



PROJECT FINANCE INTERNATIONAL

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Kommunalkredit builds up infra team

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Vienna-based bank **Kommunalkredit** has quietly built up an infrastructure team with several senior hires from rivals such as Deutsche Bank as it expands its project finance capabilities at a sustained pace.

In its latest move the Austrian bank hired *Agnes Mazurek* from Macquarie. Mazurek joined as head of placement and sales after spending two years at Macquarie and building up a career in project finance at MUFG, SNCF Reseau, Natixis, Dexia and Societe Generale.

In her new role she will report to Kommunalkredit's division head of banking *John Philip Weiland*, who joined last July from Deutsche Bank, where he ran syndication for infrastructure and energy.

Weiland was one of three senior bankers that joined the institution from Deutsche Bank. He moved together with *Bernd Fislage*, formerly Deutsche Bank's head of asset finance and now a member of the executive board of Kommunalkredit, and *Joakim Forsberg*, who was Deutsche Bank's co-head of special situations and is now running the Austrian bank's special situations team.

Over the past few months Kommunalkredit has built a significant infrastructure and energy team, hiring bankers including *Pal Prileszky*, formerly at UniCredit; *Markus Menedetter*, formerly at KPMG; *Leopold Reymaier*, formerly at HSH Nordbank; and *Klaus Thalheimer*, formerly co-head of Macquarie in Germany.

The bank's main teams under Weiland's direction include origination coverage, led by *Stefan Wala*; special situations, headed by Forsberg; an Austria-focused team, led by Reymaier; plus portfolio and loan management teams.

Kommunalkredit is a newcomer in the market, rising from the ashes of Dexia's Austrian subsidiary. The bank was nationalised in the aftermath of the global financial crisis and re-privatised in 2015 with €4.3bn of assets.

The buyers were a consortium of Interritus Ltd, owned by German investor Patrick Bettscheider, and Ireland's Trinity Investments Ltd, managed by London-based asset manager Attestor Capital. They launched the new institution as an infrastructure specialist.

"We are acting as an investment banking boutique specialising in infrastructure and energy," banking head Weiland told PFI. "We not only focus on classic project finance but more generally on infrastructure core-plus deals."

"We continue our development towards a well-recognised player in the infrastructure market, combining the in-depth knowledge of our team with strong client relationship," he added.

"We are active across Europe, across all infrastructure and energy sectors and across the whole cash waterfall. Our focus is on senior debt but we also work on special situations, junior debt, holdco debt, mezzanine debt."

In 2016, the first full year after its privatisation, the bank generated after-tax profits of €49m, followed by €13.9m in the first half of 2017.

During the first six months of 2017 it opened a new branch office in Frankfurt and generated new infrastructure business of €325m – more than the €242.6m figure for the entire 2016. Net interest income in the first half of 2017 was €16.2m and fee and commission income was €8.8m.

Kommunalkredit closed 14 deals in seven countries worth €300m over the first half of 2017, including the refinancing of the A2 motorway in Poland and the financing of the Gipuzkoa waste-to-energy project in Spain.

Other projects financed included a hospital in the UK, care homes in Germany, solar PV in France, Germany and Great Britain, and waste-to-energy plants in Great Britain and Germany.

Projects financed since then include the Pedemontana Veneta motorway in Italy, and the rural broadband expansion of German telecoms group Deutsche Glasfaser.

The bank has been particularly active in the project bond and private placement market, leveraging the capital market expertise of its former Deutsche Bank senior bankers. In the first half of 2017, the bank placed some €200m of infra debt with institutional investors.

"These are deals where we can provide good value for money, where the risk-return profile is attractive and where we introduce our staff's experience to intermediate between project sponsors such as developers, construction companies and financial equity investors on one hand and institutional investors such as insurance and pension funds looking to invest in infrastructure debt on the other," said Weiland.

