



Kommunalkredit Austria AG

EUR 2,000,000,000 Debt Issuance Programme (the "Programme")

Under the Programme, Kommunalkredit Austria AG (the "Issuer"), subject to compliance with all relevant laws, regulations and directives, may issue debt securities as further specified in the relevant final terms (the "Final Terms") in series (each a "Series") and tranches (each a "Tranche") in the English language under Austrian law. The Programme foresees three different options of Terms and Conditions (as defined herein) under which notes with the following ranking may be issued: (i) covered bonds (*gedeckte Schuldverschreibungen*) pursuant to the Austrian Covered Bond Act, Federal Law Gazette I No. 199/2021 (*Pfandbriefgesetz – "PfandBG"*) (the "Covered Bonds") (Option I); (ii) senior preferred notes (Option II) (the "Senior Preferred Notes"); and (iii) senior non-preferred notes (Option III) (the "Senior Non-Preferred Notes") (all together, the "Notes"). The Notes may have the following types of interest structure: (i) fixed interest rate(s); and (ii) variable interest rate. Subject to compliance with all relevant laws, regulations and directives, the Notes will have a minimum maturity of at least twelve months and no maximum maturity. The Notes will have a minimum denomination of EUR 100,000 (or the equivalent in other currencies). The aggregate principal amount of Notes outstanding (i.e. Notes not redeemed) under the Programme will not at any one time exceed EUR 2,000,000,000 (or the equivalent in other currencies).

This base prospectus dated 27 February 2024, as supplemented from time to time (the "Prospectus") constitutes a base prospectus for the purposes of Article 8 of the Regulation (EU) 2017/1129, as amended (the "Prospectus Regulation") and has been drawn up in accordance with Annexes 7, 15 and 28 of the Commission Delegated Regulation (EU) 2019/980, as amended. This Prospectus has been approved by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde* - the "FMA") in its capacity as competent authority pursuant to Article 20 of the Prospectus Regulation in conjunction with the Austrian Capital Markets Act 2019 (*Kapitalmarktgesetz 2019*). **The FMA only approves this Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer and the quality of the Notes that are the subject of this Prospectus. Investors should make their own assessment as to the suitability of investing in the Notes.**

Application may be made for the Programme and/or any Series of Notes to be admitted to the Official Market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse*) (the "Market"). References in this Prospectus to Series of Notes being listed (and all related references) shall mean that such Series of Notes have been admitted to trading on the Market, which is a regulated market for the purposes of the Directive 2014/65/EU, as amended (*Markets in Financial Instruments Directive II – "MiFID II"*). Furthermore, application may also be made for the Programme and/or any Series of Notes to be included in the Vienna MTF of the Vienna Stock Exchange ("Vienna MTF") which is a multilateral trading facility (MTF). Unlisted Series of Notes may also be issued pursuant to this Programme. The relevant Final Terms in respect of any Series of Notes will specify whether or not such Series of Notes will be admitted to trading on the Market or included in the Vienna MTF.

The Issuer has not requested the FMA to provide any competent authority in other host member states within the European Economic Area ("EEA") with a certificate of approval attesting that this Prospectus has been drawn up in accordance with the Prospectus Regulation. However, the Issuer may from time to time request the FMA to provide to competent authorities of member states of the EEA notifications concerning the approval of this Prospectus.

Tranches of Notes in bearer form will be represented on issue by a modifiable non-digital global note (*nicht-digitale Sammelurkunde*) or a digital global note (*digitale Sammelurkunde*) pursuant to Austrian law (each a "Global Note"). Global Notes will be deposited with or on behalf of OeKB CSD GmbH ("OeKB CSD"). Global Notes may be intended to be eligible collateral for Eurosystem monetary policy.

Tranches of Notes may be rated or unrated. Where a Tranche of Notes is rated, such credit rating will be specified in the relevant Final Terms. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning credit rating agency. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009, as amended (the "CRA Regulation") will be disclosed in the relevant Final Terms. The European Securities and Markets Authority (the "ESMA") is obliged to maintain on its website ("www.esma.europa.eu") a list of credit rating agencies registered and certified in accordance with the CRA Regulation. This list must be updated within 5 working days of ESMA's adoption of any decision to withdraw the registration of a credit rating agency under the CRA Regulation. The ESMA website is not incorporated by reference into, nor does it form part of, this Prospectus.

Prospective investors should have regard to the factors described under the section headed "Risk Factors" in this Prospectus. This Prospectus does not describe all of the risks of an investment in the Notes, but the Issuer believes that all material risks relating to an investment in the Notes have been described.

This Prospectus is valid for 12 months after its approval. The obligation by the Issuer to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies does not apply when this Prospectus is no longer valid.

Arranger and Dealer

Raiffeisen Bank International AG

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RESPONSIBILITY STATEMENT

The Issuer, with its registered office at Tuerkenstrasse 9, A-1090 Vienna, Austria, is responsible for the information given in this Prospectus.

The Issuer hereby declares that, to the best of the knowledge of the Issuer, the information contained in this Prospectus is in accordance with the facts and makes no omission likely to affect its import.

NOTICE

This Prospectus should be read and understood in conjunction with any supplement hereto and with any document incorporated herein by reference. Full information on the Issuer and any Tranche of Notes is only available on the basis of the combination of this Prospectus and the relevant Final Terms.

The Issuer has confirmed to the arranger and dealer set forth on the cover page of this Prospectus (the "**Arranger**") and confirms to any further dealer appointed from time to time under the Programme (i) that this Prospectus contains all information which is material in the context of the Programme and the issue and offering of Notes thereunder; (ii) that the information contained herein is accurate in all material respects and is not misleading; (iii) that any opinions and intentions expressed herein are honestly held; (iv) that there are no other facts, the omission of which would make this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect; and (v) that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained herein.

No person has been authorised to give any information which is not contained in or not consistent with this Prospectus or any other information supplied in connection with the Programme and, if given or made, such information must not be relied upon as having been authorised by or on behalf of the Issuer or the Arranger.

The delivery of this Prospectus or any relevant Final Terms and the offering, sale or delivery of any Notes may not be taken as an implication that the information contained in such documents is accurate and complete subsequent to their respective dates of issue or that there has been no adverse change in the financial condition of the Issuer since such date or that any other information supplied in connection with the Programme is accurate at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Issuer has given an undertaking to the Arranger, and is obliged by the provisions of the Prospectus Regulation, that if at any time during the duration of the Programme there is a significant new factor, material mistake or material inaccuracy relating to the information included in this Prospectus which may affect the assessment of any Notes and which arises or is noted between the time when this Prospectus is approved and the closing of the offer period of such Notes or the time when trading on a regulated market begins, whichever occurs later, the Issuer shall prepare a supplement to this Prospectus or publish a consolidated Prospectus (Article 23(6) of the Prospectus Regulation) for use in connection with any subsequent offering of the Notes and shall supply to the FMA and the Vienna Stock Exchange such number of copies of such supplement to this Prospectus or such consolidated Prospectus as relevant applicable legislation require.

To the extent permitted by the laws of any relevant jurisdiction neither the Arranger nor any person mentioned in this Prospectus, excluding the Issuer, is responsible for the information contained in this Prospectus or any supplement thereof, or any relevant Final Terms or any other document incorporated herein by reference and, accordingly, to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

The distribution of this Prospectus and of any relevant Final Terms and the offering, sale and delivery of Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus or any relevant Final Terms come are required to inform themselves about and observe any such restrictions. For a description of the restrictions applicable in the EEA and the United Kingdom ("**UK**") see the section "*Selling Restrictions*". Further restrictions may be disclosed in the relevant Final Terms. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933, as amended, and may include Notes in bearer form that are subject to tax law requirements of the United States of America; subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States of America or to U.S. persons.

Prospective holders of Notes (each a "**Holder**") should note that the tax legislation of the investor's member state and of the Issuer's country of incorporation may have an impact on the income received from Notes. Prospective Holders should consult their tax advisers as to the relevant tax consequences of the ownership and disposition of Notes.

The relevant Final Terms in respect of any Notes include a legend entitled "**MiFID II Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a "**distributor**") should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID II Product Governance rules under EU Delegated Directive 2017/593, as amended (the "**MiFID II Product Governance Rules**"), any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID II Product Governance Rules.

The relevant Final Terms in respect of any Notes may include a legend entitled "**UK MiFIR Product Governance**" which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. A distributor should take into consideration the target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK MiFIR Product Governance Rules**") is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the UK MiFIR Product Governance Rules, any dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor any of their respective affiliates will be a manufacturer for the purpose of the UK MiFIR Product Governance Rules.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97, as amended ("**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014, as amended (the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

This Prospectus may only be used for the purpose for which it has been published.

This Prospectus and any relevant Final Terms may not be used for the purpose of an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

This Prospectus and any relevant Final Terms do not constitute an offer or an invitation by or on behalf of the Issuer or any dealers to any person to subscribe for or to purchase any Notes.

In connection with the issue of any Tranche of Notes, (a) stabilising manager(s) (or persons acting on behalf of any stabilising manager(s)) may be named in the relevant Final Terms (if any) to over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date and 60 days after the date of the allotment of

the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant stabilising manager(s) (or person(s) acting on behalf of any stabilising manager(s)) in accordance with all applicable laws and rules.

Any websites included in this Prospectus, except where stated otherwise in this Prospectus, are for information purposes only and do not form part of this Prospectus.

Unless increased (as described below), the maximum aggregate principal amount of Notes outstanding at any one time under the Programme will not exceed EUR 2,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into Euro in accordance with the provisions of the programme agreement dated 27 February 2024 and concluded between the Issuer and the Arranger (as amended and supplemented from time to time, the "**Programme Agreement**"). The maximum aggregate principal amount of Notes which may be outstanding at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Programme Agreement.

Amounts payable under Notes with variable and/or structured interest rates may be calculated by reference to EURIBOR (Euro Interbank Offered Rate) which is provided by the European Money Markets Institute ("**EMMI**"). As at the date of this Prospectus, EMMI appears on the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of Regulation (EU) 2016/1011, as amended ("**Benchmark Regulation**"). The relevant Final Terms may set out specific (updated) information in relation to the reference (interest) rate(s), administrator(s) and related information for the respective issue of Notes.

THIRD PARTY INFORMATION

Where information has been sourced from a third party, the Issuer confirms that this information has been accurately reproduced and that, so far as the Issuer is aware and able to ascertain from information published by such third party, no facts have been omitted which would render the reproduced information inaccurate or misleading.

FORWARD-LOOKING STATEMENTS

This Prospectus contains certain forward-looking statements. A forward-looking statement is a statement that does not relate to historical facts and events. Forward-looking statements are based on analyses or forecasts of future results and estimates of amounts not yet determinable or foreseeable. These forward-looking statements may be identified by the use of terms and phrases such as "*anticipate*", "*believe*", "*could*", "*estimate*", "*expect*", "*intend*", "*may*", "*plan*", "*predict*", "*project*", "*will*" and similar terms and phrases, including references and assumptions. This applies, in particular, to statements in this Prospectus containing information on future earning capacity, plans and expectations regarding the Issuer's together with its affiliates' (together the "**Kommunalkredit Group**") business and management, growth and profitability, and general economic and regulatory conditions and other factors that affect it.

Forward-looking statements in this Prospectus are based on current estimates and assumptions that the Issuer makes to the best of its present knowledge. These forward-looking statements are subject to risks, uncertainties and other factors which could cause actual results, including Kommunalkredit Group's financial condition and results of operations, to differ materially from and be worse than results that have expressly or implicitly been assumed or described in these forward-looking statements. Kommunalkredit Group's business is also subject to a number of risks and uncertainties that could cause a forward-looking statement, estimate or prediction in this Prospectus to become inaccurate. Accordingly, investors are strongly advised to read the section "*Risk Factors*" in this Prospectus. This section includes more detailed descriptions of factors that might have an impact on Issuer's business and the markets in which it operates.

In light of these risks, uncertainties and assumptions, future events described in this Prospectus may not occur. In addition, neither the Issuer nor the Arranger assume any obligation, except as required by law, to update any forward-looking statement or to conform these forward-looking statements to actual events or developments.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus should be read and construed in conjunction with the following parts of the following documents which are incorporated by reference into this Prospectus and which have been filed with the FMA:

Document/Heading	Page reference
German language version of the Integrated Audited Annual Financial Report of Kommunalkredit Group for the financial year ended 31 December 2023 (<i>Integrierter Jahresfinanzbericht 2023</i>) (the "Integrated Audited Annual Financial Report 2023") ¹	
Consolidated Balance Sheet (<i>Konzern-Bilanz</i>)	112
Consolidated Income Statement (<i>Konzern-Gewinn- und Verlustrechnung</i>)	113
Consolidated Statement of Comprehensive Income (<i>Konzern-Gesamtergebnisrechnung</i>)	115
Consolidated Statement of Changes in Equity (<i>Konzern-Eigenkapitalveränderungsrechnung</i>)	116 - 117
Consolidated Statement of Cash Flows (<i>Konzern-Geldflussrechnung</i>)	119
Notes (<i>Anhang</i>)	120 - 194
Auditor's Report (<i>Bestätigungsvermerk</i>)	195 - 199

Document/Heading	Page reference
German language version of the Integrated Audited Annual Financial Report of Kommunalkredit Group for the financial year ended 31 December 2022 (<i>Integrierter Jahresfinanzbericht 2022</i>) (the "Integrated Audited Annual Financial Report 2022") ¹	
Consolidated Balance Sheet (<i>Konzern-Bilanz</i>)	120
Consolidated Income Statement (<i>Konzern-Gewinn- und Verlustrechnung</i>)	121
Consolidated Statement of Comprehensive Income (<i>Konzern-Gesamtergebnisrechnung</i>)	123
Consolidated Statement of Changes in Equity (<i>Konzern-Eigenkapitalveränderungsrechnung</i>)	124 - 125
Consolidated Statement of Cash Flows (<i>Konzern-Geldflussrechnung</i>)	126 - 127
Notes (<i>Anhang</i>)	128 - 200
Auditor's Report (<i>Bestätigungsvermerk</i>)	201 - 205

Document/Heading	Page reference
English language translation of the Integrated Annual Report of Kommunalkredit Group for the financial year ended 31 December 2023 (<i>Integrated Annual Report 2023</i>) ²	
Consolidated Balance Sheet	112
Consolidated Income Statement	113

¹ The officially signed German language versions of the Integrated Audited Annual Financial Report 2022 and the Integrated Audited Annual Financial Report 2023 are solely legally binding and definitive.

² The English translations of the Integrated Annual Report for the financial year ended 31 December 2022 and the Integrated Annual Report for the financial year ended 31 December 2023 are not legally binding and are incorporated into this Prospectus by reference for convenience purposes only.

Consolidated Statement of Comprehensive Income	115
Consolidated Statement of Changes in Equity	116-117
Consolidated Statement of Cash Flows	119
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Document/Heading	Page reference
English language translation of the Integrated Annual Report of Kommunalkredit Group for the financial year ended 31 December 2022 (Integrated Annual Report 2022)²	
Consolidated Balance Sheet	120
Consolidated Income Statement	121
Consolidated Statement of Comprehensive Income	123
Consolidated Statement of Changes in Equity	124 – 125
Consolidated Statement of Cash Flows	126 - 127
Notes	128 - 200
Auditor's Report	201 - 205

For the avoidance of doubt, such parts of the Integrated Audited Annual Financial Report 2022 and the Integrated Audited Annual Financial Report 2023 which are not explicitly listed in the tables above, are not incorporated by reference into this Prospectus as these parts are either not relevant for the investor or covered elsewhere in this Prospectus.

Any information not listed above but included in the documents incorporated by reference is given for information purposes only.

Such parts of the documents which are explicitly listed above shall be deemed to be incorporated in, and form part of this Prospectus, save that any statement contained in such a document shall be deemed to be modified or superseded for the purpose of this Prospectus to the extent that a statement contained in this Prospectus modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Furthermore, this Prospectus should be read and construed in conjunction with each set of Final Terms relating to specific Notes that are offered under the Programme at the time of this Prospectus which has been previously filed with the FMA and/or the notification office (*Meldestelle*) of the Austrian Control Bank (*Oesterreichische Kontrollbank AG*). The following sections of the following base prospectus relating to the Programme, which has been previously published, are incorporated by reference into this Prospectus:

Base Prospectus/Section	Page reference in the base prospectus
The base prospectus dated 9 April 2021	
Terms and Conditions of the Notes (Option I and Option II)	27 – 55
Form of Final Terms, provided that the reference to the base prospectus dated 9 April 2021 should be replaced by a reference to this Prospectus	69 – 75
The base prospectus dated 24 February 2023	
Terms and Conditions of the Notes (Option I and Option II)	32 – 59
Form of Final Terms, provided that the reference to the base prospectus dated 24 February 2023 should be replaced by a reference to this Prospectus	73 – 79

For the avoidance of doubt, such parts of the above listed previously published base prospectus relating to the Programme which are not explicitly listed in the tables above, are not incorporated by reference into this Prospectus as these parts are either not relevant for the investor or covered elsewhere in this Prospectus. Any information not listed above but included in the base prospectus incorporated by reference is given for information purposes only.

Under this Prospectus, the Issuer may also increase issues of notes which have been issued under the base prospectus dated 9 April 2021 or under the base prospectus dated 24 February 2023. Such notes may include all notes: (a) for which either (i) the first day of the subscription period; or (ii) the issue date is after 9 April 2021 (in relation to an issue under the base prospectus dated 9 April 2021) or after 24 February 2023 (in relation to an issue under the base prospectus dated 24 February 2023); and (b) which have not already been redeemed or cancelled or otherwise repaid by the Issuer.

DOCUMENTS AVAILABLE FOR INSPECTION

Electronic versions of the following documents will be available on the Issuer's website under "www.kommunalkredit.at" (see also the links set out below in brackets):

- (i) the Integrated Audited Annual Financial Report 2023 of Kommunalkredit Group incorporated by reference into this Prospectus
("https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Investor-Relations/Berichte/Finanzberichte/DE/2023/Kommunalkredit-Gruppe-Jahresfinanzbericht-2023.pdf");
- (ii) the Integrated Audited Annual Financial Report 2022 of Kommunalkredit Group incorporated by reference into this Prospectus
("https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Investor-Relations/Berichte/Finanzberichte/DE/2022/Kommunalkredit-Gruppe-Jahresfinanzbericht-2022.pdf");
- (iii) the English language translation of the Integrated Annual Report 2023 of Kommunalkredit Group incorporated by reference into this Prospectus
("https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Investor-Relations/Berichte/Finanzberichte/EN/2023/Integrated_Annual_Report_2023-Kommunalkredit_Group.pdf ");
- (iv) the English language translation of the Integrated Annual Report 2022 of Kommunalkredit Group incorporated by reference into this Prospectus
("https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Investor-Relations/Berichte/Finanzberichte/EN/2022/Kommunalkredit-Group-Annual-Report-2022.pdf");
- (v) this Prospectus and any supplement to this Prospectus
("https://www.kommunalkredit.at/dip2024")
("www.kommunalkredit.at/en/investor-relations/bondholder-information-funding/debt-issuance-programme/");
- (vi) each set of Final Terms for Notes that are publicly offered or admitted to trading on a regulated market
("www.kommunalkredit.at/en/investor-relations/bondholder-information-funding/debt-issuance-programme/");
- (vii) the base prospectus dated 9 April 2021 partly incorporated by reference into this Prospectus
("https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Investor-Relations/Bond-Investoren/Debt-Issuance-Programme/2021/Kommunalkredit-Base-Prospectus-210409.pdf");
- (viii) the base prospectus dated 24 February 2023 partly incorporated by reference into this Prospectus
("https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Investor-Relations/Bond-Investoren/Debt-Issuance-Programme/2023/230224-Kommunalkredit-Base-Prospectus.pdf"); and
- (ix) the Issuer's articles of association
("www.kommunalkredit.at/en/investor-relations/investor-relations/").

RISK FACTORS

Risk factors regarding the Issuer

Prospective investors should consider carefully the risks set forth below and the other information contained in this Prospectus prior to making any investment decision with respect to any Notes. Prospective investors should note that the risks described below are not the only risks the Issuer faces. The Issuer has described only those risks relating to its business, operations, financial condition or prospects that it considers to be material and specific and of which it is currently aware. There may be additional risks that the Issuer currently considers not to be material and specific or of which it is not currently aware, and any of these risks could have the effects set forth above.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and reach their own views prior to making any investment decision.

Each of the Issuer related risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of principal and interest (if applicable) which investors will receive in respect of any Notes. In addition, each of the Issuer related risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. Most of these factors are contingencies which may or may not occur. Below the Issuer expresses its view on the likelihood of any such contingency occurring as of the date of this Prospectus.

The Issuer believes that the factors described below represent the principal risks inherent in investing in the Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

The most material risk factor is mentioned first.

Credit risk is the most significant risk that the Issuer is exposed to. Given that the Issuer devotes approximately 80 per cent. of its balance sheet to lending, mostly in infrastructure and energy and in public finance, a severe downturn affecting these segments may expose the Issuer to defaults in its credit portfolio. This could not only affect the Issuer's ability to generate new business but, if the Issuer were to incur credit losses exceeding its loan loss provisions, this could also materially negatively affect the financial position of the Issuer and accordingly, its ability to service its obligations under the Notes.

Credit risk is the risk of partial or complete default of agreed payments, in particular interest and/or principal payments, to be made by a debtor to the Issuer or a deterioration in the quality of the Issuer's loan portfolio (due to deterioration in economic conditions). The Issuer devotes approximately 80 per cent. of its balance sheet to lending, mostly in infrastructure and energy and in public finance. Therefore, credit risk is the most significant risk for the Issuer.

About 60 per cent. of the Issuer's loan portfolio consists of infrastructure and energy related financing including utilities and companies. This part of the portfolio is regionally concentrated in Europe. From a sectoral perspective, most of this exposure is in energy & environment as well as communication & digitalisation, transportation, social infrastructure and natural resources. The Issuer also intends to intensify activities in equity transactions in the infrastructure and energy financing in the future. Therefore, in a severe downturn across Europe affecting the use of, and demand for, the above referenced infrastructure and energy assets, the Issuer may be exposed to defaults in its credit portfolio. Given the average exposure size relative to the Issuer's own funds, a complete default of a limited number of counterparties could have a negative impact on the Issuer's capital. In such scenario, the Issuer's large lending limit would be reduced, resulting in a negative impact on the Issuer's ability to generate new business and consequently its financial performance. Furthermore, the occurrence of the credit risk can result in credit losses which exceed the amount of the Issuer's loan loss provisions and could thus materially negatively affect the financial position of the Issuer and accordingly, its ability to service its obligations under the Notes.

About 40 per cent. of the Issuer's credit portfolio is public finance (including municipalities and public sector entities). The Issuer is exposed to credit risk stemming from a multitude of mainly Austrian provinces and municipalities. In the event of a significant economic downturn in Austria, Austrian provinces' and municipalities' ability to meet their financial obligations might be impaired. In such an event, the Issuer would

likely suffer a significant adverse effect on its financial result as well as on the quality of its balance sheet. Furthermore, most of these assets are assigned as collateral in the Issuer's cover pool for public sector covered bonds.

Credit rating downgrades of Austria could negatively affect the market price of outstanding covered bonds and the Issuer's ability to access capital markets funding. Furthermore, a downgrade of the Issuer's rating may result in an increase in its refinancing costs, thereby negatively affecting its liquidity and profitability.

A deterioration of the credit rating of Austria may negatively affect the credit quality of the Issuer's cover pool. Assuming no further measures are taken by the Issuer, a lower credit quality of its cover pool assets may lead to a downgrade of the covered bonds of the Issuer. Such downgrade may reduce the market price of outstanding covered bonds and would also negatively affect the Issuer's ability to access capital markets funding by means of issue of Notes.

A downgrade (or even a potential downgrade) of the Issuer's rating or merely the suspension or withdrawal of the rating may have a direct impact on the costs of equity and debt. Such downgrading may result in a reduction in the number of potential investors, restrict access to funds and place limitations on refinancing opportunities, and it may result in an obligation to provide security.

Unfavourable developments in debt markets, fluctuations of credit spreads, foreign exchange rates or interest rates may affect the market value and liquidity of the Issuer's assets and liabilities.

The Issuer's business activities are directly dependent on capital market conditions. Potential unfavorable developments in debt markets, fluctuations of credit spreads, foreign exchange rates or interest rates may affect the market value and liquidity of the Issuer's assets and liabilities. The most important market risk for the Issuer is credit spread risk. The Issuer syndicates a significant portion of the infrastructure and energy transactions it originates to institutional investors. The Issuer's exposure to a single asset before syndication is higher than the exposure that remains in the Issuer's banking book after syndication. During the syndication period of single assets, the Issuer has a substantial exposure to credit spread risk. Market volatility and a corresponding widening of credit spreads could ultimately result in the Issuer's inability to divest assets intended for syndication. This would have a negative impact on the Issuer's ability to generate new business, leading also to a decrease in the Issuer's entire financing volume and in turn to a reduction of its profitability. In a "fire sale" scenario, where the Issuer is forced to reduce exposure substantially within a short period of time, credit spread risk could again become relevant, negatively affecting the valuation of the assets being sold, and the realization of such losses potentially negatively affecting the Issuer's ability to fulfil its obligations.

The Issuer is dependent on funding sources (capital markets, customer deposits), the availability of which is outside of its control.

The Issuer's funding strategy focuses on a diversification between capital market instruments and customer deposits to maintain low dependency on single funding sources. The Issuer's continuing ability to access such funding sources is dependent upon a variety of factors, including factors outside of its control, such as prevailing market conditions, regulatory requirements pursuant to which, among others, certain liabilities of the Issuer, including senior liabilities, may be subject to regulatory bail-in and other regulatory developments. These developments may make investors more cautious in investing in debt instruments, especially as the Issuer has not been a frequent issuer on capital markets in recent years. Accordingly, the Issuer might not be able to further access such funding sources or will only be able to refinance at higher funding costs.

The continuing ability of the Issuer to access deposit funding sources is dependent upon a variety of factors outside its control, such as a loss of confidence of depositors in either the economy in general, the financial services industry in general, or the Issuer in particular. Specifically, the loss of the Issuer's current credit rating may have an impact on the Issuer's ability to access these funding sources. Furthermore, a negative public perception of the Issuer may result in customers withdrawing or not prolonging their deposits.

Therefore, the Issuer might either be unable to source the required amount of funding and meet its current and future payment obligations in full or on time, or the required funding might become more expensive for the Issuer, resulting in a deterioration of the net interest income of the Issuer.

Furthermore, the Issuer's funding requirements largely correlate with its ability to generate new business in line with its business plan. As part of its business model, the Issuer originates loans, which it further syndicates. Therefore, the Issuer is exposed to higher liquidity fluctuations due to larger liquidity outflows when financing loans and thereafter liquidity inflows at syndication of the loans. To be able to manage these liquidity fluctuations the Issuer holds considerable amounts of cash with central banks and an additional liquidity reserve consisting of liquid securities. Changes in the interest policy of the European Central Bank (*Europäische Zentralbank*) ("**ECB**") could result in a deterioration of the net interest income of the Issuer (e.g.

by charging negative interest rates on the cash balances of the Issuer, as the negative interest rates can only partly be passed on to the deposit funding).

There is the risk that the Issuer may not be able to meet its current and future payment obligations completely or in a timely manner.

Liquidity risk includes the risk that the Issuer is unable to meet its current and future payment obligations completely and in a timely manner and that, in the event of insufficient market liquidity, transactions cannot be completed at all or only on less favourable terms. The capital commitment period of lending transactions may be extended in an unplanned manner, deposits may be withdrawn prematurely or credit lines may be used unexpectedly. There is a risk that asset items of balance sheet cannot be sold or can only be sold at worse conditions and that follow-up financing cannot be made or can only be made at worse conditions. If the Issuer is subject to liquidity shortage and therefore is not able to obtain funding at favourable conditions or to obtain liquidity at all, the Issuer will not be able to meet payment obligations in time or in full.

As a small institution, the Issuer is particularly exposed to operational risk, i.e. risks resulting from the inadequacy or failure of internal processes, systems and procedures, personnel or the occurrence of external events.

