

# INNOVATION. AGILITY. IMPACT.

Kommunalkredit Austria | Debt Investor Presentation | March 2023

# Overview

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**Executive Summary**

02

**Strategy & Business  
Model**

03

**Financial Performance**

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## Our vision:

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

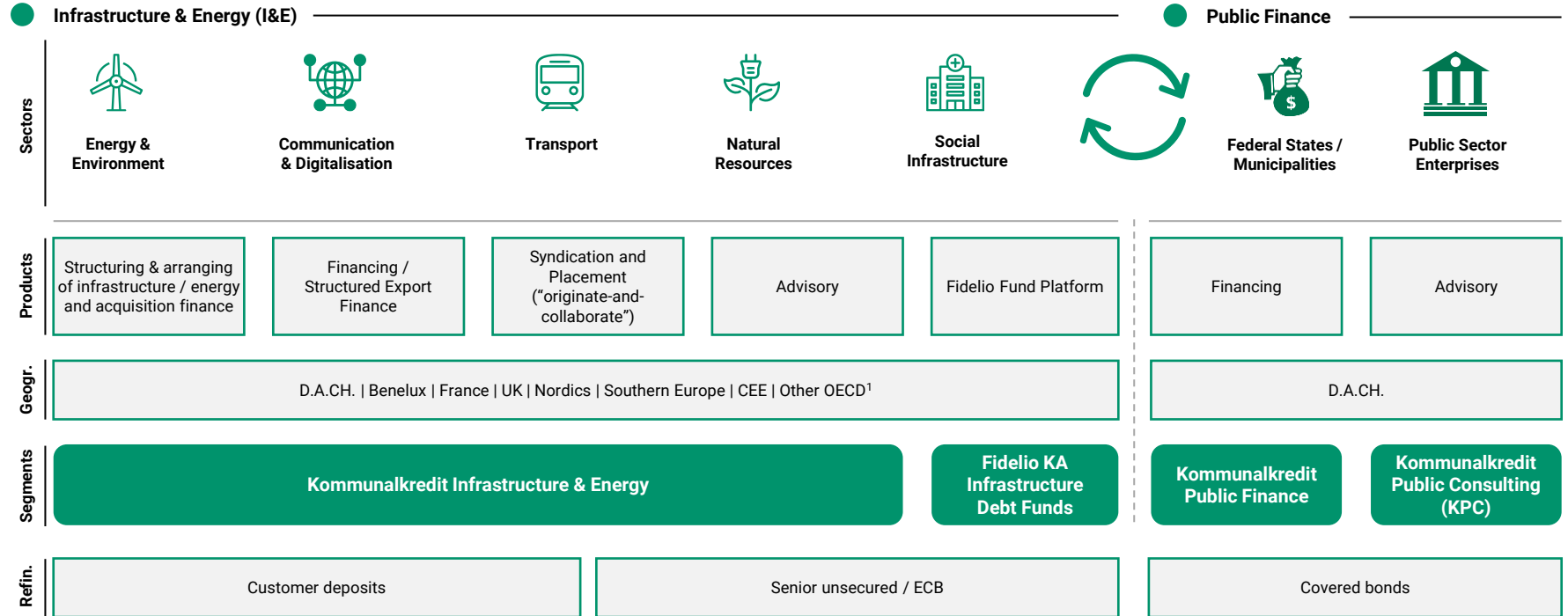
## Our mission:

**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.**



# Kommunalkredit's business model at a glance

KA is a one-of-a-kind, fast-growing provider of infrastructure financing solutions with a unique full-service product spectrum



<sup>1</sup> No Russia / CIS

# We provide tangible benefit to the community

## Impact on society

- We help to **create a better world** by **enabling the development of sustainable infrastructure** that **improves the quality of people's lives**. Not just for ourselves, but also **for the coming generations**
- We see **infrastructure investments** as a **powerful tool** for responding to social needs and fundamentally **increasing the general wellbeing 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 providing a secure, stable and sustainable yield to our investors
- We are the partner of choice for a long-term commitment

## Selected examples of KA's positive impact



### Energy

We enable around **5m homes** to use renewable energy each year.



### EV Charging

We develop the refuelling infrastructure for electromobility with around **28,000 charging stations**.



### Waste Management

We contribute to eliminating **3.1m tonnes** of waste each year.



### Care Homes

We create accommodation for more than **8,900 elderly & disabled people**.



### Schools

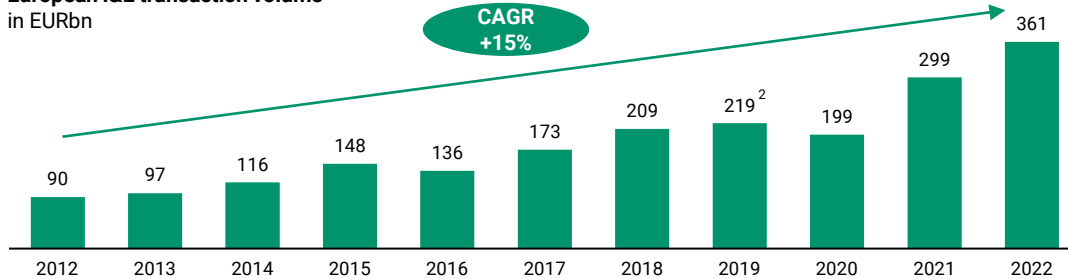
We contribute to the education of around **4,100 students**.



# Long-term growing I&E market fuelled by key macro trends

## Continued growth & demand in the European I&E market

European I&E transaction volume<sup>1</sup>  
in EURbn



## Focus sectors of Kommunkredit



### Energy & Environment

- Renewable energy
- Water supply & treatment
- Energy supply & distribution
- Energy transition



### Communication & Digitalisation

- Broadband / fibre optic
- Data centers
- Telecom utilities



### Transport

- Roads
- Bridges
- Tunnels
- Ports
- Railroads



### Natural Resources

- Hydrogen
- LNG terminals
- Pipelines
- Resource storage



### Social Infrastructure

- Nurseries
- Schools
- Universities
- Hospitals
- Nursing homes
- Administrative buildings

## Structural factors



EU Green Deal



National climate targets



Reconfiguration of EU energy mix



Shifting demographics



Response to COVID-19 pandemic



Change of working & learning patterns

**Infrastructure is a highly resilient asset class, largely independent of economic cycles and with structurally low default risk**

<sup>1</sup> Inframotion & Sparksread Database and Infralogic (for 2012 – 2014)

<sup>2</sup> Excluding two large individual M&A transactions with a combined volume of EUR 48bn

# Success factors for sustainable and profitable growth



## Highlights 2022

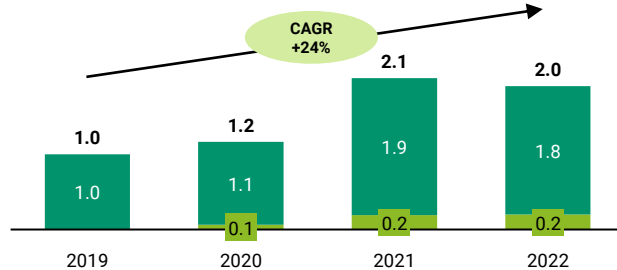
### Continued strong performance regardless of global challenges

- Net interest income at EUR 126m (+59% vs. 2021)
- Operating result at EUR 85m (+42% vs. 2021)
- High level of efficiency | Cost-Income-Ratio at 41.9%\*
- Result before tax at EUR 99m (+48% vs. 2021)
- 28% RoE before tax | 22% RoE after tax | outstanding profitability
- High asset quality | Ø portfolio rating at A- | 0.0% NPL ratio
- Strong capitalisation | Tier 1 ratio at 19.4%\*

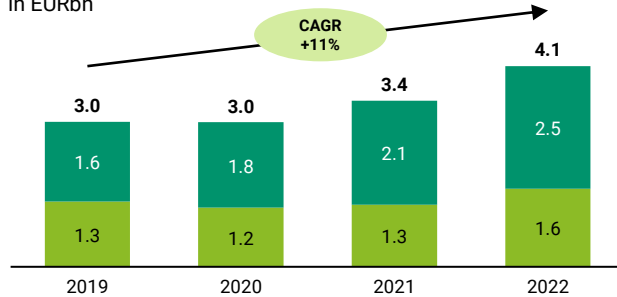


# Sustainable growth of new business and loan portfolio

## New business in EURbn



## Loan portfolio <sup>1</sup> in EURbn

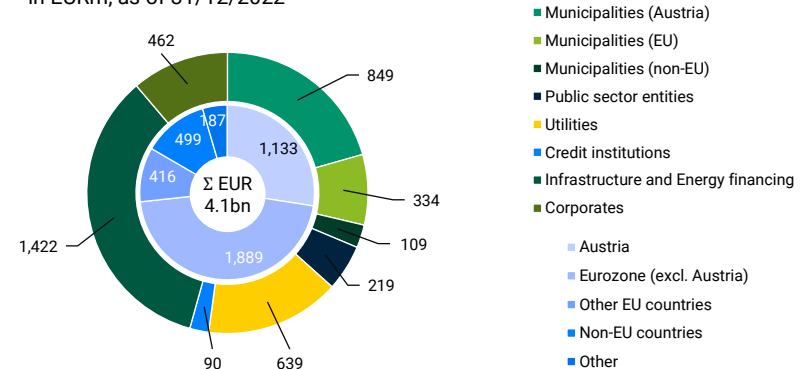


■ Infrastructure & Energy  
■ Public Finance & Other

## Highlights

- **Sustainable growth** of loan portfolio (CAGR 2019-22 +11%)
- Infrastructure & Energy (I&E) business **resilient** to various economic cycles and even ongoing pandemic and war
- Long-term growing demand to fund **energy transition, digitalisation, zero-emission mobility, elderly care and public health**

## Loan portfolio by region/borrowers <sup>1</sup> in EURm, as of 31/12/2022



<sup>1</sup> including project bonds and disbursement obligations

# 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.



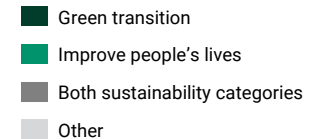
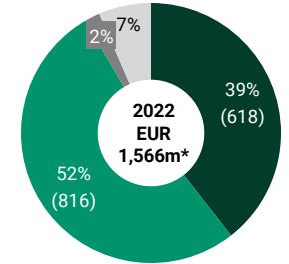
### Help improve people's lives

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

## 2025 Commitments

- **40%-50%** of new I&E business supporting the **green transition**
- **Up to 10%** of new I&E business going towards **new green solutions**
- **>30%** of new I&E business going towards **social infrastructure and/or digitalisation & communication**

## I&E new business 2022\* in % (EUR m)

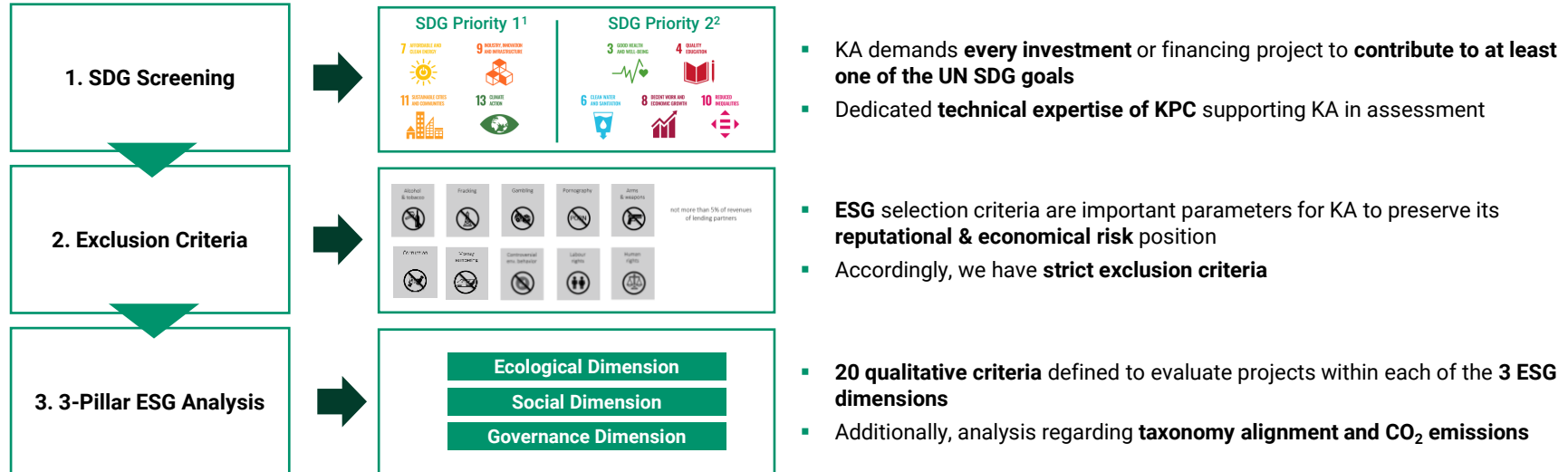


\*I&E new business 2022 excl. the acquisition of a loan portfolio from a third party bank

# ESG assessment – fundamental part of the credit approval process since 2012

Assessment of contribution to UN Sustainable Development Goals (SDG) and compliance with ESG criteria for every I&E project and measurement of direct and indirect effects on environment and society

## ESG Check (3-Step evaluation process)

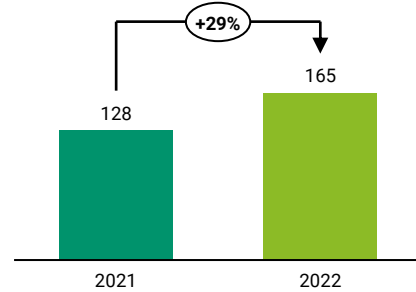


<sup>1</sup> Very important for KA and stakeholders

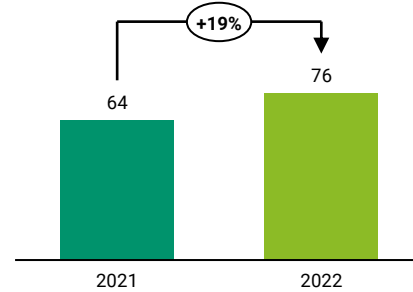
<sup>2</sup> Very important either for KA or stakeholders

# 2022 – continued delivery on growth & profitability

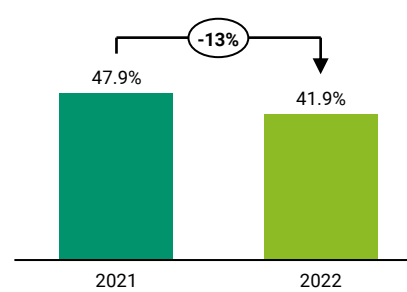
## Total income in EURm



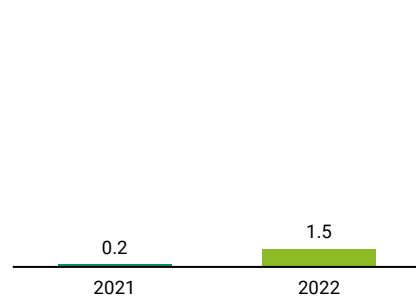
## Total expenses (before levies) in EURm



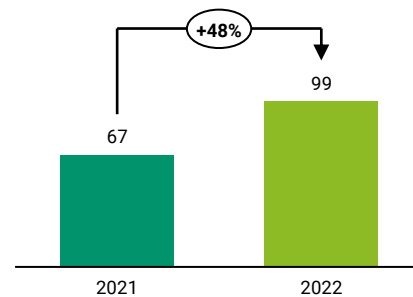
## Cost-income ratio Bank stand-alone<sup>1</sup>, in %



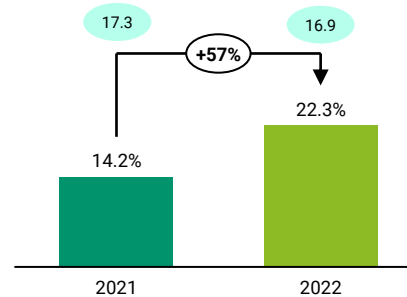
## Impairment charges in EURm



## Result before tax in EURm



## Return on equity after tax<sup>2</sup> in %



CET1 ratio stand-alone

## Key drivers



Further business growth



Cost discipline



Continuously low risk costs / no NPL



Efficient capital utilisation

<sup>1</sup> Bank stand-alone excluding impact of other group entities (mainly KPC, with dilutive impact to cost/income ratio)

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



# Fortress capital position

Disciplined capital management approach supporting continuous capital strength

## Capital management



### Disciplined capital allocation

Focus on margin over volume



### Strategic flexibility

Able to seize opportunities when they arise



### Organic capital build

Enabling organic growth (significant retained earnings)

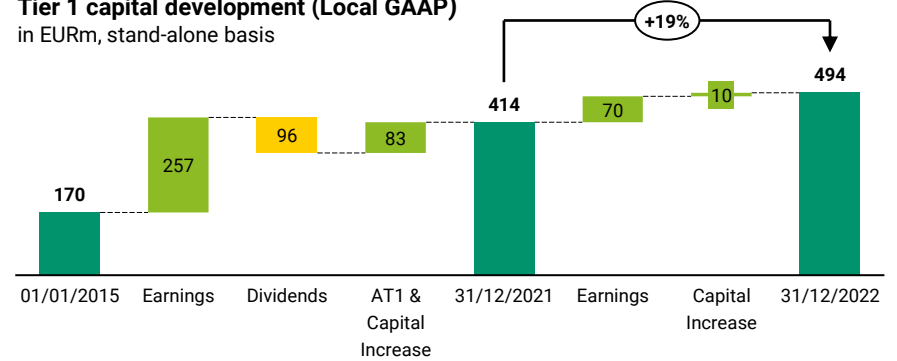


### Capital strength as strategic pillar

Significantly above capital requirements  
(KA has no MREL requirement)

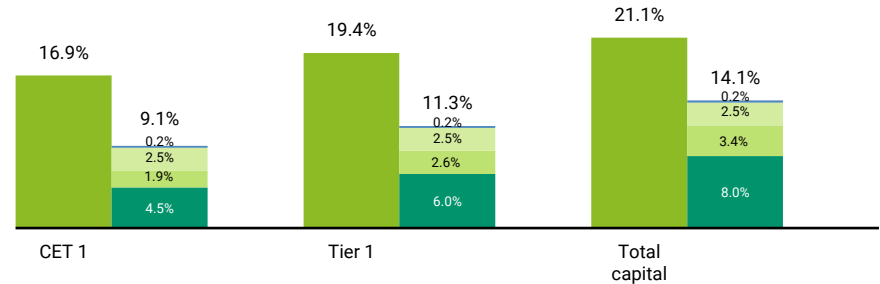
### Tier 1 capital development (Local GAAP)

in EURm, stand-alone basis



### Capital ratio & regulatory requirements

As of 31/12/2022 (stand-alone, local GAAP)



■ Countercyclical Capital Buffer Req. ■ Combined Buffer Req. ■ Pillar 2 Req. ■ Pillar 1 Req.

