



»» Clean Bus Europe Platform – Online seminar

**Mobility – Land-Based Transportation, Sabine Schneider
Frankfurt am Main, 16.05.2023**

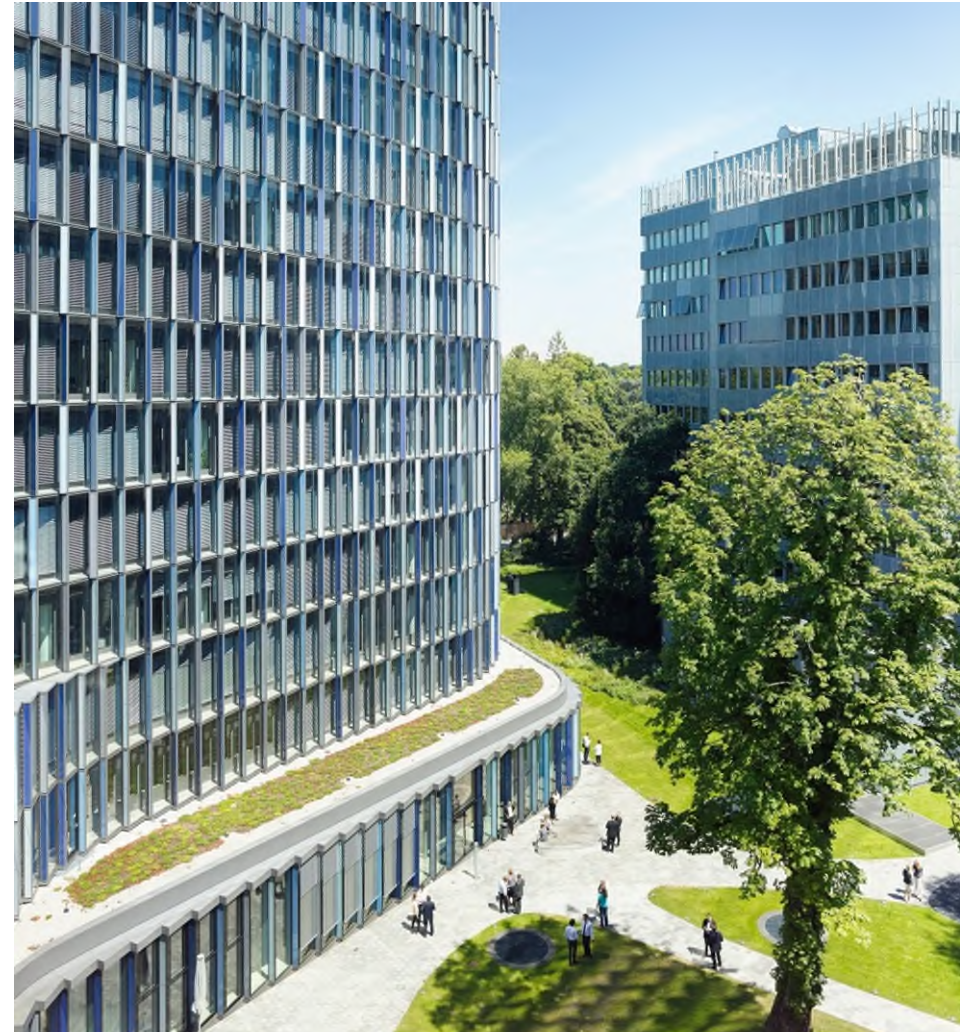
Bank aus Verantwortung

KFW IPEX-Bank

>>> Who we are

KfW IPEX-Bank

- **Public Bank** with a **mandate** to finance **public urban transport** worldwide
- **Parent Company KfW** is among the **largest promotional banks** worldwide
- **Customers:** public and corporate
- **Individually structured** finance
- Financing investments of **EUR 20 m to 2 bn**
- **Global** reach – **Local** presence
- **“AA” +** rated (KfW IPEX Bank), **“AAA”** (KfW)



