

# THERE FROM THE BEGINNING.

Half Year Financial Report  
Kommunalkredit Group 2024

KOMMUNAL  
KREDIT

# Kommunalkredit at a glance

SELECTED PERFORMANCE INDICATORS <small>in EUR m or %</small>	IFRS				Austrian GAAP			
	H1 2021	H1 2022	H1 2023	H1 2024	H 1 2021	H1 2022	H1 2023	H1 2024
Operating result	22.8	39.5	51.6	61.5	18.8	33.0	50.9	62.9
Profit for the period before tax	26.0	52.1	55.3	62.3	20.3	53.0	50.6	63.5
Profit for the period after tax	18.6	39.1	41.7	47.1	20.0	45.6	36.9	48.2
Cost/income ratio*	n.a.	41.8%	42.0%	39.0%	55.9%	46.1%	41.9%	37.6%
Return on equity before tax**	15.4%	30.3%	27.5%	24.8%	11.8%	30.2%	23.5%	23.9%
Return on equity after tax**	11.0%	22.7%	20.8%	18.7%	11.6%	26.0%	17.1%	18.2%
Tier 1 ratio	n.a.	n.a.	n.a.	n.a.	21.7%	17.3%	17.4%	17.3%

\* IFRS: Result from subsidiary KPC (cost plus model) netted in cost/income ratio calculation to provide fair view on efficiency.

\*\* Return on Equity = Annualised Profit/CET 1 as of 1.1.

New business

EUR 

> 1bn

Volume from infrastructure and energy finance

 27

nationalities as a sign of diversity with over 400 employees

EUR

> 60m

Operating result +19%



BBB

S&P rating upgrade 3/2024



EUR 47m

Profit after tax +13%

EUR

90m

Net interest income + 10%

All figures – unless otherwise stated – reported under IFRS.

**„Our formula for success H1 2024:  
Market-leading RoE of 19% with > 20%  
increased CET1 base, through targeted use of  
EUR 100m additional capital (retained earnings  
2023) with focus on attractive risk/return  
parameters.”**

**BB**

MSCI ESG risk rating  
upgrade 3/2024



**19%**

RoE after tax

**39%**

Cost/income ratio



EUR  
**400m**

Successful bond  
emission in H1/2024



**Commitment to  
the environment**

Joined the Partnership for Carbon  
Accounting Financials Initiative



**Take a look.**

**„Together we have the strength  
and the chance to actively contribute  
to the energy transition, create  
positive impact and live up to our  
socio-political responsibility.”**

# THERE FROM THE BEGINNING.

Half Year Financial Report 2024  
of Kommunalkredit Group

**KOMMUNALKREDIT. Nothing else.**

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# THERE FROM THE BEGINNING.

**We enable infrastructure.** We combine industry expertise and structuring know-how with the financing capabilities of a bank. We are on hand to support our customers from the beginning: from advice on project preparation and development to structuring, arranging and financing, all the way through to successful implementation.

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# Infrastructure

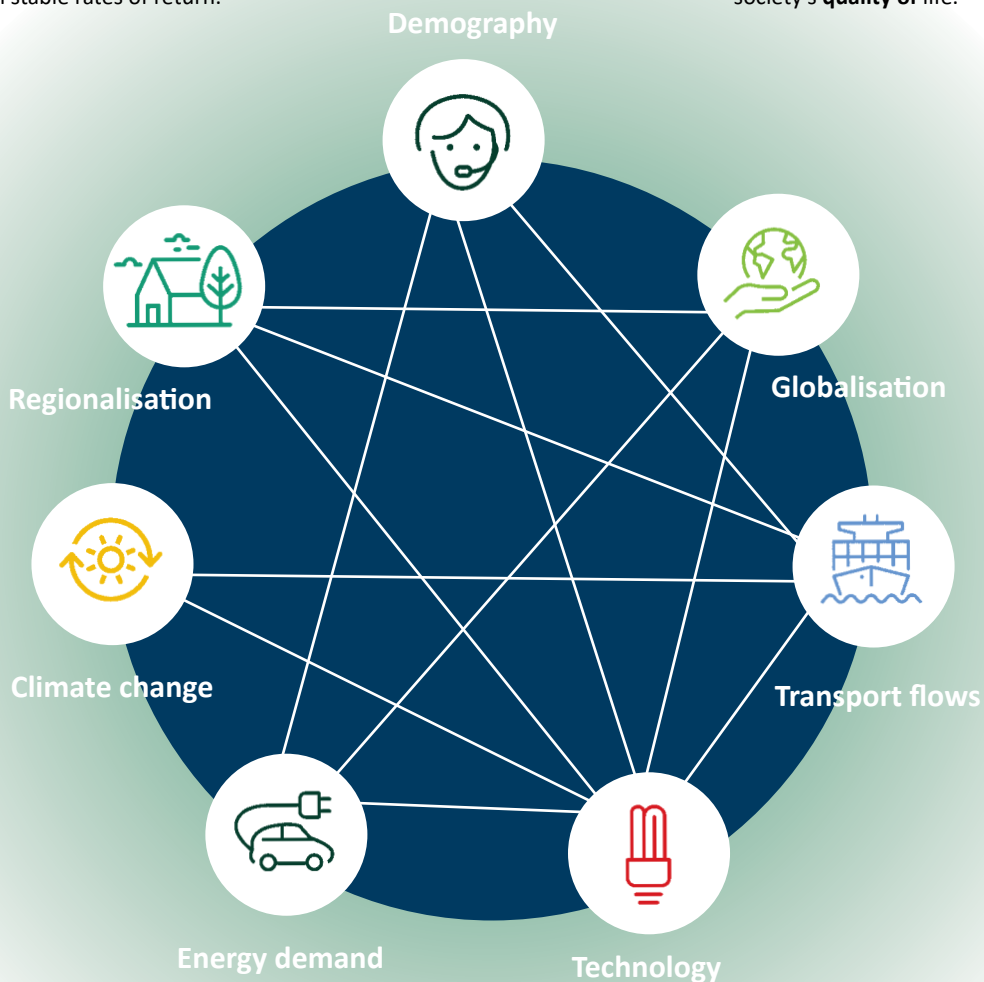
Infrastructure is, by its very nature, essential to the efficient functioning of society. Its quality has a significant impact on economic growth at local, regional, national and global levels. Megatrends such as digitalisation, decarbonisation, e-mobility and sustainable investments for an ageing population, as well as additional challenges – health crises, geopolitical tensions and the necessity for change in climate policy – increase the need for infrastructure.

### Infrastructure is attractive.

Infrastructure investments are extremely popular. They increasingly represent alternative and **responsible investment options**. They are now a separate, attractive asset class with stable rates of return.

### Infrastructure is essential.

Efficient and high-quality infrastructure has a key influence on **economic growth**. It is absolutely crucial for social and economic **wealth** and sustainably increases a society's **quality of life**.



### Infrastructure is crisis-proof.

Infrastructure and energy financing is a **stable** investment, with **recovery rates** that are largely independent of economic trends and a low default risk. The focus is increasingly on telecommunications and renewable energies.

### Infrastructure is sustainable.

Climate change increases the need for sustainable **energy solutions**. Infrastructure relating to utilities, transport and social facilities must be modernised and implemented, in order to offer adequate living conditions and **prevent crises**.



# Expertise

State-of-the-art, efficient and – most importantly – secure infrastructure is the foundation of every society. Financing has continued to evolve in recent years. We are witnessing a shift from conventional public-sector budget financing to private investment and public-private partnerships. These interests need to be bundled so as to achieve sustainable and innovative infrastructure project implementation.

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

The bank is a strong and agile partner for businesses, innovators and the public sector when it comes to implementing economically sustainable projects in a profitable manner.

## Our vision

We will become the most agile and innovative infrastructure bank in Europe, helping our clients to create a better world.

## Our strategy

We are on hand to support our customers every step of the way – from advice and planning to financing, arranging collaborations, development and production. **We are there from the beginning.**



## Our mission

We are always first when it comes to delivering outstanding results with speed and precision. We take “always first” as an obligation to get better every day.

## Benefit to the community

- We help to create a better world by enabling the development of sustainable infrastructure that improves the quality of people’s lives.
- We see infrastructure investments as a powerful tool for responding to social needs and fundamentally increasing the general well-being of communities.
- We provide tangible benefits to the population at large: Economic dynamism | Urban development and renewal | Strengthening rural areas | Job creation | Social cohesion | Climate protection measures.
- We focus on providing a secure, stable and sustainable yield to our investors.

# Building bridges

**Kommunalkredit’s business model is associated with an attractive risk/reward profile due to its solid design. The bank is a partner for both corporate and financial sponsors active in the construction, acquisition and/or operation of infrastructure and energy projects, and is on hand to assist the public sector when it comes to providing advice and financing investments in the field of public finance.**

## Our focus

We help to tackle key challenges such as economic growth, regional development, job creation, social cohesion and climate protection. We enable the implementation and operation of infrastructure assets by matching the financing needs of project sponsors and developers with the growing number of investors seeking **sustainable investment opportunities** (such as insurance companies, pension funds and asset managers). We have strong relationships with international clients and investors as well as local authorities.

We offer **customised finance solutions** across the whole capital structure – from debt and subordinated capital, mezzanine or bridge financing to equity funding. We provide an extensive range of products, from public finance to a wide variety of financing types in the infrastructure and energy sectors such as financial advisory, corporate finance, acquisition & leverage finance, export financing and project financing, as well as asset management through our Fidelio KA Infrastructure Debt platform and equity financing for project development through our Florestan KA GmbH.




**Energy & Environment**

- Energy supply & distribution
- Renewable energy
- Water supply & distribution
- Waste management & disposal



**Communication & Digitalisation**

- Broadband
- Fibre optic
- Data centres




**Transport**

- Roads, bridges, tunnels
- Airports, ports, waterways
- Rail/public transport, rolling stock



**Social Infrastructure**

- Nurseries, schools, universities
- Hospitals, care homes
- Court buildings and correction facilities
- Administrative buildings



**Natural Resources**

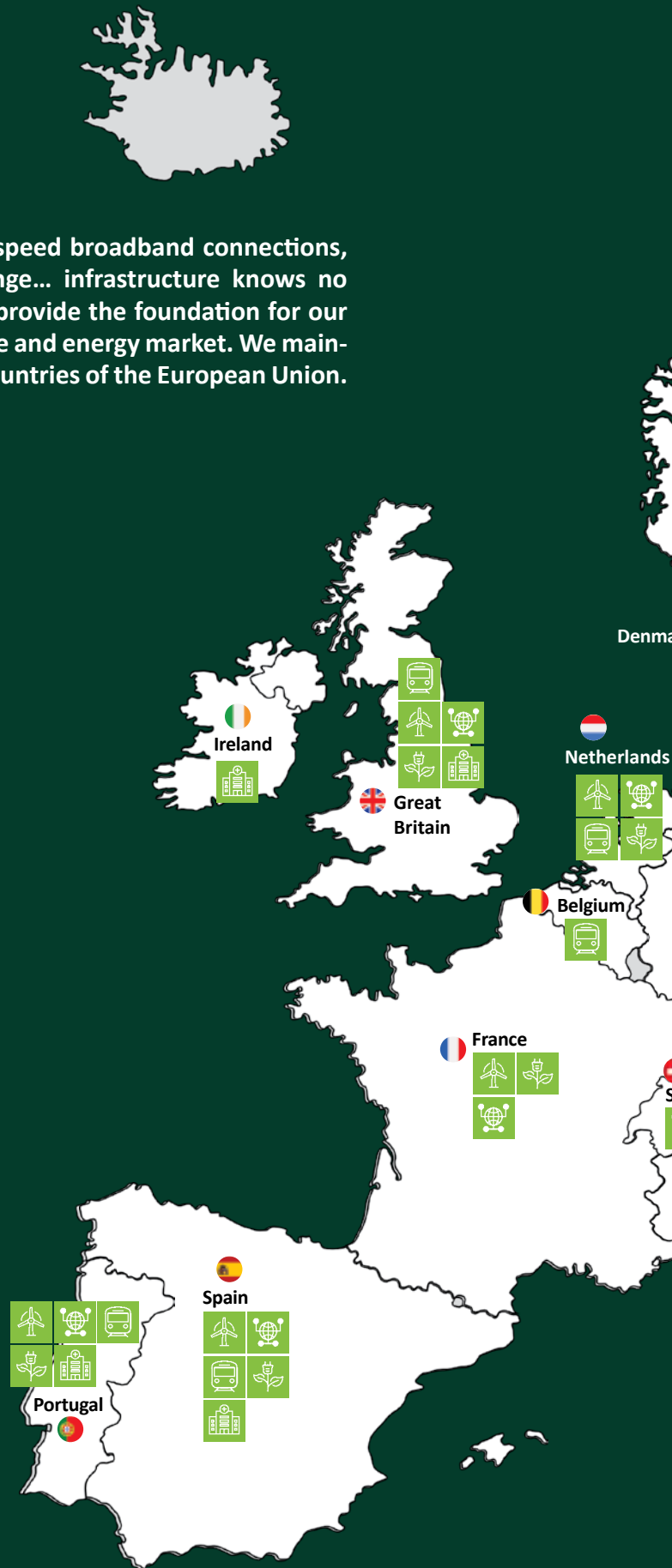
- Hydrogen
- LNG terminals
- Pipelines
- Energy storage



# Our markets

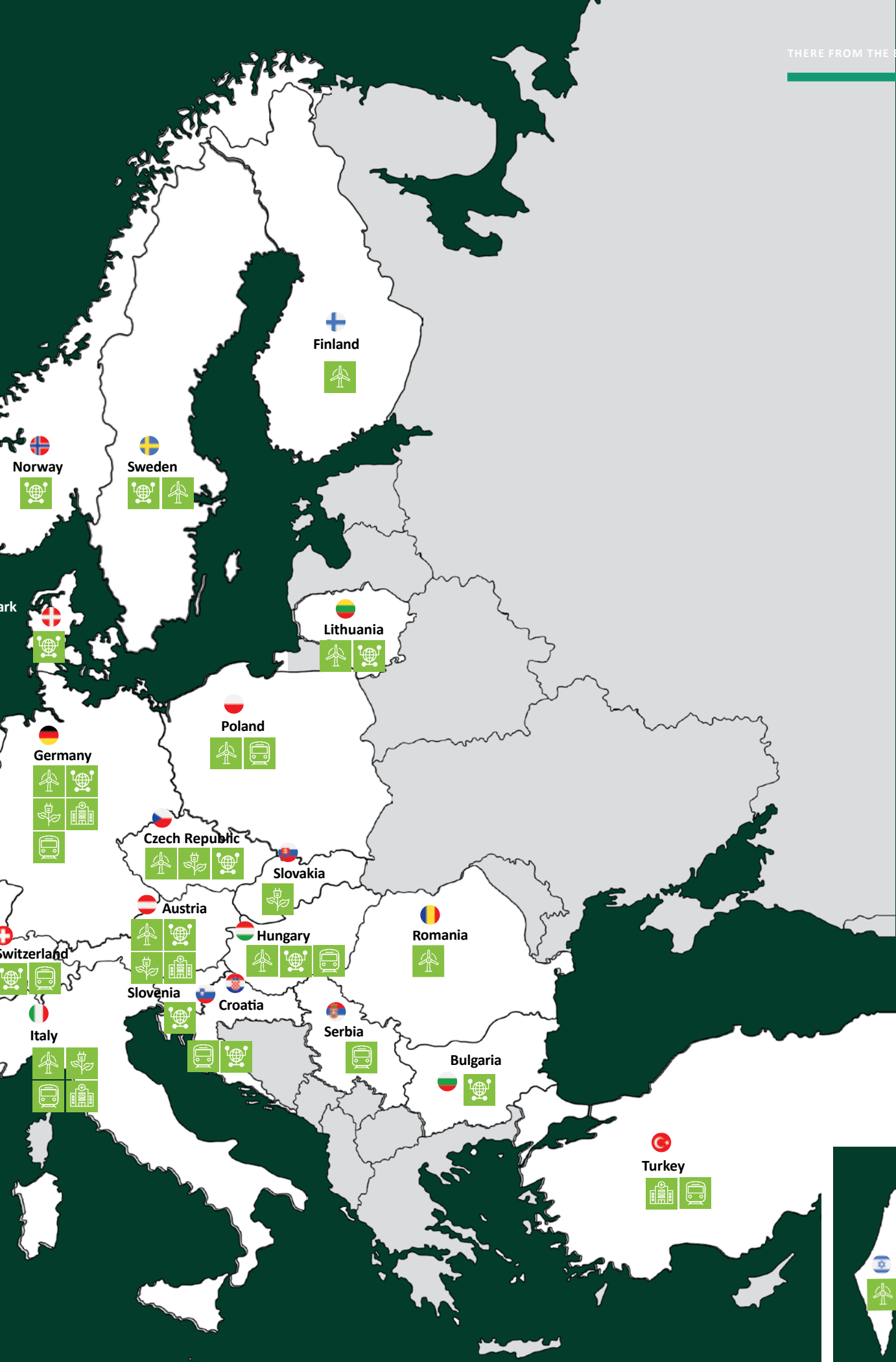
Whether it's supplying sustainable energy, high-speed broadband connections, vital transport routes or steps for climate change... infrastructure knows no bounds. Successful projects in our core markets provide the foundation for our dedicated approach in the European infrastructure and energy market.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

-  Energy & Environment
-  Communication & Digitalisation
-  Transport
-  Social Infrastructure
-  Natural Resources



 <p>Ghana*</p>	 <p>Ivory Coast*</p>	 <p>Angola*</p>	 <p>Egypt*</p>
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\* Selected structured export financings in Africa, collateralised by an export credit agency (ECA).



