

A photograph of several offshore wind turbines in a field, with the sun low on the horizon creating a golden glow and long shadows on the water. The sky is filled with soft, white clouds. The turbines are white with red and blue accents on the blades. The water is dark blue with a shimmering reflection of the sun.

# THERE FROM THE BEGINNING.

**Integrated Annual Report  
of Kommunalkredit Group 2024**

**KOMMUNAL  
KREDIT**

# Kommunalkredit at a glance

SELECTED PERFORMANCE INDICATORS in EUR m or %	IFRS				
	2020	2021	2022	2023	2024
Net interest income	77.1	78.9	125.7	192.4	185.0
Operating result*	47.5	60.1	85.2	135.7	127.0
Profit for the period before tax	48.0	67.1	99.3	135.7	126.6
Profit for the period after tax	36.4	48.9	78.2	100.5	96.3
Cost/income ratio**	50.8%	47.6%	42.8%	36.7%	39.1%
Return on equity after tax	11.6%	14.2%	22.3%	25.0%	19.1%
CET1 ratio (of Satere Group under AT GAAP)	20.0%	17.0%	15.9%	17.1%	18.0%

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

\*\* Result from subsidiary KPC (cost plus model) netted in CIR calculation to provide a fair view on efficiency of the group.

# 12.7

ESG risk rating  
low (10-20)  
Sustainalytics

# EUR 2.9bn

in subsidies managed and  
granted by KPC  
for the Federal Government

# BBB+

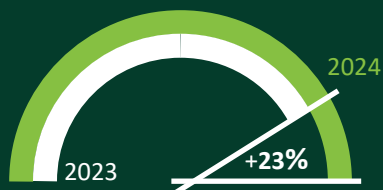
Average rating of  
premium-grade  
portfolio

# BBB | BBB-

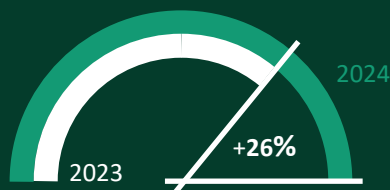
Investment grade ratings  
S&P | Fitch

# COP29

Part of the Austrian  
negotiation team



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



Prime status  
ISS ESG rating

# 27

Nationalities as an indicator  
of diversity with around  
400 employees



# Building the future.



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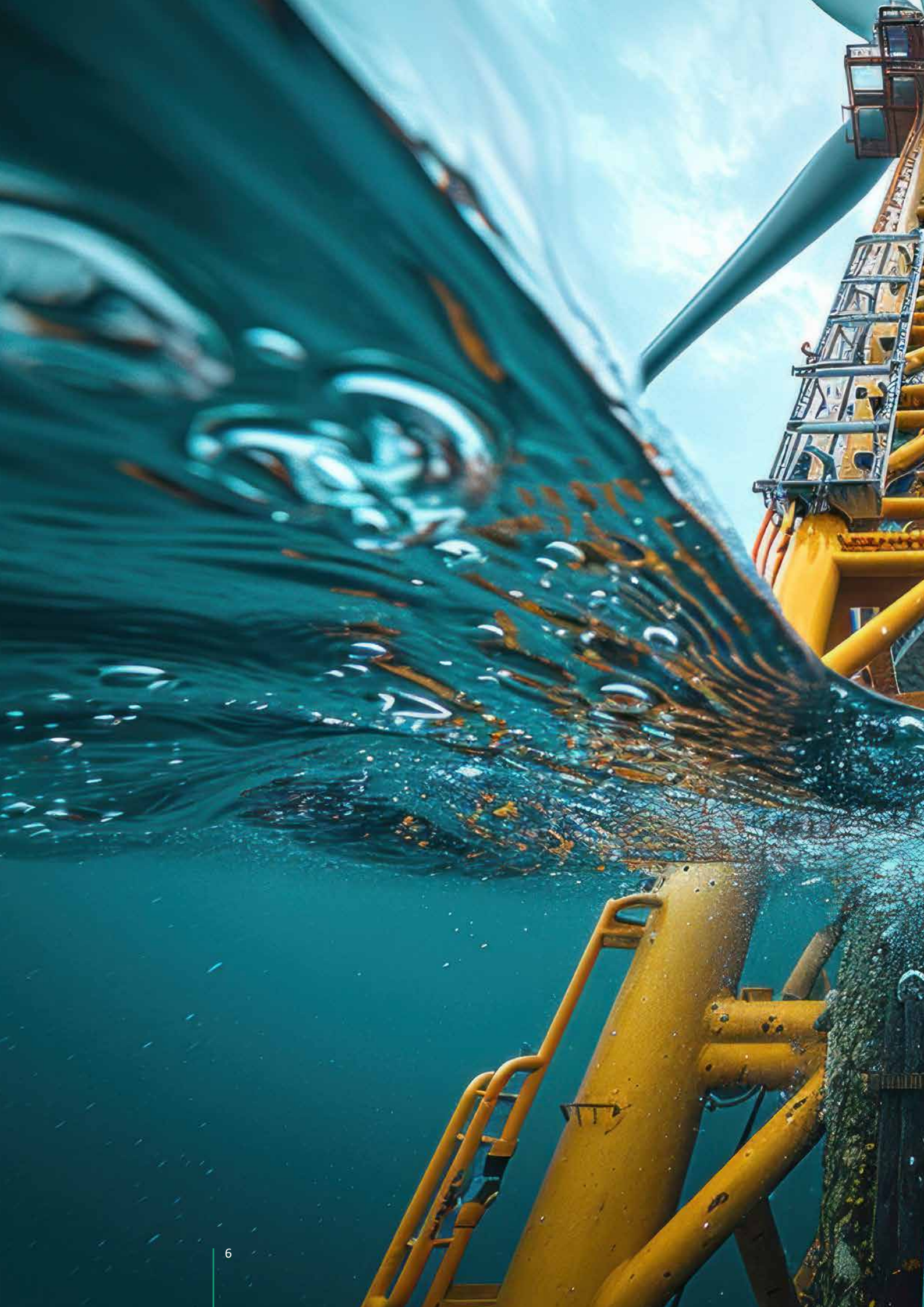
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# 01

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, health-care 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 BETTSCHIEDER

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  
[kommunkredit.at](http://kommunkredit.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.

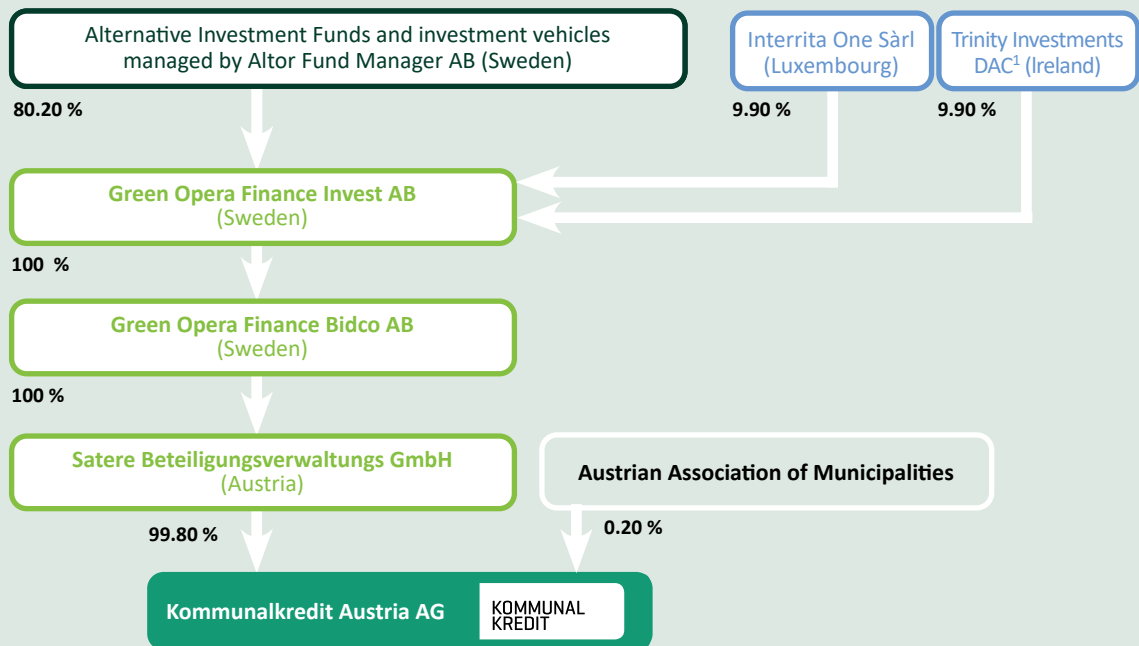


**Pioneer**  
in the field of sustainability



**1st place**  
Best Specialist Bank in Austria 2024

## Kommunalkredit ownership structure.



1 Managed by Attestor Limited





Headquarters in Vienna

**410**  
employees



Branch office in Frankfurt am Main

**27**  
nationalities

**2bn**

in new business in infrastructure and energy financing

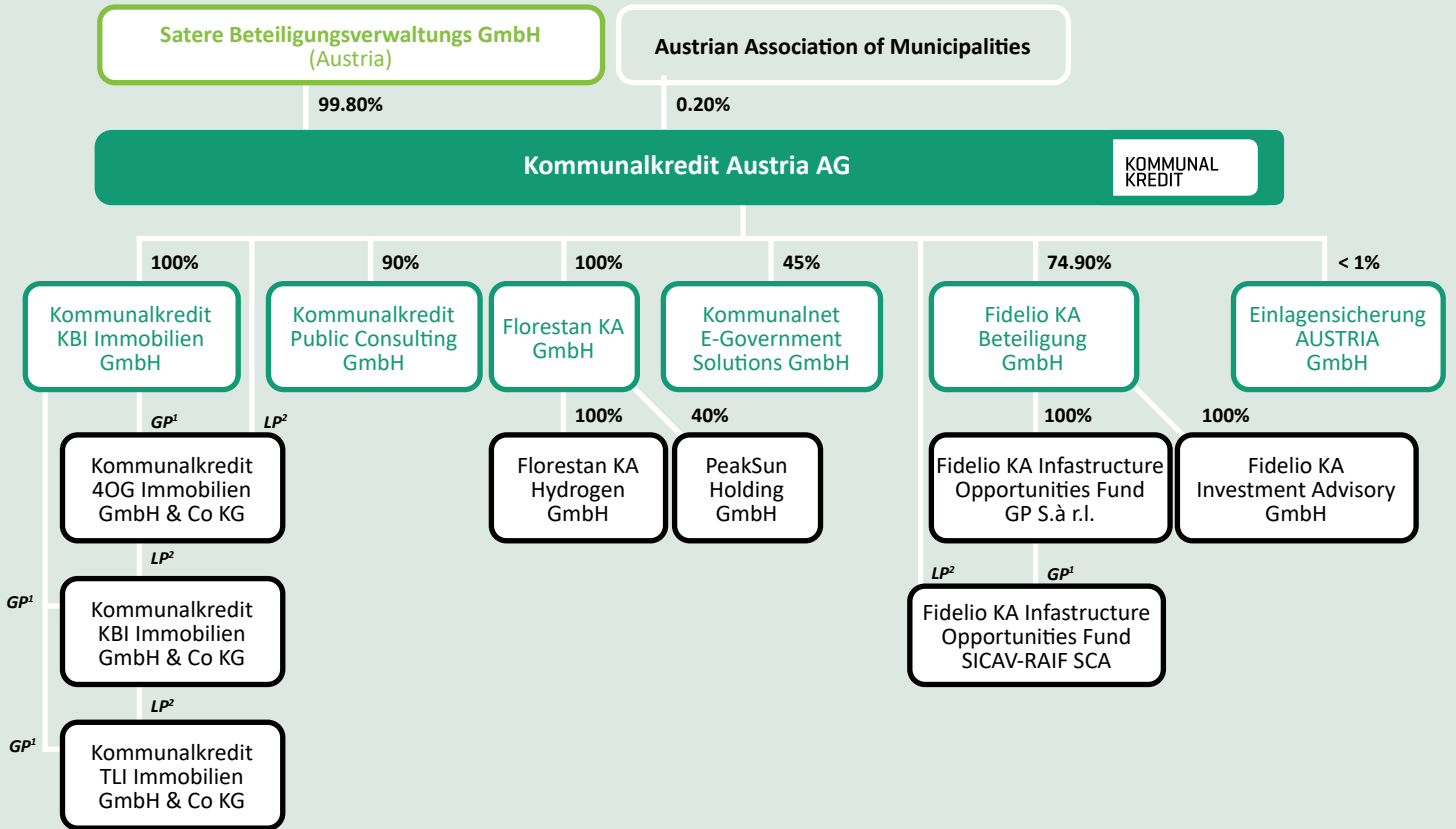
**38%** for energy transition and environmental protection

**37%** to improve people's quality of life

Kommunalkredit ownership structure.

- 1 General partner
- 2 Limited partner

- Subsidiary
- Second-tier subsidiary



## 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 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.”

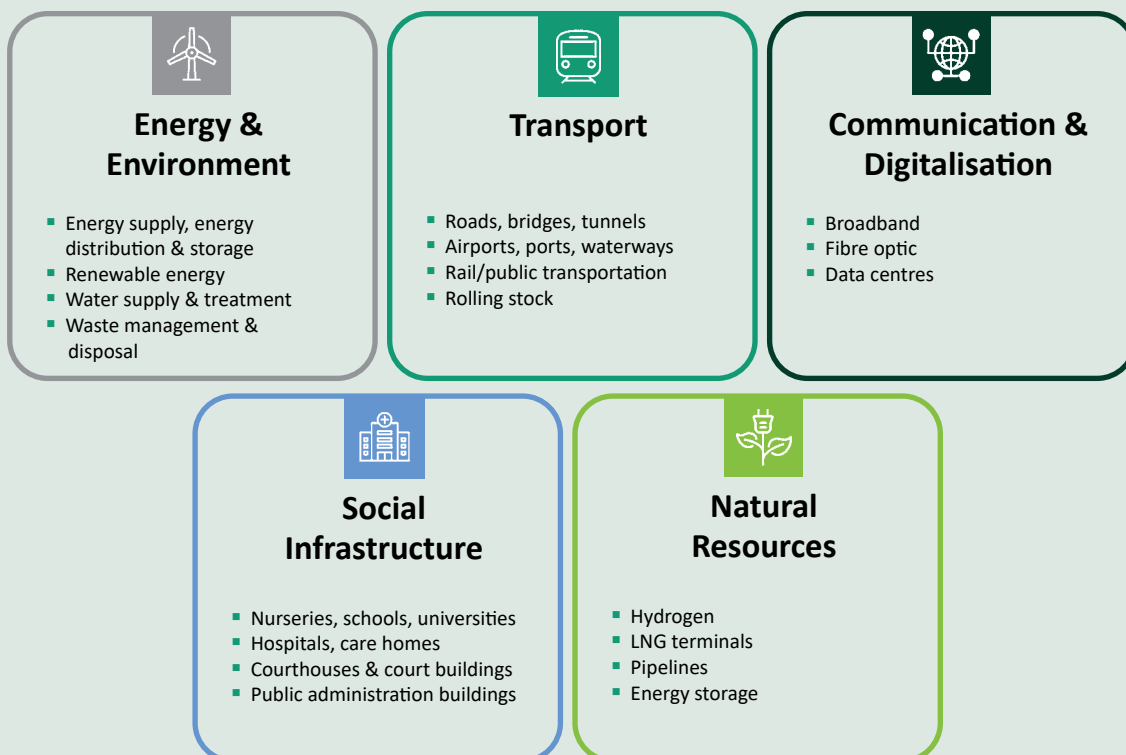


As a specialist in infrastructure and energy financing, the bank focuses on generating **benefit to the community** through its projects, thereby facilitating the development of sustainable infrastructure and combining responsible investment with attractive returns. Sustainable infrastructure reduces 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.”**






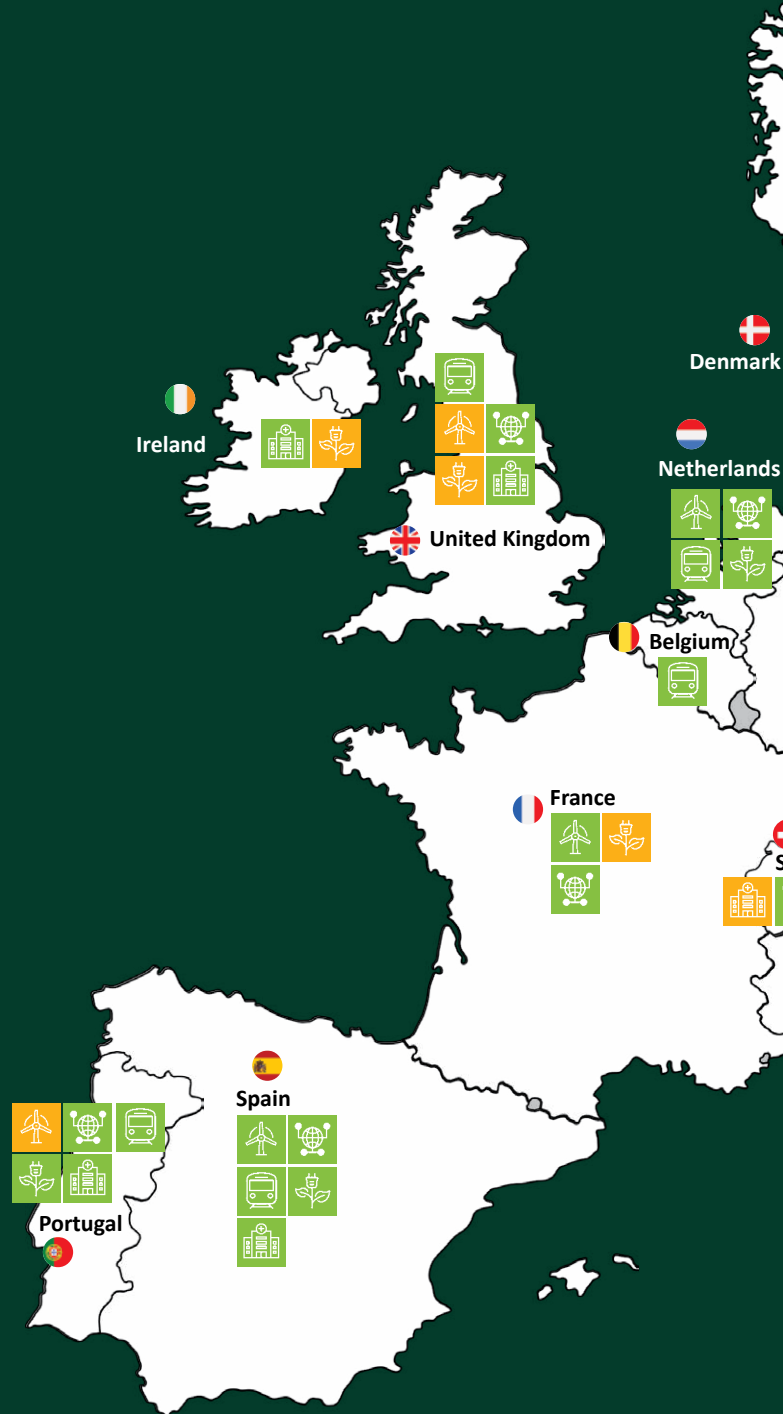
# Europe in the spotlight | Our markets



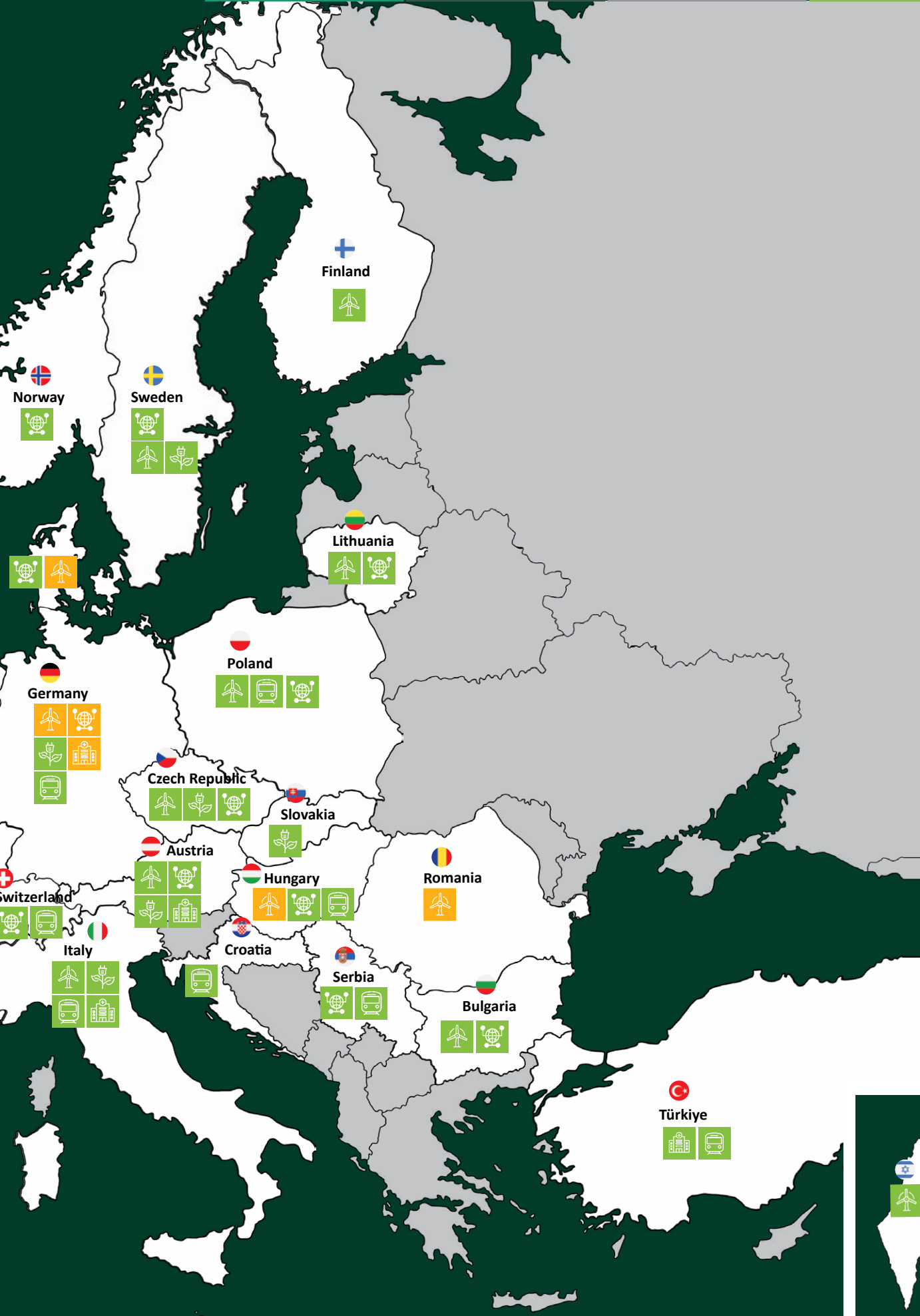
Whether it's supplying sustainable energy, high-speed broadband connections, vital transport routes or steps for climate change... infrastructure knows no bounds. Successful projects in our core markets provide the foundation for our dedicated approach in the European infrastructure and energy market.

-  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).



Israel

## SELECTION OF OUR REFERENCE PROJECTS 2024

### 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.<sup>1</sup> Kommunalkredit supported this sustainable project as mandated lead arranger.

<sup>1</sup> APREN – Portuguese Association of Renewable Energy.

<sup>2</sup> PARQenergy.

<sup>3</sup> Low-carbon power online platform.

### 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 arranger 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<sub>2</sub> every year in the process. 62,000 solar modules will supply more than 12,000 households with power.<sup>2</sup> 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.



**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% ). 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 hydro-power 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 Kommunalcredit is also an attractive issuer for institutional investors.

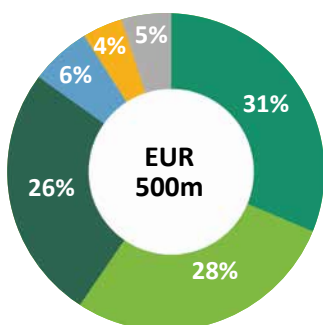
After the rating agency Standard & Poor's upgraded Kommunalcredit to "BBB" (positive outlook) on 13 March 2024, the books for a **5-year senior preferred bond** were opened on 21 March 2024. The issue was limited to EUR 300m and met with substantial demand; when the books closed, the interest in purchasing 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.

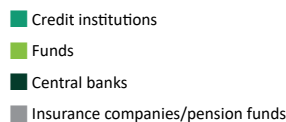
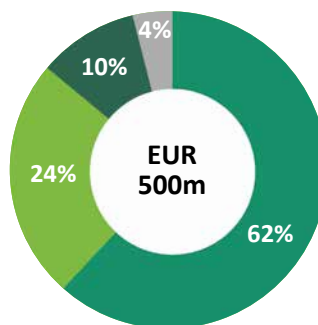
In addition to the senior preferred emission, Kommunalcredit celebrated a **comeback on the covered bond market** in autumn 2024. For the first time since the privatisation of the bank in 2015, a benchmark bond of EUR 500m was placed on the market. The bond – with a maturity date of 16 April 2030 – is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

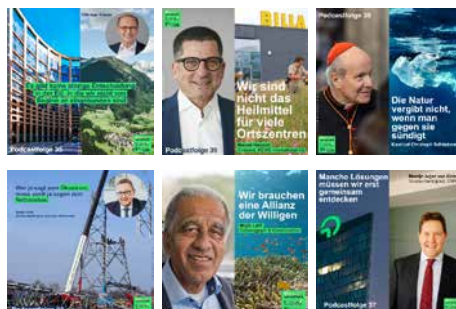
As a socially responsible company, we supported initiatives in 2024 such as Bracenet (upcycling of “ghost” fishing nets from the world’s seas and oceans), the Red Noses Clowndoctors, carla (a Caritas institution) and the Samariterbund aid and welfare organisation.



“We are actively driving dialogue on sustainable infrastructure.”

### Already heard it?

Our podcast series provides insight into the topic of infrastructure from all sides.



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, Kommunalkredit 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.

Where we were in 2024

- EU Innovation Fund Vienna InfoDay
- Frauenthal EXPO Vienna
- Austrian City Day in Wiener Neustadt
- Kommunalwirtschaftsforum (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 Infrastructure Conference Athens



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,<sup>4</sup> 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.<sup>5</sup> 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%)<sup>6</sup>. 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%)<sup>7</sup>. 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.

<sup>4</sup> Inframation & Sparksread Database, 30/1/2025. An adjustment to the measurement method may lead to changes in comparative values from the past.

<sup>5</sup> International Monetary Fund (IMF) – World Economic Outlook, October 2024.

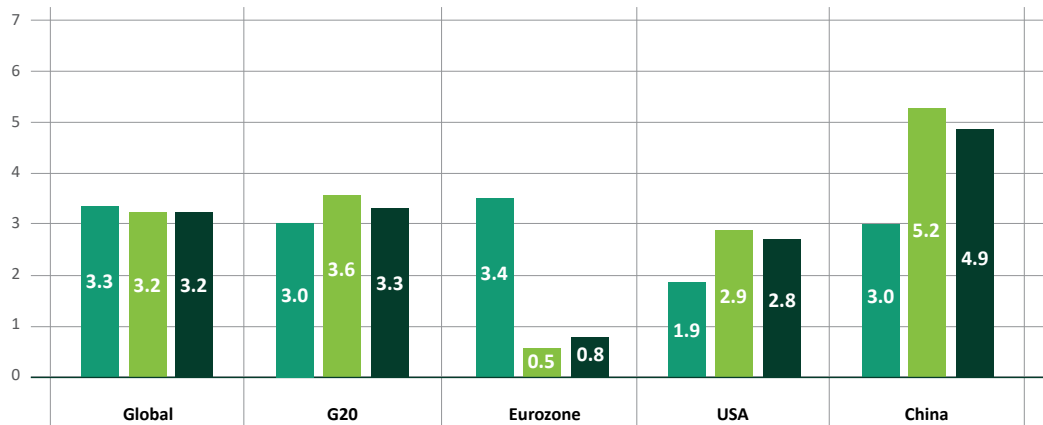
<sup>6</sup> International Monetary Fund (IMF) – World Economic Outlook, October 2024.

<sup>7</sup> WIFO economic research institute – Konjunkturadar (economic radar) 1/2025.

## GDP growth in %<sup>8</sup>

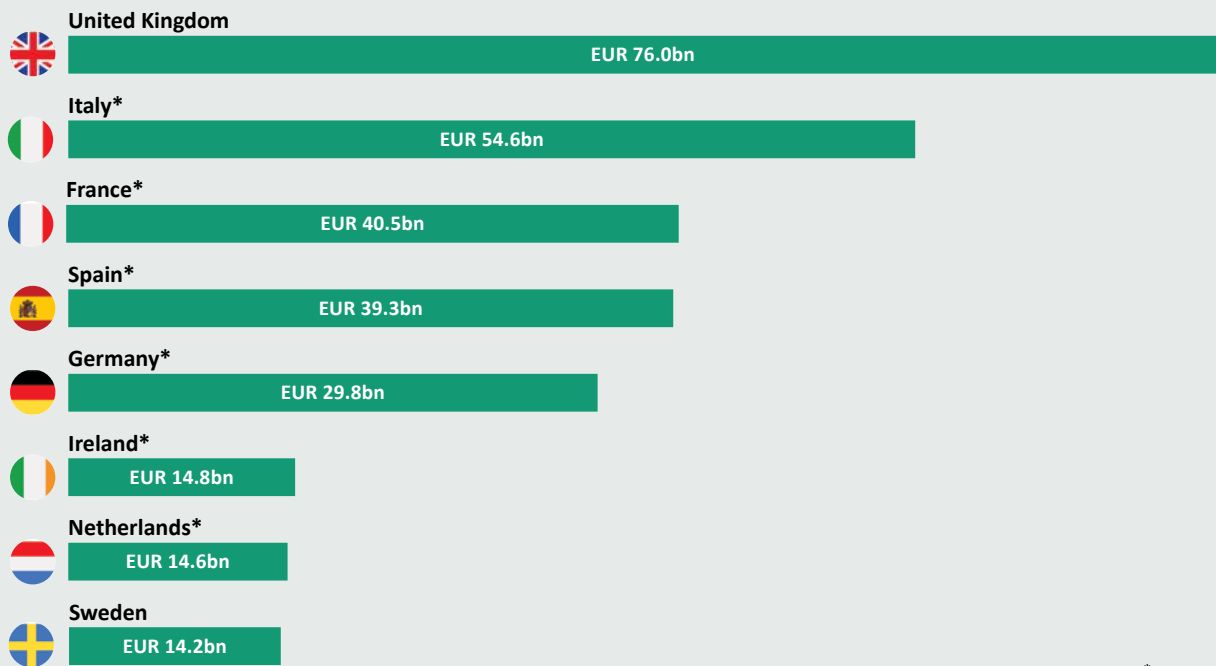
Source: OECD

- 2024
- 2023
- 2022



<sup>8</sup> 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.<sup>9</sup> by volume



\* eurozone

### 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%)<sup>10</sup>, 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 **atransaction 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.

<sup>9</sup> Inframation & Sparksread Database, 30/1/2025. An adjustment to the measurement method may lead to changes in comparative values from the past.

<sup>10</sup> European Central Bank – Macroeconomic projections for the euro area January 2025 (all figures in this sub-chapter).

As far as **greenfield financing**<sup>11</sup> 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**<sup>12</sup> 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**<sup>13</sup> 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.

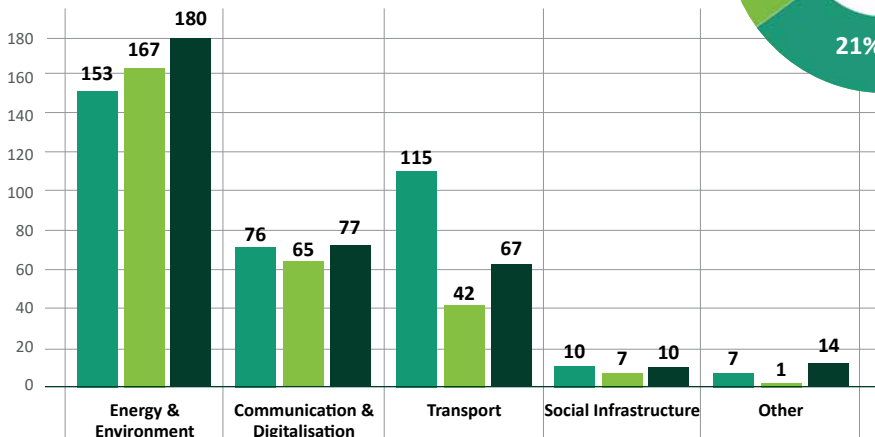
**Transaction volumes by sector.**<sup>14</sup>

in EUR bn / %

**EUROPE**

2024  
2023  
2022

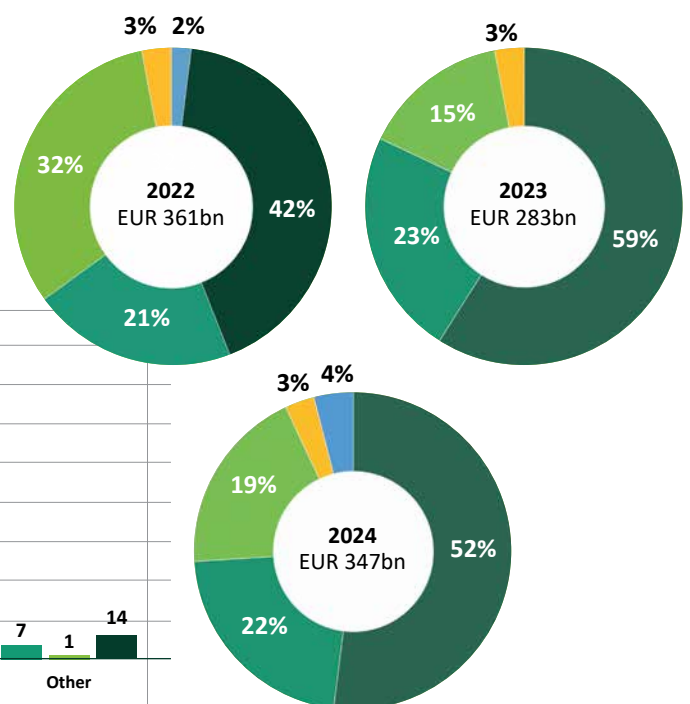
Energy & Environment  
Communication & Digitalisation  
Transport  
Social Infrastructure  
Other



<sup>11</sup> 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.

<sup>12</sup> M&A: mergers & acquisitions.

<sup>13</sup> Brownfield projects are pre-existing, often already-operational infrastructure assets whose financing is restructured mostly through M&A transactions (mergers & acquisitions).



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%<sup>15</sup> of the overall market.

This is also reflected in Kommunalcredit's transactions – particularly in northern Europe, on the Iberian Peninsula and in Central and Eastern Europe (first and foremost in Romania, where Kommunalcredit 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 Kommunalcredit 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. Kommunalcredit has only been affected by this trend on a very minor scale, as it has focused on projects with little overbuild risk<sup>16</sup> 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. Kommunalcredit 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. Kommunalcredit provided successful support for two extremely interesting transactions in this area in the UK and Switzerland.

<sup>14</sup> Infracom & Sparkspread Database, 30/1/2025. An adjustment to the measurement method may lead to changes in comparative values from the past.

<sup>15</sup> Infracom & Sparkspread Database, 30/1/2025. An adjustment to the measurement method may lead to changes in comparative values from the past.

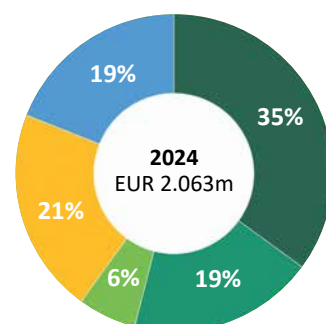
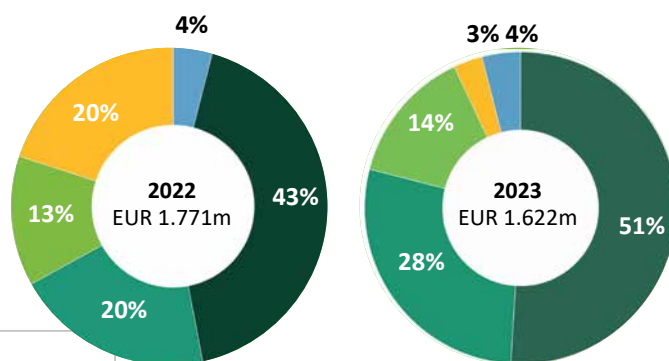
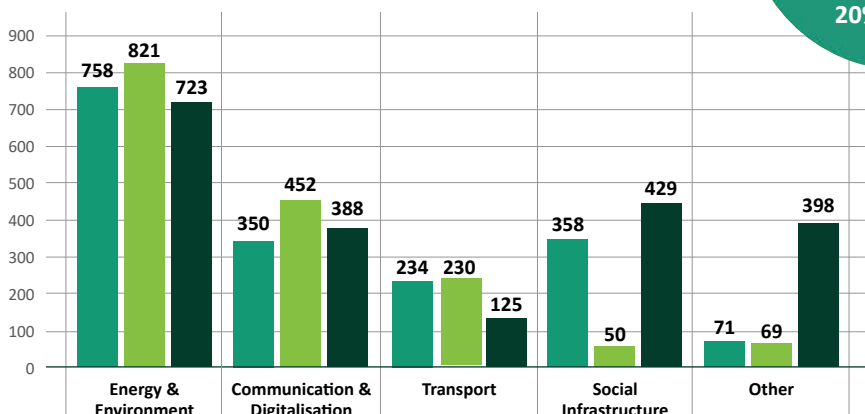
<sup>16</sup> Risk that the infrastructure created in a particular market/sector will exceed the actual demand.