# Funding strategy with foresight to implement business growth

## Sustainable growth trajectory

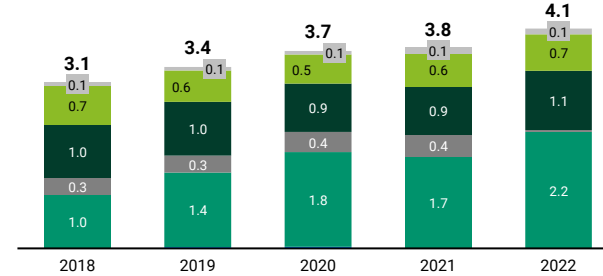
- Infrastructure & Energy **market growth supported** by macro trends (e.g. energy transition and reconfiguration of European energy supplies, digitalisation)
- Sustainable business volume growth**, aided by strong placement activity
- Growing emphasis on **ESG, advisory**, asset management and structuring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

## Solid funding & liquidity

- KA's funding strategy focuses on a **sound diversification** between capital market instruments (covered and senior) (47%) and customer deposits (53%)
- Diversified deposit base with **high share of term deposits (80%)**
- Strong liquidity situation** with liquidity ratios well above regulatory requirements
  - 348% Liquidity Coverage Ratio (LCR)
  - 129% Net Stable Funding Ratio (NSFR)

**EUR ~1.1bn liquidity position**

Funding structure  
in EURbn

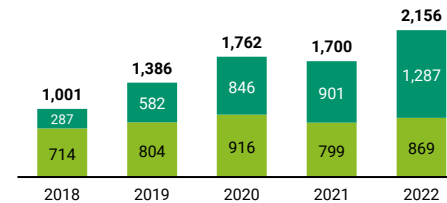


Subordinated incl. AT1 Covered Customer deposits  
 Senior TLTRO Interbank deposits

**348%**  
LCR

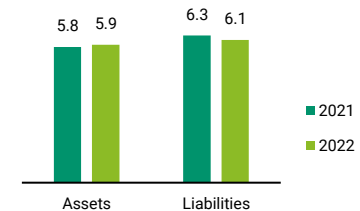
**129%**  
NSFR

Customer deposits  
in EURm



Retail deposits KA Direkt & IWS deposits\*

Weighted average term  
in years



# Kommunalkredit's new Sustainable Funding Framework

Strong alignment between new Sustainable Funding Framework and Kommunalkredit's sustainability



Part A: Issuer		Part B: Framework	
Business Model	<ul style="list-style-type: none"> <li>Five sectors</li> <li>Originate and collaborate approach</li> </ul>	Use of proceeds	<b>Green</b> <ul style="list-style-type: none"> <li>Renewable energy</li> <li>Energy efficiency</li> <li>Clean transport</li> <li>Pollution prevention &amp; control</li> <li>Sustainable water and wastewater management</li> </ul>
Sustainability Strategy & 2025 Commitments	<ul style="list-style-type: none"> <li>Min 40% of new origination to support the green transition</li> <li>Up to 10% of new origination to support innovative projects</li> <li>Min 30% of new origination to support digitalization and/or social infrastructure</li> </ul>		<b>Social</b> <ul style="list-style-type: none"> <li>Access to essential services: Education</li> <li>Access to essential services: Healthcare</li> <li>Affordable basic infrastructure: Fiber optic networks and broadband service</li> <li>Affordable housing: Social housing</li> <li>Affordable basic infrastructure: Public transport and transportation infrastructure</li> </ul>
Sustainability Governance	<ul style="list-style-type: none"> <li>Sustainability Officer</li> <li>Sustainability Board</li> <li>Sustainability team</li> </ul>	Evaluation & selection	<ul style="list-style-type: none"> <li>Eligible assets will be pre-assessed by KPC as part of the origination process, which includes an EU-Taxonomy assessment</li> <li>Robust management of ESG risks (Sustainability check, additional exclusions specific to the Framework)</li> <li>Selection of the eligible assets will be finalised by KA's Sustainable Funding Committee</li> </ul>
Sustainability Integration	<ul style="list-style-type: none"> <li>Sustainability check               <ul style="list-style-type: none"> <li>Exclusion criteria</li> <li>SDG screening</li> <li>Sustainability review</li> </ul> </li> <li>EU-Taxonomy assessment</li> <li>ESG Risk assessment</li> </ul>	Management of proceeds	<ul style="list-style-type: none"> <li>Portfolio approach – eligible asset portfolio to at least cover the outstanding bond nominal within 18 months of issuance</li> <li>Portfolio may revolve, any syndicated and/or redeeming assets need to be substituted with new eligible assets</li> </ul>
		Reporting	<ul style="list-style-type: none"> <li>Allocation &amp; impact reports published annually from the first issuance</li> <li>Reporting to be aligned with ICMA's "Harmonised Framework for Impact Reporting" on a best efforts basis</li> </ul>
		External Review	<ul style="list-style-type: none"> <li>Second party opinion (SPO) provided by ISS ESG, confirming the Framework's alignment with ICMA's GBP, SBP and SBG</li> <li>External verification of allocation reporting will be provided by an independent third party</li> </ul>

Please find the Sustainable Funding Framework and the SPO document at [www.kommunalkredit.at](http://www.kommunalkredit.at)

# Low risk profile and high asset quality | 0.0% NPL since 2015

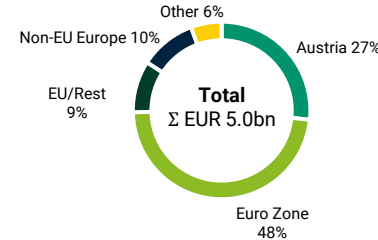
## Well managed risk

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

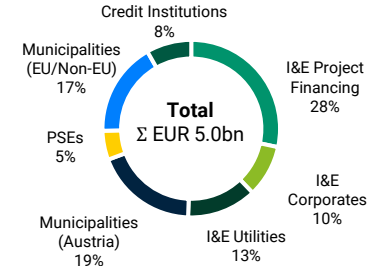
## High asset quality

- **Well-diversified portfolio** across borrowers and regions with continued high asset quality (Ø Rating A-)
- 36% of total exposure rated AAA/AA (12/2021: 36%)
- 68% investment grade (IG) (12/2021: 68%)
- Portfolio resilience demonstrated amid recent global challenges

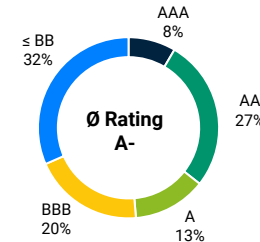
**Total Portfolio by Region**  
in %, as of 31/12/2022



**Total Portfolio by Borrower**  
in %, as of 31/12/2022



**Total Portfolio by Rating**  
in %, as of 31/12/2022



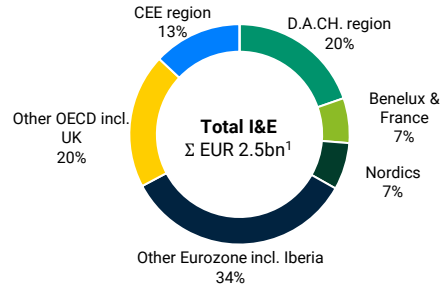
**Impeccable track  
record – constant  
0.0% NPL ratio  
since 2015**



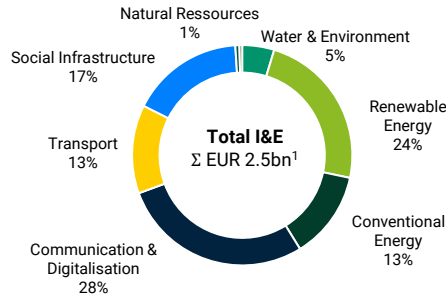
# Infrastructure & Energy portfolio – diversified, stable, high-quality

Portfolio reflects the range of KA's product offering, with a clear focus on senior exposures in Western European/Eurozone countries

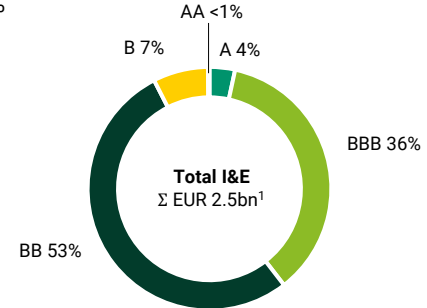
## Portfolio by geography in %



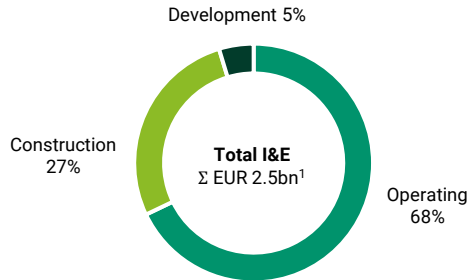
## Portfolio by sector in %



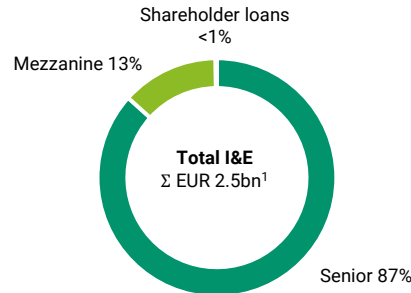
## Portfolio by rating in %



## Portfolio by status of project in %



## Portfolio by seniority in %



**EUR 1.89bn**  
Total drawn exposure

**EUR 0.65bn**  
Undrawn exposure<sup>2</sup>

**112**  
Number of borrowers

**~5 years**  
Avg. remaining maturity

Notes: Data as of 31/12/2022 unless stated

<sup>1</sup> Including undrawn lines

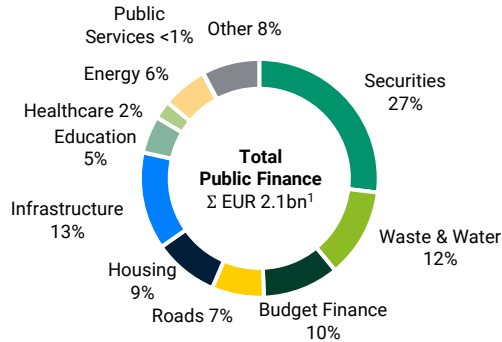
<sup>2</sup> Mainly relating to exposures to be disbursed with construction progress, or acquisition facilities, in both cases typically subject to strict conditions.

# Public finance portfolio – low risk, highly liquid, Eurozone-focused

Portfolio primarily comprises low-risk financing to local authorities (municipalities) or public sector entities (PSEs)

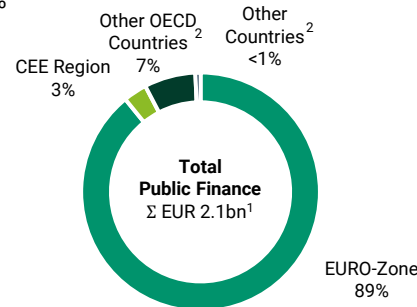
## Portfolio by sector

in %



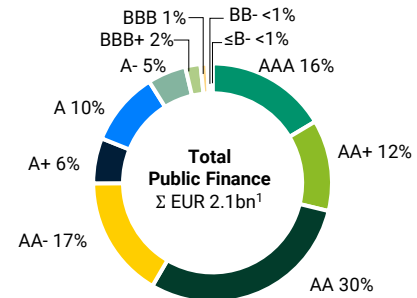
## Portfolio by region

in %



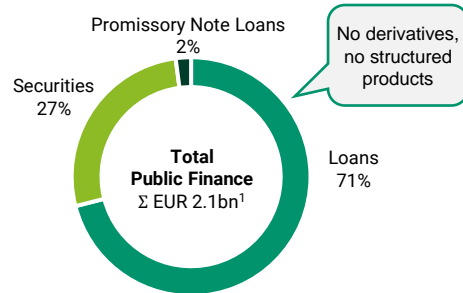
## Portfolio by rating

in %



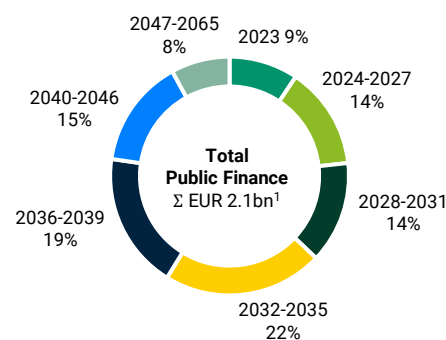
## Portfolio by type of product

in %



## Portfolio by maturity

in %



**EUR 1.7bn**  
Total drawn exposure

**EUR 0.4bn**  
Undrawn exposure

**830**  
Number of borrowers

**~12 years**  
Avg. remaining maturity

Notes: Data as of 31/12/2022 unless stated

<sup>1</sup> Including undrawn lines

<sup>2</sup> Part of High-Quality Liquid Asset (HQLA) securities portfolio with strict investment criteria

# Ratings

## COVERED BOND RATING

**S&P Global**  
Ratings

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

**A+**  
Stable Outlook

## ISSUER RATING

**S&P Global**  
Ratings

- **Resilient** and **robust** business model
- **Relatively high earnings**
- Underlining KA's **strong capitalisation and sound asset quality** as well as risk management

**BBB- / A-3**  
Positive Outlook

**FitchRatings**

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

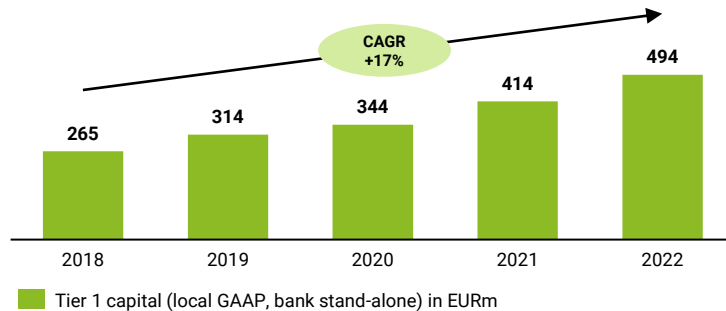
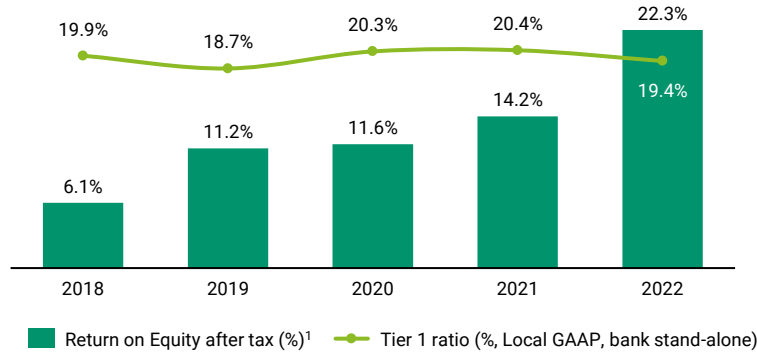
**BBB- / F3**  
Stable Outlook

