



# CORPORATE GOVERNANCE HANDBOOK

of Kommunalkredit Group  
as of 31 December 2023

KOMMUNAL  
KREDIT



# Table of contents

<b>3</b>	<b>About Kommunalkredit</b>
<b>4</b>	<b>Corporate structure</b>
<b>5</b>	<b>Annual General Meeting</b>
5	Ownership structure
6	Shareholder structure
<b>7</b>	<b>Supervisory Board</b>
7	Members of the Supervisory Board
8	Activity report of the Supervisory Board
8	Supervisory Board committees
9	Supervisory Board qualification requirements
<b>10</b>	<b>Executive Board</b>
10	Members of the Executive Board
10	Executive Board committees
<b>11</b>	<b>Diversity concept</b>
<b>12</b>	<b>Key function holders</b>
12	Risk management
12	Compliance
12	Internal Audit
12	Other key function holders
<b>13</b>	<b>Internal control framework</b>
<b>14</b>	<b>Risk strategy and risk management</b>
<b>14</b>	<b>Outsourcing</b>
<b>15</b>	<b>Code of Conduct</b>
15	Objectives and values of the company
15	Internal codes and regulations
15	Handling conflicts of interest
15	Whistleblowing
<b>17</b>	<b>Note</b>

# About Kommunalkredit

Kommunalkredit is a specialist in infrastructure and energy financing as well as public finance. From providing debt and subordinated capital to mezzanine or bridge financing to equity investments – we offer financing solutions across the entire capital structure.

The extensive range of products covers financial advisory and public finance as well as a wide variety of financing types in the infrastructure and energy sectors such as corporate finance, acquisition & leverage finance, export financing and project financing, and asset management through our Fidelio KA Infrastructure Debt Fund platform and equity financing for project development through Florestan KA GmbH.

Kommunalkredit focuses on the areas of Energy & Environment, Communication & Digitalisation, Transport, Social Infrastructure and Natural Resources. Kommunalkredit mainly operates in the member states and associated countries of the European Union.

Further information on its business model, expertise, products and markets is presented in the strategy as amended and in the Annual Report.

### Locations

Alongside its headquarters in Vienna, Kommunalkredit also has a branch in Frankfurt am Main (Germany).



## Energy & Environment

Energy supply & distribution  
Renewable Energy  
Water supply & treatment  
Waste



## Communication & Digitalisation

Broadband  
Fibre optic  
Data centres



## Transport

Roads, bridges, tunnels  
Airports, ports  
Waterways Rail/light rail, rolling stock



## Social Infrastructure

Nurseries, schools, universities  
Hospitals, nursing homes  
Court buildings and correction facilities  
Administrative buildings



## Natural Resources

LNG-Terminals  
Pipelines  
Energy storage  
Hydrogen

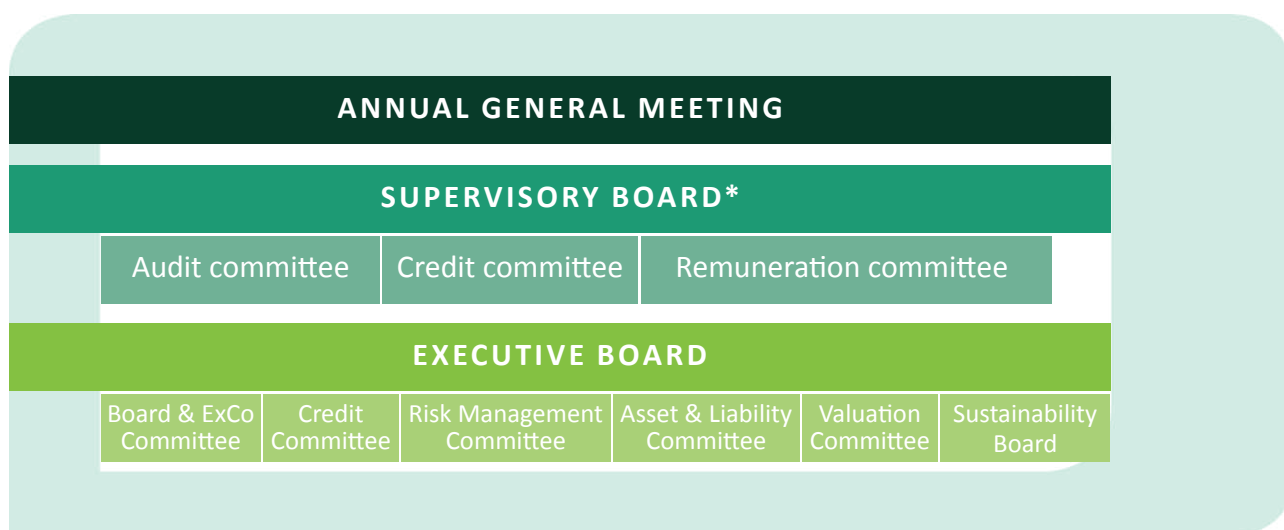
## Corporate structure

Kommunalkredit Austria AG (Kommunalkredit) is a public limited company established under Austrian law with an Executive Board and a Supervisory Board (dualistic system).

The Executive Board is responsible for corporate governance while taking the interests of the shareholders and employees as well as the public interest into account. The Executive Board develops the strategic focus of the company, agrees this with the Supervisory Board and ensures effective risk management and risk controlling. It passes its resolutions taking into account all relevant legislation, the Articles of Association as well as the Rules of Procedure and convenes routinely on a weekly basis.

