THERE FROM THE BEGINNING.

Integrated Annual Report of Kommunalkredit Austria AG 2024

KOMMUNAL KREDIT

Kommunalkredit at a glance

SELECTED PERFORMANCE INDICATORS in EUR m or %	Local GAAP				
	2020	2021	2022	2023	2024
Net interest income	57.4	55.6	94.5	173.0	175.1
Operating result	31.9	52.5	61.2	135.9	135.6
Profit for the period before tax	32.4	56.2	68.5	135.6	123.9
Profit for the period after tax	33.6	47.1	70.2	100.4	84.5
Cost/income ratio	61.0%	51.2%	47.8%	35.1%	36.2%
Return on equity after tax	10.7%	13.7%	20.0%	23.3%	15.9%
Tier1 ratio	20.3%	20.4%	19.4%	20.0%	20.3%

12.7

ESG risk rating
low (10-20)
Sustainalytics

EUR 2.9bn

in subsidies managed and
granted by KPC
for the Federal Government

BBB+

Average rating of
premium-grade
portfolio

BBB | BBB-

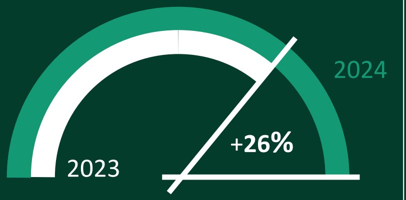
Investment grade ratings S&P |
Fitch

COP29

Part of the Austrian
negotiation team

All figures – unless otherwise stated – reported under IFRS.

Interest income EUR
400m



New business EUR
> 2bn

Awards in 2024

Best Specialist Bank in Austria (Der Börsianer magazine)

Seal of Approval for Sustainable Commitment (Kurier newspaper)

Commitment to the environment

UN PRB | GRI | ESRS | PCAF

C

Prime status
ISS ESG rating

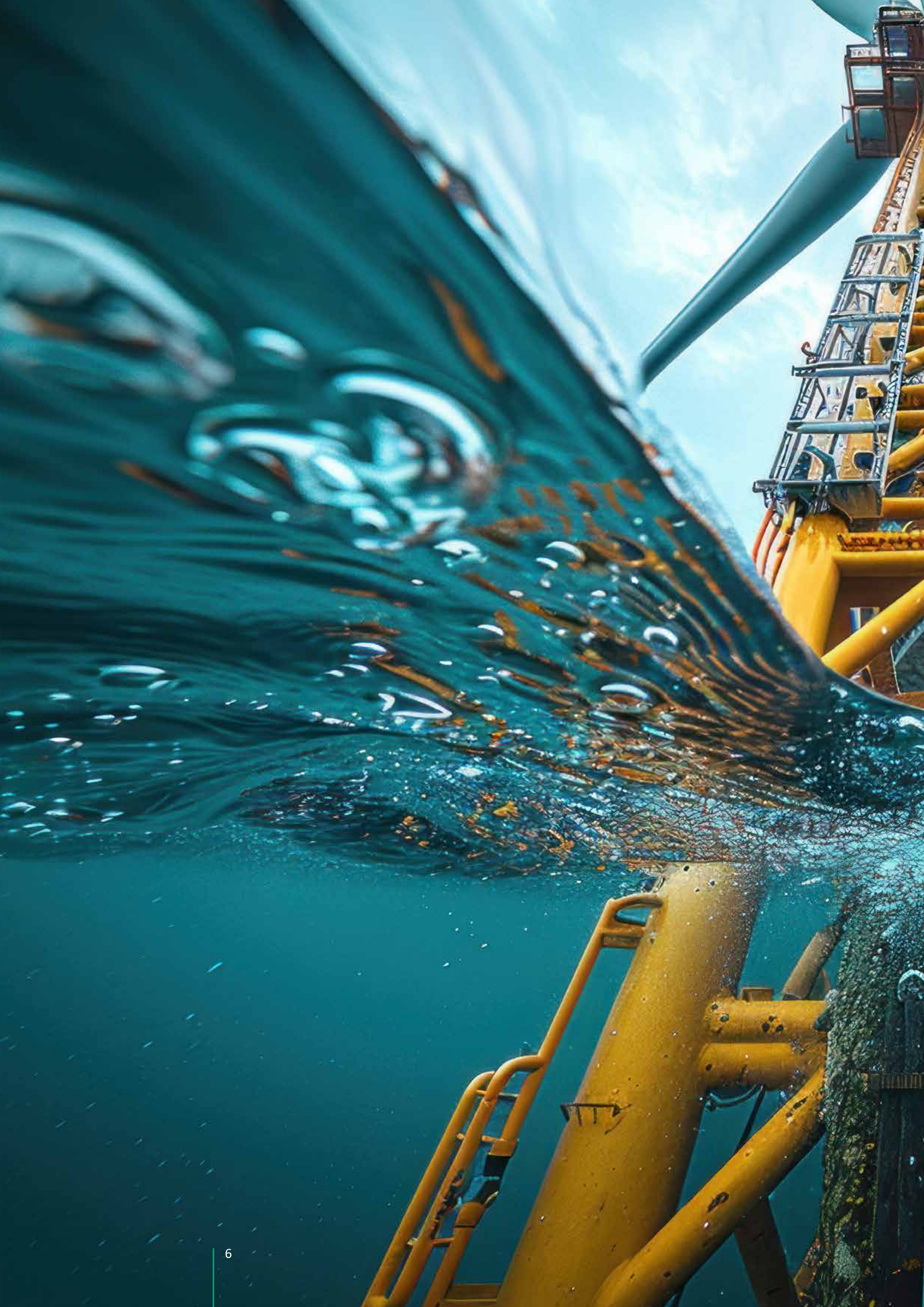
27

Nationalities as an indicator of diversity with around 400 employees

Building the future.

THERE FROM THE BEGINNING.

Integrated Annual Report of
Kommunalkredit Austria AG 2024



01

INFRA. BANKING. EXPERTS.

Foreword by the Executive Board

Dear shareholders, valued customers and colleagues!

We can look back on 2024 as an exciting and eventful year. A year in which we achieved our highest volume of new business to date. A year in which we had the privilege of completing a record number of individual transactions. A year in which we welcomed a new owner. A lot has changed – all against the backdrop of challenging global conditions.

Europe experienced a period of economic stagnation in 2024. High interest rates, weak investments and subdued demand put pressure on the economy. The year was also marked by political realignments, geopolitical crises (Russia/Ukraine, Israel/Gaza), raw material shortages (wheat, lithium, nickel) and supply chain disruptions, particularly in maritime shipping. Half of the world's population was also called to the polls, with political directions being reshaped in over 70 countries. While the path toward climate goals was maintained, the momentum and decisiveness behind the green transition appear to have weakened.

Challenges accepted. Amid these challenging conditions, Kommunalkredit's business strategy once again proved its resilience. With the **highest volume of new business in our history** – EUR 2,280m (including Public Finance) – we recorded a **26% increase compared to the previous year**. 35% of these transactions were in the Energy & Environment sector, followed by Social Infrastructure (21%), Communication & Digitalisation (19%), Natural Resources (9%) and Transport & Mobility (6%). With an increase of nearly 30%, we have **significantly accelerated our transaction pace** and further broadened our market position. We have a well-balanced diversification across asset classes, regions, maturities, products, and customer segments.

Our core business is closely linked to our sustainability strategy. We finance sustainable technologies, renewable energy projects, utility infrastructure, telecommunications, digitalisation, healthcare and nursing services, as well as the sustainable transport sector. Our geographic focus in 2024 remained on Europe, with particular emphasis on Germany, Italy and the United Kingdom.

Investor confidence in us continues to grow. With over one billion euros in refinancing, we have established ourselves as a **regular issuer on the capital market**. Our Debt Issuance Program was increased to EUR 5bn. A public Senior Preferred bond totalling EUR 500m, along with our first-ever benchmark Covered Bond issuance of EUR 500m, underscores our strong access to the capital markets.

Our **upgraded investment-grade ratings** reflect our positive business performance and strong risk discipline (S&P Global Ratings: upgraded to "BBB" | stable outlook, and Fitch Ratings: "BBB-" | upgraded to positive outlook).

New owner, ambitious growth targets. The next phase of our growth strategy began in the second half of 2024 with the completion of the ownership control process and the **entry of the Swedish Altor Fund** in July 2024. The focus on value creation was further reinforced. With a capital injection of EUR 100m, we will further expand our activities. We are leveraging our expertise and **expanding our financial services in the areas of Asset Management and Advisory** to respond even more effectively to the expectations of our partners. Through a holistic service approach tailored to the specific needs of our clients, we position ourselves as both a financial institution and a partner, enabling the promotion of sustainable change. This process will continue in the coming years.

Strengthening of the Executive Board and a renewed team spirit. As part of the growth process, we have also expanded our management capabilities and initiated a **cultural transformation with strengthened team spirit**. The **expansion of the Executive Board** to three members and a clear division of responsibilities ensure that we are well-positioned for the years ahead. In recent months, we have attracted many new **"Future Minds"**, further enhancing Kommunalkredit's appeal to top talent. Our focus is on promoting, developing and retaining our employees. Our leadership team combines extensive experience, innovative strength and strategic vision. We possess exceptional expertise, combined with commitment and a strong drive for change. The focus is not on individual interests but always on the best interests of the company. This creates the framework to comprehensively serve and support our stakeholders, enabling us to successfully drive sustainable change together.

We invest in our future. Our excellent performance, reflected in a high return on equity, demonstrates our ability to generate sustainable growth. We aim to leverage this strength to make strategic investments in the future. The years 2024, 2025 and 2026 have been – and will continue to be – marked by innovation and evolution. Specifically, this means: our preparations for the DORA regulation in the financial sector have been successfully completed, and the groundwork for sustainability reporting in accordance with the CSRD has been laid.

At the same time, we are consistently driving forward the digitalisation and modernisation of our process management and core banking system. Especially in the areas of people & culture, digitalisation, cybersecurity, IT infrastructure and modern work environments, we are setting new standards and creating future-proof structures. Through these investments, we are strengthening our foundation and continuously promoting excellence.

Infrastructure remains a stable growth sector. Rising financing costs, economic volatility and changing (regulatory) frameworks will continue to dominate in 2025. The European infrastructure market will remain a key pillar of transformation, playing a vital role in decarbonisation, digitalisation, decentralisation and demographic development. Our **profound infrastructure expertise, combined with the long-term resilience and growth potential of the infrastructure market**, provides a solid foundation for our business model. In particular, privately financed expansion of renewable energies, growing demand for data infrastructure, and investments in the circular economy and energy efficiency present attractive opportunities.

Our takeaway. Geopolitical and regulatory changes will continue to shape our path. However, we also see opportunities here: we are actively adapting our business strategy, optimising our processes and leveraging regulatory requirements as drivers for sustainable innovation. We are ready to contribute to the transformation of Europe's infrastructure landscape and actively shape the future.

Kommunalkredit stands for progress, sustainability and stability. We will continue on our path with vision, responsibility and entrepreneurial ambition. **Infrastructure is not just our business – it is our passion.** And this passion drives us to work together with our clients to create lasting, sustainable change across Europe.

Vienna, 20 February 2025

Nima Motazed
Executive Board Member

Sebastian Firlinger
Chief Executive Officer
(ad interim)

John Weiland
Executive Board Member

Report of the Supervisory Board

Dear shareholders,

The Supervisory Board of Kommunalkredit Austria AG (Kommunalkredit) presents the Annual Report for the 2024 financial year to the Annual Shareholders' Meeting. The two previously indirectly controlling shareholders of Kommunalkredit – Interritus Limited, based in the UK, and Trinity Investments Designated Activity Company, based in Ireland and managed by Attestor Limited – have sold their entire stake in Satere Beteiligungsverwaltungs GmbH (Kommunalkredit's holding company) to Green Opera Finance BidCo AB, based in Sweden. This is owned by funds managed by the Swedish financial investor Altor.

This decision and the subsequent signing of the agreement were announced in February 2023. The previous shareholders – Interritus, Trinity Investments Designated Activity Company (managed by Attestor Limited) and the Austrian Association of Municipalities – remain minority shareholders. After the relevant Austrian and European authorities granted the necessary approvals, the closing was successfully completed on 15 July 2024.

Following the closing, the previous members of the Supervisory Board resigned as planned and the Shareholder's Meeting appointed a new Supervisory Board. Since 15 July 2024, the Supervisory Board has been chaired by Hans Larsson, Chairman of Skandia Mutual Life Insurance Group, who is an independent member of the Supervisory Board. The shareholder representatives are Paal Weberg (Deputy Chairman, Co-Managing Partner Altor Equity Partners, delegated by Satere Beteiligungsverwaltungs GmbH), Andreas Haindl (independent management consultant, delegated by Satere Beteiligungsverwaltungs GmbH) and Herman Korsgaard (Partner Altor Equity Partners). Henrik Matsen (Partner Henry Costa Partners) and Kurt Svoboda (CFO/CRO UNIQA Insurance Group AG) are independent members of the Supervisory Board. The Supervisory Board members delegated by the Works Council remain Oliver Fincke, Claudia Slauer and Gerald Unterrainer.

At the reporting date, the Supervisory Board consisted of three shareholder representatives, three independent members and three employee representatives. The Supervisory Board would like to thank all members who stepped down in the 2024 financial year for their trusting and constructive cooperation.

In order to drive forward digitalisation and the corresponding organisational process optimisation at Kommunalkredit, the bank's Supervisory Board has appointed Nima Motazed as a member of the Management Board and Chief Technology Officer/Chief Operating Officer (CTO/COO) as of 1 July 2024. The Supervisory Board also dismissed Bernd Fislage (Chief Executive Officer – CEO) as of 28 August 2024. Hereafter Sebastian Firlinger (Chief Risk Officer | Chief Financial Officer) was appointed as Interim CEO. In addition, John Weiland was appointed to the Management Board of Kommunalkredit as Chief Commercial Officer with effect from 1 November 2024 to strengthen the market divisions at management level. As of the reporting date, the Management Board consists of the Chairman of the Management Board (ad interim) Sebastian Firlinger, Nima Motazed and John Weiland.

Kommunalkredit can look back on a very successful financial year 2024 – despite the prevailing economic challenges, tense markets and geopolitical upheavals. EUR 2,280m in new business volume from infrastructure and energy financing as well as public finance underpins the focus on sustainable, crisis-proof infrastructure. 35% of transactions in the infrastructure and energy financing business are attributable to the energy & environment sector, followed by social infrastructure (21%), communication & digitalisation (19%), natural resources (9%) and traffic & confidential transport (6%). Geographically, the focus is on Europe, with Germany, Italy and the UK in particular being important markets for the Bank in the 2024 financial year. The core business is closely correlated with the sustainability strategy.

Kommunalkredit has continuously expanded its access to the capital markets in recent years. In 2024, a total of over one billion euros was refinanced on the capital market - these transactions underline Kommunalkredit's commitment to establishing itself as a regular issuer on the capital market.

The capital injection of EUR 100m by the new majority shareholder Altor on 29 July 2024 will enable Kommunalkredit to expand its infrastructure and energy activities in a targeted manner and to exploit economies of scale.

The Supervisory Board performed its duties in accordance with the articles of association and rules of procedure at four ordinary meetings, seven extraordinary meetings and one constituent meeting; the committees (Audit Committee, Remuneration Committee and Supervisory Credit Committee) also met and performed their duties in accordance with the rules of procedure.

The Supervisory Board was continuously and comprehensively informed by the Management Board at the meetings of the Supervisory Board and its committees as well as through direct information on the course of business, the situation and development of the company and the intended business policy. The Supervisory Board advised and monitored the Management Board in the management of the company in accordance with the duties incumbent upon it by law, the articles of association and the rules of procedure.

In accordance with the Fit & Proper policy (based on the EBA/ESMA Guidelines on the assessment of the suitability of members of the management body and key function holders, version 2021/06, and the FMA Fit & Proper Circular of March 2023), the new Supervisory Board members completed comprehensive Fit & Proper training on the regulatory framework for Austrian credit institutions in July 2024. Further, the Bank's Supervisory and Management Board members were informed about changes and novelties in the regulatory area in December 2024.

These annual financial statements and the management report were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The audit did not give rise to any objections and the statutory provisions were complied with. The annual financial statements give a true and fair view of the assets, financial position and results of operations of the company as at 31 December 2024, which is why an unqualified audit opinion was issued.

The Supervisory Board concurred with the findings of the audit and approved the 2024 annual financial statements at its meeting on 27 February 2025, which are thus adopted. The consolidated financial statements as at 31 December 2024, including the management report, were also examined and acknowledged.

Hans Larsson
Chair of the Supervisory Board
Vienna, 27 February 2025

Functions within the Company

Management

SEBASTIAN FIRLINGER
Chief Executive Officer
(ad interim)
(CEO | CFO | CRO)
since 28 August 2024
Member of the Executive Board
until 28 August 2024

Risk Controlling, Credit Risk, Finance, Financial Planning & Analysis, Strategy*, Corporate Communication & Marketing, Legal & Stakeholder, Compliance & Non-Financial Risk

NIMA MOTAZED
Member of the
Executive Board
(COO | CTO)
since 1 July 2024

IT & Transformation,
Banking Operations,
People & Culture,
Internal Audit*

JOHN WEILAND
Member of the
Executive Board
(CCO)
since 1 November 2024

Banking, Markets,
Asset Management

* Operational management

Joint responsibility: Internal Audit, Compliance, Strategy

KARL-BERND FISLAGE
Chief Executive Officer
until 28 August 2024

Supervisory Board

HANS LARSSON
Chairman of the Supervisory Board,
Chairman of the Board of Directors
Skandia Mutual Life Insurance
Company
since 15 July 2024

PAAL WEBERG
Deputy Chairman of the
Supervisory Board,
Co-Managing Partner of
Altor Equity Partners
since 15 July 2024

ANDREAS HAINDL
Independent Management
Consultant
since 15 July 2024

HERMAN KORSGAARD
Partner of Altor Equity Partners
since 15 July 2024

HENRIK MATSEN
Partner of Henry Costa Partners
since 15 July 2024

KURT SVOBODA
CRO/CFO UNIQA Insurance
Group AG
since 15 July 2024

PATRICK BETTSCHEIDER
Chairman of the Supervisory Board,
Managing Director of Satere
Beteiligungsverwaltung GmbH
until 15 July 2024

FRIEDRICH ANDREAE
Deputy Chairman of the
Supervisory Board, Managing
Director Satere Beteiligungs-
verwaltung GmbH
until 15 July 2024

TINA KLEINGARN
Partner Westend
Corporate Finance
until 15 July 2024

JÜRGEN MEISCH
Managing Director of
Achalm Capital GmbH
until 15 July 2024

MARTIN REY
Managing Director of Maroban GmbH
until 15 July 2024

ALOIS STEINBICHLER
Managing Director of AST
Beratungs- und Beteiligung GmbH
until 7 May 2024

OLIVER FINCKE
Nominated by the Works Council

CLAUDIA SLAUER
Nominated by the Works Council

GERALD UNTERRAINER
Nominated by the Works Council

State Representative

PHILIPP SCHWEIZER
State Representative,
Federal Ministry of Finance

MARKUS KROIHER
Deputy State Representative,
Federal Ministry of Finance

Corporate governance documents at
kommunalkredit.at

Profile

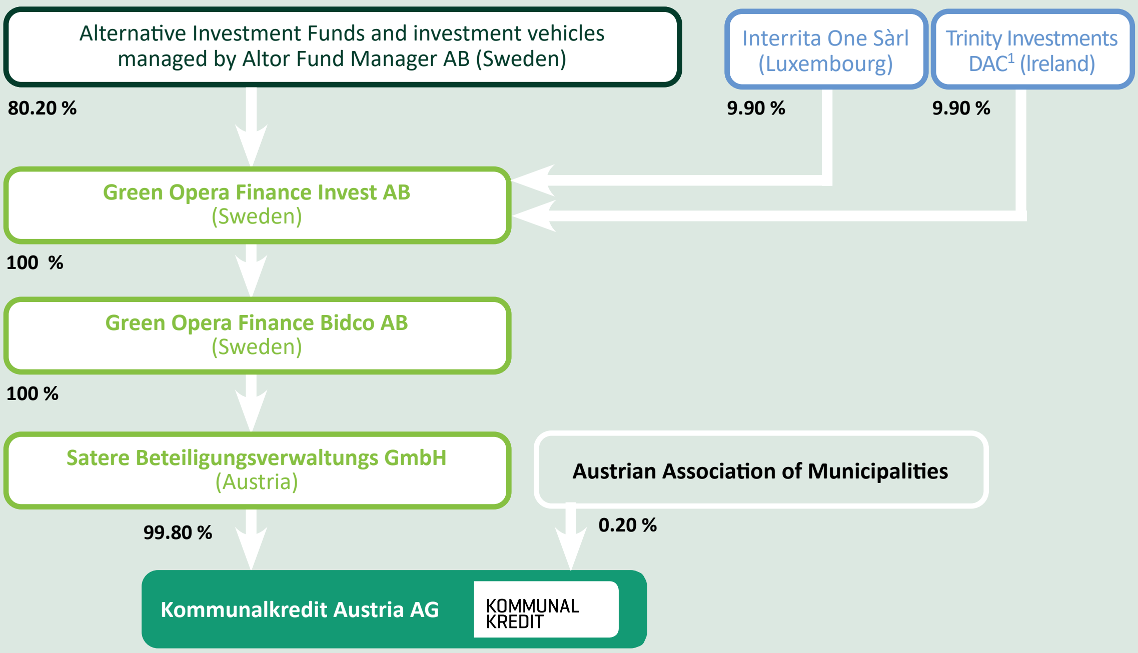
Satere Beteiligungsverwaltung GmbH (Satere) owns 99.8% of Kommunalkredit Austria AG, with a stake of 0.2% held by the Association of Austrian Municipalities. Satere is owned indirectly by funds and investment companies managed by Altor Fund Manager AB (80.2%), Interrita One Sàrl (9.9%) and Trinity Investments Designated Activity Company (9.9%).

Since they were launched, the Altor funds have raised more than EUR 11bn in total funds and invested in some 100 companies.

Pioneer
in the field of sustainability

1st place
Best Specialist Bank in Austria 2024

Kommunalkredit ownership structure.



1 Managed by Attestor Limited

Headquarters in Vienna

Branch office in Frankfurt am Main

410 employees

27 nationalities

2bn in new business in infrastructure and energy financing

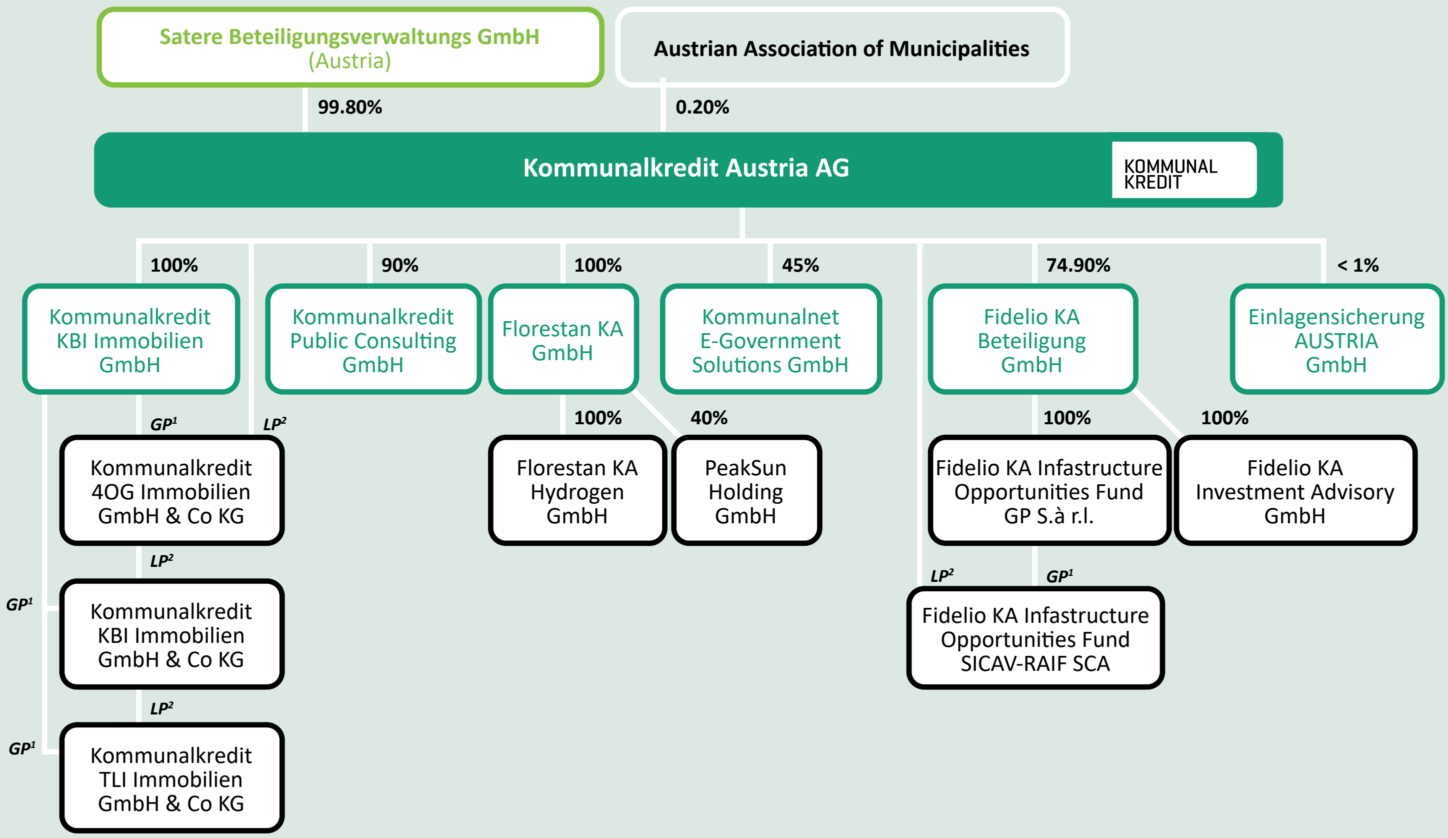
38% for energy transition and environmental protection

37% to improve people's quality of life

1 General partner
2 Limited partner

Subsidiary
Second-tier subsidiary

Kommunalkredit ownership structure.



Green? Deal! | Kommunalkredit’s strategy

We think infrastructure. Infrastructure is an essential backbone of economic, social and environmental development and enables long-term economic prosperity. We are involved with sustainable energy solutions, e-mobility, digital communication platforms and social institutions every day. That is what sets us apart.

Infrastructure is the key to a networked, prospering and sustainn**frastructure is the key** to a networked, prospering and sustainable global world. Specialising in sustainable infrastructure brings both economic and environmental advantages. The challenges of our time, such as climate change, a shortage of resources, geopolitical tensions and urban growth, have created an enormous need for innovative and sustainable solutions. Europe has also set ambitious targets with initiatives such as the European Union’s **Green Deal** to achieve net zero by 2050.

This political framework creates attractive **incentives** for investing in sustainable infrastructure. This is a fast-growing market. Investments in renewable energy, low-emission mobility, smart transport systems, energy-efficient buildings or digital communication centres, coupled with the rising need for social nursing care and healthcare facilities, are opening up **new business opportunities**.

Kommunalkredit made the decision to focus on these areas early on and today is a pioneer in helping to drive green projects and turn them into a reality across Europe. We are **THERE FROM THE BEGINNING** and provide support to our customers ranging from advice on project preparation and development to structuring, arranging and financing, all the way through to successful implementation.

The strategic fields of activity of Kommunalkredit.

“Infrastructure is attractive, crisis-proof, sustainable and essential.”

As a specialist in infrastructure and energy financing, the bank focuses on generating **benefit to the community** through its projects, thereby facilitating the development of sustainable infrastructure and combining responsible investment with attractive returns. Sustainable infrastructure reduces our carbon footprint and allows us to make an active contribution to climate action. In doing so, it creates a clean and safe environment that is worth living in, improves air quality, reduces noise and promotes healthy lifestyles.

As a strong and agile partner, we turn **"green" projects** into success stories for companies, innovators and the public sector by consolidating the interests of all parties involved and making sustainable and innovative infrastructure projects available to society at large. In a globalised world, resilient, inclusive and sustainable infrastructure will play an ever more important role in helping us to rise to the challenges we face. We are convinced that our actions make a meaningful contribution to reducing resource consumption, promoting the transition to a climate-neutral global economy and making the world that little bit better.

The core business segments of Kommunalkredit.

"We are driven every day by the desire to make the world that little bit better."

Energy & Environment

- Energy supply, energy distribution & storage
- Renewable energy
- Water supply & treatment
- Waste management & disposal

Transport

- Roads, bridges, tunnels
- Airports, ports, waterways
- Rail/public transportation
- Rolling stock

Communication & Digitalisation

- Broadband
- Fibre optic
- Data centres

Social Infrastructure

- Nurseries, schools, universities
- Hospitals, care homes
- Courthouses & court buildings
- Public administration buildings

Natural Resources

- Hydrogen
- LNG terminals
- Pipelines
- Energy storage

Europe in the spotlight | Our markets

Whether it’s supplying sustainable energy, high-speed broadband connections, vital transport routes or steps for climate change… infrastructure knows no bounds. Successful projects in our core markets provide the foundation for our dedicated approach in the European infrastructure and energy market.

Energy & Environment

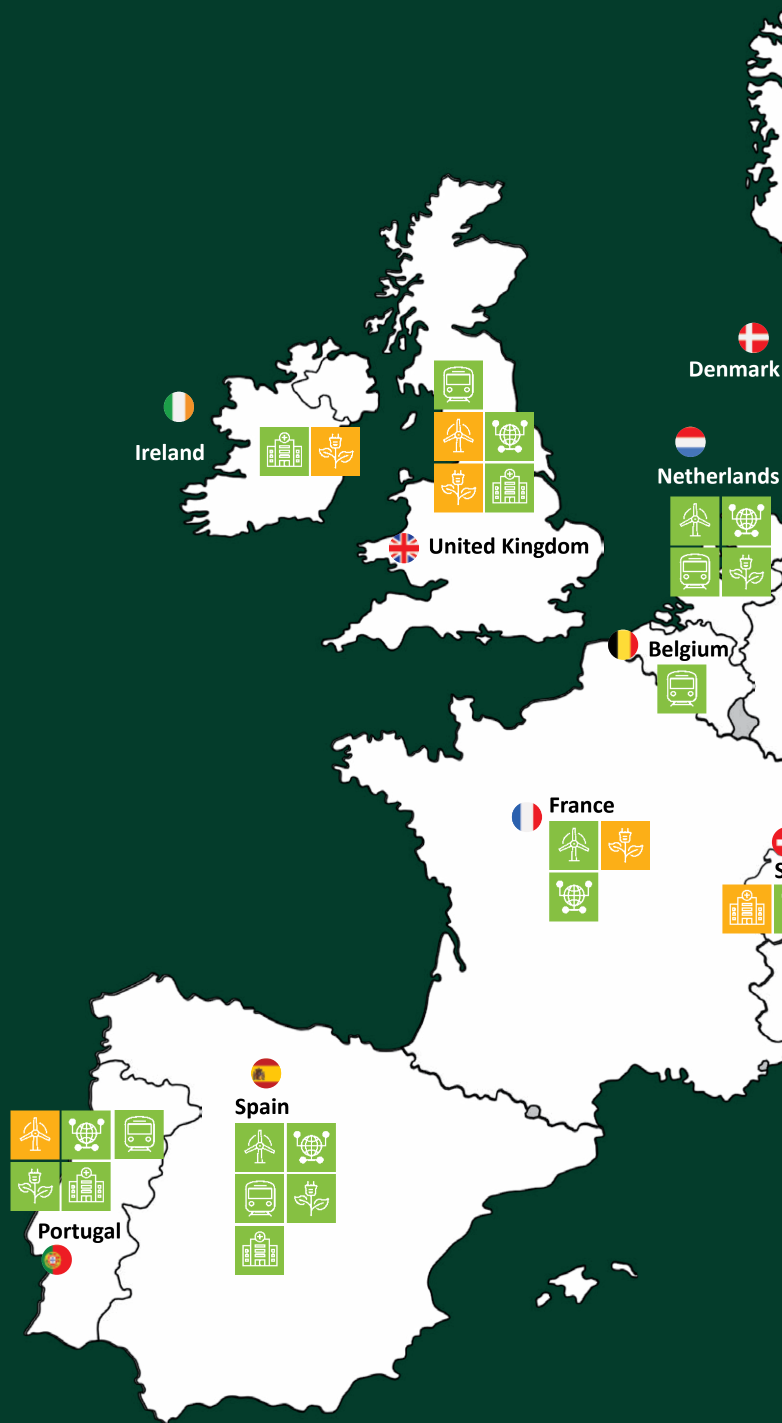
Communication & Digitalisation

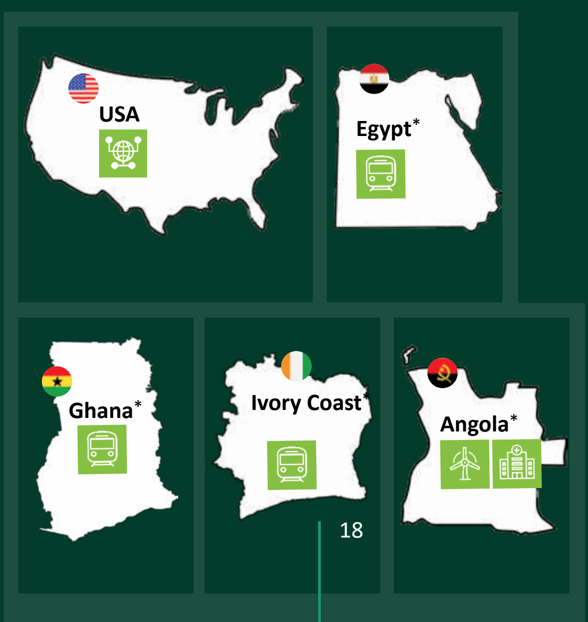
Transport

Social Infrastructure

Natural Resources

Selected reference projects in 2024
(pages 20+21)





* Selected structured export financing in Africa, collateralised by an export credit agency (ECA).


Finland
Norway
Sweden
Lithuania
Poland
Germany
Czech Republic
Slovakia
Austria
Hungary
Romania
Switzerland
Italy
Croatia
Serbia
Bulgaria
Türkiye
Israel

STAR ENERGY
Geothermal | United Kingdom

UK-based Star Energy is investing in the geothermal market on the British Isles and in Croatia, thereby gradually scaling back its oil and gas production. Its objective is to switch production entirely to this green alternative in the medium term. Kommunalkredit was the mandated lead arranger for this showcase project.

ZEUS
Data Centre | Germany

The German data centre developer and operator specialises in planning, building and operating sustainable data centres. One particular emphasis is on utilising waste heat to enable carbon-neutral heating for the surrounding area. Kommunalkredit was involved as mandated lead arranger in the financing facility for two new data centres with a capacity of 30 MW and target power usage effectiveness (PUE) of 1.2.

VALVERDINHO
Hybrid PV | Portugal

The Valverdinho project in Portugal combines 183 MWp of photovoltaics and 92 MWp of wind power in Sabugal. The most westerly country in continental Europe has a relatively large share of renewables in its electricity mix. Total capacity from hydropower comes to 8 GW, with 5.6 GW from wind power and around 4 GW from PV.[1] Kommunalkredit supported this sustainable project as mandated lead arranger.

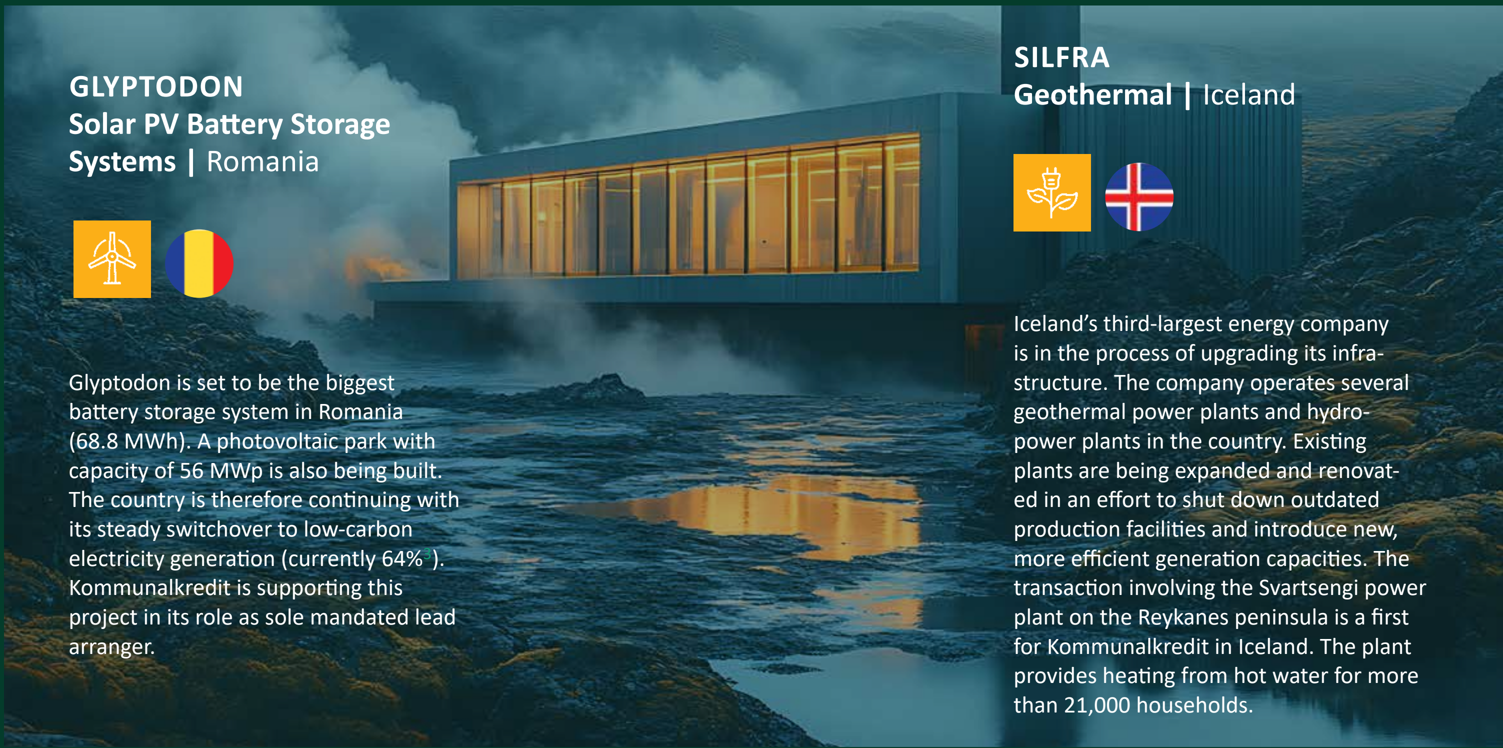
FROST
Temperature Control Systems | United Kingdom & Ireland

Modular cold stores, industrial chillers and integrated air conditioning units are key components for companies in all areas of the refrigeration industry: such systems are used in food, pharmaceuticals, chemicals, cold chain logistics and building management. Kommunalkredit acted as mandated lead aranger for the merger of two market players.

KLEIBROK
Solar Farm | Germany

The future solar park in Kleibrok, Lower Saxony, will span 40 hectares – equivalent to around 56 football pitches. With around 39 MWp, the facility will generate output of around 40 million KWh, saving 31,500 tonnes of CO_2 every year in the process. 62,000 solar modules will supply more than 12,000 households with power.[2] The ecological footprint is also taken into account in the course of the project: hardly any surfaces are being sealed, grassland is developing below the surface, and accumulations of stone and wood will provide habitats for reptiles and birds. Kommunalkredit acts as the structurer, underwriter and sole mandated lead arranger.

[1] APREN – Portuguese Association of Renewable Energy.
[2] PARQenergy.
[3] Low-carbon power online platform.



GLYPTODON
Solar PV Battery Storage Systems | Romania

Glyptodon is set to be the biggest battery storage system in Romania (68.8 MWh). A photovoltaic park with capacity of 56 MWp is also being built. The country is therefore continuing with its steady switchover to low-carbon electricity generation (currently 64%[3]). Kommunalkredit is supporting this project in its role as sole mandated lead arranger.

SILFRA
Geothermal | Iceland

Iceland's third-largest energy company is in the process of upgrading its infrastructure. The company operates several geothermal power plants and hydropower plants in the country. Existing plants are being expanded and renovated in an effort to shut down outdated production facilities and introduce new, more efficient generation capacities. The transaction involving the Svartsengi power plant on the Reykanes peninsula is a first for Kommunalkredit in Iceland. The plant provides heating from hot water for more than 21,000 households.

PEARL
Diagnostic Imaging | Germany & Switzerland

Providing basic, high-quality and accessible health infrastructure services is becoming increasingly important in the light of demographic trends. Kommunalkredit acted as sole mandated lead arranger in the acquisition of a leading diagnostic imaging provider in Germany and Switzerland by a consortium of investors.

DUNKERQUE
Green Aluminium | France

Aluminium Dunkerque is one of the leading aluminium foundries in the European Union. The plant sets a green footprint in its field by using sustainable electricity and producing around 285 kilotonnes per year. Kommunalkredit was a lender within the scope of a new financing package.

OPUS
Waste Disposal | Denmark

The activities of Denmark's leading provider of sustainable environmental logistics and resource solutions deliver an active contribution to the circular economy. The company offers sustainable solutions for the collection, transportation, handling and upcycling of construction, demolition, commercial and industrial waste as well as soil handling services to ensure that industrial and construction companies meet Denmark's stringent standards for responsible and environmentally sound waste recycling. Kommunalkredit acted as mandated lead arranger in the acquisition of the service provider by an international fund.

To play a central role on the capital market | Our goal

We enable infrastructure. We develop, finance and implement sustainable projects across Europe. We continuously expand our access to capital markets. In 2024, we impressively demonstrated that Kommunalkredit is also an attractive issuer for institutional investors.

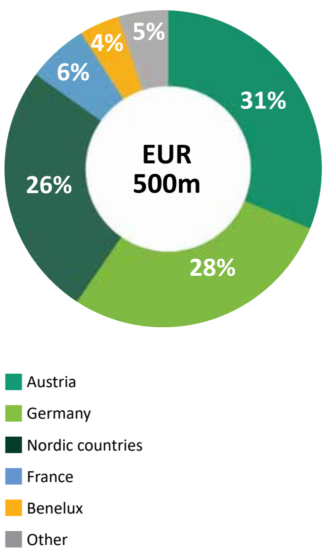
After the rating agency Standard & Poor's upgraded Kommunalkredit to **"BBB"** (positive outlook) on 13 March 2024, the books for a **5-year senior preferred bond** were opened on 21 March 2024. The issue was limited to EUR 300m and met with substantial demand; when the books closed, the interest in purchasing exceeded EUR 1bn (**3.3 times oversubscribed**). As a result of this impressive order book, it was possible to reduce the issue spread of 290 basis points originally announced to 255 basis points at the time of allocation, while the bond coupon was fixed at 5.25%.

Just a few weeks later, on 15 April 2024, the issue was increased by EUR 100m. Due to the consistently strong demand, the spread was significantly reduced again and set at 215 basis points. On 17 September 2024, another **increase** of EUR 100m **to EUR 500m** was implemented. With a spread of 205 basis points, there was a further improvement in refinancing costs and the bond volume was increase to benchmark level.

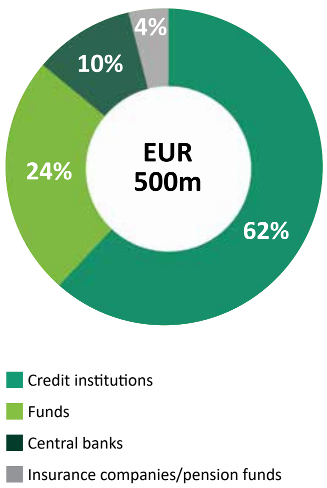
In addition to the senior preferred emission, Kommunalkredit celebrated a **comeback on the covered bond market** in autumn 2024. For the first time since the privatisation of the bank in 2015, a benchmark bond of EUR 500m was placed on the market. The bond – with a maturity date of 16 April 2030 – is collateralised by a cover pool comprising assets to the public sector.

The issuance of two transactions for EUR 500m each in 2024 is impressive proof of the **confidence that international investors have** in the bank's long-term strategy. With regard to the further expansion of its capital market activities, Kommunalkredit increased the scope of its debt issuance programme from EUR 2bn to EUR 5bn. The Austrian Financial Market Authority (FMA) approved the corresponding addition to the prospectus by its notification dated 5 November 2024.

Covered bond 2024 by region.



Covered bond 2024 by investor type.



Communication fit for the times | #kommunalkredit

We speak the language of infrastructure. For a bank that specialises in infrastructure projects, transparent communication is a strategic requirement when it comes to building trust, minimising risks, promoting sustainability and securing long-term competitiveness. Open dialogue is a fundamental requisite for responsible corporate management.

Kommunalkredit is not a traditional bank: it is a **think tank** in the universe of sustainable infrastructure, aiming to link complex relationships and launch projects that deliver benefit to the community. This allows the bank to appeal strongly to partners, potential colleagues, competitors and the media. Added to this is the expertise of the subsidiary Kommunalkredit Public Consulting (KPC) as a hub for environmentally relevant subsidies and consulting in energy and energy efficiency, climate and environmental protection, water management and development finance.

To **engage** with our stakeholders, we rely on a broad spectrum of communication channels – ranging from personal communication methods to digital media and from conventional PR work to direct marketing. As a source of knowledge, we apply our expertise to PR discussions, events and day-to-day business. Partnerships with municipal and infrastructure decision-makers round off our media focus.

Sustainability as a **brand mark** is not a marketing trend; it is a strategic requirement for remaining successful in the long term. The Kommunalkredit brand represents sustainable infrastructure projects and is gradually positioning itself as a green transition champion in Europe.

In the course of our **investor relations activities**, we are in close contact with investors, analysts and business partners, keeping them up-to-date with our performance and milestones through investor & analyst webcasts.

Passing something on

As a socially responsible company, we supported initiatives in 2024 such as Bracenet (upcycling of "ghost" fishing nets from the world's seas and oceans), the Red Noses Clowndoctors, carla (a Caritas institution) and the Samariterbund aid and welfare organisation.

"We are actively driving dialogue on sustainable infrastructure."

Already heard it?
Our podcast series provides insight into the topic of infrastructure from all sides.

Where we were in

2024

:

- EU Innovation Fund Vienna InfoDay
- Frauenthal EXPO Vienna
- Austrian City Day in Wiener Neustadt
- Kommunal-wirtschaftsforum (Municipal Economics Forum) in Bad Ischl
- Austrian Municipal Day in Oberwart
- Austrian Issuer Roadshow in Belgium, Denmark, Germany, Finland
- Career fair at Vienna University of Economics and Business
- Alpbach Financial Symposium
- COP29 Azerbaijan
- Green Climate Fund Korea
- Energy Economics Colloquium in Leoben
- Global Infrastructure Dialogue Conference Frankfurt
- European Infrastruc-ture Conference Athens

Our corporate identity

“Topics that motivate.” This is what prompted the establishment of the MUNICIPAL SUMMER TALKS jointly with the Austrian Association of Municipalities in 2005. Since then, national and international representatives from the spheres of industry, science, politics and the media have been convening to tackle current problems, identify examples of best practice and develop solutions. Far removed from everyday events, the geographical centre of Austria – Bad Aussee in Styria – is the stage for this think tank.

In his keynote speech, Komunalkredit CEO (ad interim) Sebastian Firlinger and event host explained why there is no alternative to a green future in Europe..

Bad Aussee’s Mayor Franz Frosch with his wife Maria, Federal Minister Martin Kocher, Sebastian Firlinger and President of the Association of Municipalities Johannes Pressl (from left).

Federal Minister Martin Polaschek (centre) also didn’t miss out on the opportunity to come to the Aussee countryside. To his left are General Secretary Walter Leiss and President Johannes Pressl (both from the Association of Municipalities) and, to his right, Sebastian Firlinger and Kommunalkredit Executive Board member Nima Motazed.






Just some of the high-profile representatives at the MUNICIPAL SUMMER TALKS in 2024 (from left): keynote speaker Joschka Fischer (former Vice Chancellor and Foreign Minister of Germany), Markus Achleitner (Member of the State Government of Upper Austria), Leonore Gewessler (Minister for Climate Action), Othmar Karas (Vice President of the European Parliament), Mojib Latif (Climate Researcher), Baron Lobstein (US Embassy).

02

MANAGEMENT REPORT.

Economic environment

While many economies were faced with sluggish economic activity in 2024, high interest rates and subdued demand, global issues such as climate change and decarbonisation moved further into the spotlight. Geopolitical tension unsettled the markets and left its mark on trade relations. These challenges also, however, raised awareness of the urgent need for change and investment.

The European infrastructure sector (including the United Kingdom), which is primarily relevant for Kommunalkredit, proved the resilience that is frequently ascribed to it in the first half of 2024, with a sustained high transaction volume of EUR 130bn (H1 2023: EUR 131bn). The second half of the year proved to be even more resilient again: At EUR 347bn,[4] the value was ultimately up by 23% on 2023.

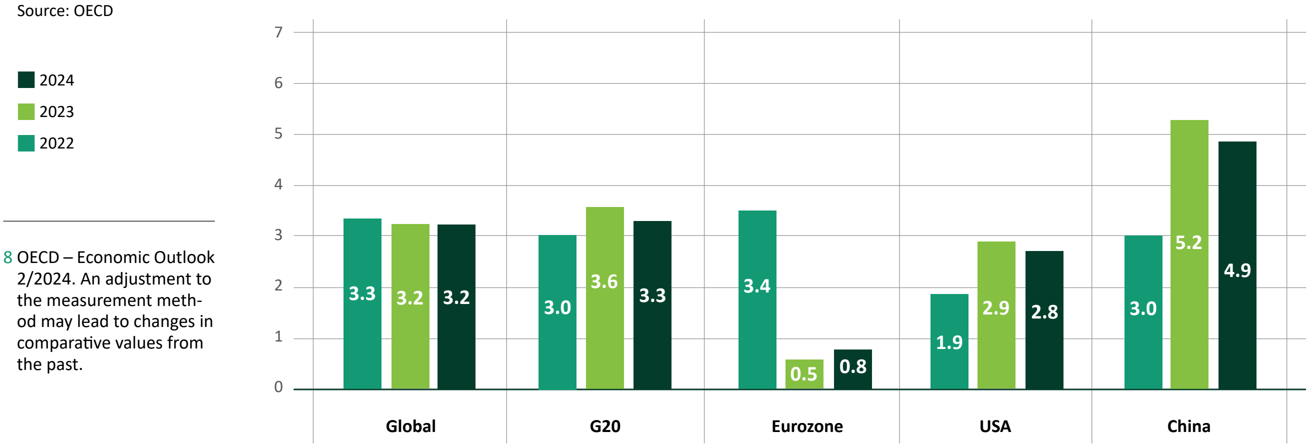
The global economy remains resilient (for the time being)

The global economy has proved to be surprisingly resilient in recent years in the face of the pandemic, energy crisis and geopolitical turbulence. Global growth remained stable in 2024, too, while inflation continued to drop. Unemployment rates are still hovering around all-time lows and global trade is bouncing back. The global economy recorded moderate growth of around 3.2%, with a figure of 0.8% in the eurozone, which could have been worse.[5] This stability in global growth nevertheless papers over regional and sectoral differences.

