

REDEFINING INFRASTRUCTURE.

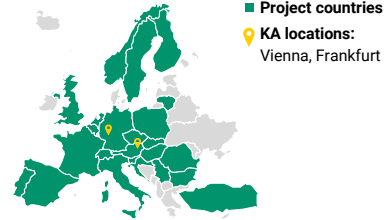
Global Investor Call | October 2022

Kommalkredit Austria AG (KA) at a Glance

TOP INFRASTRUCTURE FUNDER

- **Wide product spectrum** from advisory, project development, export financing, asset management as well as classic project finance to acquisition and corporate finance within core expertise
- **Sector focus** on energy & environment, social infrastructure, communications & digitalisation, transport and natural resources/hydrogen
- Public Finance as 2nd pillar (mainly Austria)
- USP: **swift** implementation of **tailor-made** solutions

Project Locations



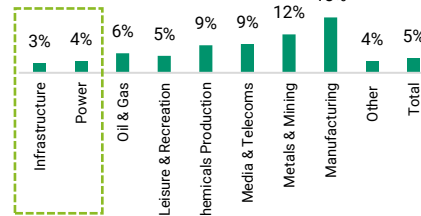
Selected Reference Projects

ellomay	Renewable Power Capital	Deutsche Glasfaser
Talaso Solar PV	Kansas Onshore Wind	Lightfoot Fiber
EUR 175m	EUR 131m	EUR 5,750m
Project Finance Sole Structuring Bank & Placement Agent	Project Finance Structuring Bank	Project Finance Cornerstone Lender
2022, Spain	2022, Sweden	2021, Germany

ATTRACTIVE UNDERLYING MARKETS

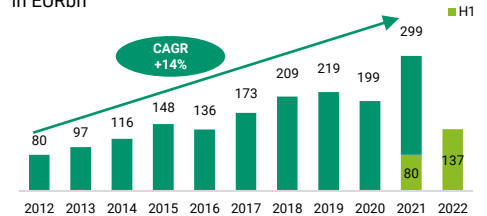
- **High demand** for sustainable and intact infrastructure
- KA focus sectors directly address demand created by trends like green transition, reconfiguration of European energy supplies and digitalisation
- Infrastructure is a **highly resilient** asset class, largely independent of economic cycles and with structurally low default risk

Default Rates by Industry*



* Moody's Default and Recovery Rates for PF Bank Loans, 1983-2020

European Infrastructure & Energy Market in EURbn



Source: Infraction & Sparksread Database and Infracolic

HIGHLY EXPERIENCED MANAGEMENT & SENIOR TEAM

- Broad experience across international markets, capital markets, asset-based finance, and banking operations
- Track record of expansion in senior leadership roles at world-class financial institutions
- **Senior team with extensive market experience** (at DB, UCI, SocGen, Macquarie)



Bernd Fislage

Member of the Executive Board since 02/2017
 CEO since 09/2018



Sebastian Firlinger

Member of the Executive Board (CRO) since 01/2021



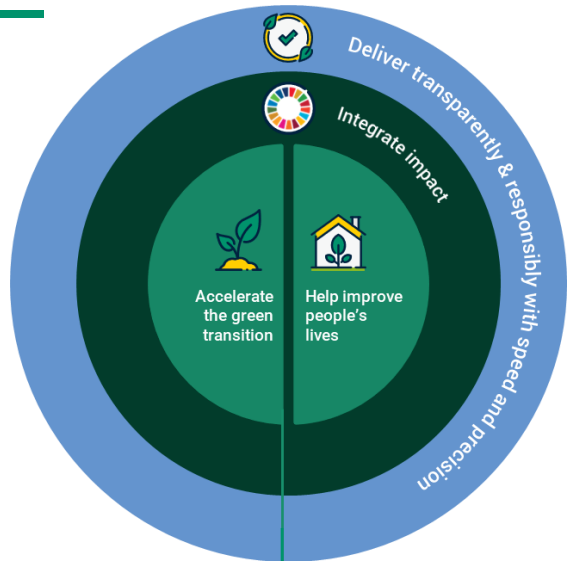
Claudia Wieser

Member of the Executive Board (CFO) since 04/2022

Success factors for sustainable and highly profitable growth



Sustainability Strategy – strongly anchored in business



SDG Priority 1*



* Very important for KA and stakeholders

SDG Priority 2**



** Very important either for KA or stakeholders

Core focus areas



Accelerate the green transition

We enable and strive to accelerate decarbonisation, with the core of our financing activities focusing directly on renewable energy, hydrogen and other technologies that are essential for the green transition.



