

# Dexia

## Half-year results 1H 2023

*8 September 2023 – Presentation to the press*



**DEXIA**

### Dexia on a path to abandon its banking license

- Filing of an application with the Autorité de Contrôle Prudentiel et de Résolution (ACPR) on 4 July 2023 to abandon the credit institution licence and authorisations for investment services of Dexia Crédit Local
- Continuation of the orderly resolution of the Group as a non-bank as from the beginning of 2024, subject to obtaining the consent of the competent authorities
- Withdrawal of licences enabling the further rationalisation of Dexia's activities and a simplification of its operations as a source of savings

*“The application to withdraw Dexia Crédit Local's credit institution licence and investment services authorisations, filed with the ACPR at the beginning of July, is a major step forward for the Group. Subject to approval by the competent authorities, Dexia will thus be able to continue its orderly resolution within a framework better suited to its specific characteristics. I would like to pay tribute to the hard work of Dexia's management and teams in preparing for this change and to the full support of the States, shareholders and guarantors of the Group, in this process.”*

Gilles Denoyel, Chairman of the Board of Directors

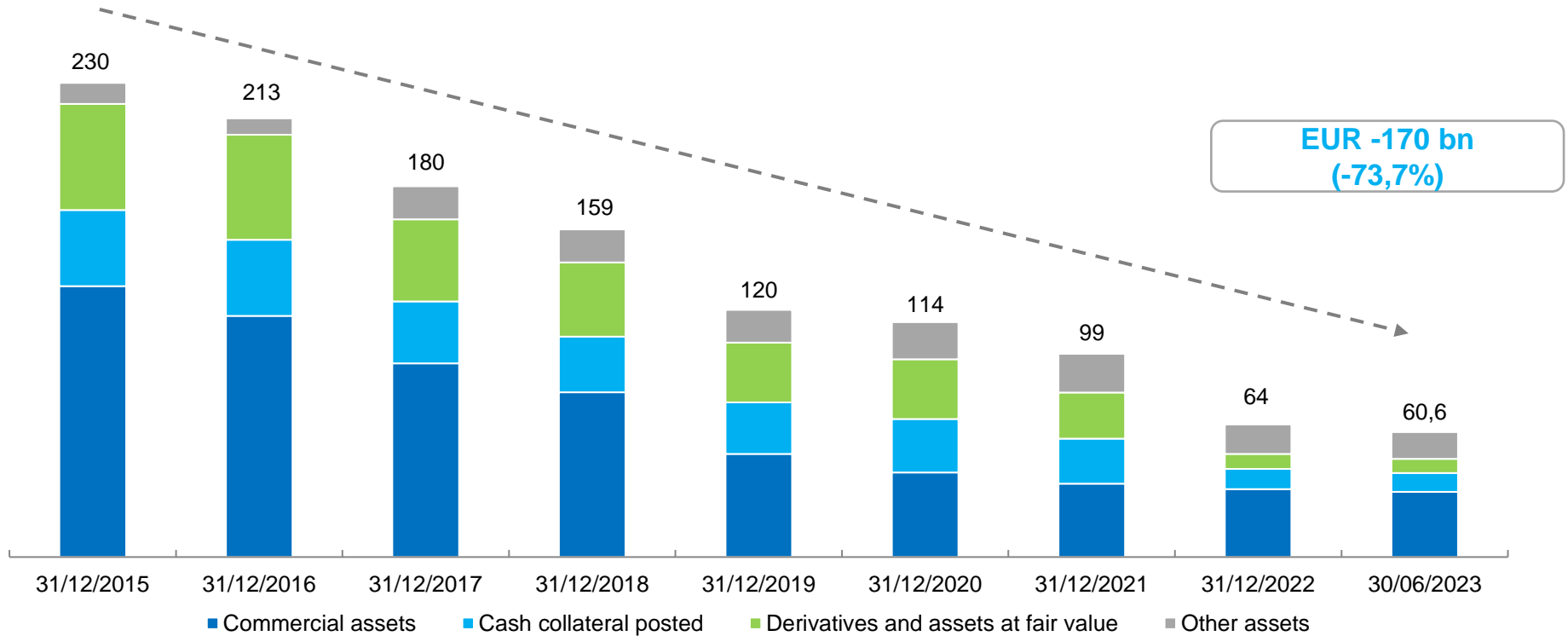
### Ongoing operational simplification

- **Cross-border merger of Dexia Crédit Local and Dexia Crediop**
  - Implementation of the merger by absorption of Dexia Crediop by Dexia Crédit Local by September 2023, with retroactive tax and accounting effect from 1 July 2023
  - Local presence maintained through the establishment of an unregulated branch in Rome, in support of Dexia Crédit Local's head office
- **Asset transfer from Dexia Crédit Local Dublin branch to Dexia Crédit Local in Paris**
  - EUR 3.8 billion of assets already transferred as at 30 June 2023, representing 40% of the portfolio (nominal value)
  - Remaining transfers planned in 2H 2023

“During the first half of 2023, the Dexia Group took decisive steps towards its resolution, with the preparation of the merger by absorption of Dexia Crediop by Dexia Crédit Local and the initiation of a programme to transfer assets from Dexia Crédit Local Dublin to its parent company. At the same time, thanks in particular to the reduction in asset portfolios, I am delighted that our Group is continuing drastically to reduce its footprint, with