Rating Report

Kommunalkredit Austria AG

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DBRS
Insight beyond the rating.

Ratings

Issuer	Obligation	Rating	Rating Action	Trend
Kommunalkredit Austria AG	Long-Term Issuer Rating	BBB (low)	Trend Changed Oct'18	Stable
Kommunalkredit Austria AG	Short-Term Issuer Rating	R-2 (middle)	Trend Changed Oct'18	Stable
Kommunalkredit Austria AG	Intrinsic Assessment	BBB (low)	--	--

See back of report for complete rating list.

Rating Drivers

Factors with Positive Rating Implications

1. A sustained positive track record of growth in infrastructure debt lending with well contained risks over the longer term, reflecting a successful transformation and execution of the new business model.
2. Maintenance of good capitalisation levels during the period of business growth.
3. Further improvement in core profitability resulting from the new business activity.

Factors with Negative Rating Implications

1. Any deterioration or variance in the Bank's progress in achieving its targeted levels of new business, profitability and/or capital levels.
2. Deterioration in asset quality or earnings from new business or the legacy portfolio.
3. If dividends were distributed at a time when support for the Bank's capital levels was needed.

Rating Considerations

Franchise Strength: KA is transforming its business model with the focus on originate-to-distribute approach, through sourcing, underwriting and then syndicating infrastructure project risk and providing related consulting services. The low-risk legacy portfolio is in run-off mode.	**Moderate**
Earnings Power: KA follows a monoline business model with revenues being generated from new business lending and legacy portfolio. Additionally, KA aims to achieve a more balanced revenue and earnings profile, through the generation of intermediation fees from the origination and syndication activity.	**Moderate**
Risk Profile: The Bank has a low-risk legacy portfolio but has taken on risks related to the underwriting of large projects. These risks are somewhat mitigated by stringent underwriting criteria with a focus on the economic viability of the projects, the expected cash flows and the distribution of the risk to other market participants.	**Good / Moderate**
Funding & Liquidity: KA is predominantly wholesale funded, but the bank has substantially increased its deposit base. The Bank benefits from a substantial liquidity reserve.	**Good**
Capitalisation: High Common Equity Tier 1 (CET1) ratio is driven by low Risk-Weighted Asset (RWA) density, reflecting the good quality of the Bank's legacy portfolio; however, the nominal CET1 level is low.	**Moderate**

Financial Information

EUR Millions	**30/06/2018**	**31/12/2017**	**31/12/2016**	**31/12/2015**
Total Assets	3,866	3,663	3,791	4,162
Equity	289	283	297	256
Pre-provision operating income (IBPT)	14	7	45	4
Net Income	9	18	49	6
Net Interest Income / Risk Weighted Assets (%)	4.69%	3.55%	5.31%	1.23%
Risk-Weighted Earning Capacity (%)	2.68%	0.88%	6.26%	NA
Post-provision Risk-Weighted Earning Capacity (%)	2.69%	0.84%	6.27%	NA
Efficiency Ratio (%)	65.58%	89.02%	53.32%	77.14%
Impaired Loans % Gross Loans	0.00%	0.00%	0.00%	0.00%
CET1 (As-reported)	21.30%	23.50%	32.90%	25.40%

Source: SNL Financial; The relevant accounting date for the demerger for new incorporation in accordance with IFRS was 26 September 2015 (date of execution of the demerger and entry in the Companies' Register). The IFRS results of KA for the year 2015 therefore only cover the period from 26 September 2015 to 31 December 2015.

Issuer Description

Kommunalkredit Austria AG (KA or the Bank) was demerged on 26 September 2015 as part of the partial sale process of the former Kommunalkredit (KA Old) which was formed in 2009. KA focuses on infrastructure project finance in sectors such as energy and renewables, social infrastructure, transport, natural resources, communication & digitalisation. The Bank also benefits from a profitable public sector legacy portfolio.

Rating Rationale

The BBB (low) Intrinsic Assessment (IA) assigned to KA incorporates the establishment of an "originate to distribute" model for infrastructure project finance assets, working closely with project sponsors and institutional investors to structure long term investments, as well as the legacy public sector loan portfolio. The Bank has a challenging timeframe to build up its new project finance activities, as the legacy public sector portfolio runs off over the coming years. In DBRS's view the Bank has made good progress in 2017 and 1H18 in developing its franchise as evidenced by newly originated volumes of over EUR 530 million in 1H18. The Bank continues to have no non-performing loans reflecting the high quality of the public sector portfolio, although DBRS will continue to monitor asset quality closely given the lumpy nature of the infrastructure lending. Liquidity remains robust, however DBRS notes that, although capital ratios are high the nominal capital base is small.

