

Dexia SA Reverse stock split : Questions & Answers

<u>Questions</u>	<u>Answers</u>
What is involved in a reverse stock split operation?	A reverse stock split consists of replacing several existing shares, by exchange for one new share, without altering the amount of the share capital.
What is the objective of this reverse stock split?	<p>The reverse stock split is in line with the wish of Dexia SA to rationalise the number of shares to take account of the stock market price evolution observed over recent years, and the extremely low level at which the price currently stands (EUR 0.04 on 27 January 2016).</p> <p>Indeed, the operation should enable:</p> <ul style="list-style-type: none"> • price volatility to be limited, since the very low unit level necessarily results in excessive volatility; and also • a fairer relationship to be re-established between the share price and the lump-sum charges applied by financial institutions for holding, managing, transferring and selling shares.
What is the proposed reverse stock split ratio?	<p>The reverse stock split ratio is one to one thousand. This means that one new share will be allocated for one thousand existing shares.</p> <p><u>Example</u>: the shareholder with 3,000 shares will receive 3 new shares.</p>

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Will the ISIN code for Dexia shares be changed as a consequence of this reverse stock split operation?	Yes. The ISIN code for existing shares is BE 0003796134 (last listing 3 March 2016). The ISIN code for the consolidated shares will be BE 0974290224 (first listing 4 March 2016).
How many shares will represent the share capital after the operation?	There are currently 30,896,352,895 shares. The number of new shares following the reverse stock split will be 30,896,352.
On what date with the reverse stock split be effective?	The reverse stock split will take effect on 4 March 2016.
Is the exchange of shares automatic?	<p>Yes. The exchange of shares will take place automatically:</p> <ul style="list-style-type: none"> - in the register of shareholders for registered shares; and - on shareholders' securities accounts for dematerialised shares. <p>The exchange operation will therefore take place without shareholders being obliged to take any steps whatsoever.</p> <p><u>Example:</u> the shareholder currently holding 1,000 dematerialised shares (ISIN BE 0003796134) on a securities account will observe from 4 March 2016 that their shares have been replaced by one share (ISIN BE 0974290224).</p>
What will happen for shareholders not	The number of new shares held by that shareholder will be rounded down to the lower whole

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<p>holding a number of shares corresponding to a multiple of 1,000?</p>	<p>number. The shareholder will be allocated cash compensation <i>prorata</i> from the net proceeds from sale of the odd lots which will have been consolidated or sold on the market.</p> <p><u>Examples:</u> The shareholder currently holding 1,700 shares will receive one new share and compensation corresponding to the net proceeds of the sale on the market of 7/10 (seven tenths) of one new share (or 700 existing shares).</p> <p>The shareholder currently holding 800 shares will receive compensation corresponding to the net proceeds of the sale on the market of 8/10 (eight tenths of one new share (or 800 existing shares). That shareholder will no longer hold any Dexia share after the reverse stock split.</p>
<p>How will the compensation be determined?</p>	<p>As from 4 March 2016, any fractions of shares which might appear will be consolidated by BNP Paribas Fortis, mandated by Dexia SA for this operation.</p> <p>BNP Paribas Fortis will be responsible, between 11 March and 8 April 2016 (or any later date if that should prove necessary), for selling the new shares resulting from the consolidation of odd lots on the market (Euronext Brussels, Euronext Paris and the Luxembourg Stock Exchange).</p> <p>The net proceeds of the sale will be divided between the holders of odd lots, <i>prorata</i>, without additional charges. Nonetheless, in practice it is impossible to make a payment of less than one euro cent.</p> <p>Dexia SA is unable however to anticipate the share price at the time of the sale and cannot therefore estimate the net proceeds of the sale which will be divided between the holders of odd lots.</p>

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<p>How will be the compensation be paid to the holders of odd lots?</p>	<p>The holders of dematerialised shares will automatically receive payment of the compensation for odd lots to the bank account linked to their securities account, without having to do anything. This payment will be made within a deadline not exceeding one month from the close of the sale period.</p> <p>The holders of registered shares have received (or will shortly receive) a letter from Dexia SA inviting them to confirm their bank details.</p> <ul style="list-style-type: none"> - Shareholders whose details are known by Dexia SA will receive payment of the compensation for odd lots to the account in question. - Shareholders for which Dexia SA does not hold bank details must send those details to BNP Paribas Fortis at the following address cfcem-ecm@bnpparibasfortis.com or on the fax number +32.2.565.42.84, in order to obtain payment of the compensation. - Sums which might not be paid to registered shareholders for which Dexia SA does not hold bank details will be retained on a bank account opened for that purpose.
<p>What can be done by a shareholder wishing to avoid the appearance of odd lots?</p>	<p>The shareholder not holding a number of shares corresponding to a multiple of 1,000 may, prior to the reverse stock split, opt to purchase or to sell existing shares, so as to obtain a multiple of 1,000 and thus avoid the appearance of odd lots when the reverse stock split occurs.</p> <p>Dexia SA invites shareholders to obtain information from their financial institution as to the deadlines for execution and any transaction costs applicable to any share purchase or sale transaction. Transaction costs in fact vary depending on the financial institution with which shareholders' securities accounts are opened.</p> <p>Dexia draws the attention of its shareholders on the specific characteristics of the Dexia shares and</p>