its funding requirement and balance sheet continuing their downward trend. The Group's solvency ratios remain well above regulatory requirements. These fine achievements would not be possible without the commitment and strong involvement of all our staff members. I would like to thank them most sincerely for the intensity of their efforts during the first half of 2023 and for their steadfastness throughout our resolution. ”

# Half-year results 1H 2023

## Evolution of the size of the balance sheet since 2015



# Half-year results 1H 2023

Focus on the income statement

Net income Group share: EUR -159 m



## Recurring result

EUR -115 m

- Improvement of the net interest margin by EUR +38 m, to EUR +62 m, mainly due to the rise in interest rates
- Operating costs at EUR -141 m, impacted by taxes and regulatory contributions (EUR -39 m)
- Cost of risk at EUR -33 m, integrating a collective provisions on part of the water distribution sector in the UK



## Accounting volatility

EUR -63 m

- Negative charge in the valuation of the derivatives portfolio and the Wise securitisation (EUR -55 million)
- Unfavourable impact of fair value hedging inefficiencies (EUR -27 m)
- Positive impact (EUR +18 m) of the Funding Value Adjustment (FVA), Credit Value Adjustment (CVA) and Debit Valuation Adjustment (DVA)



## Non-recurring elements

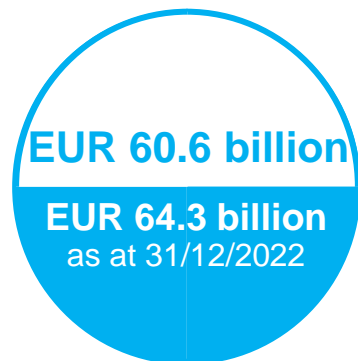
EUR +19 m

- EUR -13 m of losses associated with asset disposals
- EUR +8 m net positive impact linked to the evolution of legal procedures
- Impact of EUR -24 m mainly associated with restructuring and transformation costs
- A deferred tax gain of EUR +47 m, mainly associated with the transfer of a portfolio of assets from the Dexia Crédit Local branch in Dublin to the Paris office, at a nominal value different to the book value of the assets transferred

# Half-year results 2023

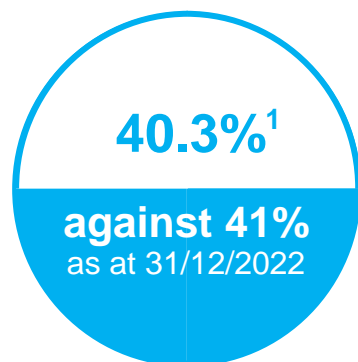
Key figures as at 30 June 2023

Balance sheet



- **Balance sheet down by EUR -3.7 bn (-6%),** driven by the reduction of the asset portfolio and the rising interest rates, mainly in sterling
- **Asset portfolio at EUR 31.6 bn,** of which EUR 18.3 bn in bonds and EUR 13.3 bn in loans

Solvency



- **Total Capital Ratio much higher than the minimum required** within the framework of the SREP

Guaranteed debt



  
EUR 19.5 bn

  
EUR 17.3 bn

  
EUR 0.7 bn

(1) Total Capital Ratio

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