Whereas in the pre-Trump II era, the **United States** revised its forecast upwards, and the world's emerging markets – led by **China** and **India** – saw an increase in industrial production, the established industrialised nations – particularly in **Europe** – became less competitive. Headline inflation fell as the year progressed and is expected to have come in at 5.8% (2023: 6.7%)[6] . In the eurozone, this trend gave the European Central Bank (ECB) scope to cut interest rates in a quest to stimulate investment activity and revive the economy. European industry, however, remained under pressure, primarily due to high energy prices, weak exports and sluggish demand, with Germany the hardest hit – and, as a result, Austria being hit indirectly as well (economic output of -0.6%)[7]. The war in Ukraine and the tension between China and the US on the trading front weighed on the European economy. At the same time, the European Union (EU) ramped up its efforts to reduce strategic dependencies – for example by diversifying supply chains and raw material sources. It also focused greater attention on its climate targets and forged ahead with projects such as the expansion of e-mobility, digital transformation and the energy transition – all core areas for Kommunalkredit. In these challenging conditions, we continued to focus on the investments in green technologies, renewable energies and sustainable infrastructure that are relevant to our business model.

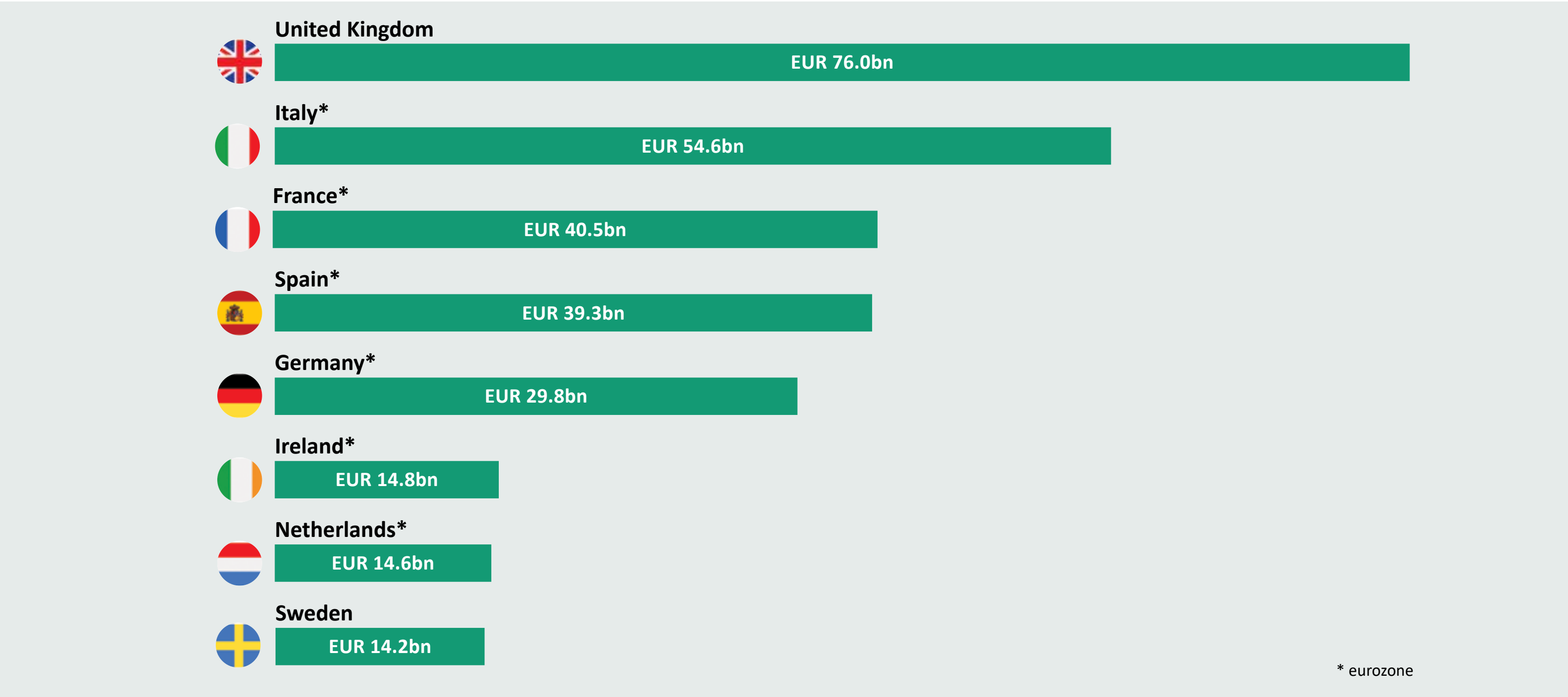
4 Inframation & Sparkspread Database, 30/1/2025. An adjustment to the measurement method may lead to changes in comparative values from the past.
5 International Monetary Fund (IMF) – World Economic Outlook, October 2024.
6 International Monetary Fund (IMF) – World Economic Outlook, October 2024.
7 WIFO economic research institute – Konjunkturradar (economic radar) 1/2025.

GDP growth in %.[8]
Source: OECD



8 OECD – Economic Outlook 2/2024. An adjustment to the measurement method may lead to changes in comparative values from the past.

Europe's biggest infrastructure markets in 2024.[9]
by volume



The high interest rate interlude comes to an end (for now)

Whereas economic growth was weak in the eurozone in 2024 (expectation for the year as a whole: +0.8%)[10], as it was in other major industrialised nations such as the United Kingdom (expectation: +1.0%) and Japan (expectation: +0.4%), the United States (USA) delivered a positive surprise in 2024 and is expected to have grown by around 2.8%. The economic trend for Germany in particular – with a knock-on effect on Austria – was less than favourable and the likelihood of a recession in 2024 as a whole increased of late.

The **European Central Bank** (ECB) responded to the faltering economy and falling inflation in the eurozone by **cutting interest rates** in four steps by 100 basis points and 135 basis points respectively in 2024. The ECB's deposit facility rate fell from 4.0% at the beginning of the year to 3.0% (note: 2.75% based on the interest rate decision made on 30 January 2025), and its main refinancing operations rate dropped back from 4.5% to 3.15% at the end of the year (note: 2.9% as of 30 January 2025). Driven by the ECB's rate cuts and the economic slump, **capital market interest rates** declined in the second half of 2024 in particular, with the 10-year swap rate falling from 2.52% at the beginning of the year and an interim high of 2.93% at the end of May to 2.09% at the start of December. This had corrected somewhat to 2.36% by the end of the year. Long-term bond yields, on the other hand, have decoupled somewhat from the swap rate trend. Yields on 10-year German Bunds rose from 2.07% at the beginning of the year to 2.36% at the end, putting them on a par with the swap rate. For the first time since the euro was launched back in 1999, these bonds were, at times, trading at higher yields than the maturity-matched swap rate. This was clear testimony to Germany's loss of its image as a "safe haven" for investors, triggered by its weak economic performance and the political changes that paved the way for new elections at the end of February 2025.

Expectations of increased borrowing were another factor with a negative impact on the spread development. Other reasons explaining why **swap rates and bond yields moved apart** in Europe include moves by the ECB to reduce its balance sheet, high budget deficits in other major eurozone countries and the increased issues by the European Union (EU) itself, which is competing with its member states to attract investors, meaning that it has to offer attractive yields.

The infrastructure market bucks the current trend

At the mid-point of 2024, it did not come as any major surprise to see that the European market for infrastructure investments, Kommunalkredit's relevant market, was lagging slightly behind the same periods of the last two years, at just under EUR 130bn. Nevertheless, Kommunalkredit started the second half of the year with reason to be optimistic, as, despite ongoing geopolitical conflicts, a slow but increasingly evident interest rate normalisation trend had started to emerge, also in the form of further rate cuts by the European Central Bank (ECB) and the US Federal Reserve (Fed).

The combination of robust economic growth (particularly in the USA and the UK), moderate inflation, albeit at a level that remains above average, and lower interest rates ultimately contributed to a**transaction volume in Europe of** EUR 347bn, well ahead of the comparable figure for 2023 (EUR 283bn). Other positive factors favouring the infrastructure sector's intact reputation as a robust and positive defensive asset class include the ongoing **megatrends** of decarbonisation and digital transformation, which were somewhat more differentiated in 2024.

9 Inframation & Sparkspread Database, 30/1/2025. An adjustment to the measurement method may lead to changes in comparative values from the past.
10 European Central Bank – Macroeconomic projections for the euro area January 2025 (all figures in this sub-chapter).

As far as **greenfield financing**[11] is concerned, the European volume was already well in excess of the volume for the same period of 2023 by the mid-year point. This trend remained relatively constant in 2024 as a whole, with the expansion of new projects using these funds focusing primarily on renewable energy. Alongside "conventional" PV solar and wind projects, new impetus emerged in the areas of battery energy storage systems (BESS), biogas/biomethane and hydrogen. Kommunalkredit started to focus on these areas early on, and the expertise it has gleaned as a result has manifested itself in a whole number of successful transactions (particularly BESS projects in the UK, Germany and Italy). All in all, the need to increase the number of projects in this sector at a fast pace fundamentally remains unchanged. For this reason, Kommunalkredit continued on its strategic path. This is based primarily on providing its customers with innovative financing solutions and is focused particularly on bridge and development financing, which plays a decisive role in allowing developers to realise their project pipeline in a quick and flexible way.

Kommunalkredit remains very active in the onshore wind and BESS sectors in northern Europe, not least with the added support provided by the network of our new 80% majority shareholder, Altor. Spain, Portugal, Italy and, first and foremost, Central and Eastern Europe (especially Romania) were the focal point of the bank's PV solar and BESS activities. One encouraging trend is that this not only applies to the structuring of financing, but also increasingly to **M&A advisory**[12] and **financing advisory**, as is impressively demonstrated by a large number of new and completed mandates. Projects that bundle the bank's expertise across different products and services, such as buy-side M&A advisory with structuring of the necessary acquisition credit, are particularly worthy of mention. Some greenfield projects reflected the economic challenges nonetheless: EV charging stations lagged behind expectations due to the problems encountered by battery and e-mobility manufacturers. In the area of broadband expansion, a number of operators, particularly in Germany and the UK, were up against serious liquidity challenges. This trend was, however, more than offset by the fast-growing market for data centre expansion in the digital infrastructure sector.

As the interest rate level was slow to improve in the period leading up to early 2024, **refinancing** only started to pick up speed in the second half of the year. Up until then, many players in the infrastructure market usually only refinanced when it was absolutely necessary. Overall, the refinancing volume rose by around 15% year-on-year in 2024 – a trend that will continue to gain momentum in 2025. 2024 was also characterised by an ongoing trend towards "accordion loans". This is where equity sponsors secure the option of obtaining additional credit volumes, usually from existing banks, within the existing financing documents as early as at the time of the original financing. It allows them to react flexibly and quickly to organic and inorganic growth opportunities without having to seek expensive overall financing. In this way, Kommunalkredit continued to support its existing customers across all sectors.

The **brownfield/M&A**[13] segment bounced back considerably in the second half of the year, thanks to a more stable market environment, lower interest rates and much lower market prices. By virtue of its broad geographical positioning, its focus on very customer-oriented financing solutions and new services (particularly M&A and debt advisory services), Kommunalkredit was able to more than offset this subdued development.

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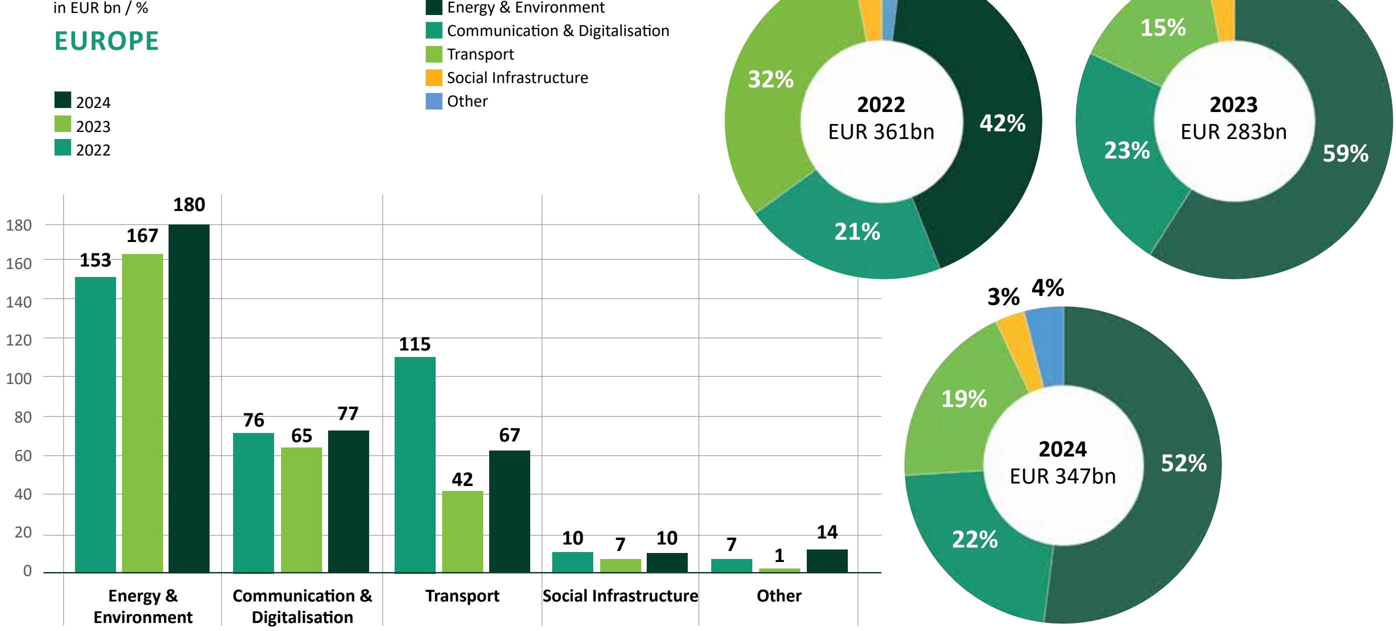
11 Greenfield projects are new infrastructure assets erected on undeveloped ("green") land, which may involve construction phases of varying lengths and financing requirements – depending on the sector and nature of the project – before they can enter service.
12 M&A: mergers & acquisitions.
13 Brownfield projects are pre-existing, often already-operational infrastructure assets whose financing is restructured mostly through M&A transactions (mergers & acquisitions).

Transaction volumes by sector.[14]
in EUR bn / %



Looking at the relative volumes of the sectors in Europe in the year as a whole, **renewables** (PV/solar, wind), together with all other energy-related sectors (biogas, LNG, battery storage), account for over 50%[15] of the overall market.

This is also reflected in Kommunalkredit's transactions – particularly in northern Europe, on the Iberian Peninsula and in Central and Eastern Europe (first and foremost in Romania, where Kommunalkredit is the market leader). Falling or volatile energy prices over the course of 2024 made flexible financing solutions particularly important, as they involve significant structuring work and require market expertise with regard to solutions for purchasing the electricity generated (full market risk vs. power purchase agreements vs. government purchase agreements or support. Only a handful of lenders have the experience and agility that Kommunalkredit does, thanks to its proactive approach in familiarising itself with development financing and its strong track record in the areas of biogas/biomethane, as well as battery storage systems.

In the **digital infrastructure** sector (22% of the volume), investor interest has slowly but surely shifted away from fibre optics and towards data centres. These not only ensure the transmission and storage of ever-larger volumes of data, but are also reaping the benefits of the exploding requirements for artificial intelligence (AI). This is where the digital transformation and the energy transition converge, as data centres are witnessing exponential growth in their energy requirements, which requires unprecedented levels of investment in various forms of energy infrastructure (transmission and distribution grids).

A number of significant fibre optic projects (especially in the UK and Germany) are lagging behind the original expansion plans, in some cases significantly so, as a result of higher costs and mounting competition. Kommunalkredit has only been affected by this trend on a very minor scale, as it has focused on projects with little overbuild risk[16] and on sponsors with strong financial credentials.

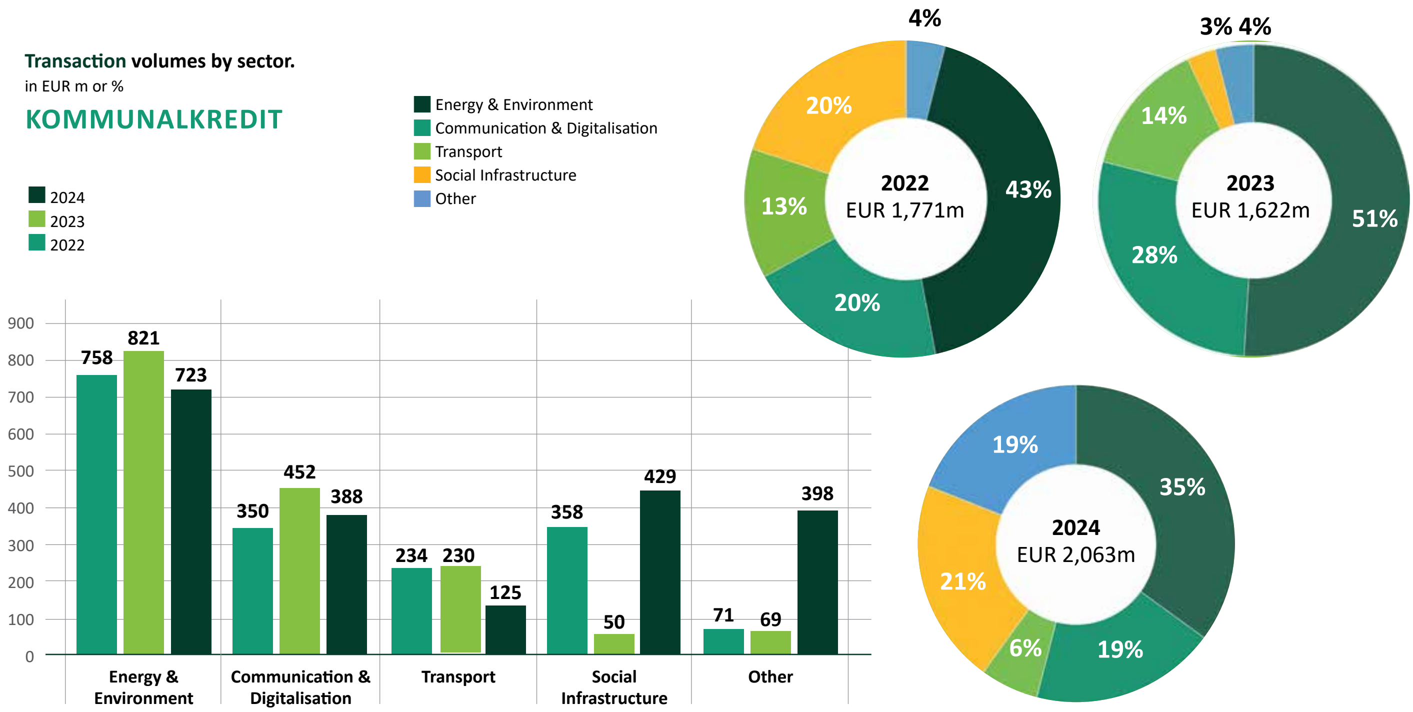
The bank was involved in data centres in Germany, Norway, Sweden and the Netherlands in 2024.

The **Transport sector**(19%) proved to be very active in 2024. The two largest transactions involved the acquisition by a state investment fund of a majority stake in Budapest Airport and the 50% sale of Italo, Italy's largest private railway company, to MSC Shipping. There were also a number of refinancing deals involving airports, which have overcome the difficulties associated with the COVID years and are already witnessing passenger numbers that are above the 2018/2019 level. Kommunalkredit is involved in some airport financing arrangements, worked successfully on seaports/passenger terminals in Italy and Spain and was also able to establish itself in the growing niche segment of cold storage logistics/transport.

In terms of **social infrastructure,**the bank expanded its expertise in the area of private diagnostic imaging centres in particular. The trend towards an increasingly ageing society and the related need to expand preventive medicine is the basis for a growing number of transactions in this segment. Demand for modular building solutions – for schools or other public facilities, for example, as well as modular container solutions for construction sites – is becoming increasingly interesting. Kommunalkredit provided successful support for two extremely interesting transactions in this area in the UK and Switzerland.

14 Inframation & Sparkspread Database, 30/1/2025. An adjustment to the measurement method may lead to changes in comparative values from the past.
15 Inframation & Sparkspread Database, 30/1/2025. An adjustment to the measurement method may lead to changes in comparative values from the past.
16 Risk that the infrastructure created in a particular market/sector will exceed the actual demand.

Transaction volumes by sector.
in EUR m or %



Business review

While a large number of sectors encountered economic challenges in 2024, demand for sustainable infrastructure remained high – and for good reason. The transition to an economy with low greenhouse gas emissions requires long-term investment in green technologies, low-emission transport systems and renewable energies. These are all areas in which Kommunalkredit has been supporting companies and local authorities throughout Europe for years now.

Sustainable infrastructure – in the form of renewable energies, energy-efficient buildings or low-emission transport systems – is essential in order to achieve climate targets and forge ahead with the decarbonisation of the economy. It provides the foundation for the **green revolution**, which is aimed at reducing greenhouse gases and protecting natural resources. This expansion will not only create environmentally friendly alternatives, but will also foster innovation and new technologies. This makes national economies more competitive in the long run, reduces reliance on fossil fuels and boosts resilience to external influences such as geopolitical crises, raw material shortages or supply chain disruption. Infrastructure investments have traditionally had a strong multiplier impact on the economy as a whole. They create jobs, stimulate demand and help to stabilise economic cycles. Another benefit of investments in sustainable projects is that they create long-term value and minimise future costs (e.g. caused by environmental damage or the need to make adjustments).

Redefining infrastructure

In these circumstances, it is all the more important for Kommunalkredit to generate a positive impact. As a specialist in infrastructure and energy finance and public finance, we are involved in developing new sustainable technologies, providing financing for utility companies and renewable energy projects, keeping people and regions connected through telecommunication and digitalisation projects, providing medical and care services, and modernising how we get around and the infrastructure we use. We are convinced that now is the perfect time to invest in the energy transition and the diversification of our energy supply, so that we can minimise our dependence on particular sources. We want to accelerate the **energy transition** and help **improve** people's **quality of life**.

We have therefore set ourselves the following milestones for the end of 2025:

- ≥ 40% of annual infrastructure financing is directed towards transactions related to the energy transition and environmental protection
- ≤ 10% of the annual volume will be allocated to new green solutions
- ≥ 30% of the annual volume of new infrastructure financing will be channelled into social infrastructure and/or digitalisation and communication projects

Our daily commitment can be seen in the form of water treatment plants, wind farms, photovoltaic systems, broadband connections, healthcare facilities, schools and nurseries, cycle paths and footpaths – throughout Europe.

We have a balanced diversity in new business in terms of asset classes, regions, terms, products and customer segments. Business acquisitions focus on clearly defined selection criteria and efficient use of capital. In addition to the risk-return profile of a transaction, attention is also paid to the ability to place it with institutional investors and the contribution it will make to the company's sustainability targets.

The last few years were particularly challenging for the world. But they have also shown the importance of economic cooperation, social responsibility and breaking dependencies. In this environment, Kommunalkredit generated a **new business volume** in its infrastructure and energy segment (including public finance) of EUR 2,280.3m (2023: EUR 1,813.1m). 35% of transactions in the infrastructure and energy financing business are attributed to the energy & environment sector, followed by social infrastructure (21%), communication & digitalisation (19%), natural resources (9%), and transport & mobility (6%). Geographically, the focus is on Europe, with Germany, Italy, and the United Kingdom being key markets for the bank in the 2024 financial year. Kommunalkredit's core business is closely correlated with its sustainability strategy.

Accounting for around EUR 779m (38%) of new business, we support the acceleration of the energy transition directly. EUR 768m (37%) of our project volume helps to improve people's quality of life.

"The financial sector plays a key role by channelling capital into sustainable projects in a targeted manner."

Partner for cities and municipalities

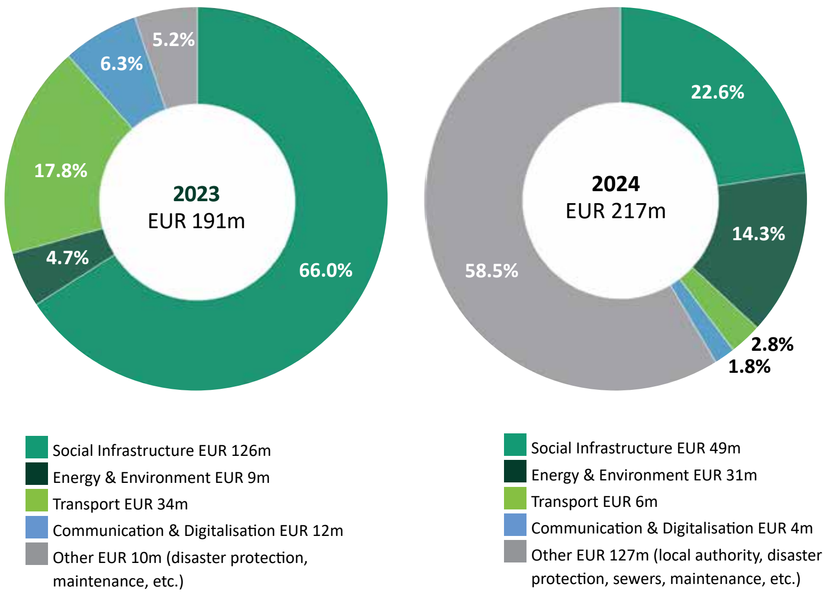
Public finance has a long tradition and is a significant part of the bank's business. Countries, cities and municipalities are key economic drivers that are supported with financing solutions from Kommunalkredit. By investing in essential infrastructure that is used directly by citizens, municipalities and their public institutions create and protect jobs and help to stimulate the economy, especially in economically challenging times. In 2024, Kommunalkredit concluded new financing in the amount of **EUR 217m**, including, in particular, in the sectors of Social Infrastructure (schools, nurseries, fire brigade), Energy & Environment (water supply and disposal) and Transport (cycle paths, footpaths, roads, trams).

Reputation and awards

In recent years, Kommunalkredit has successfully positioned itself in the European infrastructure and energy market. Whether in the development of new technologies in the hydrogen sector, the financing of water supply companies, the expansion of photovoltaic systems and solar parks, the construction of wind farms, the implementation of broadband projects, the provision of high-tech equipment in the healthcare sector or developing important transport solutions – Kommunalkredit is known and respected here as a **contact throughout Europe**.

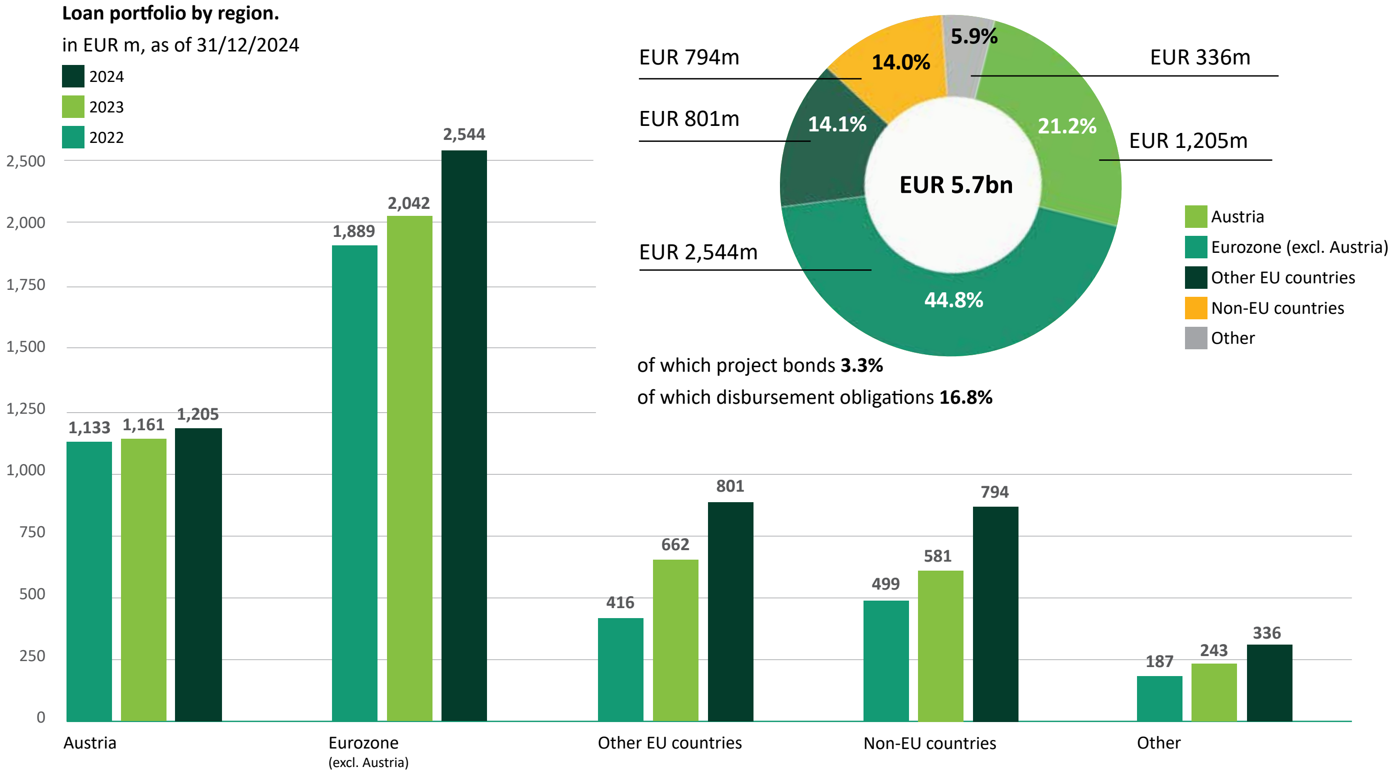
In 2024, Kommunalkredit was once again – as in 2022 and 2023– awarded the "Quality seal for sustainability" by the Austrian daily newspaper Kurier. The Austrian business magazine "Der Börsianer" again ranked us in first place in the "Best Specialist Bank" category and in second place in the "Best Bank of 2024" category.

Public finance
Kommunalkredit's activities in 2023 and 2024
in EUR m or %



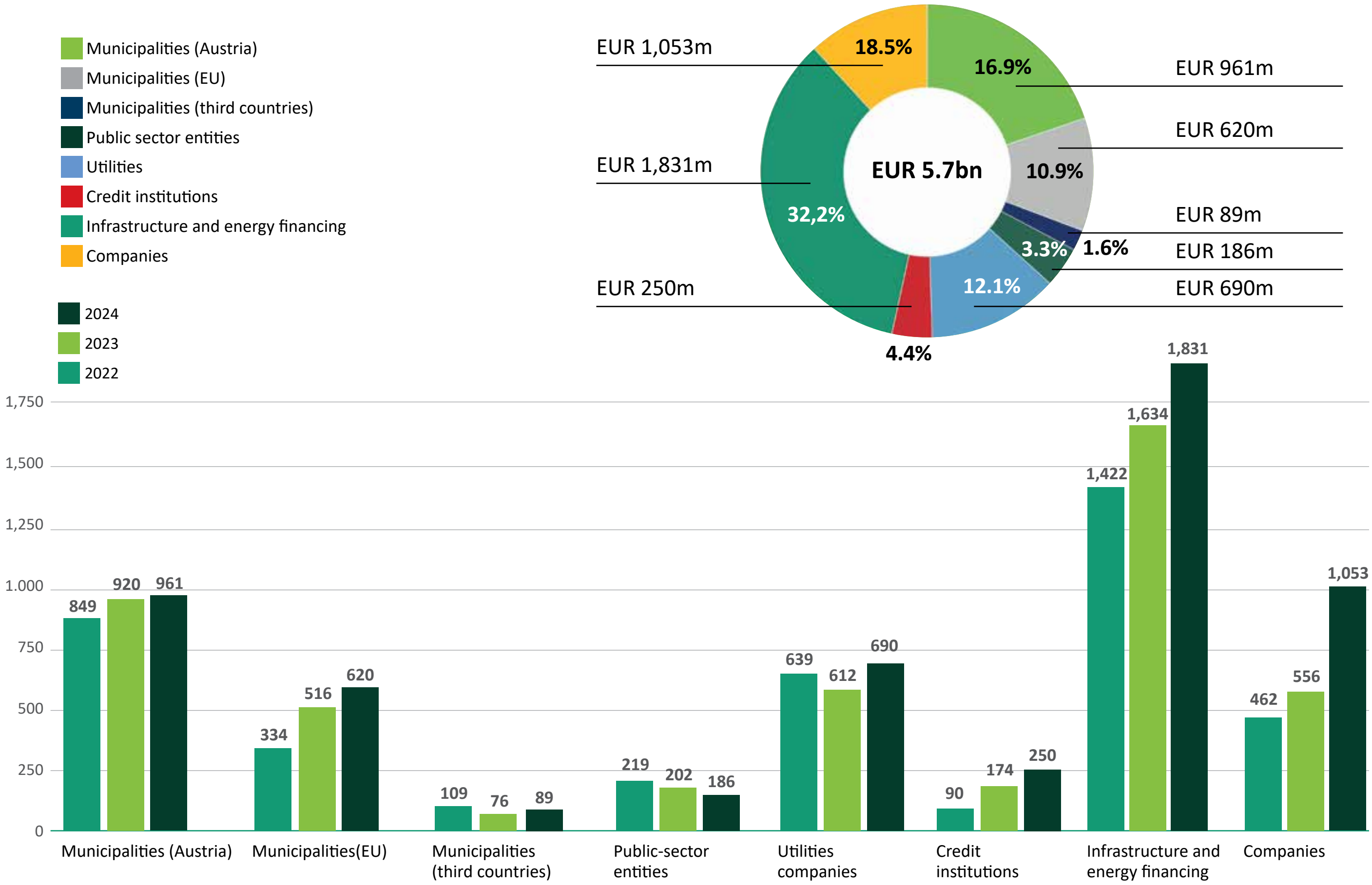
Loan portfolio by region.

in EUR m, as of 31/12/2024



Loan portfolio by borrower.

in EUR m, as of 31/12/2024

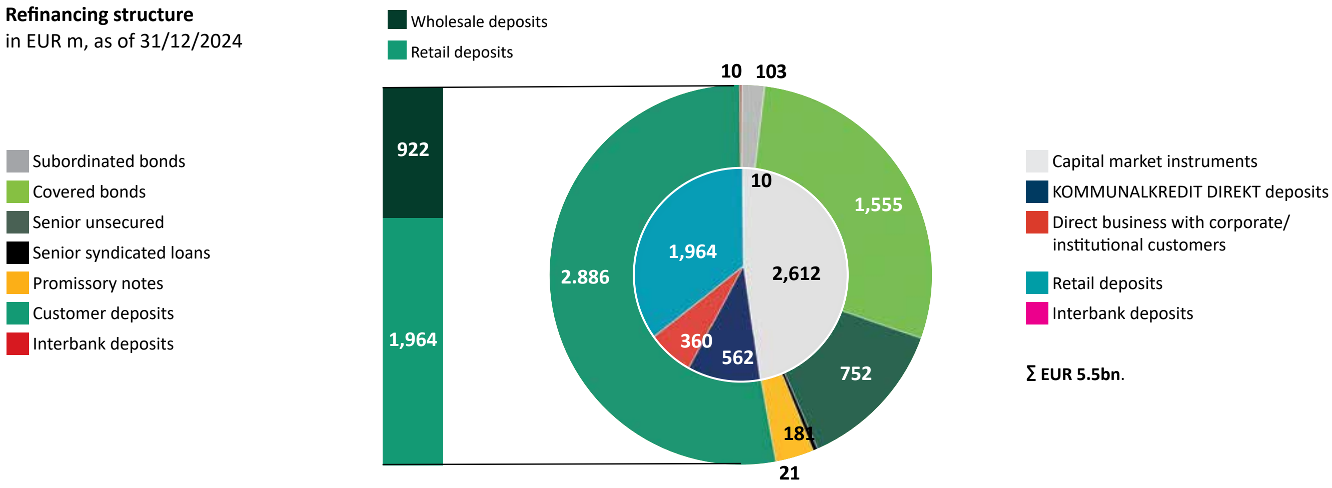


Overall portfolio characterised by high asset quality

Kommunalkredit's strategic sectors are distinguished by their low default rates and high recovery rates. The bank's overall portfolio is characterised by a high level of asset quality. As of 31 December 2024, it had an average rating of "BBB+" and 58% of the exposures were classified as investment grade. The non-performing loan ratio (NPL) is 2.8%. Taking guarantees (cover from export credit agencies with the highest credit rating of 95%) into consideration, its adjusted net NPL ratio is 2.4%.

The broadly diversified credit portfolio comprises the two pillars of the business model: infrastructure and energy financing and public finance. As of 31 December 2024, the public sector accounted for 29% of the loan portfolio (mostly Austrian municipalities) and infrastructure and energy financing accounted for 32%, while loans to public sector entities had a share of 3%. Geographically, 21% was attributable to Austria (31/12/2023: 25%), 45% to the rest of the eurozone and 14% to other EU countries (31/12/2023: 45% and 14% respectively).

Refinancing structure
in EUR m, as of 31/12/2024



Stable refinancing structure

As of 31 December 2024, Kommunalkredit reported a **stable liquidity position** of EUR 1,290m. The bank held cash and cash equivalents and balances with central banks of EUR 930m (31/12/2023: EUR 888m). Furthermore, Kommunalkredit had access to a free liquidity reserve consisting of high-quality liquid securities (HQLA) of EUR 376m (31/12/2023: EUR 864m).

Due to its business model and in order to adequately manage liquidity risks, Kommunalkredit's strategic **priority is diversification**, so as not to be dependent on any single source of funding. Following the stronger expansion of the deposit business in 2023, the focus in 2024 was on further developing the capital market.

Public sector covered bonds | Cover pool

As of 31 December 2024, Kommunalkredit had a well-diversified **cover pool** with a value of EUR 1,759m, while public sector covered bonds denominated in EUR and CHF in an amount of approximately EUR 1,554m were outstanding.

As of 31 December 2024, the cover pool included assets from Austria (69.2%), Germany (10.4%), France (6.1%), Belgium (5.8%) and other countries (8.5%). 74.6% of the cover pool positions had a rating of "AAA" or "AA"; 22.6% had a rating of "A". The level of **surplus cover** as of 31 December 2024 was 13.2%.

S&P Global Ratings
BBB
A-2
stable

Fitch Ratings
BBB-
F3
positive

Rating

The **investment grade ratings** by S&P Global Ratings (upgraded to "BBB" in early 2024 | stable outlook) and Fitch Ratings ("BBB-" | outlook lifted to positive in early 2024) reflect very good business development with a high degree of risk discipline. The rating agencies emphasised

- the established and resilient business model,
- the continuous increase in operating profitability,
- strong liquidity and
- the risk-bearing capacity and capital strength.
- The consistent achievement of strategic objectives and diversification through new business initiatives were also taken into consideration and the planned increase in the capital base was cited as a positive factor.

Kommunalkredit's **covered bond rating** by S&P Global Ratings was confirmed at "A+" with a stable outlook in January 2024. S&P emphasised the portfolio with high credit quality from largely Austrian and German public sector assets as a strength.

Capital market presence

Kommunalkredit has continuously expanded its access to the capital markets in recent years. In 2024, a total of **over one billion euros was refinanced on the capital market** – these transactions highlight Kommunalkredit's commitment to establishing itself as a regular issuer in the capital market.
see also page 22 | Capital market

The annual update to the debt issuance programme (DIP 4) was made in February 2024 with the approval of the base prospectus by the Austrian Financial Market Authority. The programme was increased to EUR 5bn in December 2024. Issues under this programme can be listed in Vienna and underline Kommunalkredit's commitment to the domestic capital market.

In 2024, a EUR 300m public senior preferred bond with a maturity of five years was placed with institutional investors. It was increased by EUR 100m per step in two further steps to a total volume of EUR 500m. Senior preferred private placements with a volume of EUR 18m were also made among international investors. In addition, a syndicated loan with a term of three years and a volume of EUR 21m was placed with international banks for the first time in 2024. A EUR 500m public benchmark covered bond issue with a maturity of 5½ years was also issued for the first time in 2024.

LCR
313%

NSFR
119%

Development of deposit business

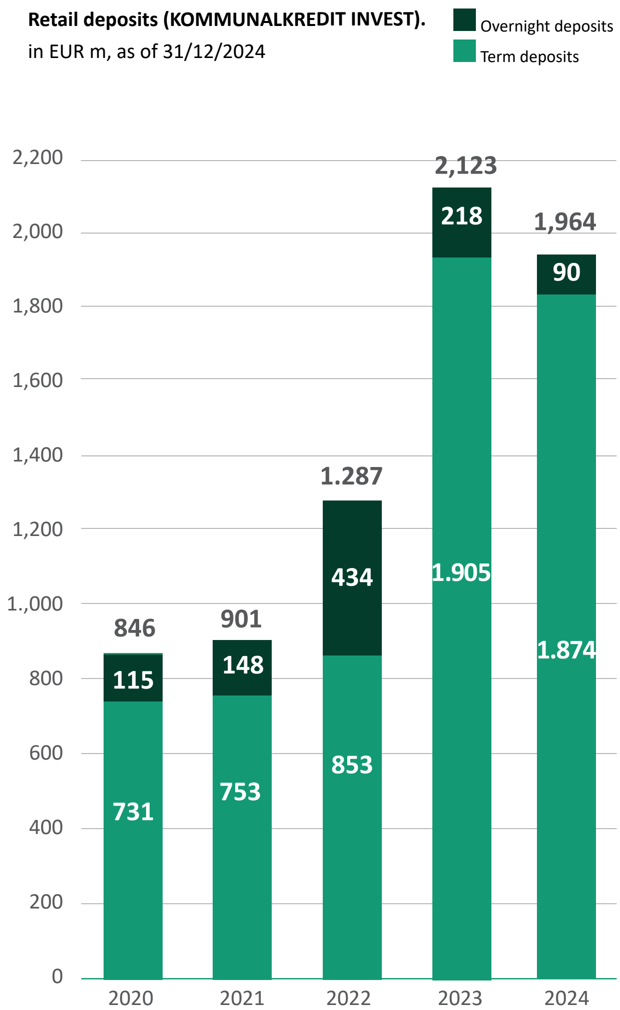
Kommunalkredit's deposit business consists of **retail deposits** (KOMMUNALKREDIT INVEST) and **wholesale deposits** (KOMMUNALKREDIT DIREKT for municipalities and public sector entities or direct business with corporates and institutional customers). Business with both wholesale deposits and retail deposits was down slightly, in favour of capital market refinancing, in 2024. The share of term deposits compared to overnight deposits was increased further in 2024 and had already reached 95% by the end of the year.

Liquidity ratios

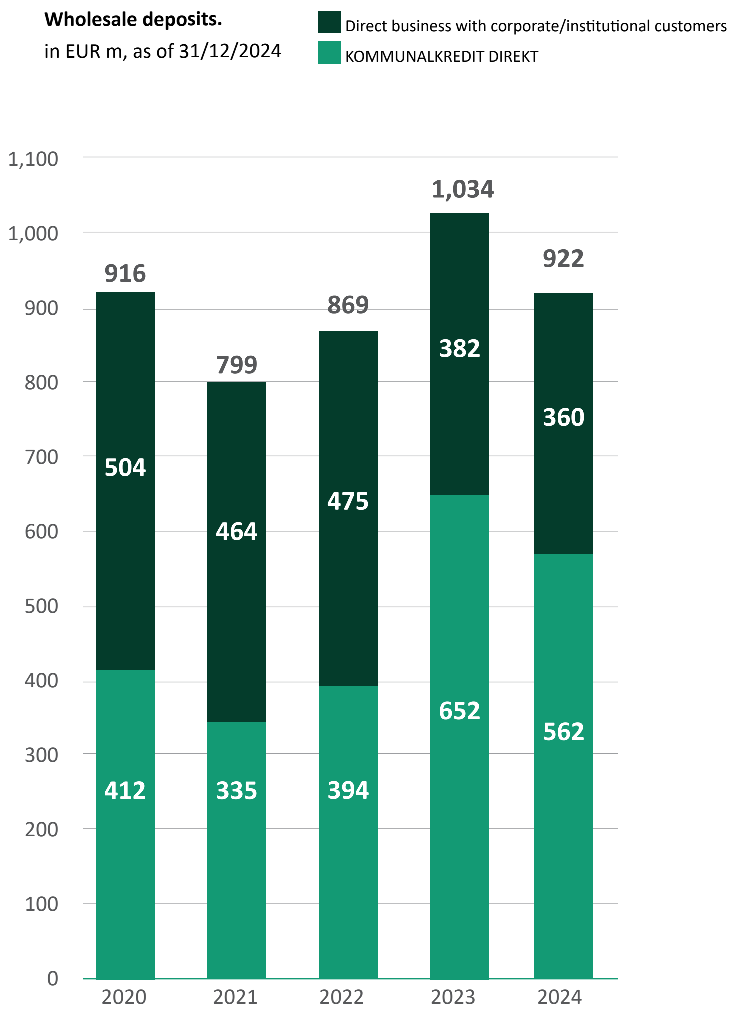
The liquidity coverage ratio (LCR), in accordance with the CRR (Capital Requirements Regulation), measures the short-term resilience of a bank's liquidity risk profile over a 30-day scenario and is closely monitored as part of the bank's early warning system. With an **LCR** of 313% as of 31 December 2024 (31/12/2023: 336%), Kommunalkredit **comfortably exceeded the regulatory minimum ratio** of 100%.

Credit institutions are also required to maintain a stable long-term funding base in terms of assets and off-balance sheet activities. The net stable funding ratio (**NSFR**) came to 119% as of 31 December 2024 (31/12/2023: 132%). The previous year's figures for the LCR and NSFR were adjusted based on the supervisory dialogue in connection with the application of Article 25(4) of the Delegated Regulation on the LCR (delVO LCR).

Retail deposits (KOMMUNALKREDIT INVEST).
in EUR m, as of 31/12/2024



Wholesale deposits.
in EUR m, as of 31/12/2024



Assets, financial position and income

Despite challenging macroeconomic conditions, operating result came to EUR 135.6m, the cost/income ratio was maintained at 40%, and a post-tax return on equity of 15.9% was achieved. Our strategic focus on infrastructure and energy financing, and public finance, paid off once again impressively.

Financial performance indicators under Austrian GAAP

in EUR m or %	31/12/2024	31/12/2023
Total assets	6,552.7	5,833.6
Total capital	676.2	491.7
Net interest Income	175.1	173.0
Result from securities and equity investments	0.8	0.2
Net fee & commision income	32.7	32.2
Other operating income	5.7	5.4
General administrative expenses	-76.7	-73.9
Other operating expenses	-1.9	-1.0
Operating result	**135.6**	**135.9**
Loan impairment, valuation and realised gains	-11.7	-0.3
Profit for the year before tax	**123.9**	**135.6**
Income taxes	-39.5	-35.3
Profit for the year after tax	**84.5**	**100.4**
Cost/income ratio	36.2%	35.1%
Return on equity before tax*	23.3%	31.4%
Return on equity after tax*	15.9%	23.3%

* Return on equity = Profit for the year/common equity tier 1 capital as of 1.1.

Regulatory performance indicators of Kommunalkredit Austria AG under Austrian GAAP

in EUR m or %	31/12/2024	31/12/2023
Risk weighted assets	3,834.0	2,965.7
Total capital (CET 1, additional Tier 1, Tier 2)	820.8	635.6
CET 1 ratio	18.7%	17.9%
Common equity ratio	20.3%	20.0%
Total capital ratio	21.4%	21.4%

Rating

Issuers rating	S&P GLOBAL RATINGS	FITCH RATINGS
Long term rating	BBB	BBB-
Short term rating	A-2	F3
Outlook	stable	positive

Structure of statement of financial position

The total assets in accordance with Austrian GAAP came to EUR 6.6bn as of 31 December 2024 (31/12/2023: EUR 5.8bn). The main asset items in the statement of financial position were receivables from customers in the amount of EUR 4.6bn (31/12/2023: EUR 3.8bn). The EUR 880.9m increase in receivables from customers was mainly attributable to the continued growth in infrastructure and energy finance. In 2024, new payouts included in the statement of financial position came to around EUR 2.1bn (31/12/2023: EUR 1.6bn). Bonds and debt securities, which mainly include securities from the liquidity book, amounted to EUR 0.7bn as of 31 December 2024 (31/12/2023: EUR 0.9bn).

Customer liabilities of EUR 3.1bn (31/12/2023: EUR 3.3bn) and securitised liabilities of EUR 2.3bn (31/12/2023: EUR 1.6bn) were the main refinancing items under equity and liabilities. Capital marketactivities comprised EUR 518m in placements of senior preferred bonds, comprising EUR 500m in public issues and EUR 18m in private placements. A EUR 500m covered bond transaction was also executed. Kommunalkredit's equity according to IFRS amounted to EUR 676.2m as of 31 December 2024 (31/12/2023: EUR 491.7m), and was strengthened further by a capital injection of EUR 100m in the second half of 2024 made by Kommunalkredit's new indirect majority shareholder, Green Opera Finance Invest AB.

Income

Kommunalkredit Austria AG has reported an operating result of EUR 123.9m for 2024 in accordance with Austrian GAAP (2023: EUR 135.6m), which was largely influenced by credit risk costs. The operating result, on the other hand, remains stable and is on a positive trajectory after taking into account the positive one-off effects that were included in interest and commission income in the 2023 financial year.

Net interest income

Net interest income includes interest income totalling EUR 393.2m, up by 26.4% in a year-on-year comparison (2023: EUR 311.1m). Major one-off effects that had a positive impact on earnings in the previous year were offset in the current financial year by new business, creating a sustainable positive earnings trend. Active refinancing activities and the associated funding costs meant that interest expenses also rose from EUR 138.2m in to EUR 218.2m. This is evident in interest expenses for the deposit business, where slightly lower amounts owed to customers led to a EUR 53.0m increase in interest expenses in the 2024 financial year. In addition, capital market activities led to an increase in interest expenses from EUR 32.4m to EUR 53.3m in the current period. Overall, this resulted in a EUR 173.0m increase in net interest income to EUR 175.1m.

Net fee and commission income

Net fee and commission income stood at EUR 32.7m (2023: EUR 32.2m). The main activities of the continually expanding range of services of Kommunalkredit include arranging and structuring infrastructure and energy financing as well as consulting and service activities. Fee and commission income of EUR 37.2m (2023: EUR 35.1m) was offset by fee and commission expenses of EUR 4.5m (2023: EUR 2.9m) The increase in fee and commission expenses is due first and foremost to costs related to capital market issues.

General administrative expenses

General administrative expenses increased by 3.8% to EUR 75.8m (2023: EUR 73.0m). Of this, EUR 46.5m (2023: EUR 46.6m) was attributable to personnel expenses and EUR 29.3m (2023: EUR 26.5m) to other administrative expenses. The bank's contribution to the Bank Resolution Fund of EUR 1.8m was included in other administrative expenses in the 2023 financial year. As the eurozone's Bank Resolution Fund reached its target level of resources in 2024, the Single Resolution Board decided not to levy any regular ex-ante contributions to the Bank Resolution Fund for the 2024 contribution period. Higher general administrative expenses led to a slight increase in the cost/income ratio to 36.2%, from 35.1% in 2023.

Other operating income

Other operating income came to EUR 5.7m in 2024 (2023: EUR 5.4m) and mainly included income from the provision of operational services for Kommunalkredit Public Consulting GmbH of EUR 4.8m (2023: EUR 4.5m).

Other operating expenses

Other operating expenses came to EUR 1.9m (2023: EUR 1.0m), including the allocation to a provision in connection with the interbank exemption pursuant to § 6 (1) no. 28 of the Austrian VAT Act (UStG) in the 2024 financial year.

Loan impairment, valuation and sales result

The other loan impairment, valuation and sales result amounted to EUR -11.7m (2023: EUR -0.3m). Net provisioning for impairment losses resulting from the change in specific loan loss provisions of EUR -9.1m (31/12/2023: EUR -4.3m), the statistically calculated risk provisions of EUR -2.6m (31/12/2023: EUR -0.9m) and the change in provision under § 57 (1) Austrian Banking Act (BWG) amounted to EUR 1.1m (31/12/2023: EUR 3.3m). Gains from the valuation of investments, which amounted to EUR 1.4m in the 2024 financial year, were also included.

EUR 4.3m) have been set up for these cases.

Tax expense

Tax expenses in 2024 were EUR 39.3m (2023: EUR 35.2m). This item also includes the release of deferred tax assets of the fund for general bank risks in the amount of EUR 9.2m, which are no longer recognised as temporary differences.