Israel

# Creating a better everyday life

We connect people: in schools and universities, in hospitals and support institutions, in railway stations and on roads. We help to ensure that renewable energies are available to use in as many areas as possible. We provide benefit to the community.



... connect over  
**33.5 million**  
people with one another through telecommunications technology.

Our services allow us to...



... contribute to the education of around  
**4,100**  
students.



... equip  
**256,000**  
households with efficient heating and cooling energy systems.



... support infrastructure development, financing over  
**640 km**  
of roads.



... develop the refuelling infrastructure for electromobility with around  
**28,000**  
charging stations.



... enable transport solutions for **27 million** passengers per year.



... create support institutions for around **207,000** patients.



... create accommodation for more than **8,900** elderly and disabled people.



... enable around **5.2 million** households to use renewable energy each year.



... contribute to eliminating **4.1 million** tonnes of waste per year.



... supply drinking water to **17 million** people.





# MANAGEMENT REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

We invest in infrastructure. The financing of infrastructure projects has changed significantly in recent years. We are seizing the opportunity to shape this change for the better.

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# Economic environment

**The (geo)political and macroeconomic environment remained as challenging as ever in the first half of 2024, with continued high interest rates significantly impairing the absolute volumes of the market, especially in the area of refinancing.**

The European infrastructure sector (including the United Kingdom), which is primarily relevant for Kommunalkredit, was impressive in proving the resilience that was frequently ascribed to it in the first half of 2024 with a consistently high transaction volume of EUR 130 billion (H1 2023: EUR 131 billion). Unlike corporate financing, the market for infrastructure and energy financing features stable recovery rates that are largely independent of economic cycles, including a low default risk. Infrastructure is considered an alternative and safe investment. But what does this look like in turbulent times?

## Surprising economic growth

Growth in the USA and in Europe was surprisingly positive at the start of the year – though for different reasons. Domestic demand remained strong in the USA and the economy reached full employment. New jobs were also created at impressive speed. However, net exports were a drag on GDP growth. In contrast, the eurozone also reported surprisingly good growth in the first quarter, but this was attributable exclusively to net exports. Domestic demand in Europe stagnated largely at the level seen at the end of 2019.

The **USA** benefited from the repercussions of the commodity price shock of 2022, huge fiscal incentives, a greater geographical distance from the war in Ukraine and its flexible economy, which easily coped with the challenges. This contrasted with **Europe**, where sentiment was depressed by lower fiscal incentives, the proximity to the Russian war of aggression and Putin's repeated threats as well as the lower flexibility of the European economy. Despite all this, the USA and Europe delivered practically identical monetary policy responses in 2022 and 2023.

US inflation declined less than expected in the first half of the year, as the strong supply-side response in 2023 appeared to wane. This made it increasingly difficult to gauge the further intentions of the **Federal Reserve (Fed)**. On the whole, European inflation followed the predicted decline – with the usual fluctuations due to base effects. This led the **European Central Bank (ECB)** to lower interest rates in June, while the Fed kept its key rates constant.

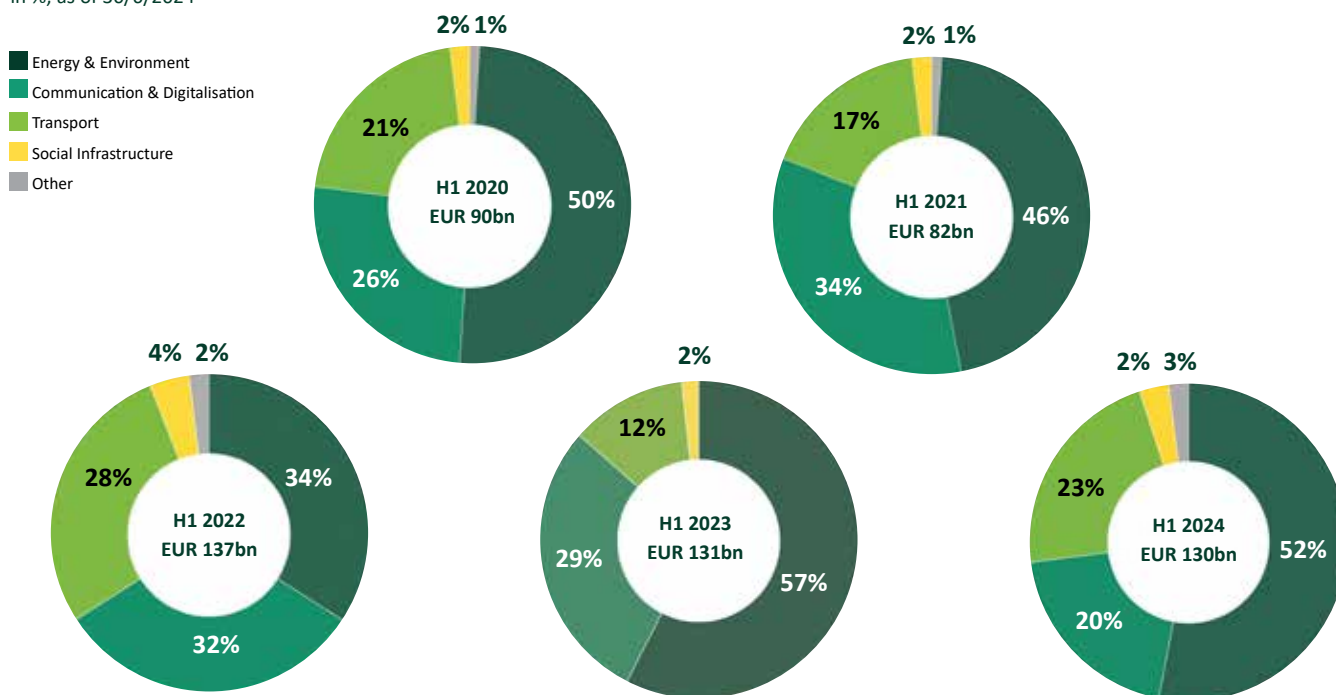
The first half year ended with the **European elections**, with the outcome proving difficult for further economic development. With a low voter turnout averaging at just over 50%, strong gains in the largest Member States drove up the share of European Parliament seats held by right-wing parties to almost 25%. The heavy loss of votes in France prompted President Macron to call a snap election, with the first round held on 30 June, followed by the second and decisive round of voting one week later on 7 July.

In the world of geopolitics, the USA and Europe imposed high tariffs on the import of **Chinese-made** electric cars, which is why retaliatory action is expected from China. In the meantime, Russia signed a defence pact with North Korea and will therefore presumably secure munitions from North Korea in return for technology transfers. Many emerging economies of the Global South are keeping their distance from alliances (EU/USA/UK and Russia/China/North Korea). These include Vietnam, which hosted state visits from the US, Chinese and Russian presidents in recent months.

In light of the enormous changes, it comes as no surprise that **geopolitics** took centre stage on the markets in the first half of the year: the demand for safe assets – especially for gold and the US dollar – far outstripped supply and drove the prices up. China was an important driver of the demand for gold, as it continues to shift its foreign currency reserves away from US investments. The private sector did what it always does during global crises: it bought US dollars. Bond markets worldwide were surprised by the change in signals coming from the US Fed in response to more stable inflation figures. Government bonds from the European periphery, however, enjoyed new-found popularity among global investors and domestic private investors. The persistent belief in European cohesion, the existence of the ECB's Transmission Protection Instrument (TPI) and hopes for further joint lending, for example for defence and climate change, constituted the basis for the performance of European government bonds in the last six months. However, this changed significantly in the wake of the result of the European Parliament election and uncertainty surrounding further political developments in France.

**Transaction volumes by sector in Europe in H1 2024.<sup>1</sup>**

in %, as of 30/6/2024



**The European infrastructure market in H1 2024**

The first signs of a slight, albeit only very **slow normalisation of interest rates** were evident in the first half of 2024 and should have a positive influence on refinancing, among other things, in the medium term. It was difficult to discern any real impact of this in the first six months of the year, given that at 3.72% at the end of June, the 3-month Euribor rate was still very close to its high of the last three years.

It is therefore not surprising that, at around EUR 130bn, the European **market for infrastructure investments<sup>2</sup>** in the first half-year was just down on the same period of the previous year for now. However, there are some positive elements and the development must be viewed on a differentiated basis. The market will continue to benefit from long-term megatrends, whereby decarbonisation in particular, as a strategic cornerstone of the continued acceleration of the energy transition, is the principle reason why the infrastructure sector was once again able to assert itself as a robust and positive defensive asset class in the first six months of 2024, despite a slight downturn in volume.

The volume of European greenfield<sup>3</sup> financing in particular as of mid-June was already a significant 50% above the figure from the same period in 2023. The expansion of new projects expedited by these funds primarily relates to the renewable energy sector, which provided additional momentum in 2024 beyond traditional photovoltaic/solar and wind projects, primarily through fresh impetus in the areas of battery storage, biogas/biomethane and hydrogen, etc.

All in all, the need to increase the number of projects in this sector at an even faster pace fundamentally remains unchanged. For this reason, Kommunalcredit continued on its strategic path in 2024 too. This is based primarily on providing its customers with innovative financing solutions and is focused particularly on development financing, which helps developers to realise their project pipeline in a quick and flexible way.

The bank remains very active in onshore wind and battery storage in Northern Europe as well as in Spain, Portugal, Italy and Central and Eastern Europe, especially in PV/solar and battery storage. This applies not only to loan structuring, but increasingly also to M&A<sup>4</sup> and financing advisory. We particularly welcome 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.

With interest rates still improving only marginally, many players in the infrastructure market usually only refinance when it is absolutely necessary. Refinancing volumes in the first half of the year are therefore only roughly one third of the total volume for 2023. However, the ongoing trend of "accordion financing" is evident during this period.

<sup>1</sup> Inframation & SparkSpread Database, 6/2024. An adjustment to the measurement method may lead to changes in comparative values from the past.

<sup>2</sup> Inframation & SparkSpread Database, 6/2024. An adjustment to the measurement method may lead to changes in comparative values from the past.

<sup>3</sup> Greenfield projects are new infrastructure assets erected on undeveloped ("green") land. Depending on the sector and nature of the project, these may involve construction phases of varying lengths and different financing requirements before they can enter service.

<sup>4</sup> M&A: Mergers & Acquisitions.

This is where equity sponsors secure additional credit volumes 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. In this way, Kommunalkredit supports existing customers, especially in the energy and digital infrastructure sector.

At EUR 52bn throughout Europe in the first half of the year, the “Brownfield/M&A” segment<sup>5</sup> (financing the purchase/sale of projects that are mostly up and running or of infrastructure companies) is at around one third of the previous year’s level (full-year 2023). The economic challenges and the volatile energy prices, in particular, continue to lead to more prolonged sales processes, as sellers and buyers are moving further apart in terms of their price expectations, reflecting a mood of ever-mounting uncertainty.

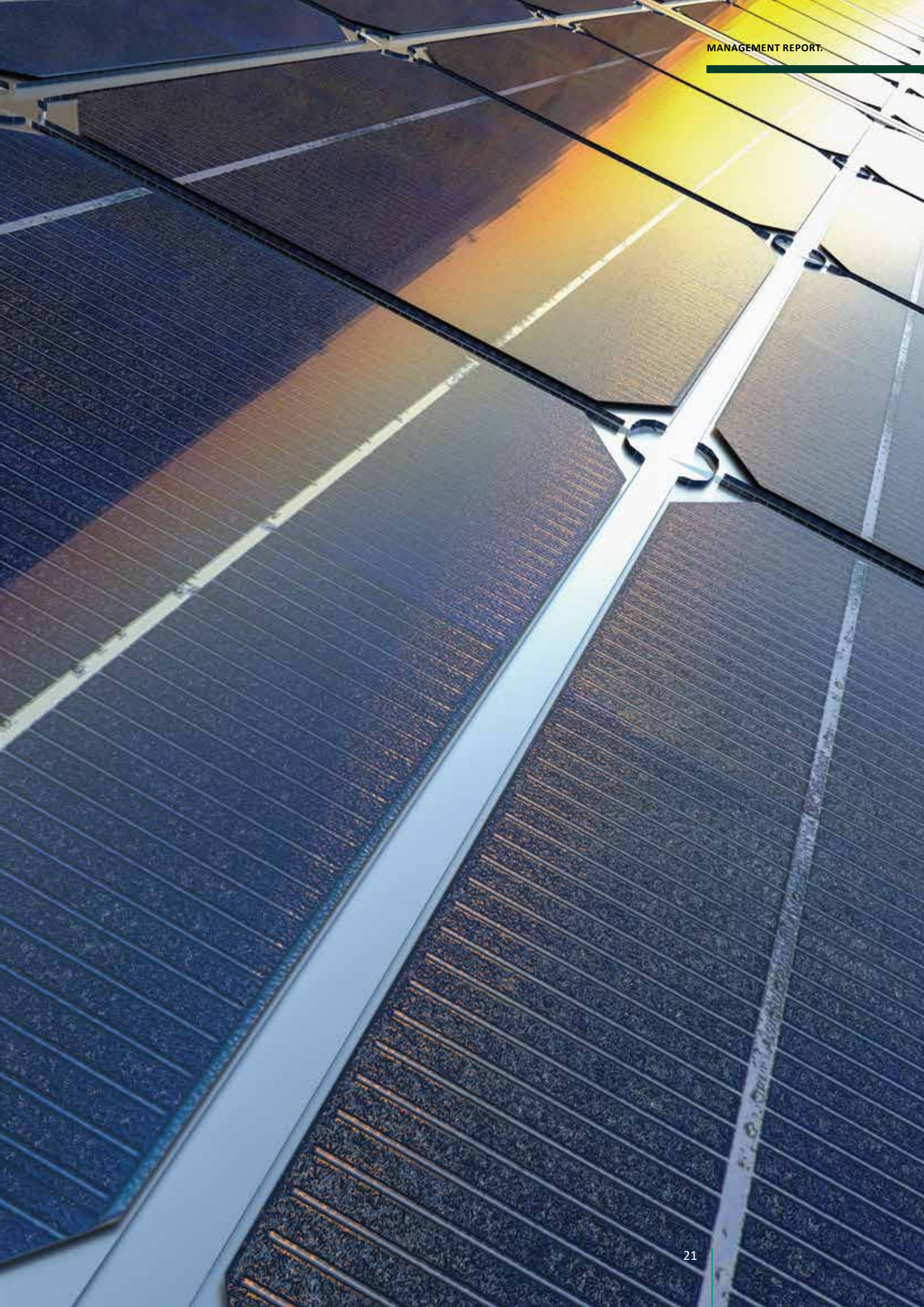
Looking at the relative volumes of the sectors in Europe in the first half of the year, **renewables** (PV/solar, wind) at 20% together with all other **energy-related sectors** (biogas, LNG, battery storage, gigafactories) account for somewhat over 50% of the overall market, which is also reflected in Kommunalkredit’s transactions in 2024. The sharp drop in energy prices in the course of the year highlights the relevance of individual financing solutions tailored to the needs of the respective customers, as a high degree of flexibility is crucial here, especially with regard to different solutions for purchasing the electricity generated.

