



INNOVATION. AGILITY. IMPACT.

Half Year Financial Report
Kommunalkredit Group 2023

KOMMUNAL
KREDIT

Kommunalkredit at a glance.

SELECTED PERFORMANCE INDICATORS <small>in EUR m or %</small>	IFRS				Austrian GAAP			
	H1 2020	H1 2021	H1 2022	H1 2023	H1 2020	H1 2021	H1 2022	H1 2023
EBIT	19.0	22.8	39.5	51.6	9.4	18.8	33.0	50.9
Profit for the period before tax	16.4	26.0	52.1	55.3	10.5	20.3	53.0	50.6
Profit for the period after tax	12.0	18.6	39.1	41.7	11.3	20.0	45.6	36.9
Cost/income ratio*	59.8%	56.2%	47.2%	46.7%	71.2%	55.9%	46.1%	41.9%
Cost/income ratio new**	n.a.	n.a.	41.8%	42.0%	n.a.	n.a.	n.a.	n.a.
Return on equity before tax***	10.6%	15.4%	30.3%	27.5%	6.7%	11.8%	30.2%	23.5%
Return on equity after tax***	7.8%	11.0%	22.7%	20.8%	7.2%	11.6%	26.0%	17.1%
Tier 1 ratio	n.a.	n.a.	n.a.	n.a.	18.4%	21.7%	17.3%	17.4%

* H1 2023 Bank Standalone Cost/income ratio acc. to IFRS: 41.4%.

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

*** Return on Equity = Result for the period extrapolated to one year/common equity of the Group (IFRS) or on an individual basis (UGB) as of 1/1.



Leading role

First Austrian bank in the European Clean Hydrogen Alliance



H₂

Green hydrogen

Investment in the construction of Austria's largest electrolysis plant with OMV

Focus on

Europe



27

nationalities as a sign of diversity with over 300 employees

UN

UN Responsible Banking
Commitment to the UN Principles for Responsible Banking



PCAF member

Joined the Partnership for Carbon Accounting Financials Initiative

A+ 

Covered bond rating S&P



BBB+

Average rating of
premium-grade
portfolio



BBB- | BBB (Senior)

Investment grade ratings
S&P, Fitch | DBRS

EUR **52m**

Operating Result + 31%

20.8%

RoE after tax



42.0%

Cost/income ratio



We live for infrastructure.

INNOVATION. AGILITY. IMPACT.

#alwaysfirst

**Half Year Financial Report 2023
of Kommunalkredit Group**

KOMMUNALKREDIT. Nothing else.

Table of contents

07	Vision. Mission. Always first.
08	Infrastructure
09	Expertise
10	Building bridges
14	Success factor
16	Sustainability
18	Benefit to the community
21	Management report on the consolidated interim financial statements.
22	Economic environment
24	Business review
32	Assets, financial position and income
36	Branch office and equity investments
39	Other material disclosures
39	Significant events after the reporting period
40	Outlook
43	Consolidated interim financial statements of the Kommunalkredit Group, Vienna, for the first half of 2023.
44	Consolidated statement of financial position (IFRS)
45	Consolidated statement of comprehensive income
47	Consolidated statement of changes in equity
48	Consolidated statement of cash flows
50	Selected explanatory notes on the consolidated interim financial statements
61	Statement by the legal representatives
62	Report on the review of the consolidated interim financial statements
64	Notes: Performance indicators of Kommunalkredit Austria AG according to Austrian GAAP
67	Imprint



VISION. MISSION. ALWAYS FIRST.

We live for infrastructure. We combine industry expertise and structuring know-how with the financing capabilities of a bank. With a flexible and individual approach.

08	Infrastructure
09	Expertise
10	Building bridges
14	Success factor
16	Sustainability
18	Benefit to the community

Infrastructure

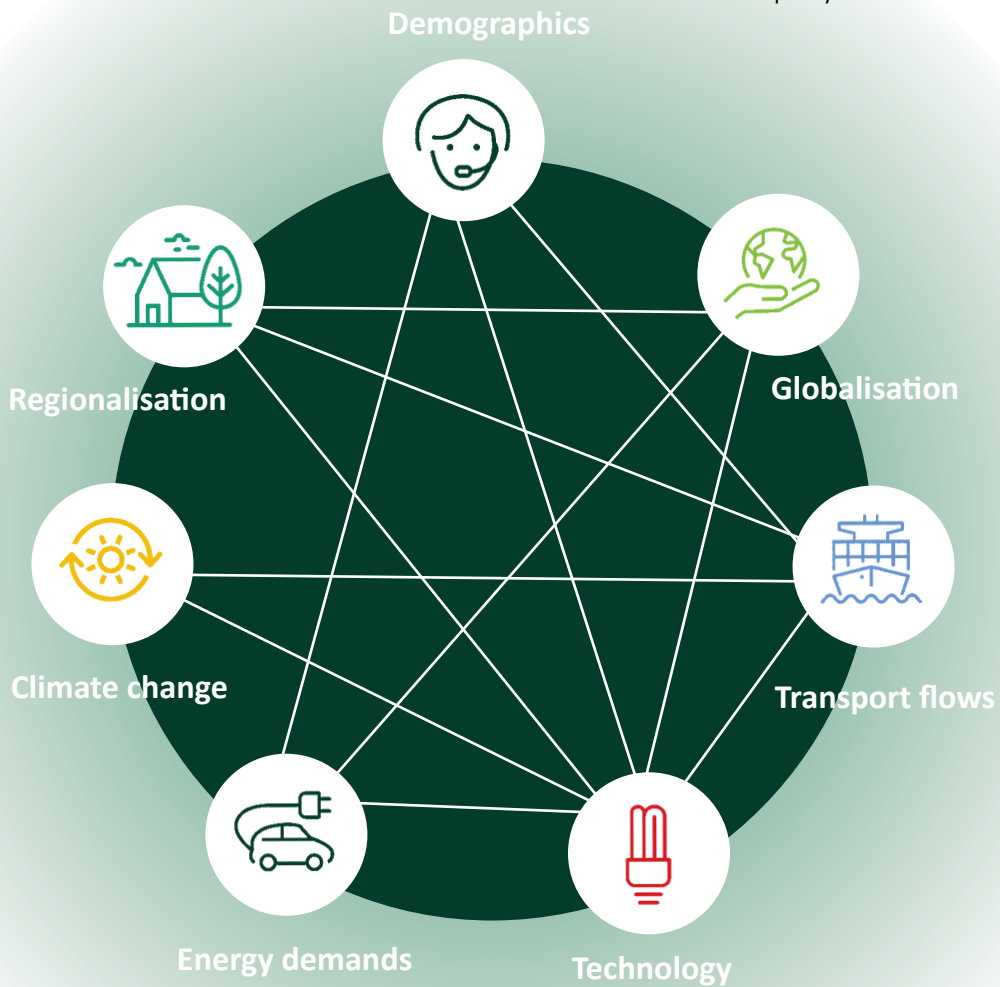
Infrastructure is, by its very nature, essential to the efficient functioning of society. Its quality has a significant impact on economic growth at local, regional, national and global levels.

Infrastructure is attractive.

Infrastructure investments are extremely popular. They increasingly represent alternative and responsible investment options. They have become 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 proves stable 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

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.

Our strategy



As a specialist for infrastructure and energy financing, Kommalkredit focusses on using its projects to provide benefit to the community by 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 nimble infrastructure bank in Europe, helping to create a better world.

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.

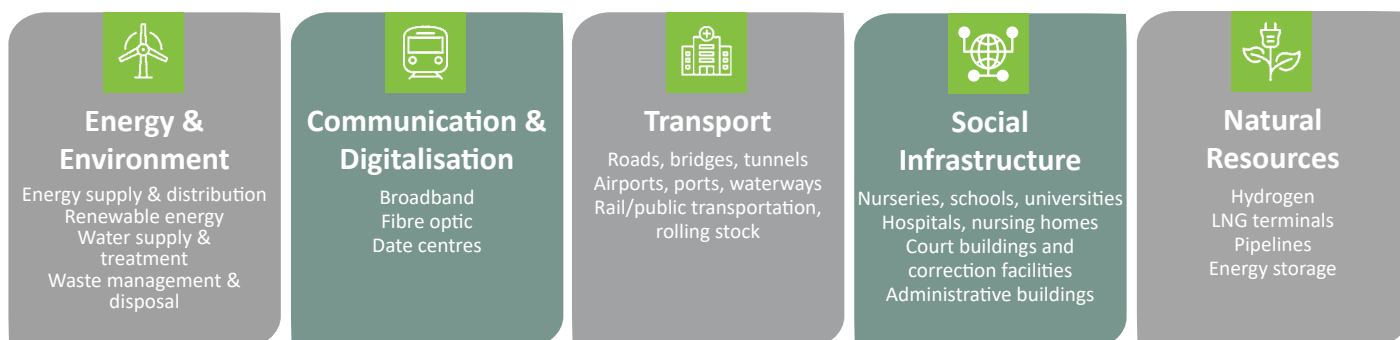
Benefit to the community

- 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.

Our sectors

We enable the development of new technologies (green hydrogen, energy storage), finance utilities, photovoltaic and wind farms,

contribute to the technical infrastructure for connectivity and e-mobility, support the modernisation of care and education facilities ...



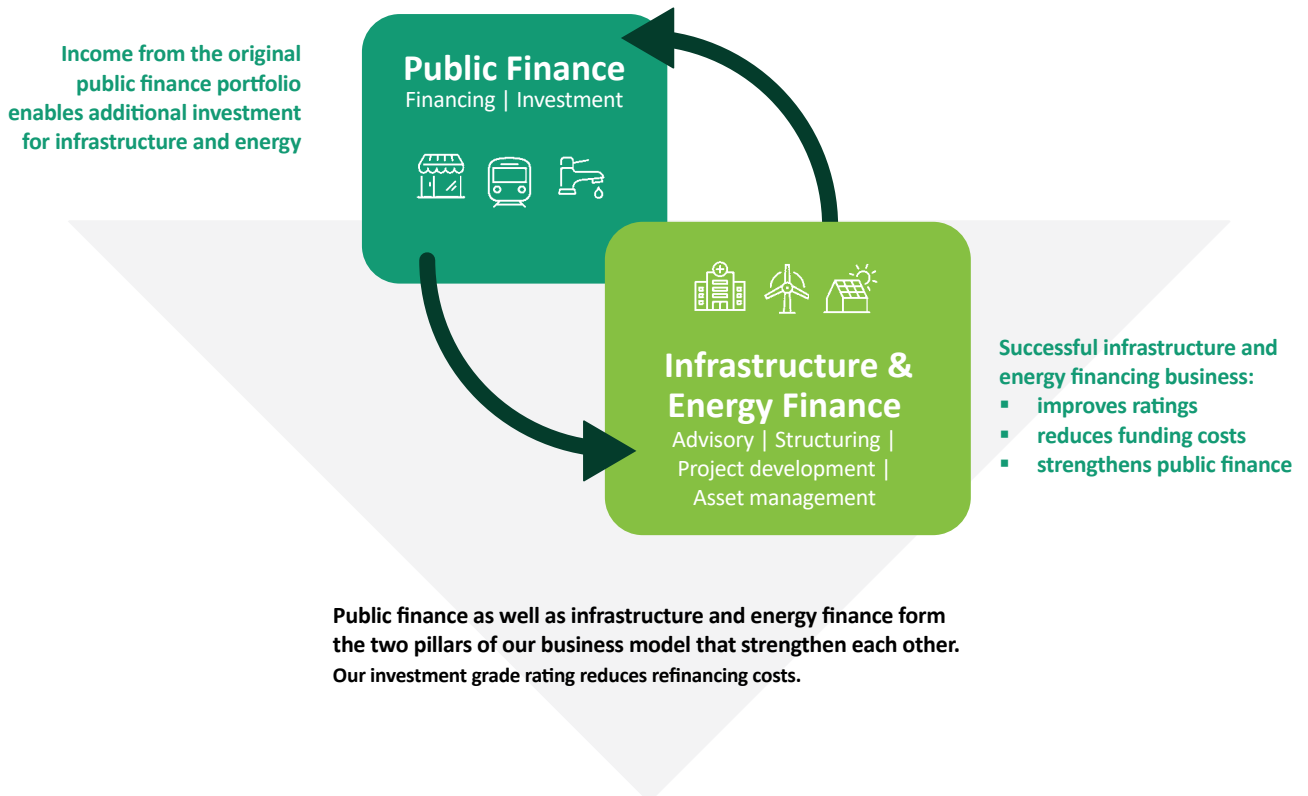
Building bridges

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 providing 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.





Our markets

Whether it's supplying sustainable energy, highspeed 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).



Success factor

Kommunalkredit sets ambitious strategic objectives, creates positive impact in the infrastructure and energy market and constantly strives to reach new sustainable milestones.

What is our goal?

Partner of choice for infrastructure investments:

- Driving innovation and energy transition forward
- Applying our financing expertise as a link between sustainability and profitability
- Moving the market environment towards a greater contribution to ESG/SDG

How will we achieve this goal?

Concentration on our core business:

- Consistent customer focus
- Operational efficiency
- Futureoriented investments
- Unlock complementary revenue streams
- Stronger focus on national and international climate targets

How do we improve in terms of our core business?

Looking forward and acting decisively:

- Growing the strong commission business
- Expanding the product range and market presence
- Combination of bank balance sheet and asset management platform
- Targeted expansion of project development activities

What do we do to achieve this?

Improve our market position:

- Continue to strengthen our capital base
- Divert capital flows to sustainable/green infrastructure projects
- Drive digitalisation forward
- Support and integrate the best talent
- Increase underwriting capacity





Why is this attractive to our shareholders?