Operational risks comprise the risk of unexpected losses resulting from the inadequacy or failure of internal processes, systems and procedures, personnel or the occurrence of external events. These include internal risks such as theft and fraud by personnel, development and process failures, interruption of operations and lack of human resources as well as external risk factors such as property damage and fraud by customers (fraud risk). The realization of such risks can lead to increased costs or loss of earnings for the Issuer. As a small institution, the Issuer has limited personnel and is more exposed to operational risks than larger institutions. The simultaneous departure of key personnel could impact the Issuer's ability to maintain its business operations and might negatively affect its profitability. Furthermore, the Issuer's business activities depend to a large extent on the functionality of its communication and data processing systems (IT systems). Failures and interruptions of data processing/IT systems can impair the operation of the various business areas of the Issuer and thus significantly affect the net assets, financial position and results of operations of the Issuer. In addition, the threat of cyber-attacks is increasing. Such external attacks on the assets of the Issuer or its customers can lead to a negative public perception of the Issuer (reputation risk) and to a negative impact on the assets, financial and earnings position of the Issuer.

The effects of climate change may have an adverse effect on the Issuer's clients.

The business activities of the Issuer's clients may be affected by climate risks. Extreme weather events triggered by climate change, like heavy rainfall, drought or extreme heat, may cause severe (also financial) damage. For example, heavy rainfall could lead to landslides or mudflows, which may have a negative impact on the public infrastructure provided by municipalities and other public entities. River floods could have a negative impact on privately-owned assets or the public canal system as well as on transportation infrastructure and traffic. In addition, drought or extreme heat can cause ground-water levels to drop and therefore have a significant negative impact on the water supply. Restoration efforts may place a financial burden on municipalities and public sector entities.

Climate-related transition risks, as changes in governance rules or technology changes can become a threat to non-adapted companies. Furthermore, companies may be held accountable for climate-damaging behaviour in the future, which may have serious financial consequences for the companies concerned and thus for individual customers of the Issuer. This may lead to a deterioration of the creditworthiness of some of the Issuer's clients and thus have a negative impact on the credit risk of the Issuer.

In general, the European Union ("EU") is accelerating its fight in respect of climate change and environmental degradation through initiatives behind the EU Green Deal and Sustainable Finance, which will in turn transform the European economy in general, as well as relevant legislation and various costs components of economic activities, in a rather unpredictable way. This might negatively affect the Issuer's clients through additional capital requirements, increased operational expenditures, potential revenue losses or any other future liabilities.

The own funds of the Issuer may prove insufficient in the future. A fall below the regulatory minimum values could impose sanctions of competent supervisory authority, such as restrictions on business or distribution and may ultimately lead to the withdrawal of the licence.

The Issuer is required to satisfy certain own funds requirements:

- The Issuer must comply with the minimum capital requirements set forth under Article 92 of the Regulation (EU) 575/2013 ("CRR"). Currently, the minimum requirements for Tier 1 capital amount to 6

per cent. and must be satisfied with Common Equity Tier 1 ("CET 1") capital (at least 4.50 per cent) and Additional Tier 1 ("AT 1") capital. The total capital ratio must amount to 8 per cent.

- Including additional capital requirements imposed by FMA in connection with the Supervisory Review and Evaluation Process ("SREP"), the Issuer must comply with a CET 1 capital of at least 6.36 per cent., a Tier 1 capital of at least 8.48 per cent. and a total capital ratio of at least 11.30 per cent.
- Furthermore, the Issuer shall meet the regulatory Minimum Requirements for Own Funds and Eligible Liabilities ("MREL") in accordance with the Federal Act on Recovery and Resolution of Banks ("BaSAG") and the Regulation (EU) No 806/2014 of 15 July 2014, as amended ("SRM Regulation") upon request of the resolution authority. The MREL target shall be determined by the competent resolution authority and shall be calculated as the amount of own funds and eligible liabilities expressed as a percentage of the total liabilities and own funds of the institution. The MREL target set for the Issuer amounts to 11.30 per cent. of the Total Risk Exposure Amount ("TREA"), and 3.00 per cent. of the Leverage Ratio Exposure ("LRE"), starting from 1 January 2022. It must be taken into account that, pursuant to section 22a (2) no. 3 of the Austrian Banking Act ("BWG"), the own funds required for the purpose of meeting the combined capital buffer requirement cannot be counted towards compliance with the MREL requirement based on the total risk amount.

The own funds ratios of the Issuer may prove insufficient for an unforeseeable event. Events which affect the Issuer may have a negative impact on these own funds ratios. In addition, the supervisory authority may increase the requirements applicable to the own funds ratios of the Issuer or it may increase the requirements applicable to its own funds by making changes to the relevant provisions. In these cases, an increase in the own funds of the Issuer may be necessary to satisfy the required total capital ratio of the Issuer. A failure to comply with the regulatory minimum values may result in sanctions being imposed by the competent supervisory authority, such as operating restrictions and restrictions on the paying out of dividends and distributions and, as a last resort, withdrawal of its operating license.

Risk factors regarding the Notes

Prospective Holders of the Notes, which are the subject of this Prospectus and the relevant Final Terms, should consider the following risk factors, which are specific to the Notes and which are material for taking an informed investment decision and should make such decision only on the basis of this Prospectus as a whole, including the relevant Final Terms.

No person should acquire Notes without a thorough understanding of the mechanism of the relevant Notes and without being aware of the potential risk of loss. Any prospective Holder should carefully examine whether an investment in the Notes is appropriate given his or her personal circumstances and financial situation.

Prospective investors should also read the detailed information set out elsewhere in this Prospectus and should consult with their own professional advisers (including their financial, accounting, legal and tax advisers) and reach their own views prior to making any investment decision.

Words and expressions defined in the section entitled "Terms and Conditions of the Notes" shall have the same meanings in this section "Risk factors regarding the Notes".

The risk factors herein are organised into the following categories below depending on their nature (with the most material risk factor mentioned first in each of the following categories):

Risk factors regarding the structure of the interest rate of the Notes

Holders of Notes with a constant interest rate or with an increasing or decreasing interest rate are exposed to the risk that the market price of such Notes falls as a result of changes in the market interest rate.

A Holder of Notes with a constant interest rate is exposed to the risk that the market price of such Notes falls as a result of changes in the market interest rate. While the nominal interest rate of Notes with a constant interest rate as specified in the relevant Final Terms is fixed during the life of such Notes, the current interest rate on the capital market for issues of the same maturity (the "market interest rate") typically changes on a daily basis. As the market interest rate changes, the market price of Notes which are endowed with a constant interest rate also changes, but in the opposite direction. If the market interest rate increases, the market price of Notes with a constant interest rate typically falls, until the yield of such Notes is approximately equal to the market interest rate. If the market interest rate falls, the market price of Notes with a constant interest rate typically increases, until the yield of such Notes is approximately equal to the market interest rate. The same risk applies to Notes with an increasing or decreasing interest rate if the market interest rates in respect of comparable Notes are higher than the rates applicable to such Notes.

Holders of floating rate Notes may be exposed to the risk of fluctuating interest rate levels which make it impossible to determine the yield of such Notes in advance, and are exposed to the risk of uncertain interest income.

Floating rate Notes tend to be volatile investments. A Holder of floating rate Notes is exposed to the risk of fluctuating interest rate levels and uncertain interest income. Fluctuating interest rate levels make it impossible to determine the profitability of floating rate Notes in advance. Neither the current nor the historical value of the relevant floating rate should be taken as an indication of the future development of such floating rate during the term of any floating rate Notes.

If floating rate Notes are structured to include caps, floors, a margin, a factor, or any combination of those features, the market price may be more volatile than those for floating rate Notes that do not include these features. The effect of a cap is that the amount of interest will never rise above and beyond the predetermined cap, so that the Holder will not be able to benefit from any actual favourable development beyond the cap. The yield could therefore be considerably lower than that of similar floating rate Notes without a cap.

The interest of floating rate Notes and in case the term of Covered Bonds shall be extended the interest for the period from, and including, the (original) Maturity Date to, but excluding, the Extended Maturity Date will be calculated by reference to a specific benchmark index which may or have become the subject of regulatory measures that could have a material adverse effect on the market price of and return on any Notes linked to a Benchmark.

The interest of floating rate Notes and in case the term of Covered Bonds shall be extended the interest for the period from, and including, the (original) Maturity Date to, but excluding, the Extended Maturity Date will be linked to reference rates such as the Euro Interbank Offered Rate (EURIBOR) which are deemed to be "benchmarks" (each such reference rate a "**Benchmark**" and together, the "**Benchmarks**") and which have, in recent years, been the subject of ongoing national and international regulatory review and reform, with further changes anticipated. Some of these reforms, such as the Benchmark Regulation, are already effective while others are still to be implemented.

Following the implementation of potential reforms, the manner of administration of Benchmarks may change, with the result that they perform differently than in the past, or Benchmarks could be eliminated entirely, or become otherwise unavailable, or there could be consequences which cannot be predicted. Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives could have a material adverse effect on the costs of obtaining exposure to a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements. Such factors may have the effect of discouraging market participants from continuing to administer or participate in certain Benchmarks, trigger changes in the rules or methodologies used in certain Benchmarks or lead to the disappearance of certain Benchmarks.

If a Benchmark were to be discontinued or otherwise unavailable and, as a consequence, a benchmark event had occurred with respect to the original offered quotation (EURIBOR), a substitute offered quotation could not be determined or is not applicable or the independent advisor for determining such quotation were not appointed by the Issuer, the rate of interest for Notes with a variable interest rate which is linked to such Benchmark might be determined for the relevant interest period by a fall-back provision set out in the Terms and Conditions of such Notes, which ultimately could result in (i) the same original reference rate being applied for the determination of the relevant rates of interest until maturity of the floating rate Notes and in case of Covered Bonds which shall be extended until the Extended Maturity Date, effectively turning the floating rate of interest into a fixed rate of interest or (ii) the early redemption of the Notes at the option of the Issuer. In the first case, a Holder would no longer participate in any favourable movements of market interest rates, including central banks' key interest rates, that would have been reflected in the relevant reference rate if the Benchmark would not have been discontinued or otherwise been unavailable, and payments of interest under the such Notes would be lower than they would have been had the Benchmark not been discontinued or otherwise been unavailable. In relation to the second case, please see the risk factors "*In the event that any Notes are redeemed prior to their maturity, a Holder of such Notes may be exposed to the risk that his investment will have a lower than expected yield.*" and "*In case of an early redemption of any Notes, there is a risk that Holders may not be able to reinvest proceeds from the Notes in such a way that they earn the same rate of return.*" below.

Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method for determining a Benchmark could have an effect on the market price of any Notes whose interest is linked to the relevant Benchmark, Holders face the risk that any changes to the relevant Benchmark may have a material adverse effect on the market price or the liquidity of, and the amounts payable under Notes whose rate of interest is linked to a Benchmark.

Risk factor regarding the investment in the Notes

Credit ratings of Notes (if any) may not adequately reflect all risks of the investment in such Notes, credit rating agencies could assign unsolicited credit ratings, and credit ratings may be suspended, downgraded or withdrawn, all of which could have an adverse effect on the market price and trading price of the Notes.

A credit rating of Notes (if any) may not adequately reflect all risks of the investment in such Notes. Credit rating agencies could decide to assign credit ratings to the Notes on an unsolicited basis. Equally, credit ratings may be suspended, downgraded or withdrawn. Any such unsolicited credit rating, suspension, downgrading or withdrawal may have an adverse effect on the market price and trading price of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the credit rating agency at any time.

Risk factors regarding certain provisions of the Terms and Conditions of the Notes

In the event that any Notes are redeemed prior to their maturity, a Holder of such Notes may be exposed to the risk that his investment will have a lower than expected yield.

The relevant Final Terms will indicate whether the Issuer may have the right to redeem the Notes prior to maturity (an optional call right) or whether the Notes will be subject to early redemption upon the occurrence of an event specified in the applicable Final Terms (an early redemption event). If the Issuer redeems the Notes prior to maturity or the Notes are subject to early redemption due to an early redemption event, a Holder of such Notes is exposed to the risk that, due to early redemption, its investment will have a lower than expected yield. The Issuer might exercise its optional call right if the yield on comparable Notes in the capital markets falls, which means that the Holder may only be able to reinvest the redemption proceeds in Notes with a lower yield or with a similar yield of a higher risk.

The relevant Final Terms may provide for a right of early redemption by the Issuer only and thus, Holders usually receive a higher yield on their Notes than they would if they were also granted a right to early redeem the Notes reflecting the higher risk of early redemption the Holders of such Notes are exposed to.

In case of an early redemption of any Notes, there is a risk that Holders may not be able to reinvest proceeds from the Notes in such a way that they earn the same rate of return.

Holders may be subject to the risk that any return earned from an investment in the Notes may not in the event of an early redemption of any Notes be able to be reinvested in such a way that they earn the same rate of return as the redeemed Notes.

In case of Notes governed by Austrian law the statutory limitation period provided under Austrian law regarding claims for payment of principal is reduced to ten years as of the maturity date in the Terms and Conditions of the Notes.

In case of Notes governed by Austrian law the statutory limitation period of 30 years provided under Austrian law with respect to principal is reduced to ten years pursuant to the Terms and Conditions of the Notes. In case of shortening of the limitation period the likelihood that the Holder will not receive the amounts due increases since the Holder will have less time to assert his claims under the Notes in comparison to holders of debt instruments the terms and conditions of which do not shorten the statutory presentation period at all or to a lesser degree than in the relevant Terms and Conditions of the Notes.

Risk factors regarding Covered Bonds

To the extent claims of Holders under the Covered Bonds are not covered by the assets of the cover pool they are exposed to the risk of statutory loss absorption.

The Single Resolution Mechanism shall provide the relevant resolution authorities with uniform and effective resolution tools and resolution powers in order to achieve the resolution objectives.

The main resolution tool is the bail-in tool. When applying the bail-in tool, the resolution authority shall exercise the write-down and conversion powers in accordance with the following sequence to (also called "loss absorbing cascade"): (i) Common Equity Tier 1 ("**CET 1**") instruments; (ii) Additional Tier 1 ("**AT 1**") instruments; (iii) Tier 2 instruments; (iv) subordinated debt that is not AT 1 or Tier 2 capital; (v) unsecured claims resulting from debt instruments within the meaning of § 131(3) BaSAG (so-called "non-preferred senior debt instruments"); and (vi) the rest of bail-inable liabilities (including certain senior debt, inter alia, claims of Holders under the Covered Bonds which are not covered by the assets of the cover pool) in accordance with the hierarchy of claims in bankruptcy proceedings, including the ranking provided for in § 131 of the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz* – "**BaSAG**"), to the extent required").

To the extent claims of Holders under the Covered Bonds are not covered by the assets of the cover pool, these claims may be subject to the bail-in tool and thus to write-down or conversion into instruments of ownership. For the avoidance of doubt, the aforesaid applies also to claims of Holders under Covered Bonds which are not covered by the assets of the cover pool issued as green bonds, sustainability bonds and/or social bonds.

In case of an insolvency of the Issuer, certain deposits and certain other claims have a higher ranking than claims resulting from the Covered Bonds if and to the extent their claims are not covered by the assets of the cover pool.

According to § 131 BaSAG, in bankruptcy proceedings opened over the Issuer's assets, the following insolvency hierarchy applies to deposits and senior unsecured creditors:

- (a) claims resulting from: (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency;
- (b) claims resulting from: (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the covered deposits; (ii) deposits that would be eligible deposits from natural persons and micro, small and medium-sized enterprises if they are not made through branches (located outside the EU) of institutions established within the EU; and (iii) the liquidity reserve within a liquidity association (*Liquiditätsverbund*) pursuant to § 27a BWG and within a credit institution association (*Kreditinstitute-Verbund*) pursuant to § 30a BWG, in each case, to the extent required by § 27a BWG;
- (c) claims of ordinary senior unsecured creditors (such as any claims of Holders under the Covered Bonds which are not covered by the assets of the cover pool); and
- (d) unsecured claims resulting from debt instruments (*unbesicherte Forderungen aus Schuldtiteln*) within the meaning of § 131(3) BaSAG (so-called "non-preferred senior debt instruments"), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; and (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under § 131(3) BaSAG.

Therefore, in case of bankruptcy proceedings and any comparable proceedings (such as resolution proceedings) opened in relation to the Issuer, any claims resulting from the Covered Bonds which are not covered by the assets of the cover pool are junior to the claims listed in points (a) to (b). For this reason, any payments on any claims resulting from the Covered Bonds which are not covered by the assets of the cover pool would only be made, if and to the extent any senior ranking claims have been fully satisfied.

If the relevant Final Terms provide for conditions for a maturity extension, Covered Bonds may be redeemed after their Maturity Date and in case a maturity extension for a specific series of Covered Bonds is triggered, Holders of other series of Covered Bonds whose maturity date would fall within the period of the maturity extension of a specific series of Covered Bonds will not receive their principal amount as expected on the relevant maturity date.

The relevant Final Terms may provide that upon the occurrence of the objective trigger event (as set out in the Terms and Conditions of the Covered Bonds) the maturity of the Covered Bonds will be postponed once by up to 12 months to the Extended Maturity Date. In the event of a maturity extension, repayment of the outstanding aggregate principal amount will be postponed and, notwithstanding the statutory regime on acceleration and liquidation of the cover asset pool, shall become due and payable on the Extended Maturity Date, together with accrued interest, if any, to, but excluding, the Extended Maturity Date.

In such case, interest will continue to accrue on the outstanding aggregate principal amount of the Covered Bonds during the period from, and including, the (original) Maturity Date to, but excluding, the Extended Maturity Date at the relevant rate of interest set out in the relevant Final Terms and will be payable by the Issuer on each Interest Payment Date from, but excluding, the (original) Maturity Date to, and including, the Extended Maturity Date (each as set out in the relevant Final Terms) in accordance with the relevant Terms and Conditions of the Covered Bonds. However, such extension of maturity will not constitute an event of default and Holders will not receive any compensation for such extension (other than that interest will accrue).

The Holders shall not be entitled to any further interest payments as from the Extended Maturity Date. Thus, Holders must not expect repayment of the outstanding aggregate principal amount on the (original) Maturity Date and are not entitled to terminate the Covered Bonds if the term of the Covered Bonds is extended. Furthermore, Holders may receive lower interest payments during such extended period as the relevant

applicable rate of interest may be lower than the (respective) rate of interest which applied in the preceding interest periods.

Furthermore, a maturity extension must not change the sequence of the original maturity schedule of the covered bond programme. Consequently, if a maturity extension by up to 12 months for a specific series of Covered Bonds is triggered, the maturity of other series of Covered Bonds within a covered bond programme shall be deemed postponed (regardless of whether they provide for maturity extension structures or not), in each case, for so long as necessary to maintain the sequence of the original maturity schedule. As a result, Holders of such other series of Covered Bonds whose maturity date would fall within the period of the maturity extension by up to 12 months of a specific series of Covered Bonds bear the risk that they do not receive their principal amount as expected on the relevant maturity date. Such Holders will receive their principal amount on a later date once all payments under the specific series of Covered Bonds for which the maturity extension was triggered have been serviced in full on the Extended Maturity Date determined for such series of Covered Bonds. Such payment deferral for the other series of Covered Bonds does not constitute an event of default of the Issuer for any purpose and does not give the Holders of such other series of Covered Bonds any right to accelerate or terminate the Covered Bonds. Holders should also be aware that the repayment of another series of Covered Bonds after a maturity extension by up to 12 months of such series of Covered Bonds might result in the available assets of the cover pool being reduced or depleted, thereby causing the necessity of a maturity extension of the Covered Bonds of the respective Holders.

Finally, as a maturity extension will be initiated by a special administrator, and the Extended Maturity Date will be set by such special administrator without the Issuer having any discretion in it, Holders should be aware that they have no right to request such maturity extension, and it therefore might occur that no maturity extension will be made and cover pool assets might be liquidated at a time of market disruptions and/or low prices, resulting in the liquidation proceeds being less than if the maturity had been extended by the special administrator.

The cover assets or the liquidity buffer for the Covered Bonds may not at all times be sufficient to cover the Issuer's obligations under the Covered Bonds or replacement assets may not be added in due time to the cover pool.

The Covered Bonds are covered (*gedeckt*) by assets (*Vermögenswerte*) which meet the requirements set out in the PfandBG. Payment claims of Holders of the Covered Bonds are collateralized by a cover pool of cover assets for public Covered Bonds (*Deckungsstock für öffentlich gedeckte Schuldverschreibungen*). In the event of insolvency, resolution or enforcement proceedings regarding the Issuer or its assets, the relevant cover assets are separated from the Issuer's other assets and may not be used to satisfy claims of creditors of the Issuer other than the Holders of Covered Bonds which are covered by these cover assets.

The cover assets of the cover pool relevant for the respective Covered Bonds may not at all times be sufficient to cover the obligations under the respective Covered Bonds or replacement assets may not be added in due time to the cover pool. Furthermore, loan receivables may only be entered in the cover register as cover assets with the consent of the borrower. Without the legally required consent, an entry is not deemed to have been made, and in such case loan receivables entered in the cover register would cease to be cover assets and thus other cover assets or replacement assets which an Issuer might not necessarily have available at all times would need to be added to the cover pool.

There is also the risk that no sufficient liquidity buffer within the meaning of § 21 PfandBG will be built up from assets eligible to cover the net liquidity outflow of the covered bond programme for the Covered Bonds. Also, even if such liquidity buffer can be built up, it may not at all times be sufficient to cover the net liquidity outflow of the covered bond programme.

The Issuer is exposed to the risk that the FMA as competent authority withdraws the approval for covered bond programmes relating to Covered Bonds issued on or after 8 July 2022, which could lead to additional economic burdens, costs and expenses for the Issuer.

The FMA supervises the issuance of Covered Bonds and compliance with the provisions of the PfandBG, without prejudice to the duties assigned to it under other laws and taking into account the national economic interest in a functioning capital market. In particular, the FMA has the authority to grant or refuse the approval for covered bond programmes pursuant to Section 30 PfandBG. In the course of the prospectus approval procedure, the FMA does not examine whether an approval for covered bond programmes exists.

In case of a violation of a compliance rule set out in Section 33 PfandBG, the FMA is entitled to withdraw the approval for the covered bond programme pursuant to Section 35 PfandBG. The Issuer is prohibited to issue Covered Bonds under the Programme without an approval of the FMA pursuant to Section 30 Paragraph 1 PfandBG. Therefore, the Issuer would have to apply for a new approval for the covered bond programme,

which would lead to additional costs and expenses for the Issuer. Furthermore, the Issuer is faced with reputational consequences if the FMA withdraws the approval for the covered bond programme.

Risk factors regarding Senior Preferred Notes

Holders of the Senior Preferred Notes are exposed to the risk of statutory loss absorption.

The Single Resolution Mechanism shall provide the relevant resolution authorities with uniform and effective resolution tools and resolution powers in order to achieve the resolution objectives.

The main resolution tool is the bail-in tool. When applying the bail-in tool, the resolution authority shall exercise the write-down and conversion powers in accordance with the following sequence (also called "loss absorbing cascade"): (i) CET 1 instruments; (ii) AT 1 instruments; (iii) Tier 2 instruments; (iv) subordinated debt that is not AT 1 or Tier 2 capital; (v) unsecured claims resulting from debt instruments within the meaning of § 131(3) BaSAG (so-called "non-preferred senior debt instruments"); and (vi) the rest of bail-inable liabilities (including the Senior Preferred Notes) in accordance with the hierarchy of claims in bankruptcy proceedings, including the ranking provided for in § 131 BaSAG, to the extent required.

If the power of write-down or conversion of relevant capital instruments and eligible liabilities or bail-in tool is applied to the Issuer, the principal amount of the Senior Preferred Notes may be fully or partially written down or converted into instruments of ownership, although claims of other creditors of the Issuer might not be affected. For the avoidance of doubt, the aforesaid applies also to Senior Preferred Notes issued as green bonds, sustainability bonds or social bonds.

In case of an insolvency of the Issuer, certain deposits and certain other claims have a higher ranking than claims resulting from the Senior Preferred Notes.

According to § 131 BaSAG, in bankruptcy proceedings opened over the Issuer's assets, the following insolvency hierarchy applies to deposits and senior unsecured creditors:

- (a) claims resulting from: (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency;
- (b) claims resulting from: (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the covered deposits; (ii) deposits that would be eligible deposits from natural persons and micro, small and medium-sized enterprises if they are not made through branches (located outside the EU) of institutions established within the EU; and (iii) the liquidity reserve within a liquidity association (*Liquiditätsverbund*) pursuant to § 27a BWG and within a credit institution association (*Kreditinstitute-Verbund*) pursuant to § 30a BWG, in each case, to the extent required by § 27a BWG;
- (c) claims of ordinary senior unsecured creditors (such as claims of Holders under the Senior Preferred Notes); and
- (d) unsecured claims resulting from debt instruments (*unbesicherte Forderungen aus Schuldtiteln*) within the meaning of § 131(3) BaSAG (so-called "non-preferred senior debt instruments"), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; and (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under § 131(3) BaSAG.

Therefore, in case of bankruptcy proceedings and any comparable proceedings (such as resolution proceedings) opened in relation to the Issuer, claims resulting from the Senior Preferred Notes are junior to the claims listed in points (a) to (b). For this reason, any payments on claims resulting from the Senior Preferred Notes would only be made, if and to the extent any senior ranking claims have been fully satisfied.

The Senior Preferred Notes may be redeemed at the option of the Holders (if at all) only subject to the prior permission of the Resolution Authority.

If such right is foreseen in the relevant Final Terms, Holders of the Senior Preferred Notes will have the right to call for the early redemption of their Senior Preferred Notes, provided however, only subject to certain conditions, in particular the prior permission of the Resolution Authority.

Therefore, Holders of the Senior Preferred Notes may be required to bear the financial risks of an investment in the Senior Preferred Notes until their final maturity.

The Senior Preferred Notes may be redeemed at any time for reasons of taxation or regulatory reasons (subject to the prior permission of the Resolution Authority).

The Issuer may at its sole discretion, early redeem the Senior Preferred Notes before their stated maturity, at any time for reasons of taxation (if such right is foreseen in the relevant Final Terms) or for regulatory reasons, subject to certain conditions, in particular the prior permission of the Resolution Authority.

Therefore, Holders are exposed to the risk that the Senior Preferred Notes will be early redeemed and thus, investors will not be able to hold the Senior Preferred Notes until the stated maturity and accordingly, might not achieve the expected yield.

The rights of the Issuer to early redeem or repurchase the Senior Preferred Notes are subject to the prior permission of the Resolution Authority.

The Issuer may, at its sole discretion, early redeem the Senior Preferred Notes at any time either for reasons of taxation (if such right is foreseen in the relevant Final Terms) or regulatory reasons. In addition, if such right is foreseen in the relevant Final Terms, the Issuer may at its sole discretion redeem the Senior Preferred Notes before their stated maturity on a specified call redemption date.

Any early redemption and any repurchase of the Senior Preferred Notes are subject to the prior permission of the Resolution Authority. Under the CRR, the Resolution Authority may only permit institutions to early redeem or repurchase eligible liabilities instruments (such as the Senior Preferred Notes) if certain conditions are met. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the Resolution Authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Resolution Authority will apply these criteria in practice and such rules and standards may change during the term of the Senior Preferred Notes. It is therefore not possible to assess whether, and if so, on what terms, the Resolution Authority will grant its prior permission for any early redemption or repurchase of the Senior Preferred Notes.

Furthermore, even if the Issuer would be granted the prior permission of the Resolution Authority, any decision by the Issuer as to whether it will early redeem the Senior Preferred Notes will be made at the sole discretion of the Issuer with regard to external factors (such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions). There is the risk that the Issuer will not exercise any early redemption right in relation to the Senior Preferred Notes, and the Holders therefore may stay invested until the maturity date of the Senior Preferred Notes.

The Senior Preferred Notes do not give the right to accelerate future payments, and also may not be subject to set-off or any guarantee.

The Terms and Conditions of the Senior Preferred Notes do not provide for any events of default and the Holders of the Senior Preferred Notes do not have the right to accelerate any future scheduled payment of interest or principal. For the avoidance of doubt, the aforesaid applies also to Holders of Senior Preferred Notes issued as green bonds, sustainability bonds or social bonds.