**MORNINGSTAR** | **DBRS**

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

**BBB / R-2 (high)**  
Stable Outlook

# Delivering highly profitable growth with strong capitalisation



- **Key rating drivers further improved** since investment grade ratings<sup>2</sup> awarded
- Continuous improvement of profitability reaching **outstanding RoE after tax of 22% in 2022 while keeping capitalisation very strong**
- Diversification and increase of revenues with **complementary I&E products and services** (e.g. asset management, advisory, structured export finance, private placements)
- **Expanding the capital base** with retained earnings and capital increases
- **Impeccable risk track record** – constant 0.0% NPL ratio since 2015 | diversified portfolio with continued high asset quality
- **KA business is highly resilient and profitable** through various economic cycles/crisis – no material negative impacts from Russia/Ukraine war or macro environment (inflation, interest rates, supply chain)
- Key **growth** trends addressed with focus on **sustainable infrastructure**

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

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



# Altor to build the leading green transition bank by acquiring a majority stake in Kommunalkredit

80% stake | EUR 100m capital increase commitment

## Transaction Overview

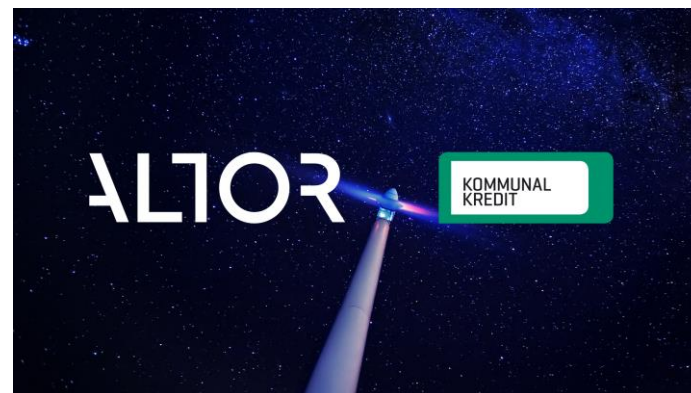
- Signing on 07/02/2023
- 80% majority stake in Kommunalkredit
- Existing long-term oriented shareholders Interritus (9.9%), Trinity Investments DAC (9.9%) & Austrian Association of Municipalities (0.2%) will remain minority shareholders
- Partnership with existing shareholders & management
- Altor performed in-depth due diligence | Confirmed current strategy, mid-term plan and management
- Commitment EUR 100m capital increase | Further strengthening of capital base in line with business growth
- Location commitment
- Next step: Start of ownership control procedure (FMA/ECB)
- Closing expected for H2/23

## KA Outlook

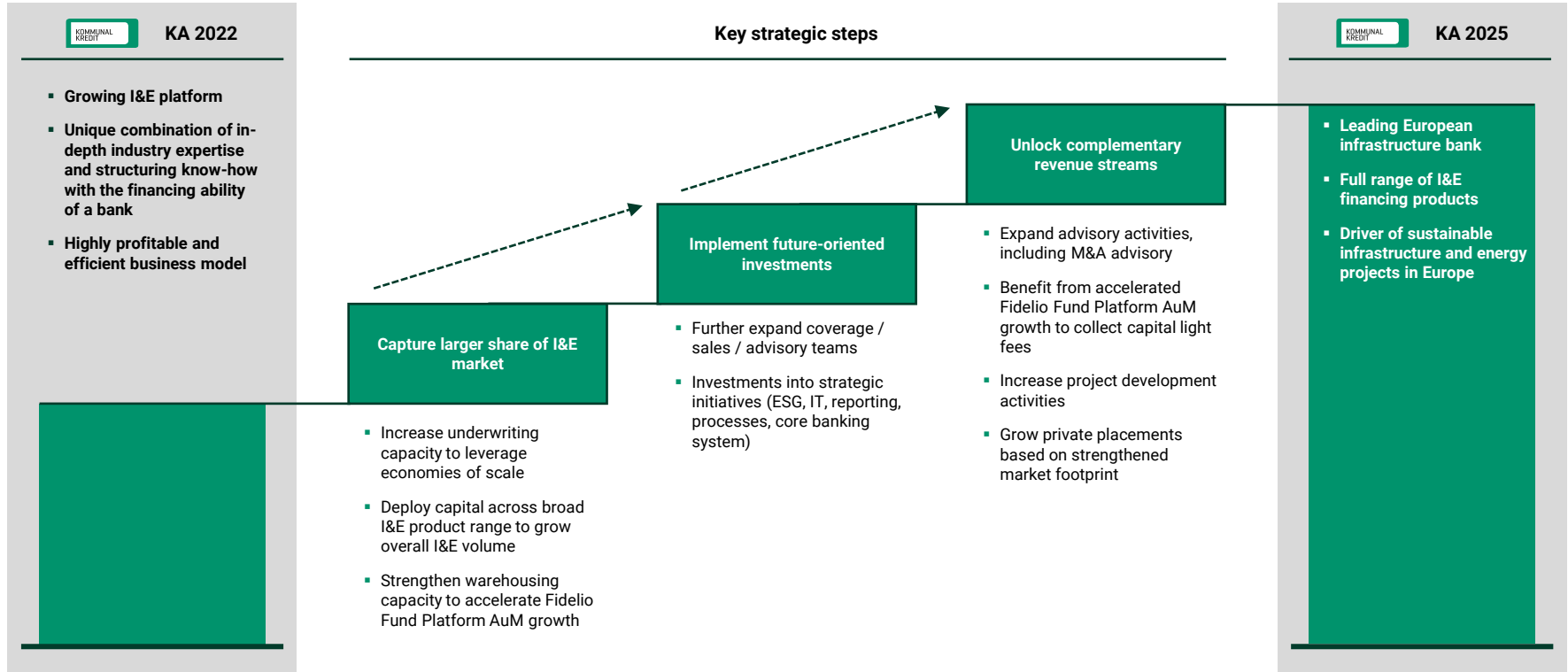
- EUR 100m capital increase | Unlocking economies of scale
- Maintaining growth momentum
- Ambitious targets ahead while maintaining risk appetite and lending discipline

## Altor Overview

- > EUR 11bn AuM
- Long-term oriented investor
- Strong ESG & sustainability expertise
- Among current & past investments: Carnegie, C WorldWide, Sbanken, OX2, H2 Green Steel, Vianode and Svea Solar
- Focus markets: DACH & Nordics



# Kommunalkredit's strategic growth trajectory



# Outlook 2023

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## Highly profitable growth ahead

- I&E market very resilient and attractive
- Increased focus on sustainable infrastructure
- Business growth path continued
- Strong profitability
- High level of efficiency | strict cost control
- EUR 100m capital increase targeted | robust capitalisation
- Invest in talent

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# Strategic Objectives

Focus | Growth | Shareholder support



## 1. What is our goal?

Partner of choice for infrastructure investments:

- Driving innovation and energy transition forward
- Applying our financing expertise as a link between sustainability & profitability
- Moving the market environment towards a greater contribution to ESG



## 2. How will we achieve this goal?

Concentration on our core business:

- Consistent customer focus
- Operational efficiency  
Future-oriented investments
- Unlock complementary revenue streams
- Stronger focus on national and international climate targets



## 3. Where do we improve in our core business?

Looking forward and acting decisively:

- Growing the strong commission business
- Expanding the product range and market presence
- Combination of bank balance sheet and asset management platform
- Targeted expansion of project development activities



## 4. What do we need to achieve this?

Improve our market position:

- Continue to strengthen our capital base
- Divert capital flows to sustainable/green infrastructure projects
- Drive digitalisation forward
- Support and integrate the best talent
- Increase underwriting capacity



## 5. Why is this attractive to our shareholders?

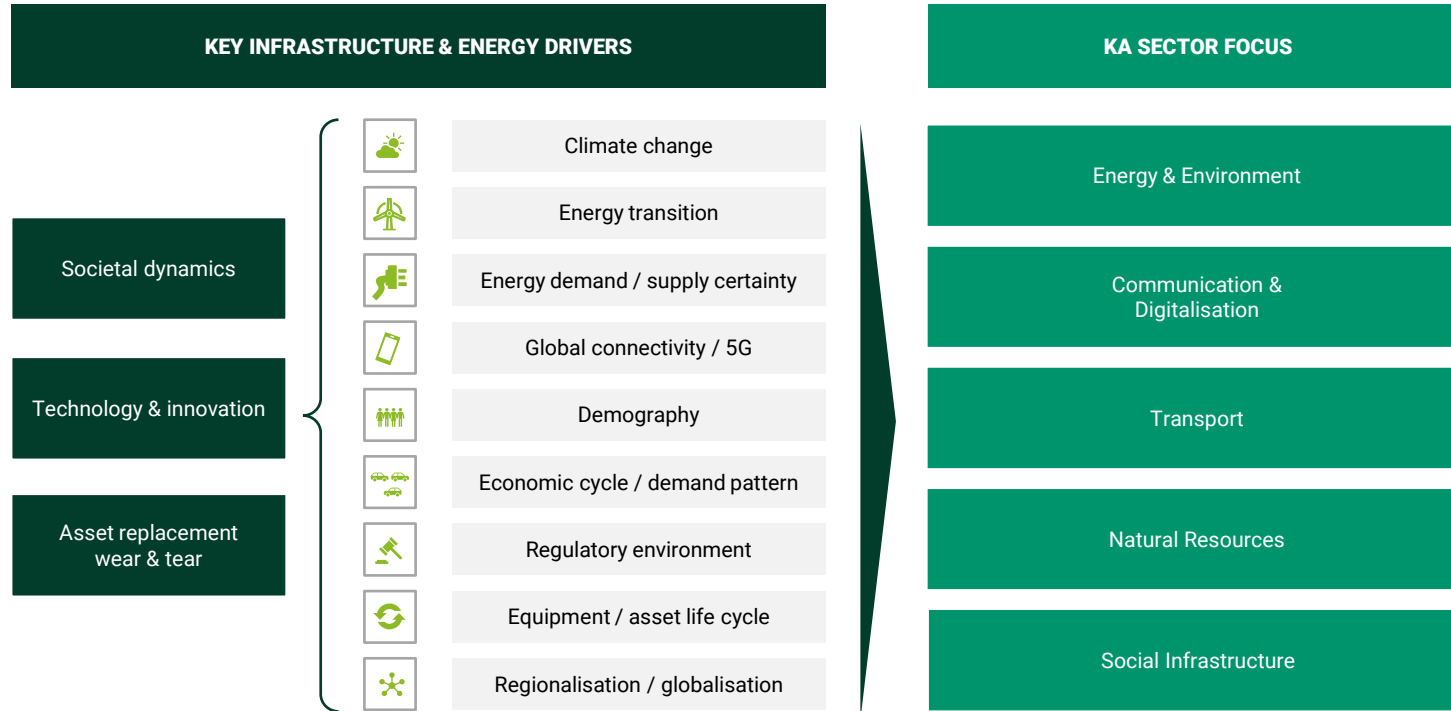
Create value:

- Tick all relevant valuation drivers
- High-velocity, low-risk balance sheet
- Continuous CAGR \* outperformance (Loans | Revenues | Results)
- Double-digit return on equity
- Excellent dividend yield and attractive distribution rate

\* CAGR = Compound Annual Growth Rate

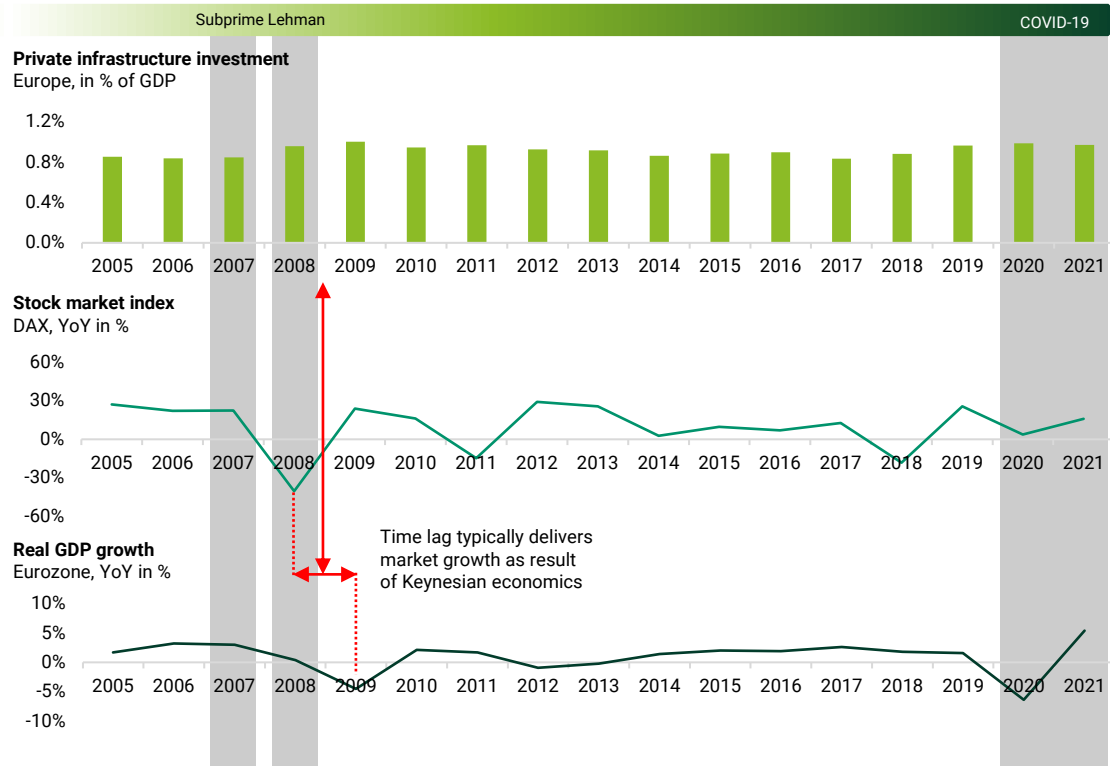
# Investing in Infrastructure & Energy | Key Drivers

Infrastructure investments are driven by long-term structural, global trends which KA's business focus directly addresses



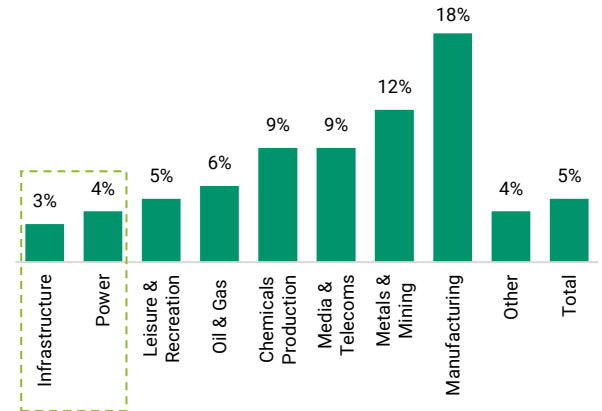
# I&E is structurally resilient across cycles

Infrastructure investments are largely uncorrelated with the economic cycle



- ✓ **Highly resilient (essential services; long-term asset cycle)**
- ✓ **Supportive fiscal policy crisis response**
- ✓ **Low default rates/high recovery rates**

Moody's long-term study: default rates by industry<sup>1</sup>



Sources: EIB Investment Reports; corporate infrastructure investment, PPP & non-PPP projects; OeNB

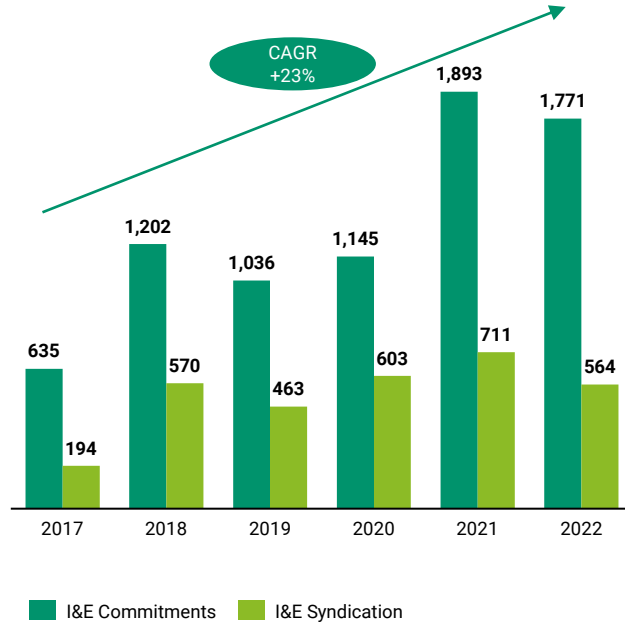
<sup>1</sup> Moody's Default and Recovery Rates for PF Bank Loans, 1983-2020