Our Land-Based Transportation Customers and their Investments

States and Municipalities

Company in the sector
Mobility & Transport

Lessors of Assets &
Infrastructure

OEMs, EPCs, Suppliers

Municipal Transport



Infrastructure

Rail Transport



Railroad Systems

Mobility Assets



Locomotives



Tramway & Metro



Rail Infrastructure



Wagons



Busses



Regional Railway



Vehicle Fleets

Our selected References: Urban Regional Public Transport

Urban Regional Public Transport

Germany 2022



VMS - Verkehrsverbund Mittelsachsen

Corporate Financing
Term Loan

EUR 198.300.000

Lead Arranger
Security & Facility-Agent

Germany 2022



DAL-Heidekrautbahn


7 HEMUs für das Netz "Heidekrautbahn"

Corporate Financing
Term Loan

EUR 60.000.000

Sole Lender

Germany 2021



Apha Trains


Ostbrandenburg-Netz with NEB

Corporate Financing
Term Loan

EUR 170.000.000

Lead Arranger

Germany 2021



HLB Mittelhessen

neue EMUs für das Mittelhessen-Netz

Asset Financing
Term Loan

EUR 64.000.000

MLA
Facility-Agent

Germany 2020



HLB Wetteraunetz 2020


HLB Wetteraunetz 2020 - Financing of DMU

Corporate Financing
Term Loan

EUR 112.486.000

Arranger

Germany 2020



BW-Netz 8, 2020

BeMU

Corporate Financing
Term Loan

EUR 77.805.000

MLA

Germany 2019



BW-Netze 2019


18 new Diesel Multiple Units

Corporate Financing
Term Loan

EUR 79.000.000

MLA

Chile 2019



Transantiago

Financing of 490 Mercedes-Benz Buses

Corporate Financing
Term Loan

USD 100.500.000

Sole Lender

Germany 2018



Hamburger Hochbahn


Financing of Light Rail Vehicles

Corporate Financing
Term Loan

EUR 50.000.000

Sole Lender

India 2018



Metro Gurugram

South Extension of the Gurugram Rapid MetroRail Line Project

Corporate Financing
ECA-covered Term Loan

EUR 23.400.000

Sole Lender
ECA-Agent

Germany 2017



Straßenbahnen für BSAG

Light Rail Vehicles

Corporate Financing
Term Loan & KfW Promotional Loan

EUR 162.500.000

MLA

Germany 2016



S-Bahn VRR, Tranche 3

41 EMUs

Corporate Financing
Term Loan

EUR 37.000.000

Lender

Germany 2016



Stadtbahnwagen Rheinbahn

Light Rail Vehicles

Corporate Financing
Term Loan

EUR 45.000.000

MLA

Germany 2015



Bogestra 2015

Light Rail Vehicles

Corporate Financing
KfW Promotional Loan

EUR 34.000.000

MLA

Germany 2015



Rheinbahn 2015

Light Rail Vehicles

Corporate Financing
Term Loan

EUR 31.000.000

MLA

»»» Sustainable Finance

Bank aus Verantwortung

KfW IPEX-Bank

»» Sustainable Finance Terminology

Green Loans

- Green Loans = only for **environmental, ecological or climate friendly projects** („Green Project“) with a positive impact
- The categorization of a project as Green Project has to be in line with the **Green Loan Principles (GLP)**¹⁾

Green Loan Principles

Supporting environmentally sustainable economic activity



Sustainability Linked Loans / ESG Linked Loans & Social Loans

- Sustainability Linked Loans / ESG Linked look to improve the borrower's sustainability profile by aligning loan terms to the borrower's performance against the relevant predetermined Sustainability Performance Targets (SPT). SLL / ESG Loans incentivize the borrower's achievement of ambitious, predetermined sustainability performance objectives, the **ESG-Performance of the borrower (Corporate Loans). (SLLP)**¹⁾
- Social Loans are project oriented: The categorization of a project with a social positive impact has to be in line with the Social Loan Principles **(SLP)**¹⁾

