

Press Release



Dexia Kommunalbank Deutschland successfully returns to the Jumbo Pfandbrief market

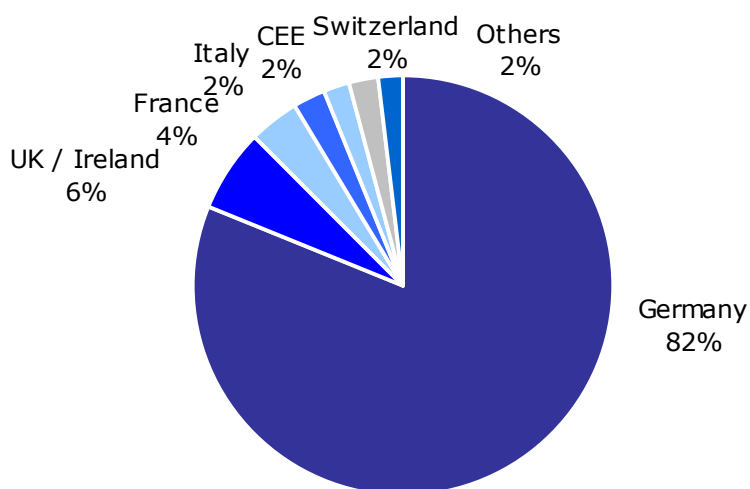
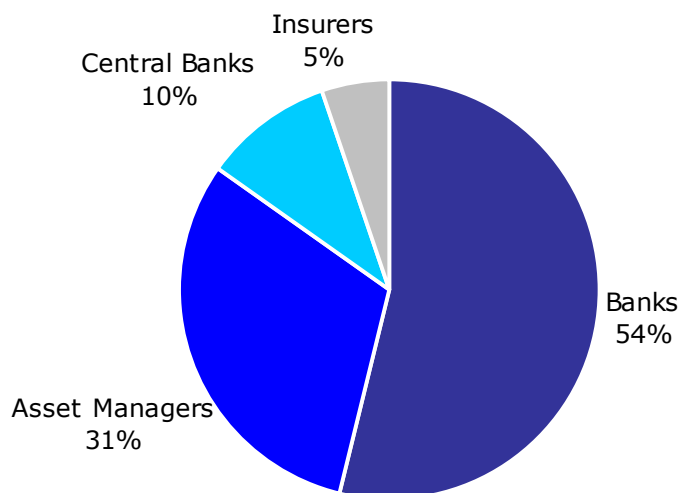
Berlin, 02 March, 2010 – Dexia Kommunalbank Deutschland AG successfully returned to the Jumbo Pfandbrief market on Tuesday with a EUR 1 billion public sector transaction, maturing on 11 March 2013 and paying a coupon of 1.875%. Joint lead managers on this transaction were DekaBank, Dexia Capital Markets, DZ Bank, Helaba, LBBW and Unicredit.

Investor response

- In order to raise investor awareness and to allow for an early start on the back of an already officially announced transaction, news of the mandate were given on Monday at 17:00 CET.
- Investor response was very brisk as soon as the mandate announcement hit the screens, confirming the right choice of product and maturity in a market, which while more serene than in February, remains rather risk-wary, given ongoing sovereign debt jitters.
- After rapidly assessing market conditions, books were officially opened at 09:15 CET with a price guidance that was refined from an initial “low 10s” whisper to “Mid Swaps +10 to 12”.
- Over EUR 1 bn in orders were garnered within half an hour and it was rapidly decided to close books at 10:15 CET, after defining the final spread at MS +10 bp.
- The orderbook size of EUR 2.4bn and its high quality with next to 120 accounts involved comfortably allowed the pricing of a EUR 1bn issue at MS +10 bps, while giving care for potential after market performance.
- The final spread and transaction size testify to the ongoing popularity of Dexia Kommunalbank Deutschland’s signature, the strength of investor appetite for short-dated covered bonds as well as the premium investors are still willing to pay for the German Pfandbrief format.

Distribution

- In total, over 110 investors participated in the transaction.
- Investor demand was spread over 13 countries with a traditional strong support from Germany for the Pfandbrief product at 82%, followed by UK and Ireland with 6%, France 4%, CEE accounts, Italy and Switzerland 2% each and the remaining 2% well spread throughout Europe.
- Banks accounted for 54% of the distribution, Fund Managers took 31%, Central Banks (within as well as outside the Eurozone) 10% and Insurance accounts 5%.

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 1,000,000,000
Launch Date	02 March 2010
Settlement Date	11 March 2010
Maturity Date	11 March 2013
Coupon	1.875% annual, Act/Act ICMA
Reoffer Price	99.804%
Reoffer Yield	1.943%
Issue Spread vs government	58.6 bps over Bundes OBL # 152 3.500% April 2013
Issue Spread vs 6m Mid Swap	10 bps
Bookrunners	DekaBank, Dexia Capital Markets, DZ Bank, Helaba, LBBW, Unicredit
Documentation	Debt Issuance Programme program
Listing	Berlin
ISIN	DE000DXA1M21

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