Franchise Strength

Grid Grade: Moderate

KA is indirectly owned by management firms Interritus Limited (54.88%) and Trinity Investments/Attestor Capital LLP (44.90%), with the remainder (0.22%) being held by the Austrian Association of Municipalities. The Bank was established in late September 2015 with total assets of EUR 4.5 billion under Austrian UGB (local GAAP). The shareholders aim to continue KA's historical expertise in the sectors of energy and renewables, social infrastructure, transport, natural resources, communication & digitalisation and to grow the franchise centered on the origination and distribution of infrastructure finance (for more information on KA's historical background see DRBS Rating Report on Kommunalkredit Austria AG, Oct 17, 2016).

KA has established an "originate to distribute" model for infrastructure project finance assets – working closely with project sponsors and institutional investors in order to structure long term investments. KA targets to syndicate 30% to 70% of its financing volume. The originate-to-distribute model is balance sheet-light and is based on sourcing, underwriting and then syndicating project risk. KA intends to benefit from the changes in regulatory and market dynamics driven by pressure on public finance as well as institutional investors' needs for long term assets. The Bank has also expanded its product offering to asset management with the launch of its first debt fund.

The Bank has retained the subsidiaries and affiliates from its predecessor entity, former Kommunalkredit (KA Old). The most important of these is Kommunalkredit Public Consulting (KPC), 90% owned by KA, a consulting company which distributes and manages public grant funding from the Republic of Austria to promote environmental protection, water management and energy projects.

KA has had a service agreement with KA Finanz AG (KF) since 2009, to provide operational services for the banking operations of KF. However, following a public tender, the service agreement with KA will terminate in the first half of 2019, concluding the relationship between the two parties.

Earnings Power

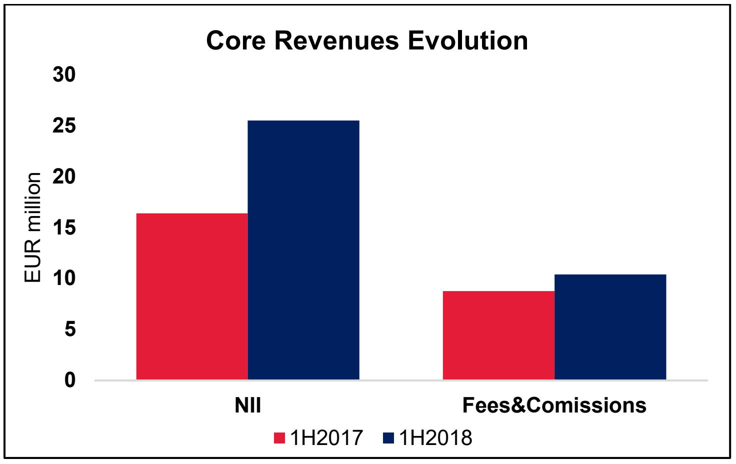
Grid Grade: Moderate

The Bank reported pre-tax profit of EUR 11.5 million in 1H18, up from EUR 10.8 million in the same period of 2017, due to improved new business and controlled operating expenses, and the Bank's operating result improved to EUR 13.8 million during 1H18 (from EUR 4.6 million in 1H17). DBRS does however note that due to the implementation of IFRS 9 accounting rules in 2018, previous years' figures are of limited comparability. KA is slowly transforming its income sources from the legacy portfolio towards infrastructure debt lending. New infrastructure lending has grown in 2017 - 1H18 and DBRS expects new business generation to continue to grow in 2H18 and 2019. The recent significant progress in KA's origination and syndication efforts resulted in new business generation of 10 projects in 7 countries in the areas of Transport, Energy & Environment, as well as Social Infrastructure & Communications Technology with a total volume of over EUR 530 million. In 1H18, for the first time, the share of net interest income (NII) from new business exceeded NII generated by the legacy portfolio. DBRS expects this trend to continue as the legacy portfolio is expected to reduce by approximately 40% by 2021, however the legacy portfolio will continue to provide a crucial contribution to KA's earnings generation. The portfolio is of good quality, comprising mainly government and municipal exposures.

