Dexia S.A.

Key Rating Drivers

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

Strong Evidence of Support: Our view is based on Dexia's ownership, the large funding guarantees provided by Belgium and France and the two countries' ability to provide financial support. Dexia had about EUR24 billion of guaranteed debt outstanding at end-June 2026, and we expect the use of guarantees to remain materially below the EUR75 billion limit applicable since January 2022. The guarantee is granted by Belgium and France on a 53%/47% basis.

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 in line 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 it is no longer commercially active. Dexia is in an 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 marked a significant milestone in the company's orderly resolution. This step formed 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 EUR43 billion at end-2025, 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. The company is currently implementing a large-scale outsourcing plan across multiple functions to further streamline its organisation.

Rating Sensitivities

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

Dexia's Government Support Rating (GSR) and Issuer Default Ratings (IDRs) 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 driven by 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 burden-sharing by senior creditors. However, this is not our base case scenario.

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

An upgrade of the GSR 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

Rating Level	Rating
Guaranteed debt (long term/short term)	A+/F1+
Deeply subordinated Tier 1 notes	C
Source: Fitch Ratings	

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 Belgian and French sovereigns' propensity to support as more certain in the near rather than the long term.

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.

Dexia's Short-Term IDR could be downgraded if its 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 Derivative Counterparty Rating 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.

Company Summary and Key Qualitative Factors

Business Profile

Orderly Wind-Down Since 2012

Dexia was a specialised public-sector lender operating worldwide. The European Commission approved Dexia Holding’s orderly resolution plan in December 2012. It aims to wind down the group in an orderly manner, without threatening financial market stability. The resolution plan included a EUR5.5 billion capital injection by Belgium and France, which resulted in the two countries owning about 53% and 47% of the group’s share capital, respectively.

Dexia is no longer commercially active, but its balance sheet will remain fairly large for an extended period. The balance sheet was about EUR43 billion at end-2025, well ahead of its asset disposal schedule. Dexia’s funding requirement further decreased by EUR7 billion to about EUR31 billion at end-2025, both from the reduction of the assets portfolio and the decreasing amount of cash collateral posted.

Operational Simplification Almost Complete

Dexia’s operational simplification is drawing to an end, signalling good progress on the orderly resolution plan. The company ceased to publish consolidated financial statements and surrendered its credit institution licence and investment services authorisations in 2024. Dexia also announced several large-scale outsourcing agreements for risk-management, accounting and back-office functions, which should be completed by 2027.

Risk Profile

Exposure to European Countries and Public Entities

Dexia is incorporated in France. It has some concentration risks in southern European countries, which represented about 40% of total exposure at end-2025, while exposure to countries outside Europe was about 15%. About two-thirds of Dexia’s portfolio was exposed to the public sector or to central governments at end-2025.

Adapted Risk Framework

Dexia operating as a non-bank reduces the risks of bail-in of senior unsecured debt, as it is no longer subject to capital requirements. Dexia has nonetheless replaced the prudential banking supervision framework with an appropriate ad hoc risk-management and monitoring framework to ensure the sustainability of its orderly resolution. The company has adopted revised key risk indicators to monitor its solvency and liquidity risks.

Financial Profile

Asset Quality

Mainly Exposed to Low-Risk Public-Sector Assets

Dexia's credit risk is generally contained, but a pocket of risk remains in the form of exposure to higher-risk European countries, such as Italy (end-2025: EUR11 billion), which are mainly to local authorities and the Italian sovereign (BBB+/Stable). The exposure to Spain (EUR1.3 billion) is dominated by the public sector, with a limited direct exposure to the sovereign (A/Stable). About 20% of Dexia's total exposure is to the UK (AA-/Stable), more than 40% of which is to the public sector.

About 90% of Dexia's credit risk exposure was rated in the 'BBB' category or above, based on Dexia's internal ratings, at end-2025. Speculative-grade exposure (EUR3.3 billion) accounted for about 90% of Dexia's equity.

