DEXIA CRÉDIT LOCAL

(a *société anonyme* established under the laws of the Republic of France)

Euro 35,000,000,000

Guaranteed Euro Medium Term Note Programme

benefitting from an unconditional and irrevocable first demand guarantee by the States of Belgium, France and Luxembourg

Under the EUR 35,000,000,000 Guaranteed Euro Medium Term Note Programme (the "**Programme**") described in this Information Memorandum, Dexia Crédit Local (the "**Issuer**"), subject to compliance with all relevant laws, regulations and directives, may from time to time issue guaranteed Euro Medium Term Notes (the "**Notes**").

The States of Belgium, France and Luxembourg (each a "**Guarantor**" and together the "**Guarantors**") will guarantee, severally and not jointly, each to the extent of its quota indicated in Clause 3 of the Independent on-demand guarantee dated 24 January 2013 (as amended, supplemented and/or restated from time to time, (the "**Guarantee**"), payments of principal and interest due with respect to the Notes to the extent that they constitute Guaranteed Obligations as described under the Guarantee. For further information, see the section entitled "**The Guarantee**" in this Information Memorandum. The Issuer will, subject to certain exceptions, pay additional amounts in respect of any French taxes withheld. No additional amounts will be payable by the Guarantors if any payments in respect of any Note or the Guarantee become subject to deduction or withholding in respect of any taxes or duties whatsoever. The Issuer may, and in certain circumstances shall, redeem all, but not some only of, the Notes if certain French taxes are imposed or, if the Pricing Supplement issued in respect of any Series so provides, in the circumstances set out in such Pricing Supplement. See "*Terms and Conditions of the Notes — Taxation*" and "*Terms and Conditions of the Notes — Redemption, Purchase and Options*".

The aggregate nominal amount of Notes outstanding will not at any time exceed Euro 35,000,000,000 (or its equivalent in other currencies).

The Notes may (i) be issued or redeemed at their nominal amount or at a premium over or discount to their nominal amount, (ii) bear interest on a fixed or floating rate or not bear Interest and (iii) be paid in a currency or currencies other than the original currency of issue.

Notes will be issued on a continuous basis in series (each a "**Series**") having one or more issue dates and the same maturity date, bearing interest (if any) on the same basis and at the same rate (except in respect of the first payment of interest) and on terms otherwise identical (or identical other than in respect of the first payment of interest, the issue date, the issue price and the nominal amount), the Notes of each Series being intended to be consolidated as regards their financial service with all other Notes of that Series. Each Series may be issued in tranches ("**Tranches**") on different issue dates. The specific terms of each Series of Notes (which will be supplemented where necessary with supplemental terms and conditions) will be determined at the time of the offering of each Series based on the then prevailing market conditions and will be set forth in the relevant Pricing Supplement (as defined herein).

This Information Memorandum does not constitute a prospectus for the purposes of Directive 2003/71/EC, as amended, and may be used only for the purpose for which it is published.

Application has been made to the Luxembourg Stock Exchange for the Notes issued under the Programme to be admitted to the official list of the Luxembourg Stock Exchange (the "**Official List**") and to be admitted to trading on the regulated market of the Luxembourg Stock Exchange (the "**Regulated Market**"). This Information Memorandum constitutes a "**Base Prospectus**" and any Pricing Supplement hereto will constitute a "**Final Terms**" each for the purposes of Luxembourg law of 10 July 2005 on the Prospectus for Securities as amended.

Application may in the future be made, in certain circumstances, to list Notes on such other or further stock exchanges as may be agreed between the Issuer and the relevant Dealer. The Regulated Market is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instalments (each such market being an "**EEA Regulated Market**"). Unlisted Notes may also be issued pursuant to the Programme. The relevant Pricing Supplement in respect of the issue of any Notes will specify whether or not such Notes will be listed and, if so, the relevant stock exchange(s).

Notes of each Tranche of each Series to be issued in bearer form ("**Bearer Notes**") will initially be represented by a temporary global Note (each a "**temporary Global Note**") or by a permanent global Note (each a "**permanent Global Note**" and, together with the temporary Global Note, the "**Global Notes**"), in either case in bearer form, without interest coupons which may be (a) in the case of a Tranche intended to be cleared through Euroclear (as defined below) and/or Clearstream Banking, société anonyme ("**Clearstream, Luxembourg**") (x) if the Global Notes are stated in the applicable Pricing Supplement to be issued in new global note ("**NGN**") form which are intended to be eligible collateral for Eurosystem monetary policy, delivered on or prior to the original issue date of the Tranche to a common safekeeper (the "**Common Safekeeper**") for Euroclear and Clearstream, Luxembourg; or (y) in the case of Global Notes which are not issued in NGN form ("**Classic Global Notes**" or "**CGNs**"), deposited on the issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"), (b) in the case of a Tranche intended to be cleared through Euroclear France, deposited on the issue date with Euroclear France acting as central depositary and (c) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear, Clearstream, Luxembourg and Euroclear France or delivered outside a clearing system, deposited on the relevant issue date as agreed between the Issuer and the relevant Dealer.

Notes of each Tranche of each Series to be issued in registered form ("**Registered Notes**") will initially be represented by a permanent registered global certificate (each a "**Global Certificate**"), without interest coupons, which may (a) in the case of a Tranche intended to be cleared through Euroclear and/or Clearstream, Luxembourg, (x) if the Global Certificate is held under the New Safekeeping Structure (the "**NSS**"), be deposited on or prior to the issue date to the Common Safekeeper; or (y) if the Global Certificate is not held under the NSS, be deposited on the issue date with a common depositary on behalf of Euroclear and Clearstream, Luxembourg and (b) in the case of a Tranche intended to be cleared through a clearing system other than or in addition to Euroclear, Clearstream, Luxembourg, or delivered outside a clearing system, as agreed between the Issuer and the relevant Dealer. The provisions governing the exchange of interests in the Global Notes for other Global Notes and definitive Notes and the exchange of interests in each Global Certificate for individual certificates ("**Individual Certificates**" and, together with any Global Certificates, the "**Certificates**") are described in "*Summary of Provisions relating to the Notes while in Global Form*".

The Programme has been rated AA by Fitch Ratings Limited ("**Fitch**"), (P)Aa3 by Moody's France S.A.S. ("**Moody's**") and AA for long-term debt and A-1+ for short-term debt by Standard & Poor's Credit Market Services France S.A.S. ("**S&P**"). Each of Fitch, Moody's and S&P is established in the European Union and is registered under Regulation (EC) No 1060/2009 (as amended) (the "**CRA Regulation**"). Each of Fitch, Moody's and S&P is included in the list of registered credit rating agencies published by the European Securities and Markets Authority on its website in accordance with the CRA Regulation. Notes issued pursuant to the Programme may be unrated. The relevant Pricing Supplement will specify whether or not such credit ratings are issued by a credit rating agency established in the European Union and registered under the CRA Regulation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Information Memorandum.

Dealers

Barclays	**Citigroup**
Commerzbank	**Crédit Agricole CIB**
Crédit Suisse	**Deutsche Bank**
Dexia Crédit Local	**Goldman Sachs International**
J.P. Morgan	**Morgan Stanley**
Natixis	**Nomura**
Société Générale Corporate & Investment Banking	**The Royal Bank of Scotland**

Arranger for the Programme

Goldman Sachs International

The date of this Information Memorandum is 27June 2014.

In relation to each separate issue of Notes, the Pricing Supplement, including the final offer price and the amount of such Notes will be determined by the Issuer and the relevant Dealers in accordance with prevailing market conditions at the time of the issue of the Notes and will be set out in the relevant Pricing Supplement, substantially in the form of the *pro forma* Pricing Supplement set out in this Information Memorandum.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by the Issuer, the Arranger or any of the Dealers (each as defined in "**Overview of the Programme**"). Neither the delivery of this Information Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Issuer and its subsidiaries taken as a whole (the "**Dexia Crédit Local Group**") since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Dexia Crédit Local Group since the date hereof or the date upon which this Information Memorandum has been most recently amended or supplemented or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

To the fullest extent permitted by law, none of the Dealers (other than Dexia Crédit Local in its capacity as Dealer) or the Arranger accept any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or a Dealer or on its behalf in connection with the Issuer or the issue and offering of the Notes. The Arranger and each Dealer (other than Dexia Crédit Local in its capacity as Dealer) accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement. This Information Memorandum is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Arranger, any Guarantor or any of the Dealers that any recipient of this Information Memorandum should purchase the Notes.

Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Information Memorandum and its purchase of Notes should be based upon such investigation as it deems necessary. None of the Dealers (other than Dexia Crédit Local in its capacity as Dealer) or the Arranger undertakes to review the financial condition or affairs of the Issuer or the Guarantors during the life of the arrangements contemplated by this Information Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Dealers or the Arranger.

This Information Memorandum does not constitute, and may not be used in connection with, an offer of, or an invitation to any person to whom it is unlawful to make such offer or invitation by or on behalf of the Issuer or the Dealers to subscribe for, or purchase, any Notes.

The distribution of this Information Memorandum and the offering or sale of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Information Memorandum comes are required by the Issuer, the Guarantors, the Arrangers and the Dealers to inform themselves about and to observe any such restrictions. In particular, there are restrictions on the distribution of this Information Memorandum and the offer or sale of the Notes in Japan, the United Kingdom and the United States (see the section entitled "**Subscription and Sale**" below).

THE NOTES AND THE GUARANTEE HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "**SECURITIES ACT**"), OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES, AND THE NOTES MAY INCLUDE BEARER NOTES THAT ARE SUBJECT TO U.S. TAX LAW REQUIREMENTS. SUBJECT TO CERTAIN EXCEPTIONS, THE NOTES MAY NOT BE OFFERED OR SOLD OR, IN THE CASE OF BEARER NOTES, DELIVERED WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT ("**REGULATION S**") OR, IN THE CASE OF MATERIALISED NOTES IN BEARER FORM, THE U.S. INTERNAL REVENUE CODE OF 1986 AS AMENDED (THE "**U.S. INTERNAL REVENUE CODE**")).

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) in the applicable Pricing Supplement (the "**Stabilising Manager(s)**") (or persons acting on behalf of any Stabilising Manager(s)) may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but such action must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with applicable laws and regulations.

In this Information Memorandum, unless otherwise specified or the context otherwise requires, references to "**Euro**", "**EUR**" or "**€**" are to the single currency of the participating member states of the European Union which was introduced on 1 January 1999.

RESPONSIBILITY STATEMENT

The Issuer accepts responsibility for the information contained in this Information Memorandum. The Issuer declares, having taken all reasonable care to ensure that such is the case, that to the best of the knowledge of the Issuer the information contained in this Information Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

None of the Guarantors has either reviewed this Information Memorandum or verified the information contained in it, and none of the Guarantors makes any representation with respect to, or accepts any responsibility for, the contents of this Information Memorandum or any other statement made or purported to be made on its behalf in connection with the Issuer or the issue and offering of any Notes. Each of the Guarantors accordingly disclaims all and any liability, whether arising in tort or contract or otherwise, which it might otherwise have in respect of this Information Memorandum or any such statement.

TABLE OF CONTENTS

Page

OVERVIEW OF THE PROGRAMME

Issuer	Dexia Crédit Local, a limited company (société anonyme) established under French company law having its registered office in: Tour Dexia La Défense 2 1, Passerelle des Reflets 92913, La Défense Cedex France. Dexia Crédit Local is registered as a company under the number 351804042 Nanterre (Registre du Commerce et des Sociétés). Dexia Crédit Local is part of the Dexia group of companies (the "**Dexia Group**").
Guarantors	The Kingdom of Belgium, the Republic of France and the Grand Duchy of Luxembourg.
Guarantee	The Guarantors will severally and not jointly guarantee issues of Notes under the Programme. For further information, see the section entitled "**The Guarantee**" in this Information Memorandum. The Notes will have the benefit of the Guarantee to the extent that the Notes constitute "**Guaranteed Obligations**" as defined in Clause 1 of the Guarantee.
Description of the Programme	Continuously offered Guaranteed Euro Medium Term Note Programme.
Arranger	Goldman Sachs International
Dealers	Barclays Bank PLC Citigroup Global Markets Limited Commerzbank Aktiengesellschaft Crédit Agricole Corporate and Investment Bank Credit Suisse Securities (Europe) Limited Deutsche Bank AG, London Branch Dexia Crédit Local Goldman Sachs International J.P. Morgan Securities plc Morgan Stanley & Co. International plc Natixis Nomura International plc Société Générale The Royal Bank of Scotland plc The Issuer may from time to time terminate the appointment of any dealer under the Programme or appoint additional dealers either in respect of one or more Tranches or in respect of the whole Programme. References in this Information Memorandum to "**Permanent Dealers**" are to the persons listed above as Dealers and to such additional persons which are appointed as dealers in respect of the whole Programme (and whose appointment has not been terminated) and to "**Dealers**" are to all Permanent Dealers and all persons appointed as a dealer in respect of one or more Tranches.
Programme Limit	Up to Euro 35,000,000,000 (or the equivalent in other currencies) aggregate nominal amount of Notes outstanding at any one time. Where an issue of Notes is in a currency other than Euro, the aggregate nominal amount of such Notes shall be calculated based on the Euro equivalent value of such currency as at the relevant issue date of such Notes.
Guarantee Limits	The aggregate commitment in principal of the Guarantors under the Guarantee for all outstanding Guaranteed Obligations (including, but not limited to, Notes issued under the Programme) may not at any time exceed the following limits, it being understood that the interest and incidental amounts due on the principal amounts so limited are guaranteed beyond

these limits:

(1) Euro 85,000,000,000 for the three Guarantors in aggregate;

(2) Euro 43,698,500,000 for the Kingdom of Belgium;

(3) Euro 38,751,500,000 for the Republic of France; and

(4) Euro 2,550,000,000 for the Grand-Duchy of Luxembourg,

as set out in Article 3 of the Guarantee.

The aggregate principal amount of the outstanding Guaranteed Obligations at 20 June 2014 was EUR 76.9 billion.

Compliance with the above-mentioned limits will be assessed upon each new issuance, or entry into, of Guaranteed Obligations, with the outstanding principal amount of all Guaranteed Obligations denominated in foreign currencies (i.e., Guaranteed Obligations issued or entered into prior to such time, as well as such new Guaranteed Obligations if denominated in foreign currencies) being converted into Euro, at the reference rate of the date of such new issuance, or entry into, of Guaranteed Obligations, as published on that day by the European Central Bank.

Any subsequent non-compliance with such limits will not affect the rights of the Noteholders under the Guarantee with respect to Notes issued before any such limit was exceeded.

Fiscal Agent, **Listing Agent and Paying Agent**

Banque Internationale à Luxembourg, société anonyme.

Currencies

Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in euro (EUR), US dollar (USD), Canadian dollar (CAD), pound sterling (GBP), yen (JPY) or Swiss franc (CHF), as agreed between the Issuer and the relevant Dealers.

Maturities

Subject to compliance with all relevant laws, regulations and directives, any maturity up to a maximum maturity as specified in the Guarantee (which, at the date of this Information Memorandum, is ten years from the relevant Issue Date). In the case of Extendible Notes, the Noteholder's option may provide that the Maturity Date in respect of the Notes will be automatically extended to a maximum maturity as specified in the Guarantee (which, at the date of this Information Memorandum, is ten years from the relevant Issue Date) unless a Noteholder exercises its Non-Extension Option in respect of any Note held by such Noteholder within the relevant Exercise Period.

Form of Notes

The Notes may be issued in bearer form ("**Bearer Notes**") or in registered form ("**Registered Notes**"). Each Tranche of Bearer Notes will be represented on issue by a temporary Global Note if (i) definitive Notes are to be made available to Noteholders following the expiry of 40 days after their issue date or (ii) such Notes are being issued in compliance with the D Rules (as defined in "*Overview of the Programme — Selling Restrictions*"), otherwise such Tranche will be represented by a permanent Global Note. Registered Notes will be represented by Certificates, one Certificate being issued in respect of each Noteholder's entire holding of Registered Notes of one Series. Certificates representing Registered Notes that are registered in the name of a nominee for one or more clearing systems are referred to as "**Global Certificates**".

The relevant Pricing Supplement will specify whether Notes are issued as Bearer Notes or Registered Notes.

Denominations

Notes will be issued in such denominations as may be specified in the applicable Pricing Supplement.

Interest, Specified Interest Payment Dates, Interest Periods and Rates of Interest	The relevant Pricing Supplement will specify whether or not the Notes bear interest, the method of and periods for, the calculation of such interest (which may differ from time to time or be constant for any Series) and the dates on which any such interest shall be payable. Notes may have a maximum rate of interest, a minimum rate of interest, or both.
Fixed Interest Rate Notes	Fixed interest will be payable in arrear on the date or dates in each year specified in the relevant Pricing Supplement.
Floating Rate Notes	Floating Rate Notes will bear interest set separately for each Series by reference to LIBOR, EURIBOR or EUR CMS (or such other benchmark as may be specified in the relevant Pricing Supplement) as adjusted for any applicable margin. Interest Periods will be specified in the relevant Pricing Supplement.
Zero Coupon Notes	Zero Coupon Notes may be issued at their principal amount or at a discount to it and will not bear interest.
Other Notes	Terms applicable to high-interest Notes, low-interest Notes, step-up Notes and step-down Notes will be set out in the relevant Pricing Supplement.
Redemption by Instalments	The Pricing Supplement issued in respect of each issue of Notes which are redeemable in two or more instalments will set out the days on which, and the amounts in which, such Notes may be redeemed.
Optional Redemption	The Pricing Supplement issued in respect of each issue of Notes will state whether such Notes may be redeemed prior to their stated maturity at the option of the Issuer (either in whole or in part) and/or the holders, and, if so, the terms applicable to such redemption as described in "*Terms and Conditions of the Notes — Redemption, Purchase and Options*".
Early Redemption	Except as provided in "*Optional Redemption*" above, Notes will be redeemable at the option of the Issuer prior to maturity only for tax reasons, as described in "*Terms and Conditions of the Notes — Taxation*".
Consolidation	Notes of one Series may be consolidated with Notes of another Series, as described in "*Terms and Conditions of the Notes — Further Issues and Consolidation*".
Issue Price	Notes may be issued at their principal amount or at a discount or premium to their principal amount. Partly Paid Notes may be issued, the issue price of which will be payable in two or more instalments.
Method of Issue	The Notes will be issued on a syndicated or non-syndicated basis. The Notes will be issued in one or more Series. Further Notes may be issued in Tranches as part of an existing Series.
Initial Delivery of Notes	On or before the issue date for each Tranche, if the Global Note is a NGN or the Global Certificate is held under the NSS, the Global Note or the Global Certificate, as applicable, will be delivered to a Common Safekeeper for Euroclear and Clearstream, Luxembourg. On or before the issue date for each Tranche, if the relevant Global Note is a CGN or the Global Certificate is not held under the NSS, the Global Note representing Bearer Notes or the Global Certificate representing Registered Notes may be deposited with a common depositary for Euroclear and Clearstream, Luxembourg. Global Notes or Global Certificates may also be deposited with any other clearing system or may be delivered outside any clearing system *provided that* the method of such delivery has been agreed in advance by the Issuer, the Fiscal Agent and the relevant Dealer. Registered Notes that are to be credited to one or more clearing systems on issue will be registered in the name of nominees or a common nominee for such clearing systems.

Governing Law	The Notes are governed by English law. The Guarantee is governed by the laws of Belgium.
Jurisdiction	In respect of the Notes, the Issuer has submitted to the jurisdiction of the Courts of England. The courts of Brussels have exclusive jurisdiction to settle any disputes relating to the Guarantee.
Listing and Admission to Trading	Application has been made to the Luxembourg Stock Exchange for Notes issued under the Programme to be admitted to the Official List and to be admitted to trading on the Regulated Market or as otherwise specified in the relevant Pricing Supplement and references to listing shall be construed accordingly. As specified in the relevant Pricing Supplement, a Series of Notes may be unlisted.
Clearing Systems	Clearstream, Luxembourg, Euroclear, Euroclear France and, in relation to any Tranche, such other clearing system as may be agreed between the Issuer, the Fiscal Agent and the relevant Dealer.
Taxation	All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If the Issuer is required to make a withholding or deduction with respect to any French taxes, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holders of Notes, after deduction of such withholding, receive the full amount provided in such Notes to be then due and payable except that no additional amounts shall be payable in certain circumstances more fully described in Condition 8 of the "*Terms and Conditions of the Notes*". If the Issuer is required to make a withholding or deduction with respect to any French taxes and as a result is required to pay additional amounts to Noteholders it may, and in certain circumstances shall, as more fully described in Condition 8 of the "*Terms and Conditions of the Notes*", redeem all (but not some only) of the outstanding Notes. **No additional amounts will be payable by the Guarantors If any payments in respect of any Note or the Guarantee become subject to deduction or withholding in respect of any taxes or duties whatsoever**. Each prospective investor should carefully review the section entitled "**Taxation**" of this Information Memorandum.
Status of Notes	The Notes will constitute direct, unconditional, unsecured and unsubordinated obligations of the Issuer.
Negative Pledge	The terms of the Notes will contain a negative pledge provision as described in "*Terms and Conditions of the Notes — Negative Pledge*".
Events of Default	The Notes will contain only one event of default (where in certain circumstances the Guarantee is not or ceases to be in full force and effect) and in particular will not contain a cross-default provision in respect of other indebtedness of the Issuer. In any event, invoking an event of default resulting in an acceleration of the Notes may prejudice the ability of Noteholders to make a valid claim under the Guarantee. See the paragraph entitled "*No Acceleration rights against Guarantors*" immediately below, and "*Risk Factors - Factors relating to the Guarantee - No acceleration rights against Guarantors and consequences of accelerating against the Issuer*". See also "*Risk Factors - Factors relating to the Notes - only one Event of*

Default".

No Acceleration rights against Guarantors

No grounds for acceleration of payment of the Notes, whether statutory (in particular in the case of judicial liquidation proceedings with respect to the Issuer) or contractual (in particular an event of default), will be enforceable against the Guarantors or any of them under the Guarantee. Consequently, a claim under the Guarantee may only be made in respect of amounts due and payable pursuant to the normal payment schedule of the Notes (it being understood that the effects of any early redemption provision which is not related to the occurrence of an event of default are deemed part of the normal payment schedule of the Notes) and subject to the other requirements described above. Moreover, claims made under the Guarantee will need to be resubmitted on all subsequent payment or maturity dates of the Notes.

Furthermore, in order to be entitled to call upon the Guarantee, a Noteholder cannot have invoked or invoke any grounds for acceleration against the Issuer under the Notes, except where the grounds for acceleration of payment have arisen by operation of law without any action from Noteholders, for example in the event of the opening of judicial liquidation proceedings with respect to the Issuer. See the sections entitled "The Guarantee" and "*Risk Factors - Factors relating to the Guarantee - No acceleration rights against Guarantors and consequences of accelerating against the Issuer*" in this Information Memorandum.

Ratings

Tranches of Notes to be issued under the Programme may be rated or unrated. Details of the rating, if any, attributable to an issue of Notes will be set out in the applicable Pricing Supplement. Potential purchasers of Notes should consider the rating(s) (if any) applicable to a Tranche of Notes before making any decision to purchase such Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. In particular, the ratings of the Notes will be linked to the ratings of the Guarantors, and these Guarantor ratings may be suspended, changed or withdrawn at any time by the relevant rating agency.

Selling Restrictions

There are restrictions on the sale of Notes and the distribution of this Information Memorandum in various jurisdictions, including the United States, the United Kingdom, France and Japan. In connection with the offering and sale of a particular Tranche, additional selling restrictions may be imposed which will be set out in the relevant Pricing Supplement.

The Issuer is Category 2 for the purposes of Regulation S. Bearer Notes will be issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(D) (or any successor U.S. Treasure Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010)(the "**D Rules**"), unless (i) the relevant Pricing Supplement states that Notes are issued in compliance with U.S. Treas. Reg. §1.163-5(c)(2)(i)(C) (or any successor U.S. Treasure Regulation section including, without limitation, regulations issued in accordance with U.S. Internal Revenue Service Notice 2012-20 or otherwise in connection with the U.S. Hiring Incentives to Restore Employment Act of 2010)(the "**C Rules**") or (ii) the Notes are issued other than in compliance with the D Rules or the C Rules but in circumstances in which the Notes will not constitute "*registration required obligations*" for U.S. federal income tax purposes, which circumstances will be referred to in the relevant Pricing Supplement as a transaction to which TEFRA is not applicable.

Notes may only be initially subscribed by investors qualifying as "*Third Party Beneficiaries*" (*Tiers Bénéficiaires*) under paragraph (a) or under paragraphs (c) to (f) of Schedule A to the Guarantee.

Method of Publication of the

The Pricing Supplement relating to Notes admitted to trading and/or offered

Pricing Supplement	to the public will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Pricing Supplement will indicate where the Information Memorandum and any other constituent documents thereof may be obtained.
Use of Proceeds	The net proceeds of the issue of the Notes under the Programme will be used to repay or refinance existing financing of the Issuer.
Risk Factors	Prospective investors should have regard to the section in this Information Memorandum entitled "*Risk Factors*" for a discussion of certain factors that should be considered in connection with investing in the Notes and the operation of the Guarantee.

RISK FACTORS

Prospective purchasers of the Notes offered hereby should consider carefully, in light of their financial circumstances and investment objectives, all of the information included or incorporated by reference in this Information Memorandum and, in particular, the risk factors set forth below in making an investment decision.

*In these Risk Factors, the "**Group**" refers to the Issuer and its subsidiaries, and the "**Dexia Group**" refers to Dexia S.A. and the Issuer and its subsidiaries.*

Factors Relating to the Issuer and its Operations

Macro-risks in the European Union could have unforeseen negative consequences on the Issuer; the Group and the Dexia Group.

Even if economic conditions gradually improved in the Euro area, growth remains globally moderate on the back of austerity plans and structural reforms and unemployment rate still peaks in a number of the euro zone members. If economic and financial conditions in the European Union or the euro zone component of the European Union deteriorate, or if fears persist that one or more European Union/euro zone members will default or restructure its or their indebtedness, or in the case of euro zone members withdrawing from the euro, the cost and availability of funding available to European banks, including Dexia S.A. and the Dexia Group, may be affected, and such events could otherwise materially adversely affect the Issuer's financial condition and results of operations, including the value of its assets and liabilities.

The Dexia Group is in orderly resolution, and its ability to successfully complete its orderly resolution plan is significantly dependent on external factors.

The Dexia Group encountered serious refinancing difficulties in the autumn of 2011, in the context of the accelerating sovereign debt crisis in Europe, leading it to announce an orderly resolution of its activities with the support of a liquidity guarantee by the States of Belgium, France and Luxembourg. The government guarantee scheme (as well as other sovereign support measures such as the December 2012 EUR 5.5 billion capital increase of Dexia S.A. subscribed by the Belgian and French State) was considered by the European Commission to involve the provision of State aid to the Dexia Group within the meaning of Article 107 of the Treaty on the Functioning of the European Union ("**TFEU**"), which resulted in the requirement for the submission of an orderly resolution plan to the European Commission for approval under EU State aid rules. The States of Belgium, France and Luxembourg (the "**States**") initially submitted their plan to the European Commission on 21 March 2012. Subsequently, following active discussions between Dexia S.A., the States, the European Commission and the European, Belgian and French central banks, certain hypotheses and principles in the business plan underlying the plan submitted by the States to the Commission in March 2012 were changed. This resulted in a revised orderly resolution plan (the "**Orderly Resolution Plan**") being submitted to the European Commission on 14 December 2012, and approved by it in a decision of 28 December 2102 (the "**EU Decision**").

A synthetic description of the Orderly Resolution Plan can be found in the press release of 31 December 2012 which is available on the website of Dexia S.A. at:

http://www.dexia.com/EN/journalist/press_releases/Pages/default.aspx.

The non confidential version of the decision was published by the European Commission in 2014 and is available at:

http://ec.europa.eu/competition/state_aid/cases/235395/235395_1520674_699_2.pdf

The Orderly Resolution Plan, in essence, calls for the sale of those main commercial franchises considered to be viable in the long term, and the management in run-off of the other franchises without new production (other than in limited circumstances) and recapitalisation of the Dexia Group. The downsizing of the Dexia Group's balance sheet and other measures adopted as a result of the implementation of the Orderly Resolution Plan may give rise to challenges by shareholders and creditors of the Dexia Group and the Issuer. These challenges may include allegations of default on outstanding debt. If such challenges are successful, the Dexia Group's ability to realise the intended benefits of the Orderly Resolution Plan may be adversely affected. As a result of the resolution, Dexia no longer has any commercial activities and, as at end of April 2014, the Dexia Group has disposed of all entities in line with the commitments undertaken by the States, thus reaching its target scope as a bank in resolution.

The orderly resolution of the Dexia Group will have to be managed on the long term given the nature and the maturity profile of its remaining assets, the financial plan setting out a trajectory for the asset portfolio to be gradually reduced to around EUR 91 billion by end of 2020 and EUR 15 billion by 2038. Over that period, the Dexia Group's ability to complete the Orderly Resolution Plan successfully, and thus avoid a disorderly liquidation, remains heavily dependent on a number of external factors over which Dexia Group has little or no control including: (i) the accuracy of the macro-economic assumptions underlying the plan; (ii) the evolution of interest rates and the credit environment; (iii) the preservation of the banking licenses of the Issuer and any of the credit institution within the Dexia Group; (iv) the maintenance of all ratings within the Group (v) substantial access by Dexia Group to the capital markets, allowing Dexia Group to finance a substantial portion of its assets through the repo market, and to issue significant amounts of government guaranteed bonds in the capital markets; and (vi) regulatory and accounting developments, in particular the implementation of the IFRS 9 accounting standard.

The macro-economic assumptions underlying the plan were reviewed in December 2013 and a revised plan was ratified by the Board of Directors on 19 March 2014. The review did not lead to any significant deviation over the term of the plan compared to the plan initially validated by the European Commission.

However, any significant deviation from one or several of the assumptions underlying the plan could have a material adverse impact on the Dexia Group and the Group and on the Issuer's financial condition and results of operations. Consequently, the Issuer's ability to meet its payment obligations under the Notes could be affected.

As a financial institution in run-off, the Group is particularly vulnerable to fluctuations in interest rates and other parameters.