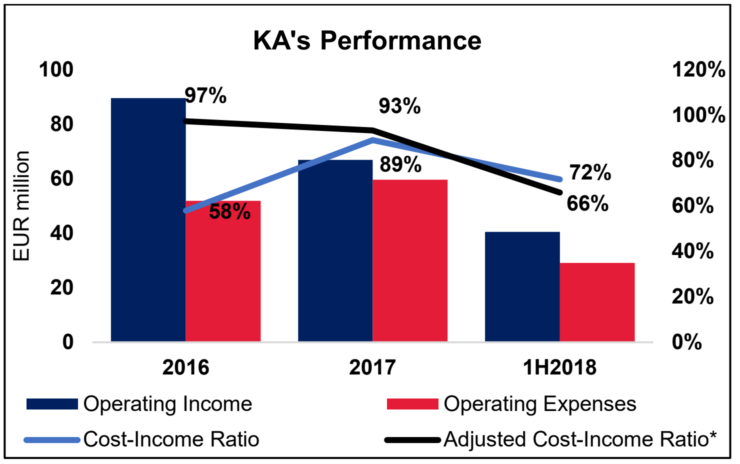
Net fee and commission income, which totalled EUR 10.4 million in 1H18, represented 26% of underlying operating income in 1H18 (excluding the net valuation result, extraordinary income and extraordinary expenses), down slightly on 1H17. The Bank's management aims to increase this share substantially by 2021 through origination fees from syndication and fees from consulting activities. KA is targeting projects that offer lower duration and higher margins which will enable the Bank to better benefit from originate to distribute fee business at the same time as containing maturity risk.

1H18 earnings also include income of EUR 4.7 million generated by the provision of operational services by KA to KA Finanz AG (KF), under a service agreement. However, as a result of the upcoming termination of this service agreement, KA took a provision of EUR 2.5 million in 1H18 to cover expenditure related to staff transfers and lay-offs in this unit.

Following a cost efficiency programme implemented in 2017, KA's administrative expenses reduced to EUR 25.0 million during 1H18, despite substantial activity growth. Despite significant staff investment, in particular in its front office team, the Bank managed to reduce personnel expenses by just over EUR 1 million YoY. As a result of the improved performance, the Bank's reported cost-income ratio improved to 64.5% in 1H18 (1H17: 85.1%).



Source: Company reports

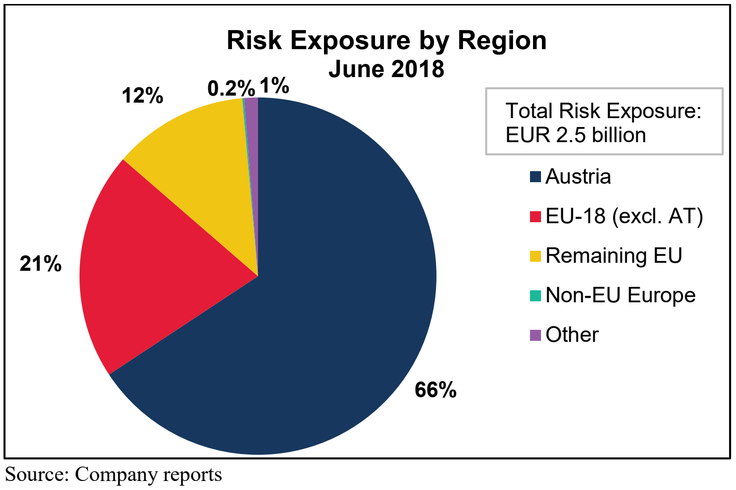


Source: SNL Financial, Company reports *Adjusted Cost-Income ratio excludes restructuring costs and profit/loss on financial assets.

Risk Profile

Grid Grade: Good / Moderate

KA's asset quality continues to benefit from the high-quality public sector legacy portfolio which accounts for EUR 1.5 billion or around 60% of the total EUR 2.5 billion portfolio. This portfolio is primarily investment grade and contains no non-performing exposures. As a result of the legacy portfolio, around two thirds of the total loan portfolio remains within the domestic market with a large concentration to Austrian municipalities. DBRS notes that the Bank's total loan portfolio has high credit concentrations with the top 20 exposures representing 4.1 times the absolute level of CET1 capital. This is however substantially mitigated by the high quality of the assets, which mostly relate to provinces or public entities and many additionally benefit from guarantees.