Transaction volumes by sector.  
in EUR m or %

KOMMUNALKREDIT

2024  
2023  
2022

Energy & Environment  
Communication & Digitalisation  
Transport  
Social Infrastructure  
Other





## 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 Kommunalcredit 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 Kommunalcredit 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, Kommunalcredit 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. Kommunalcredit'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 Kommunalcredit. 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, Kommunalcredit 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).

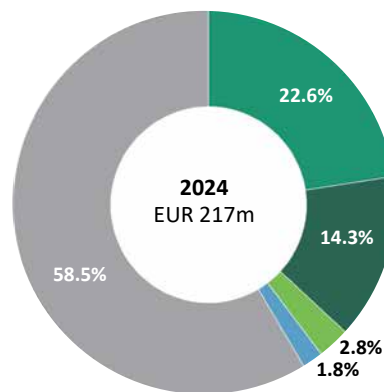
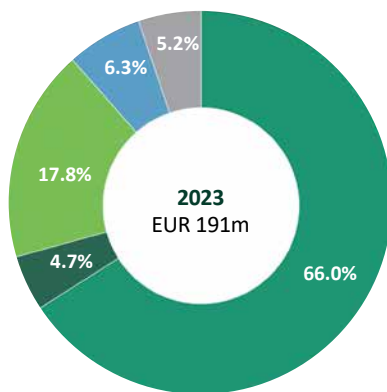
### Reputation and awards

In recent years, Kommunalcredit 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 – Kommunalcredit is known and respected here as a **contact throughout Europe**.

In 2024, Kommunalcredit 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

Kommunalcredit’s activities in 2023 and 2024 in EUR m or %

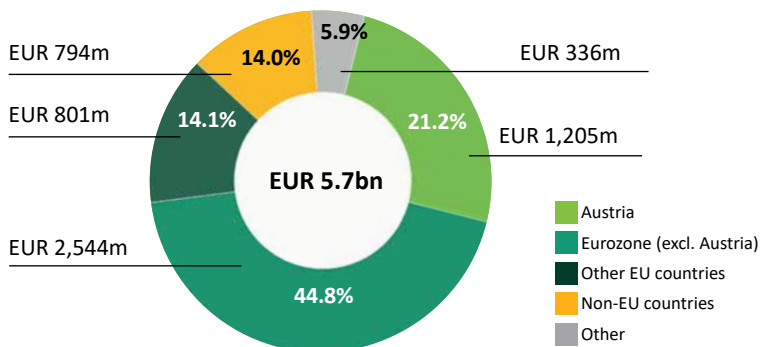


- Social Infrastructure EUR 126m
- Energy & Environment EUR 9m
- Transport EUR 34m
- Communication & Digitalisation EUR 12m
- Other EUR 10m (disaster protection, maintenance, etc.)

- Social Infrastructure EUR 49m
- Energy & Environment EUR 31m
- Transport EUR 6m
- Communication & Digitalisation EUR 4m
- Other EUR 127m (local authority, disaster protection, sewers, maintenance, etc.)

**Loan portfolio by region.**

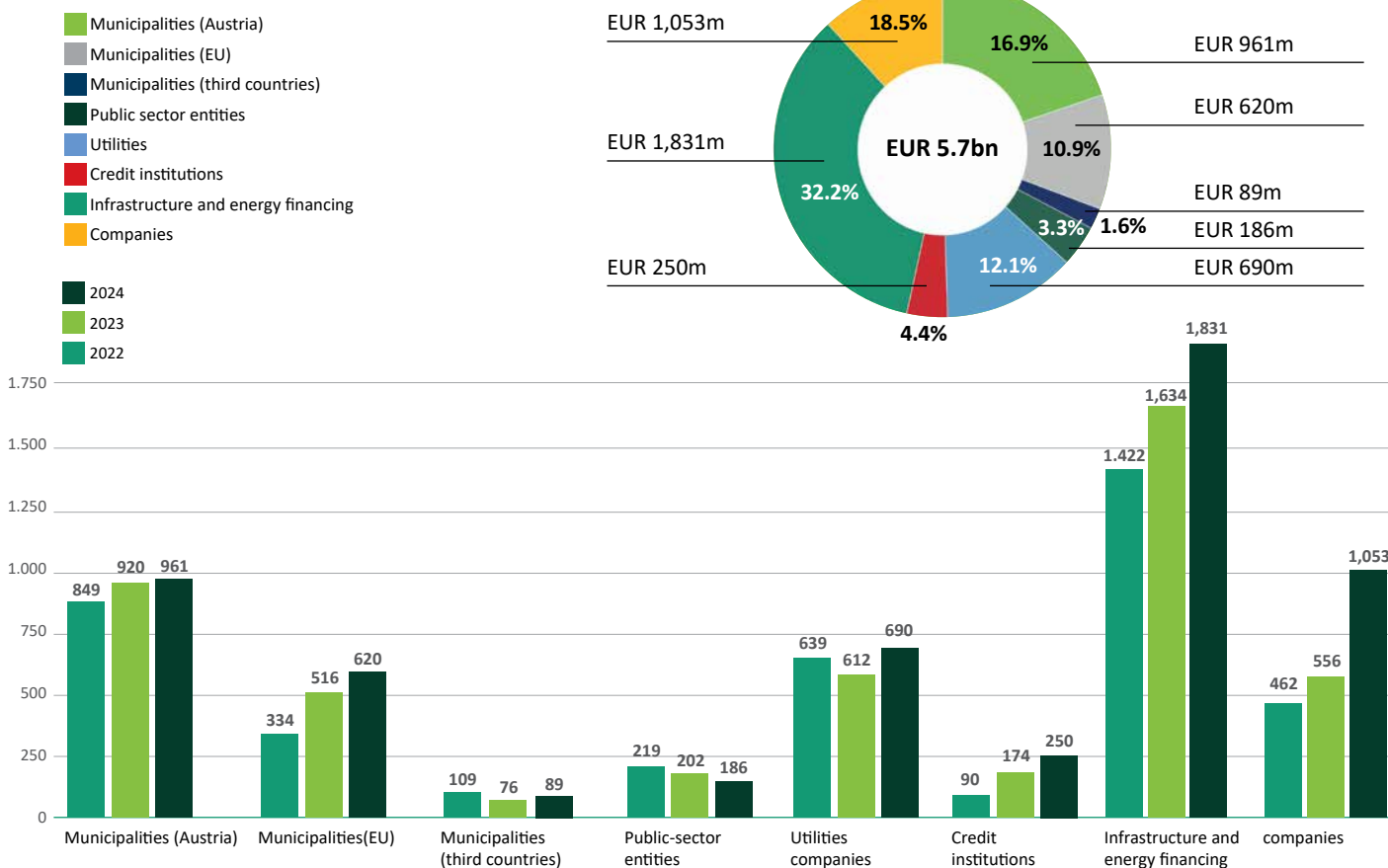
in EUR m, as of 31/12/2024



of which project bonds 3.3%  
of which disbursement obligations 16.8%

**Loan portfolio by borrower.**

in EUR m, as of 31/12/2024



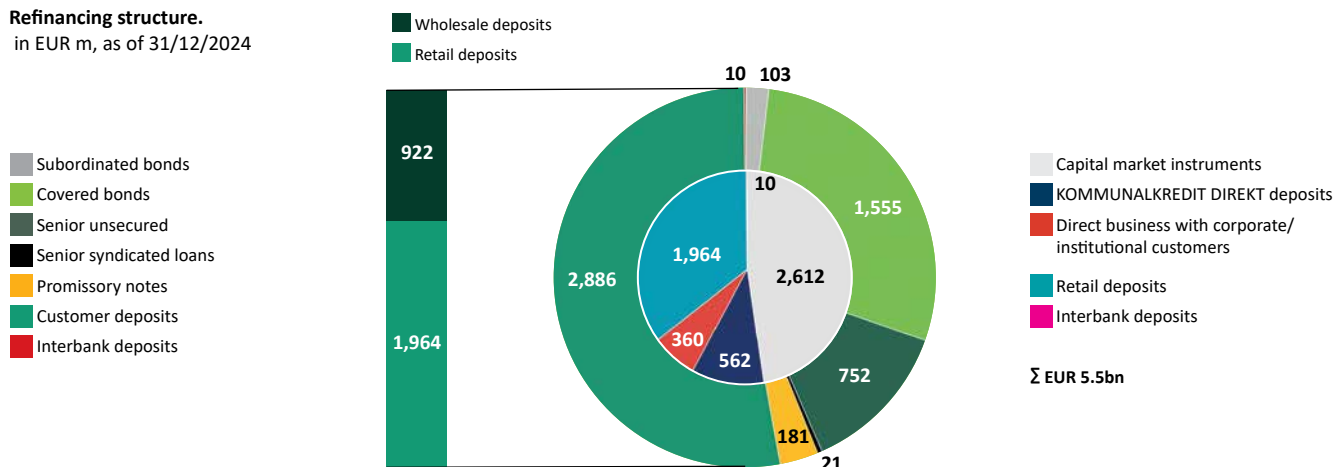


### Overall portfolio characterised by high asset quality

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 933m (31/12/2023: EUR 896m). 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  
314%

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.

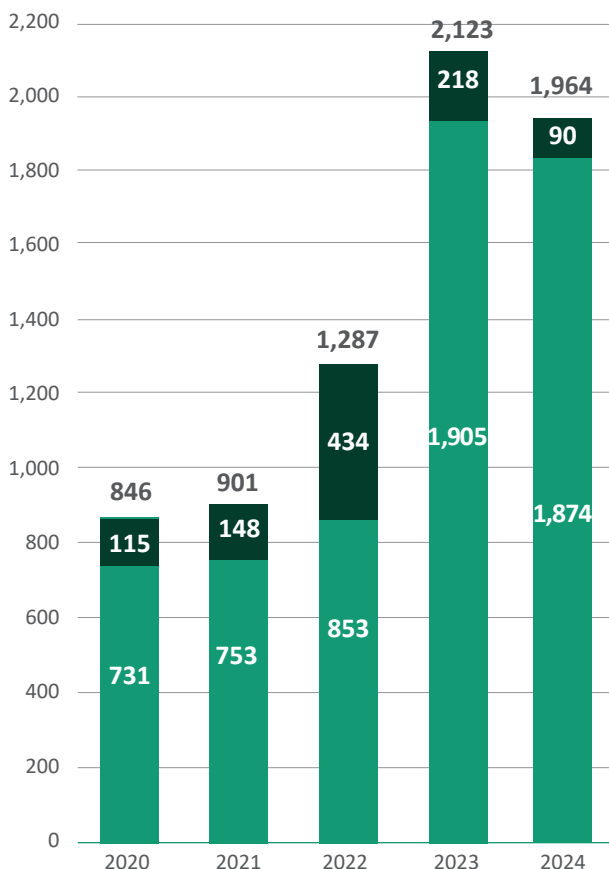
### Liquidity ratios

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 314% 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 (deIVO LCR).

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

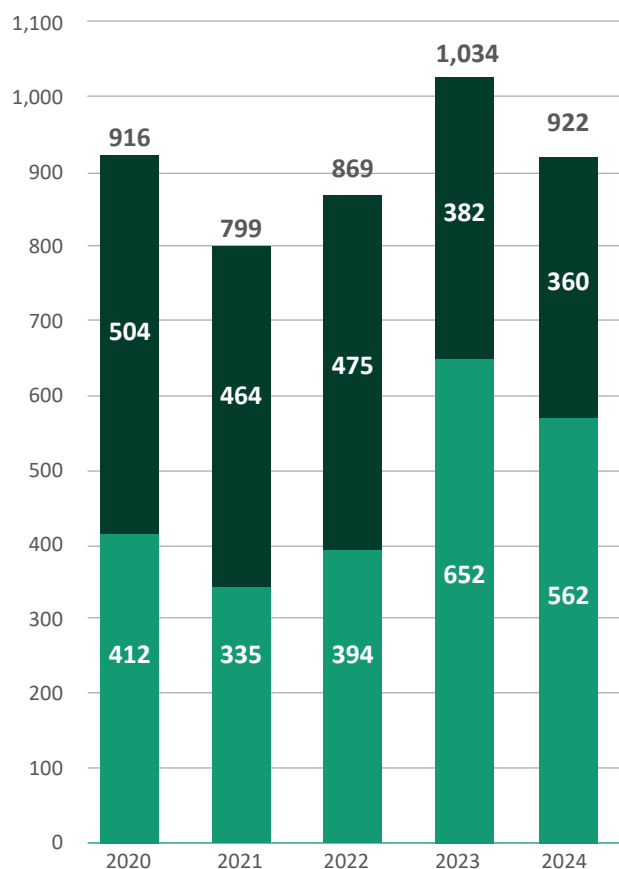
Overnight deposits  
Term deposits



**Wholesale deposits.**

in EUR m, as of 31/12/2024

Direct business with corporate/institutional customers  
KOMMUNALKREDIT DIREKT





## Assets, financial position and income

Despite challenging macroeconomic conditions, operating result came to EUR 127.0m, the cost/income ratio remained virtually stable under 40%, and a post-tax return on equity of 19.1% was achieved. Our strategic focus on infrastructure and energy financing, and public finance, paid off once again.

### Financial performance indicators according to IFRS

in EUR m or %	31/12/2024	31/12/2023
<b>Total assets</b>	<b>6,606.5</b>	<b>5,871.1</b>
<b>Total capital</b>	<b>767.0</b>	<b>577.0</b>
Net interest Income	185.0	192.4
Net fee & commission income	45.1	38.5
<b>Operating income</b>	<b>230.1</b>	<b>230.9</b>
Gains and Losses from financial assets or liabilities	9.4	-0.0
General administrative expenses	-101.5	-93.1
Credit risk result	-10.1	-0.6
Other operating income	-1.0	-1.5
<b>Operating result</b>	<b>127.0</b>	<b>135.7</b>
Gains / Losses from associated companies	-0.4	-0.0
Gains from participations	0.0	0.0
<b>Consolidated profit for the year before tax</b>	<b>126.6</b>	<b>135.7</b>
Income taxes	-30.3	-35.2
<b>Consolidated profit for the year</b>	<b>96.3</b>	<b>100.5</b>
Cost/income ratio (based on Operating result)*	39.1%	36.7%
Return on equity before tax**	25.2%	33.8%
Return on equity after tax**	19.1%	25.0%

\* Result from subsidiary KPC (cost plus model) netted in CIR calculation to provide fair view on efficiency.

\*\* Return on equity = Profit for the period/common equity tier 1 capital of the Satere group as of 1.1.

### Regulatory performance indicators of Kommunalkredit Austria AG under Austrian GAAP

in EUR m or %	GO* Finance Invest Group	Satere Group		KA Group	
	31/12/2024	31/12/2024	31/12/2023	31/12/2024	31/12/2023
Risk weighted assets	3,830.3	3,806.9	2,944.0	3,834.0	2,965.7
Common equity tier 1 after deductible items (CET 1)	707.8	685.9	502.9	715.2	531.1
Common equity (tier 1)	745.4	723.5	539.1	778.5	593.9
Total capital	781.7	759.8	573.4	820.8	635.6
CET 1 ratio	18.5%	18.0%	17.1%	18.7%	17.9%
Common equity ratio	19.5%	19.0%	18.3%	20.3%	20.0%
Total capital ratio	20.4%	20.0%	19.5%	21.4%	21.4%

\* GO = Green Opera

## Rating

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

Kommunalkredit is part of a group of credit institutions whose ultimate parent has been Green Opera Finance Invest AB, based in Stockholm, Sweden, since 15 July 2024. Green Opera Finance Invest AB prepares its consolidated financial statements according to the relevant requirements under Austrian GAAP; the scope of consolidation is determined according to § 30 of the Austrian Banking Act. Green Opera Finance Invest AB makes up the biggest regulatory scope of consolidation. The difference between the regulatory total capital individually and at Group level largely results from the imputation restriction pursuant to Article 81 et seq. CRR ("minority deduction").

### Structure of statement of financial position

Kommunalkredit's total assets according to IFRS amounted to EUR 6,606.8m as of 31 December 2024 (31/12/2023: EUR 5,871.1m), up by 12.5%. This is due primarily to the increase in assets measured at fair value through other comprehensive income to EUR 1,847.3m (31/12/2023: EUR 1,413.6m) and to the increase in assets recognised at fair value through profit or loss to EUR 567.9m (31/12/2023: EUR 350.9m).

The increase in these items was mainly attributable to the continued growth in infrastructure and energy finance. In 2024, new payouts reflected in the statement of financial position came to around EUR 2.1bn.

Customer liabilities of EUR 3,119.4m (31/12/2023: EUR 3,313.9m) and securitised liabilities of EUR 2,327.5m (31/12/2023: EUR 1,563.4m) were the largest refinancing items under equity and liabilities.

Capital market activities comprised EUR 518.0m in placements of senior preferred bonds, comprising EUR 500.0m in public issues and EUR 18.0m in private placements. A EUR 500.0m covered bond transaction was also executed.

Kommunalkredit's equity according to IFRS amounted to EUR 767.0m as of 31 December 2024 (31/12/2021: EUR 577.0m), and was strengthened further by a capital injection of EUR 100.0m in the second half of 2024 made by Kommunalkredit's new indirect majority shareholder, Green Opera Finance Invest AB.

### Income statement of the Kommunalkredit Group under IFRS

The Kommunalkredit Group achieved consolidated profit for the period after tax of EUR 96.3m for 2024 (31/12/2023: EUR 100.5m), which is influenced to a considerable degree 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.

#### Operating result

Operating result came to EUR 127.0m (2023: EUR 135.7m) and primarily comprises the following components:

#### Net interest income

Net interest income came in at EUR 185.0m (2023: EUR 192.4m) and includes interest income totalling EUR 400.7m, up by 22.7% in a year-on-year comparison (2023: EUR 326.6m).

Major one-off effects that had had an additional positive impact on earnings in the previous year were offset in the current financial year by a further increase in new business, creating a sustainable positive earnings trend. Active refinancing activities and the associated funding costs meant that interest expenses also rose from EUR 134.3m in 2023 to EUR 215.7m in 2024.

#### Net fee and commission income

Net fee and commission income stood at EUR 45.1m (2023: EUR 38.5m). 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 48.1m (2023: EUR 40.9m) was offset by fee and commission expenses of EUR 3.1m (2023: EUR 2.4m) The increase in fee and commission expenses is due first and foremost to costs related to capital market issues.

### Gains and losses from financial assets and liabilities

This item came to EUR 9.5m in 2024 and largely includes the net result of asset valuation and realised gains and losses in the amount of EUR 10.2m (2023: EUR 3.8m).

### General administrative expenses

General administrative expenses increased by 9.0% to EUR 101.5m (2023: EUR 93.1m). EUR 64.7m of this amount (2023: EUR 60.7m) was attributable to personnel expenses and EUR 36.8m (2023: EUR 32.4m) to other administrative expenses.

### Net provisioning for impairment losses

Net provisioning for impairment losses came to EUR -10.1m (2023: EUR -0.5m). This development is due primarily to an increase in risk provisions in 2024.

### Other operating result

The other operating result was reduced from around EUR -1.5m in 2023 to EUR -1.0m.

Other operating income came to EUR 1.1m in 2024 (2023: EUR 1.2m). Other operating expenses came to EUR -2.1m (2023: EUR -2.7m), 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.

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. In 2023, the bank's contribution to the Bank Resolution Fund of around EUR 1.8m had been included in other operating expenses.

### Income taxes

The tax expense came to EUR 30.3m (2023: EUR 35.2m) and includes, in addition to the current tax expense, the release of deferred tax assets from temporary differences between the values recognised according to IFRS and the amounts calculated for tax purposes.

### Development in risk provisions taking the current macroeconomic developments into account

The risk provisions for statistically expected credit losses are taken into account based on 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 default.

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. The stock markets also showed very positive development in the year under review. 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, a default occurred in three cases in 2024. All in all, one exposure with a volume of EUR 129.0m (31/12/2023: EUR 53.4m) was in default as of 31 December 2024 (non-performing loan ratio of 2.8% (31/12/2023: 1.5%), or a net ratio of 2.4% (31/12/2023: 1%) taking account of the ECA cover).

As of 31 December 2024, one exposure with a volume of EUR 144.1m (31/12/2023: EUR 40.6m) is classified as forbearance case. 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, a total of four exposures from the bank's loan portfolio with an exposure amounting to EUR 142m were recognised in ECL 2 (lifetime ECL).





# 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.

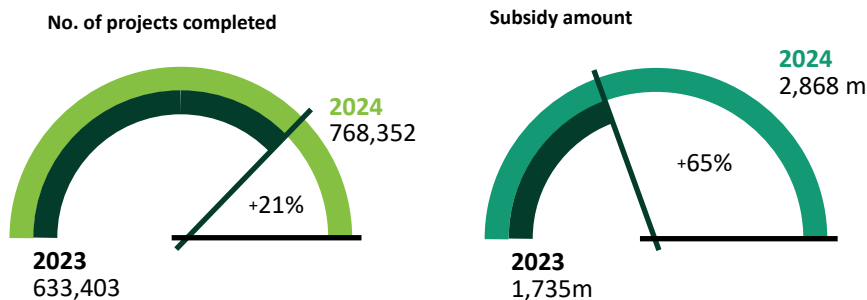
### Subsidy management

**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).

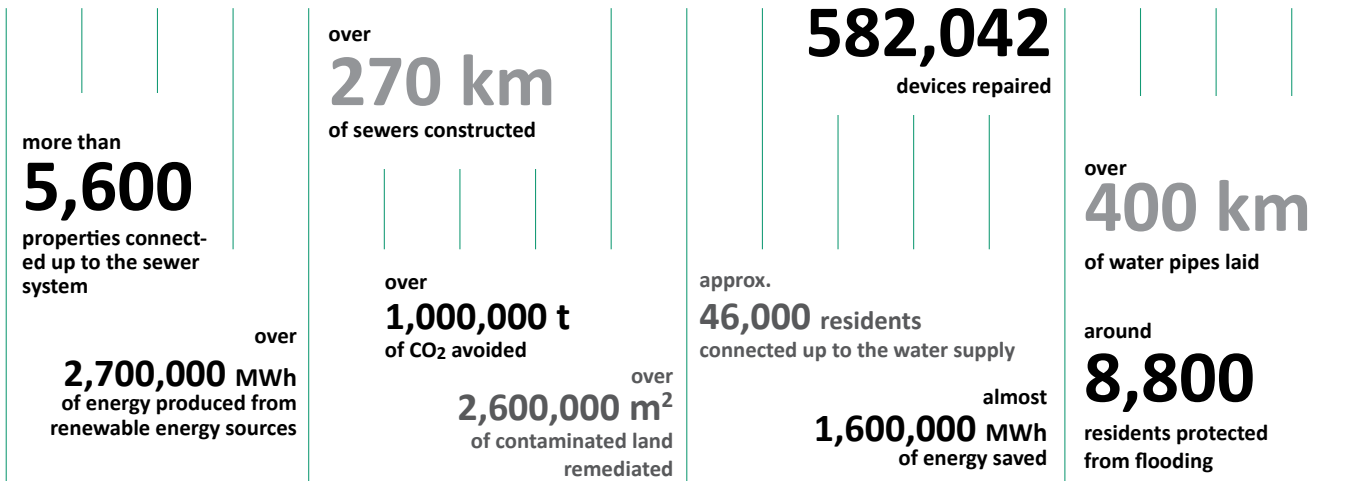
The renovation support encouraging the phasing-out of oil and gas, including the "Clean heating for all" campaign, and the "renovation bonus" for private households is particularly worthy of mention. The increase in flat-rate subsidies at the beginning of 2024 meant that the number of applications in 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.



Consultancy services

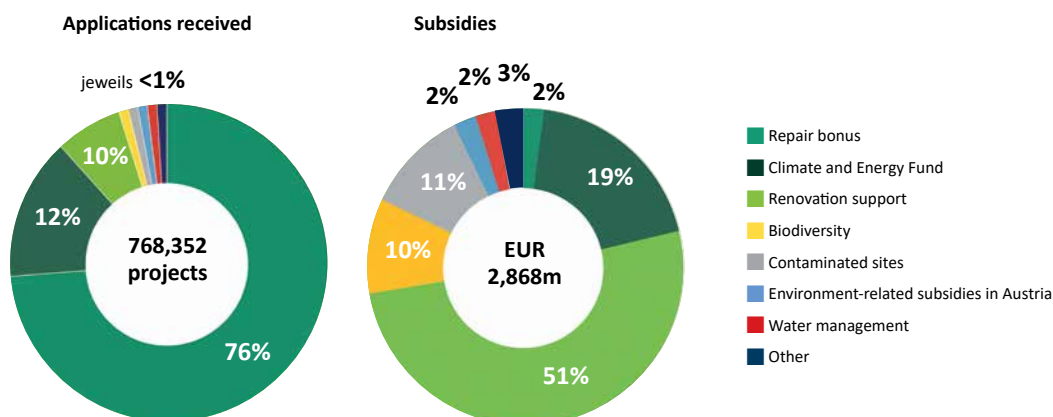
As a consultant, KPC successfully provides services for national and international development organisations and financial institutions. In terms of its international consulting activities, KPC focuses in particular on the fields of energy, climate action and sustainable finance. Its core tasks here 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<sub>2</sub> 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. For 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.

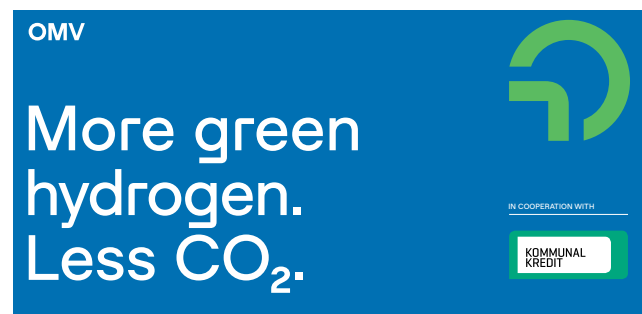
Kommunalkredit has a joint venture with Austrian energy provider eww for the development, construction and operation of **rooftop photovoltaic systems** in Austria. As part of the proposed "contracting model", customers do not need to make any initial investment, as the company itself finances the rooftop 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 Loanbox (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 storey, 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 \(page 170\)](#)

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% (34% 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.

## What we offer.

### Mobile work environment

Use your mobile phone, laptop or iPad to make your work environment more flexible. This will also give you greater leeway with your time.

### Transparent communication

You are always in the loop within a dynamic environment. We believe in open dialogue and regular exchanges.

### Sporting variety

Our fitness activities (own gym) promote personal interaction and health. And they're fun, of course.

### Family friendliness

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

We are easy to reach by public transport. We pay the cost of the job ticket for Vienna in some circumstances.

### Company pension plan

We want you to remain with us long-term and we want to support. Let's plan together for your future.

### Successful diversity

27 nationalities contribute to a strong corporate culture. Diversity is a key characteristic of our company.

### Wide range of eating options

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

Regular examinations, vaccinations, consultations and occupational psychological evaluations promote well-being.

### Additional health insurance

We pay two thirds of your premium. We want you to feel well looked after and secure.

### Special benefits

Benefit from special conditions offered by our partner providers in various sectors. It always pays off.

### Workplace support

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.

**Personnel development** for us 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 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 \(page 170\)](#)

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 consolidated 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.

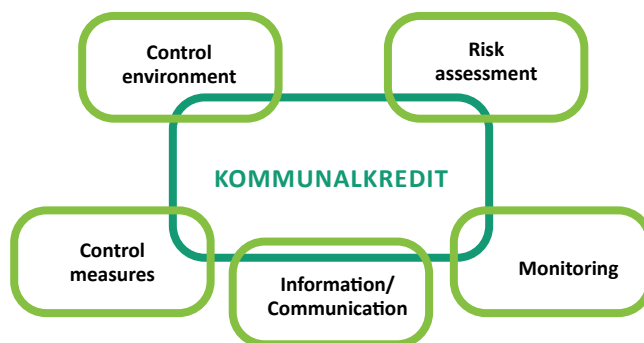
The Kommunalkredit **internal control system (ICS)** is a component of the company's risk management and has been integrated into its specific processes. To do this, controls are defined in order to minimise or avoid core risks and to safeguard the achievement of the principal business objectives to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



## 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<sup>17</sup> 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**<sup>18</sup> (ECB) (four to five rate cuts of 25 basis points each; most recently on 30 January 2025) than by the **Federal Reserve Bank**<sup>19</sup> (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.

<sup>17</sup> OECD – Economic Outlook, December 2024.

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

<sup>19</sup> 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<sup>20</sup>, 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.

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<sup>20</sup> 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

## CONSOLIDATED FINANCIAL STATEMENTS OF THE KOMMUNALKREDIT GROUP, VIENNA, FOR THE 2024 FINANCIAL YEAR



## I. Consolidated statement of financial position

<b>TOTAL ASSETS</b> in EUR 1,000	<b>Note</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Cash reserves	(24)	933,219.9	895,762.7
Financial assets measured at amortised cost	(25)	3,013,379.9	2,980,153.4
<i>thereof receivables from credit institutions</i>		49,853.9	55,587.9
<i>thereof receivables from customers</i>		2,339,600.3	1,998,745.9
<i>thereof securities</i>		623,925.7	925,819.5
Financial assets at fair value through other comprehensive income	(26)	1,847,286.5	1,413,613.1
Financial assets at fair value through profit or loss	(28)	567,851.9	350,940.0
Portfolio hedge	(41)	-2,891.6	0.0
Associates recognized at equity	(30)	2,897.8	2,618.7
Derivatives	(29)	188,191.5	181,092.0
Property, plant and equipment	(31)	34,375.2	26,106.3
Intangible assets	(33)	9,448.5	7,416.8
Deferred tax assets	(42)	2,085.4	1,483.9
Other assets	(35)	10,605.1	11,927.5
<b>Total assets</b>		<b>6,606,450.2</b>	<b>5,871,114.2</b>

<b>LIABILITIES AND EQUITY</b> in EUR 1,000	<b>Note</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Total liabilities		5,839,438.7	5,294,162.2
Liabilities at amortised cost		5,573,894.7	4,997,622.7
<i>thereof amounts owed to credit institutions</i>	(36)	126,991.5	120,313.6
<i>thereof amounts owed to customers</i>	(37)	3,119,404.1	3,313,887.5
<i>thereof securitised liabilities</i>	(38)	2,327,499.1	1,563,421.6
Portfolio hedge	(41)	6,727.7	4,821.6
Derivatives	(40)	154,630.6	165,834.7
Provisions	(42)	4,698.3	4,242.6
Current tax liabilities	(43)	11,245.1	33,293.8
Other liabilities	(44)	55,852.0	57,134.1
Subordinated liabilities at cost	(39)	32,390.2	31,212.7
Equity*	(45)	767,011.5	576,952.0
<b>Liabilities and equity</b>		<b>6,606,450.2</b>	<b>5,871,114.2</b>

\* Please refer to section "Consolidated statement of changes in equity" for a more detailed overview.

## II. Consolidated income statement

INCOME STATEMENT in EUR 1,000	Note	1/1 – 31/12/2024	1/1 – 31/12/2023
Net interest income	(46)	185,034.2	192,355.0
Interest income		400,687.9	326,641.0
<i>thereof calculated using the effective interest method</i>		357,464.2	292,088.7
Interest expenses		-215,653.7	-134,286.0
Net fee and commission income	(47)	45,081.3	38,510.0
Fee and commission income		48,136.1	40,925.4
Fee and commission expense		-3,054.7	-2,415.4
<b>Operating Income</b>		<b>230,115.5</b>	<b>230,865.0</b>
Gains and losses on financial assets and liabilities	(48)	9,449.6	-13.7
<i>Result from the derecognition of financial assets measured at amortised cost</i>		120.7	-2,315.4
Generell administrative expenses	(50)	-101,478.7	-93,121.4
Personnel expenses		-64,669.2	-60,698.9
Other administrative expenses		-36,809.5	-32,422.5
Net provisioning for impairment losses	(49)	-10,115.6	-565.9
Other operating result*	(52)	-1,004.4	-1,454.2
Other operating income		1,103.8	1,208.4
Other operating expenses		-2,108.2	-2,662.6
<b>Operating Profit</b>		<b>126,966.4</b>	<b>135,709.8</b>
Result from associates	(51)	-429.2	-18.9
Income from investments		36.0	40.5
<b>Profit before tax</b>		<b>126,573.3</b>	<b>135,731.4</b>
Income taxes	(53)	-30,301.5	-35,222.2
<b>Profit after tax</b>		<b>96,271.8</b>	<b>100,509.2</b>
<i>thereof attributable to owners and Additional Tier 1 holders</i>		96,145.1	100,390.0
<i>thereof attributable to non-controlling interests</i>		126.6	119.2

\* Please refer to Section "General accounting and measurement methods" regarding presentation changes in the financial statements.





