

# THERE FROM THE BEGINNING.

Kommunalkredit Austria AG | Company Presentation | March 2024

>EUR 1.6bn

New Business Volume  
from infrastructure and  
energy financing

A-

Average rating of  
premium-grade  
portfolio

BBB | BBB- | BBB (Senior)

Investment grade ratings  
Positive & Stable Outlook  
S&P | Fitch | DBRS

Awards 2023

Best specialised bank  
(Börsianer magazine)  
Highest Reputation as  
Sustainable Company  
(Kurier newspaper)

Green Commitment

Joined the Partnership for Carbon  
Accounting Financials Initiative |  
First Austrian bank in the European  
Clean Hydrogen Alliance



EUR 134m

Operating result  
+58 %



Focus on  
**Europe**

C

Prime Status

ISS ESG Rating



37%

Cost/Income ratio\*\*



25%

Return on Equity  
after tax\*\*\*

\* All figures as of 31/12/2023 according to IFRS

\*\* Result from subsidiary KPC (cost plus model) netted in CIR calculation to provide fair view on efficiency

\*\*\* Return on equity = Profit for the period/common equity of the group as of 1/1

# Kommunalkredit Austria (KA) at a Glance

Infrastructure platform bridging the needs of sponsors and investors

## TOP INFRASTRUCTURE FUNDER

- Client range including sponsors of infrastructure and institutional investors
- 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
- Core expertise | sector focus on energy & environment, social infra, communication & digitalisation and transport
- USP: swift implementation of tailor-made solutions

## ATTRACTIVE UNDERLYING MARKETS

- Increasing demand from institutional investors driven by expansion into alternative investments and search for yield
- Infrastructure is not a unique asset class but a wide and diverse set of opportunities requiring specialist expertise
- Less impacted by recession, deflation, reflation, and inflation than other asset classes
- Lower default rates and higher recovery rates than other sectors
- Demand for sustainable and intact infrastructure remains high during the war in Ukraine and following Covid-19

## 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)

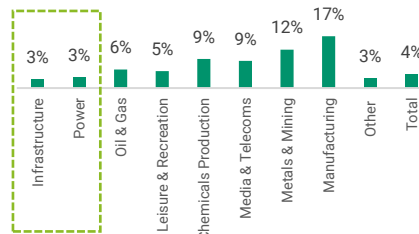
### Selected Awards



### Selected Reference Projects

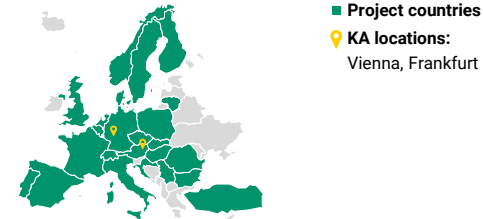
NORTHERN FIBER HOLDING	Renewable Power Capital	ASTERION INDUSTRIES
<b>White Gold Broadband</b>	<b>Magna II Onshore Wind</b>	<b>Sunrise Energy &amp; Power</b>
EUR 415m	EUR 197m	EUR 2.6bn   660m
Project Finance MLA	Project Finance MLA & Structuring Bank	Sole M&A Advisor   Sole Financial Advisor
2023, Germany	2023, Finland	2023, Germany

### Default Rates by Industry\*



\* Moody's Default and Recovery Rates for PF Bank Loans, 1983-2021

### Project Locations



**Bernd Fislage**

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



**Sebastian Firlinger**

Member of the Executive Board since 01/2021  
CFO/CRO

# Executive Summary

## Strong financial core metrics

### SUSTAINABLE GROWTH TRAJECTORY

- Unique combination of Investment Banking & Asset Management via Fidelio Fund platform
- Sustainable new business volume growth, aided by placement activity
- Growing emphasis on consultancy and structuring activities
- Cost base rationalised, cost/income ratio <40%
- Regulated asset approach with attractive yield