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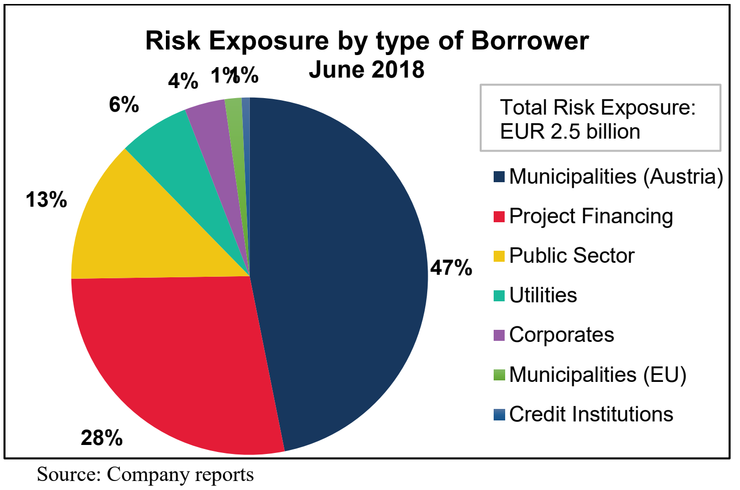


Source: Company reports

Although KA continues to have zero impaired loans as of 1H18, DBRS notes the unseasoned nature of KA's newly originated loan book and the greater risks during the portfolio build-up phase.

DBRS also notes that the Bank will need to manage the syndication of risk in a conservative manner to ensure it is appropriately positioned at times of market stress. KA aims to achieve this through a close interaction and information exchange between origination and placement teams. New business deals are required to have syndication targets in terms of volume and time (typically below 90 days). KA's syndication partners include large global insurers & asset managers, medium to large Austrian or European insurers and pension funds, and larger international banks.

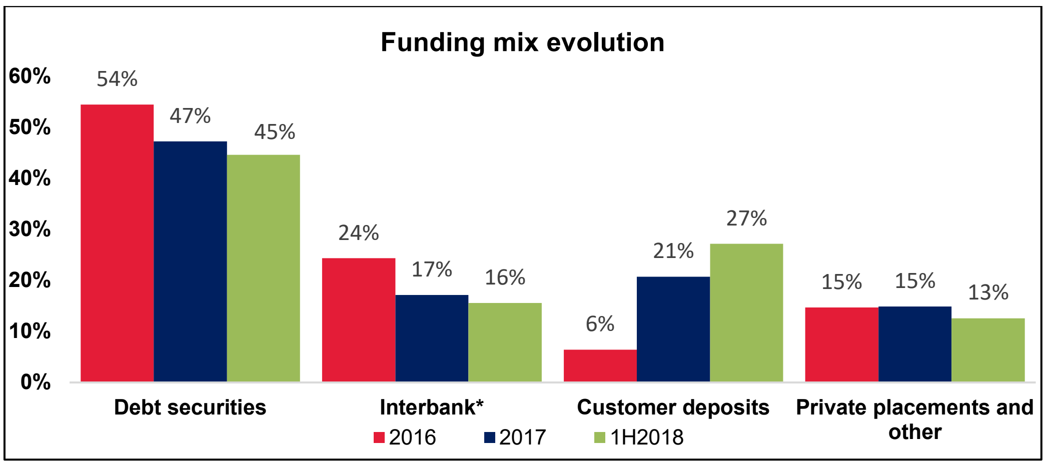
DBRS notes that KA continues to manage legacy risks, stemming mainly from its predecessor entity, the former Kommunalkredit. KA remains liable (jointly with KA Finanz AG, the remaining part of former Kommunalkredit) for obligations transferred from the former Kommunalkredit to KA Finanz AG during the demerger. Kommunalkredit does not expect to be held liable for any of these obligations.

In September 2018, KA closed an infrastructure debt fund totalling EUR 190 million for a duration of 10 years and announced plans to further increase this to EUR 250 million. This debt fund platform provides the Bank with an additional source of risk distribution.

Funding and Liquidity

Grid Grade: Good

KA has a diversified funding base comprising covered bonds, debt issuance and a growing deposit base. Debt securities remain the largest funding source for KA, and this includes both covered bonds and senior debt. The Bank also has EUR 300 million of ECB funding through TLTRO II. Customer deposits continue to grow reaching EUR 910 million in 1H18, more than doubling since 1H17. As of 1H18, customer deposits represent 30% of the Bank's total funding. The growth in the deposit base reflects the ability of KA to raise deposits through Kommunalkredit Invest (an online retail platform) and Kommunalkredit Direkt, the Bank's deposit platform for local authorities and public-sector-related enterprises where KA raises online deposits from municipalities, and from small and medium sized corporates. DBRS considers this funding source as relatively stable given the term of these deposits.