### III. Consolidated statement of comprehensive income

COMPREHENSIVE INCOME in EUR 1,000	1/1 – 31/12/2024	1/1 – 31/12/2023
<b>Profit after tax</b>	<b>96,271.8</b>	<b>100,509.2</b>
<b>Items to be recycled to the Income Statement</b>	<b>-1,892.4</b>	<b>8,658.0</b>
<b>Changes in debt capital instruments at fair value through other comprehensive income</b>	<b>-1,892.4</b>	<b>8,658.0</b>
Valuation of debt capital instruments at fair value through other comprehensive income	-3,296.0	9,418.8
Recycled to the Income Statement	838.3	80.6
Deferred tax on assets at fair value through other comprehensive income	565.3	-841.4
<b>Items not to be recycled to the Income Statement</b>	<b>248.6</b>	<b>36.7</b>
<b>Change in actuarial gains/losses</b>	<b>248.6</b>	<b>-460.3</b>
Actuarial result from personnel provisions	322.9	-597.8
Deferred tax on actuarial result from personnel provisions	-74.3	137.5
<b>Changes in equity instruments at fair value through other comprehensive income</b>	<b>-374.3</b>	<b>497.0</b>
Valuation of equity instruments at fair value through other comprehensive income	-486.1	629.4
Deferred tax on changes in equity instruments at fair value through other comprehensive income	111.8	-132.4
<b>Total comprehensive income, net of tax</b>	<b>94,253.6</b>	<b>109,203.9</b>
<i>thereof attributable to owners</i>	<i>94,128.2</i>	<i>109,098.8</i>
<i>thereof attributable to non-controlling interests</i>	<i>125.4</i>	<i>105.1</i>

#### IV. Consolidated statement of changes in equity

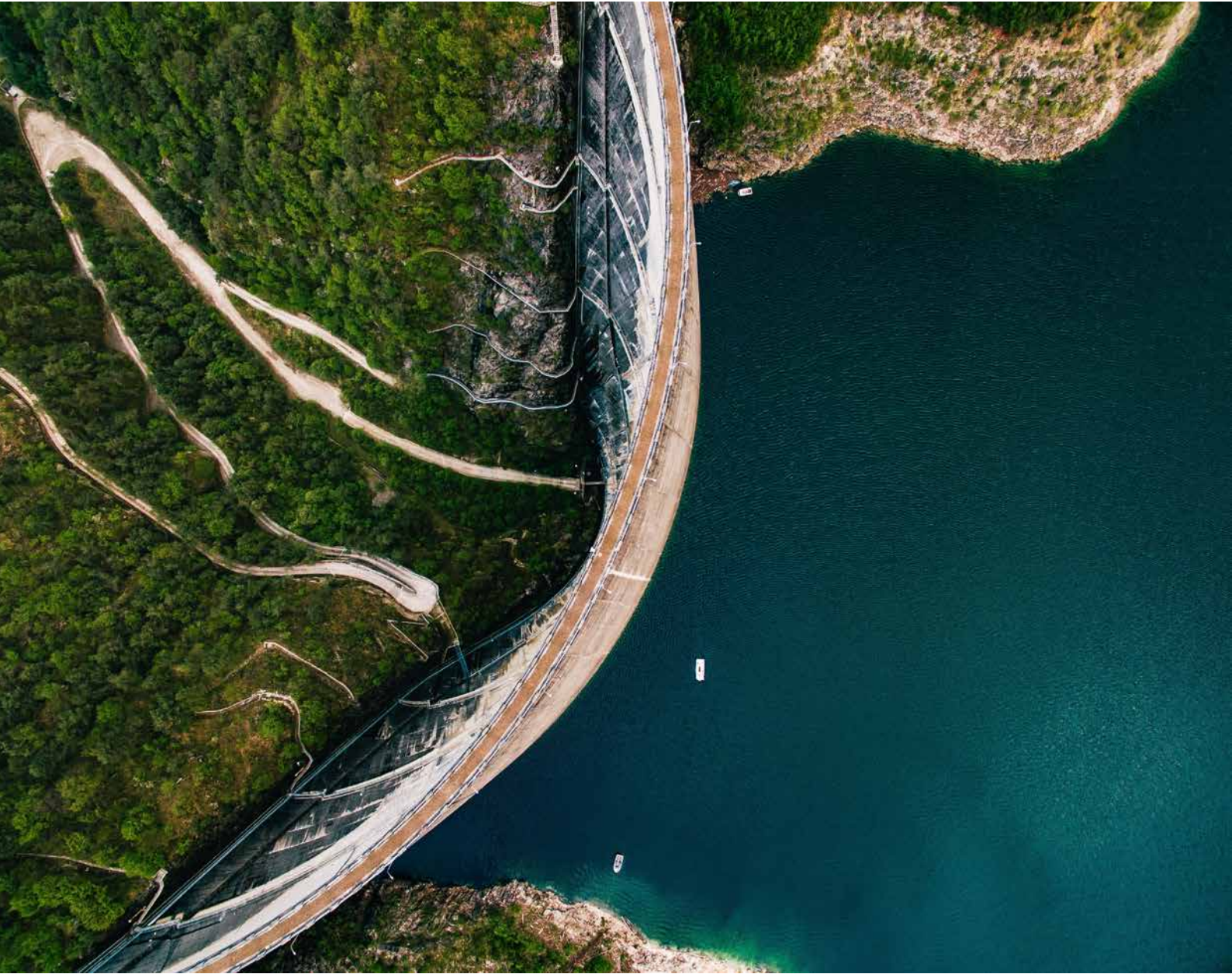
Equity according to IFRS developed as follows in 2024 and 2023:

STATEMENT OF CHANGES IN EQUITY 1/1 – 31/12/2024 in EUR 1,000	Subscribed capital	Reserves	Other retained earnings (incl. consolidated profit for the year)
<b>as of 1/1/2024</b>	<b>177,017.1</b>	<b>50,931.3</b>	<b>224,165.3</b>
Profit for the period	0.0	0.0	96,145.1
Changes in debt capital instruments at fair value through other comprehensive income	0.0	0.0	0.0
<i>Measurement of debt capital instruments at fair value through other comprehensive income</i>	0.0	0.0	0.0
<i>Recycling of debt capital instruments at fair value through other comprehensive income</i>	0.0	0.0	0.0
Changes in equity instruments at fair value through other comprehensive income	0.0	0.0	0.0
Change in actuarial gains/losses	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>96,145.1</b>
Capital contribution	0.0	100,000.0	0.0
Profit distribution	0.0	0.0	0.0
Appropriation to fixed reserves	0.0	8,200.6	-8,200.6
AT1 capital	0.0	0.0	0.0
AT1 coupon	0.0	0.0	-4,104.5
Other Effects	0.0	0.0	29.3
<b>As of 31/12/2024</b>	<b>177,017.1</b>	<b>159,131.9</b>	<b>308,034.6</b>

STATEMENT OF CHANGES IN EQUITY 1/1 – 31/12/2023 in EUR 1,000	Subscribed capital	Reserves	Other retained earnings (incl. consolidated profit for the year)
<b>as of 1/1/2023</b>	<b>177,017.1</b>	<b>45,205.3</b>	<b>133,605.9</b>
Profit for the period	0.0	0.0	100,390.0
Changes in debt capital instruments at fair value through other comprehensive income	0.0	0.0	0.0
<i>Measurement of debt capital instruments at fair value through other comprehensive income</i>	0.0	0.0	0.0
<i>Recycling of debt capital instruments at fair value through other comprehensive income</i>	0.0	0.0	0.0
Changes in equity instruments at fair value through other comprehensive income	0.0	0.0	0.0
Change in actuarial gains/losses	0.0	0.0	0.0
<b>Total</b>	<b>0.0</b>	<b>0.0</b>	<b>100,390.0</b>
Capital contribution	0.0	0.0	0.0
Profit distribution	0.0	0.0	0.0
Appropriation to fixed reserves	0.0	5,726.0	-5,726.0
AT1 capital	0.0	0.0	0.0
AT1 coupon	0.0	0.0	-4,104.5
<b>As of 31/12/2023</b>	<b>177,017.1</b>	<b>50,931.3</b>	<b>224,165.3</b>

Reserve for debt capital instruments at fair value through other comprehensive income	Reserve for equity instruments at fair value through other comprehensive income	Actuarial gains/losses IAS 19	Equity attributable to Kommunalkredit shareholders	Additional equity component	Non-controlling interests	Equity
59,038.0	960.6	2,335.4	514,447.8	62,243.7	260.6	576,952.0
0.0	0.0	0.0	96,145.1	0.0	126.6	96,271.8
-1,892.4	0.0	0.0	-1,892.4	0.0	0.0	-1,892.4
-1,892.4	0.0	0.0	-1,892.4	0.0	0.0	-1,892.4
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	-374.3	0.0	-374.3	0.0	0.0	-374.3
0.0	0.0	249.8	249.8	0.0	-1.2	248.6
-1,892.4	-374.3	249.8	94,128.2	0.0	125.4	94,253.6
0.0	0.0	0.0	100,000.0	0.0	0.0	100,000.0
0.0	0.0	0.0	0.0	0.0	-83.0	-83.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	-4,104.5	0.0	0.0	-4,104.5
0.0	0.0	0.0	29.3	0.0	-35.9	-6.6
57,145.6	586.3	2,585.2	704,500.8	62,243.7	267.0	767,011.5

Reserve for debt capital instruments at fair value through other comprehensive income	Reserve for equity instruments at fair value through other comprehensive income	Actuarial gains/losses IAS 19	Equity attributable to Kommunalkredit shareholders	Additional equity component	Non-controlling interests	Equity
50,380.1	463.6	2,781.6	409,453.6	62,243.7	155.5	471,852.8
0.0	0.0	0.0	100,390.0	0.0	119.2	100,509.2
8,657.8	0.0	0.0	8,657.8	0.0	0.0	8,657.8
8,595.8	0.0	0.0	8,595.8	0.0	0.0	8,595.8
62.0	0.0	0.0	62.0	0.0	0.0	62.0
0.0	497.0	0.0	497.0	0.0	0.0	497.0
0.0	0.0	-446.2	-446.2	0.0	-14.1	-460.3
8,657.8	497.0	-446.2	109,098.7	0.0	105.1	109,203.7
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0	0.0	0.0	0.0
0.0	0.0	0.0	-4,104.5	0.0	0.0	-4,104.5
59,038.0	960.6	2,335.4	514,447.8	62,243.7	260.6	576,952.0





## V. Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS in EUR 1,000	1/1 – 31/12/2024	1/1 – 31/12/2023
<b>Consolidated profit for the year after tax</b>	<b>96,271.8</b>	<b>100,509.2</b>
<i>Non-cash items included in the profit for the year and reconciliation to cash flow from operating activities</i>		
Depreciation and amortisation of property, plant and equipment and intangible assets	1,963.2	1,923.5
Appropriation to/release of provisions	10,820.0	580.5
Non-realised gains/losses from exchange rate fluctuations	20.2	10.2
Gains/losses from the valuation of financial assets and gains from the buyback of own issues	-10,187.4	-3,838.4
Income tax deferrals	29,599.7	18,845.7
Other adjustments (mainly interest income and interest expenses)	57,002.1	23,821.1
<b>Sub-total</b>	<b>185,489.5</b>	<b>141,851.8</b>
Change in assets and liabilities from operating activities after correction for non-cash items		
Financial assets at amortized cost		
<i>thereof loans and advances to credit institutions</i>	-38,719.1	25,273.3
<i>thereof loans and advances to customers</i>	-655,694.6	-600,462.9
<i>thereof securities</i>	304,601.4	-161,398.8
Assets available for sale and fair value option	-422,964.5	-268,378.5
Assets at fair value through other comprehensive income	-205,919.4	-126,681.1
Derivatives	34,587.5	-352.0
Other assets from operating activities	3,487.9	-4,599.4
Amounts owed to credit institutions	10,615.1	-31,963.5
Amounts owed to customers	-198,987.8	1,024,269.5
Securitised liabilities	765,096.1	161,448.0
Other liabilities from operating activities	-16,167.7	51,107.0
Interest receipts	340,717.9	307,270.1
Dividend receipts	36.0	40.5
Interest paid	-99,068.1	-95,739.8
Income taxes paid	-52,249.9	-17,195.4
<b>Cash flow from operating activities</b>	<b>-45,139.6</b>	<b>404,488.9</b>
Cash receipts from the sale / redemption of property, plant and equipment and intangible assets	0.0	0.2
Cash payments for the acquisition of Property, plant and equipment and intangible assets	-12,263.8	-7,556.6
Cash receipts from the sale of associates	-708.3	0.0
<b>Cash flow from investing activities</b>	<b>-12,972.1</b>	<b>-7,556.3</b>
Cash inflow from capital contribution	100,000.0	0.0
Dividend payments attributable to non-controlling interests	-83.0	0.0
AT1 coupon	-4,104.5	-4,104.5
Cash outflow from repayments on lease liabilities	-243.6	-268.4
<b>Cash flow from financing activities</b>	<b>95,568.9</b>	<b>-4,372.9</b>
<b>Cash and cash equivalents at the of the previous period</b>	<b>895,762.7</b>	<b>503,203.0</b>
Cash flow from operating activities	-45,139.6	404,488.9
Cash flow from investing activities	-12,972.1	-7,556.3
Cash flow from financing activities	95,568.9	-4,372.9
<b>Cash and cash equivalents at the end of the period</b>	<b>933,219.9</b>	<b>895,762.7</b>

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE KOMMUNALKREDIT GROUP FOR THE 2024 FINANCIAL YEAR |

## General Principles

### 1. GENERAL INFORMATION

Kommunalkredit Austria AG (Kommunalkredit), which has its registered office at Tuerkenstrasse 9, Vienna, Austria, 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. Since 15 July 2024, 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 as they are to be applied in the European Union (EU), are prepared pursuant to § 59a of the Austrian Banking Act (BWG) in conjunction with § 245a of the Austrian Commercial Code (UGB). These financial statements meet the requirements of § 59a of the Austrian Banking Act. As an issuer of exchange-listed securities, Kommunalkredit publishes a Group Management Report pursuant to § 124 (1) of the Austrian Stock Exchange Act (BörseG) as part of this report.

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. STANDARDS AND INTERPRETATIONS APPLIED

The consolidated financial statements of Kommunalkredit were produced based on all International Accounting Standards (IAS),

International Financial Reporting Standards (IFRS) and interpretations of IFRS Interpretations Committees (IFRICs and SICs) approved and published by the International Accounting Standards Board (IASB), adopted into European law by the European Union (EU) and applicable on a mandatory basis as of 31 December 2024.

#### Overview of new standards/interpretations or changes to be applied for the first time in the 2024 financial year:

STANDARD/INTERPRETATION	Title of standard/ interpretation or amendment	First-time adoption
Amendments to IAS 1	Classification of liabilities as current and non-current	1/1/2024
Amendments to IFRS 16	Sale and lease back arrangements	1/1/2024
Amendments to IAS 7 und IFRS 7	Disclosure requirements for supplier agreements and their impact on liabilities, cash flow and liquidity risk of a company	1/1/2024

The standards are applicable for the financial years starting on or after the "first-time-adoption" date

#### Amendments to IAS 1

The amendments to IAS 1 only relate to the reporting of liabilities as current or non-current in the statement of financial position and not the amount or the date of recognition of assets, liabilities, income or expenses or the information to be disclosed about these items. The amendments clarify that the classification of liabilities as current or non-current is based on the existing substantive rights to defer the performance by at least 12 months as of the balance sheet date. The classification is made regardless of the likelihood of whether or not an entity will exercise its right to defer performance. If this right is subject to compliance with certain conditions, the existence of such right is only assumed if these conditions were actually complied with as of the balance sheet date.

The amendments also include the inclusion of an explanatory note on the criterion "performance". In this case, performance relates to the transfer of cash, equity instruments and other assets or services to the counterparty.

#### Amendments to IFRS 16

The amendments to IFRS 16 relate to sale and leaseback transactions with variable payments that do not depend on an index or interest rate. The published amendments to IFRS 16 require a lessee to subsequently measure lease liabilities arising from a sale and leaseback transaction in a way that has no impact on profit or loss. The profit or loss from a partial or full termination of a lease is to be recognised in the income statement.

### Amendments to IAS 7 and IFRS 7

The IASB has published amendments to IAS 7 that define supplier finance arrangements and corresponding disclosures in the notes. IFRS 7 explains a company's liquidity risk in connection with supplier finance arrangements in greater detail.

The amendments to the standards and interpretations mentioned above do not have any material impact on the Group's assets, financial position or income.

### Overview of standards already adopted by the EU that have not been applied early:

STANDARD/INTERPRETATION	Title of standard/ interpretation or amendment	First-time adoption
Amendments to IAS 21	Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	1/1/2025

The standards are applicable for the financial years starting on or after the "first-time-adoption" date

### Amendments to IAS 21

The amendments to IAS 21 relate to the assessment of whether a currency is exchangeable, how an exchange rate should be determined when exchangeability is lacking, as well as additional disclosure obligations in this regard.

Kommunalkredit's currency holdings consist exclusively of exchangeable currencies with an official ECB rate. The application is therefore not expected to have any material impact on the consolidated financial statements.

### Overview of regulations not yet adopted by the EU that have not been applied early:

STANDARD/INTERPRETATION	Title of standard/ interpretation or amendment	First-time adoption
Amendments to IFRS 9 and IFRS 7	Classification and measurement of financial instruments	1/1/2026
Annual Improvements Volume 11	Amendments to IFRS 1, IFRS7, IFRS9, IFRS 10 and IAS 7	1/1/2026
IFRS 18	Presentation and Disclosure in Financial Statements	1/1/2027
IFRS 19	Subsidiaries without Public Accountability: Disclosures	1/1/2027

The standards are applicable for the financial years starting on or after the "first-time-adoption" date

### Amendments to IFRS 9 and IFRS 7

The amendments allow companies to derecognise a financial liability if it is settled through an electronic cash transfer system, provided specific conditions are met. The rule will apply to all settlements made through the same electronic payment system.

Other amendments govern:

Classification of financial assets:

- Amendments to the permissible SPPI criterion for classification at amortised cost as well as examples of corresponding assets.
- The term "non-recourse features" is elaborated on, where financial assets are considered to have non-recourse features, if the right to cash flows is limited to specific assets.
- Additions to the distinction drawn between non-recourse financing and contractually linked instruments.

Disclosure obligations:

- Companies are required to recognise the cumulative gains and losses reclassified in equity from investments in equity instruments separately; this relates to derecognised instruments and for instruments held.
- Contractual terms that could change the amount of the cash flows must be disclosed, particularly in the case of events that do not relate directly to changes in basic lending risks and costs.

Application of these amendments is not expected to have any material impact on the consolidated financial statements.

### Annual Improvements Volume 11

The IASB issued Annual Improvements to IFRS Accounting Standards—Volume 11 on 18 July 2024. The Annual Improvements include a series of smaller amendments to several IFRS Standards and mainly serve to improve the quality of the standards, by clarifying formulations, making smaller corrections and addressing potential contradictions and conflicts. Improvements comprised the following standards: IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7. Application of these amendments is not expected to have any material impact on the consolidated financial statements.

### IFRS 18

The IASB published a new IFRS 18 standard, which determines requirements for the presentation and disclosure of financial information in general financial statements. It will replace IAS 1. The primary components of the financial statements should deliver a structured overview of a company's financial situation, performance and cash flows, while the notes provide additional information for a more comprehensive understanding. The most important amendments of IFRS 18 are:

Items of income and expense are classified in the income statement in five categories: operating, investing, the financing, income taxes and discontinued operations. The objective is to have a more precise presentation of the operating results and a clear separation between the business activities and their impact on the company.

IFRS 18 requires a detailed classification in the statement of financial position, separating current and non-current assets and liabilities, unless presentation based on liquidity is not possible. Assets and liabilities may not be offset unless explicitly required or permitted by an IFRS standard. This clear structure improves the informative value of the statement of financial position and helps the target audience to assess the company's financial position.

The statement of changes in equity must provide more detailed information in future. This includes total comprehensive income, retrospective application of amendments to accounting policies or measurement methods as well as reconciliations for each component of equity, including breakdowns of transactions with owners.

Management performance indicators (MPIs) or management-defined performance measures (MPMs) are also a key component of the new standard. Companies have to clarify all MPIs in a standard note and describe how the MPIs are calculated, why they are useful for the readers of the financial statements and how they can be compared with the official IFRS indicators.

In the statement of comprehensive income, other income is grouped between items that will or will not be reclassified to profit and loss in subsequent periods. This reclassification is intended to provide the target audience with a more comprehensive understanding of the company's earnings position.

Application of this amendment is not expected to have any material impact on the consolidated financial statements, as the consolidated income statements largely complies already with the new requirements. More comprehensive disclosures on MPKs and MPMs are expected in the notes to the consolidated financial statements.

#### **IFRS 19**

The IASB published a new standard that permits subsidiaries to use IFRS Accounting Standards with reduced disclosures, if their parent companies have public accountability and already apply IFRS Accounting Standards in their consolidated financial statements. Companies whose shares are listed on a stock exchange or whose assets are held in a fiduciary capacity (e.g. credit institutions) are not permitted to apply IFRS 19. IFRS 19 will therefore have no impact on the consolidated financial statements of Kommunalkredit.



### 3. SCOPE OF CONSOLIDATION

In accordance with the provisions of IFRS 10, the scope of consolidation of the Kommunalkredit Group comprises the following in addition to the parent company Kommunalkredit Austria AG as of 31 December 2024:

NAME AND REGISTERED OFFICE	Investment		Share in capital 31/12/2024 in %	Share in capital 31/12/2023 in %
	direct	indirect		
<b>1. Affiliated companies</b>				
<b>Fully consolidated affiliated companies</b>				
Kommunalkredit Public Consulting GmbH, Wien	x		90.0%	90.0%
Kommunalkredit KBI Immobilien GmbH, Wien	x		100.0%	100.0%
Kommunalkredit 4OG Immobilien GmbH & Co KG		x	100.0%	100.0%
Kommunalkredit KBI Immobilien GmbH & Co KG, Wien		x	100.0%	100.0%
Kommunalkredit TLI Immobilien GmbH & Co KG, Wien		x	100.0%	100.0%
Fidelio KA Beteiligung GmbH (DE)	x		74.9%	74.9%
Fidelio KA Infrastructure Opportunities Fund GP S. à r. l. (LUX)		x	74.9%	74.9%
Fidelio KA Investment Advisory GmbH (DE)		x	74.9%	74.9%
Florestan KA GmbH, Wien	x		100.0%	100.0%
Florestan KA Hydrogen GmbH, Wien		x	100.0%	100.0%
<b>2. Associates</b>				
<b>Associates included using the equity method</b>				
PeakSun Holding GmbH Wels		x	40.0%	40.0%

Kommunalkredit's 45.0% investment in Kommunalnet E-Government Solutions GmbH is not recognised as an associate, but is reported under assets recognised at fair value through other comprehensive income.

There were no changes to the scope of consolidation in the 2024 reporting year.

No material risks or restrictions arise for the Kommunalkredit Group from its affiliated and associated companies.

# Accounting and measurement principles

## 4. GENERAL ACCOUNTING AND MEASUREMENT METHODS

The consolidated financial statements of Kommunalkredit were prepared on a going-concern basis. The financial information provided in the consolidated financial statements comprises the data concerning the parent together with its subsidiaries, presented as a single economic entity. The accounting and measurement principles are applied uniformly throughout the Group and continuously for the reporting periods presented.

These financial statements are intended to give a true and fair view of the assets, the financial position and the income of the Kommunalkredit Group according to IFRS rules, as adopted by the EU. Acquisitions and disposals in all classes of financial assets are recognised on the day of trading.

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.

The reporting currency of the consolidated financial statements of Kommunalkredit is the euro, as the functional currency of all of the companies included in the consolidated financial statements. Unless otherwise indicated, the figures are rounded to the nearest thousand, which may result in rounding differences in the tables.

### Changes in presentation

As part of a review of the presentation of the financial statements pursuant to IAS 1, the following items were reclassified or supplemented in the 2024 financial year:

- The bank's contribution to the Bank Resolution Fund of TEUR 1,761.2 had been included in other operating expenses and are no longer recognised as a separate item.
- The subtotals of operating income and EBIT were added.
- In addition, income from investments and income/expenses from associates were shown separately outside of operating income to ensure a clear distinction to EBIT.

The changes do not have any material impact on the information presented, but make the financial statements easier to understand.

These changes only affect the manner in which the abovementioned items are presented. They do not involve any changes to accounting policies or accounting-related estimates, or corrections of prior period errors. As a result, the comparative period as of 31 December 2023 is being restated; there is no need to restate the opening balance sheet values.

## 5. CONSOLIDATION PRINCIPLES

All material subsidiaries controlled by Kommunalkredit, as defined by IFRS 10, are fully consolidated. Based on this definition, control refers to a scenario in which the Group is exposed, or has rights to, significant variable returns from involvement with the investee, and has the ability to use power over the investee to affect the amount of those returns.

The consolidation requirement for investment funds whose transactions are administered by Kommunalkredit and in which Kommunalkredit also simultaneously holds shares in the net asset value (NAV) of the fund as a limited partner is assessed by analysing the scope for materially influencing the cash flows and returns of the fund and the assessment of whether there is a significant economic interest. The latter is achieved by comparison of the direct investment and the expected total returns of the Kommunalkredit Group including all income (such as distributions and fees) with thresholds set within the Group. If control exists according to this analysis and there is a significant economic interest, an investment fund is included in the consolidated financial statements in the form of full consolidation.

The consolidation actions taken include capital consolidation, debt consolidation as well as the consolidation of expenses and income. The fully consolidated companies all present their annual financial statements as of the Group reporting date.

Intra-Group equity transactions, receivables and liabilities, as well as expenses and income, are eliminated, unless they are immaterial. Intra-Group transactions, balances, and unrealised gains and losses from transactions between Group companies are also eliminated, unless they are immaterial.

If Kommunalkredit loses control over a subsidiary, the deconsolidation gains or losses are recognised in profit and loss. These are calculated from the difference between:

- the total amount of the fair value for the consideration received and the fair value of the retained shares and
- the carrying amount of the assets (including the goodwill), the liabilities of the subsidiary and all non-controlling interests.

All amounts previously recognised in other comprehensive income for the subsidiary in question are declared. This is done on the same basis as would be required in the event of an immediate sale of the corresponding assets or liabilities.

According to the consolidation rules, joint arrangements (IFRS 11) are accounted for as joint operations and/or joint ventures. Should a joint agreement be classified as a joint operation, the assets, liabilities and revenue from this activity to which Kommunalkredit is entitled as per the agreement are recognised on a pro rata basis.

Companies over which Kommunalkredit has a material influence and/or joint ventures (Investments in Associates and Joint Ventures in accordance with IAS 28) are measured according to the equity method and recognised as investments in associates. According to the equity method, the investments in associates and/or joint ventures are recognised at acquisition cost, plus any post-acquisition changes in the shares held by the Group in the net assets of the associate. The most recent financial statements (including reconciliation to IFRS) of the associate are used as a basis.

## 6. CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated at the mean rate of exchange (euro reference rate) announced by the European Central Bank (ECB) as of the reporting date. Non-monetary items reported at historical cost in a foreign currency are translated at the rate applicable on the date of the business transaction; non-monetary items that were measured at their contemporary fair value in a foreign currency are translated at the rate applicable on the date the item was measured. Currency translation gains and losses are reported in the income statement under the item "Gains and losses from financial assets and liabilities". Instruments measured at fair value and not recognised in profit and loss have their translation result from the fair value measurement (again, not recognised in profit or loss) reported in total comprehensive income.

## 7. CLASSIFICATION AND MEASUREMENT OF FINANCIAL ASSETS

### 7.1. Classification principles

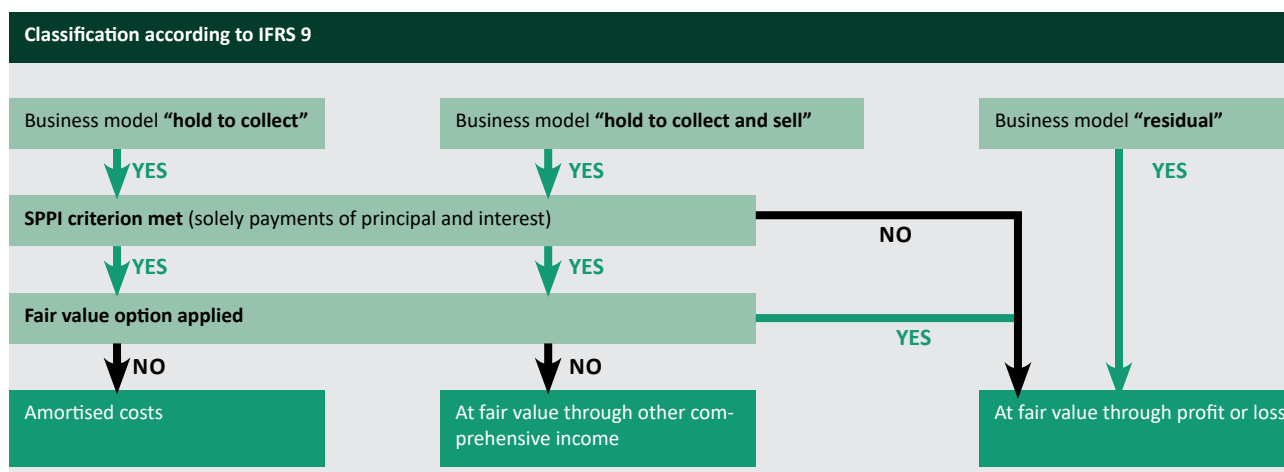
IFRS 9 requires all financial assets to be measured either at amortised cost or fair value depending on the features of the contractual cash flows and the business model. Measurement at fair value may be reflected directly in equity (other comprehensive income) or recognised in profit and loss through the income statement. Contractual cash flows and the business model are evaluated within Kommunalkredit upon conclusion of a transaction at the level of the individual financial asset.

**Business model classification** is used to analyse the purpose of a specific asset. Items solely used to generate interest income and not held for sale are classified under the business model "hold". Financial instruments that are expected to be sold or at least partially or fully held until their maturity are classified under the business model "hold and sell". At Kommunalkredit, these include financing transactions intended for opportunistic placement. Financial assets with short-term intentions of syndication are classified under the business model "sell".

When analysing the contractual cash flows of a financial asset, it is determined whether the cash flows are solely payments of principal and interest ("SPPI criterion") on the outstanding capital amount. In particular, interest rate adjustment clauses (synchronisation between the agreed interest rate tenor and the interest rate adjustment period), contractual interest deferral periods and contractual interest rate levers are subject to examination. In cases of "non-recourse" financing, the rating at the time the loan is granted is also taken into account in order to ascertain possible categorisation as an asset at fair value through profit or loss. In the context of the repayment of capital (or early repayment of capital), care is taken to ensure that the outstanding capital is repaid and that repayment is not dependent on the performance of a financed asset. In the event of a potential extension of the contract term, care is taken to ensure that this is carried out in line with prevailing market conditions.

Financial assets are only reclassified if there is a strategic shift in the business model; this is by definition an exceptional occurrence. There were no reclassifications in the reporting year.

The following diagram summarises the classification process according to IFRS 9:



For details regarding the derecognition of financial assets, see Note 21.

## 7.2. Financial assets at amortised cost

Financial assets whose contractual cash flows solely represent payments of principal and interest ("SPPI criterion") on the outstanding capital amount and that are held in connection with a business model for the purpose of collecting contractual cash flows (business model "hold") are reported at amortised cost.

Financial assets under this measurement classification are reported in the statement of financial position under assets at amortised cost and cash and cash equivalents. When these financial assets are recognised for the first time, they are reported at fair value (see Note 11), taking into account transaction costs. Subsequent measurements are reported at amortised cost. These costs are calculated from the amount that the financial assets were first measured at upon initial recognition, less repayments and plus/less the cumulative distribution of differences arising between the original amount issued and the amount that has to be repaid as a mandatory requirement upon maturity, using the effective interest method and taking into account the risk provisions (see Note 8). The result of the amortisation of the differences, applying a constant effective interest rate, is reported in the income statement under net interest income. The method of accounting for loans and receivables that represent hedged items in hedging relationships is described in more detail under Note 10. Arrangement and other fees in connection with credit that has not yet been disbursed are reported in other liabilities and taken into account at the effective interest rate at the time of disbursement, except for ongoing commitment fees, which relate directly to the not yet utilised scope of an asset in this category. These are booked as net interest income for a specific time period and not considered part of the effective interest rate. If commitment fees are collected for the provision of the loan regardless of the respective utilisation, these are part of the effective interest rate provided that a disbursement of the loan is probable. The treatment of fees which are not part of the effective interest rate and are booked as net fee and commission income is explained in Note 22.

The sale of assets just before their maturity, insignificant or irregular sales or sales for reasons relating to creditworthiness are in principle permissible disposals from the "hold" business model. At Kommunalcredit, such transactions are studied in detail for compliance purposes and the results are reported under the item "Result from the disposal of financial assets measured at amortised cost".

## 7.3. Reporting of financial assets at fair value through other comprehensive income

If only SPPI-compliant cash flows are associated with a financial asset and the financial asset is held under a business model aimed at generating income from both the collection of contractual cash flows and sales ("hold and sell" business model), these assets are reported at fair value through other comprehensive income directly in equity in other comprehensive income. Financial instruments of this classification are initially and subsequently measured at fair value, taking into account transaction costs. Any difference between the cost of acquisition and the amount that has to be repaid, as a mandatory requirement, upon maturity is distributed over the term using the effective interest method and reported under net interest income. Changes in the measured fair value are reported in the statement of comprehensive income and directly result in a change to the reserve for financial assets reported at fair value through other comprehensive income within equity.

The treatment of fees in respect of assets in this category is analogous to the procedure described in Note 7.2.

In cases of the disposal of debt capital instruments, the amount recognised as of 31 December of the previous year in the reserve for assets measured at fair value through other comprehensive income is reclassified to the income statement and recognised in profit and loss.



#### 7.4. Reporting of financial assets at fair value through profit or loss

Financial assets whose contractual cash flows are not SPPI-compliant or which are classified under the “sell” business model are measured at fair value through profit or loss. In addition, there is also a discretionary right at the time of recognition to declare financial assets voluntarily at fair value through profit or loss if differences from different measurement methods can be eliminated or substantially mitigated by this method (fair value option). Kommunalkredit does not currently utilise the fair value option for financial assets or liabilities.

Financial instruments included under this classification are measured initially and subsequently at fair value. Transaction costs are reported directly in the income statement.

#### 7.5. Equity instruments

Equity instruments are generally measured at fair value through profit or loss. Equity instruments not held for trading are also subject to the option of reporting these at fair value through other comprehensive income; the exercise of this option is irrevocable.

Kommunalkredit has utilised this option for all equity instruments held by it as these are strategic, long-term investments. Changes in the measured fair value of strategic equity instruments are reported in the statement of comprehensive income and directly result in a change to the reserve for financial assets reported at fair value through other comprehensive income within equity. Income from dividends from these instruments are reported in the income statement under income from investments. Where these instruments are disposed of or where a default event occurs, value changes previously reported under the reserve for financial assets reported at fair value through other comprehensive income are reclassified to retained earnings (no reclassification to the income statement).

#### 7.6. Modifications/changes to estimates of financial assets

Modifications are any contractual amendment relating to originally agreed cash flows and, in Kommunalkredit, are primarily due to market-induced factors. Modifications may either be substantial or non-substantial. A substantial modification to contractual cash flows results in the derecognition of the original financial instrument and the new recognition of a modified financial instrument. With non-substantial modifications, however, the carrying amount of the financial asset is adapted to the changes in the contractual cash flows. Fees received in connection with a non-substantial modification and paid transactions are directly included in the determination of the modification result. The change in present value brought about directly by the non-substantial modification is reported through profit or loss under “net result of asset valuation and realised gains and losses”.

Consequently, the differential amount relative to the repayable amount with the effective interest applied until maturity of the financial instrument is distributed under net interest income. Both quantitative and qualitative factors feature in the assessment of whether a modification results in a substantial or non-substantial change. The quantitative assessment is performed in the form of a present value test by comparing the impact of a modification on the contractual cash flows. If the present value of the modified asset is more than 10% of the original gross book value, the change is considered substantial. Qualitative factors that are considered in the assessment of modifications include the adjusted term of the modified asset, the nature of fees received in connection with the modification, possible changes in the purpose of the financing and a significantly changed reward or risk profile for Kommunalkredit. Effects from the derecognition and re-recognition of financial instruments in the event of substantial modifications are reported in other operating result. Modification effects are assessed both for financial assets and for financial liabilities (see Note 18). Changes to expectations regarding cash flows not involving contractual amendments (changes to estimates) are handled similarly to non-substantial modifications in that the carrying amount of the instrument is adjusted based on the newly expected cash flows. With changes to estimates, the adjustment is reported in the income statement or loss under net interest income as income or an expense.

#### 7.7. “Purchased or originated credit impaired” financial assets (POCI)

POCI assets refers to financial instruments that, upon purchase or origin, already had impaired creditworthiness. IFRS 9 has special provisions regarding the determination of the interest income and risk provisioning for assets that are reported at amortised cost or at fair value through other comprehensive income.

### 8. RISK PROVISIONS

Statistically expected credit losses are taken into account based on a risk provisioning model with statistically calculated empirical values. Risk provisions are calculated either as the expected 12-month credit loss (stage 1) or the expected credit loss over the residual 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 maturity (stage 2), the loss given default (LGD) and the exposure at the time of default (EAD).

Risk provisions for financial assets reported at amortised cost are recorded under separate accounts, and the changes are reported under net provisioning for impairment losses. For financial assets measured at fair value through other comprehensive income, that part of the change in current value resulting from changes in expected credit losses is reclassified to the net provisioning for impairment losses.

In order to assess if 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:

- The absolute level of the credit risk (“low credit risk” criterion), with financial assets in the investment grade segment generally being allocable to IFRS stage 1; A qualitative review is also carried out to identify significant increases in the credit risk for all financial assets in the investment grade segment as part of the regular rating and review process;
- 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. Probabilities are factored into the risk provisions for IFRS stage 1 and IFRS stage 2, also taking into account all expected disbursements and repayments in the period under review as well as the maximum contract 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 expected credit losses are 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 portfolio and undergoes regular validation.

Impairments (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 for the individual transaction are used to determine the valuation allowance requirements. 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 potential non-recoverability of the entire receivable. These must then be examined but 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 are on the monitoring list because they exhibit 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 stage 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 recorded in IFRS stage 2.

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

Restructuring cases in default or for which a specific loan loss provision 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 if it is to be 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 unlikeliness-to-pay).

Specific loan loss provisions 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. IFRS 9 applies special rules in terms of how the risk provision is determined for assets already impaired upon their first-time recognition (POCI). These relate to assets that are subsequently reported amortised cost or at fair value through other comprehensive income. The POCI asset is reported at fair value when first reported in the statement of financial position. This value already accounts for the elevated credit risk and the existing adverse impacts on the contractually agreed cash flows. Because the cash flows are already reduced to account for expected losses, no risk provision is to be formed upon initial recognition. Subsequently, any cumulative changes to the credit losses expected over the term of the credit are reported in profit or loss.

## 9. DERIVATIVES

Derivatives are mainly concluded at Kommunalkredit to hedge against interest rate and/or currency risks.

The statement of financial position item “Derivatives” encompasses derivatives used in balance sheet hedges (fair value hedges) and other derivatives.

Derivatives are declared at fair value. Positive fair values are reported under assets under the statement of financial position item “Derivatives”, while negative fair values are also reported under “derivatives”, but this time under equity and liabilities. Changes in the value of these derivatives based on the clean price are reported under “Gains and losses from financial assets and liabilities” in the income statement, while interest income and expenses are expressed as net values in the net interest income. The interest income and expenses for hedging derivatives are shown in the same item as the hedged items. The fair values of derivatives are determined in accordance with IFRS 13 and this process is described under Note 11.

## 10. HEDGE ACCOUNTING

Both IAS 39 and IFRS 9 lay out standards on hedge accounting to avoid economically unjustifiable effects in the income statement from the differing valuation of hedged items and hedging instruments. These rules aim to ensure that changes in the value of hedging instruments and changes in the value of the hedged transactions are recognised as serving to offset one another. In respect of micro-hedge accounting, Kommunalkredit has applied the provisions of IFRS 9. Fair value hedges for a portfolio against interest rate risks are accounted for in accordance with IAS 39 (IAS 39.89A). Hedges for cash flows and net investments in foreign operations are currently not a matter of relevance within Kommunalkredit.

**Fair value hedge:** The fair value hedges used by Kommunalkredit serve to hedge the fair value of assets or liabilities. This form of hedging is used to hedge against interest rate and/or currency risks. Interest rate swaps and interest rate currency swaps are used as hedging instruments. Derivatives used as hedging instruments are reported at their fair value, with changes in measurements recognised in profit or loss in the income statement under the item “Gains and losses from financial assets and liabilities”. For the collateralised asset or liability, changes in fair value resulting from the hedged risk (interest rate and/or currency risks) are also included in the same item in the income statement. In the statement of financial position, the measurement gains/losses associated with the hedged risk are reported under the item where the corresponding hedged item is also reported.

To be able to apply the rules of hedge accounting, evidence of an economic relationship between the hedged item and the hedge itself must be provided. Kommunalkredit establishes such a hedge relationship by means of 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 value changes of the hedged item or the hedge itself usually offset one another as regarded the hedged risk. Retrospective effectiveness testing involves a review of how effectively the market values of the hedged item and hedging item oppose one another in respect of the hedged risk.

**Portfolio hedge:** The portfolio hedge implemented at Kommunalkredit is used to hedge the fair value of a portfolio of financial assets and liabilities. This form of hedging is used to hedge against fixed interest rate risks in relation to a portfolio. Interest rate swaps are used as hedging instruments.