Sustainability Linked Loan Principles

Supporting environmentally, socially sustainable economic activity



Social Loan Principles

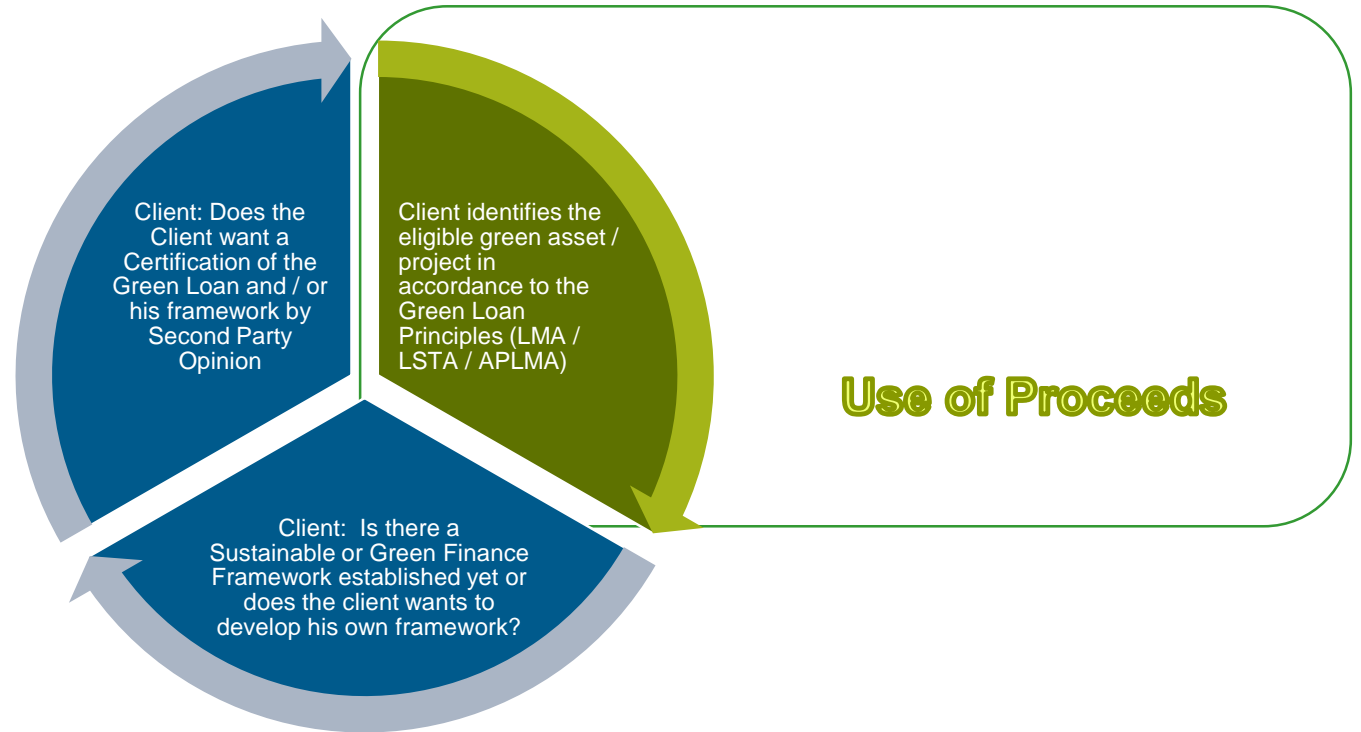
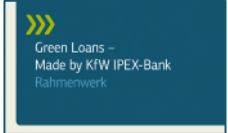
Supporting socially sustainable economic activity



¹⁾ The Green Loan Principles, Sustainability Linked Loan Principles, and Social Loan Principles are developed by the LMA, APLMA, and LSTA.

Green Loans - Made by KfW IPEX-Bank

Brandmark based on Green Loan Principles by LMA



»»» Mobility Owner Concept

Bank aus Verantwortung

KfW IPEX-Bank

»»» Navigating complex investments in mobility

Industry Challenges

- **Public** wants expansion of affordable and smart public mobility
- **Politics** expect PTAs to implement efficient and low cost solution
- **PTAs** expect from operators best public service
- **Operators** face high cost of innovation