Help improve people's lives

A significant part of our activities across Infrastructure & Energy and Public Finance fund social infrastructure and connectivity.

Key enablers



Integrate impact

We consider sustainability factors across all types of infrastructure. As an organisation, we are dedicated to the UN Sustainable Development Goals (SDG), the UN Global Compact, the UN Principles for Responsible Banking, the Paris Agreement, and the European Green Deal.



Deliver transparently & responsibly with speed and precision

We continuously improve our ESG disclosures and ensure that we carry out our business responsibly, with high integrity.

2025 Sustainability Commitments

Core focus areas



Accelerate the green transition



Help improve people's lives

- **At least 40% and up to 50%** of new infrastructure financing supporting the **green transition**
- **Up to 10%** of annual new infrastructure financing going towards **innovative projects** to scale **new green solutions**
- **At least 30%** of new infrastructure financing going towards **social infrastructure and/or digitalisation & communication**

Key enablers



Integrate impact

- At least 95% of KA employees to be trained on sustainable development
- KA-designed SDG impact curriculum to be used to train banking employees by Q2 2023



Deliver transparently & responsibly with speed and precision

- Environmental Sustainability Ratio to be defined by Q3 2023
- Greenhouse gas emissions of financing projects to be measured by 2024 according to PCAF¹; net-zero target to be set
- At least 30% of managers to be female by 2025
- Eliminate gender pay gap by 2025

¹ Partnership for Carbon Accounting Finance

Highlights 2021

Strategic targets outperformed and delivered one year ahead of plan

- Record year for Infrastructure & Energy market (EUR 300bn vs. EUR 200bn in 2020) regardless of pandemic and supply chain issues
- KA seized opportunities in this changed market environment | new business +65% vs. 2020 | EUR 1.9bn I&E volume
- 0.0% NPL ratio since 2015
- > EUR 700m capital market issuances
- EUR 60m operating result | +26.5% vs. 2020
- Initiatives for green solutions (hydrogen, PV)