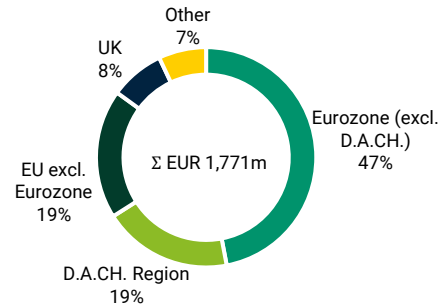
# Sustainable and strong growth record of I&E business

## Scalable Originate-and-Collaborate business model

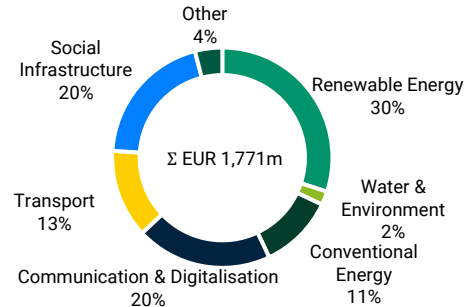
### I&E new business volume in EURm



### I&E commitments 2022 by geography<sup>1</sup>



### I&E commitments 2022 by sector



- **Strong diversification** in product lines, geographic regions and sectors resulting in well-balanced portfolio
- **Structured Export Finance** business expanded with several transactions in 2022
- **Fidelio and syndications** contribute to a liquid B/S and tight risk management
- 41% contributed to the “green transition” and 54% to the “improve people’s lives” sustainability strategy focus areas <sup>2</sup>

<sup>1</sup> ECA-covered part of structured export finance transactions are assigned to ECA agency countries

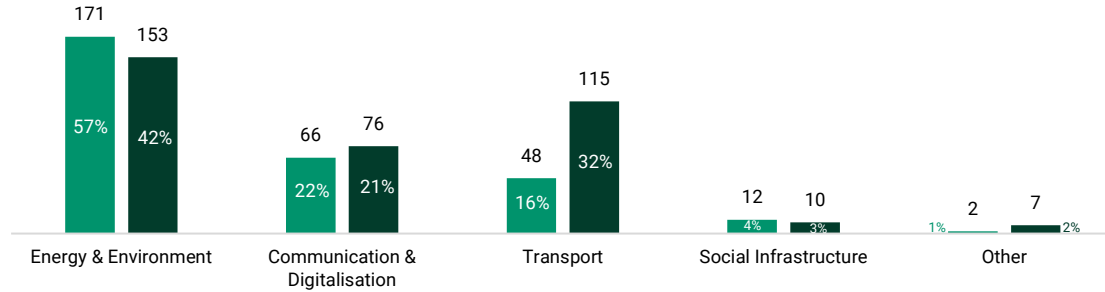
<sup>2</sup> I&E new business 2022 excl. the acquisition of a loan portfolio from a third party bank

# KA's sector mix is focused on the most attractive opportunities

## I&E transaction volume per sector

### Europe\*

in EURbn / in % of total I&E market

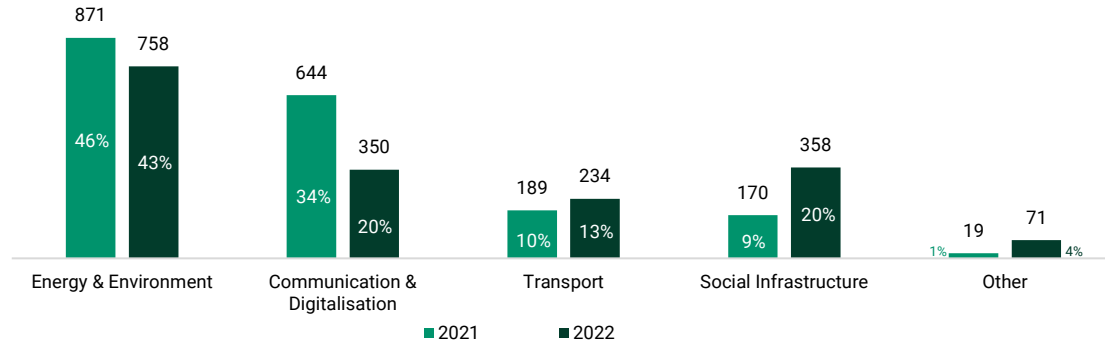


Total 2021: EUR 299bn

Total 2022: EUR 361bn

### Kommunalkredit

in EURm / in % of total I&E new business



Total 2021: EUR 1,893m

Total 2022: EUR 1,771m

# Dedicated originate-and-collaborate approach

Strong loan distribution capabilities, enabling a flexible approach to underwriting and high balance sheet velocity

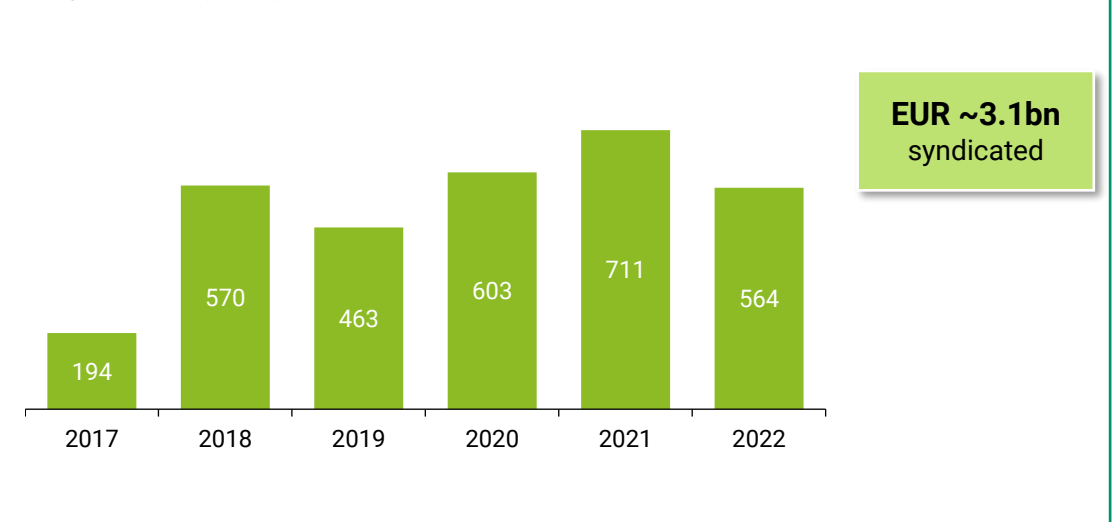
## ● Syndication approach

- ✓ Long-term collaboration partners
- ✓ Market sounding before origination
- ✓ Strict deadlines, tight management

## Strategic benefits

- ✓ Leveraging KA origination capabilities
- ✓ Increasing underwriting capacity
- ✓ Testifying market conformity of deals
- ✓ Realisation of arrangement and syndication fees
- ✓ Effective risk mitigation

## I&E syndications (EURm)

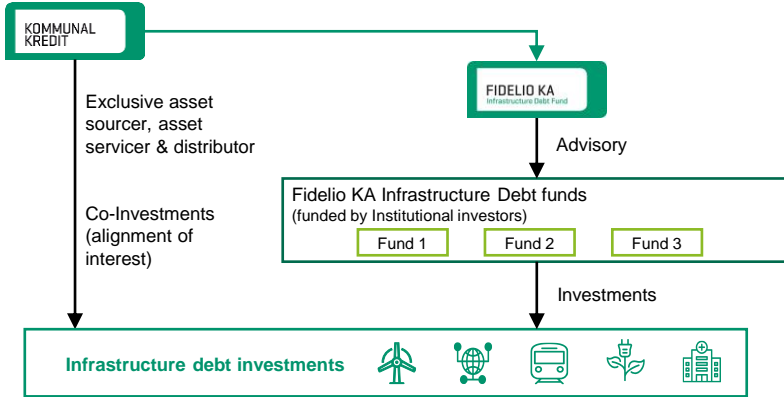


## ● Partners



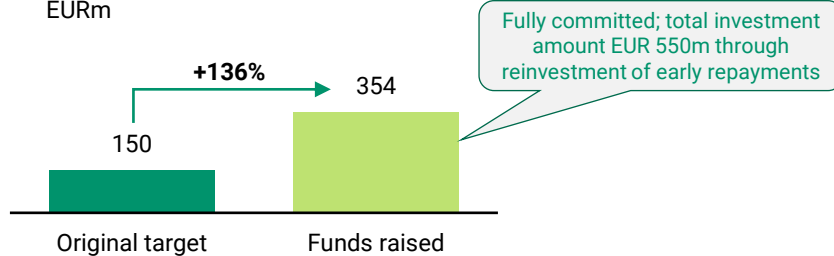
# Fidelio KA fund platform

## Fidelio structure



## Successful fundraising – Fund I

EURm



## Strategic benefits for Kommunalkredit

- ✓ **Increased underwriting capacity** without additional risk
- ✓ Larger transactions, better access to primary markets and **better client relationships**
- ✓ **Additional distribution channel**
- ✓ **Diversification along the value chain**
- ✓ **Asset Servicing** drives **economies of scale**

## Recent developments

- Seed close of Fund II (SFDR Art. 8) in 08/2022
- Sequel funds in progress
- Strategies: senior debt, high yield

# Fidelio KA fund platform (cont.)

## Value proposition

- Direct access to attractively priced asset pipeline originated & structured by KA
- Fast and transparent conversion of subscribed capital into yielding investments
- Alignment of interest via KA co-lending during project lifetime
- Stringent & regulated investment process, risk & portfolio management incl. a Solvency II compliant reporting & valuation process
- Experienced international team with outstanding industry expertise and track record

## Why invest in this strategy?

- Stable valuation in highly volatile market environment
- Infrastructure debt profits from increasing interest rates and offers inflation protection at the same time
- Low observed correlations with other asset classes with low volatility compared to 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")
- Fared well during Covid-19 crisis and war in Ukraine

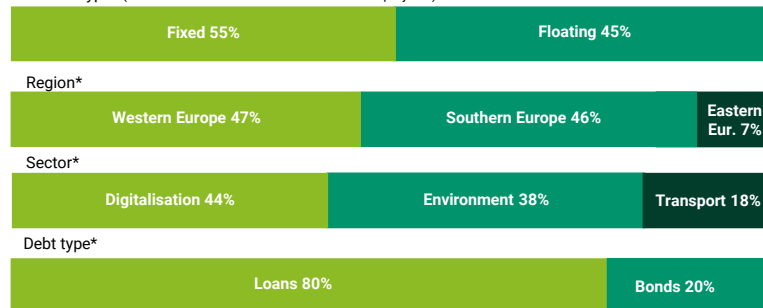
## Fund strategy

*"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 of Sub-Fund I

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



## 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
Yield target	Average gross yield >3%		
Target rating**	Investment grade (BBB-)		

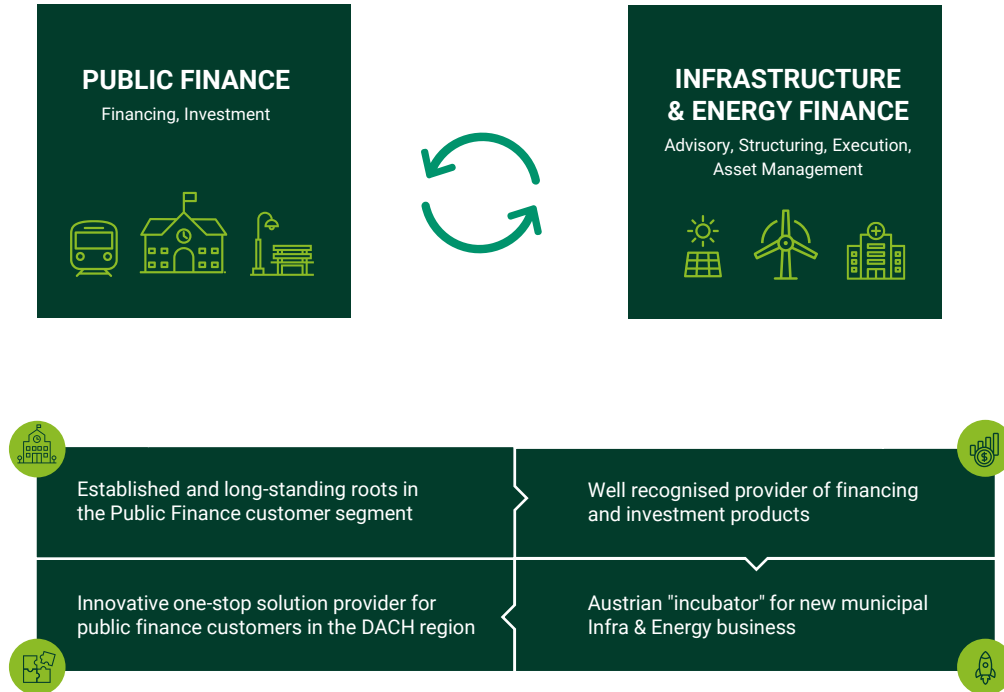
## Sub-Fund II (ISIN: LU 2363960290; seed close 09/08/2022)

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
Yield target	Average gross yield >3.5%		
Target rating**	Investment grade (BBB-)		

\* Data as at 31/12/2022

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

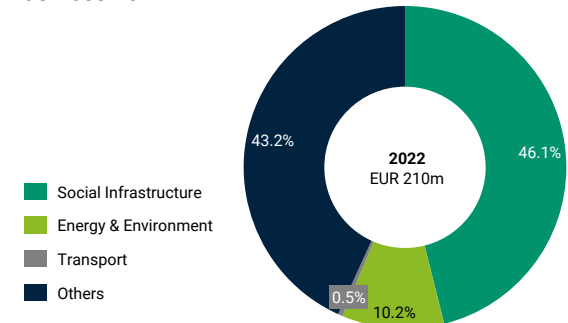
# Public Finance – 2<sup>nd</sup> pillar of KA's business model



## Established Network

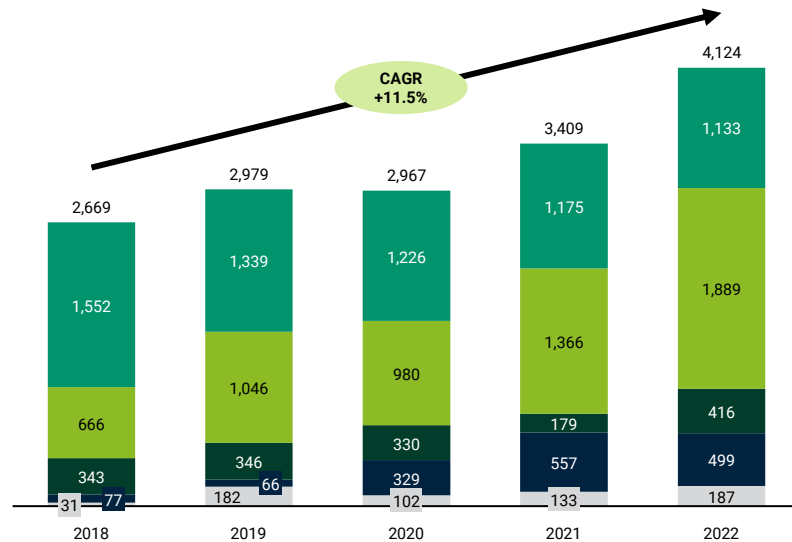
- KA has excellent and long-standing customer relationships in Austria and neighbouring countries, both on the financing and the investment side
- With investments in essential infrastructure that is used directly by citizens, municipalities and their public institutions, we create and protect jobs and help to keep the economy going
- 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

## New Business 2022



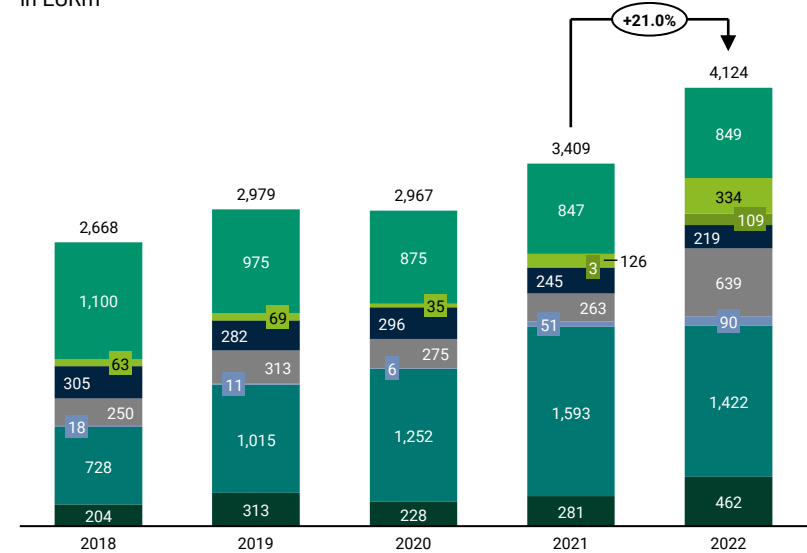
# Sustainable growth of the well-diversified loan portfolio