Kommunalkredit applies the “bottom-layer” approach for modelling the hedged item (in line with the IAS 39 carve-out). This creates a theoretical combined hedged item from all fixed-interest items that are not individually hedged; this theoretical hedged item is then compared against hedging derivatives. The change in fair value of the theoretical hedged item attributable to the hedged risk is reported under the separate “Portfolio hedge” item in the statement of financial position; in the income statement, this is reported under “Gains and losses from financial assets and liabilities”. Derivatives used as hedging instruments are reported at their fair value, with changes in values offset in the same item in the income statement.

To provide evidence of an effective portfolio hedge relationship between the hedged item and the hedge itself, Kommunalkredit applies prospective and retrospective effectiveness testing. Prospective effectiveness testing involves a quarterly review by comparing the progression of the hedged item and hedge itself to determine if a hedge relationship still applies. Retrospective effectiveness testing of the portfolio hedge involves a review to determine if the fair value changes from the hedging instruments and the corresponding offsetting effects within a reporting period provide compensation of between 80% and 125% relative to the hedged risk.

Ineffectivities arising at Kommunalkredit primarily as a result of OIS discounting of interest rate derivatives or as a result of credit risk components of unsecured interest rate derivatives are reported in the income statement.

## 11. FAIR VALUE CALCULATION

### 11.1. Calculation

Fair value is calculated according to IFRS 9 in conjunction with IFRS 13 following the measurement hierarchy of IFRS 13.72 (see also Note 64).

Listed prices on an active market are applied for the measurement of securities, provided that the conditions of an active market are met. If no listed price is available, the credit spread for comparable securities is drawn upon as a reference for determining fair value. If there is no active market, measurement is performed using recognised market-standard measurement methods based on empirical data. This data is adjusted as necessary with risk premiums.

Loans are measured by means of an internal model based on the discounted cash flow method. Expected cash flows are discounted on the basis of current interest rate curves, taking standard market credit spreads into account. If the cash flows are not deterministic, models are generated on the basis of conditions deemed to be economically significant.

The credit spreads required for the discounted cash flow method are determined for infrastructure and energy financing on a transaction-by-transaction basis; i.e., an individual credit spread is determined for each transaction.

Project financing is classified as level 3 due to its illiquidity and the use of non-observable information in accordance with IFRS 13. Both internal and external information on comparable transactions (internal database, InfraDeals) are compiled using a balanced scorecard approach to calculate the spread, with a sector-specific spread being prepared first. Secondly, transaction-specific features are evaluated using criteria catalogues; these features are then linked with the sector-specific spread. In addition, recent (partial) sales of comparable portfolio positions as observable and relevant secondary market transactions are also included in the calculation for the final credit spread. Benchmark curves or benchmark bonds from comparable transactions are used to calculate the spread of corporate financing. In addition, recent (partial) sales of comparable portfolio positions as observable and relevant secondary market transactions are also included in the calculation for the final credit spread. In this case, corporate financing is classified as level 2 based on

the price being calculated with spreads derived from market data (benchmark spreads) in accordance with IFRS 13. Under certain circumstances (in the case of purchases on the secondary market at discounted prices, for example), a fair value measurement solely on the basis of benchmarks is not possible. In these cases, to calculate the spread, transaction-specific features in addition to the benchmark spreads observable in the market are included in the calculation of spreads. Such financing is classified as level 3 due to the partial use of non-observable information in accordance with IFRS 13.

Financing involving Export Credit Agencies (ECAs) generally consists of a collateralised and a non-collateralised part, the collateralised part constituting the predominant share of the financing. In cases involving ECA transactions, benchmark bonds are used to determine the credit spread. The delta between the spreads of the benchmark bonds used and the spread of the concluded ECA transaction reflects the non-collateralised portion of the transaction and is reflected via transaction characteristics. As the predominant share of the transaction is collateralised via the ECA and its spreads are derived exclusively from market data, ECAs are generally classified as level 2 in accordance with IFRS 13. Under certain circumstances (such as in cases where ECA transactions are subject to high illiquidity premiums), the development of benchmark bond spreads is not the main driver of the fair value measurement.

Spread developments are discussed for each transaction in quarterly Spread Assessment Team meetings, with the involvement of the Risk Controlling, Banking, Finance and Credit Risk divisions. This results in credit risk premiums agreed on a bank-wide basis that reflect the risk inherent in the transaction as accurately as possible.

Clusters are formed for the Public Finance Portfolio (segment, rating class) and a curve for value increases is recalculated on a quarterly basis for each of these clusters. These value increases are monitored on the basis of recently conducted transactions and comparable offerings in the relevant loan segments in the markets and applied for various segments and rating classes depending on the time to maturity.

Derivatives are measured by means of an internal model based on the discounted cash flow method, taking all current yield and basis spread curves into account. Embedded options are valued using market-standard option pricing models (e.g. Hull-White, Dupire, Libor Market Model).

OIS curves (overnight index swaps at the overnight rate corresponding to the collateral interest in EUR based on the current collateral agreement €STR + 8.5bp or €STR flat) are used for discounting cash flows from derivatives (over-the-counter [OTC] or processed through a central counterparty). For the measurement of interest-sensitive products with variable IBOR indicators, yield curves with different basis spread premiums are used, depending on the indicator (e.g. 3-month Euribor, 12-month Euribor). These relate to the respective indicator and are used to derive forward rates for determining cash flows. Forward rates for compounded overnight indicators (risk-free reference rates, RFRs) are derived from OIS curves.



In the case of derivatives in multiple currencies (e.g. cross-currency swaps), a cross-currency basis is used in accordance with prevailing market standards, in addition to the adaptation of forwards by basis swap spreads. In the simplest case with collateralised derivatives, the OIS discount factor curve for the side not matching the collateral currency is compared against the collateral currency using cross-currency basis spreads. With structured trades with an FX component, the cross-currency basis is also reflected in the calculation of the cash flows.

Pursuant to IFRS 13, counterparty and own credit risks (credit value adjustment [CVA] and debt value adjustment [DVA]) are also taken into account for determining the fair value of derivatives. Both components are collectively presented as BCVA (bilateral CVA = CVA-DVA). Kommunalkredit determines the BCVA for all derivatives without daily cash collateral margin calls. The BCVA is considered to be immaterial for collateralised derivatives with daily margin calls. The BCVA is calculated using the potential exposure method (based on Monte Carlo methods) in relation to the counterparty in accordance with IFRS 13.48.

### 11.2. Day-one gains

Fair value is calculated according to IFRS 9 in conjunction with IFRS 13 following the measurement hierarchy of IFRS 13.72 (see also Note 64).

Kommunalkredit makes opportunistic purchases of loans and securities whose transaction price (purchase price) does not correspond to the fair value of the underlying transactions at the time of purchase. The positive difference between fair value at initial recognition and purchase price is referred to as a day-one gain.

A day-one gain is recognised immediately in Kommunalkredit's income statement if the valuation of the financial asset is based on price quotations in active markets, or on a valuation technique that primarily takes into account data from observable markets. If parameters not observable on the market are used to a significant extent for the valuation, a systematic deferral of the day-one gain

is made over the term of the asset or until the point in time at which observable market information is expected to be available (depending on which period is shorter).

Amounts from day - one gains that are still to be recognised are reported under "other liabilities" as deferred income.

From an economic perspective, Kommunalkredit earns higher margins on the acquired loans through purchases of loans where the purchase price at the time of purchase is lower than the fair value. Accordingly, Kommunalkredit reports income from day-one gains in net interest income.

## 12. FINANCIAL GUARANTEES

A financial guarantee is a contract in which the guarantor is required to make certain payments to a guarantee beneficiary for a loss arising because a certain debtor has not complied with their payment obligations in a timely fashion and has accordingly not met the conditions of a debt instrument. If Kommunalkredit is the guarantor, the potential obligation to pay is reported in the statement of financial position from the time Kommunalkredit becomes a party to the contract. It is first recognised at fair value. In a standard market transaction, this corresponds to either the premium received upon conclusion of the contract, or a value of zero if the premium is not paid upon conclusion of the contract because the payment is expected to equally offset the consideration received in return. For subsequent measurements, the higher amount of a valuation allowance or the originally recorded amount, less any cumulative income as appropriate, is recorded.

If Kommunalkredit is the guarantee beneficiary, the guarantee is not recorded in the statement of financial position.

Premiums received and paid are accrued in their respective reporting periods over the time to maturity and are reported in the income statement under net fee and commission income.

### 13. CATEGORIES OF FINANCIAL INSTRUMENTS

Kommunalkredit shows the following classes of financial instruments in the Group statement of financial position:

CATEGORIES OF FINANCIAL INSTRUMENTS	Reporting in statement of financial position (IFRS)
<b>Cash and cash equivalents</b>	<b>Amortised cost</b>
<b>Financial assets</b>	
Loans and advances to credit institutions	Amortised cost
Loans and advances to customers	Amortised cost
Loans and advances to customers	Fair value
Securities	Amortised cost
Securities	Fair value
<b>Derivates</b>	<b>Fair value</b>
<b>Financial liabilities</b>	
Amounts owed to credit institutions	Amortised cost
Amounts owed to customers	Amortised cost
Securitised liabilities	Amortised cost
Subordinated liabilities	Amortised cost
<b>Derivates</b>	<b>Fair value</b>
<b>Contingent liabilities</b>	<b>Offbalancesheet</b>
<b>Other offbalancesheet liabilities</b>	<b>Offbalancesheet</b>

### 14. INVESTMENTS IN ASSOCIATES

Associates are measured using the equity method in accordance with IAS 28 (associates and joint ventures) (see also Note 5). The pro rata result is recognised in the income statement under "Income from investments in associates". Dividends paid are recognised against the carrying amount. At every balance sheet date, an impairment test is performed on the basis of financial forecasts. Currently, Kommunalkredit has one associate, PeakSun Holding GmbH, that is accounted for according to the equity method (IAS 28).

### 15. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment includes land, buildings that are largely used by the company itself, office furniture and equipment, and also rights of use in accordance with IFRS 16 "Leases". Land is reported in the statement of financial position at cost. Buildings, office furniture and equipment are measured at cost, less depreciation on a straight-line basis. The following time periods are applied as expected useful lives:

- Buildings: 40 years
- Office furniture and equipment: 3 to 10 years
- IT investments: 3 years
- Artistic assets: no depreciation

If there are indications of impairment, the assets are written down if the carrying amount exceeds the higher of net realisable value or value in use. If the reasons for impairment cease to apply, these impairments are reversed up to a maximum of amortised cost.

### 16. LEASES

#### a. Kommunalkredit as a lessee:

If there is a lease governed by IFRS 16 in which Kommunalkredit is the lessee, this is recorded in the statement of financial position (IFRS) as a right of use that grants an entitlement to use the underlying asset, along with a corresponding lease liability.

Upon conclusion of a paid usage agreement, an assessment is conducted to determine if the contractual agreement constitutes a lease. A review is also conducted to determine if:

- the asset governed by the agreement is a specifically identifiable asset,
- Kommunalkredit as the lessee is largely entitled to avail itself of all economic benefits from the use of the asset,
- Kommunalkredit is entitled to determine how the asset is used.

If these three conditions are collectively met, then the agreement is recognised as a lease in accordance with IFRS 16.

When first recognised, a lease liability amounting to the present value of the lease payments payable according to the lease contract over the term of that contract is reported under the item "other liabilities". Corresponding to the recorded liability, a right of use of the leased object is capitalised at the same amount (possibly increased to account for secondary expenses directly allocable to it). The term of the lease is generally the contract period in which ordinary termination is not possible. Extension and termination options granted to the lessee are only accounted for if they can be exercised with reasonable certainty. When assessing whether certain options can be exercised or waived with reasonable certainty, all relevant circumstances and factors are considered, including in particular the costs of termination, costs relating to the determination of an alternative asset value, and material installations. Rights of termination granted to the lessor

do not shorten the reported term of leases. If a review of all factors results in a maximum term of twelve months from the date of delivery, this is referred to as a short-term lease.

The discount interest rate for lease payments is the interest rate laid out under the terms of the lease. If a lack of information means that it is not possible to determine this rate without further action, discounting is performed at the incremental borrowing rate of Kommunalkredit for the relevant term length. The leasing liability will be measured at the amortised carrying amount using the effective interest method. Lease payments are divided into interest expenses and repayment components. The lease liability is remeasured if a subsequent change in the leases results in an adjustment of the estimate made during the initial measurement regarding payment expectations or the scope of the right of use. If the scope of the lease is extended at current market conditions as a result of a contractual change, an additional right of use will be recognised. If a change in the contract leads to a reduction in the volume of the lease or to a reduction in the term of the lease, this leads to a pro rata reduction in the right of use and an adjustment of the lease liability. Any resulting difference is recognised in profit or loss.

The right of use of the leased object is reported at depreciated cost and depreciated over the expected useful life.

Kommunalkredit makes use of the option to refrain from capitalising short-term leases with a term of less than twelve months and instead reports payments from these agreements under expenditure throughout the term of the lease. Within the Kommunalkredit Group, a uniform threshold for classification of a low-value asset in the amount of EUR 5,000 is applied.

#### **b. Kommunalkredit as a lessor:**

Kommunalkredit recognises a lease identified according to IFRS 16 as an operating lease or finance lease. Depending on the classification, lease payments are recognised in income or the assets are entered in the statement of financial position (IFRS) and shown as a receivable amounting to the net investment in the lease.

If a right-of-use asset from a lease for which Kommunalkredit is a lessee is transferred to a third party as part of a sub-lease, it must be classified as an operating lease or a finance lease and depicted in the statement of financial position (IFRS) depending on the existing entitlement to use the underlying leased object from the main lease. The general requirements when accounting for leases as a lessee apply to the presentation of the main lease in the statement of financial position.

## **17. INTANGIBLE ASSETS**

Intangible assets comprise purchased software and acquired subscription rights in connection with an investment in the production of green hydrogen (see Note 33 for details). Purchased software and acquired subscription rights have a definite useful life and are amortised on a straight-line basis over a period of three and five years respectively under general administrative expenses. If there are indications of impairment, the assets are written down if the carrying amount exceeds the higher of net realisable value or value in use. If the reasons for impairment cease to apply, these impairments are reversed up to a maximum of amortised cost.

## **18. FINANCIAL LIABILITIES**

At the time of their initial recognition, financial liabilities are declared at fair value under equity and liabilities and also take into account transaction costs. Subsequent recognitions are at amortised cost using the effective interest method. Long-term, discounted bonds (e.g. zero-coupon bonds) and similar liabilities are accounted for using the effective interest method. No financial liabilities are maintained in the fair value portfolio. Please refer to Note 10 for details on how liabilities that constitute hedged items in hedging relationships are accounted for; refer to Note 21 for information on the derecognition of financial liabilities.

The contractual cash flows of financial liabilities are amended in line with the modification of financial assets (see Note 7.6).

## **19. PROVISIONS**

Provisions for pensions, severance pay and jubilee bonus obligations are calculated annually by an independent actuary according to the projected-unit-credit method 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 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 % for Kommunalkredit (2023: 3.25 %) and 3.50 % for KPC (2023: 3.50 %) for pension obligations, 3.00 % (2023: 3.00 %) for obligations from severance pay and 2.75 % (2023: 3.00 %) for obligations from jubilee bonuses;
- a rate of increase in the relevant basis for calculation during the vesting period of 4.5% 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 and obligations from jubilee payments; a rate of increase in the relevant basis for calculation during the vesting period of 2.00% (2023: 2.00%) for pensions;

- an assumed retirement age of 65 for women and men, taking into account the transitional provisions of the Austrian Budget Act of 2003, and the age limits of the "BVG Security Fund;
- 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 the underperformance of plan assets or "premature" payment of benefits.

Pension obligation provisions are equal to the present value of the defined benefit obligations less the fair value of the plan assets. Actuarial gains and losses based on experience adjustments and changes to actuarial assumptions are reported in total comprehensive income in equity in the period in which they arise. Other expenses are reported in the income statement under the item "personnel expenses" as part of general administrative expenses.

Provisions for severance payments are calculated by an independent actuary in accordance with the same actuarial principles as applied to statutory and contractual entitlements. Actuarial gains and losses are treated in the same way as pension commitments.

For other benefits payable to employees in the long term, namely jubilee bonuses, a jubilee bonus provision is also formed in accordance with the same principles described above. Actuarial gains and losses are reported entirely through profit or loss under personnel expenses in the reporting period in which they arise.

## 20. TAXES, DEFERRED TAX ASSETS/LIABILITIES AND CURRENT TAX LIABILITIES

Taxes on income are recognised and calculated according to IAS 12. Current income tax assets and liabilities are measured at current tax rates. Tax claims are shown under "current tax assets", and tax payables under "current tax liabilities". For the calculation of deferred taxes, all temporary differences are taken into account. Under this concept, the assets and liabilities recognised in the statement of financial position according to IFRS are compared with the taxable amounts of the group company in question. Temporary differences between the amounts recognised lead to differences in value, for which deferred tax assets or liabilities must be reported – irrespective of the time of their release. Deferred tax assets and deferred tax liabilities for the same term are offset if they exist against the same tax creditor.

Tax loss carryforwards are recognised as tax assets if they can be reasonably expected to be utilised in the near future. The possibility of utilising tax loss carryforwards is reviewed annually on the basis of the Group's tax budgeting process. 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, Kommunalkredit Public Consulting GmbH, KA Florestan GmbH and KA Florestan 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. 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 diminish the tax contribution of the group member. 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.

The bank does not fall within the scope of the Pillar Two Directive on global minimum taxation, as its consolidated annual revenues are below the EUR 750 million threshold.

## 21. DERECOGNITION OF FINANCIAL ASSETS AND LIABILITIES

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset have expired or when the Group has transferred such rights, including all material risks and rewards of ownership. If all risks and rewards are neither transferred nor retained, derecognition of the asset depends on whether control over the asset is transferred. In the event of material contract modifications, a derecognition of the original financial instrument is carried out followed by the recognition of the new instrument under the modified contractual terms. If the Group largely retains all risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset as well as a collateralised financial instrument for the consideration received. A financial liability is derecognised upon redemption, i.e. when its contractual obligations have been discharged or are cancelled or expire, or when a financial liability is replaced by a liability to the same lender under significantly different contractual terms. Upon complete derecognition of a financial instrument, the difference between the carrying amount and the sum total of the consideration received or to be received, and all accumulated gains or losses which have been recognised in comprehensive income and accumulated in equity, are recognised in the income statement.



## 22. REVENUE FROM CUSTOMER CONTRACTS

Kommunalkredit Austria AG generates fee and commission income from lending business. The majority of commission income is realised from financial instruments and is recognised as an integral part of effective interest in accordance with IFRS 9. IFRS 15 is applied to contract components that do not fall within the scope of IFRS 9.

Arrangement and other fees in connection with credit that has not yet been disbursed are reported in other liabilities and taken into account at the effective interest rate at the time of disbursement, except for ongoing commitment fees, which relate directly to the not yet utilised scope of an asset in this category. These are booked as net interest income for a specific time period and not considered part of the effective interest rate. If commitment fees are collected for the provision of the loan regardless of the respective utilisation, these are part of the effective interest rate provided that a disbursement of the loan is probable.

Kommunalkredit also provides services for an investment fund that constitute own performance obligations. These fees are not dependent on the performance of the investment fund and are also collected on the basis of specific time periods. Fees that are not an integral part of the effective interest rate are realised in net fee and commission income for a specific period. Commission fees related to the new lending business, fees in connection with identifiable structuring services and credit syndication fees mainly fall under this category. Fees related to financial assets which are recognised at fair value through profit or loss are also included under net fee and commission income as of the contractually agreed accounting date or transaction date.

Kommunalkredit Public Consulting GmbH generates fee and commission income from subsidy management and consulting business. These services are recognised under IFRS 15.

In the case of revenue from the subsidy management and consulting business of Kommunalkredit Public Consulting GmbH, the realisation of revenue is either dependent on the service provided or lump-sum price agreements are employed. If it is offset directly, the service provided is invoiced retrospectively based on agreed daily rates and realised for a specific period. In the case of lump-sum price agreements, revenue is realised after the service is provided for a specific period. In both cases, invoicing is carried out after the service provided is accepted by the customer with the usual payment terms. There are currently no contracts with customers in the subsidy management and consulting business which contain significant financing components, significant variable consideration, redemption obligations or guarantees.

## 23. SIGNIFICANT ASSUMPTIONS AND ESTIMATES

The preparation of financial statements according to IFRS requires management to make discretionary decisions and assumptions regarding certain categories of assets and liabilities. Areas in which this is necessary include the issue of the control of other companies (see Note 5), the setting up of risk provisions (see Note 8), the determination of the fair value of financial assets and liabilities (see Note 11), the determination of the term of lease agreements (see Note 16), the measurement of provisions (see Note 19), the recognition and measurement of deferred tax assets (see Note 20) and the assessment of legal risks (see Note 67).

These assessments and assumptions influence the measurement of assets and liabilities, contingent claims and contingent liabilities on the balance sheet date, and of income and expenses of the reporting period. Management holds regular meetings to carry out this task. Decisions are taken by the competent bodies of the bank and documented accordingly. The underlying assumptions are continuously reviewed and recorded. Actual results may differ from management estimates.

## Disclosures relating to the statement of financial position (IFRS) of Kommunalkredit Group

### 24. CASH AND CASH EQUIVALENTS

CASH RESERVES in EUR 1,000	31/12/2024	31/12/2023
Cash on hand	2.7	2.7
Balances with central banks	933,217.2	895,760.0
<b>Total</b>	<b>933,219.9</b>	<b>895,762.7</b>

### 25. ASSETS AT AMORTISED COST

As of 31. December 2024 the balance sheet item assets at amortised cost was broken down as follows:

Financial assets measured at amortised cost in EUR 1,000	Total gross carrying amount	Impairments Stage 1	Impairments Stage 2	Impairments Stage 3	Total net carrying amount
<i>Receivables from credit institutions</i>	49,854.6	-0.7	0.0	0.0	49,853.9
<i>thereof repayable on demand</i>	49,626.1	-0.7	0.0	0.0	49,625.5
Securities	623,964.2	-38.5	0.0	0.0	623,925.7
<i>thereof public sector debt instruments</i>	540,283.2	-38.5	0.0	0.0	540,244.7
<i>thereof debt instruments of other issuers</i>	83,681.0	0.0	0.0	0.0	83,681.0
Receivables from customers	2,346,117.6	-2,725.0	-1,497.1	-2,295.1	2,339,600.3
<i>thereof repayable on demand</i>	57,832.6	0.0	0.0	0.0	57,832.6
<i>thereof loans</i>	2,288,284.9	-2,725.0	-1,497.1	-2,295.1	2,281,767.7
<b>Total</b>	<b>3,019,936.4</b>	<b>-2,764.2</b>	<b>-1,497.1</b>	<b>-2,295.1</b>	<b>3,013,379.9</b>

As of 31. December 2023 the balance sheet item assets at amortised cost was broken down as follows:

Financial assets measured at amortised cost in EUR 1,000	Total gross carrying amount	Impairments Stage 1	Impairments Stage 2	Impairments Stage 3	Total net carrying amount
<i>Receivables from credit institutions</i>	55,589.8	-1.9	0.0	0.0	55,587.9
<i>thereof repayable on demand</i>	55,589.8	-1.9	0.0	0.0	55,587.9
Securities	925,910.8	-91.3	0.0	0.0	925,819.5
<i>thereof public sector debt instruments</i>	532,283.4	-37.9	0.0	0.0	532,245.5
<i>thereof debt instruments of other issuers</i>	393,627.3	-53.3	0.0	0.0	393,574.0
Receivables from customers	2,002,446.0	-2,737.6	-147.5	-815.0	1,998,745.9
<i>thereof repayable on demand</i>	31,992.4	0.0	0.0	0.0	31,992.4
<i>thereof loans</i>	1,970,453.6	-2,737.6	-147.5	-815.0	1,966,753.5
<b>Total</b>	<b>2,983,946.6</b>	<b>-2,830.8</b>	<b>-147.5</b>	<b>-815.0</b>	<b>2,980,153.3</b>

Receivables from credit institutions repayable on demand include cash and cash equivalents provided as cash collateral for negative current values of derivatives according to ISDA/CSA arrangements in the amount of TEUR 13,846.5 (31/12/2023: TEUR 31,442.6) .

The securities include listed bonds in the amount of TEUR 618,701.5 (31/12/2023: TEUR 861,199.9).

Receivables from customers repayable on demand include cash and cash equivalents provided as collateral for negative current values of derivatives (transactions with non-bank financial institutions) according to ISDA/CSA arrangements in the amount of TEUR 26,850.1 (31/12/2023: TEUR 31,992.4).

Details on the calculation of the fair values can be found in Note 11. A breakdown based on the fair value hierarchy categories pursuant to IFRS 13.72 and a detailed description in this regard can be found in Note 64.

## 26. ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME in EUR 1,000	31/12/2024	31/12/2023
Loans	1,840,781.6	1,292,972.4
Securities	5,399.7	119,049.3
Equity instruments	1,105.2	1,591.4
<b>Total</b>	<b>1,847,286.5</b>	<b>1,413,613.1</b>

Loans and securities measured at fair value through other comprehensive income include assets which are used to generate revenue through the collection of contractual cash flows and sales. Details on the calculation of the fair values can be found in Note 11. A breakdown based on the fair value hierarchy categories pursuant to IFRS 13.72 and a detailed description in this regard can be found in Note 64.

Risk provisions (see also Note 8 and 27) for financial assets measured at fair value through other comprehensive income amounted to 31. December 2024 TEUR 9,586.2 (31/12/2023: TEUR 2,753.9).

The equity instruments reported are long-term, strategic investments measured at fair value through other comprehensive income, as permitted by IFRS 9. The carrying amounts are as follows:

EQUITY INSTRUMENTS in EUR 1,000	Carrying amount 31/12/2024	Carrying amount 31/12/2023
Investment in Kommunalnet E-Government Solutions GmbH	1,105.2	1,591.4
<b>Total</b>	<b>1,105.2</b>	<b>1,591.4</b>

The carrying amounts of the equity instruments correspond to their fair values.

The dividends earned are recognised as income from investments and amounted to TEUR 36.0 (1.1.-31/12/2023: TEUR 40.5).

## 27. RISK PROVISIONS

### 27.1. Development in risk provisions

RISK PROVISIONS in EUR 1,000	Stage 1	Stage 2	Stage 3	Total
	12m ECL	Lifetime ECL	Lifetime ECL	
<b>Risk provisions as of 1/1/2024</b>	<b>5,010.2</b>	<b>722.0</b>	<b>815.0</b>	<b>6,547.2</b>
Changes with impact on P&L	-292.5	844.0	8,834.8	9,386.4
Addition of new financial assets	3,024.3	0.0	0.0	3,024.3
Changes in risk parameters (PD/LGD/EAD)	-1,166.1	-71.0	0.0	-1,237.1
Result from rating migrations and other fair value effects	-164.2	129.9	0.0	-34.3
Foreign currency effects and other changes	79.7	0.0	0.0	79.7
Disposals of financial assets/repayments	-1,025.5	-59.1	-143.6	-1,228.2
<b>Risk provisions as of 31/12/2024</b>	<b>5,465.9</b>	<b>1,565.9</b>	<b>9,506.2</b>	<b>16,538.1</b>
<i>of which assets at amortised cost</i>	<i>2,932.9</i>	<i>1,507.2</i>	<i>2,295.1</i>	<i>6,735.3</i>
<i>of which assets at fair value through other comprehensive income</i>	<i>2,533.0</i>	<i>58.7</i>	<i>7,211.1</i>	<i>9,802.7</i>
<b>Total net change in P&amp;L during the reporting period</b>	<b>442.5</b>	<b>843.9</b>	<b>8,818.0</b>	<b>10,104.4</b>

The total provisions for expected credit losses according to IFRS 9 amounted to 31. December 2024 TEUR 16,538.1 (31/12/2023 TEUR 6,547.2), of which TEUR 6,556.4 (31/12/2023: TEUR 3,793.2) were booked for assets measured at amortised cost and reduced the carrying amount accordingly. TEUR 9,586.2 (31/12/2023: TEUR 2,753.9) of provisions for expected credit losses were recognized for assets measured at fair value through other comprehensive income. The risk provisions for expected losses from credit commitments in the amount of TEUR 395.4 (31/12/2023: TEUR 397.3) were accounted for. Net provisioning for impairment losses in the current financial year amounted to TEUR -10,115.6 (1.1.-31/12/2023: TEUR -565.9). This was the result of new business, rating changes, level transfers, the recognition of new valuation allowances and the PD update.

In the financial year 2024 the probabilities of default ("PD") were also evaluated and updated<sup>1</sup>, which serve as the basis for calculating ECL.<sup>2</sup> Kommunalkredit uses PD rating systems 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. All macroeconomic forecasts are taken from publicly available sources (in particular the International Monetary Fund and the World Bank). Kommunalkredit applies two scenarios in this regard.

The risk provisions for on- and off-balance sheet items in the "Assets at amortised cost" and "Assets at fair value through other comprehensive income" developed as follows:

While scenario 1 takes into account the global macroeconomic forecasts, scenario 2 only takes into account the macroeconomic data of those countries in which Kommunalkredit is active. The weighting remained unchanged from the previous year at 50:50. The through-the-cycle PDs fell slightly recently, while a marginal improvement in 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. 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, defaults occurred in three cases in 2024. All in all, including one case treated under IFRS as fair value, an exposure volume of EUR 129.0m (31/12/2023: EUR 53.4m) is in default as of 31. December 2024. (regulatory non-performing loan ratio of 2.8% or a net ratio of 2.4% taking account of the ECA cover). There are specific loan loss provisions amounting to EUR 9.5m.

In addition to the defaults that carry a specific loan loss provisions in accordance with IFRS, one additional (regulatory) default is allocated to the category assets at fair value through profit or loss, measured on the basis of the current rating. As of 31. December 2024, there were no receivables that had been overdue for more than 30 days, with the exception of the receivables in default as referred to above. As of 31. December 2024 one exposure from the bank's loan portfolio with an exposure amounting to TEUR 142,381.9 (31/12/2023 TEUR 45,183.8) was recognised in IFRS stage 2 (lifetime ECL).

<sup>1</sup> The PDs are determined by applying the provisions of IFRS 9, taking into account forward-looking information.

<sup>2</sup> ECL = Expected credit loss, risk provisions for expected credit losses.



As in the previous year, the company held no assets that, upon purchase or origin, already had impaired creditworthiness (POCI) in portfolios measured at amortised cost or at fair value through other comprehensive income in the financial year under review.

Assuming a change in the GDP growth rate (global macroeconomic forecasts and macroeconomic data only from those countries in which Kommalkredit is active, with a weighting of 50:50), unemployment rate and share indices (a global and a European share index) in the underlying macroeconomic model, this would result in the following change in risk provisions:

	Change in parameters	Change in %	Change in TEUR
ECL sensitivity in the event of a change in the gross domestic product growth rate	plus 1,0 %	-10.2%	-1,690.81
	minus 1,0 %	+10,5%	1,744.57
ECL sensitivity in the event of a change in the unemployment rate	plus 1,0 %	+0,6%	99.49
	minus 1,0 %	-0.9%	-150.14
ECL sensitivity in the event of a change in the share indices	plus 20,0 %	-4.5%	-743.17
	minus 20,0 %	+6,2%	1,030.42

The values compared to the previous year are as follows:

	Change in parameters	Change in %	Change in TEUR
ECL sensitivity in the event of a change in the gross domestic product growth rate	plus 1,0 %	-23.7%	-1,185.10
	minus 1,0 %	+18,9%	948.40
ECL sensitivity in the event of a change in the unemployment rate	plus 1,0 %	+2,1%	107.20
	minus 1,0 %	-2.4%	-122.50
ECL sensitivity in the event of a change in the share indices	plus 20,0 %	-12.0%	-600.30
	minus 20,0 %	+16,1 %	807.20

Risk provisions developed as follows in the comparative period from 1. January 2023 to 31. December 2023:

RISK PROVISIONS in EUR 1,000	Stage 1	Stage 2	Stage 3	Total
	12m ECL	Lifetime ECL	Lifetime ECL	
<b>Risk provisions as of 1/1/2023</b>	<b>3,825.9</b>	<b>2,155.4</b>	<b>0.0</b>	<b>5,981.3</b>
Changes with impact on P&L	-15.1	-658.9	815.0	141.0
Addition of new financial assets	1,743.6	0.0	0.0	1,743.6
Changes in risk parameters (PD/LGD/EAD)	876.2	-181.3	0.0	694.9
Result from rating migrations and other fair value effects	-375.1	-121.5	0.0	-496.6
Foreign currency effects and other changes	-12.2	0.0	0.0	-12.2
Disposals of financial assets/repayments	-1,033.1	-471.7	0.0	-1,504.8
<b>Risk provisions as of 31/12/2023</b>	<b>5,010.2</b>	<b>722.0</b>	<b>815.0</b>	<b>6,547.2</b>
<i>of which assets at amortised cost</i>	<i>2,830.8</i>	<i>147.5</i>	<i>815.0</i>	<i>3,793.2</i>
<i>of which assets at fair value through other comprehensive income</i>	<i>2,179.4</i>	<i>574.5</i>	<i>0.0</i>	<i>2,753.9</i>
<b>Total net change in P&amp;L during the reporting period</b>	<b>1,184.3</b>	<b>-1,433.4</b>	<b>815.0</b>	<b>565.9</b>

## 27.2. Development of gross book values in connection with risk provisions

The following table shows the gross book values of the financial assets that are relevant to the calculation of risk provisions, broken down by rating class:

CARRYING AMOUNTS 31/12/2024 in EUR 1,000	Stage 1	Stage 2	Stage 3	Not rated	Total
	12m ECL	Lifetime ECL	Lifetime ECL		
AAA	77,866.4	0.0	0.0	0.0	77,866.4
AA+	352,392.8	0.0	0.0	0.0	352,392.8
AA	469,119.0	0.0	0.0	0.0	469,119.0
AA-	346,751.2	0.0	0.0	0.0	346,751.2
A+	204,998.3	0.0	0.0	0.0	204,998.3
A	244,572.7	0.0	0.0	0.0	244,572.7
A-	160,885.1	0.0	0.0	0.0	160,885.1
BBB+	34,346.5	0.0	0.0	0.0	34,346.5
BBB	151,700.4	0.0	0.0	0.0	151,700.4
BBB-	672,729.9	0.0	0.0	0.0	672,729.9
BB+	688,739.1	0.0	0.0	0.0	688,739.1
BB	570,152.6	0.0	0.0	0.0	570,152.6
BB-	493,752.4	110,006.1	0.0	0.0	603,758.6
B+	50,113.0	0.0	0.0	0.0	50,113.0
B	13,009.8	0.0	0.0	0.0	13,009.8
B-	111,514.6	0.0	0.0	0.0	111,514.6
CCC+	0.0	27,380.2	0.0	0.0	27,380.2
D1	0.0	0.0	18,957.7	0.0	18,957.7
D2	0.0	0.0	67,099.9	0.0	67,099.9
Not rated	0.0	0.0	0.0	1,105.2	1,105.2
<b>Gross book values</b>	<b>4,642,643.8</b>	<b>137,386.4</b>	<b>86,057.6</b>	<b>1,105.2</b>	<b>4,867,192.9</b>
<b>Risk provisions</b>	<b>2,764.2</b>	<b>1,497.1</b>	<b>2,295.1</b>	<b>0.0</b>	<b>6,556.5</b>
<b>Carrying amounts after risk provisions</b>	<b>4,639,879.6</b>	<b>135,889.2</b>	<b>83,762.4</b>	<b>1,105.2</b>	<b>4,860,636.5</b>
<i>of which assets at amortised cost</i>	2,881,346.1	83,923.7	48,110.0	0.0	3,013,379.9
<i>of which assets at fair value through other comprehensive income</i>	1,758,563.4	51,965.5	35,652.4	1,105.2	1,847,286.5

The carrying amount of TEUR 1,105.2 (31/12/2023: TEUR 1,591.4) in the "Non-ECL Relevant" category relates to a participation that is not part of the consolidation group and is included in the balance sheet item "Assets measured at fair value through other comprehensive income" (see Point 26).

During the reporting year, non-material contractual amendments resulted in modification effects for IFRS Stage 1 financial instruments in the amount of TEUR -506.9 (31/12/2023: TEUR 2,220.8). There were no modifications to IFRS stage 2 and 3 financial instruments in the current financial year.

The values compared to the previous year 31. December 2023 are as follows:

CARRYING AMOUNTS 31/12/2023 in EUR 1,000	Stage 1	Stage 2	Stage 3	Not rated	Total
	12m ECL	Lifetime ECL	Lifetime ECL		
AAA	390,355.1	0.0	0.0	0.0	390,355.1
AA+	395,565.3	0.0	0.0	0.0	395,565.3
AA	491,012.4	0.0	0.0	0.0	491,012.4
AA-	281,941.0	0.0	0.0	0.0	281,941.0
A+	110,943.5	0.0	0.0	0.0	110,943.5
A	199,508.6	0.0	0.0	0.0	199,508.6
A-	166,019.5	0.0	0.0	0.0	166,019.5
BBB+	85,948.4	0.0	0.0	0.0	85,948.4
BBB	284,575.7	0.0	0.0	0.0	284,575.7
BBB-	489,832.2	0.0	0.0	0.0	489,832.2
BB+	710,553.3	0.0	0.0	0.0	710,553.3
BB	394,835.9	0.0	0.0	0.0	394,835.9
BB-	228,188.5	6,313.6	0.0	0.0	234,502.0
B+	0.0	0.0	0.0	0.0	0.0
B	71,623.9	17,226.7	0.0	0.0	88,850.5
B-	37,844.4	18,956.7	0.0	0.0	56,801.2
CCC+	0.0	0.0	0.0	0.0	0.0
D1	0.0	0.0	13,743.5	0.0	13,743.5
D2	0.0	0.0	3,802.9	0.0	3,802.9
Not rated	0.0	0.0	0.0	1,591.4	1,591.4
<b>Gross book values</b>	<b>4,338,747.7</b>	<b>42,497.0</b>	<b>17,546.4</b>	<b>1,591.4</b>	<b>4,400,382.4</b>
<b>Risk provisions</b>	<b>5,010.2</b>	<b>722.0</b>	<b>815.0</b>	<b>0.0</b>	<b>6,547.2</b>
<b>Carrying amounts after risk provisions</b>	<b>4,333,737.5</b>	<b>41,775.0</b>	<b>16,731.4</b>	<b>1,591.4</b>	<b>4,393,835.2</b>
<i>of which assets at amortised cost</i>	<i>2,971,178.7</i>	<i>12,842.4</i>	<i>16,731.4</i>	<i>0.0</i>	<i>3,000,752.5</i>
<i>of which assets at fair value through other comprehensive income</i>	<i>1,362,558.8</i>	<i>28,932.6</i>	<i>0.0</i>	<i>1,591.4</i>	<i>1,393,082.7</i>

### 27.3. Forbearance

Forbearance exposures are exposures to counterparties at risk of no longer being able to meet their payment obligations.