As required by the EU Decision, the Orderly Resolution Plan contemplates that the Dexia Group will not engage in new production except for very limited exceptions, including new production by Crediop SpA, a subsidiary of the Issuer, up to EUR 200 million, and new loans granted as part of "desensitisation" (*désensibilisation*) of certain loans granted by the Issuer to French public sector borrowers. Because the Dexia Group can no longer engage in any meaningful production, its ability to actively manage its assets and liabilities is substantially constrained as compared to a commercially active credit institution, and both its balance sheet and its off-balance sheet commitments are particularly vulnerable to fluctuations in interest rates and exchange rates (see "The Group is exposed to fluctuations in its cash collateral requirements" below). For example, the update of the financial plan in December 2013 shows that a ten basis points decrease in the ten-year swap rate would result in an increase of approximately EUR 1.1 billion in the Group's cash collateral needs, which, if financed at the rate of central bank ELA (emergency liquidity assistance), would increase the Group's funding costs by approximately EUR 170 million over the 2014-2022 period, assuming no deviation from any of the other hypotheses or principles underlying the Orderly Resolution Plan (see "The Dexia Group is in orderly resolution, and its ability successfully to complete its orderly resolution plan is significantly dependent on external factors").

The Group is exposed to fluctuations in its cash collateral requirements.

The Group has a very significant derivatives portfolio (notional amount of approximately EUR 435 billion as at 31 December 2013), consisting primarily of interest rate derivatives. That portfolio generates a cash collateral requirement that is highly sensitive to fluctuations in foreign exchange rates and interest rates, in particular the 10Y euro swap curve. Significant deviations in those rates from the levels assumed in the Orderly Resolution Plan would increase the Group's and the Issuer's funding needs and costs, and have a material adverse effect on their financial condition and results of operations (see "As a financial institution in run-off, the Group is particularly vulnerable to fluctuations in interest rates and other parameters" above).

Adjustments to the carrying value of the Issuer's securities and derivatives portfolios could have an impact on its net income and shareholders' equity.

The carrying value of the Issuer's securities and derivatives portfolios and certain other assets in its balance sheet is adjusted as of each financial statement date. Most of the adjustments are made on the basis of changes in fair value of the assets during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recorded in the income statement, to the extent not offset by opposite changes in the value of other assets, affect its net banking income and, as a result, its net income. All fair value adjustments affect shareholders' equity and, to some extent, capital adequacy ratios. The fact that fair value adjustments are recorded in one accounting period does not mean that further adjustments will not be needed in subsequent periods.

The Group has a significant level of encumbered assets and the encumbrance of assets may remain at a significant level going forward.

The structure of the Group's funding evolved significantly since the beginning of the resolution process. In 2011 and 2012, the Dexia Group lost its retail deposits following the sale of Dexia Banque Belgique (now Belfius banque), Banque Internationale à Luxembourg and DenizBank. In 2013, the Group managed to increase substantially the issuance of government guaranteed funding and the development of secured funding using the repo market. This enabled the Group to significantly reduce its reliance on central bank refinancing.

At the end of March 2014, the secured funding represented 33% of total Group funding and the central bank funding was reduced to 18.9%, compared to 28.2% one year earlier.

As a reminder, no collateral is posted to the States as part of the government guaranteed transactions.

The Group is exposed to a substantial liquidity risk.

Generally, liquidity risk is the risk that the Issuer will experience difficulty in financing its assets and/or meeting its contractual payment obligations as they fall due, or will only be able to do so at substantially above the prevailing market cost of funds. This risk is inherent in banking operations generally, but is especially acute in the case of the Issuer, given its substantial short term funding needs.

The Issuer's liquidity may be impacted as a result of a reluctance of the Issuer's counterparties or the market to finance the Issuer's operations due to actual or perceived weaknesses in the Issuer's financial condition or prospects. Such effects can also arise from circumstances unrelated to the Issuer's businesses and outside its control. In particular, the Issuer is sensitive to any negative perception of the European sovereign credit ratings and especially the ratings of France and Belgium, given the importance of the government guaranteed funding for the Issuer. Disruption in the financial markets, negative developments concerning other financial institutions, a negative perception of the financial services industry in general, disruption in the markets for any specific class of assets or major events or disasters of global significance may also have a negative impact on the issuer's liquidity situation. Negative perceptions of the Issuer's financial condition or prospects could develop as a result of material unanticipated losses, changes in its credit ratings or regulatory action, as well as many other reasons. This risk can be increased by an over-reliance on a particular source of funding (including, for example, short term funding) or other factors, such as a high sensitivity to fluctuations in foreign exchange rates or interest rates (see "The Group is exposed to fluctuations in its cash collateral requirements").

The results of operations of the Group and the Issuer are heavily dependent on their ability to maintain their funding mix and cost of funding at the levels assumed by the Orderly Resolution Plan.

The Orderly Resolution Plan contemplates a particular funding mix (i.e. the type and maturity of the various funding sources of Dexia Group, including central bank financing, repo, government guaranteed bond issues etc., and the relative proportion of each source in the Dexia Group's overall financing), and assumes funding costs based on that funding mix and on the expected cost of each component of that mix. Should the Dexia Group be unable to achieve that funding mix (for instance because certain types of financings, such as government guaranteed bonds placed on the capital markets, are not available to the extent expected), or should the cost of certain types of funding be higher than contemplated by the Orderly Resolution Plan, the Group and the Issuer's results of operations and financial condition would be materially adversely impacted.

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.

The Issuer is exposed to many different counterparties, its exposure to counterparties in the financial services industry is significant. This exposure can arise through lending, deposit-taking, clearance and settlement and numerous other activities and relationships. These counterparties include institutional clients, brokers and dealers, commercial banks, investment banks and mutuals. Many of these relationships expose the Issuer to credit risk in the event of default of a counterparty or client. In addition, the Issuer's and/or the Group's credit risk may be increased when the collateral it holds cannot be realised at, or is liquidated at prices not sufficient to recover, the full amount of the loan or derivative exposure it is due to cover, which could in turn affect the Issuer's ability to meet its payments under the Notes. Many of the hedging and other risk management strategies utilised by the Issuer also involve transactions with financial services counterparties.

The Issuer cannot assume that its level of provisions will be adequate or that it will not have to make significant additional provisions for possible bad and doubtful debts in future periods. The weakness or insolvency of these counterparties may impair the effectiveness of the Issuer's or the Group's hedging and other risk management strategies, which could in turn affect the Issuer's ability to meet its payments under the Notes.

As market conditions change, the fair value of the Issuer's or the Group's exposures to counterparties could fall further and result in additional losses or impairment charges, which could have a material adverse effect on the Issuer's or the Group's financial condition and/or results of operations (see also "The Group and the Issuer are exposed to concentration risk"). Such losses or impairment charges could derive from: a decline in the value of exposures; a decline in the ability of counterparties, including monoline insurers, to meet their obligations as they fall due; or the ineffectiveness of hedging and other risk management strategies in circumstances of severe stress. Any value ultimately realised by the Issuer on sale of an asset will depend on the prices achievable in the market following the decision to sell which may be higher or lower than the asset's current estimated value. If there is a shortfall between the proceeds obtained on disposal and the carrying value of the asset on the balance sheet there would be an adverse effect on the Issuer's or the Group's financial condition and/or result of operations, which could in turn affect the Issuer's ability to meet its payment obligations under the Notes.

The Group and the Issuer are exposed to concentration risk.

The Group and the Issuer remain significantly exposed to certain risks, including sovereign risks on certain EU Member States such as Spain and Italy as well as local public sector risks such as the US local public sector. A further deterioration of the sovereign or local public sector risk on any of these countries, and rating downgrades or defaults resulting therefrom, would have a material adverse impact on the cost of risk of the Group and the Issuer, their AFS reserves or their weighted risks, and would also have a negative impact on their regulatory ratios and on their financial condition and results.

The Issuer is exposed to currency/exchange rate costs and related exposures.

A substantial portion of the Issuer's assets are denominated in currencies other than the euro, thus requiring the Group to have access to funding in those currencies. Should the Group not be able to raise funding in the relevant currencies (primarily GBP and USD), or should the exchange rates between the euro and those currencies vary significantly from the rates assumed by the Orderly Resolution Plan, this would have a material adverse impact on the Issuer's financial condition and results of operations.

Operational risks, including any systems failures or interruptions, could have a material adverse effect on the Issuer.

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

Unforeseen events such as 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 or 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 Dexia Group's risk.

As with most other banks, the Group relies heavily on communications and information systems to conduct its business. Any failure, interruption or breach in security of these systems could result in failures or interruptions in the Group's customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. The Group 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 Group's financial condition and results of operations.

In the case of the Group, operational risk is increased by several factors related to the evolution from the implementation of the Orderly Resolution Plan. These factors include (i) the HR, IT and operational disruptions potentially linked to the numerous disposals carried out by the Group within a short period of time, (ii) the complexity of the disentanglement issues and the transitional arrangements associated with those divestitures, and (iii) the overall decrease in staff levels across the Group.

The monitoring of operational risk and the preservation of operational continuity is one of the key strategic priorities of the Dexia Group Company Project launched in 2013 (the "**Company Project**") and aimed at defining the operating model best suited to efficiently implement the resolution plan approved by the European Commission. In particular, the Dexia Group's IT strategy is being reviewed in the framework of the Company Project, to ensure that information systems will be more efficient, resilient and adaptable throughout the resolution period.

The Issuer may not be able to attract and retain skilled management and other personnel, thus increasing operational risk.

As an institution in run-off mode, the Issuer is operating with decreasing levels of staff while the complexity and magnitude of the Group's activities remain significant. The Issuer may consequently experience difficulties in attracting and retaining personnel, including key personnel. As part of the Company Project, a specific attention has been given to the social strategy and change management. To support employees during the resolution period of the Dexia Group, additional training will be proposed and opportunities for internal mobility will be promoted whenever this is possible. Moreover, special attention is paid to the retention of key staff members. These initiatives are being implementing during 2014.

Historical financial statements are not indicative of future performance.

Implementation of the structural measures linked to the Orderly Resolution Plan has had, and is likely to continue to have in the foreseeable future, a significant impact on the Group's profile. After completion of the disposals contemplated by the Orderly Resolution Plan, the Group's corporate structure will be composed of a limited number of international subsidiaries in charge of public sector services and a portfolio of assets managed in run-off.

As a result, it will be more difficult to provide an accurate assessment of the Issuer's results of operations based on its historical results of operations and financial condition, and this may make it more difficult for investors to evaluate the Issuer's activities and future prospects, both of which will increase the risk related to an investment in the Notes. Any assessment of future prospects should therefore take into account the terms of the Orderly Resolution Plan, the major elements of which, and the main assumptions underlying it, are outlined in in the Issuer's Annual Report 2013 which is incorporated by reference.

Increased regulation will impact financial institutions including the Issuer and Dexia Group.

The Orderly Resolution Plan was formulated taking into account the regulatory, prudential, accounting and tax regulation applicable to the Group at the time of the plan's adoption. The recent developments in the global markets have led and are likely to continue to lead to an increase in the involvement of various governmental and regulatory authorities in the financial sector and in the operations of financial institutions. The European Union and governments and regulatory authorities in France, the United Kingdom, the United States, Belgium and elsewhere are already introducing, or may in the future introduce, a significantly more restrictive regulatory environment including new accounting and capital adequacy rules, additional taxes on financial activities or financial transactions, restrictions on bonuses and termination payments for key personnel and new regulation of derivative instruments or the valuation of financial instruments. It is uncertain how the more rigorous regulatory climate will impact financial institutions including the Issuer and other members of the Group, but it could materially affect the Issuer's financial condition or results and its ability to meet its payments under the Notes.

The Comprehensive Assessment, announced on 23rd October 2013 by the European Central Bank within the framework of the implementation of the Single Supervisory Mechanism (SSM), may have financial impacts on the Dexia Group, the group and the Issuer.

The European Central Bank ("**ECB**") announced in October 2013 the details of the comprehensive assessment to be conducted in preparation of assuming full responsibility for supervision as part of the single supervisory mechanism. This comprehensive assessment, which will be conducted in collaboration with the national competent authorities between November 2013 and November 2014, consists of three, closely interlinked projects: i) a supervisory risk assessment to review, quantitatively and qualitatively, key risks, including liquidity, leverage and funding; ii) an asset quality review ("**AQR**") to enhance the transparency of bank exposures by reviewing the quality of banks' assets, including the adequacy of asset and collateral valuation and related provisions; and iii) a stress test to examine the resilience of banks' balance sheet to stress scenarios. Dexia is subject to this comprehensive assessment.

In its press release published on 23 October 2013, the European Central Bank stated that its review will take into account the Group's specific situation and in particular, will incorporate the extensive review of Dexia's risk profile that was already done when the Orderly Resolution Plan was validated by the European Commission at the end of December 2012.

In this context, it has been considered appropriate in light of preliminary findings, to make adjustments to the Dexia Group's valuation of illiquid securities held as assets available for sale ("**AFS**"), which had no impact on the 2013 Group's results. The Group's Other Comprehensive Income ("**OCI**") was thereby adjusted by EUR -447 million as at 31 December 2013, which was reduced to EUR -207 million as at 31 March 2014, due to changes in market conditions. In addition, at the regulator's request, a prudential adjustment was posted as at 31 March 2014, with an impact of EUR -108 million on the regulatory capital of Dexia S.A. and Dexia Crédit Local.

On 5 June 2014, the ECB Governing Council announced that Dexia should take part in the baseline and the adverse scenario stress exercise.

The results of this comprehensive assessment will be published in November 2014. As per 27 June 2014, the full potential impact of the AQR and the stress test exercise are difficult to assess.

Impact of Basel III / CRD IV on Dexia Group and the Issuer's capital ratios

The Capital Requirement Regulation (CRR) and the Directive (CRD IV package) transposing the Basel III agreements into European legislative framework, came into force on 17 July 2013.

According to the Basel III agreements, the Regulation and the Directive encompass a far-reaching set of reforms aimed at strengthening regulation, as well as supervising and managing banking sectors better able to cope with crisis situations, in the main through stricter capital requirements, more restrictive definitions of the same capital, higher weighted risks, new liquidity standards and the introduction of a non-risk-related financial leverage ratio.

At the end of March 2014, the Issuer reported its solvency ratios in accordance with the methodology set by Basel III. The National Bank of Belgium (NBB) and the Autorité de contrôle prudentiel et de résolution (the "**ACPR**") confirmed to Dexia SA and Dexia Crédit Local that the rules applied to both entities for calculating their regulatory solvency ratios during the interim period from 1 January 2014 to 31 December 2017 would be the same. Therefore, the AFS reserve on sovereign securities will not be taken into account in calculating the solvency ratio and the AFS reserve relating to non-sovereign exposures will be deducted from equity at the rate of 20% per annum. The first application of the Basel III framework led to a decrease of the solvency ratios of the Issuer but they remained above the legal and regulatory minima. At 31 March 2014, the Issuer's Total Capital ratio and Common Equity Tier 1 ratio were 13.4% and 13% respectively.

EU Resolution and Recovery Directive

On 6 May 2014, the Council of the European Union adopted a directive providing for the establishment of an EU-wide framework for the recovery and resolution of credit institutions and investment firms (the "**Bank Recovery and Resolution Directive**" or "**BRRD**"). The BRRD will come into force on 3 July 2014, and shall be applied by Member States from 1 January 2015, except for the general bail-in tool which is to be applied from 1 January 2016.

The BRRD is designed to provide authorities with a credible set of tools to intervene sufficiently early and quickly in an unsound or failing institution so as to ensure the continuity of the institution's critical financial and economic functions, while minimising the impact of an institution's failure on the economy and financial system.

The BRRD contains four resolution tools and powers which may be used alone or in combination where the relevant resolution authority considers that (a) an institution is failing or likely to fail, (b) there is no reasonable prospect that any alternative private sector measures would prevent the failure of such institution within a reasonable timeframe, and (c) a resolution action is in the public interest: (i) sale of business – which enables resolution authorities to direct the sale of the firm or the whole or part of its business on commercial terms; (ii) bridge institution – which enables resolution authorities to transfer all or part of the business of the firm to a "bridge institution" (an entity created for this purpose that is wholly or partially under public control); (iii) asset separation – which enables resolution authorities to transfer impaired or problem assets to one or more publicly-owned asset management vehicles to allow them to be managed with a view to maximising their value through eventual sale or orderly wind-down (this can be used together with another resolution tool only); and (iv) bail-in – which gives resolution authorities the power to write down certain claims of unsecured creditors of a failing institution and/or to convert certain unsecured debt claims including Notes to equity (the "**general bail-in tool**"), which equity could also be subject to any future application of the general bail-in tool.

An institution will be considered as failing or likely to fail when: (i) it is, or is likely in the near future to be, in breach of its requirements for continuing authorisation; (ii) its assets are, or are likely in the near future to be, less than its liabilities; (iii) it is, or is likely in the near future to be, unable to pay its debts as they fall due; or (iv) it requires extraordinary public financial support (except in limited circumstances and forms, such as capital injection). The BRRD allows a Member State to be able to provide extraordinary public financial support through capital injection without triggering resolution, in accordance with the EU state aid framework or to address capital shortfalls identified in the national, European Union or SSM-wide stress tests, asset quality reviews or equivalent exercises conducted by the European Central Bank, European Banking Authority or national authorities.

The powers set out in the BRRD will impact how credit institutions and investment firms are managed as well as, in certain circumstances, the rights of creditors.

BRRD provisions are a new concept and as such are untested. This novelty, and related lack of clarity regarding implementation and delegated acts by the European Commission (including with regard to the general bail-in tool), means that any views on its future application will need to take account of certain interpretative views which cannot be expressed with total certainty.

It is uncertain to what extent the BRRD, as a regulation essentially designed for institutions operating on a “going concern” basis or to be maintained as a going concern depending on the resolution models, will apply to Dexia as an institution which is already subject to an orderly resolution regime.

The exercise of any power under the BRRD or any suggestion of such exercise could, if deemed possible further to implementation by the Member States and the European Commission delegated acts, materially adversely affect the rights of Noteholders and/or the price or value of their investment in any Notes and/or the ability of the Issuer to satisfy its obligations under any Notes.

When the general bail-in tool becomes effective (and to the extent it is considered applicable to Dexia), holders of Notes may be subject to write-down and/or conversion into equity on any application of the general bail-in tool by the resolution authority, unless the Notes are excluded from the scope of the bail-in-tool, in exceptional circumstances where exclusion is necessary to achieve the objectives of the bail-in tool, pursuant to European Commission delegated acts, or otherwise. This may result in such holders losing some or all of their investment.

However, in light of the fact that the Issuer is an entity in which governments hold large equity stakes, the rights of the Noteholders under the Guarantee, the ‘no creditor worse off’ principle according to which no creditor should incur greater losses than it would have incurred if the institution had been wound up under normal insolvency procedures, and the public interest objective of the bail-in tool, it is uncertain that the bail-in tool would be exercised or could be exercised in a way which would adversely impact the rights of the Noteholders.

On 27 July 2013, a French banking law was enacted (Loi de séparation et de régulation des activités bancaires) that, among other things, sets up a resolution regime applicable to French banks. This law gives resolution powers to a new Resolution Board of the ACPR.

In particular, the ACPR may implement the bail-in tool, namely cancel or write-off shareholders' equity and thereafter cancel, write-off or convert into equity subordinated instruments (such as the Subordinated Notes), but not unsubordinated debt, in accordance with their seniority. The ACPR will also be entitled to (i) transfer all or part of the bank's assets and activities, including to a bridge bank, (ii) force a bank to issue new equity, (iii) temporarily suspend payments to creditors and (iv) terminate executives or appoint a temporary administrator (*administrateur provisoire*). Conversion ratios and transfer prices are decided upon by the ACPR on the basis of a "fair and realistic" assessment.

The ACPR must use its powers "in a proportionate manner" to achieve the following objectives: (i) to preserve financial stability, (ii) to ensure the continuity of banking activities, services and transactions of financial institutions, the failure of which would have systemic implications for the French economy, (iii) to protect deposits and (iv) to avoid, or limit to the fullest extent possible, any public bail-out. In using its powers, the ACPR must apply the "no creditor worse off" principle according to which no creditor should incur greater losses than it would have incurred if the institution had be wound up under normal insolvency proceedings set out in the French *Code de commerce*.

This law is also untested and subject to amendments following implementation of the BRRD.

On 25 April 2014, a Belgian law on the status and supervision of credit institutions was enacted (*Loi relative au statut et au contrôle des établissements de crédit*). This law, among other things, establishes a resolution regime applicable to Belgian banks. The regime does not apply to financial holding companies such as the ultimate parent company of the Issuer, Dexia SA, but it does provide for the possibility of extending such resolution regime to financial holding companies by Royal Decree to be enacted by 31 December 2015. This law does not establish a bail-in tool, but provides for the possibility of establishing such a bail-in tool by Royal Decree to be enacted by 31 December 2015.

Structured loans litigation

The Issuer is involved in a number of disputes with French local authorities and related entities to which it has granted so-called "structured" loans. As at 31 March 2014, 222 clients issued summonses against the Issuer in connection with structured loans, of which 180 relate to structured loans held by Caisse Française de Financement Local ("**CAFFIL**"), a 100% subsidiary of Société Française de Financement Local ("**SFIL**"), 21 relate to structured loans held by the Issuer and 21 relate to both institutions. Notwithstanding that the Issuer did not give any representation or warranty on the loans of CAFFIL at the time of sale of SFIL in January 2013, the Issuer, as legal representative of CAFFIL up to the time of sale, remains responsible for any damages granted to a borrower as a result of a proven breach by the Issuer of its regulatory obligations relating exclusively to the origination or the commercialisation of the structured loans held by CAFFIL up to the time of sale.

On 8 February 2013, the Superior Court of Nanterre ("**Tribunal de grande instance**") issued rulings on the claims brought against the Issuer by the Département de Seine-Saint-Denis in connection with three structured loans.

The Superior Court of Nanterre dismissed the petitions by the Département de la Seine-Saint-Denis to overturn the three contested loan agreements, as well as all of its claims for damages. The Court considered, however, that faxes preceding the signature of the final agreements could be described as "loan agreements", and that failure to state the Effective Annual Percentage Rate ("**EAPR**") in those faxes meant that the statutory interest rate was applicable.

The Issuer appealed these rulings and CAFFIL submitted an application to intervene to the Appeal Court of Versailles, on 5 April 2013.

In a decision on 7 March 2014, the Superior Court of Nanterre ruled that, in respect of the EAPR, in the absence of an indication of the period reference rate and its duration, the statutory interest rate would be applicable. The Issuer and CAFFIL appealed this decision.

The loans referred to in the Court's decisions fall within the scope of the disposal of the SFIL and, if upheld, the judgment would have no financial impact for the Dexia Group, as the assets are owned by CAFFIL.

Should the Superior Court of Nanterre's decisions be upheld and become established case law, their impact on other financing on the Issuer's balance sheet would be likely to introduce significant risks, which at this stage are difficult to assess.

The French Constitutional Council, in its decision of 29 December 2013 relating to the 2014 Finance Law, approved the support fund measure for local authorities and the creation of a support fund with a contribution of EUR 100 million per year over a period 15 years. The Constitutional Council has also approved the principle to benefit from the fund which is based on the entry into an agreement under which the borrower waives its rights to conduct any legal proceedings with respect to the supported loans. The Constitutional Council has considered that paragraph 2 of article 92 which confirmed the lack of reference to the EAPR in loan agreements was too broad since it applies to all legal persons public or private, and all loan agreements, structured or not.

In a press release published on 29 December 2013, the Ministry of Economy and Finance has acknowledged this decision and has announced that "a legislative measure taking into account the arguments raised by the Constitutional Council will be prepared at the earliest opportunity". The Government has prepared a bill which is now under discussion in French Parliament.

The implementing decree, which enacts the law by detailing the access conditions and management of the fund, was published on 29 April 2014.

Other litigation

Like many financial institutions, the Issuer is subject to a number of regulatory investigations and named as a defendant in a number of litigations, including class action lawsuits in the US and Israel and litigations in Italy. The status of the most significant investigations and litigations is summarised in the Issuer's Annual Report 2013 (see section "*Litigations*" on page s 39 to 43) and in the Dexia Q1 2014 Press Release (see Appendix 10 "Litigations" on page 11), which are each incorporated by reference. Any decision adverse to the Group in such investigations could materially impact its financial condition or results.

Factors Relating to the Notes

Only one Event of Default

There is only one event of default under the Notes allowing Noteholders to accelerate payments under the Notes as a result of certain events relating to the Guarantee in certain circumstances not being or ceasing to be in full force and effect. In particular, Noteholders may not call an event of default as a result of non-payment by the Issuer of principal or interest under the Notes or as a result of non-performance by the Issuer of any of its other obligations under the Notes, nor do the events of default under the Notes contain a cross-default provision in respect of other indebtedness of the Issuer. See "*Terms and Conditions of the Notes - Events of Default*" and "*Risk Factors - Factors relating to the Guarantee - no acceleration rights against the Guarantors and consequences of accelerating against the Issuer*".

The trading market for debt securities may be volatile and may be adversely impacted by many events

The market for debt securities issued by banks is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

An active trading market for the Notes may not develop

There can be no assurance that an active trading market for the Notes will develop, or, if one does develop, that it will be maintained. If an active trading market for the Notes does not develop or is not maintained, the market or trading price and liquidity of the Notes may be adversely affected. If additional and competing products are introduced in the markets, this may adversely affect the value of the Notes.

Any early redemption at the option of the Issuer, if provided for in any Pricing Supplement for a particular issue of Notes, could cause the yield anticipated by Noteholders to be considerably less than anticipated

In the event that the Issuer is obliged to pay additional amounts in respect of any Notes due to any withholding as provided in Condition 8 of the "*Terms and Conditions of the Notes*", the Issuer may and, in certain circumstances, shall redeem all of the Notes then outstanding in accordance with the "*Terms and Conditions of the Notes*".

The Pricing Supplement for a particular issue of Notes may provide for early redemption at the option of the Issuer. Such right of termination is often included in the terms of Notes in periods of high interest rates. If market interest rates decrease, the risk to Noteholders that the Issuer will exercise its right of termination increases.

As a consequence of an early redemption of the Notes, the yields received upon redemption may be lower than expected, and the redeemed face amount of the Notes may be lower than the purchase price for the Notes paid by the Noteholder. As a consequence, part of the capital invested by the Noteholder may be lost, so that the Noteholder in such case would not receive the total amount of the capital invested. In addition, investors that choose to reinvest monies they receive through an early redemption may be able to do so only in securities with a lower yield than the redeemed Notes.

A Noteholder's actual yield on the Notes may be reduced from the stated yield by transaction costs

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for their own commissions which are either fixed minimum commissions or *pro rata* commissions depending on the order value. To the extent that additional — domestic or foreign — parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account the fact that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs),

In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

A Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes

Payments of interest on the Notes, or profits realised by the Noteholder upon the sale or repayment of the Notes, may be subject to taxation in its home jurisdiction or in other jurisdictions in which it is required to pay taxes. The tax impact on Noteholders generally in Belgium, France and Luxembourg is described under "*Taxation*" below; however, the tax impact on an individual Noteholder may differ from the situation described for Noteholders generally. The Issuer advises all investors to contact their own tax advisers for advice on the tax impact of an investment in the Notes.

A partial redemption at the option of the Issuer or a redemption at the option of the Noteholders may affect the liquidity of the Notes of the same Series in respect of which such option is not exercised

Depending on the number of Notes of the same Series of which a partial redemption of the Notes at the option of the Noteholders or at the option of the Issuer is made, any trading market in respect of those Notes in respect of which such option is exercised may become illiquid. This applies also in the case of Extendible Notes.

The Maturity Date of Notes may be automatically extended

In the case of Extendible Notes, unless a Noteholder exercises its Non-Extension Option within the relevant Exercise Period (as defined in Part 19(iv)(g) of the Pricing Supplement) in accordance with the Conditions (in which case the Maturity Date of such Notes shall not be extended on any Automatic Extension Date as provided in the relevant Pricing Supplement), on each Automatic Extension Date during the Automatic Extension Period as provided in the relevant Pricing Supplement, the Maturity Date of each Note shall be extended automatically for the Automatic Extension Duration as provided in the relevant Pricing Supplement, *provided that* such extended Maturity Date shall not exceed the maximum maturity as specified in the Guarantee which is, at the date of this Information Memorandum, ten years from the relevant Issue Date. Any Notes in respect of which the Maturity Date has not been so extended will be attributed a separate ISIN number and common code and, in the case of Notes in definitive form, such Notes (together with, In the case of Bearer Notes, any related Receipts, Coupons and Talons) are required to be delivered to the Fiscal Agent or, in the case of Registered Notes, the Registrar or such other agent so specified for such purpose for appropriate annotation and (in the case of Bearer Notes) cancellation of all unmatured Receipts and Coupons falling due after the Maturity Date for such Notes and unexchanged Talons. If the Notes are still held in global form, the relevant Global Note or Global Certificate will be annotated in order to reduce the aggregate nominal amount of such Notes and a new Global Note or Global Certificate representing such Notes will be issued in respect thereof and the Noteholder will, unless otherwise specified in the applicable Pricing Supplement, be required to arrange for such Notes to be "blocked" in the relevant participant's account with such clearing system through which such Notes are held until the relevant Automatic Extension Date.

Change in value of Fixed Rate Notes

Investors in Fixed Rate Notes are exposed to the risk that subsequent changes in interest rates may adversely affect the value of the Notes.

Investors will not be able to calculate in advance their rate of return on Floating Rate Notes

A key difference between Floating Rate Notes and Fixed Rate Notes is that interest income on Floating Rate Notes cannot be anticipated. Due to varying interest income, investors are not able to determine a definite yield for Floating Rate Notes at the time they purchase them, so that their return on investment cannot be compared with that of investments having longer fixed interest periods. If the terms and conditions of the Notes provide for frequent interest payment dates, investors are exposed to the reinvestment risk if market interest rates decline. This means that investors may only reinvest the interest income paid to them at the relevant lower interest rates then prevailing.

Zero coupon notes are subject to higher price fluctuations than non-discounted notes

Changes in market interest rates have a substantially stronger impact on the prices of zero coupon notes than on the prices of ordinary interest-bearing notes because the discounted issue prices are substantially below par. If market interest rates increase, zero coupon notes can suffer higher price losses than other notes having the same maturity and credit rating. Due to their leverage effect, zero coupon notes are a type of investment associated with a particularly high price risk.

Foreign currency notes expose investors to foreign-exchange risk

As purchasers of foreign currency notes, investors are exposed to the risk of changing foreign exchange rates. This risk is in addition to any performance risk that relates to the Issuer or the type of note being issued.