Loan portfolio by region <sup>1</sup>  
in EURm



■ Austria  
■ Eurozone (excl. Austria)  
■ Other EU countries  
■ Non-EU countries  
■ Other

Loan portfolio by borrowers <sup>1</sup>  
in EURm



■ Municipalities (Austria)  
■ Municipalities (EU)  
■ Municipalities (non-EU)  
■ Public sector entities  
■ Utilities  
■ Infrastructure and Energy financing  
■ Corporates  
■ Credit institutions

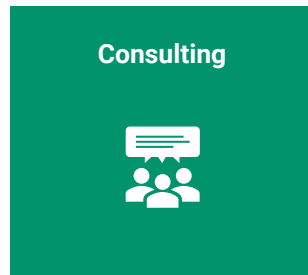
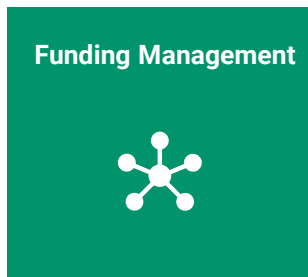
<sup>1</sup> including project bonds and disbursement obligations



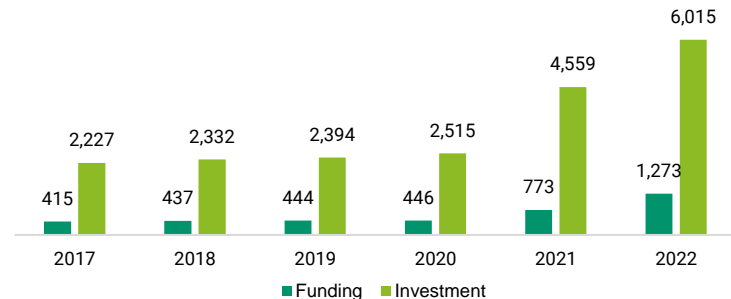
# Kommunalkredit Public Consulting (KPC) – market leader in funding management

Leading expertise in environmental funding management since 1993, as well as consulting and policy advice, with further growth opportunities

## KPC services and competencies



## Funding (subsidy volume) and investments (total project volume) in EUR m



## Serving high profile clients

Federal Ministry  
Republic of Austria  
Climate Action, Environment,  
Energy, Mobility,  
Innovation and Technology

Federal Ministry  
Republic of Austria  
Agriculture, Forestry, Regions  
and Water Management



## KPC KPIs & expertise

136 FTEs (2022)  
414,355 Projects  
assessed (2022)

Experts for Climate,  
Environment & Energy  
projects and ESG

Dedicated  
specialists  
for each focus area

Experts for Water &  
Waste and Biodiversity  
projects

Incremental  
advisory as  
attractive growth  
opportunity

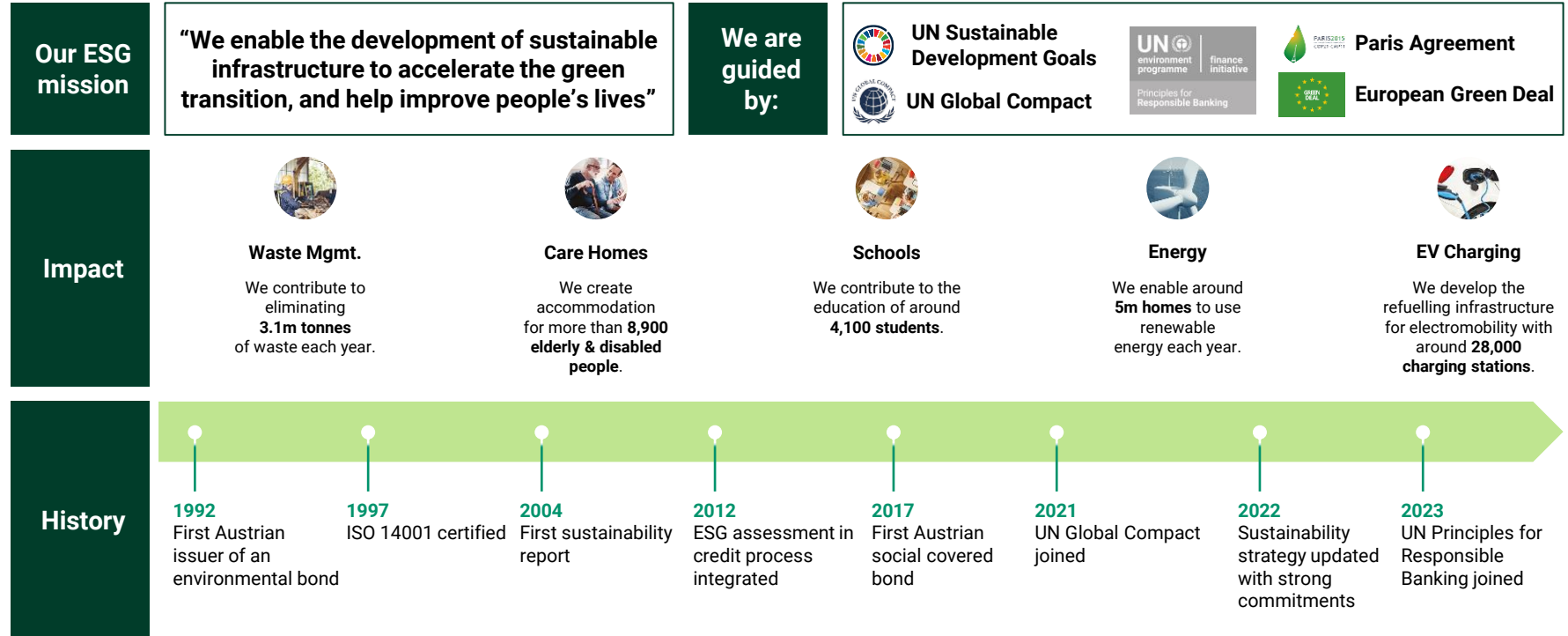
Experts for  
management of  
funding programs

## Benefits to KA

- ✓ High brand value
- ✓ Technical expertise

# Sustainability as long-standing, integral part of the business

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



# Sustainability performance of KA recognised by external stakeholders

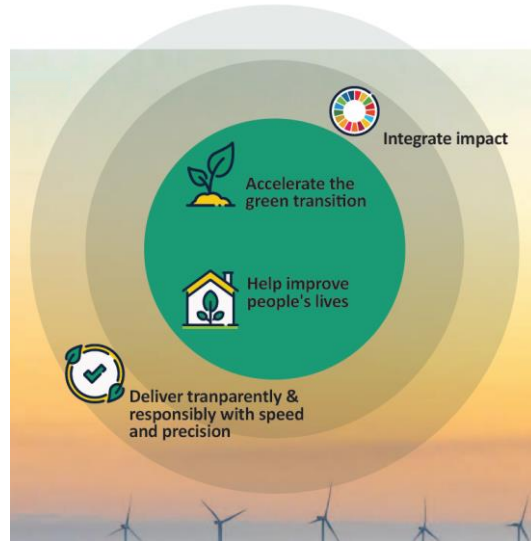
## Awards & ESG Ratings



- On February 8, 2023, ISS ESG awarded a "C"-Rating and the "Prime Status" for Kommunkredit



# 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, 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.

#### SDG Priority 1\*

7 AFFORDABLE AND CLEAN ENERGY



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



11 SUSTAINABLE CITIES AND COMMUNITIES



13 CLIMATE ACTION



#### SDG Priority 2\*\*

3 GOOD HEALTH AND WELL-BEING



4 QUALITY EDUCATION



6 CLEAN WATER AND SANITATION



8 DECENT WORK AND ECONOMIC GROWTH



10 REDUCED INEQUALITIES



\* Very important for KA and stakeholders

\*\* Very important either for KA or stakeholders

# 2025 Sustainability Commitments

## Core focus areas



Accelerate the green transition



Help improve people's lives

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

## Key enablers



Integrate impact

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



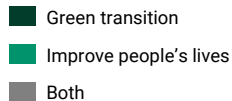
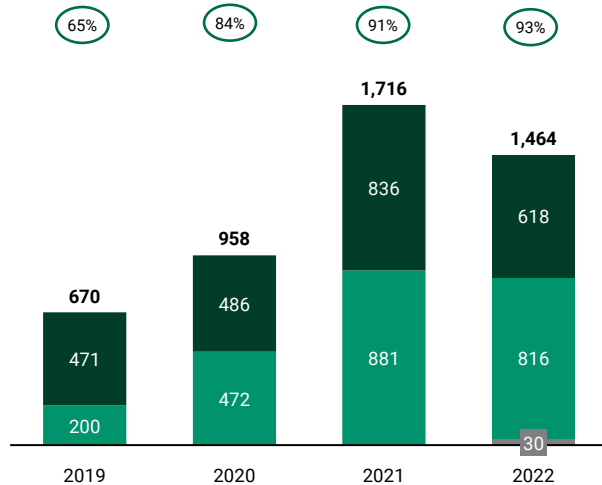
Deliver transparently & responsibly with speed and precision

- Environmental Sustainability Ratio to be defined by Q3 2023
- Greenhouse gas emissions of financing projects to be measured by 2024 according to PCAF<sup>1</sup>; net-zero target to be set
- At least 30% of managers to be female by 2025
- Eliminate gender pay gap within same job bands by 2025

<sup>1</sup> Partnership for Carbon Accounting Finance

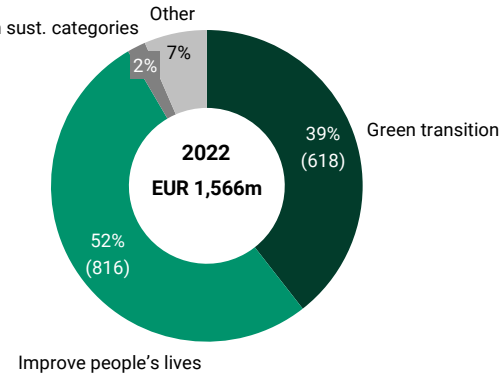
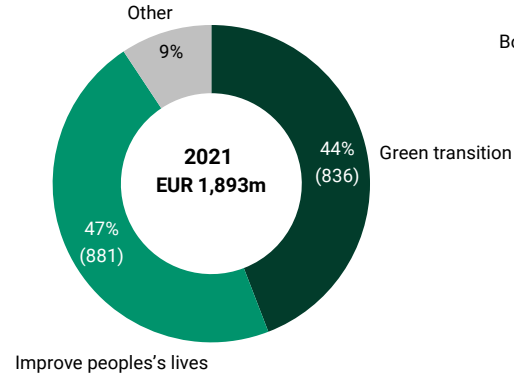
# Majority of I&E commitments contribute to our sustainability core focus areas

Development of I&E commitments\* | sustainable infrastructure  
in EURm



% Share of total commitments

I&E commitments\*  
in % / EURm

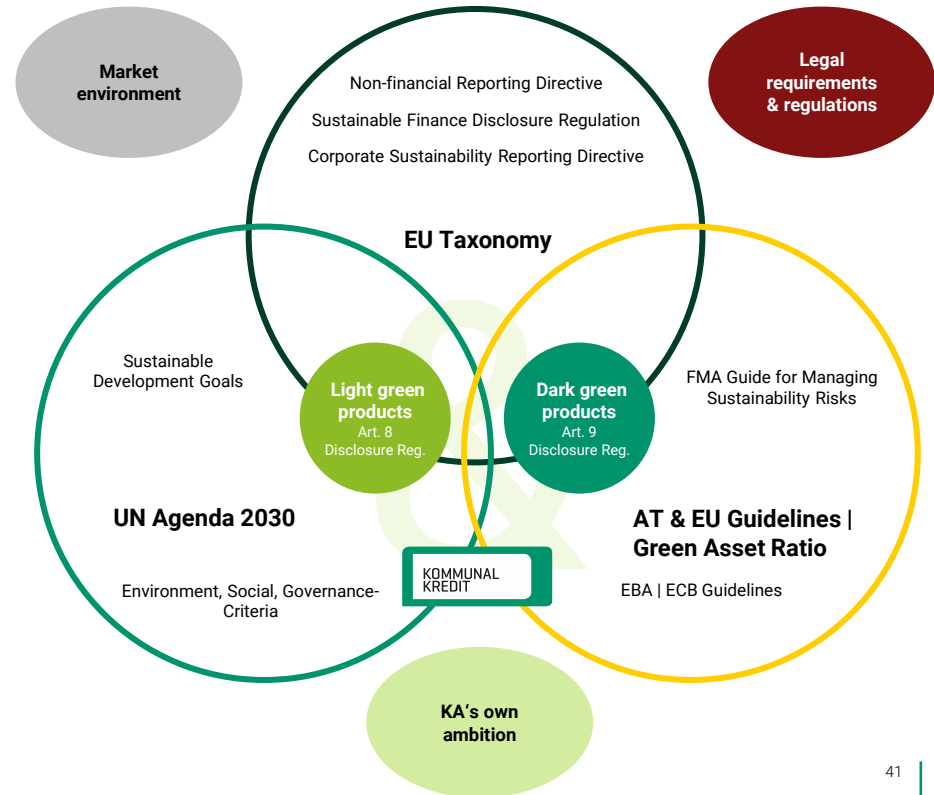


\*I&E commitments 2022 excl. the acquisition of a loan portfolio from a third party bank

# KA's ESG vision is backed by dedicated measures

Well advanced with respect to the landscape of legal, market and self-imposed ESG reporting requirements

- ✓ **Comprehensive ESG action plan in implementation:**
  - EU Taxonomy
  - Sustainable Funding Framework
  - ESG and impact trainings
- ✓ Newly established **Fidelio II fund is Art. 8 compliant** according to the European Disclosure Regulation and promotes environmental and social aspects
- ✓ KA successfully positioned as **first address for sustainable infrastructure** (technical expertise, development partner, smart structuring products)
- ✓ KA is **continuously improving** its ESG disclosures





# Overview

01 **Executive Summary**

02 **Strategy & Business Model**

03 **Financial Performance**

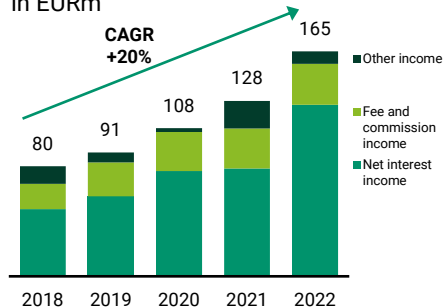
04 **Funding & Liquidity**

05 **Risk Profile**

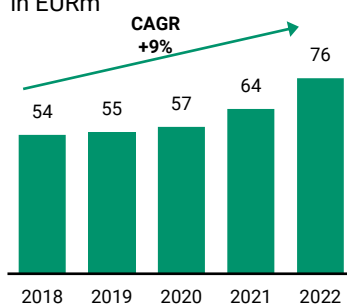
06 **Appendix**

# Track record of delivering income growth with strict cost discipline leading to double digit returns on >16% CET1

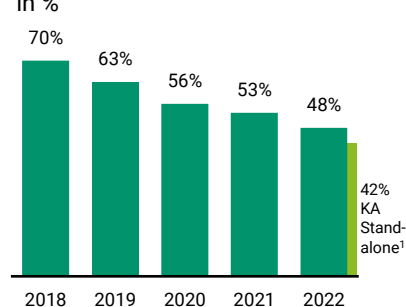
## Total income in EURm



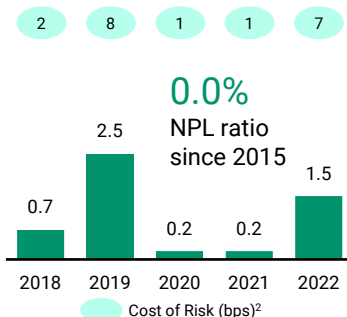
## Total expenses (before levies) in EURm