In the **digital infrastructure** sector, investor interest has continuously shifted away from fibre optics and towards data centres. While some fibre-optic projects (in the United Kingdom in particular and in some other countries that are subject to less regulation) are behind schedule due to increased costs and growing competition, these are key for the transfer and storage of data volumes which are growing exponentially. Kommunalkredit has further expanded its track record here throughout Europe, including corresponding projects in Germany and Scandinavia.

The **transport sector** was very active too, with the two largest transactions being 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. Kommunalkredit itself remains engaged in some airport financing and is also working on current issues in the area of seaports/passenger terminals as well as toll roads. It was also able to establish itself in the growing niche segment of cold storage logistics/transport with two specific transactions.

In **social infrastructure**, Kommunalkredit further built on its expertise, especially on transactions in the area of private diagnostic imaging centres, with the largest underwriting position in Germany to date. 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.

<sup>5</sup> Brownfield projects are existing infrastructure assets, usually already in operation, whose financing is usually restructured in M&A transactions (mergers & acquisitions).



# Business review



**The last few years were defined by a complex global economic environment, high inflation, significant increases in interest rates, volatile energy prices and upheavals on capital markets. In parallel with the noticeable effects of the climate crisis, all of this points to one thing: now is the time to invest in the energy transition and the diversification of energy supplies.**

Infrastructure is at the heart of our existence. All of the piping, cabling and connection points for energy, water and human beings have to function quickly, reliably and smoothly, ideally while also being sustainable and environmentally friendly.

## Redefining infrastructure

In these circumstances, it is all the more important for Kommunalkredit to generate a positive impact. As a specialist in infrastructure and energy financing 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 or 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 2025:

	≥ 40 % of annual new infrastructure financing will be directed towards the energy transition and environmental protection
	≤ 10 % of the annual volume of new infrastructure financing will be allocated to state-of-the-art 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. One of our latest green projects is our involvement in financing the construction of the world's first steelworks to produce green steel based on green hydrogen and electricity in northern Sweden. This will save around 95% of the CO<sub>2</sub> emissions generated in conventional steel production. Austria's largest electrolysis plant, in which Kommunalkredit has invested jointly with the OMV, will become operational this year.

In its new business, Kommunalkredit has balanced diversification in terms of asset classes, regions, terms and product 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 bank pursues a business approach that is geared towards collaborative endeavours with established partners (originate and collaborate), focusing in particular on its ability to place transactions on the international financing market. Thanks to its Fidelio KA Infrastructure Debt Fund Europe 1 and 2 **infrastructure funds**, the bank is also capable of offering business partners access to infrastructure and energy financing with asset management solutions. With Florestan KA GmbH, Kommunalkredit implements lighthouse projects (hydrogen production with OMV, rooftop photovoltaic systems with eww) to drive the energy transition forward.

Despite the tense atmosphere that continued to prevail in the economic and geopolitical environment in the first half of 2024, Kommunalkredit achieved new business volume of over EUR 1bn. 35% of the transactions in the infrastructure and energy financing business were attributable to renewable energies and natural resources, followed by Communication & Digitalisation (26%) and Social Infrastructure (23%). The strongest markets here were Germany, France and the United Kingdom.

## Public finance

Public finance has a long tradition and is a significant part of the bank's business. Countries, cities and municipalities are key economic drivers that are supported with financing solutions from Kommunalkredit. By investing in essential infrastructure that is used directly by citizens, municipalities and their public institutions create and protect jobs and help to stimulate the economy in economically challenging times. In the first half of 2024, Kommunalkredit concluded new financing in the amount of EUR 83m, 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).



### Eagle data centre | Poland

Atman is the leading data centre providers in Poland. It specialises in B2B cloud solutions and operates three data centres with a capacity of 15.4 MW. The construction of a new centre in the capital city of Warsaw (43 MW) for EUR 306m is aimed primarily at introducing state institutions and international enterprises to the technological future. Kommunalkredit acted as the mandated lead arranger and sole underwriter.



### Valverdinho hybrid PV | Portugal

The Portuguese Valverdinho project combines 183 MWp of photovoltaics and 92 MWp of wind power. Kommunalkredit supported this sustainable and important project as mandated lead arranger.



### 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.



### Tazlar solar PV | Hungary

Tazlar is one of Hungary's largest photovoltaic parks. It generates more than 80 GWh per year; this supplies around 200,000 households. Kommunalkredit acted as an exclusive M&A advisor as part of the sale of a 63 MW solar park to one of the largest state-owned electricity suppliers.



### 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 particular field by using sustainable electricity and produces around 285 ktpy. Kommunalkredit was a lender within the scope of a new EUR 70m financing package.



### Andromeda healthcare infrastructure | Ireland

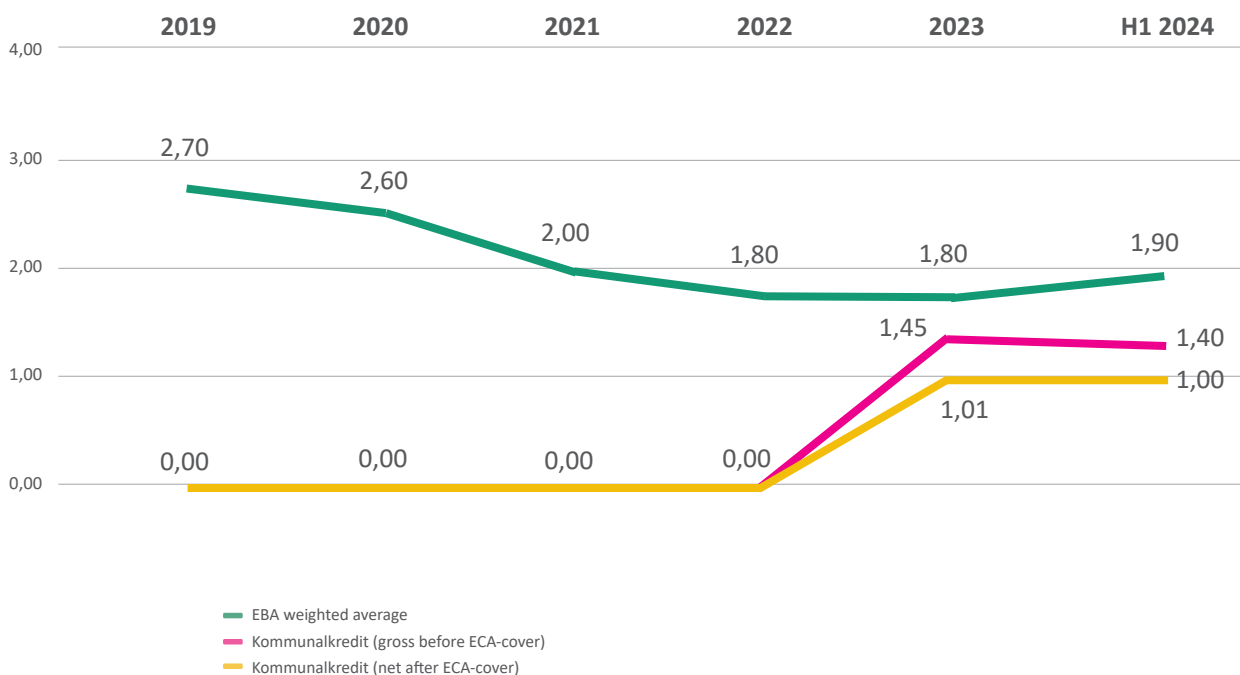
As mandated lead arranger, Kommunalkredit financed the medical infrastructure of one of Ireland's private healthcare diagnostic providers. Andromeda operates 34 facilities in Ireland and specialises in diagnostic imaging, which provides multidimensional image data of patients' organs and structures.

### 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 30 June 2024, it had an average rating of “BBB+” and 60% of the exposures were classified as investment grade. The non-performing loan ratio (NPL) is 1.4%. Taking guarantees (cover from export credit agencies with the highest credit rating of 90-95%) into consideration, its adjusted net NPL ratio is 1.0%, well below the weighted EBA average (European Banking Authority).

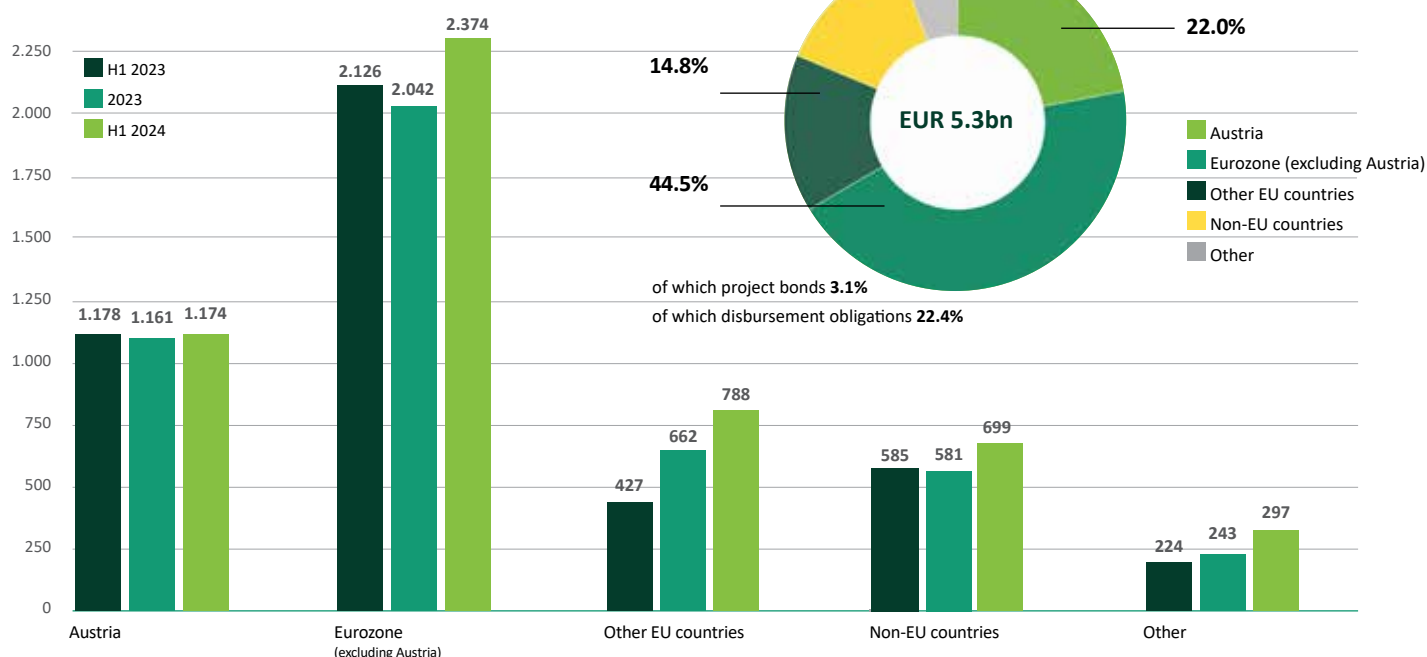
The broadly diversified credit portfolio mainly comprises the two pillars of the business model: infrastructure and energy financing, plus public finance. As of 30 June 2024, infrastructure and energy financing accounted for 35% of the loan portfolio and the public sector (mostly Austrian municipalities) for 29%, while loans to public sector entities had a share of 4%. Geographically, 22% was attributable to Austria (31/12/2023: 25%), 45% to the rest of the eurozone and 15% to other EU countries (31/12/2023: 44% and 14% respectively).