Development in risk provisions taking the current macroeconomic developments into account

In accordance with IFRS 9, the risk provisions for statistically expected credit losses are considered on the basis of a risk provisioning model with statistically calculable empirical values. The expected loss is determined as the product of the probability of default (PD), taking into account forward-looking information, the loss given default and the exposure at the time of default (EAD). Kommunalkredit uses specific PDs for the Specialised Lending, Corporates and Financial Institutions portfolios and the "All Sectors" PDs for all other exposures. One of the key drivers of these PDs is changes in macroeconomic input parameters. Slightly improved economic growth compared to 2024 is forecast for the eurozone in 2025. The stock markets also showed very positive development in the year under review.

The bank's portfolio is solid due to the contractual and structural risk mitigation factors that are typical of infrastructure financing. Much project financing benefits from availability models, fixed feed-in tariffs or long-term contracts, and contains additional risk-mitigating contractual agreements such as extensive disbursement checks, restrictive financial covenants and reserve accounts. Based on sensitivity analyses, the financing structures and the repayment profiles are defined so as to ensure that there are sufficient reserves in place for servicing loans in a due and proper manner. Despite this, a default occurred in three cases in 2024. All in all, an exposure volume of EUR 129.0m was in default as of 31 December 2024 (31/12/2023: EUR 53.4m). This equates to a regulatory non-performing loan ratio of 2.8% (31/12/2023 1.5%) or a net ratio of 2.4% (31/12/2023: 1.0%) taking account of the ECA cover. Specific valuation allowances of EUR 13.3m (31/12/2023:

An exposure volume of EUR 144.1m as of 31 December 2024 (31/12/2023: EUR 40.6m) was classified as forbearance. As of 31 December 2024, there were no receivables that had been in default for more than 30 days, with the exception of the receivables in default as referred to above.

As of 31 December 2024, one exposure in the amount of EUR 142m (31/12/2023: EUR 47.0m) was recognised in ECL 2 (lifetime ECL). Net provisioning for impairment losses amounted to EUR -10.6m for the period from 1 January to 31 December 2024 (2023: EUR -1.9m). This was the result of new business, rating changes, level transfers, the recognition of valuation allowances and the PD update.

Risk-weighted assets and total capital

As of 31 December 2024, Kommunalkredit individually had common equity Tier 1 capital (CET 1) of EUR 715.2m (31/12/2023: EUR 531.1m), core capital (Tier 1) of EUR 778.5 (i.e. CET 1 plus EUR 63.3m of additional Tier 1 – AT1) (31/12/2023: EUR 593.9m) and total capital of EUR 820.8m (i.e. Tier 1 plus EUR 42.3m Tier 2; 31/12/2023: EUR 635.6m). The difference between the regulatory total capital individually (EUR 820.8m) and at supreme Group level (EUR 781.7m) largely results from the imputation restriction pursuant to Article 81 ff CRR ("minority deduction"). In the 2024 financial year, risk-weighted assets rose to EUR 3,834.0m due to the positive performance of new business. (31/12/2023: EUR 2,965.7m).

As of 31 December 2024, Kommunalkredit therefore once again reported strong capital ratios: the total capital ratio came to 21.4% (31/12/2023: 21.4%), the Tier 1 capital ratio came to 20.3% (31/12/2023: 20.0%) and the common equity Tier 1 ratio came to 18.7% (31/12/2023: 17.9%). The values shown include the total capital performance indicator basis of Kommunalkredit's separate financial statements under Austrian GAAP, taking into account the profit for the year in 2024.

Branch office and equity investments

Vienna (headquarters) and Frankfurt am Main (branch office) are the hubs from which Kommunalkredit operates as an infrastructure and energy financing specialist focusing on Europe. 254 employees at the bank and 155 at its environmental subsidies and consulting subsidiary are responsible for its performance.

Kommunalkredit Austria AG has investments and holdings in a number of affiliated companies. Kommunalkredit Public Consulting GmbH (KPC), the companies of the Fidelio KA Debt Fund platform, Florestan KA GmbH and Kommunalnet E-Government Solutions GmbH are classified as strategic investments or shares in affiliated companies. The companies associated with the bank's real estate (which serves as its corporate headquarters) are mainly held to support its core business.

Kommunalkredit Public Consulting GmbH

Investments in infrastructure and measures to combat climate change are essential for our society. Kommunalkredit Public Consulting GmbH (KPC) makes a material contribution to these goals with its **subsidy management** and **consulting** business segments. It is an expert and competent partner for climate action and environmental protection projects in the fields of renewable energy, energy efficiency, climate-friendly mobility, urban and protective water management, the circular economy, biodiversity and remediation of contaminated sites. With its broad and in-depth knowledge of topics relating to the environment, climate and energy, KPC is also a recognised partner in the field of **sustainable finance**, particularly at an international level. 90% of its shares are held by Kommunalkredit.

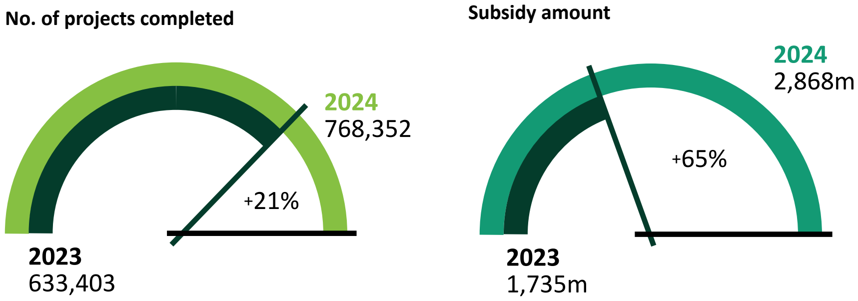
Subsidy management

Demand for environment-related subsidies remained high in 2024. KPC awarded subsidies of EUR 2,868m (2023: EUR 1,735m), in particular on behalf of Austria's Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK), Ministry of Agriculture, Forestry, Regions and Water Management (BML), the Climate and Energy Fund, and the Ministry for Arts, Culture, Civil Service and Sport (BMKÖS).

The renovation support encouraging the phasing-out of oil and gas, including the "Clean heating for all" campaign, and the "renovation bonus" for private households is particularly worthy of mention. The increase in flat-rate subsidies at the beginning of 2024 meant that the number of applications in both areas doubled and trebled respectively, with a total amount of EUR 1,459m being awarded. Overall in 2024, a total of 768,352 climate action and environmental protection projects (2023: 633,403) were evaluated, with an investment volume in excess of EUR 9.1bn (2023: EUR 7.1bn). This is equivalent to an **increase of around 21%** against the same period in 2023.

To assist with the Austrian government's climate action efforts and the revival of the regional and local economy, **subsidies** for all climate-related funding instruments remained **at a very high level** in 2024, with ongoing strong demand for subsidies in line with this trend. KPC acts as the **interface** between the funding agencies which provide financial resources and applicants. It oversees the entire project support process. Its duties also include the development and implementation of subsidy programmes. In 2024 these included, for example, subsidy programmes aimed at transforming industry in order to achieve carbon neutrality, revamping cultural institutions as part of the "Klimafitte Kulturbetriebe" (Climate-friendly cultural enterprises) programme focusing on energy efficiency, energy-efficient sports facilities and energy-efficient emergency services. Subsidy schemes aimed at achieving innovative climate-neutral process heating and cooling in businesses (Innovative klimaneutrale Prozesswärme und -kälte in Betrieben), and recognising lighthouse projects for the energy revolution (Leuchttürme der Wärmewende), were also implemented. In addition, the subsidy scheme was continued as part of the Biodiversity Fund, while further funding was made available for circular economy-related subsidies.

KPC in 2024
in % / EUR m



Effects of environment-related subsidies in 2024.

more than **5,600** properties connected up to the sewer system

over **2,700,000 MWh** of energy produced from renewable energy sources

over **270 km** of sewers constructed

over **1,000,000 t** of CO_2 avoided

over **2,600,000 m²** of contaminated land remediated

582,042 devices repaired

approx. **46,000 residents** connected up to the water supply

almost **1,600,000 MWh** of energy saved

over **400 km** of water pipes laid

around **8,800** residents protected from flooding

Consultancy services

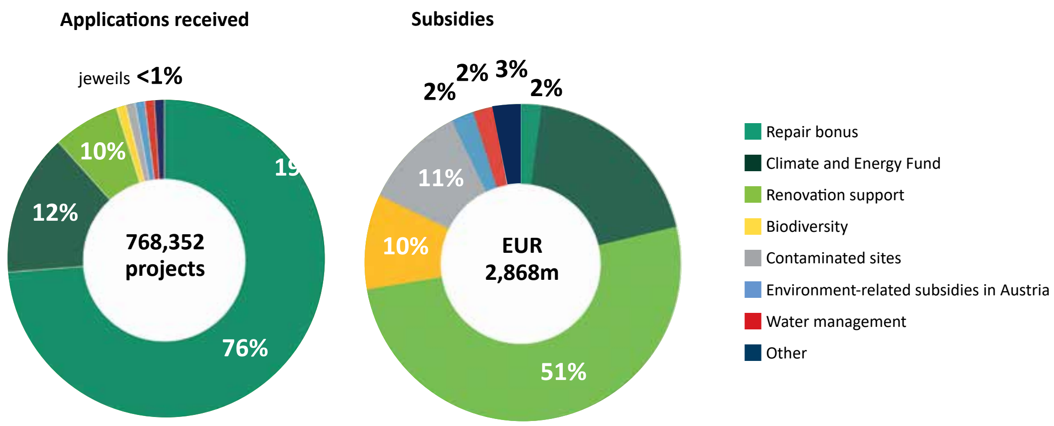
As a consultant, KPC successfully provides services for national and international development organisations and financial institutions. In terms of its international consulting activities, KPC focuses in particular on the fields of energy, climate action and sustainable finance. Its core tasks here comprise **technical and economic consulting**, studies, transfer of know-how and policy advice, as well as project evaluation services and the development of sustainable credit facilities. Clients include prestigious institutions such as the World Bank, the European Commission, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Organisation for Economic Co-operation and Development (OECD) or Germany's Kreditanstalt für Wiederaufbau (KfW).

In terms of **climate policy consultancy** for the BMK, KPC provides direct support to the Austrian negotiation team for the climate negotiations at EU level and at international UN climate summits (such as COP 29 in Baku). KPC also acts as an advisor to the Austrian **representative to the Green Climate Fund** (GCF), a funding instrument for international climate projects that provides money for schemes to reduce greenhouse gas emissions and enable adaptation to climate change in developing countries. KPC is also supporting the Austrian representative in the newly created UN Fund for responding to Loss and Damage (FRLD).

In the field of bilateral climate project funding, KPC manages climate action projects funded directly by the BMK to support climate action measures in developing countries and emerging markets. The second **programme call for climate action projects** was implemented as part of this funding programme in 2024, resulting in EUR 10m in funding being awarded for projects in developing countries. In 2024, KPC prepared a more than 25 project applications with a potential contract volume of EUR 17.8m and submitted them to institutions inviting tenders. Twelve attractive new contracts were signed, together with extensions of existing mandates, with an overall contract volume of EUR 4.4m.

Climate Austria

Companies are actively seeking opportunities to implement voluntary climate action measures. KPC has been managing Climate Austria since 2008, drawing on its long-standing experience with climate protection projects. Climate Austria calculates and evaluates companies' climate-related activities and allows them to make an **active contribution to climate action** for all of their carbon emissions that cannot be avoided through carbon saving and efficiency measures. To date, more than 460 national and international climate action projects have received support totalling around EUR 3.9m via this cooperation model. In 2024, around 34,000 tonnes of CO_2 were avoided thanks to national and international climate action schemes.



Fidelio KA Infrastructure Opportunities Fund platform

With the Luxembourg Fidelio KA Infrastructure Opportunities Fund SICAV-RAIF SCA, Kommunalkredit offers an infrastructure debt fund platform that gives professional investors **diversified access to the bank's infrastructure pipeline**. Investors can make use of Kommunalkredit's strong acquisition, structuring and portfolio management expertise in the field of sustainable European infrastructure and energy projects that benefit the public. In return, the bank derives advantages from in-depth strategic partnerships with the fund investors. The fact that Kommunalkredit enters into its own investments in parallel with the fund allows it to present itself as a dependable partner with aligned interests.

The "Fidelio KA Infrastructure Debt Fund Europe 1" sub-fund is fully invested and has now entered the mature phase. The fund combines a **broad range of sustainable projects linked to infrastructure and energy investments** that deliver a significant contribution to the Sustainable Development Goals (SDGs). Its investments have registered a stable performance throughout the persistent challenges and crises of the past few years. At the end of 2024, the bank invested a further EUR 212.2m in infrastructure and energy transactions alongside the first sub-fund's investments in the same transactions. Kommunalkredit is also a shareholder in the fund.

The second sub-fund, "Fidelio KA Infrastructure Debt Fund Europe 2", is an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR) and was launched in August 2022. This fund also concentrates on structured infrastructure and energy projects in Europe which are classified as "investment grade" in terms of their weighted average. This sub-fund places even greater emphasis on **ecological and social issues** in its asset selection.

This assessment is based on a rigorous three-stage evaluation: (i) SDG screening, (ii) exclusion criteria and (iii) ESG analysis. This allows us to support the EU's goal of redirecting capital flows towards sustainable investments. At the same time, many institutional investors are also showing a keen interest in sustainability and green transition. As of 31 December 2024, the bank had invested EUR 78.5m in infrastructure and energy transactions in parallel with this second sub-fund.

Florestan KA GmbH

The project development company Florestan KA GmbH pursues the goal of driving forward infrastructure and energy projects with development and growth potential. It does so by providing equity funding. Fore example, Kommunalkredit is investing in the construction of the **largest electrolysis plant in Austria to date** at Schwechat Refinery in a joint scheme with OMV, Austria's leading oil, natural gas and chemical group. With an annual output of up to 1,500 tonnes of green hydrogen, the refinery's carbon footprint will be reduced by up to 15,000 tonnes per year.

Kommunalkredit has a joint venture with Austrian energy provider eww for the development, construction and operation of **rooftop photovoltaic systems** in Austria. As part of the proposed "contracting model", customers do not need to make any initial investment, as the company itself finances the rooftop photovoltaic systems, erects them on the roof areas provided by customers and leases them to the customers on a long-term basis. Customers receive all of the electricity generated by the system and can either use it in their own buildings or else feed it into the public grid. This model allows the bank to provide direct support for the Austrian government's climate targets. Six systems were already in operation as of 31 December 2024.

Kommunalnet E-Government Solutions GmbH

Kommunalkredit holds a 45% equity share in Kommunalnet E-Government Solutions GmbH (Kommunalnet); 45% is held by the Austrian Association of Municipalities and 10% by three state associations of the Austrian Association of Municipalities.

Kommunalnet is **the digital work and information portal for Austrian municipalities**, mayors and municipal civil servants. It offers the latest news for municipalities and access to relevant databases for municipal authorities and serves as an information and communication hub for the federal, provincial and municipal authorities. Kommunalnet is an official component of the Austrian eGovernment Roadmap.

At the end of 2024, **19,093 registered users** from 2,111 Austrian municipalities and municipality associations were represented in the network. This gives Kommunalnet a unique position in the municipal sector and an exceptionally large market share of 98%. Accessed 10.4 million times, the portal is a sought-after source of information.

2024 saw direct sales activities stepped up further for Loanboox (municipal financing) and Proventor (digital compliance and security processes), as well as the expansion of the "Tatort Gemeinde" ("The municipality is where it all happens") and "Expertentalk" ("Expert talk") video formats. The previous network was replaced by a modern and user-friendly forum at the start of the year. 3,755 kn FORUM members are now discussing municipal issues via a total of twelve forums. This corresponds to a 39.4% increase in the number of users, or 1,155 more users. This forum is mainly concerned with issues relating to the daily work of municipal civil servants.

The Kommunalnet marketplace is highly popular and forms a central part of the portal. However, it previously lacked a landing page of its own showcasing its latest offerings and content. This is set to change in the first half of 2025, enabling Kommunalnet to promote its offerings in a more targeted and efficient manner.

Kommunalkredit TLI Immobilien GmbH & Co KG

Kommunalkredit TLI Immobilien GmbH & Co KG holds and manages the properties at Tuerkenstrasse 9 and Liechtensteinstrasse 13. The office premises of the real estate are mainly leased to Group companies.

Where tradition and modernity meet: storey by story, the headquarters in Vienna's ninth district is being transformed into a state-of-the-art office building.

Pioneers of the future | Our employees

We live for infrastructure. The individual expertise and personal abilities of our employees are every bit as diverse as the sustainable infrastructure sector. They are our most important capital. The bank's excellent performance primarily depends on everyone working together.

We want to be the most dynamic and innovative infrastructure bank in Europe. For this, we need creativity and initiative - and the **diversity** of our employees as an indication of a modern, dynamic business. As of the end of 2024, 27 nationalities contributed to our strong corporate culture. Our highly qualified employees are one of the particular strengths we can offer when it comes to implementing tailored financing products for our customers.
Details under Business Ethics (page 132)

Alongside our focus on gender equality, we are paying greater attention to diversity in the area of People & Culture, both in our **recruitment activities** and our **succession planning**. We have already achieved our objective of filling at least 30% of management positions with female candidates by 2025. The share of women in the Kommunalkredit Group was 45% (36% in management positions) as of 31 December 2024. Our talent and junior managers are likewise drawn from a diverse range of backgrounds. Any service providers (HR consultants) we engage are always required to ensure gender equality in recruiting communication.

We abide by the fundamental principles of the International Labour Organization (ILO), paying particular attention to the basic rights of freedom from discrimination and work safety, which are also reflected in our **Code of Conduct**.

Responsible business management underpins our long-term success. Professional standards and basic ethics are the norm in our day-to-day business and are laid down in our Code of Conduct. Compliance with them is essential for us: they safeguard the reputation and continued existence of the company and make a positive contribution to the public image of the financial industry.

Training and education play a significant role in ensuring employees can identify with the company and thus secure the success of Kommunalkredit itself. We focus on realising professional and personal potential – not only by holding specialist workshops but also through practical courses for everyday situations designed to boost participants' personal development – across all levels of the organisation.

Personnel development for us means helping employees in a targeted manner to do their jobs as best they can and to overcome

What we offer.

Mobile work environment	Transparent communication	Sporting variety	Family friendliness
Use your mobile phone, laptop or iPad to make your work environment more flexible. This will also give you greater leeway with your time.	You are always in the loop within a dynamic environment. We believe in open dialogue and regular exchanges.	Our fitness activities (own gym) promote personal interaction and health. And they're fun, of course.	Parental part-time employment, dad month and trust-based working time promote work–life balance, ensuring that your family has more time with you.
Central location	**Company pension plan**	**Successful diversity**	**Wide range of eating options**
We are easy to reach by public transport. We pay the cost of the job ticket for Vienna in some circumstances.	We want you to remain with us long-term and we want to support Let's plan together for your future.	27 nationalities contribute to a strong corporate culture. Diversity is a key characteristic of our company.	While we don't have a staff canteen, there are some excellent eateries on our doorstep, and we always have fruit on offer. With your meal subsidy, the choice is yours.
Health check	**Additional health insurance**	**Special benefits**	**Workplace support**
Regular examinations, vaccinations, consultations and occupational psychological evaluations promote well-being.	We pay two thirds of your premium. We want you to feel well looked after and secure.	Benefit from special conditions offered by our partner providers in various sectors. It always pays off.	Training-on-the-job and a mentor and buddy system make it much easier to integrate. Standard and advanced training are a top priority for us.

Building the future.
The Palais in Vienna's 9th district is immediately adjacent to the Old Town. Constructed in 1858/59, new life – architecturally speaking – is carefully being breathed into the former "Haus Bösendorfer", floor by floor. A state-of-the-art interior combined with the resplendence of the last century on the exterior.

potential challenges that they encounter in their working environment. We also understand personnel development to be a link between our corporate strategy and our workforce. Its purpose is to encourage commitment and to drive development among our employees and managers. It plays an important role in ensuring that, together, we remain true to our vision and our mission and achieve our goals. By modernising the working environment, we are also gradually creating the ideal conditions for our employees to work in – with a clear commitment to performance.

Having the trust of customers, partner banks, investors, owners, regulatory and supervisory authorities, as well as all of our colleagues, is important to us. We continually engage in proactive and transparent **dialogue with our stakeholders.** We see it as an opportunity to exchange knowledge and evolve, and as an opportunity to pass on our experience. The primary objective is to foster and strengthen trust in our company. Internal governance encourages and ensures fair competition and protects our customers' interests.

The **principle of sustainability** in our business strategy is also reflected in the bank's internal organisation. The procurement and care of materials, the supply of working resources, the handling of company property and proper disposal of waste must satisfy the high standards of environmental protection and sustainability. The sustainability team promotes understanding and ensures compliance with the internal catalogue of criteria.

Details under Business Ethics (page 132)

Employment contracts at Kommunalkredit are subject to the Austrian collective bargaining agreement for employees of banks and bankers (Kollektivvertrag für Angestellte der Banken und Bankiers). The collective bargaining agreement for employees in the information and consulting fields applies to Kommunalkredit Public Consulting (KPC). All of our employees are covered by a collective bargaining agreement.

Kommunalkredit and KPC each have a **Works Council** at our Vienna site. These two bodies are committees representing the workforce, established in order to safeguard and promote the economic, social, health and cultural interests of our employees (Section 38 of the Austrian Labour Relations Act, ArbVG) The fact that the Works Councils are represented on the Supervisory Board means that they are always kept abreast of current business activities.

Development in figures

As of 31 December 2024, the number of employees of the Kommunalkredit Group was 410 active full-time equivalents (31/12/2023: 383). Of these, 255 worked at Kommunalkredit Austria AG (31/12/2023: 236), while 155 worked for Kommunalkredit Public Consulting GmbH (31/12/2023: 158). Of the 255 banking employees, eleven are based at the branch office in Frankfurt am Main.

Our employees' average age was 41. The share of university graduates remained at a high level of 62%. Six women were on parental/maternity leave as of 31 December 2024; during the year, four employees took a "dad month" – as provided for in the collective bargaining agreements for births since 1 July 2011 – or "family leave" – which has been granted for births since 1 March 2017. Six employees were on educational leave as of 31 December 2024.

Bettina Bartl
Triathlete in Operations

Volker Kruse
The infrastructure project captain

Spotlights

Our company thrives on the people who shape it. From day to day, they make all the difference with their passion, knowledge, commitment and personalities. One woman's eye for what really matters and her instinct for trends make her an indispensable asset – just like all of our 400 employees.

But this person is truly astonishing: after swimming 3.8 kilometres, completing 180.2 kilometres on a bike and – to top it all – running a 42.195 kilometre marathon, she still has a smile on her face. It's almost as if these extreme athletic achievements, which some people dream (or have nightmares) about are hardly worth mentioning. When she's not busy exercising, Bettina Bartl is Head of Banking Operations. With the teams she leads, Bettina is responsible for making sure financing is correctly depicted in the core banking system as well as managing credit financing on an ongoing basis, payment transactions and the settlement of securities/derivatives. The workload sounds almost as strenuous as a long-distance triathlon.

"I really enjoy my job. I like working with people on equal terms to really make a difference." So what brought her to Kommunalkredit? "My main motivation was to support the green revolution in a professional capacity, and to help create opportunities for a sustainable way of life. Then I realised how much fun it is to work with a committed and flexible team that is really focused on finding solutions."

Don't you find numbers and regulations a bit dull? "It really depends how you look at it. At the moment, I am closely involved in robotic process automation (RPA) and business process review and redesign (BPR). These will have a significant impact on the bank's organisational and technical transformation – RPA will allow routine tasks to be done by software, freeing up colleagues for more meaningful duties. BPR forms the basis for implementing the new workflow platform."

Talking of workflows, what made you dedicate your spare time to triathlons? "Because I lost my husband early on in life, I am conscious of the need to devote time to family, friends, godchildren ... and exercising. I like doing pretty much anything that has to do with exercise, but swimming, cycling and running – preferably one after the other and for a really long time – has a very special place in my heart." Bettina demonstrated this in Nice most recently in 2024. At the Iron(wo)man World Championship in France, she was right in the thick of things. After 14 hours, 14 minutes and 6 seconds, she crossed the finish line with the smile on her face that she is known for at Kommunalkredit – a smile that is so contagious.

He is responsible for the bank's biggest team: Volker Kruse has been Head of Banking since mid-2024. With his team of around 80 colleagues, he is responsible for a large part of the bank's lending business. Within this area, infrastructure projects are identified, developed, supported and implemented in order to deliver benefits to society and give the bank its unique selling point. So what motivated this ever-calm gentleman in his mid-50s to join Kommunalkredit of all companies?

"After spending many years with a large corporation, I wanted to work with more flexible structures again, with the power to influence things and make my own decisions. The move was motivated by a desire for change, and it has given me the opportunity to make things happen. The bank operates in a sustainable growth segment. This creates an environment where teams can develop, and promotes the individuality and creativity of each and every person involved."

The potential is there: sustainable infrastructure is the key to positive development over the long term, particularly in challenging times. "It's exciting to be able to work so closely and actively on the energy transition. With Altor on board, we have a partner with a long-term commitment based on curiosity, creativity and impact. The task now is to enhance our company's profile and make positive changes under the new ownership. Nobody said it would be easy, but it's exciting and motivating."

Volker's job in Vienna is certainly not your usual 9-to-5. "That's not my mentality either, but of course do I have a life outside of work as well." As someone who is Viennese by choice, how do you use your free time? "The weekends and holidays are for my family. Vienna is my second home, but I spend my spare time with my wife and our two boys in Munich. We are all pretty big sports fans and you'll often find us around football pitches in Bavaria. The combination of a challenging but satisfying job and enough time for my life outside of work is very important to me," says Volker, closing the interview ... and the door. He already has more tasks to attend to.

Jakub Kirschner
More than a junior role

Bernadette Afritsch-Togni
Power to her daughter, and her team

He is the youngest of all – not in the company, but among this group of colleagues who represent Kommunalkredit. **Jakub Kirschner** is Junior Transactor in the Structuring & Execution department. His job is to support the senior bankers – whereby senior refers for experience, not age (!) – in analysing projects and processing loans. The topics he covers are absorbing and, more importantly, socially relevant.

Yet isn't a bank a bit of a boring place for someone young and creative? "Absolutely not," is the immediate reply. "Quite the opposite. This bank appealed to me right away because it has a clear focus on infrastructure and energy – two topics that I'm really interested in. Being able to contribute to the energy transition through my work is something that is particularly important to me. It means I have an opportunity to support projects that create sustainable added value. That gives me a fresh sense of motivation for every new day."

Do we underestimate young people? We'd be well advised to listen to their concerns. "I am currently heavily involved in the topic of Europe's competitiveness as a business hub. Particularly given the current geopolitical tensions, I like to ask myself what role we as a bank and I personally can play in forging a future-proof and economically strong Europe."

Jakub does have one passion that is perhaps not considered quite so 'green'. "I'm a motorbike enthusiast and I'm planning a trip or two across Europe this year. The sense of freedom you get when riding your bike, combined with the opportunity to discover new places and cultures, never ceases to amaze me. This passion is the perfect way for me to clear my head of my day-to-day work." It is no secret that motorbikes leave a smaller ecological footprint - and the emissions can be offset voluntarily by making a climate protection contribution via Climate Austria, an initiative in which Kommunalkredit is involved.

You might have noticed **Bernadette Afritsch-Togni** looking a bit tired in the mornings of late. Our Head of Finance and her team are primarily responsible for looking after Kommunalkredit's figures, providing key insights into the bank's performance. Besides this, of course, she looks after her daughter, who joined her family a year ago now. When it comes to technical questions though, 'Berni' is always wide awake.

So how did she end up here? "Kommunalkredit is a relatively small bank, but at the same time, it has international prestige. Colleagues from 27 countries at present turn exciting projects into a reality throughout Europe – and sometimes beyond. The streamlined hierarchies in the company and the positive collaborations create a pleasant working atmosphere. Decisions can be made quickly and things are always moving. I like the way we all interact on an equal footing. You know practically everyone in the company."

Looking outside the company at the world around us, however, the current situation isn't ideal. "In my view, that makes it all the more important for us to focus on what really matters in spite of what is happening across the globe – namely ensuring a sustainable world that will still be worth living in tomorrow and where we can live peacefully alongside each other. It is still possible to join the right team and play your part. Ultimately, this benefits everyone, not just the individual."

What about life outside of work? "I spend a lot of time with my family. It's a really exciting time in our lives. I'm currently on the hunt for a sugar-free cake for my daughter's first birthday that won't put the adults off either." Any ideas are welcome!

Andreas Kettenhuber
Mr. Public Finance

Luisa Lacovara
Protecting our company's green fingers

If the office of Lord Mayor existed in Austria, Andreas Kettenhuber would have held the post for some time. As something of a Kommunalkredit veteran, 'Mr Public Finance' has supported a whole series of interesting infrastructure investments in various functions and roles in customer business for more than 30 years. He has particular memories, for example of the establishment of companies based on Maastricht criteria as part of Austria's accession to the EU. This project, which Kommunalkredit implemented on behalf of the Federal Ministry of Finance, made a significant contribution to reducing the country's budget deficit and sovereign debt – a task that remains highly relevant to this day.

"The public sector in particular has always fascinated me because measures taken in this area – for example, to expand nursery facilities – improve the lives of people in communities directly and immediately. What's more, new developments like digital transformation and broadband are emerging all the time. That makes it exciting to work in this area." But isn't politics a very fickle area? "Just like employees working in federal or provincial administration, municipal decision-makers are key stability factors. Also, I have built up a broad network over the years that has not only led to long-standing business relationships based on trust, but also to genuine friendships." Is business with the public sector important to Kommunalkredit? "Of course it is," says Andreas. "Public finance is a key pillar of our business model. My work in countries like Switzerland, Germany, France and eastern Europe has allowed me to gain extensive knowledge of different financing solutions. I have to keep putting this expertise to good use to achieve our corporate goal of a sustainable future and a competitive Europe."

As a holder of a Klimaticket transport pass, you will often find Andreas on public transport – he covers a record number of kilometres by train within Austria. If he has more time, he likes to cycle. "But we're not talking about the same distances as Bettina," he grins. A former musician, he loves art and culture ... and of course his three-female household, as the proud father of two daughters. "I also help my own community with infrastructure projects and financing issues so that I can also do my bit at a local level." And with that, he's already off to catch the train.

She plays a key role in developing and implementing the sustainability strategy within the corporate group. In her capacity as Sustainability Officer, **Luisa Lacovara** comes into contact with almost all areas of the organisation – something that is all the more important at a time when sustainability reporting is coming increasingly to the fore. "The Corporate Sustainability Reporting Directive will bring far-reaching changes in the scope and nature of sustainability reporting. This will also apply to Kommunalkredit, which has already done pioneering work in this area. The bank was the first European financial institution to achieve EMAS certification."

Is the green footprint something that is really put into practice? "Certo," comes the Italian's reply. "Climate neutrality is the biggest challenge of our time, so I'm proud to work for a company whose core business offers solutions to help mitigate these challenges. The combination of a small company with just 400 employees and significant diversity within our organisation means that you can talk to all stakeholders in person and join forces to make a difference."

Are there really grounds to be optimistic given the prevailing conditions? "Obviously I'm a bit concerned about recent geopolitical developments and the impact that the resulting instability and polarisation could have on our collective progress towards achieving social and environmental objectives. Personally, though, this makes me all the more determined to do my bit. As a company, moreover, we have no doubt we can play a pioneering role through our activities. Just look at the sustainability section of this report: We not only support a whole range of national and international sustainability initiatives, we also create sustainable infrastructure every day by virtue of our business model."

Monotony isn't a concept that Luisa is familiar with. "I have three amazing children who motivate and inspire me and make sure that I never get bored outside of work. One of my passions is sailing, which is something I do regularly. This helps me to connect with nature and recharge my batteries." Thanks to a wind-powered, carbon-free energy source, of course.

Other material disclosures

Change of control among owners

Kommunalkredit Austria AG's two shareholders that have had indirect control since 2015 – UK-based Interritus Limited and Trinity Investments Designated Activity Company, which has its registered office in Ireland and is managed by Attestor Limited – sold their entire stake in Satere Beteiligungsverwaltungs GmbH (Kommunalkredit Austria AG's holding company) to Green Opera Finance BidCo AB, which has its registered office in Sweden. It is owned by funds managed by the Swedish financial investor Altor. The decision and subsequent signing of the contract were already announced in February 2023.

Satere Beteiligungsverwaltungs GmbH's previous shareholders (Interritus | Trinity Investments Designated Activity Company, managed by Attestor Limited | the Austrian Association of Municipalities) – will remain minority shareholders.

After the relevant Austrian and European authorities granted the necessary approvals, the closing was successfully completed on 15 July 2024. The new majority owner strengthened Kommunalkredit's capital by way of a EUR 100m capital contribution on 29 July 2024 to support Kommunalkredit on its growth path. After completion of the closing, the previous Supervisory Board members resigned on schedule and the Annual General Meeting appointed a new Supervisory Board.

For details, please refer to the Functions | Profile on page 13ff

Changes on the Executive Board

Nima Motazed moved from Swiss Re to Kommunalkredit to assume the role of Chief Operating Officer and Chief Technology Officer (COO|CTO) on 1 July 2024. Bernd Fislage left his position as CEO of Kommunalkredit effective 28 August 2024. He was replaced by Sebastian Firlinger, Chief Risk Officer and Chief Financial Officer (CRO|CFO), who will act as interim CEO. John Weiland returned to Kommunalkredit on 1 November. The long-standing Head of Banking has been serving as Chief Commercial Officer (CCO) since his return.

Kommunalkredit's Executive Board thus consists of Sebastian Firlinger, Nima Motazed and John Weiland.

Legal risks

Civil legal proceedings between Kommunalkredit Austria AG and a member of the company's Executive Board was dismissed from his position in summer 2024 have been pending at the Commercial Court of Vienna since autumn 2024, in which the company is the defendant. The claim is based on performance as well as determination. The proceedings are still at the initial stage and a court hearing has yet to take place. The resulting effects from the legal risk assessment were recognised accordingly in the financial statements of Kommunalkredit Austria AG.

Report on key features of the internal control system and risk management system in relation to the accounting process

The Executive Board of Kommunalkredit is responsible for establishing and structuring an internal control system and risk management system that meet the needs of the company regarding the accounting process. The Audit Committee monitors the accounting process in general as well as the effectiveness of the internal control system.

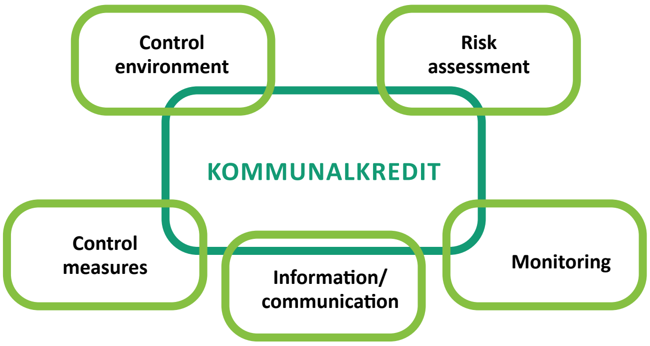
The Kommunalkredit **internal control system (ICS)** is a component of the company's risk management and has been integrated into its specific processes. To do this, controls are defined in order to minimise or avoid core risks and to safeguard the achievement of the principal business objectives to the greatest extent possible.

Control environment

Kommunalkredit's control environment is shaped by its general **Code of Conduct** as well as specific **policies** and **work instructions.** These are supplemented by a formal organisational structure and procedural organisation (the latter within the scope of an overall process map).

The implementation of the ICS regarding the accounting process is defined in specific internal policies and regulations. These ensure that transactions and the sale of company assets are disclosed correctly, compliantly and in sufficient detail.

Functions that play a key role in the accounting process – Finance and Risk Accounting – are organised into separate divisions. Executive, transactional and administrative activities are clearly separated from one another or are subject to the two-person-review principle. Within the procedural organisation in Finance, standard software is generally used for making entries, cross-checking, controls and reporting. Data and IT systems are protected from unauthorised access. Relevant information is only provided to those employees who actually require this information for their work, in line with a "need to know" principle. Results are discussed between divisions where necessary. Internal Audit independently and regularly reviews compliance with internal regulations relating to the accounting process. The Internal Audit management reports directly to the Executive Board and Supervisory Board.



Risk assessment

A two-step risk assessment process is implemented at Kommunalkredit – on the one hand, in order to **define ICS-relevant processes** within the framework of "scoping", and on the other via **analysis** of the **individual processes** described in the overall process map.

The main risk in the accounting process is that circumstances may not be accurately represented in keeping with the company's net assets, financial position and results of operations due to errors or wilful misconduct.

Control measures

Relevant risks are identified on the basis of the individual processes and control points, the respective control objectives, the type of control and the control officer are defined. In a **risk-control matrix** (RCM), the controls allocated to the process in question are defined and assigned to a control officer.

All control measures are applied to current business processes to ensure that potential errors or deviations in financial reporting are prevented or identified and eliminated early on. The software used for accounting and reporting is market-standard software (SAP). As well as automated controls (validations) which are implemented in SAP, manual controls are performed by employees.

Control measures relating to accounting and IT security are a cornerstone of the ICS. Separation of sensitive activities by restrictively assigning IT rights and strict observance of the two-person-review principle are closely monitored.

Information and communication

Within the scope of the ICS management, the division heads provide half-yearly confirmation of the orderly implementation and documentation of **key controls**.

Finance and Risk Controlling regularly report to the Executive Board within the scope of the accounting process in the form of **monthly and quarterly reports**. The Executive Board is for its part is required to report to Kommunalkredit's Supervisory Board.

The individual reports include the calculated data for the company (statement of financial position, statement of profit or loss, budget and capital planning statements, target/actual comparisons, including comments on major developments), a quarterly risk report, reports and analyses on liquidity risk for the Markets division, and reports and analyses on the Banking division's operating activities.

The owners, investors and market partners, as well as the public, are comprehensively informed via a half-year report and the annual financial report. The requirements laid out by statutory provisions regarding ad hoc disclosures are also satisfied.

Monitoring

Monitoring activities within the scope of the ICS are implemented by means of a **structural audit** and a **functional audit**. This includes an appropriate link between the respective risk, control objective and control activity as well as a **spot check audit** of whether controls are actually implemented and documented in an orderly fashion. In case of shortcomings in the control system, remedial and preventative measures will be developed within the scope of the ICS management system and their implementation will be monitored.

To ensure compliance with regulations and banking requirements, compliance is also reviewed based on the annual audit plan laid out by Internal Audit.

Research and development

As a specialist bank for infrastructure and energy financing, Kommunalkredit has focused on transforming the energy system, going far beyond the remit of a pure financier. No **research activities** are conducted within the meaning of § 243 (3) no. 3 of the Austrian Commercial Code (UGB).

Internal control and risk management system

In line with Kommunalkredit's corporate objectives, business activities are conducted in a manner which takes risk strategy into account and devotes particular attention to risk-bearing capacity. The bank places special focus on the risk-income calculation and a sustained increase in aggregate risk cover.

Organisation of the risk management system

The risk drivers of the business model are identified and measured using annual assessments, from which Kommunalkredit derives a risk map. The risk map serves to establish a uniform understanding of risk, the assessment of the data for completeness and the identification of potential control gaps, which must be closed in the sense of continuous improvement.

The economic capital required for the main types of risk (in particular: credit risk, liquidity risk and market risk) is calculated using internal methods based on generally recognised principles of bank management. Additionally, a risk buffer is available for risks that cannot be sufficiently quantified (in particular operational risk, but also reputational risk, legal risks and other risks). All material risks at Kommunalkredit are subject to a bank-wide limit structure that is continually monitored.

A prompt, regular and complete risk reporting system is implemented in the form of risk reporting. In addition to the monthly risk management report (RMC Report), which provides a detailed view of all substantive risks and their covering with the available aggregate risk cover, regular reports are provided to the Executive Board about single exposures with increased risk profile (monitoring or watchlist). Furthermore, the Supervisory Board (in particular the Audit Committee and the Credit Committee) is provided with comprehensive information in the form of regular reports on the latest risk-related developments.

Kommunalkredit has established an organisational structure for risk management which clearly defines and sets out the tasks, competences and responsibilities in the risk management process. Risk-taking organisational units (front office) are therefore clearly separated from organisational units in charge of monitoring and communicating risks (back office) at all levels up to the Executive Board. The Chief Risk Officer (CRO) is responsible for the risk management function, which is independent of the front office, as a member of the Executive Board.

The CRO receives technical and operational support from the Risk Controlling (RCON), Credit Risk (CR) and Compliance and Non-Financial Risk (CNFR) departments in particular.

A formalised and structured approval and implementation procedure has been set up for the introduction of new fields of business, new markets or new products, ensuring that these are adequately reflected in all areas of settlement, risk management and reporting, accounting and financial reporting.

Risks are managed and monitored by the following committees:

- The **Risk Management Committee**(RMC) constitutes the central element of the comprehensive risk monitoring and steering process, providing information to the Executive Board on the bank's overall risk position on a monthly basis.
- The **Asset Liability Committee** (ALCO) supports the operational management of market and liquidity risks. At its meetings, the committee evaluates the market situation and discusses the management of interest rate and liquidity risks.
- The **Credit Committee** (CC) approves individual transactions and new business (unless a resolution of the Supervisory Board is required in accordance with the authorisation process) and conducts the review of portfolios and single names from the portfolio.
- The **assessment regular meeting** deals with valuation issues and spread assessments of portfolio positions and new business, especially in relation to project financing.

Risk Controlling (RCON) is responsible for the quantification of risks and the aggregate risk cover as well as for the performance of stress tests. In addition, this department is responsible for assessing risk positions and validating the risk measurement methods used by the bank.

Credit Risk (CR) handles the analysis and assessment of single-name risks, casting of a second vote on credit approval and/or review, rating awards, limitation of industry and country risks, monitoring and management of exposures with increased risk profile (in particular exposures on the monitoring and watch list) as well as qualitative portfolio analyses.

Compliance & Non-Financial Risk (CNFR) is responsible for anti-money laundering (AML & CTF Management), capital market and regulatory compliance and the non-financial risk management (in particular OpRisk and information security) of the bank.

Main principles of risk management

As part of the risk strategy for the main types of risk, the Executive Board specifies the principles for their adequate management and limitation. The economic risk is limited and monitored in accordance with the defined risk appetite for the bank as a whole in conjunction with the risk-bearing capacity (ICAAP – Internal Capital Adequacy Assessment Process and/or ILAAP – Internal Liquidity Adequacy Assessment Process) and the willingness to assume risk of the bank.

In addition, the following main principles apply to Kommunalkredit's risk management:

- Kommunalkredit does not incur risks as an end in itself but to create sustainable benefits.
- The limitation of risks at the bank is commensurate with the bank's earning strength and its equity base.
- Kommunalkredit supports a risk culture characterised by the deliberate management of risks at all levels.
- The bank only takes risks for which it owns or has access to the necessary expertise.
- The introduction of new products or markets is contingent on an adequate analysis of the business-specific risks.
- All material risks are subject to a limit structure. The observance of limits must be continually monitored – any failures to observe such limits must be escalated.
- The risk measurement results have to be subjected to regular stress testing.
- Outsourcing of core bank functions is only permissible with adequate skills and expertise.

Overall bank management process and risk-bearing capacity

The objective of the overall bank management process is to optimise the use of capital resources in terms of risk and return within the limits of the bank's risk appetite and risk-bearing capacity.

At Kommunalkredit, the following risks have been identified as relevant as of the reporting date and are monitored on an ongoing basis in the context of the risk-bearing capacity calculation:

CREDIT RISK	
▪ Default risk and issuer risk	▪ Country and/or transfer risk
▪ Replacement risk in the event of counterparty default	▪ Settlement risk
▪ Rating migration risk	▪ Cluster risk
▪ Investment risk	▪ Residual risk from credit risk mitigation techniques

LIQUIDITY RISK	
▪ Structural liquidity risk	▪ Market liquidity risk
▪ Funding risk	

MARKET RISK	
▪ Interest rate risk – banking book	▪ Basis spread risk
▪ Foreign currency risk	▪ Option risk
▪ Credit spread risk	▪ OIS risk

OPERATIONAL RISK	
▪ Outsourcing risk	▪ Information and communication technology (ICT) risk
▪ People, process and system risk and external risks	▪ Legal risk

FUNDING RISK	
▪ BCVA risk*	▪ Replacement risk through rating trigger

MACROECONOMIC RISK	
▪ Macroeconomic risk	

OTHER RISKS	
▪ Strategic risk	▪ Excessive debt risk
▪ Equity risk	▪ Risk of money laundering and terrorism financing
▪ Reputational risk	▪ Syndication risk
▪ Business risk	

* Comprises CVA risk and DVA risk and is allocated in its entirety to the funding risk.

Depending on the hedging target pursued, two economic control loops are applied in the risk-bearing capacity calculation:

Liquidation perspective (economic control loop based on the principle of creditor protection)

- Hedging objective: the main focus is on securing a level of capitalisation to ensure that, in the event that the company is liquidated, all lenders can have their claims satisfied with a defined level of probability ("creditor protection").
- Economic capital requirements (internal risk measurement) are compared with the economic capital/aggregate risk cover. Both economic capital requirements and the aggregate risk cover are determined on the basis of its present value ("full fair value" approach). A confidence level of 99.95% is used in determining the economic risk.
- Risk status as of 31 December 2024 (and/or previous year):

Economic risks in % of the aggregate risk cover	**Risk buffer** in % of the aggregate risk cover
63.7% (55.2%)	**36.3%** (44.8%)

Going concern perspective (economic control loop based on the going-concern principle)

- Hedging objective: if the risks materialise, the survival of the bank as a going concern without additional equity is to be ensured with a defined degree of probability.
- All risks impacting on profit and loss must be covered by the budgeted profit for the year, realisable reserves and the "free capital". Free capital is the capital which exceeds the internally defined hedging objective, expressed through a minimum T1 rate and a minimum total capital rate. The hedging objectives are preceded by corresponding early warning levels. A confidence level of 95% is used in determining the economic risk.

- Risk status T1 ratio as of 31 December 2024 (and previous year):

Economic risks in % of the aggregate risk cover	**Risk buffer** in % of the aggregate risk cover
42.1% (47.8%)	**57.9%** (52.2%)

- Risk status TC ratio as of 31 December 2024 (and previous year):

Economic risks in % of the aggregate risk cover	**Risk buffer** in % of the aggregate risk cover
67.2% (66.8%)	**32.8%** (33.2%)

Alongside these economic control loops, compliance with regulatory/statutory minimum requirements and hedging objectives within the context of medium-term planning and current capital budgeting is guaranteed.

Additionally, stress tests are performed on a regular basis to test the robustness of the business model and to ensure capital adequacy. This involves essentially defining two different economic scenarios (general recession scenario and idiosyncratic stress scenario) and quantifying their impact on the bank's risk-bearing capacity.

In addition to the stressed risk-bearing capacity, a stressed multi-year plan is drawn up for each scenario in order to test the stability of the business model over time. Besides the macroeconomic stress tests, reverse stress tests are performed. These are intended to show the extent to which parameters and risks can be stressed until regulatory or internal minimum requirements can no longer be met.

Credit risk

Fundamentals

Credit risk is the risk of financial losses arising from a counterparty not meeting its contractual payment obligations.

Based on the current CRR standardised approach for all classes of receivables, Kommunalkredit primarily uses external ratings where available. If no external ratings are available, ratings are derived from internal scoring and/or rating models for internal risk control. Every active customer is assigned an external or internal rating, which is updated at least once a year. On the basis of an internal rating scale (master scale), the probabilities of default are grouped in categories to which external ratings can be assigned. The effectiveness and discriminatory power of the rating procedures and their ability to forecast defaults are checked regularly and adjusted if necessary.

At Kommunalkredit, two types of credit collateral are taken into account: financial collateral and guarantees. Financial collateral uses netting arrangements and cash collateral that reduce the counterparty risk. Financial collateral received reduces the existing exposure. On the other hand, the exposure is not reduced by guarantees. If guarantees are available, the exposure can be counted towards the guarantor, depending on the assessment of the risk, and included in the portfolio model and the limit system. In addition, collateral packages in line with the market are in place for financings by Kommunalkredit, which potentially have a loss-reducing effect in practice, but are not eligible from a regulatory perspective (for example, company shares, asset pledges without valuations) and are therefore not recognised. Overall, based on the values derived from external studies for losses in the event of default (loss given default), they are included indirectly in the determination of the bank's risk costs.

Unexpected loss

To quantify the unexpected loss from credit risks, monthly credit VaR calculations are performed to manage and limit the risk and to determine the economic capital required as part of risk-bearing capacity analyses. Kommunalkredit uses a default model based on the CreditRisk+ approach to quantify the risk of unexpected default for credit risks. To calculate the credit VaR, rating-dependent one-year probabilities of default (PD) as well as regional and sector-specific loss ratios (LGD) are used. The model used is based on statistical methods and assumptions. These parameters are reviewed and updated at least once a year and documented in a validation report.

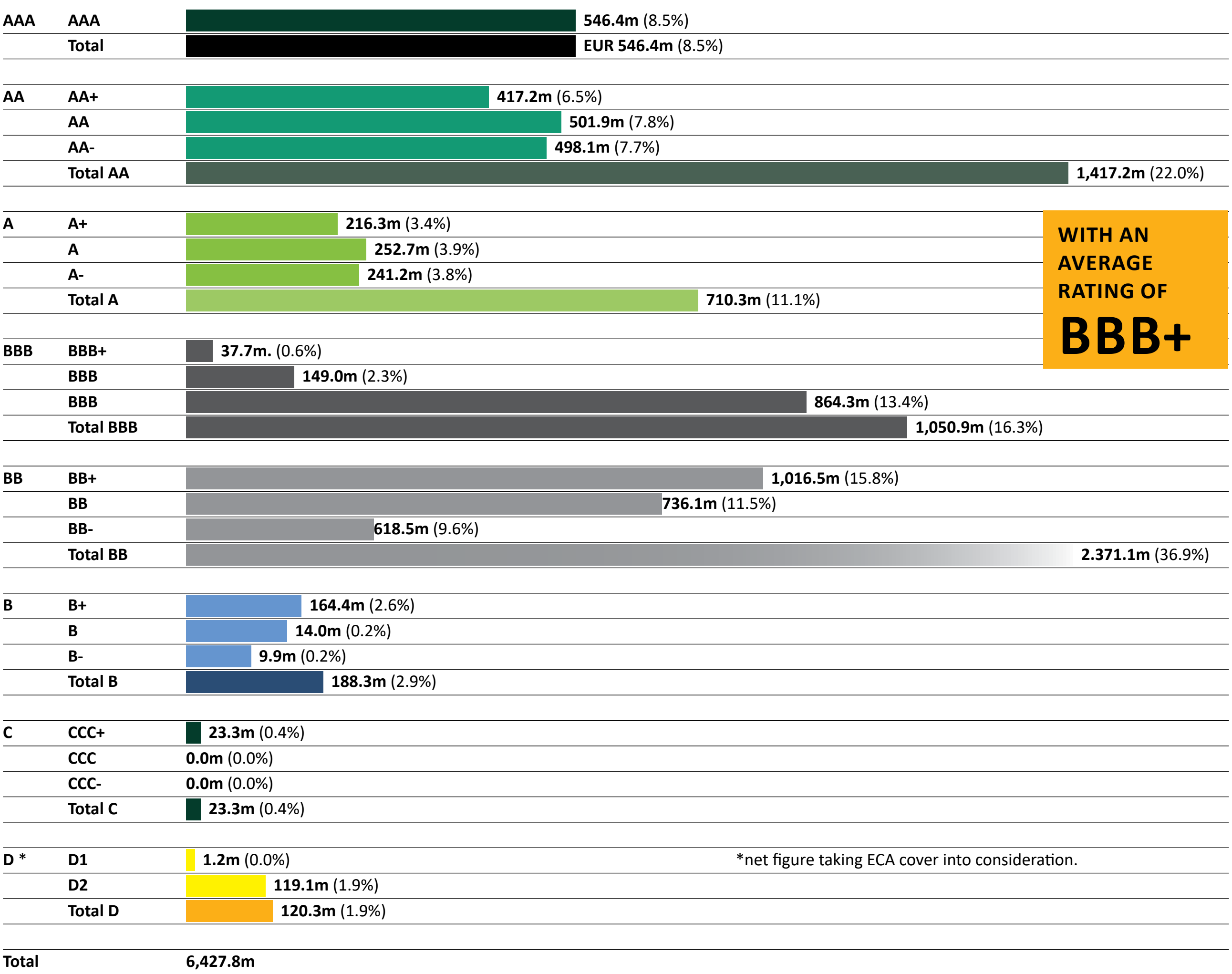
From the liquidation perspective, the potential unexpected loss from credit defaults for a holding period of one year as of 31 December 2024 amounted to 17.3% (31/12/2023: 11.5%) relative to the economic aggregate risk cover; from the going concern perspective, the potential unexpected loss from credit defaults for a holding period of one year as of 31 December 2024 amounted to 12.8% (31/12/2023: 10.9%) relative to the economic aggregate risk cover (T1) and, as of 31 December 2024, to 20.4% (31/12/2023: 15.2%) relative to the economic aggregate risk cover (total capital).