Create value:

- Tick all relevant valuation drivers
- Highvelocity, lowrisk balance sheet
- Continuous CAGR* outperformance: Loans | Revenues | Results
- Doubledigit return on equity
- Excellent dividend yield and attractive distribution rate

* CAGR = Compound Annual Growth Rate

Kommunalkredit's sustainability commitments

 <p>Accelerate the green transition</p>	<p>40% to 50% for energy transition & environmental protection ≤ 10% for innovative, green projects ≥ 30% for social infrastructure or digitalisation & communication</p>	 <p>Help improve people's lives</p>
 <p>Integrate impact</p>	<p>≥ 95% of employees trained on sustainable development SDG impact curriculum by Q2/2023 KA Environmental Sustainability Ratio by Q3/2023 GHG_e measurement based on PCAF* Net zero target set ≥ 30% of managers female by 2025 Eliminating the gender pay gap (within the same occupational groups) by 2025</p> <p><small>* Partnership for Carbon Accounting Financials</small></p>	 <p>Deliver transparently & responsibly with speed and precision</p>



Sustainability

Sustainability is an integral part of Kommunalkredit’s strategy. ESG aspects have been incorporated into all processes. We take sustainability factors into account in each and every infrastructure project.

Sustainability strategy

Kommunalkredit’s sustainability strategy is closely correlated to its core business and has a green and a social focus:

Key levers that will help us to implement our strategy are:



Accelerate the energy transition

We facilitate the decarbonisation of the economy and are committed to driving it forward. Our financing activities focus on renewable energies, hydrogen and new, innovative technologies that are of crucial importance if the energy transition is to succeed.



Integrate impact

We take sustainability factors into account in each and every infrastructure project. As a company, we are committed to the UN Sustainable Development Goals (SDGs), the UN Global Compact, the UN Principles for Responsible Banking, the Paris Agreement and the EU Green Deal.



Help improve people’s lives

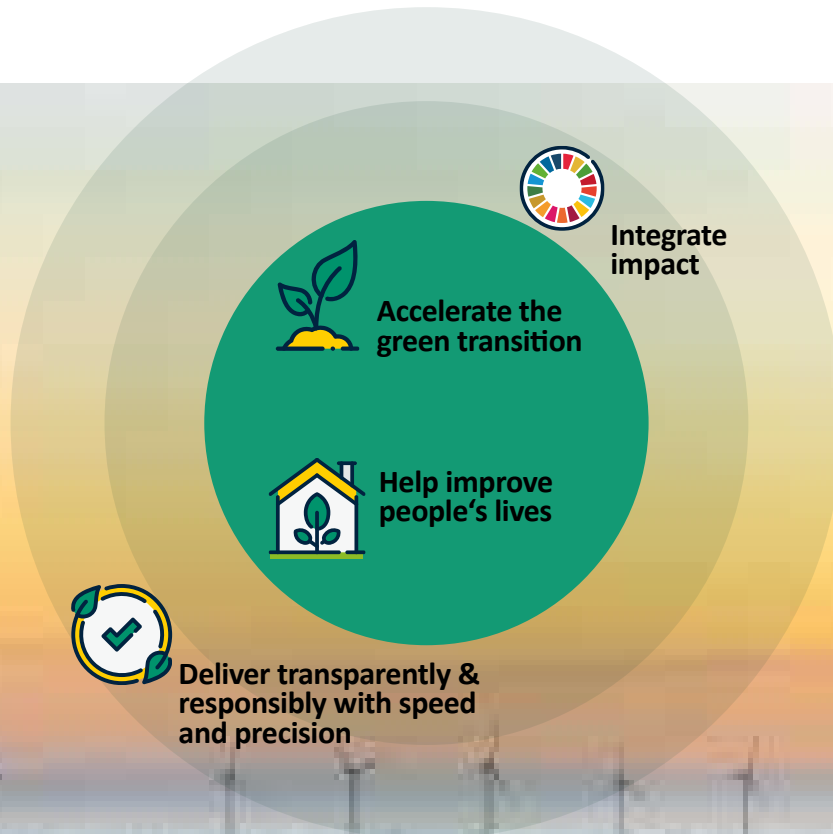
A large part of our Infrastructure & Energy and Public Finance activities is dedicated to financing social infrastructure and connectivity.



Deliver transparently & responsibly with speed and precision

We are making continuous improvements to our ESG reporting and take measures to ensure that we conduct our business responsibly and with the very highest standards of integrity.

Kommunalkredit’s sustainability strategy





1992

First Austrian issuer of an environmental bond

1997

Introduction of annual environmental declaration | ISO14001 certification | first Austrian financial services provider with EMAS certification

2004

First sustainability report



2008

Introduction of Climate Austria for voluntary compensation of CO2 emissions

2006–2008

Combined annual and sustainability report

2012

Integration of ESG analysis into the credit process

2017

First Austrian issuer of a social covered bond



2021

Membership of UN Global Compact sustainability initiative

2020

First Austrian Bank in the European Clean Hydrogen Alliance

2022

Sustainability focus strengthened through refreshed sustainability strategy with strong commitments

2023

Joined the Partnership for Carbon Accounting Financials Initiative (PCAF)

2023

Publication of Kommunalkredit's Sustainable Funding Framework

2023

Signed the UN Principles for Responsible Banking

Creating a better everyday life

We help to create a better world by enabling the development of sustainable infrastructure that improves the quality of people's lives. Not just for ourselves, but also for the coming generations. Whether in schools or universities, hospitals or care facilities, on railway stations or on the roads – we connect people.

Our services allow us to ...



... contribute to the **SDG.**



... connect over **29.2m** people with one another with telecommunications technology.



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



... equip **5** highrise buildings and **256,000** households with an efficient heating and cooling energy system.



... 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 **42,500** patients.



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



... enable around **4.9m** households to use renewable energy each year.



... contribute to eliminating **3.5 million** tonnes of waste.



... supply drinking water to **9.6 million** people.



MANAGEMENT REPORT ON THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS.

We invest in infrastructure. Investing in infrastructure is a powerful – and most importantly effective – tool to address key social needs and enable a sustainable, green future.

22	Economic environment
24	Business review
32	Assets, financial position and income
36	Branch office and equity investments
39	Other material disclosures
39	Significant events after the reporting period
40	Outlook

Economic environment

The global economic slump that emerged in the second half of 2022 continued to put a damper on growth in the first half of 2023. While the gradual easing of the situation on the energy markets is having a positive impact on the economy, it is still being hit by the ongoing Russia-Ukraine conflict, sustained supply chain disruptions and rising interest rates as a result of a restrictive monetary policy. Nevertheless, the infrastructure market is proving resilient due to the need to achieve ambitious climate targets.

Unlike corporate financing, the market for infrastructure and energy financing is stable, with recovery rates that are largely independent of economic cycles, including a low default risk. Infrastructure is considered a safe alternative investment.

The European infrastructure market in H1 2023

The fact that the European infrastructure financing market reported another record volume of EUR 361bn (including the UK) in 2022 is worthy of particular mention due to a number of negative factors that put pressure on economic growth, for example Russia's war in Ukraine, volatile energy prices, rising interest rates and high inflation. This meant that expectations for 2023 were cautiously optimistic. The main focus was on inflation and the steady increase in interest rates, which creates a favourable environment for loans in relative terms but can have a marked impact on absolute volumes (particularly when it comes to refinancing).

The European infrastructure sector has already proven to be particularly resilient in 2022. While the overall macroeconomic conditions remain challenging in the first half of 2023, the long-term **megatrends** – first and foremost decarbonisation, the energy transition and the ongoing progress of digitalisation – are the main factors responsible for the consistently positive development within the infrastructure sector.

The high base rates also left their mark on the **European infrastructure financing market** in the first six months of the year. At the end of June, the 1-year swap rate is at the peak of an inverted yield curve at over 4% (5-year swap at 3.2%), while the 3-month Euribor is sitting at around 3.6%. In less liquid Central European countries like Romania or Hungary, both of which boast significant potential – particularly with regard to renewable energies – the equivalent 3M interest rates come in at 6.6% and 15%, respectively, making financing extremely challenging for local project developers in local currency terms. At the same time, the need to increase the number of projects in this sector at an even faster pace remains.

In this environment, the European market for infrastructure and energy financing painted a mixed picture in the first half of 2023. At around EUR 131bn, it is only slightly behind the value seen in the same period of 2022 (EUR 137bn).

The **greenfield**¹ segment, which is particularly relevant for Kommunalkredit, especially in the area of renewable energies (including related topics such as e-mobility, EV charging, battery storage), is at around 60% of the level witnessed in the same period of 2022. Conventional refinancing of facilities that are usually already up-and-running or projects that are nearing completion (**brownfield**²) only accounts for around 20% of the volume.

The economic challenges sometimes result in more prolonged and complex sales processes, as sellers and buyers are moving further apart in terms of their price expectations, reflecting a mood of mounting uncertainty. Due to its broad geographical positioning and its focus on customer-centric M&A and debt advisory financing solutions, Kommunalkredit has continued to support successful projects in this difficult environment.

The **digital infrastructure** sector remains robust (30% of the volume). Investor interest in this sector has shifted away from fibre optic projects and towards data centres, which are key for the transmission and storage of volumes of data that are growing exponentially. Kommunalkredit already has an impressive track record in these areas throughout Europe, and this also had a positive impact in the first six months of 2023, with projects in Sweden, Norway and the Netherlands.

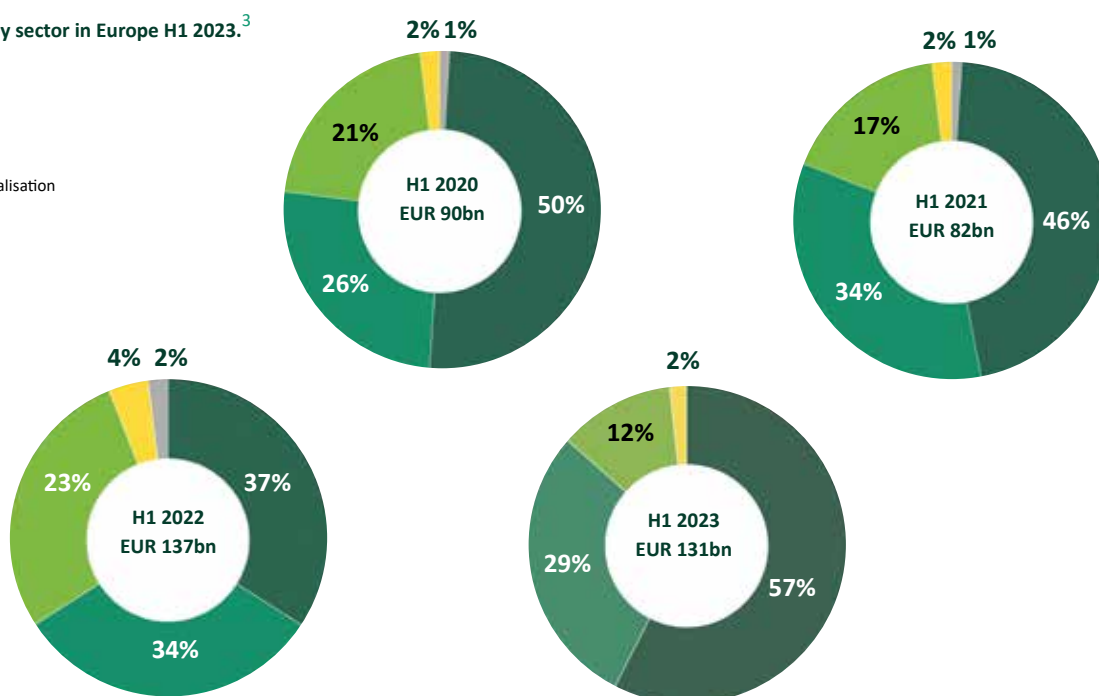
When it comes to **renewable energy** (26% of the volume), Kommunalkredit continued its success story in the first few months of 2023. The gradual drop in energy prices highlights the need for individual financing solutions, as a high degree of flexibility tends to be crucial, especially with regard to different solutions for purchasing the electricity generated (full market risk vs. power purchase agreements vs. government purchase agreements or support).

¹ Greenfield projects are new infrastructure assets erected on undeveloped ("green") land, which may involve construction phases of varying lengths and financing requirements – depending on the sector and nature of the project – before they can enter service.

² Brownfield projects are pre-existing, often already-operational infrastructure assets whose financing is restructured mostly through M&A transactions (mergers & acquisitions).

Transaction volume by sector in Europe H1 2023.³
in %, as of 30/6/2023

- Energy & Environment
- Communication & Digitalisation
- Transport
- Social Infrastructure
- Other



Kommunalkredit is particularly successful in the onshore wind segment in Scandinavia and in the PV solar segment in Spain, Portugal, Italy and Central/Eastern Europe. This applies not only to loan structuring, but increasingly also to M&A and financing advisory.

In the **transport sector**, which made a partial recovery, Kommunalkredit was able to support a number of projects including the financing of Dalaman Airport, and is involved in other projects, such as toll roads, seaports, etc.

Subdued economic growth

Whereas the US economy is reporting solid growth rates, the eurozone contracted for the second time running in the first quarter of 2023, pushing it into a technical recession. At a country and sector level, considerable differences emerge with consistent growth rates in southern Europe compared to contracting output in countries like Germany.

The **European Central Bank (ECB)**⁴ continued with its interest rate hike cycle in the first half of 2023, raising key interest rates in four steps by a total of 150 basis points to the current level of 4.0%. Holdings as part of the Asset Purchase Programme (APP) also fell by an average of EUR 15bn a month up until the end of June. The ECB’s Governing Council will discontinue the reinvestments under the APP. As concerns the Pandemic Emergency Purchase Programme (PEPP), the Governing Council intends to reinvest the principal payments from maturing securities purchased under the programme until at least 2024. The aim is to ensure that inflation returns to its 2% target in the medium term.

In the USA, the **Federal Reserve Bank (Fed)**⁵ left its key rates unchanged at 5% to 5.25% for the first time in its most recent interest rate decision on 14 June 2023. At the same time, however, almost all U.S. central bankers consider it appropriate to keep tightening the monetary policy reins. As a result, interest rates have probably not reached their peak in the USA either.

³ Inframation & SparkSpread database 2/2023. An adjustment to the measurement method may lead to changes in comparative values from the past.

⁴ ECB – Press release, 15 June 2023.

⁵ Fed – Press release, 14 June 2023.

Business review

In these challenging times, we need to step up our endeavours to build a more sustainable and better future. So how can we achieve this? Through infrastructure. After all, investing in infrastructure is an effective tool to address key social needs and paves the way to a green future.