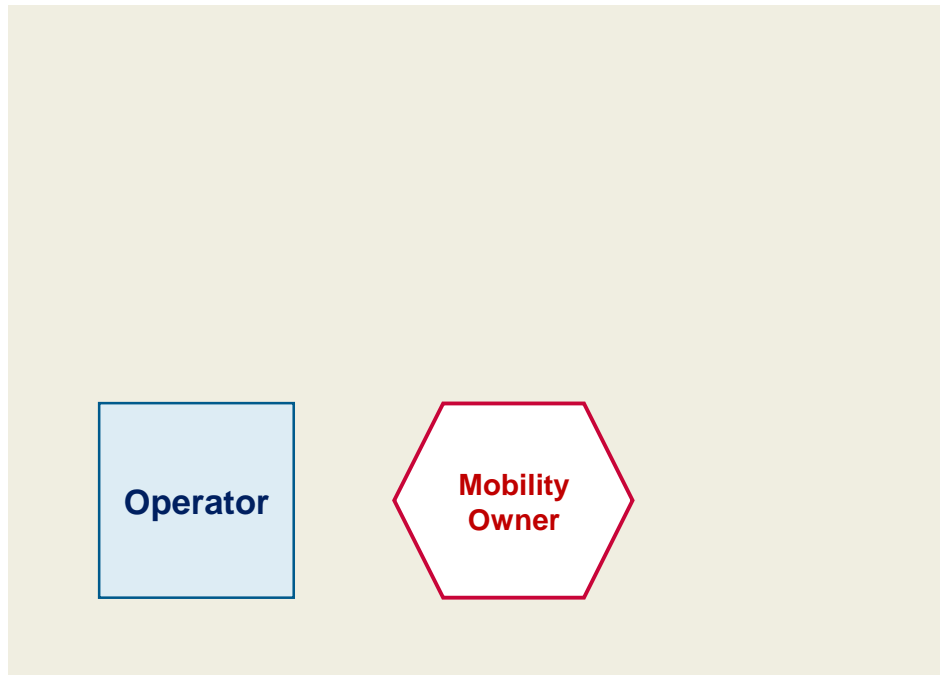
KfW IPEX-Bank's Solutions

- ✓ Accelerate your mobility investment
- ✓ Reduce budget burden
- ✓ Separate mobility operations and ownership of assets
- ✓ Low cost innovation

Options to structure mobility services

Dividing the Mobility System into Operator and Owner:

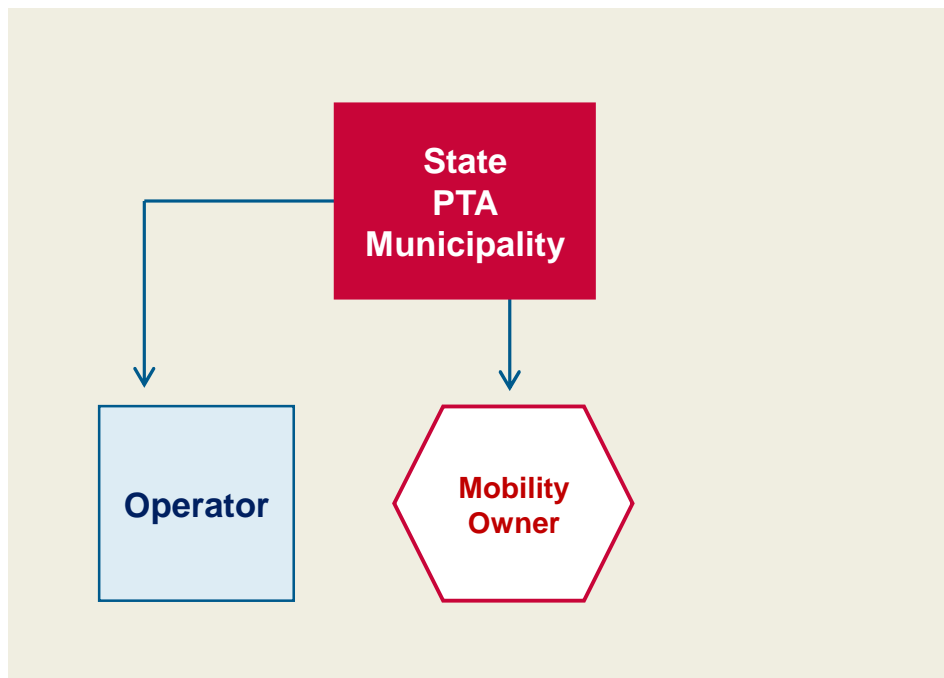
- Mobility Owner: the owner of rolling stock, trams, buses and infrastructure
- Operator: ensures operation of vehicles and infrastructure