Rating distribution, portfolio quality and concentration risk

The total exposure amounting to EUR 6,428m (31/12/2023: EUR 5,731m) by rating is concentrated in the top rating categories; 30.5% as of 31 December 2024 (31/12/2023: 37.9%) of the exposure was rated “AAA”/“AA”; 57.9% (31/12/2023: 65.8%) was rated investment grade. Overall, the Kommunalkredit portfolio has high asset quality; the exposure-weighted average rating of the total exposure is “BBB+” (according to Standard & Poor’s rating scale).

Given the high proportion of investment grade credit ratings and the good degree of portfolio diversification, the portfolio quality is sound. The five events that are classified as non-performing-loans (NPLs) lead to a regulatory non-performing loan ratio of 2.8% as of the 31 December 2024 reporting date (31/12/2023: 1.5%). Taking guarantees (ECA cover) into consideration, its adjusted net NPL ratio is just 2.4%. Kommunalkredit monitors overdue receivables in accordance with the regulatory requirements. Apart from one receivable in default, which has been reported as part of the NPL ratio, there were no payments that had been in default for more than 30 days as of the reporting date.

Rating distribution 31/12/2024. Exposure in EUR m or %



As of 31 December 2024, the overall exposure, broken down by sub-portfolio, is as follows (in EUR or %):

			GRAPHS 2024	DIFFERENCE 31/12/2024 VS 31/12/2023
INFRASTRUCTURE & ENERGY	Project financing	3.58bn	**1,834.4m** (28.5%)	**+196.6m**
	Utilities		**689.7m** (10.7%)	**+78.1m**
	Companies		**1,053.2m** (16.4%)	**+487.2m**
PUBLIC FINANCE	Austrian municipalities	2.31bn	**1,056.4m** (16.4%)	**+48.7m**
	Public sector entities		**242.2** (3.8%)	**-18.0m**
	Int'l municipalities		**1,014.2m** (15.8%)	**-149.6m**
	Banks/Insurance	0.54bn	**537.7m** (8.4%)	**+53.6m**
	Total		**6,427.8m** (100%)	**+696.5m**

"We place special focus on the risk-income calculation and the sustained increase in the aggregate risk cover."

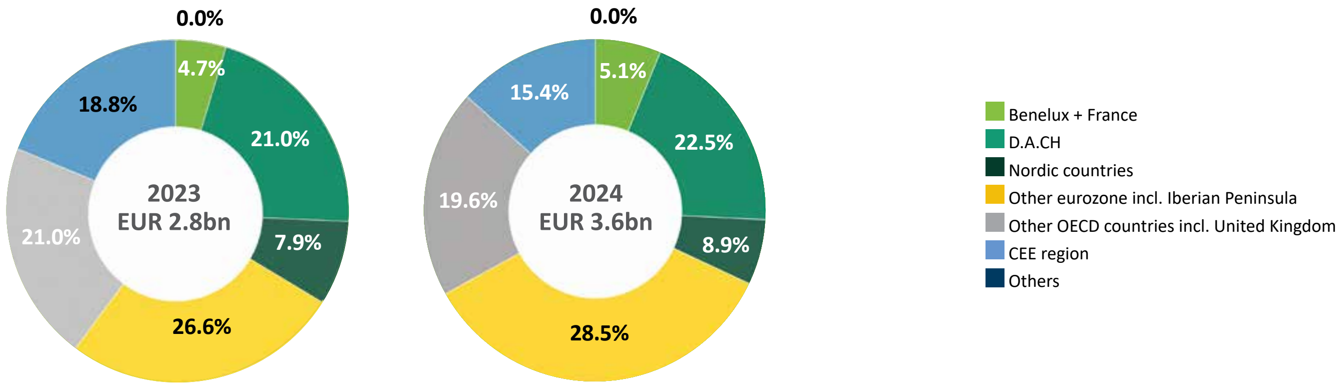
Rating distribution as of 31/12/2023. Exposure in EUR or %

AAA	AAA	**743.1m** (13.0%)
	Total	**EUR 743.1m** (13.0%)
AA	AA+	**411.0m** (7.2%)
	AA	**520.9m** (9.1%)
	AA-	**497.3m** (8.7%)
	Total AA	**1,429.3m** (24.9%)
A	A+	**159.8m** (2.8%)
	A	**241.4m** (4.2%)
	A-	**245.1m** (4.3%)
	Total A	**646.2m** (11.3%)
BBB	BBB+	**89.4m.** (1.6%)
	BBB	**247.3m** (4.3%)
	BBB-	**616.0m** (10.7%)
	Total BBB	**952.7m** (16.6%)
BB	BB+	**804.4m** (14.0%)
	BB	**662.0m** (11.6%)
	BB-	**260.5m** (4.5%)
	Total BB	**1,726.8m** (30.1%)
B	B+	**47.9m** (0.8%)
	B	**117.9m** (2.1%)
	B-	**30.4m** (0.5%)
	Total B	**196.1m** (3.4%)
D *	D1	**0.9m** (0.0%)
	D2	**36.1m** (0.6%)
Total		**5,731.2m**

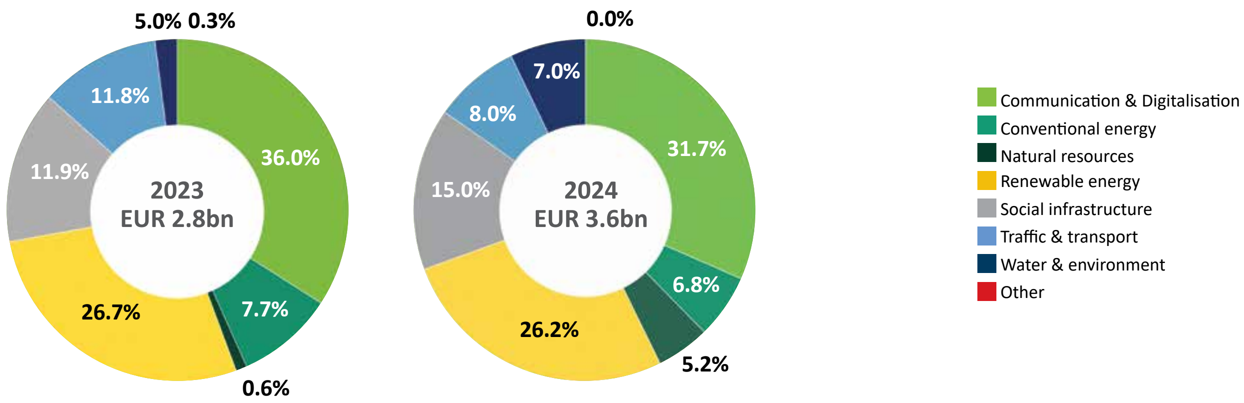
*net figure taking ECA cover into consideration.

WITH AN AVERAGE RATING OF A-

Exposure of infrastructure and energy financing portfolio by regions. as of 31/12/2024 and 31/12/2023



Exposure of infrastructure and energy financing portfolio by sectors. as of 31/12/2024 and 31/12/2023



Risk concentrations are taken into account in the process of loan origination, monitored in the course of the monthly credit risk reports submitted to the RMC and shown in reports submitted to the Credit Committee and the Supervisory Board/Credit Committee. The total portfolio is broken down according to different parameters (including by sub-portfolio, country, region, top 20 “group of related customers”, rating, segment); limits are set by top risk drivers, sectors and geographic distribution, countries and foreign currencies. Similarly, the Total ECL and the ECL from the top 15 risk drivers are limited and monitored. Further limitations are also defined to limit the overall exposure with a higher level of risk (e.g. IFRS 9 High Risk Exposure, Single-B Exposures). Depending on the risk assessment, reviews are performed at different intervals, and at least once a year.

Credit risk analysis and monitoring

The lending business is a key element of Kommunalkredit’s core business. Therefore, taking credit risks and their management is one of the bank’s key competencies, the focus in particular being on project financing in the infrastructure sector and financial support for public sector projects. The tasks of operational credit risk management (CR) include all activities to review, monitor and limit risks from the individual transaction.

The awarding of loans, the valuation of any collateral and the creditworthiness assessment are subject to clear regulations that are documented in the relevant regulations and working directives of Kommunalkredit. Apart from the awarding criteria (= “credit risk strategy”), this includes the authorisation process, guidelines for creditworthiness assessment and rating determination.

For transactions in infrastructure, the bank follows a three-tier process to make the risk-income profile transparent to the required extent:

1 **Initial assessment of a potential transaction** through the front and back offices with a clear recommendation regarding its follow-up (under special circumstances if necessary) or rejection by the competent party;

2 **Due diligence phase** with a focus on economic, financial, technical, legal and insurance-specific aspects as a basis for the application and risk assessment;

3 **Submitting the transaction as part of a credit application** (front office), including a risk statement (back office), for approval by the competent party (Supervisory Board Credit Committee).

The organic separation of front office and back office is always observed.

Credit risk early detection and risk provisions

The portfolio is reviewed regularly for objective indications of impairments of customer exposures. Assessments of impairment are performed in the course of the annual rating/review process or on an ad hoc basis. Exposures with elevated credit risk or anomalies as part of an “early warning” are also monitored monthly at the monthly portfolio monitoring meeting. To that end, Kommunalkredit uses specific early warning indicators for each segment, which identify exposures based on qualitative and quantitative features subject to increased monitoring frequency.

EARLY WARNING SIGNALS / TRIGGERS

QUANTITATIVE TRIGGERS			QUALITATIVE TRIGGERS		
ENTERPRISES / UTILITIES[1]					
Internal rating deterioration	Covenant breach	Country risk downgrade	Management reports	Press & industry reports	External rating report
30 days past due	Reporting delay > 3 months	Falling electricity prices	Ad hoc publicity	Individual analysis	
PROJECT FINANCING (SPECIALISED LENDING)					
Internal rating deterioration	Covenant breach	Country risk downgrade	Management reports	Industry reports	
30 days past due	Reporting delay > 3 months	Lock-up ratio breach Falling electricity prices	Exercise of PIK interest option	Individual analysis	
PUBLIC SECTOR, SOVEREIGN & SUPRANATIONAL ORGANISATIONS					
Internal rating deterioration	Country risk downgrade		External rating report	Press & industry reports	
30 days past due	Credit spread[2]		Ad hoc publicity	Individual analysis	
FINANCIAL INSTITUTIONS					
Internal rating deterioration	Country risk downgrade		External rating report	Press & industry reports	
30 days past due	Credit spread[2]		Ad hoc publicity	Individual analysis	

1 Incl .enterprises with significant public support.
2 If available / publicly listed.

As of the reporting date of 31 December 2024, the exposure on the watchlist amounted to EUR 135.5m (31/12/2023: EUR 27.1m). There was one exposure in the amount of EUR 129.0m (31/12/2023: EUR 53.4m) in default.

Credit Risk (CR) continuously updates the list of counterparties with increased credit risk and submits monthly reports to the Credit Committee meeting, which then decides on the measures to be taken. Impairments to be recognised for defaulting loans are determined by Risk Management, subject to approval by the Credit Committee.

Counterparty default risk from derivatives, repurchase transactions and securities business
Legally binding netting arrangements for derivatives and repurchase transactions (close-out netting) have been concluded with all active counterparties of Kommunalkredit. For derivatives, credit support annexes and/or collateral annexes to framework contracts providing for daily collateral margining in accordance with the bilateral collateralisation requirement set out in the European Market Infrastructure Regulation (EMIR) have been concluded with all active financial counterparties. The only exceptions are derivative agreements in the cover pool for which framework agreements and netting arrangements have been made at standard market conditions. Clearing framework agreements are also in place in line with the clearing obligation under EMIR. Kommunkredit currently has no repurchase transactions.

The exposure to the counterparty default risk of derivatives, which is taken into account in credit risk, is defined as the residual risk from the current replacement cost, considering CSAs and netting arrangements, plus an “add-on” for potential current value changes during the “residual period of risk” between the default of the counterparty and the closing out/replacement of the derivative transaction.

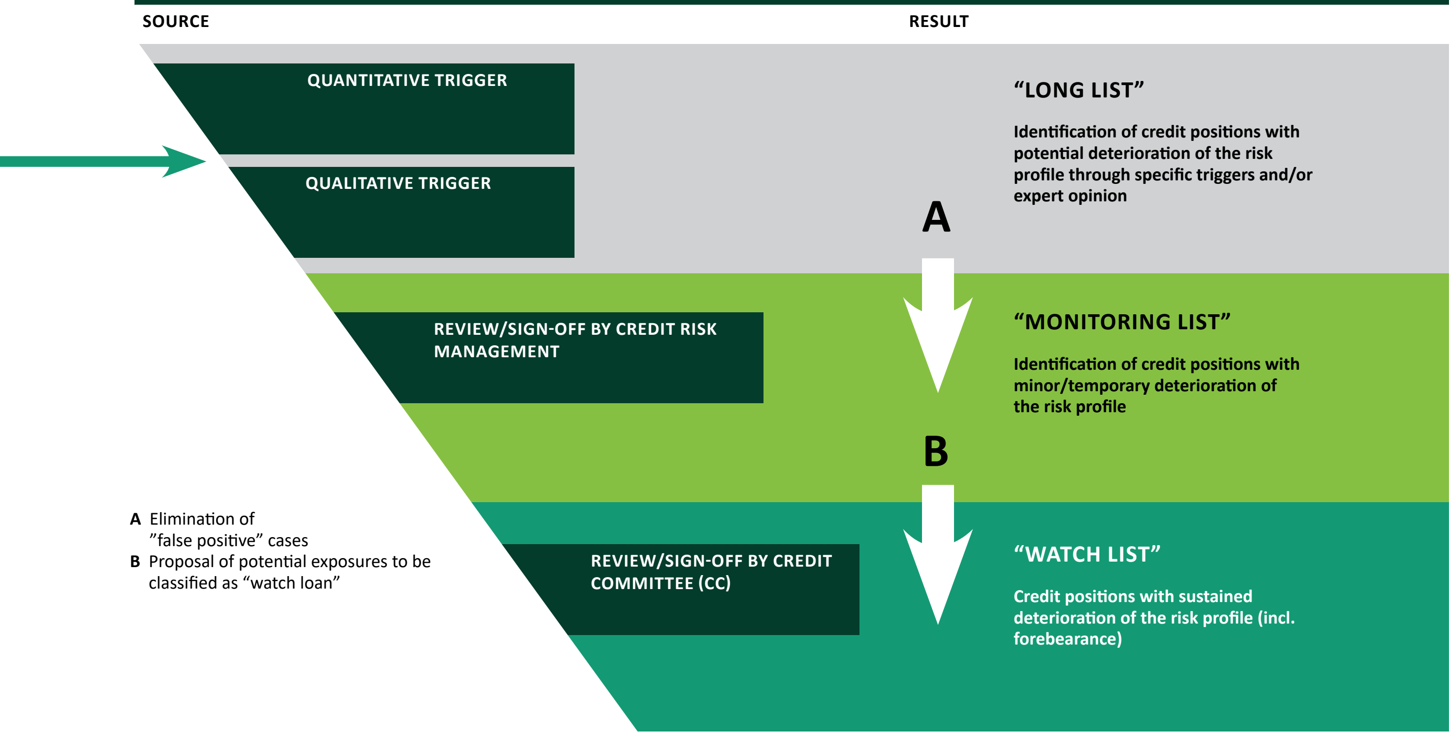
Securities business is cleared mainly on the basis of “delivery against payment” via Euroclear and/or Clearstream.

Counterparty default risk positions are limited through volume-based counterparty and credit concentration limits on the one hand, and through the economic credit risk in the credit VaR calculation of the risk-bearing capacity calculation on the other.

The counterparty default risk from derivatives is calculated as a credit valuation adjustment (CVA) according to IFRS 13. Kommunalkredit calculates CVA and DVA (debt valuation adjustment), aggregated as BCVA (bilateral CVA), on the basis of the potential future exposure method by means of Monte Carlo simulations. The risk of BCVA fluctuations (BCVA risk) is determined by means of a VaR-based approach.

Investment risk
Given the nature of the participations held, the investment risk is of minor importance. As of 31 December 2024, the carrying amount of investments in associates (at equity) was EUR 2.9m (31/12/2023: EUR 2.6m). The carrying amount of investments, which are reported under assets at fair value through other comprehensive income, amounted to EUR 1.1m (31/12/2023: EUR 1.6m).

IDENTIFICATION OF CREDIT POSITIONS AND “WATCH LIST”



Liquidity risk management

The task of liquidity risk management at Kommunalkredit is to identify, analyse and manage the liquidity risk position of the bank with a view to guaranteeing cost-effective and adequate liquidity cover at all times.

The strategic framework of liquidity risk management is defined by the ILAAP, which forms an integral part of the more comprehensive ICAAP. To that end, the bank has implemented extensive policies, working directives and methods such as its liquidity risk strategy, ICS framework, funding and/or contingency plans.

Central elements of liquidity risk management include the following:

Analysis of the liquidity position [element 1]

The following table shows the maturities of contractual, non-discounted cash flows of financial liabilities. The figures for interest swaps, cross-currency swaps and currency swaps are shown in gross terms, meaning that only the cash outflows for the derivative in question are shown. The nominal amount of interest-rate and cross-currency swaps as of the 31 December 2024 reporting date came to EUR 5.1bn (31/12/2023: EUR 3.7bn). Besides principal repayments, the cash flows also comprise interest payments. For liabilities with variable cash flows, future cash flows are determined on the basis of forward rates.

As a matter of principle, the amounts are allocated on the basis of their contractual rather than expected residual maturity. This means that demand deposits and cash collateral received from collateral margining for derivatives are shown as repayable on demand. If the date of repayment is at the lender's discretion, the amount is allocated to the maturity range with the earliest possible redemption. If the date of repayment is at the discretion of Kommunalkredit, a conservative view is applied. Payments that have been pledged but not yet called, as well as (any) guarantee lines granted, are also shown with the earliest possible call date. Kommunalkredit does not engage in any trading activities.

Cash flows as of 31/12/2024 (and 2023)

CASH FLOWS AS OF 31/12/2024 (and 2023) in EUR m Liabilities	Liabilities at amortised cost		Derivatives designated as hedging instruments		Trading*	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Up to one month	403.1	533.9	2.6	1.2	67.9	119.3
More than one month up to three months	308.5	284.4	16.9	19.4	40.2	118.4
More than three months up to one year	1,199.4	1,602.5	30.8	41.4	5.1	5.6
More than one year up to five years	3,391.1	2,593.8	119.8	126.0	10.9	16.2
More than five years	1,785.8	1,153.7	134.7	105.9	1.0	2.0
Total	**7,087.9**	**6,168.3**	**304.9**	**293.9**	**125.2**	**261.3**

* The derivatives are not formally embedded in a micro hedge as defined in IFRS, but serve for risk management at portfolio level.

Reporting to the Executive Board and the Supervisory Board [element 2]

An operational projection of liquidity calculation for a period of one year and a time-to-wall stress scenario are prepared weekly. In addition, operational and strategic liquidity issues are discussed in the monthly ALCO. The liquidity risk is also monitored in the monthly RMC and reported to the Supervisory Board at quarterly meetings.

Liquidity contingency plan [element 3]

Kommunalkredit's liquidity emergency plan specifies the tasks and the composition of emergency units to be set up in a crisis, the internal and external communication channels and, if necessary, the measures to be taken. The emergency plan permits efficient liquidity management in a market environment in crisis and is activated by clearly defined events and/or early warning indicators. In the event of an emergency, responsibility for liquidity management is assumed by the emergency unit, which then decides on the specific measures to be taken.

Management of operational and structural liquidity risk [elements 4 to 8]

For the purposes of short-term liquidity steering (<1 year), the management applies short- and medium-term liquidity scenarios. These scenarios include not only contractually determined cash flows but also expected cash flows from new issues, the termination of existing business, cash outflows from new transactions, cash inflows from syndication agreements, retail deposits repayable on demand, repurchase prolongations and liquidity demand for cash collateral received (under credit support agreements/ ISDA arrangements). The resulting liquidity gaps are available daily in the short-term liquidity scenario.

The following table shows the expected liquidity gaps after the measures planned, the free liquidity reserve, and the net liquidity position resulting from the liquidity gap and the liquidity reserve:

Liquidity as of 31/12/2024 (and 2023)

LIQUIDITY in EUR m	Expected liquidity gap		Available liquidity		Liquidity position	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Up to one month	953.1	1,091.3	352.0	529.2	1,305.1	1,620.6
More than one month up to three months	648.3	309.6	17.2	1.1	665.5	310.6
More than three months up to one year	-738.9	-495.4	87.7	34.5	-651.2	-460.9
Total	**862.5**	**905.5**	**456.8**	**564.8**	**1,319.4**	**1,470.3**

For the purposes of managing the structural liquidity risk position (>= 1 year), Kommunalkredit analyses expected capital flows over the entire term of all on-balance and off-balance sheet transactions.

Overhangs from capital inflows and capital outflows, monitored by maturity range and at cumulative level, provide the basis for strategic liquidity management.

Market risk management

Market risks refer to potential risk exposures to balance sheet and off-balance sheet positions arising from market price movements with an adverse impact on the bank. The bank-specific market risks mainly include interest rate risk, currency exchange risk, credit spread risk, basis spread risk and option price risk.

Interest rate risk

When it comes to the measurement, management and limitation of interest rate risks from positions not held in the trading book, Kommunalkredit generally distinguishes between the period-oriented repricing risk and the NPV-oriented risk of changing interest. For the purpose of efficiently managing the interest rate risk and net interest income, Kommunalkredit uses an analysis and simulation tool (interest rate gap structure by currency, interest rate VaR, sensitivity analyses, simulation trades). This enables the forecast and targeted management of the bank's overall interest rate risk from positions not held in the trading book, the P&L sensitivity of the fair value portfolios according to IFRS and net interest income for the period. To calculate the interest rate VaR, an internal model based on historical interest rate movements is applied.

Kommunalkredit's portfolio mainly comprises positions with clearly defined interest rate and capital commitment. As a rule, non-linear risks are completely hedged and quantified in a scenario analysis; open positions are strictly limited and monitored. Retail deposits include positions without clearly defined interest rate and capital commitment (deposits repayable on demand). In principle, the interest rate commitment of deposits repayable on demand is modelled as a function of the pricing strategy.

For interest rate risk measurement by the RMC, the gap structures are analysed and the price sensitivity of the overall position as well as the impact of interest rate changes on the net interest income of the period (repricing risk) are quantified for different scenarios. The repricing risk is measured for the currencies EUR, USD, CHF, GBP and JPY.

For risk management purposes, Kommunalkredit differentiates between the following sub-portfolios:

- less-than-twelve-months interest-rate position (short-term ALM)
- more-than-twelve-months interest-rate position (long-term ALM)
- equity investment portfolio ("equity book")
- IFRS fair value position
- IFRS OCI value position

An analysis and steering tool is used for the management of short-term, less-than-twelve-months interest risk positions which permits the efficient management of the repricing risk by currency. The annual net interest income effect from Kommunalkredit's repricing risk as of 31 December 2024 in the event of a parallel rise in short-term interest rates of +100 basis points amounts to EUR +1.0m (31/12/2023: EUR +3.3m).

As of 31 December 2024, the NPV risk of interest rate changes in the banking book and of the IFRS interest rate risk position impacting on P&L in the event of a parallel shift of +30 basis points amounts to EUR +3.7m and EUR -0.4m, respectively (31/12/2023: EUR +8.1m and EUR 0.0m). That of the IFRS interest rate risk position with an impact on OCI amounts to EUR -4.3m (31/12/2023: EUR -4.9m).

Currency exchange risk

The currency exchange risk is the risk of losses in foreign currency positions caused by an unfavourable change in the exchange rate, the open FX position being the difference between the sum total of asset positions and the sum total of liability positions, including foreign currency derivatives, in a given currency.

To measure the risk, a VaR of the open foreign currency position, according to the Austrian Commercial Code (UGB), is determined daily based on a variance/co-variance approach with a holding period of one trading day and a confidence interval of 99%, using exponentially weighted historical volatilities and correlations. Except for small residual positions, the open FX position according to the Austrian Commercial Code (UGB) is closed daily. The FX VaR as of 31 December 2024 was TEUR 1.0 (31/12/2023: TEUR 0.3).

Credit spread risk

The credit spread risk is the risk of losses in value due to market-related changes in credit spreads, although there is no deterioration in the rating of the issuing group. Credit spreads refer to the risk premiums allocated by the market, an issuer or an issuing group which are priced-in when determining the market value of a financial instrument.

As of 31 December 2024, the credit spread risk in the event of credit spreads widening by +20 basis points was EUR -3.3m (31/12/2023: EUR -1.9m) in the IFRS P&L position and EUR -16.3m (31/12/2023: EUR -13.2m) in the IFRS OCI position.

Basis spread risk

The basis spread risk is the risk resulting from a change in basis spread, which is factored into the variable interest rate conditions for non-standard reference interest rates and payment frequencies. Except for residual risks in the individual currencies, the basis spread risk relevant under IFRS is hedged.

As of 31 December 2024, the basis spread risk in the event of basis spreads widening by one basis point was EUR +0.0m (as of 31/12/2023: EUR +0.0m).

Option price risk

The option price risk for Kommunalkredit is the risk of changes in the market values of open option positions. To measure the option price risk, a scenario matrix is used to determine interest rate shifts (-/+30bp), volatility shifts (-/+30%) and combined shifts. The option price risk in the banking book calculated on the basis of the scenario matrix amounted to EUR 0.0m as of 31 December 2024 (31/12/2023: EUR 0.0m based on a -/+30bp interest rate shift). The open option price risk in the banking book is the exclusive result of the unilateral call rights of Kommunalkredit for own issues (i.e. Kommunalkredit has the right to call). As of 31 December 2024, there were no P&L-relevant option price risks.

Operational risk

Kommunalkredit defines operational risk as the possibility of losses occurring due to the inadequacy or failure of internal procedures (processes), people and systems or as a result of external events. The legal risk is part of operational risk. External events classified as pure credit risk, market risk, liquidity risk or other types of risk with no operational background are not covered by this definition. The aim of Operational Risk Management (ORM) is to reduce the probability of occurrence of operational risks and their potential to adversely impact the bank. Compliance & Non-Financial Risk (CNFR) is responsible for operational risk management. The operational risk correspondents (ORC) technical departments, appointed in consultation with CNFR, act as points of contact, establishing the link to operational risk management and supporting the ORM process.

An operational default database as well as risk and control self-assessments are the key instruments available for the management of operational risks. The database represents a retrospective view, that is, realised gains/losses from operational events in the past are recorded there with the involvement of the line managers in charge. In contrast, risk and control self-assessments represent a prospective, future-oriented view. Risks are identified and the risk severity is subjected to an expert assessment. At Kommunalkredit, these assessments are performed as coached self-assessments, i.e. individual risks are assessed and evaluated by the units concerned and supported by CNFR. The entries made in the operational default database serve as input and provide feedback for the reassessment of risks.

High-risk topics are discussed, analysed and evaluated at divisional level with the responsible division heads and top risks are presented on an internal OpRisk risk map. To mitigate these risks, additional measures are to be defined and a tailored plan of action prepared. The OpRisk risk maps for the divisions are condensed, in an overall view of the relevant risks, into an OpRisk risk map for the bank as a whole.

Headed by the Credit Risk Officer (CRO), a consultation takes place with significant internal stakeholders every six months regarding operational risks within the Operational Coordination Committee (OCC). The Executive Board and the senior management are informed about operational risks at the monthly RMC meetings.

Kommunalkredit uses the standardised approach to quantify its total capital requirements. The total capital held on this basis significantly exceeds the actual losses suffered in the past.

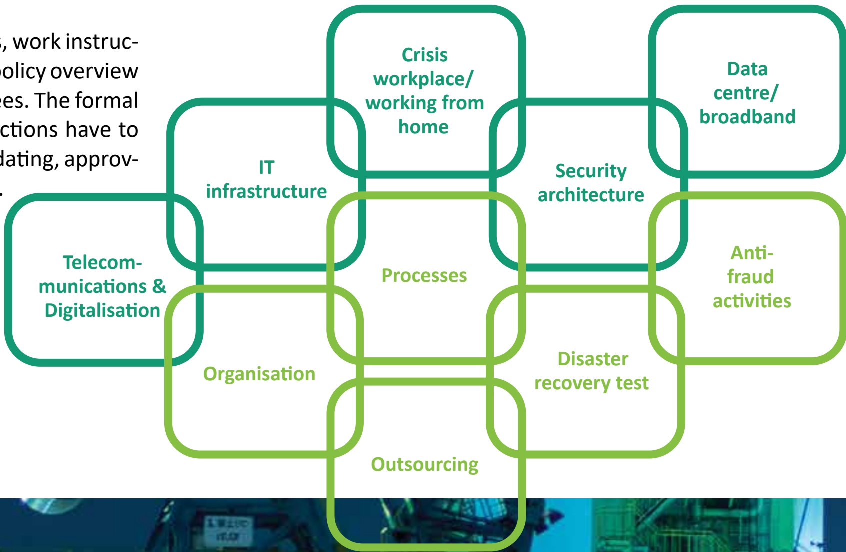
Business Continuity Management

The established business continuity management (BCM) system ensures the adequate, comprehensive and efficient management of business continuity. In the course of implementing the Digital Operational Resilience Act (DORA), the BCM was also supplemented by the extended requirements. Continuity management includes the elaboration and the management of continuity and recovery plans as well as the allocation of resources to manage any business interruptions effectively, and keeping interruption times at a minimum.

The annual resource assessment was performed, and the resources required in the event of a crisis were established. The annual business impact analysis (BIA), performed within the framework of the resource assessment, served to assess business processes and information and communication technology (ICT) services for their criticality, and to verify the time to full restoration of services. The emergency plans were revised at the same time. As part of the comprehensive BCM tests, the largest single test was a complete fail-over switchover of the georedundant central data centre infrastructure.

Policy management

All Kommunalkredit operating procedures (policies, work instructions, manuals, works agreements) are stored in a policy overview on the intranet and can be accessed by all employees. The formal minimum requirements that policies/work instructions have to meet are defined, as are the responsibilities for updating, approving and distributing policies and work instructions.



Sustainability risks

Sustainability risks form an integral part of the risk strategies and risk categories of Kommunalkredit. The inclusion of sustainability factors in the concepts, management and measurement methods of the credit, market, liquidity, syndication and operational risks is evaluated and expanded on an ongoing basis.

Kommunalkredit primarily finances the public sector in Austria and projects in the areas of renewable energy, telecommunications and social infrastructure in Europe. ESG risks in the portfolio are therefore assessed as low overall on the basis of the analyses carried out. Any risks are taken into account in the process of loan origination and are appropriately reflected in the planning assumptions for borrowers and the established ratings.

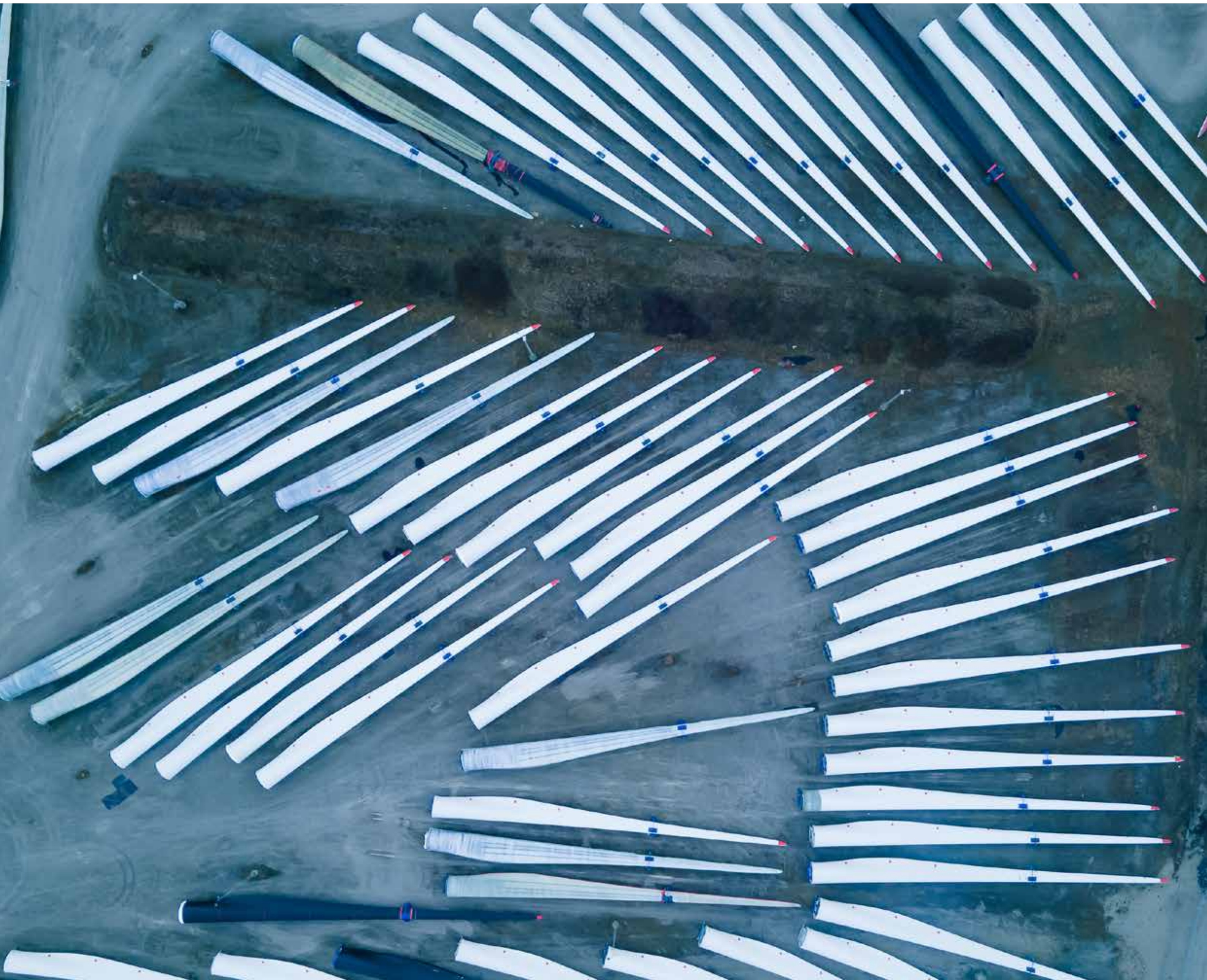
To assess whether investments in infrastructure and energy projects meet the sustainability requirements set by Kommunalkredit, **an internally developed "ESG/Sustainability Check", which is a three-stage process**, has been applied for many years.

Details can be found under ESG risk assessment (page 122)

Sector limits in the areas of infrastructure and energy are used to systematically limit risk within the meaning of with the bank's strategic orientation. In addition to the sector limit, the share of exposures in categories 4 and 5 in the infrastructure and energy portfolio is also limited.

These limits form an integral part of the monthly risk reporting to the Executive Board.

Moreover, when deriving the liquidity buffer, ESG risks are included as a distinct component, with the customer and maturity structure of the liabilities, among other factors, analysed for this purpose. Furthermore, threats to the bank's in-house infrastructure posed by climate and environmental events are evaluated as part of information security risk management and OpRisk management. ESG-related risks and issues are marked individually in the OpRisk event database and were included in the risk & control self assessments of Kommunalkredit.



Outlook

In 2025, Europe is faced with the task of marrying economic recovery with structural reforms, eliminating infrastructural deficits and strengthening political coherence in order to rise to diverse challenges. This is an environment in which Kommunalkredit can build on its strengths.

The global economy has shown remarkable resilience in the face of shocks such as the pandemic and the energy crisis in recent years. Global growth remained stable in 2024, while inflation continued to drop. The OECD[17] expects this trend to continue, with global gross domestic product (GDP) rising by 3.3% in 2025 and 2026, and inflation falling towards central bank targets. However, this robust overall performance masks significant differences from region to region and country to country, and is associated with considerable downside risks and uncertainty, particularly in the context of mounting trade tensions and protectionism, a possible escalation of geopolitical conflicts and difficult fiscal policies in some countries.

Macroeconomic environment in 2025

While **European countries** like Germany and France, as well as Austria, are faced with the prospect of a political future that is marred by uncertainty and change, the **United States** is at a geoeconomic turning point with "Donald Trump 2.0". The avenues that Trump wants to pursue, such as punitive tariffs or a more moderate stance towards Russia, will create tension with the European Union (EU), which – due to a lack of political stability in Germany and France combined with a recessionary environment – will already be facing challenges within its own borders.

A lot is at stake when it comes to economic development in the eurozone. The European economy, in particular, has reaped huge benefits from the expansion of international trade in the 21st century: While the share of global trade in relation to European GDP rose from 30% to 43% in the years from 2000 to 2019, the figure virtually stagnated in the United States (increase from 25% to 26%). If globalisation is scaled back significantly, the European economy will lose the economic benefits of increased trade. In investor surveys, a majority of participants expect the Donald Trump's re-election to have a negative impact on Europe.

Higher energy prices as a result of Russia's war of aggression in Ukraine and the need to up defence spending could also deal a blow to the European economy or lead to the financial resources being reallocated to the defence sector.

In 2025, central banks will continue on, or finalise, the interest rate reduction path that was initiated in 2024. At present, the yield curve has accounted for more rate cuts by the **European Central Bank**[18] (ECB) (four to five rate cuts of 25 basis points each; most recently on 30 January 2025) than by the **Federal Reserve Bank**[19] (Fed) in the United States (one or two cuts of 25 basis points each), further increasing the interest rate differential. This should provide a further boost to the relative appeal of the US dollar, bringing parity in the EUR/USD exchange rate within reach.

The net supply of new issues on the bond markets is expected to remain at a very high level. First, high national budget deficits mean that countries require corresponding funds, and need to raise these funds by issuing bonds. Second, the ECB is withdrawing liquidity from the market by phasing out its asset purchases under the Pandemic Emergency Purchase Programme (PEPP), with the ECB's balance sheet is expected to shrink by around EUR 500bn in 2025. This could result in long-term interest rates not falling to the same extent as money market rates (which are more closely aligned with ECB interest rates), triggering a normalisation of the yield curve.

17 OECD – Economic Outlook, December 2024.

18 European Central Bank (ECB) – Press Release, 30/1/2025.

19 Federal Reserve Bank (Fed) – Press Release, 29/1/2025.

The European infrastructure market in 2025

The infrastructure sector, in which Kommunalkredit has been operating successfully since 2017, has not only proven to be extremely crisis-proof, but is also exhibiting long-term and ongoing growth. It is set to generate a **corresponding deal flow** in 2025, too – bolstered by the megatrends of decarbonisation and digital transformation. Combined with slightly lower interest rates and the prospect of at least a gradual resolution of geopolitical conflicts, this creates positive sentiment as we embark on 2025. It remains the case that the momentum behind the necessary rapid energy transition can only be generated using private financing to expand renewable energy in the medium and long term. The **number of transactions is expected to continue to grow,** not only in the conventional wind and PV solar segments, but also in areas such as biogas/biomethane, battery storage systems and recycling/the circular economy, where Kommunalkredit is already very well positioned – both on the financing side and in an **advisory capacity for M&A**[20], **asset management and ESG**. The rapid expansion of data centres due to artificial intelligence (AI) applications will not only call for high levels of investment, but will also increase demand for the required energy infrastructure. There are clear signs that the biggest data centre operators are investing in the necessary energy assets themselves in order to be less reliant on public infrastructure.

The expansion of digital infrastructure itself, which underwent a boom until a year ago, will continue to slow in the broadband/fibre optic segment especially and will increasingly shift from rollout/capex-dominated structures towards consolidation/M&A scenarios. In the UK and Germany, in particular, a number of broadband networks already merged in 2024, with things looking to be continuing in the same direction. This asset class is also highly sought-after on the investor side among asset managers and insurance companies. This has already had a positive impact on Kommunalkredit's syndication activities in 2024, which will be continued accordingly.

As things stand at the moment, 2025 is likely to be dominated both by the macroeconomic trends referred to earlier and by **rising refinancing volumes**. The slow but steady fall in interest rates will not be the only driving force behind this development. Rather, there is another issue that is sometimes underestimated: if we look at the specific figures for financing in the infrastructure market that is set to mature over the next ten years, the **volume maturing** in 2025 **is EUR 50bn higher** than in 2024.

As there has also been relatively little fundraising for infrastructure loan-based asset management strategies over the past two years, 2025 could be an interesting year for active banks such as Kommunalkredit if the market shifts more towards the lender side.

As far as M&A deals and acquisition financing are concerned, we expect to see a slightly higher level of activity, although some transactions could still take longer to materialise. At least in some sectors, there are still relatively significant valuation differences between sellers and buyers, for example in the energy segment (volatile energy prices). In any case, growing M&A volumes are predicted in the field of fibre optic infrastructure, which is likely to be fuelled primarily by necessary consolidations.

Kommunalkredit in 2025

A specialised bank can contribute to the successful implementation of forward-looking infrastructure and energy projects by providing customised financing models, sound expertise and a sustainable approach. As an expert for infrastructure and energy finance and public finance, this is exactly what we do at Kommunalkredit – and that's not all either. We are convinced that now is the perfect time to continue to invest in the **energy transition** and the diversification of our **energy supply** so that we can minimise our dependence on particular sources. We are committed to helping to develop sustainable technologies, getting renewable energy projects up and running, and creating digital networks to link people and regions. We believe that the growing need for data storage and increased demand for medical services are areas that offer considerable potential. We believe that we need to **rethink infrastructure** if we want to meet the requirements of today and tomorrow.

We may well face stronger headwinds in the overall economic outlook in 2025. New governments in the United States and some EU countries will influence subsidies for renewable energies and sustainable infrastructure projects. Risk costs are set to rise due to uncertainty. The tailwind from the interest rate environment will peter out. Regulations will continue to hinder more rapid implementation. But changes in the overall environment do not necessarily mean that we need to abandon the path that we have embarked upon entirely. Often, new solutions are all that is required.

20 M&A: mergers & acquisitions.

2025 will be a **year of change** for Kommunalkredit. In an uncertain global economic environment, it is crucial to adapt interest rate and risk management strategies carefully and to analyse the implications in full in order to identify potential changes at an early stage. We will continue to develop our strategy in a targeted manner, and expand our advisory and asset management activities in order to strengthen our market position. In order to achieve this, we will be investing in **long-term growth**: We have almost completed our preparations for DORA, the Digital Operational Resilience Act for the financial sector. The foundation has been laid for sustainability reporting in accordance with the CSRD; this current report is the last to be prepared in accordance with the GRI standards. The digital transformation and modernisation of our process management and core banking system are in full swing. We are also striving to get more "future minds" on board so that we can leave our green footprint across Europe.

This transformation process, the regulatory requirements and fundamental expansion are associated with investments and corresponding costs, which will have a knock-on effect on our earnings. At the same time, we expect 2025 to be a solid year in which we will achieve corresponding growth in our operating business, allowing us to remain stable overall.

We are committed to following the path we have carved out step by step. We are firmly convinced that we can achieve long-term growth by adopting a forward-looking approach. With the backing of our Swedish owner, the Altor fund, we will drive the vision of promoting the process of transition to a green and sustainable future even more systematically than before.

Achieving climate targets has long been much more than just a commitment on a piece of paper. At the risk of sounding drastic, it is our only option. And we are not there only to provide guidance but also to blaze a trail when it comes to planning, developing, financing and achieving sustainability milestones.

As a specialised bank, one thing is clear to us: long-term challenges remain when short-term developments have passed. We will continue to drive forward the green revolution with a sense of foresight – whatever political trends emerge – doing our bit for both our own and future generations. After all, infrastructure is not a temporary phenomenon. It is a permanent, timeless and elementary foundation for our society. Infrastructure is also our passion.

Vienna, 20 February 2025

Nima Motazed
Executive Board Member

Sebastian Firlinger
Chief Executive Officer
(ad interim)

John Weiland
Executive Board Member

THERE
FROM THE BEGINNING.

03

SEPARATE FINANCIAL STATEMENTS OF KOMMUNALKREDIT AUSTRIA AG, VIENNA, FOR THE FINANCIAL YEAR 2024.

Statement of financial position (under the Austrian Banking Act)

	ASSETS in EUR	Note		31/12/2024	31/12/2023
1.	**Cash on hand an balances with central banks**			**929,509,155.58**	**887,662,512.14**
2.	**Debt securities from public issuers that are eligible for refinancing at the central bank**	**4.1.**		**268,964,393.20**	**531,396,603.47**
	Debt securities from public issuers		268,964,393.20		531,396,603.47
3.	**Loans and advances to credit institutions**	**4.2.**		**123,993,878.37**	**92,236,833.39**
	a) repayable on demand		50,257,114.84		63,489,339.06
	b) other loans and advances		73,736,763.53		28,747,494.33
4.	**Loans and advances to customers**	**4.3.**		**4,639,808,503.51**	**3,758,904,891.33**
5.	**Bonds and other fixed-income securitites**	**4.4.**		**396,434,444.24**	**394,469,691.96**
	a) of public issuers		82,185,336.04		78,374,590.80
	b) of other issuers		314,249,108.20		316,095,101.16
	including own bonds		*0.00*		*0.00*
6.	**Investments**	**4.5.**		**35,446,274.52**	**34,471,508.64**
	of which in credit institutions		*0.00*		*0.00*
7.	**Investments in affiliated companies**	**4.5.**		**57,474,044.81**	**50,444,044.81**
	of which in credit institutions		*0.00*		*0.00*
8.	**Intangible non-current assets**	**4.6.**		**1,038,059.40**	**602,671.90**
9.	**Property, plant and equipment**	**4.6.**		**3,720,135.05**	**2,719,987.12**
	of which land and buildings used by the credit institution within the framework of its own activities		*0.00*		*0.00*
10.	**Other assets**	**4.7.**		**71,726,970.50**	**52,464,758.63**
11.	**Prepaid expenses**	**4.8.**		**23,269,312.31**	**17,381,790.92**
12.	**Deferred tax assets**	**4.9.**		**1,362,474.09**	**10,846,892.19**
	Total assets			**6,552,747,645.58**	**5,833,602,186.50**
	Off-balance-sheet items				
1.	**Foreign assets**			**4,098,448,016.76**	**3,524,468,226.22**

	EQUITY AND LIABILITIES in EUR	Note		31/12/2024	31/12/2023
1.	**Amounts owed to credit institutions**	**4.10.**		**127,698,980.53**	**121,997,942.47**
	a) repayable on demand		16,927,466.67		31,711,175.37
	b) with fixed maturity or period of call		110,771,513.86		90,286,767.10
2.	**Amounts owed to customers**	**4.11.**		**3,130,092,431.18**	**3,327,904,027.84**
	a) other liabilites				
	aa) repayable on demand		159,787,521.15		253,504,085.49
	bb) with fixed maturity or period of call		2,970,304,910.03		3,074,399,942.35
3.	**Securitised liabilites**	**4.12.**		**2,342,117,381.30**	**1,610,978,801.70**
	a) bonds issued		2,176,372,571.58		1,439,294,246.78
	b) other securitised liabilities		165,744,809.72		171,684,554.92
4.	**Other liabilities**	**4.13.**		**55,475,593.05**	**39,455,671.20**
5.	**Deferred income**	**4.14.**		**28,464,074.36**	**29,244,583.47**
6.	**Provisions**	**4.15.**		**47,642,849.22**	**67,246,912.56**
	a) provisions for severance pay		784,231.12		744,193.41
	b) provsions or pensions		384,241.03		787,177.43
	c) tax provisions		10,182,729.53		32,616,588.92
	d) other		36,291,647.54		33,098,952.80
6A.	**Fund for general banking risks (§ 57 (3) Austrian Banking Act)**	**4.16.**		**40,000,000.00**	**40,000,000.00**
7.	**Tier 2 Capital**	**4.17.**		**41,731,152.77**	**41,728,699.63**
8.	**Additional Tier 1 capital under Part 2 Title I chapter 3 of Regulation (EU) No. 575/2013**	**4.18.**		**63,321,566.30**	**63,318,700.55**
9.	**Subscribed capital**	**4.19.**		**177,017,120.82**	**177,017,120.82**
10.	**Capital reserves**			**112,479,260.88**	**12,479,260.88**
	a) restricted	4.20.	12,479,260.88		12,479,260.88
	b) non-restricted	4.20.	100,000,000.00		0.00
11.	**Retained earnings**			**130,452,739.73**	**130,452,739.73**
	a) statutory reserves	4.21.	10,434,104.73		10,434,104.73
	b) other reserves	4.21.	120,018,635.00		120,018,635.00
12.	**Liability reserve pursuant to § 57 (5) Austrian Banking Act**	**4.22.**		**36,218,579.37**	**28,017,949.75**
13.	**Net profit**	**4.23.**		**220,035,916.07**	**143,759,775.90**
	Total equity and liabilities			**6,552,747,645.58**	**5,833,602,186.50**
	Off-balance-sheet items				
1.	**Contingent liabilities**	**5.1.**		**4,346,148.00**	**6,783,675.00**
	of which liabilities from sureties and guarantees from the assignment of collateral		*4,346,148.00*		*6,783,675.00*
2.	**Credit risk**	**5.2.**		**953,586,685.64**	**928,842,653.19**
	of which liabilities from repurchase transactions		*0.00*		*0.00*
3.	**Liabilities from fiduciary transactions**	**5.3.**		**153,636,842.22**	**193,259,302.21**
4.	**Eligible capital pursuant to Part 2 of Regulation (EU) No. 575/2013**	**6.1.**		**820,768,276.54**	**635,574,175.18**
	of which Tier 2 capital pursuant to Part 2 title I Chapter 4 of Regulation (EU) No. 575/2013		*42,281,152.77*		*41,650,000.00*
5.	**Capital requierments pursuant to Art.92 of Regulation (EU) No. 575/2013**	**6.1.**		**3,834,027,592.06**	**2,965,650,700.99**
	of which capital requirements pursuant to Art. 92 para. 1 (a) of Regulation (EU) No. 575/2013 CET 1 ratio	*6.1.*	*18.7%*		*17.9%*
	of which capital requirements pursuant to Art. 92 para. 1 (b) of Regulation (EU) No. 575/2013 Tier 1 capital ratio	*6.1.*	*20.3%*		*20.0%*
	of which capital requirements pursuant to Art. 92 para. 1 (c) of Regulation (EU) No. 575/2013 Total capital ratio	*6.1.*	*21.4%*		*21.4%*
6.	**Foreign liabilities**			**3,304,560,679.67**	**2,657,006,567.02**

Income statement (under the Austrian Banking Act)

	in EUR	Note			1/1-31/12/2024	1/1-31/12/2023
1.	Interest and similar income				393,223,355.51	311,079,425.22
	of which from fixed-income securities			*11,520,890.96*		*11,904,032.27*
2.	Interest and similar expenses				-218,151,713.98	-138,047,653.18
I.	**NET INTEREST INCOME**	**7.1.1.**			**175,071,641.53**	**173,031,772.04**
3.	Income from securities and investments	7.1.2.			783,000.00	233,100.00
	a) income from investments			36,000.00		40,500.00
	b) income from investments in affiliated companies			747,000.00		192,600.00
4.	Fee and commission income	7.1.3.			37,218,456.58	35,066,528.94
5.	Fee and commission expenses	7.1.3.			-4,536,205.75	-2,867,161.60
6.	Income/expenses from financial transactions				11,976.78	10,169.33
7.	Other operating income	7.1.5.			5,662,006.81	5,380,714.02
II.	**OPERATING INCOME**				**214,210,875.95**	**210,855,122.73**
8.	General adminstrative expenses	7.1.4.			-75,790,996.79	-73,029,678.06
	a) Personnel expenses	7.1.4.1.		-46,527,346.68		-46,572,272.22
	aa) salaries		-39,868,120.66			-40,007,074.42
	bb) expenses for statutory social charges, salary-dependent charges and compulsory contributions		-5,163,488.39			-4,947,628.19
	cc) other social expenses		-612,766.55			-630,976.04
	dd) expenses for pension costs		-518,000.71			-499,525.17
	ee) allocations to/cancellation of pension provision		402,936.40			154,771.67
	ff) expenses for severance pay and contributions to company pension plans		-767,906.77			-641,840.07
	b) other adminstrative expenses (other non-personnel administrative expenses)	7.1.4.2.		-29,263,650.11		-26,457,405.84
9.	Valuation allowances to assets reported under asset items 9 and 10				-903,272.02	-876,511.37
10.	Other operating expenses	7.1.6.			-1,917,345.40	-1,025,120.12
III.	**OPERATING EXPENSES**				**-78,611,614.21**	**-74,931,309.55**
IV.	**OPERATING RESULT**				**135,599,261.74**	**135,923,813.18**
11.	Expenses from the valuation allowance of receivables and allocations to provisions for contingent liabilities and credit risks	7.1.7.			-10,582,177.86	-1,889,730.51
	of which change in provision under § 57 (1) Austrian Banking Act			*1,100,000.00*		*3,300,000.00*
12.	Income from the valuation allowance of receivables and allocations to provisions for contingent liabilities and credit risks	7.1.7.			255,821.79	1,123,778.14
13.	Expenses from the valuation allowance of securities measured as financial assets and of investments and shares in affiliated companies	7.1.7.			-1,349,938.45	
14.	Income from the valuation allowance of securities measured as financial assets and of investments and shares in affiliated companies				4,004.86	478,793.49
V.	**PROFIT ON ORDINARY ACTIVITIES**				**123,926,972.08**	**135,636,654.30**
15.	Taxes on Income	7.1.8.			-39,289,817.62	-35,121,280.87
16.	Other taxes not reported unter item 15	7.1.8.			-160,384.67	-130,879.13
VI.	**PROFIT FOR THE YEAR**	**7.1.9.**			**84,476,769.79**	**100,384,494.30**
17.	Appropriation to and release of reserves				-8,200,629.62	-5,726,038.67
	a) liability reserve pursuant to § 5# (5) Austrian Banking Act		-8,200,629.62	0.00		-5,726,038.67
	b) statutory reserve		0.00	0.00		0.00
	c) non-statutory reserve		0.00	0.00		0.00
18.	Profit carried forward				143,759,775.90	49,101,320.27
VII.	**NET PROFIT**				**220,035,916.07**	**143,759,775.90**

NOTES TO THE ANNUAL FINANCIAL STATEMENTS OF KOMMUNALKREDIT AUSTRIA AG FOR THE 2024 FINANCIAL YEAR.