As of 31/12/2024, a carrying amount after risk provisions on TEUR 131,790.4 (31/12/2023: TEUR 41,031.0) had a forbearance classification. Of this amount, TEUR 33,020.9 relates to financial instruments in the category "Assets at fair value through profit or loss".

## 28. ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS in EUR 1,000	31/12/2024	31/12/2023
At fair value through profit or loss	567,851.9	350,940.0
<b>Total</b>	<b>567,851.9</b>	<b>350,940.0</b>

The assets at fair value through profit or loss are loans, securities and shares in Fidelio KA Infrastructure Debt Fund Europe 1. The carrying amount of the assets assigned to the sell business model due to their short-term intentions of syndication amounts to TEUR 515,204.4 (31/12/2023: TEUR 314,459.1). Assets whose cash flows are solely interest payments, and repayments on the outstanding capital amount, are included with a carrying amount of TEUR 52,647.5 (31/12/2023: TEUR 36,480.9). This position includes interests in Fidelio KA In-

frastructure Debt Fund Europe 1, a non-consolidated structured entity in the form of a closed-end investment fund, with a carrying amount of TEUR 21,168.9 (31/12/2023: TEUR 24,287.4) (see Point 66).

Details on the calculation of the fair values can be found in Note 11. A breakdown based on the fair value hierarchy categories pursuant to IFRS 13.72 and a detailed description in this regard can be found in Note 64.

## 29. DERIVATIVES (ASSETS)

Derivatives at Kommunkredit mainly serve the purpose of hedging interest rate and/or currency risks. The positive fair values (see Note 11 for details on the calculation of fair values) of the

derivative financial instruments are recognised on the assets side and are shown in the following table (including interest accruals/deferrals):

DERIVATIVES (ASSETS) in EUR 1,000	31/12/2024	31/12/2023
Interest-related transactions	188,135.6	169,406.0
<i>of which in fair value hedges</i>	152,315.8	144,347.6
<i>of which in portfolio hedges</i>	21,836.1	15,008.9
Currency-related transactions	56.0	11,685.9
<i>of which in fair value hedges</i>	0.0	0.0
<b>Total</b>	<b>188,191.5</b>	<b>181,092.0</b>

## 30. INVESTMENTS IN ASSOCIATES

The equity share in PeakSun Holding GmbH came to 31. December 2024 TEUR 2,897.8 (31/12/2023: TEUR 2,618.7). The assets and liabilities of this company as of 31. December 2024 amounted to TEUR 3,515.0 (31/12/2023: TEUR 2,775.2) and respectively TEUR 4.3 (31/12/2023: TEUR 4.3), the revenue TEUR 0.0 (31/12/2023: TEUR 0.0), and the balance sheet loss TEUR -61.3 (31/12/2023: TEUR -47.3). There were no non-recognised losses for this at-equity investment for Kommunkredit. The shares in Kommunalnet E-Government Solutions GmbH are recognised at fair value through other comprehensive income under assets and presented in Note 26.

## 31. PROPERTY, PLANT AND EQUIPMENT

The development and composition of property, plant and equipment is shown in Note 34 (Schedule of Non-current Asset Transactions). The value of land and buildings used mainly by the Group, as shown on the statement of financial position, is unchanged from the previous year and includes a land value of TEUR 3,961.1.

For information on the composition and development of right-of-use assets, please refer to Note 32.

PROPERTY, PLANT AND EQUIPMENT in EUR 1,000	31/12/2024	31/12/2023
Land and buildings	17,603.1	18,162.1
Office furniture and equipment	3,455.8	2,402.3
Plants under construction	11,104.3	3,661.2
Right-of-use-assets	2,211.9	1,880.6
<b>Total</b>	<b>34,375.2</b>	<b>26,106.3</b>



## 32. LEASES

The right-of-use assets capitalised resulted from lease agreements relating to the rental of buildings. These are reported under property, plant and equipment.

The addition to buildings in the amount of TEUR 510.0 relates to an existing leasing relationship for the rental of office premises in Vienna. and Germany. The right-of-use assets showed the following development in 2024:

RIGHT-OF-USE ASSETS 2024 in EUR 1,000	Buildings	Leased vehicles	Total
Carrying amount 1/1/2024	1,880.6	0.0	1,880.6
Additions 1/1-31/12/2024	510.0	0.0	510.0
Depreciation 1/1-31/12/2024	-178.7	0.0	-178.7
<b>Carrying amount 31/12/2024</b>	<b>2,211.9</b>	<b>0.0</b>	<b>2,211.9</b>

The right-of-use assets developed as follows in the same period of the previous year:

RIGHT-OF-USE ASSETS 2023 in EUR 1,000	Buildings	Leased vehicles	Total
Carrying amount 1/1/2023	1,859.4	1.0	1,860.4
Additions 1/1-31/12/2023	195.9	0.0	195.9
Depreciation 1/1-31/12/2023	-174.6	-1.0	-175.6
<b>Carrying amount 31/12/2023</b>	<b>1,880.6</b>	<b>0.0</b>	<b>1,880.6</b>

Kommunalkredit elects not to recognise short-term leases with terms of less than twelve months, instead recognising payments made under these agreements as expenses over the term of the lease. These are currently expenses from a leasing relationship amounting to TEUR 7.7 (2023: TEUR 56.4).

In addition, an agreement on the use of office equipment whose leasing rate also includes maintenance and consumables is not recognised as a lease, as the recognition of these leases would involve disproportionate reporting effort in relation to the benefit provided by this information. This resulted in an expense in 2024 TEUR 69.0 (2023: TEUR 72.0).

The cash outflows from lease agreements (both capitalised leases, and short term leases and leases of low-value assets) amounted to 2024 TEUR 392.7 (2023: TEUR 334.0). Kommunalkredit has not concluded any material agreements in which it serves as lessor.

## 33. INTANGIBLE ASSETS

Intangible assets are not self-produced assets that comprise purchased software and acquired subscription rights for consideration in 2024 totalling TEUR 1,038.1 (2023: TEUR 602.7) as well as subscription rights acquired in connection with an investment in the production of green hydrogen. The development and composition of this item is shown in Note 34 (Schedule of Non-current Asset Transactions).

Kommunalkredit has invested in a plant for the production of green hydrogen since the beginning of 2022. Economically, this gives Kommunalkredit the opportunity to dispose of the hydrogen produced itself under certain conditions and to sell it to third parties. It therefore constitutes a subscription right to a certain proportion of the plant's products. Accordingly, the investment is recognised as an intangible asset in the consolidated financial statements as it meets the recognition criteria of IAS 38. The assessment of whether the power of disposal over the hydrogen produced exists on the balance sheet date and thus whether the subscription right has economic substance is reviewed on a regular basis. The subscription right increases by the amount invested by Kommunalkredit in the course of the project.

As of 31. December 2024 the capitalised subscription right in connection with the investment in green hydrogen amounted to TEUR 8,410.4 (31/12/2023: TEUR 6,814.1).

### 34. SCHEDULE OF NON-CURRENT ASSET TRANSACTIONS

The schedule of non-current asset transactions shows the development and composition of property, plant and equipment and non-current intangible assets.

SCHEDULE OF NON-CURRENT ASSETS TRANSACTIONS 2024 in EUR 1000	Acquisition costs					as of 31/12/2024
	as of 1/1/2024	Additions	Disposals	Reclassifications		
<b>Property, plant and equipment</b>	<b>52,937.5</b>	<b>10,016.7</b>	<b>-361.8</b>	<b>0.0</b>	<b>62,592.4</b>	
Land and buildings	37,985.5	375.5	0.0	0.0	38,361.0	
Office furniture and equipment	8,590.6	1,688.1	-43.2	0.0	10,235.5	
Asset under construction	3,661.2	7,443.1	0.0	0.0	11,104.3	
Right-of-use assets	2,700.2	510.0	-318.6	0.0	2,891.6	
<b>Intangible assets</b>	<b>12,658.5</b>	<b>2,247.1</b>	<b>0.0</b>	<b>0.0</b>	<b>14,905.6</b>	
Acquired software/licences	5,844.4	650.7	0.0	0.0	6,495.1	
Acquired subscription rights	6,814.1	1,596.3	0.0	0.0	8,410.4	
<b>Total property, plant and equipment and intangible assets</b>	<b>65,596.0</b>	<b>12,263.8</b>	<b>-361.8</b>	<b>0.0</b>	<b>77,498.0</b>	

SCHEDULE OF NON-CURRENT ASSETS TRANSACTIONS 2023 in EUR 1000	Acquisition costs					as of 31/12/2023
	as of 1/1/2023	Additions	Disposals	Reclassifications		
<b>Property, plant and equipment</b>	<b>48,760.5</b>	<b>4,212.6</b>	<b>-35.7</b>	<b>0.0</b>	<b>52,937.5</b>	
Land and buildings	37,825.5	160.0	0.0	0.0	37,985.5	
Office furniture and equipment	7,990.3	636.0	-35.7	0.0	8,590.6	
Asset under construction	440.4	3,220.8	0.0	0.0	3,661.2	
Right-of-use assets	2,504.3	195.9	0.0	0.0	2,700.2	
<b>Intangible assets</b>	<b>9,314.5</b>	<b>3,343.9</b>	<b>0.0</b>	<b>0.0</b>	<b>12,658.5</b>	
Acquired software/licences	5,892.1	-47.7	0.0	0.0	5,844.4	
Acquired subscription rights	3,422.4	3,391.7	0.0	0.0	6,814.1	
<b>Total property, plant and equipment and intangible assets</b>	<b>58,075.1</b>	<b>7,556.6</b>	<b>-35.7</b>	<b>0.0</b>	<b>65,596.0</b>	

Cumulative depreciation and amortisation					
as of 1/1/2024	Additions	Disposals	as of 31/12/2024	Carrying amount 31/12/2024	Carrying amount 31/12/2023
26,831.2	1,747.8	-361.8	28,217.2	34,375.2	26,106.3
19,823.3	934.6	0.0	20,757.9	17,603.1	18,162.1
6,188.3	634.6	-43.2	6,779.7	3,455.8	2,402.3
0.0	0.0	0.0	0.0	11,104.3	3,661.2
819.5	178.7	-318.6	679.7	2,211.9	1,880.6
<b>5,241.7</b>	<b>215.3</b>	<b>0.0</b>	<b>5,457.1</b>	<b>9,448.5</b>	<b>7,416.8</b>
5,241.7	215.3	0.0	5,457.1	1,038.1	602.7
0.0	0.0	0.0	0.0	8,410.4	6,814.1
<b>32,072.9</b>	<b>1,963.2</b>	<b>-361.8</b>	<b>33,674.3</b>	<b>43,823.7</b>	<b>33,523.1</b>

Cumulative depreciation and amortisation					
as of 1/1/2023	Additions	Disposals	as of 31/12/2023	Carrying amount 31/12/2023	Carrying amount 31/12/2022
25,177.8	1,686.4	-33.0	26,831.2	26,106.3	23,582.7
18,898.6	924.7	0.0	19,823.3	18,162.1	18,926.9
5,635.2	586.0	-33.0	6,188.3	2,402.3	2,355.1
0.0	0.0	0.0	0.0	3,661.2	440.4
643.9	175.6	0.0	819.5	1,880.6	1,860.4
<b>5,005.3</b>	<b>236.4</b>	<b>0.0</b>	<b>5,241.7</b>	<b>7,416.8</b>	<b>4,309.2</b>
5,005.3	236.4	0.0	5,241.7	602.7	886.8
0.0	0.0	0.0	0.0	6,814.1	3,422.4
<b>30,183.1</b>	<b>1,922.8</b>	<b>-33.0</b>	<b>32,072.9</b>	<b>33,523.1</b>	<b>27,892.0</b>

### 35. OTHER ASSETS

OTHER ASSETS in EUR 1,000	31/12/2024	31/12/2023
Other assets	6,963.7	4,703.7
Deferred income	3,641.5	7,223.8
<b>Total</b>	<b>10,605.1</b>	<b>11,927.5</b>

Other assets comprise the following material items: trade receivables in the amount of TEUR 995.5 (31/12/2023: TEUR 948.1) and receivables of Kommunalkredit Public Consulting GmbH from the subsidy management for public clients in the amount

of TEUR 4,627.2 (31/12/2023: TEUR 102.3). The prepaid expenses mainly comprise commission and other general and administrative expenses recognised according to the accruals concept.

### 36. AMOUNTS OWED TO CREDIT INSTITUTIONS

AMOUNTS OWED TO CREDIT INSTITUTIONS in EUR 1,000	31/12/2024	31/12/2023
Repayable on demand	16,220.0	30,098.4
Other liabilities	110,771.5	90,215.2
<b>Total</b>	<b>126,991.5</b>	<b>120,313.6</b>

Amounts owed to credit institutions repayable on demand include cash and cash equivalents received as cash collateral for positive current values of derivatives according to ISDA/CSA arrangements in the amount of TEUR 16,220.0 (31/12/2023: TEUR 30,098.4).

Other amounts owed to credit institutions include TEUR 3,478.3 (31/12/2023: TEUR 3,920.1) collateralised loans from the European Investment Bank.

### 37. AMOUNTS OWED TO CUSTOMERS

Amounts owed to customers include the following:

AMOUNTS OWED TO CUSTOMERS in EUR 1,000	31/12/2024	31/12/2023
Deposits by corporates, municipalities and quasi-municipal enterprises - KOMMUNALKREDIT DIREKT	949,346.0	1,045,673.4
Deposits by retail customers - KOMMUNALKREDIT INVEST	2,012,392.7	2,124,123.6
Cash collateral received for positive market values of derivatives	59,280.6	23,268.2
Other long-term liabilities to customers	98,384.8	120,822.3
<b>Total</b>	<b>3,119,404.1</b>	<b>3,313,887.5</b>

Of the amounts owed to customers, TEUR 154,529.4 (31/12/2023: TEUR 247,281.2) are repayable on demand. An editorial error required a correction to be made to the previous year's amount.

No long-term liabilities to customers were bought back in the reporting period or in the previous year.

### 38. SECURITISED LIABILITIES

SECURITISED LIABILITIES in EUR 1,000	31/12/2024	31/12/2023
Bond issued	2,161,048.6	1,387,821.5
Other securitised liabilities	166,450.5	175,600.1
<b>Total</b>	<b>2,327,499.1</b>	<b>1,563,421.6</b>

The securitised liabilities reported under "Bonds issued" and "Other securitised liabilities" comprise covered bonds with a carrying amount of TEUR 1,540,646.7 (31/12/2023: TEUR 1,029,217.3), which are collateralised by a cover pool. Besides covered bonds, this statement of financial position item primarily includes senior unsecured bonds.

In the reporting period, Kommunalkredit redeemed securitised liabilities in the nominal amount of TEUR 305,000.0 (31/12/2023: TEUR 47,000.0) at maturity according to schedule, 2024 and did not buy back/prematurely redeem securitised liabilities in financial year (31/12/2023: 0.0). With regard to the result, please refer to Note 48.



### 39. SUBORDINATED LIABILITIES

As of 31. December 2024 subordinated liabilities were broken down as follows:

TYPE OF LIABILITY	Interest rate	Currency	Nominal Value in EUR 1,000	Carrying amount in EUR 1,000
	31/12/2024			
Subordinated bonded loan 2007–2047	5.02%	EUR	10,000.0	7,670.5
Subordinated bonded loan 2007–2047	5.02%	EUR	9,000.0	6,903.5
Subordinated bonded loan 2007–2037	5.08%	EUR	10,000.0	8,483.9
Subordinated bonded loan 2007–2037	5.08%	EUR	800.0	678.7
Subordinated bonded loan 2007–2037	5.08%	EUR	10,200.0	8,653.6
<b>Total</b>			<b>40,000.0</b>	<b>32,390.2</b>

The values compared to the previous year 31. December 2023 are as follows:

TYPE OF LIABILITY	Interest rate	Currency	Nominal Value in EUR 1,000	Carrying amount in EUR 1,000
	31/12/2023			
Subordinated bonded loan 2007–2047	5.02%	EUR	10,000.0	7,414.0
Subordinated bonded loan 2007–2047	5.02%	EUR	9,000.0	6,672.6
Subordinated bonded loan 2007–2037	5.08%	EUR	10,000.0	8,155.3
Subordinated bonded loan 2007–2037	5.08%	EUR	800.0	652.4
Subordinated bonded loan 2007–2037	5.08%	EUR	10,200.0	8,318.4
<b>Total</b>			<b>40,000.0</b>	<b>31,212.7</b>

The difference between the carrying amount and the nominal value is due to hedge accounting according to IFRS 9. Interest expenses for all subordinated liabilities in the reporting period amounted to TEUR 2,022.6 (31/12/2023: TEUR 2,018.0). Creditor claims to repayment of these liabilities are subordinate in relation

to other creditors and, in the event of bankruptcy or liquidation, will be fulfilled only after all non-subordinated creditors have been satisfied. The subordinated liabilities meet the conditions of Part 2 Title I Chapter 4 of EU Regulation 575/2013 (CRR) and are eligible as tier 2 capital for regulatory purposes.

## 40. DERIVATIVES (LIABILITIES)

Derivatives at Kommunalkredit mainly serve the purpose of hedging interest rate and/or currency risks. The negative fair values of derivative financial instruments are reported on the liabilities

side (for details on fair value measurement, see Note 11) and shown in the following table (including interest accruals/deferrals):

DERIVATIVES (LIABILITIES) in EUR 1,000	31/12/2024	31/12/2023
Interest-related transactions	148,105.1	160,129.1
<i>of which in fair value hedges</i>	112,050.3	128,437.5
<i>of which in portfolio hedge</i>	15,982.7	13,825.7
Currency-related transactions	6,525.5	5,705.6
<b>Total</b>	<b>154,630.6</b>	<b>165,834.7</b>

The structure of the derivative financial instruments, including their market values, is shown in Note 61.

## 41. PORTFOLIO HEDGE

**Portfolio hedge:** The portfolio hedge implemented at Kommunalkredit is used to hedge the fair value of a portfolio of financial assets and a portfolio of financial liabilities as of the 2024 financial year. This form of hedging is used to hedge against fixed interest rate risks in relation to a portfolio. Interest rate swaps are used as hedging instruments.

Kommunalkredit applies the “bottom-layer approach” for modelling the hedged underlying transactions (in line with the IAS 39 carve-out). This creates a theoretical combined hedged item from all fixed-interest items that are not individually hedged; this theoretical hedged items is then compared against hedging derivatives. The change in fair value of the synthetic underlying transactions attributable to the hedged risk is reported under the separate balance sheet item “portfolio hedge”; in the income statement, this is reported under “net result of asset valuation and realised gains and losses”. Derivatives used as hedging instruments are reported at their fair value, with changes in values offset in the same item in the income statement.

To provide evidence of an effective portfolio hedge relationship between the hedged item and the hedge itself, Kommunalkredit applies prospective and retrospective effectiveness testing. Prospective effectiveness testing involves a quarterly review by comparing the progression of the hedged item and hedge itself to determine if a hedge relationship still applies. Retrospective effectiveness testing of the portfolio hedge involves a review to determine if the fair value changes from the hedging instruments and the offsetting effect of the hedged underlying transactions in a reporting period – in relation to the hedged risk – provide compensation of between 80% and 125%.

Kommunalkredit defined two portfolio hedges for the public sector portfolio in accordance with these requirements, one comprising the underlying transactions in the hold portfolio (“AC layer”) and one comprising the underlying transactions in the hold & sell portfolio (“OCI layer”).

When hedging the financial liabilities, two portfolio hedged were defined for the fixed-rate customer deposits, with a distinction drawn between accumulating and non-accumulating deposits.

To ensure the highest possible hedge efficiency, the synthetic underlying transactions were structured as identically as possible to the portfolio hedge derivatives. The key parameters are the volume, the term and the coupons, which correspond as far as possible to the parameters of the hedging derivatives.

The cumulative hedge-related adjustments to the portfolios of underlying transactions as of 31. December 2024 amounts to TEUR -2,891.6 (31/12/2023: TEUR 4,821.6) for the financial assets portfolio hedge and TEUR 6,727.7 for the financial liabilities portfolio hedge that was set up in the 2024 financial year.

## 42. PROVISIONS

As of 31. December 2024 long-term personnel provisions and provisions for expected losses from credit commitments were reported under provisions. Other provisions only include the provision

in connection with the interbank exemption pursuant to § 6 (1) no. 28 of the Austrian VAT Act (UStG).

PROVISIONS in EUR 1.000	Changes			
	1/1/2024	reported in income statement	reported in total com- prehensive income/equity	31.12.2024
Provisions for pensions	853.7	-46.9	-348.3	458.5
Provisions for severance payment	2,570.4	-146.0	123.8	2,548.2
Provisions for jubilee payment	81.1	15.2	0.0	96.3
Provisions for expected losses on credit commitments	397.3	-1.9	0.0	395.4
Other provisions	340.2	859.8	0.0	1,200.0
<b>Total</b>	<b>4,242.6</b>	<b>680.3</b>	<b>-224.6</b>	<b>4,698.3</b>

Provisions for expected losses from credit commitments are shown in Note 27. The actuarial provisioning requirement for

personnel provisions changed in 2024 as follows:

CHANGE IN PERSONNEL PROVISIONS in EUR 1.000	Provision for			Total
	pensions obligations	severance payment	jubilee payment	
<b>As of 31/12/2023</b>				
Present value of defined benefit obligation DBO	1,461.2	2,570.4	81.1	4,112.6
Plan assets	-607.5	0.0	0.0	-607.5
<b>Actuarial provisioning requirement 31/12/2023</b>	<b>853.7</b>	<b>2,570.4</b>	<b>81.1</b>	<b>3,505.1</b>
Current service cost	6.0	132.2	2.4	
Interest cost	46.7	76.7	2.5	
Actuarial gains (-)/ losses (+) from DBO	-301.8	123.8	10.3	
<i>of which due to changes in demographic assumptions</i>	0.0	-13.1	0.0	
<i>of which due to empirical changes</i>	-301.8	128.5	10.0	
<i>of which due to changes in financial assumptions</i>	-0.0	8.4	0.3	
Payments	-71.6	-354.9	0.0	
Other changes	0.0	0.0	0.0	
<b>Change DBO 2024</b>	<b>-320.6</b>	<b>-22.2</b>	<b>15.2</b>	
<b>Change in plan assets 2024</b>	<b>-74.6</b>	<b>0.0</b>	<b>0.0</b>	
DBO as of 31/12/2024	1,140.5	2,548.2	96.3	3,785.0
Plan assets	-682.1	0.0	0.0	-682.1
<b>Actuarial provisioning requirement as of 31/12/2024</b>	<b>458.5</b>	<b>2,548.2</b>	<b>96.3</b>	<b>3,102.9</b>
Duration of defined benefit obligation in years	10.6	6.5	2.3	
Sensitivity of DBO to change in actuarial interest rate by				
plus 0,5 %	-5.8%	-3.6%		
minus 0,5 %	6.4%	3.8%		
Sensitivity of DBO to deviation of salary development by				
plus 0,5 %	0.6%	3.7%		
minus 0,5 %	-0.6%	-3.5%		
Sensitivity of DBO to deviations of pension increase by				
plus 0,5 %	6.1%			
minus 0,5 %	-5.6%			

The values compared to the previous year 31. December 2023 are as follows:

PROVISIONS in EUR 1.000	Changes			
	1/1/2023	reported in income statement	reported in total comprehensive income/equity	31.12.2023
Provisions for pensions	548.4	-94.0	399.3	853.7
Provisions for severance pay	2,444.2	-72.3	198.5	2,570.4
Provisions for jubilee bonuses	91.4	-10.3	0.0	81.1
Provisions for expected losses on credit commitments	908.6	-511.3	0.0	397.3
Other provisions	235.4	104.8	0.0	340.2
<b>Total</b>	<b>4,227.9</b>	<b>-583.2</b>	<b>597.8</b>	<b>4,242.6</b>

The actuarial provisioning requirement for personnel provisions changed in 2023 as follows:

CHANGE IN PERSONNEL PROVISIONS in EUR 1.000	Provision for			Total
	pensions obligations	severance payment	jubilee payment	
<b>as of 31/12/2022</b>				
Present value of defined benefit obligation DBO	1,060.5	2,444.2	91.4	3,596.1
Plan assets	-512.1	0.0	0.0	-512.1
<b>Actuarial provisioning requirement</b>	<b>548.4</b>	<b>2,444.2</b>	<b>91.4</b>	<b>3,084.0</b>
Current service cost	7.2	121.0	2.2	
Interest cost	37.8	80.6	2.4	
Actuarial gains (-)/ losses (+) from DBO	464.3	198.5	8.9	
<i>of which due to changes in demographic assumptions</i>	0.0	-27.1	0.0	
<i>of which due to empirical changes</i>	398.3	37.3	3.9	
<i>of which due to changes in financial assumptions</i>	66.0	188.3	5.0	
Payments	-108.7	-273.9	-23.8	
Other changes	0.0	0.0	0.0	
<b>Change DBO 2023</b>	<b>400.7</b>	<b>126.2</b>	<b>-10.3</b>	
<b>Change in plan assets 2023</b>	<b>-95.4</b>	<b>0.0</b>	<b>0.0</b>	
DBO as of 31/12/2023	1,461.2	2,570.4	81.1	4,112.6
Plan assets	-607.5	0.0	0.0	-607.5
<b>Actuarial provisioning requirement as of 31/12/2023</b>	<b>853.7</b>	<b>2,570.4</b>	<b>81.1</b>	<b>3,505.1</b>
Duration of defined benefit obligation in years	10.6	6.5	2.3	
Sensitivity of DBO to change in actuarial interest rate by				
plus 0,5 %	-4.9%	-3.1%		
minus 0,5 %	5.4%	3.3%		
Sensitivity of DBO to deviation of salary development by				
plus 0,5 %	0.5%	3.2%		
minus 0,5 %	-0.5%	-3.1%		
Sensitivity of DBO to deviations of pension increase by				
plus 0,5 %	5.1%			
minus 0,5 %	-4.7%			



The development of the fair value of plan assets is as follows:

DEVELOPMENT OF THE FAIR VALUE OF PLAN ASSETS in EUR 1,000	2024	2023
<b>As of 1/1</b>	<b>607.5</b>	<b>512.1</b>
Interest income	19.5	19.7
Actuarial result due to empirical changes	46.6	65.0
Fund payments	8.5	10.7
Changes in the financial year	74.6	95.4
<b>as of 31/12</b>	<b>682.1</b>	<b>607.5</b>

The following table shows plan assets broken down by asset classes:

PLAN ASSETS BY ASSET CLASS	31/12/2024	31/12/2023
Securities - euro	18.0%	15.1%
Securities - euro - inflation-linked	0.3%	4.5%
Securities - euro emerging markets	3.6%	3.1%
Securities - euro corporate	12.4%	9.6%
Term deposits	0.4%	0.5%
Equity Instruments - euro	11.1%	11.8%
Equity Instruments - non-euro	14.4%	15.8%
Equity Instruments - emerging markets	5.3%	5.0%
Alternative Investments	18.6%	11.8%
Real Estate	5.3%	6.4%
Cash and cash equivalents	6.9%	5.9%
Other	3.7%	10.5%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>

As of 31. December 2024 32.0% (31/12/2023: 26.7%) of the plan assets had a market price listed on an active market.

For 2025, if calculation parameters remain constant, the following changes are expected for defined benefit plans:

EXPECTED DEVELOPMENT OF DBO in EUR 1,000	
<b>DBO as of 1/1/2024</b>	<b>1,140.5</b>
Expected current service cost	5.6
Expected interest cost	36.2
Expected payments	-74.9
Expected actuarial result	-8.7
<b>DBO as of 31/12/2024</b>	<b>1,098.9</b>

EXPECTED DEVELOPMENT OF PLAN ASSETS in EUR 1,000	
<b>Plan assets as of 1/1/2025</b>	<b>682.1</b>
Expected interest income	21.8
Expected payments by pension fund	-30.8
Expected contribution by employer	0.0
Expected actuarial result	0.0
<b>Expected plan assets as of 31/12/2025</b>	<b>673.1</b>

### 43. TAX LIABILITIES/TAX ASSETS

TAX ASSETS/LIABILITIES in EUR 1,000	31/12/2024	31/12/2023
Current tax liabilities	11,245.1	33,293.8
Deferred tax liabilities	0.0	0.0
<b>Total</b>	<b>11,245.1</b>	<b>33,293.8</b>
Deferred tax assets	2,085.4	1,483.9

Deferred tax assets and liabilities include taxes arising from temporary differences between the values recognized according to IFRS and the amounts calculated for tax purposes. The origin and

development of not yet amortised day-one gains are shown in the following table:

DEFERRED TAXES on EUR 1,000	as of 31/12/2023	Changes recognised in P&L	Changes recognised in OCI	as of 31/12/2024
<b>Deferred taxes from temporary differences in asset-side items in the statement of financial position</b>				
Cash and balances with central banks	4.8	-2.2	0.0	2.6
Loans and advances to banks at amortized cost	262.9	15,551.1	0.0	15,814.0
Loans and advances to customers at amortized cost*	373,373.5	162,575.6	0.0	535,949.1
Securities	37,874.4	-31,901.9	0.0	5,972.4
Assets at fair value through profit and loss*	-78,924.7	-50,322.3	0.0	-129,246.9
Assets at fair value through other comprehensive income*	-316,989.6	-102,470.6	677.1	-418,783.2
Derivatives	-31,617.9	2,631.5	0.0	-28,986.4
Portfolio hedge	1,109.0	1,103.5	0.0	2,212.4
Investments in associates	0.0	0.0	0.0	0.0
Property, plant and equipment	-432.5	-76.2	0.0	-508.7
Other loans and advances	-141.7	141.7	0.0	0.0
<b>Deferred taxes from temporary differences in liability-side items in the statement of financial position</b>				
Amounts owed to banks	-0.0	0.0	0.0	-0.0
Amounts owed to customers	-1,792.5	543.6	0.0	-1,248.9
Derivatives	25,488.6	-4,172.8	0.0	21,315.8
Securitised liabilities	-8,977.4	7,358.1	0.0	-1,619.3
Subordinated liabilities	-2,418.7	270.2	0.0	-2,148.4
Provisions	261.4	38.9	-74.3	226.1
Provisions for expected losses	0.0	0.0	0.0	0.0
Other liabilities	4,404.4	-1,269.5	0.0	3,134.9
<b>Total</b>	<b>1,483.9</b>	<b>-1.3</b>	<b>602.8</b>	<b>2,085.4</b>

\* Deferred taxes in these items relate primarily to differences between the values recognised according to IFRS and the amounts calculated for tax purposes in the context of hedge accounting.

The change in profit or loss is included in its entirety in the deferred tax expense.

There are no plans to realise deferred tax liabilities resulting from financial instruments and provisions (apart from measurement effects and maturities) within the coming twelve months.

The values compared to the previous year 31. December 2023 are as follows:

DEFERRED TAXES on EUR 1,000	as of 31/12/2022	Changes recognised in P&L	Changes recognised in OCI	as of 31/12/2023
<b>Deferred taxes from temporary differences in asset-side items in the statement of financial position</b>				
Cash and balances with central banks	0.0	4.8	0.0	4.8
Loans and advances to banks	442.4	-179.6	0.0	262.9
Loans and advances to customers at amortized cost*	292,576.0	80,797.5	0.0	373,373.5
Securities	39,814.9	-1,940.5	0.0	37,874.4
Assets at fair value through profit and loss*	-49,630.4	-29,294.2	0.0	-78,924.7
Assets at fair value through other comprehensive income*	-253,597.6	-62,418.2	-973.8	-316,989.6
Derivatives	-40,467.4	8,849.5	0.0	-31,617.9
Portfolio hedge	1,942.0	-833.0	0.0	1,109.0
Investments in associates	0.0	0.0	0.0	0.0
Property, plant and equipment	-427.9	-4.7	0.0	-432.5
Other loans and advances	-141.7	0.0	0.0	-141.7
<b>Deferred taxes from temporary differences in liability-side items in the statement of financial position</b>				
Amounts owed to banks	67.1	-67.1	0.0	-0.0
Amounts owed to customers	-1,480.3	-312.2	0.0	-1,792.5
Derivatives	32,403.0	-6,914.4	0.0	25,488.6
Securitised liabilities	-21,577.9	12,600.4	0.0	-8,977.4
Subordinated liabilities	-2,964.1	545.4	0.0	-2,418.7
Provisions	369.5	-245.5	137.5	261.4
Provisions for expected losses	0.0	0.0	0.0	0.0
Other liabilities	7,098.1	-2,693.7	0.0	4,404.4
<b>Total</b>	<b>4,425.7</b>	<b>-2,110.3</b>	<b>-836.3</b>	<b>1,483.9</b>

\* Deferred taxes in these items relate primarily to differences between the values recognised according to IFRS and the amounts calculated for tax purposes in

the context of hedge accounting.

#### 44. OTHER LIABILITIES

	31/12/2024	31/12/2023
Other liabilities	17,021.2	15,685.4
Personnel liabilities	25,767.6	25,307.5
Lease liabilities	2,333.2	1,934.3
Deferred income	10,730.0	14,206.8
<b>Total</b>	<b>55,852.0</b>	<b>57,134.1</b>

Other liabilities mainly include obligations for personnel expenses and accruals for audit, legal and consulting expenses. Deferred income mainly includes fees and arrangement fees not yet received in connection with loans not yet disbursed as well as income from day-one gains not yet accrued. The fees and arrangement fees included in prepaid expenses are recognised in the effective interest rate at the time of disbursement.

Kommunalkredit acquired a loan at a significant discount to nominal value, where, due to the sellers situation, the transaction price (purchase price) at the time of purchase did not correspond to the fair value of the underlying loans. In order to determine the fair value of this portfolio at the time of recognition, a considerable number of parameters not observable on the market were used for the valuation. Accordingly, a systematic deferral of the day-one gain is made over the term of the asset or until the point in time at which observable market information is expected to be available (depending on which period is shorter).

The status of day-one gains not yet amortized include the following:

DIFFERENCES FROM DAY-ONE GAINS in EUR 1.000	31/12/2024	31/12/2023
Balance at the beginning of the period	9,882.6	21,328.5
New transactions	0.0	5,080.3
Disposals from existing transactions	0.0	-13,533.6
Amounts recognized in profit or loss during the period	-3,849.3	-2,992.7
<b>Total</b>	<b>6,033.3</b>	<b>9,882.6</b>

## 45. EQUITY

### A. Development and composition

The share capital of Kommunalkredit as of 31. December 2024 was unchanged at EUR 177,017,120.8 (2023: TEUR 177,017.1).

Satere Beteiligungsverwaltungs GmbH holds 34,343,928 no-par value shares, i.e. 99.80 % of the shares, while the Association of Austrian Municipalities holds 70,367 no-par value shares or 0.20 % of the shares. 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 5.1 in share capital.

By way of a resolution passed by the Annual General 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 88,508,560.4 (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 88,508,560.4 is still freely available.

To strengthen the capital base and the capital structure, additional Tier 1 capital (AT1) amounting to TEUR 62,800.0 was successfully placed on the capital market in the first half of 2021. In line with the contractual terms & conditions, the issue was reported under equity in accordance with the provisions of IAS 32. Costs incurred in connection with the issue of the additional Tier 1 capital were deducted from equity. Coupon payments were also deducted from equity and not recognised through profit or loss.

The development and composition of equity as reportable according to IFRS is declared under Item IV (statement of changes in equity).

The reserves include statutory retained earnings of TEUR 10,434,104.7, liability reserves of the parent company in line with § 57 (5) of the Austrian Banking Act (BWG) of TEUR 36,218.6 and fixed capital reserves of the parent company of TEUR 12,479.3. It also includes uncommitted capital reserves in the amount of TEUR 100,000, which stem from the capital injection made by Kommunalkredit's new indirect majority shareholder in the 2024 financial year.

As of 31/12/2024, the reserves for debt capital instruments at fair value through other comprehensive income included deferred taxes of TEUR 17,069.5. (2023: TEUR 17,634.7). As of 31/12/2024, the reserves for equity instruments at fair value through other comprehensive income included deferred taxes of TEUR 175.1 (2023: TEUR 286.9).

Additional equity components include AT1 bonds that represent unsecured and subordinated bonds of Kommunalkredit and are classified as equity under IFRS.