Inflation, volatile energy prices, higher interest rates, a war on our doorstep and geopolitical tension are all having an impact on our everyday lives. After so many years of an uninterrupted boom, it is time for critical reflection. We need to put new and flexible ways of thinking into practice. We have to have the courage to rethink and, if need be, abandon old ways of doing things. And we have to be ready to see challenges as opportunities.

Redefining infrastructure

Infrastructure is the foundation of every society. We all need sustainable and efficient energy supply, local and long-distance transport systems that work, faster communication channels and state-of-the-art social infrastructure for our diverse society – from nurseries, schools and leisure facilities to pharmacies, hospitals and care homes. At Kommunalkredit, we address climate change action, energy diversification, decarbonisation, e-mobility, broadband and many more topics on a day-to-day basis.

Our experience of the industrial and information revolutions and their implications has taught us that innovative, state-of-the-art technologies not only have to be developed (further), but also have to be financed. Green hydrogen, carbon capture and storage (CCS), sustainable and/or synthetic fuels and new progressive clean energy technologies are only a few examples of the green revolution that is now on the horizon.

The pandemic is testimony to how quickly change – in this case digital change – can be achieved. Distance learning and working from home served as a sort of catalyst for faster broadband Internet – and not only in urban areas.

In its new business, Kommunalkredit has a balanced diversification in terms of asset classes, regions, maturities and product and customer segments. Business acquisitions focus on clearly defined selection criteria and efficient use of capital. In addition to the risk-and-return profile of a transaction, attention is also paid to the ability to place it among institutional investors and the contribution it makes to the company's sustainability targets.

2021, 2022 and the first half of 2023 were challenging times for our world, but they also showed just how important economic cooperation, social responsibility and measures are to break dependencies. In this environment, Kommunalkredit generated a **new infrastructure and energy business volume** of EUR 797m as of 30 June 2023. Around half of the transactions concluded were in the energy & environment sector (53%), 27% of the financing volume was in communications & digitalisation, followed by 14% for transport. Regionally, the bank's focus is on Europe. The core business is closely correlated with the sustainability strategy. Accounting for around EUR 345m of new business, we support the acceleration of the energy transition directly; 21% or EUR 167m of our project volume helps to improve people's quality of life.

The bank pursues a business approach that is geared towards collaborative endeavours with established partners (originate and collaborate). It focusses in particular on its ability to place its transactions with its business partners on the international financing market. Thanks to its **Fidelio KA Infrastructure Debt Fund Europe 1 and 2 funds**, the bank is also capable of offering its business partners access to infrastructure and energy financing by means of an asset management solution. With Florestan KA GmbH, Kommunalkredit implements lighthouse projects (hydrogen production with OMV, rooftop photovoltaic systems with eww) to drive the energy transition forward.

In the first six months of 2023, transactions aimed at achieving climate targets and expanding digital communication channels were particularly high up on the agenda: including the construction of wind farms and solar parks in Finland, Hungary and Italy, and the financing of broadband initiatives/data centres in the UK, Sweden, Serbia and Germany.

Public finance has a long tradition and is a significant part of the bank's business. Countries, cities and municipalities are key economic drivers. With investments in essential infrastructure that is used directly by citizens, municipalities and their public institutions create and protect jobs and help to keep the economy going.



Gretchen – transformation of renewable power generation technologies | Germany



Steering the transformation of the energy system towards sustainable power generation requires new and improved technologies. Officium Holding specialises in smart metering devices that measure and process data on different types of consumption (e.g. water, gas, steam), making them part of the solution for a climate-conscious, sustainable energy concept. Kommunalkredit was involved in the financing of the EUR 83.5m package for Germany's leading water and heat meter as mandated lead arranger.



Triumph – expansion of the port portfolio | Portugal



Yilport has five port concessions in the Lisbon region, as well as in the north of the country. The ports boast a combined container capacity of 2.1 million containers equal to 1 TEU (6.1 m long | 2.4 m wide | up to 2.9 m high). Kommunalkredit acted as mandated lead arranger and structuring bank for the EUR 198m facility to refinance the acquisition costs.



Cura – largest pan-European provider of cancer treatment | United Kingdom



Resulting from the merger of the Italian company Medipass (Advanced Medical Services), the German radiotherapy provider RON and the British Althea Group (Integrated Healthcare Technology), the German DWS bundles a vast wealth of medical knowledge in the fight against cancer. To refinance the biggest pan-European provider in this segment, Kommunalkredit contributed EUR 50m as arranger as part of the EUR 576m package.



Senyö – solar PV system | Hungary



As sole mandated lead arranger, Kommunalkredit supplied the interim financing of EUR 37.5m to build a 63 WMP solar PV system. This transaction is seen as a lighthouse project in the Hungarian energy sector due to the innovative “merchant” structure, which offers and sells the energy generated on the free market instead of using fixed offtake agreements.



Twister – waste disposal | Italy



Italy's leading waste disposal company Eco Eridania SpA is mainly active in two key segments: sanitary waste and special industrial waste. In order to enable the further expansion of activities along the entire waste value chain – from collection to transport and disposal – Kommunalkredit substantially supported this project as mandated lead arranger, with EUR 70m of a financing package worth EUR 340m.



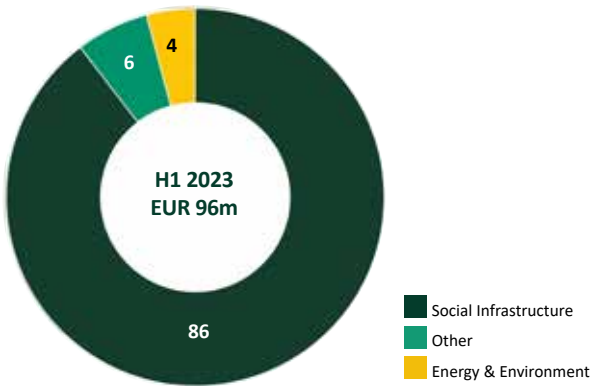
White Gold – broadband expansion | Germany



NFH Northern Fiber Holding focusses on the nationwide expansion of fibre optic networks in northern Germany. As the digital infrastructure platform of UBS AM in Germany, it secured debt capital of EUR 240m in the spring of 2023 to finance fibre-optic connection for 350,000 households. Kommunalkredit acted as mandated lead arranger for this transaction, once again highlighting its leading role in the implementation of digital infrastructure in Germany and across Europe.

The total values stated here represent the total volume of the transaction in question.

Public Finance in AT H1 2023.
in EUR m, as of 30/6/2023



In the first half of 2023, Kommunalkredit concluded new financing in the amount of EUR 96m, including, in particular, in the sectors of social infrastructure (schools, kindergartens, fire brigade), energy & environment (water supply and disposal) and communication & digitalisation (broadband).

Industry awards & level of recognition

The bank's success has not gone unnoticed by the market. In recent years, Kommunalkredit has successfully positioned itself in the European infrastructure and energy market. Whether in the development of new technologies in the hydrogen sector, the financing of water supply companies, the expansion of photovoltaic systems and solar parks, the construction of wind farms, the implementation of broadband projects or the provision of high-tech equipment in the healthcare sector – Kommunalkredit is known and respected here as a contact throughout Europe. Kommunalkredit has repeatedly received awards from renowned leading infrastructure magazines (Business Vision, cfi Capital Finance International, IJ Global, PFI Project Finance International from Thomson Reuters).

At the turn of the year, the Austrian business magazine "Der Börsianer" ranked Kommunalkredit in the "Best Direct Bank" and "Best Specialist Bank" categories; the daily newspaper Kurier awarded the "Seal of Approval for Sustainable Commitment".

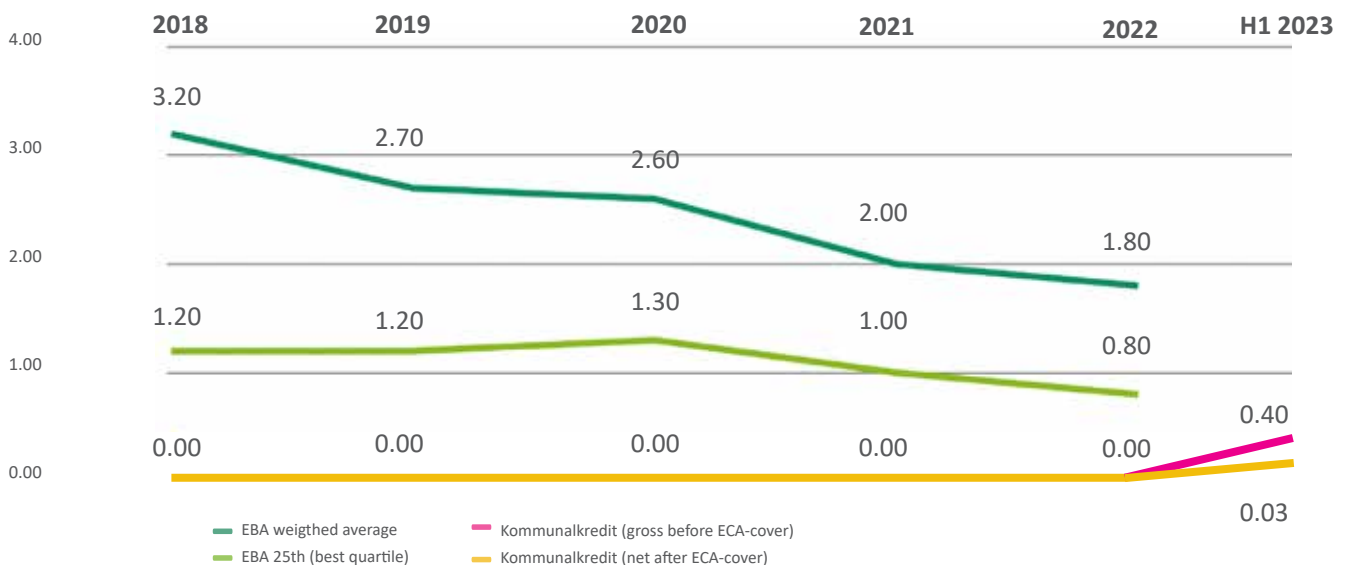
Total portfolio with high asset quality

Kommunalkredit's strategic sectors are distinguished by their low default rates and high recovery rates. The bank holds a total portfolio of high asset quality without any significant credit losses in the first half of the 2023 financial year. As of 30 June 2023, it had an average rating of "BBB+", and 67% of the exposures were classified as investment grade. The non-performing loan ratio came to 0.4% as of 30 June 2023.

The NPL volume of EUR 12.5m (as of 30 June 2023) relates to financing that is 95% collateralised by the ECA (Export Credit Agency) in the international public finance portfolio and reported a 90-day default event at the end of March, which is why this exposure was transferred to level 3 (default). Taking the NPL coverage ratio of 95% into account, a net NPL of only 0.03% remains in the bank's loan portfolio.

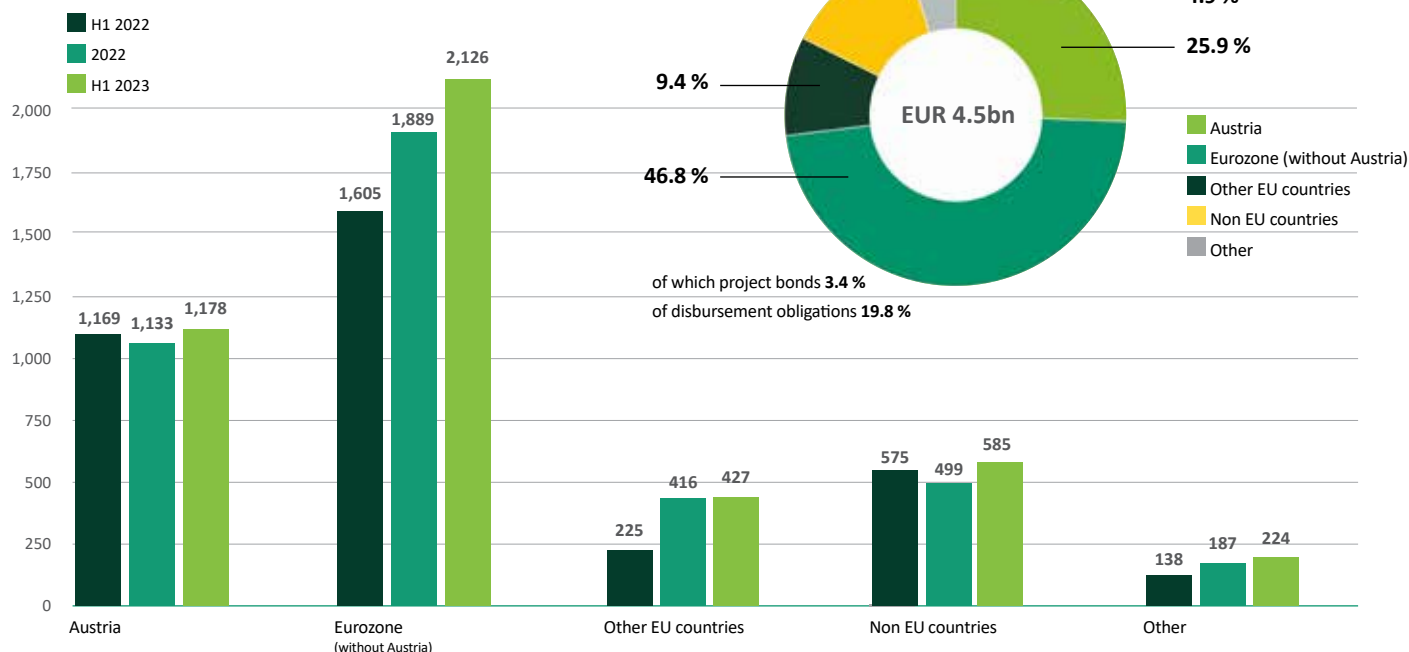
The broadly diversified credit portfolio comprises the two pillars of the business model: infrastructure and energy financing and public finance. As of June 30, 2023, 33% of the loan portfolio was attributable to infrastructure and energy financing, 31% to the public sector (largely Austrian municipalities) and 5% to public sector entities. Geographically, the focus was on Austria with 26% (31/12/2022: 28%), 47% to the rest of the eurozone and 9% to other EU countries (31/12/2022: 46% and 10% respectively).