Source: Company reports, SNL Financial * Interbank funding includes TLTRO II

The legacy portfolio is fully funded until maturity, with the bulk of financing provided by senior unsecured and covered bonds, however the legacy funding will decline in tandem with the run-off and maturity of the assets they finance. The Bank currently funds its new business through existing liquidity, new deposits, covered bonds, and senior unsecured funding (private placements) raised under the Bank's Debt Issuance Programme.

KA has a robust liquidity profile with a free liquidity reserve of EUR 201 million at 1H18, well in excess of total debt maturities to the end of 2019. At 1H18 the Bank's Liquidity Coverage Ratio (LCR) was very high at 528.7% and the Net Stable Funding Ratio (NSFR) was also well positioned at 112.0%.

KA currently has approximately EUR 1.0 billion of public sector covered bonds denominated in Euro (EUR) and Swiss Franc (CHF). The CHF position is hedged through short-term FX derivatives, and is as such exposed not only to counterparty but also roll-over risk.

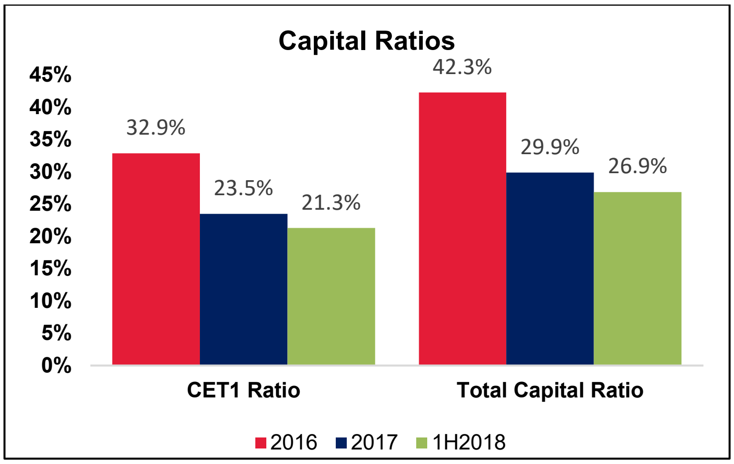
Capitalisation

Grid Grade: Moderate

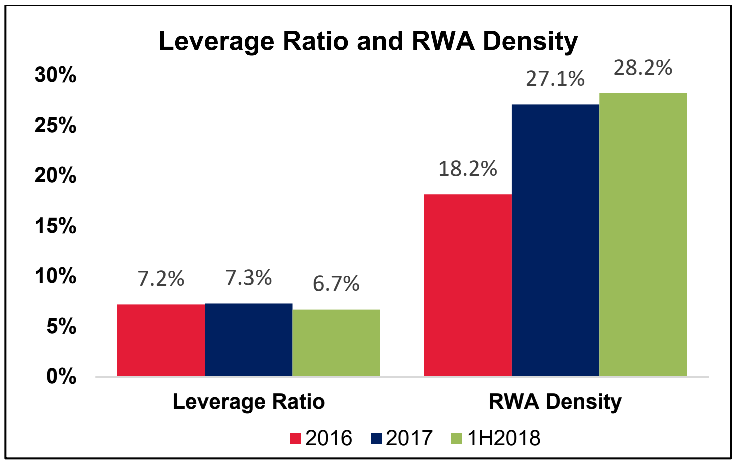
The Bank's fully loaded Basel III Common Equity Tier 1 (CET1) ratio was at a high level of 21.3% at 1H18, although this was down by 220 bps from end-2017, driven by the development of new business which has higher risk weightings. As of 1H18, the Bank reported a total capital ratio of 26.9% and a leverage ratio of 6.7%. According to regulatory requirements, as of 1H18, KA needs to maintain a minimum CET 1 ratio of at least 6.76% and a minimum total capital ratio of at least 10.56%.

While KA maintains a strong CET1 ratio, DBRS notes that KA's risk-weighted asset (RWA) density is low, with RWAs amounting to 28.2% (vs. 27.1% at end-2017) of total IFRS balance sheet assets. The low RWA density reflects the good quality of the Bank's legacy portfolio, which is mostly exposed to Austrian municipalities. The low level of nominal capital (EUR 293.7 million), however, highlights the importance of managing concentration risk and the ability of the Bank to syndicate exposures. KA is targeting to maintain a CET1 ratio exceeding 15% over the long term, as the new business increases and higher risk weightings for future new business impact the capital ratios. Maintaining both strong capital levels and ratios will be important to balance the risks arising from the credit risk concentrations inherent to the business model, the cash flow uncertainty of some infrastructure projects, as well as the illiquidity of the financed assets. DBRS views the Bank's internal capital generation ability as improving.