1. GENERAL INFORMATION

Kommunalkredit Austria AG (Kommunalkredit), which has its registered office in Vienna, at Tuerkenstrasse 9, is a specialist bank for infrastructure and energy financing as well as public finance; it forms the bridge between project sponsors (infrastructure constructors and/or operators) and institutional investors such as insurers or pension funds. It is registered with the Commercial Court (Handelsgericht) of Vienna under Companies Register number 439528s.

Satere Beteiligungsverwaltung GmbH (Satere) owns 99.80% of Kommunalkredit, with a stake of 0.20% held by the Association of Austrian Municipalities. Satere is indirectly owned by funds and investment companies managed by Altor Fund Manager AB (80.20%), as well as by Interrita One Sàrl (9.90%) and Trinity Investments Designated Activity Company (9.90%).

The consolidated financial statements of Kommunalkredit, based on the IFRS, are prepared pursuant to § 59a of the Austrian Banking Act (BWG) in conjunction with § 245a of the Austrian Commercial Code (UGB). Kommunalkredit, as an issuer of listed securities, publishes an annual financial report in accordance with § 124 of the Austrian Stock Exchange Act (BörseG) 2018.

The consolidated financial statements of Kommunalkredit, which prepares the consolidated financial statements for the smallest consolidated group of companies, are registered with the Commercial Court of Vienna under Companies Register number 439528s. Kommunalkredit is an affiliated company of Green Opera Finance Invest AB, with registered office in Stockholm (Sweden), which prepares the consolidated financial statements for the largest consolidation group under company registration number 559411-1998.

2. ACCOUNTING STANDARDS APPLIED

These financial statements were prepared in accordance with the relevant provisions of the Austrian Banking Act (Bankwesengesetz – BWG) and the provisions of the Austrian Commercial Code (Unternehmensgesetzbuch – UGB) applicable to financial institutions.

3. ACCOUNTING AND MEASUREMENT METHODS

3.1. General remarks

The annual financial statements were prepared in compliance with generally accepted accounting principles and the general standard requiring the presentation of a true and fair view of the assets, the financial position and the income of the company.

The principle of completeness was complied with in the preparation of the financial statements. The assets and liabilities were measured on an item-by-item basis on the assumption of a going concern. The principle of prudence, considering the specificities of the banking business, was observed insofar as only profits realised on the reporting date were recognised and all identifiable risks and impending losses were taken into account.

Income and expenses are accrued/deferred pro rata temporis and are recognised in the period to which they are attributable in economic terms. Interest is recognised as it accrues in net interest income, considering all contractual arrangements made in connection with the financial assets or liabilities. Dividend income is only booked when a corresponding legal claim to payment arises.

Fees and commissions for services provided over a certain period of time are recognised over the period of service provision. Fees related to the completion of a specific service are booked as income at the time of completion of the service. Contingent commissions are recognised when the required performance criteria are met.

All purchases and sales of financial instruments are recognised on the trade date.

3.2. Currency translation

The reporting and functional currency is the euro. Assets and liabilities denominated in foreign currencies are translated at the rates notified by the European Central Bank (ECB) on the reporting date pursuant to § 58 (1) of the Austrian Banking Act. Forward transactions not yet settled are translated at the forward rate on the reporting date.

3.3. Receivables

Receivables purchased from third parties are recognised at amortised cost. All other loans and advances to banks and loans and advances to customers are recognised at their nominal value. For receivables with an intention of syndication, the carrying amount is reduced by expected syndication expenses.

Risk provisions

Statistically expected credit losses are taken into account based on a risk provisioning model with statistically calculated empirical values (by analogy with IFRS 9). The valuation allowance is calculated either as the expected 12-month credit loss (stage 1) or the expected credit loss over the residual term until maturity, depending on whether the risk of default has increased significantly since the initial recognition of the financial asset (stage 2). The expected loss for stages 1 and 2 is determined as the product of the probability of default (PD) over 12 months (stage 1) or the residual term until maturity (stage 2), the loss given default (LGD) and the exposure at the time of default (EAD).

In order to assess whether the risk of default has increased significantly (stage transfer), Kommunalkredit takes quantitative and qualitative factors into account, covering the 16 indicators according IFRS 9.B5.5.17 a-p. These include, in particular:

- Absolute level of credit risk ("low credit risk" criterion), according to which financial assets with investment-grade ratings are generally subject to the expected 12-month credit loss (stage 1). As part of the regular rating and review process, all financial assets in the investment-grade category undergo a qualitative review for significant increases in credit risk.
- Relative change in credit risk on the basis of the probability of default (rating);
- Changes of internal price indicators with terms and conditions remaining the same;
- Possible significant changes in contractual terms if the financial instrument had been newly issued;
- Changes in external market indicators of a financial instrument with an equivalent structure;
- Where arrears of more than 30 days have developed, an individual analysis is performed to establish if this leads to a significant increase in credit risk.

If the (quantitative or qualitative) circumstances that necessitated a downgrade in the exposure cease to apply, the exposure is transferred back after a corresponding recovery period.

The risk provisions for stage 1 and stage 2 are calculated on a probability-weighted basis and take into account the expected disbursements and repayments during the period under review, as well as the maximum contractual term during which Kommunalkredit is exposed to a risk of default. Input parameters for the calculation of the expected credit losses such as the exposure at default (EAD), probability of default (PD) and the loss-given-default ratio (LGD) are determined from a combination of internal and external data. The (statistically) expected credit loss calculated for the future is discounted on the reporting date and aggregated; the discount rate is equal to the interest rate effective. The inclusion of forward-looking information in input parameters is based on a macro-economic model that incorporates factors such as GDP growth, unemployment rates, and changes to the two share indices S&P 500 and STOXX Europe 50. The derivation of macro-economic scenarios as a basis for the probability-weighted calculation of expected credit losses takes into account the specifics of Kommunalkredit's portfolios and is validated at regular intervals.

Impairments requirements (stage 3) are evaluated within Kommunalkredit for individual transactions for borrowers that are in default according to the regulatory criteria, with financial assets and their associated credit commitments being individually taken into account for each transaction. Cash flow estimates are used at the level of the individual transaction to determine the need for individual value adjustments.

To define default events, Kommunalkredit applies the definition of a default as laid down by Art. 178 CRR. This includes receivables that are more than 90 days past due (overdue receivables) and the criterion "unlikeliness to pay". A receivable is deemed to be 90 days past due if the overdue receivable exceeds the outstanding loans and advances by more than 1.0%, and is at least EUR 500.00. As part of the "unlikeliness to pay" review, receivables pursuant to Art. 178 CRR are also subject to a qualitative review to determine whether it is unlikely that the debtor can meet its obligations in full. The assessment criteria are specified in more detail by the EBA and ECB. However, a distinction should be made between such criteria which, if met, must generally lead to a default status being assigned and those which must be seen as an indication of the potential non-recoverability of the entire receivable. These must then be examined, and may not necessarily lead to a default status being assigned.

At Kommunalkredit, there is a multi-stage risk control process in which all exposures/partners are classified into six risk levels:

- **Risk level 1a: Normal care**

Standard risk level for all exposures in normal care that are not subject to a higher risk level.

- **Risk level 1b: Monitoring list**

Exposures in normal care but which are subject to monitoring and on the monitoring list because they exhibit temporary anomalies and are being monitored for various reasons. However, there is no elevated risk (yet) in the sense of a significant deterioration of the probability of default.

- **Risk level 2a: Watchlist/intensive care**

Includes those exposures that are classified as watchlist partners due to material or credit-related anomalies and elevated risk. They are therefore subject to close monitoring and care (intensive care). Depending on severity of the anomalies, these exposures are already classified in IFRS risk level 2 (expected credit loss over the residual maturity of the exposure) but do not indicate any need for individual value adjustments.

- **Risk level 2b: Work out/no default**

Exposures in risk level 2b are already classified as potential distressed loans. Regardless of any payment delays, risk level 2b includes those exposures that must be classified as "risk positions with a significant need for restructuring" but that are not in default. These positions must be reorded in IFRS risk level 2.

- **Risk level 3: Work out/default, resolution**

Restructuring cases in default or for which a specific loan loss provisions has been recognised must be classified in risk level 3a, provided no resolution measures are planned. In case of resolution measures (immediate demand for payment and collection of the receivable by realising collateral through judicial or non-judicial measures), the receivable is reclassified to risk level 3b.

From risk level 1b, close monitoring and monthly reporting are performed in the Credit Committee. Specific loan loss provisions must be booked where it is expected that a receivable – including interest – cannot be collected in full or at all. The need to book a specific loan loss provision is also reviewed if the regulatory default definitions are met (90 days in default and/or unlikeness-to-pay).

Individual valuation allowances and expected credit losses are subject to estimation uncertainties, especially in relation to the amount and the time of the estimated cash flows, the estimated probabilities of default and the loss ratio.

Development in risk provisions
A half-year evaluation and update of the probabilities of default (Probability of Default – "PD"[1]) was carried out in the 2024 financial year too, which serve as the basis for calculating ECL[2] Kommunalkredit uses the PD rating system bought from S&P. Through-the-cycle PDs are purchased from S&P and updated annually. They are transformed into point-in-time PDs every six months using an S&P model (specific PDs for the Specialized Lending, Corporates, and Financial Institutions portfolios, as well as the "All Sectors" PDs for all other exposures).

For the PD model, one of the key drivers of the PDs is changes in macroeconomic input parameters. The through-the-cycle PDs fell slightly recently, while slightly improved economic growth as against 2024 is forecast for the eurozone in 2025. In addition, the equity markets also developed very positively in the past year. Both factors have a positive impact on the point-in-time PDs in the model.

The bank's portfolio is solid due to the contractual and structural risk mitigation factors that are typical for infrastructure and energy financing. Much of the project financing benefits from availability models, fixed feed-in tariffs or long-term contracts and also contains additional risk-mitigating contractual agreements such as extensive disbursement checks, restrictive financial covenants and reserve accounts. Based on sensitivity analyses, the financing structures and the repayment profiles are defined so as to ensure that there are sufficient reserves in place for servicing loans in a due and proper manner.

Nevertheless, there are three cases in which a default occurred in 2024. As of 31 December 2024, an exposure of EUR 129,034,347.86 (2023 EUR 53,389,156.30) was in default (non-performing ratio of 2.8% (2023: 1.5%) , or 2.4% (2023: 1.0%) net after considering ECA cover). Specific loan loss provisions of EUR 13,300,170.40 (2023: EUR 4,323,682.42) have been recognized. As of 31. December 2024 an exposure of EUR 144,118,547.18 (2023: EUR 40,631,626.48) was classified as forbearance. As of 31 December 2024, there were no receivables that had been in delay for more than 30 days, with the exception of the receivables in default as referred to above.

As of 31 December 2024, an exposure of EUR 142,381,954.55 (2023: EUR 46,502,049.17) was recorded in the bank's loan book under risk provision level 2 (lifetime ECL).

Net provisioning for impairment losses recognised an expense of EUR 10,586,048.70 for the period from 1 January to 31 December 2024 (2023: expense of EUR 1,889,730.51). This was a result of new business, rating changes, level transfers, the booking of new specific loan loss provisions and the PD update.

Moreover, for reasons of prudence and in view of the specific risks associated with the banking business, there is a provision pursuant to § 57 (1) of the Austrian Banking Act (reported under loans and advances to customers) amounting to EUR 550,000.00 as of 31 December 2024 (31 December 2023: EUR 1,650,000.00).

Contractual amendments
If a contract is adjusted without such an adjustment being having been provided for beforehand in the contract, this is referred to as a contractual amendment (modification). Each contractual amendment is assessed to determine whether it is a significant contractual amendment or an insignificant contractual amendment from a economic perspective. This involves assessing and comparing qualitative and quantitative aspects of the contract before and after the amendment. If a significant amendment is found after performing the qualitative and/or quantitative assessment, it is considered to be a significant contractual adjustment which substantially changes the economic substance of the asset and results in the derecognition of the old asset and the recognition of the new one. If the fair value of the new asset differs from the previous carrying amount of the old asset, the difference will be realised in the "loan impairment, valuation and sales result".

Losses from non-material contract amendments are recognised in profit or loss under items 13 and 14 – expenses and income from securities and investments/shares in affiliated companies – and amortised in net interest income over the remaining term of the contract.

1 The PDs are determined by applying the provisions of IFRS 9, taking into account forward-looking information.
2 ECL = expected credit loss, risk provision for statistically expected credit defaults.

3.4. Securities

Securities to be held for the company's business operations on a permanent basis are classified as non-current assets. Securities acquired with the intention to trade are assigned to the trading book. Securities that are neither classified as non-current assets nor assigned to the trading portfolio are classified as current assets. Kommunalkredit currently holds no securities in the trading book and in current assets on the assets side.

Securities are recognised at cost, based on the less stringent variant of the lower-of-cost-or-market principle for non-current assets and the stricter variant of the lower-of-cost-or-market principle for current assets. Securities in the trading portfolio are recognised at their market value on the reporting date.

DIFFERENCES PURSUANT TO §56 (2) + § 56 (3) AUSTRIAN BANKING ACT in EUR	31/12/2024	31/12/2023
Difference pursuant to § 56 (2) Austrian Banking Act (Difference between the higher acquisition cost and the amount repayable for the securities)	11,131,735.20	15,660,555.60
Difference pursuant to § 56 (3) Austrian Banking Act (Difference between the lower acquisition cost and the amount repayable for the securities)	2,278,500.06	2,827,289.55

Moreover, securities classified as non-current assets include the following hidden reserves and/or hidden liabilities (without taking the related interest rate swaps into account):

CALCULATION OF HIDDEN RESERVES in EUR	31/12/2024	31/12/2023
Carrying amount	191,930,065.34	478,630,203.66
Fair value	198,922,411.00	486,432,848.81
Hidden reserves	**6,992,345.66**	**7,802,645.15**

CALCULATION OF HIDDEN LIABILITIES in EUR	31/12/2024	31/12/2023
Carrying amount	647,430,536.30	629,712,828.55
Fair value	597,519,062.64	570,094,037.33
Hidden liabilties	**-49,911,473.66**	**-59,618,791.22**

Hidden liabilities mainly result from fixed-income securities, the low fair value being due to the sharp rise in interest rate. Hidden reserves and hidden liabilities are booked against the fair values of interest rate derivatives concluded for hedging purposes.

Securities with hidden liabilities are regularly analysed and measured with a view to credit risk. On the basis of these analyses, a write-down pursuant to § 204 (1) (2) of the Austrian Commercial Code (UGB) was not required, as the impairment is assumed not to be permanent.

Fair value measurement

In general, the methods used to measure the fair value of securities can be classified into three categories:

Level 1: There are quoted prices in an active market for identical financial instruments. Bid quotes for this category are obtained from Bloomberg or Reuters.
Level 2: The input factors for the valuation can be observed in the market. This category includes the following price determination methods:

- Price determination based on comparable securities
- Pricing on the basis of market-derived spreads (benchmark spreads)

Level 3: The input factors cannot be observed in the market. This includes, in particular, prices based mainly on the estimates of experts and/or that contain non-observable data.

Broken down by the above categories, the differences between the fair values and the carrying amounts of securities reported under assets are as follows:

DIFFERENCES OF SECURITIES 31/12/2024 in EUR	Level 1	Level 2	Level 3
Fair value	467,406,494.77	260,996,956.17	68,038,022.70
Book value	488,660,861.94	280,562,230.69	70,137,509.01
Temporary difference	**-21,254,367.17**	**-19,565,274.52**	**-2,099,486.31**

DIFFERENCES OF SECURITIES 31/12/2023 in EUR	Level 1	Level 2	Level 3
Fair value	734,896,892.00	243,028,332.87	78,601,661.27
Book value	764,872,814.32	262,604,627.06	80,865,590.83
Temporary difference	**-29,975,922.32**	**-19,576,294.19**	**-2,263,929.56**

3.5. Investments and shares in affiliated companies

Investments and shares in affiliated companies are valued at acquisition cost unless a write-down to fair value is required. The review is conducted annually based on financial projections or by comparing the carrying amount of the investment with the investment equity.

3.6. Intangible assets

Intangible assets exclusively comprise purchased software. Amortisation is based on an assumed useful life of three or five years.

3.7. Property, plant and equipment

Property, plant and equipment comprise buildings on third-party land, office furniture and equipment, and works of art. Property, plant and equipment are measured at cost following deductions for scheduled depreciation accrued in prior years and in the reporting year. The period of depreciation is three to eight years for technical equipment and either five to fifteen years for other movable assets. Investments in third-party buildings are depreciated over 15 or 20 years. Works of art are not subject to scheduled depreciation. The discretionary right in § 204 (1a) of the Austrian Commercial Code (UGB) is used for assets with single-item acquisition costs of up to EUR 1,000.00. These low-value assets are reported in the Schedule of Non-current Asset Transactions as additions and are depreciated in full in the year of acquisition. Their disposal occurs after three years. The discretionary right to immediate depreciation in § 204 (1a) of the Austrian Commercial Code (UGB) for the procurement of similar assets with single-item acquisition costs of up to EUR 1,000.00 (2023: EUR 1000.00), but totalling over EUR 50,000.00, is not be used; such assets are capitalised in property, plant and equipment and depreciated over three years.

3.8. Deferred tax assets

Deferred tax from temporary differences between the corporate and fiscal law carrying amounts is capitalised. Pursuant to § 235 (2) of the Austrian Commercial Code (UGB), the capitalised amount of EUR 1,362,474.09 is subject to a dividend ban.

3.9. Liabilities

Liabilities are recognised at the amount repayable. Differences between the issuing amount and the repayable amount (discount/premium) are recognised as prepaid expenses/deferred income and are distributed on a linear basis as an interest component within net interest income over the term of the liability.

3.10. Securitised liabilities

Securitised liabilities are recognised at the amount repayable. Costs incurred through an issuance that are directly related to funding are recognised as fee and commission expenses. The remaining difference between the proceeds from the issuance and the amount repayable (premium/discount) is recognised as prepaid expenses/deferred income and distributed as an interest component on a linear basis within net interest income over the term of the liability.

3.11. Provisions

Provisions for pensions and severance pay entitlements are calculated annually by an independent actuary according to the projected-unit-credit method pursuant to § 211 (1) of the Austrian Commercial Code (UGB) in accordance with IAS 19. The "AVÖ 2018-P calculation bases for pension insurance – Pagler & Pagler", in their version for salaried employees, are used as a biometric basis. The actuarial discount rate was determined on the basis of the yields of prime fixed-income corporate bonds, with due consideration given to the terms of the obligations to be met. The most important parameters underlying the calculation are:

- an actuarial discount rate of 3.25% (2023: 3.25%) for pensions and 3.00% (2023: 3.00%) for entitlements to severance pay;
- a rate of increase in the relevant basis for calculation during the vesting period of 4.50% in the first year and in subsequent years of 3.30% and 3.25% (2023: 3.40%; 3.35%; 3.30%; 3.25%) for severance pay entitlements; a rate of increase in the relevant basis for calculation during the vesting period of 2.00% (2023: 2.00%) for pensions;
- assumed pensionable ages of 65 for women and men, taking into account the transitional provisions of the 2003 Austrian Budget Framework Act (Budgetbegleitgesetz) and the provisions on age limits for women of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG Altersgrenzen);

- a personnel turnover discount for severance pay entitlements calculated on the basis of statistically derived rates of early termination of employment with or without severance pay, depending on the length of service.

All pension obligations to active employees have been transferred to a pension fund. The provisions reported therefore only contain entitlements from defined-benefit pension obligations not covered by the pension fund for nine employees, resulting from direct commitments within the framework of the collective bargaining agreement (1961 pension reform, as amended on 1 January 1997) made prior to the transfer to the pension fund, or from individual contracts. The pension plan is a defined-benefit plan under which benefits for active staff, relative to the risk of death and invalidity, depend on the salary earned. Benefits for employees reaching retirement age are already fixed and therefore only subject to adjustment in line with the annual increase agreed upon through collective bargaining. As the defined-benefit components are fully funded, subsequent adjustments will only be required in the event of underperformance or "premature" payment of benefits. The full actuarial obligation for pensions amounts to EUR 998,762.22 (31/12/2023: EUR 1,332,152.77), of which entitlements in the amount of EUR 614,521.19 (31/12/2023: EUR 544,975.34) have been outsourced to the pension fund. The resulting provision requirement amounts to EUR 384,241.03 (31/12/2023: EUR 787,177.43). Provisions for severance pay entitlements amount to EUR 784,231.12 (31/12/2023: EUR 744,193.40).

All actuarial gains and losses are recognised directly in profit or loss. Changes in provisions for severance pay entitlements in 2024 include actuarial gains of EUR 35,266.71 (2023: losses of EUR 12,797.10). The change in pension provisions includes actuarial gains of EUR 306,388.00 (2023: losses of EUR 401,452.67). The change in plan assets includes valuation-related gains of EUR 43,737.58 (2023: valuation-related gains of EUR 60,298.73).

Other provisions were set up in the amount of their expected use in accordance with the principle of prudence, based on all identifiable risks and on liabilities that are not yet quantifiable. Provisions set up for periods of more than one year are discounted.

3.12. Fund for general banking risks pursuant to § 57 (3) Austrian Banking Act

As of 31 December 2024, the fund for general banking risks amounted to EUR 40,000,000.00, unchanged from the previous year. Changes in the provisions set up pursuant to § 57 (3) of the Austrian Banking Act are recognised in the extraordinary result, as required under the Austrian Banking Act. According to AFRAC Opinion 30 on "Deferred Taxes in the Annual and Consolidated Financial Statements", the establishment of the fund for general banking risks constitutes a profit appropriation and does not result in the recognition of deferred taxes.

3.13. Derivatives

Swap transactions in the banking book at Kommunalkredit are generally concluded to hedge against interest rate and/or currency risks. Hedging is carried out either at the individual transaction level (accounting as unit of account) or through management at the overall bank level (accounting as a macro hedge). For derivatives that are neither classified as a unit of account nor as a macro hedge, the principle of individual valuation applies. If the fair value is negative at the reporting date, a provision for impending losses is recognised and reported under other provisions.

Units of account

For hedge accounting (units of account), AFRAC (Austrian Financial Reporting and Auditing Committee) Opinion 15 on "Derivatives and Hedging Instruments (Austrian Commercial Code) (version dated December 2023)" contains provisions aimed at avoiding economically unjustified effects on the income statement (P&L) due to the different measurement of hedged underlying transactions and hedging instruments. Underlying transactions are individually recognised assets and liabilities at fixed interest rates as well as pending transactions already concluded at the time of classification. The rules on units of account serve to allow the changes in the value of hedging instruments and the hedged transactions to be recognised mostly as mutually offsetting. To apply the regulations for units of account, proof of an effective hedging relationship between the underlying transaction and the hedging transaction must be provided. A hedging relationship is considered effective if the results from the hedging instrument and the compensatory results from the hedged underlying transaction – relative to the hedged risk – offset each other within a range of 80% to 125%. Kommunalkredit verifies compliance with these requirements through prospective (matching of the components determining the market value) and retrospective effectiveness tests. Prospective effectiveness testing involves a comparison or review of all parameters of the hedged item and the hedge itself affecting the scope of the hedged value change to determine whether the hedge will be fully or largely effective. If all parameters of the underlying transaction and the hedging transaction determining the amount of the hedged value change are identical but compensatory ("critical terms match"), this is taken as an indicator of a effective hedging relationship (simplified determination of effectiveness). If the hedged fair value of the structure (underlying and hedging transaction) fluctuates within a range of 80% to 125%, this serves as an indicator that the hedge is largely effective. However, this is allowed only if there is no doubt as to the creditworthiness of the hedge provider and the recoverability of the underlying transaction, apart from the hedged risk. A retrospective effectiveness test verifies whether the hedged fair value of the structure (underlying and hedging transactions) have actually fluctuated between two specified dates and whether the hedge has been fully or largely effective. The ineffective part of a derivative with a negative fair value will be recorded as an impending loss provision; at Kommunalkredit it essentially relates to differences from the application of different interest rates when discounting an underlying and hedging transaction. Hedging transactions at Kommunalkredit are concluded for the term of the underlying transaction.

Macro hedges
Interest rate derivatives serving to manage the interest rate risk of the banking book and/or a clearly defined sub-portfolio (macro hedge) are accounted for according to the “FMA circular letter on accounting issues relating to interest rate derivatives and valuation adjustments of derivatives pursuant to § 57 of the Austrian Banking Act” (version dated December 2012). As an exception to the principle of individual measurement, compensatory interest-induced earning effects or value increases from the hedged underlying transactions are taken into account in the assessment of provisioning requirements. If negative swap market values are not fully offset by the compensatory interest-induced earning effects of the underlying transactions, a provision for impending losses is set up for the remaining negative value. As a basis for decisions on risk management and risk limitation concerning the interest rate risk in the banking book, the fixed-interest gap and its sensitivity to interest rate changes affecting the market value of the banking book position are identified. The risk of fixed-interest gaps is highlighted through gap analyses and sensitivity analyses with annual maturity bands. Based on the information obtained, the risk of interest rate changes is assessed, managed and mitigated for assets and liabilities in keeping with the risk appetite and the risk-bearing capacity of the bank as a whole, or a management instrument is designated. When a new interest rate derivative contract is concluded, the quantitative suitability of the derivative as an instrument to hedge and limit the risk of interest rate changes for the bank as a whole is verified through a prospective test of the hedging effect using scenario analyses. The net present value risk of the total position as well as for each currency is quantified for a parallel shift and for two turn-around scenarios (steeper – flatter).

Owing to its exceptional character, application of this measurement method is conditional on compliance with formal and substantive requirements, such as:

- a need for hedging in view of fixed-interest gaps
- the existence of a hedging strategy and proof of compliance with this strategy
- the qualitative suitability of the derivative as a hedging instrument

The above prerequisites are met and documented by Kommunalkredit.

If fixed-interest gaps are closed through derivatives at macro level, prospective scenario analyses (net present value changes in the event of changes in interest level) are performed to determine the hedging effect and the effectiveness of the derivative and therefore its suitability for allocation to the macro position. On account of the net present value approach, the hedging period extends over the entire term of the underlying transaction. The interest claims related to the swap contracts and payments made to compensate for contracts not in accordance with prevailing market terms are accrued at matching maturities.

Net interest income from derivatives in hedges is shown as the net value under the item in which the net interest income for the corresponding underlying transactions is reported (deal balance). Net interest income from other derivatives is reported in gross terms under swap income/swap expenses.

Derivatives are measured by means of an internal valuation model based on the discounted cash flow method, taking current yield and basis spread curves into account. Embedded options are measured by means of commonly used option pricing models. For the measurement of interest-sensitive products with variable indicators, yield curves with different spread premiums are used, depending on the indicator (e.g. 3-month Libor, 12-month Libor). These relate to the respective indicator and are used to derive forward rates for cash flow calculation. For derivatives involving multiple currencies (e.g. cross-currency swaps), a cross-currency basis is applied in accordance with market standards in addition to adjusting forwards via basis swap spreads. Cash flows from derivatives (settled over-the-counter (OTC) or via a central counterparty) are discounted using OIS curves (overnight index swaps at the overnight rate in line with the collateral rate, in EUR depending on the current collateral agreement – EONIA or ESTR). To determine the fair value of derivatives, counterparty default and own credit risks (credit value adjustment [CVA] and debt value adjustment [DVA]) are also taken into account. To this end, the net present value is adjusted by the BCVA (bilateral CVA adjustment). Kommunalkredit determines the BCVA for all derivatives without daily margin calls at counterparty level. A provision for impending losses is set up for negative BCVAs, whereas positive BCVAs are not taken into account. The BCVA is considered to be immaterial for collateralised derivatives with daily margin calls. The BCVA is calculated using the potential exposure method.

Swap transactions in the trading book, if any, are measured at their fair values, determined according to the principles outlined above, and recognised under other receivables and other liabilities. At present, Kommunalkredit has no swap transactions in the trading book.

3.14. Residual maturities
Residual maturity is defined as the period of time between the reporting date and the contractual maturity of the receivable or liability; in the case of partial amounts, residual maturity is shown for each partial amount. Collateral for market values from derivatives is shown under “repayable on demand” (daily payment dates); interest accruals/deferrals are shown under “up to 3 months”.

3.15. Fiduciary transactions
Loans held in trust, where Kommunalkredit has no rights or obligations in relation to the underlying lending transactions, are reported under liabilities from fiduciary transactions in the statement of financial position.

4. NOTES TO THE STATEMENT OF FINANCIAL POSITION

4.1. Securities of public bodies eligible as collateral for funding from the central bank

DEBT SECURITIES FROM PUBLIC ISSUERS in EUR	31/12/2024	31/12/2023
Securities in non-current assets	268,987,193.68	531,433,658.08
Expected credit loss (ECL)	-22,800.48	-37,054.61
Total	**268,964,393.20**	**531,396,603.47**

This item includes securities of public bodies that are eligible for refinancing with the European Central Bank (ECB).
Debt securities with carrying amounts (incl. interest deferral and accounting for ECL) of EUR 10,045,293.39 are due in 2025 (2024: EUR 299,546,706.95).

4.2. Loans and advances to credit institutions

Loans and advances to credit institutions include the following:

LOANS AND ADVANCES TO CREDIT INSTITUTIONS in EUR	31/12/2024	31/12/2023
Collateral for negative market values from derivative transactions	29,699,413.18	31,449,421.48
Non-listed securities	0.00	28,814,853.53
Credit balances with banks	18,094,416.73	28,474,364.39
Collateral for loan disbursement obligations	75,862,871.81	1,141,026.39
Expected credit loss (ECL)	-5,725.54	-71,085.86
Other	342,902.19	2,428,253.46
Total	**123,993,878.37**	**92,236,833.39**

As in the previous year, loans and advances to credit institutions do not include any bills receivable or subordinated claims held against credit institutions. Broken down by (residual) maturity, loans and advances to credit institutions are as follows:

LOANS AND ADVANCES TO CREDIT INSTITUTIONS BY RESIDUAL MATURITY in EUR	31/12/2024	31/12/2023
Loans and advances repayable on demand	50,257,114.84	63,489,339.06
Other loans and advances		
a) up to 3 months	737,924.93	1,025,370.44
b) more than 3 months up to 1 year	0.00	0.00
c) more than 1 year up to 5 years	31,937,500.00	27,793,209.75
d) more than 5 years	41,067,064.14	0.00
Total other loans and advances	73,742,489.07	28,818,580.19
	123,999,603.91	92,307,919.25
Expected credit loss (ECL)	-5,725.54	-71,085.86
Total	**123,993,878.37**	**92,236,833.39**

4.3. Loans and advances to customers

Loans and advances to customers include the following:

LOANS AND ADVANCES TO CUSTOMERS in EUR	31/12/2024	31/12/2023
Loans	4,443,215,051.24	3,578,832,742.34
Non-listed securities	181,909,498.11	161,349,302.23
Collateral for negative market values from derivative transactions	38,574,502.59	31,946,974.54
Specific allowance for impairment losst	-13,300,170.40	-4,323,682.41
Provision pursuant to § 57 (1) Austrian Banking Act	-550,000.00	-1,650,000.00
Expected credit loss (ECL)	-10,040,378.03	-7,250,445.37
Total	**4,639,808,503.51**	**3,758,904,891.33**
of which loans and advances to affiliated companies	*0.00*	*0.00*
of which loans and advances to companies in which an equity investment is held	*0.00*	*0.00*

On the reporting date, all securities with a nominal value of EUR 180,096,509.01 were classified as non-current assets (31/12/2023: EUR 159,487,090.83). Details on the calculation of the ECL are contained in Note 3.3.

Loans and advances to customers include subordinated claims with a carrying amount (including accrued interest and ECL) of EUR 221,706,007.85 (31/12/2023: EUR 165,996,022.66). Broken down by maturity (residual maturity), loans and advances to customers are as follows:

LOANS AND ADVANCES TO COSTUMERS BY RESIDUAL MATURITY in EUR	31/12/2024	31/12/2023
Loans and advances repayable on demand	88,305,943.34	49,116,535.45
Other loans and advances		
a) up to 3 months	95,137,978.74	148,781,543.38
b) more than 3 months up to 1 year	453,016,643.39	346,022,082.30
c) more than 1 year up to 5 years	2,527,854,128.26	1,987,717,615.24
d) more than 5 years	1,499,384,358.21	1,240,491,242.74
Total other loans and advances	4,575,393,108.60	3,723,012,483.66
Provision pursuant to § 57 (1) Austrian Banking Act, expected credit loss (ECL) and specific allowance for impairment loss	-23,890,548.43	-13,224,127.78
Total	**4,639,808,503.51**	**3,758,904,891.33**

4.4. Bonds and other fixed-income securities

BONDS in EUR	31/12/2024	31/12/2023
Securities of public issuers	82,187,609.15	78,379,184.94
Expected credit loss (ECL)	-2,273.11	-4,594.14
Total public issuers	82,185,336.04	78,374,590.80
Securities of other issuers	314,258,791.59	316,121,565.48
Expected credit loss (ECL)	-9,683.39	-26,464.32
Total other issuers	314,249,108.20	316,095,101.16
Total	**396,434,444.24**	**394,469,691.96**

All instruments reported under bonds and other fixed-income securities are exchange-listed. In 2025, bonds from public issuers with book values (including accrued interest and ECL) amounting to EUR 0.00 (2024: EUR 2,251,612.41) and from other issuers with book values (including accrued interest and ECL) amounting to EUR 49,668,108.90 (2024: EUR 40,442,470.40) will mature.

As in the previous year, all securities reported under this item were classified as non-current assets at the reporting date and none of the bonds or other fixed-income securities held in the portfolio are subordinated instruments.

4.5. Investments and shares in affiliated companies

As of 31 December 2024, the carrying amount of investments amounted to EUR 35,446,274.52 (31/12/2023: EUR 34,471,508.64). As of 31 December 2024, investments in affiliated companies amounted to EUR 57,474,044.81 (31/12/2023: EUR 50,444,044.81). The composition of investments and shares in affiliated companies (all of them non-listed), including their financial position, is shown in Annex 1.

4.6. Non-current intangible assets and property, plant and equipment

Changes in intangible assets and property, plant and equipment are shown in the Schedule of Non-current Asset Transactions (Annex 2).

4.7. Other assets

OTHER ASSETS in EUR	31/12/2024	31/12/2023
Interest accruals/deferrals from derivatives in the banking book	62,022,948.82	31,929,593.74
Foreign currency valuation of derivatives in the banking book	140,944.27	11,693,196.08
Receivables from deferred interest	871,025.17	1,119,542.51
Claims against the tax authorities	571,324.31	565,520.75
Other	8,120,727.93	7,156,905.55
Total	**71,726,970.50**	**52,464,758.63**
of which recognised as cash items after the closing date	*71,586,026.23*	*40,771,562.55*

The foreign currency valuation of derivatives in the banking book is based on exchange-rate fluctuations between the closing date of currency swaps and the reporting date. This valuation is booked against foreign currency valuations of assets and liabilities as well as positive/negative foreign currency valuations of derivatives shown under other assets/liabilities.

Kommunalkredit's open foreign currency position is continuously monitored and strictly limited; therefore, there are no material currency risks. The "Other" item mainly includes receivables from group companies and receivables from services rendered.

The residual maturity of other assets is presented as follows:

OTHER ASSETS ACCORDING TO RESIDUAL MATURITY in EUR	31/12/2024	31/12/2023
Loans and advances repayable on demand	0.00	0.00
Other loans and advances		
a) up to 3 months	68,702,869.31	51,108,979.10
b) more than 3 months up to 1 year	1,789,122.91	0.00
c) more than 1 year up to 5 years	313,953.11	210,249.02
d) more than 5 years	921,025.17	1,145,530.51
Total other loans and advances	71,726,970.50	52,464,758.63
Total	**71,726,970.50**	**52,464,758.63**

4.8. Prepaid expenses

Prepaid expenses include the following:

PREPAID EXPENSES in EUR	31/12/2024	31/12/2023
Deferred fees from derivative transactions	13,267,402.86	9,096,721.36
Capitalised offering discounts of bond issues	9,214,664.99	7,273,069.70
Other	787,244.46	1,011,999.86
Total	**23,269,312.31**	**17,381,790.92**

4.9. Deferred tax assets

Assets of EUR 1,362,474.09 resulted from the capitalisation of deferred taxes from timing differences between corporate law and fiscal law carrying amounts as of 31 December 2024 (31/12/2023: EUR 10,846,892.19). Temporary differences between corporate law and fiscal law at Kommunalkredit mainly arise from the fund for general banking risks pursuant to § 57 (3) BWG, general risk provisions pursuant to § 57 (1) BWG, personnel provisions and the allocation of financing costs over the term of the issuance. General valuation allowances (ECL) calculated in accordance with the provisions of the Austrian Commercial Code (UGB) on receivables can also be deducted for tax purposes for financial years that begin after 31 December 2020.

The ECL status as of 31 December 2020 (EUR 6,368,242.45) must be made up to five years from a tax perspective. As of 31 December 2024, the remaining temporary difference amounts to EUR 1,273,648.49. The year-on-year decline is due to the reversal of deferred taxes of EUR 9,200,000.00 for the fund for general banking risks. According to AFRAC Opinion 30 "Deferred Taxes in the Annual and Consolidated Financial Statements", the establishment of the fund for general banking risks constitutes a profit appropriation and does not result in the recognition of deferred taxes.

4.10. Amounts owed to credit institutions

Amounts owed to credit institutions include the following:

AMOUNTS OWED TO CREDIT INSTITUTIONS in EUR	31/12/2024	31/12/2023
Other loans	96,905,592.08	76,101,662.50
Cash collateral received for positive market values of derivatives	16,178,762.27	29,985,836.69
Money market trade	10,424,251.70	10,289,189.67
Collateralised loans received of the European Investment Bank	3,482,907.81	3,920,078.24
Other (pending monetary transactions)	707,466.67	1,701,175.37
Total	**127,698,980.53**	**121,997,942.47**

Broken down by maturity (residual maturity), amounts owed to credit institutions are as follows:

AMOUNTS OWED TO CREDIT INSTITUTIONS BY RESIDUAL MATURITY in EUR	31/12/2024	31/12/2023
Liabilities repayable on demand	16,927,466.67	31,711,175.37
Other liabilities		
a) up to 3 months	10,910,239.04	11,108,697.28
b) more than 3 months up to 1 year	434,783.00	434,783.00
c) more than 1 year up to 5 years	98,122,145.97	77,004,158.36
d) more than 5 years	1,304,345.85	1,739,128.46
Other liabilities	110,771,513.86	90,286,767.10
Total	**127,698,980.53**	**121,997,942.47**

4.11. Amounts owed to customers

Amounts owed to customers include the following:

AMOUNTS OWED TO CUSTOMERS in EUR	31/12/2024	31/12/2023
Deposits by retail customers - KOMMUNALKREDIT INVEST	2,012,392,669.68	2,150,208,989.12
Deposits by corporates, municipalities and municipal-related enterprises - KOMMUNALKREDIT DIREKT	954,604,166.02	1,048,705,820.98
Cash collateral received for positive market values of derivatives	59,280,571.48	25,176,619.05
Other long-term liabilities to customers	103,815,024.00	103,812,598.69
Total	**3,130,092,431.18**	**3,327,904,027.84**
of which liabilities to affiliated companies	*5,287,309.18*	*3,525,433.34*
of which liabilities to companies in which an equity investment is held	*613,000.00*	*0.00*

Broken down by maturity (residual maturity), amounts owed to customers are as follows:

AMOUNTS OWED TO CUSTOMERS BY RESIDUAL MATURITY in EUR	31/12/2024	31/12/2023
Liabilities repayable on demand	159,787,521.15	253,504,085.49
Other liabilities		
a) up to 3 months	579,791,088.10	598,616,022.42
b) more than 3 months up to 1 year	951,260,425.53	1,149,753,405.03
c) more than 1 year up to 5 years	1,194,018,063.77	1,040,877,125.35
d) more than 5 years	245,235,332.63	285,153,389.55
Other liabilities	2,970,304,910.03	3,074,399,942.35
Total	**3,130,092,431.18**	**3,327,904,027.84**

4.12. Securitised liabilities

Securitised liabilities are broken down as follows:

SECURITISED LIABILITIES in EUR	31/12/2024	31/12/2023
Bonds issued	2,176,372,571.58	1,439,294,246.78
Other securitised liabilities	165,744,809.72	171,684,554.92
Total	**2,342,117,381.30**	**1,610,978,801.70**

The bonds issued are exchange-listed; the securities reported under other securitised liabilities are non-listed.

The increase in securitised liabilities reflects the intensified issuance activities in the capital market in 2024. It is particularly evident in the total of EUR 518,000,000.00 in senior preferred bonds, issued in public format as well as private placements, and a public EUR 500,000,000.00 public sector covered bond transaction.

Bonds issued with carrying amounts (incl. interest accruals/deferrals) of EUR 120,347,875.03 (2024: EUR 300,473,360.66) and other securitised liabilities in the amount of EUR 0.00 (2024: EUR 5,000,000.00) will fall due in 2025. As in the previous year, securitised liabilities do not include any subordinated liabilities.

4.13. Other liabilities

OTHER LIABILITIES in EUR	31/12/2024	31/12/2023
Interest accruals/deferrals from derivatives	45,586,191.94	30,595,268.86
Foreign currency valuation of derivatives in the banking book	4,365,599.32	3,321,575.09
Accruals/deferrals between the spot rate and forward rate of FX swaps	2,321,530.08	2,409,881.90
Other	3,202,271.71	3,128,945.35
Total	**55,475,593.05**	**39,455,671.20**
of which recognised as cash items after the closing date	*48,788,463.65*	*33,724,214.21*

The foreign currency valuation of derivatives in the banking book is based on exchange-rate fluctuations between the closing date of currency swaps and the reporting date. This valuation is booked against foreign currency valuations of assets and liabilities as well as positive/negative foreign currency valuations of derivatives shown under other assets/liabilities. Kommunalkredit's open foreign currency position is continuously monitored and strictly limited; therefore, there are no material currency risks.

Other liabilities have residual maturities of up to three months, as in the previous year.

4.14. Deferred income

DEFERRED INCOME in EUR	31/12/2024	31/12/2023
Deferred fees from derivative transactions	22,911,944.58	27,779,499.44
Issuing premiums of issued bonds	4,813,748.30	508,234.11
Loan fees deferred over the term	738,381.48	956,849.92
Total	**28,464,074.36**	**29,244,583.47**

4.15. Provisions

Details on personnel provisions are listed under Note 3.11 Provisions.

OTHER PROVISIONS in EUR	31/12/2024	31/12/2023
Provisions for personnel-related expenses	25,532,791.27	25,097,549.96
Provisions for outstanding incoming invoices	8,168,840.79	6,154,214.30
Provisions for interim bank exemption	1,200,000.00	0.00
Provisions relating to derivatives	366,937.31	606,556.27
Provisions expected credit loss (ECL)	794,742.84	952,582.22
Other provisions	228,335.33	288,050.05
Total	**36,291,647.54**	**33,098,952.80**

4.16. Fund for general banking risks pursuant to § 57 (3) Austrian Banking Act.

For prudential reasons and to cover special banking risks, Kommunalkredit appropriated provisions to the fund for general banking risks; it amounts to an unchanged EUR 40,000,000.00 as of 31 December 2024.

4.17. Additional tier 2 capital under Part 2 Title I Chapter 4 of Regulation (EU) No. 575/2013

As of 31 December 2024, tier 2 capital includes five (31/12/2023: five) EUR-denominated issuances with a total nominal amount of EUR 40,000,000.00 (31/12/2023: EUR 40,000,000.00).

The tier 2 capital items meet the conditions of Part 2, Title I, Chapter 4 of Regulation (EU) No. 575/2013:

ISIN	Interest rate as of 31/12/2024	Maturity	Currency	Nominal in EUR	Right to call	Conversion to capital
Subordinated liabilities pursuant to § 23 (8) of the Austrian banking Act, old version						
Subordinated bonded loan 2007–2037	5.08	9/2/2037	EUR	10,000,000.00	Issuer	No
Subordinated bonded loan 2007–2037	5.08	9/2/2037	EUR	800,000.00	Issuer	No
Subordinated bonded loan 2007–2037	5.08	9/2/2037	EUR	10,200,000.00	Issuer	No
Subordinated bonded loan 2007–2047	5.0175	7/3/2047	EUR	10,000,000.00	Issuer	No
Subordinated bonded loan 2007–2047	5.0175	7/3/2047	EUR	9,000,000.00	Issuer	No

The expenses for subordinated additional tier 2 capital under Part 2 Title I Chapter 4 of Regulation (EU) No. 575/2013 amounted to EUR 2,022,578.14 in the 2024 reporting year (2023: EUR 2,017,991.28).

4.18. Additional tier 1 capital under Part 2 Title I Chapter 3 of Regulation (EU) No. 575/2013

As of 31 December 2024, additional tier 1 capital comprised two (31/12/2023: two) EUR-denominated issues in a total nominal amount of EUR 62,800,000.00 (31/12/2023: EUR 62,800,000.00).

They have an indefinite term and may be terminated by the issuer for the first time after five years. Expenses for (subordinated) additional tier 1 capital in 2024 amounted to EUR 4,107,365.75 (2023: EUR 4,101,634.25).

ISIN	Interest rate as of 31/12/2024 in %	Maturity	Currency	Nominal in EUR	Right to call
Additional tier 1 capital under Part 2 Title I Chapter 3 of Regulation (EU) No. 575/2013					
Fixed to Reset Rate AT1 Notes	6.875	Perpetual NC 2026	EUR	6,000,000.00	Issuer
Fixed to Reset Rate AT1 Notes	6.5	Perpetual NC 2026	EUR	56,800,000.00	Issuer

4.19. Subscribed capital

The share capital as of 31 December 2024 was unchanged at EUR 177,017,120.82 (31/12/2023: EUR 177,017,120.82).

Satere Beteiligungsverwaltungs GmbH holds 34,343,928 no-par-value shares, i.e. 99.80% of the shares; 70,367 no-par-value shares, i.e. 0.20% of the shares, are held by the Association of Austrian Municipalities. Green Opera Finance BidCo AB, with registered office in Sweden, is the majority owner of Satere Beteiligungsverwaltungs GmbH since 15 July 2024.

Each no-par-value share represents an equal part of the share capital. There are no shares that have been issued but not fully paid up. Each no-par-value share represents a share of EUR 5.14 in the share capital. By way of a resolution passed by the Annual Shareholders' Meeting held on 22 February 2023, the Executive Board was authorised to increase the share capital of the company through the issue of new no-par-value registered shares by a maximum amount of EUR 88,508,560.41 (authorised capital), subject to approval by the Supervisory Board, within a period of five years following registration of the amendment to the Articles of Association. No shares were issued in the 2024 financial year. This means that authorised capital of EUR 88,508,560.41 is still freely available.

4.20. Capital reserves

a) Restricted Capital reserves

The capital reserves as of 31 December 2024 was unchanged at EUR 12,479,260.88.

b) Non-restricted Capital reserves

In the financial year, a capital injection in the amount of EUR 100,000,000 was carried out by the new indirect majority owner of Kommunalkredit.

4.21. Retained earnings

a) Statutory reserves

The statutory reserves as of 31 December 2024 amounted to EUR 10,434,104.73 (31/12/2023: EUR 10,434,104.73).

b) Other reserves

The status of this reserve remains unchanged at EUR 120,018,635.00 (31/12/2023: EUR 120,018,635.00).

4.22. Liability reserve pursuant to § 57 (5) Austrian Banking Act

As of the balance sheet date, the liability reserve stood at EUR 36,218,579.37 (31/12/2023: EUR 28,017,949.75), thus meeting the legal requirements.

4.23. Retained profit/profit appropriation

Profit for the year at Kommunalkredit for 2024 amounted to EUR 84,476,769.79. Following the reserve allocation of EUR 8,200,629.62, this results in retained profit of EUR 220,035,916.07. The Executive Board will propose to the Annual Shareholders' Meeting on 27 February 2025 that the retained profit be carried forward to a new account.

5. OFF-BALANCE-SHEET ITEMS

5.1. Contingent liabilities

The contingent liabilities reported in the statement of financial position of EUR 4,346,148.00 (31/12/2023: EUR 6,783,675.00) relate to a letter of comfort of EUR 4,346,148.00 (31/12/2023: EUR 6,783,675.00), with which Kommunalkredit is obligated to provide an affiliated company with financial resources to enable it to meet its obligations to the liability taker. As of 31 December 2024, there is no liability (31/12/2023: EUR 0.00) to companies in which an equity investment is held.