NPL ratio H1 2023.
in %, as of 30/6/2023



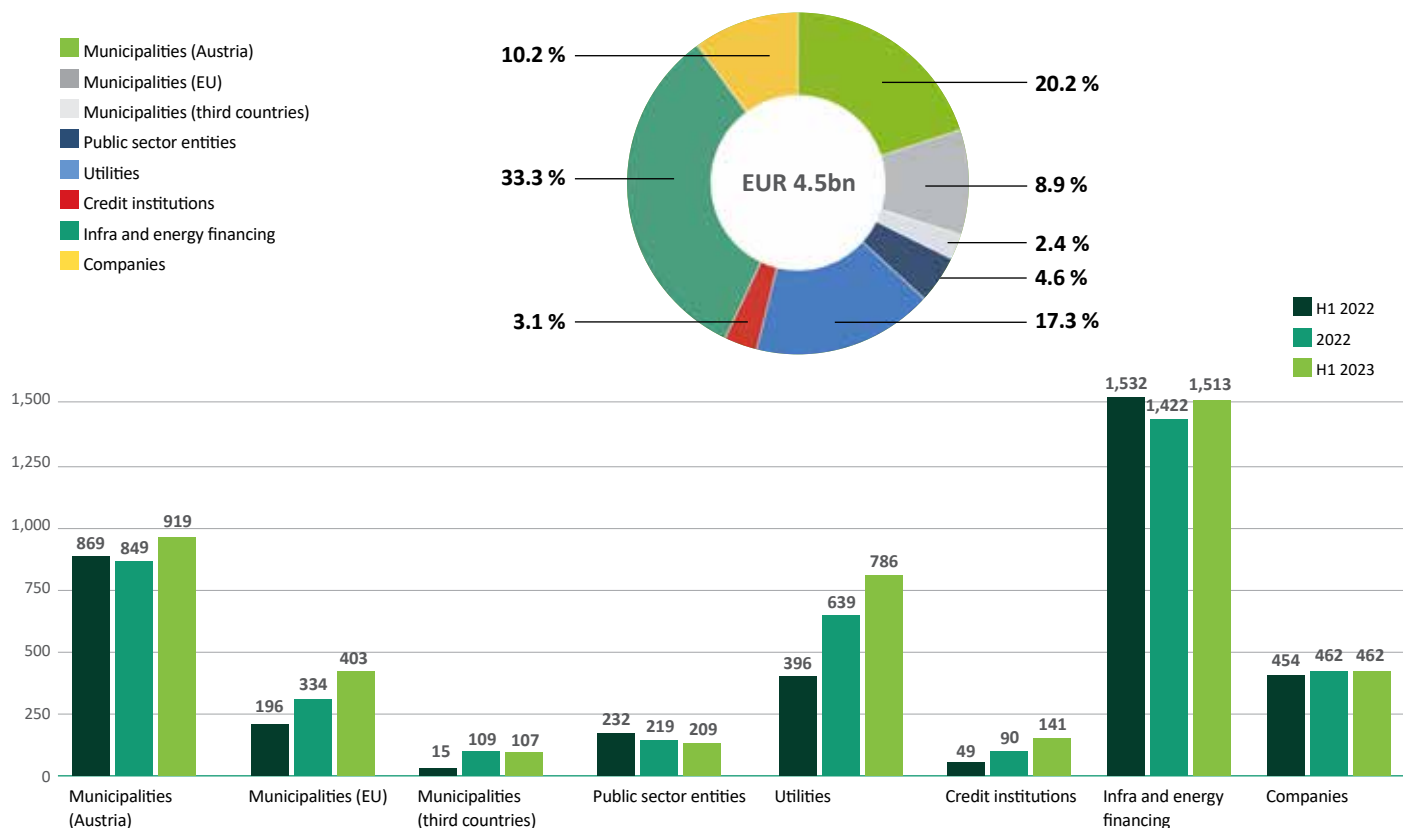
Loan portfolio by regions.

in EUR m, as of 30/06/2023



Loan portfolio by borrowers.

in EUR m, as of 30/6/2023

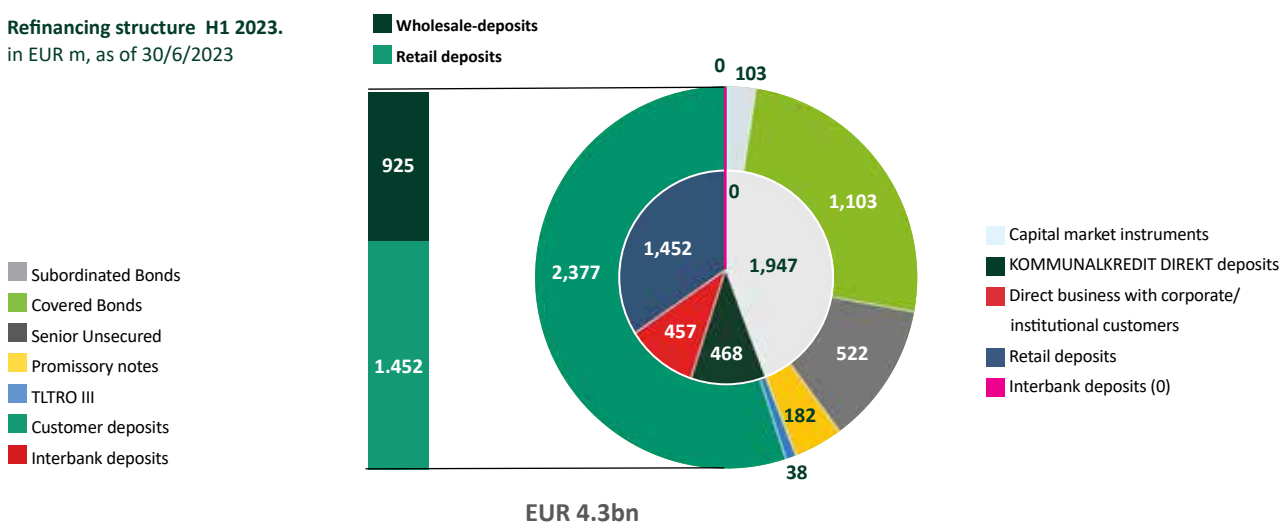


Stable refinancing structure

As of 30 June 2023, Kommunalkredit had a **stable liquidity position** of EUR 908m. The bank held cash and cash equivalents and balances with central banks of EUR 401m (31/12/2022: EUR 503m). Furthermore, Kommunalkredit had access to a free liquidity reserve consisting of high-quality liquid securities (HQLA) of EUR 507m (31/12/2022: EUR 639m).

Kommunalkredit’s **diversified refinancing structure** is particularly important in the current difficult market conditions. Gradually, existing funding sources have been expanded and new ones established over recent years. 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 vigorous issuing activity in 2021 and 2022, Kommunalkredit is currently focusing more on the deposit business for retail customers and corporates.

Refinancing structure H1 2023.
in EUR m, as of 30/6/2023



Public sector covered bonds | Cover pool

As of 30 June 2023, Kommunalkredit had a well-diversified cover pool with a value of EUR 1,248m, while public sector covered bonds denominated in EUR and CHF in an amount of approximately EUR 1,102m were outstanding.

The cover pool as of 30 June 2023 consisted of assets from Austria (89.8%), France (4.3%), Portugal (2.6%), Belgium (2.4%), and Germany (0.9%). 75.2% of the cover pool has a rating of AAA or AA and 22.2% has a rating of A. The excess cover held as of 30 June 2023 was 13.2%.

Rating

The **investment grade ratings** were affirmed by S&P Global Ratings (BBB- | outlook lifted to “positive”) and Fitch Ratings (BBB- | stable outlook) in the first quarter of 2023, and by DBRS Morningstar (BBB | stable outlook) in September 2022. The rating agencies highlighted the established resilient business model, the further improved profitability and the continued strong asset

quality. Furthermore, the stable liquidity, improved refinancing structure, risk-bearing capacity and capital strength were cited as key factors. The bank’s growth path, the planned increase in the capital base and the strategic focus on further diversifying the product and service portfolio are also cited by the rating agencies as positive factors.

S&P Global Ratings

BBB-
A-3
positive

Fitch Ratings

BBB-
F3
stable

DBRS Morningstar

BBB
R-2 (high)
stable

Kommunalkredit’s **covered bond rating** by S&P Global Ratings was confirmed at A+ with a stable outlook in February 2023. S&P emphasised the portfolio with high credit quality from largely Austrian and German public sector assets as a strength.

Kommunalkredit has a number of sustainability ratings from renowned agencies. The bank’s ESG risk rating from Morningstar Sustainalytics⁶ is “low risk” (score: 14.5). In the first quarter of 2023, ISS ESG awarded Kommunalkredit a “C” rating, meaning that it also enjoys “prime status”, and a transparency level of “very high”.

Morningstar Sustainalytics

low risk
14.5

ISS ESG

C
Prime Status

Capital market presence

Kommunalkredit has consistently expanded its access to the capital markets in recent years. A new debt issuance programme (DIP 4) was launched in 2020 with a volume of up to EUR 800m, which was increased to EUR 2bn by means of a supplement in February 2022. In the course of the annual programme update, the base prospectus was last approved by the Austrian Financial Market

Authority in February 2023. Issues under this programme can be listed in Vienna and underline Kommunalkredit’s commitment to the domestic capital market.

EUR 25m of privately placed senior preferred bonds were placed with institutional investors in the first half of 2023.

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 expanded further in the first half of 2023.

Customer behaviour in the first six months of 2023 remained dominated by expectations of higher interest rates and uncertainties arising from high inflation, increasing cost of living, geopolitical tensions and easing economic momentum. This led to demand for shorter maturities for investment products in both the retail and wholesale segments. Nevertheless, targeted measures were taken in the first half of 2023 to boost the share of term deposits compared to overnight deposits.

⁶ Copyright © 2022 Morningstar Sustainalytics. All rights reserved. This publication contains information developed by Sustainalytics (www.sustainalytics.com). This information and data are the property of Sustainalytics and/or its third party providers (third-party data) and are provided for information purposes only. They constitute neither an endorsement of a product or project, nor investment advice, and provide no guarantee that they are complete, up-to-date, accurate or suitable for a specific purpose. Their use is subject to conditions that can be downloaded from <https://www.sustainalytics.com/legal-disclaimers>.

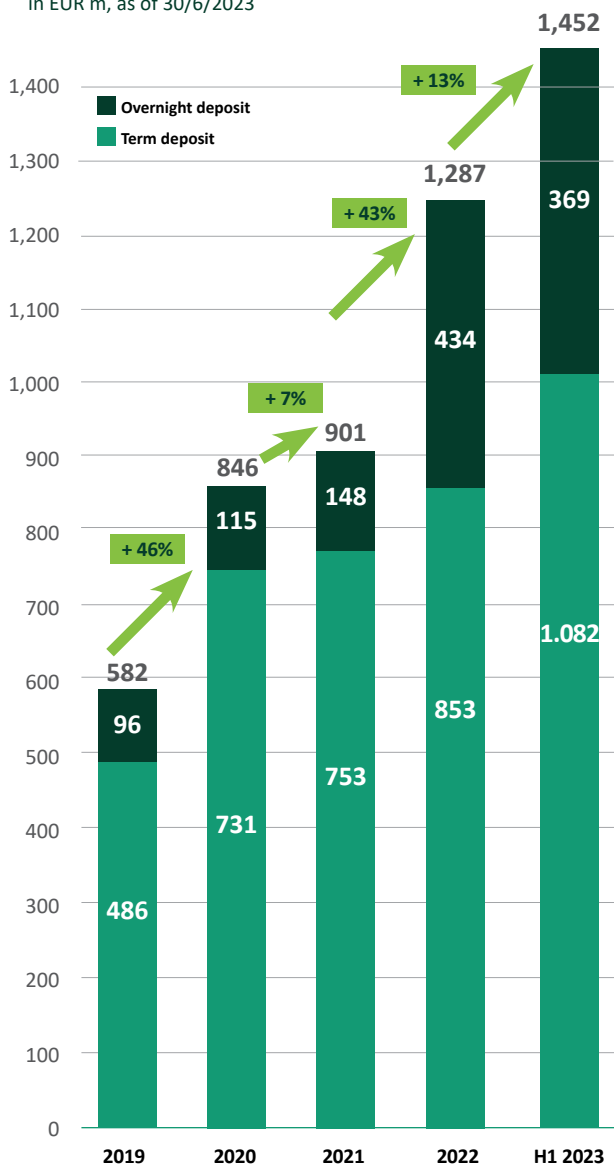
Retail deposits | KOMMUNALKREDIT INVEST: Kommunalkredit conducts its business with retail customers in Austria and Germany via the online retail platform KOMMUNALKREDIT INVEST. KOMMUNALKREDIT INVEST offers overnight and term deposits for terms of up to ten years. As of 30 June 2023, the bank had 25,629 active retail customers. (31/12/2022: 22,351), which equates to an increase of 14.7%.

The average deposit volume per customer remains at a high level at EUR 56,639 (31/12/2022: EUR 57,598). The share of term deposits had increased as of 30 June 2023 to 75% (31/12/2022: 66%); the average maturity of term deposits is 18 months (31/12/2022: 21 months). The deposit volume amounted to EUR 1,452m as of 30 June 2023 (31/12/2022: EUR 1,287m) – an increase of 12.7%.

