

Press Release



Dexia Kommunalbank Deutschland successfully opens the Jumbo Pfandbrief market for 2010

Berlin, 06 January, 2010 – Dexia Kommunalbank Deutschland AG successfully opened the Jumbo Pfandbrief market for 2010 yesterday afternoon with a EUR 1.25 billion public sector transaction, which will mature on 12 January 2017 and pays a coupon of 3.375%. Joint lead managers on this transaction were Deutsche Bank, Dexia Capital Markets, HSBC, LBBW, Nord/LB and Unicredit.

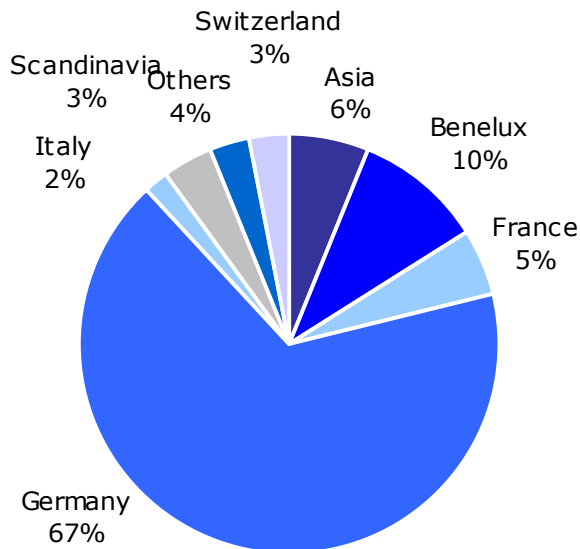
Investor response

- Investor response was brisk, despite this only being the second working day in the new year.
- After rapidly reassessing market conditions and investor presence Monday afternoon and Tuesday morning, expected investor support was definitively judged strong enough to launch the project.
- Books opened on Tuesday at 11:00 CET with a price guidance of mid-swaps +27-29 bps for a benchmark-sized transaction.
- The final size of EUR 1.7bn and high quality of the orderbook with next to 100 accounts involved allowed the pricing of a EUR 1.25bn issue at MS +27bps, at the tight end of the guidance, within 2 hours.
- The final spread and transaction size testifies both to the popularity of Dexia Kommunalbank Deutschland's signature, the ongoing strength of investor appetite for covered bonds as well as the premium investors are still willing to pay for the German Pfandbrief format.

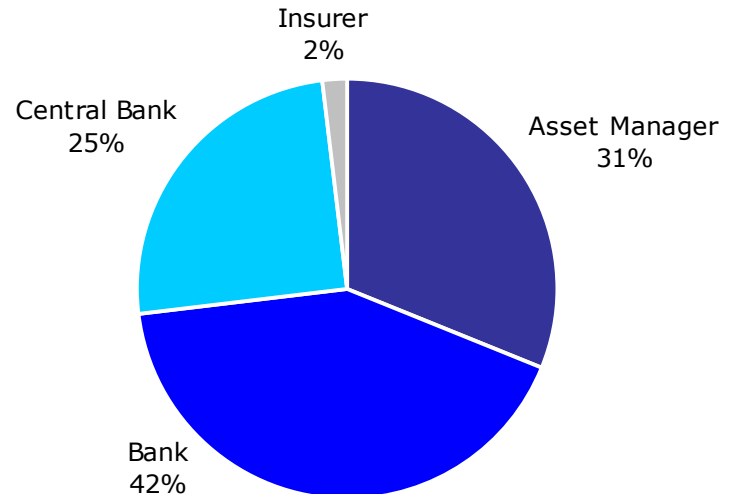
Distribution

- In total, shy of 100 investors participated in the transaction.
- Investor demand was spread over 15 countries with a traditional strong support from Germany for the Pfandbrief product at 67%, followed by Benelux with 10%, a notable 6% for Asian accounts, France 5%, Scandinavia and Switzerland 3% each, Italy 2%, other countries well spread throughout Europe and the Middle-East 4%.
- Banks accounted for 42% of the distribution, Fund Managers took 31%, Central Banks (within as well as outside the Eurozone, as well as out of Asia) 25% and Insurance accounts 2%.

Geographic Distribution



Investor Distribution



FINAL TERMS AND CONDITIONS

Issuer	Dexia Kommunalbank Deutschland AG
Security	Public Sector Jumbo Pfandbrief
Ratings	AAA (S&P)
Notional Amount	EUR 1,250,000,000
Launch Date	05 January 2010
Settlement Date	12 January 2010
Maturity Date	12 January 2017
Coupon	3.375% annual, Act/Act ICMA
Reoffer Price	99.675%
Reoffer Yield	3.428%
Issue Spread vs BUND reference	46.6 bps over Bundesanleihe 3.750% January 2017
Issue Spread vs 6m Mid Swap	27 bps
Bookrunners	Deutsche Bank, Dexia CM, HSBC, LBBW, Nord/LB, Unicredit
Documentation	Debt Issuance Programme program
Listing	Berlin
ISIN	DE000DXA1MV5

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