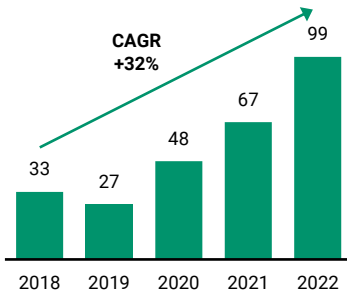
## Cost-income ratio in %



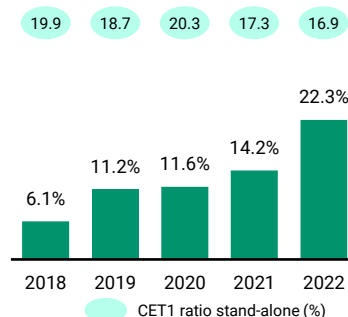
## Impairment charges in EURm



## Result before tax in EURm



## Return on equity after tax³ in %



## Key drivers



Focus on margin instead of volume



Cost discipline



Risk discipline



Capital allocation discipline

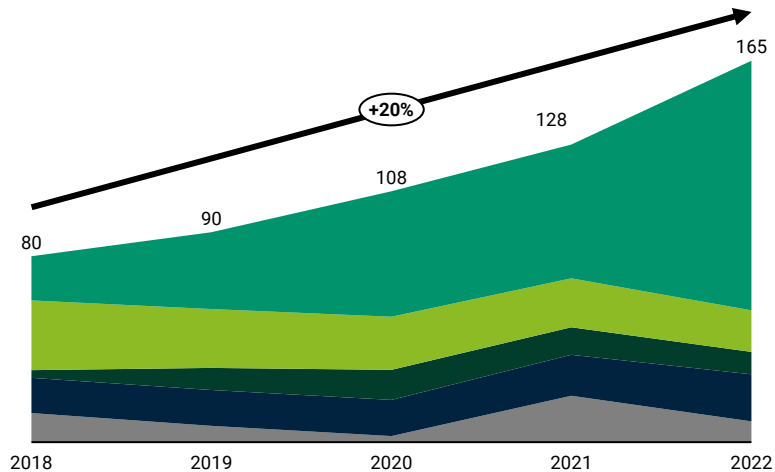
¹ KA stand-alone excluding impact of other group entities (mainly KPC, with dilutive impact to cost/income ratio)

² Impairment charges over average customer loans and assets at fair value through other comprehensive income

³ Calculated as result after tax / common equity tier 1 capital as of beginning of the relevant year

# Continued increase and diversification of income

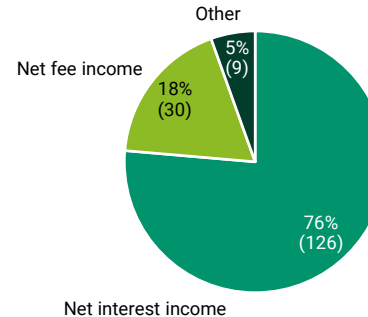
Total income development  
in EURm



## Highlights

- Significant increase of total income in 2022 (+29% yoy)
- Sustained long-term growth of income: 20% CAGR 2018-22
- Continued expansion of I&E interest and fee income
- Active portfolio management unlocks additional income on a regular basis

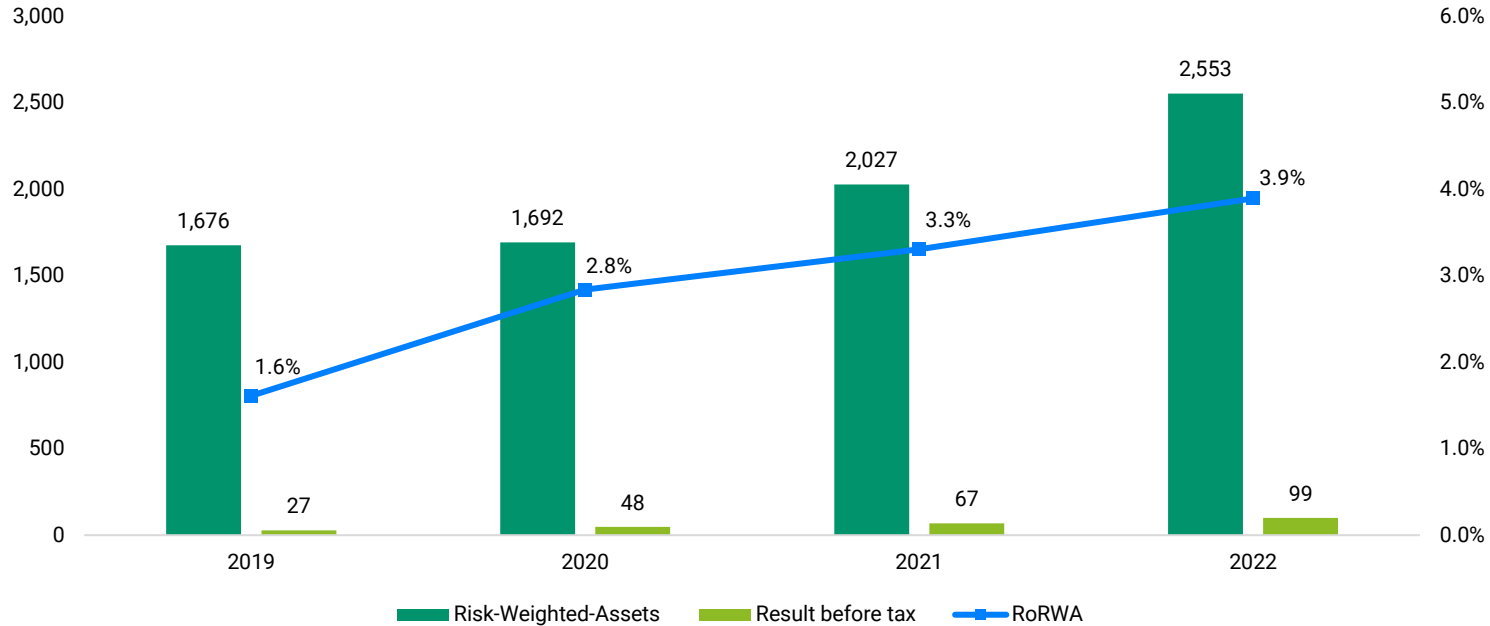
Income split 2022  
in % (EUR m)



# Efficient risk-return management

Efficient management allows strong growth in result before tax with only moderate increase in risk-weighted assets

## 1 Development of result before tax, risk-weighted assets and RoRWA<sup>1</sup> in EURm and %



1 Calculated as Result before tax / Total Risk-Weighted-Assets as of end of the period

# IFRS Performance and selected key KPIs

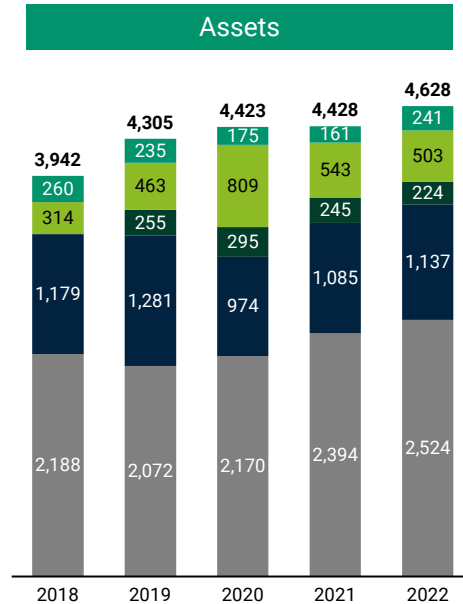
IFRS P&L; consolidated (EURm)	2018	2019	2020	2021	2022
Net interest income	49.2	58.6	77.1	78.9	125.7
Net fee and commission income	18.5	24.9	28.5	29.4	29.9
Income from services	8.6	1.7	0.0	0.0	0.0
Administrative expenses	-54.1	-54.6	-57.2	-63.6	-75.8
Other operating result	0.2	0.8	0.1	15.0	8.4
Result from securities and investments	0.2	0.2	0.4	2.0	0.1
Placement result	3.5	4.3	2.1	3.0	0.4
Regulatory levies	-2.2	-2.7	-3.6	-4.7	-3.6
<b>Operating result</b>	<b>23.9</b>	<b>33.2</b>	<b>47.5</b>	<b>60.1</b>	<b>85.2</b>
Net Provisioning for impairment losses	-0.7	-2.5	-0.2	-0.1	-1.5
Valuation and disposal result	11.8	-3.4	0.7	7.1	15.7
Restructuring cost	-2.5	0.0	0.0	0.0	0.0
<b>Result before tax</b>	<b>32.6</b>	<b>27.3</b>	<b>48.0</b>	<b>67.1</b>	<b>99.4</b>
Taxes on income	-18.3	2.3	-11.6	-18.2	-21.1
<b>Result after tax</b>	<b>14.3</b>	<b>29.6</b>	<b>36.4</b>	<b>48.9</b>	<b>78.2</b>
<b>Total income</b>	<b>80</b>	<b>90</b>	<b>108</b>	<b>128</b>	<b>165</b>
<b>Total expenses (incl. levies)</b>	<b>-56</b>	<b>-57</b>	<b>-61</b>	<b>-68</b>	<b>-79</b>

Key KPIs (% or EURm)	2018	2019	2020	2021	2022
Tier 1 ratio*	19.9%	18.7%	20.3%	20.4%	19.4%
CET 1 ratio*	19.9%	18.7%	20.3%	17.3%	16.9%
Total capital ratio*	24.3%	21.9%	23.2%	22.6%	21.1%
Tier 1 capital*	265	314	344	414	494
CET 1 capital*	265	314	344	351	431
Risk-Weighted Assets*	1,335	1,676	1,692	2,026	2,552
Total assets*	3,479	3,803	4,109	4,230	4,610
Cost-income ratio	70.2%	63.3%	56.1%	53.2%	48.3%
Cost-income ratio (bank stand-alone)	-	-	51.3%	47.9%	41.9%
Return on equity before tax	14.0%	10.3%	15.3%	19.5%	28.3%
Return on equity after tax	6.1%	11.2%	11.6%	14.2%	22.3%

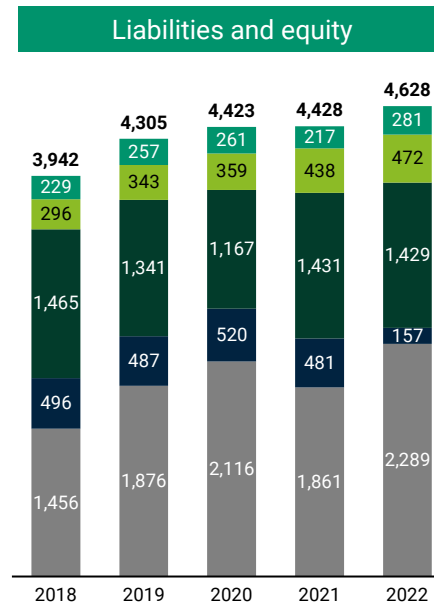
\* local GAAP, bank stand-alone

# Consolidated statement of financial position

IFRS, in EURm



- Other assets
- Cash and cash equivalents
- Assets at fair value through profit or loss
- Assets at fair value through OCI
- Assets at amortised cost



- Other liabilities
- Equity
- Liabilities at amortised cost securitised and subordinated
- Liabilities at amortised cost owed to banks
- Liabilities at amortised cost owed to customers

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05 Risk Profile

06 Appendix



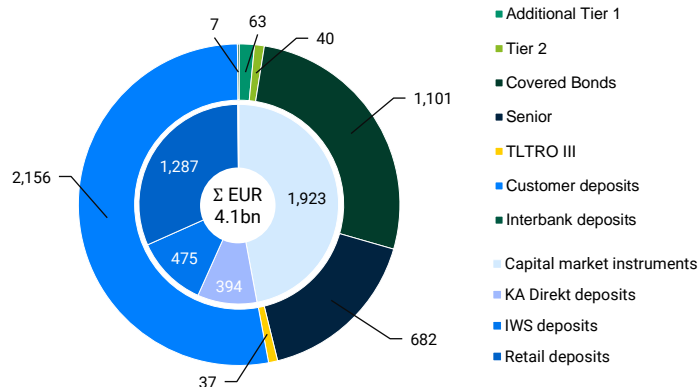
# Stable, diversified funding base

High stability and ample liquidity based on balanced funding mix

## Funding mix in EURm

348%  
LCR

129%  
NSFR



EUR ~1.1bn liquidity position

Notes:  
KA Direkt: wholesale deposits from municipalities and public sector companies  
IWS deposits are direct business with corporate/institutional customers

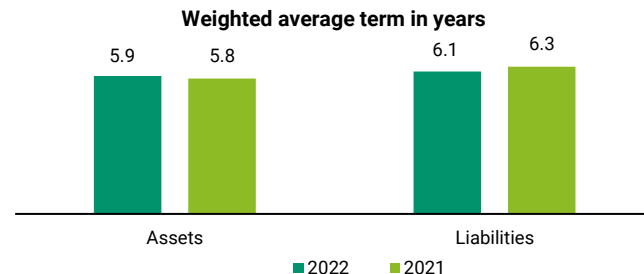
## Funding strategy

- KA's funding strategy focuses on sound **diversification** between **capital market instruments** and **customer deposits** to maintain low dependency on single funding sources:
  - Strengthening of capital market funding
  - Balanced duration of assets and liabilities
  - Maintaining strong liquidity position
- EUR 1.9bn capital market instruments (2021: EUR 2.1bn) | 47%
- EUR 2.2bn customer deposits (2021: EUR 1.7bn) | 53%

Total **liquidity position: EUR 1,142m**

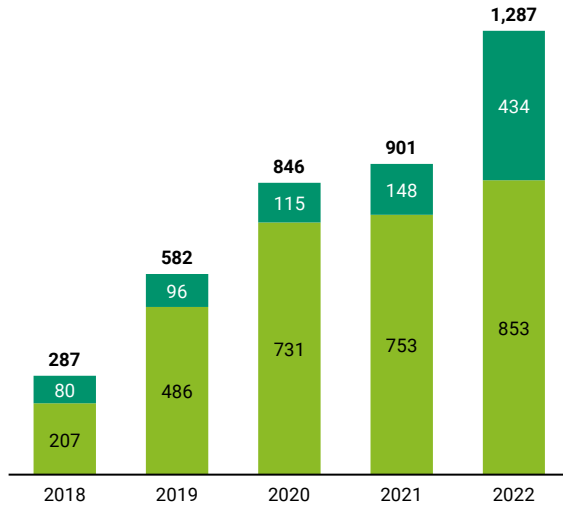
- Available liquidity: EUR 503m (cash with OeNB)
- Liquidity reserve: EUR 639m (unencumbered HQLAs and ECB eligible credit claims)

## Duration-matched assets and liabilities



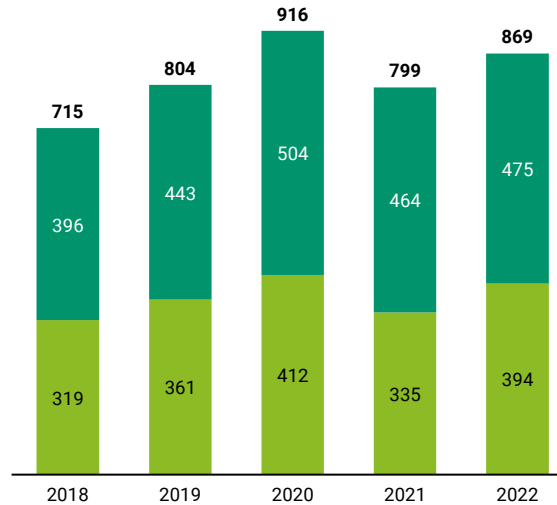
# Development of deposit base

## Retail deposits in EURm



Overnight deposit   Term deposit

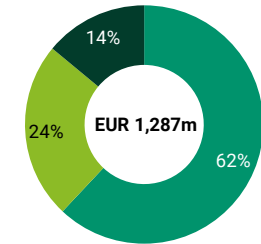
## Wholesale deposits in EURm



Direct business with corporate/institutional customers  
KA Direkt

- EUR 2.2bn deposit base as of 31/12/2022 (31/12/2021: EUR 1.7bn)
- Overall share of term deposits: 80%
- Retail deposits
  - 22,351 active private customers
  - Share of term deposits at 66.3% (31/12/2021: 83.5%)
  - Average maturity of term deposits at 21 months (31/12/2021: 26 months)

## Retail deposits by category 31/12/2022, in %



Sight and term deposits  
Term deposits only  
Sight deposits only

# Established capital market franchise

KA has repeatedly successfully tapped the capital markets to diversify its funding base

## Investment grade ratings

**S&P Global**  
Ratings

BBB- / A-3, Positive  
Outlook (Issuer)

A+, Stable Outlook  
(Covered)

**FitchRatings**

BBB- / F3, Stable Outlook (Issuer)

**MORNINGSTAR | DBRS**

BBB / R-2 (high), Stable Outlook (Issuer)