In 1H18, KA reported under IFRS, cash dividend payments of EUR 11.5 million related to FY 2017 result. DBRS notes that with the plan to grow RWAs, a prudent dividend distribution policy will remain an important rating factor.



Source: Company reports



Source: Company reports

Kommunalkredit Austria AG	30/06/2018		31/12/2017		31/12/2016		31/12/2015	
	EUR		EUR		EUR		EUR	
EUR Millions	IFRS		IFRS		IFRS		IFRS	
Balance Sheet								
Cash and deposits w ith central banks	641	16.59%	318	8.68%	310	8.19%	80	1.91%
Lending to/deposits w ith credit institutions	124	3.21%	140	3.83%	102	2.69%	241	5.79%
Financial Securities*	862	22.30%	817	22.31%	839	22.12%	904	21.73%
- Trading portfolio	0	0.00%	0	0.00%	0	0.00%	0	0.00%
- At fair value	0	0.00%	606	16.54%	692	18.24%	753	18.08%
- Available for sale	862	22.30%	212	5.78%	147	3.88%	152	3.64%
- Held-to-maturity	0	0.00%	0	0.00%	0	0.00%	0	0.00%
- Other	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Financial derivatives instruments	211	5.45%	233	6.35%	337	8.89%	544	13.07%
- Fair Value Hedging Derivatives	198	5.13%	222	6.06%	311	8.19%	407	9.79%
- Mark to Market Derivatives	12	0.32%	11	0.29%	27	0.70%	137	3.28%
Gross lending to customers	1,965	50.84%	2,092	57.12%	2,139	56.43%	2,353	56.54%
- Loan loss provisions	NA	-	0	0.01%	0	0.00%	0	0.01%
Insurance assets	NA	-	NA	-	NA	-	NA	-
Investments in associates/subsidiaries	NA	-	NA	-	NA	-	2	0.06%
Fixed assets	25	0.65%	26	0.71%	27	0.71%	28	0.66%
Goodw ill and other intangible assets	0	0.01%	0	0.01%	0	0.01%	0	0.01%
Other assets	36	0.94%	37	1.01%	37	0.97%	10	0.23%
Total assets	**3,866**	**100.00%**	**3,663**	**100.00%**	**3,791**	**100.00%**	**4,162**	**100.00%**
Total assets (USD)	4,510		4,399		3,998		4,520	
Loans and deposits from credit institutions	523	13.52%	533	14.55%	795	20.97%	464	11.15%
Repo Agreements in Deposits from Customers	NA	-	NA	-	NA	-	NA	-
Deposits from customers	1,264	32.70%	1,038	28.34%	552	14.56%	383	9.20%
- Demand	NA	-	212	5.80%	5	0.14%	4	0.10%
- Time and savings	NA	-	NA	-	NA	-	NA	-
Issued debt securities	1,494	38.64%	1,469	40.09%	1,779	46.93%	2,528	60.74%
Financial derivatives instruments	202	5.21%	245	6.68%	263	6.95%	427	10.26%
- Fair Value Hedging Derivatives	84	2.17%	77	2.11%	93	2.46%	133	3.19%
- Other	118	3.04%	167	4.57%	170	4.49%	294	7.07%
Insurance liabilities	NA	-	NA	-	NA	-	NA	-
Other liabilities	27	0.69%	27	0.74%	35	0.91%	30	0.72%
- Financial liabilities at fair value through P/L	118	3.04%	0	0.00%	0	0.00%	0	0.00%
Subordinated debt	68	1.75%	69	1.88%	70	1.84%	74	1.77%
Hybrid Capital	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Equity	289	7.48%	283	7.73%	297	7.83%	256	6.16%
Total liabilities and equity funds	**3,866**	**100.00%**	**3,663**	**100.00%**	**3,791**	**100.00%**	**4,162**	**100.00%**
Income Statement								
Interest income	86		157		172		58	
Interest expenses	60		122		136		48	
Net interest income and credit commissions	26	63.07%	35	52.60%	37	37.57%	9	53.67%
Net fees and commissions	10	25.63%	17	25.78%	17	17.27%	5	26.63%
Trading / FX Income	0	0.00%	NA	-	NA	-	NA	-
Net realised results on investment securities (available for sale)	NA	-	NA	-	NA	-	NA	-
Net results from other financial instruments at fair value	0	0.00%	0	-0.30%	-10	-10.00%	-1	-6.93%
Net income from insurance operations	0	0.00%	0	0.00%	0	0.00%	0	0.00%
Results from associates/subsidiaries accounted by the equity method	0	0.00%	0	0.00%	0	0.00%	0	0.27%
Other operating income (incl. dividends)	5	11.30%	15	21.91%	54	55.16%	5	26.36%
Total operating income	41	100.00%	67	100.00%	97	100.00%	17	100.00%
Staff costs	16	60.86%	39	65.04%	31	60.71%	8	58.91%
Other operating costs	10	39.14%	19	31.97%	18	35.39%	5	37.22%
Depreciation/amortisation	NA	-	2	2.99%	2	3.90%	1	3.88%
Total operating expenses	27	100.00%	60	100.00%	52	100.00%	13	100.00%
Pre-provision operating income	**14**		**7**		**45**		**4**	
Loan loss provisions**	0		0		0		0	
Post-provision operating income	14		7		45		4	
Impairment on tangible assets	0		0		2		0	
Impairment on intangible assets	0		0		0		0	
Other non-operating items***	-3		0		-8		0	
Pre-tax income	11		7		35		4	
(-)Taxes	2		-11		-14		-2	
(-)Other After-tax Items (Reported)	0		0		0		0	
(+)Discontinued Operations (Reported)	0		0		0		0	
(-)Minority interest	0		0		0		0	
Net income	**9**		**18**		**49**		**6**	
Net income (USD)	11		20		54		6	