5.2. Credit risks

The credit risks amounting to EUR 953,586,685.64 (31/12/2023: EUR 928,842,653.19) relate entirely, as in the previous year, to unused credit lines and commitments from ongoing lending business. As of the reporting date, unused credit lines of EUR 0.00 were granted to companies in which an equity investment is held (31/12/2023: EUR 0.00).

5.3. Fiduciary transactions

Kommunalkredit has concluded framework contracts for the fiduciary management of loans with Trinity Investments Designated Activity Company (Trinity) and a related party of Trinity. Kommunalkredit has no rights or obligations relating to the underlying loan transactions, which means that the criteria for recognition in the statement of financial position do not apply. As of 31 December 2024, positions amounting to EUR 153,636,842.22 (31/12/2023: EUR 193,259,302.21) are held in trust for Trinity in fiduciary funds; there are no transactions as of the reporting date for the related party of Trinity.

6. SUPPLEMENTARY DISCLOSURES

6.1. Total capital and capital requirements

The total capital and capital requirements calculated in accordance with CRR rules, as reported in the separate financial statements of Kommunalkredit pursuant to the Austrian Commercial Code/Austrian Banking Act, show the following composition and changes:

The total capital shown takes into account the profit for the year in 2024 of EUR 84,476,769.79 (2023: EUR 100,384,494.30).

BASIC FOR CALCULATION in EUR	**31/12/2024**	**31/12/2023**
Total risk exposure amount pursuant to Art. 92 CRR	3,834,027,592.06	2,965,650,700.99
of which credit risk	*3,516,935,785.89*	*2,722,046,382.41*
of which operational risk	*304,726,853.93*	*229,147,570.52*
of which CVA-charge	*12,145,992.63*	*14,131,401.80*
of which default fund of a qualifying counterpart	*218,959.62*	*325,346.27*

TOTAL CAPITAL - ACTUAL in EUR	**31/12/2024**	**31/12/2023**
Common equity tier 1 (CET 1)	715,165,557.47	531,124,175.18
Additional tier 1 (AT1)	63,321,566.30	62,800,000.00
Common equity tier 1	**778,487,123.77**	**593,924,175.18**
Tier 2 capital	42,281,152.77	41,650,000.00
Total capital	**820,768,276.54**	**635,574,175.18**
Common equity tier 1 ratio (CET 1)	18.7%	17.9%
Common equity ratio	20.3%	20.0%
Total capital ratio	21.4%	21.4%

6.2. Total of assets and liabilities denominated in foreign currencies

Assets denominated in foreign currencies in the amount of EUR 520,284,448.02 (31/12/2023: EUR 382,143,911.52) were shown in the statement of financial position. As of 31 December 2024, liabilities denominated in foreign currencies amounted to EUR 280,693,488.01 (31/12/2023: EUR 286,270,456.77).

Open currency positions are closed through corresponding swap contracts. Kommunalkredit's open foreign currency position is continuously monitored and strictly limited; therefore, there are no material currency risks.

6.3. Derivative transactions not yet settled as of the reporting date

To hedge currency and interest rate change risks, the following derivative transactions, transactions have been made in the banking book (fair values including interest accruals/deferrals) and had not yet been settled on the reporting date:

31/12/2024 in EUR	**Nominal**	**Positive fair value**	**Negative fair value**
Interest rate swaps	5,049,200,620.80	188,135,576.20	-148,105,090.09
of which for macro hedges	*1,049,240,512.04*	*32,189,768.91*	*-30,316,448.73*
of which for micro hedges	*3,999,960,108.76*	*155,945,807.29*	*-117,788,641.36*
FX forward transactions	746,423,318.84	55,971.07	-6,525,535.98
Total	**5,795,623,939.64**	**188,191,547.27**	**-154,630,626.07**

31/12/2023 in EUR	**Nominal**	**Positive fair value**	**Negative fair value**
Interest rate swaps	3,612,208,903.24	169,406,032.56	-160,129,092.06
of which for macro hedges	*551,361,905.48*	*21,808,786.93*	*-28,049,355.80*
of which for micro hedges	*3,060,846,997.76*	*147,597,245.63*	*-132,079,736.26*
FX forward transactions	736,250,384.19	11,685,918.69	-5,705,619.94
Total	**4,348,459,287.43**	**181,091,951.25**	**-165,834,712.00**

Interest accruals/deferrals, foreign currency valuations and accrued/deferred fees from derivative transactions in the amount of EUR 75,431,295.95 (31/12/2023: EUR 52,719,511.18) are reported under other assets and prepaid expenses on the assets side, and EUR 75,185,265.92 (31/12/2023: EUR 64,106,225.29) under other liabilities and deferred income on the liabilities side of the statement of financial position. Moreover, provisions in the amount of EUR 366,937.31 (31/12/2023: EUR 606,556.27) relating to derivatives are recognised under other provisions. As in the previous year, no provision for impending losses from macro swaps was required as of 31 December 2024.

6.4. Trading book

In line with its business strategy, Kommunalkredit does not engage in trading activities. Therefore, as in the previous year, Kommunalkredit had no trading portfolio as of 31 December 2024.

6.5. Legal risks

Civil legal proceedings between Kommunalkredit Austria AG and a member of the company's Executive Board who was dismissed from his position in summer 2024 have been pending at the Commercial Court of Vienna since autumn 2024, in which the company is the defendant. The claim is based on performance as well as determination.The proceedings are still at the initial stage and a court hearing has yet to take place. The resulting effects from the legal risk assessment were recognised accordingly in the financial statements of Kommunalkredit Austria AG.

6.6. Other obligations

Obligations in the amount of EUR 1,903,058.00 arise from rental contracts – including those relating to our Germany branch – in 2025 (of which towards affiliated companies: EUR 1,534,058.00). The corresponding obligations for the years 2025 to 2029 are expected to total EUR 9,904,837.20 (of which towards affiliated companies: EUR 7,984,304.68). Pursuant to § 2 (3) of the Deposit Guarantee and Investor Compensation Act (ESAEG), Kommunalkredit is obliged to provide proportional contributions to the deposit guarantee regime of Einlagensicherung der Banken und Bankiers Gesellschaft mbH, Vienna.

6.7. Asset items pledged as collateral

The following assets have been pledged as collateral for liabilities reported under the balance sheet item "Liabilities to credit institutions": to participate in open market operations, Kommunalkredit pledged securities with a volume of EUR 341,124,670.43 (31/12/2023: EUR 827,948,433.18) as collateral with the national central bank as of 31 December 2024. Utilisation as collateral is based on the respective utilisation of the aforementioned transactions and amounted to EUR 0.00 (31/12/2023: EUR 0.00) as of 31 December 2024. The collateral taker has the right to realise the collateral only in the event of the debtor's default.

Kommunalkredit has assigned assets in the form of securities in a nominal amount of EUR 5,000,000.00 (31/12/2023: EUR 6,000,000.00) as collateral for global loans and other funding from the European Investment Bank in Luxembourg. The collateral taker has the right to realise the collateral only in the event of the debtor's default.

As of 31 December 2024, no collateral was pledged for amounts owed to customers (31/12/2023: EUR 0.00).

For public sector covered bonds issues by Kommunalkredit with a nominal value of EUR 1,554,498,512.54 (31/12/2023: EUR 1,058,347,732.18) as of 31 December 2024, which are reported under securitised liabilities, loans with a nominal value of EUR 1,480,939,472.44 (31/12/2023: EUR 1,157,729,480.86) and securities with a nominal value of EUR 278,125,000.79 (31/12/2023: EUR 38,769,500.00) were allocated to a cover pool, which may only be drawn with the consent of a trustee. Balances held with credit institutions with a nominal value of EUR 29,699,413.18 (31/12/2023: EUR 31,449,421.48) and balances held with customers (central counterparties or non-bank financial institutions) with a nominal value of EUR 38,574,502.59 (31/12/2023: EUR 31,946,974.54) were pledged as collateral for negative market values from bilateral and cleared derivative contracts. Amounts owed to credit institutions include collateral received with a nominal value of EUR 16,178,762.27 (31/12/2023: EUR 29,985,836.69). Amounts owed to customers include collateral received with a nominal value of EUR 59,280,571.48 (31/12/2023: EUR 25,176,619.05).

6.8. Frankfurt branch office

Alongside its headquarters in Vienna, Kommunalkredit also has a branch office in Frankfurt am Main, Germany. The branch office generated profit for the year before tax of EUR 361,720.73 in the 2024 financial year (2023: EUR 396,443.89). Operating income amounted to EUR 3,978,635.88 (2023: EUR 6,441,777.03), while operating expenses totalled EUR 3,616,915.15 (2023: EUR 6,045,333.14). Taxes on income came to EUR 168,019.51 (2023: EUR 156,981.45). As of 31 December 2024, the branch employed 11 people (31/12/2023: 14 people).

7. NOTES TO THE INCOME STATEMENT

7.1. Presentation of material income statement items

7.1.1. Net interest income

INTEREST AND SIMILAR INCOME in EUR	2024	2023
Lending business	306,624,725.97	246,923,012.03
Investments in banks	43,380,307.02	25,901,470.85
Fixed-income securities	11,520,890.96	11,904,032.27
Result form swaps in hedges	31,697,431.56	26,350,910.07
Total interest income	**393,223,355.51**	**311,079,425.22**

INTEREST AND SIMILAR EXPENSES in EUR	2024	2023
Deposit business	-129,212,431.84	-76,190,206.10
Own issues	-53,271,561.09	-32,382,015.99
Result from swaps in hedges	-35,667,721.05	-29,475,431.09
Total interest expenses	**-218,151,713.98**	**-138,047,653.18**
Net interest income	**175,071,641.53**	**173,031,772.04**

Net interest income in 2024 amounted to EUR 175,071,641.53 (2023: EUR 173,031,772.04). The increase compared to the previous year is primarily due to the growth in new business; in 2024, negative interest in the amount of EUR 7.08 (2023: EUR 693.15) was paid for credit balances with credit institutions, which is recognised in interest income under investments in credit institutions.

Interest income and interest expenses are recognised on the accruals basis. Net interest income from derivatives in hedges is shown as the net value under the item in which the net interest income for the corresponding underlying transactions is reported (deal balance).

7.1.2. Income from securities and investments

INCOME FROM SECURITIES AND INVESTMENTS in EUR		2024	2023
a)	Income from investments		
	Kommunalnet E-Government Solutions GmbH distribution	36,000.00	40,500.00
	Total income from investments	**36,000.00**	**40,500.00**
b)	Income from investments in affiliated companies		
	Kommunalkredit Public Consulting GmbH (KPC) distribution	747,000.00	192,600.00
	Total income from investments in affiliated companies	**747,000.00**	**192,600.00**

7.1.3. Net fee and commission income

FEE AND COMMISSION INCOME in EUR	2024	2023
Lending business	33,539,414.20	30,060,581.04
Securities business	0.00	214,285.71
Other service business	3,679,042.38	4,791,662.19
Total fee and commission income	**37,218,456.58**	**35,066,528.94**

FEE AND COMMISSION EXPENSES in EUR	2024	2023
Lending business	-1,827,261.36	-2,204,263.73
Securities business	-2,409,987.40	-385,800.63
Money and FX trading	-298,942.01	-276,947.07
Other service business	-14.98	-150.17
Total fee and commission expenses	**-4,536,205.75**	**-2,867,161.60**
Net fee and commission income	**32,682,250.83**	**32,199,367.34**

In 2024, fee and commission income amounted to EUR 37,218,456.58 (2023: EUR 35,066,528.94) and was mainly due to arranging and structuring infrastructure and energy finance as well as consulting and service activities.

Fee and commission expenses of EUR 4,536,205.75 (2023: EUR 2,867,161.60) essentially result from paid guarantee fees and costs relating to the issuing of public capital market issues.

7.1.4. General administrative expenses

GENERAL ADMINISTRATIVE EXPENSES in EUR	2024	2023
Personnel expenses	-46,527,346.68	-46,572,272.22
Other administrative expenses	-29,263,650.11	-26,457,405.84
General administrative expenses	**-75,790,996.79**	**-73,029,678.06**

7.1.4.1. Personnel expenses

PERSONNEL EXPENSES in EUR	2024	2023
Salaries	-39,868,120.66	-40,007,074.42
Expenses for statutory social security contributions and salary-dependent charges and compulsory contributions	-5,163,488.39	-4,947,628.19
Voluntary social contributions	-612,766.55	-630,976.04
Expenses for pension costs	-518,000.71	-499,525.17
Cancellation of/allocations to pension provisions	402,936.40	154,771.67
Expenses for severance pay (including changes in provisions for severance pay) and contributions to company pension funds	-767,906.77	-641,840.07
Total personnel expenses	**-46,527,346.68**	**-46,572,272.22**

Personnel expenses include expenses for contributions to company pension plans amounting to EUR 518,597.10 (2023: EUR 460,117.16) and severance payments of EUR 209,271.96 (2023: EUR 192,443.00).

7.1.4.2. Other administrative expenses

Pursuant to § 238 (1) (18) of the Austrian Commercial Code (UGB), expenses for the statutory auditor for the financial year under review are not reported here, as Kommunalkredit is included in the consolidated financial statements and audit expenses are reported therein. As the target level for the Single Resolution Fund in the euro area has been reached, the Single Resolution Board decided not to levy any regular ex-ante contributions to the Fund for the 2024 contribution period. The most significant items in other non-personnel administrative expenses are remuneration for officials, as well as expenses for travel and training.

OTHER ADMINSTRITIVE EXPENSES in EUR	2024	2023
Third-party services	-7,673,019.43	-5,946,386.50
Consulting and auditing fees	-7,455,636.78	-5,392,248.26
Data processing	-5,528,232.22	-4,256,994.68
Occupancy costs	-2,466,354.35	-2,366,939.42
Advertising and representation	-1,819,585.02	-1,987,759.49
Bank Resolution Fund	0.00	-1,761,228.51
Information services	-1,656,184.07	-1,177,147.16
Other non-personnel administrative expenses	-2,664,638.24	-3,568,701.82
Total of other administrative expenses	**-29,263,650.11**	**-26,457,405.84**

7.1.5. Other operating income

OTHER OPERATING INCOME in EUR	2024	2023
Income from services charged to KPC	4,828,798.15	4,517,997.08
Other	833,208.66	862,716.94
Total other operating income	**5,662,006.81**	**5,380,714.02**

7.1.6. Other operating expenses

In the 2024 financial year, a provision was formed for the first time in connection with the interbank exemption pursuant to § 6 (1) no. 28 of the Austrian VAT Act (UStG). As the required target level for the deposit guarantee scheme was reached in the 2024 financial year, no further contributions were necessary.

OTHER OPERATING EXPENSES in EUR	2024	2023
Expenses for interim bank exemption	-1,200,000.00	0.00
Stability tax payable by Austrian banks	-717,345.40	-701,737.57
Contributions to deposit guarantess regime	0.00	-323,382.55
Total other operating expenses	**-1,917,345.40**	**-1,025,120.12**

7.1.7. Loan impairment, valuation and sales result

The loan impairment, valuation and sales result (items 11 to 14 of the income statement) comprises the following items:

LOAN IMPAIRMENT, VALUATION AND SALES RESULT in EUR	2024	2023
a) Income	**2,666,923.13**	**4,902,571.63**
Result from the sale of assets/infrastructure and energy finance	1,327,304.17	524,119.16
Changes in provision pursuane to § 57 (1) of the Austrian Banking Act	1,100,000.00	3,300,000.00
Provision for impending losses for derivatives	239,618.96	1,078,452.47
b) Expenses	**-14,339,212.79**	**-5,189,730.51**
Imparments for customer receivables	-9,103,215.65	-4,310,430.76
Result in allowance for expected credit losses	-2,578,962.21	-879,299.75
Expenses from the valuation of investments	-1,349,938.45	0.00
Expenses from contract modifications	-1,307,096.48	0.00
Total	**-11,672,289.66**	**-287,158.88**

An individual valuation allowance of EUR 9,103,215.65 (2023: EUR 4,310,430.76) was recognised. The change in risk provisions for expected credit losses resulted in expenses of EUR 2,578,962.23 in 2024 (2023: EUR 879,299.75); details on the development in risk provisions are listed in Note 3.3.

In 2024, two investments were written down: the Fidelio Fund by EUR 901,844.79 and Florestan KA GmbH by EUR 448,093.66. The general risk provision pursuant to § 57 (1) BWG was reduced by EUR 1,100,000.00 in 2024 (2023: release of EUR 3,300,000.00), representing an additional risk buffer for the bank.

7.1.8. Taxes on income

Taxes on income relates exclusively to ordinary business operations and comprise the following:

TAXES ON INCOME in EUR	2024	2023
Corporate income tax/trade tax expense for the financial year	-29,812,413.02	-32,750,228.67
Corporate income tax/trade tax expense for previous years	7,013.50	-12,044.27
Deferred tax income	-9,484,418.10	-2,359,007.93
Total	**-39,289,817.62**	**-35,121,280.87**

This results in corporate income tax and trade tax expenses of EUR 29,805,399.52 (2023: EUR 32,750,228.67), of which EUR 149,515,48 (2023: EUR 158,508.28) arise from the Germany branch. Deferred tax expense results from the change in deferred tax assets (depicted in the statement of financial position item "Deferred tax assets") for temporary differences between the accounting principles under corporate and fiscal law. With effect from 2016, a tax group pursuant to § 9 of the Austrian Corporate Income Tax Act was formed, with Satere as the group parent. As of 31 December 2024, group members include Kommunalkredit and KPC, Florestan KA GmbH as well as Florestan KA Hydrogen GmbH.

On the basis of a group and tax contribution agreement, the stand-alone method was chosen for the calculation of the tax contributions. According to this method, the amount of the tax contributions of the group members depends on the amount of corporate income tax the group member would have had to pay if its tax result had not been counted toward the group parent. If a group member's negative income is counted toward the group parent, this tax loss is kept on record for the group member (internal loss carryforward) and offset against the positive income of the group member in subsequent years up to 100%. Upon termination of the tax group or elimination of a group member, a final compensation has to be paid for tax losses not yet offset, multiplied by the corporate tax rate applicable at the time of termination of the agreement.

Tax loss carryforwards of a group member from periods prior to the formation of the group (pre-group losses) are credited up to the amount of the profit of the group member and result in a reduction in the tax contribution of the group member. The decrease compared to the previous year is due to the reversal of deferred taxes amounting to EUR 9,200,000.00 for the general banking risk fund. According to AFRAC Opinion 30 "Deferred Taxes in the Annual and Consolidated Financial Statements", the establishment of the fund for general banking risks constitutes a profit appropriation and does not result in the recognition of deferred taxes.

7.1.9. Profit for the year and return on assets

Kommunalkredit closed the 2024 financial year with a profit for the year of EUR 84,476,769.79 (2023: EUR 100,384,494.30). The return on assets, a ratio calculated by dividing the profit for the year by the total assets as of the reporting date, stood at 1.29% (31/12/2023: 1.72%).

7.2. Presentation of revenues by geographic market (§ 240 Austrian Commercial Code)

INTEREST AND SIMILAR INCOME in EUR	2024	2023
Austria	101,695,954.20	85,021,272.62
Western Europe	199,320,911.13	164,676,592.04
Central and Eastern Europe	74,521,549.61	49,235,666.37
Rest of world	17,684,940.57	12,145,894.19
	393,223,355.51	**311,079,425.22**

FEE AND COMMISSION INCOME in EUR	2024	2023
Austria	1,167,137.16	1,035,071.70
Western Europe	31,565,347.99	27,970,777.18
Central and Eastern Europe	3,885,971.43	5,597,647.56
Rest of world	600,000.00	463,032.50
	37,218,456.58	**35,066,528.94**

OTHER OPERATING INCOME in EUR	2024	2023
Austria	5,569,292.81	5,262,192.02
Western Europe	92,714.00	118,522.00
Central and Eastern Europe	0.00	0.00
Rest of world	0.00	0.00
	5,662,006.81	**5,380,714.02**

8. DISCLOSURE PURSUANT TO PART 8 CRR

In accordance with the requirements of Part 8 CRR, material qualitative and quantitative information relating to the bank is published in a separate Disclosure Report, which can be accessed on the kommunalkredit website (www.kommunalkredit.at) under “Investor Relations / Financial Information & Reports”.

9. SIGNIFICANT EVENTS AFTER THE REPORTING PERIODS

There where no significant events after the reporting period.

10. INFORMATION ON GOVERNING BODIES AND EMPLOYEES

10.1. Employees during the financial year

As of 31 December 2024, Kommunalkredit had a weighted workforce of 256 employees (31/12/2023: 227 persons), including the branch in Germany. The average number of employees was 239 persons (2023: 225 persons).

The figures include three (from 1/11/2024, four) Executive Board members (2023: three Board members) and exclude employees on parental leave; part-time employees are shown on a pro-rata basis.

10.2. Remuneration, advances and loans to Executive Board and Supervisory Board members, guarantees provided for Board members

TOTAL EXECUTIVE BOARD AND SUPERVISORY BOARD REMUNERATION in EUR	2024	2023
Active Executive Board members	5,305,918.92	4,892,419.49
Active Supervisory Board members	838,159.75	282,500.00
	6,144,078.67	**5,174,919.49**

As of 31 December 2024, and as in the previous year, there were no outstanding loans to members of the Executive Board or members of the Supervisory Board. No guarantees were provided by Kommunalkredit for Board members either.

The outstanding loan volume to employees of the company amounts to EUR 195,685.42 as of 31 December 2024 (31/12/2023: EUR 194,134.79).

10.3. Expenses for severance pay and pensions

Expenses for severance pay and pensions include pension and severance payments, changes in provisions for severance pay and pensions, statutory contributions to a pension plan and payments into a pension fund.

EXPENSES FOR SEVERANCE PAY AND PENSION in EUR	2024	2023
Executive Board members and senior employees	364,769.79	325,335.25
Other employees	518,201.29	661,258.32
	882,971.08	**986,593.57**

10.4. Relationships with affiliated companies and persons

Tax group

With effect from 2016, a tax group pursuant to § 9 of the Austrian Corporate Income Tax Act was formed, with Satere as the group parent. As of 31 December 2024, the group members include Kommunalkredit, KPC, Florestan KA GmbH, and Florestan KA Hydrogen GmbH (details in Note 7.1.8).

Transactions with affiliated companies

Transactions with affiliated companies are recognised under the balance sheet items concerned. All transactions with affiliated companies are made in accordance with the arm's length principle.

10.5. Disclosures relating to the Boards of the bank

Members of the Executive Board

Sebastian Firlinger
Chief Executive Officer
(ad interim)

Nima Motazed
Member of the Executive Board
from 01/07/2024

John Weiland
Member of the Executive Board
from 01/11/2024

Karl-Bernd Fislage
Chief Executive Officer
until 28/08/2024

Members of the Supervisory Board

Hans Larsson
Chairman of the Supervisory Board, Chairman of the Board of Directors Skandia Mutual Life Insurance Company
since 15/07/2024

Paal Weberg
Deputy Chairman of the Supervisory Board, Co-Managing Partner of Altor Equity Partners
since 15/07/2024

Andreas Haindl
Independent Management Consultant
since 15/07/2024

Herman Korsgaard
Partner of Altor Equity Partners
since 15/07/2024

Henrik Matsen
Partner Henry Costa Partners
since 15/07/2024

Kurt Svoboda
CRO | CFO UNIQA Insurance Group AG
since 15/07/2024

Patrick Bettscheider
Chairman of the Supervisory Board, delegated by Satere Beteiligungsverwaltungs GmbH; Managing Director of Satere Beteiligungsverwaltungs GmbH.
until 15/07/2024

Friedrich Andreae
Deputy Chairman of the Supervisory Board; delegated by Satere Beteiligungsverwaltung GmbH; Managing Director of Satere Beteiligungsverwaltung GmbH
until 15/07/2024

Tina Kleingarn
Partner Westend Corporate Finance
until 15/07/2024

Jürgen Meisch
Managing Director of Achalm Capital GmbH
until 15/07/2024

Martin Rey
Managing Director of Maroban GmbH
until 15/07/2024

Alois Steinbichler
Managing Director of AST Beratungs- und Beteiligung GmbH
until 07/05/2024

Oliver Fincke
Nominated by the Works Council,

Claudia Slauer
Nominated by the Works Council,

Gerald Unterrainer
Nominated by the Works Council,

State Representative

Philip Schweizer
State Representative, Federal Ministry of Finance

Markus Kroiher
Deputy State Representative, Federal Ministry of Finance

Vienna, 20 February 2025

Nima Motazed
Executive Board Member

Sebastian Firlinger
Chief Executive Officer
(ad interim)

John Weiland
Executive Board Member

Schedule of Participations and Investments in Affiliated Companies as of 31 December 2024 (Annex 1)

Pursuant to § 238 (2) of the Austrian Commercial Code, the Schedule of Participations shows all direct participations

NAME AND REGISTERED OFFICE in EUR	Investment in % 2024	Investment in % 2023	Total capital	Acquisition cost
I. Participations				
Kommunalnet E-Government Solutions GmbH, Vienna	45.00%	45.00%	1,233,598.53	344,025.00
Florestan KA GmbH, Vienna	100.00%	100.00%	14,156,215.10	94,000.00
Fidelio KA Infrastructure Opportunities Fund SICAV-RAIF SCA [2]	8.49%	8.49%	249,005,146.67	28,200,000.00
Einlagensicherung AUSTRIA Ges.m.b.H., Vienna	n.a.	n.a.	n.a.	1,000.00
II. Investments in affiliated companies				
Kommunalkredit Public Consulting GmbH, Vienna	90.00%	90.00%	2,546,674.86	346,500.00
Kommunalkredit KBI Immobilien GmbH, Vienna	100.00%	100.00%	98,431.66	35,000.00
Kommunalkredit 4OG Immobilien GmbH & Co KG, Vienna	100.00%	100.00%	50,004,002.29	50,000,000.00
Fidelio KA Beteiligung GmbH, Frankfurt am Main	74.90%	74.90%	84,700.49	72,490.02

1 Preliminary unaudited figures.
2 Kommunalkredit subscribed to 8,49% of shares in the Fidelio KA Infrastructure Debt Funds 1 sub-fund.

Schedule of Non-Current Asset Transactions pursuant to § 226 (1) of the Austrian Commercial Code as of 31 December 2024 (Annex 2)

NON-CURRENT ASSETS in EUR	Acquisition costs			
	as of 1/1/2024	Additions	Disposals	as of 31/12/2024
Debt securities from public issuers	530,673,042.95	36,861,050.00	299,202,273.00	268,331,819.95
Loans and advances to credit institutions	30,330,000.00	0.00	30,330,000.00	0.00
Loans and advances to customers	158,998,299.42	55,872,018.85	34,773,809.26	180,096,509.01
Bonds and other fixed-income securities	394,090,224.19	49,654,815.00	48,307,768.29	395,437,270.90
Investments	34,471,508.64	3,720,000.00	1,395,295.67	36,796,212.97
Investments in affiliated companies	50,477,881.02	7,030,000.00	0.00	57,507,881.02
Non-current intangible assets	5,831,027.14	650,724.08	0.00	6,481,751.22
Land and buildings, incl. buildings on third-party land	957,904.28	0.00	0.00	957,904.28
Office furniture and equipment *)	8,573,368.49	1,688,083.37	43,213.81	10,218,238.05
Total	**1,214,403,256.13**	**155,476,691.30**	**414,052,360.03**	**955,827,587.40**
**) of which low-value assets as defined by § 226 (3) of the Austrian Commercial Code (UGB)*	*681,000.46*	*329,579.81*	*39,000.83*	*971,579.44*

Carrying amount 31/12/2024	Carrying amount 31/12/2023	Cumulative amortisation	Profit for the period after tax	Latest annual financial statements
344,025.00	344,025.00	0.00	150,517.84	31.12.2024 [1]
14,152,377.52	10,880,471.18	448,093.66	-460,709.66	31/12/2024
21,850,716.79	21,850,716.79	901,844.79	12,402,345.86	31.12.2024 [1]
1,000.00	1,000.00	0.00	n.a.	n.a.
346,500.00	346,500.00	0.00	1,279,072.86	31/12/2024
60,000.00	60,000.00	0.00	20,492.41	31/12/2024
50,000,000.00	50,000,000.00	0.00	-30,997.71	31/12/2024
37,544.81	37,544.81	33,836.21	-6,972.79	31/12/2024

Cumulative depreciation and amortisation				Residual carrying amounts			
as of 1/1/2024	Additions	Disposals	as of 31/12/2024	Carrying amount 31/12/2024	Carrying amount 31/12/2023	Amortisation and deprecia-tion 2024	Reversals 2024
754,458.98	215,719.44	282,131.35	1,252,309.77	267,079,510.18	529,918,583.97	215,719.44	0.00
2,536,790.25	0.00	-2,536,790.25	0.00	0.00	27,793,209.75	0.00	0.00
819,526.21	0.00	-819,526.21	0.00	180,096,509.01	158,178,773.21	0.00	0.00
2,946,076.57	738,875.60	-432,263.68	3,252,688.49	392,184,582.41	391,144,147.62	738,875.60	0.00
0.00	1,349,938.45	0.00	1,349,938.45	35,446,274.52	34,471,508.64	1,349,938.45	0.00
33,836.21	0.00	0.00	33,836.21	57,474,044.81	50,444,044.81	0.00	0.00
5,228,355.24	215,336.58	0.00	5,443,691.82	1,038,059.40	602,671.90	215,336.58	0.00
633,460.40	53,354.83	0.00	686,815.23	271,089.05	324,443.88	53,354.83	0.00
6,177,825.25	634,580.61	-43,213.81	6,769,192.05	3,449,046.00	2,395,543.24	634,580.61	0.00
19,130,329.11	**3,207,805.51**	**-3,549,662.60**	**18,788,472.02**	**937,039,115.38**	**1,195,272,927.02**	**3,207,805.51**	**0.00**
0.00	*329,579.81*	*-39,000.83*	*290,578.98*	*681,000.46*	*0.00*	*329,579.81*	*0.00*

AUDITOR'S REPORT

REPORT ON THE FINANCIAL STATEMENTS

Audit Opinion

We have audited the financial statements of

Kommunalkredit Austria AG,
Vienna,

which comprise the Balance Sheet as at 31 December 2024, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2024, and its financial performance for the year then ended in accordance with the Austrian commercial and banking law.

Basis for our Opinion
We conducted our audit in accordance with Regulation (EU) 537/2014 ("AP Regulation") and Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the audited company, in accordance with Austrian company law and professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, however, we do not provide a separate opinion thereon.

Valuation of loans and advances to customers
The Management Board explains the procedure for recognizing loan loss provisions in the notes to the financial statements section 3. "Accounting and Measurement Rules" and in the management report note "Assets, financial position and income".

Risk to the Financial Statements
The loans and advances to customers amount to EUR 4.6bn and are mainly comprised of the segments "Project Finance", "Utilities", "Corporate" and "Public Finance".

The bank evaluates in the context of credit risk management whether default events exist, and specific loan loss provisions (Stage 3) need to be recognized. This includes an assessment whether customers are able to fully meet their contractual liabilities.

The calculation of the loan loss provisions for defaulted customers – if any – is based on an analysis of the estimated future recoveries. This analysis reflects the assessment of the economic situation and development of the individual customer and the valuation of collateral.

For all non-defaulted loans and advances to customers a loan loss provision for expected credit losses ("ECL") is recognized. The loan loss provision is generally based on the 12-month-ECL (Stage 1). In case of a significant increase in the credit risk (Stage 2), the ECL is calculated on a lifetime basis.

The calculation of ECLs is dependent on assumptions and estimates, which include rating-based probabilities of default and loss given default that are derived from current and forward-looking information.

The risk to the financial statements arises from the fact that the stage transfers and the determination of the loan loss provisions are based on assumptions and estimates. This may lead to a margin of discretion and estimation uncertainties regarding to the amount of the loan loss provisions.

Our Audit Approach

We have performed the following audit procedures with the involvement of our Financial Risk Management and IT specialists in respect to the valuation of loans and advances to customers:

- We have analyzed the existing documentation of the processes of monitoring and risk provisioning for loans and advances to customers and assessed whether these processes are suitable to identify stage transfers including impairment triggers and to adequately reflect the valuation of loans and advances to customers. Moreover, we have tested key controls with regard to their design and implementation, among other things, by inspecting the IT systems, and tested their effectiveness in samples.
- We have examined whether there were any indicators of default on a sample basis of different loan portfolios. The selection of the sample was performed risk-oriented with special regard to ratings, regionality and customer segment.
- In the case of defaults on individually significant loans, the assumptions made by the bank were analyzed with regard to conclusiveness, consistency and the timing and amount of the assumed recoveries.
- For all loans, for which the loan loss provision was calculated based on ECL (Stage 1 and 2), we analyzed the bank's documentation of methodology for consistency with the requirements of IFRS 9. Furthermore, based on internal model validations, we have checked the models and the parameters used to determine whether they are suitable for calculating the loan loss provisions in an appropriate amount. In addition, we analyzed the selection and assessment of forward-looking information and scenarios and their consideration in the used parameters.

Other Information

Management is responsible for other information. Other information is all information provided in the annual report, other than the financial statements, the management report and the auditor's report.

Our opinion on the financial statements does not cover other information and we do not provide any kind of assurance thereon.

In conjunction with our audit, it is our responsibility to read this other information and to assess whether, based on knowledge gained during our audit, it contains any material inconsistencies with the financial statements or any apparent material misstatement of fact.

If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intents to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether thefinancial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.
- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor's report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports as applied in Austria.

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements. The disclosures pursuant to Section 243a UGB are appropriate.

Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Additional Information in accordance with Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on 22 February 2023 and were appointed by the supervisory board on 4 May 2023 to audit the financial statements of Company for the financial year ending on 31 December 2024.

In addition, during the Annual General Meeting on 22 February 2024, we have been elected as auditors for the financial year ending 31 December 2025 and appointed by the supervisory board on 10 April 2024.

We have been auditors of the Company since the financial statements at 31 December 2020.

We declare that our opinion expressed in the "Report on the Financial Statements" section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Company.

ENGAGEMENT PARTNER

The engagement partner is Mr. Bernhard Mechtler.

Vienna, 20 February 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Bernhard Mechtler
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This English language audit report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

STATEMENT BY THE LEGAL REPRESENTATIVES

KOMMUNALKREDIT AUSTRIA AG

Annual Financial Statements 2024

We hereby **confirm** to the best of our knowledge that the **financial statements** of the parent company, prepared in accordance with the relevant accounting standards, present a true and fair view of the assets, the financial position and the income of the company, that the Management Report presents the development of business, the results and the position of the company in such a way that it conveys a true and fair view of the assets, the financial position and the income of the company, and that the Management Report describes the material risks and uncertainties to which the company is exposed.

Vienna, 20 February 2025

Nima Motazed Executive Board Member	**Sebastian Firlinger** Chief Executive Officer (ad interim)	**John Weiland** Executive Board Member

04

SUSTAINABILITY.

Green transition – Our commitment to sustainability

We create infrastructure. The Kommunalkredit Group recognised the critical importance of climate and natural risks long before these issues became mainstream. For over three decades, our strategic focus has put us at the forefront of the global energy transition, driven by a strong commitment to improving lives and promoting a sustainable future.

Kommunalkredit is actively dealing with the global and local trends of modern infrastructure. Sustainable business practices – that is, responsible economic, social and ecological action – and ethical fundamental values form the foundation of the bank. We focus here on efficiency and effectiveness in accordance with Environment, Social and Governance (ESG) and Sustainable Development Goals (SDG) criteria.

Sustainability as a long-term commitment

At Kommunalkredit, we have integrated sustainability deeply into our corporate strategy and activities in order to meet the challenges of a rapidly changing world. With our first Eco-Management and Audit Scheme (EMAS) certification in 1997, we have consistently further developed our commitment to environmental responsibility. Since our 2017 Sustainability Report, our annual reporting has been based on the Global Reporting Initiative (**GRI**) standards to ensure transparency and alignment with global best practices.

Climate change is one of the most pressing challenges of our time, requiring bold, strategic action and significant investments in the **modernisation of infrastructure** and the energy transition. Kommunalkredit is more than ready to rise to this challenge and drive effective solutions for a sustainable future: this crucial moment requires joint efforts to rethink systems, deploying innovative technologies and sustainable practices. By investing in climate-friendly infrastructure and clean energy solutions, we are tackling immediate threats and laying the foundation for a more sustainable and prosperous future. Our commitment to sustainable energy solutions, e-mobility, digital communication platforms and social institutions is an essential part of Kommunalkredit's unique expertise.

Our agile approach enables us to identify and exploit new opportunities that are in line with the European Green Deal and global climate initiatives. As a sustainability-oriented investor, we are a reliable partner in energy transition projects and combine the financial expertise of our bank with the **technical know-how** of our subsidiary Kommunalkredit Public Consulting (KPC).

KPC is at the forefront of climate and environmental protection initiatives. With its in-depth expertise, it designs and implements tailor-made funding programmes and supports the Austrian Federal Ministry of Climate Action by managing bilateral climate protection projects in developing countries. With the comprehensive management of funding and consulting services, KPC contributes to Kommunalkredit's sustainability targets and makes a significant contribution to climate protection efforts.

Scope and limitations of the report

The Kommunalkredit Group's Sustainability Report for 2024 includes Kommunalkredit Austria AG and its fully consolidated subsidiaries in Vienna. The Frankfurt am Main branch, founded in 2017, is not part of the environmental management system.

Kommunalkredit has holdings in a number of affiliated companies. The strategic investments include Kommunalkredit Public Consulting GmbH (KPC), Florestan KA GmbH, the companies of the Fidelio KA Debt Fund platform and Kommunalnet E-Government Solutions GmbH. In addition, the bank's real estate companies – which hold the company's head office – support the core business.

Transparency is a cornerstone of Kommunalkredit's sustainability policy. This is why the Executive Board initiated a voluntary external audit of the sustainability reporting. This report is based on the GRI standards, with topics prioritised according to their materiality. The independent auditing and tax consulting firm KPMG has audited the Sustainability Report in accordance with the GRI Standards with limited assurance.

1992
First Austrian issuer of a green bond

1997
Introduction of annual environmental declaration | ISO 14001 certification | first Austrian financial services provider with EMAS certification

2004
First sustainabilty report

2006
Introduction of Climate Austria to provide measures for voluntary climate action

2006-2008
Combined annual and sustainability report

2012
Integration of ESG analysis into the credit process

2017
First Austrian issuer of a social covered bond

2020
First Austrian bank in the European Clean Hydrogen Alliance

2021
Membership of UN Global Compact sustainability initiative

2022
Sustainability focus strengthened through refreshed sustainability strategy including specific targets

2023
Signing the UN Principles for Responsible Banking

2023
Joined the Partnership for Carbon Accounting Financials Initiative (PCAF)

2023
Publication of the Sustainable Funding Framework of Kommunalkredit

2024
First calculation of financed emissions

Sustainability Policy

Kommunalkredit's Sustainability Policy embodies our commitment to tackling global challenges through innovative, responsible and transparent practices. Under the responsibility of the **Sustainability Board**, the Sustainability Policy integrates environmental, social and governance (ESG) factors into all aspects of decision-making and business operations and promotes a culture where sustainability is viewed as a collective responsibility rather than an individual initiative. This comprehensive framework applies to the entire Kommunalkredit Group, including its subsidiaries, employees, supply chain and loan portfolio.

Integrated approach

At Kommunalkredit, we view sustainability not only as a corporate initiative, but as a **collective responsibility**. We integrate ESG factors into our decision-making processes and operational activities.

Continuous improvement and compliance with regulations

Our support for regulation around **sustainable finance** and our commitment to continuous improvement lead us to regularly review and refine our practices. Our sustainability policy is supported by complementary internal guidelines, detailed work instructions and comprehensive checklists that ensure a solid framework for the implementation of sustainability measures. The Sustainability Team is responsible for developing our comprehensive Sustainability Policy. The Sustainability Board oversees the approval process, implementation and continuous improvement of this policy and ensures that it is consistent with our corporate objectives and evolving sustainability regulations and standards.

Transparency and stakeholder involvement

Transparency is a central value on our path to sustainability. We are committed to open and honest communication about our sustainability initiatives, the associated challenges and the progress we have made. Having the trust of customers, partner banks, investors, our colleagues as well as regulatory and supervisory authorities is important to us. Through proactive and transparent dialogue with our stakeholders, we promote collaboration and catalyse sustainable practices along our entire value chain. Alongside employees, customers, business and service providers and our owners, our key stakeholders also include regulators and legislators, capital market participants and rating agencies, as well as authorities, interest groups and society. We took the views of our stakeholders into account in a survey in 2023 in order to identify key issues for the Kommunalkredit Group. We see stakeholder engagement as an opportunity to exchange knowledge, to further develop ourselves and share our experiences. In particular, our success depends on the commitment and expertise of our highly qualified employees and their dedication to Kommunalkredit's values.

Regular updates on our sustainability and ESG performance are communicated to the public to ensure accountability and promote informed dialogue.

Achieving sustainable impact: Commitment to green and social finance

Kommunalkredit is a leader in infrastructure financing and uses its expertise for projects that promote decarbonisation, sustainable development and social well-being. With a dual focus on environmental and social impact, the company strives to align its strategy with the European Union's (EU) **Green Deal** and other **climate targets**. The subsidiary KPC further strengthens this impact by managing funding programmes for climate action and ecological sustainability.

Kommunalkredit aligns itself to globally recognised frameworks such as the UN Principles for Responsible Banking (UN PRB), GRI, European Sustainability Reporting Standards (ESRS) and the Partnership for Carbon Accounting Financials (PCAF) and ensures that its sustainability initiatives meet the **highest international standards**. These efforts are reinforced by specific measures such as exclusion criteria for environmentally or socially harmful projects, strict ESG due diligence processes and systematic alignment with the UN Sustainable Development Goals (SDGs).

Preparing for a new era of reporting

As an infrastructure bank within the EU committed to the green transition, we are proactively addressing the evolving regulatory environment that gives sustainability information the same importance as financial reporting. The EU's comprehensive legal framework, including the Corporate Sustainability Reporting Directive (**CSRD**) and the European Sustainability Reporting Standards (**ESRS**), is changing the reporting landscape. We do not see these changes as an obstacle, but as an opportunity to consolidate our market position and advance our sustainability strategy.

In preparation for this era, we are taking comprehensive measures to adapt our systems and **processes to the new requirements**. This includes aligning our reporting with EU legislation, integrating the European Banking Authority (EBA) guidelines, and complying with the EU taxonomy rules and the supervisory authority's (SSM) climate-related expectations. We also invest in modern data management systems to systematically collect and analyse climate and environmental risk data, while always keeping in mind the specific challenges these risks pose. These efforts not only ensure compliance with regulatory requirements but also enable us to gain **deeper insight into our sustainability performance** and our risk profile. This, in turn, enables more informed decision-making and strategic planning and strengthens our commitment to sustainable development and long-term value creation.

From 2026, based on 2025 financial figures, our **new reporting framework** will integrate three key regulations – Article 449a Capital Requirements Regulation (CRR), EU Taxonomy and ESRS – to ensure comprehensive, transparent and impactful sustainability reporting. These rules are consistent with our ESG objectives and promote sustainable growth, informed decisions and the trust of our stakeholders.

Article 449a CRR requires financial institutions to integrate sustainability risks into their risk management, corporate governance and disclosure requirements. By requiring the identification of climate and environmental risks in a structured and transparent manner, these requirements strengthen institutions' resilience to climate risks, increase transparency regarding sustainability-related financial risks and align governance structures with long-term environmental targets.

EU Taxonomy introduces a classification system for environmentally sustainable economic activities, providing clear criteria for assessing the environmental impacts of investments and activities. This framework promotes the alignment of investments with sustainable objectives, supports green finance and the energy transition, facilitates compliance with the EU Green Deal and decarbonisation targets, and therefore encourages the transition to a more sustainable economy.

The **ESRS** within the framework of the CSRD provide comprehensive guidelines for the disclosure of sustainability information, including double materiality analysis, stakeholder engagement and ESG performance reporting. These standards ensure consistent and thorough sustainability reporting, consider both financial materiality and more comprehensive environmental and social impacts, and enable data-driven decisions that improve ESG performance and long-term strategic planning. The first report under ESRS is planned for 2025.

Ensuring comprehensive sustainability reporting through materiality analysis

Companies subject to the CSRD must perform a **materiality analysis** to identify sustainability aspects that are significant both in terms of social or environmental impact and from a financial perspective. This critical process forms the basis for compliance with ESRS and goes beyond mandatory disclosure requirements to determine the issues that are most material to each company. A robust materiality assessment enables an appropriate, targeted and pragmatic approach to sustainability reporting while ensuring relevance and effectiveness. In 2023, Kommunalkredit performed a comprehensive double materiality assessment based on the GRI and European Financial Reporting Advisory Group (EFRAG) methodology. This assessment identified four key themes: climate and energy, own employees, consumers and end users, and governance and compliance. Our materiality assessment was guided by a robust three-dimensional methodology:

- **Double materiality:** This approach identifies topics that are relevant to both financial performance and social or environmental well-being to ensure credible and comprehensive sustainability reporting.
- **Impacts, risks and opportunities:** By focusing on the most relevant issues, this dimension aims to make reporting efforts effective, determine applicable ESRS disclosure requirements and promote data-driven, objective decision-making.
- **Stakeholder engagement:** Active stakeholder engagement ensures that the most relevant topics are addressed, it helps identify hidden risks and opportunities, and strengthens relationships with key target groups.

The material topics from the double materiality analysis carried out in 2023 are assigned to the corresponding areas according to GRI standards.

MATERIAL TOPICS (pursuant to ESRS)	SUSTAINABILITY REPORTING ISSUES (pursuant to GRI)	CHAPTER OF THE SUSTAINABILITY REPORT
Climate change	▪ CO_2 emissions ▪ Energy consumption	▪ Sustainability in the spotlight: Financed emissions according to PCAF ▪ Sustainability in the spotlight: Operational ecology
Own workforce	▪ Employment ▪ Training and education ▪ Diversity	▪ Sustainability strategy: 2025 sustainability commitments ▪ Sustainability in the spotlight: Employees ▪ GRI indicators
Business conduct	▪ Fighting against corruption ▪ Human rights ▪ Socio-economic compliance	▪ Sustainability framework: Risk management: Sustainability criteria in the lending process ▪ Sustainability in the spotlight: Business ethics
Consumers & end-users	▪ Financing ▪ Refinancing ▪ Sustainable services (KPC) ▪ Protecting customer data	▪ Sustainability strategy ▪ Sustainability framework ▪ Sustainability in the spotlight: Sustainable services ▪ Sustainability in the spotlight: Business ethics

General standards	Environment	Social	Governance
ESRS 1 General requirements	ESRS E1 Climate change	ESRS S1 Own workforce	ESRS G1 Business conduct
ESRS 2 General disclosures	ESRS E2 Pollution	ESRS S2 Workers in the value chain	
	ESRS E3 Water and marine resources	ESRS S3 Affected communities	
	ESRS E4 Biodiversity & ecosystems	ESRS S4 Consumers & end-users	
	ESRS E5 Resource use & circular economy		

Twelve general standards that apply to companies. **Five standards relevant to Kommunalkredit.**

For Kommunalkredit, the **implementation of climate metrics and targets** is a central, non-negotiable priority. Climate and energy issues are at the heart of our business and financing activities, reflecting their essential importance to our corporate strategy.

We have integrated climate risk assessments into our corporate and community financing decisions to ensure that **our portfolio is consistent with a low-carbon future**. High carbon-intensity sectors are excluded, underlining our commitment to climate-conscious financing practices. Since 2022, we have been quantifying the greenhouse gas emissions of our financing activities using the robust PCAF methodology, ensuring transparency and accountability with regard to our environmental impacts.

Beyond these climate-related initiatives, we aim to expand our climate mitigation efforts in the coming years to address the next sustainability challenges and strengthen our commitment to a more sustainable and resilient future.

Sustainability ratings and memberships

Kommunalkredit is proud to have received sustainability ratings from renowned agencies and has demonstrated significant progress in its ESG performance.

The bank was able to improve its **ESG risk rating from Morningstar Sustainalytics** and achieved a "Low Risk" rating with a score of 12.7. In addition, Kommunalkredit was awarded a "C" rating by **ISS ESG** in February 2024, thereby achieving Prime status and a transparency level of "Very high" – further evidence of its sustainable commitment.

Kommunalkredit is strengthening its position as a reliable leader in sustainable finance by integrating comprehensive frameworks such as the ESRS, the PCAF and the UN PRB, as well as increasing efforts to mitigate climate risks. These measures reflect a long-term vision that harmonises environmental responsibility with financial stability and further strengthen its reputation as a key player in the transition to a greener and more sustainable economy.

Awards for sustainability

Kommunalkredit's commitment to sustainability is gaining increasing public recognition. This year, the Institute for Management and Economic Research Austria [Institut für Management- und Wirtschaftsforschung, IMWF] evaluated around 250,000 statements from over 2,000 companies that are characterised by their special commitment to sustainability. In cooperation with KURIER as a media partner, the study shows which companies are taking a **pioneering role** in challenges such as the energy transition, the circular economy and social responsibility. "These pioneers not only strengthen Austria's economic resilience, but also inspire confidence in a sustainable future," the study says.

For the third time in a row, Kommunalkredit received an excellent rating and was awarded the "Sustainable Engagement 2025" seal of quality.

Sustainability strategy

Kommunalkredit's sustainability strategy is closely linked to its core business and focuses on two main objectives:

- **Accelerate the energy transition:** Kommunalkredit is committed to decarbonising the economy and accelerating the global energy transition. The bank focuses its financing activities on renewable energies, green hydrogen and innovative technologies that are crucial to achieving climate targets. These efforts aim to reduce carbon emissions and ensure a more sustainable and resilient energy system.
- **Help improve people's lives:** A large part of Kommunalkredit's infrastructure & energy and public finance work is dedicated to social infrastructure and connectivity, with the aim of improving the quality of life of communities and promoting social cohesion.

To effectively implement the sustainability strategy, Kommunalkredit uses the following key levers:

- **Integration of impact:** Two sustainability factors are carefully integrated into each infrastructure project. Kommunalkredit is committed to the UN SDGs, the UN Global Compact, the UN PRB, the Paris Agreement and the European Green Deal. These frameworks guide the Bank's efforts to implement projects with positive environmental and social impact. Kommunalkredit supports high-quality, reliable, sustainable and resilient infrastructure that particularly takes into account the challenges posed by climate change. We are committed to the UN Agenda 2030 and the SDGs so we have made them part of our corporate culture. Every investment and financing project must contribute to at least one of the 17 SDGs. We have also defined nine SDGs that we prioritise when it comes to selecting projects. The weighting system, which was developed as part of the strategy process based on interviews with internal and external stakeholders, is grounded on Kommunalkredit's strategic priorities.

SDG priority 1
Very important for Kommunalkredit **and** its stakeholders

SDG priority 2
Very important for Kommunalkredit **or** its stakeholders

- **Deliver transparently & responsibly with speed and precision:** The continuous improvement of ESG reporting ensures accountability and transparency in Kommunalkredit's business activities.

2025 sustainability commitments

In line with our sustainability strategy, we have set strategic objectives to be achieved by 2025. Three of these aim to maximise the positive impact by directing financing flows in the infrastructure and energy portfolio to projects that support the energy transition and improve people's quality of life.

Our self-imposed commitments include both quantitative and qualitative business and equality targets.

Business objectives

- **At least 40%** of annual new infrastructure financing should be directed towards the **energy transition and environmental protection**, such as renewable energies, environmentally friendly mobility and water management.
- **Up to 10%** of the annual volume of new infrastructure financing will be allocated to **state-of-the-art green solutions** to accelerate their commercialisation and expansion. These include innovative projects or projects still in their early stages. The bank is leveraging its flexibility and expertise to assume a pioneering role in areas such as hydrogen, battery storage and new forms of renewable energy.
- **At least 30%** of the annual volume of new infrastructure financing will be channelled into **social infrastructure and/or digitalisation and communication projects**.