### WELL MANAGED BALANCE SHEET RISK

- Low balance sheet risk due to characteristics of infra sector and KA's expertise with solid placement levels
- Diversified loan book across regions and sectors
- KA's public sector finance exposures to Austrian municipalities secured by excellent credit quality

### STABLE FUNDING BASE

- KA funds via deposits and capital market instruments (covered bonds, senior unsecured)
- Well-balanced asset-liability structure
- Diversified deposit base with high share of term deposits from corporates, institutions, municipalities & retail
- Strong liquidity situation w/ liquidity ratios (LCR, NSFR) well above regulatory requirements

### SOLID CAPITALISATION

- Robust capital adequacy | Capital more than doubled since 2015
- Placement and Fidelio Debt Fund platform support balance sheet churn rate increasing capital light fee income

### Continuous Growth Trajectory (IFRS, in EUR m)

	2020	2021	2022	2023
EBIT*	48	60	85	134
Result before tax	48	67	99	136
Result after tax	36	49	78	101

\* Operating result = pretax annual result excluding credit risk and valuation result

### Key Performance Indicators (IFRS | Local GAAP for Tier 1)

	2020	2021	2022	2023
Cost/income ratio*	51 %	48 %	43 %	37 %
RoE before tax**	15 %	20 %	28 %	34 %
Tier 1 ratio***	20 %	20 %	19 %	20 %

\* Result from subsidiary KPC (cost plus model) netted in CIR calculation to provide fair view on efficiency

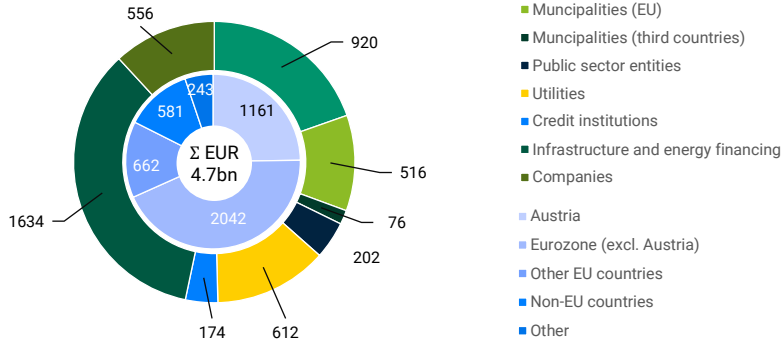
\*\* Return on equity = Profit for the period/common equity of the group as of 1.1. of the respective year

\*\*\* Local GAAP Bank stand-alone

# Executive Summary

Diversified and stable loan book | Comfortable funding and liquidity situation

## PORTFOLIO BY REGION/BORROWERS in EUR m, as of 31/12/2023

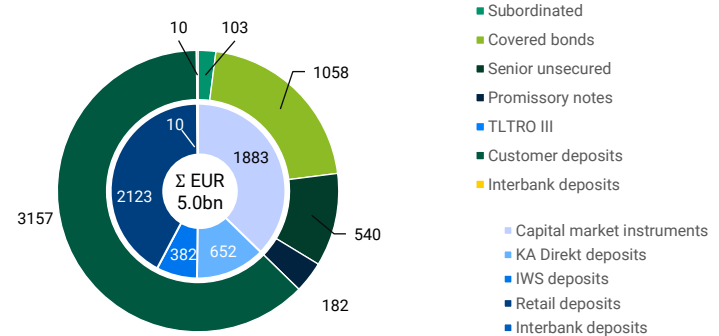


## HIGH ASSET QUALITY

KA's loan portfolio is well-balanced, comprising an increasing proportion of infrastructure and energy financing transactions and a significant volume of public finance loans

- Average portfolio rating "A-"
- 66% investment grade

## REFINANCING & DEPOSIT STRUCTURE in EUR m, as of 31/12/2023



## STABLE FUNDING & LIQUIDITY SITUATION

KA's funding strategy focuses on a sound diversification between capital market instruments and customer deposits to reduce dependency on one single funding source

