

17 SEP 2025

# Fitch Revises Dexia S.A.'s Outlook to Stable; Affirms IDR at 'BBB+'

Fitch Ratings - Paris - 17 Sep 2025: Fitch Ratings has revised Dexia S.A.'s Outlook to Stable from Negative, while affirming its Long-Term Issuer Default Rating (IDR) at 'BBB+'. A full list of rating actions is below.

The affirmation reflects the faster-than-expected reduction of the complexity and size of Dexia's balance sheet. We expect Dexia's balance sheet to remain well below the EUR75 billion limit of the state guarantee provided by Belgium and France, even under stressed circumstances. This offsets the impact of the guarantors' sovereign rating downgrades to 'A+' / Stable in June and September 2025, respectively.

## Key Rating Drivers

**Support-Driven Ratings:** Dexia's ratings reflect Fitch's view of a high probability of additional support from Belgium and France, if required, to complete an orderly wind-down. Dexia is the main operating entity of Dexia Holding SA/NV, which is 53% owned by Belgium and 47% by France.

**Strong Evidence of Support:** Our view is based on Dexia's ownership, large funding guarantees from Belgium and France, and their ability to provide financial support. Dexia had about EUR26 billion of guaranteed debt outstanding at end-August 2025, and we expect guarantee use to remain materially below the EUR75 billion limit applicable since January 2022. The guarantee is granted by Belgium and France under a 53%/47% split.

**No Retroactive Application of BRRD:** Fitch continues to factor in state support for Dexia despite the implementation of the EU's Bank Recovery and Resolution Directive (BRRD). This reflects our view that the BRRD will not be applied retroactively to Dexia, as long as its orderly wind-down progresses consistently with plans agreed with the European Commission.

**No Viability Rating Assigned:** Fitch does not assign a Viability Rating to Dexia because it cannot be properly analysed as a viable entity in its own right and is no longer commercially active. Dexia is in orderly wind-down and relies on state guarantees for funding.

**Low Risk of Senior Bail-In:** The risk of senior creditor bail-in is low for Dexia. The entity, now a non-bank, is no longer subject to regulatory capital requirements, which could have triggered a bail-in of senior unsecured debt if breached.

**Withdrawal of Banking Licence:** Dexia's surrender of its banking licence in January 2024 marks significant progress in the orderly resolution of the company. This is part of the implementation of the

orderly resolution plan validated by the European Commission in December 2012.

**Deleveraging Progressing Well:** Dexia's balance sheet was about EUR52 billion at end-2024, compared with about EUR362 billion at end-2011, when the company was placed in orderly wind-down. Dexia has materially simplified its legal structure since the start of the orderly resolution, including the absorption of its last subsidiaries and the sale of leasing entities over the past two years.

## Rating Sensitivities

### Factors that Could, Individually or Collectively, Lead to Negative Rating Action/Downgrade

Dexia's Government Support Rating and IDR are sensitive to a weakening in Belgium's and France's ability or propensity to provide additional support.

A material reduction in state ownership or state-guaranteed funding that is not a result of lower funding needs, leading to a reduced incentive to provide additional support, would also be negative for the ratings.

A material deviation from Dexia's wind-down plan agreed with the European Commission would lead to negative rating action. Fitch expects this would likely trigger a fresh state aid review and heighten the likelihood of the authorities requiring more stringent measures, which could include senior creditors sharing some of the burden. However, this is not our central scenario.

### Factors that Could, Individually or Collectively, Lead to Positive Rating Action/Upgrade

An upgrade of the Government Support Rating and IDRs would be contingent on the two countries demonstrating even greater support, which we view as unlikely.

In the long term, we could upgrade Dexia's Long-Term IDR on a further material reduction of the size of its balance sheet and the lifetime of its asset portfolio.

## OTHER DEBT AND ISSUER RATINGS: KEY RATING DRIVERS

Dexia's Short-Term IDR of 'F1' is the higher of the two possible options mapping to a 'BBB+' Long-Term IDR. This is because we view the sovereigns' propensity to support as more certain in the near than the long term. We also assess the risk of either France or Belgium paying their direct obligations ahead of providing support to Dexia as reasonably low.

The 'A+/'F1+' ratings of Dexia's guaranteed debt are aligned with Belgium's and France's ratings, as long as both are equal. Otherwise, the guaranteed debt ratings would be aligned with that of the lowest-rated guarantor. Each sovereign is responsible for a share of the guarantee and Fitch rates Dexia's state-guaranteed debt on a "first-dollar-of-loss" basis. The guarantee is unconditional, irrevocable and on first demand.

The 'BBB+(dcr)' Derivative Counterparty Rating is at the same level as Dexia's Long-Term IDR, as derivative counterparties in France have no preferential status over other preferred senior obligations

in a resolution.

Dexia's deeply subordinated Tier 1 notes' 'C' rating reflects the continued ban imposed by the European Commission on contractually non-mandatory coupon payments on these notes and their poor recovery prospects.

## **OTHER DEBT AND ISSUER RATINGS: RATING SENSITIVITIES**

Dexia's Short-Term IDR could be downgraded if the Long-Term IDR were downgraded.

The 'A+' long-term rating on Dexia's state-guaranteed debt is sensitive to a downgrade of one of the two sovereign guarantor ratings. The 'F1+' short-term rating on Dexia's state-guaranteed debt would be downgraded if the Short-Term IDR of either of the two guarantors were downgraded.

Dexia's DCR is primarily sensitive to changes in its Long-Term IDR.

Fitch does not expect coupon payment to resume on Dexia's deeply subordinated Tier 1 notes and, therefore, sees no upside for the instrument's rating.

## **Sources of Information**

The principal sources of information used in the analysis are described in the Applicable Criteria.

## **REFERENCES FOR SUBSTANTIALLY MATERIAL SOURCE CITED AS KEY DRIVER OF RATING**

The principal sources of information used in the analysis are described in the Applicable Criteria.

## **Public Ratings with Credit Linkage to other ratings**

Dexia's ratings are linked to Belgium's and France's ratings and Dexia's sovereign-guaranteed debt is linked to the lower-rated guarantor's rating.

## **ESG Considerations**

Unless otherwise disclosed in this section, the highest level of ESG credit relevance is a score of '3'. This means ESG issues are credit neutral or have only a minimal credit impact on the entity, either due to their nature or the way in which they are being managed by the entity. Fitch's ESG Relevance Scores are not inputs in the rating process; they are an observation on the relevance and materiality of ESG factors in the rating decision. For more information on Fitch's ESG Relevance Scores, visit [www.fitchratings.com/esg](http://www.fitchratings.com/esg).

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**Rating Actions**

ENTITY/DEBT	RATING		RECOVERY		PRIOR
Dexia S.A.	LT IDR	BBB+ 	Affirmed		BBB+ 
	ST IDR	F1	Affirmed		F1
	DCR	BBB+(dcr)	Affirmed		BBB+(dcr)
	Government Support	bbb+	Affirmed		bbb+
• junior subordinated LT		C	Affirmed		C
• guaranteed		A+	Affirmed		A+

ENTITY/DEBT	RATING	RECOVERY	PRIOR
• guarantee	F1+	Affirmed	F1+

## RATINGS KEY OUTLOOK WATCH

POSITIVE	⊕	◆
NEGATIVE	⊖	◆
EVOLVING	◊	◆
STABLE	◻	

## Applicable Criteria

[Bank Rating Criteria \(pub.21 Mar 2025\) \(including rating assumption sensitivity\)](#)

## Additional Disclosures

[Solicitation Status](#)

## Endorsement Status

Dexia S.A. EU Issued, UK Endorsed

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