Accelerate the energy transition	≥ 40% for energy transition and environmental protection ≤ 10% for innovative, green projects ≥ 30% for social infrastructure or digitalisation and communication	**Help improve people's lives**
Integrate impact	≥ 95% of employees trained on sustainable development Impact curriculum KA Environmental Sustainability Ratio GHG measurement based on PCAF* | Net zero target set ≥ 30% of managers female by 2025 Eliminating the gender pay gap (within the same occupational groups) by 2025 * Partnership for Carbon Accounting Financials	**Deliver transparently & responsibly with speed and precision**

We achieved **remarkable business growth in 2024**. Our new business (on-balance and off-balance sheet exposure) in the infrastructure and energy financing portfolio reached a volume of EUR 2,063m. (2023: EUR 1,622m; +27%). The volume of new business focused on the energy transition and environmental protection amounted to EUR 749m and accounted for 36% of new business. Of this, EUR 260m went to innovative green solutions and projects in the early development phase, which corresponds to approximately 13% of the total volume of new infrastructure and energy financing. Projects contributing to improving people's quality of life – mainly in the health sector – recorded a significant increase to EUR 768m (2023: EUR 382m) and accounted for 37% of new business (2023: 24%). We are proud of these results, which demonstrate our commitment to sustainable infrastructure and promoting positive environmental and social impacts.

Objectives: Training and further education

In addition to the business objectives, our strategy identifies key success factors to achieve sustainable impact as an organisation. We view training and education as critical to ensure that all our employees are equipped with the knowledge and skills needed to drive sustainability.

- At least 95% of our banking employees must complete **sustainable development training** in order to maximise the impact of their work. To achieve this, we have introduced a course tailored to our bank employees to ensure they are fully prepared to deliver meaningful and measurable results in line with our sustainability targets. The implementation was supported by on-site training led by an external consulting company. By the end of the year, the target was achieved with a training rate of 100%.
- At least 95% of our total workforce must complete **mandatory training on key sustainability principles**. This is the first module of a three-part training programme designed to equip all of our employees with the knowledge and skills they need to promote sustainability. By the end of the year, 96% of the workforce had completed the sustainability module.

To ensure that our top management is well prepared to detect and react to current sustainability challenges, ad hoc training sessions have been organised with leading experts in sustainable finance. In addition, the Executive Board and Supervisory Board receive additional training measures as part of their fit and proper training.

Objectives: Gender equality

We are also committed to promoting diversity and equality within our organisation and have set the following goals to be achieved by 2025:

- At least 30% of management positions will be held by women
- Elimination of the gender pay gap (within the same occupational groups)

These efforts underscore our commitment to create an inclusive and equitable workplace in line with our broader sustainability vision. We achieved the first goal in 2024 by having 34% of management positions held by women. We have analysed the total compensation data for Kommunalkredit Austria AG for 2023 and identified actions to support our fair approach to compensation practices and ensure that potential gaps during the recruitment, development, compensation and promotion process are addressed and appropriately monitored throughout the year.

Qualitative objectives

Kommunalkredit has been actively implementing its sustainable finance concept and continuously developing it through a series of initiatives and projects since 2020. Since then, the classification system for sustainable finance has been further developed, enabling the calculation of the **Kommunalkredit Environmental Sustainability Ratio** (KA ESR) – a key metric for tracking progress and a catalyst for our efforts. The classification of sustainable assets used in this KPI is described in a separate section. A key development in 2023 – which continued in 2024 – was the **calculation of financed emissions** (Scope 3, Category 15) measured using the

PCAF methodology, which we are now disclosing for the first time. This will enable us to set net zero and emissions reduction targets in 2025, underlining our commitment to operate our banking business responsibly by balancing profits with consideration for people and the planet. These efforts strengthen Kommunalkredit's position as a forward-looking pioneer in sustainable finance, actively driving positive change in line with global sustainability goals. In 2024, Kommunalkredit took further steps to meet its obligations under the UN PRB. These enable credit institutions to set measurable sustainability targets, track progress transparently and ensure accountability in tackling pressing global challenges such as climate change and social inequality.

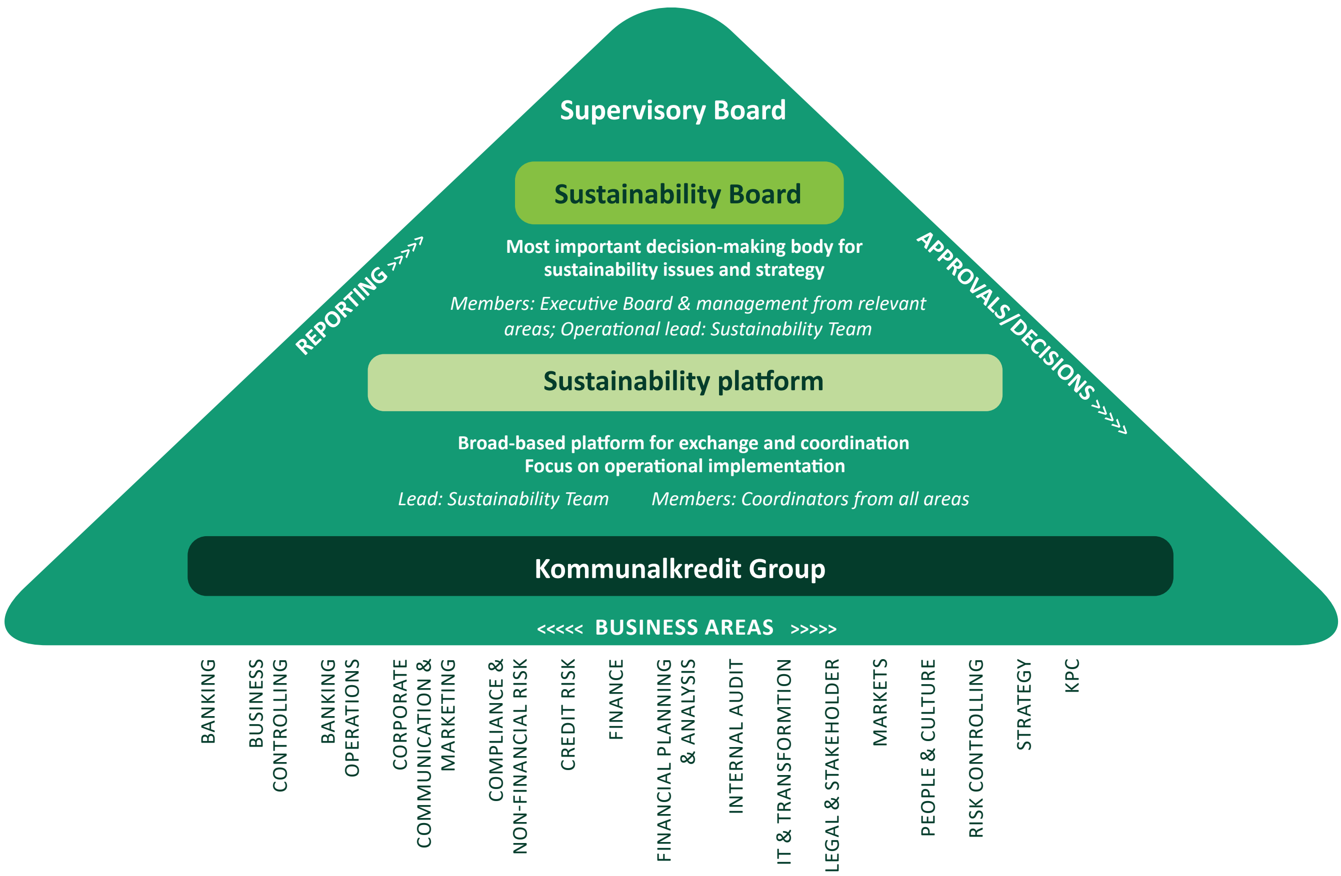
Sustainability governance

According to the **sustainability management system** of the Kommunalkredit Group, overall responsibility for the sustainability agenda and strategy lies with the Executive Board, which has delegated these tasks to the Sustainability Team.

Sustainability Board

The Kommunalkredit Group has created a structured governance framework for sustainability that ensures effective and timely decision-making through the Sustainability Board, the handling of issues at a more operational and organisational level through the Sustainability Platform, and the preparation and development of new sustainability agenda topics through sustainability projects.

The Sustainability Board meets monthly and is composed of the Executive Board, the Sustainability Team and top-tier management of the most important internal stakeholder areas (Banking, Banking Operations, Compliance & Non-Financial Risk, Credit Risk, Finance, Internal Audit, IT & Transformation, Markets, People & Culture, Risk Controlling, Strategy) as well as the management of the subsidiary KPC. The activities of the Sustainability Board are governed by its rules of rocedure. The Sustainability Team plays an important role in moderating and structuring the work of the Sustainability Board and is responsible for supporting and ensuring the **implementation of and compliance with Kommunalkredit's sustainability policy and strategy** in all areas of the Group. The sustainability strategy was approved by the Supervisory Board as part of the corporate strategy.



Sustainability team

The Sustainability Team is organisationally located in the Strategy department. It is responsible for developing the Group's sustainability framework and strategy and ensuring their compliance with regulatory requirements. It is a driving force in the implementation of strategic projects, promotes the sustainability agenda and its implementation within the organisation and leads the sustainability reporting process. The team ensures comprehensive communication within the company by moderating the meetings of the Sustainability Board and the Sustainability Platform, setting the agenda and coordinating the external communication of sustainability-related content.

Sustainability platform

The Sustainability Platform is a broad-based platform for exchanging information on relevant sustainability topics throughout the organisation, for addressing and coordinating operational issues that require more comprehensive coordination, and for providing up-to-date information on ESG projects and their implementation. Its members are the sustainability coordinators appointed by each area. They act as the main contact for the Sustainability Team, coordinate implementation in their area of responsibility and act as sustainability ambassadors in their respective areas. The Sustainability Platform meetings take place monthly.

Sustainability Funding Committee (SFCo)

Kommunalkredit has set up a Sustainable Funding Committee to ensure compliance with the Sustainable Funding Framework (SFF) and promote transparency. The SFCo is governed by its own guidelines, reports to the Sustainability Board and meets at least once every six months.

Sustainability framework

We apply a holistic view within our sustainability framework, focusing on both financial risk materiality (“outside-in”) and impact materiality (“inside-out”), recognising that companies do not act in isolation but are influenced by and can influence the socio-economic and natural framework in which they operate. In order to maximise positive impact, we have created a sustainable finance framework which we use to regularly report KPIs, progress and achievements internally. Simultaneously, we have improved our lending process to ensure that any negative impacts and risks are assessed and mitigated.

Sustainable finance

Kommunalkredit integrates sustainability into its lending process by **checking whether each new loan** qualifies as being sustainable. This assessment is based on a two-pillar classification system for sustainable financing, which consists of the Kommunalkredit SFF aligned to the International Capital Market Association (ICMA) standards and a Kommunalkredit-specific framework for additional sustainable financing. Assets that meet the criteria of both frameworks can be included in the KA ESR. At the same time, Kommunalkredit has started applying the EU taxonomy classification, which will serve as the basis for calculating the Green Asset Ratio in future publications.

Sustainable Funding Framework (SFF)

In 2022, Kommunalkredit began developing its SFF. It was completed in early 2023 and subjected to a quality review in the form of a **Second Party Opinion** by the leading ESG advisory service provider **ISS ESG**. The SFF enables the issuance of “use of proceeds" bonds (green, social, sustainability bonds) that are used to refinance assets defined as eligible. Kommunalkredit pursues a dual approach when defining eligible projects. The basis for this is the project categories defined in line with the ICMA principles for green and social bonds. Based on the ICMA green bond principles, projects in the field of renewable energies such as wind and solar parks were defined as eligible for funding. Project categories based on the ICMA social bond principles include projects in the education and health sectors. The SFF also includes activities under the EU Taxonomy Regulation (EU) 2020/852. This allows the allocation of taxonomy-compliant assets to a green bond issuance.

In order to determine which projects are eligible for refinancing under the SFF, it is checked during the lending process whether the asset corresponds to one of the ICMA categories. If the result is positive, the asset is marked accordingly.

As part of the sustainability check, **ESG compliance** must also be confirmed. The operational tasks relating to the SFF are carried out by the SFCo. The SFCo checks whether the pre-selected assets meet the eligibility criteria and decides on their allocation before issuing a bond and at least every six months thereafter. The SFCo reports to the Sustainability Board.

The **green category** within the SFF comprises the following activities:

- Renewable energy (e.g. wind, solar, geothermal energy)
- Energy efficiency projects (e.g. district heating, smart metering)
- Low-emission transport solutions (e.g. charging stations for electric cars, rail)
- Solutions for waste management
- Water and wastewater management solutions

The **social category** within the SFF comprises the following activities:

- Educational facilities (e.g. schools, universities)
- Healthcare (e.g. public hospitals, nursing care facilities)
- Digital integration (e.g. broadband in areas with no Internet connection)
- Social housing
- public transport in developing countries

Framework for further sustainable activities

Kommunalkredit has developed the framework for further sustainable (green or social) activities **to enable sustainable commitments** that are not currently covered by the EU Taxonomy or the Kommunalkredit financing framework. The framework serves to extend the defined KA ESR to the entire portfolio of sustainable activities. The following areas have been defined as sustainable:

- Green technologies under the EU Innovation Fund
- Green, social and sustainable bonds
- Public financing commitments in green and social categories as defined in the Kommunalkredit framework for sustainable financing
- Waste-to-energy plants that meet the best practice criteria set out by the Confederation of European Waste-to-Energy Plants. Applying these criteria reduces the risk of a possible impairment of the circular economy.
- Bioenergy projects that meet the RED II criteria for raw materials. The application of these criteria reduces the risk of possible negative impacts from Indirect Land Use Change (ILUC).

KA Environmental Sustainability Ratio (KA ESR)

Our KA ESR was developed in 2023 and represents the **share of the proprietary portfolio** that is allocated to financing sustainable activities based on the green and/or social standards identified in the SFF or the framework for other sustainable activities.

The calculation includes the gross carrying amount of loans and securities balance sheet item as of the end of the year. In 2024, the KPI value showed that 40.2% of the assets in the portfolio are sustainable according to these self-defined criteria (2023: 40%), with solar PV at 23% and water management at 11% of total ESR assets making the largest contributions to the infrastructure and energy as well as the public finance segments, respectively. The lack of information and documentation from our clients remains a major reason why we cannot include certain assets in the KA ESR. However, we expect that data availability will gradually improve.

Risk management: Sustainability criteria in the lending process

Kommunalkredit has created a comprehensive framework to consider both the **ESG impacts** (“inside-out”) and the **risks** (“outside-in”) associated with its financing. These measures are integrated into the entire lending process and ensure that sustainability aspects are systematically assessed. The key components of this framework include the application of exclusion criteria, the performance of a mandatory sustainability check and the calculation of an ESG risk score. Together, these instruments provide a structured approach to managing environmental, social and governance factors in all financing operations.

Exclusion criteria

The following exclusion criteria have been established **for all new business** (financing and investments) to exclude activities that do not comply with our social, environmental and ethical standards. They play a dual role because they also serve to protect against reputational risks. The exclusion criteria are set out in the relevant guidelines and were tightened in 2024 to achieve a broad alignment with those of the International Finance Corporation (IFC).

- No financing of transactions or assets that pose a permanent/material risk to the environment; in particular no financing for the purposes of (a) coal, gas, peat and oil extraction (in particular tar sand drilling and arctic drilling), (b) the construction of new coal- and peat-fired power plants, (c) the production or trade of unbound asbestos fibres, (d) drift net fishing with nets longer than 2.5 km, (e) commercial logging in humid tropical primary forests and the production or trade of timber or other forestry products that do not come from sustainably managed forests.
- No financing of activities that have serious negative social impacts or pose a threat to life or health, of (a) countries at war if condemned by the United Nations, (b) the manufacture or trafficking of arms, (c) gambling, (d) the manufacture or sale of liquor, (e) the manufacture or sale of tobacco products, (f) pornography, in each case (with the exception of (a)) if the relevant activities account for more than 5% of the borrower's revenues.

- No funding in the event of violations of (a) national or international laws, sanctions, (b) the UN Declaration of Human Rights, (c) the ILO Core Labour Standards (e.g. harmful forced labour, harmful child labour), (d) ethical principles or in the event of problematic corporate governance issues, in particular corruption (acceptance or solicitation of bribes).
- No financing for customers without sufficient information or with unclear ownership, and no lending business where the purpose of which has not been understood.

A special standard of care must be applied, also with regard to reputational risk. Projects to which these exclusion criteria apply are not financed.

Sustainability check

Since 2012, Kommunalkredit has required a mandatory sustainability check for all projects in its infrastructure and energy portfolio. This process, the **internal Environmental and Social (E&S) Due Diligence**, is set out in the credit risk policy and must be completed before a credit application is submitted. Each project is evaluated against certain ESG criteria to assess its environmental, social and governance impacts. The result of this check is then classified as "positive", "neutral" or "negative".

Projects for which all criteria are rated "positive" or "neutral" are considered ESG-compliant and are therefore eligible for inclusion in the KA Environmental Sustainability Ratio. If a criterion is rated "negative", corrective measures must be taken in consultation with the customer in order to mitigate the problem. In addition, each new business transaction must make a positive contribution to at least one Sustainable Development Goal (SDG). These contributions are systematically recorded as part of the Sustainability Check to ensure compliance with Kommunalkredit's overarching sustainability targets.

ESG risk assessment

In 2022, a **risk classification of Kommunalkredit's infrastructure and energy portfolio** was introduced based on a five-step ESG scale (categories 1 to 5) at the level of the financed sectors and sub-sectors. A low risk means that ESG-related physical or transition risks do not increase the probability of default of a receivable or do not increase it to a significant extent. A moderate risk means that ESG factors have a small negative impact on the risk profile. A high or very high risk rating means that potential risks have been identified in the areas mentioned above that could impact the probability of default. This is reflected accordingly in the credit rating.

All transactions in the infrastructure and energy portfolio are classified and rated to provide an overview of the environmental and social sustainability credit risks within the portfolio and to ensure that the sector-related sustainability risks in the portfolio are appropriately assessed. Risks are assessed over the life of each loan, including any risks that arise during refinancing. Physical risks and transition risks are included, with mitigating factors being respectively taken into account. External databases are used for physical risks.

Environmental dimension

As of 31 December 2024, 76% (2023: 74%) of the infrastructure and energy portfolio was rated as **low risk** (categories 1 and 2) in the area of **environmental risks (ESG "E")**. Approximately 19% (2023: 21%) of exposures have a medium risk (category 3), while exposures with increased risk (category 4) remained stable at 5%. No exposure was assessed as risk category 5 (high risk).

Social dimension

In the area of social **sustainability risks (ESG "S")**, 76% (2023: 77%) of the infrastructure and energy portfolio was rated as **low risk** (categories 1 and 2) as of 31 December 2024. Approximately 23% (2023: 23%) have a medium risk (category 3) and only 1% (2023: 1%) have an increased risk (category 4). No exposure was assessed as risk category 5 (high risk).

Governance aspect

In the area of **governance risks (ESG "G")**, 82% of the infrastructure and energy portfolio was classified as low risk (categories 1 and 2), 15% as medium risk (category 3), 1% as increased risk (category 4) and 2% as high risk (category 5).

In addition, the 20 largest clients of the Austrian municipal portfolio in 2024 were also assessed using the five-step ESG scale and classified as low-risk (categories 1 and 2) in all three ESG risk dimensions, while other public finance exposures were largely externally assessed and the ESG factors of these external ratings were taken into account.

Sustainability in the spotlight

After joining the Partnership for Carbon Accounting Financials (PCAF) initiative in 2023, Kommunalkredit reached an important milestone on the path to sustainability by disclosing the first estimates of the emissions financed by the Kommunalkredit Group. This disclosure is a crucial step towards fulfilling an important commitment under our sustainability strategy. Given the importance of financed emissions for the overall carbon footprint of financial institutions, the **voluntary disclosure** of these emissions reflects our commitment to understanding and managing the climate impacts of our activities. This approach enables informed decision-making and supports our overarching sustainability goals. The results of these financed emissions calculations will form the basis for our next sustainability milestone planned for 2025 – the **setting of net zero targets**. This is an important tool to effectively contribute to the goals of the Paris Agreement.

Financed emissions according to PCAF

The **financed emissions** are the greenhouse gas emissions related to investments and loans reported under Scope 3, category 15 'Investments'. These indirect emissions are attributed to the Kommunalkredit Group through the activities and projects it finances. We calculated the financed emissions for the years 2022-2024 pursuant to the methodology of PCAF (PCAF (2022)). The Global GHG Accounting and Reporting Standard Part A: Financed Emissions. Second Edition) – a globally recognised standard for financial institutions – while ensuring that the latest PCAF methodology was applied.

We apply a financial control approach to determine the organisational boundaries for reporting on Scope 3-15 emissions analogous to the scope of consolidation for financial reporting. Due to data limitations, we were unable to include the indirect emissions from our participation in the Fidelio Fund's assets in our inventory of financed emissions. Given the comparatively small size of the exposure (EUR 22m) and the depreciation profile of these assets, we consider the exclusion to be immaterial.

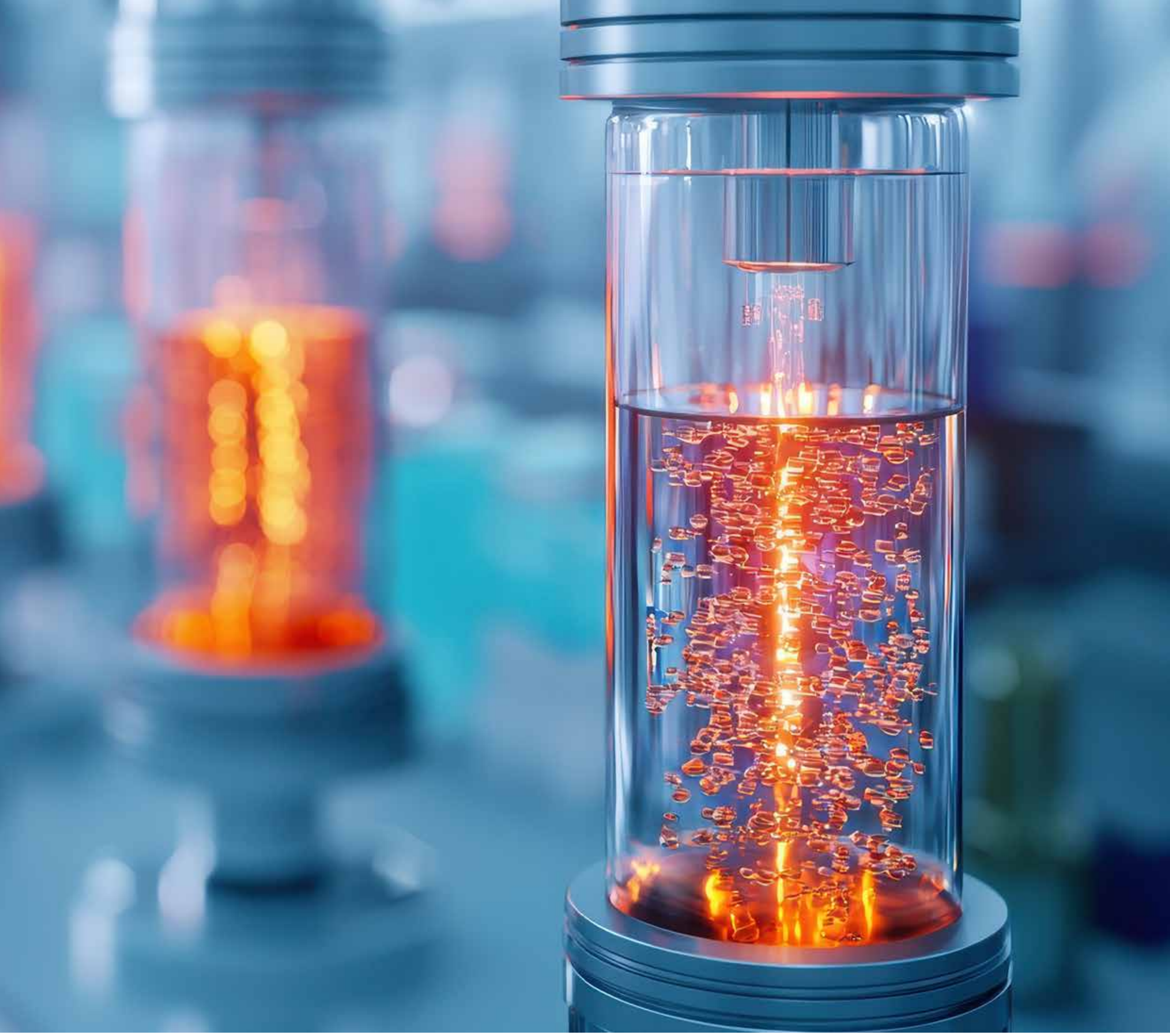
Covered areas

The Kommunalkredit Group's **GHG-financed emissions inventory** for the 2024 financial year comprises 81% of lending and investment activities and 67% of total assets. The exposure is measured under the gross carrying amount balance sheet item including accrued interest.

The table below illustrates the coverage achieved for each of the four PCAF asset classes included in the calculations: business loans and unlisted equity, listed equity and corporate bonds, project finance, and sovereign debt. These exposures essentially correspond to our infrastructure and energy portfolios, as well as our sovereign debt and treasury portfolios. PCAF has not yet developed a methodology for regional and local authorities, so the coverage is 0%.

We do not report emissions for the PCAF asset classes "Motor vehicle loans", "Commercial real estate" and "Mortgages" as they are not included in our loan and investment portfolio.

FINANCED EMISSIONS Portfolio coverage	Gross carrying amount in EUR m			of which, covered Exposure balance sheet item in %		
Asset class	2022	2023	2024	2022	2023	2024
Business loans and unlisted equity	1,311	1,540	2,001	98%	98%	99%
Listed equity and corporate bonds	424	412	387	100%	100%	100%
Project finance	1,104	1,537	1,869	100%	100%	100%
Sovereign debt	273	421	138	100%	100%	100%
Regional and local authorities	792	854	1,000	0%	0%	0%
Total	**3,904**	**4,763**	**5,395**	**79%**	**82%**	**81%**



FINANCED EMISSIONS based on Scope 1+2 of borrowers / investees	PCAF Data Quality Score (Scope 1+2)			Covered exposure balance sheet item* in EUR m			Financed emissions Scope 1+2 in tCO_2e			Intensity scope 1+2 in tCO_2e/EUR m		
PCAF asset class	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Business loans and unlisted equity	5	5	5	1,283	1,516	1,979	1,054,646	439,046	566,029	822	290	286
Listed equity and corporate bonds	5	5	5	424	412	387	5,087	4,602	3,983	12	11	10
Project finance	5	5	5	1,104	1,537	1,869	242,262	220,623	228,816	219	144	122
Total	**5**	**5**	**5**	**2,811**	**3,465**	**4,235**	**1,301,996**	**664,271**	**798,828**	**463**	**192**	**189**

FINANCED EMISSIONS based on Scope 3 of borrowers / investees	PCAF Data Quality Score (Scope 3)			Covered exposure balance sheet item* in EUR m			Financed emissions Scope 3 in tCO_2e			Intensity scope 3 in tCO_2e/EUR m		
PCAF asset class	2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
Business loans and unlisted equity	5	5	5	1,171	1,483	1,948	134,761	155,447	182,439	115	105	94
Listed equity and corporate bonds	5	5	5	424	412	387	8,601	7,828	6,828	20	19	18
Project finance	5	5	5	1,011	1,473	1,813	72,345	78,930	119,469	72	54	66
Total	**5**	**5**	**5**	**2,606**	**3,368**	**4,148**	**215,707**	**242,205**	**308,736**	**83**	**72**	**74**

* Exposure differences in the tables are due to the fact that Scope 1, 2 and 3 emission factors were not available for all exposures.

FINANCED EMISSIONS by sector	Covered exposure balance sheet item in EUR m			Financed emissions Scope 1+2 in tCO_2e		
	2022	2023	2024	2022	2023	2024
Construction	46	36	34	1,387	1,023	920
Mining	-	-	15	-	-	14,831
Financial services and business activities	339	317	391	419	366	398
Food production, beverages and tobacco	10	10	-	902	844	-
Metal and metal products	-	0	138	-	23	17,143
Offshore wind power	31	36	37	n/a	n/a	n/a
Onshore wind power	172	285	199	n/a	n/a	n/a
Public administration; education; health; leisure; other services	571	576	801	17,661	16,058	21,020
Photovoltaics	212	318	529	n/a	n/a	n/a
Postal communication and telecommunications	356	731	887	11,196	18,300	18,744
Electricity generation from coal	95	-	-	722,472	-	-
Electricity generation from gas	87	52	46	52,214	30,224	26,000
Electricity generation from waste	23	45	41	92,493	152,293	145,177
Electricity, gas and water	556	587	737	371,632	405,212	521,098
Transport	313	472	380	31,619	39,929	33,495
	2,811	**3,465**	**4,235**	**1,301,996**	**664,271**	**798,828**

Financed emissions – Results

Financed emissions related to PCAF "non-sovereign asset classes", based on borrowers' Scope 1 and 2 emissions, amounted to 798,828 tCO_2e in 2024, showing a decrease compared to 2022 (1,301,996 tCO_2e) despite increasing exposure to EUR 4,235m. Accordingly, emissions intensity (considering Scope 1 and 2 only) decreased from 463 tCO_2e/EURm in 2022 to 189 tCO_2e/EURm, a result that is due to declining exposure in the high-emitting "coal-fired power generation" sector. The estimated financed emissions – which can be calculated from our customers' Scope 3 emissions – amounted to 309,065 tCO_2e in 2024, an increase of +51% compared to 2022, in line with the increase in the portfolio. The reduction in exposure in the coal power sector has no impact on Scope 3 emissions, as we were unable to estimate these for coal-related exposure (also see the section "Data quality and uncertainties"). As required by the PCAF standard, we report Scope 3 emissions separately.

The financed emissions from our government bonds are also presented separately. These amounted to 38,952 tCO_2e in 2024 (2023: 101,000 tCO_2e) and have decreased in line with the reduction in the bond portfolio. As countries with higher GHG emissions/GDP represent a higher share of our bond portfolio, the emission intensity has increased to 282 tCO_2e/EURm. The financed emissions of the "Sovereign debt" asset class correspond to Scope 1 "production emissions", i.e. domestic GHG emissions from sources on the national territory, and do not take into account emissions associated with the import of electricity, heat or steam (Scope 2) or the import of goods (Scope 3). Scope 1 emissions from sovereign debt are reported including and excluding the impacts of the land use, land use change and forestry (LULUCF) sectors. The LULUCF sector records the net impacts of land use (classified into six categories: forest, arable land, grassland, wetlands, settlements, other land) and wood products on a country's emissions. It is the only sector

FINANCED EMISSIONS PCAF asset class Sovereign debt	Average PCAF Data Quality Score	Covered exposure in EUR m	Financed emissions Scope 1 * in tCO_2e	Financed emissions Scope 1 ** in tCO_2e	Intensity Scope 1 * in tCO_2e/EUR m	Intensity Scope 1 ** in tCO_2e/EUR m
2022	1.14	273	68,464	70,374	250	257
2023	1.14	421	101,000	103,936	240	247
2024	1.38	138	38,952	43,019	282	311

* including land use, land use change & forestry (LULUCF)
** excluding land use, land use change & forestry (LULUCF)

Intensity Scope 1+2 in tCO_2e/EUR m			Financed emissions Scope 3 in tCO_2e/EUR m		
2022	2023	2024	2022	2023	2024
30	28	27	9,459	6,975	6,271
-	-	976	-	-	6,949
1	1	1	1,692	1,458	1,672
90	84	-	6,543	6,122	-
-	133	124	-	59	45,105
-	-	-	207	222	224
-	-	-	2,149	3,310	2,339
31	28	26	29,367	26,612	36,071
-	-	-	8,167	11,035	18,107
31	25	21	19,594	42,977	38,124
7,633	-	-	n/a	-	-
600	577	562	n/a	n/a	n/a
4,051	3,417	3,559	n/a	n/a	n/a
668	690	707	108,133	106,357	-
101	85	88	30,398	37,078	27,565
463	**192**	**189**	**215,707**	**242,205**	**308,736**

n/a in the table due to missing emission factors. For offshore wind, onshore wind and photovoltaics, only Scope 3 emission factors are available; for electricity generation from coal/gas/waste, only Scope 1 emission factors are available.

in the national greenhouse gas inventories that can cause both emissions and removals of CO_2. Some land use categories (arable land, grassland, wetlands and settlements) are typically a source of CO_2 for the atmosphere, while forests generally represent a net carbon sink. The potential for removing emissions through LULUCF may be affected by climate change-related events such as wildfires and drought.

Data quality and uncertainties

It is important to point out that the figures presented in this report are subject to considerable uncertainty. This is primarily due to the lack of project-specific data, including financial data required for attribution and project-specific GHG emissions. Considering the challenges related to data availability, the PCAF method allows the use of different data types. To calculate Scope 1/production emissions for the sovereign debt asset class, we apply Option 1a by referring to the verified UN Framework Convention on Climate Change (UNFCCC) emissions data for 2021.

For all other exposures covered by the scope 3-15 issuance inventories (except those classified as ‘sovereign debt’), option 3c is applied. Emission factors from the PCAF database are used which enable the calculation of emissions at project level, although only the outstanding amount is known. We follow PCAF recommendations and apply regional averages from Exiobase for all sectors, with the exception of electricity generation, where Climate Trace country values are applied to the non-renewable sectors of electricity generation and global averages are applied to renewable electricity generation.

The corresponding data quality score is 5 (the lowest score) for the indirect emissions arising from most of our exposures and close to 1 (the best score) for the estimates of indirect “production emissions” from our sovereign debt portfolio. The importance of more accurate data to manage our carbon footprint is evident and we recognise the challenges the financial industry faces in obtaining comprehensive and reliable emissions data from clients and investment recipients. Despite these data limitations and challenges, the calculations can support the identification of current hotspots and large issuers within the portfolio.

Principles of Responsible Banking

PRINCIPLE 1:
Alignment
We align our business strategy with the needs of individuals and the goals of society as defined in the SDGs, the Paris Climate Agreement and relevant national and regional frameworks. As an infrastructure bank, our business model facilitates the construction and operation of infrastructure projects by connecting the financing needs of project sponsors and developers with the growing demand for sustainable investment opportunities.

Our key investment segments include:

- Energy and environment
- Communication and digitalisation
- Transport
- Social infrastructure
- Natural resources

PRINCIPLE 2:
Impact and target setting
We focus on increasing positive impacts while minimising negative impacts on people and the environment and managing the risks associated with our activities, products and services. Through a robust materiality analysis and the calculation of portfolio-related greenhouse gas emissions using the PCAF method, we identify the areas of greatest significance. In the first quarter of 2025, we will use the Portfolio Impact Analysis Tool for Banks to assess our portfolio in three key areas:

- **Social:** Integrity, health, safety, equality and access to resources
- **Socio-economic:** Strong institutions, healthy economies and important infrastructure
- **Environment:** Climate stability, biodiversity and circular economy of resources

By addressing these key areas, we aim to define and publish measurable sustainability goals that align with global priorities and promote a sustainable, equitable and resilient future.

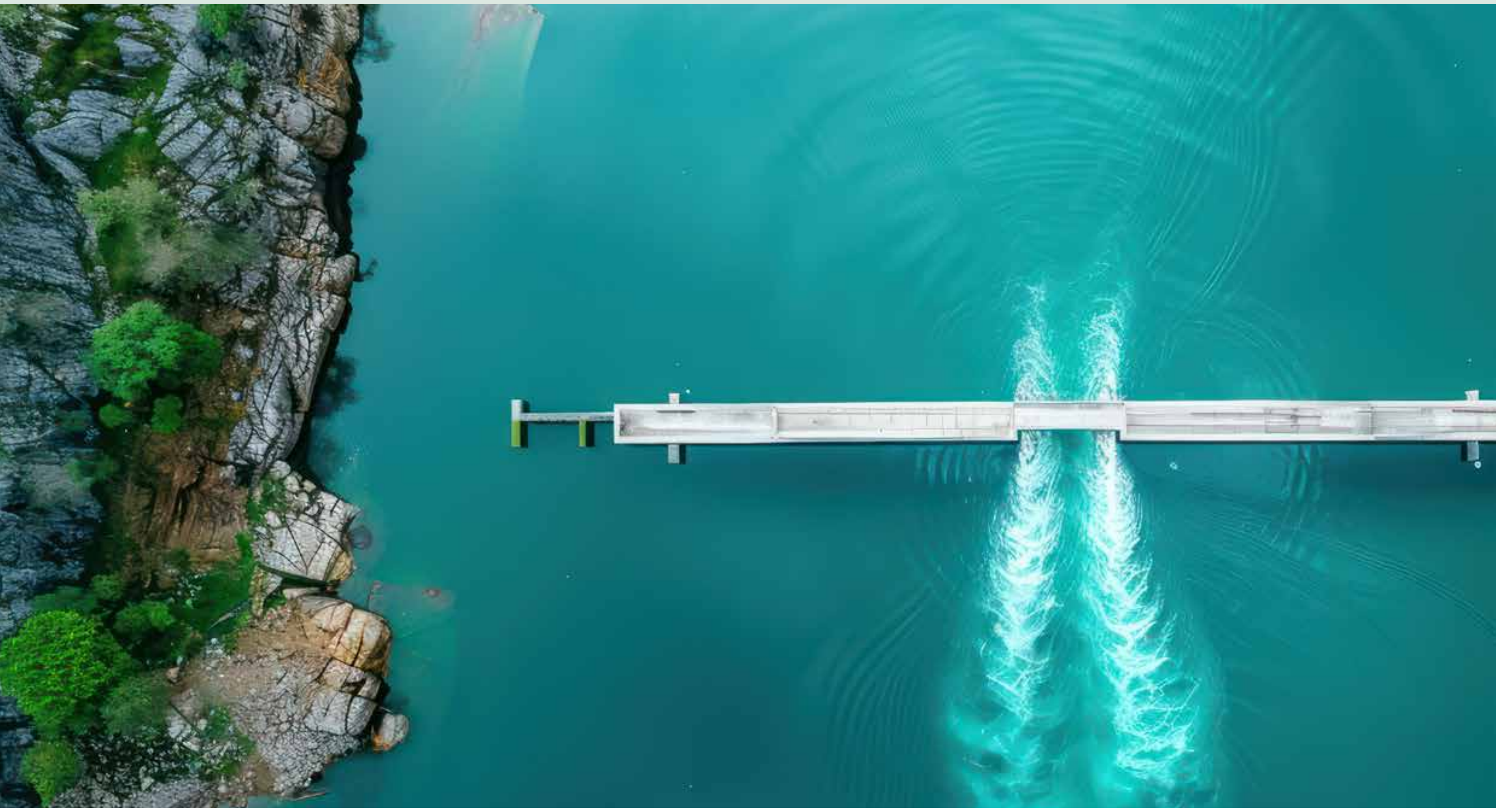
PRINCIPLE 3:
Clients and customers
We work responsibly with customers and clients to promote sustainable practices and enable economic activities that promote the shared prosperity of present and future generations. Our approach is based on three pillars:

- **Code of Conduct:** Professional standards and ethical practices are embedded in our daily work and enshrined in a binding Code of Conduct that applies to all employees and stakeholders of the Kommunalkredit Group.
- **Exclusion criteria:** A comprehensive list of exclusion criteria mitigates potential negative impacts by serving as a guideline for all new business engagements, including financing and investments.
- **Voluntary compensation projects:** Through our subsidiary Kommunalkredit Public Consulting and the Climate Austria initiative, we offer voluntary climate action projects to help customers reduce their carbon footprint and contribute to climate resilience.

PRINCIPLE 4:
Stakeholders
We proactively and responsibly consult and work with relevant stakeholders to achieve society's goals and promote sustainable development.

PRINCIPLE 5:
Governance and culture
Our commitment to PRB is embedded in effective governance structures and a culture of responsible banking. For further details, please see the "Sustainability Governance" section of this report.

PRINCIPLE 6:
Transparency and accountability
We regularly review our progress in implementing the PRB and report on them transparently. This includes accountability for the positive and negative impacts of our activities and our contributions to society's goals. Since 2017, our sustainability reporting has been based on the standards of the Global Reporting Initiative (GRI). We are now preparing to align with the Corporate Sustainability Reporting Directive's (CSRD) reporting requirements, including the European Sustainability Reporting Standards (ESRS) and EU Taxonomy.

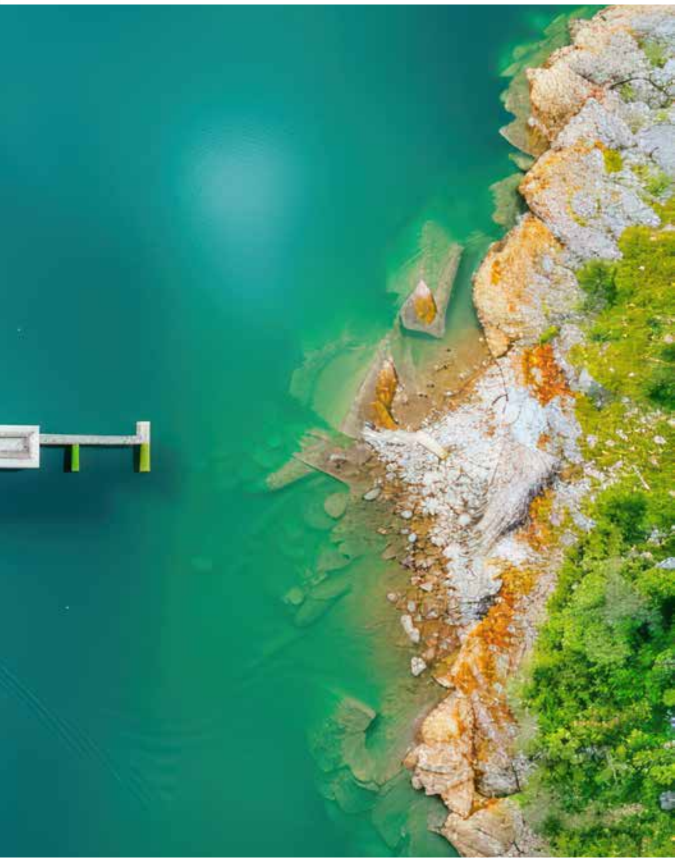


Recalculation of the baseline and significance threshold

In accordance with the PCAF standard, we have established a policy to recalculate our financed baseline emissions in order to ensure data consistency, comparability and relevance of reported greenhouse gas emissions data over time. Our recalculation triggers are consistent with the methodology described in the GHG Protocol. Therefore, the following three situations may potentially trigger a recalculation of the base year:

- Structural changes in the organisation and its underlying portfolio (e.g. mergers, acquisitions and divestitures).
- Significant changes in calculation methodologies or improvements in data accuracy (e.g. moving to the use of asset-specific emissions data or more current emissions factors).
- The identification of significant errors (or a series of cumulative errors) in the original base year calculation.

The significance of the above situations for the calculations and results will be assessed by the internal ESG team. If they are deemed to significantly affect the data consistency, comparability or relevance of GHG emissions data between reporting periods, a new baseline calculation shall be carried out.



UN Principles of Responsible Banking (UN PRB)

We are committed to supporting economies and societies on their path to a sustainable, equitable, climate-resilient and low-carbon future, as envisaged in the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. This commitment is demonstrated by our voluntary adoption of the UN Principles for Responsible Banking (UN PRB) – a framework of the UNEP Finance Initiative (UNEP FI) – which we signed in 2022. The UN PRB guide companies in maximising positive impacts and minimising negative externalities and ensure alignment with global sustainability goals.

In line with the UN PRB, we have taken a structured approach to three critical areas:

- **Impact analysis:** Identifying and assessing the social, environmental and economic impacts of our activities
- **Objective setting and implementation**: Setting measurable sustainability goals and embedding them in our operations
- **Assured reporting:** Ensuring transparency and accountability through independent third-party verification of our progress

Our first UN PRB report – a self-assessment template – is available on our website. It sets out our current status, ambitions and alignment with the six UN PRB principles and highlights our strategy to position sustainability as a strategic priority.

From 2025 onwards, the footprint of our activities – derived from the sectors we finance and the location of our projects – shall be translated into targets that we plan to integrate into our sustainability strategy as additional cornerstones in the first quarter of 2025 and which will form the basis of our second UN PRB report.

Sustainable services

We set ourselves the goal of accelerating the energy transition early on and opted to play a creative role. We accompany projects from their idea to completion in order to align them as best as possible with society's sustainable goals.

Kommunalkredit Public Consulting GmbH (KPC)

KPC acts as the **interface** between the funding agencies, which provide financial resources, and applicants. It oversees the entire project support process. Its duties also include the development and implementation of support programmes. KPC employees are sought-after keynote speakers. Webinars, impulse lectures and keynotes are regularly held by KPC experts on climate and environmental protection topics.

Because of the global developments, 2024 was characterised by **increased utilisation of support,** as well as the creation of new support programmes. Funding offers for the transformation of industry towards CO_2 neutrality as well as various programmes in the area of energy efficiency have been implemented. In addition, a subsidy scheme was launched as part of the Biodiversity Fund, while further funding was made available for circular economy-related subsidies.

Subsidies are processed digitally as part of an interlinked approach, thus guaranteeing the fast, unbureaucratic use of the instruments. Clear criteria for the subsidies ensure planning security for projects and help contribute towards customer satisfaction.

The **range of services** includes:

- Applications for funding reviewed for form and content
- Ascertaining the level of funding
- Support for applicants during the decision-making process
- Creating recommendations for funding
- Guidance for decision-making bodies
- Issuing contracts and letters of rejection
- Processing the final invoices and payment management
- Monitoring and reporting

In the area of **international consulting**, consulting services were obtained from well-known international and national financing institutions.

Subsidy management in 2024

In 2024, KPC **awarded subsidies** of EUR 2,868m, in particular on behalf of the Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK), the Ministry of Agriculture, Forestry, Regions and Water Management (BML), the Climate and Energy Fund and the Ministry for Arts, Culture, Civil Service and Sport (BMKÖS). In 2024, the subsidies went to a total of 768,352 projects with a total investment volume of EUR 9.1bn, This corresponds to an increase in investments of approximately 27.5% compared to the previous year 2023.

Renovation support

The **Renewable Heating Package [Erneuerbare-Wärme-Paket]** aims to promptly replace as many fossil-fuel heating systems as possible. The key points of the newly complied funding package are reflected in the renovation offensive in the form of a significant increase in the cost absorption for heating system replacement by an average of 75% through federal and state funding, as well as a tripling of the Federal Government's flat-rate funding for thermal building renovation. The number of applications in 2024 for “Get out of oil and gas” [Raus aus Öl und Gas] has almost doubled, and the number for the restructuring bonus [Sanierungsbonus] has more than tripled. On 20 December 2024, the funding campaign was concluded with great success with a record budget of EUR 3.8bn.

In addition, new funding campaigns have been launched in this area: Analogous to “Clean Heating for All” [Sauber Heizen für Alle], the “Clean Renovation for All” [Sauber Sanieren für Alle] programme was launched in 2024 in cooperation between the Federal Government and the state of Styria to support low-income households with up to 100% of the costs of thermal renovation.

Exchange of renewable heating systems for private individuals

By replacing outdated and no longer energy-efficient renewable heating systems with modern and climate-friendly heating systems, **significant improvements in final energy efficiency in the private residential sector** should be achieved. For this purpose, the Austrian Federal Government is making a total of EUR 60m available for the years 2024/2025. Private individuals are eligible for funding in the area of single-family and two-family houses and terraced houses.

Thermal building renovation for non-profit housing associations 2024/2025

From the funds for energy efficiency under the Austrian Environmental Promotion Act [Umweltförderungsgesetz, UFG], EUR 120m will be made available for the years 2024/2025 for the thermal-energy renovation of **residential buildings for landlords** with rent based on the cost-coverage principle. This is intended to relieve them of the burden of thermal and energy-saving renovation.

Help for flood victims
Due to the flood events in 2024 and the associated extraordinary financial burdens, simplified application conditions have been resolved for private households, businesses and municipalities in selected funding areas in order to provide rapid support to those affected.

Transformation of industry and the economy
"Economic transformation" is a programme under the umbrella of the Climate and Energy Fund and is aimed at **transformative schemes to reduce emissions in** the economy that make a key contribution towards cutting GHG emissions. These include measures that enable efficient use of energy or a switch to renewable energy sources or help to maximise the reduction in GHG emissions.

The EUR 100m that has been made available for this programme is provided by the European Union's Recovery and Resilience Facility (RRF), the cornerstone of "NextGenerationEU", and embedded in the Austrian Recovery & Resilience Plan 2020-2026 (ÖARP); the funds will be awarded through competitive tenders.

As part of the support provided for the "Transformation of industry", the Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) is facilitating, via the Environmental Support in Austria (UFI) scheme, the maximum possible reduction in GHG emissions from the direct combustion of fossil fuels or directly from industrial production processes. The aim of this is to contribute to the decarbonisation of these sectors of the economy by 2040 and to strengthen Austria's standing as an industrial and business hub. According to the Austrian Environmental Subsidy Act [Umweltförderungsgesetz, UFG], a total of almost EUR 3bn in funding will be available for this purpose in the period leading up to 2030. The funds will be awarded in tenders based on both quantitative and qualitative criteria.

Biodiversity Fund
The Biodiversity Fund is aimed at preserving, improving and restoring **biodiversity in Austria** by supporting measures to implement the national biodiversity strategy. The budget amounts to EUR 80m, with EUR 50m coming from the RRF, with a term until 2026.

Circular economy
At the beginning of 2024, the new circular economy funding scheme was launched with the aim of accelerating an effective circular economy in Austria, **in order to massively reduce resource consumption**. EUR 41m in national funds were made available for this purpose. This funding programme aims to contribute to the implementation of the Austrian circular economy strategy "Austria on the way to a sustainable and circular society" [Österreich auf dem Weg zu einer nachhaltigen und zirkulären Gesellschaft], which came into force in December 2022. The vision of the strategy is to transform the Austrian economy and society into a climate-neutral, sustainable circular economy by 2050.

The "**Repair Bonus**" [Reparaturbonus] promotional campaign for electrical and electronic devices has been running since April 2022 and is an important step away from a throwaway society and towards a more sustainable use of valuable resources. The Repair Bonus of up to EUR 200 per voucher has been extended from September 2024 and can also be redeemed for repairing bicycles. The Repair Bonus is financed from funds from the "Next Generation EU" financing and reconstruction fund provided by the European Union as part of the Austrian recovery and resilience plan and includes a total funding volume of EUR 130m until 2026. A further EUR 124m is available from national funds for this funding campaign.

Water management
In order to protect our groundwater and keep our water bodies clean, we need functional and high-quality water infrastructure. With the urban water management funding instrument, these tasks are combined and implemented at the municipal level: The aim is, first of all, to ensure an **uninterrupted supply of high-quality drinking water** for the population and secondly, to guarantee **public wastewater** disposal with a view to groundwater protection and preventing water pollution. Ensuring that our water bodies have a good ecological status is another key objective. The funding for aquatic ecology serves to improve or eliminate hydromorphological measures, such as river regulation or transverse structures that are not fish-passable. Around EUR 150m was made available for residential water management in 2024, with roughly EUR 60m still available for aquatic ecology between now and 2027.

Waldfonds investment fund
The Waldfonds is an investment fund for a sustainable, **future-proof forestry sector**. KPC handles the funds for constructing large-scale residential and public buildings, such as schools and municipal buildings, in this area. The prerequisite is that they feature wooden constructions with a high proportion of regenerative raw materials from sustainably managed forests. The projects receiving these funding streams in 2024 had an environment-relevant investment volume of around EUR 116m and save approximately 17,000 tonnes of CO_2.