Taxation

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the country to which the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for financial obligations such as the Notes. Potential investors are advised not to rely exclusively upon the tax summary contained in this Information Memorandum and/or in the Pricing Supplement but to seek the advice of their own tax adviser on their individual taxation situation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisers are in a position to duly consider the specific situation of the potential investor. This investment consideration should be read in conjunction with the taxation sections of this Information Memorandum and the additional tax sections, if any, contained in the relevant Pricing Supplement.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income, Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding tax system (the current rate of 35%) in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Directive.

The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

If a payment were to be made or collected through a EU Member State which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is required to maintain a Paying Agent in a Member State that will not be obliged to withhold or deduct tax pursuant to the Directive.

Potential investors are advised to seek the advice of their own tax adviser on their individual taxation situation with respect to the acquisition, holding, sale and redemption of the Notes.

Financial Transaction Tax

On 14 February 2013, the European Commission proposed a directive (the "**Proposed Directive**") aiming for an enhanced cooperation with respect to the taxation of financial transactions, which if adopted would subject transactions involving financial institutions in securities such as the Notes to a financial transaction tax (the "**FTT**").

According to the Proposed Directive, the FTT was initially intended to enter into force on 1 January 2014 in eleven Member States (Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Slovenia, Slovakia and Spain) (the "**Participating Member States**") subject to implementing legislation by each Participating Member State.

Pursuant to the Proposed Directive, the FTT would apply to all financial transactions where at least one party to the transaction is established in a Participating Member State and a financial institution established in the territory of a Participating Member State is a party to the transaction. However, the FTT should not apply to transactions on the primary market referred to in Article 5(c) of EC Regulation 1287/2006 dated 10 August 2006, including the subscription and allocation of financial instruments upon issuance. The FTT would be payable by each financial institution as long as (i) it is party to a transaction acting either for its own account or for the account of another person, (ii) acts in the name of a party to the transaction or (iii) the transaction has been entered into for its own account. The taxation rate would be left to the discretion of each Participating Member State but would not be less than 0.1% for financial instruments other than derivative instruments.

Where the FTT due has not been paid timely, each party to a financial transaction, including persons other than financial institutions shall be jointly and severally liable for the payment of the FTT due.

A joint statement issued in May 2014 by ten of the eleven Participating Member States indicated an intention to implement the FTT progressively, such that it would initially apply to shares and certain derivatives, with this initial implementation occurring by 1 January 2016. The FTT, as initially implemented on this basis, may not apply to dealings in the Notes.

The Proposed Directive is still being discussed by the Participating Member States. It might therefore be altered or modified at any time and prior to any implementation, the timing of which remains unclear.

Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing, purchasing, holding and disposing the Notes.

FATCA Withholding

While the Notes are in global form and held within Euroclear Bank SA/NV and Clearstream Banking, société anonyme (together, the "**ICSDs**"), it is not expected that FATCA will affect the amount of any payment received by the ICSDs (see "*Taxation — FATCA Withholding*"). However, FATCA may affect payments made to custodians or intermediaries in the subsequent payment chain leading to the ultimate investor if any such custodian or intermediary generally is unable to receive payments free of FATCA withholding. It also may affect payment to any ultimate investor that is a financial institution that is not entitled to receive payments free of withholding under FATCA, or an ultimate investor that fails to provide its broker (or other custodian or intermediary from which it receives payment) with any information, forms, other documentation or consents that may be necessary for the payments to be made free of FATCA withholding. Investors should choose the custodians or intermediaries with care (to ensure each is compliant with FATCA or other laws or agreements related to FATCA) and provide each custodian or intermediary with any information, forms, other documentation or consents that may be necessary for such custodian or intermediary to make a payment free of FATCA withholding. Investors should consult their own tax adviser to obtain a more detailed explanation of FATCA and how FATCA may affect them. The Issuer's obligations under the Notes are discharged once it has paid the common depositary or common safekeeper for the ICSDs (as bearer or registered holder of the Notes) and the Issuer has therefore no responsibility for any amount thereafter transmitted through the ICSDs and custodians or intermediaries.

Minimum Denominations

In relation to any issue of Notes which have a denomination consisting of the minimum Specified Denomination plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination (or its equivalent) that are not integral multiples of the minimum Specified Denomination (or its equivalent). In such a case a Noteholder who, as a result of trading such amounts, holds a principal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that it holds an amount equal to one or more minimum Specified Denominations.

Factors relating to the Guarantee

Investors should carefully consider the terms of the Guarantee included elsewhere in this Information Memorandum before investing in the Notes. In particular, investors' attention is drawn to the following considerations relating to the Guarantee.

The decision of the European Commission to approve the Guarantee may be annulled or revoked

In the EU Decision, the European Commission considered that the Guarantee constitutes State aid as defined under Article 107 of the TFEU and authorised the Guarantee pursuant to Article 107(3)(b) of the TFEU, subject to compliance with commitments undertaken by the Kingdom of Belgium, the French Republic and the Grand-Duchy of Luxemburg in the context of Dexia's Orderly Resolution Plan.

A non-confidential version of the Commission Decision has been published on the Official Journal of the European Union on 12 April 2014. An electronic version thereof can be found at: http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L_.2014.110.01.0001.01.ENG.

Any Member State or other interested parties may appeal against the Commission Decision with a view to seeking its annulment. Any such appeal must be commenced prior to the end of the period of 2 months and 24 days commencing on the date of publication of the Commission Decision in the Official Journal of the European Union.

The European Commission may revoke its decision if the Guarantors (and by implication the Issuer) fail to comply with the conditions to which such decision is subject as described above, or if the European Commission considers that its decision was based on incorrect information. In such case, the Commission may decide that the aid contained in the Guarantee is incompatible with the TFEU and must be repaid by its recipients.

There are good grounds for believing that, in the event that the Commission Decision is annulled or revoked, the Noteholders should not be held to be the recipients of incompatible State aid, and therefore such decision should not impact the continued effectiveness of the Guarantee with respect to outstanding Notes issued under the Programme prior to the date of such annulment or revocation. Nevertheless, no assurances can be given that an annulment or revocation of the Commission Decision would not have an adverse effect on the Guarantee and Noteholders' rights thereunder.

Several and not Joint Guarantee

The Guarantee is shared among three States (Belgium, France and Luxembourg) as Guarantors and the obligations of each of these Guarantors under the Guarantee are several, but not joint, and will be divided among them, each to the extent of its percentage share, as set out in Clause 3 of the Guarantee. Consequently, if the Guarantee is called, each Guarantor will be obliged to fulfil its payment obligation under the Guarantee only to the extent of its proportional commitment set out in the Guarantee, and will not be required to increase its payment to account for any shortfall in the payment of any other Guarantor.

Conditions for benefiting from, and making claims under, the Guarantee

In order to benefit from the Guarantee, Notes must be issued on or before 31 December 2021 and must be originally issued to and subscribed by "*Third Party Beneficiaries*" under paragraph (a) or under paragraphs (c) to (f) of Schedule A to the Guarantee.

Any demand for payment under the Guarantee must be accompanied by the information and documentation required by Clause 4(b) of the Guarantee, and otherwise be made in accordance with the Guarantee. In particular, any demand for payment under the Guarantee, satisfying the documentary requirements set out above, must be made no later than the 90th day following the date on which the amount for which payment is requested under the Guarantee became due and payable in accordance with the normal payment schedule of the Notes.

In addition, the right to call on the Guarantee with respect to any amount due and unpaid in relation to the Notes expires at the end of the 90th day following the date on which such amount became due. Consequently, any claim under the Guarantee must be made within such 90 day limitation period in order to be valid.

Because of the several nature of the Guarantee, any Guarantee call or other notification to the States must be delivered to each of the States.

Investors in the Notes are reminded that, while such Notes are represented by a Global Note, any claims and/or demands for payments under the Guarantee must be exercised through, and in accordance with, the standard procedures of Euroclear, Clearstream, Luxembourg, Euroclear France or any other clearing system through which the Notes are cleared. Accordingly, such holders must, and are responsible for, notifying and liaising with their financial intermediary and/or custodian in order to ensure that the necessary steps are taken to validly exercise their rights under the Guarantee in a timely manner.

No acceleration rights against Guarantors and consequences of accelerating against the Issuer

No grounds for acceleration of payment of the Notes, whether statutory (in particular in the case of judicial liquidation proceedings with respect to the Issuer) or contractual (in particular in the case of an event of default), will be enforceable against the Guarantors or any of them under the Guarantee. Consequently, a claim under the Guarantee may only be made in respect of amounts which have already become due and payable pursuant to the normal payment schedule of the Notes and subject to the other requirements described above. As a result thereof, any demand for payment under the Guarantee needs to be renewed in connection with all subsequent dates on which a payment under the Notes by the Issuer is due and payable under the normal payment schedule but remains unpaid.

Furthermore, in order to be entitled to call upon the Guarantee, a Noteholder cannot have invoked or invoke any grounds for acceleration towards the Issuer under the Notes, except where the grounds for acceleration of payment have arisen by operation of law without any action from Noteholders, for example in the event of judicial liquidation proceedings with respect to the Issuer.

See, in particular, Clause 2 of the guarantee agreement set out below in the section "**The Guarantee**".

Withholding tax and gross-up under the Guarantee

The Guarantee does not impose an obligation on the Guarantors to pay additional amounts in the event that deduction or withholding for or on account of any taxes, duties, assessments or governmental charges is made with respect to payments by the Issuer under the Notes or by any Guarantor under the Guarantee, if applicable.

Governing Law and Jurisdiction

Whereas the Notes are governed by, and shall be construed in accordance with, English law, and the Courts of England have jurisdiction to settle any disputes which may arise out of or in connection with them, the Guarantee is governed by the laws of Belgium and the courts of Brussels have exclusive jurisdiction to settle any disputes relating thereto. Consequently, legislation and rules of interpretation applicable to the Notes and the Guarantee may differ, and any proceedings in respect thereof may need to be initiated before separate courts.

DOCUMENTS INCORPORATED BY REFERENCE

This section incorporates selected publicly available information that should be read in conjunction with this Information Memorandum.

The following are documents which have previously been published or are published simultaneously with this Information Memorandum and are incorporated in, and form part of, this Information Memorandum:

(a) the free English translation of the Issuer's 2013 Registration Document, the official French version of which was filed with the *Autorité des marches financiers* (the "**AMF**") on 28 April 2014 in accordance with Article 212-13 of the AMF's General Regulations, and which includes consolidated financial statements and the related auditor's reports (the "**Issuer's Annual Report 2013**");

(b) the free English translation of the Issuer's 2012 Annual Report, the official French version of which was filed with the *Autorité des marches financiers* (the "**AMF**") on 2 April 2013 in accordance with Article 212-13 of the AMF's General Regulations, and which includes consolidated financial statements and the related auditor's reports (the "**Issuer's Annual Report 2012**");

(c) the press release of the Dexia Group dated 14 May 2014 relating to its Interim Statements as at and for the three months ended 31 March 2014 (the "**Dexia Q1 2014 press release**"); and

(d) the terms and conditions of the Notes contained on pages 26 to 49 of the Information Memorandum dated 2 July 2013.

Copies of documents incorporated by reference in this Information Memorandum can be found on the website of the Issuer and of Dexia S.A. (www.dexia-creditlocal.fr and www.dexia.com) or obtained from the registered office of the Issuer and the specified office of the Fiscal Agent for the time being. This Information Memorandum and the documents incorporated by reference will also be published on the Luxembourg Stock Exchange website (www.bourse.lu).

The Dexia Q1 2014 press release contains financial information of the Dexia Group. This financial information is not comparable with the financial information of the Dexia Credit Local **Group contained in the Issuer's Annual Report 2013 and Issuer's Annual Report 2012. Apart from in relation to the Issuer itself, investors will not have any direct claims on the cash flows or assets of the Dexia Group and, apart from the Issuer, members of the Dexia Group have no obligation, contingent or otherwise, to pay amounts due under the Notes or to make funds available to the Issuer to fund these payments.**

Any documents themselves incorporated by reference in the documents incorporated by reference in this Information Memorandum shall not form part of this Information Memorandum.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions that, subject to completion and amendment and as supplemented or varied in accordance with the provisions of Part A of the relevant Pricing Supplement, shall be applicable to the Notes in definitive form (if any) issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of Part A of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Bearer Notes or on the Certificates relating to such Registered Notes. All capitalised terms that are not defined in these Conditions will have the meanings given to them in Part A of the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes or Certificates, as the case may be. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme.

The Notes are issued by Dexia Crédit Local (the "**Issuer**") pursuant to an Amended and Restated Agency Agreement dated 27 June 2014 (as amended or supplemented as at the date of issue of the Notes (the "**Issue Date**"), the "**Agency Agreement**"), between the Issuer, Banque Internationale à Luxembourg, *société anonyme* as fiscal agent (the "**Fiscal Agent**"), as paying agent (together with the Fiscal Agent and any additional or other paying agents in respect of the Notes from time to time appointed, the "**Paying Agents**"), as calculation agent (together with any additional or other calculation agents in respect of the Notes from time to time appointed, the "**Calculation Agent**(**s**)"), as consolidation agent (the "**Consolidation Agent**"), as transfer agent (together with any additional or other transfer agents in respect of the Notes from time to time appointed, the "**Transfer Agents**"), as registrar (the "**Registrar**"), and as exchange agent (the "**Exchange Agent**") and with the benefit of an Amended and Restated Deed of Covenant dated 27 June 2014 (as amended or supplemented as at the Issue Date, the "**Deed of Covenant**") executed by the Issuer in relation to the Notes. The Noteholders (as defined below), the holders of the interest coupons (the "**Coupons**") relating to interest-bearing Notes in bearer form and, where applicable in the case of such Notes, talons for further Coupons (the "**Talons**") (the "**Couponholders**") and the holders of the receipts for the payment of instalments of principal (the "**Receipts**") relating to Notes in bearer form of which the principal is payable in instalments are deemed to have notice of all of the provisions of the Agency Agreement applicable to them.

As used in these Conditions, "**Tranche**" means Notes which are identical in all respects.

Copies of the Agency Agreement, the Deed of Covenant and the Guarantee (as defined in Condition 3(b)) are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

1 Form, Denomination and Title

(a) Form and Denomination

The Notes are issued in bearer form ("**Bearer Notes**" or in registered form ("**Registered Notes**") in each case in the Specified Denomination(s) shown in the relevant Pricing Supplement.

All Registered Notes shall have the same Specified Denomination.

The Notes can be issued as a Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note, an Instalment Note or a Partly Paid Note, a combination of any of the foregoing or any other kind of Note, depending upon the Interest and Redemption/Payment Basis shown in the relevant Pricing Supplement.

Bearer Notes are serially numbered and are issued with Coupons (and, where appropriate, a Talon) attached, save in the case of Zero Coupon Notes in which case references to interest (other than in relation to interest due after the Maturity Date), Coupons and Talons in these Conditions are not applicable. Instalment Notes are issued with one or more Receipts attached.

Registered Notes are represented by registered certificates ("**Certificates**") and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of Registered Notes by the same holder.

(b) Title

Title to the Bearer Notes and the Receipts, Coupons and Talons shall pass by delivery. Title to the Registered Notes shall pass by registration in the register which the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the "**Register**"). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note, Receipt, Coupon or Talon shall be deemed to be and may be treated as the absolute owner of such Note, Receipt, Coupon or Talon, as the case may be, for the purpose of receiving payment thereon and for all other purposes, whether or not such Note, Receipt, Coupon or Talon shall be overdue and notwithstanding any notice of ownership, theft or loss thereof (or of that of the related Certificate) or any writing thereon (or on the Certificate representing it) made by anyone, and no person shall be liable for so treating the holder.

In these Conditions, "**Noteholder**" means the bearer of any Bearer Note and the Receipts relating to it or the person in whose name a Registered Note is registered (as the case may be), "holder" (in relation to a Note, Receipt, Coupon or Talon) means the bearer of any Bearer Note, Receipt, Coupon or Talon or the person in whose name a Registered Note is registered (as the case may be) and capitalised terms have the meanings given to them hereon, the absence of any such meaning indicating that such term is not applicable to the Notes.

2 Transfers of Registered Notes

(a) Transfer of Registered Notes

One or more Registered Notes may be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Registered Notes to be transferred, together with the form of transfer endorsed on such Certificate, duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Registered Notes represented by one Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor.

(b) Exercise of Options or Partial Redemption in Respect of Registered Notes

In the case of an exercise of an Issuer's or Noteholders' option in respect of, or a partial redemption of, a holding of Registered Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option or in respect of the balance of the holding not redeemed. In the case of a partial exercise of an option resulting in Registered Notes of the same holding having different terms, separate Certificates shall be issued in respect of those Notes of that holding that have the same terms. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Registered Notes to a person who is already a holder of Registered Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

(c) Delivery of New Certificates

Each new Certificate to be issued pursuant to Condition 2(a) or (b) shall be available for delivery within three business days of receipt of the request for exchange, form of transfer or Exercise Notice (as defined in Condition 6(e)) and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such request for exchange, form of transfer, Exercise Notice or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant request for exchange, form of transfer, Exercise Notice or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the relevant Agent (as defined in the Agency Agreement) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "business day" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

(d) Transfer Free of Charge

Transfer of Notes and Certificates on registration, transfer, partial redemption or exercise of an option will be effected without charge by or on behalf of the Issuer, the Registrar or the

Transfer Agents, but upon payment (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require in respect thereof) of any tax or other governmental charges which may be imposed in relation to it.

(e) ***Closed Periods***

No Noteholder may require the transfer of a Registered Note to be registered (i) during the period of 15 days ending on the due date for redemption of, or payment of any Instalment Amount in respect of, that Note, (ii) during the period of 15 days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 6(d), (iii) after any such Note has been called for redemption in whole or in part or (iv) during the period of seven days ending on (and including) any Record Date.

3 Status and Guarantee

(a) ***Status***

The Notes and the Receipts and Coupons relating to them constitute direct, unconditional, unsecured (without prejudice to the provisions of Condition 4) and unsubordinated obligations of the Issuer and rank and will rank *pari passu* among themselves and at least equally with all other unsecured indebtedness and guarantees, present and future, of the Issuer without any preference or priority by reason of date of issue, currency of payment or otherwise (except for indebtedness granted preference by mandatory provisions of law and without prejudice as aforesaid).

(b) ***Guarantee***

The Notes are severally, but not jointly, guaranteed by the Kingdom of Belgium, the Republic of France and the Grand Duchy of Luxembourg (each, a "**Guarantor**" and together, the "**Guarantors**") according to the terms of a Guarantee dated 24 January 2013 (as modified or supplemented at the relevant Issue Date, the "**Guarantee**")[1].

4 Negative Pledge

The Issuer undertakes that, so long as any of the Notes, Receipts or Coupons remains outstanding (as defined in the Agency Agreement), it will not secure or allow to be or remain secured any Marketable Indebtedness (as defined below) now or hereafter existing by any mortgage, lien, pledge, assignment or charge upon any of the present or future revenues or assets of the Issuer without at the same time according to the Notes, Receipts or Coupons an equal and rateable interest in the same security. As used in this paragraph, "*Marketable Indebtedness*" means any indebtedness in whatever currency in the form of, or represented or evidenced by, bonds, notes, debentures or other securities which, in connection with their initial distribution, (i) are or are to be quoted, listed or traded on any stock exchange or over-the-counter or other securities market and (ii) are intended to be offered or distributed, directly or indirectly, by or with the authorisation of the Issuer to persons resident outside the Republic of France and/or to qualified investors within the Republic of France.

5 Interest and other Calculations

(a) ***Interest on Fixed Rate Notes***

Each Fixed Rate Note bears interest on its outstanding nominal amount from the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on each Interest Payment Date as specified in the relevant Pricing Supplement. The amount of interest payable shall be determined in accordance with Condition 5(i).

(b) ***Interest on Floating Rate Notes***

(i) *Interest Payment Dates*

Each Floating Rate Note bears interest on its outstanding nominal amount from and including the Interest Commencement Date at the rate per annum (expressed as a percentage) equal to the Rate of Interest, such interest being payable in arrear on

[1] Copies of the Guarantee are available for inspection at the specified offices of each of the Paying Agents, the Registrar and the Transfer Agents.

each Interest Payment Date. The amount of interest payable shall be determined in accordance with Condition 5(i). Such Interest Payment Date(s) is/are either shown in the relevant Pricing Supplement as Specified Interest Payment Dates or, if no Specified Interest Payment Date(s) is/are shown in the relevant Pricing Supplement, Interest Payment Date shall mean each date which falls the number of months or other period shown in the relevant Pricing Supplement as the Interest Period after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

(ii) *Business Day Convention*

If any date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a Business Day, then, if the Business Day Convention specified is (A) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (x) such date shall be brought forward to the immediately preceding Business Day and (y) each subsequent such date shall be the last Business Day of the month in which such date would have fallen had it not been subject to adjustment, (B) the Following Business Day Convention, such date shall be postponed to the next day that is a Business Day, (C) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a Business Day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding Business Day or (D) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding Business Day.

(iii) *Rate of Interest for Floating Rate Notes*

The Rate of Interest in respect of Floating Rate Notes for each Interest Accrual Period shall be determined in the manner specified in the relevant Pricing Supplement and the provisions below relating to either ISDA Determination or Screen Rate Determination shall apply, depending upon which is specified in the relevant Pricing Supplement.

(A) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period shall be determined by the Calculation Agent as a rate equal to the relevant ISDA Rate. For the purposes of this sub-paragraph (A), "**ISDA Rate**" for an Interest Accrual Period means a rate equal to the Floating Rate that would be determined by the Calculation Agent under a Swap Transaction under the terms of an agreement incorporating the ISDA Definitions and under which:

(x) the Floating Rate Option is as specified in the relevant Pricing Supplement;

(y) the Designated Maturity is a period specified in the relevant Pricing Supplement; and

(z) the relevant Reset Date is the first day of that Interest Accrual Period unless otherwise specified in the relevant Pricing Supplement.

For the purposes of this sub-paragraph (A), "**Floating Rate**", "**Calculation Agent**", "**Floating Rate Option**", "**Designated Maturity**", "**Reset Date**" and "**Swap Transaction**" have the meanings given to those terms in the ISDA Definitions.

(B) Screen Rate Determination for Floating Rate Notes

(w) Where Screen Rate Determination is specified in the relevant Pricing Supplement as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be either:

(1) the offered quotation; or

(2) the arithmetic mean of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate which appears or appear, as the case may be, on the Relevant Screen Page as at either 11.00 a.m. (London time in the case of LIBOR or Brussels time in the case of EURIBOR) on the Interest Determination Date in question as determined by the Calculation Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Calculation Agent for the purpose of determining the arithmetic mean of such offered quotations.

If the Reference Rate from time to time in respect of Floating Rate Notes is specified in the relevant Pricing Supplement as being other than LIBOR or EURIBOR, the Rate of Interest in respect of such Notes will be determined as provided in the relevant Pricing Supplement.

(x) If the Relevant Screen Page is not available or, if sub-paragraph (w)(1) applies and no such offered quotation appears on the Relevant Screen Page, or, if sub-paragraph (w)(2) applies and fewer than three such offered quotations appear on the Relevant Screen Page, in each case as at the time specified above, subject as provided below, the Calculation Agent shall request, if the Reference Rate is LIBOR, the principal London office of each of the Reference Banks or, if the Reference Rate is EURIBOR, the principal Euro-zone office of each of the Reference Banks, to provide the Calculation Agent with its offered quotation (expressed as a percentage rate per annum) for the Reference Rate if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time), or if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date in question. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Rate of Interest for such Interest Accrual Period shall be the arithmetic mean of such offered quotations as determined by the Calculation Agent; and

(z) if paragraph (x) above applies and the Calculation Agent determines that fewer than two Reference Banks are providing offered quotations, subject as provided below, the Rate of Interest shall be the arithmetic mean of the rates per annum (expressed as a percentage) as communicated to (and at the request of) the Calculation Agent by the Reference Banks or any two or more of them, at which such banks were offered, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time) on the relevant Interest Determination Date, deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate by leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, or, if fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the offered rate for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, or the arithmetic mean of the offered rates for deposits in the Specified Currency for a period equal to that which would have been used for the Reference Rate, at which, if the Reference Rate is LIBOR, at approximately 11.00 a.m. (London time) or, if the Reference Rate is EURIBOR, at approximately 11.00 a.m. (Brussels time), on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Issuer suitable for such purpose) informs the Calculation Agent it is quoting to leading banks in, if the Reference Rate is LIBOR, the London inter-bank market or, if the Reference Rate is EURIBOR, the Euro-zone inter-bank market, as the case may be, *provided that*, if the Rate of Interest cannot be determined in accordance with the foregoing provisions of this paragraph, the Rate of Interest shall be determined as at the last preceding Interest Determination Date (though substituting, where a different Margin or Maximum or Minimum Rate of Interest is to be applied to the relevant Interest Accrual Period from that which applied to the last preceding Interest Accrual Period, the Margin or Maximum or Minimum Rate of Interest relating to the relevant Interest Accrual Period, in place of the Margin or Maximum or Minimum Rate of Interest relating to that last preceding Interest Accrual Period).

(aa) Where Screen Rate Determination is specified in the applicable Pricing Supplement as the manner in which the Rate of Interest is to be determined and the Reference Rate in respect of the Floating Rate Notes is specified as being the EUR CMS, the Rate of Interest for each Interest Accrual Period will, subject as provided below, be the quotation (expressed as a percentage rate per annum) for EUR CMS relating to the relevant maturity (the relevant maturity year mid swap rate in EUR (annual 30/360)), which appears on the Relevant Screen Page, being Reuters Screen page "ISDAFIX 2" under the heading "EURIBOR Basis", as at 11.00 a.m. Frankfurt time, in the case of the EUR-ISDA-EURIBOR Swap Rate-11:00 on the Interest Determination Date in question plus or minus (as indicated in the applicable Pricing Supplement) the Margin (if any), all as determined by the Calculation Agent.

Notwithstanding anything to the contrary in Condition 5(g), in the event that the Reference Rate does not appear on the Relevant Screen Page, the Calculation Agent shall determine on the relevant Interest Determination Date the applicable rate based on quotations of five Reference Banks for EUR CMS relating to the relevant maturity (in each case the relevant mid-market annual swap rate commencing two TARGET Business Days following the relevant Interest Determination Date). The highest and lowest (or, in the event of equality, one of the highest and/or lowest) quotations so determined shall be disregarded by the Calculation Agent for the purpose of determining the Reference Rate which will be the arithmetic mean (rounded if necessary to the fifth decimal place with 0.000005 being rounded upwards) of such provided quotations.

If, for any reason, the Reference Rate is no longer published or if fewer than three quotations are provided to the Calculation Agent in accordance with the above paragraph, the Reference Rate will be determined by the Calculation Agent in its sole discretion, acting in good faith and in a commercial and reasonable manner.

(d) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note. As from the Maturity Date, the Rate of Interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as described in Condition 6(c)(ii)).

(e) ***Partly Paid Notes***

In the case of Partly Paid Notes (other than Partly Paid Notes which are Zero Coupon Notes), interest will accrue as aforesaid on the paid-up nominal amount of such Notes and otherwise as specified in the relevant Pricing Supplement.

(f) ***Accrual of Interest***

Interest shall cease to accrue on this Note on the due date for redemption unless, upon due presentation, payment is improperly withheld or refused, in which event interest shall continue to accrue (both before and after judgment) at the Rate of Interest in the manner provided in this Condition 5 to the Relevant Date (as defined in Condition 8).

(g) ***Margin, Minimum/Maximum Rates of Interest, Instalment Amounts, Redemption Amounts and Rounding***

(i) If any Margin is specified in the relevant Pricing Supplement (either (x) generally, or (y) in relation to one or more Interest Accrual Periods), an adjustment shall be made to all Rates of Interest, in the case of (x), or the Rates of Interest for the specified Interest Accrual Periods, in the case of (y), calculated in accordance with (b) above by adding (if a positive number), or subtracting the absolute value (if a negative number) of, such Margin, subject always to the next paragraph.

(ii) If any Maximum or Minimum Rate of Interest, Instalment Amount or Redemption Amount is specified in the relevant Pricing Supplement, then any Rate of Interest, Instalment Amount or Redemption Amount shall be subject to such maximum or minimum, as the case may be.

(iii) For the purposes of any calculations required pursuant to these Conditions (unless otherwise specified), (x) all percentages resulting from such calculations shall be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with halves being rounded up), (y) all figures shall be rounded to seven significant figures (with halves being rounded up) and (z) all currency amounts that fall due and payable shall be rounded to the nearest unit of such currency (with halves being rounded up), save in the case of yen, which shall be rounded down to the nearest yen. For these purposes, "unit" means the lowest amount of such currency that is available as legal tender in the country(ies) of such currency.

(h) ***Calculations***

The amount of interest payable per Calculation Amount in respect of any Note for any Interest Accrual Period shall be equal to the product of the Rate of Interest, the Calculation Amount specified in the relevant Pricing Supplement, and the Day Count Fraction for such Interest Accrual Period, unless an Interest Amount (or a formula for its calculation) is applicable to such Interest Accrual Period, in which case the amount of interest payable per Calculation Amount in respect of such Note for such Interest Accrual Period shall equal such Interest Amount (or be calculated in accordance with such formula). Where any Interest Period comprises two or more Interest Accrual Periods, the amount of interest payable per Calculation Amount in respect of such Interest Period shall be the sum of the Interest Amounts payable in respect of each of those Interest Accrual Periods. In respect of any other period for which interest is required to be calculated, the provisions above shall apply save that the Day Count Fraction shall be for the period for which interest is required to be calculated.

(i) ***Determination and Publication of Rates of Interest, Interest Amounts, Final Redemption Amounts, Early Redemption Amounts, Optional Redemption Amounts and Instalment Amounts***

The Calculation Agent shall, as soon as practicable on such date as the Calculation Agent may be required to calculate any rate or amount, obtain any quotation or make any determination or calculation, determine such rate and calculate the Interest Amounts for the relevant Interest Accrual Period, calculate the Final Redemption Amount, Early Redemption

Amount, Optional Redemption Amount or Instalment Amount, obtain such quotation or make such determination or calculation, as the case may be, and cause the Rate of Interest and the Interest Amounts for each Interest Accrual Period and the relevant Interest Payment Date and, if required to be calculated, the Final Redemption Amount, Early Redemption Amount, Optional Redemption Amount or any Instalment Amount to be notified to the Fiscal Agent, the Issuer, each of the Paying Agents, the Noteholders, any other Calculation Agent appointed in respect of the Notes that is to make a further calculation upon receipt of such information and, if the Notes are listed on a stock exchange and the rules of such exchange or other relevant authority so require, such exchange or other relevant authority as soon as possible after their determination but in no event later than (i) the commencement of the relevant Interest Period, if determined prior to such time, in the case of notification to such exchange of a Rate of Interest and Interest Amount, or (ii) in all other cases, the fourth Business Day after such determination. Where any Interest Payment Date or Interest Period Date is subject to adjustment pursuant to Condition 5(b)(ii), the Interest Amounts and the Interest Payment Date so published may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. If the Notes become due and payable under Condition 10, the accrued interest and the Rate of Interest payable in respect of the Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest or the Interest Amount so calculated need be made. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent(s) shall (in the absence of manifest error) be final and binding upon all parties.

