2 May 2019 Investors Deal

Dexia and Helaba complete the sale of Dexia Kommunalbank Deutschland

Following the signing of a sales and purchase agreement on 14 December 2018, Dexia Crédit Local, acting through its Dublin branch, and Helaba announce today the closing of the sale of Dexia Kommunalbank Deutschland (DKD), Dexia's German banking subsidiary, to Helaba, for a total consideration of EUR 352 million.

All regulatory approvals have been obtained.

For Dexia, this transaction accounts for a reduction of about EUR 24 billion of its balance sheet total. The net capital loss resulting from the sale is estimated at EUR -115 million and the impact on solvency ratios is positive and amounts to about 15 bps. Those impacts will be recorded in Dexia's consolidated financial statements for 1H 2019.

Dexia Crédit Local has also terminated, with effect as of the closing date of the sale, the Letters of Support it had issued to DKD.

"The sale of DKD is a major step in Dexia's orderly resolution, enabling an additional 15% decrease of the Group's consolidated balance sheet, beyond the 14% reduction achieved in 2018" said Wouter Devriendt, CEO of Dexia. "It will further reduce Dexia's geographic footprint and facilitate the continuation of the wind-down process. I want to thank my colleagues at DKD for their unfailing professionalism during this sales process and the often challenging years within the Dexia Group."

After closing, DKD will initially operate under the name of KOFIBA-Kommunalfinanzierungsbank GmbH before being integrated into Helaba. Full integration should take place by the end of the first quarter of 2020, if possible.

"The acquisition of DKD presented us with an attractive investment opportunity. Its purchase and subsequent integration into Helaba will have a positive impact on our bank's earnings position. We are also acquiring a high-quality loan portfolio and extremely valuable customer relationships," said Herbert Hans Grüntker, Chairman of Helaba's Board of Managing Directors. "During the integration, we will transfer DKD's customers to our platform and thereby ensure a high level of service continuity. We will support the necessary transformation process in a responsible manner and also take into account the interests of DKD's employees in order to find a good solution for everyone involved".

About DKD

Dexia Kommunalbank Deutschland is a covered bonds banking platform that provides various banking products and services in Germany. It has been managed in run-off since 2012, in accordance with Dexia's orderly resolution plan. Founded in 1991, the company was acquired by Dexia Crédit Local in 1995 and operates from its head office in Berlin. It was formerly known as Dexia Hypothekenbank Berlin AG and changed its name to Dexia Kommunalbank Deutschland in February 2006.

About Dexia

Dexia is a 99.6% State-owned Belgian-French banking institution under the direct prudential supervision of the European Central Bank within the framework of the SSM. Since its entry in orderly resolution on December 2012, Dexia's mission is to manage its residual assets in run off while protecting the interests of its shareholders and guarantors. The Group's parent company, Dexia SA, is a public limited company and financial company governed by Belgian law. Based in France, Dexia Crédit Local is the Group's main operating entity. As at 31 December 2018, Dexia has 773 members of staff and total balance-sheet of EUR 159 billion. More information about Dexia is available on www.dexia.com ↗

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