

## PRESS RELEASE

KOMMUNALKREDIT AUSTRIA AG

# Kommunalkredit reports solid operating performance

**2025 marked by strong infrastructure and energy demand but also sector-specific headwinds resulting in high provisions**

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- New business volume >EUR 2.0 billion
- Operating result before risk provisions EUR 119.0 million
- Consolidated profit after tax EUR 13.5 million due to high-risk provisions driven by fiber sector
- NPL ratio 7%
- Total capital ratio 19.6%
- Cost-Income Ratio <40%
- Covered bond rating upgraded to AA+
- Tier II bond issue of EUR 150 million 3.6 times oversubscribed
- EUR 500 million senior preferred bond 2.6 times oversubscribed

Kommunalkredit Austria AG (“Kommunalkredit”) today announced its 2025 annual financial results, demonstrating robust new business activity and resilient core operating performance. However, elevated credit risk costs stemming predominantly from negative developments in specific European fiber markets have translated into high cost of risk. Yet, the bank maintained strong capital and liquidity positions while continuing to expand its infrastructure and energy financing activities across Europe, as demonstrated by solid commercial performance.

In a year shaped by geopolitical uncertainty, decreasing interest rates and consolidation pressure in parts of the digital infrastructure market, the Vienna-based specialist bank generated EUR 2.1 billion in new business, reaffirming its positioning as a strong infra banking expert in Europe.

Jacques Ripoll, CEO of Kommunalkredit, commented: *“2025 was a challenging year, but it leaves us well positioned. We have addressed sector-specific risks while maintaining strong capitalization and liquidity. We remain focused on what we do best – lending and advising in European energy and infrastructure. The structural investment need in this area is immense, and both public authorities and private investors will increasingly rely on specialized financing partners. Kommunalkredit is well positioned to fulfill that role.”*

### Revenue growth driven by infrastructure demand

New business activity accelerated with a very strong last quarter as compared to last year. Overall new business of EUR 2.08 billion (2024: EUR 2.28 billion), reflects sustained demand for financing in energy, transport, digital and social infrastructure.

The normalization of interest rates in 2025 impacted the overall net income, but Kommunalkredit’s core revenues increased by 4%. Operating result before risk provisions stood at EUR 119.0 million, reflecting solid underlying commercial activity and cost discipline. The cost-income ratio below 40% remains one of Kommunalkredit’s structural strengths and supports earnings resilience in volatile market environments.

### **Fiber sector weighs heavily on earnings**

However, the positive operating momentum was overshadowed by significant risk provisioning. The primary driver of earnings pressure in 2025 was the deterioration in specific European fiber projects. The sector experienced cyclical and structural consolidation in 2025, particularly in the United Kingdom and Germany. Several projects faced liquidity shortfalls amid a more restrictive financing environment, while sponsors and lenders showed limited appetite for additional capital injections. Like many infrastructure lenders, Kommunalkredit was affected and the bank set aside substantial risk provisions. As a result, profit after tax declined to EUR 13.5 million (2024: EUR 96.3 million) and the non-performing loan ratio increased to 7.0% (2024: 2.8%).

### **Capital strength and liquidity remain robust**

A positive net result, fully retained earnings and prudent capital management have enabled the bank to keep a very strong capital base. Total capital amounted to EUR 862 million, with a total capital ratio of 19.6%, well above regulatory standards of 14.8% and internal mid-term targets. The strong capitalization, the high level of provisions set aside, and a liquidity buffer of more than EUR 1 billion at year-end demonstrate a prudent risk and liquidity management approach.

### **Strong capital market access and improved covered bond rating**

Investor confidence in Kommunalkredit's business model remained evident in 2025. In March, the bank successfully placed a EUR 500 million senior preferred bond, 2.6 times oversubscribed. In June, it issued its inaugural public EUR 150 million Tier II bond, which was 3.6 times oversubscribed, attracting broad international institutional demand.

S&P Global Ratings affirmed the Bank's "BBB" long-term issuer rating and revised the outlook to negative in December 2025, reflecting sector-specific asset quality developments and indicating that rating agencies continue to monitor the fiber exposure closely. In January 2026, S&P Global Ratings upgraded Kommunalkredit's covered bond rating by two notches to "AA+", reflecting the quality of the cover pool and over-collateralization commitment.

Kommunalkredit's total assets according to IFRS amounted to EUR 7.0 billion as of 31 December 2025 (31/12/2024: EUR 6.6 billion), up by 6%.

### **Strategic focus remains unchanged**

Despite sector volatility, infrastructure financing demand remained resilient, particularly in renewable energy and digital infrastructure. Approximately 80% of Kommunalkredit's new business supported Europe's green transition. Based on strong demand driven by structural megatrends, the bank intends to maintain its focus on infrastructure and energy lending and advisory across Europe.

Kommunalkredit's annual financial report 2025 is now available at  
<https://www.kommunalkredit.at/en/investor-relations/reports>

Selected figures Kommunalkredit Group acc. to IFRS in EUR million or %	31/12/2025	31/12/2024
Total assets	6,998.0	6,606.5
Operative income	204.1	230.1
Net interest income	160.7	185.0
Operating result*	119.0	127.0
Profit for the period before tax	18.3	126.6
Profit for the period after tax	13.5	96.3
Cost/income ratio	38.9%	39.1%
Return on equity after tax (based on EBIT)	2.0%	19.1%

\* Profit of the year before tax under IFRS, adjusted for the net provisioning for impairment losses and measurement gains/losses

### About Kommunalkredit

As an infra banking expert, Kommunalkredit specializes in financing and advising forward-looking infrastructure projects throughout Europe. It is thus strengthening Europe's resilience, promoting economic growth, and accelerating the green and industrial transition. With lending, advisory, asset management, and public finance as its core business fields, the bank supports projects in the areas of Energy & Environment, Communication & Digitalization, Transport, and Social Infrastructure. Kommunalkredit's tailored solutions enable project financing, as well as corporate and acquisition financing in infrastructure and energy. Kommunalkredit has enabled new infrastructure and energy financing with a volume of around EUR 12 billion since 2020 alone. The majority shareholder is European private equity firm Altor, which focuses on innovative companies and the green transition, and has raised more than EUR 12 billion since its inception.

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