- EUR 1,752m Total Liquidity Position (EUR 888m cash with central banks & EUR 864m liquidity reserve)

542%  
LCR

135%  
NSFR

# Executive Summary

## Fidelio KA debt platform

### VALUE PROPOSITION

- Direct access to an attractively priced pipeline of assets originated & structured by KA
- Fast and transparent conversion of subscribed capital into profitable investments
- Alignment of interest through KA co-lending over the life of each project
- Rigorous, independent & regulated investment process
- Risk & portfolio management including a Solvency II compliant reporting & valuation process
- Experienced international team with outstanding industry expertise and track record

### REASONS TO INVEST

- Stable valuation in a highly volatile market
- Infrastructure debt benefit from rising interest rates while offering inflation protection
- Low observed correlations with other asset classes, e. g. private equity
- Infrastructure loss history far below corporate loss history  
(Moody's study: "Default and Recovery Rates for Project Finance Bank Loans, 1983-2020")
- Performed well in spite of Covid-19 crisis and the war in Ukraine

### FUND STRATEGY

"Fidelio KA Infrastructure seeks to provide institutional investors with steady, long-term yield from a portfolio of private infrastructure and energy debt investments.

The reason for success of Fidelio is its exclusive symbiosis with KA, managed and administered by an expert independent Alternative Investment Fund Manager (AIFM) in Luxembourg."

### CURRENT PORTFOLIO SUB-FUND I

Interest type\* (Interest rate floors are established in most projects)



Region\*



Sector\*



Debt type\*



### SUB-FUND I (ISIN: LU 1848860901; CLOSED)

Fund Volume	EUR 354m (at final close)	Countries	Europe, OECD only
Currency	EUR	Duration	10 years + ext. option
Fund type	LUX. SICAV-RAIF SCA	# of investors	6 Institutionals
Margin*	Average gross margin >3%		
Rating**	Investment grade (BBB-)		

### SUB-FUND II (ISIN: LU 2363960290; SEED CLOSE 09/08/2022)

Target Size	EUR 500m	Countries	Europe, OECD only
Currency	EUR	Duration	10 years + ext. option
Fund type	LUX. SICAV-RAIF SCA	# of investors	6-8 Institutionals
Margin target	Average gross margin >3.5%		
Target rating**	Investment grade (BBB-)		

\* Data as of 31/12/2023

\*\* Indicative initial internal rating, for information purposes only, based on S&P methodology

# Overview of KA

## Business model

### SPECIALISED INFRASTRUCTURE & ENERGY BANK

- Cash-flow based, asset secured, predictably performing investments
- International team with outstanding industry expertise
- High transactional closing ratio due to wide product ability and tapping primary markets
- Repeat client base
- Strong track record in managing risk and growing business
- Appropriate risk/reward profile of asset accumulation

### PRODUCTS & CLIENTS

- Infra & Energy Finance: Senior Debt, Junior Funds (incl. Mezz- and Equity investments), Project Development & Financial Advisory
- Infra Debt Fund Platform "Fidelio KA"
- Corporates, Developers, Advisors, Financial Investors
- Pension funds & Insurers, Asset Managers, Family Offices
- Public Finance as 2<sup>nd</sup> pillar

### CLEAR VISION & CONCISE MISSION

- KA will become the most agile & nimble infrastructure bank in Europe helping to create a better world



#### Energy & Environment

Energy supply & distribution  
Renewable energy  
Water supply & treatment  
Waste management & disposal



#### Communication & Digitalisation

Broadband  
Fibre optic  
Data centres



#### Transport

Roads, Bridges  
Tunnels  
Airports, Ports  
Waterways  
Rail/Public Transportation  
Rolling Stock