The Supervisory Board appoints the members of the Executive Board, decides on the remuneration of the Executive Board and evaluates its activities annually. The Supervisory Board advises the Executive Board regarding the determination of the business strategy and is involved in decision-making, taking all relevant legislation, the Articles of Association and the Rules of Procedure into account. The meetings of the Supervisory Board are convened by the Chairman and take place at least once in the calendar quarter. Ad-hoc meetings also take place as required.

### Corporate governance structure of Kommunalkredit as of 31 December 2023



\* Tasks of the Nomination and Risk Committee are performed by the plenary Supervisory Board.

# Annual General Meeting

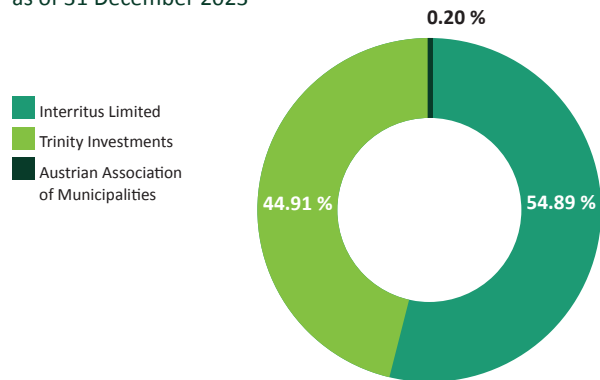
The Annual General Meeting, as the highest governing body of Kommunalkredit, comprises the company’s shareholders.

Kommunalkredit’s share capital amounts to EUR 177,017,120.82 and is divided into 34,414,295 no-par value bearer shares, each representing an equal share in the share capital.

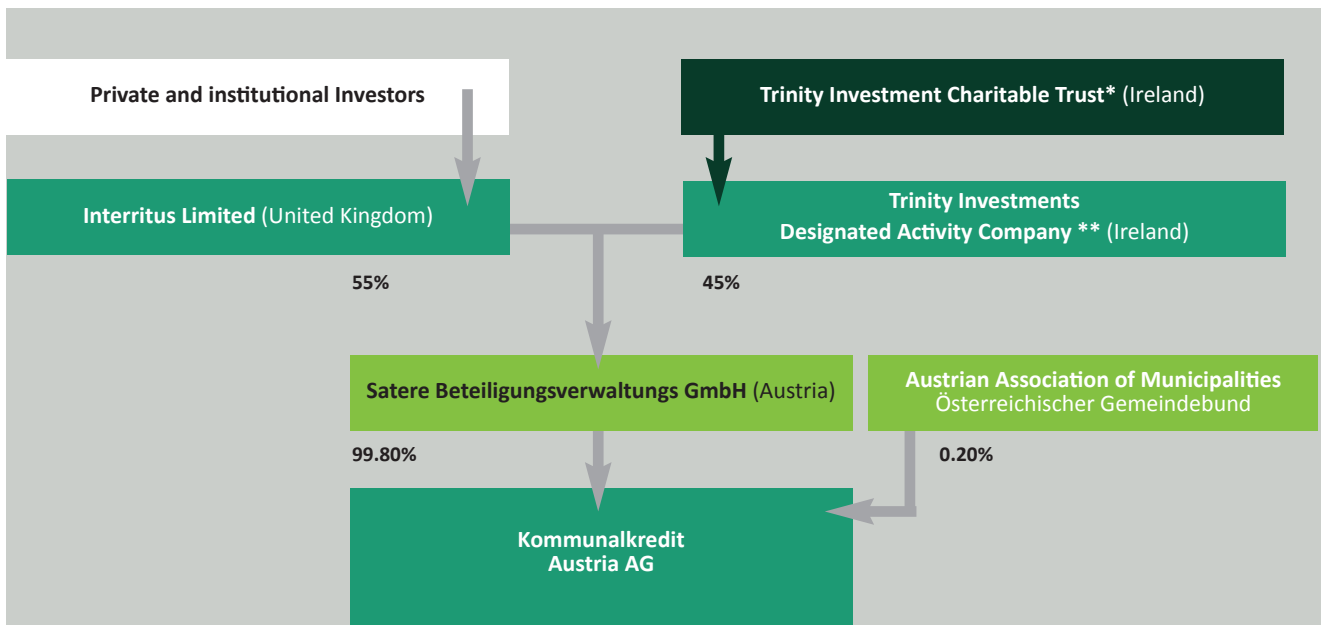
An Annual General Meeting (22 February 2023) and one Extraordinary General Meeting (15 November 2023) were held during the period from 1 January 2023 to 31 December 2023.

The Annual General Meeting was organised as a “hybrid Annual General Meeting” on the basis of § 1 (2) COVID-19 GesG, BGBl. I No. 16/2020 as modified by BGBl. I No. 24/2020 and COVID-19 GesV (BGBl. II No. 140/2020) taking the interests of both the company and the participants into account

**Kommunalkredit ownership structure**  
as of 31 December 2023



\* On 7 February 2023 Kommunalkredit announced that Scandinavian investor Altor will acquire an 80% majority stake in Kommunalkredit.



\* Trinity Investments Charitable Trust is a discretionary trust with no defined beneficial owners. Beneficiary could be any registered charity in Ireland.