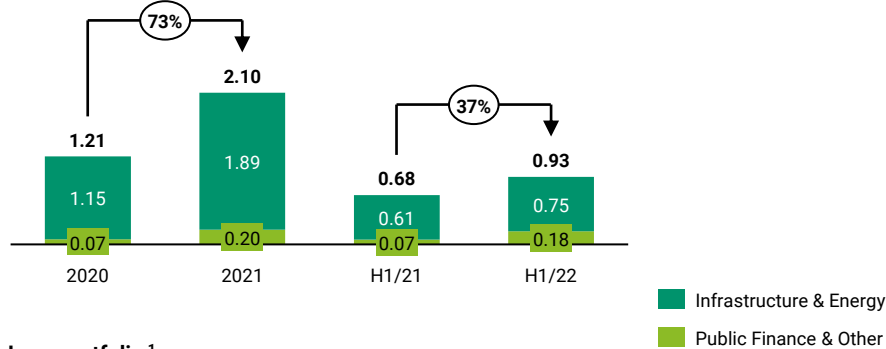
Highlights H1/2022

Continued strong performance regardless of global challenges

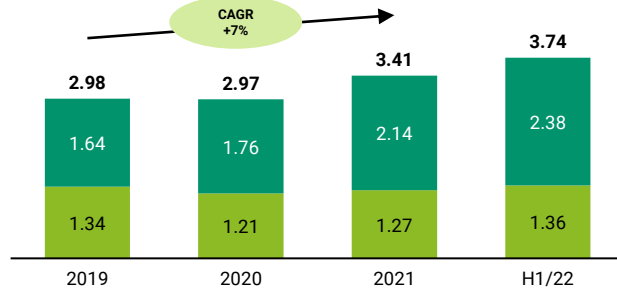
- I&E market intact and growth accelerated by macro tailwinds | EUR 137bn in H1/22 (+71% vs. H1/21)
- +37% vs. H1/21 New business | EUR 932m
- +100% vs. H1/21 Result before tax | EUR 52m
- 30% RoE before tax | sector leading
- EUR 400m Covered bond successfully issued
- No material impact from RUS/UKR war | 0.0% NPL ratio
- FY2021 I&E revenues already delivered by 08/22
- Excellent FY2022 expected

Sustainable growth of new business and loan portfolio

New business in EURbn



Loan portfolio ¹ in EURbn



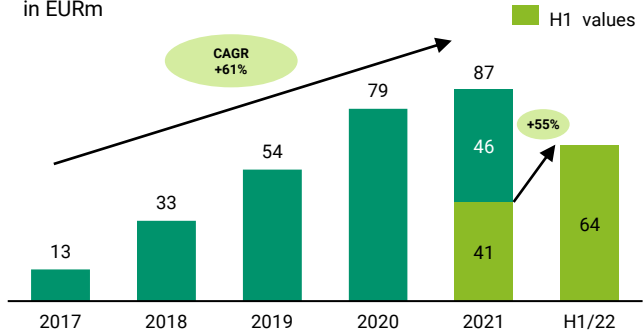
HIGHLIGHTS

- Overall I&E transaction **volume strongly increased** in 2021 (I&E market: +50% yoy; KA I&E: +65% yoy)
- Infrastructure & Energy (I&E) business **resilient** to various economic cycles and even ongoing pandemic and war
- Long-term growing demand to fund energy transition, digitalisation, zero-emission mobility, elderly care and public health
- KA swiftly adapted to market sentiment with **increased focus on energy & environment and communication & digitalisation**, representing 80% of 2021 new business
- New I&E business in H1/22 included broadband, PV solar parks, wind farms and water treatment
- Sustainable growth of loan portfolio (CAGR 2019-21 +7%)

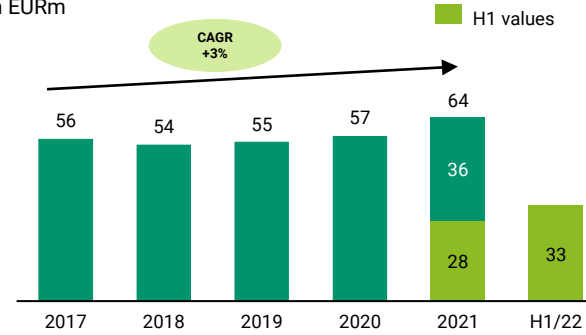
¹ including project bonds and disbursement obligations

Excellent track record of increasing I&E revenues whilst keeping costs flat

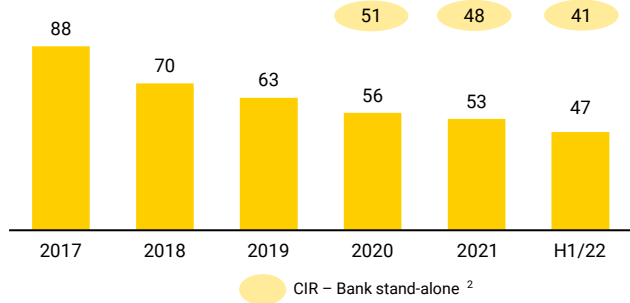
● Infrastructure & Energy revenues (gross)¹
in EURm