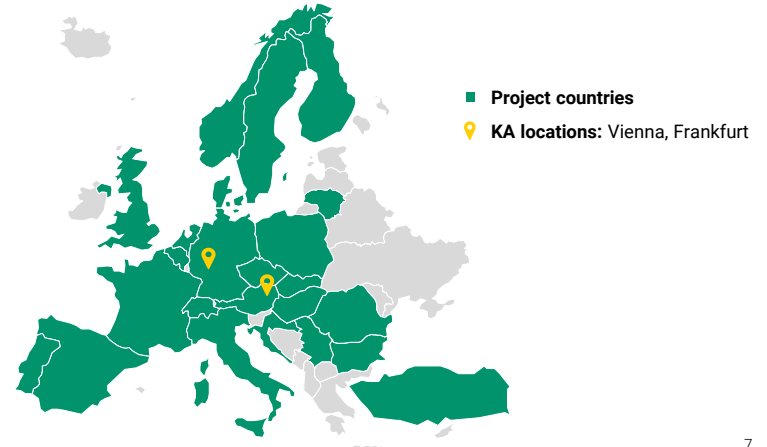
#### Social Infrastructure

Nurseries  
Schools, universities  
Hospitals  
Nursing Homes  
Court Buildings and correction facilities  
Administrative Buildings



#### Natural Resources

Hydrogen  
LNG terminals  
Pipelines  
Energy storage



# Clear Vision – Concise Mission

KA as partner of choice for long term commitment

## VISION

We will become the most agile & nimble infrastructure bank in Europe helping to create a better world.

## MISSION

We are always first when it comes to delivering outstanding results with speed & precision. We never stand still. We take “always first” as an obligation to get better every day.

## STRATEGY



## BENEFIT TO THE COMMUNITY

- We help to create a better world by enabling the development of sustainable infrastructure that improves the quality of people's lives.
- Infrastructure investments serve as a powerful tool for responding to social needs and fundamentally increasing the general well-being of communities.
- We provide tangible benefits to the population at large: Economic dynamism | Urban development and renewal | Strengthening rural areas | Job creation | Social cohesion | Climate protection measures.
- We focus on secure, stable and sustainable yield to our investors.

## WHAT SETS KA APART

- Unique combination of in-depth industry expertise and structuring know-how with the financing ability of a bank
- Access to solid captive asset and large investor base
- Strong track record of senior team in managing risk and growing business; investments into talent and development of management
- Ability to price risk adequately and to deliver on our commitment to the sponsors
- Benefit of an agile bank: nimble, flexible, no silo mentality and eagerness to succeed



# Infrastructure & Energy

Continuous demand in the European infrastructure & energy market

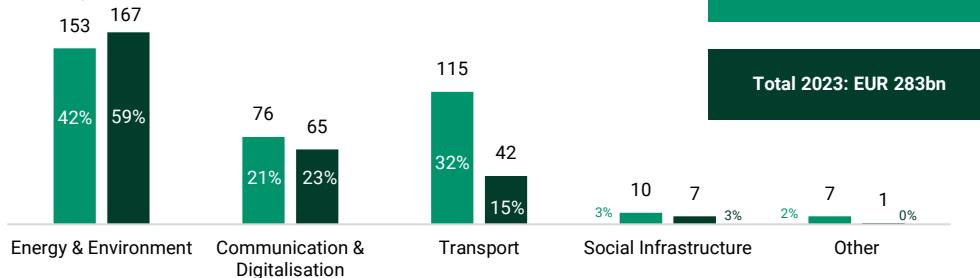
## DRIVERS FOR INFRASTRUCTURE & ENERGY

- Demand for sustainable and intact infrastructure in Europe will remain high during the war in Ukraine and following Covid-19 crisis
- Global trends are driving infrastructure investments
- EU's Green Deal as well as national climate and energy targets require substantial developments & investments in the infrastructure and energy sector
- Greater independence from fossil energy sources and avoidance of further supply chain disruptions require alternatives
- Relevance of e. g. communication/digitalisation highlighted by current issues such as home office, distance learning
- Constantly high number of transactions in (renewable) energy infrastructure
- KA focus sectors directly address demand created by these trends