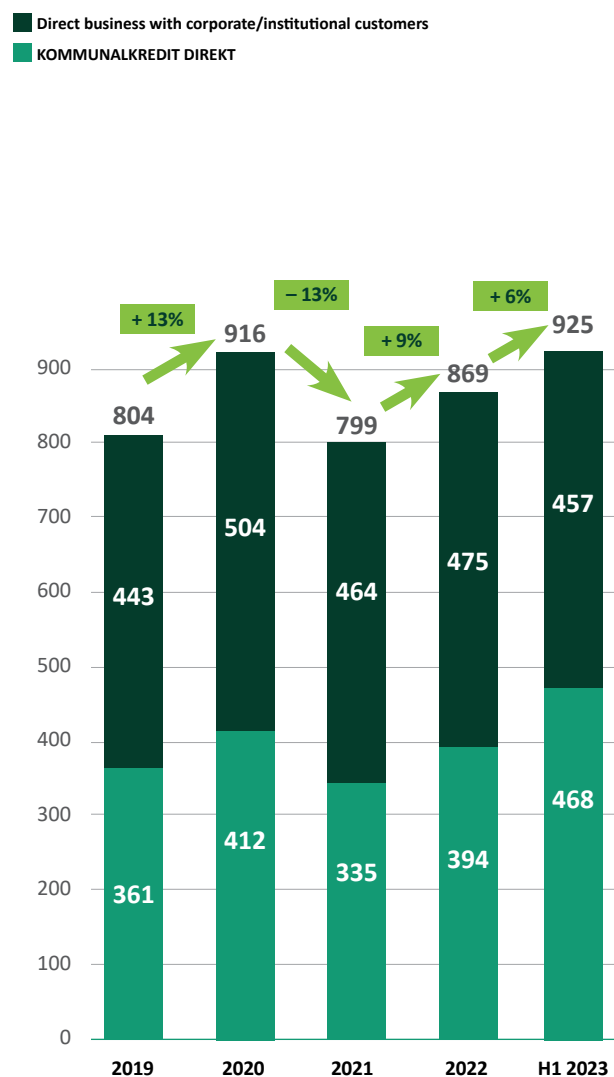
Wholesale deposits | (KOMMUNALKREDIT DIREKT and direct business with corporate/institutional customers): with KOMMUNALKREDIT DIREKT, the bank offers a state-of-the-art online platform for efficient investment and cash management for municipalities and corporates with close ties to municipal authorities.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

Wholesale deposits increased by almost 6.4% in the first half of 2023 and amounted to EUR 925m as of 30 June 2023 (31/12/2022: EUR 869m).

Retail deposits (KOMMUNALKREDIT INVEST).
in EUR m, as of 30/6/2023



Wholesale deposits.
in EUR m, as of 30/6/2023



Liquidity ratios

The liquidity coverage ratio (LCR), in accordance with the CRR (Capital Requirements Regulation), measures the short-term resilience of a bank's liquidity risk profile over a 30-day scenario and is closely monitored as part of the bank's early warning system. With a ratio of 387% as of 30 June 2023 (31/12/2022: 348%), Kommunalkredit significantly exceeded the regulatory minimum ratio of 100%.

Banks 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 115% as of 30 June 2023 (31/12/2022: 129%).



Assets, financial position and income

Financial performance indicators according to IFRS (selected performance indicators)

in EUR m or %	30/6/2023	31/12/2022
Total assets	4,934.5	4,628.3
Total capital (subscribed capital, reserves, additional tier 1)	518.1	471.9
	1/1 – 30/6/2023	1/1 – 30/6/2022
Net interest Income	81.8	53.8
Net fee & commission income	14.5	12.2
General administrative expenses	-41.9	-32.9
Other operating income	0.8	8.8
Placement result*	-0.4	0.1
EBIT**	51.6	39.5
Loan impairment, valuation and realised gains	3.7	12.5
Consolidated profit for the year before tax	55.3	52.1
Income taxes	-13.6	-13.0
Consolidated profit for the year after tax	41.7	39.1
Return on equity before tax***	27.5%	30.3%
Return on equity after tax (based on EBIT)***	20.8%	22.7%
Cost/income ratio (based on EBIT)	46.7%	47.2%
Cost/income ratio (based on EBIT) new****	42.0%	41.8%
Cost/income ratio bank standalone	41.4%	41.4%

* Placement result contains the result from the disposal of assets that are measured at fair value through profit or loss or through other comprehensive income.

** Operating result = pretax result for the period excluding loan impairment, 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 %	30/6/2023	31/12/2022
Risk weighted assets	2,853.2	2,552.5
Total capital (CET 1, additional Tier 1, Tier 2)	542.5	538.9
CET 1 ratio	15.2%	16.9%
Common equity ratio	17.4%	19.4%
Total capital ratio	19.0%	21.1%

Rating

Issuers rating	S&P GLOBAL RATINGS	FITCH RATINGS	DBRS MORNINGSTAR
Long term rating	BBB-	BBB-	BBB
Short term rating	A-3	F3	R-2 (high)
Outlook	positive	stable	stable

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

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

in EUR m or %	30/6/2023	31/12/2022
Total assets	4,908.4	4,609.8
Total capital (subscribed capital, reserves, additional tier 1)	428.3	391.3
	1/1 – 30/6/2023	1/1 – 30/6/2022
Net interest income	71.8	39.3
Net fee & commission income	12.6	6.7
General administrative expenses	-34.7	-26.6
Other operating income	2.3	2.4
Placement result*	0.8	4.2
EBIT**	50.9	33.0
Loan impairment, valuation and realised gains	-0.2	20.0
Profit for the year before tax	50.6	53.0
Income taxes	-13.7	-7.4
Profit for the year after tax	36.9	45.6
Return on equity before tax***	23.5%	30.2%
Return on equity after tax***	17.1%	26.0%
Cost/income ratio bank standalone	41.9%	46.1%

* 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 = Profit for the period projected to one year/common equity tier 1 capital as of 1/1.

in EUR bn	30/6/2023	31/12/2022
Securitised liabilities	1.52	1.50
Amounts owed to customers	2.53	2.30
Amounts owed to banks, including ECB	0.15	0.16

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

Kommunalkredit's total assets according to IFRS amounted to EUR 4.9bn as of 30 June 2023 (31/12/2022: EUR 4.6bn). The largest item in the statement of financial position was "loans and advances to customers" amounting to EUR 1.9bn (31/12/2022: EUR 1.8bn). A further EUR 1.4bn (31/12/2022: EUR 1.1bn) represents financing with an opportunistic placement intention, 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 0.4bn as of 30 June 2023 (31/12/2022: EUR 0.5bn).

Customer liabilities of EUR 2.5bn (31/12/2022: EUR 2.3bn) and securitised liabilities of EUR 1.4bn (31/12/2022: EUR 1.4bn) were the largest refinancing items under equity and liabilities.

Risk-weighted assets and total capital

As of 30 June 2023, Kommunalkredit held common equity tier 1 capital of EUR 434.8m (31/12/2022: EUR 431.2m), tier 1 capital of EUR 497.6m (31/12/2022: EUR 494.0m) and total capital of EUR 542.5m (31/12/2022: EUR 538.9m).

Risk-weighted assets rose slightly in the first half of 2023 to EUR 2,853.2m (31/12/2022: EUR 2,552.5m) due to the positive performance of new business.

Kommunalkredit thus continued to show strong capital ratios as of 30 June 2023: the total capital ratio was 19.0% (31/12/2022: 21.1%), the tier 1 capital ratio 17.4% (31/12/2022: 19.4%) and the common equity tier 1 ratio 15.2% (31/12/2022: 16.9%).

Kommunalkredit's capital amounts are based on the non-consolidated financial statements of Kommunalkredit pursuant to 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 2023 of EUR 41.7m (H1 2022: EUR 39.1m); the return on equity after tax came to 20.8% (H1 2022: 22.7%). EBIT improved by 30.5% to EUR 51.6m (H1 2022: EUR 39.5m).

The clear increase in EBIT is attributable to the continuous expansion of the core businesses of infrastructure and energy financing and public finance.

The main income and expense items under IFRS for the first half of 2023 are shown below:

EBIT

EBIT (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 51.6m (H1 2022: EUR 39.5m) and comprises the following essential components:

Net interest income

Net interest income rose by 52.0% to EUR 81.8m (H1 2022: EUR 53.8m).

Net fee and commission income

Net fee and commission income from the range of services that are continually expanded by Kommunalkredit in the credit and service business as well as from the subsidy management and consulting/project development business of the subsidiary Kommunalkredit Public Consulting GmbH (KPC) came to EUR 14.5m (H1 2022: EUR 12.2m). This includes EUR 15.3m (H1 2022: EUR 14.0m) in fee and commission income and EUR 0.8m (H1 2022: EUR 1.8m) in fee and commission expenses.

General administrative expenses

The general administrative expenses of the Kommunalkredit Group rose to EUR 41.9m (H1 2022: EUR 32.9m), with EUR 28.8m attributable to personnel expenses (H1 2022: EUR 23.9m) and EUR 13.1m to other administrative expenses (H1 2022: EUR 9.0m). The increase in general administrative expenses is reflective of the growth in capacity and the strategic expansion of the team to include additional top performers, both in the front and back office, with international know-how and substantial experience in the infrastructure and energy sectors in order to safeguard the growth path taken and the broadening of 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 non-performing loan ratio came to 0.4% as of 30 June 2023. The NPL volume of EUR 12.5m (as of 30 June 2023) relates to financing that is collateralised by the ECA (coverage of 95%) in the international public finance portfolio, where a 90-day default event concerning an overdue fee of EUR 146k was reported at the end of March 2023, which is why this exposure was transferred to level 3 (default). Taking the NPL coverage ratio of 95% into account, a net NPL of only 0.03% remains in the bank's loan portfolio.

The net provisioning for impairment losses was EUR -0.3m in the first half of 2023 (H1 2022: EUR 0.5m) and reflects the change in the statistically calculated provision for expected credit losses under IFRS 9. The increase in risk provisions reflects, in particular, the increased statistical probabilities of default, which are due on the one hand to the weak economic growth forecast for 2023/24 and, on the other, to the historical development in rating migrations: whereas, after the COVID-dominated year of 2020, 2021 showed very positive development in rating migrations, 2022 brought a marked slowdown in this positive trend in relation to the previous period (even though positive rating migrations continue to outweigh the negative ones). Risk provisions increased to EUR 6.3m as of 30 June 2023 (31/12/2022: EUR 6.0m).

Gains and losses from financial assets and liabilities in the first half of 2023 amounted to EUR 3.7m (H1 2022: EUR 12.1m). This item reflects the positive valuation effects of EUR 3.5m (H1 2022: EUR 11.1m), which are mainly the result of the increase in long-term market interest rates.

Income taxes

The tax expense amounted to EUR 13.6m (H1 2022: EUR 13.0m) 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 36.9m for the first half of 2023 under Austrian GAAP; this corresponds to a change of EUR -8.7m as against the result of the previous year of EUR 45.6m. The return on equity after tax came to 17.1% (H1 2022: 26.0%).

EBIT, 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 17.9m to EUR 50.9m (H1 2022: EUR 33.0m). Based on EBIT, this results in a cost/income ratio of 41.9% (H1 2022: 46.1%)

The total assets under Austrian GAAP came to EUR 4.9bn as of 30 June 2023 (31/12/2022: EUR 4.6bn). The main asset items in the statement of financial position were loans and advances to customers amounting to EUR 3.6bn (31/12/2022: EUR 3.0bn). Bonds and debt securities, which mainly include securities from the liquidity book, amounted to EUR 0.4bn as of 30 June 2023 (31/12/2022: EUR 0.4bn). Customer liabilities of EUR 2.5bn (31/12/2022: EUR 2.3bn) and securitised liabilities of EUR 1.5bn (31/12/2022: EUR 1.5bn) are the largest refinancing items under equity and liabilities. Kommunalkredit's equity amounted to EUR 428.3m as of 30 June 2023 (31/12/2022: EUR 391.3m). The bank also still has EUR 40.0m from a fund for general bank risks according to § 57 (3) of the Austrian Banking Act (BWG).

Branch office and equity investments

With Vienna (headquarters) and Frankfurt am Main (branch office), Kommunalkredit operates as a specialist for infrastructure and energy financing from two critical points. It focusses on Europe. As of 30 June, the 235 employees in the bank and 157 in the environmental subsidisation and consultancy subsidiary are responsible for its performance.

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

Kommunalkredit Public Consulting GmbH

Investments in infrastructure and measures to combat climate change are essential for our society. Kommunalkredit Public Consulting GmbH (KPC) makes a material contribution to these goals with its focus on **subsidy management** and **consulting**. It is an expert and competent partner for climate and environmental protection projects in the fields of renewable energy, energy efficiency, climate-friendly mobility, circular economy, biodiversity, urban water management, flood protection and remediation of contaminated sites. 90% of its shares are owned 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 subsidisers who provide the financial resources – primarily the Federal Ministry for Climate Action, Environment, Energy, Mobility, Innovation and Technology (BMK) and the Federal Ministry of Agriculture, Forestry, Regions and Water Management (BML) – and applicants, 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** is playing an important role here. KPC received attractive commissions as well as extensions for existing appointments to support green financing facilities in the energy efficiency segment.

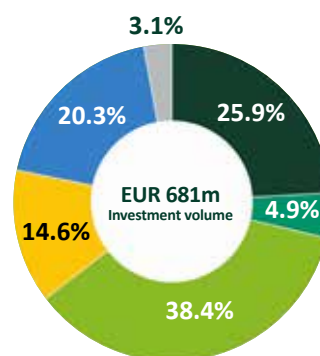
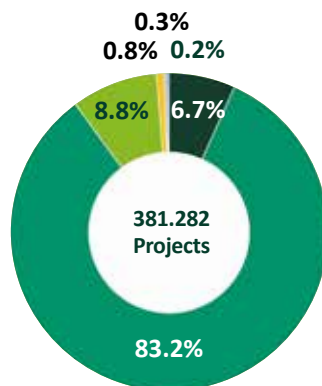
In the context of the international climate negotiations in Sharm el Sheikh (**COP 27**), KPC again sent a member of the Austrian negotiation team on behalf of the BMK. KPC also acts as an advisor to the Austrian representative in the **Green Climate Fund (GCF)**, an instrument for funding for international climate projects that provides money for projects to reduce greenhouse gas emissions and for enabling adaptation to climate change in developing countries.

KPC in H1 2023.

in %, as of 30/6/2023

Subsidy schemes

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



Environmental support schemes in figures

Demand for environmental support remains high. In the first six months of the year, the number of applications for funding submitted had risen again by 25% compared to the same period of the previous year. The subsidy volume applied for was up by more than 50%. The greatly increasing number of applications for funding reflects not only the effort of private individuals and companies to actively support the energy transition, but also the comprehensive expertise of KPC, which was entrusted with the management of more than 160 support programmes as of the reporting date.

