



07.02.2019 – 08:23 Uhr

## **EANS-News: Kommunalkredit Austria AG preliminary FY 2018 results in accordance with local GAAP: Earnings power significantly strengthened - ATTACHMENT**

-----  
Corporate news transmitted by euro adhoc with the aim of a Europe-wide distribution. The issuer is responsible for the content of this announcement.  
-----

### Earnings Forecast

Vienna -

- \* Profit on ordinary activities increased 64.1% to EUR 30.0m
- \* Profit for the year after tax up 63.6% to EUR 30.9m
- \* New business volume grew by 89.2% to EUR 1,201.8m
- \* Placements rose 52.7% to EUR 569.7m
- \* RoE after tax improved to 13.2%
- \* Product range broadened through addition of asset management: Fidelio KA Debt Fund

Kommunalkredit Austria AG (Kommunalkredit) performed strongly in the 2018 business year and significantly increased its earnings power. This is highlighted by the preliminary results prepared in accordance with local GAAP which are for the bank on an individual level i.e. without affiliated companies. Profit on ordinary activities increased 64.1% to EUR 30.0m in 2018 and profit for the year after tax rose 63.6% to EUR 30.9m.

Kommunalkredit CEO Bernd Fislage: "The improvement in our results reflects the strong growth in new business. Diligent risk management and distribution to institutional investors continue to be pivotal to our client centric market approach. Together with our team, we look forward to seizing the opportunities of today's infrastructure as well as public sector market, helping our clients to improve the quality of people's lives. Our work focuses on delivering tangible benefits to smaller and larger communities by impacting key issues including economic growth, job creation, social cohesion and climate improvement."

### Main highlights in 2018

\* **New business growth:** The bank increased the volume of new business by 89.2 % to EUR 1,201.8m (2017: EUR 635.2m). It comprised 25 transactions in 15 European countries. The bank acted as mandated lead arranger or co-arranger in over half of the transactions. It was, for example, mandated lead arranger for the EUR 540m refinancing of a section of the A2 motorway in Poland and for the EUR 165m financing of a tram line in Zaragoza, Spain. It also played a significant role in the financing for the takeover of the Nikola Tesla Airport concession in Belgrade by VINCI Airports. The bank acted as mandated lead arranger in the EUR 650m refinancing for the German fibre optics network broadband expansion and as mandated lead arranger and sole lender for the Lower Austria Fibre Optic Infrastructure Company (noeGIG) in the EUR 46.5m financing for a broadband network in rural areas.

\* **Successful placements:** Besides generating new business, debt placement with institutional investors is a strategic component of Kommunalkredit's business model. In 2018, the bank placed a total of EUR 569.7m from its portfolio with well-established international institutional investors. This equated to a 52.7 % increase compared to the prior year (2017: EUR 373.2m). The results achieved testify to the market conformity of the new business transactions in terms of

structure, pricing and risk management.

- \* Asset management: Kommunalkredit broadened its product range in 2018 with the addition of asset management and completed the first close of its first infrastructure debt fund, Fidelio KA Infrastructure Debt Fund Europe 1. Further funds are planned.
- \* Increase in customer deposits: The bank increased customer deposits, while lengthening the average deposit term, by 55.3% to EUR 1,001.0m (31.12.2017: EUR 644.4 million). In particular, the direct investment product for municipalities, KOMMUNALKREDIT DIREKT, and the KOMMUNALKREDIT INVEST online retail investment platform both made a major contribution.
- \* The bank has a high-quality loan portfolio without non-performing loans, as well as a solid capital base with a total capital ratio of 24.2% and a common equity tier 1 ratio of 19.9%.

Preliminary FY 2018 results for Kommunalkredit Austria AG in accordance with UGB/BWG:

- \* Net interest income: Net interest income rose 14.8% to EUR 37.7m (2017: EUR 32.8 million). New business generated EUR 15.9m (2017: EUR 8.2m) and EUR 27.6m was from the existing portfolio (2017: EUR 28.2m); interest expenses of EUR - 5.8m arose from the maintenance of a liquidity reserve (2017: EUR -3.6m).
- \* Net fee and commission income: The bank's growing emphasis on consultancy and structuring activities led to an increase of risk free net fee and commission income by 67.4% to EUR 14.1m (2017: EUR 8.5m), thereby significantly improving earnings quality.
- \* General administrative expenses: General administrative expenses decreased 0.7% to EUR 45.4m (2017: EUR 45.7 million) due to disciplined cost management.
- \* Other operating income: Other operating income declined 51.9% to EUR 11.4m (2017: EUR 23.7m, of which EUR 8.6m was due to a positive one-off effect from property valuation). This line item primarily contains income from services provided to KA Finanz AG and Kommunalkredit Public Consulting.
- \* Operating result: The adjusted operating result was up 66.7% to EUR 22.5m (2017: EUR 13.5m). It corresponds to the operating result, adjusted for restructuring costs, the stability contribution, resolution fund contribution and income from equity participations, and includes part of the result from placement activities.
- \* Loan impairment, valuation and sales result: The result was positive in the amount of EUR 13.0m (2017: EUR -0.2m), primarily due to a positive impact from the buyback of own bonds.
- \* Profit on ordinary activities: Profit on ordinary activities increased 64.1% to EUR 30.0m (2017: EUR 18.3m).
- \* Profit after tax for the year: Profit after tax for the year rose 63.6% to EUR 30.9m (2017: EUR 18.9m).
- \* Cost-income-ratio decreased to 68.1 % (2017: 78.7%), return-on-equity was up to 13.2% (2017: 8.4%)

Further inquiry note:

Kommunalkredit Austria AG

Martin Hehemann (Corporate Communications)

Tel.: +43 (0)1/31 6 31-532 or +43 (0)664/80 31631 532

mailto:m.hehemann@kommunalkredit.at; www.kommunalkredit.at

end of announcement

euro adhoc

---

Attachments with Announcement:

---

[http://resources.euroadhoc.com/documents/2294/5/10263740/1/Attachement\\_PR\\_Kommunalkredit\\_preliminary\\_results\\_2018.pdf](http://resources.euroadhoc.com/documents/2294/5/10263740/1/Attachement_PR_Kommunalkredit_preliminary_results_2018.pdf)

issuer: Kommunalkredit Austria AG

Türkenstraße 9

A-1092 Wien

phone: +43 1 31 6 31

FAX: +43 1 31 6 31 105

mail: [info@kommunalkredit.at](mailto:info@kommunalkredit.at)

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

ISIN: -

indexes:

stockmarkets: Wien, SIX Swiss Exchange, Luxembourg Stock Exchange

language: English

Original content of: Kommunalkredit Austria AG, transmitted by news aktuell

Diese Meldung kann unter <https://www.presseportal.de/en/pm/43730/4186512> abgerufen werden.