### B. Servicing of equity/proposal for appropriation of profit

The profit for the year 2024 of Kommunalkredit Austria AG under Austrian GAAP is TEUR 84,476.8. The Management Board will propose to the Annual Shareholders' Meeting on 27 February 2025 that the retained profit of Kommunalkredit Austria AG in the amount of TEUR 220,035.9 be carried forward to a new account.

### C. Total capital management and regulatory capital indicators

Just as in the previous year, we adhered to the statutory total capital requirements at all times throughout the reporting year. These included a capital conservation buffer, countercyclical capital buffer and premium from the supervisory review and evaluation process (SREP). Operational monitoring and management take the form of not only ongoing monitoring activities but also monthly reports to the Executive Board. Equity management is also elucidated under Note 65.

#### C.1. Regulatory group of credit institutions

Kommunalkredit is part of a group of credit institutions whose ultimate parent is Green Opera Finance Invest AB. Given that Green Opera Finance Invest AB is classified as a financial holding company as defined by CRR, Kommunalkredit – as per Art. 11 (2) and (3) CRR – is the only credit institution obliged to fulfil the requirements of consolidated position specified in Parts 2 to 4 (Total Capital, Capital Requirements, Large Exposures), Part 6 (Liquidity), Part 7 (Debt) and Part 8 (Disclosure) CRR. Kommunalkredit also meets the definition of a superordinate credit institution pursuant to § 30 (5) of the Austrian Banking Act, which is responsible for compliance with the provisions of the Austrian Banking Act applicable to groups of credit institutions.

In addition to Green Opera Finance Invest AB and Green Opera Finance BidCo AB, the regulatory group of credit institutions also includes Kommunalkredit KBI Immobilien GmbH, die Kommunalkredit 4OG Immobilien GmbH & Co KG, die Kommunalkredit KBI Immobilien GmbH & Co KG and Kommunalkredit TLI Immobilien GmbH & Co KG as providers of additional services. The total capital and total capital requirements of the group of credit institutions under Austrian GAAP, calculated according to the CRR, show the following composition and development:

The capital figures presented include the profit for the year 2024.



<b>BASIS FOR CALCULATION PURSUANT TO ART. 92 CRR</b> in EUR 1,000 <b>Green Opera Finance BidCo AB Group</b>	<b>according to Art. 92 CRR</b> <b>31/12/2024</b>
<b>Total risk exposure amount pursuant to Art. 92 CRR</b>	<b>3,830,320.2</b>
<i>of which credit risk</i>	3,512,341.2
<i>of which operational risk</i>	305,614.1
<i>of which CVA charge</i>	12,146.0
<i>of which default fund of a qualifying counterparty</i>	219.0

<b>TOTAL CAPITAL – ACTUAL</b> in EUR 1,000 or % <b>Green Opera Finance BidCo AB Group</b>	<b>31/12/2024</b>
Common equity tier 1 after deductible items (CET 1)	707,765.2
Additional tier 1 (AT1)	37,640.8
<b>Common equity (tier 1)</b>	<b>745,406.0</b>
Tier 2 capital	36,264.7
<b>Total capital</b>	<b>781,670.7</b>
Common equity tier 1 ratio (CET 1)	18.5%
Common equity ratio (tier 1)	19.5%
Total capital ratio	20.4%

<b>BASIS FOR CALCULATION PURSUANT TO ART. 92 CRR</b> in EUR 1,000 <b>Satere Group</b>	<b>according to Art. 92 CRR</b> <b>31/12/2024</b>	<b>according to Art. 92 CRR</b> <b>31/12/2023</b>
<b>Total risk exposure amount pursuant to Art. 92 CRR</b>	<b>3,806,859.8</b>	<b>2,943,990.2</b>
<i>of which credit risk</i>	3,488,880.7	2,696,269.7
<i>of which operational risk</i>	305,614.1	233,263.7
<i>of which CVA charge</i>	12,146.0	14,131.4
<i>of which default fund of a qualifying counterparty</i>	219.0	325.3

<b>TOTAL CAPITAL – ACTUAL</b> in EUR 1,000 or % <b>Satere Group</b>	<b>31/12/2024</b>	<b>31/12/2023</b>
Common equity tier 1 after deductible items (CET 1)	685,896.7	502,944.0
Additional tier 1 (AT1)	37,640.8	36,173.4
<b>Common equity (tier 1)</b>	<b>723,537.5</b>	<b>539,117.4</b>
Tier 2 capital	36,264.7	34,331.8
<b>Total capital</b>	<b>759,802.2</b>	<b>573,449.1</b>
Common equity tier 1 ratio (CET 1)	18.0%	17.1%
Common equity ratio (tier 1)	19.0%	18.3%
Total capital ratio	20.0%	19.5%

## C.2. Regulatory total capital of Kommunalkredit Austria AG

Total capital and total capital requirements calculated in accordance with CRR as reported in the individual financial statements

of Kommunalkredit under Austrian GAAP have the following composition and development:

BASIS FOR CALCULATION PURSUANT TO ART. 92 CRR in EUR 1,000	according to Art. 92 CRR 31/12/2024	according to Art. 92 CRR 31/12/2023
<b>Total risk exposure amount pursuant to Art. 92 CRR</b>	<b>3,834,027.6</b>	<b>2,965,650.7</b>
<i>of which credit risk</i>	3,516,935.8	2,722,046.4
<i>of which operational risk</i>	304,726.9	229,147.6
<i>of which CVA charge</i>	12,146.0	14,131.4
<i>of which default fund of a qualifying counterparty</i>	219.0	325.3

TOTAL CAPITAL – ACTUAL in EUR 1,000 or %	31/12/2024	31/12/2023
Common equity tier 1 after deductible items (CET 1)	715,165.6	531,124.2
Additional tier 1 (AT1)	63,321.6	62,800.0
<b>Common equity (tier 1)</b>	<b>778,487.1</b>	<b>593,924.2</b>
Tier 2 capital	42,281.2	41,650.0
<b>Total capital</b>	<b>820,768.3</b>	<b>635,574.2</b>
Common equity tier 1 ratio (CET 1)	18.7%	17.9%
Common equity ratio (tier 1)	20.3%	20.0%
Total capital ratio	21.4%	21.4%

## Notes to the income statement of the Kommunalkredit Group

### 46. NET INTEREST INCOME

NET INTEREST INCOME in EUR 1,000	2024	2023
<b>Net interest income</b>	<b>400,687.9</b>	<b>326,641.0</b>
Interest income from loans and advances to banks	44,615.6	26,328.9
Interest income from loans and advances to customers	169,641.2	118,312.4
Interest income from assets at fair value through other comprehensive income	104,145.2	122,235.9
Interest income from assets at fair value through profit or loss	42,115.7	24,214.4
Interest income from derivatives in hedges	31,949.5	26,509.6
Interest income from maturing derivatives in portfolio hedge	5,940.0	6,919.2
Interest income from other assets and changes to estimates	2,280.7	2,120.5
<b>Interest expenses and expenses similar to interest expenses</b>	<b>-215,653.7</b>	<b>-134,286.0</b>
Interest expenses for amounts owed to banks	-4,950.9	-4,744.2
Interest expenses for amounts owed to customers	-110,667.1	-57,903.4
Interest expenses for derivatives in hedges	-47,848.4	-40,399.4
Interest expenses for derivatives not in hedges	0.0	-1,142.6
Interest expenses for securitised liabilities	-49,934.8	-24,835.7
Interest expenses for subordinated capital	-2,022.6	-2,018.0
Interest expenses for other liabilities and changes in estimates	-229.9	-3,242.7
<b>Net interest income</b>	<b>185,034.2</b>	<b>192,355.0</b>

In connection with the negative interest rates applied to deposits with Oesterreichische Nationalbank (OeNB) and to other deposits with banks, the net interest income 2024 and 2023 was not charged. In 2024 there was no change in es-

timate determined according to the provisions of IFRS 9 in conjunction with a changed estimate of the achievement of certain interest-rate-related lending goals (31/12/2023: TEUR 0.0).

The interest cost of financial liabilities calculated based on the effective interest method that are not measured at fair value through profit or loss came in 2024 to TEUR 167,575.4 (31/12/2023:

TEUR 129,900.7). In the reporting year, day-one gains were amortised in net interest income. Details are provided in Note 44.

#### 47. NET FEE AND COMMISSION INCOME

NET FEE AND COMMISSION INCOME in EUR 1,000	2024	2023
<b>Fee and commission income</b>	<b>48,136.1</b>	<b>40,925.4</b>
Subsidy management and consulting business	29,021.7	24,770.2
Lending business	16,989.5	15,891.6
Other service business	2,124.9	263.6
<b>Fee and commission expenses</b>	<b>-3,054.7</b>	<b>-2,415.4</b>
Lending business	-1,700.2	-1,511.6
Securities business	-1,055.6	-348.9
Money and FX trading	-298.9	-277.1
Other service business	-0.0	-277.8
<b>Net fee and commission income</b>	<b>45,081.3</b>	<b>38,510.0</b>

Net fee and commission income was largely shaped by the revenue from Kommunalkredit Public Consulting GmbH (KPC) in relation to the subsidy management and consulting business amounting to TEUR 29,021.7 (31/12/2023: TEUR 24,770.2). Fee and commission income from the lending business mostly included fees related to the new lending business. These primarily include

commission and transaction-related fees concerning financial instruments measured at fair value through profit or loss. Fee and commission expenses were largely generated from guarantees in relation to the lending business. All fee and commission income and expenses are recognised according to the accruals concept.

#### 48. GAINS AND LOSSES FROM FINANCIAL ASSETS AND LIABILITIES

Where assets measured at fair value through other comprehensive income that only serve to generate SPPI-compliant cash flows and are allocated to the "hold and sell" business model are sold,

the amount recorded as of 31. December of the previous year in the reserve for assets measured at fair value and reported directly in other comprehensive income is carried over to the income statement.

Gains and losses from financial assets and liabilities are detailed as follows:

GAINS AND LOSSES ON FINANCIAL ASSETS AND LIABILITIES in EUR 1,000	2024	2023
<b>a) Realised Gains (Losses) from financial instruments not measured at fair value through P&amp;L</b>	<b>-1,224.5</b>	<b>-1,631.3</b>
<i>a1) result from the disposal of assets at fair value through other comprehensive income</i>	-838.3	-1,536.7
<i>a2) financial assets measured at amortised cost</i>	120.7	-2,315.4
<i>gains from sale of assets measured at amortised cost</i>	120.7	-2,315.4
<i>a4) Gain (Loss) from modifications</i>	-506.9	2,220.8
<b>b) Result from financial instruments measured at fair value through P&amp;L</b>	<b>10,396.3</b>	<b>877.2</b>
<i>b1) of which loans and securities</i>	10,227.0	-682.9
<i>b2) of which interest and currency hedging derivatives</i>	169.3	1,560.0
<b>c) Remeasurement result from fair value hedge</b>	<b>100.8</b>	<b>-150.5</b>
<i>c1) of which interest rate derivatives</i>	2,167.4	-212.6
<i>c2) of which underlying instruments</i>	-2,066.6	62.1
<b>d) Remeasurement result from portfolio hedge</b>	<b>87.0</b>	<b>-1.2</b>
<i>d1) of which interest rate derivatives</i>	5,441.3	7,148.8
<i>d2) of which underlying instruments (layer)</i>	-5,354.2	-7,150.0
<b>e) Foreign currency valuation/Other*</b>	<b>89.9</b>	<b>892.2</b>
<b>Total</b>	<b>9,449.6</b>	<b>-13.7</b>

\* The "Other" item primarily includes the foreign currency valuation of FX forwards.

The result from financial instruments measured at fair value through profit or loss includes loans and securities whose contractual cash flows are not SPPI-compliant as well as loans allocated to the "sell" business model. This item also includes the measurement of interest rate and currency hedging derivatives that are not part of hedge accounting.

As of 2024 a result of TEUR 0.0 was generated from the early redemption of own issues (securitised liabilities) and the closure of associated interest rate derivatives. (31/12/2023: TEUR 0.0). The remeasurement result from the fair value hedge or the portfolio hedge indicates the ineffectiveness of the hedging relationships reported in the statement of financial position by Kommunalkredit. Details on how hedge accounting is reported in the statement of financial position and how effectiveness is measured are provided under Note 10.

The result from modifications shows income and expenses arising from contractual changes to cash flows. These were non-substantial modifications in the 2024 financial year.

In line with its business strategy, Kommunalkredit does not engage in activities involving an intent to trade. According to IFRS, the result from the remeasurement of derivatives, which are not

in a hedge relation, is by definition allocable to assets held for trading. Derivatives at Kommunalkredit are not trading positions, but economic hedges. The result of assets held for trading according to the IFRS definitions came to TEUR 189.5 (31/12/2023: TEUR -807.8) and includes the following components:

- a2) Valuation of interest rate and currency hedging derivatives of TEUR 169.3 (31/12/2023: TEUR 1,560.0)
- e) Foreign currency valuation excl. other of TEUR 20.2 (31/12/2023: TEUR 10.2)

Kommunalkredit did not sell a significant amount of assets measured at amortised cost in the reporting year. This related to the sale of listed bonds with a nominal value of TEUR 25,000.0 (31/12/2023: TEUR 15,000.0), which were designated for the "Hold" business model and reported under receivables from customers. No loans measured at amortised cost were sold in the reporting year (31/12/2023: TEUR 0.00).

The result from the disposal of these assets was 2024 TEUR 120.7 (31/12/2023: TEUR -2,315.4).

#### 49. NET PROVISIONING FOR IMPAIRMENT LOSSES

NET PROVISIONING FOR IMPAIRMENT LOSSES in EUR 1,000	2024	2023
Change in expected losses for stage 1	-453.7	-1,184.3
Change in expected losses for stage 2	-843.9	1,433.4
Change in expected losses for stage 3	-8,818.0	-815.0
<b>Total</b>	<b>-10,115.6</b>	<b>-565.9</b>

Net provisioning for impairment losses only includes changes in expected credit losses in accordance with IFRS 9. This includes an allocation of TEUR 11.2 for the risk provisions for cash and

balances held with central banks. Details on the development in risk provisions can be found in Note 27.

#### 50. GENERAL ADMINISTRATIVE EXPENSES

GENERAL ADMINISTRATIVE EXPENSES in EUR 1,000	2024	2023
<b>Personnel expenses</b>	<b>-64,669.2</b>	<b>-60,698.9</b>
Salaries	-52,672.6	-50,691.5
Statutory social security contributions	-9,623.3	-8,247.1
Voluntary social security contributions	-477.2	-1,014.4
Expenses for pensions and employee benefits	-1,896.0	-745.9
<b>Other administrative expenses</b>	<b>-34,846.3</b>	<b>-30,499.7</b>
<b>Depreciation, amortisation and impairment</b>	<b>-1,963.2</b>	<b>-1,922.8</b>
on intangible assets	-215.3	-236.4
on property, plant and equipment	-1,747.8	-1,686.4
<b>Total</b>	<b>-101,478.69</b>	<b>-93,121.4</b>

In addition to the change in severance and pension provisions, expenses for pensions and employee benefits include TEUR 725.2 (31/12/2023: TEUR 647.3) for defined con-

tribution plans (pension fund contributions under collective bargaining agreements) and TEUR 681.1 (31/12/2023: TEUR 592.9) for contributions to company pension plans.

Other administrative expenses include the following items:

OTHER ADMINISTRATIVE EXPENSES in EUR 1,000	2024	2023
Third-party services	-10,930.1	-7,662.5
Data processing	-7,711.9	-4,436.3
Consulting and auditing fees	-5,766.1	-4,492.1
Public relations and advertising	-2,212.8	-2,378.5
External news services	-1,425.2	-945.5
Headhunting and personnel development	-1,240.3	-2,352.4
Rating	-413.4	-369.7
Other non-personnel administrative expenses	-5,146.6	-7,862.7
Occupancy costs	-1,111.5	-898.9
Travel and travel expenses	-834.8	-1,000.3
Communication	-19.3	-14.9
Others	-3,181.0	-5,948.5
<b>Total of other administrative expenses</b>	<b>-34,846.3</b>	<b>-30,499.7</b>

Expenses for auditing services by the financial auditor allocable to the reporting period came to TEUR 610.3 (31/12/2023: TEUR 319.8). Of which TEUR 220.2 (31/12/2023: TEUR 156.5) was attributable to the audit of the separate financial statements, TEUR 65.0 (31/12/2023: TEUR 72.1) was attributable to the au-

dit of the consolidated financial statements, and TEUR 325.1 (31/12/2023: TEUR 43.2) was attributable to other auditing services.

Other advisory services provided by the auditor came to TEUR 67.6 (31/12/2023: TEUR 43.0).

## 51. INCOME/EXPENSES FROM ASSOCIATES

Expenses from associates amounting to were realised in the past financial year TEUR -429.2 were realised in the past financial year (31/12/2023: TEUR -18.9).



## 52. OTHER OPERATING RESULT

OTHER OPERATING RESULT in EUR 1,000	2024	2023
<b>Other operating income</b>	<b>1,103.8</b>	<b>1,208.4</b>
Other operating income	1,103.8	1,208.4
<b>Other operating expense</b>	<b>-2,108.2</b>	<b>-2,662.6</b>
Stability Tax	-717.3	-701.7
Contribution to the Bank Resolution Fund	0.0	-1,761.2
Other	-1,390.9	-199.6
<b>Total</b>	<b>-1,004.4</b>	<b>-1,454.2</b>

Other operating expenses mostly encompass the provision related to the temporary bank exemption in accordance with § 6 (1) sentence 28 of the Austrian Value Added Tax Law (UStG) and the stability tax for Austrian banks amounting to TEUR 717.3

(31/12/2023: TEUR 701.7).

In the previous year, the contribution to the Bank Resolution Fund was reported as a separate item in the income statement. It was reported in other operating expenses as of the 2024 financial year.

## 53. INCOME TAXES

INCOME TAXES in EUR 1,000	2024	2023
Current tax expense	-30,300.2	-33,111.9
Deferred tax income/expense	-1.3	-2,110.3
<b>Total</b>	<b>-30,301.5</b>	<b>-35,222.2</b>

The current tax expense is calculated based on tax results of the financial year with the local tax rate to be applied by the group companies (all group companies residing in Austria are subject to a corporation tax of 23% as was the case in the previous year; the branch residing in Germany is subject to a corporation tax of 15%, a solidarity surcharge of 5.5% and trade tax of 16.1%).

with § 9 of the Austrian Corporate Income Tax Act with Satere Beteiligungsverwaltungs GmbH as the group parent (see Note 20 for details) in 2016, any tax loss carryforwards applicable to Kommunalkredit from periods prior to the time at which the group of companies became effective (pre-group losses) are offsettable without limitations up to a maximum of the company's own profit.

The deferred tax expense resulted from the change in temporary level differences between tax carrying amounts and IFRS carrying amounts. Due to the formation of a tax group in accordance

The following reconciliation table shows the relationship between the expected and reported income taxes:

TAX RECONCILIATION TABLE in EUR 1,000	2024	2023
<b>Profit for the year before tax</b>	<b>126,573.3</b>	<b>135,731.4</b>
Expected tax expense in the financial year at the Austrian income tax rate (2024: 23%; 2023: 24%)	-29,111.9	-32,575.5
Decrease of tax expense due to taxexempt income from associates	8.3	9.7
Increase of tax expense due to nondeductible items	-1,730.0	-1,486.2
Other	532.1	-1,170.2
<b>Income taxes</b>	<b>-30,301.5</b>	<b>-35,222.2</b>



## Other information

### 54. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

A partial profit was realised in February 2025 in conjunction with a capitalised subscription right from an investment in green hy-

drogen, leading to a reduction in this position. In this connection we refer to Chapter 33.

### 55. PRESENTATION OF REVENUES BY REGION

The business activities of Kommunalkredit are conducted primarily in the areas of municipal and infrastructure-related project financing. The bank's activities are concentrated in a single business segment, the results of which are reported regularly to the Executive Board and the Supervisory Board in the form of the consolidated financial statements prepared according to IFRS. The disclosures relating to the business segment are presented in the statement of financial position (IFRS) and the income statement of the Group. Reconciliation is therefore not required.

Information about geographical distribution for the reporting year, broken down into net interest income and net fee and commission income, is provided in the list below (additional information on the geographical distribution of the credit volume is provided in Note 65):

PRESENTATION OF REVENUES BY REGION (REGISTERED OFFICE OF COUNTERPARTY) in EUR 1,000 in 2024	Austria	Europe	Outside Europe	Total
Interest and similar income	103,626.5	279,040.8	18,020.7	400,687.9
Interest and similar expenses	-148,452.0	-65,029.3	-2,172.5	-215,653.7
<b>Net interest income</b>	<b>-44,825.5</b>	<b>214,011.6</b>	<b>15,848.2</b>	<b>185,034.2</b>
Fee and commission income	24,552.8	23,136.8	446.4	48,136.1
Fee and commission expenses	-439.7	-1,890.4	-724.5	-3,054.7
<b>Net fee and commission income</b>	<b>24,113.1</b>	<b>21,246.3</b>	<b>-278.1</b>	<b>45,081.3</b>

PRESENTATION OF REVENUES BY REGION (REGISTERED OFFICE OF COUNTERPARTY) in EUR 1,000 in 2023	Austria	Europe	Outside Europe	Total
Interest and similar income	89,274.4	224,613.1	12,753.5	326,641.0
Interest and similar expenses	-97,836.6	-31,372.5	-5,076.9	-134,286.0
<b>Net interest income</b>	<b>-8,562.2</b>	<b>193,240.6</b>	<b>7,676.6</b>	<b>192,355.0</b>
Fee and commission income	22,219.7	18,352.0	353.8	40,925.4
Fee and commission expenses	-229.6	-1,956.0	-229.8	-2,415.4
<b>Net fee and commission income</b>	<b>21,990.1</b>	<b>16,396.0</b>	<b>124.0</b>	<b>38,510.0</b>

### 56. STRUCTURE OF 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. Interest accruals are assigned to the residual maturity "up to 3 months". Cash and cash equivalents (cash collateral) is reported as "repayable on demand".

Refer to Note 65 for further details on liquidity risk management.

A breakdown of the carrying amounts of key asset and liability items by residual maturity as of 31. December 2024 is as follows:

ASSETS BY RESIDUAL MATURITY in EUR 1,000	Repayable on demand	Up to 3 months	3 months up to 1 year	1 to 5 years	More than 5 years	Total
Cash and balances with central banks	933,219.9	0.0	0.0	0.0	0.0	933,219.9
Loans and advances to banks	49,625.5	228.4	0.0	0.0	0.0	49,853.9
Loans and advances to customers	57,832.6	30,226.6	226,501.6	1,178,671.6	846,367.8	2,339,600.3
Securities	0.0	16,088.1	47,645.3	310,016.3	250,176.0	623,925.7
Assets at fair value through profit or loss	0.0	5,218.4	51,561.8	343,065.3	168,006.4	567,851.9
Assets recognised at fair value through other comprehensive income	1,614.0	31,022.9	180,543.5	1,044,333.4	589,772.8	1,847,286.5
Other assets	1,959.2	4,576.1	3,810.9	129.5	129.5	10,605.1
<b>Total*</b>	<b>1,044,251.1</b>	<b>87,360.5</b>	<b>510,063.0</b>	<b>2,876,215.1</b>	<b>1,854,452.6</b>	<b>6,372,342.5</b>

\* The table shows the main asset and liability items; accordingly, this total is not equal to the total assets.

LIABILITIES BY RESIDUAL MATURITY in EUR 1,000	Repayable on demand	Up to 3 months	3 months up to 1 year	1 to 5 years	More than 5 years	Total
Amounts owed to banks	16,220.0	10,910.2	434.8	98,122.1	1,304.3	126,991.5
Amounts owed to customers	154,529.4	579,791.1	951,260.4	1,188,323.8	245,499.4	3,119,404.1
Securitised liabilities	0.0	0.0	120,732.7	1,656,526.0	550,240.4	2,327,499.1
Subordinated liabilities	0.0	0.0	0.0	0.0	32,390.2	32,390.2
Other liabilities	2,012.4	10,090.3	26,858.2	12,422.9	4,468.3	55,852.0
<i>of which lease liabilities</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>2,333.2</i>	<i>2,333.2</i>
<b>Total*</b>	<b>172,761.8</b>	<b>600,791.6</b>	<b>1,099,286.0</b>	<b>2,955,394.9</b>	<b>833,902.5</b>	<b>5,662,136.9</b>

\* The table shows the main asset and liability items; accordingly, this total is not equal to the total assets.

The residual maturity breakdown as of 31. December 2023 was as follows:

ASSETS BY RESIDUAL MATURITY in EUR 1,000	Repayable on demand	Up to 3 months	3 months up to 1 year	1 to 5 years	More than 5 years	Total
Cash and balances with central banks	895,762.7	0.0	0.0	0.0	0.0	895,762.7
Loans and advances to banks	55,587.9	0.0	0.0	0.0	0.0	55,587.9
Loans and advances to customers	49,451.6	103,307.9	199,246.9	965,909.9	680,829.6	1,998,745.9
Securities	313,713.2	8,968.0	9,274.5	315,226.1	278,637.6	925,819.5
Assets recognised at fair value through other comprehensive income	0.0	1,273.8	23,043.9	263,582.5	63,039.9	350,940.0
Assets at fair value through profit or loss	975.7	22,511.1	131,023.3	789,263.8	469,839.1	1,413,613.1
Other assets	11,091.4	616.0	0.0	26.0	194.1	11,927.5
<b>Total*</b>	<b>1,326,582.5</b>	<b>136,676.8</b>	<b>362,588.5</b>	<b>2,334,007.2</b>	<b>1,492,540.4</b>	<b>5,652,395.7</b>

\* The table shows the main asset and liability items; accordingly, this total is not equal to the total assets.

LIABILITIES BY RESIDUAL MATURITY in EUR 1,000	Repayable on demand	Up to 3 months	3 months up to 1 year	1 to 5 years	More than 5 years	Total
Amounts owed to banks	30,115.2	10,176.6	435.6	77,843.9	1,742.3	<b>120,313.6</b>
Amounts owed to customers	247,281.2	598,616.0	1,149,753.4	1,033,083.5	285,153.4	<b>3,313,887.5</b>
Securitised liabilities	0.0	0.0	300,222.9	1,203,864.1	59,334.5	<b>1,563,421.6</b>
Subordinated liabilities	0.0	0.0	0.0	0.0	31,212.7	<b>31,212.7</b>
Other liabilities	5,675.6	3,450.4	20,364.3	17,900.6	9,743.3	<b>57,134.1</b>
<i>of which lease liabilities</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>	<i>1,934.3</i>	<b>1,934.3</b>
<b>Total*</b>	<b>2,212,742.3</b>	<b>371,496.4</b>	<b>804,714.1</b>	<b>1,494,992.9</b>	<b>202,023.9</b>	<b>5,085,969.5</b>

\* The table shows the main asset and liability items; accordingly, this total is not equal to the total assets.

Due to an editorial error, amounts owed to customers in the previous year had to be adjusted.

## 57. SUBORDINATED ASSETS

As of 31. December 2024 subordinated assets in the amount of TEUR 519,659.7 (31/12/2023: TEUR 264,870.3) of which TEUR 113,763.2 (31/12/2023: TEUR 39,178.7) is reported under "Assets recognised at fair value through other comprehensive income" at TEUR 298,641.6 (31/12/2023: TEUR 123,845.1) of which is recognised in "Assets recognised at fair value in profit or loss" at TEUR 107,254.8 (31/12/2023: TEUR 101,846.5) of which in "Assets at amortised cost".

## 58. ASSETS ASSIGNED AS COLLATERAL

### 58.1. Collateralised derivatives

Regarding collateralised derivatives, a distinction is made between bilateral and cleared derivative contracts.

Pursuant to EU Regulation 2016/2251, which entered into force on 1. March 2017, bilateral derivative contracts are subject to a collateralisation requirement. Kommunalkredit complies with all requirements arising in this context. Based on ISDA/CSA arrangements and/or Austrian and German framework contracts/collateral annexes, exclusively cash and cash equivalents (cash collateral) were deposited as collateral by Kommunalkredit with counterparties and/or received by Kommunalkredit from counterparties as of 31. December 2024. The positive and negative present values, calculated by counterparty, are offset against one another and the resulting aggregate net present value of the portfolio is put up or called by the respective counterparty taking collateral parameters into account (threshold, minimum transfer amount).

Kommunalkredit uses the services of LCH (London Clearing House) and Eurex as the central counterparties via clearing brokers. Variation and initial margins are exchanged for cleared derivative contracts.

Offsetting of all payment claims from the market values of derivatives and the repayment of collateral is not possible except in the event of counterparty default. There is no unconditional right of offset.

### 58.2. Collateralised funding

- Kommunalkredit has assigned securities as collateral for global loans and other funding received 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.
- For covered bonds issued by Kommunalkredit, loans and securities were assigned to a cover pool which can only be drawn on with the approval of a government commissioner.
- For funding obtained through participation in the ECB tender 31. December 2024 assets were provided as collateral, which the collateral taker has the right to realise only in the event of the debtor's default.

The following table shows the carrying amounts of derivatives and funding received and the corresponding financial collateral, broken down by item in the statement of financial position. As none of the transactions meet the prerequisites for offsetting according to IAS 32, they are shown in gross amounts in the statement of financial position.



<b>CARRYING AMOUNTS 31/12/2024</b> in EUR 1,000	<b>Fair value of collateralised derivatives</b>	<b>Funding received (-)</b>	<b>Collateral received (-) and provided (+)</b>	<b>Total</b>
<b>Market values of derivatives according to ISDA/CSA arrangements and/or in central clearing</b>	<b>33,313.7</b>	<b>0.0</b>	<b>-62,832.1</b>	<b>-29,518.4</b>
Derivatives (positive current value)	151,343.3			151,343.3
Derivatives (negative current value)	-118,029.6			-118,029.6
Loans and advances to banks			13,846.5	13,846.5
Loans and advances to customers			26,850.1	26,850.1
Amounts owed to banks			-17,920.0	-17,920.0
Amounts owed to customers			-85,608.7	-85,608.7
<b>European Investment Bank</b>	<b>0.0</b>	<b>-3,478.3</b>	<b>5,235.0</b>	<b>1,756.8</b>
Amounts owed to banks		-3,478.3		-3,478.3
Loans and advances to banks			5,235.0	5,235.0
<b>Covered bond issues</b>	<b>0.0</b>	<b>-1,540,646.7</b>	<b>1,508,826.7</b>	<b>-31,820.0</b>
Securitised liabilities		-1,540,646.7		-1,540,646.7
Loans and advances to customers			1,024,850.5	1,024,850.5
Assets at fair value through other comprehensive income			478,449.6	478,449.6
Derivatives (positive current value)			5,526.6	5,526.6
<b>TLTRO/ECB tender</b>	<b>0.0</b>	<b>0.0</b>	<b>364,995.4</b>	<b>364,995.4</b>
Loans and advances to banks			18,498.8	18,498.8
Loans advances to customers			341,124.7	341,124.7
Assets at fair value through other comprehensive income			5,372.0	5,372.0
<b>Total</b>	<b>33,313.7</b>	<b>-1,544,125.0</b>	<b>1,816,225.1</b>	<b>305,413.8</b>

The values compared to 31. December 2023 are as follows:

<b>CARRYING AMOUNTS 31/12/2023</b> in EUR 1,000	<b>Fair value of collateralised derivatives</b>	<b>Funding received (-)</b>	<b>Collateral received (-) and provided (+)</b>	<b>Total</b>
<b>Market values of derivatives according to ISDA/CSA arrangements and/or in central clearing</b>	<b>59,432.9</b>	<b>0.0</b>	<b>8,113.3</b>	<b>67,546.2</b>
Derivatives (positive current value)	201,782.3			201,782.3
Derivatives (negative current value)	-142,349.4			-142,349.4
Loans and advances to banks			31,442.6	31,442.6
Loans and advances to customers			31,945.7	31,945.7
Amounts owed to banks			-32,006.8	-32,006.8
Amounts owed to customers			-23,268.2	-23,268.2
<b>European Investment Bank</b>	<b>0.0</b>	<b>-3,920.1</b>	<b>8,820.9</b>	<b>4,900.8</b>
Amounts owed to banks		-3,920.1		-3,920.1
Loans and advances to banks			8,820.9	8,820.9
<b>Covered bond issues</b>	<b>0.0</b>	<b>-1,029,217.3</b>	<b>1,150,074.7</b>	<b>120,857.4</b>
Securitised liabilities		-1,029,217.3		-1,029,217.3
Loans and advances to customers			837,990.6	837,990.6
Assets at fair value through other comprehensive income			301,564.6	301,564.6
Derivatives (positive current value)			10,519.5	10,519.5
<b>TLTRO/ECB tender</b>	<b>0.0</b>	<b>0.0</b>	<b>866,476.0</b>	<b>866,476.0</b>
Amounts owed to banks		0.0		0.0
Loans and advances to banks			23,462.1	23,462.1
Loans advances to customers			827,948.4	827,948.4
Assets at fair value through other comprehensive income			15,065.5	15,065.5
<b>Total</b>	<b>59,432.9</b>	<b>-1,033,137.3</b>	<b>2,033,484.8</b>	<b>1,059,780.4</b>

\* Not recognised in the statement of financial position.

## 59. CONTINGENT LIABILITIES

There were no contingent liabilities as of 31. December 2024.  
There were no liabilities arising from the lending business in the previous year either.

## 60. OTHER OFF-BALANCE-SHEET LIABILITIES

As of 31. December 2024 there were promissory commitments and unused lines of credit of TEUR 953,586.7 (31/12/2023: TEUR 928,842.7). The residual maturities are as follows:

RESIDUAL MATURITY in EUR 1,000	31/12/2024	31/12/2023
Up to 1 year	144,538.8	135,708.5
1 to 5 years	790,080.9	765,581.8
More than 5 years	18,967.0	27,552.4
<b>Total</b>	<b>953,586.7</b>	<b>928,842.7</b>

Kommunalkredit also has framework contracts for the fiduciary administration 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 TEUR 153,636.8 (31/12/2023: TEUR 193,259.3) are held in trust for Trinity in fiduciary funds; there are no transactions as of the reporting date for the related party of Trinity.

## 61. DERIVATIVE FINANCIAL INSTRUMENTS

Derivatives at Kommunalkredit mainly serve the purpose of hedging interest rate and/or currency risks.

The structure of open derivative financial transactions is as follows:

DERIVATIVE FINANCIAL INSTRUMENTS 2024 in EUR 1,000	Nominal amount as of 31/12/2024			Total nominal 2024	Positive fair value	Negative fair value
	Residual maturity up to 1 year	Residual maturity 1-5 years	Residual maturity more than 5 years			
<b>Interest-related transactions</b>	<b>457,513.3</b>	<b>2,812,739.1</b>	<b>1,778,948.2</b>	<b>5,049,200.6</b>	<b>188,135.6</b>	<b>-148,105.1</b>
OTC products:						
Interest rate swaps - trading*	160,000.0	434,647.0	133,331.2	727,978.3	13,983.6	-20,072.1
Interest rate swaps - fair value hedge	187,466.7	2,101,793.3	1,397,873.1	3,687,133.1	152,315.8	-112,050.3
Interest rate swaps - portfolio hedge	110,046.7	276,298.7	247,743.9	634,089.2	21,836.1	-15,982.7
<b>Currency-related transactions</b>	<b>746,423.3</b>	<b>0.0</b>	<b>0.0</b>	<b>746,423.3</b>	<b>56.0</b>	<b>-6,525.5</b>
OTC products: FX forward transactions	746,423.3	0.0	0.0	746,423.3	56.0	-6,525.5
<b>Total</b>	<b>1,203,936.6</b>	<b>2,812,739.1</b>	<b>1,778,948.2</b>	<b>5,795,623.9</b>	<b>188,191.5</b>	<b>-154,630.6</b>

\* Interest rate and/or currency swaps concluded to hedge interest rate and FX risks, not taken into account as hedges under IFRS 9. The bank does not have a proprietary trading portfolio.

DERIVATIVE FINANCIAL INSTRUMENTS 2023 in EUR 1,000	Nominal amount as of 31/12/2023			Total nominal 2023	Positive fair value	Negative fair value
	Residual maturity up to 1 year	Residual maturity 1-5 years	Residual maturity more than 5 years			
<b>Interest-related transactions</b>	<b>397,550.0</b>	<b>2,160,850.0</b>	<b>1,053,808.9</b>	<b>3,612,208.9</b>	<b>169,406.0</b>	<b>-160,129.1</b>
OTC products:						
Interest rate swaps - trading*	0.0	378,666.9	82,750.0	461,416.9	10,049.6	-17,866.0
Interest rate swaps - fair value hedge	387,550.0	1,684,915.8	792,964.3	2,865,430.1	144,347.6	-128,437.5
Interest rate swaps - portfolio hedge	10,000.0	97,267.3	178,094.6	285,361.9	15,008.9	-13,825.7
<b>Currency-related transactions</b>	<b>736,250.4</b>	<b>0.0</b>	<b>0.0</b>	<b>736,250.4</b>	<b>11,685.9</b>	<b>-5,705.6</b>
OTC products: FX forward transactions	736,250.4	0.0	0.0	736,250.4	11,685.9	-5,705.6
<b>Total</b>	<b>1,133,800.4</b>	<b>2,160,850.0</b>	<b>1,053,808.9</b>	<b>4,348,459.3</b>	<b>181,092.0</b>	<b>-165,834.7</b>

\* Interest rate and/or currency swaps concluded to hedge interest rate and FX risks, not taken into account as hedges under IFRS 9. The bank does not have a proprietary trading portfolio.