## DEAL VOLUME BY SECTOR

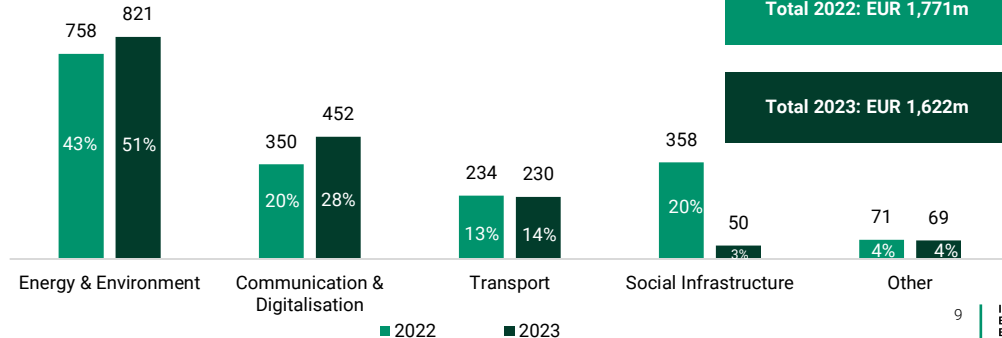
### EUROPE\*

EUR bn/ in % of total I&E market



### KOMMUNALKREDIT

EUR m/ in % of total I&E new business



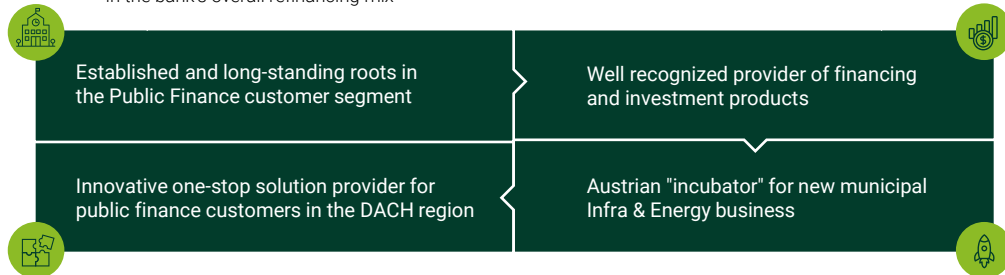
\*Source: Inframation Database 12/2022 & 12/2023

# Public Finance

2<sup>nd</sup> pillar of KA's business model



- Public Finance represents a core competence in the financing business with municipalities and related enterprises
- With investments in essential infrastructure that is used directly by citizens, municipalities and their public institutions we create and protect jobs and help to keep the economy going
- In addition to the financing business, the public finance investment side also plays an important role in the bank's overall refinancing mix



## ESTABLISHED NETWORK

KA has excellent and long-standing customer relationships in Austria and neighbouring countries, both on the financing and the investment side

## FOCUSED IMPLEMENTATION

- Selection of financing opportunities (purpose, term, volume) in the public finance space
- Refinancing on the capital market via covered bonds
- Client-centric digital online platform for public finance customers
- Easy and transparent monitoring of financing arrangements

## CORE EXPERTISE

- Energy & Environment
- Communication & Digitalisation
- Transport
- Social Infrastructure
- Natural Resources



# Ratings

## Investment grade level

### COVERED BOND RATING

### ISSUER RATING

### ESG RATING\*

**S&P Global**  
Ratings

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

**A+**  
Stable Outlook

**S&P Global**  
Ratings

- **High earnings and well-managed** business model
- **Strong capital generation capacity**
- Robust asset quality, underpinned by **low credit-risk costs**

**BBB / A-2**  
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**  
Positive 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)**  
Positive Outlook