istockphoto.com_luoman

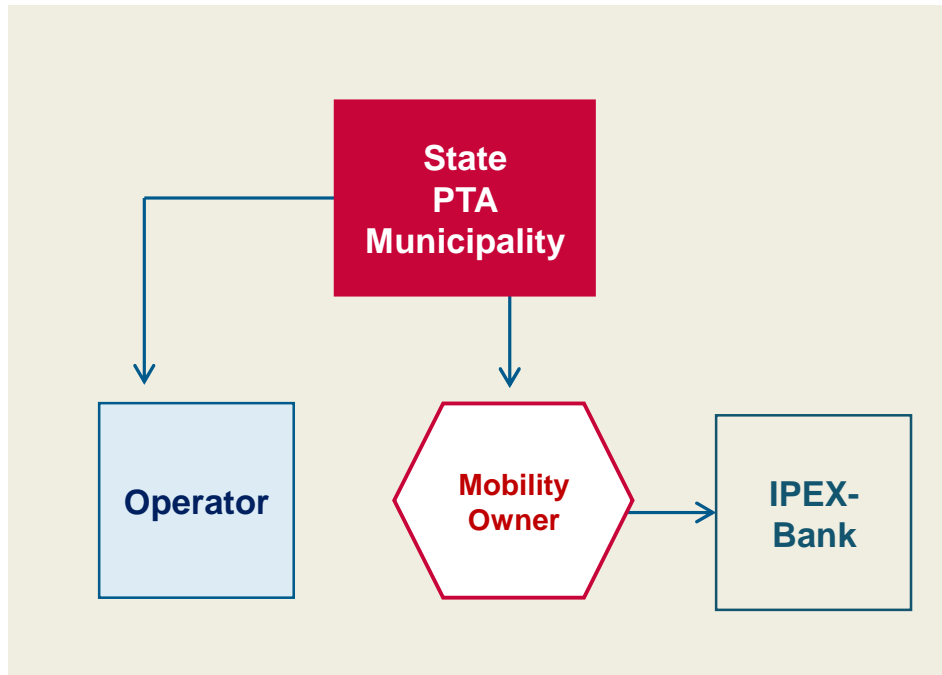
Options to structure mobility services

The public entity is the principal of
Mobility Owner & Operator

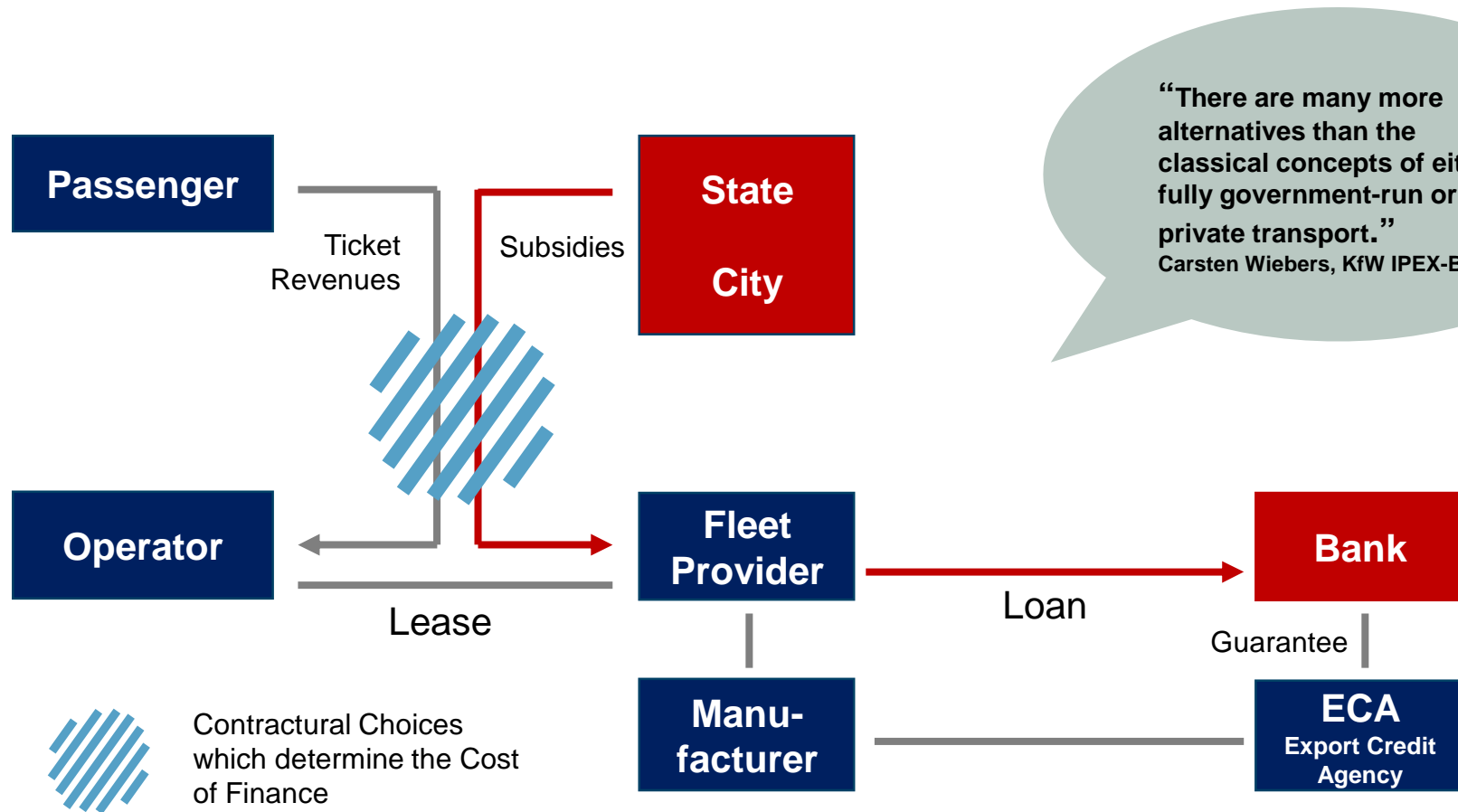