Taking all positions into account, the positive fair value amounts to TEUR 33,560.9 (31/12/2023: positive fair value of TEUR 15,257.2), which is collateralised mainly through cash and cash equivalents according to ISDA/CDA arrangements. There are also options embedded in loans and/or own issues which are fully hedged through offsetting derivatives. Given the fact that the options are closely associated with their host contracts, they are recognised and measured together with the underlying transactions and not shown in the above table. The negative current values of these options embedded in loans and own issues amount to TEUR 38,294.9 (31/12/2023: TEUR 24,727.8).

Derivatives with positive fair values of TEUR 63,971.4 (31/12/2023: TEUR 44,254.7) will fall due within one year, TEUR 50,496.2 (31/12/2023: TEUR 49,962.3) in one to five years and TEUR 73,724.0 (31/12/2023: TEUR 86,875.0) in over five years. Derivatives with negative fair values amounting to TEUR -53,339.4 (31/12/2023: TEUR -41,546.6) mature within one year, TEUR -55,381.7 (31/12/2023: TEUR -72,082.6) within one to five years, and TEUR -45,909.5 (31/12/2023: TEUR -52,205.5) in more than five years.

## 62. FINANCIAL INSTRUMENTS IN HEDGE ACCOUNTING

Financial instruments for which interest rate risk is hedged through derivative financial instruments are recognised as fair value hedges. The carrying amounts of these underlying transactions are as follows:

CARRYING AMOUNTS in EUR 1,000	31/12/2024	31/12/2023
<b>Assets</b>		
Loans and advances to banks - fair value hedges	205,138.6	216,922.6
Loans and advances to customers - fair value hedges	873,654.8	767,110.6
Loans and advances to customers - portfolio hedges	93,591.9	112,892.7
Assets at fair value through OCI - fair value hedges	127,079.6	119,281.3
Assets at fair value through OCI - portfolio hedge	240,266.5	292,852.6
<b>Liabilities</b>		
Amounts owed to customers - fair value hedges	98,384.8	75,466.7
Amounts owed to customers - portfolio hedges	471,109.1	0.0
Securitised liabilities - fair value hedges	2,327,524.1	1,539,760.9
Subordinated liabilities - fair value hedges	32,390.2	31,212.7

The following table shows the cumulative hedge-related adjustments to the underlying transactions:

HEDGE-RELATED ADJUSTMENTS in EUR 1,000	31/12/2024	31/12/2023
<b>Assets</b>		
Loans and advances to banks - fair value hedges	-3,279.1	-10,179.6
Loans and advances to customers - fair value hedges	-52,625.7	-72,378.6
Loans and advances to customers - portfolio hedge	-2,891.6	-4,821.6
Assets at fair value through OCI - fair value hedges	-1,156.1	-150.5
Assets at fair value through OCI - portfolio hedge	-14,914.6	-20,298.1
<b>Liabilities</b>		
Amounts owed to customers - fair value hedges	-5,430.2	-7,793.7
Amounts owed to customers - portfolio hedges	6,727.7	0.0
Securitised liabilities - fair value hedges	-10,538.9	-39,897.0
Subordinated liabilities - fair value hedges	-9,341.0	-10,516.0

The following table shows the maturity profile of the hedging instruments broken down by receiver and payer swaps:

HEDGING INSTRUMENTS 31/12/2024 in EUR 1,000	Residual maturity up to 1 year	Residual maturity 1-5 years	Residual maturity more than 5 years
Interest rate swaps - fair value hedge			
Receiver Nominal	123,000.0	1,719,168.3	614,639.8
Payer Nominal	64,466.7	382,625.1	783,233.3
Interest rate swaps - portfolio hedge			
Receiver Nominal	70,046.7	219,031.4	89,089.2
Payer Nominal	40,000.0	57,267.3	158,654.7

HEDGING INSTRUMENTS 31/12/2023 in EUR 1,000	Residual maturity up to 1 year	Residual maturity 1-5 years	Residual maturity more than 5 years
Interest rate swaps - fair value hedge			
Receiver Nominal	305,000.0	1,234,247.7	161,968.1
Payer Nominal	82,550.0	450,668.0	630,952.2
Interest rate swaps - portfolio hedge			
Receiver Nominal	0.0	0.0	0.0
Payer Nominal	10,000.0	97,267.3	178,094.6

The following table shows the ineffectiveness of the hedging relationships recognised through profit or loss in financial year 2024

and in the previous year for the designated hedging relationships:

INEFFECTIVITIES in EUR 1,000	Ineffectiveness recognised in profit and loss in 2024	Ineffectiveness recognised in profit and loss in 2023	Recognition of ineffectiveness in P&L
Fair Value Hedge	100.8	-150.5	Gains and losses on financial assets and liabilities
Portfolio Hedge	87.0	-1.2	Gains and losses on financial assets and liabilities

The change in fair value to measure ineffectiveness in the reporting period is as follows:

CHANGE IN FAIR VALUE in EUR 1,000	1.1.-31.12.2024	1.1.-31.12.2023
Underlying transactions - fair value hedge	-2,066.6	62.1
Underlying transactions - portfolio hedge	-5,354.2	7,148.8
Interest rate swaps - fair value hedge	2,167.4	-212.6
Interest rate swaps - portfolio hedge	5,441.3	-7,150.0

### 63. SUPPLEMENTARY DISCLOSURES PURSUANT TO § 59A AND § 64 OF THE AUSTRIAN BANKING ACT

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. In the statement of financial position, assets denominated in foreign currencies in the amount of TEUR 520,284.4 (31/12/2023: TEUR 382,143.9) included. Liabilities denominated in foreign currencies amounted to 2024 TEUR 280,693.5 (31/12/2023: TEUR 286,270.5).

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. The return on assets at the level of the Kommunalkredit Group, calculated as the consolidated profit for the year divided by total assets according to IFRS as of the reporting date, stands at 1.46 % (2023: 1.71 %).



## 64. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

### 64.1. Fair value calculation (fair value hierarchy)

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

**Level 1:** There are quoted prices in an active market for identical financial instruments. The bid quotes for assets at this hierarchical level 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
- Price determination through spreads derived from market data (benchmark spreads)

**Level 3:** The input factors cannot be observed in the market. This particularly includes prices which are based mainly on the estimates of experts and/or which contain non-observable data. The Level 3 financial instruments recognised at fair value consist exclusively of infrastructure and energy financing. For information on the definition of the parameters relevant for valuation purposes, particularly credit risk premiums, see Note 11.

### 64.2. Financial instruments recognised at fair value

The following table shows the breakdown of financial instruments recognised at fair value by category of financial instruments according to the fair value hierarchy:

CARRYING AMOUNTS FOR FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE in EUR 1,000	31/12/2024		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Assets recognized at fair value through other comprehensive income	5,372.0	851,423.2	990,491.3
Assets at fair value through profit or loss	0.0	47,944.3	519,907.5
Derivatives	0.0	188,191.5	0.0
<b>Liabilities</b>			
Derivatives	0.0	154,630.6	0.0

CARRYING AMOUNT FOR FINANCIAL INSTRUMENTS RECOGNISED AT FAIR VALUE in EUR 1,000	31/12/2023		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Assets recognized at fair value through other comprehensive income	15,062.6	678,516.1	716,764.3
Assets at fair value through profit or loss	0.0	47,291.7	306,337.0
Derivatives	0.0	181,092.0	0.0
<b>Liabilities</b>			
Derivatives	0.0	165,834.7	0.0

As of 31. December 2024 Kommunalkredit had Level 3 financial assets measured at fair value in the amount of TEUR 1,510,398.8 (31/12/2023: TEUR 1,023,101.4). The Level 3 classification concerns infrastructure and energy financing and is based on the non-observability of the credit risk premiums required for the discounted cash flow method. The procedure for calculating the credit risk premiums is set out in detail in Note 11.

There were no changes in level classification in the current reporting period (31/12/2023: TEUR 0.0 in reclassifications from Level 2 to Level 3). Changes in level classification are due to changes in the observability of credit spreads as input parameters in the

period under review. Reclassifications from Level 3 are performed if spreads from comparable bonds or portfolios are available on the market for transactions. Should this information not or no longer be available for certain transactions, the transaction is classified as Level 3.

A change in credit risk spreads by one basis point for the entire portfolio of Level 3 assets measured at fair value results in a market value effect as of 31. December 2024 of TEUR 577.0 (31/12/2023: TEUR 473,7); for a 20-basis-point change, the effect amounts to TEUR 11,458.3 (31/12/2023: TEUR 9,408.9) (positive when spreads decrease, negative when spreads increase).

The following table shows a reconciliation table of financial assets recognised at fair value included in Level 3 of the measurement hierarchy:

RECONCILIATION OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH OCI in EUR 1,000	1/1-31/12/2024	1/1-31/12/2023
amount at the beginning of a period	716,764.3	580,974.3
Additions/disbursement	495,151.0	373,008.4
Additions from level 2	0.0	0.0
Sold/redeemed	-208,932.4	-212,220.6
Disbursements in level 2	0.0	0.0
Total gains and losses		
recognised in other comprehensive income	-11,653.4	-14,722.3
recognised in profit or loss	-838.3	-10,275.6
<b>amount at the end of a period</b>	<b>990,491.3</b>	<b>716,764.3</b>

RECONCILIATION OF FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE THROUGH P&L in EUR 1,000	1/1-31/12/2024	1/1-31/12/2023
amount at the beginning of a period	306,337.0	136,836.5
Additions/disbursement	237,143.5	188,955.4
Additions from level 2	0.0	0.0
Sold/redeemed	-33,800.0	-16,970.8
Disbursements in level 2	0.0	0.0
Total gains and losses		
recognised in other comprehensive income	0.0	0.0
recognised in profit or loss	10,227.0	-2,484.1
<b>amount at the end of a period</b>	<b>519,907.5</b>	<b>306,337.0</b>

Revenue from Level 3 instruments which is reported in the income statement under net interest income primarily relates to the am-

ortisation of fees in the lending business for instruments which are measured at fair value through other comprehensive income.

### 64.3. Financial instruments not recognised at fair value

The breakdown of categories of fair values of financial instruments not measured at fair value is as follows:

FAIR VALUES OF FINANCIAL INSTRUMENTS NOT RECOGNISED AT FAIR VALUE in EUR 1,000	31/12/2024		
	Level 1	Level 2	Level 3
<b>Assets at amortised cost</b>			
Loans and advances to banks	204,144.4	49,790.1	0.0
Loans and advances to customers	262,403.3	1,490,802.2	1,003,769.6
<b>Liabilities at amortised cost</b>			
Amounts owed to banks	0.0	124,112.0	3,420.0
Amounts owed to customers	0.0	3,114,531.2	0.0
Securitised liabilities	0.0	2,330,275.6	0.0
Subordinated liabilities	0.0	39,235.7	0.0

FAIR VALUES OF FINANCIAL INSTRUMENTS NOT RECOGNISED AT FAIR VALUE in EUR 1,000	31/12/2023		
	Level 1	Level 2	Level 3
<b>Assets at amortised cost</b>			
Loans and advances to banks	210,360.3	57,887.0	0.0
Loans and advances to customers	529,917.9	1,314,533.1	860,529.7
<b>Liabilities at amortised cost</b>			
Amounts owed to banks	0.0	113,111.1	3,873.4
Amounts owed to customers	0.0	3,319,042.8	0.0
Securitised liabilities	0.0	1,536,211.4	0.0
Subordinated liabilities	0.0	21,097.5	0.0

No facilities were converted from Level 2 into Level 3 in the current period under review (31/12/2023: TEUR 17,347.6). The change in

level classification was due to changes in the observability of credit spreads as input parameters during the period under review.

#### 64.4. Fair value of financial assets and liabilities

The following table shows a comparison between the carrying

amounts and the fair values of those items in the statement of financial position which contain financial assets and liabilities:

CATEGORIES: 31/12/2024 in EUR 1,000	Amortised cost	At fair value through other comprehensive income	At fair value through profit and loss	Carrying amount	Fair value
Cash and cash equivalents	933,219.9	0.0	0.0	933,219.9	933,219.9
Loans and advances to banks	49,853.9	0.0	0.0	49,853.9	49,790.1
Loans and advances to customers	2,339,600.3	0.0	0.0	2,339,600.3	2,349,385.2
Securities	623,925.7	0.0	0.0	623,925.7	611,734.3
Assets recognised at fair value through OCI	0.0	1,847,286.5	0.0	1,847,286.5	1,847,286.5
Assets recognised at fair value through profit or loss	0.0	0.0	567,851.9	567,851.9	567,851.9
Derivatives	0.0	0.0	188,191.5	188,191.5	188,191.5
<b>Total</b>	<b>3,946,599.8</b>	<b>1,847,286.5</b>	<b>756,043.4</b>	<b>6,549,929.8</b>	<b>6,547,459.5</b>
Amounts owed to banks	126,991.5	0.0	0.0	126,991.5	127,532.0
Amounts owed to customers	3,119,404.1	0.0	0.0	3,119,404.1	3,114,531.2
Derivatives	0.0	0.0	154,630.6	154,630.6	154,630.6
Securitised liabilities	2,327,499.1	0.0	0.0	2,327,499.1	2,330,275.6
Subordinated liabilities	32,390.2	0.0	0.0	32,390.2	39,235.7
<b>Total</b>	<b>5,606,284.8</b>	<b>0.0</b>	<b>154,630.6</b>	<b>5,760,915.5</b>	<b>5,766,205.2</b>

The values for the previous year are as follows:

CATEGORIES: 31/12/2023 in EUR 1,000	Amortised cost	At fair value through other comprehensive income	At fair value through profit and loss	Carrying amount	Fair value
Cash and cash equivalents	895,762.7	0.0	0.0	895,762.7	895,762.7
Loans and advances to banks	55,587.9	0.0	0.0	55,587.9	55,654.2
Loans and advances to customers	1,998,745.9	0.0	0.0	1,998,745.9	1,999,925.5
Securities	925,819.5	0.0	0.0	925,819.5	917,648.3
Assets recognised at fair value	0.0	1,413,613.1	0.0	1,413,613.1	1,413,613.1
Assets recognised through profit or loss	0.0	0.0	350,940.0	350,940.0	350,940.0
Derivatives	0.0	0.0	181,092.0	181,092.0	181,092.0
<b>Total</b>	<b>3,875,916.0</b>	<b>1,413,613.1</b>	<b>532,032.0</b>	<b>5,821,561.1</b>	<b>5,814,635.7</b>
Amounts owed to banks	120,313.6	0.0	0.0	120,313.6	116,984.5
Amounts owed to customers	3,313,887.5	0.0	0.0	3,313,887.5	3,319,042.8
Derivatives	0.0	0.0	165,834.7	165,834.7	165,834.7
Securitised liabilities	1,563,421.6	0.0	0.0	1,563,421.6	1,536,211.4
Subordinated liabilities	31,212.7	0.0	0.0	31,212.7	21,097.5
<b>Total</b>	<b>5,028,835.4</b>	<b>0.0</b>	<b>165,834.7</b>	<b>5,194,670.1</b>	<b>5,159,170.9</b>

The fair values of securities and loans are determined in accordance with the methodology and hierarchy described in Note 11. To determine the fair values of other financial instruments not measured at fair value, term-related, creditworthiness-related and instrument-specific measurement parameters are applied in conjunction with market-standard meas-

urement methods. The maximum credit risk for each category of financial instruments corresponds to the carrying amounts shown in the table. The maximum credit risk for financial guarantees and irrevocable credit commitments corresponds to the nominal values of TEUR 0.0 (31/12/2023: TEUR 0.0) or TEUR 953,586.7 (31/12/2023: TEUR 928,842.7).

## 65. RISK MANAGEMENT

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 on sustainably increasing the aggregate risk cover.

### 65.1. Organisation of risk management

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 to be closed within the scope of continuous development.

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, as well as for the non-financial risk management (in particular OpRisk and information security) of the bank.

## 65.2. Main principles of risk management

Within the context 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.





### 65.3. 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 Kommunalcredit, 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:

<b>CREDIT RISK</b>	
▪ 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
<b>LIQUIDITY RISK</b>	
▪ Structural liquidity risk	▪ Market liquidity risk
▪ Funding risk	
<b>MARKET RISK</b>	
▪ Changes in Interest rate risk – banking book	▪ Basis spread risk
▪ Foreign currency risk	▪ Option risk
▪ Credit spread risk	▪ OIS risk
<b>OPERATIONAL RISK</b>	
▪ Outsourcing risk	▪ Information and communication technology (ICT) risk
▪ People, process and system risk and external risks	▪ Legal risk
<b>FUNDING RISK</b>	
▪ BCVA risk*	▪ Replacement risk through rating trigger
<b>MACROECONOMIC RISK</b>	
▪ Macroeconomic risk	
<b>OTHER RISKS</b>	
▪ 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 rate 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
42,1% (47,8%)	57,9% (52,2%)

- Risk status TC rate 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
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.



## 65.4. Credit risk

### 65.4.1. 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.

### 65.4.2. 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 17.3% (31/12/2023: 11.5%) relative to the economic aggregate risk cover; from the going concern perspective, the potential unexpected credit defaults for a holding period of one year as of 31. December 2024 12.8% (31/12/2023: 10.9%) relative to the economic aggregate risk cover (T1) and, as of 31. December 2024 20.4% (31/12/2023: 15.2%) relative to the economic aggregate risk cover (total capital).



### 65.4.3. Rating distribution, portfolio quality and concentration risk

Total exposure of EUR 6,428m (31/12/2023: EUR 5,731m) by rating is concentrated in the top rating categories; as of 31. December 2024 30.5% (31/12/2023: 37.9%) of the exposure was rated "AAA"/"AA", 57.9% (31/12/2023: 65.8%) are 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).

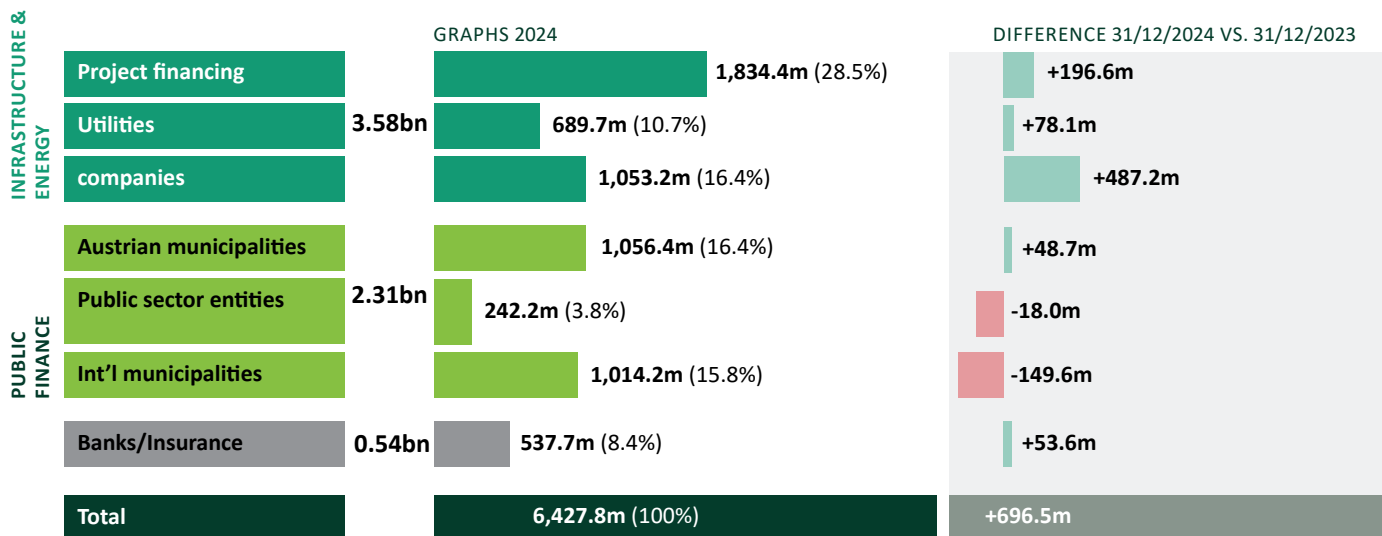
Given the high proportion of investment grade credit ratings and the good degree of portfolio diversification, the portfolio quality is sound. The five events that are classified as non-performing-loans lead to a non-performing loan ratio of 2.8% as of the 31 December 2024 reporting date (31/12/2023: 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.

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 as well as the ECL from the top 15 risk drivers is limited and monitored. In addition, further limitations are defined, which limit the overall exposure with a higher level of risk (for example, IFRS 9 High Risk Exposure, Single-B Exposures). Depending on the risk assessment, reviews are performed at different intervals, but at least once a year.

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

AAA	AAA	546.4m (8.5%)	
	Total	546.4m (8.5%)	
AA	AA+	417.2m (6.5%)	
	AA	501.9m (7.8%)	
	AA-	498.1m (7.7%)	
	Total AA	1,417.2m (22.0%)	
A	A+	216.3m (3.4%)	
	A	252.7m (3.9%)	
	A-	241.2m (3.8%)	
	Total A	710.3m (11.1%)	
BBB	BBB+	37.7m (0.6%)	WITH AN AVERAGE RATING OF <b>BBB+</b>
	BBB	149.0m (2.3%)	
	BBB	864.3m (13.4%)	
	Total BBB	1,050.9m (16.3%)	
BB	BB+	1,016.5m (15.8%)	
	BB	736.1m (11.5%)	
	BB-	618.5m (9.6%)	
	Total BB	2,371.1m (36.9%)	
B	B+	164.4m (2.6%)	
	B	14.0m (0.2%)	
	B-	9.9m (0.2%)	
	Total B	188.3m (2.9%)	
C	CCC+	23.3m (0.4%)	
	CCC	0.0m (0.0%)	
	CCC-	0.0m (0.0%)	
	C total	23.3m (0.4%)	
D *	D1	1.2m (0.0%)	*net figure taking ECA cover into consideration.
	D2	119.1m (1.9%)	
	D Total	120.3m (1.9%)	
Total		6,428m	

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



“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 %

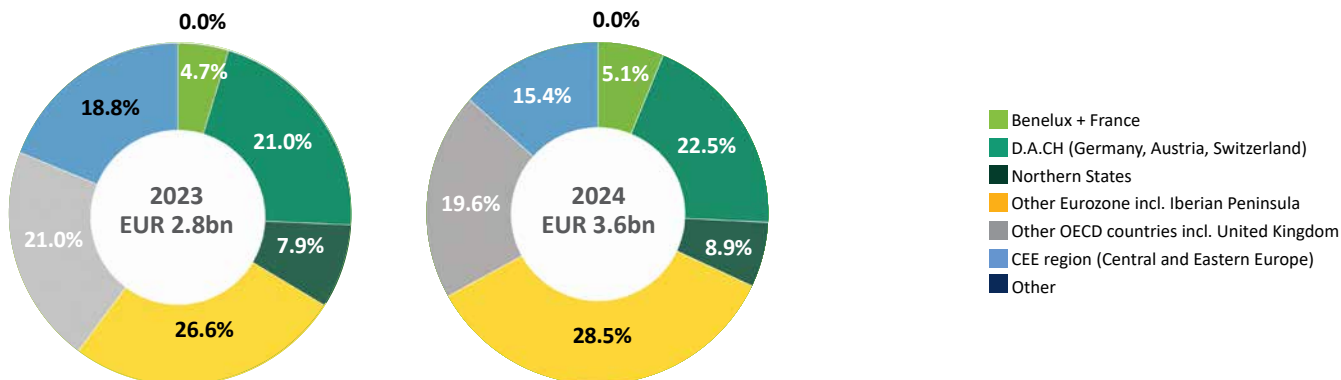
AAA	AAA	743.1m (13.0%)
<b>Total</b>		<b>743.1m (13.0%)</b>
AA	AA+	411.0m (7.2%)
	AA	520.9m (9.1%)
	AA-	497.3m (8.7%)
<b>Total AA</b>		<b>1,429.3m (24.9%)</b>
A	A+	159.8m (2.8%)
	A	241.4m (4.2%)
	A-	245.1m (4.3%)
<b>Total A</b>		<b>646.2m (11.3%)</b>
BBB	BBB+	89.4m (1.6%)
	BBB	247.3m (4.3%)
	BBB-	616.0m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

WITH AN AVERAGE RATING OF **A-**

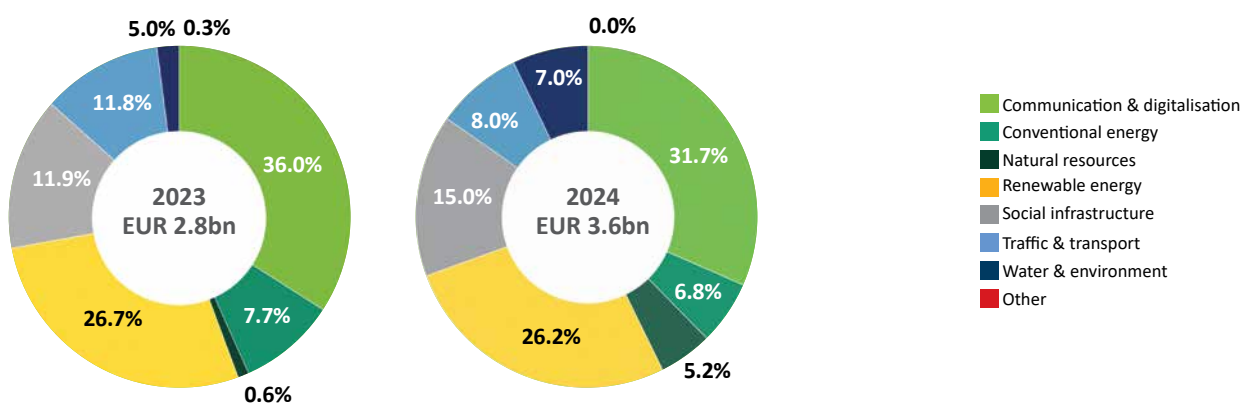
\*net figure taking ECA cover into consideration.



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



#### 65.4.4. 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.



#### 65.4.5. 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.

As of the reporting date of 31. December 2024 the exposure on the watchlist amounted to EUR 135.5m (31/12/2023: EUR 25.8m). 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.

#### 65.4.6. Counterparty default risk from derivatives and securities transactions

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. Kommunalkredit currently has no repurchase transactions.

EARLY WARNING SIGNALS / TRIGGERS					
QUANTITATIVE TRIGGERS			QUALITATIVE TRIGGERS		
<b>ENTERPRISES / UTILITIES<sup>1</sup></b>					
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	
<b>PROJECT FINANCING (SPECIALISED LENDING)</b>					
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	
<b>PUBLIC SECTOR, SOVEREIGN &amp; SUPRANATIONAL ORGANISATIONS</b>					
Internal rating deterioration	Country risk downgrade		External rating report	Press & industry reports	
30 days past due	Credit spread <sup>2</sup>		Ad hoc publicity	Individual analysis	
<b>FINANCIAL INSTITUTIONS</b>					
Internal rating deterioration	Country risk downgrade		External rating report	Press & industry reports	
30 days past due	Credit spread <sup>2</sup>		Ad hoc publicity	Individual analysis	

1 Incl .enterprises with significant public support.

2 If available / publicly listed.

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.

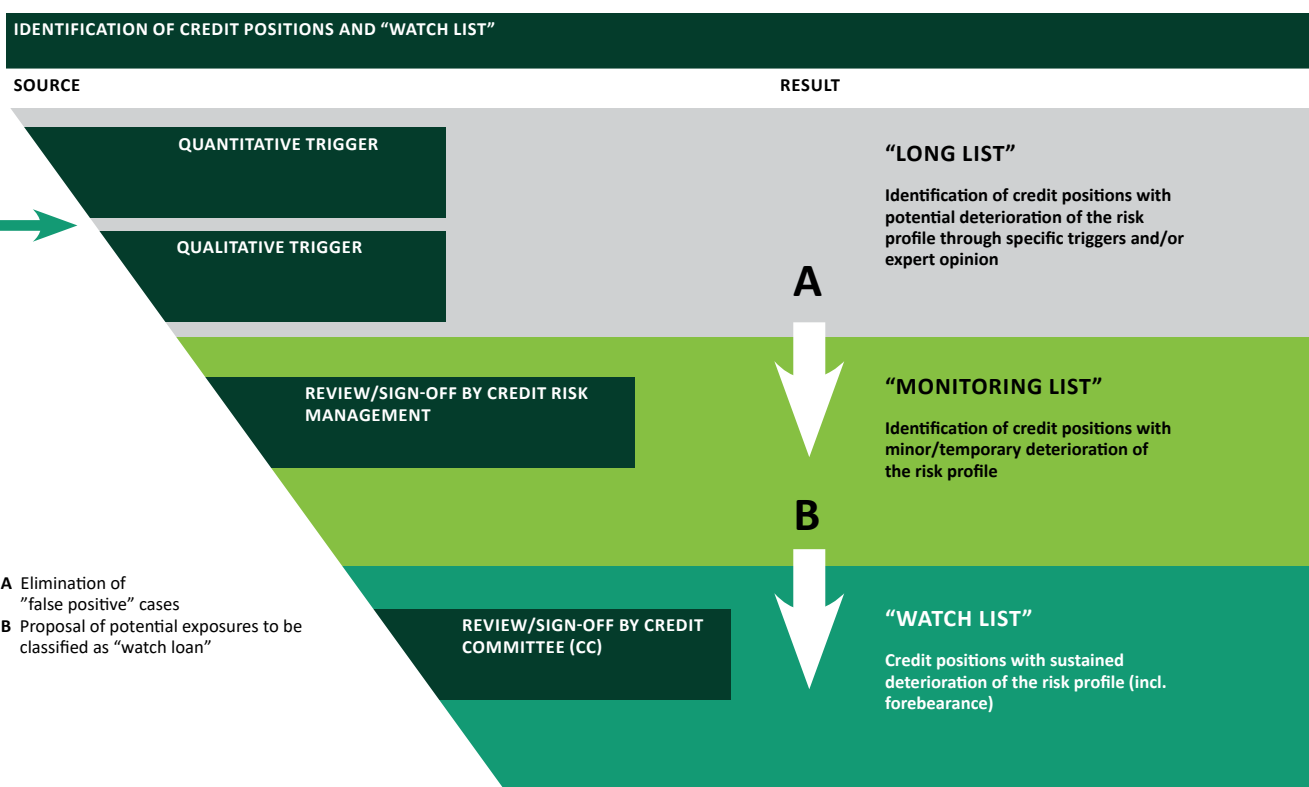
Securities business is cleared mainly on the basis of “delivery against payment” via Euroclear and/or Clearstream.

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.

**65.4.7. Investment risk**

Given the nature of the participations held, the investment risk is of minor importance. The carrying amount of investments in associates (at equity) was 31. December 2024 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).



### 65.5. 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 the aim of guaranteeing cost-effective, 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 liquidity risk strategy, ICS framework, and funding and/or contingency plans.

Central elements of liquidity risk management include the following:





### 65.5.1. 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 as of the reporting date came to 31. December 2024 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/or 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
<b>Total</b>	<b>7,087.9</b>	<b>6,168.3</b>	<b>304.9</b>	<b>293.9</b>	<b>125.2</b>	<b>261.3</b>

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

### 65.5.2. 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 is 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.

### 65.5.3. 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.

### 65.5.4. Management of the operational and structural liquidity risk [elements 4-8]

For the purposes of short-term liquidity steering (<1 year), the management uses 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/or 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
<b>Total</b>	<b>862.5</b>	<b>905.5</b>	<b>456.8</b>	<b>564.8</b>	<b>1,319.4</b>	<b>1,470.3</b>

For the purposes of managing the structural liquidity risk position (>= 1 year), Kommunalkredit analyses the expected capital flows over the entire term of all on- and off-balance sheet transactions. Overhangs from capital inflows and outflows are monitored by maturity range and at the cumulative level and provide the basis for strategic liquidity management.

## 65.6. 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.

### 65.6.1. 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), which 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 of short-term interest by +100 basis points 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 by +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 stands at EUR -4.3m (31/12/2023: EUR -4.9m).

### 65.6.2. 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).

### 65.6.3. 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 -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.

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

#### 65.7. 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 their severity is assessed.

#### 65.6.5. 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 results exclusively from 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.

At Kommunalkredit, the assessments are performed as coached self-assessments; that is, individual risks are assessed and evaluated by the units concerned under the guidance of 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.

1

Risk identification at process group level

2

Risk assessment at process group level

3

Risk consolidation at divisional level

4

Detailed analysis of the top risks at divisional level

5

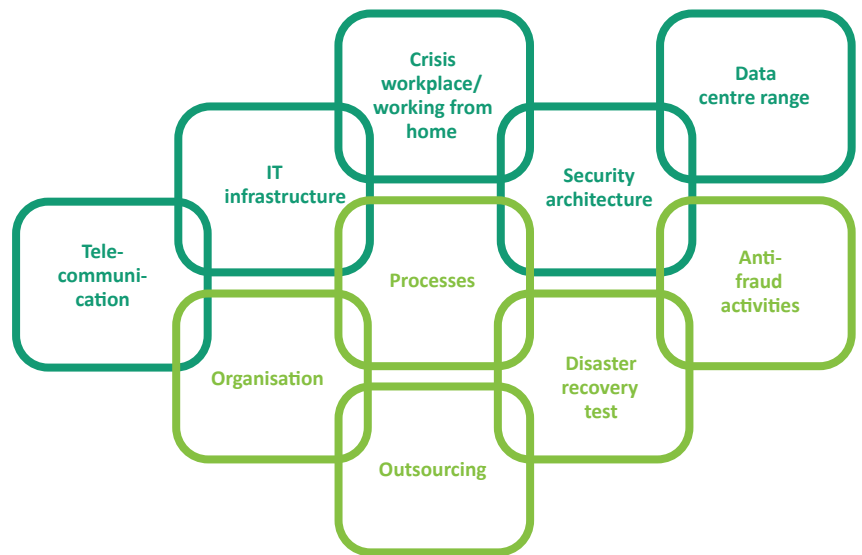
Consolidation of cross-divisional risks at company level

6

Detailed analysis of the top risks at company level

7

Options for risk management



### 65.8. 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.

### 65.9. 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.

### 65.10. 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 \(page 160\)](#)

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.

## 66. STRUCTURED UNITS

The Kommunalkredit Group has holdings in Fidelio KA Infrastructure Debt Fund Europe 1, a non-consolidated structured entity in the form of a closed investment fund. The fund offers institutional investors diversified access to the bank's infrastructure pipeline in the field of European infrastructure and energy financing.

Kommunalkredit exerts influence on the fund in its role as general partner, asset sourcer and asset servicer. As asset sourcer, Kommunalkredit is entitled to propose investments for the fund within the framework of the investment guidelines. An independent investment advisor and an externally appointed, independent investment fund manager subsequently review and make a decision regarding the proposal. Kommunalkredit is under no obligation to take back the assets transferred to the fund (for example, in the case of non-performance). To support the successful market launch of the first fund, Kommunalkredit subscribed shares in the fund itself upon its launch. As of 31. December 2024 the stake held by Kommunalkredit amounted to an insignificant 8,5 % (31/12/2023: 8,5%). Furthermore, in 2024 income from distribution and fees of TEUR 886.7 (1/1-31/12/2023: TEUR 1,065.7) was booked. The shares in the structured unit are recognised as financial instruments in the category "Assets at fair value through profit or loss". As at 31. December 2024 the shares in the structured unit are shown in the consolidated statement of financial position as follows:

CARRYING AMOUNTS in EUR 1,000	31/12/2024	31/12/2023
Assets at fair value through profit or loss	21,168.9	24,287.4

NOMINAL in EUR 1,000	31/12/2024	31/12/2023
Nominal value of shares held by Kommunalkredit	21,921.7	23,216.0

The maximum amount in relation to potential losses on the shares in the structured unit amounts to 31. December 2024 TEUR 21,168.9 (31/12/2023: TEUR 24,287.4).

This represents the current share held by Kommunalkredit in the net asset value (NAV) of the investment fund.

## 67. LEGAL RISKS

Civil legal proceedings between Kommunalkredit Austria AG and a member of the company's Executive Board was dismissed from 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 consolidated financial statements.

## 68. OTHER OBLIGATIONS

### Other obligations

Pursuant to § 2 (3) of the Austrian Deposit Guarantee and Depositor Indemnification Act, Kommunalkredit is obliged to undertake proportional safeguarding of deposits within the framework of the deposit guarantee regime of AUSTRIA Ges.m.b.H., Vienna.

## 69. DATE OF RELEASE FOR PUBLICATION

These consolidated financial statements as well as the separate annual financial statements of Kommunalkredit were signed by the Executive Board on 20 February 2025. Both the Supervisory Board (27 February 2025) and the Annual Shareholders' Meeting (27 February 2025) can make amendments to the separate annual financial statements, which in turn can have an impact on these consolidated financial statements.

## 70. EMPLOYEE DISCLOSURES

The Kommunalkredit Group had 31. December 2024 on average 395 employees (1/1-31/12/2023: 371) including the Executive Board; of them 237(1/1-31/12/2023: 225) were working in banking operations and 158 (1/1-31/12/2023: 146) were working for KPC. Part-time employees are weighted according to the extent of employment.

As of the reporting date 31. December 2024 the Kommunalkredit Group had 410 employees (31/12/2023: 403) including the Executive Board; of them 254 (31/12/2023: 234) were working in banking 155 (31/12/2023: 169) were working for KPC.