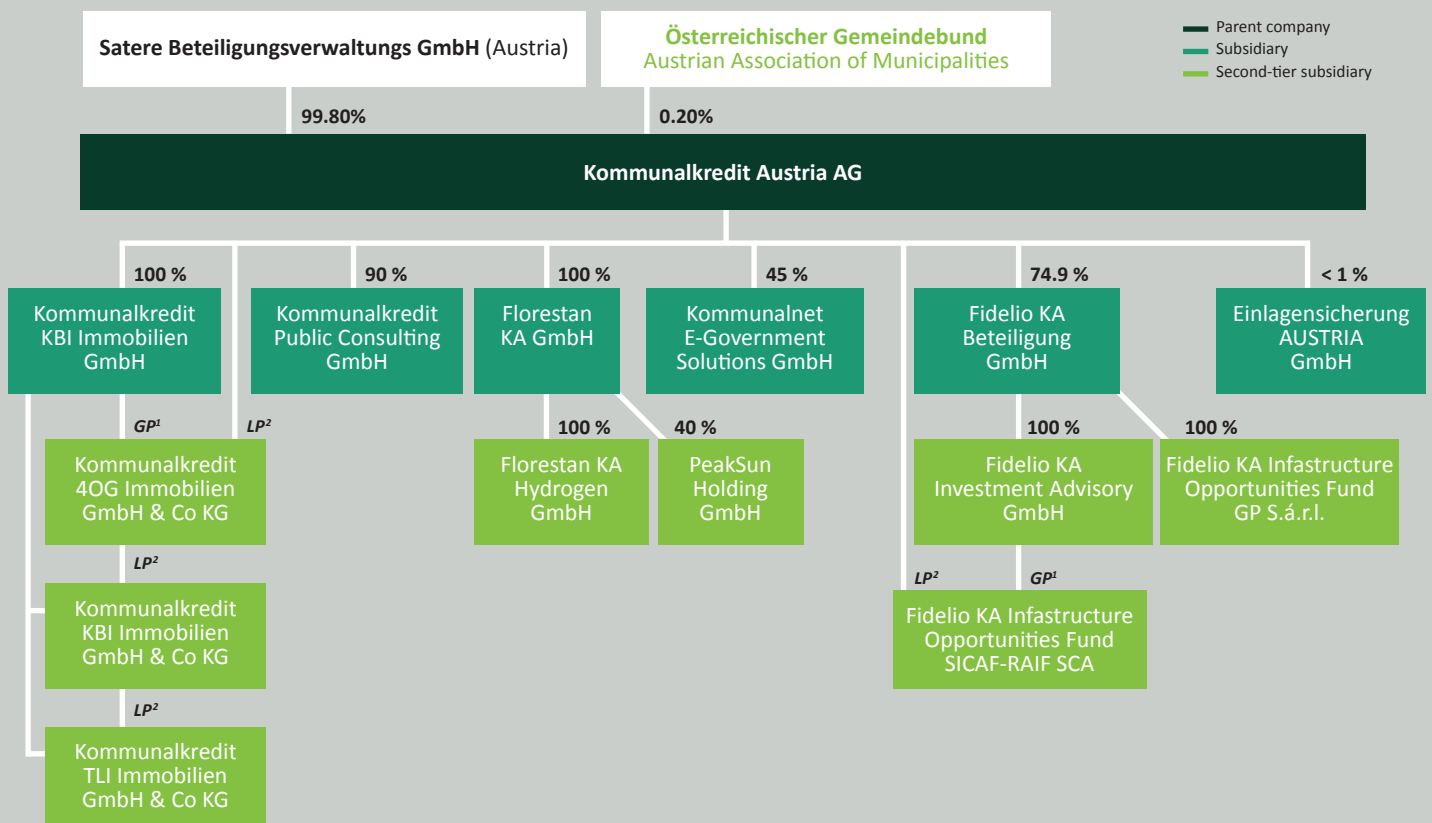
\*\* Investment Manager is **Attestor Limited**, an FCA regulated entity based in the United Kingdom.



Shareholder structure of Kommunkredit as of 31 December 2023

- 1 General partner
- 2 Limited partner

- █ Parent company
- █ Subsidiary
- █ Second-tier subsidiary



## Supervisory Board

### Members of the Supervisory Board as of 31 December 2023

Brigitte Markl resigned from the Supervisory Board on 31 January 2023. Peter Krammer resigned from the Supervisory Board on 7 December 2023. On 3 February 2023, the works council

appointed Oliver Fincke to the Supervisory Board as an employee representative. As of the reporting date, the Supervisory Board consists of four capital representatives, two independent members and three employee representatives.

Name	Role	Year of birth	Last appointment	End of tenure
Patrick Bettscheider	Chairman	1962	7 June 2016 (delegation)	for an indefinite period
Friedrich Andreae	Deputy	1981	30 September 2021 (delegation)	for an indefinite period
Alois Steinbichler	Member	1953	15 November 2023	next AGM
Jürgen Meisch	Member	1961	15 November 2023	next AGM
Martin Rey	Member	1957	15 November 2023	next AGM
Tina Kleingarn	Member	1974	15 November 2023	next AGM
Oliver Fincke	Member/Works Council	1967	3 February 2023 (delegation)	for an indefinite period
Gerald Unterrainer	Member/Works Council	1976	9 November 2022 (delegation)	for an indefinite period
Claudia Slauer (from 28 December 2023)	Member/Works Council	1974	28 December 2023 (delegation)	for an indefinite period

### State Representatives as of 31 December 2023

The Federal Ministry of Finance is obliged to appoint a State Representative and a Deputy to financial institutions whose total assets exceed a billion euros.

The State Representatives act as governing bodies of the Austrian Financial Market Authority (FMA) and, in this capacity, are exclusively subject to its directives. They have observer status and are not governing body members.