Furthermore, the Senior Preferred Notes are not subject to any set off or netting arrangements that would undermine their capacity to absorb losses in resolution and are neither secured nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Senior Preferred Notes.

Certain rights of a Holder under the Terms and Conditions of the Senior Preferred Notes may be amended or reduced or even cancelled by way of resolutions of Holders, which could affect the Holder negatively.

As the Terms and Conditions of the Senior Preferred Notes provide for resolutions of Holders, either to be passed in a Holder's meeting or by vote taken without a meeting, a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As such majority resolution properly adopted is binding on all Holders, certain rights of such Holder against the Issuer under the Terms and Conditions of the Senior Preferred Notes may be amended or reduced or even cancelled.

A Holder may be deprived of its right to pursue and enforce its rights under the Senior Preferred Notes individually against the Issuer due to the appointment of a joint representative in relation to the Issuer, as provided for in the Terms and Conditions.

Pursuant to the Terms and Conditions of the Senior Preferred Notes a joint representative may be appointed either in the Final Terms by stating the name of the joint representative or by majority resolution of the Holders.

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. To the extent a Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves (unless explicitly provided for in the relevant majority resolution). This may conflict with or otherwise adversely affect the individual interests of a Holder. A Holder may, therefore, be deprived of its individual right to pursue and enforce its rights under the Terms and

Conditions of the Senior Preferred Notes against the Issuer, such right passing to the joint representative who is then exclusively responsible to claim and enforce the rights of all Holders.

Risk factors regarding Senior Non-Preferred Notes

Holders of the Senior Non-Preferred Notes are exposed to the risk of statutory loss absorption.

The Single Resolution Mechanism shall provide the relevant resolution authorities with uniform and effective resolution tools and resolution powers in order to achieve the resolution objectives.

The main resolution tool is the bail-in tool. When applying the bail-in tool, the resolution authority shall exercise the write-down and conversion powers in accordance with the following sequence (also called "loss absorbing cascade"): (i) CET 1 instruments; (ii) AT 1 instruments; (iii) Tier 2 instruments; (iv) subordinated debt that is not AT 1 or Tier 2 capital; (v) unsecured claims resulting from debt instruments within the meaning of § 131(3) BaSAG (so-called "non-preferred senior debt instruments", including the Senior Non-Preferred Notes); and (vi) the rest of bail-inable liabilities in accordance with the hierarchy of claims in bankruptcy proceedings, including the ranking provided for deposits in § 131 BaSAG, to the extent required.

Furthermore, where the Issuer meets the conditions for resolution and the resolution authority decides to apply a resolution tool to the Issuer, the resolution authority shall exercise the write down or conversion power in relation to relevant capital instruments (i.e. CET 1, AT 1 and Tier 2 instruments) and certain eligible liabilities (such as the Senior Non-Preferred Notes) before applying any resolution tool (other than the bail-in tool).

If the power of write-down or conversion of relevant capital instruments and eligible liabilities or bail-in tool is applied to the Issuer, the principal amount of the Senior Non-Preferred Notes may be fully or partially written down or converted into instruments of ownership, although claims of other creditors of the Issuer might not be affected. For the avoidance of doubt, the aforesaid applies also to Senior Non-Preferred Notes issued as green bonds, sustainability bonds or social bonds.

In case of an insolvency of the Issuer, certain deposits and certain other claims including claims of ordinary senior unsecured creditors have a higher ranking than claims resulting from the Senior Non-Preferred Notes.

According to § 131 BaSAG, in bankruptcy proceedings opened over the Issuer's assets, the following insolvency hierarchy applies to deposits and senior unsecured creditors:

- (a) claims resulting from: (i) covered deposits; and (ii) deposit guarantee schemes subrogating to the rights and obligations of covered depositors in insolvency;
- (b) claims resulting from: (i) that part of eligible deposits from natural persons and micro, small and medium-sized enterprises which exceeds the covered deposits; (ii) deposits that would be eligible deposits from natural persons, micro, small and medium-sized enterprises if they are not made through branches (located outside the EU) of institutions established within the EU; and (iii) the liquidity reserve within a liquidity association (*Liquiditätsverbund*) pursuant to § 27a BWG and within a credit institution association (*Kreditinstitute-Verbund*) pursuant to § 30a BWG, in each case, to the extent required by § 27a BWG;
- (c) claims of ordinary senior unsecured creditors; and
- (d) unsecured claims resulting from debt instruments (*unbesicherte Forderungen aus Schuldtiteln*) within the meaning of § 131(3) BaSAG (so-called "non-preferred senior debt instruments", including the Senior Non-Preferred Notes), i.e. debt instruments that meet the following conditions: (i) the original contractual maturity of the debt instruments is of at least one year; (ii) the debt instruments contain no embedded derivatives and are not derivatives themselves; and (iii) the relevant contractual documentation and, where applicable, the prospectus related to the issuance explicitly refer to the lower ranking under § 131(3) BaSAG.

Therefore, in case of bankruptcy proceedings and any comparable proceedings (such as resolution proceedings) opened in relation to the Issuer, claims resulting from the Senior Non-Preferred Notes are junior to the claims listed in points (a) to (c). For this reason, any payments on claims resulting from the Senior Non-Preferred Notes would only be made, if and to the extent any senior ranking claims have been fully satisfied.

Holders of the Senior Non-Preferred Notes are exposed to the risk that the Issuer may issue further (senior) debt instruments or incur further (senior) liabilities.

There are no restrictions (contractual or otherwise) on the amount of ordinary unsecured or unsubordinated instruments that the Issuer may (or may have to) issue, borrow and/or incur, ranking senior to the Senior Non-Preferred Notes.

Any issue of such instruments and/or any incurring such liabilities may reduce the amount recoverable by Holders of the Senior Non-Preferred Notes upon the Issuer's insolvency. For the avoidance of doubt, the aforesaid applies also to Senior Non-Preferred Notes issued as green bonds, sustainability bonds or social bonds. A green bond, sustainability bond or social bond classification does not affect the status of the Senior Non-Preferred Notes in terms of subordination and regulatory classification as eligible liabilities instruments.

The Senior Non-Preferred Notes may be redeemed at the option of the Holders (if at all) only subject to the prior permission of the Resolution Authority.

If such right is foreseen in the relevant Final Terms, Holders of the Senior Non-Preferred Notes will have the right to call for the early redemption of their Senior Non-Preferred Notes, provided however, only subject to certain conditions, in particular the prior permission of the Resolution Authority.

Therefore, Holders of the Senior Non-Preferred Notes may be required to bear the financial risks of an investment in the Senior Non-Preferred Notes until their final maturity.

The Senior Non-Preferred Notes may be redeemed at any time for reasons of taxation or regulatory reasons (subject to the prior permission of the Resolution Authority).

The Issuer may at its sole discretion, early redeem the Senior Non-Preferred Notes before their stated maturity, at any time for reasons of taxation (if such right is foreseen in the relevant Final Terms) or for regulatory reasons, subject to certain conditions, in particular the prior permission of the Resolution Authority.

Therefore, Holders are exposed to the risk that the Senior Non-Preferred Notes will be early redeemed and thus, investors will not be able to hold the Senior Non-Preferred Notes until the stated maturity and accordingly, might not achieve the expected yield.

The rights of the Issuer to early redeem or repurchase the Senior Non-Preferred Notes are subject to the prior permission of the Resolution Authority.

The Issuer may, at its sole discretion, early redeem the Senior Non-Preferred Notes at any time either for reasons of taxation (if such right is foreseen in the relevant Final Terms) or regulatory reasons. In addition, if such right is foreseen in the relevant Final Terms, the Issuer may at its sole discretion redeem the Senior Non-Preferred Notes before their stated maturity on a specified call redemption date.

Any early redemption and any repurchase of the Senior Non-Preferred Notes are subject to the prior permission of the Resolution Authority. Under the CRR, the Resolution Authority may only permit institutions to early redeem or repurchase eligible liabilities instruments (such as the Senior Non-Preferred Notes) if certain conditions are met. These conditions, as well as a number of other technical rules and standards relating to regulatory capital requirements applicable to the Issuer, should be taken into account by the Resolution Authority in its assessment of whether or not to permit any early redemption or repurchase. It is uncertain how the Resolution Authority will apply these criteria in practice and such rules and standards may change during the term of the Senior Non-Preferred Notes. It is therefore not possible to assess whether, and if so, on what terms, the Resolution Authority will grant its prior permission for any early redemption or repurchase of the Senior Non-Preferred Notes.

Furthermore, even if the Issuer would be granted the prior permission of the Resolution Authority, any decision by the Issuer as to whether it will early redeem the Senior Non-Preferred Notes will be made at the sole discretion of the Issuer with regard to external factors (such as the economic and market impact of exercising an early redemption right, regulatory capital requirements and prevailing market conditions). There is the risk that the Issuer will not exercise any early redemption right in relation to the Senior Non-Preferred Notes, and the Holders therefore may stay invested until the maturity date of the Senior Non-Preferred Notes.

The Senior Non-Preferred Notes do not give the right to accelerate future payments, and also may not be subject to set-off or any guarantee.

The Terms and Conditions of the Senior Non-Preferred Notes do not provide for any events of default and the Holders of the Senior Non-Preferred Notes do not have the right to accelerate any future scheduled payment of interest or principal. For the avoidance of doubt, the aforesaid applies also to Holders of Senior Non-Preferred Notes issued as green bonds, sustainability bonds or social bonds.

Furthermore, the Senior Non-Preferred Notes are not subject to any set off or netting arrangements that would undermine their capacity to absorb losses in resolution and are neither secured nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Senior Non-Preferred Notes.

Certain rights of a Holder under the Terms and Conditions of the Senior Non-Preferred Notes may be amended or reduced or even cancelled by way of resolutions, which could affect the Holder negatively.

As the Terms and Conditions of the Senior Non-Preferred Notes provide for resolutions of Holders, either to be passed in a Holder's meeting or by vote taken without a meeting, a Holder is subject to the risk of being outvoted by a majority resolution of the Holders. As such majority resolution properly adopted is binding on all Holders, certain rights of such Holder against the Issuer under the Terms and Conditions of the Senior Non-Preferred Notes may be amended or reduced or even cancelled.

A Holder may be deprived of its right to pursue and enforce its rights under the Senior Non-Preferred Notes individually against the Issuer due to the appointment of a joint representative in relation to the Issuer, as provided for in the Terms and Conditions.

Pursuant to the Terms and Conditions of the Senior Non-Preferred Notes a joint representative may be appointed either in the Final Terms by stating the name of the joint representative or by majority resolution of the Holders.

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. To the extent a Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves (unless explicitly provided for in the relevant majority resolution). This may conflict with or otherwise adversely affect the individual interests of a Holder. A Holder may, therefore, be deprived of its individual right to pursue and enforce its rights under the Terms and Conditions of the Senior Non-Preferred Notes against the Issuer, such right passing to the joint representative who is then exclusively responsible to claim and enforce the rights of all Holders.

Risk factors regarding tax and legal matters

The Notes are governed by Austrian law, and changes in applicable laws, regulations or regulatory policies may have an adverse effect on the Issuer, the Notes and the Holders.

The Terms and Conditions of any Series of Notes will be governed by Austrian law. The governing law may not be the law of the Holder's own home jurisdiction and the law applicable to the Notes may not provide the Holder with similar protection as their own law. Furthermore, the impact of any possible judicial decision or change to Austrian law, or administrative practice after the date of this Prospectus is unclear.

Changes in tax law may negatively affect the Holders.

Tax law and practice is subject to change, possibly with retrospective effect and this could adversely affect the market price of the Notes. Any such change may cause the tax treatment of the relevant Notes to change from what the purchaser understood the position to be at the time of purchase.

An Austrian court could appoint a trustee for the Notes to exercise the rights and represent the interests of Holders on their behalf in which case the ability of Holders to pursue their rights under the Notes individually may be limited.

Pursuant to the Austrian Notes Trustee Act (*Kuratorenengesetz*) and the Austrian Notes Trustee Supplementation Act (*Kuratorenenergänzungsgesetz*), a trustee (*Kurator*) could be appointed by an Austrian court upon the request of any interested party (e.g. a Holder) or upon the initiative of a competent court, for the purposes of representing the common interests of the Holders in matters concerning their collective rights to the extent the rights are endangered due to a lack of joint representation. In particular, this may occur if insolvency proceedings are initiated against the Issuer, in connection with any amendments to the Terms and Conditions of the Notes or changes relating to the Issuer, or under other similar circumstances. If a trustee is appointed, it will exercise the collective rights and represent the interests of the Holders and will be entitled to make statements on their behalf which shall be binding on all Holders. Where a trustee represents the interests of and exercises the rights of Holders, this may conflict with or otherwise adversely affect the interests of individual or all Holders.

Legal investment considerations may restrict certain investments.

Due to certain laws and regulations in relation to investments (e.g. securities-specific or regulatory provisions) or due to the scrutiny or regulation by certain authorities, an investment in the Notes may be restricted for certain potential investors. Furthermore, investors might not be able to claim (or only to claim partial) indemnification for damage that has been caused to them due to certain exclusions or restrictions of the Issuer's or other parties' (e.g. the Calculation Agent, the Paying Agent, etc) liability for negligent acts or omissions in connection with the Notes (or calculations thereof).

Risk factors regarding the pricing of, costs associated with, market in and the settlement of the Notes

Holders are exposed to the risk of partial or total inability of the Issuer to make interest and/or redemption payments under the Notes.

Holders are subject to the risk of a partial or total inability of the Issuer to make interest and/or redemption payments that the Issuer is obliged to make under the Notes. Any deterioration of the creditworthiness of the Issuer would increase the risk of loss. A materialisation of the credit risk may result in partial or total inability of the Issuer to make interest and/or redemption payments under the Notes.

Holders assume the risk that the credit spread of the Issuer widens resulting in a decrease in the market price of the Notes.

A credit spread is the margin payable by the Issuer to the Holder of an instrument as a premium for the assumed credit risk. Credit spreads are offered and sold as premiums on current risk-free interest rates or as discounts on the price.

Factors influencing the credit spread include, among other things, the creditworthiness and credit rating of the Issuer, probability of default, recovery rate, remaining term to maturity of the Notes and obligations under any collateralisation or guarantee and declarations as to any preferred payment or subordination. The liquidity situation of the market, the general level of interest rates, overall economic developments, and the currency, in which the relevant obligation is denominated may also have a negative effect.

Holders are exposed to the risk that the credit spread of the Issuer widens resulting in a decrease in the market price of the Notes.

The Holder may be exposed to the risk that due to future money depreciation (inflation), the real yield of an investment may be reduced.

Inflation risk describes the possibility that the market price of assets such as the Notes or income therefrom will decrease as higher (expected) inflation reduces the purchasing power of a currency. Higher (expected) inflation causes the rate of return to decrease in value. If the inflation rate exceeds the interest paid on any Notes (if any) the yield on such Notes will become negative.

Holders are exposed to the risk of an unfavourable development of market prices of their Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes.

The development of market prices of the Notes depends on various factors, such as changes of market interest rate levels, the policies of central banks, overall economic developments, inflation rates or the lack of or excess demand for the relevant type of Instrument. The Holder is therefore exposed to the risk of an unfavourable development of market prices of its Notes which materialises if the Holder sells the Notes prior to the final maturity of such Notes. Furthermore, Notes may be issued at a price higher than the redemption amount. This will increase the impact that unfavourable market price developments may have on the Notes. If the Holder decides to hold the Notes until final maturity, the Notes will be redeemed at the amount set out in the relevant Final Terms.

A liquid secondary market for the Notes may not develop or, if it develops, it may not continue. In an illiquid market, a Holder may not be able to sell his Notes at fair market prices.

Application may be made to admit the Programme and/or any Series of Notes to the Market, which appears on the list of regulated markets issued by the European Commission. In addition, the Programme provides that Series of Notes may not be listed at all.

Regardless of whether Series of Notes are listed or not, a liquid secondary market for such series of Notes may not develop or, if it develops, it may not continue. The fact that a Series of Notes may be listed does not necessarily lead to greater liquidity as compared to unlisted Series of Notes. If Series of Notes are not listed on the Vienna Stock Exchange, pricing information for such Series of Notes may, however, be more difficult to obtain, which may adversely affect the liquidity of the Notes. In an illiquid market, a Holder might not be able to sell its Notes at any time at fair market prices or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. Generally, these types of Notes would have a more limited secondary market and more price volatility than conventional debt securities. Illiquidity may have a material adverse effect on the market price of Notes. The possibility to sell the Notes might additionally be restricted by country-specific reasons.

There is a risk that listing or inclusion of the Notes will not be accepted or trading in the Notes will be suspended, interrupted or terminated, which may have an adverse effect on the market price of such Notes.

If a Series of Notes is listed on the Market or included in trading on the Vienna MTF, the listing or trading of such Notes may – depending on the rules applicable to the Vienna Stock Exchange – not be accepted or be suspended or interrupted by the Vienna Stock Exchange or a competent regulatory authority upon the occurrence of a number of reasons, including violation of price limits, breach of statutory provisions, occurrence of operational problems of the Vienna Stock Exchange and/or generally if deemed required in order to secure a functioning market or to safeguard the interests of Holders. Furthermore, trading in the Notes may be terminated, either upon decision of the Vienna Stock Exchange, a regulatory authority or upon application by the Issuer. The Issuer has no influence on trading suspension or interruptions (other than where trading in the Notes is terminated upon the Issuer's decision) and Holders in any event must bear the risks connected therewith. In particular, Holders may not be able to sell their Notes where trading is suspended, interrupted or terminated, and the stock exchange quotations of such Notes may not adequately reflect the market price of such Notes. Finally, even if trading in Notes is suspended, interrupted or terminated, such measures may not be sufficient, adequate or in time in order to prevent price disruptions or to safeguard the Holders' interests; for example, where trading in Notes is suspended after price-sensitive information relating to such Notes has been published, the market price of such Notes may already have been adversely affected. All these risks would, if they materialise, have a material adverse effect on the Holders.

Incidental costs related in particular to the purchase and sale of the Notes may have a significant impact on the profit potential of the Notes.

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) may be incurred in addition to the purchase or sale price of the Notes. These incidental costs may significantly reduce or eliminate any profit from holding the Notes. Credit institutions may charge commissions which are either fixed minimum commissions or pro-rata commissions, depending on the order value. To the extent that additional - domestic or foreign - parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Holders may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs).

In addition to such costs directly related to the purchase of Notes (direct costs), any follow-up costs (such as custody fees) have to be taken into account.

The purchase price applicable to the Notes on a given day will often include a bid-ask spread so that the purchase price will be higher than the price at which Holders are able to sell any such Notes on that given day.

Holders have to rely on the functionality of the clearing system and there is the risk that due to the use of the clearing system any credits on the Holders' account will not be processed at all, will not be processed within the time expected by the Holder or will be delayed.

The Notes are purchased and sold through the OeKB CSD. The Issuer does not assume any responsibility for to whether the Notes are actually transferred to the securities portfolio of the relevant Holder. Holders have to rely on the functionality of the clearing system. There is the risk that due to the use of the clearing system any credits on the Holders' account will not be processed at all, will not be processed within the time expected by the Holder or will be delayed. Thus, the Holder may suffer economic disadvantages.

Risk factor regarding currencies

Exchange rate risks may occur, if a Holder's financial activities are denominated in a currency or currency unit other than the Specified Currency in which the Issuer will make principal and interest payments. Furthermore, government and monetary authorities may impose exchange controls that could adversely affect an applicable exchange rate.

The Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if a Holder's financial activities are denominated principally in a currency or currency unit ("**Holder's Currency**") other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Holder's Currency) and the risk that authorities with jurisdiction over the Holder's Currency may impose or modify exchange controls. An appreciation in the value of the Holder's Currency relative to the Specified Currency would decrease (i) the Holder's Currency-equivalent yield on the Notes, (ii) the Holder's Currency-equivalent value of the principal payable on the Notes, and (iii) the Holder's Currency-equivalent market price of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that

could adversely affect an applicable exchange rate. As a result, Holders may receive less interest or principal than expected, or no interest or principal.

Risk factor regarding conflicts of interest

The Issuer may be exposed to conflicts of interest which might adversely affect the Holders.

The Issuer may from time to time act in other capacities with regard to the Notes, such as calculation agent, which allows the Issuer to make calculations in respect of the Notes (e.g. the amount of interest to be paid) which are binding for the Holders. This fact could generate conflicts of interest and may affect the market price of the Notes.

Risk factors relating to Notes issued as green bonds, sustainability bonds or social bonds

Any failure in the use of the net proceeds for ESG Projects, in the implementation of ESG Projects or a change in the (re)allocation of the proceeds does not give the Holders rights or claims.

The relevant Final Terms relating to any specific Series of Notes may provide that it will be the Issuer's intention to apply an amount equal to the net proceeds from an offer of those Notes specifically for projects and activities that promote climate-friendly and other environmental purposes, sustainability or social purposes (Environmental, Social and Governance ("**ESG**") ("**ESG Projects**"). The Issuer has established a sustainable funding framework for such issuances (the "**Framework**") which further specifies the eligibility criteria for such ESG Projects based on the recommendations included in the voluntary principles for issuing green, social and sustainability bonds published by the International Capital Market Association ("**ICMA**"), together the "**ICMA Principles**".

The relevant project(s) or use(s) the subject of, or related to, any ESG Projects might not be capable of being implemented in or substantially in such manner and/or accordance with any timing schedule and that accordingly such proceeds might not be totally or partially disbursed for such ESG Projects. Such ESG Projects might not be completed within any specified period or at all or with the results or outcome (whether or not related to the environment) as originally expected or anticipated by the Issuer. Further, the allocation of the proceeds to specific ESG Projects could be changed as well as the assets initially qualified as ESG assets could be disqualified as such during the term of the Notes. In addition, the maturity of ESG assets might not match the minimum duration of the Notes so that the proceeds would have to be reallocated and replacement assets be required. Such reallocation could fail due to the lack of new ESG assets which comply with the Framework so that the amount equivalent to the proceeds of the issue of the Notes will not be used as stated in the relevant Final Terms.

Furthermore, in respect of any Notes issued in accordance with the Framework, such use of net proceeds may not be suitable for the investment criteria of an investor. The net proceeds from an offer of Notes issued as green bonds, sustainability bonds or social bonds could not only be used for ESG Projects but also to cover all potential losses in the balance sheet of the Issuer regardless of whether (i) the Notes are labelled "ESG" and (ii) losses stem from ESG Projects or other assets of the Issuer.

Any such event or failure by the Issuer to do so or any failure to provide or publish any reporting or any (impact) assessment, or any failure to obtain any certification or label or the second party opinion ("**SPO**") issued on 8 March 2023 by the advisory and rating provider ISS Corporate Solutions in relation to the Framework, as amended from time to time (or the withdrawal of any such certification or label or of the SPO), or any ESG Projects ceasing to be classed as such prior to maturity of the relevant Notes, or the fact that the maturity of any ESG Projects may not match the minimum duration of the Notes, (a) will not (i) constitute an event of default under the Notes, (ii) lead to an obligation for the Issuer to redeem the Notes, (iii) be a factor whether or not an optional redemption right should be exercised and (iv) have a consequence on the Notes' permanence and loss absorbency and/or (b) will not give the Holders (i) the right to otherwise early terminate the Notes, (ii) the right to accelerate payments under the Notes and (iii) any claim against the Issuer.

A failure by the Issuer with regard to the use of the net proceeds at whatever point in time (i.e. being initial allocation of the funds, subsequent reallocation) or with regard to the expected performance of the ESG Projects (including the loss of the green, social or sustainable features of the original project, for example), as well as the existence of a potential mismatch between the duration of the ESG Projects and the duration of the Notes will neither lead to an obligation for the Issuer to redeem the Notes nor will it jeopardise the regulatory classification as own funds or eligible liabilities instruments of the Issuer.

Any aforesaid event or failure may have material adverse consequences for certain investors with mandates to invest in securities to be used for a particular purpose. Furthermore, the Holders may be required to bear the financial risks of an investment in such Notes until their final maturity or may be required to sell the Notes due to their portfolio mandates at an unfavourable market price.

Due to the still pending legislative initiatives, Notes issued as green bonds, sustainability bonds or social bonds or such other equivalent label might not satisfy any existing or future legislative or regulatory requirements or any present or future investor expectations or requirements.

Currently, there is no final definition (legal, regulatory or otherwise) of, nor market consensus as to what constitutes, a "green", "sustainability", "social" or an equivalently-labelled project or as to what precise attributes are required for a particular project to be defined as "green" or "sustainability" or "social" or such other equivalent label nor such a final definition or consensus might develop over time. While first steps have been taken in defining the term "sustainable" within the EU by the Regulation (EU) 2020/852, as amended ("**Taxonomy Regulation**"), the Directive (EU) 2022/2464 ("**Corporate Sustainability Reporting Directive**") and the Regulation (EU) 2023/2631 ("**Green Bonds Regulation**"), it is an area which has been, and continues to be, the subject of many and wide-ranging voluntary and regulatory initiatives to develop rules, guidelines, standards, taxonomies and objectives. Even if such voluntary or regulatory initiatives should arrive at a definition of "green", "sustainability", "social" (or any equivalent label) they are not necessarily meant to apply to the Notes nor will the Issuer necessarily seek compliance of the Notes with all or some of such rules, guidelines, standards, taxonomies, principles or objectives (including, *inter alia*, the Taxonomy Regulation, the Corporate Sustainability Reporting Directive, the Green Bonds Regulation, the EU Taxonomy Climate Delegated Act, the EU Green Bond Standard, the ICMA Green Bond Principles, the ICMA Social Bond Principles, the ICMA Sustainability Bond Guidelines, the ICMA Sustainability-Linked Bond Principles 2023). Also, the criteria for what constitutes an ESG Project may be changed from time to time.

The intended use of proceeds of the Notes by the Issuer for any ESG Projects in accordance with the Framework might not satisfy, either in whole or in part, (i) any existing or future legislative or regulatory requirements or standards such as further delegated acts relating to the remaining objectives of the EU Taxonomy Regulation or the EU Green Bond Standard, or (ii) any present or future investor expectations or requirements with respect to investment criteria or guidelines with which any investor is or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any ESG Projects. In addition, the reporting in relation to the use of proceeds under the Framework might not meet investor needs or expectations.

Moreover, in light of the continuing development of legal, regulatory and market conventions in the green, sustainability and positive social impact (i.e. any significant or positive change that solves or at least addresses social injustice and challenges) markets, there is a risk that the Framework may (or may not) be modified in the future to adapt any update that may be made to the ICMA Principles, the EU Taxonomy Regulation and/or the EU Green Bond Standard. Such changes may have a negative impact on the market price and the liquidity of the Notes issued prior to the amendment.

Due to the still pending legislative initiatives, the Notes issued as green bonds, sustainability bonds or social bonds or such other equivalent label might not satisfy, either in whole or in part, (i) any existing or future legislative or regulatory requirements, or (ii) any present or future investor expectations regarding "green", "sustainability", "social" or other equivalently-labelled performance objectives or requirements with respect to investment criteria or guidelines with which any investor or its investments are required to comply under its own by-laws or other governing rules or investment portfolio mandates.

This may have a material adverse effect on the market price of such Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

There may be risks relating to ESG ratings and/or opinions in connection with the Framework.

The suitability or reliability for any purpose whatsoever of the SPO issued on 8 March 2023 by the advisory and rating provider ISS Corporate Solutions in relation to the Framework or any other opinion of any third party (whether or not solicited by the Issuer) which may be made available in connection with the Framework and/or the issue of any Notes and in particular with any ESG Projects to fulfil any green, sustainability, social and/or other criteria remains uncertain. Any such opinion may not address risks that may affect the market price of Notes or any ESG Projects to which the Issuer may assign the proceeds of the Notes. Any failure by the Issuer to obtain any opinion or any subsequent withdrawal of any such opinion will not constitute an event of default under the Notes and will not give the Holders any acceleration or redemption right or other claims against the Issuer.