»»» Financing Mobility Services

The Bank finances the Mobility Owner free of operational risk.



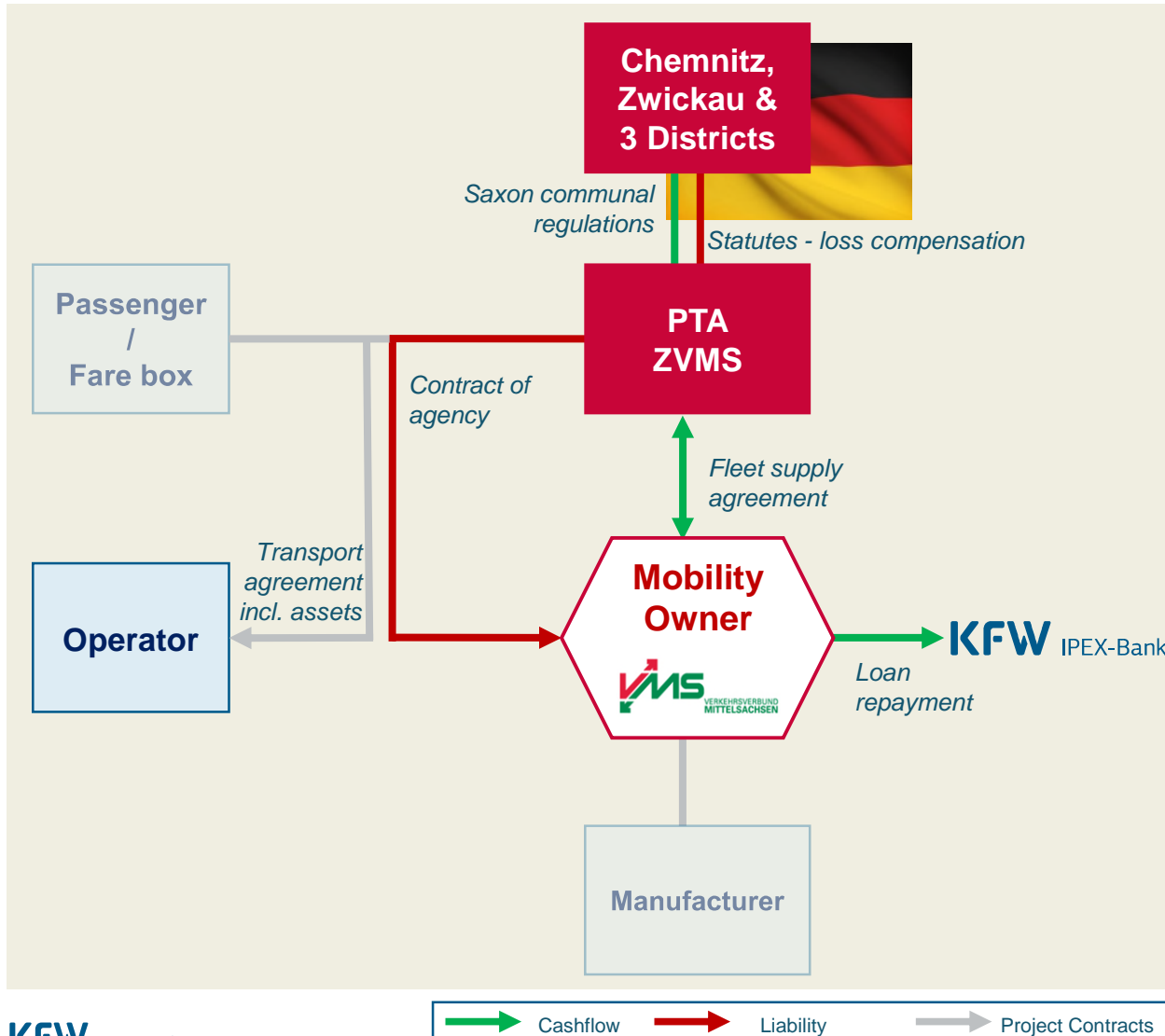
》》》 Mobility Owner: An innovative Financing Concept