Name	Role	Last appointment	End of tenure
Philipp Schweizer	State Representative	1/7/2018	1/7/2028
Markus Kroiher	Deputy State Representative	1/12/2019	1/12/2024

### Independent members of the Supervisory Board as of 31 December 2023

Since Kommunalkredit Austria AG is capital market-oriented (an institution that has issued transferable securities admitted to trading at a stock exchange pursuant to § 1 (2) of the 2018 Austrian Stock Exchange Act (BörseG)), at least two independent members must belong to the Supervisory Board in accordance with § 28a (5a) of the Austrian Banking Act (BWG). § 28a (5c) BWG regulates that at least one Supervisory Board member is required to satisfy all independence criteria unconditionally.

The independence criteria are satisfied unconditionally by two members of the Supervisory Board of Kommunalkredit Austria AG. The independence of the relevant Supervisory Board members is verified, inter alia, on the basis of the mandate oversight. There must be no current or past relationships or affiliations with the institution or its management that might impact objective and balanced judgement and affect independent decision-making.

Name	Role	Year of birth	Last appointment	End of tenure
Juergen Meisch	Member	1961	15 November 2023	next AGM
Martin Rey	Member	1957	15 November 2023	next AGM

### Activity report of the Supervisory Board

Until 31 December 2023, the Supervisory Board performed its duties according to the rules of procedure in four ordinary meetings and one extraordinary meeting and made one decision by circular resolution.

Attendance at the meetings by the Supervisory Board members was as follows:

Name	Role	Total of all meetings/attended	excused
Patrick Bettscheider	Chairman	5/5	0
Friedrich Andrae	Deputy	4/5	1
Alois Steinbichler	Member	5/5	0
Jürgen Meisch	Member	5/5	0
Martin Rey	Member	5/5	0
Tina Kleingarn	Member	5/5	0
Oliver Fincke	Member/Works Council	5/5	0
Peter Krammer	Member/Works Council	5/5	0
Gerald Unterrainer	Member/Works Council	5/5	0

Within its remit and based on the requirements of the law, Articles of Association and Rules of Procedure, the Supervisory Board provided advice and monitored the work of the Executive Board both in the plenum and within the individual committees. Based on the reports regarding the risks relating to bank business, the Supervisory Board discussed the adequacy of capital and liquidity with the Executive Board. The Executive Board notified the Supervisory Board periodically about regulatory developments and the consequent measures.

The Supervisory Board received regular reports from Internal Audit, the Compliance function and Risk function and reviewed them in detail. The Executive Board discussed strategies and key measures in detail with the Supervisory Board. Legal transactions requiring approval were presented to the Supervisory Board, and the Supervisory Board had ample opportunity to review in detail the reports and resolution proposals submitted by the Executive Board.

The Supervisory Board reviewed the financial statements, the consolidated financial statements, the Supervisory Board report and the profit distribution proposal.

The Supervisory Board was regularly notified about the impacts of the COVID-19 crisis on the Kommunalkredit Group.

### Supervisory Board committees

To enhance efficiency and optimise the organisation of the Supervisory Board, the functions of the nomination and risk committee are performed by the full Supervisory Board. This is in alignment with the Austrian Banking Act amendment from 2018, which states that only financial institutions of considerable importance pursuant to § 5 (4) BWG, i.e. if their total assets have equalled or exceeded EUR 5 billion on average over the last three financial years, are required to establish a nomination committee, remuneration committee and risk committee.



In accordance with § 5 of the Rules of Procedure applicable to the Supervisory Board of Kommunalkredit, the Supervisory Board has formed the following specialist committees:

### 1 Credit committee

Name	Funktion
<b>Martin Rey*</b>	Chairman
<b>Friedrich Andrae</b>	Deputy
<b>Alois Steinbichler</b>	Member
<b>Oliver Fincke</b>	Member/Works Council since 16/2/2023

\* Independent member of the Supervisory Board

The credit committee decides on the grant, prolongation or deferment of loans and other investments pursuant to § 28b (1) BWG, for which there is a legal obligation to grant approval, on additional loan and investment decisions, which require approval by the Supervisory Board as well as the granting of pre-authorisations, to the extent permitted by law.

The credit committee had held four meetings in the year 2023.

### 2 Audit committee

Name	Funktion
<b>Jürgen Meisch*</b>	Chairman (financial expert)
<b>Martin Rey*</b>	Deputy
<b>Tina Kleingarn</b>	Member
<b>Peter Krammer</b>	Member/Works Council until 07/12/2023
<b>Claudia Slauer</b>	Member/Works Council since 28/12/2023

\* Independent member of the Supervisory Board

The audit committee is responsible for reviewing the annual financial statements (audit of the financial statements and audit of the consolidated financial statements) and the associated accounting process, reviewing and monitoring the independence of the (consolidated) financial statement auditor, reviewing the appropriation of profits and monitoring the effectiveness of the internal control system, the Internal Audit and the risk management system.

The credit committee had held two meetings in the year 2023.

### 3 Remuneration committee

Name	Funktion
<b>Patrick Bettscheider</b>	Chairman
<b>Friedrich Andrae</b>	Deputy
<b>Alina Czerny</b>	External remuneration expert
<b>Gerald Unterrainer</b>	Member/Works Council since 16/2/2023

The remuneration committee is required to manage matters relating to the implementation and monitoring of the remuneration policies, remuneration practices and the remuneration-related incentive structure. Accordingly, the purpose of its work is to avoid the establishment of remuneration systems that set false incentives regarding risk tolerance, and might thus potentially cause long-term damage to the financial institution. The remuneration systems are therefore risk-adequate and sustainably structured and consistent with the long-term interests of the financial institution.

The remuneration committee had held one meeting in the year 2023.