The first half of 2023 was also characterised to a considerable degree by the introduction of new **support schemes**. By way of example, the commission meeting for environmental support in Austria held on 15 May 2023 adopted a resolution on the “Industrial transformation” support programme. This support provided with help to achieve the biggest possible reduction in greenhouse gas emissions from the direct combustion of fossil fuels or from industrial production processes. A total of EUR 2.975bn will be made available in the period leading up to 2030, with EUR 175m available for 2023.

The “Energy-efficient hospitals” support programme, with a total budget of EUR 200m, was also launched in May. Support will be provided for overall concepts – including energy-efficient retrofitting, optimisation of the heating, cooling, steam and service water supply, increased energy efficiency for other consumers – as well as the installation of environmentally friendly heating systems in hospitals, clinics and rehabilitation centres. Up to 40% of the eligible costs can be included. The “Energy-efficient care home” support campaign is planning two tenders a year and has a total budget of EUR 150m for the period until 2030. The minimum investment amount is EUR 300,000.

The 2023/2024 renovation support campaign was launched in January 2023 with a new record budget of EUR 940m over a two-year period. The renovation bonus and boiler replacement that the programme involves remain key elements in helping Austria to achieve its goal of becoming climate-neutral in terms of space heating by 2040. Based on its ambitious expansion plan for renewable energies, and in particular for photovoltaics, the BMK has once again decided to commission KPC as an additional administration point based on its proven expertise in managing support campaigns on a broad scale. In the context of the first support call alone, more than 50,000 tickets were submitted to KPC with budget requirements of more than EUR 260m.

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, Kommunalkredit is investing in the construction of the largest electrolysis plant in Austria to date at Schwechat Refinery jointly with OMV, Austria’s leading oil, natural gas and chemical group. With an annual production of up to 1,500 tonnes of green hydrogen, the carbon footprint is reduced by up to 15,000 tonnes per year. Production of the electrolysis units is underway and construction at the refinery site (preparations for integration of the plant) started on schedule in August 2022.

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 an initial investment, as the company finances the photovoltaic systems, erects them on the roof areas provided and leases them on a long-term basis. Customers receive all the electricity generated by the system and can either use it in the building itself or feed it into the public grid. This model allows the bank to provide direct support for the climate targets of the Austrian federal government. The first few systems were commissioned back in 2022.

Find your PV system at
www.peaksun.at



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 institutional investors **diversified access to the bank's infrastructure pipeline**. Investors benefit from Kommunalkredit's strong acquisition, structuring and portfolio management expertise in the field of sustainable European infrastructure and energy transactions that benefit the public. In return, the bank benefits from deeper strategic partnerships with fund investors, ultimately translating into an increased number of transactions and higher volumes.

The first sub-fund "Fidelio KA Infrastructure Debt Fund Europe 1" is fully invested and the investments showed stable performance in the face of the COVID-19 challenges witnessed in recent years.

For information on Fidelio
www.fidelio.at



The invasion of Ukraine by Russia in February 2022 has not had any direct impact to date. This also applies to the second sub-fund "Fidelio KA Infrastructure Debt Fund Europe 2", an Article 8 fund under the Sustainable Finance Disclosure Regulation (SFDR), which was launched in August 2022. Both funds combine a broad range of sustainable projects linked to infrastructure and energy investments that make a significant contribution to the Sustainable Development Goals (SDGs).

Unlike with the conventional asset management approach, the fact that Kommunalkredit makes its own investments in parallel with the fund allows it to present itself as a dependable partner with aligned interests. At the end of the first half of 2023, the bank invested EUR 232m in infrastructure and energy transactions in parallel with the first sub-fund and EUR 77m in parallel with the second sub-fund. Other fund concepts are currently being examined and discussed with potential institutional clients.

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% is held 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 important databases for municipal authorities, and serves as an information and communication hub for the federal, state and municipal authorities. Kommunalnet is an official component of the Austrian eGovernment Roadmap.

At the end of the first half of 2023, 17,957 registered users from 2,097 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 97.28%**. Accessed 4.2 million times (as of 30 June 2023), the portal is a sought-after source of information for municipal representatives.

The first six months of the year saw the expansion of direct sales activities for Loanboox (for municipal financing) and Reisswolf (digitalisation of construction files), as well as the expansion of the "Tatort Gemeinde" (the municipality is where it all happens) and "Expertentalk" (expert talk) video formats. The expiry of the login function for the Citizen Card at the end of June meant that the **implementation of ID Austria**, a replacement for the Citizen Card and mobile phone signature, was on the agenda. Work on the relaunch of the new forum also started and will be completed in the second half of the year.

Kommunalkredit TLI Immobilien GmbH & Co KG

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

Other material disclosures

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 – sold their entire stake in Satere Beteiligungsverwaltungs GmbH (Kommunalkredit Austria AG's holding company) to Green Opera Finance BidCo AB, which has its registered office in Sweden. The sale is subject to competition law and regulatory approval. The current owners of the holding company will each hold an indirect 9.9% stake in the acquiring company. The potential new owner is backed by funds managed by Altor with assets under management (AuM) totalling around EUR 11bn.

The funds have invested in more than 85 companies with the aim of using growth initiatives and capital measures to create sustainable value. Current or previous investments include Carnegie, C WorldWide, H2 Green Steel, OX2, Sbanken, Svea Solar and Vianode.

Changes on the Supervisory Board

Following the Works Council elections held on 5 July 2023, Oliver Fincke, Peter Krammer and Gerald Unterrainer were appointed to the Supervisory Board as employee representatives.

Significant events after the reporting period

No significant events arose between the reporting date of 30 June 2023 and the publication of this half-yearly financial report.

Outlook

2023 will remain a challenging year. The conflict between Russia and the West, the increase in rent, energy and food prices and rising inflation will continue to leave their mark in the second half of the year. At the same time, sustainable infrastructure is becoming ever more important – driven by the increasingly tight schedule for achieving climate goals.

Whereas it was still pessimistic at the start of the year, the OECD⁷ lifted its global economic forecast in the course of the first half of 2023: this was prompted primarily by an improved business and consumer climate and the partial opening of the Chinese economy. The OECD is now predicting 2.7% growth as opposed to 2.2%. 0.9% is forecast for the eurozone, with predicted figures of 1.6% for the US and 5.4% for China. Nevertheless, this economic upswing is still described as unstable.

Macroeconomic environment in 23 | 24

Among the OECD members as a whole, the organisation is projecting **inflation** of 6.6% this year and 4.3% next year – down from the high level of 9.4% witnessed last year. This drop is the result of tighter monetary policy, a slight drop in energy and food prices in the meantime, and fewer supply bottlenecks.

Following on from the European Central Bank's (ECB)⁸ rate hike cycle in the first half of 2023 to the current level of 4.0%, a further increase is also expected in the second half of the year. The question as to whether further steps will be taken depends on inflation development. The ECB is currently predicting headline inflation of 5.4% in 2023, 3.0% in 2024 and 2.2% in 2025, and is determined to ensure a timely return to the 2% inflation target. Economic growth is tipped to come in at 0.9% (2023), 1.5% (2024) and 1.6% (2025) according to ECB estimates.

For **banks**, 2023 has been a year like no other so far. Starting in the US, where several regional banks – primarily Silicon Valley Bank – slid into bankruptcy or had to be bailed out by the Federal Deposit Insurance Corporation, the uncertainty spilled over to Europe and culminated in the takeover of Credit Suisse by UBS on 19 March 2023 in a move initiated by the Swiss government, National Bank and Financial Market Authority. In an environment marred by these crises, bank credit spreads widened significantly, although they have since been largely revised again.

Austrian banks reported record results in 2022. Income rose significantly thanks to the interest rate turnaround and sustained demand for loans, which more than compensated for an increase in loan loss provisions and administrative expenses. As far as 2023 is concerned, demand for loans will be stifled by stagnating property prices – at a high level – higher financing costs and more stringent lending policies.

Infrastructure in 23 | 24

The remainder of 2023 (and beyond) will remain dominated by the high interest rates and the related effects. Consequently, refinancing volumes can also be expected to fall significantly for the year as a whole.

The **crisis-resistant nature of the infrastructure sector** will, however, continue to ensure ongoing investment, as a rapid energy turnaround can only be achieved by using private financing to expand renewable energies in the medium and long term. Aside from the expansion of corresponding capacities, especially for photovoltaic solar and wind, a marked increase in momentum is evident in promising key areas such as hydrogen, biogas/biomethane, EV charging and battery storage.

The further expansion of digital infrastructure is expected to slow further – even though the market is still positive regarding data centres – and will shift increasingly from rollout/capex-dominated structures towards brownfield⁹/M&A situations.

Looking at the key infrastructure markets in 2022, the same countries continue to lead the way. Surprisingly, Italy took first place last year and the Italian market remains very active in 2023, particularly in the renewable energy sector. The situation in Spain, where recent approvals for a further 40 GW mean that corresponding financing volumes will be required, paints a similar picture. The UK remains an agile market, in particular with regard to EV charging and battery storage. Momentum in France and Germany is likely to pick up slightly, mainly driven by the energy turnaround and specific LNG terminal (Hamburg, etc.) or EV charging projects (Deutschlandnetz project).

⁷ OECD – Economic Outlook, Volume 2023 Issue 1, 7 June 2023.

⁸ ECB – Press release, 15 June 2023.

⁹ Brownfield projects are pre-existing, often already-operational infrastructure assets whose financing is restructured mostly through M&A transactions (mergers & acquisitions).

Kommunalkredit in 23 | 24

There is no getting past infrastructure. It forms the basis for 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 protection is and remains the utmost priority, 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 – and the will to make a difference and belief in the power of change.


As a specialist for infrastructure and energy finance as well as public finance, Kommunalkredit will continue to use its expertise to benefit society at large. The infrastructure and energy financing market will continue to play a key role going forward. It has proven to be resilient and appealing, even in the face of the most varied challenges. The bank arranges, finances and consults on sustainable infrastructure projects in the Energy & Environment, Communication & Digitalisation, Transport, Social Infrastructure and Natural Resources sectors. The first half of the year took us all across Europe. Wind farms in Finland and Hungary, solar parks in Italy, broadband projects in Germany, the UK and Serbia are only some of our sustainable projects in the first half of the year.

We continue to devote a great deal of attention to our domestic market in Austria: the joint project with OMV for Austria's largest electrolysis plant will soon be on the finishing straight; our Peak-Sun joint venture with the Upper Austrian energy provider eww for rooftop photovoltaic systems is on the market; our proximity to Austrian cities and municipalities allows us to engage in direct dialogue on upcoming municipal issues.

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 the Swedish Altor fund and the associated capital increase, we will drive the vision of promoting the process of transition to a green and sustainable future even more systematically than before.

We are not simply observers of the energy transition. On the contrary: we are driving things forward and providing support, we are an innovator and an incubator for sustainable approaches. Infrastructure is part of our DNA – we have the expertise, the courage and the vision to move into a "green" future. We have ideas that will help us to find new and creative solutions. Together with you. For all of us. Let's embark on this journey together.

The Executive Board
of Kommunalkredit Austria AG



Bernd Fislage
Chief Executive Officer



Sebastian Firlinger
Member of the Executive Board

Vienna, 4 August 2023



A satellite night view of Europe, showing the continent illuminated by city lights against the dark background of the night sky. The lights are concentrated in major urban centers and along coastlines, creating a glowing pattern across the landmass. The curvature of the Earth is visible at the top of the frame.

CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF THE KOMMUNALKREDIT GROUP, VIENNA, FOR THE FIRST HALF OF 2023

Consolidated statement of financial position

TOTAL ASSETS in EUR 1,000	30/6/2023	31/12/2022
Cash reserves	407,445.6	503,203.0
Assets at amortised cost	2,609,570.7	2,523,535.1
<i>thereof credit institutions</i>	63,656.2	103,542.2
<i>thereof customers</i>	1,938,220.8	1,783,866.1
<i>thereof securities*</i>	607,693.7	636,126.7
Assets at fair value through other comprehensive income	1,407,936.0	1,137,451.8
Assets at fair value through profit or loss	284,775.8	223,573.4
Associates recognized at equity*	660.5	0.0
Derivatives	185,949.8	201,381.0
Property, plant and equipment	23,310.1	23,582.7
Intangible assets	4,827.9	4,309.2
Deferred tax assets	3,101.7	4,425.7
Other assets	6,932.8	6,807.1
Total assets	4,934,510.8	4,628,269.1

* Please refer to Section "General Information" regarding presentation changes in the financial statements.

LIABILITIES AND EQUITY in EUR 1,000	30/6/2023	31/12/2022
Total liabilities	4,416,425.3	4,156,416.3
Liabilities at amortised cost	4,089,466.8	3,875,067.3
<i>thereof amounts owed to banks</i>	148,504.1	156,632.5
<i>thereof amounts owed to customers</i>	2,518,813.6	2,289,163.9
<i>thereof securitised liabilities</i>	1,422,149.1	1,400,427.3
Derivatives	194,335.5	190,823.9
Portfolio hedge	7,595.3	8,443.3
Provisions	3,521.7	4,227.9
Current tax liabilities	30,866.9	17,389.9
Other liabilities	62,101.3	60,463.9
Subordinated liabilities at cost*	28,537.8	28,843.6
Total equity	518,085.5	471,852.8
Equity attributable to the owners of the parent (ex AT1 capital)	455,592.6	409,453.6
Additional Tier 1 capital	62,243.7	62,243.7
Non-controlling interests	249.2	155.5
Liabilities and equity	4,934,510.8	4,628,269.1

* Please refer to Section "General Information" regarding presentation changes in the financial statements.