*Includes derivatives w hen breakdow n unavailable, **LLP includes Impairments on financial assets, ***Incl. Other Provisions

Kommunalkredit Austria AG	30/06/2018	31/12/2017	31/12/2016	31/12/2015
Off-balance sheet and other items				
Asset under management	NA	NA	NA	NA
Derivatives (notional amount)	NA	3,839	4,394	7,755
BIS Risk-w eighted assets (RWA)	1,092	992	688	762
No. of employees (end-period)	NA	284	289	263
Earnings and Expenses				
Earnings				
Net interest margin [1]	1.38%	0.96%	0.93%	NA
Yield on average earning assets	4.62%	4.29%	4.39%	NA
Cost of interest bearing liabilities	3.59%	3.92%	4.24%	1.40%
Pre-provision earning capacity (total assets basis) [2]	0.74%	0.20%	1.14%	NA
Pre-provision earning capacity (risk-w eighted basis) [3]	2.68%	0.88%	6.26%	NA
Net Interest Income / Risk Weighted Assets	4.69%	3.55%	5.31%	1.23%
Non-Interest Income / Total Revenues	36.93%	47.40%	62.43%	46.33%
Post-provision earning capacity (risk-w eighted basis)	2.69%	0.84%	6.27%	NA
Expenses				
Efficiency ratio (operating expenses / operating income)	65.58%	89.02%	53.32%	77.14%
All inclusive costs to revenues [4]	71.75%	89.02%	63.65%	77.14%
Operating expenses by employee	NA	209,852	179,374	51,023
Loan loss provision / pre-provision operating income	-0.36%	4.08%	-0.14%	0.20%
Provision coverage by net interest income	-51098.00%	11739.33%	-56187.69%	116700.00%
Profitability Returns				
Pre-tax return on Tier 1 (excl. hybrids)	10.18%	3.11%	15.63%	2.05%
Return on equity	6.34%	6.37%	16.49%	2.16%
Return on average total assets	0.49%	0.48%	1.23%	NA
Return on average risk-w eighted assets	1.76%	2.15%	6.75%	NA
Dividend payout ratio [5]	NA	NA	NA	NA
Internal capital generation [6]	NA	NA	NA	NA
Grow th				
Loans	-6.05%	-2.20%	-9.10%	NA
Deposits	43.55%	88.01%	44.15%	NA
Net interest income	56.08%	-3.57%	291.20%	NA
Fees and commissions	18.32%	2.79%	262.40%	NA
Expenses	-1.21%	14.97%	286.31%	NA
Pre-provision earning capacity	27.17%	-83.80%	1040.90%	NA
Loan-loss provisions	-139.37%	-561.54%	-912.50%	NA
Net income	-34.13%	-63.17%	782.60%	NA
Risks				
RWA% total assets	28.17%	27.06%	18.15%	18.31%
Credit Risks				
Impaired loans % gross loans	0.00%	0.00%	0.00%	0.00%
Loss loan provisions % impaired loans	NA	NA	NA	NA
Impaired loans (net of LLPs) % pre-provision operating income [7]	NA	-6.09%	-0.33%	-5.35%
Impaired loans (net of LLPs) % equity	NA	-0.16%	-0.05%	-0.08%
Liquidity and Funding				
Customer deposits % total funding	37.75%	33.39%	17.27%	11.11%
Total w holesale funding % total funding [8]	62.25%	66.61%	82.73%	88.89%
- Interbank % total funding	15.61%	17.14%	24.87%	13.45%
- Debt securities % total funding	44.61%	47.25%	55.67%	73.30%
- Subordinated debt % total funding	2.02%	2.22%	2.19%	2.14%
Short-term w holesale funding % total w holesale funding	25.08%	27.77%	43.32%	29.44%
Liquid assets % total assets	42.10%	34.82%	33.00%	29.43%
Net short-term w holesale funding reliance [9]	-49.37%	-29.34%	-4.15%	-10.98%
Adjusted net short-term w holesale funding reliance [10]	-49.37%	-41.70%	-16.04%	-23.62%
Customer deposits % gross loans	64.32%	49.61%	25.81%	16.28%
Capital [11]				
Tier 1	21.30%	23.50%	32.87%	25.41%
Tier 1 excl. All Hybrids	21.30%	23.50%	32.87%	25.41%
Core Tier 1 (As-reported)	21.30%	23.50%	32.90%	25.40%
Tangible Common Equity / Tangible Assets	7.47%	7.72%	7.82%	6.14%
Total Capital	26.90%	29.90%	42.30%	33.94%
Retained earnings % Tier 1	8.03%	53.91%	59.97%	48.92%