#### Qualification requirements of Supervisory Board members

The legal Fit & Proper requirements pursuant to § 5 (1) (6) to (9a) and § 28a (5) (1) to (5) BWG applicable to Supervisory Board members are assessed based on the internal bank policy ("Fit & Proper Policy"), which is coextensive with the FMA Fit & Proper Circular March 2023 and the EBA Guideline 2021/06 and EBA Guideline 2021/05. A separate Fit & Proper Office was set up to ensure compliance with and monitoring of these requirements. Similarly, Fit & Proper training for the members of the Executive Board and Supervisory Board as well as for holders of key functions takes place at least once a year.

# Executive Board

## Members of the Executive Board including responsibilities as of 31 December 2023

Name	Role	Year of birth	Last appointment	End of tenure
Bernd Fislage	CEO	1964	1/9/2018	31/1/2025
Sebastian Firlinger	CRO/CFO	1978	1/1/2021	30/06/2028



**Bernd Fislage**  
Chief Executive Officer (CEO)

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



**Sebastian Firlinger**  
Chief Risk Officer (CRO/CFO)

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

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Joint Board responsibilities: Internal Audit

More detailed regulations on tasks, organisation, powers, duties, overall responsibility and allocation of responsibilities of the

Executive Board is contained in the Rules of Procedure applicable to the Executive Board of Kommunkredit.

### Executive Board committees

The content as well as the decision-supporting documents regularly provided by the risk management committee (RMC), the asset liability committee (ALCO), the valuation meeting, the credit committee (CC), the Sustainability Board and the executive committee (EXCO) are clearly defined.

The content is determined by the results of the annual risk assessment, which ensures the completeness of risk quantification. Each committee has Rules of Procedure containing clearly defined regulations on responsibilities and the passing of resolutions at its disposal.

Executive  
Committee  
(ExCo)

Risk Management  
Committee  
(RMC)

Asset Liability  
Committee  
(ALCO)

Valuation  
Meeting

Credit  
Committee  
(CC)

Sustainability  
Board

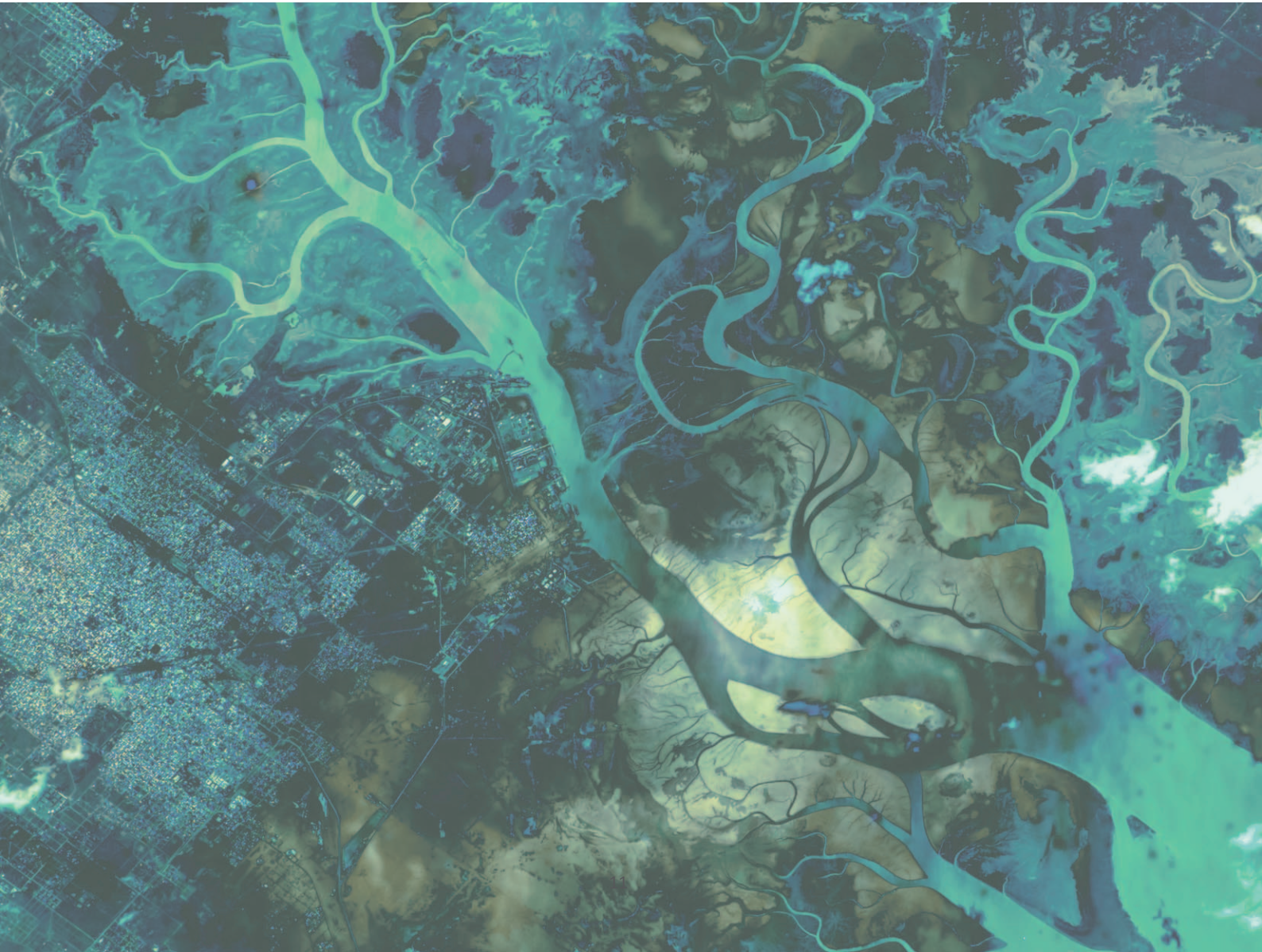
## Diversity concept

### Promotion of diversity and integration

When appointing members of the Executive Board and the Supervisory Board, care is taken to ensure that a broad range of skills, attributes and expertise are included in order to obtain a variety of views and experiences and enable independent opinion-forming as well as efficient and balanced decision-making in management and on the Supervisory Board.