Consolidated income statement

INCOME STATEMENT in EUR 1,000	1/1 – 30/6/2023	1/1 – 30/6/2022
Net interest income	81,779.2	53,795.2
Interest income	135,483.9	63,340.3
<i>thereof calculated using the effective interest method</i>	112,449.0	55,130.5
Interest expenses	-53,704.7	-9,545.0
Net fee and commission income	14,513.0	12,169.9
Fee and commission income	15,323.9	14,000.8
Fee and commission expense	-810.9	-1,830.9
Gains and losses on financial assets and liabilities*	3,669.6	12,142.6
<i>Result from the derecognition of assets at fair value through other comprehensive income</i>	142.0	498.8
<i>Result from the derecognition of financial assets measured at amortised cost</i>	0.7	489.6
<i>Valuation result from Hedge-Accounting</i>	-232.2	-963.9
Net provisioning for impairment losses	-323.5	468.9
Generell administrative expenses	-41,856.4	-32,920.7
Personnel expenses	-28,766.9	-23,934.3
Other administrative expenses	-13,089.6	-8,986.5
Contributions to the Bank Resolution Fund	-1,761.2	-1,154.5
Result from associates	-9.0	0.0
Income from investments	75.0	0.0
Other operating result	-787.0	7,549.7
Other operating income	849.8	9,307.4
Other operating expenses	-1,636.9	-1,757.8
Profit before tax	55,299.5	52,051.0
Income taxes	-13,619.0	-12,980.8
Profit after tax	41,680.5	39,070.2
<i>Thereof attributable to non-controlling interests</i>	95.8	-15.0
<i>Thereof attributable to owners and Additional Tier 1 holders</i>	41,584.7	39,085.2

* Please refer to Section "General Information" regarding presentation changes in the financial statements.



Consolidated statement of comprehensive income

COMPREHENSIVE INCOME in EUR 1,000	1/1 – 30/6/2023	1/1 – 30/6/2022
Profit after tax	41,680.5	39,070.2
Items to be recycled to the Income Statement	6,650.8	-19,661.2
Changes in debt capital instruments at fair value through other comprehensive income	6,650.8	-19,661.2
Valuation of debt capital instruments at fair value through other comprehensive income	6,576.3	-26,244.8
Recycled to the Income Statement	313.8	29.9
Deferred tax on assets at fair value through other comprehensive income	-239.3	6,553.7
Items not to be recycled to the Income Statement	-50.2	756.3
Change in actuarial gains/losses	-37.8	756.3
Actuarial result from pension provisions	-49.1	1,008.4
Deferred tax on actuarial result from pension provisions	11.3	-252.1
Changes in equity instruments at fair value through other comprehensive income	-12.4	0.0
Valuation of equity instruments at fair value through other comprehensive income	-16.1	0.0
Deferred tax on changes in equity instruments at fair value through other comprehensive income	3.7	0.0
Total comprehensive income, net of tax	48,281.2	20,165.3
<i>thereof attributable to non-controlling interests</i>	<i>93.7</i>	<i>4.7</i>
<i>thereof attributable to owners of the parent</i>	<i>48,187.5</i>	<i>20,160.6</i>

Consolidated statement of changes in equity

STATEMENT OF CHANGES IN EQUITY 1/1- 30/06/2023 in EUR 1,000	Subscribed capital	Fixed reserves ¹	Other retained earnings (incl. consolidated profit for the half year)
as of 1/1/2023	177,017.1	45,205.3	133,605.9
Profit for the period	0.0	0.0	41,584.7
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
Total	0.0	0.0	41,584.7
Capital increase	0.0	0.0	0.0
Profit distribution	0.0	0.0	0.0
Appropriation to fixed reserves	0.0	3,348.1	-3,348.1
AT1 capital	0.0	0.0	0.0
AT1 coupon	0.0	0.0	-2,052.3
As of 30/6/2023	177,017.1	48,553.4	169,790.3

- 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 25,640.0 and fixed capital reserves of the parent company of TEUR 12,479.3.
- 2 As of 30/6/2023, the reserves for debt capital instruments at fair value through other comprehensive income included deferred taxes of TEUR 16,395.2.
- 3 As of 30/6/2023, the reserves for equity instruments at fair value through other comprehensive income included deferred taxes of TEUR 142.1.
- 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- 30/06/2022 in EUR 1,000	Subscribed capital	Fixed reserves ¹	Other retained earnings (incl. consolidated profit for the half year)
as of 1/1/2022	172,659.5	35,657.5	86,422.1
Profit for the period	0.0	0.0	78,183.5
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
Total	0.0	0.0	78,183.5
Capital increase	4,357.7	5,647.4	0.0
Profit distribution	0.0	0.0	-22,994.9
Appropriation to fixed reserves	0.0	3,900.3	-3,900.3
AT1 capital	0.0	0.0	0.0
AT1 coupon	0.0	0.0	-4,104.5
As of 31/12/2022	177,017.1	45,205.3	133,605.9

- 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 22,291.9 and fixed capital reserves of the parent company of TEUR 12,479.3.
- 2 As of 31/12/2022, the reserves for debt capital instruments at fair value through other comprehensive income included deferred taxes of TEUR 16,011.1.
- 3 As of 31/12/2022, the reserves for equity instruments at fair value through other comprehensive income included deferred taxes of TEUR 154.5.
- 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 ³	Reserve for equity instruments at fair value through other comprehensive income ³	Actuarial gains/losses IAS 19	Equity attributable to Kommunalkredit shareholders	Additional equity component ⁴	Noncontrolling interests	Equity
50,380.1	463.6	2,781.6	409,453.6	62,243.7	155.5	471,852.8
0.0	0.0	0.0	41,584.7	0.0	95.8	41,680.5
6,642.2	0.0	0.0	6,642.2	0.0	0.0	6,642.2
6,328.4	0.0	0.0	6,328.4	0.0	0.0	6,328.4
313.8	0.0	0.0	313.8	0.0	0.0	313.8
12.4	-12.4	0.0	0.0	0.0	0.0	0.0
0.0	0.0	-35.7	-35.7	0.0	-2.1	-37.8
6,654.6	-12.4	-35.7	48,191.2	0.0	93.7	48,284.9
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	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
57,034.7	451.2	2,745.9	455,592.6	62,243.7	249.2	518,085.5

Reserve for debt capital instruments at fair value through other comprehensive income ³	Reserve for equity instruments at fair value through other comprehensive income ³	Actuarial gains/losses IAS 19	Equity attributable to Kommunalkredit shareholders	Additional equity component ⁴	Noncontrolling interests	Equity
78,608.1	435.5	1,568.8	375,351.6	62,243.7	146.9	437,742.2
0.0	0.0	0.0	78,183.5	0.0	46.2	78,229.7
-28,199.9	0.0	0.0	-28,199.9	0.0	0.0	-28,199.9
-28,435.2	0.0	0.0	-28,435.2	0.0	0.0	-28,435.2
235.3	0.0	0.0	235.3	0.0	0.0	235.3
-28.1	28.1	0.0	0.0	0.0	0.0	0.0
0.0	0.0	1,212.7	1,212.7	0.0	37.9	1,250.7
-28,228.0	28.1	1,212.7	51,196.3	0.0	84.1	51,280.4
0.0	0.0	0.0	10,005.1	0.0	0.0	10,005.1
0.0	0.0	0.0	-22,994.9	0.0	-75.5	-23,070.4
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
50,380.1	463.6	2,781.6	409,453.6	62,243.7	155.5	471,852.8

Consolidated statement of cash flows

CONSOLIDATED STATEMENT OF CASH FLOWS in EUR 1,000	1/1 – 30/6/2023	1/1 – 30/6/2022
Profit (after tax, before non-controlling interests)	41,680.5	39,070.2
<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	1,037.3	830.7
Appropriation to/release of provisions	-1,702.5	-1,850.1
Non-realised gains/losses from exchange rate fluctuations	7.4	7.6
Gains/losses from the valuation of financial assets and gains from the buyback of own issues	-3,526.9	-11,154.3
Income tax deferrals	14,801.0	5,717.0
Other adjustments (mainly interest income and interest expenses)	4,315.2	-2,622.5
Sub-total	56,612.1	29,998.7
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>	15,367.1	11,544.1
<i>thereof loans and advances to customers</i>	-222,193.5	72,943.9
Assets available for sale and fair value option	-267,088.5	-122,427.9
Assets at fair value through other comprehensive income	-63,880.1	24,478.7
Derivatives	26,473.4	-37,185.2
Other assets from operating activities	899.0	-9,562.0
Amounts owed to banks	-4,962.7	-4,803.6
Amounts owed to customers	254,543.2	7,769.4
Securitised liabilities	14,202.7	108,018.4
Other liabilities from operating activities	20,304.8	35,164.9
Interest receipts	135,483.9	63,340.3
Dividend receipts	75.0	0.0
Interest paid	-53,704.7	-9,545.0
Income taxes paid	-144.6	-157.1
Cash flow from operating activities	-88,013.0	169,577.6
Cash receipts from the sale/redemption of property, plant and equipment and intangible assets	0.0	0.0
Cash payments for the acquisition of Property, plant and equipment and intangible assets	-5,682.0	-224.0
Cash flow from investing activities	-5,682.0	-224.0
Dividend payments attributable to the owners of the parent	0.0	-23,000.0
Change in funds from other financing activities (subordinated capital)	0.0	-20,000.0
AT1 coupon	-2,052.3	-2,052.3
Cash outflow from repayments on lease liabilities	-10.2	-98.5
Cash flow from financing activities	-2,062.5	-45,150.7
Cash and cash equivalents at the of the previous period	503,203.0	543,366.7
Cash flow from operating activities	-88,013.0	169,577.6
Cash flow from investing activities	-5,682.0	-224.0
Cash flow from financing activities	-2,062.5	-45,150.7
Cash and cash equivalents at the end of the period	407,445.6	667,569.5

* Please refer to Section "General Information" regarding presentation changes in the financial statements.



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 2023 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 2022. The accounting and valuation methods used in the consolidated interim financial statements are consistent with those used for the 2022 consolidated financial statements.

As part of a review of the presentation of the financial statements pursuant to IAS 1, the following items were reclassified or supplemented in the 2023 financial year:

- Another "of which" item was added for debt securities under assets at amortised cost.
- The shareholder loan previously granted to PeakSun Holding GmbH was repaid in the first half of 2023 as part of the reorganisation of this company's refinancing structure and was replaced at the same time by a measure to strengthen equity in the same amount. The shareholder loan had to be derecognised and the strengthening of equity recorded under "Investments accounted for using the equity method". As a result, this had to be added as a new item on the assets side of the statement of financial position due to its materiality.
- Subordinated liabilities were previously reported under "Liabilities at amortised cost". Due to the regulatory relevance of these instruments, they are now reported separately in a dedicated item "Subordinated liabilities at amortised cost", directly before equity (TEUR 28,537.8; 31 December 2022: TEUR 28,843.6).
- A review of the items "Result from the disposal of assets at fair value through other comprehensive income" (TEUR 142.0; 1 January - 30 June 2022: TEUR 498.8), "Result from the disposal of financial assets measured at amortised cost" (TEUR 0.7; 1 January - 30 June 2022: TEUR 489.6) and "Net result of asset valuation and realised gains and losses" (TEUR 3,526.9; 1 January - 30 June 2022: TEUR 11,154.3) revealed that a change in presentation and structure improves the presentation format. These three items have now been grouped in the income statement under a single item "Gains and losses from financial assets and liabilities" (TEUR 3,669.6; 1 January - 30 June 2022: TEUR 12,142.6) in order to present more reliable information in one place that is also more relevant for users of the financial statements. Grouping these items provides users of the financial statements with information on the total value of the disposal result as well as measurement gains/losses from financial instruments in a single item of the income statement. The necessary details are provided, first of all, in "of which" items, with further details in the notes. In addition, the item "Measurement gains/losses from hedge accounting" was also added as a separate "of which" item.
- The "of which" items previously presented in the consolidated statement of cash flows, namely "Interest received" (TEUR 135,483.9; 1 January - 30 June 2022: TEUR 63,340.3) and "Interest paid" (TEUR -53,704.7; 1 January - 30 June 2022: TEUR -9,545.0) from the cash flow from operating activities are now included in the cash flow from operating activities directly.

These reclassifications do not have any material impact on the information presented, but make the financial statements easier to understand. These changes only affect the manner in which the abovementioned items are presented. They do not involve any changes to accounting policies or accounting-related estimates, or corrections of prior period errors. As a result, the comparative period as of 30 June 2022 and 31 December 2022 is being restated; there is no need to restate the opening balance sheet values.

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 2023:

NAME AND REGISTERED OFFICE	Investment		Share in capital 30/6/2023 in %	Share in capital 31/12/2022 in %
	direct	indirect		
1. Affiliated companies				
Fully consolidated affiliated companies				
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%	75.0%
Fidelio KA Infrastructure Opportunities Fund GP S. à r. l. (LUX)**		x	74.9%	75.0%
Fidelio KA Investment Advisory GmbH (DE)		x	74.9%	75.0%
Florestan KA GmbH, Wien	x		100.0%	100.0%
Florestan KA Hydrogen GmbH, Wien		x	100.0%	100.0%
2. Associates*				
Associates included using the equity method				
PeakSun Holding GmbH Wels		x	40.0%	40.0%

* For reasons of materiality, Kommunalkredit's 45.0% stake in Kommunalnet E-Government 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.

** 0.1% of Fidelio KA Beteiligung GmbH have been sold in the current period.

b. Equity

The 2022 unappropriated profit of Kommunalkredit Austria AG according to Austrian GAAP in the amount of TEUR 49,101.3 has been carried forward to new account.

c. Development of result

The consolidated profit for the period after tax increased by 6.7% year-on-year to TEUR 41,680.5 (H1 2022: TEUR 39,070.2). This increase is mainly due to the improvement in the interest and other result, which resulted primarily from the further expansion of the infrastructure and energy financing business. The positive development in net fee and commission income (TEUR 14,513.0, as against TEUR 12,169.9 in H1 2022) is another contributor to the increased result. General administrative expenses increased by 27.1% to TEUR 41,856.4 (H1 2022: TEUR 32,920.7) and reflect the growth path taken by the Kommunalkredit Group.

The Kommunalkredit Group's net provisioning for impairment losses amounted to TEUR -323.5 (H1 2022: TEUR 468.9). The increase in risk provisions reflects, in particular, the increased statistical probabilities of default, which are due on the one hand to the weak economic growth forecast for 2023/24 and, on the other, to the historical development in rating migrations: whereas, after the COVID-dominated year of 2020, 2021 showed very positive development in rating migrations, 2022 brought a marked slowdown in this positive trend in relation to the previous period (even though positive rating migrations continue to outweigh the negative ones). Risk provisions increased to EUR 6.3m as of 30 June 2023 (31 December 2022: EUR 6.0m).