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	<p>invites the shareholders to consult the specific section in Dexia website: http://www.dexia.com/EN/shareholder_investor/shareholder_information/share_characteristics/Pages/default.aspx</p> <p><u>Example</u>: a shareholder currently holding 890 shares may:</p> <ul style="list-style-type: none"> - acquire 110 Dexia shares on the market so as to hold 1,000 Dexia shares on the date of registration (or 3 March 2016). After the reverse stock split, that shareholder will then hold one new share (ISIN BE0974290224); or - sell the 890 shares prior to the date of registration. They will then lose the capacity of shareholder prior to the reverse stock split.
<p>What happens for shareholders holding registered and dematerialised shares?</p>	<p>Registered and dematerialised shares will be processed separately within the framework of the reverse stock split.</p> <p>Indeed, and shareholder holding registered shares <u>and</u> dematerialised shares may, prior to the reverse stock split, convert all or some of those shares so as to hold them all in one and the same form.</p> <p><u>Example</u>: the shareholder currently holding 800 registered shares and 500 dematerialised shares will receive compensation corresponding to the net proceeds of the sale of 8/10 (eight tenths) of one new share to the bank account indicated to Dexia SA and also compensation corresponding to the net proceeds of the sale of 5/10 (five tenths) of one new share to the bank account linked to their securities account. Therefore they will no longer be a shareholder.</p> <p>If the shareholder decides to convert their 800 registered shares into dematerialised shares prior to the operation, they will then hold 1,300 dematerialised shares and will receive one new share and</p>

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	compensation corresponding to the net proceeds of the sale of 3/10 (three tenths) of one new share.
Does a reverse stock split alter the stock exchange price of the share?	<p>Following a reverse stock split, the share price will undoubtedly rise mechanically and in proportion to the reduction of the number of shares in circulation.</p> <p>Nonetheless, Dexia SA cannot anticipate the evolution of the share price and cannot therefore guarantee the impact of the operation on the stock market price.</p> <p><u>Example</u>: with a reverse stock split ratio of 1.000 and a closing price on 3 March 2016 of EUR 0.04, excluding extrinsic circumstances and price evolution due to other factors, the new share price could be EUR 40 after the reverse stock split on 4 March 2016.</p>
Does a reverse stock split alter the value of the shareholder's portfolio?	<p>The value of the shareholder's portfolio is not altered by the reverse stock split. After the operation, the shareholder will hold fewer shares in their portfolio but the value per shares is increased proportionally.</p> <p>A reservation must be made for shareholders holding fewer than 1,000 Dexia shares who, following the reverse stock split, will lose the capacity of shareholder.</p> <p>Dexia draws the attention of its shareholders on the specific characteristics of the Dexia shares and invites the shareholders to consult the specific section in Dexia website: http://www.dexia.com/EN/shareholder_investor/shareholder_information/share_characteristics/Pages/default.aspx</p> <p><u>Example</u>: after the reverse stock split, a shareholder holding 1,000 shares at EUR 0.04 per share action will then hold one share at EUR 40 (subject to the evolution of the market price).</p>

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<p>What are the key dates for the reverse stock split operation?</p>	<p>The key dates for the reverse stock split operation are as follows:</p> <ul style="list-style-type: none"> - 29 January 2016: publication of the press release announcing the operation; - 29 January to 3 March 2016: period for the sale and purchase of Dexia SA shares to avoid the appearance of odd lots; - 3 March 2016: date of registration; - 4 March 2016: the reverse stock split will take effect; - 4 March 2016 to 11 March 2016: the reverse stock split of former shares forming odd lots into new shares; - 11 March 2016 to 8 April 2016 (or any later date): sale on the market by BNP Paribas Fortis of new shares resulting from the consolidation of odd lots and distribution of the net proceeds of the sale, <i>prorata</i>, to the holders of odd lots; - Attribution of a cash compensation within no more than one month as from the closing of the sale (shareholders must have communicated their bank details to BNP Paribas Fortis)