






PRESS RELEASE

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NORD/LB jointly finances tram-trains in Chemnitz with KfW IPEX-Bank and EIB

- **Local public transport authority Verkehrsverbund Mittelsachsen procures 19 new tram-trains**
- **Expansion of public transport in the Chemnitz region**

NORD/LB, KfW IPEX-Bank and the European Investment Bank (EIB) are jointly financing the expansion of public transport in the Chemnitz region. Together, they will make credit lines totalling €189 million available to the local public transport authority Verkehrsverbund Mittelsachsen (VMS) to expand its fleet and maintenance capacity. The account-holding bank NORD/LB and the consortium leader KfW IPEX-Bank will each provide €50 million. The EIB's share of this is €89 million.

The investment volume of the project is €234.5 million. It includes the financing, procurement and maintenance of 19 new all-electric regional tram-trains manufactured by Stadler. These vehicles can run on electric tram networks in cities as well as electric railway networks, providing a better link to the Chemnitz inner-city network from the surrounding region, where residents will benefit from faster and more direct connections. In addition, there are plans to build a new maintenance depot near Chemnitz central station for servicing the new trams and older public transport vehicles.

The financing volume also includes the refinancing of a railway depot built in 2016 for the maintenance of 29 rail vehicles used on the Mittelsachsen electric railway network. Starting in summer 2023, 11 battery electric multiple units for the Chemnitz-Leipzig line will also be serviced here.

The new tram-trains will be delivered from 2025, with passenger services scheduled to start in 2026. 5.3 million passengers are expected in the first year of operation. This is the first EIB financing for VMS.

The project is an integral part of the Chemnitz model, one of the most important public transport projects in Saxony. The aim of the Chemnitz model is to provide a smooth connection between the centre of Chemnitz and the surrounding areas. These investments will modernise the entire public transport system and improve the quality of public transport services. The project therefore directly contributes to the transport transition and climate action.

Heiko Ludwig, Global Head Structured Finance at NORD/LB, said: "We are very pleased that we are able to support our long-standing customer VMS in this forward-looking project. Shifting from road to rail is a key element of the transport transition and will make a major contribution to greater sustainability."

EIB Vice-President Ambroise Fayolle said: "We are pleased to be supporting the modernisation of public transport in Chemnitz and the surrounding area. Attractive tram networks foster the transition to climate-friendly mobility by encouraging commuters to switch from road to rail, thus avoiding the CO₂ emissions and congestion caused by the use of private transport."

Andreas Ufer, member of the Management Board of KfW IPEX-Bank, said: "We are pleased to be co-financing another flagship project for the transport transition in Germany with our long-standing and valued partner VMS and our other consortium partners. This is also another good example of the mobility owner concept that we are promoting, in which the separate operation and ownership of vehicles can have a number of advantages for municipalities."

VMS Managing Director Mathias Korda said: "The new vehicle fleet will make journeys more cost-effective and environmentally friendly through the principle of manufacturer delivery and maintenance, which has already been successfully implemented in the Mittelsachsen electric railway network."

Background information

NORD/LB Norddeutsche Landesbank – Girozentrale is one of Germany's leading commercial banks. As a public bank, it is part of the S-Financial Group. Its core businesses cover specialised lending in energy and infrastructure, including rail transport. Financing volumes for infrastructure projects currently amount to around €4 billion. The bank supports its clients from its headquarters in Hanover, Braunschweig and Magdeburg, in addition to branches in ten other locations in Germany and abroad.

The **European Investment Bank (EIB)** is the long-term lending institution of the European Union, owned by its Member States. It makes long-term finance available for sound investment in order to contribute towards EU policy goals.

Within KfW Group, **KfW IPEX-Bank** is responsible for project and export finance. It supports German and European companies operating in key industrial sectors in global markets by structuring medium and long-term financing for their exports, funding infrastructure investments, securing supply of raw materials and by financing environmental and climate protection projects worldwide. As a bank that stands for transformation, it finances technologies of the future to support the transition towards sustainable society in all three dimensions of the economy, environment and society. By implementing ambitious sector guidelines for CO2-intensive sectors KfW IPEX-Bank ensures its financings are compatible with the goals of the Paris Agreement. By introducing GHG accounting it aims to achieve a net zero emissions portfolio by 2050. As specialist bank, KfW IPEX-Bank has extensive industry, structuring and country expertise, it takes on leading roles in financing consortia and actively involves other banks, institutional investors and insurance firms. KfW IPEX-Bank operates as a legally independent group subsidiary and is represented in the most important economic and financial centres across the globe.

The **Verkehrsverbund Mittelsachsen (VMS)** network includes the districts of Zwickau, Erzgebirge and Mittelsachsen, and the cities of Chemnitz and Zwickau, covering approximately 5 000 km². It is laying the groundwork for modern and attractive bus and train services through its local transport plan, which is being implemented together with 17 transport companies. It coordinates public transport services to ensure smooth changes between buses and trains and connects cities and municipalities with consistent fares across the network. As the public transport authority, VMS commissions approximately 9 million train-kilometres from seven railway operators. Together with Saxony and the municipalities, it is implementing the Chemnitz model for railways to provide a smooth and fast tram and train link between the city and the wider region. It organises school transport in the districts of Mittelsachsen, Zwickau and Erzgebirgskreis for about 42 500 school pupils. With 4 000 employees, the transport companies in the VMS network have around 1 000 buses, 110 trams, 80 trains and a cable railway, serving almost 4 800 stops and around 80 million passengers per year.

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