**NPL ratio H1 2024.**  
in %, as of 30/6/2024

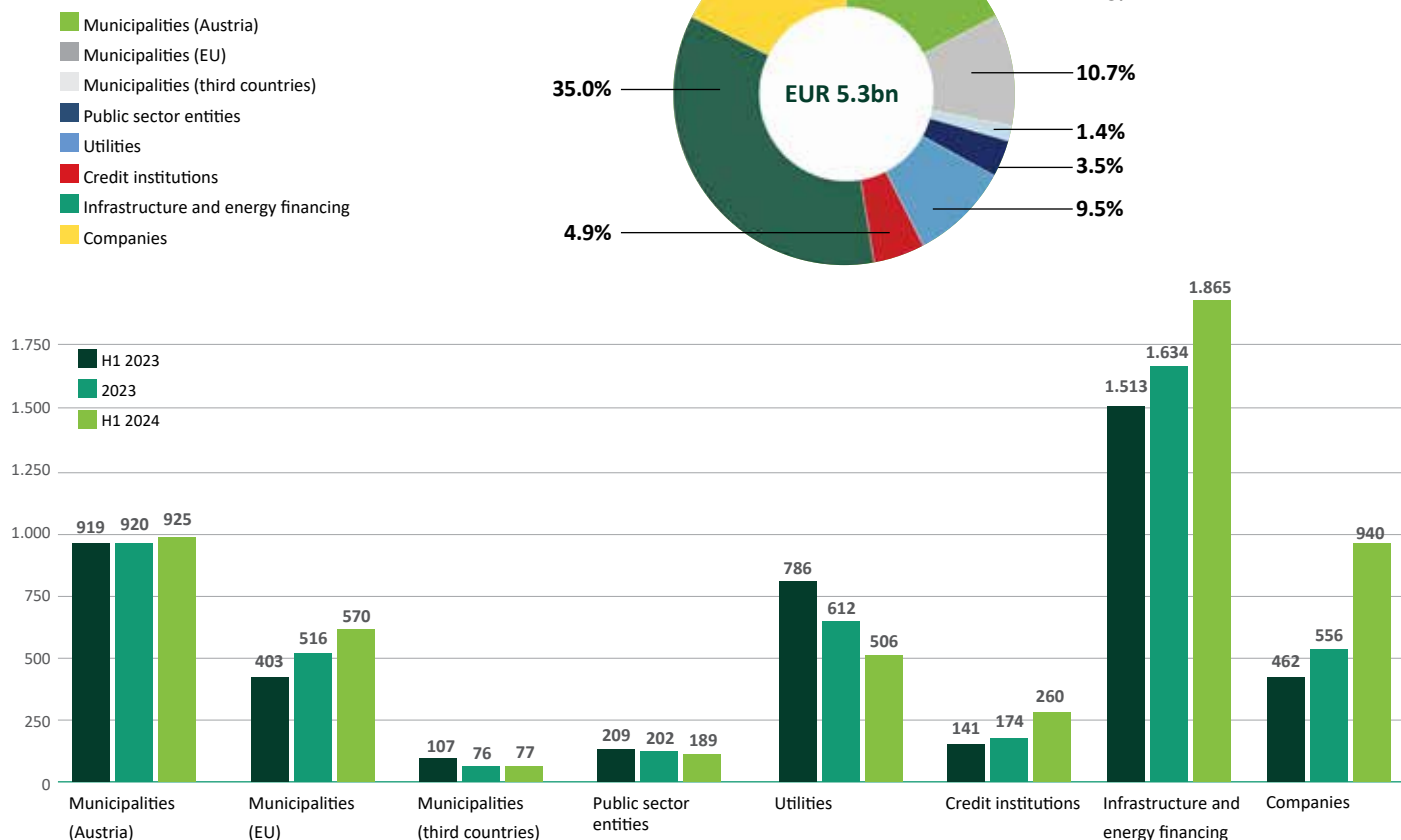




**Loan portfolio by region.**  
in EUR m, as of 30/6/2024



**Loan portfolio by borrower.**  
in EUR m, as of 30/6/2024



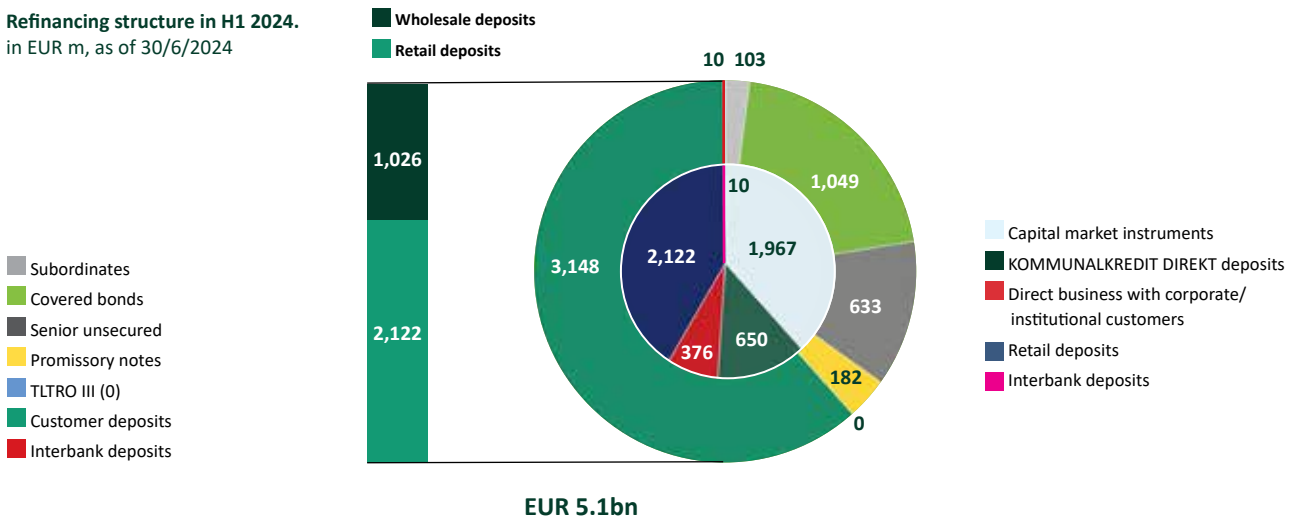
### Stable refinancing structure

As of 30 June 2024, Kommunalkredit had a **stable liquidity position** of EUR 1,529m. The bank held cash and cash equivalents and balances with central banks of EUR 995m (31/12/2023: EUR 896m). Furthermore, Kommunalkredit had access to a free liquidity reserve consisting of high-quality liquid securities (HQLA) of EUR 534m (31/12/2023: EUR 864m).

Kommunalkredit’s diversified refinancing structure is particularly important, especially in the current prevailing market conditions. In recent years, existing funding sources have been gradually expanded and new ones established.

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 the first half of 2024 was on further developing the capital market.

Refinancing structure in H1 2024. in EUR m, as of 30/6/2024



### Public sector covered bonds | Cover pool

As of 30 June 2024, Kommunalkredit had a well-diversified cover pool with a value of EUR 1,219m, while public sector covered bonds denominated in EUR and CHF in an amount of approximately EUR 1,049m were outstanding.

As of 30 June 2024, the cover pool included assets from Austria (85.8%), France (6.7%), Portugal (2.6%), Belgium (2.5%) and Germany (2.5%). 75.9% of the cover pool positions had a rating of “AAA” or “AA”; 20.0% had a rating of “A”. The level of surplus cover as of 30 June 2024 was 16.2%.

**S&P Global Ratings**

BBB  
A-2  
stable

**Fitch Ratings**

BBB-  
F3  
positive

**Morningstar DBRS**

BBB  
R-2 (high)  
positive

**Rating**

The **investment grade ratings** by S&P Global Ratings (upgraded to “BBB” in early 2024 | stable outlook), by Fitch Ratings (“BBB-” | outlook lifted to positive in early 2024) and by DBRS Morningstar (“BBB” | outlook lifted to positive in autumn 2023) 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, stable 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 highlighted 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. The debt issuance programme (DIP 4) was increased to EUR 2bn in 2022 and the annual programme update followed with the approval of the base prospectus by the Austrian Financial Market Authority in February 2024. Issues under this programme can be listed in Vienna and underline Kommunalkredit’s commitment to the domestic capital market.

EUR **400**<sub>m</sub>  
bond emission

In the first half of 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 in a second step to a total volume of EUR 400m.

**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 kept stable in the first half of 2024. The share of term deposits compared to overnight deposits was increased further in the first half of 2024.

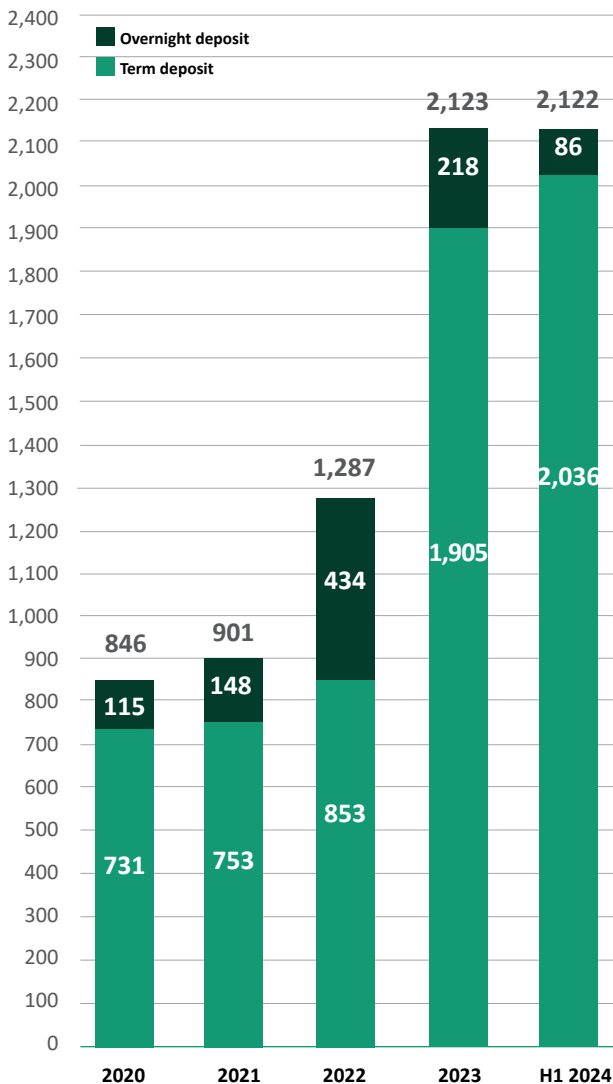
**Retail deposits | KOMMUNALKREDIT INVEST:** Kommunalkredit conducts its business with private customers in Austria and Germany via its online retail platform KOMMUNALKREDIT INVEST, which offers overnight and term deposits for terms of up to ten years. As of 30 June 2024, the bank had 38,044 active retail customers (31/12/2023: 36,452), which equates to an increase of 4%. The average deposit volume per customer remains at a high level at EUR 55,791 (31/12/2023: EUR 58,249). The share of term deposits had increased further as of 30 June 2024 to 96% (31/12/2023: 90%); the average maturity of term deposits also rose to 29 months (31/12/2023: 28 months). The deposit volume amounted to EUR 2,122m as of 30 June 2024 and was therefore virtually unchanged from 31 December 2023 (EUR 2,123m).

**Wholesale deposits | (KOMMUNALKREDIT DIREKT and direct business with corporate/institutional customers):** With KOMMUNALKREDIT DIREKT, the bank offers a state-of-the-art online platform for efficient investment and cash management for municipalities and related entities. The platform allows customers to monitor and manage their investments themselves.

Wholesale deposits also remained stable in the first half of 2024 and amounted to EUR 1,026m as of 30 June 2024 (31/12/2023: EUR 1,034m).

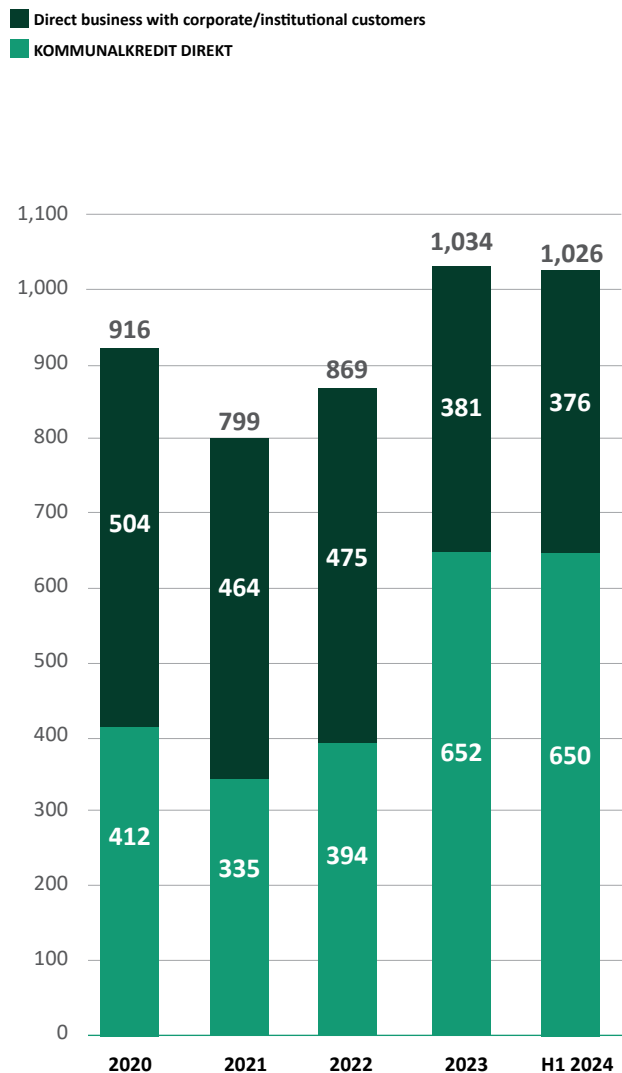
**Retail deposits (KOMMUNALKREDIT INVEST).**

in EUR m, as of 30/6/2024



**Wholesale deposits.**

in EUR m, as of 30/6/2024



## Liquidity ratios

The liquidity coverage ratio (LCR), in accordance with the CRR (Capital Requirements Regulation), measures the short-term resilience of a credit institution's liquidity risk profile over a 30-day scenario and is closely monitored as part of the institution's early warning system. The LCR amounted to 467% as of 30 June 2024 (31/12/2023: 542%) and therefore significantly 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 132% as of 30 June 2024 (31/12/2023: 135%).



# Assets, financial position and income

## Financial performance indicators according to IFRS (selected performance indicators)

in EUR m or %	30/6/2024	31/12/2023
Total assets	6,013.5	5,871.1
Total capital	615.6	577.0
	1/1 - 30/6/2024	1/1 - 30/6/2023
<b>Net interest income</b>	<b>89.5</b>	<b>81.8</b>
Net fee & commission income	21.3	14.5
General administrative expenses	-48.7	-41.9
Other operating income	0.4	0.8
Placement result*	-0.5	-0.4
<b>Operating result**</b>	<b>61.5</b>	<b>51.6</b>
Loan impairment, valuation and realised gains	0.8	3.7
<b>Consolidated profit for the period before tax</b>	<b>62.3</b>	<b>55.3</b>
Income taxes	-15.2	-13.6
<b>Consolidated profit for the period after tax</b>	<b>47.1</b>	<b>41.7</b>
Return on equity before tax***	24.8%	27.5%
Return on equity after tax***	18.7%	20.8%
Cost/income ratio (based on Operating Result)****	39.0%	42.0%

\* Placement result contains the result from the disposal of assets that are measured at fair value through profit or loss or not through profit or loss.

\*\* Operating result = pretax result for the period excluding credit risk, valuation and operating placement result from infrastructure/energy financing.

\*\*\* Return on equity before tax = Profit for the period before tax projected to one year/common equity tier 1 capital of the group as of 1/1.

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

## Regulatory performance indicators of Kommunalkredit Austria AG

in EUR m or %	30/6/2024	31/12/2023
Risk weighted assets	3,456.5	2,965.7
Total capital (CET 1, additional Tier 1, Tier 2)	637.9	635.6
CET 1 ratio	15.5%	17.9%
Tier 1 ratio	17.3%	20.0%
Total capital ratio	18.5%	21.4%

## Rating

Issuers rating	S&P GLOBAL RATINGS	FITCH RATINGS	DBRS MORNINGSTAR
Long term rating	BBB	BBB-	BBB
Short term rating	A-2	F3	R-2 (high)
Outlook	stable	positive	positive

With its focus on infrastructure and energy financing as well as public finance, Kommunalkredit's business model has continually proven to be largely crisis-resistant and very profitable.

### Financial performance indicators according to Austrian GAAP (selected performance indicators)

in EUR m or %	30/6/2024	31/12/2023
Total assets	6,003.2	5,833.6
Total capital	540.0	491.7
	1/1 - 30/6/2024	1/1 - 30/6/2023
<b>Net interest income</b>	<b>83.1</b>	<b>71.8</b>
Net fee & commission income	13.1	12.6
General administrative expenses	-37.0	-34.7
Other operating income	0.4	2.3
Placement result*	0.0	0.8
<b>Operating result**</b>	<b>62.9</b>	<b>50.9</b>
Loan impairment, valuation and realised gains	0.6	-0.2
<b>Profit for the year before tax</b>	<b>63.5</b>	<b>50.6</b>
Income taxes	-15.2	-13.7
<b>Profit for the year</b>	<b>48.2</b>	<b>36.9</b>
Return on equity before tax***	23.9%	23.5%
Return on equity after tax***	18.2%	17.1%
Cost/income ratio bank standalone	37.6%	41.9%

\* Includes the operating placement result from infrastructure/energy financing; in the income statement included in the result from valuations and realisations.