In order to ensure equal opportunity for all genders, suitable measures are taken to ensure a balanced composition of personnel in management positions and thus guarantee a balanced pool of applicants for Supervisory Board and management positions.

Kommunalkredit ensures that no discrimination takes place within the company on grounds of gender, race, skin colour, ethnic background or social status, genetic features, religion or beliefs, memberships of national minorities, birth rights, disability, age or sexual orientation.





## Key function holders

Kommunalkredit is not a financial institution of considerable importance within the meaning of § 5 (4) BWG. Within the organisational structure of Kommunalkredit, the functions, competencies and responsibilities of each division are clearly defined and determined. Risk-taking organisational units (front office) are clearly separated from organisational units in charge of monitoring and communicating risks (back office) at all levels up to the Executive Board.

Employees in key functions (“identified staff”) may be members of “higher management” (pursuant to §2 (1) BWG) as well as persons that have a significant bearing on the orientation of Kommunalkredit due to their position. This includes, in particular, division heads and heads of branches.

### Risk management

The Chief Risk Officer (CRO) receives technical and operational support from the Risk Controlling, Credit Risk and Non-Financial Risk divisions. Together, they carry out the responsibilities of a risk management function, which are independent of the operational business. Heading each division is a manager (division manager) who is specifically responsible for this function.

### Compliance

The mandate of the Compliance function at Kommunalkredit includes prevention of money laundering and terrorist financing, capital market compliance and regulatory compliance pursuant to § 39 (6) BWG.

Conflicts of interest and benefits are also monitored as part of compliance. Specific (Group) guidelines, work instructions and processes have been implemented and risk analyses prepared in all of these areas; monitoring activities are also carried out on a risk-based basis and measures are taken where necessary. Employees receive specific and regular training on relevant compliance topics via the KA Academy. This ensures that all legal and regulatory requirements are fully covered.

The Compliance function reports directly to the Group Executive Board; in disciplinary terms, the Compliance function answers directly to the Chief Risk Officer (CRO).

### Internal Audit

Kommunalkredit has established an Internal Audit division, tasked solely with the ongoing and comprehensive review of the legality, compliance and adequacy of the entire company. The independence, objectivity and impartiality of Internal Audit is ensured.

The nature, scope, frequency and procedures of the audits are primarily aligned with the risk content of the respective audit area and ensure that the audit results provide sufficient information on the legality, compliance and adequacy within the respective audit area. This is ensured, among other things, by an annual update of the strategic audit plan and the annual risk assessment of the bank’s processes by Internal Audit.

Internal Audit reports directly to the Group Executive Board; in disciplinary terms, Internal Audit answers directly to the Chief Executive Officer (CEO).

### Other key function holders

The professional aptitude (training, experience and detailed knowledge relevant to the specific area of activity) and personal reliability (criminal convictions or administrative sanctions, fulfilment of professional standards, sound financial position) of key function holders are assessed, prior to their appointment, on the basis of an assessment carried out pursuant to the Fit & Proper Policy adopted by Kommunalkredit (based on EBA Guideline 2021/06 and EBA Guideline 2021/05 as well as the clarifications in the Fit & Proper Circular of the FMA dated March 2023).

## Internal control framework

The Executive Board of Kommunalkredit is responsible for establishing and structuring an internal control system (ICS) and risk management system that meets the needs of the company, with the audit committee monitoring its effectiveness.

The Kommunalkredit ICS comprises the following five components: control environment, risk assessment, control measures, information and communication as well as monitoring activities.

A “Three Lines of Defence” model is established to ensure quality standards. The first line of defence (procedural execution of the control) encompasses the operational divisions. The second line of defence monitors the implementation and compliance with the controls. The third line of defence represents the Internal Audit division with its auditing and monitoring function. The responsible parties address the identified risks and control vulnerabilities with prompt remedial and preventative measures. Internal Audit checks compliance with the requirements specified in the annual audit plan.

The relevant guideline for the internal control system and all the guidelines and work instructions listed below are stored digitally and are available to all employees accordingly.



# Risk strategy & risk management

## Risk policy principles

### 1

The limitation of risks at Kommunalkredit is commensurate with the bank's earning strength and its equity base.

### 2

Kommunalkredit supports a risk culture characterised by the deliberate management of risks in day-to-day business, observance of the agreed risk appetite at all times and the promotion of open dialogue on risk-related issues at all levels.

### 3

Kommunalkredit only takes risks in fields of business and markets for which it owns or has access to the necessary expertise. Before assuming business activities in new fields of business or selling new products, the risks involved and the suitability of the existing methods, instruments and processes for the management of such risks are analysed.

### 4

The expertise of Kommunalkredit's staff and the systems in place correspond to the complexity of the business model and are developed together with the core fields of business.

### 5

The organisational structure clearly separates between the assumption of risk on the one hand and risk calculation/management on the other. This ensures conflicts of interest among employees are avoided.

### 6

Risk management is an integral component of the business process and is based on recognised methods.