Further, any withdrawal of any such opinion or any such opinion attesting that the Issuer is not complying in whole or in part with any matters which such opinion is opining may have a material adverse effect on the market price of such Notes and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

Separately, the Issuer's exposure to ESG risks and the related management arrangements established to mitigate those risks may be assessed by ESG rating agencies in the future, among others, through ESG ratings. ESG ratings may vary amongst ESG rating agencies as the methodologies used to determine ESG ratings may differ. ESG ratings are not necessarily indicative of the Issuer's current or future operating or financial performance, or any future ability to service the Notes and are only current as of the dates on which they were initially issued. Any withdrawal of an ESG rating may have a material adverse effect on Notes which are intended to finance ESG Projects.

As of the date of this Prospectus, neither the issuance of ESG ratings or the issuance of second party opinions on frameworks or note issuances are subject to comprehensive regulation and so far, no generally accepted industry standards have emerged. For this reason, any such ESG rating or second party opinion might not provide a fair and comprehensive summary of the relevant underlying facts or any such ESG rating or opinion might not address all relevant risks.

The listing or admission to trading of Notes issued as green bonds, sustainability bonds or social bonds on a dedicated "green", "environmental", "sustainability", "social" and/or other equivalently-labelled segment of any stock exchange or securities market (whether or not regulated) might not satisfy the investors' expectations or requirements.

In the event that any Notes are listed or admitted to trading on any dedicated "green", "environmental", "sustainability", "social" and/or other equivalently-labelled segment of any stock exchange (such as the Vienna ESG segment of the Vienna Stock Exchange) or securities market (whether or not regulated), such listing or admission might not satisfy, whether in whole or in part, any present or future investor expectations or requirements as regards any investment criteria or guidelines with which such investor or its investments are required to comply, whether by any present or future applicable law or regulations or by its own by-laws or other governing rules or investment portfolio mandates, in particular with regard to any direct or indirect environmental, sustainability or social impact of any projects or uses, the subject of or related to, any ESG Projects. Furthermore, the criteria for any such listings or admission to trading may vary from one stock exchange or securities market to another. Any such listing or admission to trading might not be obtained in respect of any such Notes or, if obtained, that any such listing or admission to trading might not be maintained during the life of the Notes.

Any such Notes no longer being listed or admitted to trading on any dedicated "green", "environmental", "sustainability", "social" and/or other equivalently-labelled segment of any stock exchange or securities market as aforesaid may have a material adverse effect on the market price of such Notes and also potentially the market price of any other Notes which are intended to finance ESG Projects and/or result in adverse consequences for certain investors with portfolio mandates to invest in securities to be used for a particular purpose.

GENERAL INFORMATION

General

Under the Programme, the Issuer may from time to time issue Covered Bonds, Senior Preferred Notes and Senior Non-Preferred Notes with fixed interest rates or with variable interest rates, which may be issued in bearer form only. The maximum aggregate principal amount of the Notes at any one time outstanding under the Programme is EUR 2,000,000,000.

Notes may be distributed by way of public offer or private placements and, in each case, on a syndicated or non-syndicated basis. The method of distribution of each Tranche will be stated in the relevant Final Terms.

Notes will be issued in Tranches, whereby each Tranche consists of Notes which are identical in all respects. One or more Tranches, which are expressed to be consolidated and forming a single Series and are identical in all respects, but may have different issue dates, interest commencement dates, issue prices and dates for first interest payments, may form a Series of Notes. Further Notes may be issued as part of existing Series.

Notes will be issued in such denominations as may be agreed between the Issuer and the relevant dealer(s) and as indicated in the relevant Final Terms.

Subject to any applicable legal or regulatory restrictions and requirements of relevant central banks, monetary or other authorities, Notes may be issued in euro or any other currencies as may be agreed between the Issuer and the relevant dealer(s).

The Notes will be freely transferable in accordance with applicable law and the applicable rules of OeKB CSD.

Covered Bonds

This section on Covered Bonds contains a brief summary with regard to single aspects of the PfandBG which are of significance in connection with an issue of Covered Bonds. This summary does not purport to exhaustively describe all possible aspects in relation to the Covered Bonds and the PfandBG which may be relevant for an issue of the Covered Bonds and further disclosure may be included in a supplement to this Prospectus. This summary does not deal with specific situations which may be of relevance for certain prospective Holders of the Covered Bonds. The following comments are rather of a general nature and included herein solely for information purposes. They are not intended to be, nor should they be construed to be, legal advice. This summary is based on the provisions of the PfandBG as of the date of this Prospectus, which may be amended from time to time. Prospective Holders of the Covered Bonds should consult their legal advisors as to an investment in Covered Bonds.

Under the Issuer's covered bond programme, public covered bonds (öffentlich gedeckte Schuldverschreibungen) may be issued which are Austrian law debt instruments, the quality and standards of which are regulated by the PfandBG. The investors' claims under the Covered Bonds are secured at all times by a cover pool of certain eligible assets (Deckungsstock).

Possible effects of the Issuer's insolvency

In the event of the Issuer's insolvency or resolution, payment obligations of the Issuer under the Covered Bonds shall not be subject to automatic acceleration and prepayment (so-called "bankruptcy remoteness"). The Holders of the Covered Bonds shall have a priority claim in relation to the principal amount and any accrued and future interest from the cover assets which, in the event of the opening of insolvency proceedings, form a special estate (*Sondermasse*) for the satisfaction of the claims of the Holders of the Covered Bonds. Until all such priority claims are satisfied, all covered assets shall be protected from third party claims and shall not form part of the Issuer's special estate. In addition, if the priority claim cannot be satisfied in full in the Issuer's insolvency, the Holders will have an insolvency claim against the Issuer.

Prospective claims (*betagte Forderungen*) of Holders under the Covered Bonds (i.e. existing claims which will only become due on a certain future date) shall not be deemed to be due in any insolvency proceedings of the Issuer.

The bankruptcy court shall appoint a trustee (*Kurator*) (§ 95a of the Austrian Insolvency Code) at the opening of the insolvency proceedings to assert the above-mentioned priority claims and any insolvency claims on behalf of the Holders of the Covered Bonds.

Role of the special administrator and maturity extension

If insolvency proceedings are commenced in relation to the Issuer, the bankruptcy court shall without undue delay appoint a special administrator (§ 86 of the Austrian Insolvency Code) to administer the special estate

comprised of the cover assets for the Covered Bonds. The FMA shall be heard prior to the appointment of the special administrator. The rights and duties of the internal or external cover pool monitor (*Treuhänder*) pursuant to the PfandBG remain unaffected.

The special administrator shall satisfy due claims of the Holders of the Covered Bonds from the special estate and shall take the necessary administrative measures for this purpose with effect for the special estate, for example by collecting due mortgage claims, selling individual cover assets or by bridge financing.

Furthermore, in the event of the Issuer's insolvency, the special administrator may trigger a maturity extension of the Covered Bonds pursuant to § 22 PfandBG, provided that, at the time of the maturity extension, the special administrator is convinced that the liabilities under the Covered Bonds can be serviced in full by the Issuer on the extended maturity date (objective trigger event). The maturity of Covered Bonds may be postponed once by up to 12 months upon the occurrence of the objective trigger event. The maturity extension is not at the Issuer's discretion.

Any maturity extension shall not affect the ranking of the Holders of the Covered Bonds and not invert the sequencing of the covered bond programme's original maturity schedule. In the event of a maturity extension, the maturity of other Covered Bonds within a covered bond programme shall be deemed to be deferred in each case for so long as it is necessary to maintain the sequence of the original maturity schedule.

Role of the FMA

As competent authority, the FMA supervises the issuance of Covered Bonds and compliance with the provisions of the PfandBG, without prejudice to the duties assigned to it under other laws and takes into account the national economic interest in a functioning capital market. Among other things, the FMA has the authority to grant or refuse approval for covered bond programmes pursuant to § 30 PfandBG and to require the Issuer to submit the conditions for possible maturity extensions pursuant to § 22 PfandBG.

In the course of the prospectus approval procedure, the FMA does not examine whether an approval for covered bond programmes pursuant to § 30 PfandBG exists.

Note on quarterly publication

The Issuer will provide the Holders with detailed information pursuant to § 23 (2) PfandBG on a quarterly basis on its website under "www.kommunalkredit.at".

Use of Proceeds

Except as disclosed otherwise in the relevant Final Terms, the net proceeds from each issue will be used for general financing purposes of the Issuer.

Green Bonds, Social Bonds and Sustainability Bonds

The Final Terms relating to any specific Series of Notes may provide that it will be the Issuer's intention to apply an amount equivalent to the net proceeds from an issue of such Notes specifically for ESG Projects.

The Issuer provides more details with regard to the issuance of its green, social and sustainability debt instruments (i) in its Framework dated February 2023 which is available on the website of the Issuer "www.kommunalkredit.at" and (ii) in the relevant Final Terms under "Use of Proceeds".

The Framework is based on the recommendations included in the ICMA principles. It provides, *inter alia*, an introduction to the Issuer that describes its business model, its sustainability strategy, sustainability governance and sustainability integration. Currently, the focus of the Issuer's sustainability strategy is on the financing of green transition and new green solutions projects as well as social infrastructure and/or digitalisation and communication. Furthermore, the use of proceeds, asset evaluation and selection, management of proceeds, allocation and impact reporting and the external review in relation to the Framework is set out in detail. The Framework is the reference document for all future green, social and sustainability debt instruments issued by the Issuer.

The Framework further specifies the eligibility criteria for ESG Projects. Based on the Framework, an amount equivalent to the net proceeds of the sustainable funding debt instrument is intended to be used to finance or refinance, in whole or in part, eligible green assets (e.g. renewable energy, energy efficiency, clean transport, pollution prevention and control, sustainable water and wastewater management) and/or eligible social assets (e.g. education, healthcare, affordable housing, connectivity and public transport infrastructure). Further information in relation to the green, social and/or sustainability eligibility criteria may be set out in the relevant Final Terms of Notes issued as green bonds, social bonds and/or sustainability bonds. Furthermore, the Framework specifies the process for the asset evaluation of all potential eligible assets and their selection.

The Issuer established a sustainable funding committee that meets on at least a semi-annual basis to ensure compliance with the Framework. In addition, the Framework includes information about the management of the net proceeds of the sustainable funding instruments. The Framework may be updated from time to time. The Framework will not, nor shall be deemed to be, incorporated into and/or form part of this Prospectus.

None of the Issuer, the Arranger, any dealer, any of their affiliates or any other person mentioned in this Prospectus makes any representation as to the suitability of any Notes to fulfil green, social and sustainability criteria required or expected by any prospective investors in relation to any investment criteria or guidelines with which any prospective investor or its investments are required to comply. Neither the Issuer, the Arranger nor any dealer has undertaken, nor is responsible for, any assessment of such framework, any verification of whether ESG Projects meet the criteria set out in such framework or the monitoring of the use of proceeds.

The Issuer intends to report on the environmental and social impacts of the eligible assets financed and/or refinanced, respectively. Such post issuance allocation and impact reporting will be made available under "www.kommunalkredit.at/investor-relations/bond-investoren".

Payment of principal and interest of green bonds, social bonds or sustainability bonds will be made from the general funds of the Issuer and will not be directly linked to the performance of any ESG Projects.

Pursuant to the recommendation in the ICMA Principles that external assurance is obtained to confirm alignment with the key features of the ICMA Principles, the advisory and rating provider ISS Corporate Solutions, which is a provider of ESG research and analysis, has issued the SPO on 8 March 2023 as disclosed on the Issuer's website ("www.kommunalkredit.at"). The SPO provider evaluated the robustness and credibility of the Framework and intended use of proceeds in terms of its alignment with relevant industry standards and provided its SPO thereon. Neither this SPO nor any other second party opinion is intended to address any credit, market or other aspects of an investment in any Notes, including without limitation market price, marketability, investor preference or suitability of any security. The SPO is a statement of opinion, not a statement of fact. For the avoidance of doubt, the SPO or any such other second party opinion will not, nor shall be deemed to, be incorporated by reference into and/or form part of this Prospectus. The SPO is not, nor should be deemed to, be a recommendation by the Issuer, the Arranger, any dealer or any other person to buy, sell or hold any such Notes. The SPO is only current as of the date that SPO was initially issued and may be updated, suspended or withdrawn by the relevant provider(s) at any time. Prospective investors must determine for themselves the relevance of any such SPO and/or the information contained therein and/or the provider of such SPO for the purpose of any investment in such Notes. Currently, the SPO providers are not subject to any specific regulatory or other regime or oversight. Holders might not have any recourse against such provider(s). None of the Issuer, the Arranger, any dealer, any of their affiliates or any other person mentioned in this Prospectus makes any representation as to the suitability or reliability for any purpose whatsoever of any opinion or certification of any SPO provider (whether or not solicited by the Issuer) which may be made available in connection with the issue of any Notes issued as green bonds, social bonds or sustainability bonds and in particular with any ESG assets to fulfil any environmental and/or other criteria.

The Senior Preferred Notes and the Senior Non-Preferred Notes issued as green bonds, social bonds or sustainability bonds are fully subject to the application of the CRR eligibility criteria and BRRD requirements for own funds and eligible liabilities instruments and thus carry the related risks of loss absorption. Any failure by the Issuer with regard to the use of proceeds from such Notes or the expected performance of the eligible ESG assets will not jeopardize the qualification of the Senior Preferred Notes and the Senior Non-Preferred Notes as eligible liabilities instruments.

Authorisation

Every year, the Issuer's Supervisory Board authorises the issue of Notes up to a defined aggregate principal amount. At the time of the issue of new Notes, the Notes are covered by this aggregate principal amount.

ISSUE PROCEDURES

General

The Issuer and the relevant dealer(s) will agree on the terms and conditions applicable to each particular Tranche of Notes (the "**Conditions**"). The Conditions will be constituted by the relevant set of Terms and Conditions of the Notes set forth below (the "**Terms and Conditions**") as further specified by the relevant Final Terms.

Options for sets of Terms and Conditions

A separate set of Terms and Conditions applies to each type of Notes, as set forth below. The relevant Final Terms provide for the Issuer to choose between the following Options:

- Option I – Terms and Conditions for Covered Bonds;
- Option II – Terms and Conditions for Senior Preferred Notes; and
- Option III – Terms and Conditions for Senior Non-Preferred Notes.

Documentation of the Conditions

The relevant Final Terms shall determine which of Option I, II or III and of the respective further options contained in each of Option I, II or III are applicable to the individual issue by referring to the relevant provisions of the relevant set of Terms and Conditions as set out in this Prospectus only. The relevant Final Terms will specify that the provisions of the relevant Final Terms and the relevant set of Terms and Conditions as set out in this Prospectus, taken together, shall constitute the Conditions. Each global note representing a particular Tranche of Notes will have the relevant Final Terms and the relevant set of Terms and Conditions as set out in this Prospectus attached.

Determination of Options / Completion of Placeholders

The relevant Final Terms shall determine which of the Option I, II or III shall be applicable to the individual issue of Notes. Each of the sets of Terms and Conditions of Option I, II or III contains also certain further options (characterised by indicating the respective optional provision through instructions and explanatory notes set out in square brackets within the text of the relevant set of Terms and Conditions as set out in this Prospectus) as well as placeholders (characterised by square brackets which include the relevant items) which will be determined by the relevant Final Terms as follows:

Determination of Options

The Issuer will determine which options will be applicable to the individual issue by reference of the relevant Final Terms to the respective sections of the relevant set of Terms and Conditions as set out in this Prospectus. If the relevant Final Terms do not refer to an alternative or optional provision or such alternative or optional provision is not replicated therein, it shall be deemed to be deleted from the Conditions.

Completion of Placeholders

The relevant set of Terms and Conditions shall be deemed to be completed by the information contained in the relevant Final Terms as if such information were inserted in the placeholders of such provisions.

All instructions and explanatory notes and text set out in square brackets in the relevant set of Terms and Conditions and any footnotes and explanatory text in the relevant Final Terms will be deemed to be deleted from the Conditions.

TERMS AND CONDITIONS OF THE NOTES

OPTION I – Terms and Conditions for Covered Bonds

§ 1

CURRENCY, PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS

(1) *Currency; Principal Amount.* This tranche of covered bonds (*gedeckte Schuldverschreibungen*) (the "Notes") of Kommunalkredit Austria AG (the "Issuer") is being issued on **[insert issue date]** (the "Issue Date") in **[insert specified currency]** (the "Specified Currency") in the aggregate principal amount of **[insert aggregate principal amount]** (in words: **[insert aggregate principal amount in words]**) in denominations in the principal amount of **[insert principal amount of at least EUR 100,000 or the equivalent in other currencies]** (the "Principal Amount").

(2) *Form.* The Notes are in bearer form.

[If the Notes are represented by a non-digital Global Note the following applies:

(3) *Global Note.* The Notes are represented in full by a modifiable non-digital global note (*nicht-digitale Sammelurkunde*) (the "Global Note") pursuant to § 24 (b) of the Austrian Securities Deposit Act, as amended without coupons which was signed by duly authorised representatives of the Issuer. Definitive Notes and interest coupons will not be issued.]

[If the Notes are represented by a digital Global Note the following applies:

(3) *Digital Global Note.* The Notes are represented in full by a digital global note (*digitale Sammelurkunde*) (the "Global Note") pursuant to § 1 (4) and § 24 (e) of the Austrian Securities Deposit Act, as amended, without coupons, which has been created by an electronic data record at a central securities depository on the basis of the information electronically communicated to the central securities depository by the Issuer. Definitive Notes and interest coupons will not be issued.]

(4) *Clearing System.* The Global Note will be kept in custody by or on behalf of OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria (the "Clearing System").

(5) *Holder of Notes.* "Holder" means any holder of a proportionate co-ownership or other beneficial interest in the Notes.

§ 2

STATUS

(1) *Status.* The Notes constitute direct and unsubordinated obligations of the Issuer ranking *pari passu* among themselves and *pari passu* with all other covered obligations of the Issuer existing under covered bonds (*gedeckte Schuldverschreibungen*) of the same Cover Pool (as defined in § 2(2)(a)).

(2) *Collateralisation.*

(a) The Notes are collateralised in accordance with the Austrian Covered Bond Act (*Pfandbriefgesetz – "PfandBG"*) through cover assets of the Issuer's public sector cover pool (the "Cover Pool"), which are intended to preferentially satisfy all collateralised Notes of the Issuer covered by this Cover Pool **[[if requested, provide description of primary assets]]**.

(b) The cover assets for the Notes are registered in the cover register (*Deckungsregister*) pursuant to § 10 PfandBG, which is kept by the Issuer in accordance with the PfandBG

§ 3
INTEREST

[In the case of Notes with a constant interest rate or with an increasing or decreasing interest rate the following applies:

(1) *Rate of Interest.*

[In the case of Notes with a constant interest rate the following applies: The Notes shall bear interest [annually] [semi-annually] [quarterly] [monthly] [**insert other time period**] on their aggregate principal amount at the rate of [**insert rate of interest**] per cent *per annum* ("**Rate of Interest**") from (and including) [**insert the interest commencement date**] (the "**Interest Commencement Date**") to (but excluding) the Maturity Date (as defined in § 5(1)).]

[In the case of Notes with an increasing or decreasing interest rate the following applies: The Notes shall bear interest [annually] [semi-annually] [quarterly] [monthly] [**insert other time period**] (the "**Rate of Interest**") on their aggregate principal amount from (and including) [**insert the interest commencement date**] (the "**Interest Commencement Date**") to (but excluding) the Maturity Date (as defined in § 5(1)) as follows:

Interest Periods

Rate of Interest

[insert date]

(including) -

[insert date]

(excluding)

[insert rate of interest] per cent *per annum*

[insert date]

(including) -

[insert date]

(excluding)

[insert rate of interest] per cent *per annum*]]

(2) *Interest Payment Dates and Interest Period.* Interest shall be payable in arrears on [**insert fixed interest date or dates**] [annually] [semi-annually] [quarterly] [monthly] [**insert other time period**] (each such date, an "**Interest Payment Date**").

"**Interest Period**" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date (at the latest until the Maturity Date (exclusive)).

[The [first][last] Interest Period is [short][long], it starts on [**insert the date of beginning of interest period**] and ends on [**insert the date of end of interest period**].] The first payment of interest shall be made on [**insert the first interest payment date**] [(long] [short] first coupon)].

Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).

(3) *Amount of Interest.* The amount of interest is calculated by applying the relevant Rate of Interest and the Day Count Fraction (as defined in § 3([5])) to the principal amount of the Notes, whereas the resultant figure is rounded upwards or downwards to the smallest sub-unit of the Specified Currency, with 0.5 or more of such sub-units being rounded upwards.]

[In the case of floating rate Notes, the following applies:

(1) *Interest.* The Notes shall bear interest on their aggregate principal amount from (and including) [**insert the interest commencement date**] (the "**Interest Commencement Date**") to (but excluding) the first Interest Payment Date (as defined in § 3([5])) and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date (at the latest until the Maturity Date (exclusive) (as defined in § 5(1)). Interest on the Notes shall be payable on each Interest Payment Date.

(2) *Rate of Interest.* The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined in § 3([5])) shall be a rate *per annum* equal to the Reference Rate (as defined in this § 3(2)) [, multiplied by [**insert factor**]] [[plus] [minus] the Margin (as defined in this § 3(2))], subject to a minimum Rate of Interest of 0.00 per cent.

per annum. The Calculation Agent (as defined in § 6(1)) will determine the relevant Reference Rate for each Interest Period on the relevant Interest Determination Date (as defined in this § 3(2)).

"Interest Determination Date" means the [first] [second] [T2] [*insert relevant financial centre(s)*] Business Day prior to the [commencement] [end] of the relevant Interest Period. "**T2** [*insert relevant financial center(s)*] **Business Day**" means a day (other than a Saturday or Sunday) on which [the real-time gross settlement system operated by the Eurosystem or any successor system ("**T2**") is open] [commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [*insert relevant financial centre(s)*]] [to effect payments].

"Margin" means [●] per cent. *per annum*.

The **"Reference Rate"** for each Interest Period will be,

- (i) the Original Offered Quotation on the Interest Determination Date, as determined by the Calculation Agent; or
- (ii) if a Benchmark Event has occurred, the Substitute Offered Quotation on the Interest Determination Date, as determined in accordance with this § 3.

"Original Offered Quotation" means the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency which appears on the Reuters screen page [EURIBOR01] [*insert screen page*] or any successor page ("**Screen Page**") as of 11:00 a.m. (Brussels time) ([*insert number*]-month EURIBOR).

If the Screen Page is not available or if the Original Offered Quotation does not appear on the Screen Page as at such time, the Calculation Agent shall request each of the Reference Banks (as defined in this § 3(2)) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the interbank market of the Euro Zone at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Original Offered Quotation for such Interest Period shall be determined by the Calculation Agent on the basis of the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations.

If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Original Offered Quotation for the relevant Interest Period shall be determined by the Calculation Agent on the basis of the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the interbank market of the Euro Zone (or, as the case may be, the quotations of such bank or banks to the Calculation Agent). If the Original Offered Quotation cannot be determined in accordance with the foregoing provisions of this paragraph, the Original Offered Quotation shall be equal to the offered quotation on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered.

"Reference Banks" means those offices of four such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page.

"Euro Zone" means the region comprised of those member states of the European Union that have adopted the euro as their primary currency and sole legal tender.

In the event of the Issuer determining the occurrence of a Benchmark Event (as defined in this § 3(2)), (i) the Issuer shall use reasonable endeavours to appoint an Independent Advisor (as defined in this § 3(2)) to determine in the Independent Advisor's reasonable discretion (acting in good faith and a commercially reasonable manner (the "**Substitution Objective**")) a Substitute Offered Quotation (as defined in this § 3(2)) which shall replace the Original Offered Quotation; or (ii) if no Independent Advisor is or can be timely appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but fails to determine a Substitute Offered Quotation, then [the] [Issuer] [●] (in consideration of the Substitution Objective) may determine the Substitute Offered Quotation. Any Substitute Offered Quotation shall apply from (and including) the Interest Determination Date determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion, which shall be no earlier than the Interest Determination Date falling on or immediately following the date on which the Benchmark Event becomes effective.

The **"Substitute Offered Quotation"** shall be a rate (expressed as a percentage rate *per annum*), which corresponds to an alternative offered quotation provided by a third party and meeting any applicable legal

requirements for being used for determining the payment obligations under the Notes determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion, as modified by applying the adjustments (e.g. in the form of premiums or discounts), if any, that may be determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion.

Notwithstanding the generality of the foregoing, the Issuer may in particular, but without limitation implement an Official Substitution Concept, an Industry Solution or a Generally Accepted Market Practise.

If the Independent Advisor or [the] [Issuer] [●] (as the case may be) determines a Substitute Offered Quotation, it shall also be entitled to make, in its due discretion, any such procedural determinations relating to the determination of the current Substitute Offered Quotation (e.g. the determination day, the relevant time, the relevant screen page for obtaining the Substitute Offered Quotation and the fallback provisions in the event that the relevant screen page is not available) and to make such adjustments to the definition of "Business Day" in § 4 and the business day convention provisions in § 4 which in accordance with the Generally Accepted Market Practise are necessary or expedient to make the substitution of the offered quotation by the Substitute Offered Quotation operative.

A "**Benchmark Event**" occurs if

(a) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Offered Quotation administrator is made, stating that said administrator has ceased or will cease to provide the Original Offered Quotation permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Offered Quotation; or

(b) a public statement or publication of information by or on behalf of the Original Offered Quotation administrator is made, stating that said administrator has ceased or will cease to provide the Original Offered Quotation permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Offered Quotation; or

(c) public statement by the regulatory supervisor of the Original Offered Quotation administrator is made that, in its view, the Original Offered Quotation is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Offered Quotation administrator; or

(d) it has become, for any reason, unlawful under any law or regulation applicable to any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Offered Quotation; or

(e) the Original Offered Quotation is permanently no longer published without a previous official announcement by the competent authority or the administrator; or

(f) a material change is made to the Original Offered Quotation methodology.

"**Official Substitution Concept**" means any binding or non-binding statement by any central bank, supervisory authority or supervisory or expert body of the financial sector established under public law or composed of publically appointed members pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Offered Quotation or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Offered Quotation.

"**Industry Solution**" means any statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Offered Quotation or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Offered Quotation.

"**Generally Accepted Market Practise**" means the use of a certain reference rate, subject to certain adjustments (if any), as substitute rate for the Original Offered Quotation or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Offered Quotation in a material number of bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practise (taking into account the operational requirements of the Calculation Agent) to replace the Original Offered Quotation as reference rate for the determination of payment obligations.

For the purposes of this subparagraph "**Independent Advisor**" means an independent financial institution of international repute or other independent financial advisor experienced in the international capital markets, in each case appointed by the Issuer at its own expense.

The Independent Advisor or [the] [Issuer] [●] (as the case may be) is entitled, but not obliged, to determine, in its due discretion, a Substitute Offered Quotation pursuant to the provisions of this subparagraph several times in relation to the same Benchmark Event, provided that each later determination is better suitable than the earlier one to realise the Substitution Objective. The provisions of this subparagraph shall also apply mutatis mutandis in the event of a Benchmark Event occurring in relation to any Substitute Offered Quotation previously determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be).

If the Independent Advisor or [the] [Issuer] [●] (as the case may be) has determined a Substitute Offered Quotation following the occurrence of a Benchmark Event, it will cause the occurrence of the Benchmark Event, the Substitute Offered Quotation determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) and any further determinations of the Independent Advisor or [the] [Issuer] [●] (as the case may be) pursuant to this subparagraph associated therewith to be notified to the Calculation Agent in text format (*Textform*, e.g. e-mail or fax) and to the Holders in accordance with § 10 as soon as possible, but in no event later than the fourth Business Day following the determination of the Substitute Offered Quotation and, if required by the rules of the Vienna Stock Exchange on which the Notes are from time to time listed, to the Vienna Stock Exchange as soon as possible, but in no event later than the first day of the Interest Period to which the Substitute Offered Quotation applies for the first time.

If the Issuer is unable to appoint an Independent Advisor or the Independent Advisor appointed by it or the Issuer fails to determine a Substitute Offered Quotation in accordance with this § 3 (2) or a Substitute Offered Quotation has been determined but is not yet applicable in accordance with the provisions set out above prior to the relevant Interest Determination Date, the Original Offered Quotation applicable to the relevant Interest Determination Date and the corresponding Interest Period shall be the Original Offered Quotation in respect of the last preceding Interest Period (the "**Ultimative Fall-back**").