\*\* Included in items 11 to 13 of the income statement.

\*\*\* Return on equity before tax = Profit for the period before tax projected to one year/common equity tier 1 capital as of 1/1.

in EUR bn	30/6/2024	31/12/2023
Securitised liabilities	1.70	1.61
Amounts owed to customers	3.36	3.33
Amounts owed to banks, including ECB	0.11	0.12

## Structure of statement of financial position of the Kommunalkredit Group under IFRS

Kommunalkredit's total assets according to IFRS amounted to EUR 6.0bn as of 30 June 2024 (31/12/2023: EUR 5.9bn). At EUR 4.0bn (31/12/2023: EUR 3.8bn), loans and advances to customers represent the largest item on the assets side. Financing with an opportunistic placement intention represents EUR 1.5bn (31/12/2023: EUR 1.4bn), which is shown in the statement of financial position under assets at fair value through other comprehensive income.

Furthermore, the bank held cash and cash equivalents of EUR 1.0bn as of 30 June 2024 (31/12/2023: EUR 0.9bn).

Customer liabilities of EUR 3.3bn (31/12/2023: EUR 3.3bn) and securitised liabilities of EUR 1.6bn (31/12/2023: EUR 1.6bn) were the main refinancing items under equity and liabilities.

### Risk-weighted assets and total capital

As of 30 June 2024, Kommunalkredit had common equity tier 1 capital (CET 1) of EUR 534.5m (31/12/2023: EUR 531.1m), core capital (tier 1) of EUR 597.3m (31/12/2023: EUR 593.9m) and total capital of EUR 637.9m (31/12/2023: EUR 635.6m).

Due to the positive performance of new business, risk-weighted assets rose in the first half of 2024 to EUR 3,456.5m (31/12/2023: EUR 2,965.7m).

As of 30 June 2024, therefore, Kommunalkredit continued to report strong capital ratios: The total capital ratio was 18.5% (31/12/2023: 21.4%), the tier 1 capital ratio was 17.3% (31/12/2023: 20.0%) and the common equity tier 1 ratio was 15.5% (31/12/2023: 17.9%).

The values shown reflect the total capital performance indicators based on Kommunalkredit's separate financial statements under Austrian GAAP.

## Income statement of the Kommunalkredit Group under IFRS

The Kommunalkredit Group achieved consolidated profit for the period after tax in the first half of 2024 of EUR 47.1m (H1 2023: EUR 41.7m); the return on equity after tax came to 18.7% (H1 2023: 20.8%). Operating result improved by 19.2% to EUR 61.5m (H1 2023: EUR 51.6m).

The significant increase in operating result is attributable to the continuous expansion of the core business areas of infrastructure and energy financing as well as public finance.

The main income and expense items under IFRS for the first half of 2024 are shown below:

### Operating result

Operating result (consolidated profit for the period before tax, not including net provisioning for impairment losses, valuation gains and operating placement result from infrastructure/energy financing) amounted to EUR 61.5m (H1 2023: EUR 51.6m) and comprises the following essential components:

#### Net interest income

Net interest income rose by 9.5% to EUR 89.5m (H1 2023: EUR 81.8m).

#### Net fee and commission income

Net fee and commission income from the range of services that are continually being expanded by Kommunalkredit in the credit and service business as well as from the subsidy management and consulting/project development activities of the subsidiary Kommunalkredit Public Consulting GmbH (KPC) came to EUR 21.3m (H1 2023: EUR 14.5m). This includes EUR 23.9m (H1 2023: EUR 15.3m) in fee and commission income and EUR 2.6m (H1 2023: EUR 0.8m) in fee and commission expenses.



### General administrative expenses

The general administrative expenses of the Kommunalkredit Group climbed to EUR 48.7m (H1 2023: EUR 41.9m), with EUR 31.8m attributable to personnel expenses (H1 2023: EUR 28.8m) and EUR 16.9m to other administrative expenses (H1 2023: EUR 13.1m). The rise in general administrative expenses is due to the growth in capacity and the strategic expansion of both the front and back office teams to include additional top performers with international know-how and substantial experience in the infrastructure and energy sectors, with the aim of safeguarding the growth path taken and efforts to broaden the product range. The constant increase in results and success stories written by Kommunalkredit in recent years are reflected in performance-related pay and profit shares for the bank's employees.

### Loan impairment, valuation and realised gains

Kommunalkredit's loan portfolio remains solid: the regulatory non-performing loan (NPL) ratio came to 1.4% as of 30 June 2024 due to four loans. The gross NPL volume was EUR 56.8m. Taking guarantees (cover from export credit agencies with the highest credit rating of 90-95%) into consideration, the adjusted net NPL ratio is 1.0%. The net NPL volume amounted to EUR 39.3m.

Net provisioning for impairment losses was EUR 0.5m in the first half of 2024 (H1 2023: EUR -0.3m) and factors in the change in the statistically calculated provision for expected credit losses under IFRS 9. The reduction in risk provisions despite new business and a growing portfolio reflects in particular the lower statistical probabilities of default, which are due on the one hand to stronger economic growth forecast in the next twelve months (above all in 2025) and on the other to the positive development in rating migrations as well as strong equity markets.

Risk provisions fell to EUR 6.0m as of 30 June 2024 (31/12/2023: EUR 6.5m). Gains and losses from financial assets and liabilities in the first half of 2024 amounted to EUR 0.8m (H1 2023: EUR 3.7m). This item reflects positive valuation effects of EUR 3.2m (H1 2023: EUR 3.5m), which are mainly the result of the increase in long-term market interest rates.

### Income taxes

The tax expense amounted to EUR 15.2m (H1 2023: EUR 13.6m) 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.

### Financial performance in the separate financial statements of Kommunalkredit Austria AG under Austrian GAAP

Kommunalkredit Austria AG has reported a profit for the period after tax of EUR 48.2m for the first half of 2024 under Austrian GAAP; this corresponds to a change of EUR +11.3m as against the result of the previous year of EUR 36.9m. The return on equity after tax came to 18.2% (H1 2023: 17.1%).

Operating result, which adds the operating result from the sale of infrastructure/energy financing and the change in the provision pursuant to § 57 (1) of the Austrian Banking Act (BWG), illustrates the development in the bank's operating earnings power, with a further increase of EUR 12.0m to EUR 62.9m (H1 2023: EUR 50.9m). Based on operating result, this results in a cost/income ratio of 37.6% (H1 2023: 41.9%)

The total assets in accordance with Austrian GAAP came to EUR 6.0bn as of 30 June 2024 (31/12/2023: EUR 5.8bn). The main asset items in the statement of financial position were loans and advances to customers in the amount of EUR 4.0bn (31/12/2023: EUR 3.8bn). Bonds and debt securities, which mainly include securities from the liquidity book, came to EUR 0.4bn as of 30 June 2024 (31/12/2023: EUR 0.4bn). Customer liabilities of EUR 3.4bn (31/12/2023: EUR 3.3bn) and securitised liabilities of EUR 1.7bn (31/12/2023: EUR 1.6bn) were the main refinancing items under equity and liabilities. Kommunalkredit's total equity amounted to EUR 540bn as of 30 June 2024 (31/12/2023: EUR 491.7m). In addition, the bank still has an unchanged amount of EUR 40.0m from a fund for general bank risks according to § 57 (3) of the Austrian Banking Act.

# Branch office and equity investments

**Vienna (headquarters) and Frankfurt am Main (branch office) are the two hubs from which Kommunalkredit operates as an infrastructure and energy financing specialist. Its focus here is on Europe. As of 30 June 2024, 247 employees at the bank and 181 at the environmental support and consultancy subsidiary Kommunalkredit Public Consulting are responsible for 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 Kommunalkredit 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 achieving these goals with its focus on **subsidy management and consulting**. 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, the circular economy, biodiversity, urban water management, flood protection and remediation of contaminated sites. 90% of its shares are held by Kommunalkredit Austria AG.

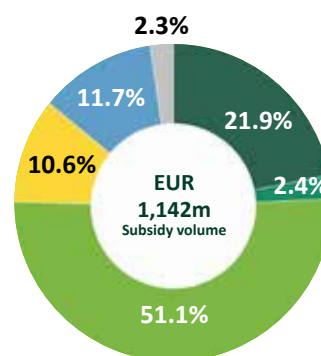
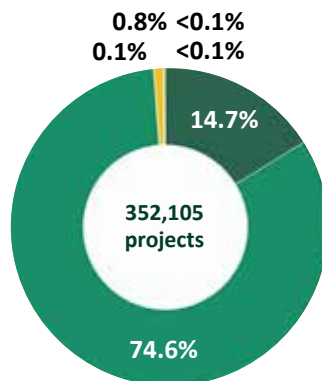
Bundling KPC's technical expertise in matters relating to the environment, climate, energy and water with the bank's strong capital resources facilitates the development of sustainable energy projects in Austria and beyond.

As the **point of contact** between the funding agencies that provide the financial resources – primarily the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK), the Federal Ministry of Agriculture, Forestry, Regions and Water Management (BML) and the Climate and Energy Fund – and applicants for funding, KPC oversees the entire project support process. As a consultancy, it continued to provide its services for international financing institutions such as the European Bank for Reconstruction and Development (EBRD) in the first half of the year. **Green finance** plays an important role here. KPC has picked up two significant new commissions by way of framework contracts focusing on energy efficiency measures in the Western Balkans.

On behalf of the BMK, KPC once again sent a member of the Austrian negotiation team to the international climate negotiations in Dubai (**COP 28**) and the subsequent interim negotiations in Bonn (SB 60). KPC also acts as an advisor to the Austrian representative of the **Green Climate Fund** (GCF) and the newly founded **Loss and Damage Fund** (LnD Fund). As international climate finance instruments, these provide funding for climate action projects in developing countries.

**KPC in H1 2024.**  
in %, as of 30/6/2024

- Subsidy scheme**
- Climate and Energy Fund
  - Repair bonus
  - Renovation support
  - Environmental support in Austria
  - Water management
  - Other



## Environmental support schemes in figures

The level of demand for climate action and environmental protection support schemes remains high. In the first six months of the year, the number of funding applications submitted decreased slightly (by 12.5%) compared to the same period in the previous year. This was attributable to fluctuations in the **repair bonus “mass subsidy scheme”**. On the other hand, the volume of subsidies applied for was up by more than 68%. The high number of funding applications reflects not only the efforts of private individuals and companies to actively support the energy transition, but also KPC’s comprehensive expertise. As of the reporting date, it has been entrusted with the management of more than 192 support programmes.

The first half of 2024 was also characterised to a considerable degree by the **introduction of new support schemes**. For instance, the commission meeting for environmental support in Austria held on 10 June 2024 resolved a second invitation to tender as well as new “Industrial transformation” subsidy guidelines. This support contributes to the greatest possible reduction in greenhouse gas emissions generated from the direct combustion of fossil fuels and from industrial production processes. A total of EUR 2,975bn will be made available in the period leading up to 2030.

In late May, the new **subsidy scheme for the circular economy** was launched. This new cornerstone of support for environmental projects is intended to drive forward the Austrian economy’s transformation into a circular system, since climate goals are only achievable in tandem with greater resource efficiency. The support programme was initiated in the spring of 2024, with four fresh invitations to tender in the fields of “circular design, textiles, recycling plants and recycling/reuse” and a budget of EUR 41m.

In the first six months of 2024, the **Biodiversity Fund** was launched with a EUR 27m budget. This represents the largest ever call to tender for the establishment and management of new protected areas, such as nature reserves and national parks.

In January 2024, the range of subsidies available within the scope of the **renovation support scheme** was made significantly more appealing. Besides new bonuses (electric cooker bonus, low-temperature system bonus, deep-drilling bonus for brine heat pumps etc.), the flat-rate subsidies for energy-efficient retrofitting and boiler replacements have been considerably increased. In the first half of the year, this prompted a huge rise in the volume of registrations and funding applications. Overall, KPC has already received 85,540 registrations and applications for funding since the start of the year. Over EUR 2bn of funding has thus already been paid out or earmarked.

In February 2024, additional extensive measures were agreed in **support of the construction sector**. A special energy efficiency funding scheme under the Austrian Environmental Support Act (UFG) was established, for example, in order to improve the quality of existing housing. Based on its ambitious plan to expand renewable energy, and photovoltaics in particular, the BMK had already decided back in 2023 to commission KPC to act as an additional administration point, based on its proven expertise in **managing broad-scale support campaigns**. In addition to the more than 75,000 tickets transmitted to KPC, to date more than 53,000 project funding applications with budget requirements of EUR 180m have been submitted and the funds in question successfully disbursed. Applications are still possible for around 17,000 registrations. The deadline for submission is November 2025.



## 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 profit from Kommunalkredit's strong acquisition, structuring and portfolio management expertise in the field of sustainable European infrastructure and energy transactions that benefit the general public. In return, the bank can take advantage of in-depth strategic partnerships with fund investors, ultimately translating into an increased number of transactions and higher volumes. 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 has been fully invested since late 2021 and is now mature. This fund combines a **broad range of sustainable projects linked to infrastructure and energy investments** that are making 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. As of 30 June 2024, the bank had invested a further EUR 212.2m in infrastructure and energy transactions alongside its 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 than its predecessor on **ecological and social issues** in its asset selection.

## Florestan KA GmbH

In May 2021, the project development company Florestan KA GmbH was founded for equity investments with the aim of **providing equity funding for infrastructure and energy projects with development and growth potential**.

In this context, together with OMV (Austria's leading oil, natural gas and chemical group) Kommunalkredit is investing in the construction of the **largest electrolysis plant in Austria** to date, at the Schwechat refinery. With an annual production volume of up to 1,500 tonnes of green hydrogen, this will reduce the carbon footprint by up to 15,000 tonnes per year.



This assessment is based on a rigorous three-stage evaluation process: (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. As of 30 June 2024, the bank had invested EUR 78.5m in infrastructure and energy transactions alongside the second sub-fund's investments in the same transactions.

While investors worldwide remain very circumspect about entering into new infrastructure debt investments due to the highly unfavourable market environment, Kommunalkredit regularly holds discussions with potential institutional customers regarding further fund concepts. Sustainability and green transition issues are particularly strong areas of focus. As the exclusive asset sourcer for the fund platform, Kommunalkredit regularly acquires and structures attractive new projects related to this.

Kommunalkredit has a joint venture with the 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. The first few systems were commissioned back in 2022.

## 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 government databases 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 the first half of 2024, 18,745 registered users from 2,107 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 98.1%**. Accessed 4.3 million times (as of 30 June 2024), the portal is a sought-after source of information for municipal representatives.



The first six months of the year 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. 3,467 kn-FORUM members are now discussing municipal issues via a total of twelve forums. This corresponds to a 28.4% increase in the number of users, or 767 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 over the course of the year, 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 owns and manages the properties at Tuerkenstrasse 9 and Liechtensteinstrasse 13. The offices on these premises are mainly leased to Group companies.