(j) Definitions

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

"**Business Day**" means:

(i) in the case of a Specified Currency other than Euro, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in the principal financial centre for such currency; and/or

(ii) in the case of Euro, a day on which the TARGET System is operating (a "**TARGET Business Day**")**;** and/or

(iii) in the case of a Specified Currency and/or one or more Business Centres, a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in such currency in the Business Centre(s) or, if no currency is indicated, generally in each of the Business Centres;

"**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (from and including the first day of such period to but excluding the last) (whether or not constituting an Interest Period or an Interest Accrual Period, the "**Calculation Period**")**:**

(i) if "**Actual/Actual**" or "**Actual/Actual — ISDA**" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365 (or, if any portion of that Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);

(ii) if "**Actual/365** (**Fixed**)" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 365;

(iii) if "**Actual/360**" is specified in the relevant Pricing Supplement, the actual number of days in the Calculation Period divided by 360;

(iv) if "**30/360**", "**360/360**" or "**Bond Basis**" is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y_1" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D_1 is greater than 29, in which case D_2 will be 30;

(v) if "**30E/360**" or "**Eurobond Basis**" is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D-T" is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D_1 will be 30; and "D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D_2 will be 30;

(vi) if "**30E/360** (**ISDA**)" is specified in the relevant Pricing Supplement, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction}=\frac{[360\times(Y_2\text{-}Y_1)]+[30\times(M_2\text{-}M_1)]+(D_2\text{-}D_1)}{360}$$

where:

"Y-T" is the year, expressed as a number, in which the first day of the Calculation Period falls;

"Y_2" is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"M_1" is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

"M_2" is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

"D_1" is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D_1 will be 30; and

"D_2" is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D_2 will be 30; and

(vii) if "**Actual/Actual — ICMA**" is specified in the relevant Pricing Supplement:

(a) if the Calculation Period is equal to or shorter than the Determination Period during which it falls, the number of days in the Calculation Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Periods normally ending in any year; and

(b) if the Calculation Period is longer than one Determination Period, the sum of:

(x) the number of days in such Calculation Period falling in the Determination Period in which it begins divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year; and

(y) the number of days in such Calculation Period falling in the next Determination Period divided by the product of (1) the number of days in such Determination Period and (2) the number of Determination Periods normally ending in any year,

where:

"**Determination Date**" means the date specified as such in the relevant Pricing Supplement or, if none is so specified, the Interest Payment Date;

"**Determination Period**" means the period from and including a Determination Date in any

year to but excluding the next Determination Date;

"**Euro-zone**" means the region comprised of member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended;

"**Interest Accrual Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Period Date and each successive period beginning on (and including) an Interest Period Date and ending on (but excluding) the next succeeding Interest Period Date;

"**Interest Amount**" means:

(x) in respect of an Interest Accrual Period, the amount of interest payable per Calculation Amount for that Interest Accrual Period and which, in the case of Fixed Rate Notes, and unless otherwise specified in the relevant Pricing Supplement, shall mean the Fixed Coupon Amount or Broken Amount specified in the relevant Pricing Supplement as being payable on the Interest Payment Date ending the Interest Period of which such Interest Accrual Period forms part; and

(y) in respect of any other period, the amount of interest payable per Calculation Amount for that period;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified in the relevant Pricing Supplement;

"**Interest Determination Date**" means, with respect to a Rate of Interest and Interest Accrual Period, the date specified as such in the relevant Pricing Supplement or, if none is so specified, (i) the first day of such Interest Accrual Period if the Specified Currency is sterling, or (ii) the day falling two Business Days in London for the Specified Currency prior to the first day of such Interest Accrual Period if the Specified Currency is neither Sterling nor Euro, or (iii) the day falling two TARGET Business Days prior to the first day of such Interest Accrual Period if the Specified Currency is Euro;

"**Interest Period**" means the period beginning on (and including) the Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date;

"**Interest Period Date**" means each Interest Payment Date unless otherwise specified in the relevant Pricing Supplement;

"**ISDA Definitions**" means the 2006 ISDA Definitions, as published by the International Swaps and Derivatives Association, Inc., unless otherwise specified in the relevant Pricing Supplement;

"**Rate of Interest**" means the rate of interest payable from time to time in respect of this Note and that is either specified or calculated in accordance with the provisions in the relevant Pricing Supplement;

"**Reference Banks**" means, in the case of a determination of LIBOR, the principal London office of four major banks in the London interbank market and, in the case of a determination of EURIBOR, the principal Euro-zone office of four major banks in the Euro-zone interbank market, in each case selected by the Calculation Agent or as specified in the relevant Pricing Supplement;

"**Reference Rate**" means the rate specified as such in the relevant Pricing Supplement;

"**Relevant Screen Page**" means such page, section, caption, column or other part of a particular information service as may be specified in the relevant Pricing Supplement;

"**Specified Currency**" means the currency specified as such in the relevant Pricing Supplement or, if none is specified, the currency in which the Notes are denominated; and "**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(k) ***Calculation Agent***

The Issuer shall procure that there shall at all times be one or more Calculation Agents if provision is made for them in the relevant Pricing Supplement and for so long as any Note is outstanding (as defined in the Agency Agreement). Where more than one Calculation Agent is appointed in respect of the Notes, references in these Conditions to the Calculation Agent shall be construed as each Calculation Agent performing its respective duties under the Conditions. If the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for an Interest Accrual Period or to calculate any Interest Amount, Instalment Amount, Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, or to comply with any other requirement, the Issuer shall appoint a leading bank or financial institution engaged in the interbank market (or, if appropriate, money, swap or over-the-counter index options market) that is most closely connected with the calculation or determination to be made by the Calculation Agent (acting through its principal London office or any other office actively involved in such market) to act as such in its place. The Calculation Agent may not resign its duties without a successor having been appointed as aforesaid.

6 Redemption, Purchase and Options

(a) Final Redemption

Unless previously redeemed, purchased and cancelled as provided below, this Note will be redeemed at its Final Redemption Amount (which, unless otherwise provided, is its nominal amount) or, in the case of a Note falling within Condition 6(f), its final Instalment Amount on the Maturity Date specified in the relevant Pricing Supplement.

(b) Purchases

The Issuer may, at any time, purchase Notes (*provided that*, in the case of Bearer Notes, all unmatured Coupons, Receipts and unexchanged Talons appertaining thereto are attached or surrendered therewith) in the open market or otherwise at any price.

Such notes may be held, reissued, resold or, at the option of the Issuer, surrendered to any Paying Agent for cancellation in all cases in accordance with all applicable laws and regulations.

(c) Early Redemption

(A) Zero Coupon Notes

(i) Unless otherwise specified in the relevant Pricing Supplement, the Early Redemption Amount payable in respect of any Note, the Rate of Interest of which is specified to be Zero Coupon, upon redemption of such Note pursuant to Condition 8(b) or (c) or, if applicable, Condition 6(d) or (e) or upon it becoming due and payable as provided in Condition 10, shall be:

(a) if the Redemption Amount of such Note is variable, the Zero Coupon Early Redemption Amount of such Note specified in the relevant Pricing Supplement; or

(b) in any other case, the Amortised Face Amount (calculated as provided below) of such Note.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Final Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown in the relevant Pricing Supplement, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually. Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown in the relevant Pricing Supplement.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 8(b) or (c) or, if applicable, Condition 6(d) or (e), or upon it becoming due and payable as provided in Condition 10, is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined In sub- paragraph (ii) above, except that such sub-paragraph shall have effect as though the reference therein to the date on which the Note becomes due and payable were replaced by a reference to the Relevant Date (as defined in Condition 8). The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (both before and after judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 5(g).

(B) *Other Notes*

The Early Redemption Amount payable in respect of any Note (other than Notes described in (A) above), upon redemption of such Note pursuant to Condition 8 or upon it becoming due and payable as provided in Condition 10, shall be the Final Redemption Amount unless otherwise specified in the relevant Pricing Supplement.

(d) Redemption at the Option of the Issuer and Exercise of Issuer's Options

If so provided in the relevant Pricing Supplement, the Issuer may, on giving irrevocable notice to the Noteholders during the Issuer's Notice Period (as specified in the applicable Pricing Supplement), redeem all or, if so provided, some of the Notes in the nominal amount or integral multiples thereof and on the date or dates so provided.

Any such redemption of Notes shall be at their Redemption Amount together with any interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption the notice to Noteholders shall also contain the serial numbers of the Notes or, in the case of Registered Notes, shall specify the nominal amount of Registered Notes drawn and the holders of such Registered Notes to be redeemed, which shall have been drawn in such place as the Fiscal Agent may approve and in such manner as it deems appropriate, subject to compliance with any applicable laws and stock exchange requirements.

(e) Redemption at the Option of Noteholders and Exercise of Noteholder's Options

If so provided in the relevant Pricing Supplement, the Issuer shall at the option of the holder of any such Note who shall have exercised such option by providing an irrevocable notice to the Issuer during the Noteholders' Notice Period (as specified in the applicable Pricing Supplement), redeem such Note on the Optional Redemption Date so provided in the relevant Pricing Supplement at its Redemption Amount together with any interest accrued to the date fixed for redemption.

In the case of Extendible Notes, the Noteholder's option may provide that the initial Maturity Date in respect of such Notes as provided in the applicable Pricing Supplement (the "**Initial Maturity Date**") or any Extended Maturity Date resulting from any previous exercise of such option will, unless a Noteholder exercises its option not to extend the Maturity Date (a "**Non-Extension Option**"), be extended automatically on one or more occasions to such later date(s) as shall be provided in the applicable Pricing Supplement *provided that* such extended Maturity Date shall not exceed the maximum maturity as specified in the Guarantee which is, at the date of this Information Memorandum, ten years from the Issue Date (each an "**Extended Maturity Date**" and the last such possible Extended Maturity Date, as provided in the applicable Pricing Supplement, the "**Final Extended Maturity Date**"), *provided that* such Final Extended Maturity Date shall not exceed the maximum maturity as specified in the Guarantee. If the Maturity Date is not so extended in respect of an Extendible Note, such Note will be redeemed on its then current Maturity Date in accordance with the provisions of Condition 6(a) above at its Final Redemption Amount.

If the Non-Extension Option is not exercised in respect of an Automatic Extension Date during the Automatic Extension Period, each as specified in the relevant Pricing Supplement, the Maturity Date of this Note shall be extended automatically by the duration (the "**Automatic Extension Duration**") as specified in the relevant Pricing Supplement so that it falls on the next succeeding Extended Maturity Date.

Not later than 30 calendar days (or such other period as shall be specified in the applicable Pricing Supplement) prior to each Automatic Extension Date, the Issuer shall give notice to the Noteholders informing them of their right to exercise the Non-Extension Option in relation to such Automatic Extension Date.

To exercise any such option referred to in the first paragraph of this Condition 6(e), the Non-Extension Option or any other Noteholder's option which may be set out in the relevant Pricing Supplement, the holder must deposit (in the case of Bearer Notes) such Note (together with all unmatured Receipts and Coupons and unexchanged Talons) with any Paying Agent or (in the case of Registered Notes) the Certificate representing such Note(s) with the Registrar or any Transfer Agent at its specified office, together with a duly completed option exercise notice ("**Exercise Notice**") in the form obtainable from any Paying Agent, the Registrar or any Transfer Agent (as applicable) and/or annexed to the applicable Pricing Supplement within the Notice Period. No Note or Certificate so deposited and option exercised may be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Issuer.

If a Noteholder validly exercises its Non-Extension Option in relation to any Note and any Automatic Extension Date as provided above, then (i) in the case of Bearer Notes, the Paying Agent to which such Note is presented shall enface thereon a statement indicating that the Non-Extension Option has been exercised in relation to such Note, the Maturity Date of such Note and shall remove from the Note and cancel all unmatured Receipts, all unmatured Coupons relating to the Interest Payment Dates falling after such Maturity Date and unexchanged Talons and (ii) in the case of Registered Notes, the Registrar or Transfer Agent to which the relevant Certificate is presented will destroy such Certificate and replace it with a replacement Certificate with the relevant Maturity Date enfaced on it.

Following each Automatic Extension Date, the Issuer shall give notice to the Noteholders and the Luxembourg Stock Exchange informing them of the aggregate nominal amount, the Maturity Date of Notes in respect of which the Non-Extension Option for such Automatic Extension Date was not exercised.

(f) Redemption by Instalments

Unless previously redeemed, purchased and cancelled as provided in this Condition 6 or the relevant Instalment Date (being one of the dates so specified in the relevant Pricing Supplement) is extended pursuant to any Issuer's or Noteholder's option in accordance with Condition 6(d) or (e), each Note which provides for Instalment Dates and Instalment Amounts will be partially redeemed on each Instalment Date at the Instalment Amount specified in the relevant Pricing Supplement, whereupon the outstanding nominal amount of such Note shall be reduced by the Instalment Amount (or, if such Instalment Amount is calculated by reference to a proportion of the nominal amount of such Note, such proportion) for all purposes with effect from the related Instalment Date, unless payment of the Instalment Amount is improperly withheld or refused on presentation of the related Receipt, in which case, such amount shall remain outstanding until the Relevant Date relating to such Instalment Amount.

(g) Partly Paid Notes

Partly Paid Notes will be redeemed, whether at maturity, early redemption or otherwise, in accordance with the provisions of this Condition and the provisions specified in the relevant Pricing Supplement.

(h) Cancellation

All Notes purchased by or on behalf of the Issuer for cancellation shall be cancelled forthwith, in the case of Bearer Notes, by surrendering such Notes together with all unmatured Coupons, Receipts and unexchanged Talons attached thereto to the Fiscal Agent and, in the case of Registered Notes, by surrendering the Certificate representing such Notes to the Registrar. Any Notes so cancelled shall not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be discharged.

7 Payments and Talons

(a) Bearer Notes

Payments of principal and interest in respect of Bearer Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Receipts (in the case of payments of Instalment Amounts other than on the due date for redemption and *provided that* the Receipt is presented for payment together with its relative Note), Notes (in the case of all other payments of principal and, in the case of interest, as specified in Condition 7(f)(vi)) or Coupons (in the case of interest, save as specified in Condition 7(f)(vi)), as the case may be, at the specified office of any Paying Agent outside the United States by a cheque payable in the currency in which such payment is due drawn on, or, at the option of the holder, by transfer to an account denominated in that currency with, a bank in the principal financial centre of that currency; *provided that* in the case of Euro, the transfer may be to, or the cheque drawn on, a Euro account with a bank in Europe (or any other account to which Euro may be credited or transferred in a city in which banks have access to the TARGET System).

(b) Registered Notes

(i) Payments of principal (which for the purposes of this Condition 7(b) shall include final Instalment Amounts but not other Instalment Amounts) in respect of Registered Notes will be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.

(ii) Interest (which for the purposes of this Condition 7(b) shall include all Instalment Amounts other than final Instalment Amounts) on Registered Notes will be paid to the person shown on the Register at the close of business on the fifteenth day before the due date for payment thereof (the "**Record Date**"). Upon application by the holder to the specified office of the Registrar or any Transfer Agent before the Record Date and subject as provided in paragraph (a) above, such payment of interest may be made by transfer to an account in the relevant currency maintained by the payee with a bank in the principal financial centre of the country of that currency.

(c) Payments in the United States

Notwithstanding the foregoing, if any Bearer Notes are denominated in U.S. dollars, payments in respect thereof may be made at the specified office of any Paying Agent in New York City in the same manner as aforesaid if (i) the Issuer shall have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment of the amounts on the Notes in the manner provided above when due, (ii) payment in full of such amounts at all such offices is illegal or effectively precluded by exchange controls or other similar restrictions on payment or receipt of such amounts, and (iii) such payment is then permitted by United States law, without involving, in the opinion of the Issuer, any adverse tax consequence to the Issuer.

(d) Payments subject to Fiscal Laws

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in any jurisdiction (whether by operation of law or agreement of the Issuer) and (ii) any withholding or deduction required pursuant to an agreement described in section 1471(b) of the US Internal Revenue Code of 1986 (the "**Code**") or otherwise imposed pursuant to sections 1471 through 1474 of the Code, any regulations or agreements thereunder, official interpretations thereof, or any law implementing any governmental approach thereto, without prejudice to the provisions of Condition 8. No commission or expenses shall be charged to the Noteholders, Receiptholders or Couponholders in respect of such payments.

(e) Appointment of Agents

The Fiscal Agent, the Paying Agents, the Registrar, the Transfer Agents and the Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. The Fiscal Agent, the Paying Agents, the Registrar and the Transfer Agents act solely as agents of the Issuer and the Calculation Agent acts as an independent expert and none of them assumes any obligation or relationship of agency or trust for or with any holder. The Issuer reserves the right at any time to vary or terminate the appointment of the Fiscal Agent, any Paying Agent, the Registrar, any Transfer Agent or the Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, *provided that* the Issuer will at all times maintain (i) a Fiscal Agent outside the Republic of France, (ii) a Registrar in relation to Registered Notes, (iii) a Transfer Agent in relation to Registered Notes, (iv) a Consolidation Agent, where the relevant Pricing Supplement so require, (v) one or more Calculation Agent(s) where the Conditions so require, (vi) a Paying Agent with a specified office in a European Union member state that will not be obliged to withhold or deduct tax pursuant to any law implementing European Council Directive 2003/48/EC (as amended by the EU Council Directive 2014/48/EU of 24 March 2014) or any other Directive implementing the conclusions of the ECOFIN Council meeting of the 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to such Directive and (vii) at least one Paying Agent having a specified office in a European city, and provided further that (A) so long as the Notes are listed on the official list of the Luxembourg Stock Exchange and are admitted to trading on the Regulated Market, the Issuer will maintain a Paying Agent and Transfer Agent in Luxembourg and (B) the Issuer will maintain such other agents as may be required by the rules of any other stock exchange on which the Notes may be listed.

In addition, the Issuer shall forthwith appoint a Paying Agent in New York City in respect of any Bearer Notes denominated in U.S. dollars in the circumstances described in paragraph (c) above.

Notice of any such change or any change of any specified office will promptly be given to the Noteholders in accordance with Condition 14.

(f) Unmatured Coupons and Receipts and unexchanged Talons

(i) Upon the due date for redemption, Bearer Notes which comprise Fixed Rate Notes should be surrendered for payment together with all unmatured Coupons (if any) relating thereto, failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) shall be deducted from the Final Redemption Amount, Early Redemption Amount or Optional Redemption Amount, as the case may be, due for payment. Any amount so deducted shall be paid in the manner mentioned above against surrender of such missing Coupon within a period of 10 years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 9).

(ii) Upon the due date for redemption of any Bearer Note comprising a Floating Rate Note, unmatured Coupons relating to such Note (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note (whether or not attached) shall become void and no Coupon shall be delivered in respect of such Talon.

(iv) Upon the due date for redemption of any Bearer Note which is redeemable in instalments, all Receipts relating to such Note having an Instalment Date falling on or after such due date (whether or not attached) shall become void and no payment shall be made in respect of them.

(v) Where any Bearer Note which provides that the relative unmatured Coupons are to become void upon the due date for redemption of those Notes is presented for redemption without all unmatured Coupons or where any Bearer Note is presented for redemption without any unexchanged Talon relating to it, redemption shall be made only against the provision of such indemnity as the Issuer may require.

(vi) If the due date for redemption of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender, if appropriate) of the relevant Bearer Note or Certificate representing it, as the case may be. Interest accrued on a Note which only bears interest after its Maturity Date shall be payable on redemption of such Note against presentation of the relevant Note or Certificate representing it, as the case may be.

(g) Business Days for Payments

If any date for payment in respect of any Note, Receipt or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day or to any interest or other sum in respect of such postponed payment. In this paragraph, “business day” means a day (other than a Saturday or Sunday):

(i) on which banks and foreign exchange markets are open for business in the relevant place of presentation;

(ii) in such jurisdictions as shall be specified as "Financial Centres" in the applicable Pricing Supplement and:

(x) (in the case of a payment in a currency other than Euro) where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency; or

(y) (in the case of a payment in Euro) which is a TARGET Business Day.

(h) Talons

If, due to the number of Coupons, a Talon for further Coupons is required, it shall form part of the Coupon sheet attached to each Bearer Note. On or after the Specified Interest Payment Date for the final Coupon forming part of a Coupon sheet issued in respect of any Bearer Note, the Talon forming part of such Coupon sheet may be surrendered at the specified office of the Fiscal Agent in exchange for a further Coupon sheet (and if necessary another Talon for a further Coupon sheet), (but excluding any Coupons which may have become void pursuant to Condition 9).

8 Taxation

(a) All payments of principal, interest and other revenues by or on behalf of the Issuer in respect of the Notes, Receipts or Coupons shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within the Republic of France or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law.

(b) If, on the occasion of the next payment due in respect of the Notes, Receipts or Coupons appertaining thereto, the Issuer would be required, for any reason whatsoever beyond its control, to make a withholding or deduction with respect to any French taxes or duties, the Issuer will, to the fullest extent then permitted by law, pay such additional amounts as may be necessary in order that the holders of Notes, Receipts or Coupons, after deduction of such withholding, receive the full amount provided in such Notes, Receipts or Coupons to be then due and payable; *provided, however*, that if the obligation to make such additional payments arises by virtue of a change in French law or in its application or official interpretation and cannot be avoided by reasonable measures available to the Issuer, the Issuer may redeem all (but not some only) of the outstanding Notes on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note) (but not earlier than 30 days prior to the effective date of such change) at their Redemption Amount together with, unless otherwise specified in the relevant Pricing Supplement, accrued interest to the date set for redemption, and *provided that* no such additional amount shall be payable with respect to any Note, Receipt or Coupon:

(i) to a holder (or to a third party on behalf of a holder) where such holder is liable to such taxes or duties in respect of such Note, Receipt or Coupon by reason of his having some connection with the Republic of France other than the mere holding of such Note, Receipt or Coupon; or

(ii) presented (or in respect of which the certificate representing it is presented) for payment more than 30 days after the Relevant Date, except to the extent that the Noteholder or, if applicable, the Receiptholder or Couponholder, as the case may be, would have been entitled to such additional amounts on presenting the same for payment on such thirtieth day; or

(iii) where such withholding or deduction is required to be made pursuant to Council Directive 2003/48/EC (as amended by the EU Council Directive 2014/48/EU of 24 March 2014) or any other Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings income, or any law implementing or complying with, or introduced in order to conform to, such Directive (including for the avoidance of doubt the agreements, concluded by each member of the European Union with several dependent or associated territories of the European Union, aiming to apply measures similar to the ones deriving from the

Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such agreements); or

(iv) where such withholding or deduction is imposed on a payment and is required to be made pursuant to the Luxembourg law dated 23 December 2005 as amended by the Luxembourg law dated 17 July 2008 (as such law may be amended or replaced in the future); or

(v) presented (or in respect of which the Certificate representing it is presented) for payment by or on behalf of a Noteholder or, if applicable, the Receiptholder or Couponholder, as the case may be, who would be able to avoid such withholding or deduction by presenting the relevant Note (or the Certificate representing it), Receipt or Coupon to another Paying Agent in a member state of the European Union.

As used in these Conditions, "**Relevant Date**" in respect of any Note, Receipt or Coupon means whichever is the later of:

(i) the date on which the payment in respect of such Note, Receipt or Coupon first became due and payable; or

(ii) if the full amount of the moneys payable on such date in respect of such Note, Receipt or Coupon has not been received by the Fiscal Agent on or prior to the due date, the date on which notice is duly given to the Noteholders that such moneys have been so received.

References in these Conditions to:

"'**principal**" shall be deemed to include any premium payable in respect of the Notes, all Instalment Amounts, Redemption Amounts, Amortised Face Amounts and all other amounts in the nature of principal payable pursuant to Condition 6 or any amendment or supplement to it;

"**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 5 or any amendment or supplement to it; and

"'**principal**" and/or "**interest**" shall be deemed to include any additional amounts which may be payable under this Condition.

(c) In the event that the Issuer should be required to make the additional payments referred to in paragraph (b) above, that any French law or regulation should prohibit such additional payments, and that the obligation to make such additional payments cannot be avoided by reasonable measures available to the Issuer (which measures, if they exist, the Issuer shall be obliged to take, to the fullest extent permitted by law), the Issuer shall redeem all (but not some only) of the outstanding Notes at their Redemption Amount together with, unless otherwise specified in the relevant Pricing Supplement, any accrued interest to the date set for redemption, on any Interest Payment Date (if this Note is a Floating Rate Note) or at any time (if this Note is not a Floating Rate Note) not earlier than 30 days prior to the effective date of any change in French law referred to in paragraph (b) above and not later than the date on which such additional payments would have been due or as soon as practicable thereafter.

(d) The Issuer shall give notice of any optional redemption pursuant to paragraph (b) above at least 30 days and not more than 60 days prior to the date set for redemption by publishing a notice of redemption in accordance with Condition 14. In the event of mandatory redemption pursuant to paragraph (c) above, the Issuer shall publish a notice of redemption (in accordance with the same provisions) as soon as possible after the necessity of such redemption becomes apparent but not more than 60 days prior to the date set for redemption.

(e) Each Noteholder shall be responsible for supplying to the relevant Paying Agent, in a timely manner, any information as may reasonably and timely be required in order to comply with the identification and reporting obligations imposed on it by the Council Directive 2003/48/EC (as amended by the EU Council Directive 2014/48/EU of 24 March 2014) or any other European Directive implementing the conclusions of the ECOFIN Council Meeting dated 26-27 November 2000 on the taxation of savings income or any law implementing or complying with, or introduced in order to conform, to such Directive.

9 Prescription

Claims against the Issuer for payment in respect of the Notes, Receipts and Coupons (which for this purpose shall not include Talons) shall be prescribed and become void unless made within 10 years (in the case of principal) or five years (in the case of interest) from the appropriate due date in respect thereof.

10 Event of Default

Upon the occurrence of an Event of Default, the holder of any Note may, upon written notice given to the Fiscal Agent at its specified office, cause such Note to become immediately due and payable as of the date on which the said notice is given, at its Redemption Amount together with accrued interest to the date of payment.

For the purposes of this Condition, an "**Event of Default**" will be deemed to have occurred if any of the following events has occurred:

(i) as a result of a final judgment of competent courts binding on a Guarantor, the Guarantee, as it applies to the Notes, is no longer in full force and effect;

(ii) a Guarantor enacts legislation releasing such Guarantor from any or all of its payment obligations under the Guarantee; or

(iii) a Guarantor does not pay any amount that has become due and payable under the Notes and has been validly claimed under the Guarantee where such non-payment is a result of the Guarantee not being binding (or being alleged by such Guarantor not to be binding) on such Guarantor,

provided, in respect of an event referred to in (i) or (ii) above, that such event continues for a period of at least 60 days (the "**Guarantee Cure Period**"), unless any interest, principal or any other amount under the Notes shall have become due and not have been paid at any time before any such event has occurred or during the Guarantee Cure Period, in which case an Event of Default shall be deemed to have occurred immediately without the necessity of waiting for the Guarantee Cure Period to expire. For the avoidance of doubt, no other event shall be deemed to be an Event of Default under these Conditions, except those listed in this paragraph.

11 Meetings of Noteholders

(a) Meetings of Noteholders

The Agency Agreement contains provisions for convening meetings of Noteholders to consider matters affecting their interests, including the modification of any of these Conditions insofar as they may apply to the Notes. Any such modifications may be made if sanctioned by an Extraordinary Resolution (as defined in the Agency Agreement) of Noteholders (save where these Conditions provide that they may be modified otherwise than by Extraordinary Resolution).

Such a meeting may be convened by Noteholders holding not less than 10 per cent, in nominal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution will be two or more persons holding or representing a clear majority in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting two or more persons being or representing Noteholders whatever the nominal amount of Notes held or represented, unless the business of such meeting includes the consideration of proposals, *inter alia*, (i) to amend the dates of maturity or redemption of any of the Notes, any Instalment Date or any date for payment of interest thereon, (ii) to reduce or cancel the nominal amount or any Instalment Amount of, or any premium payable on redemption of, the Notes, (iii) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or amount of interest thereon, (iv) if a Minimum Rate of Interest and/or a Maximum Rate of Interest applies to any Notes, to reduce such Minimum Rate of Interest and/or such Maximum Rate of Interest, (v) to change the method or basis for calculating the Redemption Amount or, in the case of Zero Coupon Notes, changes to the method of calculating any Amortised Face Amount or Zero Coupon Early Redemption Amount, as the case may be, (vi) to change the currency or currencies of payment or denomination of the Notes, or (viii) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass an Extraordinary Resolution, in which case the necessary quorum will be two or more persons holding or representing not less than three-quarters, or at any adjourned meeting any proportion in nominal amount of the Notes for the time being outstanding. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed) and on all Couponholders.

A Written Resolution shall take effect as if it were an Extraordinary Resolution. The provisions set out in these Terms and Conditions relating to the powers of meetings and notification of Extraordinary Resolutions shall apply *mutatis mutandis* to Written Resolutions.

"**Written Resolution**" means a resolution in writing signed by or on behalf of all holders of Notes who for the time being are entitled to receive notice of a Meeting in accordance with the provisions for meetings of Noteholders set out in the Agency Agreement, whether such resolution is contained in one document or several documents in the same form, each signed by or on behalf of one or more such holders of the Notes. The date of such Written Resolution shall be the date on which the latest such document is signed.

These Conditions may be amended, modified or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

(b) Modification of the Agency Agreement

The Agency Agreement will be capable of amendment or waiver by the parties thereto, without the consent of Noteholders or Couponholders, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or in any manner which the parties to the Agency Agreement mutually deem necessary or desirable and which does not, in the reasonable opinion of such parties, adversely affect the interests of the Noteholders or Couponholders.