If the Ultimative Fall-back applies as described above the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time up and until (but excluding) the respective immediately subsequent Interest Determination Date on giving not less than 15 days' prior Notice of Redemption, in accordance with § 10 to the Holders (which notice shall be irrevocable), at their Early Redemption Amount (each as defined in § 5 (5)), together with interest accrued to (but excluding) the date fixed for redemption.

[In the case of a Minimum Rate of Interest, the following applies:

(3) *Minimum Rate of Interest.* If the Rate of Interest in respect of any Interest Period is less than [**insert the minimum rate of interest**] per cent. *per annum*, the Rate of Interest for such Interest Period shall be [**insert minimum rate of interest**] per cent. *per annum*.]

[In the case of a Maximum Rate of Interest, the following applies:

([4]) *Maximum Rate of Interest.* If the Rate of Interest in respect of any Interest Period is greater than [**insert the maximum rate of interest**] per cent. *per annum*, the Rate of Interest for such Interest Period shall be [**insert maximum rate of interest**] per cent. *per annum*.]

([5]) *Interest Payment Dates and Interest Period.*

"**Interest Payment Date**" means

[In the case of Specified Interest Payment Dates the following applies:

each [**insert specified interest payment dates**].]

[In the case of Specified Interest Periods the following applies:

each date which (except as otherwise provided in these Terms and Conditions) falls [**insert number**] [weeks] [months] [**insert other specified periods**] after the preceding Interest Payment Date or in case of the first Interest Payment Date, after the Interest Commencement Date.]

"**Interest Period**" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date (at the latest until the Maturity Date (exclusive) (as defined in § 5 (1)).

[The [first][last] Interest Period is [short][long], it starts on [**insert the date of beginning of interest period**] and ends on [**insert the date of end of interest period**].] The first payment of interest shall be made on [**insert the first interest payment date**] [(long) [short] first coupon)].

Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).]

[(6)] Amount of Interest. The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period. The Interest Amount is calculated by applying the (where applicable, commercially rounded to 5 decimal places) Rate of Interest and the Day Count Fraction (as defined in § 3**[(5)]**) to the principal amount of the Notes, whereas the resultant figure is rounded upwards or downwards to the smallest sub-unit of the Specified Currency, with 0.5 or more of such sub-units being rounded upwards.

[(7)] Notification of Rate of Interest and Interest Period. The Calculation Agent will cause the Rate of Interest and the relevant Interest Period to be notified to the Issuer and to the Holders in accordance with § 10 and, if required by the rules of the Vienna Stock Exchange on which the Notes are from time to time listed, to the Vienna Stock Exchange, as soon as possible after their determination. The Interest Period so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Vienna Stock Exchange on which the Notes are then listed and to the Holders in accordance with § 10.

[(8)] Determinations Binding. All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Issuer and/or the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Holders.]

[(4)] Default Interest. If the Issuer does not make a payment due on the Notes for any reason, interest shall continue to accrue on the outstanding amount from the due date (including) until the date of the full payment to the Holder (excluding) [**in case of Covered Bonds which provide for conditions for a maturity extension, the following applies:** (subject to § 5 (1a))] at the respective Rate of Interest specified. Further claims by the Holders remain unaffected.

[(5)] Day Count Fraction. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):]

[In the case of Actual/Actual (ICMA) the following applies: (i) if the Calculation Period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in the respective Interest Period and (B) the number of Interest Periods in one year;

(ii) if the Calculation Period is longer than an Interest Period, the sum of: (A) the actual number of days in that Calculation Period, during which the Interest Period falls, in which it started, divided by the product of (x) the actual number of days in this Interest Period and (y) the number of Interest Periods in one year, and (B) the actual number of days of that Calculation Period, during which the next Interest Period falls, divided by the product of (x) the actual number of days in this Interest Period and (y) the number of Interest Periods in one year.]

[In the case of Actual/Actual (ISDA) the following applies: the actual number of days in the Calculation Period divided by 365 (or, if one part of this Calculation Period falls within a leap year, the sum of (i) the actual number of days of the Calculation Period falling within the leap year divided by 366 and (ii) the actual number of days of the Calculation Period not falling within the leap year divided by 365).]

[In the case of Actual/365 (Fixed) the following applies: the actual number of days in the Calculation Period divided by 365.]

[In the case of Actual/360 the following applies: the actual number of days in the Calculation Period divided by 360.]

[In the case of 30/360, 360/360 or Bond Basis the following applies: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[In the case of 30E/360 or Eurobond Basis the following applies: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the [**In the case of floating rate Notes, the following applies:** Interest Period ending on the Maturity Date])

[In the case of Notes with a constant interest rate or with an increasing or decreasing interest rate the following applies: final Calculation Period], the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

§ 4 PAYMENTS

(1) (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(2) [(a)] *Manner of Payment.* Subject to applicable fiscal and other laws and regulations **[If the Specified Currency is not EUR the following applies:** as well as subject to paragraph (b) below] payments of amounts due in respect of the Notes shall be made in the Specified Currency.

[If the Specified Currency is not EUR the following applies: (b) If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Holders shall not be entitled to further interest or any additional amounts as a result of such payment. The "**Applicable Exchange Rate**" shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable (as determined by the Calculation Agent in its reasonable discretion) period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Calculation Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Calculation Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Calculation Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Calculation Agent in its reasonable discretion.]

(3) *Discharge.* The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Business Day Convention.* If the due date for any payment in respect of the Notes would otherwise fall on a day which is not a Business Day (as defined in this § 4(4)), then the due date for the payment shall be

[In the case of Modified Following Business Day Convention the following applies: postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event the due date for such payment shall be the immediately preceding Business Day.]

[In the case of FRN Convention the following applies: postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event (i) the due date shall be the immediately preceding Business Day and (ii) each subsequent due date shall be the last Business Day in the month which falls **[[insert number] months] [insert other specified periods]** after the preceding applicable due date.]

[In the case of Following Business Day Convention the following applies: postponed to the next Business Day.]

[In the case of Preceding Business Day Convention the following applies: the immediately preceding Business Day.]

"Business Day" means

[In the case the Specified Currency is not EUR the following applies: a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[insert relevant financial centre(s)]** [and]]

[In the case the Clearing System and/or T2 must be open the following applies: a day (other than a Saturday or a Sunday) on which [the Clearing System as well as] the real-time gross settlement system operated by the Eurosystem or any successor system ("**T2**") is open to effect payments.]

[If the interest period shall be adjusted the following applies: If the due date for a payment of interest [is brought forward] [or] [is postponed], the interest amount will be adjusted accordingly.]

[If the interest period shall not be adjusted the following applies: If the due date for a payment of interest [is brought forward] [or] [is postponed], the interest amount will not be adjusted accordingly.]

If the Maturity Date [or the Extended Maturity Date] ([each] as defined in § 5(1)) in relation to a Note falls on a day, which is not a Business Day, then the Holder is not entitled to payment prior to the next Business Day at the relevant business place. The Holder shall not be entitled to demand further interests or other payments due to this adjustment.

(5) *References to Principal and Interest.* Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount **[if for the Notes redemption for taxation is applicable or in the case of floating rate Notes or in case of Covered Bonds which provide for conditions for a maturity extension, the following applies:**; the Early Redemption Amount] **[if the Issuer has the option to early redeem the Notes for other than taxation reasons, the following applies:**; the Call Redemption Amount] and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

§ 5 REDEMPTION

(1) *Redemption at Maturity* **[in case of Covered Bonds which provide for conditions for a maturity extension, the following applies: or at the Extended Maturity Date]**. Unless previously redeemed in whole or in part or repurchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[insert the maturity date]** (the "Maturity Date") **[in case of Covered Bonds which provide for conditions for a maturity extension, insert:** or, in case the term of the Notes is extended in accordance with the provisions set out in § 5 (1a), on the day which is determined by the special administrator (§ 86 of the Austrian Insolvency Code) as extended maturity date (the "Extended Maturity Date"). The latest possible Extended Maturity Date is **[insert date]**]. The "Final Redemption Amount" in respect of each Note shall be the principal amount of the Notes.

[In case of Covered Bonds which provide for conditions for a maturity extension, the following applies:

(1a) *Conditions for a maturity extension.*

The Maturity Date of the Notes may be postponed once by up to 12 months to the Extended Maturity Date upon the occurrence of the Objective Trigger Event (as defined in this § 5(1a)). In the event of a maturity extension, the Issuer will redeem the Notes in whole and not in part on the Extended Maturity Date at the Final Redemption Amount together with any interest accrued to (but excluding) the Extended Maturity Date. The occurrence of the Objective Trigger Event and any resulting adjustments of the Interest Period relating thereto shall be notified to the Holders without undue delay in accordance with § 10.

The "Objective Trigger Event" shall have occurred if the maturity extension is triggered in the Issuer's insolvency by the special administrator (§ 86 of the Austrian Insolvency Code), provided that the special administrator is convinced at the time of the maturity extension that the liabilities under the Notes can be serviced in full on the Extended Maturity Date. The maturity extension is not at the Issuer's discretion.

Neither the failure to pay the outstanding aggregate principal amount of the Notes on the Maturity Date nor the maturity extension shall constitute an event of default of the Issuer for any purpose or give any Holder any right to accelerate the Notes or to receive any payment other than as expressly set out in these Terms and Conditions.

In the event of the insolvency or resolution of the Issuer, payment obligations of the Issuer under the Notes shall not be subject to automatic acceleration and prepayment (bankruptcy remoteness). In each case, the Holders shall have a priority claim in relation to the principal amount and any accrued and future interest from the cover assets and in addition in the case of insolvency of the Issuer where the aforementioned priority claim cannot be satisfied in full, an insolvency claim against the Issuer in the amount that the aforementioned priority claim cannot be satisfied in full.

As competent authority, the Austrian Financial Market Authority (FMA) supervises the issuance of covered bonds and compliance with the provisions of the PfandBG, taking into account the national economic interest in a functioning capital market.

In case of insolvency proceedings, the bankruptcy court shall without undue delay appoint a special administrator to administer priority claims in relation to the principal amount and any accrued and future interest

from the cover assets (special estate) (§ 86 of the Austrian Insolvency Code). The special administrator shall satisfy due claims of the Holders from the special estate and shall take the necessary administrative measures for this purpose with effect for the special estate, for example by collecting due mortgage claims, selling individual cover assets or by bridge financing.

(1b) *Interest*. The Notes shall bear interest on their outstanding aggregate principal amount from the Maturity Date (inclusive) to the Extended Maturity Date (exclusive) at the Rate of Interest (as defined in § 5(1c)). Interest on the Notes shall be payable on each Interest Payment Date (as defined in § 5(1e)). The Holders shall not be entitled to any further interest payments as from the Extended Maturity Date. The Calculation Agent (as defined in § 6(1)) will determine the relevant Reference Rate for each Interest Period (as defined in § 5(1e)) on the relevant Interest Determination Date (as defined in § 5(1c)).

(1c) *Rate of Interest*. For the purposes of calculating interest under § 5 (1b):

The rate of interest (the "**Rate of Interest**") for each Interest Period (as defined in § 5(1e)) shall be a rate *per annum* equal to the Reference Rate (as defined in this § 5(1c)) [, multiplied by **[insert factor]** **[plus]** **[minus]** the Margin (as defined in this § 5(1c))], subject to a minimum Rate of Interest of 0.00 per cent. *per annum*.

"**Interest Determination Date**" means the **[first]** **[second]** **[T2]** **[insert relevant financial centre(s)]** Business Day prior to the **[commencement]** **[end]** of the relevant Interest Period. "**[T2]** **[insert relevant financial center(s)]** **Business Day**" means a day (other than a Saturday or Sunday) on which **[the real-time gross settlement system operated by the Eurosystem or any successor system ("T2") is open]** **[commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [insert relevant financial centre(s)] [to effect payments].**

"**Margin**" means **[●]** per cent. *per annum*].

The "**Reference Rate**" for each Interest Period will be,

- (i) the Original Offered Quotation on the Interest Determination Date, as determined by the Calculation Agent; or
- (ii) if a Benchmark Event has occurred, the Substitute Offered Quotation on the Interest Determination Date, as determined in accordance with this § 5.

"**Original Offered Quotation**" means the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency which appears on the Reuters screen page **[EURIBOR01]** **[insert screen page]** or any successor page ("**Screen Page**") as of 11:00 a.m. (Brussels time) (**[insert number]**-month EURIBOR).

If the Screen Page is not available or if the Original Offered Quotation does not appear on the Screen Page as at such time, the Calculation Agent shall request each of the Reference Banks (as defined in this § 5(1c)) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the interbank market of the Euro Zone at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Original Offered Quotation for such Interest Period shall be determined by the Calculation Agent on the basis of the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations.

If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Original Offered Quotation for the relevant Interest Period shall be determined by the Calculation Agent on the basis of the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the interbank market of the Euro Zone (or, as the case may be, the quotations of such bank or banks to the Calculation Agent). If the Original Offered Quotation cannot be determined in accordance with the foregoing provisions of this paragraph, the Original Offered Quotation shall be equal to the offered quotation on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered.

"**Reference Banks**" means those offices of four such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page.

"**Euro Zone**" means the region comprised of those member states of the European Union that have the euro as their primary currency and sole legal tender.

In the event of the Issuer determining the occurrence of a Benchmark Event (as defined in this § 5(1c)), (i) the Issuer shall use reasonable endeavours to appoint an Independent Advisor (as defined in this § 5(1c)) to determine in the Independent Advisor's reasonable discretion (acting in good faith and a commercially reasonable manner (the "**Substitution Objective**")) a Substitute Offered Quotation (as defined in this § 5(1c)) which shall replace the Original Offered Quotation; or (ii) if no Independent Advisor is or can be timely appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but fails to determine the Substitute Offered Quotation. Any Substitute Offered Quotation shall apply from (and including) the Interest Determination Date determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion, which shall be no earlier than the Interest Determination Date falling on or immediately following the date on which the Benchmark Event, becomes effective.

The "**Substitute Offered Quotation**" shall be a rate (expressed as a percentage rate *per annum*) which corresponds to an alternative offered quotation provided by a third party and meeting any applicable legal requirements for being used for determining the payment obligations under the Notes determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion, as modified by applying the adjustments (e.g. in the form of premiums or discounts), if any, that may be determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion.

Notwithstanding the generality of the foregoing, the Issuer may in particular, but without limitation implement an Official Substitution Concept, an Industry Solution or a Generally Accepted Market Practise.

If the Independent Advisor or [the] [Issuer] [●] (as the case may be) determines a Substitute Offered Quotation, it shall also be entitled to make, in its due discretion, any such procedural determinations relating to the determination of the current Substitute Offered Quotation (e.g. the determination day, the relevant time, the relevant screen page for obtaining the Substitute Offered Quotation and the fallback provisions in the event that the relevant screen page is not available) and to make such adjustments to the definition of "Business Day" in § 4 and the business day convention provisions in paragraph ([1e]) below which in accordance with the Generally Accepted Market Practise are necessary or expedient to make the substitution of the offered quotation by the Substitute Offered Quotation operative.

A "**Benchmark Event**" occurs if

(a) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Offered Quotation administrator is made, stating that said administrator has ceased or will cease to provide the Original Offered Quotation permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Offered Quotation; or

(b) a public statement or publication of information by or on behalf of the Original Offered Quotation administrator is made, stating that said administrator has ceased or will cease to provide the Original Offered Quotation permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Offered Quotation; or

(c) public statement by the regulatory supervisor of the Original Offered Quotation administrator is made that, in its view, the Original Offered Quotation is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Offered Quotation administrator; or

(d) it has become, for any reason, unlawful under any law or regulation applicable to any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Offered Quotation; or

(e) the Original Offered Quotation is permanently no longer published without a previous official announcement by the competent authority or the administrator; or

(f) a material change is made to the Original Offered Quotation methodology.

"**Official Substitution Concept**" means any binding or non-binding statement by any central bank, supervisory authority or supervisory or expert body of the financial sector established under public law or composed of publically appointed members pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Offered Quotation or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Offered Quotation.

"**Industry Solution**" means any statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate,

subject to certain adjustments (if any), should or could be used to replace the Original Offered Quotation or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Offered Quotation.

"Generally Accepted Market Practise" means the use of a certain reference rate, subject to certain adjustments (if any), as substitute rate for the Original Offered Quotation or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Offered Quotation in a material number of bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practise (taking into account the operational requirements of the Calculation Agent) to replace the Original Offered Quotation as reference rate for the determination of payment obligations.

For the purposes of this subparagraph **"Independent Advisor"** means an independent financial institution of international repute or other independent financial advisor experienced in the international capital markets, in each case appointed by the Issuer at its own expense.

The Independent Advisor or [the] [Issuer] [●] (as the case may be) is entitled, but not obliged, to determine, in its due discretion, a Substitute Offered Quotation pursuant to the provisions of this subparagraph several times in relation to the same Benchmark Event, provided that each later determination is better suitable than the earlier one to realise the Substitution Objective. The provisions of this subparagraph shall also apply mutatis mutandis in the event of a Benchmark Event occurring in relation to any Substitute Offered Quotation previously determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be).

If the Independent Advisor or [the] [Issuer] [●] (as the case may be) has determined a Substitute Offered Quotation following the occurrence of a Benchmark Event, it will cause the occurrence of the Benchmark Event, the Substitute Offered Quotation determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) and any further determinations of the Independent Advisor or [the] [Issuer] [●] (as the case may be) pursuant to this subparagraph associated therewith to be notified to the Calculation Agent in text format (*Textform*, e.g. e-mail or fax) and to the Holders in accordance with § 10 as soon as possible, but in no event later than the fourth Business Day following the determination of the Substitute Offered Quotation and, if required by the rules of the Vienna Stock Exchange on which the Notes are from time to time listed, to the Vienna Stock Exchange as soon as possible, but in no event later than the first day of the Interest Period to which the Substitute Offered Quotation applies for the first time.

If the Issuer is unable to appoint an Independent Advisor or the Independent Advisor appointed by it or the Issuer fails to determine a Substitute Offered Quotation in accordance with this § 5 (1c) or a Substitute Offered Quotation has been determined but is not yet applicable in accordance with the provisions set out above prior to the relevant Interest Determination Date, the Original Offered Quotation applicable to the relevant Interest Determination Date and the corresponding Interest Period shall be the Original Offered Quotation in respect of the last preceding Interest Period (the **"Ultimative Fall-back"**).

If the Ultimative Fall-back applies as described above the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time up and until (but excluding) the respective immediately subsequent Interest Determination Date on giving not less than 15 days' prior Notice of Redemption, in accordance with § 10 to the Holders (which notice shall be irrevocable), at their Early Redemption Amount (each as defined in § 5 (5)), together with interest accrued to (but excluding) the date fixed for redemption.

[In the case of a Minimum Rate of Interest, the following applies: (1d) *Minimum Rate of Interest.* If the Rate of Interest is less than [insert the minimum rate of interest] per cent. *per annum*, the Rate of Interest shall be [insert minimum rate of interest] per cent. *per annum*.]

[In the case of a Maximum Rate of Interest, the following applies: ([1d]) *Maximum Rate of Interest.* If the Rate of Interest is greater than [insert the maximum rate of interest] per cent. *per annum*, the Rate of Interest shall be [insert maximum rate of interest] per cent. *per annum*.]

([1e]) *Interest Payment Dates and Interest Period.*

"Interest Payment Date" means

[In the case of Specified Interest Payment Dates, the following applies: each [insert specified interest payment dates].]

[In the case of Specified Interest Periods, the following applies: each date which (except as otherwise provided in these Terms and Conditions) falls [insert number] [weeks] [months] [insert other specified periods] after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Maturity Date.]

"**Interest Period**" means each period from (and including) the Maturity Date to (but excluding) the [Extended Maturity Date] [first Interest Payment Date and from (and including) each Interest Payment Date to [(but excluding) the following Interest Payment Date respectively] [(but excluding) the Extended Maturity Date]].

The Interest Payment Date[s] and the Interest Period[s] are subject to the determination of the Extended Maturity Date by the special administrator (§ 86 of the Austrian Insolvency Code).

[The [first][last] Interest Period is [short][long], it starts on [*insert the date of beginning of interest period*] and ends on [*insert the date of end of interest period*].] The first payment of interest shall be made on [*insert the first interest payment date*] [(long) [short] first coupon)].

[Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).]

[If any Interest Payment Date falls on a day which is not a Business Day (as defined in § 4), the Interest Payment Date shall be:

[If Modified Following Business Day Convention, the following applies: postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event the Interest Payment Date shall be the immediately preceding Business Day.]

[If FRN Convention, the following applies: postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event (i) the Interest Payment Date shall be the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls [[*insert number*] months] [*insert other specified periods*] after the preceding applicable Interest Payment Date.]

[If Following Business Day Convention, the following applies: postponed to the next Business Day.]

[If Preceding Business Day Convention, the following applies: the immediately preceding Business Day.]

[If the interest period shall be adjusted the following applies: If an Interest Payment Date [is brought forward] [or] [is postponed], the Interest Period will be adjusted accordingly.]

[If the interest period shall not be adjusted the following applies: If an Interest Payment Date [is brought forward] [or] [is postponed], the Interest Period will not be adjusted accordingly.]]

([1f]) *Amount of Interest.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period. The Interest Amount shall be calculated by applying the relevant (where applicable, commercially rounded to 5 decimal places) Rate of Interest and the Day Count Fraction (as defined in § 5 ([1i])) to the principal amount of the Notes, whereas the resultant figure is rounded upwards or downwards to the smallest sub-unit of the Specified Currency, with 0.5 or more of such sub-units being rounded upwards.

([1g]) *Notification of Rate of Interest and Interest Period.* The Calculation Agent will cause the Rate of Interest and the relevant Interest Period to be notified to the Issuer and to the Holders in accordance with § 10 and, if required by the rules of the Vienna Stock Exchange on which the Notes are from time to time listed, to the Vienna Stock Exchange, as soon as possible after their determination. The Interest Period so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Vienna Stock Exchange on which the Notes are then listed and to the Holders in accordance with § 10.

([1h]) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 5 (1a) *et seqq.* by the Issuer and/or the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Holders.

([1i]) *Day Count Fraction.* "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

[In the case of Actual/Actual (ICMA) the following applies: (i) if the Calculation Period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in the respective Interest Period and (B) the number of Interest Periods in one year;

(ii) if the Calculation Period is longer than an Interest Period, the sum of: (A) the actual number of days in that Calculation Period, during which the Interest Period falls, in which it started, divided by the product of (x) the actual number of days in this Interest Period and (y) the number of Interest Periods in one year, and (B) the actual number of days of that Calculation Period, during which the next Interest Period falls, divided by the

product of (x) the actual number of days in this Interest Period and (y) the number of Interest Periods in one year.]

[In the case of Actual/Actual (ISDA) the following applies: the actual number of days in the Calculation Period divided by 365 (or, if one part of this Calculation Period falls within a leap year, the sum of (i) the actual number of days of the Calculation Period falling within the leap year divided by 366 and (ii) the actual number of days of the Calculation Period not falling within the leap year divided by 365).]

[In the case of Actual/365 (Fixed) the following applies: the actual number of days in the Calculation Period divided by 365.]

[In the case of Actual/360 the following applies: the actual number of days in the Calculation Period divided by 360.]

[In the case of 30/360, 360/360 or Bond Basis the following applies: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[In the case of 30E/360 or Eurobond Basis the following applies: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the Calculation Period ending on the Extended Maturity Date, the Extended Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[If gross-up for withholding taxes shall be applicable the following applies: (2) *Early Redemption for Reasons of Taxation.* The Notes may be redeemed, in whole but not in part, at the option and in the sole discretion of the Issuer, upon not more than 60 days' nor less than 30 days' prior Notice of Redemption to the Holders, at their Early Redemption Amount (each as defined in § 5 (5)), together with interest accrued to the date fixed for redemption, if as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations (which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued), the Issuer is required to pay Additional Amounts (as defined in § 7 herein) at the next Interest Payment Date, and this obligation cannot be avoided by the use of reasonable measures available to the Issuer.

However, no such Notice of Redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts or make such deduction or withholding does not remain in effect.

Any such notice shall be irrevocable.]

[If Notes are subject to Early Redemption at the Option of the Issuer the following applies: ([3]) *Early Redemption at the Option of the Issuer.*

(a) The Issuer may, in its sole discretion, by not less than **[insert minimum notice period]** nor more than **[insert maximum notice period]** Business Days prior Notice of Redemption to the Holders redeem all or some only of the Notes on the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Call Redemption Date. **[In case of a minimum redemption amount or a higher redemption amount the following applies:** Any such redemption must be of a principal amount equal to [at least **[insert minimum redemption amount]**] **[insert higher redemption amount]**.]

Call Redemption Date(s)	Call Redemption Amount(s)
[insert Call Redemption Date]	[insert Call Redemption Amount]
[insert Call Redemption Date]	[insert Call Redemption Amount]
[insert Call Redemption Date]	[insert Call Redemption Amount]

- (b) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

[If Notes are not subject to Early Redemption at the Option of the Issuer the following applies: ([3]) No Early Redemption at the Option of the Issuer. The Issuer has no right to early redeem the Notes.]

[[4)] No Early Redemption at the Option of a Holder. The Holder has no right to early redeem the Notes.

[In case Early Redemption Amount is applicable the following applies: ([5]) Definitions.

"Early Redemption Amount" means with respect to a Note [its Final Redemption Amount] [the amount determined by the Issuer as reasonable market price by using equitable discretion] **[insert other early redemption amount]**.

"Notice of Redemption" means any notice of the Issuer to the Holders in accordance with § 10 for the purposes of redeeming (in parts or in full) the Notes and specifying:

- (i) the series of Notes subject to redemption;
- (ii) whether such series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (iii) the Call Redemption Amount at which such Notes are to be redeemed;
- (iv) the Call Redemption Date; and
- (v) the details in summary form of the facts constituting the basis for the right of the Issuer to redeem.]

§ 6

THE PAYING AGENT [AND THE CALCULATION AGENT]

(1) *Appointment; Specified Offices.* The initial Paying Agent [as well as the initial Calculation Agent] and [its] [their respective] initial specified office[s] [is] [are]:

"Paying Agent":

Kommunalkredit Austria AG
Tuerkenstrasse 9
A-1090 Vienna
Austria

[In case of Covered Bonds which provide for conditions for a maturity extension and in case of floating rate Notes, the following applies: "Calculation Agent":

[Kommunalkredit Austria AG
Tuerkenstrasse 9
A-1090 Vienna
Austria]

[insert name and specified office]

The Paying Agent [as well as the Calculation Agent] reserve[s] the right at any time to change [its] [their respective] specified office[s] to some other specified office in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent [or any Calculation Agent] and to appoint additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain [(i)] a Paying Agent **[In case of Covered Bonds which provide for conditions for a maturity extension and in case of floating rate Notes, the following applies:];** and [(ii)] a Calculation Agent]. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 10.

(3) *Agents of the Issuer.* The Paying Agent [as well as the Calculation Agent] act[s] solely as agents of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Terms and Conditions by the Issuer and/or the Paying Agent shall (in the absence of manifest error) be binding on the Issuer the Paying Agent and the Holders.