Earnings and Profitability

Structurally Loss-Making

Dexia is structurally loss-making as its revenues are declining faster than its costs. Dexia's hedging derivatives book has generated accounting volatility and reduced profitability over recent years. The significant amount of collateral posted on swaps needs to be funded and inflates interest expenses. However, it has sharply decreased since mid-2022 (end-2025: EUR4.9 billion) due to rising rates, which reduced funding costs.

Deleveraging and transformation costs led to an operating loss of EUR134 million in 2025, lower than in 2024, as the latter was also affected by impairment charges related to provisions in the UK water distribution sector. Dexia manages costs tightly, as it adapts them to the decreasing portfolio. The company has gradually outsourced key functions since 2023, and will continue to do so over 2026-2027.

Capitalisation and Leverage

Satisfactory Capitalisation

Dexia's capital position is sound and provides an ample buffer to absorb potential losses. While Dexia is no longer required to comply with regulatory capital requirements, our view of Dexia's solvency remains unchanged, as the company has nonetheless defined a new risk framework and now uses its leverage ratio (end-2025: 8.6%) to monitor its solvency.

Funding and Liquidity

Reliance on State-Guaranteed Funding; Adequate Liquidity Buffer

State-guaranteed debt is Dexia's main funding source (close to 80% of non-equity funding at end-2025). Because Dexia's guaranteed debt has remained eligible for the high-quality liquid assets classification, the withdrawal of the banking licence has not affected its ability to access wholesale funding.

Dexia has adopted revised key risk indicators (survival horizon and medium-term liquidity ratio) to monitor its liquidity. Dexia's liquidity buffer (about EUR10 billion at end-2025) is composed of cash, reverse repos and unencumbered liquid assets, which secures a stressed survival horizon materially above the internal limit.

Dexia's liquidity is supported by higher interest rates, as they result in decreasing cash collateral requirements, lowering funding needs. Conversely, Dexia is negatively exposed to a decrease in interest rates, but we believe that this scenario would result in a limited increase of the funding requirement.

Financials

Financial Statements

	31 Dec 22 12 months (EURm)	31 Dec 23 12 months (EURm)	31 Dec 24 12 months (EURm)	31 Dec 25 12 months (EURm)
Summary income statement				
Net interest and dividend income	189	323	99	4
Net fees and commissions	-14	-4	-5	-3
Other operating income	201	42	-94	118
Total operating income	376	361	0	119
Operating costs	257	369	239	260
Pre-impairment operating profit	119	-8	-239	-141
Loan and other impairment charges	-25	99	57	-
Operating profit	144	-107	-296	-141
Other non-operating items (net)	400	8	35	8
Tax	11	9	6	1
Net income	533	-108	-267	-134
Fitch comprehensive income	533	-108	-267	-134
Summary balance sheet				
Assets				
Gross loans	11,615	10,202	7,926	5,444
– of which impaired	684	705	329	301
Loan loss allowances	207	205	176	162
Net loans	11,408	9,997	7,750	5,282
Interbank	6,732	1,976	1,824	1,635
Other securities and earning assets	22,972	28,916	30,254	27,673
Total earning assets	41,112	40,889	39,828	34,590
Cash and due from banks	1,771	-	-	-
Other assets	13,558	14,755	12,585	8,771
Total assets	56,441	55,644	52,413	43,361
Liabilities				
Customer deposits	4,262	576	723	686
Interbank and other short-term funding	39,786	42,318	37,395	30,746
Other long-term funding	56	56	56	56
Total funding and derivatives	44,104	42,950	38,174	31,488
Other liabilities	8,188	8,567	10,379	8,147
Total equity	4,149	4,127	3,860	3,726
Total liabilities and equity	56,441	55,644	52,413	43,361