“There are many more alternatives than the classical concepts of either fully government-run or fully private transport.”
Carsten Wiebers, KfW IPEX-Bank

Bank (and ECA) assumes State or City Payment Risk

》》》 Mobility Owner Finance in Germany – VMS GmbH



Mobility Owner (MO):

- Owner of Regio-Trains (BEMU)
- Owned 100% by public entity
- Ltd. (GmbH)
- 1 owner serving 2 regions
- Borrower
- **No finance guarantee** by PTA or State
- **Top financing conditions** - close to state level financing

»» KfW IPEX-Bank “Mobility Owner” Financing Model



As part of the UITP series “**Redefining Public Transport**” KfW IPEX-Bank (with the support of BBC Story Works) produced a short film on the best practice case with VMS.

Within the film the advantages of a separation of ownership and operations of mobility assets are explained.



Scan this QR code to watch a short film and better understand the concept or visit the direct youtube page.

<https://youtu.be/sOG3RRJDRdo>


<https://youtu.be/O5Ng8n0cuA4>



>>> Our selected References: Mobility Owner

Mobility Owner

Germany 2022



VMS - Verkehrsverbund Mittelsachsen

Corporate Financing
Term Loan

EUR 198.300.000

Lead Arranger
Security & Facility-Agent
Financial Advisor Bank

Germany 2022




DAL-Heidekrautbahn
7 HEMUs für das Netz "Heidekrautbahn"

Corporate Financing
Term Loan

EUR 60.000.000

Sole Lender

Germany 2021



Apha Trains
Ostbrandenburg-Netz with NEB

Corporate Financing
Term Loan

EUR 170.000.000

Lead Arranger

United Kingdom 2020



Wascosa / Network Rail
570 Freight Railcars

Corporate Financing
Term Loan

GBP 47.600.000

MLA, Hedge Bank

India 2020



IRFC Syndicated Facility
Locomotives for Indian Railways

Corporate Financing
Term Loan

JPY 36.000.000.000

MLA

Germany 2020



BW-Netz 8, 2020
BeMU

Corporate Financing
Term Loan

EUR 77.805.000

MLA

Norway 2019




Bane Nor Eiendom A.S.
Financing of railway maintenance facilities and others

Corporate Financing
Term Loan

NOK 500.000.000

Sole Lender
Insurance Bank

Chile 2019



Transantiago
Financing of 490 Mercedes-Benz Buses

Corporate Financing
Term Loan

USD 100.500.000

Sole Lender

India 2019




IRFC Syndicated Facility
Syndicated Facility Locomotives

Corporate Financing
Term Loan

JPY 5.484.000.000

Lead Arranger

Germany 2018



Rhein-Neckar Tram 2020
Financing of Light Rail Vehicles

Corporate Financing
Term Loan

EUR 132.000.000

MLA

United Kingdom 2015



ScotRail 2015
Financing of 70 Electric Multiple Units

Asset Financing
Term Loan

GBP 367.000.000

Lead Arranger

Germany 2014



Verkehrsverbund Mittelsachsen VMS

Corporate Financing
Term Loan

EUR 135.000.000

MLA

Germany 2013



Financing DNSW GmbH for Netinera

Asset Financing
Finance Lease

EUR 265.500.000

MLA

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»»» Clean Bus Financing

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KfW IPEX-Bank

»»» Navigating complex investments in e-bus financing

Corporate

- **Operator** with strong balance sheets
- **Amortization** until end of tenor of transaction
- **Manage** service and maintenance
- **Return conditions** during and at end of transaction (in case of lease structure)