§ 7
TAXATION

[If gross-up for withholding taxes shall be applicable the following applies: Additional Amounts. All amounts of principal and interest payable to the Holder (or a third party on behalf of the Holder) in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever (the "**Taxes**") imposed or levied by way of deduction or withholding by or on behalf of the Republic of Austria or any political subdivision or any authority thereof having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall, to the extent permitted by law, pay such additional amounts of principal and interest (the "**Additional Amounts**") as shall be necessary in order that the net amounts of principal and interest received by the Holder (or a third party on behalf of the Holder), after such deduction or withholding, shall equal the respective amounts of principal and interest which would otherwise have been receivable in the absence of such deduction or withholding; except that no such Additional Amounts shall be payable on account of Taxes which

- (a) are deducted or withheld by reason of the Holder (or a third party on behalf of the Holder) presenting the Notes for payment of principal and/or interest in the Republic of Austria or if payments of principal and/or interest are effected in the Republic of Austria; or
- (b) are deducted or withheld by reason of the Holder (or a third party on behalf of the Holder) (i) for tax purposes having, or having had at the time of acquisition of the Notes, another nexus to the Republic of Austria than merely being, or having been, the bearer of the Notes, or (ii) receiving an amount payable in respect of the Notes by, or involving an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*; both terms as defined in § 95(2) of the Austrian Income Tax Act 1988 (*Einkommensteuergesetz 1988*) as amended or a subsequent legal provision, if any); Austrian withholding tax on investment income (*Kapitalertragsteuer*) shall thus not qualify as a tax for which the Issuer would be obliged to pay Additional Amounts; or
- (c) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation to which the Republic of Austria and/or the European Union is a party/are parties, or (iii) any provision of law implementing, or introduced in connection with, such directive, regulation, treaty or understanding; or
- (d) are refundable or for which a relief at source is available pursuant to the laws of the Republic of Austria, a European Union directive or regulation or an international treaty or understanding to which the Republic of Austria and/or the European Union is a party/are parties; or
- (e) would not have had to be deducted or withheld if the Holder (or a third party on behalf of the Holder) had duly submitted documentation or evidence to qualify for a tax exemption; or
- (f) are payable in a different way than by being deducted or withheld from payments of principal or interest on the Notes; or
- (g) are deducted or withheld after payment by the Issuer during the transfer to the Holder; or
- (h) would not have been deducted or withheld if the Holder had duly submitted a claim for the respective payment of principal or interest within 30 days after the due date; or
- (i) are deducted or withheld although such deduction or withholding could have been avoided by effecting a payment via another paying agent in an EU member state, which would not have been obliged to such deduction or withholding; or
- (j) are deducted or withheld to the extent required pursuant to Sections 1471 through 1474 of the Internal Revenue Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any of the foregoing or under any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or
- (k) are deducted or withheld by reason of a change in law that becomes effective more than 30 days after the relevant payment of principal or interest becomes due, or is duly provided for and notice thereof is published in accordance with § 10, whichever occurs later; or
- (l) are deducted or withheld pursuant to a combination of the circumstances listed in (a) to (k).]

[If gross-up for withholding taxes shall not be applicable the following applies: No Additional Amounts. All amounts payable in respect of the Notes shall be made taking into consideration withholding and deduction

of any taxes, duties or official charges of any nature whatsoever, if such withholding or deduction is obligatory. In such event, no additional amounts in respect of such deduction or withholding will be paid.]

§ 8 PRESCRIPTION

Claims against the Issuer for payment with respect to the Notes lapse unless they have been filed with court within ten years (in case of principal) and within three years (in case of interest) after the due date.

§ 9 FURTHER ISSUES, REPURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single series with the Notes.

The term "Notes" shall, in the event of such increase, also comprise such additionally issued Notes.

(2) *Repurchases.* The Issuer may at any time repurchase Notes in the open market or otherwise at any price. Notes repurchased by the Issuer may, at the option of the Issuer, be held, resold or cancelled. If repurchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 10 NOTICES

[In the case of Notes which are listed on the Vienna Stock Exchange the following applies:

(1) *Publication.* If the rules of the Vienna Stock Exchange otherwise so permit all notices concerning the Notes shall be published on the website of the Issuer ("www.kommunalkredit.at"). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.]

[In case of Notes which are unlisted the following applies: (1) *Notification on the internet.* The Issuer shall publish all notices concerning the Notes on its own website ("www.kommunalkredit.at"). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.]

[In the case of Notes which are listed on the Vienna Stock Exchange the following applies:

(2) *Notification to Clearing System.* If the rules of the Vienna Stock Exchange otherwise so permit, the Issuer may replace a publication as set forth in subparagraph (1) by a notice to the Clearing System for communication to the Holder; any such notice shall be deemed to have been validly given to the Holders on the seventh day after the day on which the notice was given to the Clearing System.]

([3]) *Form of Notice.* Notices to be given by any Holder shall be made by means of a declaration in written form to be sent together with a certificate of the Custodian (as defined in § 11(3)) in accordance with § 11 (3) or any other appropriate evidence of the Holder's ownership to the Issuer or the Paying Agent (for transmission to the Issuer). Such notice may be given through the Clearing System in such manner as the Clearing System may approve for such purpose.

§ 11 APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, Austrian law, excluding its conflict of law rules as far as such rules would lead to the application of foreign law.

(2) *Submission to Jurisdiction.* The competent court in Vienna shall have exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes.

(3) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) if applicable, confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) **[If the Notes are represented by a non-digital Global Note the following applies:** if the Global Note is not held in own custody, a copy of the Global Note certified as being a true copy on behalf of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes.][**If the Notes are represented by a digital Global Note the following applies:** an excerpt from the electronic data record in relation to the Global Note

representing the relevant Notes certified by a duly authorised officer of the central securities depository, the Clearing System or a depository of the Clearing System.] For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and, if applicable, includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

OPTION II – Terms and Conditions for Senior Preferred Notes

§ 1

CURRENCY, PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS

(1) *Currency; Principal Amount.* This tranche of senior preferred notes (the "**Notes**") of Kommunalkredit Austria AG (the "**Issuer**") is being issued on [*insert issue date*] (the "**Issue Date**") in [*insert specified currency*] (the "**Specified Currency**") in the aggregate principal amount of [*insert aggregate principal amount*] (in words: [*insert aggregate principal amount in words*]) in denominations in the principal amount of [*insert principal amount of at least EUR 100,000 or the equivalent in other currencies*] (the "**Principal Amount**").

(2) *Form.* The Notes are in bearer form.

[If the Notes are represented by a non-digital Global Note the following applies:

(3) *Global Note.* The Notes are represented in full by a modifiable non-digital global note (*nicht-digitale Sammelurkunde*) (the "**Global Note**") pursuant to § 24 (b) of the Austrian Securities Deposit Act, as amended without coupons which was signed by duly authorised representatives of the Issuer. Definitive Notes and interest coupons will not be issued.]

[If the Notes are represented by a digital Global Note the following applies:

(3) *Digital Global Note.* The Notes are represented in full by a digital global note (*digitale Sammelurkunde*) (the "**Global Note**") pursuant to § 1 (4) and § 24 (e) of the Austrian Securities Deposit Act, as amended without coupons, which has been created by an electronic data record at a central securities depository on the basis of the information electronically communicated to the central securities depository by the Issuer. Definitive Notes and interest coupons will not be issued.]

(4) *Clearing System.* The Global Note will be kept in custody by or on behalf of OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria (the "**Clearing System**").

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest in the Notes.

§ 2

STATUS

(1) *Status.* The Notes constitute direct, unsecured and unsubordinated obligations of the Issuer and are intended to qualify as Eligible Liabilities Instrument (as defined in § 2(8)) for the purposes of fulfilling the MREL Requirements. In the event of the dissolution, liquidation, insolvency, composition or similar proceedings of or against the Issuer, all claims in relation to the Notes rank:

(a) junior to all Senior Ranking Obligations;

(b) *pari passu*: (i) among themselves and (ii) to all other present or future unsecured and unsubordinated instruments or obligations of the Issuer;

(c) senior to all present or future claims under: (i) non-preferred senior instruments or obligations of the Issuer which meet the criteria for debt instruments pursuant to § 131 (3) BaSAG; (ii) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (iii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; (iv) Tier 2 instruments pursuant to Article 63 CRR of the Issuer; and (v) all other subordinated instruments or obligations of the Issuer.

(2) *No Set-off/Netting.* The Notes shall not be subject to any set off or netting arrangements that would undermine their capacity to absorb losses in the resolution of the Issuer.

(3) *No Security/Guarantee; No Enhancement of Seniority.* The Notes are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

(4) *No Acceleration.* The Holders shall not have the right to accelerate any future scheduled payment of interest or principal under the Notes, other than in the case of the insolvency or liquidation of the Issuer. In particular, the Holders shall not have the right to accelerate payments under the Notes in the event of a resolution or moratorium with respect to the Issuer pursuant to the BaSAG.

(5) *No Negative Pledge.* The Notes are not subject to any negative pledge undertaking by the Issuer. The Issuer is, therefore, free to grant any type of security interest or agree to any negative pledge undertaking or similar arrangement for the benefit of any of its creditors (other than the Holders) at any time without prior approval of or notification to the Holders. The Holders shall not have any right to request any similar

arrangement with respect to the Notes if the Issuer grants any type of security interest or agrees to any negative pledge undertaking or similar arrangement for the benefit of any of its creditors (other than the Holders).

(6) *No Subsequent Modifications of the Ranking and the Term as well as any Notice Periods.* No subsequent agreement may modify the ranking of the Notes or shorten the term of the Notes or any applicable notice period.

(7) *Possibility of statutory resolution measures.* Prior to any insolvency or liquidation of the Issuer under the BaSAG, the Resolution Authority may exercise the power to write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer, in each case in whole or in part, or apply any other resolution tool or action, including (but not limited to) any deferral or transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes. The sequence of write down and conversion of § 73 BaSAG applies.

(8) *Definitions.*

"**BaSAG**" means the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), as amended from time to time and any references in these Terms and Conditions to relevant provisions of the BaSAG include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the CRR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**Eligible Liabilities Instruments**" means any (directly issued) debt instruments of the Issuer that qualify as eligible liabilities instruments pursuant to Article 72a, Article 72b (with the exception of lit (d) of paragraph 2) and Article 72c CRR.

"**MREL Requirements**" means the minimum requirements for eligible liabilities (MREL) which are or, as the case may be, will be, applicable to the Issuer in accordance with the BaSAG.

"**Resolution Authority**" means the authority pursuant to Article 4(1)(130) CRR which is responsible for recovery or resolution of the Issuer on an individual and/or consolidated basis.

"**Senior Ranking Obligations**" means all obligations of the Issuer which pursuant to mandatory provisions of law, rank or are expressed to rank senior to (i.e. higher than) the obligations of the Issuer under the Notes.

§ 3 INTEREST

[In the case of Notes with a constant interest rate or with an increasing or decreasing interest rate the following applies:

(1) *Rate of Interest.*

[In the case of Notes with a constant interest rate the following applies: The Notes shall bear interest [annually] [semi-annually] [quarterly] [monthly] [***insert other time period***] on their aggregate principal amount at the rate of [***insert rate of interest***] per cent *per annum* ("***Rate of Interest***") from (and including) [***insert the interest commencement date***] (the "***Interest Commencement Date***") to (but excluding) the Maturity Date (as defined in § 5(1)).]

[In the case of Notes with an increasing or decreasing interest rate the following applies: The Notes shall bear interest [annually] [semi-annually] [quarterly] [monthly] [***insert other time period***] (the "***Rate of Interest***") on their aggregate principal amount from (and including) [***insert the interest commencement date***] (the "***Interest Commencement Date***") to (but excluding) the Maturity Date (as defined in § 5(1)) as follows:

Interest Periods

Rate of Interest

[insert date]

[insert rate of interest] per cent *per annum*

(including) -
[insert date]
(excluding)

[insert rate of interest] per cent *per annum*]]

[insert date]
(including) -
[insert date]
(excluding)

(2) *Interest Payment Dates and Interest Period.* Interest shall be payable in arrears on [insert fixed interest date or dates] [annually] [semi-annually] [quarterly] [monthly] [insert other time period] (each such date, an "Interest Payment Date").

"Interest Period" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date (at the latest until the Maturity Date (exclusive)).

[The [first][last] Interest Period is [short][long], it starts on [insert the date of beginning of interest period] and ends on [insert the date of end of interest period].] The first payment of interest shall be made on [insert the first interest payment date] [(long) [short] first coupon)].

Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).

(3) *Amount of Interest.* The amount of interest is calculated by applying the relevant Rate of Interest and the Day Count Fraction (as defined in § 3([5])) to the principal amount of the Notes, whereas the resultant figure is rounded upwards or downwards to the smallest sub-unit of the Specified Currency, with 0.5 or more of such sub-units being rounded upwards.]

[In the case of floating rate Notes, the following applies:

(1) *Interest.* The Notes shall bear interest on their aggregate principal amount from (and including) [insert the interest commencement date] (the "Interest Commencement Date") to (but excluding) the first Interest Payment Date (as defined in § 3([5])) and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date (at the latest until the Maturity Date (exclusive) (as defined in § 5(1))). Interest on the Notes shall be payable on each Interest Payment Date.

(2) *Rate of Interest.* The rate of interest (the "Rate of Interest") for each Interest Period (as defined in § 3([5])) shall be a rate *per annum* equal to the Reference Rate (as defined in this § 3(2)) [, multiplied by [insert factor]] [[plus] [minus] the Margin (as defined in this § 3(2))], subject to a minimum Rate of Interest of 0.00 per cent. *per annum*. The Calculation Agent (as defined in § 6(1)) will determine the relevant Reference Rate for each Interest Period on the relevant Interest Determination Date (as defined in this § 3(2)).

"Interest Determination Date" means the [first] [second] [T2] [insert relevant financial centre(s)] Business Day prior to the [commencement] [end] of the relevant Interest Period. "[T2] [[insert relevant financial center(s)]] Business Day" means a day (other than a Saturday or Sunday) on which [the real-time gross settlement system operated by the Eurosystem or any successor system ("T2") is open] [commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [insert relevant financial centre(s)]] [to effect payments].

["Margin" means [●] per cent. *per annum*.]

The "Reference Rate" for each Interest Period will be,

- (i) the Original Offered Quotation on the Interest Determination Date, as determined by the Calculation Agent; or
- (ii) if a Benchmark Event has occurred, the Substitute Offered Quotation on the Interest Determination Date, as determined in accordance with this § 3.

"Original Offered Quotation" means the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency which appears on the Reuters screen page [EURIBOR01] [insert screen page] or any successor page ("Screen Page") as of 11:00 a.m. (Brussels time) ([insert number]-month EURIBOR).

If the Screen Page is not available or if the Original Offered Quotation does not appear on the Screen Page as at such time, the Calculation Agent shall request each of the Reference Banks (as defined in this § 3(2)) to

provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the interbank market of the Euro Zone at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Original Offered Quotation for such Interest Period shall be determined by the Calculation Agent on the basis of the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations.

If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Original Offered Quotation for the relevant Interest Period shall be determined by the Calculation Agent on the basis of the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the interbank market of the Euro Zone (or, as the case may be, the quotations of such bank or banks to the Calculation Agent). If the Original Offered Quotation cannot be determined in accordance with the foregoing provisions of this paragraph, the Original Offered Quotation shall be equal to the offered quotation on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered.

"Reference Banks" means those offices of four such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page.

"Euro Zone" means the region comprised of those member states of the European Union that have adopted the euro as their primary currency and sole legal tender.

In the event of the Issuer determining the occurrence of a Benchmark Event (as defined in this § 3(2)), (i) the Issuer shall use reasonable endeavours to appoint an Independent Advisor (as defined in this § 3(2)) to determine in the Independent Advisor's reasonable discretion (acting in good faith and a commercially reasonable manner (the **"Substitution Objective"**)) a Substitute Offered Quotation (as defined in this § 3(2)) which shall replace the Original Offered Quotation; or (ii) if no Independent Advisor is or can be timely appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but fails to determine a Substitute Offered Quotation, then [the] [Issuer] [●] (in consideration of the Substitution Objective) may determine the Substitute Offered Quotation. Any Substitute Offered Quotation shall apply from (and including) the Interest Determination Date determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion, which shall be no earlier than the Interest Determination Date falling on or immediately following the date on which the Benchmark Event becomes effective.

The **"Substitute Offered Quotation"** shall be a rate (expressed as a percentage rate *per annum*) which corresponds to an alternative offered quotation provided by a third party and meeting any applicable legal requirements for being used for determining the payment obligations under the Notes determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion, as modified by applying the adjustments (e.g. in the form of premiums or discounts), if any, that may be determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion.

Notwithstanding the generality of the foregoing, the Issuer may in particular, but without limitation implement an Official Substitution Concept, an Industry Solution or a Generally Accepted Market Practise.

If the Independent Advisor or [the] [Issuer] [●] (as the case may be) determines a Substitute Offered Quotation, it shall also be entitled to make, in its due discretion, any such procedural determinations relating to the determination of the current Substitute Offered Quotation (e.g. the determination day, the relevant time, the relevant screen page for obtaining the Substitute Offered Quotation and the fallback provisions in the event that the relevant screen page is not available) and to make such adjustments to the definition of "Business Day" in § 4 and the business day convention provisions in § 4 which in accordance with the Generally Accepted Market Practise are necessary or expedient to make the substitution of the offered quotation by the Substitute Offered Quotation operative.

A **"Benchmark Event"** occurs if

(a) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Offered Quotation administrator is made, stating that said administrator has ceased or will cease to provide the Original Offered Quotation permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Offered Quotation; or

(b) a public statement or publication of information by or on behalf of the Original Offered Quotation administrator is made, stating that said administrator has ceased or will cease to provide the Original Offered

Quotation permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Offered Quotation; or

(c) public statement by the regulatory supervisor of the Original Offered Quotation administrator is made that, in its view, the Original Offered Quotation is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Offered Quotation administrator; or

(d) it has become, for any reason, unlawful under any law or regulation applicable to any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Offered Quotation; or

(e) the Original Offered Quotation is permanently no longer published without a previous official announcement by the competent authority or the administrator; or

(f) a material change is made to the Original Offered Quotation methodology.

"Official Substitution Concept" means any binding or non-binding statement by any central bank, supervisory authority or supervisory or expert body of the financial sector established under public law or composed of publically appointed members pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Offered Quotation or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Offered Quotation.

"Industry Solution" means any statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Offered Quotation or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Offered Quotation.

"Generally Accepted Market Practise" means the use of a certain reference rate, subject to certain adjustments (if any), as substitute rate for the Original Offered Quotation or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Offered Quotation in a material number of bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practise (taking into account the operational requirements of the Calculation Agent) to replace the Original Offered Quotation as reference rate for the determination of payment obligations.

For the purposes of this subparagraph **"Independent Advisor"** means an independent financial institution of international repute or other independent financial advisor experienced in the international capital markets, in each case appointed by the Issuer at its own expense.

The Independent Advisor or [the] [Issuer] [●] (as the case may be) is entitled, but not obliged, to determine, in its due discretion, a Substitute Offered Quotation pursuant to the provisions of this subparagraph several times in relation to the same Benchmark Event, provided that each later determination is better suitable than the earlier one to realise the Substitution Objective. The provisions of this subparagraph shall also apply mutatis mutandis in the event of a Benchmark Event occurring in relation to any Substitute Offered Quotation previously determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be).

If the Independent Advisor or [the] [Issuer] [●] (as the case may be) has determined a Substitute Offered Quotation following the occurrence of a Benchmark Event, it will cause the occurrence of the Benchmark Event, the Substitute Offered Quotation determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) and any further determinations of the Independent Advisor or [the] [Issuer] [●] (as the case may be) pursuant to this subparagraph associated therewith to be notified to the Calculation Agent in text format (*Textform*, e.g. e-mail or fax) and to the Holders in accordance with § 10 as soon as possible, but in no event later than the fourth Business Day following the determination of the Substitute Offered Quotation and, if required by the rules of the Vienna Stock Exchange on which the Notes are from time to time listed, to the Vienna Stock Exchange as soon as possible, but in no event later than the first day of the Interest Period to which the Substitute Offered Quotation applies for the first time.

If the Issuer is unable to appoint an Independent Advisor or the Independent Advisor appointed by it or the Issuer fails to determine a Substitute Offered Quotation in accordance with this § 3 (2) or a Substitute Offered Quotation has been determined but is not yet applicable in accordance with the provisions set out above prior to the relevant Interest Determination Date, the Original Offered Quotation applicable to the relevant Interest

Determination Date and the corresponding Interest Period shall be the Original Offered Quotation in respect of the last preceding Interest Period (the "**Ultimative Fall-back**").

If the Ultimative Fall-back applies as described above and provided that the conditions laid down in § 5([6]) are met the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time up and until (but excluding) the respective immediately subsequent Interest Determination Date on giving not less than 15 days' prior Notice of Redemption, in accordance with § 10 to the Holders (which notice shall be irrevocable), at their Early Redemption Amount (each as defined in § 5 ([7])), together with interest accrued to (but excluding) the date fixed for redemption.

[In the case of a Minimum Rate of Interest, the following applies:

(3) *Minimum Rate of Interest.* If the Rate of Interest in respect of any Interest Period is less than **[insert the minimum rate of interest]** per cent. *per annum*, the Rate of Interest for such Interest Period shall be **[insert minimum rate of interest]** per cent. *per annum*.]

[In the case of a Maximum Rate of Interest, the following applies:

([4]) *Maximum Rate of Interest.* If the Rate of Interest in respect of any Interest Period is greater than **[insert the maximum rate of interest]** per cent. *per annum*, the Rate of Interest for such Interest Period shall be **[insert maximum rate of interest]** per cent. *per annum*.]

([5]) *Interest Payment Dates and Interest Period.* "**Interest Payment Date**" means

[In the case of Specified Interest Payment Dates the following applies:

each **[insert specified interest payment dates]**.]

[In the case of Specified Interest Periods the following applies:

each date which (except as otherwise provided in these Terms and Conditions) falls **[insert number]** [weeks] [months] **[insert other specified periods]** after the preceding Interest Payment Date or in case of the first Interest Payment Date, after the Interest Commencement Date.]

"**Interest Period**" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date (at the latest until the Maturity Date (exclusive) (as defined in § 5 (1)).

[The [first]][last] Interest Period is [short][long], it starts on **[insert the date of beginning of interest period]** and ends on **[insert the date of end of interest period]**.] The first payment of interest shall be made on **[insert the first interest payment date]** [(long) [short] first coupon)].

Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).

([6]) *Amount of Interest.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period. The Interest Amount is calculated by applying the (where applicable, commercially rounded to 5 decimal places) Rate of Interest and the Day Count Fraction (as defined in § 3([5])) to the principal amount of the Notes, whereas the resultant figure is rounded upwards or downwards to the smallest sub-unit of the Specified Currency, with 0.5 or more of such sub-units being rounded upwards.

([7]) *Notification of Rate of Interest and Interest Period.* The Calculation Agent will cause the Rate of Interest and the relevant Interest Period to be notified to the Issuer and to the Holders in accordance with § 10 and, if required by the rules of the Vienna Stock Exchange on which the Notes are from time to time listed, to the Vienna Stock Exchange, as soon as possible after their determination. The Interest Period so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Vienna Stock Exchange on which the Notes are then listed and to the Holders in accordance with § 10.

([8]) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Issuer and/or the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Holders.]

([4]) *Default Interest.* If the Issuer does not make a payment due on the Notes for any reason, interest shall continue to accrue on the outstanding amount from the due date (including) until the date of the full payment

to the Holder (excluding) at the respective Rate of Interest specified. Further claims by the Holders remain unaffected.

[5] *Day Count Fraction*. "**Day Count Fraction**" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "**Calculation Period**"):

[In the case Actual/Actual (ICMA) the following applies: (i) if the Calculation Period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in the respective Interest Period and (B) the number of Interest Periods in one year;

(ii) if the Calculation Period is longer than an Interest Period, the sum of: (A) the actual number of days in that Calculation Period, during which the Interest Period falls, in which it started, divided by the product of (x) the actual number of days in this Interest Period and (y) the number of Interest Periods in one year, and (B) the actual number of days of that Calculation Period, during which the next Interest Period falls, divided by the product of (x) the actual number of days in this Interest Period and (y) the number of Interest Periods in one year.]

[In the case of Actual/Actual (ISDA) the following applies: the actual number of days in the Calculation Period divided by 365 (or, if one part of this Calculation Period falls within a leap year, the sum of (i) the actual number of days of the Calculation Period falling within the leap year divided by 366 and (ii) the actual number of days of the Calculation Period not falling within the leap year divided by 365).]

[In the case of Actual/365 (Fixed) the following applies: the actual number of days in the Calculation Period divided by 365.]

[In the case of Actual/360 the following applies: the actual number of days in the Calculation Period divided by 360.]

[In the case of 30/360, 360/360 or Bond Basis the following applies: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[In the case of 30E/360 or Eurobond Basis the following applies: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the **[In the case of floating rate Notes, the following applies:** Interest Period ending on the Maturity Date]

[In the case of Notes with a constant interest rate or with an increasing or decreasing interest rate the following applies: final Calculation Period], the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

§ 4 PAYMENTS

(1) (a) *Payment of Principal*. Payment of principal in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(b) *Payment of Interest*. Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(2) [(a)] *Manner of Payment*. Subject to applicable fiscal and other laws and regulations **[If the Specified Currency is not EUR the following applies:** as well as subject to paragraph (b) below], payments of amounts due in respect of the Notes shall be made in the Specified Currency.

[If the Specified Currency is not EUR the following applies: (b) If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the "**Successor Currency**") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant due date on the basis of the Applicable Exchange Rate. Holders shall not be entitled to further interest or any additional amounts as a result of such payment. The "**Applicable Exchange Rate**" shall be (i) (if such exchange rate is

available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable (as determined by the Calculation Agent in its reasonable discretion) period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Calculation Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Calculation Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Calculation Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Calculation Agent in its reasonable discretion.]

(3) *Discharge*. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Business Day Convention*. If the due date for any payment in respect of the Notes would otherwise fall on a day which is not a Business Day (as defined in this § 4(4)), then the due date for the payment shall be

[In the case of Modified Following Business Day Convention the following applies: postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event the due date for such payment shall be the immediately preceding Business Day.]

[In the case of FRN Convention the following applies: postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event (i) the due date shall be the immediately preceding Business Day and (ii) each subsequent due date shall be the last Business Day in the month which falls **[[insert number]** months] **[insert other specified periods]** after the preceding applicable due date.]

[In the case of Following Business Day Convention the following applies: postponed to the next Business Day.]

[In the case of Preceding Business Day Convention the following applies: the immediately preceding Business Day.]

"Business Day" means

[In the case the Specified Currency is not EUR the following applies: a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[insert relevant financial centre(s)]** [and]]

[In the case the Clearing System and/or T2 must be open the following applies: a day (other than a Saturday or a Sunday) on which [the Clearing System as well as] the real-time gross settlement system operated by the Eurosystem or any successor system ("T2") is open to effect payments.]

[If the interest period shall be adjusted the following applies: If the due date for a payment of interest [is brought forward] [or] [is postponed], the interest amount will be adjusted accordingly.]

[If the interest period shall not be adjusted the following applies: If the due date for a payment of interest [is brought forward] [or] [is postponed], the interest amount will not be adjusted accordingly.]

If the Maturity Date (as defined in § 5(1)) in relation to a Note falls on a day, which is not a Business Day, then the Holder is not entitled to payment prior to the next Business Day at the relevant business place. The Holder shall not be entitled to demand further interests or other payments due to this adjustment.

(5) *References to Principal and Interest*. Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount, the Early Redemption Amount **[if the Issuer has the option to early redeem the Notes for other than taxation and/or regulatory reasons, the following applies:**, the Call Redemption Amount] **[if the Holder has the option to early redeem the Notes, the following applies:**, the Put Redemption Amount] and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

§ 5 REDEMPTION

(1) *Redemption at Maturity*. Unless previously redeemed in whole or in part or repurchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[insert the maturity date]** (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be the principal amount of the Notes.

[If gross-up for withholding taxes shall be applicable the following applies: (2) *Early Redemption for Reasons of Taxation.* The Notes may be redeemed, in whole but not in part, at the option and in the sole discretion of the Issuer, by not more than 60 days' nor less than 30 days' prior Notice of Redemption to the Holders, at their Early Redemption Amount (each as defined in § 5 ([7])), together with interest accrued to the date fixed for redemption, if as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations (which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued), the Issuer is required to pay Additional Amounts (as defined in § 7 herein) at the next Interest Payment Date, and this obligation cannot be avoided by the use of reasonable measures available to the Issuer.

However, no Notice of Redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts or make such deduction or withholding does not remain in effect.

Any such notice shall be irrevocable.

Any such early redemption shall only be possible provided that the conditions laid down in § 5([6]) are met.]