## Selection of recent capital market issues

### AT1

Q1/Q2 2021  
Perp. (1st call: 2026)  
EUR 63m

### Senior Preferred Bond

Q2 2021  
2024  
EUR 300m

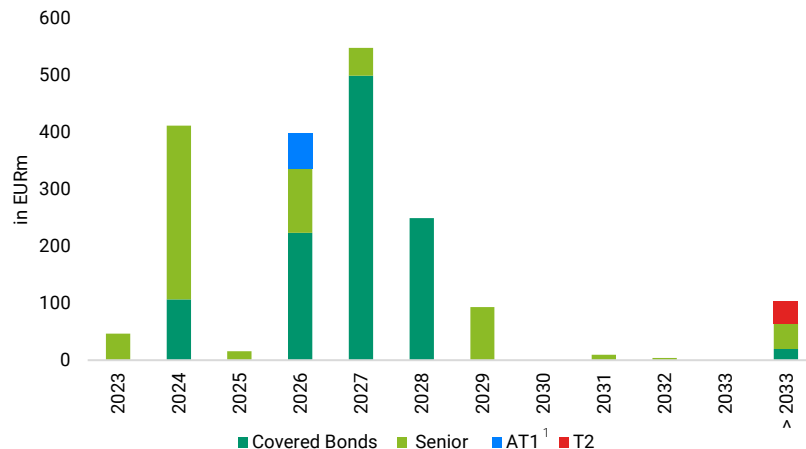
### Public Sector Covered Bond

Q1/Q2 2022  
2027  
EUR 400m

### Senior Preferred Promissory Note

Q3 2022  
2026  
EUR 75m

## KA's Capital market funding maturity profile



Well balanced, diversified maturity profile to avoid maturity concentrations

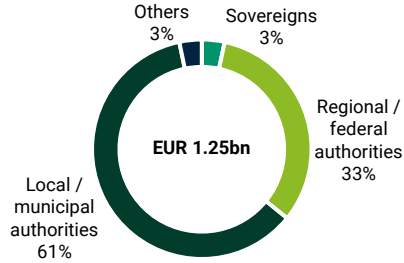


Regular capital market issuer in public as well as private placement format

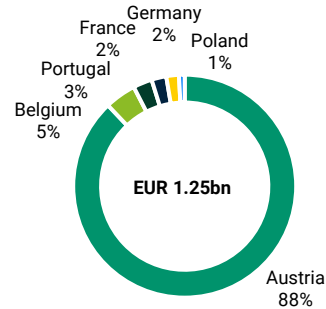
# Covered Bonds – cover pool composition

As of 31/12/2022

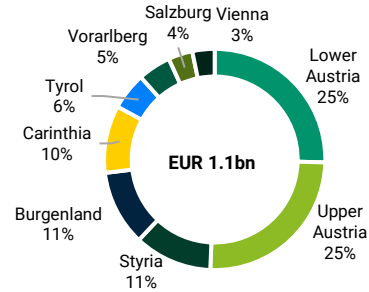
Obligor type



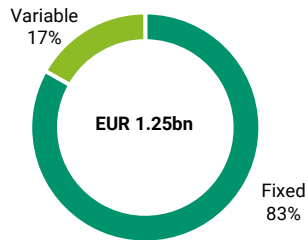
Geographical distribution



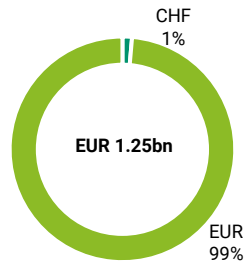
Geographical distribution within Austria



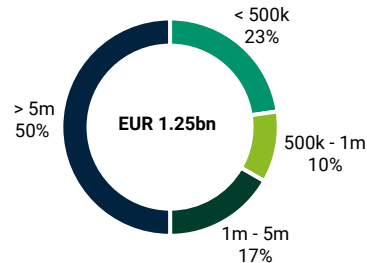
Interest rate



Currency



Loan size\*



- NPL Ratio: 0.0%
- Weighted average seasoning: 12.3 years
- Nominal over-collateralization: 13.5%
- Covered Bond LCR: Level 2a

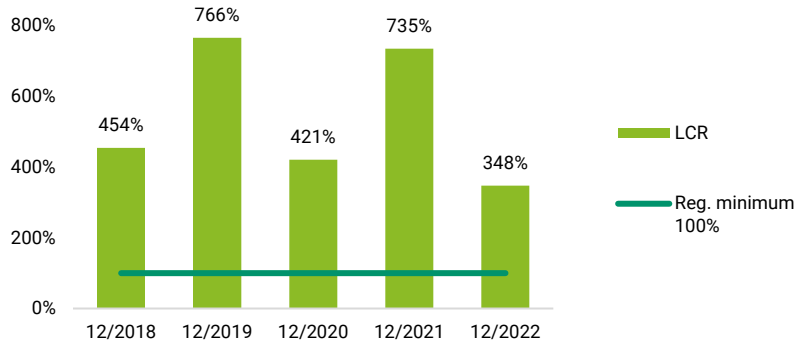
**Covered Bond Rating:**  
**A+**

\*) Federal state exposures drive up the obligor concentration in KA's cover pool. However, part of these loans represent federal state guaranteed mortgage loan portfolios, which are characterised by high granularity and benefit from the corresponding collateral security

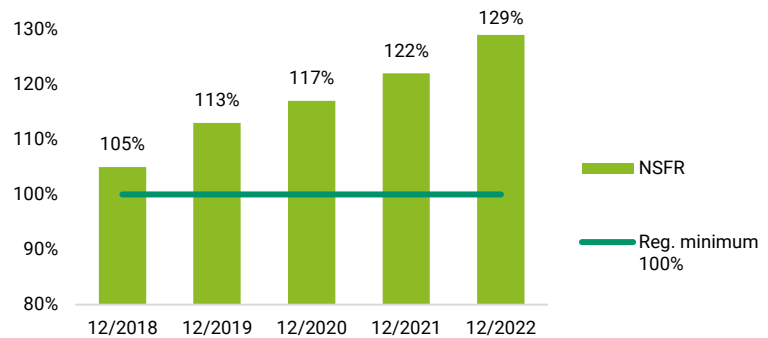
# Strong Liquidity Ratios

Liquidity metrics clearly above regulatory minimum

## Liquidity Coverage Ratio (LCR) in %

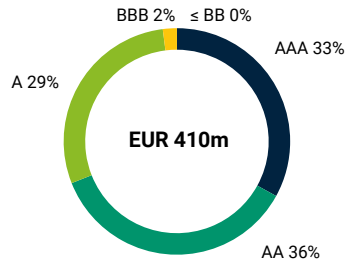


## Net Stable Funding Ratio (NSFR) in %

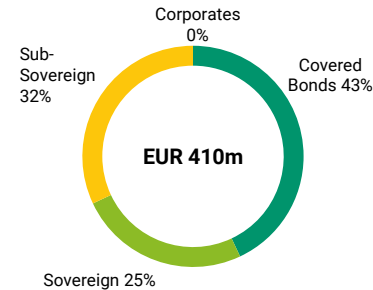


## Liquidity Portfolio in %, as of 31/12/2022

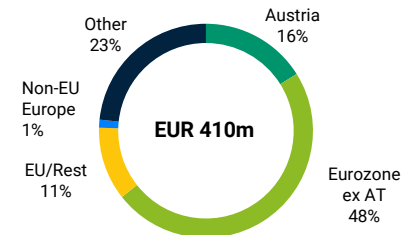
by rating



by asset category



by region



# Overview

01

**Executive Summary**

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**Strategy & Business  
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**Risk Profile**

06

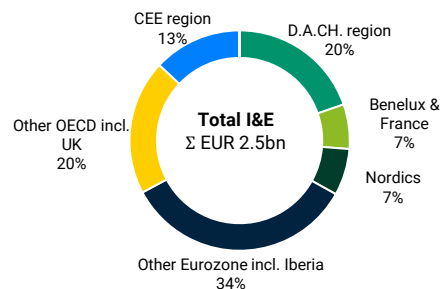
**Appendix**

# Sound diversification, low risk profile and rigorous risk management resulting in excellent risk track record

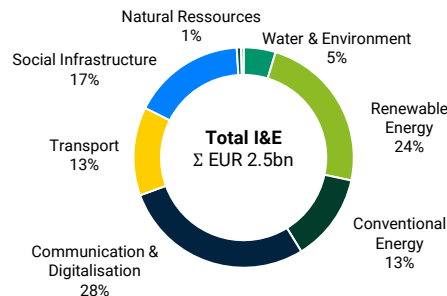
## LOW RISK PROFILE – RISK MANAGEMENT HIGHLIGHTS

- **Well-diversified portfolio** across borrowers and regions with **average portfolio rating of A-**
- Thorough risk management process ensuring **tight underwriting criteria** (incl. ESG criteria), risk-based pricing and close portfolio monitoring
- Additional support from **structurally low default risk** in I&E and restrictive financial covenants<sup>1</sup>
- **Focus on the DACH region and the EU**; no exposure to Ukraine, no material exposure to Russia
- Only selective exposures to non-European countries and only with ECA backing (>95% of exposures guaranteed)
- **Low-risk financing** to local authorities and public sector entities, predominantly in Austria
- Impeccable track record – **constant 0.0% NPL ratio since 2015**

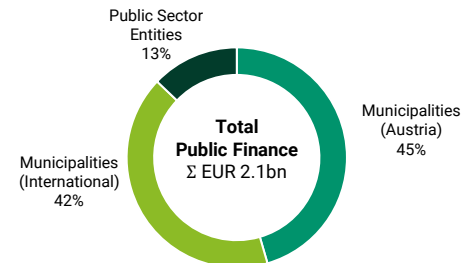
## I&E PORTFOLIO BY GEOGRAPHY in %, 31/12/2022



## I&E PORTFOLIO BY SECTOR in %, 31/12/2022



## PUBLIC FINANCE PORTFOLIO in %, 31/12/2022



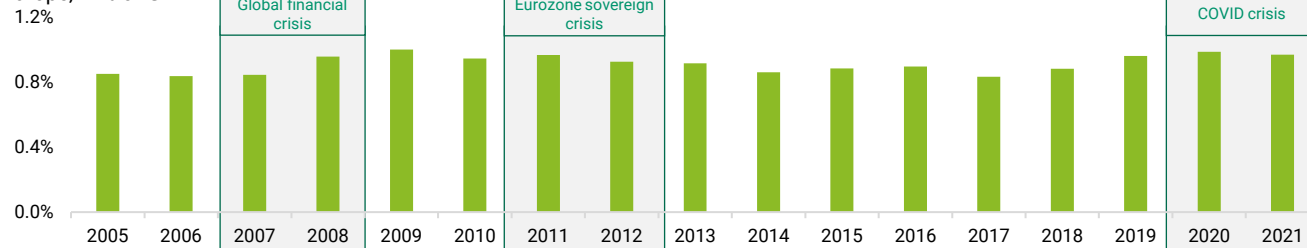
<sup>1</sup> e.g. Min. Debt Service Cover Ratios, Min. Loan Life Cover Ratios, Max. Leverage, Min. Interest Cover Ratios, Min. Equity % at drawdown

# Infrastructure is a highly resilient asset class, largely independent of economic cycles and with structurally low default risk

## Infrastructure investments are largely uncorrelated with economic cycles<sup>1</sup>

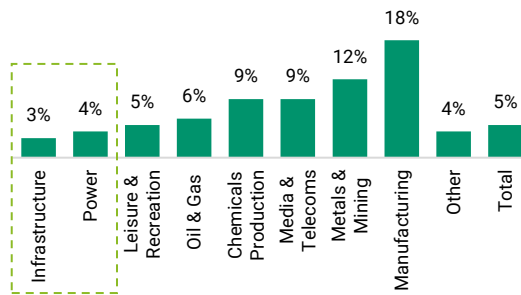
### Private Infrastructure Investment

Europe, in % of GDP

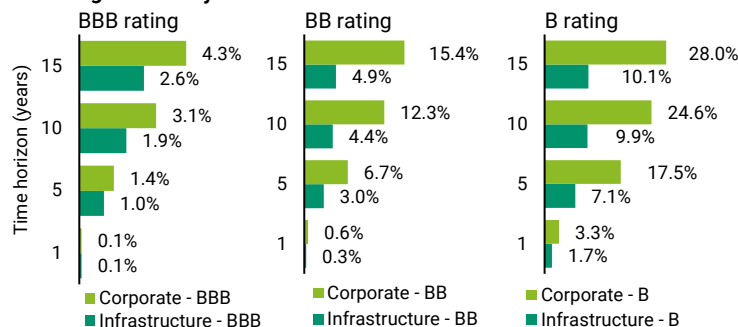


## Structurally low default rates

### Moody's long-term study: default rates by industry<sup>1</sup>



### S&P long-term study: cumulative default rates<sup>2</sup>



- Infrastructure investments are highly resilient to economic cycles, given the essential nature of services they support (e.g. water supply, energy security etc.) and their long-term asset cycle
- Infrastructure has proven to be one of the most resilient asset classes during COVID-19
- During recessions, public infrastructure spending is typically additionally boosted (economic support programmes)
- Infrastructure has shown the lowest default rates across sectors, and significantly lower default rates compared to equally rated corporate debt

<sup>1</sup> Moody's Default and Recovery Rates for PF Bank Loans, 1983-2020

<sup>2</sup> S&P: Default, Transition, and Recovery: 2021 Annual Infrastructure Default and Rating Transition Study

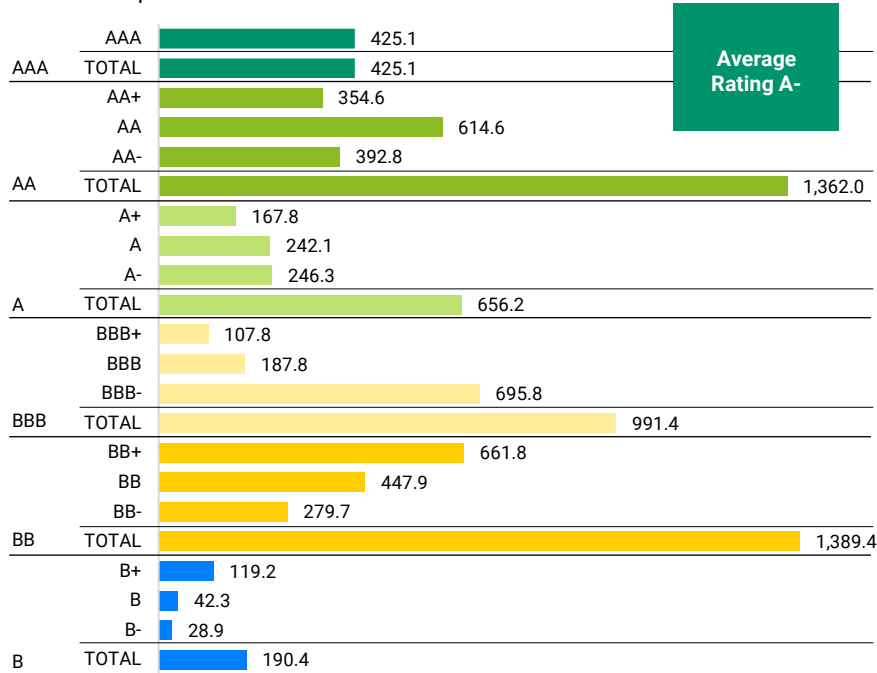


# Strict risk management as backbone of KA's success

Well diversified portfolio with A- average rating

## Rating distribution<sup>1</sup> – as of 31/12/2022

Total exposure in EURm

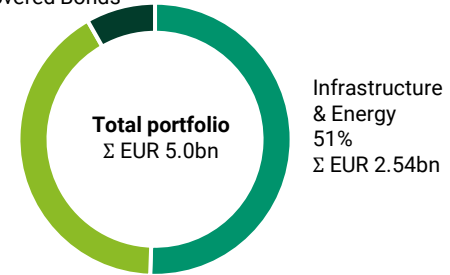


## Total portfolio composition<sup>2</sup> – as of 31/12/2022

in %

Credit Institutions / Covered Bonds  
8%  
Σ EUR 0.41bn

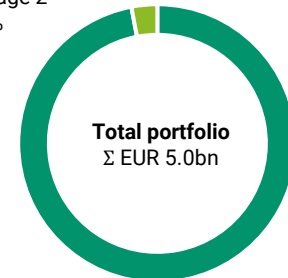
Public Finance  
41%  
Σ EUR 2.07bn



## Portfolio by IFRS stage<sup>2</sup> – as of 31/12/2022

in %

Stage 2  
3%



<sup>1</sup> Excluding EUR 3.6m (0.1%) exposure rated <B

<sup>2</sup> Including undrawn lines

# Overview

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# 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**

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, Banking Operations, Compliance & Non-Financial Risk Management



**Claudia  
Wieser**

CFO

### CAREER

- 2001: Kommunalkredit Austria AG
  - 2022 Member of Executive Board
  - 2020-2022 Executive Vice President
- Over 20 years in various capacities at Kommunalkredit in the areas of business development, M&A, digitalisation, project & process management, project financing, public finance
- 1994-2000 VA Tech Elin GmbH & Co KG

### RESPONSIBLE FOR

Finance, IT & Transformation

# Track Record: Awards & Selected Reference Projects

Confirming the right track

## AWARDS



PFI Awards 2022 Europe  
Fibre Deal of the Year  
Deutsche Glasfaser



Best Direct Bank 2022: Rank 1  
Best Specialised Bank 2022: Rank 2  
Kommunkredit Austria



Most Sustainable Infrastructure  
Project Partner Central Europe 2022  
Kommunkredit Austria



