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PARIS, Sept 30 (Reuters) - The French government helped to bail out the Belgian-French financial services group Dexia because it posed a systemic risk to the financial system, Economy Minister Christine Lagarde said on Tuesday. Dexia will receive a capital boost of 6.4 billion euros ($9.16 billion) from Belgium, France, Luxembourg and other key shareholders to rescue it from the financial crisis that has spread from U.S. banks to Europe. Lagarde said the bank would have defaulted on its commitments on Tuesday or Wednesday. "It was essential to recapitalise Dexia to ensure the stability of the financial system," Lagarde told a news conference. "There was effectively a risk, what would have been a systemic risk for the stability of the financial system."

France is participating with 1 billion euros from state coffers and 2 billion euros from the state-controlled Caisse des Depots (CDC).

Lagarde said the cash injection would not have an impact on France's deficit according to the EU's deficit criteria. France unveiled its 2009 budget on Friday with a deficit forecast of 2.7 percent for this year and the next. But many economists say slowing growth will make it hard for France to keep within the EU's 3 percent deficit limit next year. Lagarde said the government was looking at several ways to raise the money but did not provide any specific details. Asked whether she was concerned about the stability of other French banks, she said: "You heard what the president said about support. I have nothing more to add. We need to shut down the rumour machine." Sarkozy has said the state will guarantee deposits of all French banks. Lagarde said the French banking system was solid. (Reporting by Anna Willard, Francois Murphy and Julien Ponthus; Editing by Ruth Pitchford) ($1=.6985 Euro) Keywords: FRANCE DEXIA/LAGARDE
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