[If Notes are subject to Early Redemption at the Option of the Issuer the following applies: ([3]) *Early Redemption at the Option of the Issuer.*

- (a) The Issuer may, in its sole discretion, by not less than **[insert minimum notice period]** nor more than **[insert maximum notice period]** Business Days prior Notice of Redemption to the Holders, redeem all or some only of the Notes on the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Call Redemption Date. **[In case of a minimum redemption amount or a higher redemption amount the following applies:** Any such redemption must be of a principal amount equal to [at least **[insert minimum redemption amount]**] **[insert higher redemption amount].]**

Call Redemption Date(s)	Call Redemption Amount(s)
[insert Call Redemption Date]	[insert Call Redemption Amount]
[insert Call Redemption Date]	[insert Call Redemption Amount]
[insert Call Redemption Date]	[insert Call Redemption Amount]

- (b) Any such early redemption shall only be possible provided that the conditions laid down in § 5 ([6]) are met.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

[If Notes are not subject to Early Redemption at the Option of the Issuer the following applies: ([3]) *No Early Redemption at the Option of the Issuer.* Except for § 5 [(2)][and]([5]) of the Terms and Conditions the Issuer has no right to early redeem the Notes.]

[If Notes are subject to Early Redemption at the Option of a Holder the following applies: ([4]) *Early Redemption at the Option of a Holder.*

- (a) Each Holder of Notes shall be entitled to demand the early redemption of the Notes in whole or in part on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date provided that the conditions laid down in § 5 ([6]) are met.

The Issuer shall, at the option of the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)	Put Redemption Amount(s)	[last day of notice period]
[insert Put Redemption Date]	[insert Put Redemption Amount]	[insert last day of notice period]

[insert Put Redemption Date] [insert Put Redemption Amount] [insert last day of notice period]
[insert Put Redemption Date] [insert Put Redemption Amount] [insert last day of notice period]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

- (b) In order to exercise such option, the Holder must send an early redemption notice in written form ("**Put Notice**") not less than **[insert minimum notice period to Issuer]** nor more than **[insert maximum notice period to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice. In the event that the Put Notice is received **[in the case the last day of the notice period is not to be specified individually, the following applies: by the specified office of the Paying Agent after 5:00 p.m. (Vienna time) on the [insert minimum notice period to Issuer] day] [in the case the last day of the notice period is to be specified individually, the following applies: by the Issuer, 12:00 a.m. (Vienna time) on the last day of the notice period]** before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification numbers of such Notes, if any. The Put Notice may be in the form available from the specified office of the Paying Agent in the English language and includes further information. No option so exercised may be revoked or withdrawn. The redemption of the Notes for which the put right was exercised is only made against delivery of the Notes to the Issuer or its order.]

[If Notes are not subject to Early Redemption at the Option of a Holder the following applies: ([4]) No Early Redemption at the Option of a Holder. The Holder has no right to early redeem the Notes.]

[(5)] Early Redemption for Regulatory Reasons. The Notes may be redeemed at the option and in the sole discretion of the Issuer in whole, but not in part, at any time on giving not more than 60 days' nor less than 30 days' prior Notice of Redemption to the Holders (which notice shall be irrevocable), at their Early Redemption Amount (each as defined in § 5 **[(7)]**), together with interest accrued to (but excluding) the date fixed for redemption, if there is a change in the regulatory classification of the Notes which was not foreseeable at the time of issuance of the Notes that would be likely to result in their exclusion in full or in part from liabilities eligible for the minimum requirement for own funds and eligible liabilities (MREL) pursuant to the BaSAG on an unlimited and uncapped basis, and provided that the conditions laid down in § 5**[(6)]** are met.

[(6)] Conditions for Early Redemption and Repurchase. Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) are subject to the Issuer having obtained the prior permission of the Resolution Authority for the early redemption and the repurchase, in accordance with Articles 77 and 78a CRR.

Notwithstanding the above conditions, if, at the time of any early redemption or repurchase, the prevailing supervisory regulations applicable to the Issuer permit the early redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the Resolution Authority to grant the permission shall not constitute a default for any purpose.

For the avoidance of doubt: The Issuer neither explicitly nor implicitly states or indicates that the Notes will be called, redeemed, repaid or repurchased at any time prior to the Maturity Date.

[(7)] Definitions

"Early Redemption Amount". means with respect to a Note [its Final Redemption Amount] [the amount determined by the Issuer as reasonable market price by using equitable discretion] **[insert other early redemption amount]**.

"Notice of Redemption" means any notice of the Issuer to the Holders in accordance with § 10 for the purposes of redeeming (in parts or in full) the Notes and specifying:

- (i) the series of Notes subject to redemption;
- (ii) whether such series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (iii) the Call Redemption Amount at which such Notes are to be redeemed;
- (iv) the Call Redemption Date; and
- (v) the details in summary form of the facts constituting the basis for the right of the Issuer to redeem.

§ 6
THE PAYING AGENT [AND THE CALCULATION AGENT]

(1) *Appointment; Specified Offices.* The initial Paying Agent [as well as the initial Calculation Agent] and [its] [their respective] initial specified office[s] [is] [are]:

"Paying Agent":

Kommunalkredit Austria AG
Tuerkenstrasse 9
A-1090 Vienna
Austria

[In case of floating rate Notes, the following applies: "Calculation Agent":

[Kommunalkredit Austria AG
Tuerkenstrasse 9
A-1090 Vienna
Austria]

[insert name and specified office]

The Paying Agent [as well as the Calculation Agent] reserve[s] the right at any time to change [its] [their respective] specified office[s] to some other specified office in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent [or any Calculation Agent] and to appoint additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain [(i)] a Paying Agent [**In case of floating rate Notes, the following applies:** and [(ii)] a Calculation Agent]. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 10.

(3) *Agents of the Issuer.* The Paying Agent [as well as the Calculation Agent] act[s] solely as agents of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Terms and Conditions by the Issuer and/or the Paying Agent shall (in the absence of manifest error) be binding on the Issuer the Paying Agent and the Holders.

§ 7
TAXATION

[If gross-up for withholding taxes shall be applicable the following applies: Additional Amounts. All amounts of interest payable to the Holder (or a third party on behalf of the Holder) in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever (the "**Taxes**") imposed or levied by way of deduction or withholding by or on behalf of the Republic of Austria or any political subdivision or any authority thereof having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall, to the extent permitted by law, pay such additional amounts of interest (the "**Additional Amounts**") as shall be necessary in order that the net amounts of interest received by the Holder (or a third party on behalf of the Holder), after such deduction or withholding, shall equal the respective amounts of interest which would otherwise have been receivable in the absence of such deduction or withholding; except that no such Additional Amounts shall be payable on account of Taxes which

- (a) are deducted or withheld by reason of the Holder (or a third party on behalf of the Holder) presenting the Notes for payment of interest in the Republic of Austria or if payments of interest are effected in the Republic of Austria; or
- (b) are deducted or withheld by reason of the Holder (or a third party on behalf of the Holder) (i) for tax purposes having, or having had at the time of acquisition of the Notes, another nexus to the Republic of Austria than merely being, or having been, the bearer of the Notes, or (ii) receiving an amount payable in respect of the Notes by, or involving an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*; both terms as defined in § 95(2) of the Austrian Income Tax Act 1988 (*Einkommensteuergesetz 1988*) as amended or a subsequent legal provision, if any); Austrian

withholding tax on investment income (*Kapitalertragsteuer*) shall thus not qualify as a tax for which the Issuer would be obliged to pay Additional Amounts; or

- (c) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation to which the Republic of Austria and/or the European Union is a party/are parties, or (iii) any provision of law implementing, or introduced in connection with, such directive, regulation, treaty or understanding; or
- (d) are refundable or for which a relief at source is available pursuant to the laws of the Republic of Austria, a European Union directive or regulation or an international treaty or understanding to which the Republic of Austria and/or the European Union is a party/are parties; or
- (e) would not have had to be deducted or withheld if the Holder (or a third party on behalf of the Holder) had duly submitted documentation or evidence to qualify for a tax exemption; or
- (f) are payable in a different way than by being deducted or withheld from payments of interest on the Notes; or
- (g) are deducted or withheld after payment by the Issuer during the transfer to the Holder; or
- (h) would not have been deducted or withheld if the Holder had duly submitted a claim for the respective payment of interest within 30 days after the due date; or
- (i) are deducted or withheld although such deduction or withholding could have been avoided by effecting a payment via another paying agent in an EU member state, which would not have been obliged to such deduction or withholding; or
- (j) are deducted or withheld to the extent required pursuant to Sections 1471 through 1474 of the Internal Revenue Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any of the foregoing or under any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or
- (k) are deducted or withheld by reason of a change in law that becomes effective more than 30 days after the relevant payment of interest becomes due, or is duly provided for and notice thereof is published in accordance with § 10, whichever occurs later; or
- (l) are deducted or withheld pursuant to a combination of the circumstances listed in (a) to (k).]

[If gross-up for withholding taxes shall not be applicable the following applies: No Additional Amounts. All amounts payable in respect of the Notes shall be made taking into consideration withholding and deduction of any taxes, duties or official charges of any nature whatsoever, if such withholding or deduction is obligatory. In such event, no additional amounts in respect of such deduction or withholding will be paid.]

§ 8 PRESCRIPTION

Claims against the Issuer for payment with respect to the Notes lapse unless they have been filed with court within ten years (in case of principal) and within three years (in case of interest) after the due date.

§ 9 FURTHER ISSUES, REPURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single series with the Notes.

The term "Notes" shall, in the event of such increase, also comprise such additionally issued Notes.

(2) *Repurchases.* Provided that the conditions laid down in § 5([6]) are met, the Issuer may at any time repurchase Notes in the open market or otherwise at any price. Notes repurchased by the Issuer may, at the option of the Issuer, be held, resold or cancelled. If repurchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

(3) *Cancellation.* All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 10 NOTICES

[In the case of Notes which are listed on the Vienna Stock Exchange the following applies: (1) *Publication.* If the rules of the Vienna Stock Exchange otherwise so permit all notices concerning the Notes shall be published on the website of the Issuer ("www.kommunalkredit.at"). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.]

[In case of Notes which are unlisted the following applies: (1) *Notification on the internet.* The Issuer shall publish all notices concerning the Notes on its own website ("www.kommunalkredit.at"). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.]

[In the case of Notes which are listed on the Vienna Stock Exchange the following applies: (2) *Notification to Clearing System.* If the rules of the Vienna Stock Exchange otherwise so permit, the Issuer may replace a publication as set forth in subparagraph (1) by a notice to the Clearing System for communication to the Holder; any such notice shall be deemed to have been validly given to the Holders on the seventh day after the day on which the notice was given to the Clearing System.]

([3]) *Form of Notice.* Notices to be given by any Holder shall be made by means of a declaration in written form to be sent together with a certificate of the Custodian (as defined in § 12(3)) in accordance with § 12 (3) or any other appropriate evidence of the Holder's ownership to the Issuer or the Paying Agent (for transmission to the Issuer). Such notice may be given through the Clearing System in such manner as the Clearing System may approve for such purpose.

§ 11 AMENDMENTS TO THE TERMS AND CONDITIONS

(1) *Amendments to the Terms and Conditions.* Subject to compliance with the applicable supervisory regulations for the Notes to qualify as Eligible Liabilities Instruments (including, for the avoidance of doubt, where relevant, the conditions for early redemption and repurchase set out in § 5 ([6])), the Holders may agree with the Issuer on amendments to these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions shall be binding on all Holders. A majority resolution which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

Any amendments will not be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in a change in the regulatory classification of the Notes that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds or prejudice the qualification of the Notes as Eligible Liabilities Instruments.

(2) *Majority Requirements.* Resolutions relating to these Terms and Conditions shall be passed by a majority of not less than 75 per cent ("**Qualified Majority**") of the votes cast. Resolutions relating to amendments to the Terms and Conditions which are not material require a simple majority of the votes cast.

(3) *Voting Rights.* Each Holder participating in any vote may cast votes in accordance with the principal amount of the outstanding Notes held by such Holder.

(4) *Chair of the Vote.* The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative has convened the vote, by the Joint Representative (the "**Chairperson**").

(5) *Resolution of Holders.* Resolutions of Holders shall be passed at the election of the Issuer by vote taken without a meeting or in a Holders' meeting.

(6) *Holder's Meeting.* A Holders' meeting may be convened by the Issuer or the Joint Representative. Holders who together hold at least 5 per cent of the outstanding Notes may request the convening of a Holder's meeting by written notice to the Issuer or Joint Representative, provided they request such convocation for the purpose of appointing or removing a Joint Representative, passing a resolution in order to render a termination invalid or for any other particular interest in such convocation. The convening notice shall be published in accordance with § 10 and shall state the place, date and the time of the Holders' meeting, the agenda and the conditions on which attendance at the Holders' meeting and the exercise of voting rights shall depend. The convening notice shall be published no later than 10 Business Days before the envisaged date of the Holders' meeting. As evidence for the entitlement to participate in the Holders' meeting a special confirmation issued by the Clearing System or the Custodian in text form shall be presented. The Holders' meeting shall have a quorum if the persons present represent at least 50 per cent of the outstanding Notes.

(7) *Vote Without a Meeting.* In the case of voting without meeting, the provisions applicable to the convocation and procedure of Holders' meeting shall apply *mutatis mutandis*. The vote shall be conducted by the scrutineer.

The scrutineer shall be a notary appointed by the Issuer, or the Joint Representative of the Holders if it has requested such vote. The request for voting shall set out the period within which votes may be cast. Such period shall be at least 72 hours. During the voting period, the Holders may cast their votes to the scrutineer in text form. The request shall set out in detail the conditions to be met in order for the votes to be valid. The scrutineer shall ascertain the entitlement to cast a vote by means of the evidence provided and shall prepare a list of Holders entitled to vote. Each Holder participating in the vote may object to the result in writing within two weeks of publication of the resolutions. The scrutineer shall decide on any such objection. If it takes remedial action as a result of the objection, it shall publish the result without undue delay.

(8) *Voting, Minutes.* The provisions of the Austrian Stock Corporation Act (*Aktiengesetz*) regarding the voting of shareholders in the general meeting shall apply *mutatis mutandis* to the casting and counting of votes. In order to be valid, any resolution passed by the Holders' meeting shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary. The Issuer shall publish the resolutions passed by the Holders in accordance with § 10.

(9) *Implementation of Resolutions.* Resolutions passed by the Holders' meeting which amend or supplement the contents of these Terms and Conditions shall be implemented by the Issuer in such a way that the relevant Global Note is supplemented or amended

(10) *Joint Representative.*

[If no Joint Representative is designated in the Terms and Conditions insert: The Holders may by majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

[If the Joint Representative is appointed in the Terms and Conditions insert: The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be **[insert name and address of the Joint Representative]**. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.

§ 12

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, Austrian law, excluding its conflict of law rules as far as such rules would lead to the application of foreign law.

(2) *Submission to Jurisdiction.* The competent court in Vienna shall have exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes.

(3) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) if applicable, confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) ***[If the Notes are represented by a non-digital Global Note the following applies:*** if the Global Note is not held in own custody, a copy of the Global Note certified as being a true copy on behalf of the Clearing System or a depository of the Clearing System, without the need for production in such proceedings of the actual records or the global note representing the Notes.] ***[If the Notes are represented by a digital Global Note the following applies:*** an excerpt from the electronic data record in relation to the Global Note representing the relevant Notes certified by a duly authorised officer of the central securities depository, the Clearing System or a depository of the Clearing System.] For purposes of the foregoing, "**Custodian**" means any bank or

other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and, if applicable, includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

OPTION III – Terms and Conditions for Senior Non-Preferred Notes

§ 1

CURRENCY, PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS

(1) *Currency; Principal Amount.* This tranche of senior non-preferred notes (the "**Notes**") of Kommunalkredit Austria AG (the "**Issuer**") is being issued on **[insert issue date]** (the "**Issue Date**") in **[insert specified currency]** (the "**Specified Currency**") in the aggregate principal amount of **[insert aggregate principal amount]** (in words: **[insert aggregate principal amount in words]**) in denominations in the principal amount of **[insert principal amount of at least EUR 100,000 or the equivalent in other currencies]** (the "**Principal Amount**").

(2) *Form.* The Notes are in bearer form.

[If the Notes are represented by a non-digital Global Note the following applies:

(3) *Global Note.* The Notes are represented in full by a modifiable non-digital global note (*nicht-digitale Sammelurkunde*) (the "**Global Note**") pursuant to § 24 (b) of the Austrian Securities Deposit Act, as amended without coupons which was signed by duly authorised representatives of the Issuer. Definitive Notes and interest coupons will not be issued.]

[If the Notes are represented by a digital Global Note the following applies:

(3) *Digital Global Note.* The Notes are represented in full by a digital global note (*digitale Sammelurkunde*) (the "**Global Note**") pursuant to § 1 (4) and § 24 (e) of the Austrian Securities Deposit Act, as amended without coupons, which has been created by an electronic data record at a central securities depository on the basis of the information electronically communicated to the central securities depository by the Issuer. Definitive Notes and interest coupons will not be issued.]

(4) *Clearing System.* The Global Note will be kept in custody by or on behalf of OeKB CSD GmbH, Strauchgasse 1-3, 1010 Vienna, Austria (the "**Clearing System**").

(5) *Holder of Notes.* "**Holder**" means any holder of a proportionate co-ownership or other beneficial interest in the Notes.

§ 2

STATUS

(1) *Status.* The Notes constitute direct, unsecured and non-preferred senior obligations of the Issuer and are intended to qualify as Eligible Liabilities Instrument (as defined in § 2(8)) for the purposes of fulfilling the MREL Requirements. In the event of the dissolution, liquidation, insolvency, composition or similar proceedings of or against the Issuer, any claims in relation to the Notes rank:

- (a) junior to all other present or future unsecured and unsubordinated instruments or obligations of the Issuer which do not meet the criteria for debt instruments pursuant to § 131 (3) BaSAG, to claims arising from the excluded liabilities within the meaning of Article 72a (2) CRR and to all other Senior Ranking Obligations;
- (b) *pari passu:* (i) among themselves; and (ii) with all other present or future non-preferred senior instruments or obligations of the Issuer which meet the criteria for debt instruments pursuant to § 131 (3) BaSAG; and
- (c) senior to all present or future claims under: (i) ordinary shares and other Common Equity Tier 1 instruments pursuant to Article 28 CRR of the Issuer; (ii) Additional Tier 1 instruments pursuant to Article 52 CRR of the Issuer; (iii) Tier 2 instruments pursuant to Article 63 CRR of the Issuer; and (iv) all other subordinated instruments or obligations of the Issuer not included under paragraph (b);

all in accordance with and making explicit reference to the lower ranking of the Notes pursuant to § 131(3) BaSAG.

(2) *No Set-off/Netting.* The Notes shall not be subject to any set off or netting arrangements that would undermine their capacity to absorb losses in the resolution of the Issuer.

(3) *No Security/Guarantee; No Enhancement of Seniority.* The Notes are neither secured, nor subject to a guarantee or any other arrangement that enhances the seniority of the claims under the Notes.

(4) *No Acceleration.* The Holders shall not have the right to accelerate any future scheduled payment of interest or principal under the Notes, other than in the case of the insolvency or liquidation of the Issuer. In particular,

the Holders shall not have the right to accelerate payments under the Notes in the event of a resolution or moratorium with respect to the Issuer pursuant to the BaSAG.

(5) *No Negative Pledge.* The Notes are not subject to any negative pledge undertaking by the Issuer. The Issuer is thus free to grant any type of security interest, agree to any negative pledge undertaking or similar arrangement for the benefit of any of its creditors (other than the Holders) at any time without prior approval or notification of the Holders. The Holders shall not have any right to request any similar arrangement with respect to the Notes if the Issuer grants any type of security interest, agree to any negative pledge undertaking or similar arrangement for the benefit of any of its creditors (other than the Holders).

(6) *No Subsequent Modifications of the Ranking and the Term as well as any Notice Periods.* No subsequent agreement may modify the ranking of the Notes or shorten the term of the Notes or any applicable notice period.

(7) *Possibility of statutory resolution measures.* Under the applicable banking resolution laws, the Resolution Authority may exercise the power to write down (including to zero) the obligations of the Issuer under the Notes, convert them into shares or other instruments of ownership of the Issuer, in each case in whole or in part, or apply any other resolution tool or action, including (but not limited to) any deferral or transfer of the obligations to another entity, an amendment of the Terms and Conditions or a cancellation of the Notes. The sequence of write down and conversion of § 73 BaSAG applies.

(8) *Definitions.*

"**BaSAG**" means the Austrian Recovery and Resolution Act (*Sanierungs- und Abwicklungsgesetz*), as amended from time to time and any references in these Terms and Conditions to relevant provisions of the BaSAG include references to any applicable provisions of law amending or replacing such provisions from time to time.

"**CRR**" means the Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (*Capital Requirements Regulation*), as amended or replaced from time to time, and any references in these Terms and Conditions to relevant Articles of the CRR include references to any applicable provisions of law amending or replacing such Articles from time to time.

"**Eligible Liabilities Instruments**" means any (directly issued) debt instruments of the Issuer that qualify as eligible liabilities instruments pursuant to Article 72a (1) lit a) CRR.

"**MREL Requirements**" means the minimum requirements for eligible liabilities (MREL) which are or, as the case may be, will be, applicable to the Issuer in accordance with the BaSAG.

"**Resolution Authority**" means the authority pursuant to Article 4(1)(130) CRR which is responsible for recovery or resolution of the Issuer on an individual and/or consolidated basis.

"**Senior Ranking Obligations**" means all obligations of the Issuer which pursuant to mandatory provisions of law, rank or are expressed to rank senior to (i.e. higher than) the obligations of the Issuer under the Notes.

§ 3 INTEREST

[In the case of Notes with a constant interest rate or with an increasing or decreasing interest rate the following applies:

(1) *Rate of Interest.*

[In the case of Notes with a constant interest rate the following applies: The Notes shall bear interest [annually] [semi-annually] [quarterly] [monthly] [***insert other time period***] on their aggregate principal amount at the rate of [***insert rate of interest***] per cent *per annum* ("**Rate of Interest**") from (and including) [***insert the interest commencement date***] (the "**Interest Commencement Date**") to (but excluding) the Maturity Date (as defined in § 5(1)).]

[In the case of Notes with an increasing or decreasing interest rate the following applies: The Notes shall bear interest [annually] [semi-annually] [quarterly] [monthly] [***insert other time period***] (the "**Rate of Interest**") on their aggregate principal amount from (and including) [***insert the interest commencement date***] (the "**Interest Commencement Date**") to (but excluding) the Maturity Date (as defined in § 5(1)) as follows:

Interest Periods

Rate of Interest

[insert date]

(including) -

[insert date]

(excluding)

[insert rate of interest] per cent *per annum*

[insert date]

(including) -

[insert date]

(excluding)

[insert rate of interest] per cent *per annum*]]

(2) *Interest Payment Dates and Interest Period.* Interest shall be payable in arrears on **[insert fixed interest date or dates]** [annually] [semi-annually] [quarterly] [monthly] **[insert other time period]** (each such date, an "Interest Payment Date").

"Interest Period" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date (at the latest until the Maturity Date (exclusive)).

[The [first][last] Interest Period is [short][long], it starts on **[insert the date of beginning of interest period]** and ends on **[insert the date of end of interest period].**] The first payment of interest shall be made on **[insert the first interest payment date]** [(long) [short] first coupon)].

Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).

(3) *Amount of Interest.* The amount of interest is calculated by applying the relevant Rate of Interest and the Day Count Fraction (as defined in § 3([5])) to the principal amount of the Notes, whereas the resultant figure is rounded upwards or downwards to the smallest sub-unit of the Specified Currency, with 0.5 or more of such sub-units being rounded upwards.]

[In the case of floating rate Notes, the following applies:

(1) *Interest.* The Notes shall bear interest on their aggregate principal amount from (and including) **[insert the interest commencement date]** (the "Interest Commencement Date") to (but excluding) the first Interest Payment Date (as defined in § 3([5])) and thereafter from (and including) each Interest Payment Date to (but excluding) the next following Interest Payment Date (at the latest until the Maturity Date (exclusive) (as defined § 5(1)). Interest on the Notes shall be payable on each Interest Payment Date.

(2) *Rate of Interest.* The rate of interest (the "Rate of Interest") for each Interest Period (as defined in § 3([5])) shall be a rate *per annum* equal to the Reference Rate (as defined in this § 3(2)) [, multiplied by **[insert factor]** [[plus] [minus] the Margin (as defined in this § 3(2))], subject to a minimum Rate of Interest of 0.00 per cent. *per annum*. The Calculation Agent (as defined in § 6(1)) will determine the relevant Reference Rate for each Interest Period on the relevant Interest Determination Date (as defined in this § 3(2)).

"Interest Determination Date" means the [first] [second] [T2] **[insert relevant financial centre(s)]** Business Day prior to the [commencement] [end] of the relevant Interest Period. "[T2] **[[insert relevant financial center(s)] Business Day**" means a day (other than a Saturday or Sunday) on which [the real-time gross settlement system operated by the Eurosystem or any successor system ("T2") is open] [commercial banks are open for business (including dealings in foreign exchange and foreign currency) in **[insert relevant financial centre(s)]**] [to effect payments].

["Margin" means [●] per cent. *per annum*.]

The "Reference Rate" for each Interest Period will be,

- (i) the Original Offered Quotation on the Interest Determination Date, as determined by the Calculation Agent; or
- (ii) if a Benchmark Event has occurred, the Substitute Offered Quotation on the Interest Determination Date, as determined in accordance with this § 3.

"Original Offered Quotation" means the offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency which appears on the Reuters screen page [EURIBOR01] **[insert screen**

page] or any successor page ("**Screen Page**") as of 11:00 a.m. (Brussels time) (**[insert number]**-month EURIBOR).

If the Screen Page is not available or the Original Offered Quotation does not appear on the Screen Page as at such time, the Calculation Agent shall request each of the Reference Banks (as defined in this § 3(2)) to provide the Calculation Agent with its offered quotation (expressed as a percentage rate *per annum*) for deposits in the Specified Currency for the relevant Interest Period to leading banks in the interbank market of the Euro Zone at approximately 11.00 a.m. (Brussels time) on the Interest Determination Date. If two or more of the Reference Banks provide the Calculation Agent with such offered quotations, the Original Offered Quotation for such Interest Period shall be determined by the Calculation Agent on the basis of the arithmetic mean (rounded if necessary to the nearest one thousandth of a percentage point, with 0.0005 being rounded upwards) of such offered quotations.

If fewer than two of the Reference Banks provide the Calculation Agent with such offered rates, the Original Offered Quotation for the relevant Interest Period shall be determined by the Calculation Agent on the basis of the arithmetic mean (rounded as provided above) of the offered rates for deposits in the Specified Currency for the relevant Interest Period, at which, on the relevant Interest Determination Date, any one or more banks (which bank or banks is or are in the opinion of the Calculation Agent and the Issuer suitable for such purpose) inform(s) the Calculation Agent it is or they are quoting to leading banks in the interbank market of the Euro Zone (or, as the case may be, the quotations of such bank or banks to the Calculation Agent). If the Original Offered Quotation cannot be determined in accordance with the foregoing provisions of this paragraph, the Original Offered Quotation shall be equal to the offered quotation on the Screen Page on the last day preceding the Interest Determination Date on which such quotations were offered.

"**Reference Banks**" means those offices of four such banks whose offered rates were used to determine such quotation when such quotation last appeared on the Screen Page.

"**Euro Zone**" means the region comprised of those member states of the European Union that have adopted the euro as their primary currency and sole legal tender.

In the event of the Issuer determining the occurrence of a Benchmark Event (as defined in this § 3(2)), (i) the Issuer shall use reasonable endeavours to appoint an Independent Advisor (as defined in this § 3(2)) to determine in the Independent Advisor's reasonable discretion (acting in good faith and a commercially reasonable manner (the "**Substitution Objective**")) a Substitute Offered Quotation (as defined in this § 3(2)) which shall replace the Original Offered Quotation; or (ii) if no Independent Advisor is or can be timely appointed by the Issuer or if an Independent Advisor is appointed by the Issuer, but fails to determine a Substitute Offered Quotation, then [the] [Issuer] [●] (in consideration of the Substitution Objective) may determine the Substitute Offered Quotation. Any Substitute Offered Quotation shall apply from (and including) the Interest Determination Date determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion, which shall be no earlier than the Interest Determination Date falling on or immediately following the date on which the Benchmark Event becomes effective.