Concession / Receivables

- **Fixed, irrevocable receivables** during life of asset and tenor
- **Reserve Accounts &/or guarantees** i.a. for replacement of batteries and spare parts
- **Availability compensation** free of service and maintenance risk

»»» Contacts – Meet us at UITP SUMMIT in Barcelona, 4-7 June

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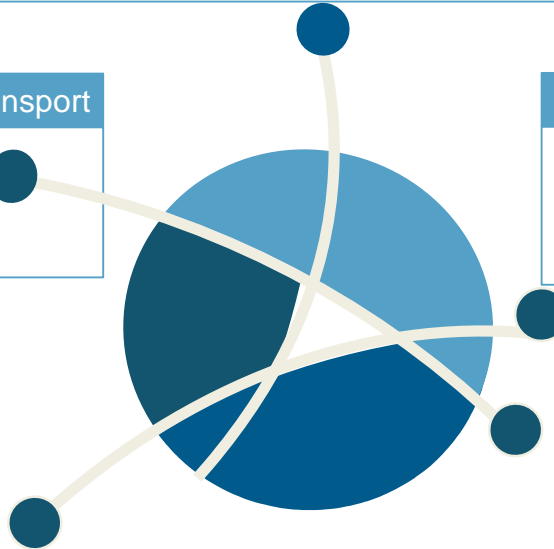
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Appendix

»»» MFD Rail Asset

Green Loan made by KfW IPEX-Bank



Syndication of a EUR 400 million term loan facility to finance the acquisition of intermodal railcars

Underwriting IPEX: EUR 400 Mio.

Final take IPEX: EUR 97 Mio.

The challenge

- Structuring as Green Loan under LMA Standard and Green Loan made by KfW IPEX-Bank.
- Tight timeframe for closing this complex facility despite covid pandemic and Ukraine crisis.

The solution

- Arranging flexible financing to enable the client to achieve the targeted growth during the scale-up phase.
- Assumption of the syndication risk through full underwriting by IPEX at attractive conditions.
- Expansion of the MFD banking group to a total of 6 banks after successful syndication.

KfW IPEX-Bank's role

- Transaction is coordinated by KfW IPEX-Bank.
- IPEX is acting as Sole Underwriter, Sole Bookrunner, Green Loan Advisor and Initial Mandated Lead Arranger in this financing.

»»» Case Study: Chile, Transantiago / RED

Public Transport – Buses for Santiago



490 modern Daimler Euro 6 Diesel Buses for the public transport system in Santiago

- Total financing volume of approx. USD 100.5 million
- Vehicles replace worn-out Diesel buses with Euro 4 technology or older

The Challenge

- Remaining operation concession time shorter than required financing tenor
- Risk allocation under the concession scheme does not allow to consider the structure as sovereign Chile risk
- Aligning interests of operators, Public Transport Authority, Manufacturer, general importer and financier

The Solution

- KfW IPEX acting as sole arranger and lender
- Implementation of a lease structure with Daimler's Chilean general importer acting as Lessor
- Additional risk mitigants for part of the financing to add stability to the structure, i.a. allowing for a replacement of operators without terming the lease and the long-term funding

Hydrogen trains for Berlin Brandenburg

Innovative financing model for innovative technology for the "Heidekrautbahn"



© NEB / Siemens Mobility / Christian Bedeschinski

Financing 7 Hydrogen Electric Multiple Units for the regional passenger transport network "Heidekrautbahn"

Loan amount: EUR 60 million (construction period financing & forfailing)

The challenge

- Securing low financing costs for a long period of time is an extraordinary challenge for total financing.
- The technical risks and the still almost non-existent market make classical private-public partnership (PPP) financing prohibitively expensive.

The solution

- Consideration of different interests of all stakeholders through a modern and intelligent financing structure: Mobility Owner.
- Mobility Owner: Off-public budget, off-balance for operator, financing costs at state level and for 27 years.

KfW IPEX-Bank's role

- Sole lender
- Structuring of the transaction into a down-payment/construction phase and a long-term/operating phase.

»»» Thank you for your Attention

Bank aus Verantwortung

KFW IPEX-Bank

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