Consultancy services

- International consultancy services
- National consultancy services

As a consultant, KPC successfully provides services for national and **international development organisations** and financial institutions. In terms of its international consulting activities, KPC focuses in particular on the fields of energy, climate action and sustainable finance. Its core tasks here comprise technical and economic consulting, studies, transfer of know-how and policy advice, as well as project evaluation services and the development of sustainable credit facilities. Clients include prestigious institutions such as the World Bank, the European Commission, the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Organisation for Economic Co-operation and Development (OECD) and Germany's Kreditanstalt für Wiederaufbau (KfW). In terms of **climate policy consultancy** for the BMK, KPC provides direct support to the Austrian negotiation team for the climate negotiations at EU level and at international UN climate summits (such as COP 29 in Baku). KPC also acts as an advisor to the Austrian representative in the Green Climate Fund (GCF), an instrument for funding for international climate projects that provides money for schemes to reduce GHG emissions and for enabling adaptation to climate change in developing countries. KPC is also supporting the Austrian representative in the newly created UN Fund for Responding to Loss and Damage (FRLD). This fund was created at last year's COP in Dubai (COP28) and will be operationalised in 2024.

In the field of **bilateral climate project funding,** KPC manages climate action projects funded directly by the BMK to support climate action measures in developing countries and emerging markets. The second programme call for climate action projects was implemented as part of this funding programme in 2024, resulting in EUR 10m in funding being awarded for projects in developing countries.

In 2024, KPC prepared a total of 25 project applications with a potential contract volume of EUR 17.8m as of 31 December and submitted them to institutions inviting tenders. Twelve attractive new contracts have been signed so far, together with extensions of existing mandates, with an overall contract volume of EUR 4.4m.

Climate Austria

KPC has been managing Climate Austria since 2008, drawing on its long-standing experience with climate protection projects in Austria and beyond. **Voluntary climate action** remained a key issue for the general public, and many companies are actively seeking opportunities to implement voluntary climate action measures. Climate Austria acts as a cooperation partner that supports national and international climate protection projects for active CO_2 avoidance and reduction through voluntary contributions. To date, more than 460 national and international climate action projects have received support totalling almost EUR 3.9m via this cooperation model. In 2024 alone, almost 34,000 tonnes of CO_2 were avoided thanks to national and international climate action schemes.

Business ethics

Commitment to diversity, equality and inclusion

The diversity of Kommunalkredit's employees is a **cornerstone of its success**, promoting innovation and growth in a modern, dynamic organisation. The 27 nationalities of Kommunalkredit's employees currently promote a vibrant, inclusive corporate culture that thrives on diverse perspectives and ideas. Respect, appreciation and fairness as well as recognition of the unique skills and needs of each individual are fundamental values needed to create a workplace where everyone can thrive.

Kommunalkredit's commitment to diversity is an **essential part of its identity** and shapes its future as a truly international organisation, founded on the belief that the best ideas arise from the collaboration of people with different experiences and skills. This diversity encourages innovation, builds resilience and creativity, and fosters a culture where everyone can thrive and reach their full potential. Kommunalkredit knows that promoting diversity not only strengthens the community, but also attracts top talent and paves the way for a better, more inclusive future.

Diversity is firmly anchored in Kommunalkredit's corporate strategy, and the organisation is consistently committed to ensuring that discrimination has no place in its activities – be it on the basis of gender, sexual orientation, age, ethnic or social origin, cognitive or physical abilities, family responsibilities, genetic characteristics, religion or ideology.

Code of Conduct

Responsible **business management** is the basis for our long-term success. As a result, professional standards and basic ethics are the norm in our day-to-day business and codified in our Code of Conduct. We commit to the highest compliance standards and are aware of our corporate social responsibility.

Human rights

We respect and support the safeguarding of human rights as set out in the **European Convention on Human Rights** and the **Universal Declaration of Human Rights** and conduct our business in accordance with these principles. We expect the same of all of our service providers and business partners.

Compliance and statutory requirements

We have a compliance organisation in place that has been established in accordance with the statutory provisions and its main remit is to ensure **compliance with statutory provisions** and rules of conduct on an ongoing basis.

Kommunalkredit has created a suitable compliance mechanism in line with the relevant responsibilities and policies, implements the necessary **review and training measures** on the basis of a robust risk analysis and reports regularly to the Executive Board.

Data protection

Kommunalkredit treats the personal data of employees, customers and business partners in accordance with the applicable **legal requirements governing the protection of personal data** and **data security**. In order to implement and monitor the regulatory requirements, Kommunalkredit and its subsidiaries have appointed decentralised data protection coordinators and an external data protection officer as well as a central coordination unit. The data protection policies that have been put in place set out regulations governing all data processing operations along with the rights of data subjects within this context. The data protection policy is available for all employees on the intranet. All information regarding data processing and relevant data protection policies are available on the website for individuals outside of the company, and can also be accessed by all employees on the intranet. All employees also receive ongoing training on these topics.

Information security

Kommunalkredit recognises the significance of information security for the **effective attainment of the organisation's targets**. By operating an information security management system (ISMS) and continually developing it, Kommunalkredit is able to live up to its commitment to implement the legal requirements. The ISMS is designed in accordance with ISO/IEC 27001 and has been certified accordingly. All employees undergo information security training as part of a programme comprising several modules.

Preventing corruption/inducements

An internal policy setting out provisions on how to deal with inducements provided by third parties to employees, as well as inducements granted to third parties, was adopted **in line with the Austrian Anti-Corruption Act (Antikorruptionsgesetz)**. This policy applies to the entire Kommunalkredit Group. Inducements granted or received are reported to the Compliance Office on an ongoing basis. They are also monitored and are prohibited if they give rise to a conflict of interest, are deemed inappropriate or otherwise violate Kommunalkredit policies, or if they result in reputational risks. Employees are trained accordingly. There were no cases of corruption during the reporting period.

Combatting money laundering and the financing of terrorism

For Austrian banks, the due diligence and reporting requirements apply as set out in the **Austrian Financial Markets Anti-Money Laundering Act (FM-GwG)**, as well as the provisions of the **Beneficial Owners Register Act (WiEReG)** with regard to the beneficial owner. Maintaining these due diligence and reporting requirements serves, in particular, to prevent money laundering and the financing of terrorism. Banking transactions may only be processed for identifiable customers. Employees in relevant areas undergo corresponding training on an ongoing basis.

Corporate governance

In 2024, the Supervisory Board performed its tasks, as defined in the Articles of Association and the Rules of Procedure, at four ordinary meetings and seven extraordinary meetings. The Audit, Remuneration and Credit Committees also held their meetings and performed their tasks in accordance with the Articles of Association. The allocation of responsibilities and cooperation within the Executive Board are regulated in the Executive Board's rules of procedure. Executive Board meetings are held on a weekly basis with agendas for resolutions to be passed and for reporting. Minutes are taken at these meetings and any agreed follow-up points are recorded and closely monitored. The members of the Executive Board also maintain ongoing dialogue both with each other and with the responsible managers.

There is **regular dialogue** between the chair of the Supervisory Board and the Executive Board in the interests of proper corporate governance. In particular, this process is used to define the company's strategy (including the sustainability strategy) and address business development and risk management. The Executive Board provides the Supervisory Board with timely and comprehensive information on all issues relevant to business development, including the risk situation and risk management within the company and at its major subsidiaries. Further information can be found in the separately published **Corporate Governance Handbook on Kommunalkredit's website**.

Internal control and risk management system (ICS and RMS)

The ICS and RMS are designed to ensure that **risks** in relevant business processes **are identified quickly** and that appropriate measures are then taken to mitigate them. In order to achieve this, control points, controls and control officers are defined, specifying which core risks are to be reduced or avoided.

Whistleblowing and complaints management system

The **whistleblower system** as per § 99g Austrian Banking Act [Bankwesengesetz, BWG] (also referred to here as the "Austrian GAAP") was adapted in 2023 to reflect the requirements as set out in the Austrian Whistleblower Protection Act [Hinweisgeber-Innenschutzgesetz, HSchG]. A corresponding reporting channel is available on the website of the relevant Kommunalkredit Group companies. No reports pursuant to this Act were made in the reporting period. This system is set out in an internal policy and in the Code of Conduct, and every new employee is made aware of it. The documents are available in German and in English. There is also a complaints management mechanism as per § 39e BWG (Austrian GAAP) in place at Kommunalkredit.

Procurement management

Within Kommunalkredit, provisions governing various aspects of procurement are set out in a central "Procurement Handbook". Goods and services for business purposes must be selected and purchased **based on the principles of cost-effectiveness, appropriateness, economy and sustainability**. The "Sustainable procurement" work instruction has been in use for over 15 years now in order to ensure the sustainable procurement of products essential to business operations. This was incorporated into the central set of rules in 2023 and supplemented to include a **Code of Conduct for suppliers and service providers**.

Sustainable procurement categories

In sustainable procurement, Kommunalkredit distinguishes three main product groups: office supplies, printed material and advertising materials, office furniture, and IT products. The organisation places a clear emphasis on **conserving resources** in material use in order to ensure optimal efficiency and minimise waste.

Supplier screening

Suppliers are screened before a decision is made on a specific product so as to guarantee **compliance with the procurement policy**. In addition to economic and functional criteria, suppliers are also evaluated according to sustainability standards:

- Ecological principles (certifications, environmental management systems and sustainability reports)
- Social and ethical principles (compliance with labour laws, health and safety standards, non-discrimination and fair wages)
- Material selection in product design
- Optimisation of logistics, including the possibility to return and recycle residual materials during delivery
- Repairability of products thanks to modular design
- Resource efficiency during product use (e.g. energy consumption)
- Durability
- Use of local or regional products

These criteria are an integral part of the supplier selection process, and if serious concerns arise during the review, alternative suppliers will be considered. No new main suppliers were selected during the reporting year.

Construction work

The construction work at Kommunalkredit, including renovations and the new construction of office space, is carried out in accordance with the "**Guidelines for Sustainable Equipment**". These guidelines ensure that ecological, economic and social considerations are taken into account in project planning. The aim is to meet current user needs while avoiding future disposal problems by maintaining high ecological quality standards in construction and renovation projects. By integrating sustainability principles into all aspects of procurement, Kommunalkredit underlines its commitment to environmental compatibility, social responsibility and long-term economic efficiency.

In-house and external events

The rules for the procurement of **services and materials for events** in-house and outside the premises are set out in the work instructions "Communication & Marketing Organisational Manual". Before an event is held, it is checked whether it is compatible with the company's mission statement and principles. During planning and implementation, special attention is paid to ecological aspects such as electronic communication, accessibility by public transport, organic catering by regional suppliers and waste management. As part of the KOMMUNALE SOMMERGESPRÄCHE (the largest in-house event with approximately 450 participants), the bank makes voluntary climate protection contributions to offset emissions created thereby. At the same time, social aspects such as the involvement of local and regional target groups and participation by social project sponsors are also taken into account. For in-house events that are organised by third parties, reference is made – as far as possible – to the principles listed, to sustainable suppliers and to "in-house caterers" (some of these are certified with the Austria Bio Garantie, the Austrian Ecolabel, the City of Vienna's EcoBusiness and the Fairtrade label).

Kommunalkredit also opened its doors on Daughters' Day 2024 and gave students between 10 and 18 years an insight into the fascinating world of infrastructure

Operational ecology

Taking responsibility for the environment has a long tradition at Kommunalkredit. The **EMAS environmental management system** was introduced as early as 1997. The company has been using recycled paper since 1997, exclusively green electricity since 2003 and a pellet heating system between 2005 and 2023. At the end of 2023, the switch to district heating took place. The careful use of resources is part of our employees' self-image and daily routine.

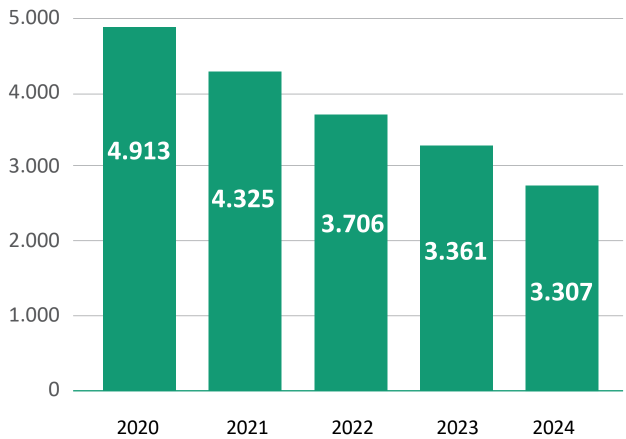
As part of the renovation of the main building in Vienna, **energy efficiency measures** are currently being implemented. In order to achieve the ecological goals, the building was connected to the **district heating network**, a **100 KWp photovoltaic (PV) system** was installed on the roof and the windows were renovated.

Energy consumption

The main building's total energy consumption comprises its **electricity consumption** and **heating energy consumption**. In 2024, total energy consumption was around 1.43m kWh (2023: 1.36m kWh), which corresponds to a slight increase of approximately 5% compared to the previous year. The high share of renewable energies (2024: 85%, 2023: 66%) is explained by further optimisations in the choice of energy sources. At the beginning of the year, the room heating was gradually converted to district heating, and it has continued to be used since May 2024. From July 2024, the power supply was supplemented by the company's own PV system. Green electricity (100%) is still used as grid power. Total energy consumption per employee has fallen 2% to 3,307 kWh (2023: 3,361 kWh).

Total energy consumption per employee

in kWh



Electricity consumption

Kommunalkredit has been **exclusively** purchasing green electricity for years now. Through continuous optimisation measures, electricity consumption has been steadily reduced in recent years. In 2024 (618,703 kWh), electricity consumption decreased by 3% compared to 2023 (637,887 kWh). At 1,426 kWh per employee (2023: 1,575 kWh), relative **electricity consumption** fell by approximately 10% in 2024. The total energy yield from the PV system was 18,870 kWh in 2024. Approximately 98% of the electricity generated by the PV system is consumed directly in the building.

Heating energy consumption

In 2024, the building's heating energy was mainly provided by district heating, and gas heating was also operated until the end of April 2024. The pellet heating system was deactivated in December 2023. Heating energy consumption in 2024 was approximately 814,384 kWh (2023: approximately 720,477 kWh). Consumption per m² was 76.1 kWh/m², and consumption per employee was 1,876 kWh (2023: 1,779 kWh), an increase of approximately 5% over the previous year.

Transport

Business trips

Cars, trains and planes are the transportation methods used for business trips at Kommunalkredit. The kilometres covered per employee fell in 2024 to 2,114 km (2023: 2,988 km). Kommunalkredit is growing steadily and serves all its international customers from its locations in Vienna and Frankfurt. 94.7% of trips were made by plane, 0.5% by train and 4.8% by car. The internal business travel policy requires that ecological aspects are taken into account when planning and organising business trips.

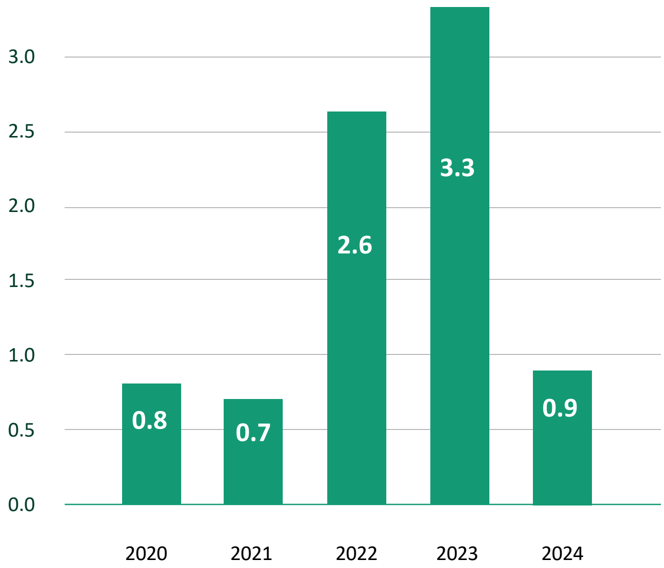
Vehicle fleet

Kommunalkredit has not had a vehicle since December 2024. In 2024, the now-sold hybrid vehicle covered a total of 370 kilometres.

CO_2 emissions

The reduced number of business trips also led to a reduction in emissions from all business activities (heat, electricity, vehicle fleet, business trips) in 2024 to approximately 405 tonnes of CO_2e (2023: 1,340 tonnes). Scope 1 emissions (heating and vehicle fleet) have fallen by approximately 58% compared to previous years due to the district heating connection and amounted to around 52 tonnes of CO_2e in 2024 (2023: 123 tonnes); Scope 2 emissions amounted to 20 tonnes of CO_2e (2023: 9 tonnes), as 100% green electricity was purchased and PV electricity from our own generation was consumed, and the district heating emissions are to be classified as "indirect emissions"; Scope 3 emissions (business trips) amounted to 333 tonnes of CO_2e in 2024 (2023: 1,208 tonnes).

CO_2 emissions per employee in tonnes of CO_2 equivalents



The total CO_2 emissions per employee resulting from our business activities have decreased compared to 2023 (3.3 tonnes) due to the reduced number of business trips and especially due to the switch to district heating (2024: 0.9 tonnes). The total CO_2 emissions that the Kommunalkredit Group could not avoid amounted to 405 tonnes in 2024. The bank supported **Austrian climate protection projects by way of a voluntary contribution via Climate Austria that matches the scope of these unavoidable emissions.**

Resource consumption and waste management

Paper consumption

Consumption of copy and printer paper decreased in 2024 compared to 2023 and was approximately 1,050 kg (2023: 2,000 kg). Since the introduction of the environmental management system in 1997, photocopying and printer paper made from **100% recycled paper** has been used.

Waste

Kommunalkredit's total annual waste generation (approximately 33 tonnes) increased in 2024 compared to 2023 (around 31 tonnes). By contrast, Kommunalkredit's annual **total waste generation** per employee **fell by** approximately 2% to around 76 kg in 2024 (2023: 77 kg). The majority of this is household-like commercial waste (44%) and waste paper (34%). The increase in total waste generation in 2024 is due to the increased disposal of office furniture.

Total mass flow

The total mass flow, i.e. the annual mass flow of the various input materials (excluding energy sources and water), results from the paper consumption and the total waste quantity (the overlap between paper consumption and waste paper is negligible). In 2024, this amounts to approximately 78 kg per employee (2023: 82 kg). Kommunalkredit has **continuously improved** in almost all areas of operational ecology and continues to strive to minimise its ecological footprint. Over the next few years, the retrofitting measures being carried out in the main building will be the main contributing factor.

Employees

As of 31 December 2024, the number of employees of the Kommunalkredit Group was 86 part-time employees (31 December 2023: 78), of which 58 were women (31 December 2023: 54), and 361 full-time employees (31 December 2023: 338), of which 145 were women (31 December 2023: 131). Therefore, the share of women in the Kommunalkredit Group was 45% (34% in management positions) as of 31 December 2024. Among all employees, 16% were <30 years old, 58% 30-50 years old and 26% >50 years old; among employees in management positions 0% <30 years old, 51% 30-50 years old and 49% >50 years old.

Staff turnover was 56 employees (2023: 89), of which 12% were women (2023: 10%). Among these employees, 18% were <30 years old, 13% were 30-50 years old, and 11% were >50 years old. In total, there were 97 new hires (2023: 117), of which 44 were women (2023: 60). Among these 97 new employees, 36% were <30 years old, 53% were 30-50 years old, and 11% were >50 years old. As of 31 December 2024, there was one temporary employee and no employees who were not directly contracted.

The ratio of the total annual compensation of the highest-paid person to the total annual compensation of all employees (excluding the highest-paid person) was 2.39%. The percentage change in the total annual compensation of the highest-paid person was -16.67%. The percentage increase in the median annual total compensation of all employees (excluding the highest-paid person) was 6.06%. Employment contracts at Kommunalkredit are subject to the Austrian collective bargaining agreement for employees of credit institutions and bankers (Kollektivvertrag für Angestellte der Banken und Bankiers). The collective bargaining agreement for employees in the information and consulting fields applies to KPC. All of our employees are covered by a collective bargaining agreement. All basic benefits are provided to all employees.

In 2024, 23 employees were entitled to parental leave (of which, 13 women). Six employees were on parental leave as of 31 December 2024, and seven employees returned from parental leave in 2024. Nine employees remained with the company for at least twelve months after parental leave. Thus, 100% of all employees returned from parental part-time work and 100% of employees remained with the company for at least twelve months after parental leave.

For us, personnel development means helping employees in a targeted manner to do their jobs as best they can and to overcome potential challenges that they encounter in their working environment. We also see it as a link between corporate strategy and employees, as its purpose is to encourage commitment and to drive development among our employees and managers. It plays an important role in ensuring that, together, we remain true to our vision and mission and achieve our goals. Training and meaningful further education as well as personnel development play a role in ensuring that employees can identify with the company and thus also in ensuring the success of Kommunalkredit itself. On average, employees participated in twelve hours of training and further education in 2024.

At Kommunalkredit we focus on realising professional and personal potential – not only by holding specialist workshops but also through practical courses for everyday situations designed to boost participants' personal development – across all management levels. To support our employees in their career development, we have a three-tier performance management system that includes annual appraisals and performance reviews.

GRI indicators

Environmental performance figures

Definition	Unit	2021	2022	2023	2024	Change 2023-2024
Employees (including Executive Board) [1]		327	375	405	434	7.2%
Total assets	in EUR m	4,428	4,628	5,871	6,606	12.5%
Office space used	m^2	7,722	7,722	7,722	7,722	0.0%
Office space used per employee	m^2/employee	23.6	20.6	19.1	17.8	-6.8%
Energy consumption						
Total energy consumption	**kWh**	**1,414,196**	**1,389,730**	**1,361,010**	**1,435,105**	**5.4%**
Total energy consumption per employee	kWh/em-ployee	4,325	3,706	3,361	3,307	-1.6%
Total consumption from renewable sources	kWh	877,495	865,250	894,267	1,224,242	36.9%
Total consumption from non-renewable sources	kWh	536,701	524,480	466,743	210,863	-54.8%
Electricity (100% green electricity)	kWh	583,459	592,617	637,887	618,712	-3.0%
Grid power	kWh	583,459	592,617	637,887	600,281	-5.9%
PV generation [2]	kWh	0	0	0	18,861	100.0%
PV own consumption	kWh	0	0	0	18,431	100.0%
PV own consumption share of total consumption	%	0	0	0	3	100.0%
PV own consumption of the amount consumed	%	0	0	0	98	100.0%
Electricity per employee	kWh/ employee	1,784	1,580	1,575	1,426	-9.5%
Diesel consumption [3]	kWh	2,500	2,597	2,646	2,009	-24.1%
Biomass consumption (pellets) [2]	kWh	294,036	272,633	256,380	0	-100.0%
Gas consumption	kWh	534,201	521,883	464,097	208,854	-55.0%
District heating (Fernwärme) [2]	kWh	0	0	0	605,530	100.0%
Total heating energy consumption	**kWh**	**828,237**	**794,516**	**720,477**	**814,384**	**13.0%**
Heating energy consumption (per m^2)	kWh/m^2	107.3	102.9	93.3	105.5	13.0%
Heating energy consumption per employee	kWh/em-ployee	2,533	2,119	1,779	1,876	5.5%
Share of renewable energy sources in relation to total energy consumption (biomass and green electricity)	%	62.0	62.3	65.7	85.3	29.8%
Water and paper						
Water consumption in m^3 [4]	**m^3**	**2,773**	**2,586**	**2,878**	**2,885**	**0.2%**
Water consumption in litres per employee and day	l/employee/ day	34	28	28	26	-8.5%
Paper consumption (in kg)	**kg**	**2,500**	**1,123**	**2,000**	**1,050**	**-47.5%**
Paper consumption (in kg) per employee	kg/employee	8	3	5	2	-59.5%
Paper consumption (in kg) per employee and day	kg/employ-ee/day	0.03	0.01	0.02	0.01	-49.4%
Paper consumption (in sheets) per employee and day	sheets/em-ployee/day	6	2	4	4	1.3%
Share of recycled paper	%	100.0	100.0	100.0	100.0	0.0%
Transport						
Total business travel	**km**	**156,217**	**835,329**	**1,210,152**	**921,753**	**-23.8%**
Total energy consumption for transport	kWh	132,775	1,095,780	1,571,831	752,967	-52.1%
Total business travel per employee	km/ employee	478	2,228	2,988	2,114	-29.3%
Kilometres travelled by rail	km	16,243	48,240	9,636	4,738	-50.8%
Share of kilometres travelled by rail in relation to total distance travelled	%	10.4	5.8	0.8	0.5	-35.4%

Definition	Unit	2021	2022	2023	2024	Change 2023-2024
Kilometres travelled by rail per employee	km/ employee	50	129	24	11	-54.1%
Kilometres travelled by car	km	26,247	52,120	16,041	44,089	174.9%
Share of kilometres travelled by car in relation to total distance travelled	%	16.8	6.2	1.3	4.8	260.8%
Kilometres travelled by car per employee	km/ employee	80	139	40	102	156.5%
Kilometres travelled by air	km	113,728	734,969	1,184,475	872,929	-26.3%
Share of kilometres travelled by air in relation to total distance travelled	%	72.8	88.0	97.9	94.7	-3.2%
Kilometres travelled by air per employee	km/ employee	348	1,960	2,925	2,011	-31.2%
CO_2 emissions [5]						
CO_2 emissions caused by business activities	**t**	**235**	**969**	**1,340**	**405**	**-69.8%**
Scope 1 (direct emissions)	t	139	139	123	52	-57.7%
thereof fossil emissions	*t*	*134*	*134*	*118*	*52*	*-55.9%*
thereof biogenic emissions	*t*	*5.0*	*4.6*	*4.0*	*0.0*	*-100.0%*
Scope 2 (green electricity market-based) [6]	t	0.0	0.0	9.0	20.0	122.2%
Scope 2 (electricity location-based) [6]	t	134	136	144	136	-5.6%
Scope 3 (business travel) [7]	t	96	831	1,208	333	-72.4%
CO_2 emissions caused by business activities per employee	t/employee	0.7	2.6	3.3	0.9	-71.8%
Waste [8]						
Total annual waste volume	**kg**	**30,029**	**29,892**	**31,147**	**32,907**	**5.7%**
Total annual waste volume per employee	kg/employee	91.8	79.7	76.9	75.5	-1.8%
Waste paper	kg	11,246	11,246	11,246	11,246	0.0%
Waste paper (share of total volume of waste)	%	37.5	37.6	36.1	34.0	-5.8%
Waste paper per employee	kg/employee	34	30	28	26	-6.4%
Domestic-type commercial waste	kg	14,448	14,448	14,448	14,448	0.0%
Domestic-type commercial waste (share of total volume of waste)	%	48.1	48.3	46.4	44.0	-5.1%
Domestic-type commercial waste per employee	kg/employee	44	39	36	33	-7.5%
Hazardous waste	kg	43	0	185	21	-88.6%
Hazardous waste (share of total volume of waste)	%	0.1	0.0	0.6	0.1	-89.9%
Hazardous waste (in kg) per employee	kg/employee	0.13	0.00	0.46	0.05	-89.1%

1 Employees (headcount) including Executive Board and excluding those on leave; the figures for 2020–2022 were adjusted due to the updated definition in 2023.
2 In 2024, a 100 KWp photovoltaic system was installed on the roof of the building and the pellet heating system was converted to district heating at the end of 2023.
3 Totals based on emissions calculation using the factor 1L=9.8 kWh; the data for 2022 was corrected in 2023.
4 All water was withdrawn from the municipal water supply. No water was withdrawn from areas under water stress.
5 All data refers to carbon dioxide equivalents (CO_2e). Emission factors based on OIB Guideline 6 (2019)
6 In accordance with the GRI Standards, emissions from the purchase of electricity are to be shown based on both the market-based and location-based methods. The market-based method shows emissions from the electricity that an organisation chose in a targeted manner. Emission factors were calculated based on OIB Guideline 6 (2019).
7 The emissions calculation for business travel is based on data from the Environmental Agency Austria, June 2024, for total emissions per passenger kilometre.
8 Waste paper and domestic-type commercial waste are calculated using the number of corresponding containers with allocated filling levels and the collection interval notified by MA48. Due to the unchanged situation, the figures for 2021–2023 are identical. Due to a correction made in calculating the volume of waste paper, the figures for 2020–2022 were adjusted. The significant increase in the volume of hazardous waste is attributable to the disposal of screens in 2023.

Social performance figures

Definition	Unit	2021	2022	2023	2024
Number of employees					
Employees including Executive Board and those on leave – as of 31 December		337	389	416	447
thereof women		*147 (44%)*	*167 (43%)*	*185 (44%)*	*203 (45%)*
thereof employees aged under 30		*54 (16%)*	*52 (13%)*	*63 (15%)*	*70 (16%)*
thereof employees aged 30–50		*215 (63,8%)*	*238 (61%)*	*249 (60%)*	*261 (58%)*
thereof employees aged over 50		*68 (20,2%)*	*99 (26%)*	*104 (25%)*	*116 (26%)*
Executive Board		3	3	2	3
thereof women		*0*	*1*	*0*	*0*
Employees excluding Executive Board and those on leave – as of 31 December		324	372	403	431
Average workforce in full-time equivalents		293	327	373	397
Average workforce		334	353	394	420
Full-time equivalents (FTE) excluding Executive Board and those on leave – as of 31 December		290	348	381	407.5
Active employees as of 31 December in full-time equivalents (including Executive Board)		301	364	394	422
Agency workers – as of 31 December		1	0	0	0
Full-time/part-time split					
Part-time employees		86 (26%)	76 (20%)	78 (19%)	86 (19%)
thereof women		*65*	*52*	*54*	*58*
thereof part-time employees aged under 30		*10*	*11*	*8*	*8*
thereof part-time employees aged 30–50		*54*	*44*	*50*	*52*
thereof part-time employees aged over 50		*22*	*21*	*20*	*26*
Full-time employees		251	313	338	361
thereof women		*82*	*115*	*131*	*145*
thereof full-time employees aged under 30		*44*	*41*	*55*	*62*
thereof full-time employees aged 30–50		*161*	*194*	*199*	*209*
thereof full-time employees aged over 50		*46*	*78*	*84*	*90*
Average age structure					
Age (in years)		42	41	40	41
Length of service (in years)		8	5	5	5
Employees with a university degree					
In total in relation to the number of employees (including Executive Board and employees on leave)		224 (66%)	256 (66%)	259 (62%)	277 (62%)
thereof women with a university degree		*84 (38%)*	*96 (38%)*	*111 (43%)*	*121 (44%)*
Management positions[1]					
Employees in management positions		55	61	61	72
thereof employees aged under 30		*4*	*1*	*0*	*0*
thereof employees aged 30–50		*34*	*36*	*32*	*37*
thereof employees aged over 50		*17*	*24*	*29*	*35*
Full-time employees in management positions		50	57	56	64
thereof women		*13*	*15*	*16*	*18*
Part-time employees in management positions		5	4	5	8
thereof women		*5*	*4*	*5*	*7*
Total number of women in management positions[1, 2]		18 (33%)	19 (31%)	21 (34%)	25 (34.2%)
Staff turnover					
Total staff turnover		49 (16,9%)	73 (19%)	89 (22%)	56 (13%)
thereof women		*19 (6%)*	*36 (9%)*	*42 (10%)*	*23 (12%)*
thereof employees aged under 30		*4 (7%)*	*13 (18%)*	*23 (26%)*	*12 (18%)*
thereof employees aged 30–50		*36 (74%)*	*46 (63%)*	*37 (42%)*	*32 (13%)*
thereof employees aged over 50		*10 (19%)*	*14 (19%)*	*29 (33%)*	*12 (11%)*

Definition	Unit	2021	2022	2023	2024
Annual total compensation ratio					
Annual total compensation ratio[3]		n/a	9%	1.87%	2.39%
Employees on leave					
Employees on leave – as of 31 December[4]		14	12	11	13
thereof women		*11*	*9*	*8*	*9*
Total number of employees on parental leave		n/a	16	8	6
thereof women		*n/a*	*9*	*8*	*6*
Employees that returned to work after parental leave ended[5]		100%	100%	100%	100%
Total number of employees who came back from parental leave		15	7	11	7
thereof women		*7*	*3*	*7*	*5*
Rates of retention of employees after parental leave[6]		100%	100%	86%	100%
Total number of employees that remained with the company after parental leave ended[6]		7	10	6	9
thereof women		*4*	*7*	*3*	*6*
Number of employees entitled to parental leave		19	17	17	23
thereof women		*11*	*10*	*10*	*13*
New hires					
New hires last year		90 (27%)	111 (29%)	117 (29%)	97 (22%)
thereof women		*32 (36%)*	*46 (41%)*	*60 (51%)*	*44 (45%)*
thereof employees aged under 30		*35 (39%)*	*24 (21%)*	*30 (26%)*	*35 (36%)*
thereof employees aged 30–50		*46 (51%)*	*74 (67%)*	*33 (28%)*	*51 (53%)*
thereof employees aged over 50		*9 (10%)*	*13 (12%)*	*54 (46%)*	*11 (11%)*
Training and education [7]					
Expenditure on training and education	EUR	296,090	316,992	810,459	250,047
Total number of training and education days	days	506	751	700	715
Training and education days per employee	days/ employee	1.8	2.1	1.8	1.7
Training and education days per senior employee	days/ employee	1.8	1.9	3.9	2.3
Total number of training and education days	hours	3,539	5,258	4,900	5,005
thereof completed by women[8]	hours	1,351	1,993	n/a	n/a
Training and education days per employee	hours/ employee	11	15	12	12
Training and education days per senior employee	hours/ employee	12	13	28	16
Sick days					
Total sick days	days	2,468	3,458	2,907	2,763
Sick days per employee	days/ employee	7.4	9.8	7.4	6.6
Supervisory Board members KA and KPC [9]					
Number of members		12	14	14	14
thereof women		*1 (8,3%)*	*3 (21,4%)*	*1 (7,1%)*	*1 (7.1%)*
thereof Supervisory Board members aged under 30		*0*	*1 (7,1%)*	*1 (7,1%)*	*0 (0%)*
thereof Supervisory Board members aged 30–50		*3 (25%)*	*5 (35,7%)*	*7 (50,0%)*	*6 (42,9%)*
thereof Supervisory Board members aged over 50		*9 (75%)*	*8 (57,1%)*	*6 (42,9%)*	*8 (57,1%)*

1 Management positions refer to the management team, division heads, departmental heads and team leaders.
2 Percentage refers to full-time equivalents, excluding the Executive Board and employees on leave.
3 Compares the median total compensation paid to all employees (excluding the highest paid employee) with the total compensation paid to the highest paid employee. This is based on the extrapolated total annual salaries for full-time equivalents, including the bonus for which provisions were set up in the statement of financial position. Executive Board members and employees who left in the course of the year were excluded. The highest-earning person is a member of the management board. Figure for 2023 was restated as an incorrect formula was applied.
4 Includes all types of leave (such as educational or parental leave). An inaccuracy in the data disclosed for 2023 was detected and corrected.
5 Proportion of employees set to return from parental leave in the reporting period who actually returned to work.
6 Employees that remained with the company for at least 12 months after their parental leave ended.
7 Data on Training and Education is based on estimated figures.
8 The breakdown by gender for 2023 and 2024 could not be determined.
9 The Supervisory Board composition changed in July 2024.

GRI content index

Kommunalkredit Austria AG has reported in accordance with the GRI Standards for the period from 1 January to 31 December 2024.
Statement of use: GRI 1 used; available GRI sector standard(s): N/A

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / EXPLANATION
General Disclosures				
GRI 2: General Disclosures 2021	2-1 Organisational profile		Chapter Sustainability as a long-term commitment | Scope and limitations of the report, Chapter Sustainability in the spotlight | Employees	
	2-2 Entities included in the organisation's sustainability reporting		Chapter Sustainability as a long-term commitment | Scope and limitations of the report	
	2-3 Reporting period, frequency and contact point		Chapter Sustainability as a long-term commitment | Scope and limitations of the report, Impressum	
	2-4 Rectification or restatement of information		Chapter GRI indicators	
	2-5 External assurance		Chapter Sustainability as a long-term commitment | Scope and limitations of the report	
	2-6 Activities, value chain and other business relationships	Principle 1, principle 2, principle 4, principle 5, principle 6, principle 7, principle 9	Chapter Business Review, Chapter Sustainability Framework | Sustainable finance, Chapter Sustainability in the spotlight | Sustainable services	
	2-7 Employees	Principle 6	Chapter Sustainability in the spotlight | Employees, Chapter GRI indicators	As of 31.12.2024 there was one employee on a fixed term contract.
	2-8 Workers who are not employees	Principle 6		As of 31.12.2024 there were no workers who are not employees.
	2-9 Governance structure and composition		Chapter Sustainability strategy | Sustainability governance Corporate Governance Handbook: https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf	
	2-10 Nomination and selection of the highest governance body		Corporate Governance Handbook: https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf	
	2-11 Chair of the highest governance body		Corporate Governance Handbook: https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf	In Austria the two-tier system applies, i.e. separation between the Supervisory Board (non-executive) and the Management Board (executive). Incompatibility of simultaneous membership in Supervisory Board and Management Board in accordance with Section 90 AktG (Austrian Stock Corporations Act).
	2-12 Role of the highest governance body in overseeing the management of impacts		Chapter Sustainability strategy | Sustainability governance	
	2-13 Delegation of responsibility for managing impacts		Chapter Sustainability strategy | Sustainability governance	

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / EXPLANATION
	2-14 Role of the highest governance body in sustainability reporting		Chapter Sustainability strategy | Sustainability governance	There is currently no legal requirement.
	2-15 Conflicts of interest	Principle 10	Chapter Sustainability in the spotlight | Business Ethics Corporate Governance Handbook: https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf, Notes to the Consolidated Financial Statements - Note 71.	
	2-16 Communication of critical concerns		Chapter Sustainability in the spotlight | Business ethics	No critical concerns during the reporting period.
	2-17 Collective knowledge of the highest governance body		Chapter Sustainability strategy | 2025 sustainability commitments Corporate Governance Handbook: https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf	
	2-18 Evaluation of the performance of the highest governance body		Chapter Sustainability strategy | 2025 sustainability commitments, Corporate Governance Handbook: https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf	
	2-19 Remuneration policies		Disclosure reports: https://www.kommunalkredit.at/en/investor-relations/reports	
	2-20 Process to determine remuneration		Corporate Governance Handbook: https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Handbook-EN.pdf	
	2-21 Annual total compensation ratio		Chapter Sustainability in the spotlight | Employees, Chapter GRI indicators	
	2-22 Statement on sustainable development strategy		Chapter Letter by the Chief Executive Officer	
	2-23 Policy commitments	Principle 1, principle 2, principle 4, principle 5, principle 6, principle 7, principle 10	Chapter Sustainability framework, Chapter Sustainability in the spotlight | Business ethics	
	2-24 Embedding policy commitments		Chapter Sustainability in the spotlight | Business ethics	
	2-25 Processes to remediate negative impacts	Principle 1, principle 6, principle 10	Chapter Sustainability in the spotlight | Business ethics Chapter Report on key features of the internal control system and risk management system in relation to the accounting process	
	2-26 Mechanisms for seeking advice and raising concerns		Chapter Sustainability in the spotlight | Business ethics	

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / EXPLANATION
	2-27 Compliance with laws and regulations			There were no penalties or fines in the reporting period.
	2-28 Membership of associations	Principle 1, principle 8, principle 9	Bankenschlichtung Österreich, BPPP Bundesverband Public Private Partnership, Bundesverband deutscher Banken e.V., BWG Österreichische Bankwissenschaftliche Gesellschaft, Deutsche Handelskammer (DHK), DSAG Deutsche SAP, Einlagensicherung AUSTRIA Ges.m.b.H., Energieforum Österreich, Eurex Clearing AG, Eurex Repo GmbH, European Clean Hydrogen Alliance, IIA Austria Institut für Interne Revision Austria, Industriellenvereinigung, International Capital Markets Association, IPFA International Project Finance Association, ISDA International Swaps and Derivatives Association, ISDA International Swaps and Derivatives Association, Österreichische Energieagentur, ÖVA Österreichischer Verein für Altlastenmanagement, ÖWAV Österreichischer Wasser- und Abfallwirtschaftsverband, Partnership for Carbon Accounting Financials (PCAF), The Loan Market Association / Banking, The Loan Market Association / Recht, TMA Austria – The Treasury Markets Association, UN Environmental Programme for Financial Institutions (Principles for Responsible Banking), UN Global Compact, Verband Österreichischer Banken und Bankiers, Wiener Börse, WKO Wirtschaftskammer Österreich, ÖGUT- Österreichische Gesellschaft für Umwelt und Technik	
	2-29 Approach to stakeholder engagement		Chapter Sustainability strategy | Sustainability governance Chapter Communication	
	2-30 Collective bargaining agreements		Chapter Sustainability in the spotlight | Employees	All employees are covered by collective bargaining agreements.
Material topics				
GRI 3: Material Topics 2021	3-1 Process to determine material topics		Chapter Sustainability as a long-term commitment | Sustainability policy, Chapter Sustainability strategy	
	3-2 List of material topics		Chapter Sustainability as a long-term commitment | Sustainability policy, Chapter Sustainability strategy	
Sustainable Finance				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability Framework | Sustainable finance https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Handbook-EN.pdf	
Financing				
GRI G4: FS7 2014	Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose		Chapter Sustainability Framework | Sustainable finance Chapter Sustainability in the spotlight | Sustainable services	

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / EXPLANATION
GRI G4: FS8 2014	Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	Principle 7, principle 8, principle 9	Chapter Sustainability Framework | Sustainable finance Chapter Sustainability in the spotlight | Sustainable services	
Refinancing				
Kommunalkredit indicator	Refinancing share according to the "Sustainable funding framework"relative to the total refinancing volume			The "Sustainable Funding Framework" was implemented in the reporting year. No securities in line with the Sustainable Funding Framework were issued in the reporting year.
Sustainable services				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability in the spotlight | Sustainable services	
Consultancy services				
Kommunalkredit indicator	Total subsidies processed		Chapter Sustainability in the spotlight | Sustainable services	
Business Ethics				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability in the spotlight | Business ethics, Code of Conduct: https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Footer/KYC/Kommunalkredit-Code-of-Conduct-EN.pdf	
Fighting against corruption				
GRI 205: AntiCorruption 2016	205-1 Operations assessed for risks related to corruption	Principle 10		0/0
	205-2 Communication and training about anticorruption policies and procedures	Principle 10	Chapter Sustainability in the spotlight | Business ethics	
	205-3 Confirmed incidents of corruption and actions taken	Principle 10	Chapter Sustainability in the spotlight | Business ethics	
Protecting customer data				
GRI 418: Customer privacy, 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data			During the reporting period there was no enquiry by the Austrian Data Protection Authority. KPC received just one information request by the Data Protection Authority in 01/2024, which was duly responded. There were no substantiated complaints during the reporting period.
Human rights				
Kommunalkredit indicator	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Principle 1, principle 2, principle 3, principle 4, principle 5, principle 6	Chapter Sustainability Framework | Sustainable finance, Chapter Sustainability in the spotlight | Business ethics	The Sustainability Check involves a review of all investment agreements and contracts from a human rights perspective.

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / EXPLANATION
Employees				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability as a long-term commitment | Sustainability policy, Chapter Sustainability in the spotlight | Employees https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Kommunalkredit-Diversity-Policy.pdf	
Employment				
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Principle 6	Chapter Sustainability in the spotlight | Employees, Chapter GRI indicators	
	401-2 Benefits provided to full-time employees that are not provided to temporary or parttime employees	Principle 6	Chapter Sustainability in the spotlight | Employees	All basic benefits are provided to all employees.
	401-3 Parental leave	Principle 6	Chapter Sustainability in the spotlight | Employees, Chapter GRI indicators	
Training and education				
GRI 404: Training and education 2016	404-1 Average hours of training and education per year		Chapter Sustainability in the spotlight | Employees, Chapter GRI indicators	
	404-2 Programmes for upgrading employee skills and transition assistance programmes		Chapter Sustainability strategy | 2025 sustainability commitments, Chapter Sustainability in the spotlight | Employees	
	404-3 Percentage of employees receiving regular performance and career development reviews			Semi-annual evaluation meetings between employees and supervisors focus on goals, performance, training and development and strengthen open communication and inclusivity.
Diversity				
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	Principle 6	Chapter Sustainability in the spotlight | Employees, Chapter GRI indicators	
	405-2 Ratio of basic salary and remuneration of women to men	Principle 6	Chapter Sustainability strategy | 2025 sustainability commitments	The collective agreement does not differentiate based on gender.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Principle 6		There were no cases of discrimination in the reporting period.
Operational ecology				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability in the spotlight | Operational ecology	

GRI STANDARD	GRI DISCLOSURE	UNGC	REFERENCE	REASON FOR OMISSION / EXPLANATION
Emissions				
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Principle 7, principle 8, principle 9	Chapter Sustainability in the spotlight | Operational ecology, Chapter GRI indicators	
	305-2 Energy indirect (Scope 2) GHG emissions	Principle 7, principle 8, principle 9	Chapter Sustainability in the spotlight | Operational ecology, Chapter GRI indicators	
	305-3 Other indirect (Scope 3) GHG emissions	Principle 7, principle 8, principle 9	Chapter Sustainability in the spotlight | Operational ecology, Chapter GRI indicators	
	305-4 GHG emissions intensity	Principle 7, principle 8, principle 9	Chapter Sustainability in the spotlight | Operational ecology, Chapter GRI indicators	
	305-5 Reduction of GHG emissions	Principle 7, principle 8, principle 9	Chapter Sustainability in the spotlight | Operational ecology, Chapter GRI indicators	
	305-6 Emissions of ozonedepleting substances (ODS)	Principle 7, principle 8, principle 9		No ozonedepleting substances were emitted in the reporting period.
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Principle 7, principle 8, principle 9		No significant air emissions were emitted in the reporting period.
Socioeconomic compliance				
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	Principle 1, principle 2, principle 3, principle 4, principle 5	Chapter Sustainability in the spotlight	All major new suppliers are screened on the basis of criteria relating to their impact on society.
	414-2 Negative social impacts in the supply chain and actions taken	Principle 1, principle 2, principle 3, principle 4, principle 5	Chapter Sustainability in the spotlight	

INDEPENDENT ASSURANCE REPORT ON THE VOLUNTARY NON-FINANCIAL REPORTING

We have performed a limited assurance engagement in connection with the voluntary consolidated non-financial reporting (hereafter „non-financial reporting") in the Group management report in section "04 Sustainability" and in the annual financial report in the section "Sustainability" for the financial year 2024 of the

Kommunalkredit Austria AG,
Vienna,
(hereinafter also referred to as „KA AG" or „Company").

Conclusion with limited assurance

Based on our procedures performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the voluntary consolidated non-financial reporting (hereafter „non-financial reporting") in the Group management report in section "04 Sustainability" and in the annual financial report in the section "Sustainability" is not prepared, in all material respects, in compliance with the GRI Standards in the currently valid version ('in accordance with' option).

Basis for conclusion with limited assurance

Our limited assurance engagement on the non-financial reporting was conducted in accordance with the statutory requirements and Austrian Standards on Other Assurance Engagements and additional expert opinions as well as the International Standard on Assurance Engagements (ISAE 3000 (Revised) applicable to such engagements. An independent assurance engagement with the purpose of expressing a conclusion with limited assurance ("limited assurance engagement") is substantially less in scope than an independent assurance engagement with the purpose of expressing a conclusion with reasonable assurance ("reasonable assurance enagement"), thus providing reduced assurance.

Our responsibility under those requirements and standards is further described in the „Responsibility of the auditor of the voluntary consolidated non-financial reporting" section of our assurance report.

We are independent of the Group in accordance with the Austrian professional regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit firm is subject to the provisions of KSW-PRL 2022, which essentially corresponds to the requirements of ISQM 1, and applies a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained up to the date of the limited assurance report is sufficient and appropriate to provide a basis for our conclusion as of that date.

Other information

Management is responsible for the other information. The other information comprises all information included in the Consolidated Annual Report 2024 and in the Annual Financial Report 2024 but does not include non-financial reporting and our independent assurance report.

Our conclusion on the non-financial reporting does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our limited assurance engagement on the non-financial reporting, our responsibility is to read the other information when available and, in doing so, consider whether the other information is materially inconsistent with the non-financial reporting or our knowledge obtained in the limited assurance engagement or otherwise appears to be misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this context.

Responsibility of the management
Management is responsible for the preparation of a non- financial reporting including the determination and implementation of the double materiality assessment processes in accordance with legal requirements and standards.

This responsibility includes:

- identification of the actual and potential impacts, as well as the risks and opportunities associated with sustainability aspects and assessing the materiality of these impacts, risks and opportunities,
- preparing of a non-financial reporting in compliance with the requirements of the GRI Standards in the currently valid version.

This responsibility includes also the selection and application of appropriate methods for non-financial reporting and the making of assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

Inherent limitations in the preparation of non-financial reporting

When reporting forward-looking information, the company is obliged to prepare this forward-looking information based on disclosed assumptions about events that could occur in the future and possible future actions by the company. Actual results are likely to differ as expected events often do not occur as assumed.

Responsibility of the auditor of the voluntary consolidated non-financial reporting

Our objectives are to plan and perform a limited assurance engagement to obtain limited assurance about whether the voluntary non-financial reporting is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken based on this non-financial reporting.

In a limited assurance engagement, we exercise professional judgement and maintain professional scepticism throughout the assurance engagement.

Our responsibilities include.

- performing risk-related assurance procedures, including obtaining an understanding of internal controls relevant to the engagement, to identify disclosures where material misstatements are likely to arise, whether due to fraud or error, but not for the purpose of expressing a conclusion on the effectiveness of the Group´s internal controls;
- design and perform assurance procedures responsive to disclosures in the non-financial reporting, where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Procedures: Summary of the work performed

A limited assurance engagement involves performing procedures to obtain evidence about the non-financial reporting.

Our engagement does not include the assurance of prior period figures, printed interviews or other additional voluntary information of the company, including references to websites or other additional reporting formats of the company.

The nature, timing and extent of assurance procedures selected depend on professional judgement, including the identification of disclosures likely to be materially misstated in the non-financial reporting, whether due to fraud or error.

In conducting our limited assurance engagement on the non-financial reporting, we proceed as follows:

- We obtain an understanding of the company’s processes relevant to the preparation of non-financial reporting.
- We assess whether all relevant information identified by the materiality assessment process carried out by the company has been included in the non-financial reporting.
- We perform inquiries of relevant personnel and analytical procedures on selected disclosures in the non-financial reporting.
- We perform risk-oriented assurance procedures, on a sample basis, on selected disclosures in the non-financial reporting.

- We reconcile selected disclosures in the non-financial reporting with the corresponding disclosures in the consolidated financial statements and Group management report.
- We obtain evidence on the methods for developing estimates and forward-looking information.

Limitation of liability, publication and terms of engagement

This limited assurance engagement is a volunatary assurance engagement. We issue this conclusion based on the assurance contract concluded with the client, which is also based, with effect on third parties, on the "General Conditions of Contract for the Public Accounting Professions" issued by the Chamber of Tax Advisors and Auditors. These can be viewed online on the website of the Chamber of Tax Advisors and Auditors (currently at https://ksw.or.at/berufsrecht/mandatsverhaeltnis/). With regard to our responsibility and liability under the contractual relationship, point 7 of the AAB 2018 applies.

Our assurance report may only be distributed to third parties together with the voluntary consolidated non-financial reporting contained in the consolidated group financial report in section "04 Sustainability" and in the annual financial report in the section "Sustainability" and only in complete and unabridged form. Because our report is prepared solely on behalf of and for the benefit of the company, its contents may not be relied upon by any other third party, and consequently, we shall not be liable for any other third party claims.

Auditor responsible for the assurance engagement

The auditor responsible for the assurance engagement of the non-financial reporting is Bernhard Mechtler.

Vienna, 20th February 2025

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:
Bernhard Mechtler
Wirtschaftsprüfer
(Austrian Chartered Accountant)

This English language assurance report is a translation provided for information purposes only. The original German text shall prevail in the event of any discrepancies between the English translation and the German original. We do not accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

STATEMENT BY THE LEGAL REPRESENTATIVES

KOMMUNALKREDIT GROUP

The Integrated Annual Report covers the sustainability activities of the Kommunalkredit Group for the 2024 financial year.

Vienna, 20th February 2025

Nima Motazed Executive Board Member	**Sebastian Firlinger** Chief Executive Officer (ad interim)	**John Weiland** Executive Board Member

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