- On February 8, 2023, ISS ESG awarded a “C”-Rating and the **“Prime Status”** for Kommunalkredit
- **Transparency level “very high”** assigned

**C**  
“Prime Status”

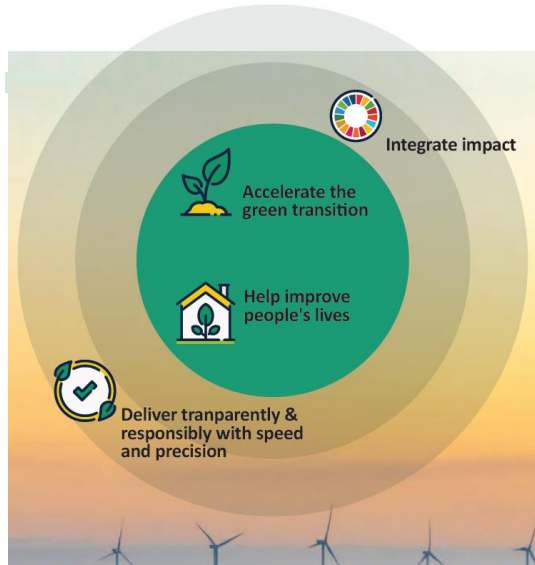
\* KA has also an ESG risk rating from Morningstar Sustainability. Details can be found at <https://www.kommunalkredit.at/en/who-we-are/sustainability> or in the integrated annual report 2023

# ESG | Sustainability

Contributing to achieving climate targets and building a sustainable economy by the very nature of sustainable infrastructure & public finance lending

<h2>Our ESG mission</h2>	<p>"We enable the development of sustainable infrastructure to accelerate the green transition, and help improve people's lives"</p>					<h2>We are guided by</h2>					
<h2>Impact</h2>	 <p><b>Waste Mgmt.</b></p> <p>We contribute to eliminating <b>4.1m tonnes</b> of waste each year.</p>	 <p><b>Care Homes</b></p> <p>We create accommodation for more than <b>8,900 elderly &amp; disabled people</b>.</p>	 <p><b>Schools</b></p> <p>We contribute to the education of around <b>4,100 students</b>.</p>	 <p><b>Energy</b></p> <p>We enable around <b>5.2m homes</b> to use renewable energy each year.</p>	 <p><b>EV Charging</b></p> <p>We develop the refuelling infrastructure for electromobility with around <b>28,000 charging stations</b>.</p>						
<h2>History</h2>	 <ul style="list-style-type: none"> <li><b>1992</b> First Austrian issuer of an environmental bond</li> <li><b>1997</b> ISO 14001 certified</li> <li><b>2004</b> First sustainability report</li> <li><b>2012</b> ESG assessment in credit process integrated</li> <li><b>2017</b> First Austrian social covered bond</li> <li><b>2021</b> UN Global Compact joined</li> <li><b>2022</b> Sustainability strategy updated with strong commitments</li> <li><b>2023</b> Signed the UN Principles for Responsible Banking Joined the Partnership for Carbon Accounting Financials (PCAF) Publication of Sustainable Funding Framework</li> </ul>										

# Sustainability Strategy – strongly anchored in business



## 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, Partnership for Carbon Accounting Financials (PCAF), 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.

# Executive Board

## Significant experience



**Bernd  
Fislage**

CEO

### CAREER

- 2017: Kommunalkredit Austria AG
  - 2018 Chief Executive Officer
  - 2017 Member of Executive Board
- 1998-2015 Deutsche Bank AG
  - Global Head of Asset Finance & Leasing
  - Head of Structured Finance Germany
  - Member of Global SF Executive Committee
  - Member of CB & S Executive Committee Germany
- 1996-1998 NatWest Markets Plc.
- 1993-1996 BHF-Bank AG
- 1992 Dresdner Bank AG

Graduate of TU Darmstadt

### RESPONSIBLE FOR

Banking, Markets, Corporate Services (HR | Legal | Communication | Strategy), Internal Audit