12 Replacement of Notes, Certificates, Receipts, Coupons and Talons

If a Note, Certificate, Receipt, Coupon or Talon is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange regulations, at the specified office of such Paying Agent as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 14 (in the case of Bearer Notes, Receipts, Coupons or Talons) and of the Registrar (in the case of Certificates), in each case on payment by the claimant of the expenses incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, *inter alia,* that if the allegedly lost, stolen or destroyed Note, Certificate, Receipt, Coupon or Talon is subsequently presented for payment or, as the case may be, for exchange for further Coupons, there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes, Certificates, Receipts, Coupons or further Coupons) and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Certificates, Receipts, Coupons or Talons must be surrendered before replacements will be issued.

13 Further Issues and Consolidation

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes having the same terms and conditions as the Notes in all respects or in all respects except for the first payment of interest on them so that the same shall be consolidated and form a single series with such Notes. For the purposes of French law, such further notes shall be consolidated (*assimilables)* to the Notes as regards their financial service. References in these Conditions to "Notes" shall be construed accordingly.

14 Notices

Notices to holders of Registered Notes will be valid (i) if sent by mail to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing and (ii) if published, so long as the relevant Notes are listed on the official list of the Luxembourg Stock Exchange and are admitted to trading on the Regulated Market and the rules of the Luxembourg Stock Exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort)* or on the website of the Luxembourg Stock Exchange ("www.bourse.lu").

Notices to the holders of Bearer Notes will be valid if (i) published in a daily newspaper of general circulation in London (which is expected to be the *Financial Times)* and (ii) so long as the relevant

Notes are listed on the official list of the Luxembourg Stock Exchange and are admitted to trading on the Regulated Market and the rules of the Luxembourg Stock Exchange so require, in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort)* or on the website of the Luxembourg Stock Exchange ("www.bourse.lu") or, if such publication is not practicable, notice will be validly given if published in another leading daily English language newspaper with general circulation in Europe and, so long as such Notes are listed or admitted to trading on any stock exchange and the rules of such stock exchange so require, in a leading daily newspaper with general circulation in the city/ies where such stock exchange(s) is/are situated.

Notices will, if published more than once, be deemed to have been given on the date of the first publication as provided above.

Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the holders of Bearer Notes in accordance with this Condition.

15 Contracts (Rights of Third Parties) Act 1999

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

16 Governing Law and Jurisdiction

(a) Governing Law

The Notes, the Receipts, the Coupons, the Talons and the Agency Agreement and any non-contractual obligations arising out of or in connection with them are governed by, and shall be construed in accordance with, English law. The Guarantee is governed by the laws of Belgium.

(b) Jurisdiction

The Courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with any Notes, Receipts, Coupons or Talons and accordingly any legal action or proceedings arising out of or in connection with any Notes, Receipts, Coupons or Talons ("**Proceedings**") may be brought in such courts. The Issuer irrevocably submits to the jurisdiction of such court and waives any objection to Proceedings in such court on the ground of venue or on the ground that the Proceedings have been brought in an inconvenient forum. This submission is made for the benefit of each of the holders of the Notes, Receipts, Coupons and Talons and shall not affect the right of any of them to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction (whether concurrently or not).

The courts of Brussels have exclusive jurisdiction to settle any disputes relating to the Guarantee as between the parties thereto and in relation to any disputes involving holders of the Notes.

(c) Service of Process in England

The Issuer appoints Dexia Management Services Ltd, presently at 13th Floor, 200 Aldersgate Street, London EC1A 4HD as its agent for service of process. Such service shall be deemed completed on delivery to such address (whether or not it is forwarded to and received by the Issuer). If for any reason the Issuer no longer has such an agent in England registered under Part XXIII of the Companies Act 1985, the Issuer irrevocably agrees to appoint a substitute process agent and shall immediately notify Noteholders of such appointment in accordance with Condition 14. Nothing shall affect the right to serve process in any other manner permitted by law.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Initial Issue of Notes

Global Notes which are issued in CGN form and Global Certificates which are not held under the NSS may be delivered on or prior to the original issue date of the Tranche to a Common Depositary for Euroclear and Clearstream, Luxembourg (the "**Common Depositary**"). If the Global Note is a CGN, upon the initial deposit of a Global Note with the Common Depositary or registration of Registered Notes in the name of any nominee for Euroclear and Clearstream, Luxembourg and the delivery of the relative Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

If the Global Notes are stated in the applicable Pricing Supplement to be issued in NGN form or the Global Certificates are held under NSS (as the case may be), the Global Notes or the Global Certificates will be delivered on or prior to the original issue date of the Tranche to a Common Safekeeper. Depositing the Global Notes or the Global Certificates with the Common Safekeeper does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue, or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.

If the Global Note is an NGN, the nominal amount of the Notes shall be the aggregate amount from time to time entered in the records of Euroclear or Clearstream, Luxembourg. The records of such clearing system shall be conclusive evidence of the nominal amount of Notes represented by the Global Note and a statement issued by such clearing system at any time shall be conclusive evidence of the records of the relevant clearing system at that time.

Upon the initial deposit of a Global Note with, or registration of Registered Notes in the name of, or of any nominee for, and delivery of the relevant Global Certificate to, Euroclear France (including where Euroclear France is acting as central depositary), the *"intermédiaires financiers habilités*" (French banks or brokers authorised to maintain securities accounts on behalf of their clients (each an "**Approved Intermediary**")) who are entitled to such Notes according to the records of Euroclear France will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

Notes that are initially deposited with the Common Depositary may (if indicated in the relevant Pricing Supplement) also be credited to the accounts of subscribers with Approved Intermediaries or (if indicated in the relevant Pricing Supplement) other clearing systems through direct or indirect accounts with Euroclear and Clearstream, Luxembourg held by Euroclear France or such other clearing systems. Conversely, Notes that are initially deposited with Euroclear France or any other clearing system may similarly be credited to the accounts of subscribers with Euroclear, Clearstream, Luxembourg or other clearing systems (or Approved Intermediaries).

Relationship of Accountholders with Clearing Systems

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg, an Approved Intermediary or any other clearing system as the holder of a Note represented by a Global Note or a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such Approved Intermediary or clearing system (as the case may be) for his share of each payment made by the Issuer to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, and in relation to all other rights arising under the Global Notes or Global Certificates, subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, Euroclear France or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Note or Global Certificate and such obligations of the Issuer will be discharged by payment to the bearer of such Global Note or the holder of the underlying Registered Notes, as the case may be, in respect of each amount so paid.

Exchange

1 Temporary Global Notes

Each temporary Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date:

(a) if the relevant Pricing Supplement indicate that such Global Note is issued in compliance with the C Rules or in a transaction to which TEFRA is not applicable (as to which, see "*General*

Description of the Programme — Selling Restrictions"), in whole, but not in part, for the Definitive Notes defined and described below;

(b) in the case of Extendible Notes, in whole or in part as provided for in "**Extendible Notes**" below; and

(c) otherwise, in whole or in part upon certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement for interests in a permanent Global Note or, if so provided in the relevant Pricing Supplement, for Definitive Notes.

2 Permanent Global Notes

Each permanent Global Note will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "*Partial Exchange of Permanent Global Notes and Global Certificates*", in part for Definitive Notes or, in the case of (a) below, Registered Notes:

(a) in the case of Notes issued in one Specified Denomination only, if the relevant Pricing Supplement provides that such Global Note is exchangeable at the request of the holder, by the holder giving notice to the Fiscal Agent of its election to effect such exchange; and

(b) otherwise, (1) if the permanent Global Note is held on behalf of Euroclear or Clearstream, Luxembourg or any other clearing system (an "**Alternative Clearing System**") and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or in fact does so or (2) if principal in respect of any Notes is not paid when due by the holder giving notice to the Fiscal Agent of its election for such exchange.

In the event that a Global Note is exchanged for Definitive Notes, such Definitive Notes shall be issued in Specified Denomination(s) only. A Noteholder who holds a nominal amount of less than the minimum Specified Denomination will not receive a definitive Note in respect of such holding and would need to purchase a nominal amount of Notes such that it holds an amount equal to one or more Specified Denominations.

3 Global Certificates

Each Global Certificate will be exchangeable, free of charge to the holder, on or after its Exchange Date in whole but not, except as provided under "*Partial Exchange of Permanent Global Notes and Certificates*", in part, for Individual Certificates:

(a) if the Notes represented by the Global Certificate are held on behalf of Euroclear or Clearstream, Luxembourg or an Alternative Clearing System and any such clearing system is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or

(b) if principal in respect of any Notes is not paid when due; or

(c) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (a) or (b) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer, or in the case of Extendible Notes, in whole or in part, for a new Global Certificate and, if applicable, a replacement Global Certificate as provided under "*Extendible Notes*" below.

4 Partial Exchange of Permanent Global Notes and Global Certificates

For so long as a permanent Global Note or Global Certificate is held by or on behalf of a clearing system and the rules of that clearing system permit, such permanent Global Note or Global Certificate will be exchangeable in part on one or more occasions (1) in the case of a permanent Global Note or Global Certificate representing Extendible Notes, for another permanent Global Note or, as the case may be, Global Certificate, as provided in "Extendible Notes" below, or (2) for Definitive Notes or Individual Certificates, as the case may be, (i) if principal in respect of any Notes is not paid when due or (ii) if so provided in, and in accordance with, the Conditions (which will be set out in the relevant Pricing Supplement) relating to Partly Paid Notes.

5 Extendible Notes

In the case of Extendible Notes, interests in the temporary Global Note must be exchanged for interests in the Original Permanent Global Note (as defined below) before the Non-Extension Option can be exercised.

If Noteholders exercise their Non-Extension Option then (in the case of Bearer Notes) the permanent Global Note representing the Notes on issue (the "**Original Permanent Global Note**") or (in the case of Registered Notes) the Global Certificate issued in respect of the Notes on issue (the "**Original Global Certificate**") shall to that extent be exchanged for a new permanent Global Note or, as the case may be, Global Certificate representing such Notes and all other Notes having the same Maturity Date as such Notes as provided below.

On the Automatic Extension Date, all Notes in respect of which a duly completed Non-Extension Option Notice has been received by the Fiscal Agent or, as the case may be, the Registrar will not have their Maturity Date extended. Such Notes will be allocated a new ISIN and common code corresponding to their Maturity Date, and (i) (in the case of Bearer Notes) the Fiscal Agent shall (x) authenticate and issue on behalf of the Issuer a new permanent Global Note in respect of such Notes to the holder of the Original Permanent Global Note, recording thereon the Maturity Date, the new ISIN and common code applicable thereto and the aggregate nominal amount thereof and (y) record the remaining outstanding nominal amount of Notes in respect of which the Non-Extension Option has not been exercised on the relevant schedules to the Original Permanent Global Note, and (ii) (in the case of Registered Notes), the Registrar shall (x) authenticate and issue on behalf of the Issuer a new Global Certificate in respect of such Notes recording the new Maturity Date, the new ISIN and common code applicable thereto and the aggregate nominal amount thereof and (y) authenticate and issue a replacement Global Certificate in respect of the remaining Notes recording thereon the same ISIN and common code applicable to the Original Global Certificate and, in each case, shall deliver such new and replacement Global Certificates to the holder of the Original Global Certificate and shall make the appropriate entries relating thereto in the Register relating to the Notes.

6 Delivery of Notes

If the Global Note is a CGN, on or after any due date for exchange the holder of a Global Note may surrender such Global Note or, in the case of a partial exchange, present it for endorsement to or to the order of the Fiscal Agent. In exchange for any Global Note, or the part thereof to be exchanged, the Issuer will (i) in the case of a temporary Global Note exchangeable for a permanent Global Note, deliver, or procure the delivery of, a permanent Global Note in an aggregate nominal amount equal to that of the whole or that part of a temporary Global Note that is being exchanged or, in the case of a subsequent exchange, endorse, or procure the endorsement of, a permanent Global Note to reflect such exchange or (ii) in the case of a Global Note exchangeable for Definitive Notes, deliver, or procure the delivery of, an equal aggregate nominal amount of duly executed and authenticated Definitive Notes. If the Global Note is a NGN, the Fiscal Agent will procure that details of such exchange be entered *pro rata* in the records of the relevant clearing system.

In this Information Memorandum, "**Definitive Notes**" means, in relation to any Global Note, the definitive Bearer Notes for which such Global Note may be exchanged (if appropriate, having attached to them all Coupons and Receipts in respect of interest or Instalment Amounts that have not already been paid on the Global Note and a Talon). Definitive Notes will be security printed, and Certificates will be printed, in accordance with any applicable legal and stock exchange requirements in or substantially in the form set out in the Schedules to the Agency Agreement. On exchange in full of each permanent Global Note, the Issuer will, if the holder so requests, procure that it is cancelled and returned to the holder together with the relevant Definitive Notes.

7 Exchange Date

"**Exchange Date**" means, in relation to a temporary Global Note, the day falling after the expiry of 40 days after its issue date and, in relation to a permanent Global Note, a day falling not less than 60 days, or in the case of an exchange for Registered Notes five days, or in the case of failure to pay principal in respect of any Notes when due 30 days, after that on which the notice requiring exchange is given and on which banks are open for business in the city in which the specified office of the Fiscal Agent is located and in the city in which the relevant clearing system is located. In the event that a further Tranche of Notes is issued in respect of any Series of Notes pursuant to Condition 3 which is to be consolidated with one or more previously issued Tranches of such Series prior to the Exchange Date relating to the Temporary Global Note representing the most recently previously issued Tranches of such Series, such Exchange Date may be extended until the Exchange Date with respect to such further Tranche, provided that in no event shall such first-mentioned Exchange Date be extended beyond the date which is five calendar days prior to the first Interest Payment Date (if any) falling after such first-mentioned Exchange Date.

8 Legend

Each temporary Global Note, permanent Global Note and any Bearer Note, Talon, Coupon or Receipt issued in compliance with the D Rules under TEFRA will bear the following legend:

"*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*".

The sections of the U.S. Internal Revenue Code referred to in the legend provide that a United States taxpayer, with certain exceptions, will not be permitted to deduct any loss, and will not be eligible for capital gains treatment with respect to any gain realised on any sale, exchange or redemption of Bearer Notes or any related Coupons.

Amendment to Conditions

The temporary Global Notes, permanent Global Notes and Global Certificates contain provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Information Memorandum. The following is a summary of certain of those provisions:

1 Payments

No payment falling due after the Exchange Date will be made on any Global Note unless exchange for an interest in a permanent Global Note or for Definitive Notes is improperly withheld or refused. Payments on any temporary Global Note issued in compliance with the D Rules before the Exchange Date will only be made against presentation of certification as to non-U.S. beneficial ownership in the form set out in the Agency Agreement. All payments in respect of CGNs represented by a Global Note will be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of that Global Note to or to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purpose. If the Global Note is a CGN, a record of each payment so made will be endorsed on each Global Note, which endorsement will be *prima facie* evidence that such payment has been made in respect of the Notes. In the case of payments made in respect of Notes not being issued outside the Republic of France, proof of non-residency (if any) shall be supplied to the Fiscal Agent by Euroclear, Clearstream, Luxembourg or any Alternative Clearing System in accordance with the rules of such clearing system. Condition 8(b)(iv) will apply to the Definitive Notes only. If the Global Note is a NGN or if the Global Certificate is held under the NSS, the Fiscal Agent or Registrar (as applicable) shall procure that details of each such payment shall be entered *pro rata* In the records of the relevant clearing system and, in the case of payments of principal, the nominal amount of the Notes recorded in the records of the relevant clearing system and represented by the Global Note or the Global Certificate will be reduced accordingly. Payments under the NGN will be made to its holder. Each payment so made will discharge the Issuer's obligations in respect thereof. Any failure to make the entries in the records of the relevant clearing system shall not affect such discharge. For the purpose of any payments made in respect of a Global Note or Global Certificate, the relevant place of presentation shall be disregarded in the definition of "business day" set out in Condition 7(g) *(Business Days for Payments).*

All payments in respect of Notes represented by a Global Certificate will be made to, or to the order of, the person whose name is entered on the register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where Clearing System Business Day means Monday to Friday inclusive except 25 December and 1 January.

2 Prescription

Claims against the Issuer in respect of Notes that are represented by a permanent Global Note will become void unless it is presented for payment within a period of 10 years (in the case of principal) and five years (in the case of interest) from the appropriate due date.

3 Meetings

The holder of a permanent Global Note or of the Notes represented by a Global Certificate shall (unless such permanent Global Note or Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holder of a permanent Global Note shall be treated as having one vote in respect of each integral currency unit of the Specified Currency of the Notes. All holders of Registered Notes are entitled to one vote in respect of each Note comprising such Noteholder's holding, whether or not represented by a Global Certificate.

4 Cancellation

Cancellation of any Note represented by a permanent Global Note that is required by the Conditions to be cancelled (other than upon its redemption) will be effected by reduction in the nominal amount of the relevant Global Note.

5 Purchase

Notes represented by a permanent Global Note may only be purchased by the Issuer in accordance with the Conditions relating to such Notes if they are purchased together with the rights to receive all future payments of interest and Instalment Amounts (if any) thereon.

6 Issuer's Option

Any option of the Issuer provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note shall be exercised by the Issuer giving notice to the Noteholders within the time limits set out in, and containing the information required by, the Conditions, except that the notice shall not be required to contain the serial numbers of the Notes drawn in the case of a partial exercise of an option and accordingly no drawing of Notes shall be required. In the event that any option of the Issuer is exercised in respect of some but not all of the Notes of any Series, the rights of accountholders with a clearing system or Approved Intermediary in respect of the Notes will be governed by the standard procedures of Euroclear, Clearstream, Luxembourg, Euroclear France (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion) or any other clearing system (as the case may be).

7 Noteholder's Options

Any option of the Noteholders provided for in the Conditions of any Notes while such Notes are represented by a permanent Global Note may be exercised by the holder of the permanent Global Note giving notice to the Fiscal Agent within the time limits relating to the deposit of Notes with a Paying Agent set out in the Conditions substantially in the form of the notice available from any Paying Agent, except that the notice shall not be required to contain the serial numbers of the Notes in respect of which the option has been exercised, and stating the nominal amount of Notes in respect of which the option is exercised and at the same time where the permanent Global Note is a CGN presenting the permanent Global Note to the Fiscal Agent, or to a Paying Agent acting on behalf of the Fiscal Agent, for notation. Where the Global Note is a NGN or where a Global Certificate is held under the NSS, the Fiscal Agent or Registrar (as applicable) shall procure that details of such exercise shall be entered *pro rata* in the records of the relevant clearing system and the nominal amount of the Notes recorded in those records will be reduced accordingly. To exercise the Non-Extension Option in relation to any Automatic Extension Date in respect of any Notes held by a Noteholder while such Notes are represented by the Original Permanent Global Note or, as the case may be, the Original Global Certificate, the holder thereof must, during the relevant Exercise Period, (i) deliver to the relevant clearing system a duly completed Non-Extension Option Exercise Notice in respect of such Notes and (ii) arrange with the relevant Clearing System for such Notes to be "blocked" in the relevant participant's account with such clearing system until such Automatic Extension Date.

8 NGN nominal amount

Where the Global Note is a NGN or a Global Certificate is held under the NSS, the Fiscal Agent or Registrar (as applicable) shall procure that any exchange, payment, cancellation, exercise of any option or any right under the Notes, as the case may be, in addition to the circumstances set out above shall be entered in the records of the relevant clearing systems and upon any such entry being made, in respect of payments of principal, the nominal amount of the Notes represented by such Global Note or Global Certificate (as applicable) shall be adjusted accordingly.

9 Event of Default

Each Global Note and Global Certificate provides that the holder may cause such Global Note, or a portion of it, or Registered Notes represented by such Global Certificate, as the case may be, to become due and repayable in the circumstances described in Condition 10 by stating in the notice to the Fiscal Agent the nominal amount of such Global Note or Registered Notes represented by such Global Certificate that is becoming due and repayable. Following the giving of a notice of an Event of Default by or through the relevant clearing system(s) or depositary, the holder of a Global Note or Registered Notes represented by a Global Certificate may elect for direct enforcement rights against the Issuer under the terms of an amended and restated Deed of Covenant executed as a deed by the Issuer on 27 June 2014 to come into effect in relation to the whole or a part of such Global Note or one or more Registered Notes in favour of the persons entitled to such part of such Global Note or such Registered Notes, as the case may be, as accountholders with a clearing system. Following any such acquisition of direct rights, the Global Note or, as the case may be, the Global Certificate and the corresponding entry in the register kept by the Registrar will become void as to the specified portion or Registered Notes, as the case may be. However, no such election may be made in respect of Notes represented by a Global Certificate unless the transfer of the whole or a part of the holding of Notes represented by that Global Certificate shall have been improperly withheld or refused. So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, the last sentence of Condition 10 is not applicable.

10 Notices

So long as any Notes are represented by a Global Note or Global Certificate and such Global Note or Global Certificate is held on behalf of a clearing system, notices to the holders of Notes of that Series may be given by delivery of the relevant notice to that clearing system for communication by it to entitled accountholders in substitution for publication as required by the Conditions or by delivery of the relevant notice to the holder of the Global Note or Global Certificate except that, so long as the relevant Notes are listed on the official list of the Luxembourg Stock Exchange and are admitted to trading on the Regulated Market and the rules of the Luxembourg Stock Exchange so require, notices shall also be published in a daily newspaper with general circulation in Luxembourg (which is expected to be the *Luxemburger Wort)* and/or on the website of the Luxembourg Stock Exchange ("www.bourse.lu") and, so long as such Notes are listed or admitted to trading on any stock exchange and the rules of such stock exchange so require, in a leading daily newspaper with general circulation in the city/ies where such stock exchange(s) is/are situated.

11 Consolidation

A Global Note or Global Certificate may be amended or replaced by the Issuer (in such manner as it considers necessary, after consultation with the Consolidation Agent) for the purposes of taking account of the consolidation of the Notes in accordance with Condition 13. Any consolidation may require a change in the relevant common depositary or central depositary, as the case may be.

12 Partly Paid Notes

The provisions relating to Partly Paid Notes are not set out in this Information Memorandum, but will be contained in the relevant Pricing Supplement and thereby in the Global Notes. While any instalments of the subscription moneys due from the holder of Partly Paid Notes are overdue, no interest in a Global Note representing such Notes may be exchanged for an interest in a permanent Global Note or for Definitive Notes (as the case may be). If any Noteholder fails to pay any instalment due on any Partly Paid Notes within the time specified, the Issuer may forfeit such Notes and shall have no further obligation to their holder in respect of them.

DEXIA CRÉDIT LOCAL

Introduction

Dexia Crédit Local is a French corporation (*société anonyme*) administered by a Board of Directors, as governed by Articles L. 225-17 and *seq.* of the French Commercial Code and Article L. 511-1 of the French Monetary and Financial Code. Dexia Crédit Local's registered office and chief place of business is: Tour Dexia, La Défense 2, 1, Passerelle des Reflets, 92913 La Défense Cedex, France. The telephone number at Dexia Crédit Local's registered office is (+33) 1 58 58 77 77.

Dexia Crédit Local is a banking institution (*établissement de crédit*) established under the French Banking Law. It is registered with the Clerk of the Commercial Court of Nanterre under 351 804 042 (*Registre du Commerce et des Sociétés*).

Dexia Crédit Local is a subsidiary of Dexia S.A., a public limited company (*société anonyme*) and financial company governed by Belgian law whose shares are listed on Euronext Brussels and Paris as well as on the Luxembourg Stock Exchange. As its main operating entity, Dexia Crédit Local carries almost all of the Dexia Group's assets. As at end of December 2013, Dexia Crédit Local had 1,310 staff members.

History

Crédit Local de France ("**CLF**") was formed by the French State in 1987 upon the transfer to it of the *Caisse d'aide à l'équipement des collectivités locales* and was privatised by the French State in 1991 and in 1993. In 1996, CLF and Crédit Communal de Belgique pooled their activities and formed a single group called Dexia. As part of this restructuring, CLF contributed all of its assets and liabilities to an inactive entity, Local Finance which was renamed Dexia Crédit Local de France. This entity was subsequently renamed Dexia Crédit Local.

Dexia Crédit Local specialized historically in public and project finance for the local public sector but also provided financing services to the public housing, healthcare and public health sectors. Through its international branches and subsidiaries this type of business was developed in nearly 30 countries around the world, especially in the European Union, North America, Mexico, Australia and Japan.

Orderly Resolution

The Dexia Group encountered serious refinancing difficulties in the autumn of 2011, in the wake of the worsening sovereign debt crisis, leading to the announcement of the implementation of an orderly resolution plan, entailing a number of consequences for Dexia Crédit Local. The purpose of this resolution plan is to prevent the materialisation of the systemic risk that the bankruptcy of the Dexia Group would represent to the Belgian, French and European financial systems.

Because the plan involved State Aid under the form of a funding guarantee granted by the Belgian, French and Luxemburg States as well as a capital increase by the Belgian and French State, it had to be submitted to the European Commission for approval under EU State aid rules. The States of Belgium, France and Luxembourg initially submitted the plan to the European Commission on 21 March 2012. Subsequently, following active discussions between Dexia S.A., the States, the European Commission and the European, Belgian and French central banks, certain hypotheses and principles in the business plan underlying the plan submitted by the States to the Commission in March 2012 were changed. This resulted in a revised orderly resolution plan being submitted to the European Commission on 14 December 2012, and approved by it in a decision of 28 December 2012.

The orderly resolution plan, in essence, calls for the sale of those operating entities which are considered to be viable in the long term, in order to enable them to continue their development outside the Dexia Group. The remaining residual assets are to be managed in run-off until extinction, not being compensated by any new commercial production (other than in limited circumstances). Due to the size of its balance sheet and the specific nature of the residual assets, which have in general a very long maturity, Dexia's orderly resolution plan will have to be managed over the very long term.

In order to enable Dexia to successfully complete its orderly resolution plan, the Belgian, French and Luxembourg States provided Dexia Crédit Local with a EUR 85 billion funding guarantee in principal amount. This funding guarantee, which came into force on 24 January 2013, should allow the Dexia Group to fund its balance sheet over the long term. Dexia Crédit Local and its New York branch are the sole issuers under this guarantee.

To provide Dexia S.A. with a sufficient capital base to meet its regulatory requirements over the period of the resolution plan, the Belgian and French States also proceeded with a EUR 5.5 billion capital increase of Dexia S.A. in the form of preference shares as at 31 December 2012. Following this capital increase, Dexia S.A. subscribed to a capital increase of Dexia Crédit Local S.A. of EUR 2 billion including issue premium, bringing the share capital of Dexia Crédit Local S.A. to EUR 1,286,032,212.

Recent developments

Since the approval of the European Commission, Dexia Group has strongly focused on implementing the orderly resolution plan. As the Dexia Group's main operating subsidiary, Dexia Crédit Local is instrumental to the implementation of the orderly resolution plan.

- *Successful launch of the guaranteed funding programmes*: since the granting of the funding guarantee by the States on 24 January 2013, Dexia Crédit Local has launched long-term State-guaranteed funding programmes, in euro (EMTN) and in US dollar (US MTN), which were welcomed by investors. Dexia Crédit Local also implemented successfully short-term issuance programmes benefitting from the guarantee in the United States and in Europe. The positive investor feedback enabled Dexia Crédit Local to improve its funding mix over the past year, by increasing the portion of government guaranteed funding placed in the market while reducing its take of central bank funding.

- *Finalisation of the entity disposals planned in the orderly resolution*: in line with the undertakings made to the European Commission, Dexia Group divested itself most of its commercial franchises, which resulted in a profound downsizing of the Dexia Crédit Local Group scope. The transactions finalised in 2013 are the following:

  - On 31 January 2013, Dexia finalised the sale of the Société de Financement Local (SFIL), a proprietary holding of the Caisse Française de Financement Local (CAFFIL, formerly Dexia Municipal Agency (DMA)) to the French State as the majority shareholder, Caisse des Dépôts and Banque Postale for an amount of 1 euro. As SFIL was the leading franchise of the Dexia Group in terms of public sector finance in France, this sale was a decisive step towards the implementation of Dexia's orderly resolution plan and led to a redefinition of the local public sector finance regime in France. It generated a total loss of EUR 1,849 million for the Dexia Group, booked over the years 2011 for an amount of EUR -1,069 million, 2012 for an amount of EUR -638 million and 2013 for an amount of EUR -142 million. Furthermore, an adjustment of EUR +129 million (after taxes) was booked directly in the equity in 2013, following the application of the IAS 8 accounting standard;

  - On 28 March 2013, Dexia sold Dexia Kommunalkredit Bank Polska, the Polish subsidiary of Dexia Kommunalkredit Bank, to Getin Noble resulting in a loss of EUR -9.5 million;

  - On 2 April 2013, Dexia finalised the sale of Dexia Bail, a 100% subsidiary of Dexia Crédit Local, to Sofimar, resulting in a loss of EUR -20 million;

  - On 30 September 2013, Dexia finalised the sale of Sofaxis to the Société Hospitalière d'Assurances Mutuelles (SHAM), the MGEN Group and the Mutuelle Nationale Territoriale (MNT) for a fixed price of EUR 136 million. This sale generated a capital gain of EUR 64 million which was booked in the 2013 consolidated financial statements of Dexia S.A.;

  - On 6 September 2013, Dexia finalised the sale of its holding in Public Location Longue Durée ("**Public LLD**") to Arval Service Lease, resulting in a capital gain of EUR 50,000. Public LLD was 49% held by Dexia Crédit Local and specialised in car leasing to public organisations and associations.

Aside from these divestments, Dexia also sold all its shares in Dexia Asset Management on 3 February 2014 and its 40%-holding in Popular Banca Privada on 19 February 2014. These disposals, which do not fall under the consolidation scope of Dexia Crédit Local, end the mandatory entity disposal programme under the orderly resolution plan.

In addition, to the undertakings made by the States to the European Commission, Dexia Crédit Local made several entity disposals and mergers which were not required, such as the sale of its holdings in Domiserve, Exterimmo and the dissolution of Dexia Credit Local's Austrian banking subsidiary by way of cross-border merger by absorption by its 100% parent company.

The divestment processes of Dexia Crediop and Dexia Israël are still pending:

- At the beginning of 2014, the Dexia Group received the consent from the European Commission to extend until 28 June 2014 the authorisation for Dexia Crediop to grant new funding to its existing clients within a limit of EUR 200 million. This decision aims at preserving the value of Dexia Crediop's franchise and allows the continuation of the discussions being held with a view to its sale.
- Dexia is currently involved in legal proceedings in relation to Dexia Israel. The resolution of this litigation is prerequisite to any negotiation to dispose of this subsidiary.