# Other material disclosures

## Expansion of the Executive Board

With the aim of making further progress in digitalisation and optimising related organisational processes at Kommunalkredit, the bank’s Supervisory Board has appointed Nima Motazed as Kommunalkredit’s Chief Technology Officer/Chief Operating Officer (CTO/COO) with effect from 1 July 2024. Nima Motazed has more than 30 years of experience in the financial services sector, particularly in the areas of IT, operations and procurement. He has held executive posts throughout Europe, at institutions

including Swiss Re, NLB, Citigroup and Erste Bank. In his role overseeing IT & Transformation and Banking Operations, he will make a substantial contribution to boosting Kommunalkredit’s efficiency on its growth path.

As of 1 July 2024, Kommunalkredit’s Executive Board consists of three members: Bernd Fislage (CEO), Sebastian Firlinger (CFO/CRO) and Nima Motazed (CTO/COO).

# Significant events after the reporting period

## Change of control among owners

Kommunalkredit Austria AG's two shareholders with indirect control – UK-based Interritus Limited and Trinity Investments Designated Activity Company, which has its registered office in Ireland and is managed by Attestor Limited – have sold their entire stake in Satere Beteiligungsverwaltungs GmbH (Kommunalkredit Austria AG's holding company) to Green Opera Finance BidCo AB, which is based in Sweden and backed by funds managed by the Swedish financial investor Altor.

This decision and the subsequent signing of the related agreement were announced in February 2023. Satere Beteiligungsverwaltungs GmbH's previous shareholders – Interritus, Trinity Investments Designated Activity Company (managed by Attestor Limited) and the Austrian Association of Municipalities – will remain minority shareholders. After the competent Austrian and European authorities granted the necessary approvals, the transaction was successfully concluded on 15 July 2024. Kommunalkredit's capital was strengthened by EUR 100m via a capital injection by the new majority owner on 29 July 2024 to support Kommunalkredit on its growth path.

Following the closing on 15 July 2024, the previous Supervisory Board members resigned as planned and the Annual General Meeting appointed a new Supervisory Board. The Supervisory Board of Kommunalkredit now consists of:

- **Hans Larsson, Chairman**  
Chairman, Skandia Mutual Life Insurance Company
- **Paal Weberg, Deputy Chairman**  
Co-Managing Partner, Altor Equity Partners
- **Andreas Haindl**  
Independent management consultant
- **Herman Korsgaard**  
Partner, Altor Equity Partners
- **Henrik Matsen**  
Partner, Henry Costa Partners
- **Kurt Svoboda**  
CFO/CRO, UNIQA Insurance Group AG

The Supervisory Board members delegated by the Works Council remain Oliver Fincke, Gerald Unterrainer and Claudia Slauer.



# Outlook

**Following a challenging period, the global economy is now once again proving cautiously optimistic. Inflation is on the wane, labour markets are stable and there is growing private sector confidence. At the same time, an ageing population, the need to curb climate change and defence requirements will have an impact on budgets in the medium term.**

The OECD<sup>6</sup> expects **headline inflation** amongst its member countries to fall from 6.9% in 2023 to 5% in 2024 and subsequently to 3.4% in 2025. By the end of 2025, inflation is predicted to be close to the 2% targeted by most central banks. This will likely reflect falling energy and commodity prices as well as more stringent monetary policy.

Disappointing growth underlines the need to strengthen global trade and productivity. Trade and industry policy must seek to establish resilient global value chains by means of diversification, but without undermining the advantages of free trade. At the same time, bold political measures are required to boost the pace of decarbonisation, such as **investments in green and digital infrastructures**, improved carbon pricing schemes and the promotion of technology transfers. Developments in the field of artificial intelligence (AI) offer an urgently needed opportunity for productivity gains. Investments in education and training and a strong and internationally coherent competition policy are likewise required.

## Macroeconomic environment in 2024

The growth, inflation and interest rate outlook already appears to be mapped out to a considerable extent.

Many economists anticipate a slowdown in US growth. Consumer confidence has dipped and private consumption – which served as a growth engine in the first quarter of the year – seemed to stagnate in April and May. However, it remains to be seen whether this will turn out to be a prolonged decline. Europe will continue to struggle to achieve significant growth impetus in this context. On the one hand, the tightening of monetary policy in 2022 and 2023 is paying off – and so too is the turnaround in fiscal stimulation. On the other hand, real wages are rising due to higher wage settlements and falling inflation. The economy may therefore improve slightly in the second half of the year, driven by private consumption.

Inflation is expected to continue to drop in most countries. In the USA, this may be enough to justify up to three interest rate cuts over the second half of the year. Election-related concerns might prompt the **Federal Reserve (Fed)**<sup>7</sup> to limit itself to a single interest rate reduction, probably in September. In Europe, the **European Central Bank**<sup>8</sup> (ECB) expects inflation to fall to 2%. Unless excessive worries over wage growth or the currently slightly higher rate of inflation win out, two interest rate cuts from the ECB (in September and December) appear the most likely scenario at the moment. However, it is also possible that the eurozone will only see one more interest rate decrease over the course of this year.

At a political level, it would appear that Europe will be somewhat less cohesive in the second half of the year and possibly for a number of years thereafter. Hungary's six-month presidency of the Council of the European Union began on 1 July and is inspired by the Donald Trump-esque slogan "Make Europe Great Again". An even more significant factor is that cooperation within the European Union will face fresh challenges following the extreme right's gains in the European elections and, in particular, the predicted outcome of the French elections. For instance, joint European borrowing is only possible with a strong Franco-German axis. The project to create a capital markets union would begin with a joint supervisory system. However, recent developments have served only to further strengthen scepticism in Germany and northern Europe over the prospect of handing over their national supervisory systems to a joint institution.

Europe's fragile cohesion also constitutes an increased risk of fragmentation for the sovereign debt markets, which is reflected in rising spreads on government bonds. At the same time, the ECB is emphasising that its Transmission Protection Instrument (TPI) is intended to counter disruptive market movements rather than revalue assets in response to changes in fundamental data.

<sup>6</sup> OECD – Economic Outlook, Issue 1/2024, 2 May 2024.

<sup>7</sup> ECB – Press release, 6 June 2024.

<sup>8</sup> Fed – Press release, 12 June 2024.

In the USA, the key event in the second half of the year will be November's presidential election. Victory for Donald Trump, who is currently ahead in polling in the key states, might considerably weaken existing alliances – with Europe in particular – and lead to a more aggressive foreign policy towards China. This represents a risk for the Pacific region and also – in the event of a strong decrease in or even cessation of US support for Ukraine – for Ukraine and the general security situation in Europe. At an economic level, Trump's promises of tax cuts for businesses, which are to be accompanied by heavy use of tariffs, would trigger countermeasures from trade partners. The world might veer towards a trade conflict where ultimately all sides would lose out.

### The European infrastructure market in 2024

**Crisis-resistant and sustainable infrastructure** is more important than ever in challenging times. Powered by megatrends such as energy integration, decarbonisation and digitalisation on the path to realising energy and climate policy goals, the urgent need for action to achieve the green shift will provide major opportunities, but will also require huge investment.

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. A growing number of transactions is to be expected, above all in the areas of biogas/biomethane, EV charging and battery storage, where Kommunalkredit is already very well placed.

The **expansion of digital infrastructure**, which underwent a boom up to the start of 2023, will continue to slow in the broadband/fibre optic segment especially and will increasingly shift from roll-out/capex<sup>9</sup>-dominated structures towards consolidation/M&A<sup>10</sup> scenarios. Clear consolidation trends are already evident in the United Kingdom and Germany in particular, and these trends will pick up over the next twelve months. Thanks to its expertise, Kommunalkredit is well positioned here, especially in the M&A advisory segment, alongside selective financing. The data centre trend, which is likewise highly favourable for Kommunalkredit (it has recently closed transactions in Germany and Scandinavia, among other places), is also likely to remain positive, since this asset class is also seeing strong demand from investors (asset managers and insurers). This should have a positive effect on Kommunalkredit's syndication activities.

In general, the remainder of 2024 and beyond will continue to be shaped by the high interest rates and related effects, even if rates have now peaked. Consequently, refinancing volumes can be expected to fall for the year 2024 as a whole. As regards M&A deals and acquisition financing, a continuing high level of activity is anticipated; however, transactions are currently taking longer to complete, since there are frequently significant gaps between the valuations reached by buyers and sellers. In the energy segment, for instance, these reflect the volatility of energy prices.

As has so often been the case over the past few years, the market is being impacted by various sources of uncertainty. However, on the strength of its expertise and its continuous track record, Kommunalkredit is entering the second half of 2024 with a well-filled pipeline.

<sup>9</sup> Capex: Capital Expenses.

<sup>10</sup> M&A: Mergers & Acquisitions.



## Kommunalkredit in 2024

Infrastructure forms the basis of all social and economic activity and constitutes the backbone of any developed market. In short: **infrastructure is essential for a sustainable future**. Forging ahead with climate action is and remains the utmost priority, while rethinking mobility behaviour, pursuing new digitalisation avenues and seeking out innovative solutions for energy use and generation are the new imperative. This will require pricing instruments, legal frameworks and public investment – as well as the will to make a difference and belief in the power of change.

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. True to our slogan **“THERE FROM THE BEGINNING”**, we not only provide guidance but also blaze a trail when it comes to planning, developing, financing and achieving sustainability milestones.

One of our latest green projects is our involvement in financing the construction of the world’s first steelworks to produce green steel based on green hydrogen and electricity in northern Sweden. This will save around 95% of the CO<sub>2</sub> emissions generated in conventional steel production. Austria’s largest electrolysis plant, which is a joint investment between Kommunalkredit and OMV, is expected to become operational later this year.

We are convinced that we can continue successfully on the path we have mapped out for ourselves. A steady growth rate bears testimony to our highly efficient business model, stringent risk management and refreshing, innovative entrepreneurial spirit. With the investment made by Sweden’s Altor fund and the associated capital increase, as a **“Green Transition Financing Champion”** we will be even more systematic in driving forward our vision of promoting the transition to a green and sustainable future.

If history has taught us one thing, it is that revolutions need a great deal of courage and strong partners to be successful. We need to think big. We must act decisively, sustainably and at scale. The “green revolution” has a positive aim. It will create a future that’s worth living in. For us. And for generations to come.

The Executive Board of  
Kommunalkredit Austria AG



**Sebastian Firlinger**  
Member of the Executive Board



**Bernd Fislage**  
Chief Executive officer



**Nima Motazed**  
Member of the Executive Board

Vienna, 6 August 2024





**CONSOLIDATED INTERIM  
FINANCIAL STATEMENTS  
OF THE KOMMUNALKREDIT GROUP,  
VIENNA, FOR THE FIRST HALF OF  
2024**

## Consolidated statement of financial position

<b>TOTAL ASSETS</b> in EUR 1,000	<b>30/6/2024</b>	<b>31/12/2023</b>
Cash reserves	994,918.7	895,762.7
Assets at amortised cost	2,791,154.9	2,980,153.4
<i>thereof credit institutions</i>	71,558.4	55,587.9
<i>thereof customers</i>	2,123,609.5	1,998,745.9
<i>thereof securities</i>	595,987.0	925,819.5
Assets at fair value through other comprehensive income	1,547,246.0	1,413,613.1
Assets at fair value through profit or loss	454,702.6	350,940.0
Associates recognized at equity	2,618.7	2,618.7
Derivatives	172,672.5	181,092.0
Property, plant and equipment	29,925.7	26,106.3
Intangible assets	8,878.1	7,416.8
Deferred tax assets	3,415.2	1,483.9
Other assets	7,988.2	11,927.5
<b>Total assets</b>	<b>6,013,520.6</b>	<b>5,871,114.2</b>

<b>LIABILITIES AND EQUITY</b> in EUR 1,000	<b>30/6/2024</b>	<b>31/12/2023</b>
Total liabilities	5,397,949.5	5,294,162.2
Liabilities at amortised cost	5,095,767.3	4,997,622.7
<i>thereof amounts owed to banks</i>	112,612.1	120,313.6
<i>thereof amounts owed to customers</i>	3,343,559.9	3,313,887.5
<i>thereof securitised and subordinated liabilities</i>	1,639,595.3	1,563,421.6
Derivatives	158,736.7	165,834.7
Portfolio hedge	5,521.4	4,821.6
Provisions	7,017.0	4,242.6
Current tax liabilities	45,915.8	33,293.8
Other liabilities	55,689.1	57,134.1
Subordinated liabilities at cost	29,302.2	31,212.7
Total equity	615,571.1	576,952.0
Equity attributable to the owners of the parent (ex AT1 capital)	553,111.2	514,447.8
Additional Tier 1 capital	62,243.7	62,243.7
Non-controlling interests	216.2	260.6
<b>Liabilities and equity</b>	<b>6,013,520.6</b>	<b>5,871,114.2</b>

## Consolidated income statement

INCOME STATEMENT in EUR 1,000	1/1/ – 30/6/2024	1/1/ – 30/6/2023
Net interest income	89,544.0	81,779.2
Interest income	203,803.1	135,483.9
<i>thereof calculated using the effective interest method</i>	176,189.6	112,449.0
Interest expenses	-114,259.1	-53,704.7
Net fee and commission income	21,293.8	14,513.0
Fee and commission income	23,892.8	15,323.9
Fee and commission expense	-2,599.0	-810.9
Gains and losses on financial assets and liabilities	-285.3	3,669.6
<i>Result from the derecognition of assets at fair value through other comprehensive income</i>	-543.8	142.0
<i>Result from the derecognition of financial assets measured at amortised cost</i>	-2,372.8	0.7
<i>Valuation result from Hedge-Accounting</i>	203.2	-232.2
Net provisioning for impairment losses	540.4	-323.5
General administrative expenses	-48,715.8	-41,856.4
Personnel expenses	-31,774.5	-28,766.9
Other administrative expenses	-16,941.3	-13,089.6
Contributions to the Bank Resolution Fund	0.0	-1,761.2
Result from associates	0.0	-9.0
Income from investments	0.0	75.0
Other operating result	-101.6	-787.0
Other operating income	382.8	849.8
Other operating expenses	-484.3	-1,636.9
<b>Profit before tax</b>	<b>62,275.5</b>	<b>55,299.5</b>
Income taxes	-15,224.0	-13,619.0
<b>Profit after tax</b>	<b>47,051.5</b>	<b>41,680.5</b>
<i>Thereof attributable to non-controlling interests</i>	43.4	95.8
<i>Thereof attributable to owners and Additional Tier 1 holders</i>	47,008.0	41,584.7



## Consolidated statement of comprehensive income

COMPREHENSIVE INCOME in EUR 1,000	1/1/ – 30/6/2024	1/1/ – 30/6/2023
<b>Profit after tax</b>	<b>47,051.5</b>	<b>41,680.5</b>
<b>Items to be recycled to the Income Statement</b>	<b>-7,066.9</b>	<b>6,650.8</b>
<b>Changes in debt capital instruments at fair value through other comprehensive income</b>	<b>-7,066.9</b>	<b>6,650.8</b>
Valuation of debt capital instruments at fair value through other comprehensive income	-9,177.8	6,576.3
Recycled to the Income Statement	0.0	313.8
Deferred tax on assets at fair value through other comprehensive income	2,110.9	-239.3
<b>Items not to be recycled to the Income Statement</b>	<b>131.5</b>	<b>-50.2</b>
<b>Change in actuarial gains/losses</b>	<b>131.5</b>	<b>-37.8</b>
Actuarial result from pension provisions	170.7	-49.1
Deferred tax on actuarial result from pension provisions	-39.3	11.3
<b>Changes in equity instruments at fair value through other comprehensive income</b>	<b>0.0</b>	<b>-12.4</b>
Valuation of equity instruments at fair value through other comprehensive income	0.0	-16.1
Deferred tax on changes in equity instruments at fair value through other comprehensive income	0.0	3.7
<b>Total comprehensive income, net of tax</b>	<b>40,116.0</b>	<b>48,281.2</b>
<i>thereof attributable to non-controlling interests</i>	<i>54.0</i>	<i>93.7</i>
<i>thereof attributable to owners of the parent</i>	<i>40,062.0</i>	<i>48,187.5</i>

## Consolidated statement of changes in equity

STATEMENT OF CHANGES IN EQUITY 1/1- 30/06/2024 in EUR 1,000	Subscribed capital	Fixed reserves <sup>1</sup>	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	47,008.0
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>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Recycling of debt capital instruments at fair value through other comprehensive income</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
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>47,008.0</b>
Capital increase	0.0	0.0	0.0
Profit distribution	0.0	0.0	0.0
Appropriation to fixed reserves	0.0	3,295.6	-3,295.6
AT1 capital	0.0	0.0	0.0
AT1 coupon	0.0	0.0	-2,052.3
Other effects <sup>5</sup>	0.0	0.0	663.0
<b>As of 30/6/2024</b>	<b>177,017.1</b>	<b>54,226.9</b>	<b>266,488.6</b>

- 1 The fixed reserves include statutory retained earnings of TEUR 10,434.1, liability reserves of the parent company in line with § 57 (5) of the Austrian Banking Act (BWG) of TEUR 31.313,5 and fixed capital reserves of the parent company of TEUR 12,479.3.
- 2 As of 30/6/2024, the reserves for debt capital instruments at fair value through other comprehensive income included deferred taxes of TEUR 15.523,9.
- 3 As of 30/6/2024, the reserves for equity instruments at fair value through other comprehensive income included deferred taxes of TEUR 286,9.
- 4 Includes additional AT1 bonds that represent unsecured and subordinated bonds of Kommunalkredit and are classified as equity under IFRS.