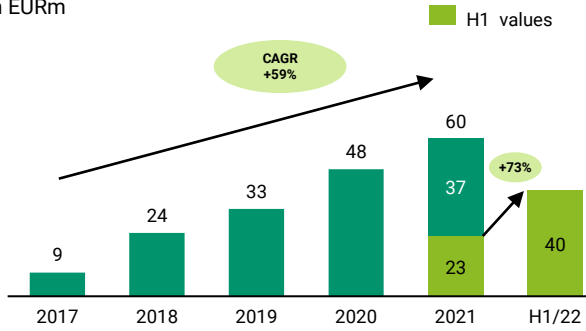
● Total expenses (before levies)
in EURm



● Cost-income ratio
in %



● Operating result
in EURm



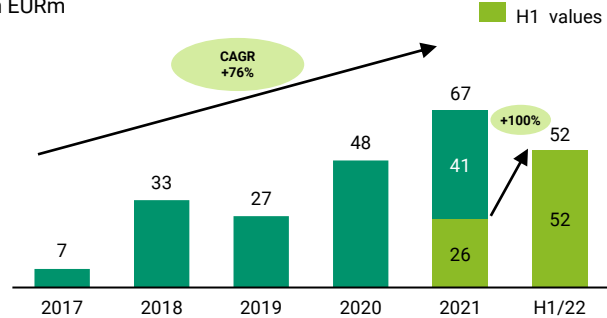
- Strong growth of revenues from infrastructure & energy | **+55% H1 yoy**
- Business growth paired with strict cost discipline led to **substantial decrease of cost-income ratio to 41%** (Bank stand-alone)
- Substantial growth of **operating result** driven by I&E interest income | **+73% H1 yoy**

¹ Defined as the sum of I&E – interest income, I&E – arrangement fees, I&E placement result and I&E advisory, investment advisory & asset servicing and other fees

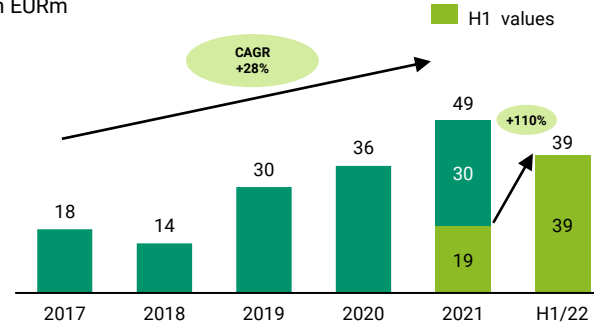
² KA stand-alone excluding impact of other group entities (mainly grant management subsidiary Kommunalcredit Public Consulting, with dilutive impact to cost-income ratio due to cost plus model)

Delivering double-digit after-tax RoEs on >15% Tier 1 ratio

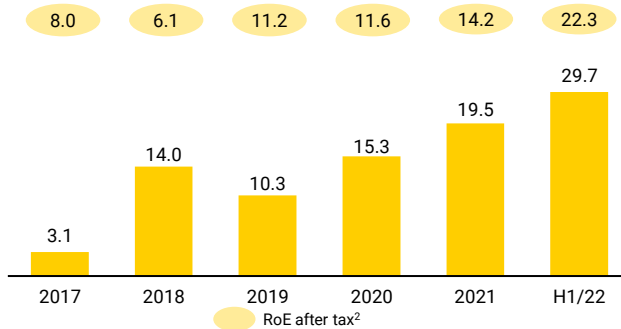
Result before tax in EURm



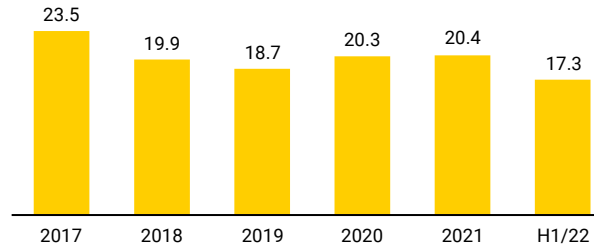
Result after tax in EURm



Return on equity before tax¹ in %



Tier 1 ratio KA (Local GAAP) in %, stand-alone basis



- Exceptional growth trajectory in result before tax | **+100% H1 yoy**
- Result after tax follows a similar trajectory (tax loss carried forward fully utilised by year end 2020) | **+110% H1 yoy**
- Strong track record of **double-digit after tax RoE** on a solid capital base well above regulatory capital requirements