As a result of the exercise by Banco Sabadell of its put option on its stake in Dexia Sabadell, Dexia Crédit Local's shareholding in Dexia Sabadell could potentially be increased to 100%;

- *Convergence in scope between Dexia Group and Dexia Crédit Local*: under the orderly resolution plan the scope of Dexia Group will rapidly converge towards the scope of its subsidiary Dexia Crédit Local S.A. As an example, Dexia Crédit Local's consolidated balance sheet amounted to EUR 222 billion at the end of 2013 compared to EUR 223 billion for the Dexia Group. Furthermore, the governance of both Dexia SA and Dexia Crédit Local have been simplified and integrated with the members of the Dexia S.A. Management Board and Board of Directors being also members of Dexia Crédit Local Management Board and Board of Directors.
- *Desensitization of sensitive credits*: In order to reduce the litigation risk related to structured credits, Dexia followed an extremely active desensitisation policy in 2013. These actions were accompanied by new production flows within the framework of the EUR 600 million production envelope granted to Dexia by the European Commission. This desensitisation policy enabled Dexia to reduce the outstanding amount of sensitive credits by 22% over the course of 2013, representing an amount of EUR 0.5 billion.
- *Launch of the Company Project and Mission Statement*: since the finalisation of the sale process of the main commercial franchises as required under the orderly resolution plan in the beginning of 2014, Dexia Group and Dexia Crédit Local can fully focus on their mission: managing the Group's residual assets over time while seeking to protect the interests of the Group's State shareholders and guarantors. To meet this objective, Dexia Crédit Local will need to maintain its ability to refinance its balance sheet and preserve its capital base by cautiously managing its portfolio, carefully monitoring risks and reducing its cost base. At the same time, Dexia and Dexia Crédit Local will have to avoid any operational discontinuities. These three objectives form the basis of the "Company Project", initiated in 2013 and to be rolled out in 2014 and which aims at aligning Dexia's organisation and structure with its mission.

The Issuer's ratings (long-term and short-term) are as follows:

- Moody's: Baa2 negative outlook/P-2;
- S&P: BBB stable outlook/ A-2;
- Fitch: A negative outlook / F1+.

Management

As from 31 March 2014, the Issuer is managed by the following persons:

Karel De Boeck (Chief Executive Officer)

Claude Piret (Head of Assets)

Pierre Vergnes (Chief Financial Officer)

As from 31 March 2014, the Board of Directors of the Issuer consists of the following members:

Robert de Metz *(Président)*

Karel De Boeck *(Directeur Général)*

Claude Piret *(Directeur Général Délégué)*

Pierre Vergnes *(Directeur Général Délégué)*

Patrick Bernasconi

Koenraad Van Loo.

Thierry Francq

Alexandre De Geest

Paul Bodart

Bart Bronselaer

Delphine d'Amarzit

The business address of all of the directors is Tour Dexia La Défense 2 - 1, Passerelle des Reflets, 92919 La Défense, France.

THE GUARANTEE

*On 24 January 2013: (a) the Kingdom of Belgium, (b) the Republic of France and (c) the Grand Duchy of Luxembourg entered into an Independent On-Demand Guarantee (*Garantie Autonome à Première Demande*) (the "**Guarantee**") whereby the Guarantors agreed to severally but not jointly guarantee specified obligations of the Issuer, as more fully described in the Guarantee below (the "**Guaranteed Obligations**"). Notes issued under the Programme benefit from the Guarantee, subject to compliance with the terms of the Guarantee. The aggregate principal amount of the outstanding Guaranteed Obligations at 20 June 2014* was *EUR 76.9 billion. The following is the text of the Guarantee in French and in English.*

GARANTIE AUTONOME À PREMIÈRE DEMANDE

Le **ROYAUME DE BELGIQUE**, pour 51,41 %,

la **RÉPUBLIQUE FRANÇAISE**, pour 45,59 %, et

le **GRAND-DUCHÉ DE LUXEMBOURG**, pour 3 %, (les "**États**")

garantissent par la présente inconditionnellement et irrévocablement, conjointement mais non solidairement, chacun à la hauteur de sa quote-part mentionnée ci-dessus et selon les modalités et conditions fixées par la présente garantie (la "**Garantie**"), l'exécution par Dexia Crédit Local SA (agissant à partir de ses siège ou succursales, notamment sa succursale de New York, "**DCL**") de ses obligations de paiement, en principal, intérêts et accessoires, au titre des Obligations Garanties visées ci-dessous.

1 Définitions

Dans la présente Garantie :

"**Contrats**" signifie les prêts, avances, découverts et dépôts visés au paragraphe (b) de la définition d'« Obligations Garanties » ;

"**Détenteurs de Titres**" signifie les détenteurs de Titres et Instruments Financiers autres que les Tiers Bénéficiaires ;

"**Devises Étrangères**" signifie le dollar des Etats-Unis d'Amérique (USD), le dollar canadien (CAD), la livre sterling (GBP), le yen (JPY) et le franc suisse (CHF) ;

"**Engagement Global**" à la signification donnée à l'article 3(b) ;

"**Jour Ouvré**" signifie un jour, autre qu'un samedi ou un dimanche, où les banques sont ouvertes en France, en Belgique et au Luxembourg, à condition :

(a) s'il s'agit d'un jour où un paiement d'Obligations Garanties libellées en Devises Étrangères doit être effectué, que ce jour soit également un jour où les banques du principal centre financier de l'état de cette devise sont ouvertes ; ou

(b) s'il s'agit d'un jour où un paiement d'Obligations Garanties libellées en euros doit être effectué, que ce jour soit également un jour où le système de paiement Trans-European Automated Real- Time Gross Settlement Express Transfer fonctionne pour la réalisation d'opérations de paiement en euros ;

"**Obligations Garanties**" signifie :

(a) les titres et instruments financiers émis par DCL, initialement souscrits par des Tiers Bénéficiaires, qui répondent aux critères prévus à l'Annexe B (*Obligations Garanties),* à l'exclusion (i) des titres et instruments financiers dont les modalités prévoient expressément qu'ils sont exclus du bénéfice de la Garantie, et (ii) des titres et instruments financiers qui bénéficient de la garantie de l'un des trois États à hauteur de 100 % de leur montant en vertu d'une garantie spécifique et séparée ou qui bénéficient d'une garantie spécifique, conjointe mais non solidaire, des trois États ; et

(b) les prêts, avances, découverts et dépôts accordés à DCL, non représentés par un titre ou instrument financier, qui répondent aux critères prévus à l'Annexe B (*Obligations Garanties),* et dont le créancier est un Tiers Bénéficiaire.

"**Tiers Bénéficiaires**" a la signification donnée à l'Annexe A *(Tiers Bénéficiaires)* ; et

"**Titres et Instruments Financiers**" et/ou "**Titre**(**s**) **ou Instrument**(**s**) **Financier**(**s**)", selon le cas, signifie les titres et instruments financiers visés au paragraphe (a) de la définition d'« Obligations Garanties ».

2 Nature de la Garantie

(a) La Garantie est autonome et payable à première demande. En cas d'appel à la Garantie conformément aux articles 4 et 5, les États renoncent dès lors (sans préjudice de leurs droits envers DCL) à invoquer tout moyen de défense ou toute exception relatifs aux Obligations Garanties ou au non respect par DCL de ses obligations envers les États ainsi que tout autre moyen de défense ou toute autre exception que DCL pourrait faire valoir envers les Tiers Bénéficiaires ou Détenteurs de Titres pour en refuser le paiement, et les États seront tenus envers les Tiers Bénéficiaires ou les Détenteurs de Titres comme s'ils étaient les débiteurs principaux des Obligations Garanties selon les termes de celles-ci, à concurrence de leur quote-part respective. En particulier, les obligations des États en vertu de la présente Garantie ne seront pas éteintes ou affectées par :

(i) la cessation des paiements (que ce soit au sens du code de commerce ou du code monétaire et financier français), l'insolvabilité, la dissolution, la radiation ou tout autre changement de statut de DCL ;

(ii) l'illégalité des Obligations Garanties ;

(iii) l'illégalité des obligations d'un autre État en vertu de la présente Garantie, ou le non respect par un autre État de ces obligations ;

(iv) tout délai de grâce, accord de conciliation ou autre concession similaire consenti à DCL par les titulaires des Obligations Garanties ou imposé par une autorité judiciaire ou un auxiliaire de justice ;

(v) la survenance de toute procédure collective (sauvegarde, sauvegarde accélérée, redressement judiciaire, liquidation judiciaire ou autre procédure similaire), la désignation d'un administrateur provisoire ou

(vi) toute autre mesure adoptée par l'Autorité de contrôle prudentiel ou toute autre autorité de régulation compétente à l'égard de DCL ; ou

(vii) toute autre cause d'extinction des Obligations Garanties, sauf leur complet paiement.

(b) Le bénéfice de la présente Garantie subsistera si un paiement reçu par un Tiers Bénéficiaire ou un Détenteur de Titres et imputé sur les Obligations Garanties est ultérieurement annulé ou déclaré inopposable aux créanciers de l'auteur du paiement, doit être restitué à DCL ou à un tiers par ce Tiers Bénéficiaire ou Détenteur de Titres, ou s'avère ne pas avoir été effectivement reçu par ce Tiers Bénéficiaire ou Détenteur de Titres.

(c) Les Tiers Bénéficiaires ou Détenteurs de Titres ne seront pas tenus, en vue d'exercer leurs droits en vertu de la présente Garantie, d'adresser une quelconque mise en demeure à DCL, d'agir contre DCL, ou d'introduire une créance dans une quelconque procédure d'insolvabilité relative à DCL.

(d) Aucune cause de déchéance du terme des Obligations Garanties, qu'elle soit d'origine légale (notamment en cas de procédure de liquidation judiciaire à l'égard de DCL) ou contractuelle (notamment sous la forme d'un *event of default, event of termination* ou *cross-default*), ne sera opposable aux États. En conséquence, tout appel en Garantie n'entraînera une obligation de paiement par les États que selon l'échéancier normal des Obligations Garanties (étant entendu que (i) les effets de toute clause de résiliation anticipée non liée à la survenance d'un cas de défaut, tel que l'exercice par un Tiers Bénéficiaire ou Détenteur de Titres de certains *puts* contractuels, sont considérés comme faisant partie de l'échéancier normal des Obligations Garanties, et que (ii) tout appel en Garantie devra être renouvelé aux dates d'échéances ultérieures des Obligations Garanties). En outre, pour pouvoir faire appel à la Garantie, un Tiers Bénéficiaire ou Détenteur de Titres ne peut pas avoir invoqué ou invoquer une quelconque déchéance du terme à rencontre de DCL (sauf le cas échéant les causes de déchéance qui se seraient produites de plein droit sans intervention du Tiers

Bénéficiaire ou Détenteur de Titres concerné, notamment en cas d'ouverture d'une procédure de liquidation judiciaire à l'égard de DCL).

3 Quote-part des États et plafond global de la Garantie

(a) Chacun des États garantit les Obligations Garanties à hauteur de la quote-part indiquée en tête de la présente Garantie. Cette quote-part s'entend par Obligation Garantie et par appel à la Garantie au sens des articles 4(b) ou 5(c) de la présente Garantie.

(b) L'Engagement Global des États ne peut à aucun moment excéder les plafonds suivants, étant entendu que les montants en intérêts et accessoires dus sur les montants en principal ainsi limités sont garantis au-delà de ces plafonds :

(i) € 85 milliards pour les trois États ensemble ;

(ii) € 43,6985 milliards pour le Royaume de Belgique ;

(iii) € 38,7515 milliards pour la République française ; et

(iv) € 2,55 milliards pour le Grand-Duché de Luxembourg.

Par "**Engagement Global**", il est entendu la totalité de l'encours en principal (ceci étant entendu, dans le cas d'obligations *zero-coupon,* du principal dû à l'échéance et, dans le cas d'obligations prévoyant une capitalisation des intérêts, du principal incluant les intérêts capitalisés) des obligations garanties par chacun des États en vertu de la présente Garantie ou de toute autre garantie accordée conformément à la convention de garantie autonome datée du 16 décembre 2011 ou à la convention d'émission de garanties datée du 24 janvier, telles que celles-ci ont été ou pourront être modifiées (les obligations garanties en vertu de la convention de garantie autonome du 9 décembre 2008 n'étant pas prises en compte pour le calcul de l'Engagement Global).

Le respect des plafonds ci-dessus sera apprécié lors de toute nouvelle émission ou conclusion d'Obligations Garanties, en tenant compte de cette nouvelle émission ou conclusion. Ainsi, les financements émis ou conclus par DCL qui répondent aux critères prévus à l'Annexe B *(Obligations Garanties)* de la présente Garantie (et dont les modalités ne prévoient pas expressément qu'ils sont exclus du bénéfice de la Garantie) bénéficient de la garantie des États si et dans la mesure où l'Engagement Global ne dépasse lors de leur émission ou conclusion aucun de ces plafonds, en tenant compte du montant en principal de toutes les Obligations Garanties (c'est-à-dire tant les obligations garanties par chacun des États en vertu de la présente Garantie ou de toute autre garantie accordée conformément à la convention de garantie autonome datée du 16 décembre 2011 ou à la convention d'émission de garanties datée du 24 janvier qui ont été émises ou conclues antérieurement, que ces nouvelles Obligations Garanties) et, pour celles qui sont libellées en Devises Étrangères, de la contre-valeur en euros de leur encours en principal au taux de référence du jour de cette nouvelle émission ou conclusion d'Obligations Garanties publié à cette date par la Banque Centrale Européenne.

L'éventuel non-respect ultérieur de ces plafonds par DCL n'affectera pas les droits des Tiers Bénéficiaires et Détenteurs de Titres au titre de la Garantie quant aux Obligations Garanties émises ou conclues avant ce dépassement de plafond.

4 Garantie des Titres et Instruments Financiers

(a) Sans qu'il soit besoin d'aucune formalité, la Garantie couvre tous Titres ou Instruments Financiers initialement émis à destination de Tiers Bénéficiaires, et reste attachée à ces Titres ou Instruments Financiers nonobstant leur cession ou transfert à tout autre Tiers Bénéficiaire ou Détenteur de Titres. Les Détenteurs de Titres pourront dès lors également faire appel à la Garantie dans les conditions prévues à la présente Garantie.

(b) Tout Tiers Bénéficiaire ou Détenteur de Titre, ou tout mandataire, agent, organisme de liquidation ou trustee agissant pour le compte de ceux-ci, peut faire appel à la Garantie, par simple notification adressée à chacun des États dans le délai visé à l'article 8(b). La notification contiendra l'identification des Titres ou Instruments Financiers concernés ainsi que des sommes impayées et la justification des droits de l'appelant sur ces Titres ou Instruments Financiers.

5 Garantie des Contrats

(a) Sans qu'il soit besoin d'aucune formalité, la Garantie couvre tous Contrats conclus avec des Tiers Bénéficiaires, et reste attachée à ces Contrats nonobstant leur cession ou transfert à tout autre Tiers Bénéficiaire. La Garantie des Contrats ne bénéficiera pas aux cessionnaires ou bénéficiaires d'un transfert qui n'auraient pas la qualité de Tiers Bénéficiaire.

(b) Seule DCL peut faire appel à la Garantie des Contrats, dans les conditions convenues entre celle-ci et les États.

(c) Nonobstant le paragraphe (b), si une procédure de liquidation judiciaire est ouverte à l'égard de DCL, tout Tiers- Bénéficiaire titulaire de Contrats, ou tout mandataire, agent, organisme de liquidation ou *trustee* agissant pour le compte de ceux-ci, pourra toutefois faire appel à la Garantie, par simple notification adressée à chacun des États dans le délai visé à l'article 8(b). La notification contiendra l'identification des Contrats concernés ainsi que des sommes impayées et la justification des droits de l'appelant sur ces Contrats. Il est bien entendu qu'aucune déchéance du terme résultant de cette procédure de liquidation judiciaire ne sera opposable aux États et que l'appel en Garantie n'entraînera une obligation de paiement par les États que selon l'échéancier normal de ces Contrats (les effets de toute clause de résiliation anticipée non liée à la survenance d'un cas de défaut, tel que l'exercice par le Tiers Bénéficiaire concerné de certains *puts* contractuels, étant considérés comme faisant partie de l'échéancier normal des Contrats).

(d) Nonobstant le paragraphe (b) et sans préjudice du paragraphe (c), les États pourront, sur demande de DCL et à leur seule discrétion, autoriser certains Tiers Bénéficiaires nommément désignés, certaines catégories de Tiers Bénéficiaires ou les Tiers Bénéficiaires titulaires de certaines catégories de Contrats, à faire appel à la Garantie des Contrats dont ils seraient titulaires. Les États pourront subordonner leur autorisation à la mise en place des arrangements qui leur paraîtront souhaitables en matière notamment de transmission par DCL de toutes informations relatives aux Contrats détenus par ces Tiers Bénéficiaires, et pourront prévoir que tout appel à la garantie des Contrats par ces Tiers Bénéficiaires doit être accompagné des justificatifs que les États considéreront appropriés.

6 Exécution de la Garantie

(a) Chacun des États procède au règlement, dans la devise de l'Obligation Garantie à concurrence de sa quote-part, au profit des Tiers Bénéficiaires ou des Détenteurs de Titres, du montant dû au titre de tout appel à la Garantie conformément aux dispositions de la présente Garantie. Les règlements auront lieu dans les cinq Jours Ouvrés (ou, s'il s'agit d'Obligations Garanties libellées en dollars américains avec une maturité initiale inférieure ou égale à un an, dans les trois Jours Ouvrés) suivant la réception de l'appel à la Garantie et incluront les intérêts de retard dus conformément aux modalités de l'Obligation Garantie concernée jusqu'à la date de règlement.

(b) Les paiements effectués le seront en fonds immédiatement disponibles par l'intermédiaire de tout système de compensation approprié ou mécanisme de services institutionnels ou, à défaut, directement.

(c) Chaque État sera immédiatement et de plein droit subrogé dans la totalité des droits des Tiers Bénéficiaires ou des Détenteurs de Titres à rencontre de DCL au titre de l'Obligation Garantie concernée, à concurrence de la somme payée par lui.

7 Retenue à la source

(a) Les paiements visés à l'article 6(a) seront effectués par les États sans retenue à la source, hormis les cas où la loi l'exige. Si une retenue à la source doit être effectuée pour le compte d'un État au titre des paiements visés à l'article 6(a), aucun montant supplémentaire ne sera dû par cet État en raison de cette retenue.

(b) Il est bien entendu que, si DCL effectue le paiement d'une Obligation Garantie moyennant déduction d'une retenue à la source dans des circonstances où une telle déduction est requise par la loi et n'entraîne pas à charge de DCL, conformément aux modalités de l'Obligation Garantie concernée, l'obligation de payer un montant supplémentaire, une telle déduction ne constituera pas un défaut de DCL susceptible de donner lieu à un appel à la présente Garantie.

8 Prise d'effet de la Garantie, durée et modifications

(a) La Garantie ne couvre que les Obligations Garanties qui sont émises ou conclues au plus tôt le 24 janvier 2013.

(b) Le droit de faire appel à la Garantie en ce qui concerne toute somme due et impayée au titre d'une Obligation Garantie expire à la fin du 90eme jour qui suit l'échéance de cette somme ou, dans les cas visés à l'article 2(b), à la fin du 90eme jour qui suit la date de l'événement mentionné à cet article 2(b).

(c) Les États peuvent à tout moment, de commun accord et sans préjudice de leurs obligations envers DCL, résilier ou modifier les termes de la présente Garantie. La présente Garantie sera résiliée de plein droit en cas de cession à un tiers par Dexia SA du contrôle, direct ou indirect, de DCL. Toute résiliation ou modification sera communiquée au marché conformément à la réglementation applicable. La résiliation ou la modification sera sans effet quant aux Obligations Garanties émises ou conclues avant que ladite résiliation ou modification n'ait fait l'objet d'une communication au marché.

(d) Pour l'application des paragraphes (a) et (b), les dépôts et autres Contrats à vue ou à échéance indéterminée sont censés être conclus de jour à jour de sorte que ces dépôts et autres Contrats sont susceptibles de bénéficier de la Garantie s'ils existent au 24 janvier 2013, et qu'ils seront affectés par une résiliation ou modification éventuelle de la Garantie dès le lendemain de la communication qui en sera donnée au marché conformément au paragraphe (c).

9 Notifications

Tout appel à la Garantie ou autre notification destinée aux États doit être adressée à chacun des États aux adresses et numéros suivants:

Kingdom of Belgium:	FPS Finances To the attention of the General Administrator of the Treasury Avenue des Arts 30 1040 Bruxelles email: garantie.waarborg@minfin.fed.be Fax: +32 2 579 58 28
with a copy to:	National Bank of Belgium To the attention of the Governor Boulevard de Berlaimont, 14 1000 Bruxelles Fax: +32 2 221 32 10
French Republic:	Minister of Economy and Finances To the attention of the General Director of the Treasury 139, rue de Bercy 75572 Paris Cedex 12 Email: ramon.fernandez@dgtresor.gouv.fr Fax: +33 1 53 18 36 15
with a copy to :	Banque de France To the attention of the Governor 31, rue Croix-des-Petits-Champs 75001 Paris Email: secretariat.gouv@banque-france.fr
Grand-Duchy of Luxembourg:	Ministry of Finance To the attention of the Director of the Treasury 3, rue de la Congrégation L-2913 Luxembourg Fax: +352 46 62 12 email: georges.heinrich@fi.etat.lu copy : etienne. reuter@fi.état.lu
With a copy to:	Banque centrale du Luxembourg 2, boulevard Royal L-2983 Luxembourg Email: direction@bcl.lu

10 Langue, droit applicable et litige

(a) La présente Garantie est établie en français et en anglais, les deux langues faisant également foi.

(b) La présente Garantie est régie par le droit belge. Tout différend relèvera de la compétence exclusive des tribunaux de Bruxelles.

Fait le 24 janvier 2013.

LE ROYAUME DE BELGIQUE

Steven Vanackere
Vice-Premier Ministre et Ministre des Finances et du Développement durable

LA RÉPUBLIQUE FRANÇAISE

Pierre Moscovici
Ministre de l'Economie et des Finances

LE GRAND-DUCHÉ DE LUXEMBOURG

Luc Frieden
Ministre des Finances

ANNEXE A
TIERS BÉNÉFICIAIRES

Par “**Tiers Bénéficiaires**”, il y a lieu d'entendre :

(a) tous les “investisseurs qualifiés” au sens du point e) de l’article 2, paragraphe 1, de la directive 2003/71 du 4 novembre 2003 concernant le prospectus à publier en cas d’offre au public de valeurs mobilières ou en vue de l’admission de valeurs mobilières à la négociation, telle que modifiée,

(b) tous les *Qualified Institutional Buyers* tels que définis dans le US Securities Act de 1993, et tous les *Accredited Investors* tels que définis par la Règle 501 de la Régulation D adoptée pour l'application du US Securities Act de 1933,

(c) la Banque centrale européenne ainsi que toute autre banque centrale (qu'elle soit établie dans un pays de l’Union européenne ou non),

(d) tous les établissements de crédit tels que définis par la directive 2006/48/CE du Parlement Européen et du Conseil du 14 juin 2006 concernant l’accès à l’activité des établissements de crédit et son exercice (refonte), à savoir: “*une entreprise dont l'activité consiste à recevoir du public des dépôts ou d’autres fonds remboursables et à octroyer des crédits pour son propre compte*”, établis ou non dans l’Espace Economique Européen,

(e) les organismes de sécurité sociale et assimilés, les entreprises publiques, les autorités et entités publiques ou parapubliques chargées d'une mission d'intérêt général, les institutions supranationales et internationales, et

(f) les autres investisseurs institutionnels ou professionnels ; par “*investisseurs institutionnels ou professionnels*”, il y a lieu d'entendre les compagnies financières, les entreprises d’investissement, les autres établissements financiers agréés ou réglementés, les entreprises d’assurances, les organismes de placement collectif et leurs sociétés de gestion, les institutions de retraite professionnelle et leurs sociétés de gestion, et les intermédiaires en instruments dérivés sur matières premières,

en ce compris les filiales du groupe Dexia qui satisfont aux critères des paragraphes (a), (b), (d) ou (f) ci-dessus, mais uniquement dans la mesure où les Titres et Instruments Financiers (et en aucun cas pour ce qui concerne les Contrats) qui ont été souscrits par celles-ci sont destinés :

(A) à être transférés (sous quelque forme que ce soit, en ce compris sous la forme de *repos* ou de prêts d’instruments financiers) à des Tiers Bénéficiaires non contrôlés (directement ou indirectement) par Dexia SA ou DCL (dont la Banque centrale européenne, une banque centrale nationale membre du Système européen des banques centrales ou un dépositaire agissant pour le compte de ces dernières) en contrepartie de financements levés par lesdites filiales auprès de ces Tiers Bénéficiaires entre le 24 janvier 2013 et le 31 décembre 2021 ; ou

(B) à être inclus par ces filiales dans un *cover pool* garantissant, en tout ou en partie, des *covered bonds,* lettres de gage, *Pfandbriefe* ou autres instruments équivalents émis ou à émettre au plus tard le 31 décembre 2021 par Dexia Kommunalbank Deutschland AG ou Dexia Lettre de Gage SA auprès d’investisseurs institutionnels ou professionnels non contrôlés (directement ou indirectement) par Dexia SA ou DCL ;

ces Titres et Instruments Financiers ne bénéficiant de la Garantie qu’à compter (a) de la date de leur transfert à, et aussi longtemps qu’ils sont détenus par, de tels Tiers Bénéficiaires dans le cas visé au point (A), ou (b) de leur inclusion, et aussi longtemps qu’ils sont inclus, dans un tel *coverpool* dans le cas visé au point (B).

Il est précisé que lorsqu’un intermédiaire intervient comme banque garante (“**underwriter**”, “**manager**” ou assimilé) dans le cadre d’une émission de Titres ou Instruments Financiers, et dans ce contexte acquiert ou souscrit ces Titres ou Instruments Financiers en vue de leur revente immédiate auprès d’investisseurs finaux, il est requis que tant ceux-ci que celui-là aient la qualité de Tiers Bénéficiaires.

Pour l’interprétation des dispositions des paragraphes (a) à (f) ci-dessus, il est renvoyé, par dérogation à l’article 10 de la Garantie, aux statuts, actes et traités fondateurs, selon les cas, des Tiers Bénéficiaires concernés.

ANNEXE B
OBLIGATIONS GARANTIES

La Garantie porte sur l'intégralité des financements initialement levés auprès de Tiers Bénéficiaires, avec une durée inférieure ou égale à dix ans, non assortis de sûretés réelles et non-subordonnés, soit sous forme de Contrats conclus par DCL soit sous forme de Titres ou Instruments Financiers émis par DCL, dont la souscription est restreinte aux Tiers Bénéficiaires, dont la devise est l'euro ou une Devise Étrangère, dès lors que ces financements ont été conclus ou émis par DCL entre le 24 janvier 2013 et le 31 décembre 2021, étant entendu que les dépôts et autres Contrats à vue ou à échéance indéterminée sont censés être conclus de jour à jour de sorte que ces dépôts et autres Contrats sont susceptibles de bénéficier de la Garantie s'ils existent au 24 janvier 2013 et cessent en toute hypothèse d'en bénéficier le lendemain du 31 décembre 2021.

Sont explicitement inclus dans les Obligations Garanties aux conditions définies à l'alinéa précédent :

(a) les Contrats suivants : les prêts, dépôts, avances et découverts interbancaires en Devises Étrangères, les prêts, dépôts et avances non interbancaires à terme et à durée indéterminée en euros ou en Devises Étrangères (dont les dépôts à vue, les dépôts d'institutionnels non bancaires, les dépôts de fiduciaires et les dépôts accordés par des investisseurs institutionnels en leur nom mais en qualité d'agent et de dépositaire pour leurs clients, en ce compris dans le cadre de services communément appelés « sweep deposit services » aux États-Unis, pour autant que ces clients qualifient de Tiers Bénéficiaires), et les dépôts des banques centrales en euros ou en Devises Étrangères ;

(b) les Titres et Instruments Financiers suivants : les *commercial papers,* les *certificates of deposit,* les titres de créance négociables et titres assimilés (notamment les *Namensschuldverschreibungen* de droit allemand), les obligations et les *Medium Term Notes,* libellés en euros ou en Devises Étrangères ;

à l'exclusion :

(i) des obligations foncières et titres ou emprunts assimilés bénéficiant d'un privilège légal ou d'un mécanisme contractuel visant aux mêmes fins (par exemple, *"covered bonds*" et "repos bilatéraux et tripartites") ;

(ii) des prêts, dépôts, titres et instruments financiers subordonnés ;

(iii) des titres et instruments financiers de capital hybride et de capital ;

(iv) de tout instrument dérivé (notamment de taux et de change), et de tout titre ou instrument financier lié à un instrument dérivé ; et

(v) des prêts, dépôts, avances et découverts interbancaires en euro.

Il est précisé, pour autant que de besoin, que les Titres et Instruments Financiers souscrits par les filiales du groupe Dexia selon les modalités fixées à l'Annexe A (*Tiers Bénéficiaires)* peuvent avoir la qualité d'Obligations Garanties nonobstant le fait que les financements levés par ces filiales au moyen de leur mobilisation auprès de tiers extérieurs au groupe Dexia ne constituent pas des Obligations Garanties.

INDEPENDENT ON-DEMAND GUARANTEE
FORM OF GENERIC JOINT STATES GUARANTEE

The **KINGDOM OF BELGIUM**, for 51.41 %,

the **FRENCH REPUBLIC**, for 45.59%, and

the **GRAND DUCHY OF LUXEMBOURG**, for 3%, (the "**States**")

hereby unconditionally and irrevocably, severally but not jointly, each to the extent of its percentage share indicated above and in accordance with the terms and conditions set forth in this guarantee (the "**Guarantee**"), guarantee the performance by Dexia Crédit Local SA (acting through its head office or any of its branches, including its New York branch, "**DCL**") of its payment obligations, in principal, interest and incidental amounts, under the Guaranteed Obligations referred to below.