Source: Fitch Ratings, Fitch Solutions, Dexia

Key Ratios

(%)	31 Dec 22	31 Dec 23	31 Dec 24	31 Dec 25
Profitability				
Net interest income/average earning assets	0.5	0.8	0.3	0.0
Non-interest expense/gross revenue	68.4	102.2	-	218.5
Net income/average equity	14.2	-2.6	-6.7	-3.5
Asset quality				
Impaired loans ratio	5.9	6.9	4.2	5.5
Growth in gross loans	-8.7	-12.2	-22.3	-31.3
Loan loss allowances/impaired loans	30.3	29.1	53.5	53.8
Loan impairment charges/average gross loans	-0.2	0.8	0.6	-
Capitalisation				
Tangible common equity/tangible assets	7.4	7.4	7.4	8.6
Funding and liquidity				
Gross loans/customer deposits	272.5	1,771.2	1,096.3	793.6
Customer deposits/total non-equity funding	9.7	1.3	1.9	2.2

Source: Fitch Ratings, Fitch Solutions, Dexia

Support Assessment

Government Support

Sovereign		France
Sovereign Long-Term Issuer Default Rating	•	A+/Stable
Total adjustment (notches)		-3
Typical D-SIB Government Support for sovereign's rating level		a or a-
Actual jurisdiction D-SIB Government Support		ns
Government Support Rating		bbb+
Government ability to support D-SIBs		
Size of banking system	•	Negative
Structure of banking system	•	Negative
Sovereign financial flexibility (for rating level)	•	Neutral
Government propensity to support D-SIBs		
Resolution legislation	•	Negative
Support stance	•	Neutral
Government propensity to support bank		
Systemic importance	•	Neutral
Liability structure	•	Positive
Ownership	•	Positive

The colours indicate the influence of each support factor in our assessment. Influence: Blue = neutral; Red = higher

Source: Fitch Ratings

High Probability of Support

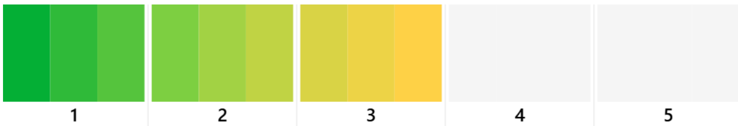
Fitch considers that there is a high probability that Belgium and France would provide additional support to Dexia, if required, to complete the orderly wind-down of the company. Both sovereigns are the main shareholders of Dexia's parent Dexia Holding.

Our view on support is based on the ownership of Dexia, the large funding guarantees provided by Belgium and France, of up to EUR75 billion, and both sovereigns' ability to provide financial support. The extension of the guarantee from 2022 for 10 years did not change our view on support.

At end-2025, Dexia's total assets represented about 7% of Belgium's 2025 GDP, where the holding company is incorporated, and less than 2% of France's 2025 GDP.

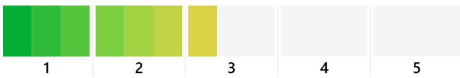
Fitch continues to factor in state support for Dexia, despite the implementation of the BRRD. This reflects our view that the BRRD will not be applied retroactively to Dexia, as long as its orderly wind-down progresses in line with plans agreed with the European Commission.

Environmental, Social and Governance Considerations



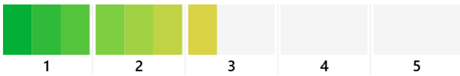
Environmental Relevance Scores

General issues	Score	Sector-specific issues	Reference
GHG Emissions & Air Quality	3	Regulatory risks, emissions fines or compliance costs related to owned, financed or managed assets, which could impact asset prices, profitability, etc.	Operating Environment; Business Profile; Risk Profile; Asset Quality
Energy Management	1	n.a.	n.a.
Water & Wastewater Management	1	n.a.	n.a.
Waste & Hazardous Materials Management; Ecological Impacts	1	n.a.	n.a.
Exposure to Environmental Impacts	2	Impact of extreme weather events on assets and/or operations and corresponding risk appetite & management; catastrophe risk; credit concentrations	Business Profile; Risk Profile; Asset Quality