STATEMENT OF CHANGES IN EQUITY 1/1- 31/12/2023 in EUR 1,000	Subscribed capital	Fixed reserves <sup>1</sup>	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>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
<i>Recycling of debt capital instruments at fair value through other comprehensive income</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
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 increase	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
Other effects	0.0	0.0	0.0
<b>As of 31/12/2023</b>	<b>177,017.1</b>	<b>50,931.3</b>	<b>224,165.3</b>

- 1 The fixed reserves include statutory retained earnings of TEUR 10,434.1, liability reserves of the parent company in line with § 57 (5) of the Austrian Banking Act (BWG) of TEUR 28,017.9 and fixed capital reserves of the parent company of TEUR 12,479.3.
- 2 As of 31/12/2023, the reserves for debt capital instruments at fair value through other comprehensive income included deferred taxes of TEUR 17.634,7.
- 3 As of 31/12/2023, the reserves for equity instruments at fair value through other comprehensive income included deferred taxes of TEUR 286,9.
- 4 Includes additional AT1 bonds that represent unsecured and subordinated bonds of Kommunalkredit and are classified as equity under IFRS.



Reserve for debt capital instruments at fair value through other comprehensive income <sup>5</sup>	Reserve for equity instruments at fair value through other comprehensive income <sup>5</sup>	Actuarial gains/losses IAS 19	Equity attributable to Kommunalkredit shareholders	Additional equity component <sup>6</sup>	Noncontrolling interests	Equity
<b>59,038.0</b>	<b>960.6</b>	<b>2,335.4</b>	<b>514,447.8</b>	<b>62,243.7</b>	<b>260.6</b>	<b>576,952.0</b>
0.0	0.0	0.0	47,008.0	0.0	43.4	47,051.5
-7,066.9	0.0	0.0	-7,066.9	0.0	0.0	-7,066.9
-7,066.9	0.0	0.0	-7,066.9	0.0	0.0	-7,066.9
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	111.5	111.5	0.0	10.5	122.1
<b>-7,066.9</b>	<b>0.0</b>	<b>111.5</b>	<b>40,052.7</b>	<b>0.0</b>	<b>54.0</b>	<b>40,106.6</b>
0.0	0.0	0.0	0.0	0.0	0.0	0.0
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	-2,052.3	0.0	0.0	-2,052.3
0.0	0.0	0.0	663.0	0.0	-15.3	647.7
<b>51,971.0</b>	<b>960.6</b>	<b>2,446.9</b>	<b>553,111.2</b>	<b>62,243.7</b>	<b>216.2</b>	<b>615,571.1</b>

5 Adjusted due to a transmission error.

Reserve for debt capital instruments at fair value through other comprehensive income <sup>5</sup>	Reserve for equity instruments at fair value through other comprehensive income <sup>5</sup>	Actuarial gains/losses IAS 19	Equity attributable to Kommunalkredit shareholders	Additional equity component <sup>6</sup>	Noncontrolling interests	Equity
<b>50,380.1</b>	<b>463.6</b>	<b>2,781.6</b>	<b>409,453.6</b>	<b>62,243.7</b>	<b>155.5</b>	<b>471,852.8</b>
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
<b>8,657.8</b>	<b>497.0</b>	<b>-446.2</b>	<b>109,098.7</b>	<b>0.0</b>	<b>105.1</b>	<b>109,203.7</b>
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
0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>59,038.0</b>	<b>960.6</b>	<b>2,335.4</b>	<b>514,447.8</b>	<b>62,243.7</b>	<b>260.6</b>	<b>576,952.0</b>

## Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS in EUR 1,000	1/1/-30/6/2024	1/1/-30/6/2023
<b>Profit (after tax, before non-controlling interests)</b>	<b>47,051.5</b>	<b>41,680.5</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	1,002.7	1,037.3
Appropriation to/release of provisions	3,436.9	-1,702.5
Non-realised gains/losses from exchange rate fluctuations	4.6	7.4
Gains/losses from the valuation of financial assets and gains from the buyback of own issues	-2,631.3	-3,526.9
Income tax deferrals	13,053.3	14,801.0
Other adjustments (mainly interest accruals)*	51,805.4	-556.5
<b>Sub-total</b>	<b>113,723.1</b>	<b>51,740.3</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 banks</i>	-42,077.5	15,367.1
<i>thereof loans and advances to customers</i>	144,100.8	-222,193.5
Assets available for sale and fair value option	-185,390.0	-267,088.5
Assets at fair value through other comprehensive income	-118,612.0	-63,880.1
Derivatives	7,789.6	26,473.4
Other assets from operating activities	455.7	899.0
Amounts owed to banks	-6,017.4	-4,962.7
Amounts owed to customers	-30,914.0	254,543.2
Securitized liabilities	88,024.4	14,202.7
Other liabilities from operating activities	-1,680.3	20,304.8
Interest receipts*	178,660.9	131,659.0
Dividend receipts	0.0	75.0
Interest paid*	-37,959.2	-45,008.3
Income taxes paid	-2,362.6	-144.6
<b>Cash flow from operating activities</b>	<b>107,741.3</b>	<b>-88,013.2</b>
Cash payments for the acquisition of Property, plant and equipment and intangible assets	-6,283.4	-5,682.0
<b>Cash flow from investing activities</b>	<b>-6,283.4</b>	<b>-5,682.0</b>
Dividend payments attributable to non-controlling interests	-83.0	0.0
AT1 coupon	-2,052.3	-2,052.3
Cash outflow from repayments on lease liabilities	-166.7	-10.2
<b>Cash flow from financing activities</b>	<b>-2,301.9</b>	<b>-2,062.5</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	107,741.3	-88,013.0
Cash flow from investing activities	-6,283.4	-5,682.0
Cash flow from financing activities	-2,301.9	-2,062.5
<b>Cash and cash equivalents at the end of the period</b>	<b>994,918.7</b>	<b>407,445.6</b>

\* To adjust an allocation error, the non-cash interest accruals contained in the items "Interest receipts" (TEUR -3,824.9) and "Interest paid" (TEUR 8,696.4) were reclassified to the item "Other adjustments".



# Selected explanatory notes on the consolidated interim financial statements

## 1. General information

These interim consolidated financial statements of the Kommunalkredit Group were produced based on all obligatory 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) and adopted by the European Union (EU).

These interim consolidated financial statements for the period from 1 January until 30 June 2024 are compliant with IAS 34 ("Interim Financial Reporting") and have undergone a review by the auditor. The interim consolidated financial statements do not contain all the information and disclosure requirements required by the consolidated financial statements and must therefore be read in conjunction with the consolidated financial statements of the Kommunalkredit Group for 2023. The accounting and valuation methods used in the consolidated interim financial statements are consistent with those used for the 2023 consolidated financial statements.

## 2. Other information

### a. Scope of consolidation

In accordance with the provisions of IFRS 10, the scope of consolidation of the Kommunalkredit Group comprises the following companies in addition to the parent company Kommunalkredit as of 30 June 2024:

NAME AND REGISTERED OFFICE	Investment		Share in capital 30/6/2024 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%

\* For reasons of materiality, Kommunalkredit's 45.0% stake in Kommunalnet Egovernment Solutions GmbH and 8% share in Fidelio KA Infrastructure Opportunities FUND SCAF-RAIF SCA are not accounted for as an associated companies at equity, but are shown under assets at fair value through other comprehensive income.

**b. Equity**

The 2023 unappropriated profit of Kommunalkredit Austria AG according to Austrian GAAP in the amount of TEUR 143,759.8 has been carried forward to new account.

**c. Development of result**

The consolidated profit for the period after tax went up by 12.9% year-on-year to TEUR 47,051.0 (H1 2023: TEUR 41,680.5). This increase is mainly due to the improvement in the interest and net fee and commission income, which resulted primarily from the further expansion of the infrastructure and energy financing business. Net interest income improved by 9.5% to TEUR 89,544.0 (H1 2023: TEUR 81,779.2). Net fee and commission income rose by 46.7% to TEUR 21,293.8 (after reaching TEUR 14,513.0 in H1 2023). General administrative expenses increased by 16.4% to TEUR 48,715.8 (H1 2023: TEUR 41,856.4) and reflect the growth path taken by the Kommunalkredit Group.

The net provisioning for impairment losses in the first half of 2024 was TEUR 540.4 (H1 2023: TEUR -323.5) and includes the change in the statistically calculated provision for expected credit losses under IFRS 9. The reduction in risk provisions despite new business and a growing portfolio reflects in particular the lower statistical probabilities of default, which are due on the one hand to stronger economic growth forecast in the next twelve months (above all in 2025) and on the other to the positive development in rating migrations as well as strong equity markets. Risk provisions fell to EUR 6.0m as of 30 June 2024 (31/12/2023: EUR 6.5m).

Further details on the development of the result are set out in the management report.

**d. Revenue from contracts with customers**

IFRS 15 "Revenue from Contracts with Customers" uses a five-step model to regulate whether, when and in what amount revenue from contracts with customers is recognised. Based on this model, revenue from fees and commissions is recognised in the statement of financial position when control over the services is passed, meaning that the contractual performance obligations to the customer have been met. If services are provided over a certain period, the fees and commissions are realised for the specific period when these services are provided. If the customer is responsible for monitoring the service at a certain time, the revenue is realised for a specific period.

Of the fee and commission income totalling TEUR 23,892.8 for the first half of 2024 (H1 2023: TEUR 15,329.9), the largest share of TEUR 13,064.4 (H1 2023: TEUR 10,720.4) was attributable to revenue from Kommunalkredit Public Consulting GmbH (KPC) in the subsidy management and consulting business. Fee and commission income from Kommunalkredit's lending business came to TEUR 8,841.2 (H1 2023: TEUR 4,282.0) and mostly includes fees related to the new lending business. These are mainly transaction-related fees from financial instruments measured at fair value through profit or loss. Income from other service business in the amount of TEUR 1,987.2 (H1 2023: TEUR 321.2) is also included.

**e. Contingent liabilities and other off-balance-sheet liabilities**

Contingent liabilities and other off-balance-sheet liabilities were as follows:

in EUR 1.000	30/6/2024	31/12/2023
<b>Contingent liabilities:</b> Sureties and guarantees	0.0	0.0
<b>Other obligations:</b> Credit lines and promissory notes	1,196,037.1	928,842.7

**f. Russia/Ukraine conflict**

The development of the conflict between Russia and Ukraine, and the sanctions imposed by the European Union in reaction to this conflict, do not have any material direct impact on Kommunalkredit. With the exception of a project with a net exposure of EUR 0.3m, Kommunalkredit does not have any direct exposures to the relevant countries. It is, however, impossible to rule out potential indirect effects on business in the future. Indirect effects include, for example, negative economic developments, uncertainty on the financial markets, supply and energy bottlenecks or expenses resulting from deposit insurance. Thanks to Kommunalkredit's business model, no material negative impact on assets, financial position and income is expected.

**g. Legal risks**

There are no legal disputes pending in the courts against Kommunalkredit. The proceedings initiated against Kommunalkredit Public Consulting GmbH (KPC) on 2 July 2021 by the data protection authority following a report by an affected party were dropped on 11 December 2023.

**h. Other obligations**

Relative to the 2023 interim period, there have been no relevant changes in other obligations.

**i. Fair value of financial assets and liabilities**

In accordance with the requirement to distinguish between groups of financial instruments, the Kommunalkredit Group categorises financial instruments as presented in the following table. The carrying amounts and attributable fair values per category can also be found in the table. The fair values of financial instruments not recognised at fair value are calculated based on the fair value hierarchy described below. The calculation of fair value uses maturity-, rating- and instrument-specific measurement parameters in connection with standard valuation methods in line with IFRS 13. 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 commitment corresponds to the nominal values of TEUR 561.3 (31/12/2023: TEUR 565.9) and TEUR 1,196,037.1 (31/12/2023: TEU 928,842.7) respectively.

The values as of 30 June 2024 are as follows:

CATEGORIES 30/6/2024 in EUR 1,000	Amortised cost	At fair value through other comprehensive income	At fair value through profit or loss	Carrying amount	Fair value
Cash and balances with central banks	994,918.7	0.0	0.0	994,918.7	994,918.7
Loans and advances to banks	71,558.4	0.0	0.0	71,558.4	79,684.4
Loans and advances to customers	2,123,609.5	0.0	0.0	2,123,609.5	2,147,092.6
Securities at amortised cost	595,987.0	0.0	0.0	595,987.0	577,615.2
Assets recognised at fair value through other comprehensive income	0.0	1,547,246.0	0.0	1,547,246.0	1,547,246.0
Assets at fair value through profit or loss	0.0	0.0	454,702.6	454,702.6	454,702.6
Derivatives	0.0	0.0	172,672.5	172,672.5	172,672.5
<b>Total</b>	<b>3,786,073.6</b>	<b>1,547,246.0</b>	<b>627,375.1</b>	<b>5,960,694.8</b>	<b>5,973,932.2</b>
Amounts owed to banks	112,612.10	0.0	0.0	112,612.1	106,341.1
Amounts owed to customers	3,343,559.86	0.0	0.0	3,343,559.9	3,438,838.9
Securitised liabilities	1,639,595.34	0.0	0.0	1,639,595.3	1,743,716.5
Subordinated liabilities	29,302.23	0.0	0.0	29,302.2	44,604.6
Derivatives	0.0	0.0	158,736.7	158,736.7	158,736.7
<b>Total</b>	<b>5,125,069.5</b>	<b>0</b>	<b>158,736.7</b>	<b>5,283,806.2</b>	<b>5,492,237.7</b>

The values as of 31 December 2023 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 or loss	Carrying amount	Fair value
Cash and balances with central banks	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 at amortised cost	925,819.5	0.0	0.0	925,819.5	917,648.3
Assets recognised at fair value through other comprehensive income	0.0	1,413,613.1	0.0	1,413,613.1	1,413,613.1
Assets at fair value 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>5,814,635.8</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
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
Derivatives	0.0	0.0	165,834.7	165,834.7	165,834.7
<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>



**j. Information on the calculation of fair value  
(fair value hierarchy)**

In general, the methods used to measure fair value can be classified into 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 measurement 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 includes, in particular, prices based mainly on the estimates of experts and/or that contain non-observable data. Level 3 financial instruments are measured by means of an internal model based on the present value method. Cash flows are discounted on the basis of current yield curves, taking credit spreads into account.