1 Definitions

In this Guarantee:

"**Aggregate Commitment**" has the meaning defined in Clause 3(b);

"**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open in France, Belgium and Luxembourg, *provided that*:

(a) if it is a day on which a payment of Guaranteed Obligations denominated in a Foreign Currency is to be made, that day is also a day on which banks are open in the main financial centre of the state of such currency; or

(b) if it is a day on which a payment of Guaranteed Obligations denominated in euro is to be made, that day is also a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system is open for the settlement of payments in euro;

"**Contracts**" means the loans, advances, overdrafts and deposits referred to in paragraph (b) of the definition of "**Guaranteed Obligations**";

"**Foreign Currencies**" means US dollar (USD), Canadian dollar (CAD), pound sterling (GBP), yen (JPY) and Swiss franc (CHF);

"**Guaranteed Obligations**" means:

(a) the securities and financial instruments issued by DCL, initially subscribed by Third-Party Beneficiaries, which meet the criteria set out in Schedule B *(Guaranteed Obligations),* excluding (i) the securities and financial instruments the terms of which expressly provide that they are excluded from the benefit of this Guarantee, and (ii) the securities and financial instruments which benefit from the guarantee of any of the three States up to 100% of their amount pursuant to a specific and distinct guarantee, or which benefit from a specific and several but not joint guarantee from the three States; and

(b) the loans, advances, overdrafts and deposits granted to DCL, which are not represented by a security or financial instrument, which meet the criteria set out in Schedule B *(Guaranteed Obligations),* and the creditor of which is a Third-Party Beneficiary.

"**Securities and Financial Instruments**" and/or "**Security**(**ies**) **or Financial Instrument**(**s**)", as appropriate, means the securities and financial instruments referred to in paragraph (a) of the definition of "**Guaranteed Obligation**";

"**Security Holders**" means the holders of Securities and Financial Instruments other than Third-Party Beneficiaries; and

"**Third-Party Beneficiary**" has the meaning set forth in Schedule A *(Third-Party Beneficiaries).*

2 Nature of the Guarantee

(a) This Guarantee is an independent guarantee and is payable on first demand. In the event of a Guarantee call being made in accordance with Clauses 4 and 5, the States waive the right (without prejudice to their rights against DCL) to raise any defence or any exception relating to the Guaranteed Obligations or the non-compliance by DCL with its obligations towards the

States as well as any other defence or exception whatsoever that DCL could assert against the Third- Party Beneficiaries or Security Holders to refuse payment, and the States shall be liable towards the Third-Party Beneficiaries or Security Holders as if they were the primary debtors of the Guaranteed Obligations in accordance with the terms thereof, each to the extent of its percentage share. In particular, the States' obligations under this Guarantee shall not be terminated or affected by:

(i) the cessation of payments (whether within the meaning of the French Commercial Code or the French Monetary and Financial Code), insolvency, dissolution, deregistration or any other change in the status of DCL;

(ii) the illegality of the Guaranteed Obligations;

(iii) the illegality of the obligations of any other State under this Guarantee, or the non-compliance by any other State with such obligations;

(iv) any grace period, conciliation agreement or other similar concession granted to DCL by the holders of the Guaranteed Obligations or imposed by a judicial authority or a judicial assistant *(auxiliaire de justice) ',*

(v) the occurrence of any collective proceedings (safeguard, accelerated safeguard, judicial redress, judicial liquidation or other similar proceedings), the appointment of a provisional administrator or any other measure adopted by the Autorité de contrôle prudentiel or any other regulatory authority with jurisdiction in respect of DCL; or

(vi) any other ground for termination of the Guaranteed Obligations, save for their payment in full.

(b) The benefit of this Guarantee shall be maintained if a payment received by a Third-Party Beneficiary or a Security Holder and applied towards satisfaction of the Guaranteed Obligations is subsequently voided or declared invalid vis-à-vis the creditors of the maker of such payment, becomes repayable by such Third-Party Beneficiary or Security Holder to DCL or a third party, or proves not to have been effectively received by such Third-Party Beneficiary or Security Holder.

(c) The Third-Party Beneficiaries or Security Holders will not be required, in order to exercise their rights under this Guarantee, to make any demand against DCL, to take any action against DCL or to file claims in any insolvency proceedings relating to DCL.

(d) No ground for acceleration of payment of the Guaranteed Obligations, whether statutory (for example in the case of judicial liquidation proceedings with respect to DCL) or contractual (for example in the case of an event of default, event of termination or cross-default), will be enforceable against the States. Consequently, Guarantee calls shall lead to payment obligations of the States only in accordance with the normal payment schedule of the Guaranteed Obligations (it being understood that (i) the effects of any early termination clause which is not related to the occurrence of an event of default, such as the exercise by a Third-Party Beneficiary or Security.

Holder of certain contractual put options, are deemed part of the normal payment schedule of the Guaranteed Obligations, and that (ii) Guarantee calls will need to be renewed on all subsequent maturity dates of the Guaranteed Obligations). Further, in order to be entitled to call on this Guarantee, a Third-Party Beneficiary or a Security Holder may not have raised or raise any ground for acceleration against DCL (except, if applicable, those grounds for acceleration which would have occurred by operation of law without any action from the relevant Third-Party Beneficiary or Security Holder, for example upon the opening of judicial liquidation proceedings with respect to DCL).

3 Percentage share contribution of the States and overall limit of the Guarantee

(a) Each of the States shall guarantee the Guaranteed Obligations up to the percentage share indicated on the first page of this Guarantee. Such percentage share shall apply per Guaranteed Obligation and per Guarantee call within the meaning of Clauses 4(b) or 5(c) of this Guarantee.

(b) The Aggregate Commitment of the States may not at any time exceed the following limits, it being understood that the interest and incidental amounts due on the principal amounts so limited are guaranteed beyond these limits:

(i) €85 billion for the three States in aggregate;

(ii) €43.6985 billion for the Kingdom of Belgium;

(iii) €38.7515 billion for the French Republic; and

(iv) €2.55 billion for the Grand Duchy of Luxembourg.

"**Aggregate Commitment**" means the aggregate principal amount (being, in respect of zero-coupon bonds, the principal amount payable at maturity and, in respect of bonds the terms of which provide for the compounding of interest, the principal amount including compounded interest) of the outstanding obligations guaranteed by each of the States under this Guarantee or any other guarantee granted pursuant to the independent guarantee agreement dated 16 December 2011 or the agreement for the issuance of guarantees dated 24 January 2013, each as amended from time to time (and the obligations guaranteed pursuant to the independent guarantee agreement dated 9 December 2008 shall not be taken into account for the calculation of the Aggregate Commitment).

Compliance with the above-mentioned limits will be assessed at the time of each new issuance, or entry into, of Guaranteed Obligations, taking into account such new issuance or entry into. Therefore, the financings issued or entered into by DCL that meet the criteria set out in Schedule B (Guaranteed Obligations) of this Guarantee (and the terms of which do not expressly provide that they are excluded from the benefit of this Guarantee) shall benefit from the States guarantee if and to the extent that the Aggregate Commitment does not exceed, at the time of their issuance or at the time they are entered into, any of these limits, taking into account the principal amount of all Guaranteed Obligations (i.e. the obligations guaranteed by each of the States under this Guarantee or any other guarantee granted pursuant to the independent guarantee agreement dated 16 December 2011 or the agreement for the issuance of guarantees dated 24 January 2013 that were issued or entered into prior to such time, as well as such new Guaranteed Obligations) and, in respect of Guaranteed Obligations denominated in Foreign Currencies, the euro equivalent of their outstanding principal amount converted at the reference rate of the day of such new issuance, or entry into, of Guaranteed Obligations as published on that day by the European Central Bank.

Any subsequent non-compliance with such limits by DCL will not affect the rights of the Third- Party Beneficiaries and Security Holders under the Guarantee with respect to the Guaranteed Obligations issued or entered into before a limit was exceeded.

4 Guarantee of Securities and Financial Instruments

(a) Without the need for any formality, the Guarantee shall cover all Securities or Financial Instruments initially issued to Third-Party Beneficiaries, and shall remain attached to such Securities or Financial Instruments notwithstanding their sale or transfer to any other Third-Party Beneficiary or Security Holder. Consequently, Security Holders may also call on the Guarantee subject to the conditions set forth in this Guarantee.

(b) Any Third-Party Beneficiary or Security Holder, or any proxy holder, agent, settlement institution or trustee acting for the account of the former, may call on the Guarantee by simple notice delivered to each of the States within the time limit provided for in Clause 8(b). The notice shall include the identification of the relevant Securities or Financial Instruments as well as the unpaid amounts, and evidence of the rights of the party calling on the Guarantee to such Securities or Financial Instruments.

5 Guarantee of Contracts

(a) Without the need for any formality, the Guarantee shall cover all Contracts entered into with Third-Party Beneficiaries, and shall remain attached to those Contracts notwithstanding their sale or transfer to any other Third-Party Beneficiary. The benefit of the Contracts Guarantee shall not be available to assignees or transferees that do not qualify as Third-Party Beneficiaries.

(b) The Contracts Guarantee can only be called by DCL, subject to the conditions agreed upon between DCL and the States.

(c) Notwithstanding paragraph (b), if judicial liquidation proceedings are commenced with respect to DCL, any Third-Party Beneficiary holding a Contract, or any proxy holder, agent, settlement institution or trustee acting for the account of the former, may nevertheless call on the Guarantee by simple notice delivered to each of the States within the time limit provided for in Clause 8(b). The notice shall include the identification of the relevant Contracts as well as the unpaid amounts, and evidence of the rights of the party calling on the Guarantee to such Contracts. For the avoidance of doubt, no ground for acceleration of payment resulting from these judicial liquidation proceedings will be enforceable against the States, and the Guarantee call shall lead to payment obligations of the States only in accordance with the normal payment schedule of such Contracts (it being understood that the effects of any early termination clause which is not related to the occurrence of an event of default, such as the exercise by the relevant Third- Party Beneficiary of certain contractual put options, are deemed part of the normal payment schedule of the Contracts).

(d) Notwithstanding paragraph (b) and without prejudice to paragraph (c), the States may, upon request from DCL and at their sole discretion, authorise certain Third-Party Beneficiaries identified by name, certain categories of Third-Party Beneficiaries or the Third-Party Beneficiaries holding certain categories of Contracts, to call on the Guarantee of the Contracts they hold. The States may subject their authorisation to such arrangements as they deem desirable regarding in particular the delivery by DCL of information relating to the Contracts held by such Third-Party Beneficiaries, and may provide that any guarantee call of the Contracts by such Third-Party Beneficiaries must be accompanied by such supporting documentation as the States deem appropriate.

6 Performance of the Guarantee

(a) Each of the States shall pay to the Third-Party Beneficiaries or Security Holders, up to its percentage share and in the currency of the Guaranteed Obligation, the amount due pursuant to any call on this Guarantee in accordance with the provisions of this Guarantee. Payments shall be made within five Business Days (or, in the case of Guaranteed Obligations denominated in U.S. dollar with an initial maturity not exceeding one year, within three Business Days) following receipt of the Guarantee call, and shall include late payment interest accrued in accordance with the terms of the relevant Guaranteed Obligation until the payment date.

(b) Payments shall be made in directly available funds via any appropriate clearing system or institutional service mechanism or, failing which, directly.

(c) Each State shall immediately and automatically be subrogated in all rights of the Third-Party Beneficiaries or Security Holders against DCL pursuant to the relevant Guaranteed Obligation, up to the amount paid by it.

7 Withholding tax

(a) All payments referred to in Clause 6(a) shall be made by the States free and clear of any withholding unless such withholding is required by law. If a withholding must be made on behalf of a State in respect of payments referred to in Clause 6(a), no additional amount shall be due by such State by reason of such withholding.

(b) For the avoidance of doubt, if DCL makes any payment of a Guaranteed Obligation subject to a withholding in circumstances where such withholding is required by law and does not give rise, pursuant to the terms and conditions of the relevant Guaranteed Obligation, to an obligation for DCL to pay any additional amount, such withholding shall not constitute a default by DCL justifying a call on this Guarantee.

8 Effective date of the Guarantee, duration and amendments

(a) The Guarantee only covers Guaranteed Obligations which are issued or entered into on or after 24 January 2013.

(b) The right to call on the Guarantee with respect to any amount due and unpaid in relation to a Guaranteed Obligation shall expire at the end of the 90th day following the date on which such amount became due or, in the circumstances mentioned In Clause 2(b), at the end of the 90th day following the date of the event mentioned in such Clause 2(b).

(c) The States may at any time, by mutual consent and without prejudice to their obligations to DCL, terminate or amend the terms of this Guarantee. This Guarantee shall automatically terminate in the event of a transfer by Dexia SA to a third party of the direct or indirect control over DCL. Any termination or amendment will be communicated to the market in accordance with the applicable regulations. The termination or amendment will have no effect with regard to the Guaranteed Obligations issued or entered into before such termination or amendment is communicated to the market.

(d) For the purposes of paragraphs (a) and (b), demand deposits and other demand Contracts or Contracts with an undefined maturity are deemed to be entered into on rolling daily basis, so that such deposits and other Contracts may benefit from the Guarantee if they exist on 24 January 2013, and will be affected by a termination of, or amendment to, the Guarantee as from the day following the communication thereof to the market in accordance with paragraph (c).

9 Notifications

Any Guarantee call or other notification to the States shall be delivered to each of the States at the following addresses and numbers:

Kingdom of Belgium:	FPS Finances To the attention of the General Administrator of the Treasury Avenue des Arts 30 1040 Bruxelles email: garantie.waarborg@minfin.fed.be Fax: +32 2 579 58 28
with a copy to:	National Bank of Belgium To the attention of the Governor Boulevard de Berlaimont, 14 1000 Bruxelles Fax: +32 2 221 32 10
French Republic:	Minister of Economy and Finances To the attention of the General Director of the Treasury 139, rue de Bercy 75572 Paris Cedex 12 Email: ramon.fernandez@dgtresor.gouv.fr Fax: +33 1 53 18 36 15
with a copy to :	Banque de France To the attention of the Governor 31, rue Croix-des-Petits-Champs 75001 Paris Email: secretariat.gouv@banque-france.fr
Grand-Duchy of Luxembourg:	Ministry of Finance To the attention of the Director of the Treasury 3, rue de la Congrégation L-2913 Luxembourg Fax: +352 46 62 12 email: georges.heinrich@fi.etat.lu copy : etienne.reuter@fi.état.lu
With a copy to:	Banque centrale du Luxembourg 2, boulevard Royal L-2983 Luxembourg Email: direction@bcl.lu

10 Language, applicable law and jurisdiction

(a) This Guarantee has been drawn up in French and in English, both languages being equally binding.

(b) This Guarantee shall be governed by Belgian law. Any dispute shall be within the exclusive jurisdiction of the courts of Brussels.

Done 24 January 2013.

THE KINGDOM OF BELGIUM

Steven Vanackere
Deputy Prime Minister and Minister of Finance and sustainable Development

THE FRENCH REPUBLIC

Pierre Moscovici
Minister of Economy and Finance

THE GRAND DUCHY OF LUXEMBOURG

Luc Frieden
Minister of Finance

SCHEDULE A
THIRD-PARTY BENEFICIARIES

"**Third-Party Beneficiaries**" means:

(a) all "**qualified investors**" within the meaning of article 2(1)(e) of Directive 2003/71 of November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended,

(b) all Qualified Institutional Buyers as defined under the US Securities Act of 1933, and all Accredited Investors as defined by Rule 501 of Regulation D implementing the US Securities Act of 1933,

(c) the European Central Bank as well as any other central bank (whether or not it is established in a country of the European Union),

(d) all credit institutions as defined by Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast), namely: "*an undertaking the business of which is to receive deposits or other repayable funds from the public and to grant credits for its own account*", whether or not established in the European Economic Area,

(e) social security and assimilated organisations, state-owned enterprises, public or para-public authorities and entities in charge of a mission of general interest, supranational and international institutions, and

(f) other institutional or professional investors; "**institutional or professional investors**" means financial holding companies, investments firms, other approved or regulated financial institutions, insurance companies, undertakings for collective investment and their management companies, professional retirement institutions and their management companies, and intermediaries in commodity derivatives,

including the subsidiaries of the Dexia group that meet the criteria set out in paragraphs (a), (b), (d) or (f) above, but only to the extent that the Securities and Financial Instruments (excluding the Contracts in all circumstances) which have been subscribed to by such subsidiaries are intended:

(A) to be transferred (in any manner whatsoever, including by way of repos or securities lending) to Third-Party Beneficiaries that are not controlled (directly or indirectly) by Dexia SA or DCL (including the European Central Bank, a national central bank which is a member of the European System of Central Banks, or a depositary acting for the account of any of those) in consideration for financings raised by such subsidiaries from such Third-Party Beneficiaries between 24 January 2013 and 31 December 2021; or

(B) to be included by such subsidiaries in a cover pool guaranteeing, in whole or in part, covered bonds, lettres de gage, Pfandbriefe or other similar instruments issued or to be issued at the latest on 31 December 2021 by Dexia Kommunalbank Deutschland AG or Dexia Lettre de Gage SA to institutional or professional investors not controlled (directly or indirectly) by Dexia SA or DCL;

these Securities and Financial Instruments being only entitled to the benefit of the Guarantee (a) from the date of their transfer to, and as long as they are held by, such Third-Party Beneficiaries in the case referred to in point (A), or (b) from the date of their inclusion, and as long as they are included, in a cover pool as referred to in point (B).

Furthermore, where an intermediary is involved as an underwriter, a manager or in a similar function in the context of the issuance of Securities or Financial Instruments, and in this context acquires or subscribes to these Securities or Financial Instruments with a view to immediately reselling them to final investors, both the intermediary and the final investors must qualify as Third-Party Beneficiaries.

For the purposes of the interpretation of the provisions under paragraphs (a) to (f) above, notwithstanding Clause 10 of the Guarantee, consideration shall be given to the articles of association, deeds and incorporation treaties, as the case may be, of the relevant Third-Party Beneficiaries.

SCHEDULE B
GUARANTEED OBLIGATIONS

The Guarantee covers all unsecured and unsubordinated financings with a maturity not exceeding ten years initially raised from Third-Party Beneficiaries, either in the form of Contracts entered into by DCL or in the form of Securities or Financial Instruments issued by DCL, the subscription of which is restricted to Third-Party Beneficiaries, and the currency of which is euro or a Foreign Currency, *provided that* these financings are entered into or issued by DCL between 24 January 2013 and 31 December 2021, and provided further that demand deposits and other demand Contracts or Contracts with an undefined maturity are deemed to be entered into on rolling daily basis so that such deposits and other Contracts may benefit from the Guarantee if they exist on 24 January 2013 and will in any event cease from having the benefit of the Guarantee the day after 31 December 2021.

Subject to the conditions set forth in the above paragraph, the Guaranteed Obligations include:

(a) the following Contracts: interbank loans, deposits, advances and overdrafts in Foreign Currencies, non-interbank loans, deposits and advances with a fixed term or an undefined maturity in euro or in Foreign Currencies (including demand deposits, non-banking institutional deposits, fiduciary deposits and deposits granted by institutional investors in their name but in their capacity as agent and custodian for their clients, including within the framework of services commonly referred to as "sweep deposit services" in the United States, *provided that* such clients qualify as Third-Party Beneficiaries), and central bank deposits in euro or in Foreign Currencies;

(b) the following Securities and Financial Instruments: commercial paper, certificates of deposit, negotiable debt instruments and assimilated securities (in particular Namensschuldverschreibungen under German law), bonds and Medium Term Notes, denominated in euro or in Foreign Currencies;

excluding

(i) mortgage bonds and securities or other borrowings secured by a statutory lien or a contractual arrangement to the same effect (for example, covered bonds and bilateral and tripartite repos);

(ii) subordinated loans, deposits, securities and financial instruments;

(iii) equity and hybrid equity securities and financial instruments;

(iv) any derivative instruments (including interest rate or foreign exchange derivatives), and any securities or financial instruments linked to a derivative; and

(v) interbank loans, deposits, advances and overdrafts in euro.

For the avoidance of doubt, Securities and Financial Instruments subscribed to by subsidiaries of the Dexia group in accordance with the terms set out in Schedule A *(Third-Party Beneficiaries)* may qualify as Guaranteed Obligations irrespective of the fact that the financings raised by these subsidiaries through the monetisation thereof with third parties outside the Dexia group do not constitute Guaranteed Obligations.

USE OF PROCEEDS

The net proceeds of the issue of the Notes under the Programme will be used to repay and refinance the existing financing of the Issuer.

TAXATION

The statements herein regarding taxation are based on the laws in force in the European Union, the Kingdom of Belgium, the Republic of France and/or, as the case may be, the Grand Duchy of Luxembourg as of the date of this Information Memorandum and are subject to any changes in law. The following summary does not purport to be a comprehensive description of all the tax considerations which may be relevant to a decision to purchase, own or dispose of the Notes. Each prospective holder or beneficial owner of Notes should consult its tax adviser as to the tax consequences of any investment in or ownership and disposition of the Notes under the laws of the European Union, the Kingdom of Belgium, the Republic of France, the Grand Duchy of Luxembourg and/or any other jurisdiction.

All prospective Noteholders should seek independent advice as to their tax positions.

EU Savings Directive

Under Council Directive 2003/48/EC on the taxation of savings income (the "**Savings Directive**"), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

On 24 March 2014, the Council of the European Union adopted a Council Directive amending and broadening the scope of the requirements described above. Member States are required to apply these new requirements from 1 January 2017. The changes will expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. The Directive will also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported. This approach will apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

For a transitional period, Luxembourg and Austria are required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments. The changes referred to above will broaden the types of payments subject to withholding in those Member States which still operate a withholding system when they are implemented. In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

The transitional period shall end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the "**OECD Model Agreement**") with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments and (ii) the date on which the Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive.

A number of non-EU countries and dependent or associated territories have agreed to adopt similar measures (transitional withholding or exchange of information) with effect from 1 July 2005.

Belgian Taxation

The following summary describes the principal Belgian tax considerations with respect to the holding of Notes obtained by an investor in Belgium.

This information is of a general nature and does not purport to be a comprehensive description of all Belgian tax considerations that may be relevant to a decision to acquire, to hold or to dispose of the Notes. In some cases, different rules can be applicable. Furthermore, the tax rules can be amended in the future, possibly implemented with retroactive effect, and the interpretation of the tax rules may change.

This summary is based on Belgian tax legislation, treaties, rules, and administrative interpretations and similar documentation, in force as of the date of the publication of this Information Memorandum, without prejudice to any amendments introduced at a later date, even if implemented with retroactive effect.

This summary does not describe the tax consequences for a holder of Notes that are redeemable in exchange for, or convertible into shares, of the exercise, settlement or redemption of such Notes.

Each prospective holder of Notes should consult a professional adviser with respect to the tax consequences of an investment in the Notes, taking into account the influence of each regional, local or national law.

Belgian withholding tax and income tax

Individuals resident in Belgium

Individuals who are Belgian residents for tax purposes, i.e. individuals subject to the Belgian individual income tax *("Personenbelasting" / "Impôt des personnes physiques")* and who hold the Notes as a private investment, are subject to the following tax treatment in Belgium with respect to the Notes. Other tax rules apply to Belgian resident individuals holding the Notes not as a private investment but in the framework of their professional activity or when the transactions with respect to the Notes fall outside the scope of the normal management of their own private estate.

Under Belgian tax law, "interest" income includes: (i) periodic interest income, (ii) any amount paid by the Issuer in excess of the issue price (whether or not on the maturity date), and (iii) if the Notes qualify as "fixed income securities" (in the meaning of article 2, §1, 8° Belgian Income Tax Code), in the case of a realisation of the Notes between two interest payment dates to any third party, excluding the Issuer, the interest accrued during the detention period. In general, notes are qualified as fixed income security if there is a causal link between the amount of interest income and the detention period of the notes, on the basis of which it is possible to calculate the amount of pro rata interest income at the moment of the sale of the notes during their lifetime.

Payments of interest on the Notes made through a paying agent in Belgium will in principle be subject to a 25% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). The Belgian withholding tax constitutes the final income tax for Belgian resident individuals. This means that they do not have to declare the interest obtained on the Notes in their personal income tax return, provided withholding tax was levied on these interest payments. They may nevertheless elect to declare interest in respect of the Notes in their personal income tax return.

If no Belgian withholding tax has been levied on the interest, the interest received (after deduction of any non-Belgian withholding tax) must be declared in the personal income tax return.

Interest income which is declared in the annual personal income tax return will in principle be taxed at a flat rate of 25% (or at the progressive personal tax rate taking into account the taxpayer's other declared income, whichever is more beneficial). If the interest payment is declared, any withholding tax retained may be credited.

Capital gains realised upon the sale of the Notes are in principle tax exempt, unless the capital gains are realised outside the scope of the management of one's private estate or unless the capital gains qualify as interest (as defined above). Capital losses are in principle not tax deductible.

Belgian resident corporations

Corporations that are Belgian residents for tax purposes, i.e., corporations subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting" / "Impôt des sociétés")* are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived by Belgian corporate investors on the Notes and capital gains realised on the Notes will be subject to Belgian corporate income tax at the ordinary rate of 33.99%. Capital losses on the Notes are in principle tax deductible.

Payments of interest (as defined in the section "*Tax treatment of Belgian resident individuals*") on the Notes made through a paying agent in Belgium will in principle be subject to a 25% withholding tax in Belgium (calculated on the interest received after deduction of any non-Belgian withholding taxes). However, the interest on the Notes (except Zero Coupon Notes and other Notes which provide for the capitalisation of interest) can under certain circumstances be exempt from withholding tax, provided a special certificate is delivered.

The Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Other Belgian legal entities

Legal entities that are Belgian residents for tax purposes, i.e. that are subject to Belgian tax on legal entities *("Rechtspersonenbelasting" / "impôt des personnes morales")* are subject to the following tax treatment in Belgium with respect to the Notes.

Payments of interest (as defined in the section "*Tax treatment of Belgian resident individuals*") on the Notes made through a paying agent in Belgium will in principle be subject to a 25% withholding tax in Belgium and no further tax on legal entities will be due on the interest.

However, if no Belgian withholding tax has been levied on the interest, the legal entity itself is liable to declare the interest to the Belgian tax administration and to pay the applicable withholding tax to the Belgian treasury.

Capital gains realised on the sale of the Notes are in principle tax exempt, unless the capital gain qualifies as interest (as defined in the section "*Individuals resident in Belgium*"). Capital losses on the Notes are in principle not tax deductible.

Organisation for Financing Pensions

Belgian pension fund entities that have the form of an Organisation for Financing Pensions in the meaning of the law of 27 October 2006 on the activities and supervision of institutions for occupational retirement provision ("**OFP**") are subject to Belgian Corporate Income Tax ("*Vennootschapsbelasting" / "Impôt des sociétés").* OFPs are subject to the following tax treatment in Belgium with respect to the Notes.

Interest derived on the Notes and capital gains realised on the Notes will not be subject to Belgian Corporate Income Tax in the hands of OFPs. Capital losses incurred by OFPs on the Notes will not be tax deductible. Any Belgian withholding tax that has been levied is creditable and refundable in accordance with the applicable legal provisions.

Belgian non-residents

The interest income on the Notes paid to a Belgian non-resident outside of Belgium, i.e. without the intervention of a professional intermediary in Belgium, is not subject to Belgian withholding tax.

Interest income on the Notes paid through a Belgian professional intermediary is in principle subject to a 25% Belgian withholding tax, unless the holder of Notes is resident in a country with which Belgium has concluded a double taxation agreement and delivers the required affidavit.

Non-resident holders that have not allocated the Notes to business activities in Belgium can also obtain an exemption of Belgian withholding tax on interest if the interest is paid through a Belgian credit institution, a Belgian stock market company or a Belgian clearing or settlement institution and *provided that* the non-resident (i) is the owner of usufructor of the Notes, (ii) has not allocated the Notes to business activities in Belgium and (iii) delivers an affidavit confirming his non-resident status and the fulfilment of conditions (i) and (ii).

If the holder of a Note is a Belgian branch of a foreign company to which the Notes are attributable, the rules applicable to Belgian corporations (see above) will apply.

Tax on stock exchange transactions

A stock exchange tax *("Taxe sur les opérations de bourse", "Taks op de beursverrichtingen')* will be levied on the purchase and sale in Belgium of the Notes on a secondary market through a professional intermediary. The rate applicable for secondary sales and purchases in Belgium through a professional intermediary is 0.09 per cent, with a maximum amount of EUR 650 per transaction and per party. The tax is due separately from each party to any such transaction, i.e. the seller (transferor) and the purchaser (transferee), both collected by the professional intermediary.

However, the tax referred to above will not be payable by exempt persons acting for their own account, including investors who are Belgian non-residents provided they deliver an affidavit to the financial intermediary in Belgium confirming their non-resident status and certain Belgian institutional investors, as defined in Article 126/1, 2° of the Code of various duties and taxes *("Code des droits et taxes divers", "Wetboek diverse rechten en taksen")* for the taxes on stock exchange transactions.

EU Savings Directive

Individuals not resident in Belgium and falling under the scope of application of the Directive.

Interest paid or collected through Belgium on the Notes and falling under the scope of application of the Directive will be subject to the Disclosure of Information Method.

Individuals resident in Belgium

An individual resident in Belgium will be subject to the provisions of the Directive, if he receives interest payments from a paying agent (within the meaning of the Savings Directive) established in another EU Member State, Switzerland, Liechtenstein, Andorra, Monaco, San Marino, Curaçao, Bonaire, Saba, Sint-Maarten and Sint-Eustatius (the former Netherlands Antilles), Aruba, Guernsey, Jersey, the Isle of Man, Montserrat, the British Virgin Islands, Anguilla, the Cayman Islands or the Turks and Caicos Islands.

If the interest received by an individual resident in Belgium has been subject to a Source Tax, such Source Tax does not liberate the Belgian individual from declaring the interest income in the personal income tax declaration. The Source Tax will be credited against the personal income tax. If the Source Tax withheld exceeds the personal income tax due, the excessive amount will be reimbursed, provided it reaches a minimum of 2.5 EUR.

French Taxation

Withholding taxes

*The descriptions below are intended as a basic summary of certain withholding tax consequences under French law in relation to the holding of the Notes that may be relevant to holders of the Notes who do not concurrently hold shares of the Issuer and are not otherwise affiliated with the Issuer within the meaning of Article 39-12 of the French Code general des impôts (the "**French General Tax Code**"). Each prospective holder or beneficial owner of Notes should consult its tax advisor as to the tax consequences of any investment in, or ownership and disposition of the Notes.*

Following the enactment of the French *loi de finances rectificative pour 2009 no. 3* (no. 2009-1674 dated 30 December 2009) (the "**Law**"), payments of interest and other revenues made by the Issuer with respect to Notes will not be subject to the withholding tax set out under Article 125 A III of the French General Tax Code unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif)* within the meaning of Article 238-0 A of the French General Tax Code (a "**Non-Cooperative State**"). If such payments are made in a Non-Cooperative State, a 75% withholding tax will be applicable (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty) by virtue of Article 125 A III of the French General Tax Code.