¹ Calculated as result before tax / common equity tier 1 capital as of beginning of the relevant year

² Calculated as result after tax / common equity tier 1 capital as of beginning of the relevant year

Funding strategy with foresight to implement business growth

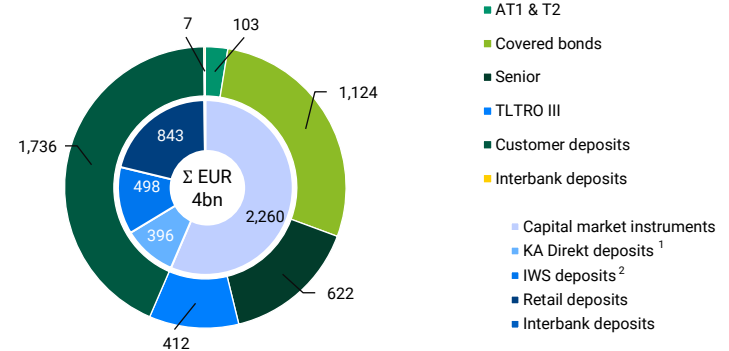
SUSTAINABLE GROWTH TRAJECTORY

- Infrastructure & Energy **market growth accelerated** by macro tailwinds (e.g. energy transition and reconfiguration of European energy supplies, digitalisation)
- **Sustainable new business volume growth**, aided by strong placement activity
- Growing emphasis on **ESG, advisory**, asset management and structuring activities

SOLID FUNDING & LIQUIDITY

- KA's funding strategy focuses on a **sound diversification** between capital market instruments (covered and senior) and customer deposits
- Diversified deposit base with **high share of term deposits**
- 6.3 yrs weighted average term of assets vs. 6.4 yrs liabilities
- **Strong liquidity situation** with liquidity ratios well above regulatory requirements
 - 276% Liquidity Coverage Ratio (LCR)
 - 120% Net Stable Funding Ratio (NSFR)
 - EUR 773m total liquidity position

REFINANCING & DEPOSIT STRUCTURE in EURm, as of 30/06/2022



¹ KA Direkt: wholesale deposits from municipalities and public sector companies

² IWS deposits are direct business with corporate/Institutional customers

Low balance sheet risk and high asset quality | 0.0% NPL since 2015

WELL MANAGED BALANCE SHEET RISK

- **Low balance sheet risk** due to characteristics of infrastructure sector and KA's expertise with high placement levels
- **Diversified loan book** across regions and sectors and public sector finance exposures to Austrian municipalities secured by excellent credit quality
- **0.0% NPL** – since the bank's privatisation in 2015

HIGH ASSET QUALITY

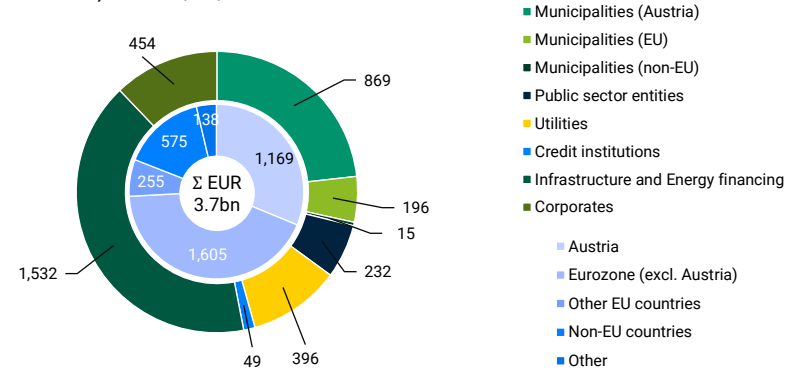
- KA's loan portfolio is **diversified and well-balanced** with infrastructure and energy financing transactions and public finance loans
- Average portfolio rating BBB+
- 70% investment grade

STRONG CAPITALISATION

- Robust capital adequacy | **Capital more than doubled** since 2015
- Tier 1 ratio at 17.3% with substantial buffer to the regulatory requirement (11.1%)
- Placement and Fidelio Debt Fund platform support **high balance sheet churn rate** and increasing fee income

PORTFOLIO BY REGION/BORROWERS

in EURm, as of 30/06/2022



Ratings

COVERED BOND RATING

S&P Global Ratings

- **High credit quality** portfolio of predominantly Austrian and German public sector assets.

