	*536.15*	*512.03*
September 2005	*543.50*	*519.58*
October 2005	*549.35*	*514.17*
November 2005	*550.36*	*526.62*
December 2005	*572.86*	*554.39*
January 2006	*583.46*	*559.68*
February 2006	*603.57*	*581.09*
March 2006	*610.51*	*584.94*
April 2006	*615.20*	*595.33*
May 2006	*613.87*	*557.64*
June 2006	*575.31*	*537.35*
July 2006	*583.10*	*550.69*
August 2006	*604.02*	*574.14*

September 2006	*611.35*	*587.85*
October 2006	*629.77*	*607.66*
November 2006	*642.54*	*621.04*
December 2006	*647.18*	*616.14*
January 2007	*663.23*	*642.05*
February 2007	*674.31*	*642.85*
March 2007	*655.70*	*611.50*
April 2007	*691.54*	*654.29*
May 2007	*717.84*	*692.26*
June 2007	*724.34*	*695.66*
July 2007	*726.19*	*673.99*
August 2007	*695.22*	*646.85*
September 2007	*699.94*	*658.49*
October 2007	*713.42*	*694.54*
November 2007	*703.37*	*669.97*
December 2007	*716.75*	*690.26*
January 2008	*696.89*	*578.67*
February 2008	*621.70*	*590.15*
March 2008	*591.67*	*549.72*
April 2008	*615.49*	*603.23*
May 2008	*630.28*	*607.68*
June 2008	*615.02*	*552.66*
July 2008	*558.33*	*519.76*
August 2008	*565.25*	*537.12*
Net Asset Value in EUR (12/09/2008)	*538.44*	

Source: Bloomberg

2) Description of the index

a) General description of the index

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

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

The index is continuously calculated and quoted.

b) Calculation method and dissemination

The Dow Jones EURO STOXX 50 ® (Pirce EUR) index is calculated with the Laspeyres formula which measures price changes against a fixed base quantity weight.
The formula can be simplified as follows:
$\text{Index}_t = M_t / D_t$

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

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

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

c) Revision of the index

Annual review procedure:

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

(2) 40-60 Rule
The 40-60™ rule is then applied to select the blue chip stocks from the selection list:
- The largest 40 stocks on the list are selected.
- The remaining 10 stocks are selected from the largest remaining current stocks ranked between 41 and 60.
- If the number of stocks selected is still below 50, the largest remaining stocks are selected to bring the total to 50.

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

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

d) Composition of the index (as of 1 August 2008)

Ticker	Name
AGN NA Equity	Aegon NV
AI FP Equity	Air Liquide
ALU FP Equity	Alcatel-Lucent
ALV GY Equity	Allianz SE
MTP FP Equity	ArcelorMittal
G IM Equity	Assicurazioni Generali SpA
CS FP Equity	AXA SA
BBVA SQ Equity	Banco Bilbao Vizcaya Argentaria SA
SAN SQ Equity	Banco Santander Central Hispano SA
BAS GY Equity	BASF AG
BAY GY Equity	Bayer AG
BNP FP Equity	BNP Paribas
CA FP Equity	Carrefour SA
SGO FP Equity	Cie de Saint-Gobain
ACA FP Equity	Credit Agricole SA
DAI GY Equity	DaimlerChrysler AG
DBK GY Equity	Deutsche Bank AG
DB1 GY Equity	DEUTSCHE BOERSE
DTE GY Equity	Deutsche Telekom AG
EOA GY Equity	E.ON AG
ENEL IM Equity	Enel SpA

ENI IM Equity	ENI SpA
FORA NA Equity	Fortis
FTE FP Equity	France Telecom SA
BN FP Equity	Groupe Danone
IBE SQ Equity	Iberdrola SA
INGA NA Equity	ING Groep NV
ISP IM Equity	Intesa Sanpaolo SpA
PHIA NA Equity	Koninklijke Philips Electronics NV
OR FP Equity	L'Oreal SA
MC FP Equity	LVMH Moet Hennessy Louis Vuitton SA
MUV2 GY Equity	Muenchener Rueckversicherungs AG
NOK1V FH Equity	Nokia OYJ
RNO FP Equity	Renault SA
REP SQ Equity	Repsol YPF SA
RWE GY Equity	RWE AG
SAN FP Equity	Sanofi-Aventis
SAP GY Equity	SAP AG
SU FP Equity	Schneider Electric SA
SIE GY Equity	Siemens AG
GLE FP Equity	Societe Generale
SZE FP Equity	Suez SA
TIT IM Equity	Telecom Italia SpA
TEF SQ Equity	Telefonica SA
FP FP Equity	Total SA
UC IM Equity	UniCredito Italiano SpA
UNA NA Equity	Unilever NV
DG FP Equity	Vinci SA
VIV FP Equity	Vivendi
VOW GR Equity	Volkswagen AG