Furthermore, according to Article 238 A of the French General Tax Code, interest and other revenues on such Notes may not be deductible from the Issuer's taxable income if they are paid or accrued to persons domiciled or established in a Non-Cooperative State or paid in such a Non-Cooperative State (the "**Deductibility Exclusion**"). Under certain conditions, any such non-deductible interest and other revenues may be re-characterised as constructive dividends pursuant to Article 109 of the French General Tax Code, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 bis 2 of the French General Tax Code, at a rate of 30% or 75% (subject to the more favourable provisions of an applicable double tax treaty).

Notwithstanding the foregoing, the Law provides that neither the 75% withholding tax set out under Article 125 A III of the French General Tax Code nor the non-deductibility set out under Article 238 A of the French General Tax Code will apply if the Issuer can prove that the principal purpose and effect of a particular issue of Notes were not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the "**Exception**"). Pursuant to the French tax administrative guidelines published in the *Bulletin Officiel des Finances Publiques-Impôts* under the references BOI-INT-DG-20-50 (n°550 and n°990), BOI-RPPM-RCM-30-10-20-40 (n°70) and BOI-IR-DOMIC-10-20-20-60 (n°10) dated 11 February 2014 and BOI-ANNX-000364 dated 12 September 2012, an issue of Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of such issue of Notes, if such Notes are:

(i) offered by means of a public offer within the meaning of Article L.411.1 of the French *Code monétaire et financier* (the "**French Monetary and Financial Code**") or pursuant to an equivalent offer in a State other than a Non-Cooperative State. For this purpose, an "equivalent offer" means any offer requiring the registration or submission of an offer document by or with a foreign securities market authority; or

(ii) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system *provided that* such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or

(iii) admitted, at the time of their issue, to the clearing operations of a central depositary or of a securities clearing and delivery and payments systems operator within the meaning of Article L. 561-2 of the French Monetary and Financial Code, or of one or more similar foreign depositaries or operators *provided that* such depositary or operator is not located in a Non-Cooperative State.

Pursuant to 125 A of the French General Tax Code, subject to certain limited exceptions, interest and other similar revenues paid by a paying agent located in France and received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24% withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5% on interest and other similar revenues paid to individuals who are fiscally domiciled in France.

Implementation of the Savings Directive in France

The Savings Directive was implemented into French law under Article 242 *ter* of the French General Tax Code, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

Luxembourg Taxation

The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

Withholding Tax

(i) Non-resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005 (the "**Savings Laws**") mentioned below, as amended, there is no withholding tax on payments of principal, premium or interest made to non-resident Noteholders, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident Noteholders.

Under the Savings Laws implementing the Savings Directive and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the "**Territories**"), payments of interest or similar income made or ascribed by a paying agent (within the meaning of the Savings Directive) resident in, or established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Savings Laws) which is a resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of his/her/its country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Savings Laws will be subject to withholding tax of 35 per cent.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the Savings Directive.

(ii) Resident Noteholders

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the "**Relibi Law**"), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident Noteholders, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident Noteholders.

Under the Relibi Law payments of interest or similar income made or ascribed by a paying agent established in Luxembourg or to a residual entity (within the meaning of the Savings Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner to or for the benefit of an individual beneficial owner who is a resident of Luxembourg will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth. Responsibility for the withholding of the tax will be assumed by the Luxembourg paying agent. Payments of interest under the Notes coming within the scope of the Relibi Law will be subject to withholding tax of 10 per cent.

FATCA Withholding

Sections 1471 through 1474 of the U.S. Internal Revenue Code ("**FATCA**") impose a new reporting regime and potentially a 30 per cent. withholding tax with respect to certain payments to any non-U.S. financial institution (a "foreign financial institution", or "**FFI**" (as defined by FATCA)) that does not become a **Participating FFI** by entering into an agreement with the U.S. Internal Revenue Service ("**IRS**") to provide the IRS with certain information in respect of its account holders and investors or is not otherwise exempt from or in deemed compliance with FATCA. The Issuer will be classified as an FFI.

The new withholding regime will be phased in beginning on 1 July 2014 for payments from sources within the United States and will apply to **foreign passthru payments** (a term not yet defined) no earlier than on and after 1 January 2017. This withholding would potentially apply to payments in respect of any Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued after the **grandfathering date**, which is the date that is six months after the date on which final U.S. Treasury regulations defining the term foreign passthru payment are filed with the Federal Register, or which are materially modified on or after the grandfathering date.

The United States and a number of other jurisdictions have announced their intention to negotiate intergovernmental agreements to facilitate the implementation of FATCA (each, an "**IGA**"). Pursuant to FATCA and the "Model 1" and "Model 2" IGAs released by the United States, an FFI in an IGA signatory country could be treated as a **Reporting FI** not subject to withholding under FATCA on any payments it receives. Further, an FFI in a Model 1 IGA jurisdiction would not be required to withhold under FATCA or an IGA (or any law implementing an IGA) (any such withholding being "**FATCA Withholding**") from payments it makes. The Model 2 IGA leaves open the possibility that a Reporting FI might in the future be required to withhold as a Participating FFI on foreign passthru payments. Under each Model IGA, a Reporting FI would still be required to report certain information in respect of its account holders and investors to its home government or to the IRS. The United States and France have entered into an agreement (the **US-France IGA**) based largely on the Model 1 IGA.

If the Issuer is treated as a Reporting FI pursuant to the US-France IGA it does not anticipate being obliged to deduct any FATCA Withholding on payments it makes. There can be no assurance, however, that the Issuer will be treated as a Reporting FI, or that it would in the future not be required to deduct FATCA Withholding from payments it makes. Accordingly, the Issuer and financial institutions through which payments on the Notes are made may be required to withhold FATCA Withholding if any FFI through or to which payment on such Notes is made is not a Participating FFI or a Reporting FI, or otherwise exempt from or in deemed compliance with FATCA.

FATCA is particularly complex and its application is uncertain at this time. The above description is based in part on regulations, official guidance and the US-France IGA, all of which are subject to change or may be implemented in a materially different form.

TO ENSURE COMPLIANCE WITH IRS CIRCULAR 230, EACH TAXPAYER IS HEREBY NOTIFIED THAT: (A) ANY TAX DISCUSSION HEREIN IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY THE TAXPAYER FOR THE PURPOSE OF AVOIDING U.S. FEDERAL INCOME TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER; (B) ANY SUCH TAX DISCUSSION WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) THE TAXPAYER SHOULD SEEK ADVICE BASED ON THE TAXPAYER'S PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

SUBSCRIPTION AND SALE

Subject to the terms and conditions contained in the Amended and Restated Distribution Agreement dated 27 June 2014, (as amended or supplemented from time to time, the "**Distribution Agreement**") between the Issuer and the Permanent Dealers, the Notes will be offered on a continuing basis by the Issuer to the Permanent Dealers. The Issuer has reserved the right to sell Notes directly on its own behalf to Dealers which are not Permanent Dealers. The Notes may also be sold through the Dealers, acting as agents of the Issuer. The Distribution Agreement also provides for Notes to be issued in Tranches which are jointly and severally underwritten by two or more Dealers.

The Issuer will, unless otherwise agreed, pay each relevant Dealer a commission based on the principal amount of the Notes, depending upon maturity, in respect of Notes solicited for purchase or purchased by it.

The Issuer has agreed to indemnify the Dealers against certain liabilities in connection with the offer and sale of the Notes. The Distribution Agreement entitles the Dealers to terminate any agreement that they may make to subscribe for Notes in certain circumstances prior to payment for such Notes being made to the Issuer.

Each of the Dealers and their respective affiliates may, from time to time in the ordinary course of their respective businesses, engage in further transactions with, and perform services for, the Issuer and its affiliates. In particular, the Dealers and their respective affiliates have performed and expect to perform in the future various financial advisory, investment banking and commercial banking services for, and may arrange loans and other non public market financing for, and enter into derivative transactions with, the Issuer or its affiliates (including its shareholders) and for which they will receive customary fees. Moreover, the proceeds of any Series of Notes may be wholly or partially used towards the repayment and/or refinancing of such loans, financings or other transactions.

Selling Restrictions

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act, as amended and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Bearer Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Distribution Agreement, it has not offered, sold or delivered and will not offer, sell or, in the case of Bearer Notes, deliver the Notes of any identifiable Tranche (i) as part of their distribution at any time or (ii) otherwise until 40 days after completion of the distribution of such Tranche (the "**Distribution Compliance Period**"), as determined and certified to the Issuer and each Relevant Dealer, by the Fiscal Agent, or in the case of a syndicated issue of Notes, the Lead Manager, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the Distribution Compliance Period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in the preceding sentence have the meanings given to them by Regulation S.

The Notes are being offered and sold outside the United States to non-U.S. persons in reliance on Regulation S.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act. Each issue of commodity- or currency-linked Notes may be subject to such additional U.S. selling restrictions as the Relevant Dealer(s) may agree with the Issuer as a term of the issue and purchase or, as the case may be, subscription of such Notes.

United Kingdom

Each Dealer has represented and agreed that:

(i) in relation to any Notes which have a maturity of less than one year from the date of issue, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than 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 who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or as agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "**FSMA**") by the Issuer;

(ii) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA would not, if the Issuer was not an authorised person, apply to the Issuer; and

(iii) it has complied with and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

France

Each Dealer has represented and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, this Information Memorandum, the relevant Pricing Supplement or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers),* and/or (b) qualified investors (*investisseurs qualifiés)* acting for their own account, as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French Monetary and Financial Code.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "**Financial Instruments and Exchange Act**"). Accordingly, each of the Dealers has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Control Act (Law No. 228 of 1949, as amended)) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

General

Each Dealer has acknowledged that the Notes may only be initially subscribed by investors qualifying as, and accordingly has represented and agreed that it has only offered and sold and will only offer and sell Notes for initial subscription to "**Third Party Beneficiaries**" *(Tiers Bénéficiaires)* within the meaning of paragraph (a) or paragraphs (c) to (0 of Schedule A to the Guarantee, namely:

(a) all "qualified investors" within the meaning of article 2(1)(e) of Directive 2003/71 of November 2003 on the prospectus to be published when securities are offered to the public or admitted to trading, as amended,

(b) the European Central Bank as well as any other central bank (whether or not it is established in a country of the European Union),

(c) all credit institutions as defined by Directive 2006/48/EC of the European Parliament and of the Council of 14 June 2006 relating to the taking up and pursuit of the business of credit institutions (recast), namely: "an undertaking the business of which is to receive deposits or other repayable funds from the public and to grant credits for its own account", whether or not established in the European Economic Area,

(d) social security and assimilated organisations, state-owned enterprises, public or para-public authorities and entities in charge of a mission of general interest, supranational and international institutions, and

(f) other institutional or professional investors; “institutional or professional investors” means financial holding companies, investments firms, other approved or regulated financial institutions, insurance companies, undertakings for collective investment and their management companies, professional retirement institutions and their management companies, and intermediaries in commodity derivatives.

These selling restrictions may be modified by the agreement of the Issuer and the Dealers following a change in a relevant law, regulation or directive. Any such modification will be set out in the Pricing Supplement issued in respect of the issue of Notes to which it relates or in a Supplement to this Information Memorandum.

No representation is made that any action has been taken in any jurisdiction that would permit a public offering of any of the Notes, or possession or distribution of this Information Memorandum or any other offering material relating to any Notes or any Pricing Supplement, in any country or jurisdiction where action for that purpose is required.

Each Dealer has agreed that it will, to the best of its knowledge, comply with all relevant laws, regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers Notes or has in its possession or distributes this Information Memorandum, any other offering material relating to any Notes or any Pricing Supplement and neither the Issuer nor any other Dealer shall have any responsibility therefor.

FORM OF PRICING SUPPLEMENT

Pricing Supplement dated [●]

DEXIA CRÉDIT LOCAL
Euro 35,000,000,000

Guaranteed Euro Medium Term Note Programme

benefiting from an independent on-demand guarantee by the States of Belgium, France and Luxembourg

(**the** "**Programme**")

Series No: [●]

Tranche No: [●]

Issue of [Aggregate Nominal Amount of Tranche][Title of Notes] (the "**Notes**")
under the Programme

Issued by
Dexia Crédit Local

Issue Price: [●] per cent.

Name(s) of Dealer(s)

[●]

[●]

Part A — Contractual Terms

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 27 June 2014 [and the Supplements] to the Information Memorandum dated [●]]. This document constitutes the Pricing Supplement of the Notes and must be read in conjunction with such Information Memorandum [as so supplemented]. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of this Pricing Supplement and the Information Memorandum [as so supplemented].

The Information Memorandum [and the Supplements] to the Information Memorandum] [is] [are] available for viewing during normal business hours at the office of the Fiscal Agent or each of the Paying Agents.

[Include whichever of the following apply or specify as "Not Applicable" (N/A). Note that the numbering should remain as set out below, even if "Not Applicable" is indicated for individual paragraphs or sub-paragraphs. Italics denote guidance for completing the Pricing Supplement.]

1	**Issuer:**	Dexia Crédit Local
2	**(i) Series Number:**	[●]
	(ii) Tranche Number:	[●]
	[**(iii) Date on which the Notes become fungible:**]	[Not Applicable/ The Notes will be consolidated, form a single series and be interchangeable for trading purposes with the [*insert description of the Series of original notes*] on [*insert* date]/the Issue Date/exchange of the Temporary Global Notes for interests in the Permanent Global Note. as referred to in paragraph [ ] below [which is expected to occur on or about [*insert date*]] (the "**Consolidation Date**").]
3	**Specified Currency or Currencies:**	[●][2]
4	**Aggregate Nominal Amount of Notes:**	

[2] The currencies benefitting from the Guarantee are set out in the Guarantee.

	[(i)] Series:		[●]
	[(ii) Tranche:		[●]]
5	**Issue Price:**		[●] per cent, of the Aggregate Nominal Amount [plus accrued interest from [insert date] (*if applicable*)]
6	**(i)**	**Specified Denominations[3]:**	[●]
	(ii)	**Calculation Amount:**	[●]
7	**(i)**	**Issue Date:**	[●]
	(ii)	**Interest Commencement Date**	[*specify*/Issue Date/Not applicable]
8	**Maturity Date:**		[*specify date* or (*for Floating Rate Notes*), Interest Payment Date falling in or nearest to the relevant month and year]
9	**Interest Basis:**		[[●] per cent. Fixed Rate] [[[●] month EURIBOR/LIBOR/[●] Year EUR CMS] +/- [●] per cent. Floating Rate] [Zero Coupon][Other (*specify*)] (Further particulars specified at paragraphs [15/16/17] below)
10	**Redemption/Payment Basis:**		[Redemption at par/Partly Paid/Instalment/Other (specify)/Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [[●]/[100]] per cent of their nominal amount]
11	**Change of Interest or Redemption/Payment Basis:**		[*Specify details of any provision for convertibility of Notes into another interest or redemption/payment basis or refer to paragraphs 15/16/17 below and identify there*][Not Applicable]
12	**Put/Call Options:**		[Noteholder Put] [Issuer Call] [(Further particulars specified below)]
13	**(i)**	**Status of the Notes:**	Unsubordinated
	(ii)	**Date of the corporate authorisation for issuance of Notes:**	Resolution of the *Conseil d'Administration* dated [●] and a decision of [●] dated [●]
14	**Method of distribution:**		[Syndicated/Non-syndicated]

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

15	**Fixed Rate Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Rate[(s)] of Interest:	[●] per cent. per annum [payable [annually/semi-annually/quarterly/monthly/ other (specify)] in arrear on each Specified Interest

3 For Bearer Notes, if the specified denomination is expressed to be €100,000 or its equivalent and multiples of a lower principal amount (for example €1,000), insert:

"€100,000 and integral multiples of €1,000 in excess thereof up to and including €199,000. No notes in definitive form will be issued with a denomination above €199,000."

			Payment Date]
	(ii)	Specified Interest Payment Date(s):	[●] in each year [adjusted in accordance with [specify Business Day Convention and any applicable Business Centre(s) for the definition of "**Business Day**"]/not adjusted]
	(iii)	Fixed Coupon Amount[(s)]:	[[●] per Calculation Amount/Not Applicable]
	(iv)	Broken Amount(s):	[●] per Calculation Amount payable on the Interest Payment Date falling [in/on] [●]
	(v)	Day Count Fraction:	[30/360/Actual/Actual(ICMA/ISDA)/other]
	(vi)	Determination Dates:	[●] in each year (*insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon. N.B. only relevant where Day Count Fraction is Actual/Actual (ICMA)*)
	(vii)	Other terms relating to the method of calculating interest for Fixed Rate Notes:	[Not Applicable/give details]
		(a) Business Day Convention	[Floating Rate Business Day Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/Other (give details)]
		(b) Business Centre(s):	[●]
16	**Floating Rate Note Provisions:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
	(i)	Interest Period(s):	[●]
	(ii)	Specified Interest Payment Dates:	[ ] in each year, [subject to adjustment in accordance with the Business Day Convention set out in (v) below/not subject to any adjustment, as the Business Day Convention in (v) below is specified to be Not Applicable]
	(iii)	First Specified Interest Payment Date:	[●]
	(iv)	Interest Period Date:	[●] (Not applicable unless different from Interest Payment Date)
	(v)	Business Day Convention:	[Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention/other (*give details*)/Not Applicable]
	(vi)	Business Centre(s):	[●]
	(vii)	Manner in which the Rate(s) of Interest is/are to be determined:	[Screen Rate Determination/ISDA Determination/other (*give details*)]
	(viii)	Calculation Agent responsible for calculating the Rate(s) of Interest and/or Interest Amount(s):	[●]
	(ix)	Screen Rate Determination:	

	(a)	Reference Rate:	[[●] month EURIBOR/LIBOR/[●] Year EUR CMS]
	(b)	Interest Determination Date(s):	[●] [TARGET] Business Days in [specify city] for [specify currency] prior to [the first day in each Interest Accrual Period/each Interest Payment Date]
	(c)	Relevant Screen Page:	[●]
	(d)	Reference Banks:	[Not Applicable/[●]]
(x)	ISDA Determination:		
	(a)	Floating Rate Option:	[●]
	(b)	Designated Maturity:	[●]
	(c)	Reset Date:	[●]
	(d)	ISDA Definitions:	[2006]
(xi)	Margin(s):		[+/-][●] per cent, per annum
(xii)	Minimum Rate of Interest:		[●] per cent, per annum
(xiii)	Maximum Rate of Interest:		[●] per cent, per annum
(xiv)	Day Count Fraction:		[●]
(xv)	Fall-back provisions, rounding provisions, denominator and other terms relating to the method of calculating interest on Floating Rate Notes, if different from those set out in the Conditions:		[●]
17	**Zero Coupon Note Provisions:**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
(i)	Amortisation Yield:		[●] per cent, per annum
(ii)	Day Count Fraction:		[●]
(iii)	Any other formula/basis of determining amount payable:		[●]
(iv)	Zero Coupon Early Redemption Amount:		[specify Amortised Face Amount or Zero Coupon Early Redemption Amount where Redemption Amount is variable]

PROVISIONS RELATING TO REDEMPTION

19	**Issuer Call Option:**		[Applicable/Not Applicable] (*If not applicable, delete the remaining sub-paragraphs of this paragraph*)
(i)	Optional Redemption Date(s):		[●]
(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):		[●] per Calculation Amount
(iii)	If redeemable in part:		
	(a)	Minimum Redemption Amount:	[●] per Calculation Amount
	(b)	Maximum Redemption Amount:	[●] per Calculation Amount

	(iv)	Issuer's Notice Period:	[●][4] days
19	**Noteholder Put Option:**		[Applicable/Not Applicable] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i)	Optional Redemption Date(s):	[●]
	(ii)	Optional Redemption Amount(s) of each Note and method, if any, of calculation of such amount(s):	[●] per Calculation Amount
	(iii)	Noteholders' Notice Period:	[●][5] days
	(iv)	Non-Extension Option:	[Applicable/Not Applicable]
		(a) Initial Maturity Date:	[●]
		(b) Extended Maturity Date(s):	[●]
		(c) Final Extended Maturity Date:	[●]
		(d) Automatic Extension Date(s):	[●]
		(e) Automatic Extension Period:	[●]
		(f) Automatic Extension Duration:	[●]
		(g) Exercise Period(s):	[●]
20	**Final Redemption Amount of each Note:**		[●] per Calculation Amount
21	**Early Redemption Amount:**		
	(i)	Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	[●]/[Not Applicable]
	(ii)	Redemption for taxation reasons permitted on days other than Specified Interest Payment Dates:	[Yes/No/Not Applicable/Provisions of Condition 8 apply]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22	**Form of Notes:**	[**Bearer Notes:** [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary Global Note exchangeable for Definitive Notes on [●] days' notice] [Permanent Global Note exchangeable for Definitive Notes in the limited circumstances specified in the Permanent Global Note] [Temporary / Permanent Global Note [not] exchangeable for Definitive Notes

4 As long as the Notes are held in global form, the Issuer's Notice Period must be a minimum of five Clearing System Business Days.
5 As long as the Notes are held in global form, the Noteholders' Notice Period must be a minimum of five business days.

		at the option of the holder][6]]
		[**Registered Notes**:
		Registered Global Note ([●] nominal amount)/Registered Notes in definitive form (specify nominal amounts)]
23	**New Global Note:**	[Yes/No]
24	**Financial Centre(s) or other special provisions relating to payment dates:**	[Not Applicable/*give details. Note that this paragraph relates to the date and place of payment, and not interest period end dates, to which items 15(vii)(b), and 16(vi) relate*]
25	**Adjusted Payment Date (Condition 7(g)):**	[the following business day]/[other]
26	**Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature):**	[Yes/No. If yes, give details. (*As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made.*)]
27	**Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:**	[Not Applicable/*give details*]
28	**Details relating to Instalment Notes redeemable in instalments (amount of each instalment, date on which payment is to be made):**	[Not Applicable/*give details*] *(If not applicable, delete the remaining sub-paragraphs of this paragraph)*
	(i) Instalment Amount(s):	[●]
	(ii) Instalment Date(s):	[●]
	(iii) Minimum Instalment Amount:	[●]
	(iv) Maximum Instalment Amount:	[●]
29	**Renominalisation and reconventioning provisions:**	[Not Applicable/The provisions [in Condition [●]] apply]
30	**Consolidation provisions:**	[Not Applicable/The provisions [in Condition [●]] apply]
31	**Other terms:**	[Not Applicable/give details]

DISTRIBUTION

33	**(i) If syndicated:**	
	(a) Names and addresses of Managers and underwriting commitments/quotas:	[Not Applicable/*give names, addresses and underwriting commitments*]
	(b) Stabilising Manager(s) (if any):	[Not Applicable/*give name(s)*]
34	**If non-syndicated, name and address of Dealer:**	[Not Applicable/*give name and address*]

6 Temporary / Permanent Global Note may only be exchangeable for Definitive Notes at the option of the holder in the case of Notes with a single denomination.

35	**U.S. Selling Restrictions:**	[Reg. S Compliance Category [1/2]; TEFRA C/TEFRA D/TEFRA not applicable]
36	**Additional selling restrictions:**	[Not Applicable/*give details*]

Responsibility

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: ....

Duly authorised

Part B — Other Information

1 Listing and Admission to Trading

[Application has been made by the Issuer (or on its behalf) for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange [or specify the relevant regulated market] with effect from [●].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Luxembourg Stock Exchange [or specify the relevant regulated market] with effect from [●].] (Where documenting a fungible issue, need to indicate that original securities are already admitted to trading.)

2 Ratings Applicable

[[The Notes to be issued [have been/are expected to be] rated]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]]:

[S & P: [●]]

[Moody's: [●]]

[[Other]: [●]]

(*The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating*)

(*Include appropriate Credit Rating Agency Regulation (Regulation (EC) No 1060/2009 as amended) disclosure*)

[*Insert one (or more) of the following options, as applicable:*

[[*Insert credit rating agency/ies] [is/are] established in the European Union and [has/have each] applied for registration under Regulation (EC) No 1060/2009 (as amended), although notification of the corresponding registration decision has not yet been provided by the relevant competent authority] [[Insert credit rating agency/ies] [is/are] established in the European Union and registered under Regulation (EC) No 1060/2009 (as amended)*]]

[[*Insert credit rating agency/ies] [is/are] not established in the European Union and [has/have each] not applied for registration under Regulation (EC) No 1060/2009 (as amended)*]]

3 Interests of Natural and Legal Persons Involved in the [Issue/Offer]

Need to include a description of any interest, including conflicting ones, that is material to the issue/offer, detailing the persons involved and the nature of the interest. May be satisfied by the inclusion of the following statement:

"Save as discussed in Subscription and Sale, so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer."

4 [Reasons for the Offer, Estimated Net Proceeds and Total Expenses]

[(i)] Reasons for the offer:	[●] (S*ee ["Use of Proceeds"] wording in Information Memorandum – if reasons for offer different from making profit and/or hedging certain risks will need to include those reasons here.)*]
[(ii)] Estimated net proceeds:	[●] (*If proceeds are intended for more than one use will need to split out and present in order of priority. If proceeds insufficient to fund all proposed uses state amount and sources of other funding.*)
[(iii)] Estimated total expenses:	[●] (*Include breakdown of expenses*)

5 *[Fixed Rate Notes only*—Yield]

Indication of yield:	[●] Calculated as *[include details of method of calculation in summary form]* on the Issue Date. As set out above, the yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

6 Operational Information

ISIN:	[●]
Common Code:	[●]
Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, *société anonyme* and the relevant identification number(s):	[Not Applicable/give *name(s) and number(s)*[*and address(es)*]
Delivery:	Delivery [against/free of] payment
Names and addresses of additional Agent(s) (Calculation Agent or Paying Agent, if any):	[●]
Intended to be held in a manner which would allow Eurosystem eligibility:	[Yes. Note that the designation "yes" simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [and registered in the name of a nominee of one of the ICSDs acting as common safekeeper] [*include this text for registered notes only]* and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon satisfaction of the Eurosystem eligibility criteria.][*Include this text if "yes" selected, in which case bearer Notes must be issued in NGN or NSS form.*] [No. Whilst the designation is specified as "no" at the date of this Pricing Supplement, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem

	monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] [*include this text for registered notes*: Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]
The aggregate principal amount of the Notes issued has been translated into [Euros] at the rate of [●], producing a sum of (for Notes not denominated in [Euros]):	[Not applicable/[USD] [●]]

GENERAL INFORMATION

1. No authorisation procedures are required of the Issuer in the Republic of France in connection with the establishment of the Programme. However, to the extent that Notes issued under the Programme may constitute *obligations* under French Law, the resolution of the Board of Directors of the Issuer dated 19 February 2014 in relation to the issue of Notes provides a maximum aggregate principal amount of EUR 35 billion Notes to be issued in any year.

2. Each Bearer Note and Coupon will bear the following legend: "*Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code*".

3. The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The Common Code, the International Securities Identification Number ("**ISIN**") and (where applicable) the Euroclear, France number for each Series of Notes will be set out in the relevant Pricing Supplement. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 avenue JF Kennedy, L-1855 Luxembourg, Grand Duchy of Luxembourg. The address of any alternative clearing system will be specified in the applicable Pricing Supplement.

4. For the avoidance of doubt, the Notes are freely transferable and cannot be cancelled by virtue of being sold or transferred to an entity which does not constitute a Third Party Beneficiary (as defined in the Schedule A of the Guarantee).

5. For so long as the Programme remains in effect or any Notes remain outstanding, the following documents (including English translations where applicable) will be available during usual business hours on any weekday (Saturdays and public holidays excepted) for inspection at (and, in the case of the documents specified in sub-paragraphs (i), (v) and (vi) below, copies may be obtained from) the registered office of the Issuer, the office of the Fiscal Agent in Luxembourg and from the offices of the Paying Agents:

   (i) a copy of this Information Memorandum together with any Supplement to this Information Memorandum or further Information Memorandum;

   (ii) the Agency Agreement (which includes the form of the Global Notes, Global Certificates, definitive Notes in Bearer form, the Certificates, the Coupons, Receipts and Talons), together with any Supplement to the Agency Agreement;

   (iii) the Guarantee;

   (iv) the Deed of Covenant;

   (v) the *Statuts* of the Issuer;

   (vi) the audited annual accounts of the Issuer (non-consolidated and consolidated) for the two most recent financial years and the most recent consolidated interim schedule of activity and income or interim six months consolidated financial statements, as the case may be, of the Issuer; and

   (vii) each Pricing Supplement for Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market or listed on any other stock exchange.

6. This Information Memorandum includes "forward-looking statements". All statements other than statements of historical facts included in this Information Memorandum, including, without limitation, those regarding the Issuer's financial position, business strategy, plans and objectives of management for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Issuer, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward- looking statements are based on numerous assumptions regarding the Issuer's present and future business strategies and the environment in which the Issuer will operate in the future. Additional factors that could cause actual results, performance or achievements to differ materially include, but are not limited to, those discussed under Risk Factors. These forward-looking statements speak only as of the date of this Information Memorandum.

The Issuer expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement contained herein to reflect any change in the Issuer's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

7. This Information Memorandum and each Pricing Supplement issued in connection with Notes listed on the official list of the Luxembourg Stock Exchange and admitted to trading on the Regulated Market of the Luxembourg Stock Exchange will be published in electronic form on the website of the Luxembourg Stock Exchange (www.bourse.lu). The Pricing Supplement issued in respect of any Notes admitted to trading on a stock exchange other than the Regulated Market will be available free of charge at the registered office of the Issuer and from the office of the Paying Agent with a specified office in the city of such stock exchange.

8. Except as disclosed in this Information Memorandum and any document incorporated by reference therein, there has been no significant change in the financial or trading position or prospects of (i) the Issuer since 31 December 2013.

9. Except as disclosed in this Information Memorandum and any document incorporated by reference therein, the Issuer is not and has not been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability of the Issuer.

10. The Issuer will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Information Memorandum which is capable of affecting the assessment of any Notes, prepare a supplement or publish a new information memorandum for use in connection with any subsequent issue of Notes.

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