A+
Stable Outlook

ISSUER RATING

S&P Global Ratings

- Demonstrating **resilience**
- **Robust** business model
- Underlining KA's **earnings strength, high capital buffers** and sound risk management

BBB- / A-3
Stable Outlook

FitchRatings

- Well-established franchise, **strong track record** and experienced management team
- **Strong asset quality**, sound liquidity, adequate risk/return profiles, lean cost base and steadily **improved profitability**

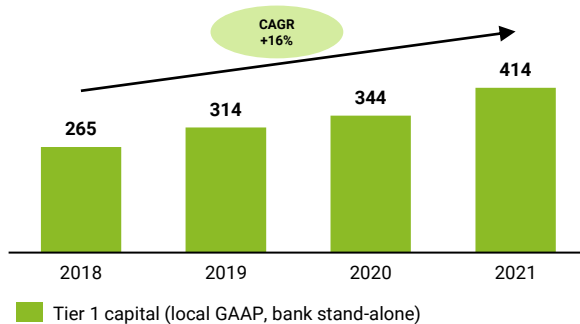
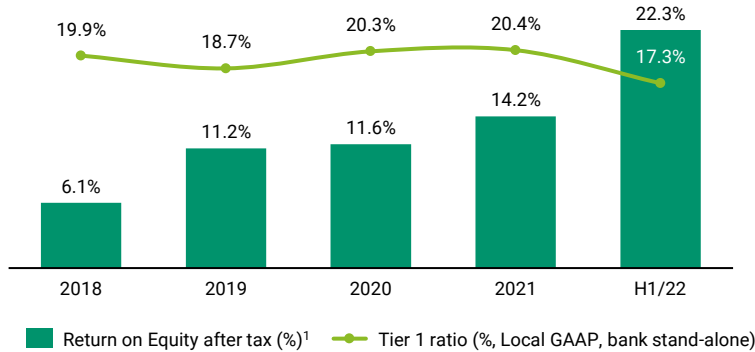
BBB- / F3
Stable Outlook

MORNINGSTAR | DBRS

- **Strong results and resilient** business model
- Further **strengthened franchise**
- Continuous increase in operating profitability, stable liquidity, **strong capitalisation and high asset quality**

BBB / R-2 (high)
Stable Outlook

Delivering highly profitable growth with robust capitalisation



- **Key rating drivers further improved since investment grade ratings² awarded** | unlock further rating positive factors (sustaining improved profitability, expand capital, broadening of franchise)
- Continuous improvement of profitability reaching **sector leading RoE after tax of 22.3% in H1/22**
- Diversification and increase of revenues with **complementary I&E products and services** (e.g. asset management, advisory, structured export finance, private placements)
- **Robust capitalisation** while implementing sustainable volume and profit growth
- **Expanding the capital base** with retained earnings and capital increases
- **Impeccable risk track record** – constant 0.0% NPL ratio since 2015 | diversified portfolio with continued high asset quality
- Infrastructure is a highly resilient asset class, largely independent of economic cycles and with **structurally low default risk**
- **KA business is highly resilient and profitable** through various economic cycles/crisis – no material negative impacts from Russia/Ukraine conflict or macro environment (inflation, interest rates, supply chain)

¹ Consolidated profit for the year after tax / common equity tier 1 capital as of 1/1 of the respective year

² S&P: BBB- since 02/2021; Fitch: BBB- since 03/2021; DBRS: BBB since 10/2020

Outlook 2022

Highly profitable growth ahead

- I&E market very resilient and growing
- New business growth path continued
- Sector leading profitability
- High level of efficiency
- Robust capitalisation

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