Social Relevance Scores

General issues	Score	Sector-specific issues	Reference
Human Rights, Community Relations, Access & Affordability	2	Services for underbanked and underserved communities: SME and community development programs; financial literacy programs	Business Profile; Risk Profile
Customer Welfare - Fair Messaging, Privacy & Data Security	3	Compliance risks including fair lending practices, mis-selling, repossession/foreclosure practices, consumer data protection (data security)	Operating Environment; Business Profile; Risk Profile
Labor Relations & Practices	2	Impact of labor negotiations, including board/employee compensation and composition	Business Profile
Employee Wellbeing	1	n.a.	n.a.
Exposure to Social Impacts	2	Shift in social or consumer preferences as a result of an institution's social positions, or social and/or political disapproval of core banking practices	Business Profile; Financial Profile



Governance Relevance Scores

General issues	Score	Sector-specific issues	Reference
Management Strategy	3	Operational implementation of strategy	Business Profile
Governance Structure	3	Board independence and effectiveness; ownership concentration; protection of creditor/stakeholder rights; legal /compliance risks; business continuity; key person risk; related party transactions	Business Profile; Earnings & Profitability; Capitalisation & Leverage
Group Structure	3	Organizational structure; appropriateness relative to business model; opacity; intra-group dynamics; ownership	Business Profile
Financial Transparency	3	Quality and frequency of financial reporting and auditing processes	Business Profile

ESG Scoring	Credit-Relevant ESG Scale	
ESG relevance scores range from '1' to '5' based on a 15-level colour gradation. Red (5) is most relevant to the credit rating and green (1) is least relevant. The Environmental (E), Social (S) and Governance (G) tables break out the general and the sector-specific issues that are most relevant to each industry group. Relevance scores are assigned to each sector-specific issue, signalling the credit relevance of the sector-specific issues to an issuer's overall credit rating. The Reference column highlights the factor(s) within which the corresponding ESG issues are captured in Fitch's credit analysis. The panels underneath the relevance scores tables are visualisations of the frequency of occurrence of the highest ESG relevance scores across the combined E, S and G categories. The Score columns summarise rating relevance and impact to credit from ESG issues. The column on the far left identifies any ESG relevance sub-factor issues that are drivers or potential drivers of an issuer's credit rating (corresponding with scores of '3', '4' or '5'). All scores of '4' and '5' are assumed to reflect a negative impact unless indicated with a '+' sign for positive impact. Classification of ESG issues has been developed from Fitch's sector ratings criteria. The general and sector-specific issues draw on the classification standards published by the UN Principles for Responsible Investing, the Sustainability Accounting Standards Board and the World Bank.	5	Highly relevant, a key rating driver that has a significant impact on the rating on an individual basis. Equivalent to 'Higher' relative importance within the Navigator.
	4	Relevant to rating, not a key rating driver but has an impact on the rating in combination with other factors. Equivalent to 'Moderate' relative importance within the Navigator.
	3	Minimally relevant to rating, either very low impact or actively managed in a way that results in no impact on the entity rating. Equivalent to 'Lower' relative importance within the Navigator.
	2	Irrelevant to the entity rating but relevant to the sector.
	1	Irrelevant to the entity rating and irrelevant to the sector.

The highest level of ESG credit relevance is a score of '3', unless otherwise disclosed in this section. A score of '3' 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 https://www.fitchratings.com/topics/esg/products#esg-relevance-scores.

Ratings

Foreign Currency	
Long-Term IDR	BBB+
Short-Term IDR	F1
Derivative Counterparty Rating	BBB+(dcr)
Government Support Rating	bbb+
Sovereign Risk (France)	
Long-Term Foreign-Currency IDR	A+
Long-Term Local-Currency IDR	A+
Country Ceiling	AAA
Outlooks	
Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Foreign-Currency IDR	Stable
Sovereign Long-Term Local-Currency IDR	Stable

ESG and Climate

Highest ESG Relevance Scores

Environmental	3
Social	3
Governance	3

Applicable Criteria

Bank Rating Criteria (May 2026)

Related Research

Fitch Affirms Dexia S.A. at 'BBB+'; Outlook Stable (July 2026)
Fitch Affirms France at 'A+'; Outlook Stable (March 2026)
Fitch Affirms Belgium at 'A+'; Outlook Stable (May 2026)

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