**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 AMOUNT for financial instruments recognised at fair value in EUR 1,000	30/6/2024		
	Level 1	Level 2	Level 3
<b>Assets</b>			
Assets (recognized at fair value through other comprehensive income)	15,181.5	724,023.3	808,041.2
Assets at fair value through profit or loss	0.0	102,307.8	352,394.8
Derivatives	0.0	172,672.5	0.0
<b>Liabilities</b>			
Derivatives	0.0	158,736.7	0.0

As of 30 June 2024, Kommunalkredit had Level 3 financial assets measured at fair value in the amount of TEUR 1,160,436.1 (31/12/2023: TEUR 1,023,101.1). The Level 3 classification concerns infrastructure and energy financing, and is based on

the non-observability of the credit spreads required for the discounted cash flow method.

The values compared to the previous year are as follows:

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

The following tables show a reconciliation of financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income in Level 3 of the fair value hierarchy:

<b>RECONCILIATION OF FINANCIAL INSTRUMENTS measured at fair value through p&amp;l</b> in EUR 1,000	<b>1/1/-30/6/2024</b>	<b>1/1/-31/12/2023</b>
Amount at start of reporting period	306,337.0	136,836.5
Additions/disbursement	52,669.0	188,955.4
Additions from level 2	1,402.5	0.0
Disbursements in level 2	0.0	0.0
Sold/redeemed	-6,638.7	-16,970.8
<b>Total gains and losses</b>		
recognised in other comprehensive income	1,059.8	17.2
recognised in profit or loss (net interest income)	-2,434.8	-2,501.3
<b>Amount at end of reporting period</b>	<b>352,394.8</b>	<b>306,337.0</b>

<b>RECONCILIATION OF FINANCIAL INSTRUMENTS measured at fair value through p&amp;l</b> in EUR 1,000	<b>1/1/-30/6/2024</b>	<b>1/1/-31/12/2023</b>
Amount at start of reporting period	716,764.2	580,974.3
Additions/disbursement	165,620.2	373,008.4
Additions from level 2	0.0	0.0
Sold/redeemed	-52,813.6	-212,220.6
<b>Total gains and losses</b>		
recognised in profit or loss (net interest income)	-11,136.7	-10,275.6
recognised in other comprehensive income	-10,392.8	-14,722.3
<b>Amount at end of reporting period</b>	<b>808,041.2</b>	<b>716,764.2</b>

### Financial instruments not recognised at fair value

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

FAIR VALUES of financial instruments not recognised at fair value in EUR 1,000	30/6/2024		
	Level 1	Level 2	Level 3
<b>Assets at amortised cost</b>			
Loans and advances to banks	50,040.4	29,643.9	0.0
Loans and advances to customers	29,448.5	1,167,196.4	950,447.8
Securities at amortised cost	450,421.7	127,193.6	0.0
<b>Liabilities at amortised cost</b>			
Amounts owed to banks	0.0	106,341.1	0.0
Amounts owed to customers	0.0	3,438,838.9	0.0
Securitised liabilities	0.0	1,743,717.5	0.0
Subordinated liabilities	0.0	44,604.6	0.0

The values compared to the previous year are as follows:

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

### k. Significant events after the reporting period

#### Change of control among owners

Kommunalkredit Austria AG's two shareholders with indirect control – UK-based Interritus Limited and Trinity Investments Designated Activity Company, which has its registered office in Ireland and is managed by Attestor Limited – have sold their entire stake in Satere Beteiligungsverwaltungs GmbH (Kommunalkredit Austria AG's holding company) to Green Opera Finance BidCo AB, which is based in Sweden and backed by funds managed by the Swedish financial investor Altor.

This decision and the subsequent signing of the related agreement were announced in February 2023. Satere Beteiligungsverwaltungs GmbH's previous shareholders – Interritus, Trinity Investments Designated Activity Company (managed by Attestor Limited) and the Austrian Association of Municipalities – will remain minority shareholders. After the competent Austrian and European authorities granted the necessary approvals, the transaction was successfully concluded on 15 July 2024. Kommunalkredit's capital was strengthened by EUR 100m via a capital injection by the new majority owner on 29 July 2024 to support Kommunalkredit on its growth path.

Following the closing on 15 July 2024, the previous Supervisory Board members resigned as planned and the Annual General Meeting appointed a new Supervisory Board. The Supervisory Board of Kommunalkredit now consists of:

- **Hans Larsson, Chairman**  
Chairman, Skandia Mutual Life Insurance Company
- **Paal Weberg, Deputy Chairman**  
Co-Managing Partner, Altor Equity Partners
- **Andreas Haindl**  
Independent Management Consultant
- **Herman Korsgaard**  
Partner, Altor Equity Partners
- **Henrik Matsen**  
Partner, Henry Costa Partners
- **Kurt Svoboda**  
CFO/CRO, UNIQA Insurance Group AG

The Supervisory Board members delegated by the Works Council remain unchanged; these are Oliver Fincke, Gerald Unterrainer and Claudia Slauer.

**I. Related party disclosures**

**Ownership structure**

Name of the company	Relationship with Kommunalkredit	Registered office	Shares held
Satere Beteiligungsverwaltungs GmbH	Direct parent company	Vienna, Austria, Comp.Reg. no 428981f	99.80% in Kommunalkredit

Satere Beteiligungsverwaltung GmbH (Satere) is owned by Interitus Limited and Trinity Investments Designated Activity Company (Trinity), which hold 55% and 45% respectively; the two companies exercise joint control over Satere through contractual agreements. Satere thus qualifies as a joint venture according to IFRS 11 and is classified as the controlling parent company of Kommunalkredit.

Kommunalkredit 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 30 June 2024, positions amounting to TEUR 193,259.3 (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 of 30 June 2024 for the related party of Trinity. In the interim period, the fiduciary administration of these transactions generated fee and commission income of TEUR 426.0 (H1 2023: TEUR 464.7). As of 30 June 2024, TEUR 213.0 (31/12/2023: TEUR 214.3) was reported under other assets.

**Tax group**

With effect from 2016, a tax group pursuant to § 9 of the Austrian Corporate Income Tax Act was formed, with Satere as the group parent. As of 30 June 2024, group members include Kommunalkredit, Kommunalkredit Public Consulting GmbH (KPC), Florestan KA GmbH and Florestan KA Hydrogen GmbH.

**Relationships with associates**

Other off-balance-sheet liabilities in the form of obligations to inject additional equity of TEUR 0.0 (31/12/2023: TEUR 0.0) exist by way of a relationship with PeakSun Holding GmbH, an associate included at equity.

**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 Board to be key management personnel.

There is a company that holds a capital interest of 25.1% in Fidelio KA Beteiligung GmbH (31/12/2023: 25.1%); this company is within the range of influence of an Executive Board member 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 GP S. à r. l.

As of 30 June 2024, just like as of 31 December 2023, there were no outstanding loans/advances to members of the Executive Board or to members of the Supervisory Board, and there were no liabilities with Kommunalkredit for them either.

**3. Segment reporting**

The business activities of the Kommunalkredit Group unfold primarily in the area of municipal and infrastructure-related project financing as well as in the management of support programmes for the Republic of Austria.

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.

The Executive Board  
of Kommunalkredit Austria AG



**Sebastian Firlinger**  
Member of the Executive Board



**Bernd Fislage**  
Chief Executive Officer



**Nima Motazed**  
Member of the Executive Board

Vienna, 6 August 2024

## STATEMENT BY THE LEGAL REPRESENTATIVES

We hereby confirm to the best of our knowledge that the interim consolidated financial statements 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, and that the Group Management Report for the first half of the year conveys a true and fair view of the assets, the financial position and the income of the Group with regard to the main events during the first six months of the financial year and their impact on the interim consolidated financial statements, as well as with regard to the essential risks and uncertainties for the remaining six months of the financial year.

The Executive Board  
of Kommunalkredit Austria AG



**Sebastian Firlinger**  
Member of the Executive Board



**Bernd Fislage**  
Chief Executive Officer



**Nima Motazed**  
Member of the Executive Board

Vienna, 6 August 2024

# Report on the review of the consolidated interim financial statements

## Introduction

We have reviewed the accompanying consolidated interim financial statements of Kommunalkredit Austria AG, Vienna, for the period from 1 January 2024 to 30 June 2024. These consolidated interim financial statements comprise the consolidated statement of financial position as of 30 June 2024 and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the period from 1 January 2024 to 30 June 2024, and the consolidated notes summarising the main accounting and measurement principles applied and other explanatory notes.

Management is responsible for the preparation of these consolidated interim financial statements in accordance with International Financial Reporting Standards (IFRSs) for Interim Reporting as adopted by the EU.

Our responsibility is to express a conclusion on these condensed interim consolidated financial statements. Our liability towards the Company and towards third parties is limited in accordance with § 275 par. 2 of the Austrian Commercial Code (UGB).

## Scope of review

We conducted our review in accordance with Austrian Standards for Chartered Accountants, in particular in compliance with KFS/PG 11 “Principles of Engagements to Review Financial Statements”, and International Standard on Review Engagements (ISRE 2410) “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially smaller in scope than an audit conducted in accordance with Austrian Standards on Auditing and International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing came to our attention that causes us to believe that the accompanying consolidated interim financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRSs) for Interim Reporting as adopted by the EU.

## Statement on the interim consolidated management report and on the management’s statement in accordance with § 125 Austrian Stock Exchange Act (BörseG)

We have read the interim consolidated management report and evaluated whether it does not contain any apparent inconsistencies with the consolidated interim financial statements. Based on our evaluation, the consolidated interim management report does not contain any apparent inconsistencies with the consolidated interim financial statements.

The Interim Group Management Report includes the declaration of the Company’s legal representatives required by § 125 (1) fig. 3 of the Austrian Stock Exchange Act (BörseG).

Publication and sharing with third parties of the consolidated interim financial statements together with our report on the review of the consolidated interim financial statements is only allowed if they are identical with the German audited version. For deviating versions (e.g. condensed versions or translations into other languages), the provisions of § 281 (2) of the Austrian Commercial Code (UGB) apply.

Vienna, 7 August 2024

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

*signed:*

**Bernhard Mechtler**  
Austrian Certified Public Accountant

# NOTES

## Performance indicators of Kommunalkredit Austria AG according to Austrian GAAP



## Statement of financial position of Kommunalkredit Austria AG according to Austrian GAAP

ASSETS in EUR 1,000	30/6/2024	31/12/2023
Balances with central banks	991,918.8	887,662.5
Public-sector debt instruments	247,964.7	531,396.6
Loans and advances to banks	149,680.2	92,236.8
Loans and advances to customers	4,042,063.9	3,758,904.9
Bonds and other fixed-income securities	406,007.9	394,469.7
Participations	36,976.9	34,471.5
Investments in associates	54,474.0	50,444.0
Intangibles non-currents assets	497.1	602.7
Property, plant and equipment	2,818.4	2,720.0
Other assets	39,004.3	52,464.8
Accruals	21,366.1	17,381.8
Deferred tax assets	10,422.1	10,846.9
<b>Total Assets</b>	<b>6,003,194.4</b>	<b>5,833,602.2</b>

LIABILITIES in EUR 1,000	30/6/2024	31/12/2023
Amounts owed to banks	114,342.1	121,997.9
Amounts owed to customers	3,360,352.4	3,327,904.0
Securitised liabilities	1,697,785.2	1,610,978.8
Other liabilities	46,127.2	39,455.7
Accruals	26,217.6	29,244.6
Provisions	74,384.5	67,246.9
Fund for general banking risks (§ 57 (3) BWG)	40,000.0	40,000.0
Supplementary capital	40,714.3	41,728.7
Additional Tier-I-Capital	63,313.1	63,318.7
Subscribed capital	177,017.1	177,017.1
Capital reserves	12,479.3	12,479.3
Revenue reserves	130,452.7	130,452.7
Statutory reserve pursuant to § 57 (5) BWG	31,313.5	28,017.9
Net profit	188,695.5	143,759.8
<i>thereof profit carried forward</i>	<i>143,759.8</i>	<i>49,101.3</i>
<i>of which profit for the period (after appropriation to reserves)</i>	<i>44,935.7</i>	<i>94,658.5</i>
<b>Total Liabilities</b>	<b>6,003,194.4</b>	<b>5,833,602.2</b>

## Performance indicators of Kommunalkredit Austria AG

in EUR 1,000 or %	30/6/2024	31/12/2023
Total risk exposure amount pursuant to Art. 92 CRR	3,456,510.1	2,965,659.7
Common equity tier 1 (CET 1)	534,525.3	531,124.2
CET 1 ratio	15.5%	17.9%
Common equity (tier 1)	597,325.3	593,924.2
Common equity ratio	17.3%	20.0%
Total capital (tier 1 and tier 2)	637,875.3	635,574.2
Total capital ratio	18.5%	21.4%

## Income statement of Kommunalkredit Austria AG according to Austrian GAAP

in EUR 1,000	1/1/ – 30/6/2024	1/1/ – 30/6/2023
<b>Net interest income</b>	<b>83,053.1</b>	<b>71,758.6</b>
Income from securities and investments	747.0	0.0
Fee and commission result	13,123.6	13,400.3
Income/expenses from financial transactions	4.6	7.4
Other operating income	2,685.1	2,323.0
<b>Operating income</b>	<b>99,613.5</b>	<b>87,489.3</b>
<b>General administrative expenses</b>	<b>-36,981.7</b>	<b>-34,676.5</b>
Personnel expenses	-23,327.1	-21,863.8
Other administrative expenses	-13,654.6	-12,812.7
Depreciation	-396.7	-505.7
Other operating expenses	-358.7	-1,446.8
<b>Operating expenses</b>	<b>-37,737.0</b>	<b>-36,628.9</b>
<b>Operating result (=Betriebsergebnis)</b>	<b>61,876.5</b>	<b>50,860.4</b>
Balance of income/expenses from the impairment of receivables and provisions for contingent liabilities	1,708.9	-245.9
<i>of which realised/valuation from securities, loans and derivatives</i>	94.4	511.4
<i>of which change in provision under § 57 (1) Austrian Banking Act</i>	1,100.0	0.0
<i>of which change in valuation allowances</i>	514.5	-757.3
<b>Profit on ordinary activities (=Ergebnis der gewöhnlichen Geschäftstätigkeit)</b>	<b>63,585.4</b>	<b>50,614.5</b>
Taxes on income	-15,243.1	-13,598.9
Other taxes	-111.0	-97.5
<b>Profit for the year/Net profit</b>	<b>48,231.3</b>	<b>36,918.1</b>

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