[1] (Net interest income + dividends)% average interest earning assets.
[2] Pre-provision operating income % average total assets.
[3] Pre-provision operating income % average total risk-w eighted assets.
[4] (Operating & non-op. costs) % (op. & non-op. revenues)
[5] Paid dividend % net income.
[6] (Net income - dividends) % shareholders' equity at t-1.
[7] We take into account the stock of LLPs in this ratio.
[8] Whole funding excludes corporate deposits.
[9] (Short-term w holesale funding - liquid assets) % illiquid assets
[10] (Short-term w holesale funding - liquid assets- loans maturing w ithin 1 year) % illiquid assets
[11] Capital ratios of Interim results exclude profits for the year
* Interim information is annualised w here needed.

Rating Methodology

The applicable methodology is the Global Methodology for Rating Banks and Banking Organisations (July 2018), which can be found on our website under Methodologies.

Ratings

Debt	Rating	Rating Action	Trend
Long-Term Issuer Rating	BBB (low)	Trend Changed	Stable
Short-Term Issuer Rating	R-2 (middle)	Trend Changed	Stable
Long-Term Senior Debt	BBB (low)	Trend Changed	Stable
Short-Term Debt	R-2 (middle)	Trend Changed	Stable
Long-Term Deposits	BBB (low)	Trend Changed	Stable
Short-Term Deposits	R-2 (middle)	Trend Changed	Stable

Rating History

Debt	Current	2017	2016	2015	2014
Long-Term Issuer Rating	BBB (low)	BBB (low)	n/a	n/a	n/a
Short-Term Issuer Rating	R-2 (middle)	R-2 (middle)	n/a	n/a	n/a
Long-Term Senior Debt	BBB (low)	BBB (low)	BBB (low)	BBB (low)	n/a
Short-Term Debt	R-2 (middle)	R-2 (middle)	R-2 (middle)	R-2 (middle)	n/a
Long-Term Deposits	BBB (low)	BBB (low)	n/a	n/a	n/a
Short-Term Deposits	R-2 (middle)	R-2 (middle)	n/a	n/a	n/a

Previous Actions

- DBRS Confirms Kommunalkredit Austria AG at BBB (low), Trend Revised to Stable, October 8, 2018.
- DBRS Confirms Kommunalkredit Austria AG at BBB (low) with Negative Trend, October 10, 2017.
- DBRS Confirms Kommunalkredit Austria AG at BBB (low), Trend Changed to Negative, October 11, 2016.
- DBRS Assigns BBB (low) Senior Ratings to Kommunalkredit Austria AG, Stable Trend, September 30, 2015.

Related Research

- DBRS: Kommunalkredit's 1H18 Underlying Results Improved, but Impacted by Restructuring Costs, August 29, 2018.
- DBRS Illustrative Insights: How Support for Austrian Banks has Affected Austria's Public Debt, April 4, 2018.
- DBRS: KA's FY17 Results Reflect Low Loan Impairments and Expenditures for Strategic Investments, March 20, 2018.

Previous Report

- Kommunalkredit Austria AG, Rating Report, November 7, 2017.

Note:
All figures are in Euros unless otherwise noted.