### 7

All measurable risks are subject to a limit structure; regular monitoring of the observance of limits on the basis of transparent and uniform principles is obligatory.

### 8

Kommunalkredit's system of risk management provides for comprehensive, regular and standardised risk reporting, with reports on Kommunalkredit's risk position being produced at least once a month and, if necessary, supplemented by ad-hoc risk reports.

## Auslagerung/Outsourcing

In Einklang mit den Vorgaben der EBA/GL/2021/05 sowie EBA/GL/2019/02 verfügt die Kommunalkredit über eine Outsourcing Policy. Die Richtlinie definiert die internen Governance-Regelungen, einschließlich eines soliden Risikomanagements für Auslagerungen von Bankgeschäften. Das Outsourcing erfolgt unter Einhaltung der einschlägigen EBA-Leitlinien sowie der im Bankwesengesetz (BWG) geregelten spezifischen Auslagerungsvoraussetzungen (§ 25 BWG).



# Code of Conduct

## Objectives and values of the company

Kommunalkredit helps create a better world by enabling the implementation of sustainable infrastructure projects that improve people's quality of life. It creates benefit to the community. Infrastructure investments are a powerful tool for responding to social and environmental needs as well as fundamentally increasing the general well-being of communities. Infrastructure bolsters economic power, encourages urban development, gives regions a new lease of life, creates jobs, supports social cohesion and is an indispensable part of the fight against climate change.

The concept of sustainability is firmly embedded in Kommunalkredit's business model and processes. Sustainable management – i.e. operating responsibly in economic, social and ecological terms – and core ethical values therefore form the basis for our activities.

The aim is to provide high-quality, dependable, sustainable and resilient infrastructure that accounts in particular for the challenges posed by climate change. Kommunalkredit feels bound by the UN Agenda 2030 and has made it part of its corporate culture.

For each infrastructure project, Kommunalkredit identifies how compliant it is with ESG/SDG criteria and which direct and indirect effects it will have on the environment and society. Future projects will be assessed using the ESG/SDG catalogue.

## Internal codes and regulations

Kommunalkredit is committed to adhering to the values laid down in the Code of Conduct and is committed in particular to integrity, customer focus, comprehensive and clearly regulated internal governance and an institutional culture characterised by respect in terms of employee needs.

The Code of Conduct sets out general principles governing conduct and is binding for all governing bodies and employees of, and other individuals working for, the Kommunalkredit Group. The policy complements all regulations set out in other policies and work instructions (e.g. on anti-money laundering, data protection, market abuse).

## Handling conflicts of interest

Within the Kommunalkredit Group, a policy has been adopted for handling conflicts of interest, which meets legal requirements and takes appropriate precautions to identify potential unlawful or current conflicts of interest, to assess the materiality of the conflict of interests and to prevent the realisation of the potential for conflict by taking appropriate measures (in particular of an organisational nature).



### Whistleblowing

An open learning culture in which mistakes can be addressed forms the basis for successful and reliable cooperation. Within Kommunalkredit, the whistleblower system already established is conducive to the maintenance and development of appropriate measures aimed at supporting compliant behaviour. Anyone who notices any breaches of the rules within the scope of the Whistleblower Protection Act (HSchG) should contact Kommunalkredit's internal reporting office directly and report them via the following channels:

- i. in person
- ii. Reporting form via whistleblowing link on the KA intranet

The internal reporting office has been set up for the entire Group and is operated on a six-eye principle in collaboration with an external expert. The office is responsible for receiving and processing reports. It acts independently and without instructions and must proceed in a completely impartial and unbiased manner.

Whistleblowing is carried out in written form via a closed electronic system. This system is web-based and encrypted, and the information provided by the whistleblower can be submitted anonymously or by disclosing their identity securely and confidentially. All correspondence and the case processing take place in this closed, confidential system. Reporting in person is still possible; these reports are also documented in the whistleblower system and processed accordingly.

The scope of the protected whistleblower system includes the topics regulated by law in the HSchG. In particular, the KA Group concerns: Financial services, financial products and financial markets as well as the prevention of money laundering and terrorist financing; consumer protection; protection of privacy and personal data as well as the security of network and information systems; prevention and punishment of criminal offenses pursuant to Sections 302 to 309 of the Austrian Criminal Code (abuse of office and corruption). In addition, the following topics are regulated by law as well: product safety and conformity; traffic safety; environmental protection; radiation protection and nuclear safety; food and feed safety, animal health and animal welfare; public health.

The identity of whistleblowers must be protected by the internal reporting office as well as all other information from which the identity of whistleblowers can be directly or indirectly deduced. The same applies to any person affected by a report. In accordance with legal requirements, the internal reporting office must protect the confidentiality and identity of the whistleblower, but also of any third parties concerned, at all times and may not disclose the identity of the whistleblower without the whistleblower's consent or in the case of legal exceptions; the identity of the whistleblower must also be kept secret from the employer at all times.

Honest whistleblowers do not suffer any negative professional consequences as a result of their actions. Kommunalkredit therefore strictly prohibits sanctions against anyone who reports a possible breach of rules in good faith, regardless of who the report concerns.

## Note

### General information on Kommunalkredit Austria AG

Kommunalkredit Austria AG was founded in 1958 as a special credit institution for the financing and promotion of business locations through Austrian municipalities. In its current form, Kommunalkredit Austria AG was established in 2015 at the time of a partial privatisation by spinning off the “bank operations” business from Kommunalkredit Austria AG (formerly) which was salvaged through emergency nationalisation during the 2008 financial crisis.