**Sebastian  
Firlinger**

CFO/CRO

### CAREER

- 2021: Kommunalkredit Austria AG  
Member of Executive Board
- 2018-2020 Südwestbank AG  
Member of Executive Board
- 2015-2018 BAWAG P.S.K.
- 2014-2015 Bain & Company  
Germany Inc.
- 2009-2014 Hypo Alpe-Adria Bank  
International AG
- 2007-2009 Accenture GmbH
- 2004-2007 Deloitte Audit  
Wirtschaftsprüfungs GmbH

Graduate of WU Vienna and TU Vienna











### RESPONSIBLE FOR

Risk Controlling, Credit Risk, Finance, IT & Transformation, Banking Operations, Compliance & Non-Financial Risk Management
















# Track Record: Awards & Selected Reference Projects

Confirming the right track

## AWARDS

	Highest Reputation as Sustainable Company 2024 — Kommunikredit Austria		Quality seal for popular employers 2022 — Kommunikredit Austria
	Best Specialised Bank 2023 Rank 1 — Kommunikredit Austria		Best ESG Infrastructure Finance Europe 2021 — Kommunikredit Austria
	IJGlobal Awards 2023 Europe Digital Infrastructure Deal of the Year — Deutsche GigaNetz		Best ESG Infrastructure Finance Europe 2020 — Kommunikredit Austria
	Most Sustainable Infrastructure Project Partner Central Europe 2022 — Kommunikredit Austria		German Renewables Award 2020 — Global Tech I
	Best Sustainable Infrastructure Investment Company 2022 — Kommunikredit Austria		Excellent Brand – Banking & Financial Services 2020 — KOMMUNALKREDIT INVEST
	PFI Awards 2022 Europe Fibre Deal of the Year — Deutsche Glasfaser		PFI Awards 2019 Europe Bond Deal of the Year — Brebemi Road Italy

## SELECTED REFERENCE PROJECTS

				
<b>White Gold Broadband</b>	<b>Magna II Onshore Wind</b>	<b>Twister Waste</b>	<b>Triumph Ports</b>	<b>Conapto Data Centre</b>
<b>EUR 415m</b> Project Finance MLA 2023, Germany	<b>EUR 197m</b> Project Finance MLA & Structuring Bank 2023, Finland	<b>EUR 340m</b> Corporate Finance MLA 2023, Italy	<b>EUR 198m</b> Project Finance MLA 2023, Portugal	<b>SEK 400m</b> Project Finance MLA 2023, Sweden
				
<b>Bionic Biomethan &amp; Biogas</b>	<b>Resolar II Solar PV</b>	<b>Gretchen Water &amp; Environment</b>	<b>Cura Healthcare</b>	<b>Moon Broadband</b>
<b>EUR 240m</b> Acquisition Finance MLA 2023, Germany	<b>EUR 60m</b> Development Finance MLA 2023, Spain, Italy	<b>EUR 84m</b> Corporate Finance MLA 2023, Germany	<b>EUR 576m</b> Corporate Finance Arranger 2023, UK	<b>GBP 962m</b> Project Finance Co-Arranger 2023, UK
				
<b>Sunrise Energy &amp; Power</b>	<b>H2 Green Steel Hydrogen/ Green Steel</b>	<b>Viveracqua Hydrobond 2022</b>	<b>Lynx Broadband</b>	<b>Hippocrates Social Infrastructure</b>
<b>EUR 2.6bn   660m</b> Sole M&A Advisor   Sole Financial Advisor 2023, Germany	<b>EUR 4.2bn</b> Project Finance Participant 2023, Sweden	<b>EUR 149m</b> Short Term Note STN Underwriter 2022, Italy	<b>EUR 325m</b> Project Finance MLA 2022, Germany	<b>EUR 900m</b> Corporate Finance Initial Arranger 2022, Italy

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