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 15,323.9 for the first half of 2023 (H1 2022: TEUR 14,000.8), the largest share of TEUR 10,720.4 (H1 2022: TEUR 8,893.0) 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 4,282.0 (H1 2022: TEUR 1,471.0) 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 321.2 (H1 2022: TEUR 3,636.7) 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	30/6/2023	31/12/2022
Contingent liabilities: Sureties and guarantees	0.0	1,760.4
Other obligations: Credit lines and promissory notes	951,140.0	1,082,772.7

f. Russia/Ukraine conflict

The development in 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 0.4m, 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

On 2 July 2021, proceedings were initiated against Kommunalkredit Public Consulting GmbH (KPC) by the data protection authority following a report by an affected party. The proceedings are currently suspended as the data protection authority awaits a preliminary ruling by the European Court of Justice on § 30 of the Data Protection Act. It can be assumed to be more likely than not that there will be no penalty for KPC.

h. Other obligations

Relative to the 2022 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 matches 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 0.0 (31 December 2022: TEUR 1,760.4) and TEUR 951,140.0 (31 December 2022: TEUR 1,082,772.7) respectively.

The values as of 30 June 2023 are as follows:

CATEGORIES 30/6/2023 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	407,445.6	0.0	0.0	407,445.6	407,445.6
Loans and advances to banks	63,656.2	0.0	0.0	63,656.2	64,539.0
Loans and advances to customers	1,938,220.8	0.0	0.0	1,938,220.8	1,934,907.7
Securities at amortised cost	607,693.7	0.0	0.0	607,693.7	601,619.0
Assets recognised at fair value through other comprehensive income	0.0	1,407,936.0	0.0	1,407,936.0	1,407,936.0
Assets at fair value through profit or loss	0.0	0.0	284,775.8	284,775.8	284,775.8
Derivatives	0.0	0.0	185,949.8	185,949.8	185,949.8
Total	3,017,016.2	1,407,936.0	470,725.6	4,895,677.8	4,887,172.8
Amounts owed to banks	148,504.1	0.0	0.0	148,504.1	148,194.7
Amounts owed to customers	2,518,813.6	0.0	0.0	2,518,813.6	2,504,848.1
Securitised liabilities	1,422,149.1	0.0	0.0	1,422,149.1	1,413,608.4
Subordinated liabilities	28,537.8	0.0	0.0	28,537.8	16,038.9
Derivatives	0.0	0.0	194,335.5	194,335.5	194,335.5
Total	4,118,004.6	0	194,335.5	4,312,340.1	4,277,025.5

The values as of 31 December 2022 are as follows:

CATEGORIES 31/12/2022 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	407,445.6	0.0	0.0	503,203.0	503,203.0
Loans and advances to banks	326,042.4	0.0	0.0	326,042.4	321,660.1
Loans and advances to customers	2,197,492.7	0.0	0.0	2,197,492.7	2,203,211.6
Assets recognised at fair value through other comprehensive income	0.0	1,137,451.8	0.0	1,137,451.8	1,137,451.8
Assets at fair value through profit or loss	0.0	0.0	223,573.4	223,573.4	223,573.4
Derivatives	0.0	0.0	201,381.0	201,381.0	201,381.0
Total	3,026,738.1	1,137,451.8	424,954.4	4,589,144.3	4,590,481.0
Amounts owed to banks	156,632.5	0.0	0.0	156,632.5	153,588.8
Amounts owed to customers	2,289,163.9	0.0	0.0	2,289,163.9	2,256,154.3
Securitised liabilities	1,400,427.3	0.0	0.0	1,400,427.3	1,381,329.8
Subordinated liabilities	28,843.6	0.0	0.0	28,843.6	14,692.0
Derivatives	0.0	0.0	190,823.9	190,823.9	190,823.9
Total	3,875,067.3	0.0	190,823.9	4,065,891.2	3,996,588.9

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 in this hierarchy level are obtained from Bloomberg or Reuters.

Level 2: The input factors for the valuation can be observed in the market. This category includes the following price determination methods:

- Price determination based on comparable securities
- Price determination through spreads derived from market data (benchmark spreads)

Level 3: The input factors cannot be observed in the market. This 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	30/6/2023		
	Level 1	Level 2	Level 3
Assets			
Assets (recognized at fair value through other comprehensive income)	18,053.0	685,488.9	704,394.2
Assets at fair value through profit or loss	0.0	69,903.4	214,872.4
Derivatives	0.0	185,949.8	0.0
Liabilities			
Derivatives	0.0	194,335.5	0.0

As of 30 June 2023, Kommunalkredit had Level 3 financial assets measured at fair value in the amount of TEUR 919,266.6 (31 December 2022: TEUR 717,810.8). 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	31/12/2022		
	Level 1	Level 2	Level 3
Assets			
Assets (recognized at fair value through other comprehensive income)	12,787.4	543,690.0	580,974.3
Assets at fair value through profit or loss	0.0	86,736.9	136,836.5
Derivatives	0.0	201,381.0	0.0
Liabilities			
Derivatives	0.0	190,823.9	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:

RECONCILIATION OF FINANCIAL INSTRUMENTS measured at fair value through p&l in EUR 1,000	1/1 – 30/6/2023	1/1 – 31/12/2022
as of 1/1/2021	136,836.5	187,566.3
Additions/disbursement	81,490.7	58,505.7
Additions from level 2	0.0	0.0
Disbursements in level 2	0.0	0.0
Sold/redeemed	-5,722.7	-106,404.3
Total gains and losses		
recognised in profit or loss (net interest income)	2,267.8	-2,831.2
as of 30/6/2023	214,872.4	136,836.5

RECONCILIATION OF FINANCIAL INSTRUMENTS measured at fair value through p&l in EUR 1,000	1/1 – 30/6/2023	1/1 – 31/12/2022
as of 01/01/2022	580,974.3	488,386.4
Additions/disbursement	199,135.1	290,730.2
Additions from level 2	1,137.8	0.0
Sold/redeemed	-74,376.9	-197,573.8
Disbursements in level 2	0.0	0.0
Total gains and losses		
recognised in profit or loss (net interest income)	725.4	3,973.6
recognised in other comprehensive income	-3,201.4	-4,542.0
as of 31/12/2022	704,394.2	580,974.3

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	30/6/2023		
	Level 1	Level 2	Level 3
Assets at amortised cost			
Loans and advances to banks	23,286.6	41,252.4	0.0
Loans and advances to customers	0.0	1,165,138.7	781,438.0
Securities at amortised cost	410,919.8	190,699.2	0.0
Liabilities at amortised cost			
Amounts owed to banks	0.0	143,833.6	4,361.0
Amounts owed to customers	0.0	2,504,848.1	0.0
Securitised liabilities	0.0	-1,413,608.4	0.0
Subordinated liabilities	0.0	16,038.9	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	31/12/2022		
	Level 1	Level 2	Level 3
Assets at amortised cost			
Loans and advances to banks	150,268.5	171,391.7	0.0
Loans and advances to customers	379,482.7	1,135,714.9	688,014.0
Liabilities at amortised cost			
Amounts owed to banks	0.0	149,267.7	4,321.2
Amounts owed to customers	0.0	2,256,154.3	0.0
Securitised liabilities	0.0	1,381,329.8	0.0
Subordinated liabilities	0.0	14,692.0	0.0

k. Significant events after the reporting period

No significant events arose between the reporting date of 30 June 2023 and the publication of this half-year report.

l. 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 Interritus 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 2023, positions amounting to TEUR 171,257.8 (31 December 2021: TEUR 248,493.3) are held in trust for Trinity in fiduciary funds; there are no transactions as of the reporting date for the related party of Trinity. In the interim period, the fiduciary administration of these transactions generated fee and commission income of TEUR 464.7 (H1 2022: TEUR 481.4). There are no outstanding balances as of 30 June 2023 (31 December 2022: TEUR 239.0, 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 2023, group members include Kommunalkredit, Kommunalkredit Public Consulting GmbH (KPC), Florestan KA GmbH and Florestan KA Hydrogen GmbH.

Relationships with associates

The following relationships exist with PeakSun Holding GmbH, an associate included at equity:

- The loan outstanding as of 31 December 2022 was repaid (31 December 2022: TEUR 1,877.1); this resulted in interest income of TEUR 24.0 (H1 2022: TEUR 190.6)
- Other off-balance-sheet liabilities in the form of obligations to inject additional equity of TEUR 2,012.4 (31 December 2022: TEUR 8,409.5)

Transactions with key management personnel

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

There is a company that holds a capital interest of 25.1% in Fidelio KA Beteiligung GmbH (31 December 2022: 25%); 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 GB S. à r. l.

As of 30 June 2023, just like as of 31 December 2022, 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



Bernd Fislage
Chief Executive Officer



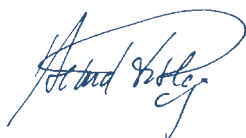
Sebastian Firlinger
Member of the Executive Board

Vienna, 4 August 2023

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



Bernd Fislage
Chief Executive Officer



Sebastian Firlinger
Member of the Executive Board

Vienna, 4 August 2023

Report on the Review of the Consolidated Interim Financial Statements

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Kommunalkredit Austria AG, Vienna, for the period from 1 January 2023 to 30 June 2023. These interim consolidated financial statements comprise the consolidated statement of financial position as of 30 June 2023 and the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statements of cash flows for the period from 1 January 2023 to 30 June 2023 and the condensed notes summarizing the main accounting and measurement principles applied and other explanatory notes.

Management is responsible for the preparation of the condensed interim consolidated 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 inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less 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 condensed interim consolidated financial statements are not prepared, in all material respects, in accordance with International Financial Reporting Standards (IFRS's) for Interim Reporting as adopted by the EU.

Statement on the interim consolidated management report and on 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 condensed interim consolidated financial statements. Based on our evaluation, the consolidated interim management report does not contain any apparent inconsistencies with the condensed interim consolidated financial statements.

The Interim Group Management Report includes the declaration of the Company's legal representatives required by Sect. 125 para. 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 Section 281 (2) UGB apply.

Vienna, 4 August 2023

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 reporting regulations

ASSETS in EUR 1,000	30/6/2023	31/12/2022
Balances with central banks	401,042.8	503,202.1
Public-sector debt instruments	231,201.0	391,602.0
Loans and advances to banks	111,161.0	150,450.7
Loans and advances to customers	3,639,398.9	3,044,665.5
Bonds and other fixed-income securities	385,252.0	373,152.0
Shares and other non fixed-income securities	0.0	0.0
Participations	31,764.8	32,501.9
Investments in associates	50,419.0	50,420.2
Intangibles non-currents assets	716.3	885.6
Property, plant and equipment	2,675.6	2,726.1
Other assets	23,682.3	32,613.7
Accruals	19,019.1	14,352.9
Deferred tax assets	12,046.8	13,205.9
Total Assets	4,908,379.6	4,609,778.6

LIABILITIES in EUR 1,000	30/6/2023	31/12/2022
Amounts owed to banks	151,480.0	156,635.8
Amounts owed to customers	2,532,858.2	2,304,981.9
Securitized liabilities	1,521,038.0	1,504,818.3
Other liabilities	38,746.8	26,999.0
Accruals	32,514.7	30,039.2
Provisions	59,456.6	49,909.6
Fund for general banking risks (§ 57 (3) BWG)	40,000.0	40,000.0
Supplementary capital	40,711.6	41,730.8
Additional Tier-I-Capital	63,313.1	63,321.6
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	25,640.0	22,291.9
Net profit	82,671.4	49,101.3
<i>thereof profit carried forward</i>	49,101.3	732.7
<i>of which profit for the period (after appropriation to reserves)</i>	33,570.0	48,368.6
Total Liabilities	4,908,379.6	4,609,778.6

Regulatory capital ratios of Kommunalkredit Austria AG according to CRR

in EUR 1,000 or %	30/6/2023	31/12/2022
Total risk exposure amount pursuant to Art. 92 CRR	2,853,227.1	2,552,491.2
Common equity tier 1 (CET 1)	434,792.5	431,189.4
CET 1 ratio	15.2%	16.9%
Common equity (tier 1)	497,592.5	493,989.4
Common equity ratio	17.4%	19.4%
Total capital (tier 1 and tier 2)	542,542.5	538,939.4
Total capital ratio	19.0%	21.1%

Income statement of Kommunalkredit Austria AG according to Austrian reporting regulations

in EUR 1,000	1/1 – 30/6/2023	1/1 – 30/6/2022
Net interest income	71,758.6	39,317.4
Fee and commission result	13,400.3	6,677.6
Income/expenses from financial transactions	7.4	10.2
Other operating income	2,323.0	2,427.2
Operating income	87,489.3	48,432.4
General administrative expenses	-34,676.5	-26,623.6
Personnel expenses	-21,863.8	-17,468.0
Other administrative expenses	-12,812.7	-9,155.6
Depreciation	-505.7	-305.5
Other operating expenses	-1,446.8	-1,272.6
Operating expenses	-36,628.9	-28,201.7
Operating result	50,860.4	20,230.7
Balance of income/expenses from the impairment of receivables and provisions for contingent liabilities	-245.9	14,881.7
<i>of which realised from the early redemption of own issues</i>	0.0	579.0
<i>of which realised/valuation from securities, loans and derivatives</i>	511.4	13,310.1
<i>of which change in provision under § 57 (1) Austrian Banking Act</i>	0.0	-400.0
<i>of which change in valuation allowances</i>	-757.3	1,392.5
Profit on ordinary activities	50,614.5	35,112.4
Restructuring result	0.0	17,918.6
Taxes on income	-13,598.9	-7,362.4
Other taxes	-97.5	-41.1
Profit for the year/Net profit	36,918.1	45,627.5

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Owner and Publisher:

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Kommunalkredit Austria AG
Tuerkenstrasse 9, 1090 Vienna
Phone +43 1 31631

Corporate Communications
communication@kommunalkredit.at
Phone: +43 1 31631 593 or 153

Investor Relations
investorrelations@kommunalkredit.at
Phone: +43 1 31631 434

www.kommunalkredit.at

Photos:

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Dechant Grafische Arbeiten,
Ahornergasse 7, 1070 Vienna
Coordination/consulting
www.fabelhaft.biz
fa-bel-haft. Werbung & PR
Kochgasse 3-5, 1080 Vienna

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