## 71. RELATED PARTY DISCLOSURES

### Ownership structure / transactions with owners

NAME OF THE COMPANY	Relationship with Kommunalkredit	Registered office	
Satere Beteiligungsverwaltungs GmbH	Controlling parent	Vienna, Austria, Comp.Reg. no 428981f	99,80% in Kommunalkredit

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 indirectly owned by funds and investment companies managed by Altor Fund Manager AB (80.2%), as well as by Interrita One Sàrl (9.9%) and Trinity Investments Designated Activity Company (9.9%). Other liabilities include TEUR 0.2m to Green Opera Finance Invest AB.

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 in the amount of TEUR 153,636.8 (31/12/2023: TEUR 193,259.3) are held in trust for Trinity in fiduciary funds; there are no transactions as of the reporting date for the related party of Trinity. Through the fiduciary management of these transactions, 2024 fee and commission income in the amount of TEUR 804.1

(1/1-31/12/2023: TEUR 893.4) was generated; 31. December 2024 with open balances in the amount of TEUR 182.8 (31/12/2023: TEUR 214.3), reported under "Other assets".

#### Tax group

With effect from 2016, a tax group pursuant to § 9 of the Austrian Corporate Income Tax Act (KStG) was formed, with Satere as the group parent. Group members include 31. December 2024 Kommunalkredit, die Kommunalkredit Public Consulting GmbH, KA Florestan GmbH and KA Florestan Hydrogen GmbH.

#### Transactions with key management personnel

Key management personnel are people with direct or indirect authority and responsibility for the planning, management and supervision of activities at Kommunalkredit. Kommunalkredit considers the members of the Executive Board and the Supervisory Boards to be key management personnel.

The following table shows the total remuneration earned by members of the Executive Board and the Supervisory Board:

TOTAL REMUNERATION in EUR 1.000	31/12/2024	31/12/2023
Active Executive Board members	5,305.9	4,892.4
Active Supervisory Board members	838.2	282.5
<b>Total</b>	<b>6,144.1</b>	<b>5,174.9</b>

The amounts reported under total remuneration of active Executive Board members consist of amounts falling due on a short-term basis as well as long-term benefits of TEUR 9,068.2 (2023: TEUR 8,957.1) as specified in the remuneration manual (deferrals of variable remuneration) pursuant to § 39b of the Austrian Banking Act.

In the financial year 2024 no payments were made to a pension fund for active Executive Board members as in the previous year.

As of 31. December 2024 as in the previous year, there were no outstanding loans/advances owed to members of the Executive Board or to members of the Supervisory Board, and there were no liabilities with Kommunalkredit for them either. There is a company that holds a capital interest of 25.1% in Fidelio KA Beteiligung GmbH; this company is within the range of influence of a member of the Executive Board of Kommunalkredit and a close relative. Fidelio KA Beteiligung GmbH was established for the purpose of acquiring and holding participating interests, among others in the fields of business of alternative investment funds, asset management and advisory; it holds participating interests in Fidelio KA Investment Advisory GmbH and Fidelio KA Infrastructure Opportunities Fund GB S. à r. l.

**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 staff pension plan and payments into a pension fund:

EXPENSES FOR SEVERANCE PAY AND PENSIONS <small>in EUR 1,000</small>	31/12/2024	31/12/2023
Executive Board members and senior employee	386.5	325.3
Other employees	1,186.2	661.3
<b>Total</b>	<b>1,572.8</b>	<b>986.6</b>
<i>of which recognised in equity (change in provisions due to actuarial gains/losses)</i>	323.3	-240.6
<i>of which recognised in general administrative expenses</i>	-1,896.0	-745.9

**72. 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](http://www.kommunalkredit.at)) under "Investor Relations / Financial Information & Reports".

## 73. 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,  
Appointed by Satere Beteiligungsver-  
waltungsGmbH; Managing Director of  
Satere Beteiligungsverwaltung 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

## AUDITOR'S REPORT

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

#### Audit Opinion

We have audited the consolidated financial statements of

**Kommunalkredit Austria AG,  
Vienna,**

and its subsidiaries ("the Group"), which comprise the consolidated Statement of Financial Position as at 31 December 2024, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, Consolidated Statement of Changes in Equity and Consolidated Statement of Cash Flows for the year then ended, and the Notes to the Consolidated Financial Statements.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2024, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with the Austrian commercial and banking law as well as the International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to Section 245a UGB and Section 59a BWG.

#### 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 Group, 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 consolidated financial statements. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, however, we do not provide a separate opinion thereon.

#### Valuation of loans and advances to customers accounted at amortized cost

The Management Board explains the procedure for recognizing loan loss provisions in the notes to the consolidated financial statements section 8 "Risk provisions".

#### Risk to the Consolidated Financial Statements

The loans and advances to customers valued at amortized cost amount to EUR 2.4bn and are mainly comprised of the segments "Project Finance", "Utilities", "Corporate" and "Public Finance".

The group 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 group 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 group'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.

### **Valuation of loans and advances to customers accounted at fair value**

The Management Board explains the procedure for the calculation of the fair value including financial instruments in the notes to the consolidated financial statements section 11 "Fair value calculation".

### **Risk to the Consolidated Financial Statements**

The loans and advances to customers valued at fair value are shown at the balance sheet positions "Assets at fair value through profit or loss" and "Assets recognized at fair value through other comprehensive income" and an amount of EUR 2.4bn.

The risk for the financial statements is that the valuation of fair values of the loans and advances using valuation parameters that are not observable on the market, such as credit spreads is subject to discretion due to the strong dependence on valuation models and parameter estimates.

### **Our Audit Approach**

We have performed the following audit procedures regarding the fair value valuation with the involvement of our valuation specialists:

- We have assessed the classification process and whether it is suitable to ensure an appropriate classification according to the provisions of IFRS 9. In this regard we also tested key controls with regard to design and implementation by inspecting the control documentation and tested their effectiveness on a sample basis.
- We have further analyzed the processes related to the determination of fair values of loans and assessed whether they are appropriate to determine the fair values appropriately. We also tested key controls with regard to their design and implementation, by inspecting the control documentation, and tested their effectiveness on a sample basis.
- 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.
- On the basis of test cases, we examined loans and advances to customers from different portfolios recognized at fair value to determine whether the calculation parameters and assumptions used in the valuation were appropriately determined and documented in a comprehensible manner. Furthermore, we checked for these test cases whether the calculation of the fair value was mathematically correct.



## Other Information

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

Our opinion on the consolidated 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 consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and additional requirements pursuant to Section 245a UGB and Section 59a BWG and for such internal controls as management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Group'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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the consolidated financial statements, including the notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- 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

### Group Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the consolidated 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 group management reports as applied in Austria.

### Opinion

In our opinion, the group management report is consistent with the consolidated 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 consolidated financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the group 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 consolidated 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 GROUP

#### Consolidated Financial Statements 2024

We hereby **confirm** to the best of our knowledge that the **consolidated 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 Group, that the Management Report presents the development of business, the results and the position of the Group in such a way that it conveys a true and fair view of the assets, the financial position and the income of the Group, and that the Management Report describes the material risks and uncertainties to which the Group 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 sustainability 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 updated 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.

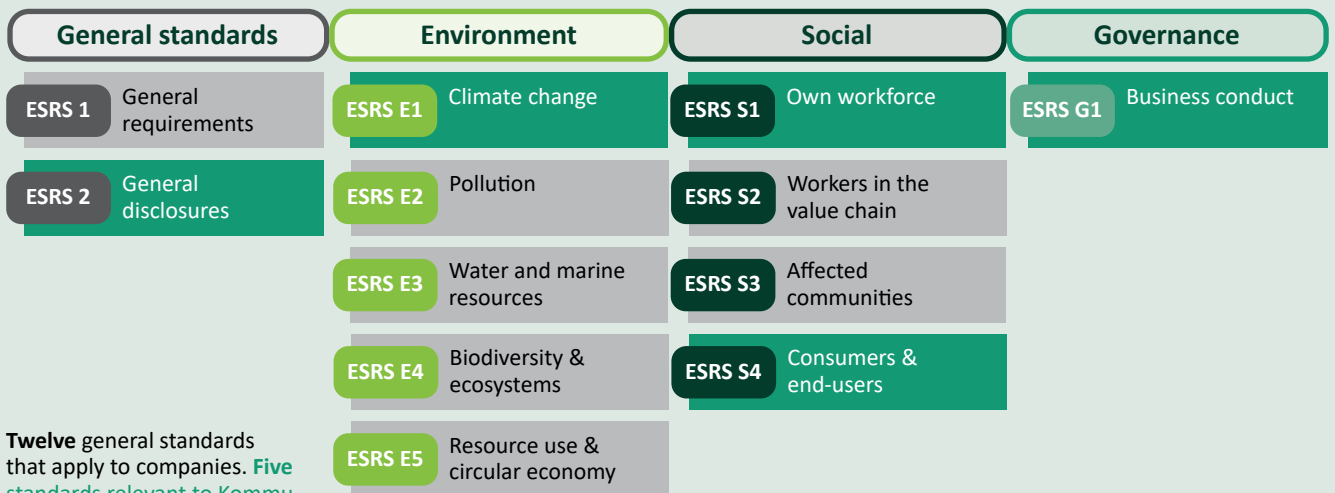
**Ensuring comprehensive sustainability reporting through materiality analysis**

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, Kommalkredit 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
<b>Climate change</b>	<ul style="list-style-type: none"> <li>▪ CO<sub>2</sub> emissions</li> <li>▪ Energy consumption</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sustainability in the spotlight: Financed emissions according to PCAF</li> <li>▪ Sustainability in the spotlight: Operational ecology</li> </ul>
<b>Own workforce</b>	<ul style="list-style-type: none"> <li>▪ Employment</li> <li>▪ Training and education</li> <li>▪ Diversity</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sustainability strategy: 2025 sustainability commitments</li> <li>▪ Sustainability in the spotlight: Employees</li> <li>▪ GRI indicators</li> </ul>
<b>Business conduct</b>	<ul style="list-style-type: none"> <li>▪ Fighting against corruption</li> <li>▪ Human rights</li> <li>▪ Socio-economic compliance</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sustainability framework: Risk management: Sustainability criteria in the lending process</li> <li>▪ Sustainability in the spotlight: Business ethics</li> </ul>
<b>Consumers &amp; end-users</b>	<ul style="list-style-type: none"> <li>▪ Financing</li> <li>▪ Refinancing</li> <li>▪ Sustainable services (KPC)</li> <li>▪ Protecting customer data</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sustainability strategy</li> <li>▪ Sustainability framework</li> <li>▪ Sustainability in the spotlight: Sustainable services</li> <li>▪ Sustainability in the spotlight: Business ethics</li> </ul>



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**.

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

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.

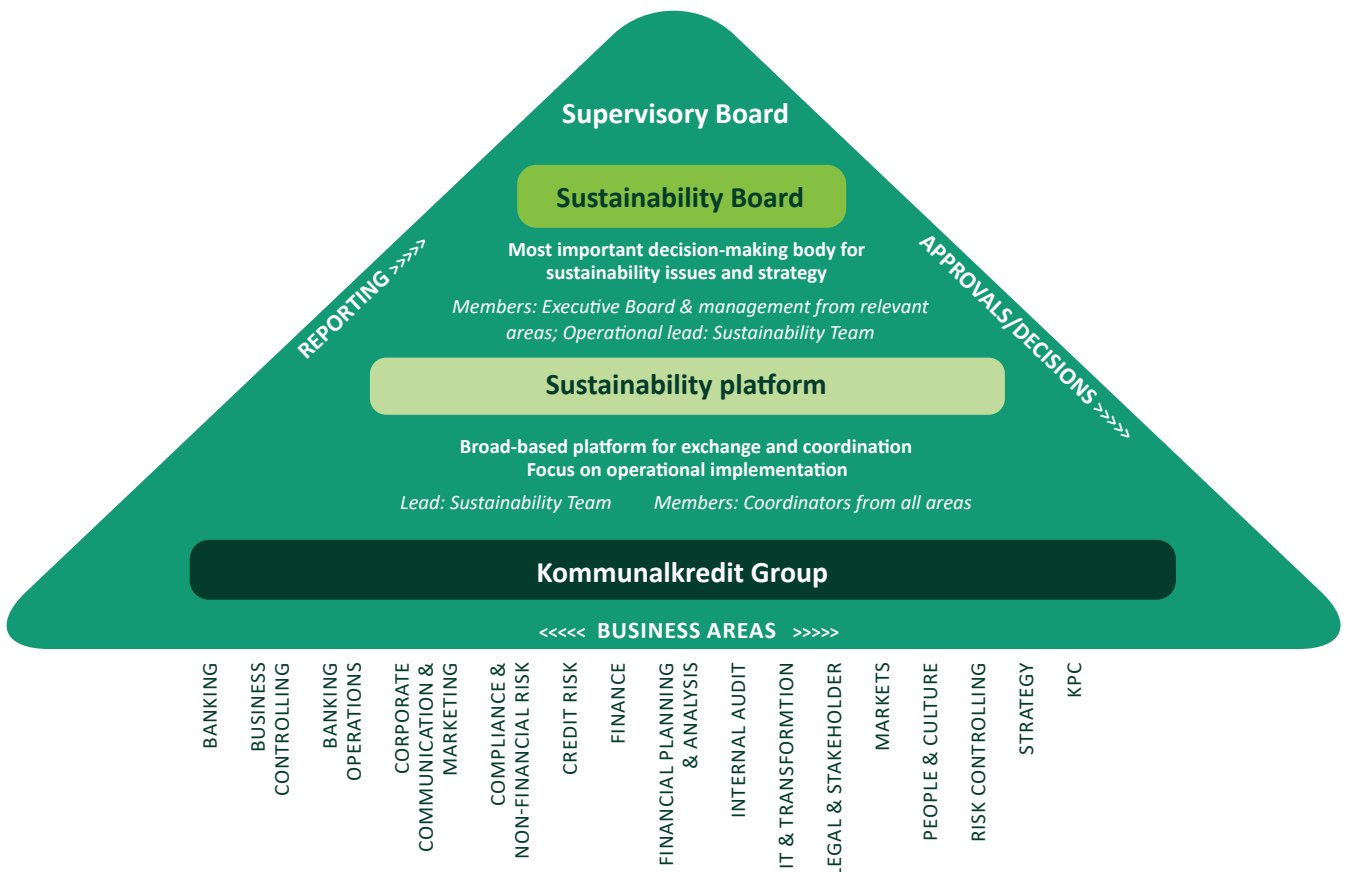
**Sustainability governance**

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 procedure. 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.



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).



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).



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.

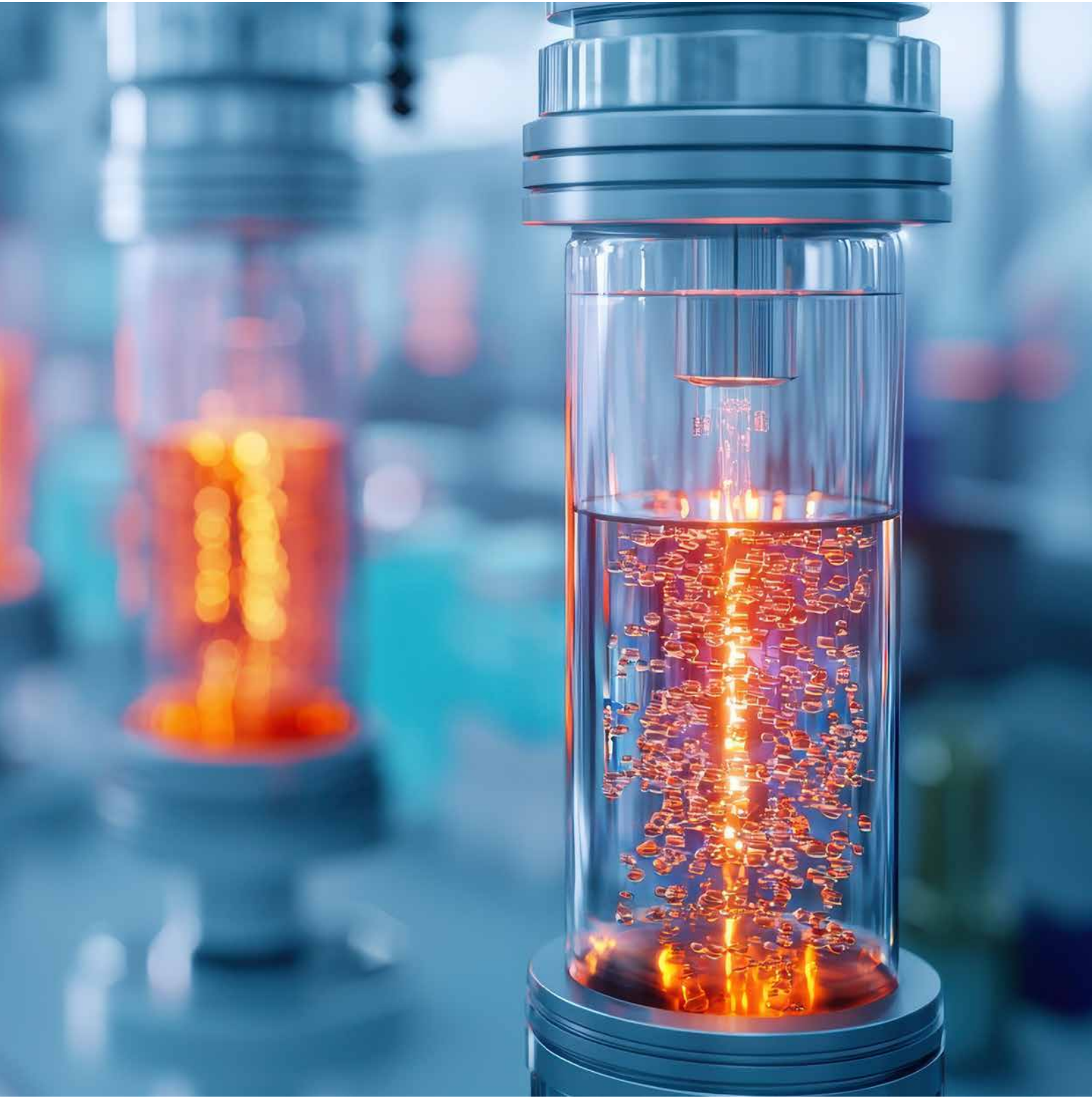
### Covered areas

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 Asset class	Gross carrying amount in EUR m			of which, covered Exposure balance sheet item in %		
	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%
<b>Total</b>	<b>3,904</b>	<b>4,763</b>	<b>5,395</b>	<b>79%</b>	<b>82%</b>	<b>81%</b>





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 <sub>2</sub> e			Intensity scope 1+2 in tCO <sub>2</sub> e/EUR m		
	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
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>2,811</b>	<b>3,465</b>	<b>4,235</b>	<b>1,301,996</b>	<b>664,271</b>	<b>798,828</b>	<b>463</b>	<b>192</b>	<b>189</b>

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 <sub>2</sub> e			Intensity scope 3 in tCO <sub>2</sub> e/EUR m		
	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
<b>Total</b>	<b>5</b>	<b>5</b>	<b>5</b>	<b>2,606</b>	<b>3,368</b>	<b>4,148</b>	<b>215,707</b>	<b>242,205</b>	<b>308,736</b>	<b>83</b>	<b>72</b>	<b>74</b>

\* 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 <sub>2</sub> e		
	2022	2023	2024	2022	2023	2024
	Construction	46	36	34	1,387	1,023
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
	<b>2,811</b>	<b>3,465</b>	<b>4,235</b>	<b>1,301,996</b>	<b>664,271</b>	<b>798,828</b>

### 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<sub>2</sub>e in 2024, showing a decrease compared to 2022 (1,301,996 tCO<sub>2</sub>e) despite increasing exposure to EUR 4,235m. Accordingly, emissions intensity (considering Scope 1 and 2 only) decreased from 463 tCO<sub>2</sub>e/EURm in 2022 to 189 tCO<sub>2</sub>e/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<sub>2</sub>e 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<sub>2</sub>e in 2024 (2023: 101,000 tCO<sub>2</sub>e) 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<sub>2</sub>e/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 <sub>2</sub> e	Financed emissions Scope 1 ** in tCO <sub>2</sub> e	Intensity Scope 1 * in tCO <sub>2</sub> e/EUR m	Intensity Scope 1 ** in tCO <sub>2</sub> e/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 <sub>2</sub> e/EUR m			Financed emissions Scope 3 in tCO <sub>2</sub> e/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
	<b>463</b>	<b>192</b>	<b>189</b>	<b>215,707</b>	<b>242,205</b>	<b>308,736</b>

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<sub>2</sub>. Some land use categories (arable land, grassland, wetlands and settlements) are typically a source of CO<sub>2</sub> 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:

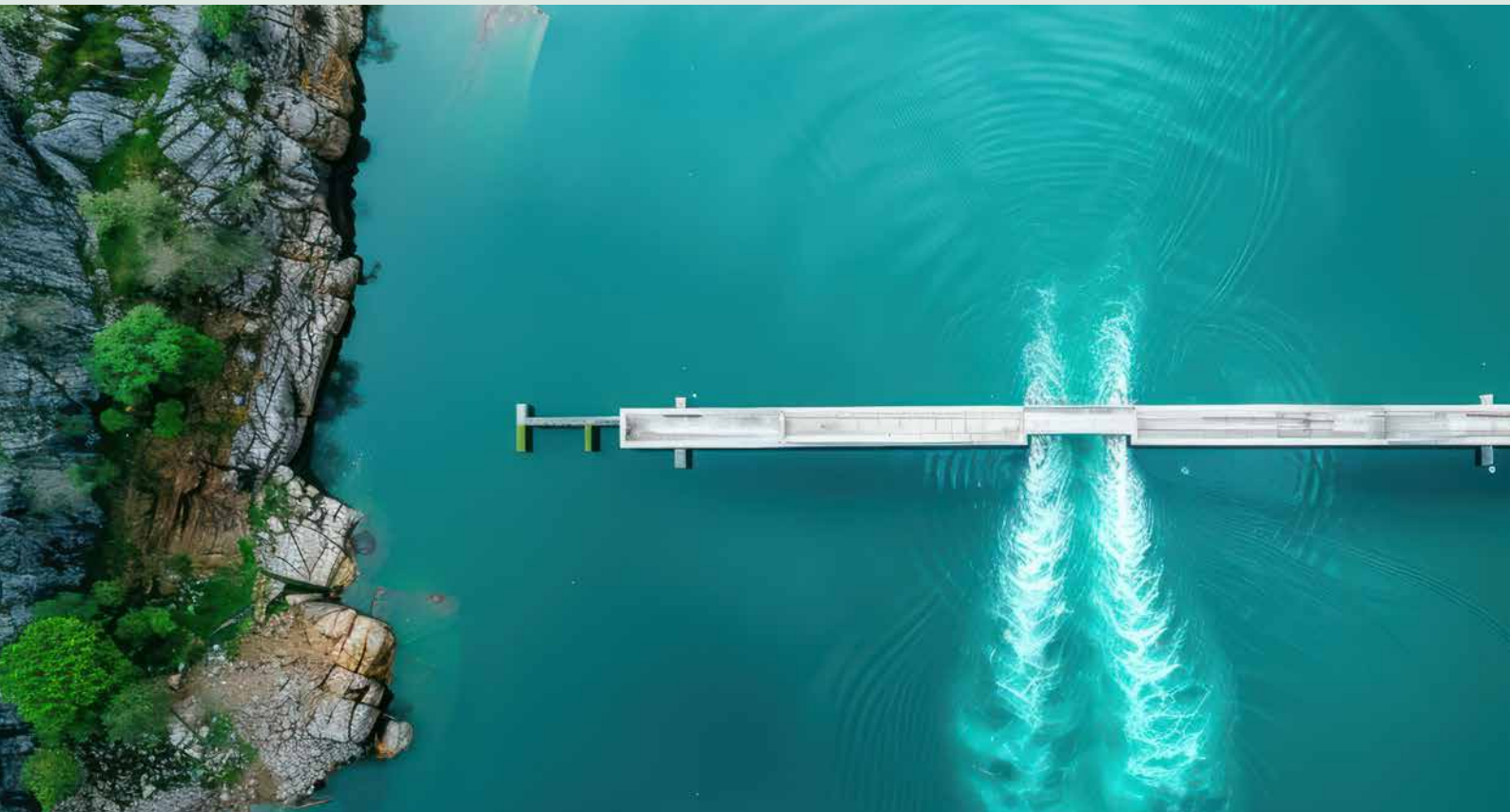
#### Governance and culture

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<sub>2</sub> 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 compiled 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<sub>2</sub>.

### 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<sub>2</sub> 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<sub>2</sub> 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 (WiReG)** 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**

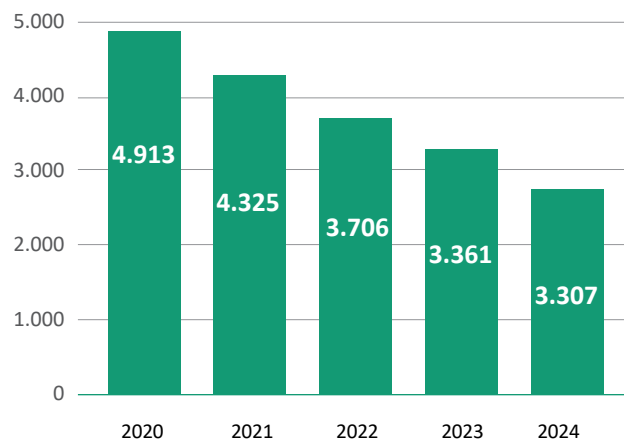
Taking responsibility for the environment has a long tradition at Kommunalkredit. The **EMAS environmental management system** was introduced as early as 1997. The company has been using recycled paper since 1997, exclusively green electricity since 2003 and a pellet heating system between 2005 and 2023. 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 m<sup>2</sup> was 76.1 kWh/m<sup>2</sup>, 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.

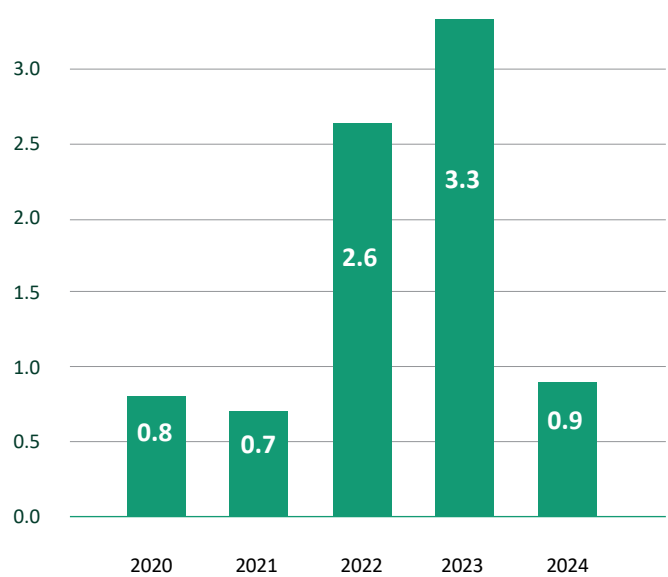
#### Vehicle fleet

Kommunalkredit has not had a vehicle since December 2024. In 2024, the now-sold hybrid vehicle covered a total of 370 kilometres.

### CO<sub>2</sub> 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<sub>2</sub>e (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<sub>2</sub>e in 2024 (2023: 123 tonnes); Scope 2 emissions amounted to 20 tonnes of CO<sub>2</sub>e (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<sub>2</sub>e in 2024 (2023: 1,208 tonnes).

CO<sub>2</sub> emissions per employee in tonnes of CO<sub>2</sub> equivalents



The total CO<sub>2</sub> 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<sub>2</sub> 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) <sup>1</sup>		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 <sup>2</sup>	7,722	7,722	7,722	7,722	0.0%
Office space used per employee	m <sup>2</sup> /employee	23.6	20.6	19.1	17.8	-6.8%
<b>Energy consumption</b>						
<b>Total energy consumption</b>	<b>kWh</b>	<b>1,414,196</b>	<b>1,389,730</b>	<b>1,361,010</b>	<b>1,435,105</b>	<b>5.4%</b>
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 <sup>2</sup>	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 <sup>3</sup>	kWh	2,500	2,597	2,646	2,009	-24.1%
Biomass consumption (pellets) <sup>2</sup>	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) <sup>2</sup>	kWh	0	0	0	605,530	100.0%
<b>Total heating energy consumption</b>	<b>kWh</b>	<b>828,237</b>	<b>794,516</b>	<b>720,477</b>	<b>814,384</b>	<b>13.0%</b>
Heating energy consumption (per m <sup>2</sup> )	kWh/m <sup>2</sup>	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%
<b>Water and paper</b>						
<b>Water consumption in m<sup>3</sup> <sup>4</sup></b>	<b>m<sup>3</sup></b>	<b>2,773</b>	<b>2,586</b>	<b>2,878</b>	<b>2,885</b>	<b>0.2%</b>
Water consumption in litres per employee and day	l/employee/ day	34	28	28	26	-8.5%
<b>Paper consumption (in kg)</b>	<b>kg</b>	<b>2,500</b>	<b>1,123</b>	<b>2,000</b>	<b>1,050</b>	<b>-47.5%</b>
Paper consumption (in kg) per employee	kg/employee	8	3	5	2	-59.5%
Paper consumption (in kg) per employee and day	kg/em- ployee/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%
<b>Transport</b>						
<b>Total business travel</b>	<b>km</b>	<b>156,217</b>	<b>835,329</b>	<b>1,210,152</b>	<b>921,753</b>	<b>-23.8%</b>
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%
<b>CO<sub>2</sub> emissions<sup>5</sup></b>						
<b>CO<sub>2</sub> emissions caused by business activities</b>	<b>t</b>	<b>235</b>	<b>969</b>	<b>1,340</b>	<b>405</b>	<b>-69.8%</b>
Scope 1 (direct emissions)	t	139	139	123	52	-57.7%
<i>thereof fossil emissions</i>	t	134	134	118	52	-55.9%
<i>thereof biogenic emissions</i>	t	5.0	4.6	4.0	0.0	-100.0%
Scope 2 (green electricity market-based) <sup>6</sup>	t	0.0	0.0	9.0	20.0	122.2%
Scope 2 (electricity location-based) <sup>6</sup>	t	134	136	144	136	-5.6%
Scope 3 (business travel) <sup>7</sup>	t	96	831	1,208	333	-72.4%
CO <sub>2</sub> emissions caused by business activities per employee	t/employee	0.7	2.6	3.3	0.9	-71.8%
<b>Waste<sup>8</sup></b>						
<b>Total annual waste volume</b>	<b>kg</b>	<b>30,029</b>	<b>29,892</b>	<b>31,147</b>	<b>32,907</b>	<b>5.7%</b>
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<sub>2</sub>e). 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
<b>Number of employees</b>					
Employees including Executive Board and those on leave – as of 31 December		337	389	416	447
<i>thereof women</i>		147 (44%)	167 (43%)	185 (44%)	203 (45%)
<i>thereof employees aged under 30</i>		54 (16%)	52 (13%)	63 (15%)	70 (16%)
<i>thereof employees aged 30–50</i>		215 (63,8%)	238 (61%)	249 (60%)	261 (58%)
<i>thereof employees aged over 50</i>		68 (20,2%)	99 (26%)	104 (25%)	116 (26%)
Executive Board		3	3	2	3
<i>thereof women</i>		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
<b>Full-time/part-time split</b>					
Part-time employees		86 (26%)	76 (20%)	78 (19%)	86 (19%)
<i>thereof women</i>		65	52	54	58
<i>thereof part-time employees aged under 30</i>		10	11	8	8
<i>thereof part-time employees aged 30–50</i>		54	44	50	52
<i>thereof part-time employees aged over 50</i>		22	21	20	26
Full-time employees		251	313	338	361
<i>thereof women</i>		82	115	131	145
<i>thereof full-time employees aged under 30</i>		44	41	55	62
<i>thereof full-time employees aged 30–50</i>		161	194	199	209
<i>thereof full-time employees aged over 50</i>		46	78	84	90
<b>Average age structure</b>					
Age (in years)		42	41	40	41
Length of service (in years)		8	5	5	5
<b>Employees with a university degree</b>					
In total in relation to the number of employees (including Executive Board and employees on leave)		224 (66%)	256 (66%)	259 (62%)	277 (62%)
<i>thereof women with a university degree</i>		84 (38%)	96 (38%)	111 (43%)	121 (44%)
<b>Management positions<sup>1</sup></b>					
Employees in management positions		55	61	61	72
<i>thereof employees aged under 30</i>		4	1	0	0
<i>thereof employees aged 30–50</i>		34	36	32	37
<i>thereof employees aged over 50</i>		17	24	29	35
Full-time employees in management positions		50	57	56	64
<i>thereof women</i>		13	15	16	18
Part-time employees in management positions		5	4	5	8
<i>thereof women</i>		5	4	5	7
Total number of women in management positions <sup>1, 2</sup>		18 (33%)	19 (31%)	21 (34%)	25 (34.2%)
<b>Staff turnover</b>					
Total staff turnover		49 (16,9%)	73 (19%)	89 (22%)	56 (13%)
<i>thereof women</i>		19 (6%)	36 (9%)	42 (10%)	23 (12%)
<i>thereof employees aged under 30</i>		4 (7%)	13 (18%)	23 (26%)	12 (18%)
<i>thereof employees aged 30–50</i>		36 (74%)	46 (63%)	37 (42%)	32 (13%)
<i>thereof employees aged over 50</i>		10 (19%)	14 (19%)	29 (33%)	12 (11%)

Definition	Unit	2021	2022	2023	2024
<b>Annual total compensation ratio</b>					
Annual total compensation ratio <sup>3</sup>		n/a	9%	1.87%	2.39%
<b>Employees on leave</b>					
Employees on leave – as of 31 December <sup>4</sup>		14	12	11	13
<i>thereof women</i>		11	9	8	9
Total number of employees on parental leave		n/a	16	8	6
<i>thereof women</i>		n/a	9	8	6
Employees that returned to work after parental leave ended <sup>5</sup>		100%	100%	100%	100%
Total number of employees who came back from parental leave		15	7	11	7
<i>thereof women</i>		7	3	7	5
Rates of retention of employees after parental leave <sup>6</sup>		100%	100%	86%	100%
Total number of employees that remained with the company after parental leave ended <sup>5</sup>		7	10	6	9
<i>thereof women</i>		4	7	3	6
Number of employees entitled to parental leave		19	17	17	23
<i>thereof women</i>		11	10	10	13
<b>New hires</b>					
New hires last year		90 (27%)	111 (29%)	117 (29%)	97 (22%)
<i>thereof women</i>		32 (36%)	46 (41%)	60 (51%)	44 (45%)
<i>thereof employees aged under 30</i>		35 (39%)	24 (21%)	30 (26%)	35 (36%)
<i>thereof employees aged 30–50</i>		46 (51%)	74 (67%)	33 (28%)	51 (53%)
<i>thereof employees aged over 50</i>		9 (10%)	13 (12%)	54 (46%)	11 (11%)
<b>Training and education<sup>7</sup></b>					
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
<i>thereof completed by women<sup>8</sup></i>	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
<b>Sick days</b>					
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
<b>Supervisory Board members KA and KPC<sup>9</sup></b>					
Number of members		12	14	14	14
<i>thereof women</i>		1 (8,3%)	3 (21,4%)	1 (7,1%)	1 (7,1%)
<i>thereof Supervisory Board members aged under 30</i>		0	1 (7,1%)	1 (7,1%)	0 (0%)
<i>thereof Supervisory Board members aged 30–50</i>		3 (25%)	5 (35,7%)	7 (50,0%)	6 (42,9%)
<i>thereof Supervisory Board members aged over 50</i>		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
<b>General Disclosures</b>				
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: <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf</a>	
	2-10 Nomination and selection of the highest governance body		Corporate Governance Handbook: <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf</a>	
	2-11 Chair of the highest governance body		Corporate Governance Handbook: <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf</a>	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: <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf</a> , 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: <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf</a>	
	2-18 Evaluation of the performance of the highest governance body		Chapter Sustainability strategy   2025 sustainability commitments, Corporate Governance Handbook: <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Report-EN.pdf</a>	
	2-19 Remuneration policies		Disclosure reports: <a href="https://www.kommunalkredit.at/en/investor-relations/reports">https://www.kommunalkredit.at/en/investor-relations/reports</a>	
	2-20 Process to determine remuneration		Corporate Governance Handbook: <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Handbook-EN.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Handbook-EN.pdf</a>	
	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.
<b>Material topics</b>				
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	
<b>Sustainable Finance</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability Framework   Sustainable finance <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Handbook-EN.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Corporate-Governance-Handbook-EN.pdf</a>	
<b>Financing</b>				
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	
<b>Refinancing</b>				
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.
<b>Sustainable services</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability in the spotlight   Sustainable services	
<b>Consultancy services</b>				
Kommunalkredit indicator	Total subsidies processed		Chapter Sustainability in the spotlight   Sustainable services	
<b>Business Ethics</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Chapter Sustainability in the spotlight   Business ethics, Code of Conduct: <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Footer/KYC/Kommunalkredit-Code-of-Conduct-EN.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Footer/KYC/Kommunalkredit-Code-of-Conduct-EN.pdf</a>	
<b>Fighting against corruption</b>				
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	
<b>Protecting customer data</b>				
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.
<b>Human rights</b>				
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
<b>Employees</b>				
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 <a href="https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Kommunalkredit-Diversity-Policy.pdf">https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Wer-wir-sind/Governance/Kommunalkredit-Diversity-Policy.pdf</a>	
<b>Employment</b>				
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	
<b>Training and education</b>				
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.
<b>Diversity</b>				
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.
<b>Operational ecology</b>				
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
<b>Emissions</b>				
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.
<b>Socioeconomic compliance</b>				
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 engagement”), 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 voluntary 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)

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## 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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