

Bulletin:

# Downgrade Of France Leaves Dexia's Credit Quality Unchanged

June 6, 2024

This report does not constitute a rating action.

PARIS (S&P Global Ratings) June 6, 2024--S&P Global Ratings today said that the creditworthiness of Dexia (BBB-/Stable/A-3) is unaffected by the recent downgrade of France (for more information, see "France Long-Term Rating Lowered To 'AA-' From 'AA' On Deterioration Of Budgetary Position; Outlook Stable," published May 31, 2024, on RatingsDirect), even if we consider Dexia a government-related entity.

However, the downgrade has affected the issue ratings assigned to Dexia's debt that is guaranteed by the state.

We continue to think there is a very high likelihood that Dexia would receive extraordinary support from the French and Belgian governments in the event of stress. All else being equal, Dexia's rating sensitivity to the sovereigns is very low, since the rating would only be affected in the event of a multi-notch downgrade of one or both sovereigns, which is not a realistic scenario.

## Related Research

- France Long-Term Rating Lowered To 'AA-' From 'AA' On Deterioration Of Budgetary Position; Outlook Stable, May 31, 2024
- Research Update: Dexia Downgraded To 'BBB-/A-3' On De-Banking; Off CreditWatch; Outlook Stable, Jan. 2, 2024
- Dexia Credit Local S.A., Oct. 11, 2023

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