Source: Bloomberg

e) Historical evolution of the index

Source: Bloomberg

	HIGH	***LOW***
1 January1999 –31 March 1999	*3685.36*	*3325.56*
1 April 1999 – 30 June 1999	*3867.89*	*3573.60*
1 July 1999 - 30 September 1999	*3971.84*	*3512.71*
1 October 1999 – 31 December 1999	*4904.46*	*3607.72*
1 January2000 –31 March 2000	*5464.43*	*4500.69*
1 April 2000 – 30 June 2000	*5434.81*	*4903.92*
1 July 2000 - 30 September 2000	*5392.63*	*4915.18*
1 October 2000 – 31 December 2000	*5101.40*	*4614.24*
1 January 2001–31 March 2001	*4787.45*	*3891.49*
1 April 2001 – 30 June 2001	*4582.07*	*4039.16*
1 July 2001 - 30 September 2001	*4304.44*	*2877.68*
1 October 2001 – 31 December 2001	*3828.76*	*3208.31*
1 January 2002–31 March 2002	*3833.09*	*3430.18*
1 April 2002 – 30 June 2002	*3748.44*	*2928.72*
1 July 2002 - 30 September 2002	*3165.47*	*2187.22*
1 October 2002 – 31 December 2002	*2669.89*	*2150.27*
January 2003	*2529.86*	*2154.53*
February 2003	*2280.82*	*2058.97*
March 2003	*2249.11*	*1849.64*
April 2003	*2365.97*	*2067.23*
May 2003	*2389.7*	*2229.43*
June 2003	*2527.44*	*2365.76*
July 2003	*2519.79*	*2366.86*
August 2003	*2593.55*	*2436.06*
September 2003	*2641.55*	*2395.87*
October 2003	*2542.52*	*2427.06*
November 2003	*2592.91*	*2517.38*
December 2003	*2660.37*	*2572.70*
January 2004	*2746.40*	*2687.39*
February 2004	*2775.08*	*2678.48*
March 2004	*2804.06*	*2608.38*
April 2004	*2795.53*	*2694.18*
May 2004	*2753.15*	*2626.96*
June 2004	*2840.04*	*2713.29*
July 2004	*2806.62*	*2640.61*
August 2004	*2712.45*	*2580.04*
September 2004	*2790.67*	*2691.67*
October 2004	*2834.62*	*2734.37*
November 2004	*2922.24*	*2834.03*
December 2004	*2955.11*	*2888.02*
January 2005	*2984.59*	*2924.01*
February 2005	*3085.95*	*3008.85*
March 2005	*3114.54*	*3032.13*
April 2004	*3090.72*	*2930.10*
May 2005	*3096.54*	*2949.09*
June 2005	*3190.80*	*3099.20*
July 2005	*3333.05*	*3170.06*
August 2005	*3370.84*	*3224.10*
September 2005	*3429.42*	*3274.42*
October 2005	*3464.23*	*3241.14*
November 2005	*3471.43*	*3312.45*
December 2005	*3616.33*	*3499.40*
January 2006	*3691.41*	*3532.68*
February 2006	*3840.56*	*3671.37*
March 2006	*3874.61*	*3727.96*
April 2006	*3888.46*	*3770.79*
May 2006	*3890.94*	*3539.77*
June 2006	*3648.92*	*3408.02*
July 2006	*3710.60*	*3492.11*
August 2006	*3817.86*	*3640.60*

September 2006	*3899.41*	*3739.70*
October 2006	*4027.29*	*3880.14*
November 2006	*4109.81*	*3974.62*
December 2006	*4140.66*	*3932.09*
January 2007	*4195.22*	*4090.88*
February 2007	*4272.32*	*4087.12*
March 2007	*4191.58*	*3906.15*
April 2007	*4416.79*	*4189.55*
May 2007	*4512.65*	*4391.87*
June 2007	*4556.97*	*4376.42*
July 2007	*4557.57*	*4239.18*
August 2007	*4364.22*	*4062.33*
September 2007	*4389.33*	*4136.45*
October 2007	*4489.79*	*4356.24*
November 2007	*4415.27*	*4195.58*
December 2007	*4469.47*	*4301.34*
January 2008	*4339.23*	*3577.99*
February 2008	*3867.47*	*3678.16*
March 2008	*3684.54*	*3431.82*
April 2008	*3828.46*	*3671.28*
May 2008	*3882.28*	*3711.03*
June 2008	*3737.34*	*3340.27*
July 2008	*3387.50*	*3142.73*
August 2008	*3445.66*	*3248.92*
Closing Level (12/09/2008)	*3278.02*	

Source: *Bloomberg*

Annex 5: Exposure to Lehman Brothers - Press Release 15/09/2008

Exposure to Lehman Brothers

Regulated information – Brussels, Paris, September 15, 2008 – 02:30 pm

Dexia announced its exposure to Lehman Brothers Holdings Inc. following the US investment bank holding's intention to file a petition under Chapter 11 of the U.S. Bankruptcy Code. Total unsecured direct long term bond credit exposure to the holding company stands at around EUR 500 million. Other exposures are collateralized with haircuts and mainly refer to repo transactions with notional amount of EUR 1.5 billion and to a EUR 282 million Negative Basis Trade AAA transaction.

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