Best ESG Infrastructure Finance  
Europe 2020  
Kommunkredit Austria



Best Sustainable Infrastructure  
Investment Company 2022  
Kommunkredit Austria



German Renewables Award  
2020  
Global Tech I



Highest Reputation as Sustainable  
Company 2022  
Kommunkredit Austria



Excellent Brand – Banking &  
Financial Services 2020  
KOMMUNKREDIT INVEST



Best Employer  
2022  
Kommunkredit Austria



PFI Awards 2019 Europe  
Power Deal of the Year  
Finerge Onshore Wind Portugal

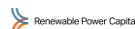


Best ESG Infrastructure Finance  
Europe 2021  
Kommunkredit Austria



PFI Awards 2019 Europe  
Bond Deal of the Year  
Brebemi Road Italy

## SELECTED REFERENCE PROJECTS



Kansas  
Onshore Wind

EUR 131m  
Project Finance  
Structuring Bank  
2022, Sweden



Resolar  
Solar PV

EUR 40m  
Corporate Finance  
Senior Lender, MLA  
2022, Spain & Italy



Viveracqua  
Hydrobond 2022

EUR 149m  
Short Term Note  
STN Underwriter  
2022, Italy



Cupano  
Communication/  
Digitalization

EUR 200m  
Eurobonds  
MLA  
2022, Poland



Sunprime  
Solar PV

EUR 148m  
Project Finance  
Senior Lender  
2022, Italy



Svarog  
Broadband

EUR 130m  
Project Finance  
Senior Lender, MLA  
2022, Slovenia



Lynx  
Broadband

EUR 325m  
Project Finance  
Senior Lender, MLA  
2022, Germany



Symbolism  
Broadband

EUR 95m  
Project Finance  
Senior Lender, MLA  
2022, Germany



Hippocrates  
Social Infrastructure

EUR 900m  
Corporate Finance  
Initial Arranger  
2022 Italy



Soldinmäki  
Onshore Wind

EUR 37m  
Project Finance  
Senior Lender, MLA  
2021, Finland



Zzoomm  
Broadband

GBP 75m  
Project Finance  
Senior Lender, MLA  
2021, UK



dstelecom  
Broadband

EUR 150m  
Project Finance  
Senior Lender, MLA  
2021, Portugal



Achieve Together  
Hospitals/Clinic

GBP 327m  
Project Finance  
Senior Lender, MLA  
2021, UK



Memphis  
Data Centre

EUR 282m  
Project Finance  
Arranger  
2021, Netherlands



Lightboost  
Fiber

EUR 5,750m  
Project Finance  
Cornerstone Lender  
2021, Germany

# Kommunalkredit as catalyst to implement **new green solutions** with high impact

## Green hydrogen – investment in electrolysis plant | Austria | 2021



- Co-development, construction and operation of Austria's largest electrolyser, a 10 MW Proton Exchange Membrane (PEM) electrolyser to produce **1,500 tons of green hydrogen p.a.**
- Partner and offtaker is OMV | use green H<sub>2</sub> in its refinery processes | 15,000 t of CO<sub>2</sub> avoided
- Total investment volume ca. EUR 25m | KA share 50%
- Project status: Construction at OMV refinery site started and COD planned for H2/23

## Portfolio of rooftop solar PV | Austria | 2021



- Co-development and construction of an up to **35MW portfolio of rooftop solar PV** installations across Austria via KA JV "PeakSun"
- KA's Joint Venture Partners are eww and H&S Group
- Focus: industrial clients and single capacities (between 100 and 1,000 kWp)
- Turnkey installation, operation and maintenance of the PV system by eww

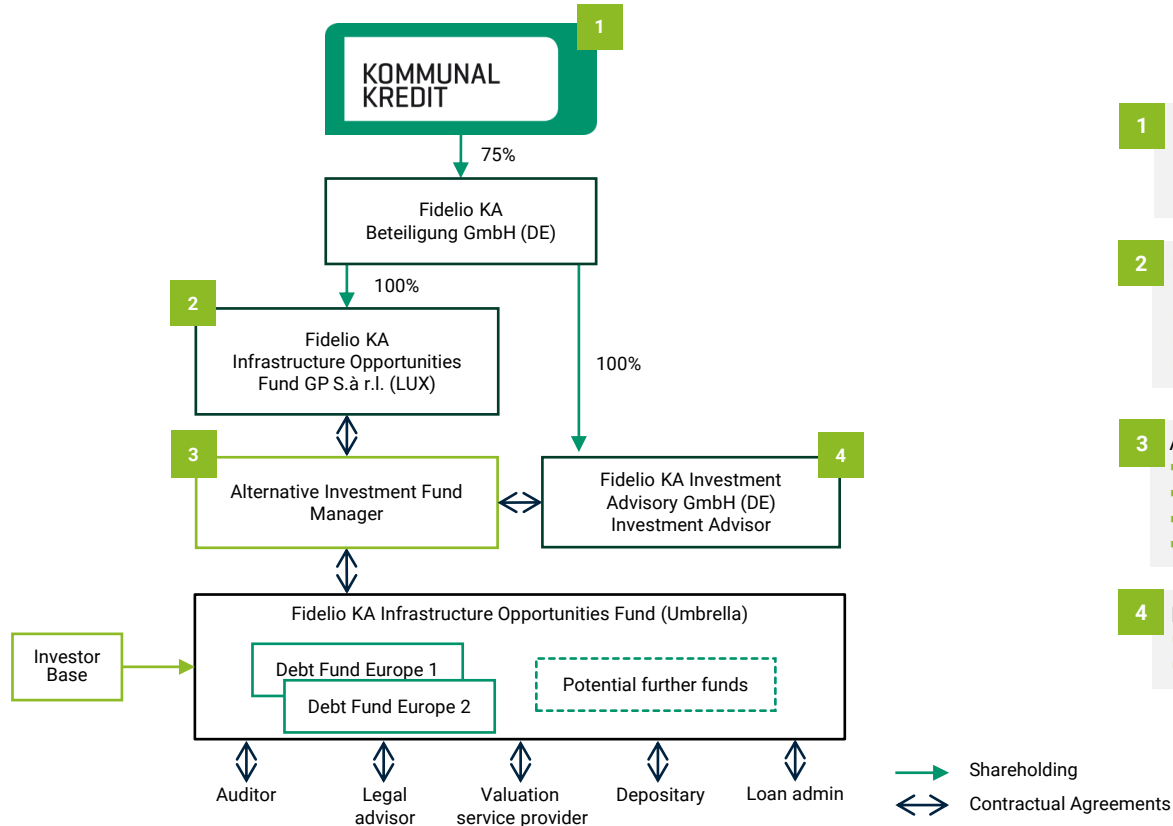
## Sunprime – financing of a photovoltaics roll-out | Italy | 2022



- Kommunalkredit acted as sole mandated lead arranger, structuring bank and exclusive bookrunner in this transaction
- EUR ~150m (total volume of the transaction) is being invested in the portfolio comprising more than 280 photovoltaics systems in Italy
- Largest mixed financing of roof-mounted and ground-mounted PV agreed in Italy to date
- Sunprime to expand capacity to around 500 MW by the end of 2024
- Innovative approach** involves using mainly **existing resources, such as industrial sites or roof renovation measures**

Share of new green solution in total new I&E business\* in 2022: ~8%

# Fidelio KA Infrastructure Debt Fund Platform

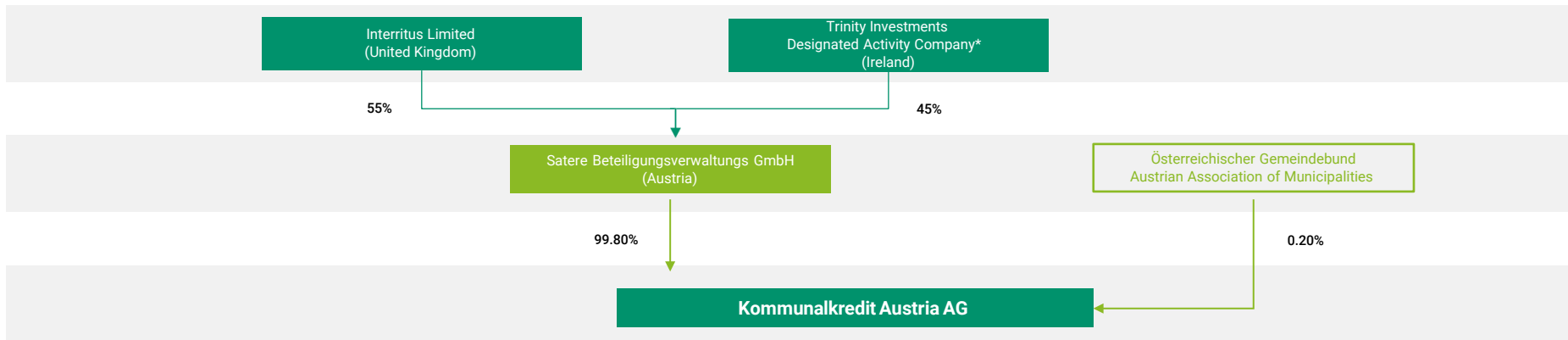


- 1** Kommunalkredit Austria AG
  - Asset sourcing
  - Asset servicing
  - Distribution
- 2** Fidelity KA Infrastructure Opportunities Fund GP S.à r.l. as General Partner ("GP")
  - Initiating fund inauguration
  - Appointment of AIFM
  - Mandating service providers
- 3** Alternative Investment Fund Manager (AIFM)
  - Portfolio management
  - Risk management
  - Fund administration
  - Investor reporting
- 4** Fidelity KA Investment Advisory GmbH
  - Investment advisor
  - Performance reporting and monitoring

Note: simplified illustration of setup

# Corporate Governance – Kommunalkredit ownership structure

As of 31/12/2022



## Additional information about KA shareholders:

- **Austrian Association of Municipalities** is the umbrella organization representing the interests of Austrian municipalities at the federal level. It represents 2,084 of the currently 2,095 Austrian municipalities.
- **Interritus** was founded in 2014 as an investment company by Patrick Bettscheider to invest his own investment assets as well as those of family offices, foundations and large U.S. foundations focused on long-term investments and active in the European financial services industry. Patrick Bettscheider is Chairman of the Supervisory Board of Kommunalkredit Austria AG, former founder and majority owner of MainFirst Bank AG, previously Head European Equities of Deutsche Bank AG and former member of the Executive Board of Julius Bär & Co. AG. Patrick Bettscheider is the Ultimate Beneficial Owner (UBO) of Kommunalkredit Austria AG as defined by the Austrian Economic Owners Register Act (WiEReG).
- **Trinity** is an Irish domiciled investment vehicle managed by Attestor Limited. Attestor is a London-based investment manager pursuing a fundamental value investment strategy with a particular focus on Europe. Attestor's investment philosophy focuses on long-term capital appreciation and manages assets primarily for foundations and family offices. Friedrich Andrae is Attestor's representative on the Supervisory Board of Kommunalkredit Austria AG.

The **strategy of Kommunalkredit Austria AG's owners is long-term oriented** in order to create sustainable added value for all stakeholders.

On 07/02/2023, Kommunalkredit announced that Altor will acquire an 80% majority stake in Kommunalkredit.

More details including the Corporate Governance Handbook of Kommunalkredit can be found at <https://www.kommunalkredit.at/en/who-we-are/governance>

KYC documents are available online at <https://www.kommunalkredit.at/en/kyc>.

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

# Recent capital market issues

As of 31/12/2022

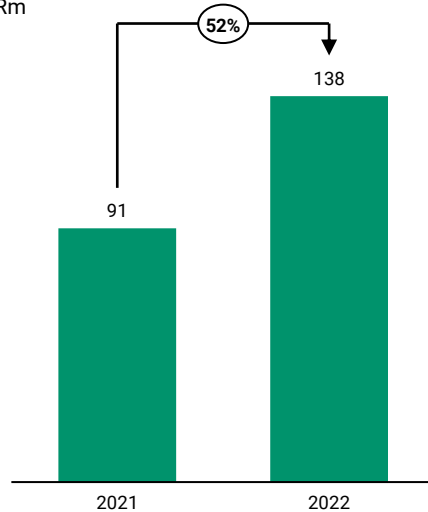
Rank	Currency	Nominal Amount (in Mio)	ISIN	Coupon (p.a.)	Value Date	Maturity Date	Initial Term (in years)
Covered	EUR	400 (incl. increases)	AT0000A2VL52	0.750%	02/03/2022	02/03/2027	5.0
Covered	EUR	250	AT0000A2T487	0.010%	29/09/2021	29/09/2028	7.0
Senior Preferred	EUR	300	AT0000A2R9G1	0.250%	14/05/2021	14/05/2024	3.0



# Available Distributable Items (ADIs) and Maximum Distributable Amount (MDA)

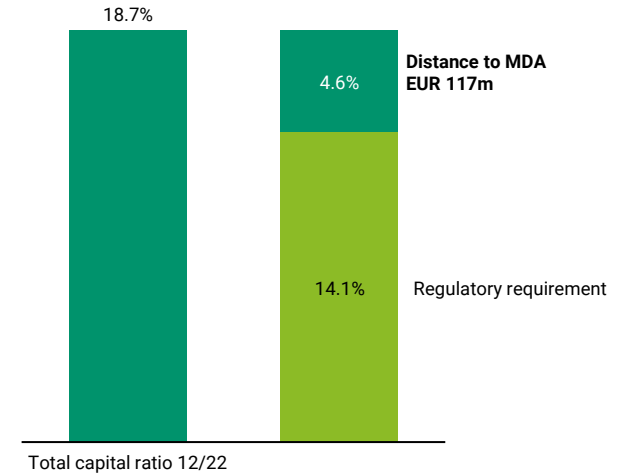
## Development of the Available Distributable Items<sup>1</sup>

In EURm



## Maximum Distributable Amount (MDA)

31/12/2022, Group-level



<sup>1</sup> Non-restricted reserves and profit carried forward

# Glossary

<b>AT</b>	Austria	<b>FTE</b>	Full Time Equivalent	<b>OC</b>	Over-Collateralization
<b>AT1</b>	Additional Tier 1	<b>GAAP</b>	Generally accepted accounting principles	<b>OCI</b>	Other Comprehensive Income
<b>AuM</b>	Assets under management	<b>GDP</b>	Gross domestic product	<b>OECD</b>	Organisation for Economic Cooperation and Development
<b>bn</b>	billion	<b>HQLA</b>	High-Quality Liquid Assets	<b>OeNB</b>	Austrian National Bank
<b>bps</b>	Basis points	<b>HR</b>	Human Resources	<b>P1R</b>	Pillar 1 requirement
<b>C/I</b>	Cost/income ratio	<b>I&amp;E</b>	Infrastructure & Energy	<b>P2R</b>	Pillar 2 requirement
<b>CAGR</b>	Compound annual growth rate	<b>IFRS</b>	International Financial Reporting Standards	<b>P&amp;L</b>	Profit and loss
<b>CBR</b>	Combined buffer requirement	<b>ISIN</b>	International Securities Identification Number	<b>RoE</b>	Return on equity
<b>CEE</b>	Central and Eastern Europe	<b>ISO</b>	International Organization for Standardization	<b>RoRWA</b>	Return on Risk Weighted Assets
<b>CEO</b>	Chief Executive Officer	<b>IT</b>	Information Technology	<b>SDG</b>	Sustainable Development Goal
<b>CET1</b>	Common Equity Tier 1	<b>IWS</b>	Institutional Wholesale	<b>SEF</b>	Structured Export Finance
<b>CFO</b>	Chief Financial Officer	<b>KA</b>	Kommunalkredit Austria AG	<b>SFDR</b>	Sustainable Finance Disclosure Regulation
<b>CIS</b>	Commonwealth of Independent State	<b>KPC</b>	Kommunalkredit Public Consulting GmbH	<b>TLTRO</b>	Targeted longer-term refinancing operations
<b>CRO</b>	Chief Risk Officer	<b>KPI</b>	Key Performance Indicator	<b>T2</b>	Tier 2 capital
<b>D.A.CH.</b>	Germany, Austria, Switzerland	<b>MLA</b>	Mandated Lead Arranger	<b>UK</b>	United Kingdom
<b>DE</b>	Germany	<b>LCR</b>	Liquidity coverage ratio	<b>UN</b>	United Nations
<b>ECA</b>	Export credit agency	<b>LNG</b>	Liquefied Natural Gas	<b>WA</b>	Weighted Average
<b>ECB</b>	European Central Bank	<b>Lux</b>	Luxembourg	<b>YoY</b>	Year on year
<b>ECL</b>	Expected credit loss	<b>m</b>	Million		
<b>ESG</b>	Environmental, social, governance	<b>M&amp;A</b>	Mergers & Acquisitions		
<b>EUR</b>	Euro	<b>NPL</b>	Non-performing loan		
<b>EV</b>	Electric Vehicle	<b>NSFR</b>	Net stable funding ratio		
<b>FMA</b>	Financial Markets Authority (Austria)				

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+43 1 31631



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[investorrelations@kommunalkredit.at](mailto:investorrelations@kommunalkredit.at)



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