#### Kommunalkredit Austria AG

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VAT ID no. ATU69887615

Data Processing Register Number (DVR) 4015796

S.W.I.F.T. code INVOATWW

LEI number 549300IEVCBWWV97WC81

#### Branch office Germany:

Schillerstrasse 2, 60313 Frankfurt am Main, Germany

#### Shareholders:

Satere Beteiligungsverwaltungs GmbH 99.8%

Austrian Association of Municipalities 0.2%

Interritus Limited, London, (55%) and Trinity Investments DAC, Dublin, (45%) maintain their equity stake in Kommunalkredit Austria AG through Satere Beteiligungsverwaltungs GmbH.

On 7 February 2023 Kommunalkredit announced that Scandinavian investor Altor will acquire an 80% majority stake in Kommunalkredit.

### Presentation of the Kommunalkredit Austria AG business model

Kommunalkredit Austria AG describes itself as a specialist bank for infrastructure financing. The Kommunalkredit Austria AG concession encompasses the following activities referred to in § 1 (1) BWG:

- 1: deposit business (except for receipt of savings deposits)
- 2: giro business
- 3: lending business
- 4: discount business
- 5: custody business
- 7: commercial transactions for own or third party account as per paragraphs a to f
- 8: guarantee business
- 9: securities issue business (limited to the issue of covered bonds)
- 10: other securities issue business
- 11: loro emissions business (limited to participation in the securities issue of third parties)
- 15: capital finance business
- 16: factoring business

Kommunalkredit Austria AG is largely engaged in the deposit and lending business. No services are currently being provided or offered in the giro business, discount business, custody business and factoring business.



Alongside its headquarters in 1090 Vienna, Tuerkenstrasse 9, Kommunalkredit Austria AG has maintained a branch in 60313 Frankfurt am Main, Schillerstrasse 2, since 1 January 2017. The following can be established about the business role of the branch within the framework of Kommunalkredit Austria AG's operations:

- On the one hand, the role of the German branch, in keeping with the business model of Kommunalkredit Austria AG, lies in the generation and structuring of infrastructure projects and tapping into financing sources in the German market, i.e. simple acquisition activity; separate business transactions or the receipt of client funds are not envisaged here.
- Since 2018, deposit business for retail banking customers in the form of online retail deposit products ("KOMMUNALKREDIT INVEST") is also offered via the German branch of Kommunalkredit Austria AG. In this case the branch acts as the paying agent to ensure that German retail deposit customers are automatically able to obtain fiscal compensation in Germany on interest income generated in Germany. For clearing online retail deposit business, Kommunalkredit Austria AG uses flatexDEGIRO AG as an outsourcing partner.

The focus of Kommunalkredit Austria AG's business model is, on the active side of the balance sheet, on the core business divisions

- Public finance
- Infrastructure & energy (I & E) financing

In the financing business, Kommunalkredit Austria AG has positioned itself in the market as a specialist bank for infrastructure financing. Its operating activities revolve around loans in the primary and secondary markets, which are provided both bilaterally and in the syndicate. The purpose of Kommunalkredit Austria AG's business model is to form a bridge between project sponsors (builders and operators of infrastructure) from the public and private sectors (municipalities, regional authorities and public sector-related companies; project companies, project developers, construction companies, etc.) with corresponding structuring and financing needs on the one hand and institutional investors with investment needs on the other.

The bank focuses on projects in the areas of Energy & Environment, Transport, Communication & Digitalisation, Social Infrastructure and Natural Resources. Its geographical focus primarily centres on Europe, especially the German-speaking countries, the Benelux countries, France, Spain, Italy and the Nordic countries.

In addition to these core markets, regular financing transactions are also implemented in other Western European and CEE countries, and selectively pursued in other OECD countries (including Turkey), primarily with European sponsors or in collaboration with supranational and governmental institutions (such as the EBRD, KfW, EIB, IFC).

Kommunalkredit Austria AG also provides consulting services relating to the analysis, conceptual development, economic viability evaluation (financial model) and strategy development of projects, including structuring and arrangement of financing loans. The bank advises customers primarily in relation to the financing forms and sources available for the project taking into account national and multilateral funding instruments (for example, of EIB, EBRD or KfW) including any relevant budgetary criteria. In addition, clients are managed and supported during contractual negotiations (in dealings with other advisers, financing partners, clients and funding bodies, etc.).

In the fronting business, Kommunalkredit Austria AG has also assumed the fiduciary administration of loans for Trinity Investments DAC (indirect main shareholder of Kommunalkredit accounting for a 45% share) and Attestor Value Master Fund, LP. Kommunalkredit Austria AG is the trustee in this case and acts as lender of record.

Kommunalkredit Austria AG offers the following products on the equity and liabilities side

- KOMMUNALKREDIT INVEST
- KOMMUNALKREDIT DIREKT
- Institutional & Wholesale Deposits (IWS)

"KOMMUNALKREDIT INVEST" is an online retail deposit business with instant access and fixed deposit accounts and is aimed at retail banking customers in Austria and Germany. Technical implementation and operations have been outsourced to flatexDEGIRO AG with its registered office in Frankfurt am Main.

The investment product "KOMMUNALKREDIT DIREKT" offered by Kommunalkredit Austria AG refers to investments in time deposits with fixed interest rates. Customer target groups are public sector bodies and public sector-related companies. Customer target groups in "Institutional & Wholesale Deposits" are financial institutions and Austrian as well as German companies (independent of their sector).

It is expressly stated that Kommunalkredit Austria AG does not engage in any giro business within the meaning of § 1 (1) (2) BWG and no cash transactions are carried out.



[www.kommunalkredit.at](http://www.kommunalkredit.at)