The "**Substitute Offered Quotation**" shall be a rate (expressed as a percentage rate *per annum*) which corresponds to an alternative offered quotation provided by a third party and meeting any applicable legal requirements for being used for determining the payment obligations under the Notes determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion, as modified by applying the adjustments (e.g. in the form of premiums or discounts), if any, that may be determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) in its due discretion.

Notwithstanding the generality of the foregoing, the Issuer may in particular, but without limitation implement an Official Substitution Concept, an Industry Solution or a Generally Accepted Market Practise.

If the Independent Advisor or [the] [Issuer] [●] (as the case may be) determines a Substitute Offered Quotation, it shall also be entitled to make, in its due discretion, any such procedural determinations relating to the determination of the current Substitute Offered Quotation (e.g. the determination day, the relevant time, the relevant screen page for obtaining the Substitute Offered Quotation and the fallback provisions in the event that the relevant screen page is not available) and to make such adjustments to the definition of "Business Day" in § 4 and the business day convention provisions in § 4 which in accordance with the Generally Accepted Market Practise are necessary or expedient to make the substitution of the offered quotation by the Substitute Offered Quotation operative.

A "**Benchmark Event**" occurs if

(a) a public statement or publication of information by or on behalf of the regulatory supervisor of the Original Offered Quotation administrator is made, stating that said administrator has ceased or will cease to provide the

Original Offered Quotation permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Offered Quotation; or

(b) a public statement or publication of information by or on behalf of the Original Offered Quotation administrator is made, stating that said administrator has ceased or will cease to provide the Original Offered Quotation permanently or indefinitely, unless there is a successor administrator that will continue to provide the Original Offered Quotation; or

(c) public statement by the regulatory supervisor of the Original Offered Quotation administrator is made that, in its view, the Original Offered Quotation is no longer, or will no longer be, representative of the underlying market it purports to measure and no action to remediate such a situation is taken or expected to be taken as required by the supervisor of the Original Offered Quotation administrator; or

(d) it has become, for any reason, unlawful under any law or regulation applicable to any Paying Agent, the Calculation Agent, the Issuer or any other party to use the Original Offered Quotation; or

(e) the Original Offered Quotation is permanently no longer published without a previous official announcement by the competent authority or the administrator; or

(f) a material change is made to the Original Offered Quotation methodology.

"Official Substitution Concept" means any binding or non-binding statement by any central bank, supervisory authority or supervisory or expert body of the financial sector established under public law or composed of publically appointed members pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Offered Quotation or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Offered Quotation.

"Industry Solution" means any statement by the International Swaps and Derivatives Association (ISDA), the International Capital Markets Association (ICMA), the Association for Financial Markets in Europe (AFME), the Securities Industry and Financial Markets Association (SIFMA), the SIFMA Asset Management Group (SIFMA AMG), the Loan Markets Association (LMA), the Deutsche Derivate Verband (DDV), the Zertifikate Forum Austria or any other private association of the financial industry pursuant to which a certain reference rate, subject to certain adjustments (if any), should or could be used to replace the Original Offered Quotation or pursuant to which a certain procedure should or could be used in order to determine payment obligations which would otherwise be determined by reference to the Original Offered Quotation.

"Generally Accepted Market Practise" means the use of a certain reference rate, subject to certain adjustments (if any), as substitute rate for the Original Offered Quotation or of provisions, contractual or otherwise, providing for a certain procedure to determine payment obligations which would otherwise have been determined by reference to the Original Offered Quotation in a material number of bond issues following the occurrence of a Benchmark Event, or any other generally accepted market practise (taking into account the operational requirements of the Calculation Agent) to replace the Original Offered Quotation as reference rate for the determination of payment obligations.

For the purposes of this subparagraph **"Independent Advisor"** means an independent financial institution of international repute or other independent financial advisor experienced in the international capital markets, in each case appointed by the Issuer at its own expense.

The Independent Advisor or [the] [Issuer] [●] (as the case may be) is entitled, but not obliged, to determine, in its due discretion, a Substitute Offered Quotation pursuant to the provisions of this subparagraph several times in relation to the same Benchmark Event, provided that each later determination is better suitable than the earlier one to realise the Substitution Objective. The provisions of this subparagraph shall also apply mutatis mutandis in the event of a Benchmark Event occurring in relation to any Substitute Offered Quotation previously determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be).

If the Independent Advisor or [the] [Issuer] [●] (as the case may be) has determined a Substitute Offered Quotation following the occurrence of a Benchmark Event, it will cause the occurrence of the Benchmark Event, the Substitute Offered Quotation determined by the Independent Advisor or [the] [Issuer] [●] (as the case may be) and any further determinations of the Independent Advisor or [the] [Issuer] [●] (as the case may be) pursuant to this subparagraph associated therewith to be notified to the Calculation Agent in text format (*Textform*, e.g. e-mail or fax) and to the Holders in accordance with § 10 as soon as possible, but in no event later than the fourth Business Day following the determination of the Substitute Offered Quotation and, if required by the rules of the Vienna Stock Exchange on which the Notes are from time to time listed, to the Vienna Stock Exchange as soon as possible, but in no event later than the first day of the Interest Period to which the Substitute Offered Quotation applies for the first time.

If the Issuer is unable to appoint an Independent Advisor or the Independent Advisor appointed by it or the Issuer fails to determine a Substitute Offered Quotation in accordance with this § 3 (2) or a Substitute Offered Quotation has been determined but is not yet applicable in accordance with the provisions set out above prior to the relevant Interest Determination Date, the Original Offered Quotation applicable to the relevant Interest Determination Date and the corresponding Interest Period shall be the Original Offered Quotation in respect of the last preceding Interest Period (the "**Ultimative Fall-back**").

If the Ultimative Fall-back applies as described above and provided that the conditions laid down in § 5([6]) are met the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time up and until (but excluding) the respective immediately subsequent Interest Determination Date on giving not less than 15 days' prior Notice of Redemption, in accordance with § 10 to the Holders (which notice shall be irrevocable), at their Early Redemption Amount (each as defined in § 5 ([7])), together with interest accrued to (but excluding) the date fixed for redemption.

[In the case of a Minimum Rate of Interest, the following applies:

(3) *Minimum Rate of Interest.* If the Rate of Interest in respect of any Interest Period is less than **[insert the minimum rate of interest]** per cent. *per annum* the Rate of Interest for such Interest Period shall be **[insert minimum rate of interest]** per cent. *per annum*.]

[In the case of a Maximum Rate of Interest, the following applies:

([4]) *Maximum Rate of Interest.* If the Rate of Interest in respect of any Interest Period is greater than **[insert the maximum rate of interest]** per cent. *per annum*, the Rate of Interest for such Interest Period shall be **[insert maximum rate of interest]** per cent. *per annum*.]

([5]) *Interest Payment Dates and Interest Period.* "**Interest Payment Date**" means

[In the case of Specified Interest Payment Dates the following applies:

each **[insert specified interest payment dates]**.]

[In the case of Specified Interest Periods the following applies:

each date which (except as otherwise provided in these Terms and Conditions) falls **[insert number]** [weeks] [months] **[insert other specified periods]** after the preceding Interest Payment Date or in case of the first Interest Payment Date, after the Interest Commencement Date.]

"**Interest Period**" means each period from (and including) the Interest Commencement Date to (but excluding) the first Interest Payment Date and from (and including) each Interest Payment Date to (but excluding) the following Interest Payment Date (at the latest until the Maturity Date (exclusive) (as defined in § 5 (1)).

[The [first][last] Interest Period is [short][long], it starts on **[insert the date of beginning of interest period]** and ends on **[insert the date of end of interest period]**.] The first payment of interest shall be made on **[insert the first interest payment date]** [(long) [short] first coupon)].

Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).

([6]) *Amount of Interest.* The Calculation Agent will, on or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest and calculate the amount of interest (the "**Interest Amount**") payable on the Notes for the relevant Interest Period. The Interest Amount is calculated by applying the (where applicable, commercially rounded to 5 decimal places) Rate of Interest and the Day Count Fraction (as defined in § 3([5])) to the principal amount of the Notes, whereas the resultant figure is rounded upwards or downwards to the smallest sub-unit of the Specified Currency, with 0.5 or more of such sub-units being rounded upwards.

([7]) *Notification of Rate of Interest and Interest Period.* The Calculation Agent will cause the Rate of Interest and the relevant Interest Period to be notified to the Issuer and to the Holders in accordance with § 10 and, if required by the rules of the Vienna Stock Exchange on which the Notes are from time to time listed, to the Vienna Stock Exchange, as soon as possible after their determination. The Interest Period so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period. Any such amendment will be promptly notified to the Vienna Stock Exchange on which the Notes are then listed and to the Holders in accordance with § 10.

([8]) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this § 3 by the Issuer and/or the Calculation Agent shall (in the absence of manifest error) be binding on the Issuer, the Paying Agent and the Holders.]

[4] Default Interest. If the Issuer does not make a payment due on the Notes for any reason, interest shall continue to accrue on the outstanding amount from the due date (including) until the date of the full payment to the Holder (excluding) at the respective Rate of Interest specified. Further claims by the Holders remain unaffected.

[5] Day Count Fraction. "Day Count Fraction" means, in respect of the calculation of an amount of interest on any Note for any period of time (the "Calculation Period"):

[In the case of Actual/Actual (ICMA) the following applies: (i) if the Calculation Period is equal to or shorter than the Interest Period during which it falls, the actual number of days in the Calculation Period divided by the product of (A) the actual number of days in the respective Interest Period and (B) the number of Interest Periods in one year;

(ii) if the Calculation Period is longer than an Interest Period, the sum of: (A) the actual number of days in that Calculation Period, during which the Interest Period falls, in which it started, divided by the product of (x) the actual number of days in this Interest Period and (y) the number of Interest Periods in one year, and (B) the actual number of days of that Calculation Period, during which the next Interest Period falls, divided by the product of (x) the actual number of days in this Interest Period and (y) the number of Interest Periods in one year.]

[In the case of Actual/Actual (ISDA) the following applies: the actual number of days in the Calculation Period divided by 365 (or, if one part of this Calculation Period falls within a leap year, the sum of (i) the actual number of days of the Calculation Period falling within the leap year divided by 366 and (ii) the actual number of days of the Calculation Period not falling within the leap year divided by 365).]

[In the case of Actual/365 (Fixed) the following applies: the actual number of days in the Calculation Period divided by 365.]

[In the case of Actual/360 the following applies: the actual number of days in the Calculation Period divided by 360.]

[In the case of 30/360, 360/360 or Bond Basis the following applies: the number of days in the Calculation Period divided by 360, the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months (unless (A) the last day of the Calculation Period is the 31st day of a month but the first day of the Calculation Period is a day other than the 30th or 31st day of a month, in which case the month that includes that last day shall not be considered to be shortened to a 30-day month, or (B) the last day of the Calculation Period is the last day of the month of February in which case the month of February shall not be considered to be lengthened to a 30-day month).]

[In the case of 30E/360 or Eurobond Basis the following applies: the number of days in the Calculation Period divided by 360 (the number of days to be calculated on the basis of a year of 360 days with twelve 30-day months, without regard to the date of the first day or last day of the Calculation Period unless, in the case of the **[In the case of floating rate Notes, the following applies:** Interest Period ending on the Maturity Date] **[In the case of Notes with a constant interest rate or with an increasing or decreasing interest rate the following applies:** final Calculation Period], the Maturity Date is the last day of the month of February, in which case the month of February shall not be considered to be lengthened to a 30-day month).]

§ 4 PAYMENTS

(1) (a) *Payment of Principal.* Payment of principal in respect of Notes shall be made, subject to subparagraph (2) below, to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(b) *Payment of Interest.* Payment of interest on Notes shall be made, subject to subparagraph (2), to the Clearing System or to its order for credit to the accounts of the relevant account holders of the Clearing System.

(2) [(a)] *Manner of Payment.* Subject to applicable fiscal and other laws and regulations **[In the case the Specified Currency is not EUR the following applies:** as well as subject to paragraph (b) below], payments of amounts due in respect of the Notes shall be made in the Specified Currency.

[In the case the Specified Currency is not EUR the following applies: (b) If the Issuer determines that it is impossible to make payments of amounts due on the Notes in freely negotiable and convertible funds on the relevant due date for reasons beyond its control or that the Specified Currency or any successor currency provided for by law (the "Successor Currency") is no longer used for the settlement of international financial transactions, the Issuer may fulfil its payment obligations by making such payments in Euro on the relevant

due date on the basis of the Applicable Exchange Rate. Holders shall not be entitled to further interest or any additional amounts as a result of such payment. The "**Applicable Exchange Rate**" shall be (i) (if such exchange rate is available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) determined and published by the European Central Bank for the most recent calendar day falling within a reasonable (as determined by the Calculation Agent in its reasonable discretion) period of time prior to the relevant due date, or (ii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) which the Calculation Agent has calculated as the arithmetic mean of offered rates concerning the Specified Currency or the Successor Currency (if applicable) quoted to the Calculation Agent by four leading banks operating in the international foreign exchange market for the most recent calendar day falling within a reasonable (as determined by the Calculation Agent in its reasonable discretion) period of time prior to the relevant due date, or (iii) (if such exchange rate is not available) the exchange rate of Euro against the Specified Currency or the Successor Currency (if applicable) as determined by the Calculation Agent in its reasonable discretion.]

(3) *Discharge*. The Issuer shall be discharged by payment to, or to the order of, the Clearing System.

(4) *Business Day Convention*. If the due date for any payment in respect of the Notes would otherwise fall on a day which is not a Business Day (as defined in this § 4(4)), then the due date for the payment shall be

[In the case of Modified Following Business Day Convention the following applies: postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event the due date for such payment shall be the immediately preceding Business Day.]

[In the case of FRN Convention the following applies: postponed to the next Business Day unless it would thereby fall into the next calendar month, in which event (i) the due date shall be the immediately preceding Business Day and (ii) each subsequent due date shall be the last Business Day in the month which falls **[[insert number] months] [insert other specified periods]** after the preceding applicable due date.]

[In the case of Following Business Day Convention the following applies: postponed to the next Business Day.]

[In the case of Preceding Business Day Convention the following applies: the immediately preceding Business Day.]

"Business Day" means

[In the case the Specified Currency is not EUR the following applies: a day (other than a Saturday or a Sunday) on which commercial banks and foreign exchange markets settle payments in **[insert relevant financial centre(s)]** [and]]

[In the case the Clearing System and/or T2 must be open the following applies: a day (other than a Saturday or a Sunday) on which [the Clearing System as well as] the real-time gross settlement system operated by the Eurosystem or any successor system ("T2") is open to effect payments.]

[If the interest period shall be adjusted the following applies: If the due date for a payment of interest [is brought forward] [or] [is postponed], the interest amount will be adjusted accordingly.]

[If the interest period shall not be adjusted the following applies: If the due date for a payment of interest [is brought forward] [or] [is postponed], the interest amount will not be adjusted accordingly.]

If the Maturity Date (as defined in § 5 (1)) in relation to a Note falls on a day, which is not a Business Day, then the Holder is not entitled to payment prior to the next Business Day at the relevant business place. The Holder shall not be entitled to demand further interests or other payments due to this adjustment.

(5) *References to Principal and Interest*. Reference in these Terms and Conditions to principal in respect of the Notes shall be deemed to include, as applicable: the Final Redemption Amount, the Early Redemption Amount **[if the Issuer has the option to early redeem the Notes for other than taxation and/or regulatory reasons, the following applies:**, the Call Redemption Amount] **[if the Holder has the option to early redeem the Notes, the following applies:**, the Put Redemption Amount] and any premium and any other amounts which may be payable under or in respect of the Notes. Reference in these Terms and Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any Additional Amounts which may be payable under § 7.

§ 5
REDEMPTION

(1) *Redemption at Maturity.* Unless previously redeemed in whole or in part or repurchased and cancelled, the Notes shall be redeemed at their Final Redemption Amount on **[insert the maturity date]** (the "**Maturity Date**"). The "**Final Redemption Amount**" in respect of each Note shall be the principal amount of the Notes.

[If gross-up for withholding taxes shall be applicable the following applies: (2) *Early Redemption for Reasons of Taxation.* The Notes may be redeemed, in whole but not in part, at the option and in the sole discretion of the Issuer, by not more than 60 days' nor less than 30 days' prior Notice of Redemption to the Holders, at their Early Redemption Amount (each as defined in § 5 ([7])), together with interest accrued to the date fixed for redemption, if as a result of any change in, or amendment to, the laws or regulations of the Republic of Austria or any political subdivision or taxing authority thereto or therein affecting taxation or the obligation to pay duties of any kind, or any change in, or amendment to, an official interpretation or application of such laws or regulations (which amendment or change is effective on or after the date on which the last tranche of this series of Notes was issued), the Issuer is required to pay Additional Amounts (as defined in § 7 herein) at the next Interest Payment Date, and this obligation cannot be avoided by the use of reasonable measures available to the Issuer.

However, no Notice of Redemption may be given (i) earlier than 90 days prior to the earliest date on which the Issuer would be obligated to pay such Additional Amounts were a payment in respect of the Notes then due, or (ii) if at the time such notice is given, such obligation to pay such Additional Amounts or make such deduction or withholding does not remain in effect.

Any Notice of Redemption shall be irrevocable.

Any such early redemption shall only be possible provided that the conditions laid down in § 5([6]) are met.]

[If Notes are subject to Early Redemption at the Option of the Issuer the following applies: ([3]) *Early Redemption at the Option of the Issuer.*

- (a) The Issuer may in its sole discretion, by not less than **[insert minimum notice period]** nor more than **[insert maximum notice period]** Business Days prior Notice of Redemption to the Holders redeem all or some only of the Notes on the Call Redemption Date(s) at the Call Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Call Redemption Date. **[In case of a minimum redemption amount or a higher redemption amount the following applies:** Any such redemption must be of a principal amount equal to [at least **[insert minimum redemption amount]** **[insert higher redemption amount].]**

Call Redemption Date(s)	Call Redemption Amount(s)
[insert Call Redemption Date]	[insert Call Redemption Amount]
[insert Call Redemption Date]	[insert Call Redemption Amount]
[insert Call Redemption Date]	[insert Call Redemption Amount]

- (b) Any such early redemption shall only be possible provided that the conditions laid down in § 5 ([6]) are met.
- (c) In the case of a partial redemption of Notes, Notes to be redeemed shall be selected in accordance with the rules of the relevant Clearing System.]

[If Notes are not subject to Early Redemption at the Option of the Issuer the following applies: ([3]) *No Early Redemption at the Option of the Issuer.* Except for § 5 [(2)][and]([5)] of the Terms and Conditions the Issuer has no right to early redeem the Notes.]

[If Notes are subject to Early Redemption at the Option of a Holder the following applies: ([4]) *Early Redemption at the Option of a Holder.*

- (a) Each Holder of Notes shall be entitled to demand the early redemption of the Notes in whole or in part on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date provided that the conditions laid down in § 5 ([6]) are met.

The Issuer shall, at the option of the Holder of any Note, redeem such Note on the Put Redemption Date(s) at the Put Redemption Amount(s) set forth below together with accrued interest, if any, to (but excluding) the Put Redemption Date.

Put Redemption Date(s)	Put Redemption Amount(s)	[last day of notice period]
[insert Put Redemption Date]	[insert Put Redemption Amount]	[insert last day of notice period]
[insert Put Redemption Date]	[insert Put Redemption Amount]	[insert last day of notice period]
[insert Put Redemption Date]	[insert Put Redemption Amount]	[insert last day of notice period]

The Holder may not exercise such option in respect of any Note which is the subject of the prior exercise by the Issuer of its option to redeem such Note under this § 5.

- (b) In order to exercise such option, the Holder must send an early redemption notice in written form ("**Put Notice**") not less than **[insert minimum notice period to Issuer]** nor more than **[insert maximum notice period to Issuer]** days before the Put Redemption Date on which such redemption is required to be made as specified in the Put Notice. In the event that the Put Notice is received **[in the case the last day of the notice period is not to be specified individually, the following applies: by the specified office of the Paying Agent after 5:00 p.m. (Vienna time) on the [insert minimum notice period to Issuer] day] [in the case the last day of the notice period is to be specified individually, the following applies: by the Issuer, 12:00 a.m. (Vienna time) on the last day of the notice period]** before the Put Redemption Date, the option shall not have been validly exercised. The Put Notice must specify (i) the total principal amount of the Notes in respect of which such option is exercised, and (ii) the securities identification numbers of such Notes, if any. The Put Notice may be in the form available from the specified office of the Paying Agent in the English language and includes further information. No option so exercised may be revoked or withdrawn. The redemption of the Notes for which the put right was exercised is only made against delivery of the Notes to the Issuer or its order.]

[If Notes are not subject to Early Redemption at the Option of a Holder the following applies: ([4]) No Early Redemption at the Option of a Holder. The Holder has no right to early redeem the Notes.]

([5]) Early Redemption for Regulatory Reasons. The Notes may be redeemed at the option and in the sole discretion of the Issuer in whole, but not in part, at any time by not more than 60 days' nor less than 30 days' prior Notice of Redemption to the Holders (which notice shall be irrevocable), at their Early Redemption Amount (each as defined in § 5 **([7])**), together with interest accrued to (but excluding) the date fixed for redemption, if there is a change in the regulatory classification of the Notes which was not foreseeable at the time of issuance of the Notes that would be likely to result in their exclusion in full or in part from liabilities eligible for the minimum requirement for own funds and eligible liabilities (MREL) pursuant to the BaSAG on an unlimited and uncapped basis, and provided that the conditions laid down in § 5 **([6])** are met.

([6]) Conditions for Early Redemption and Repurchase. Any early redemption pursuant to this § 5 and any repurchase pursuant to § 9 (2) are subject to the Issuer having obtained the prior permission of the Resolution Authority for the early redemption and the repurchase, in accordance with Articles 77 and 78a CRR.

Notwithstanding the above conditions, if, at the time of any early redemption or repurchase, the prevailing supervisory regulations applicable to the Issuer permit the early redemption or repurchase only after compliance with one or more alternative or additional pre-conditions to those set out above, the Issuer shall comply with such other and/or, as appropriate, additional pre-conditions, if any.

For the avoidance of doubt, any refusal of the Resolution Authority to grant the permission shall not constitute a default for any purpose.

For the avoidance of doubt: The Issuer neither explicitly nor implicitly states or indicates that the Notes will be called, redeemed, repaid or repurchased at any time prior to the Maturity Date and subject to the BaSAG.

([7]) Definitions.

"Early Redemption Amount" means with respect to a Note [its Final Redemption Amount] [the amount determined by the Issuer as reasonable market price by using equitable discretion] **[insert other early redemption amount]**.

"Notice of Redemption" means any notice of the Issuer to the Holders in accordance with § 10 for the purposes of redeeming (in parts or in full) the Notes and specifying:

- (i) the series of Notes subject to redemption;

- (ii) whether such series is to be redeemed in whole or in part only and, if in part only, the aggregate principal amount of the Notes which are to be redeemed;
- (iii) the Call Redemption Amount at which such Notes are to be redeemed;
- (iv) the Call Redemption Date; and
- (v) the details in summary form of the facts constituting the basis for the right of the Issuer to redeem.

§ 6

THE PAYING AGENT [AND THE CALCULATION AGENT]

(1) *Appointment; Specified Offices.* The initial Paying Agent [as well as the initial Calculation Agent] and [its] [their respective] initial specified office[s] [is] [are]:

"Paying Agent":

Kommunalkredit Austria AG
Tuerkenstrasse 9
A-1090 Vienna
Austria

[In case of floating rate Notes, the following applies: "Calculation Agent":

[Kommunalkredit Austria AG
Tuerkenstrasse 9
A-1090 Vienna
Austria]

[insert name and specified office]

The Paying Agent [as well as the Calculation Agent] reserve[s] the right at any time to change [its] [their respective] specified office[s] to some other specified office in the same country.

(2) *Variation or Termination of Appointment.* The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent [or any Calculation Agent] and to appoint additional or other Paying Agents [or another Calculation Agent]. The Issuer shall at all times maintain [(i)] a Paying Agent [**In case of floating rate Notes, the following applies**; and [(ii)] a Calculation Agent]. Any variation, termination, appointment or change shall only take effect (other than in the case of insolvency, when it shall be of immediate effect) after not less than 30 nor more than 45 days' prior notice thereof shall have been given to the Holders in accordance with § 10.

(3) *Agents of the Issuer.* The Paying Agent [as well as the Calculation Agent] act[s] solely as agents of the Issuer and do[es] not have any obligations towards or relationship of agency or trust to any Holder.

(4) *Determinations Binding.* All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of these Terms and Conditions by the Issuer and/or the Paying Agent shall (in the absence of manifest error) be binding on the Issuer the Paying Agent and the Holders.

§ 7

TAXATION

[If gross-up for withholding taxes shall be applicable the following applies: Additional Amounts. All amounts of interest payable to the Holder (or a third party on behalf of the Holder) in respect of the Notes shall be made without deduction or withholding for or on account of any present or future taxes, duties or governmental charges of any nature whatsoever (the "**Taxes**") imposed or levied by way of deduction or withholding by or on behalf of the Republic of Austria or any political subdivision or any authority thereof having power to tax, unless such deduction or withholding is required by law. In such event, the Issuer shall, to the extent permitted by law, pay such additional amounts of principal and interest (the "**Additional Amounts**") as shall be necessary in order that the net amounts of interest received by the Holder (or a third party on behalf of the Holder), after such deduction or withholding, shall equal the respective amounts of interest which would otherwise have been receivable in the absence of such deduction or withholding; except that no such Additional Amounts shall be payable on account of Taxes which

- (a) are deducted or withheld by reason of the Holder (or a third party on behalf of the Holder) presenting the Notes for payment of interest in the Republic of Austria or if payments of interest are effected in the Republic of Austria; or

- (b) are deducted or withheld by reason of the Holder (or a third party on behalf of the Holder) (i) for tax purposes having, or having had at the time of acquisition of the Notes, another nexus to the Republic of Austria than merely being, or having been, the bearer of the Notes, or (ii) receiving an amount payable in respect of the Notes by, or involving an Austrian paying agent (*auszahlende Stelle*) or an Austrian custodian agent (*depotführende Stelle*; both terms as defined in § 95(2) of the Austrian Income Tax Act 1988 (*Einkommensteuergesetz 1988*) as amended or a subsequent legal provision, if any); Austrian withholding tax on investment income (*Kapitalertragsteuer*) shall thus not qualify as a tax for which the Issuer would be obliged to pay Additional Amounts; or
- (c) are deducted or withheld pursuant to (i) any European Union directive or regulation concerning the taxation of interest income, or (ii) any international treaty or understanding relating to such taxation to which the Republic of Austria and/or the European Union is a party/are parties, or (iii) any provision of law implementing, or introduced in connection with, such directive, regulation, treaty or understanding; or
- (d) are refundable or for which a relief at source is available pursuant to the laws of the Republic of Austria, a European Union directive or regulation or an international treaty or understanding to which the Republic of Austria and/or the European Union is a party/are parties; or
- (e) would not have had to be deducted or withheld if the Holder (or a third party on behalf of the Holder) had duly submitted documentation or evidence to qualify for a tax exemption; or
- (f) are payable in a different way than by being deducted or withheld from payments of interest on the Notes; or
- (g) are deducted or withheld after payment by the Issuer during the transfer to the Holder; or
- (h) would not have been deducted or withheld if the Holder had duly submitted a claim for the respective payment of interest within 30 days after the due date; or
- (i) are deducted or withheld although such deduction or withholding could have been avoided by effecting a payment via another paying agent in an EU member state, which would not have been obliged to such deduction or withholding; or
- (j) are deducted or withheld to the extent required pursuant to Sections 1471 through 1474 of the Internal Revenue Code, any current or future regulations or official interpretations thereof, any agreement entered into pursuant to Section 1471(b) of the Internal Revenue Code, or any fiscal or regulatory legislation, rules or practices adopted pursuant to any of the foregoing or under any intergovernmental agreement entered into in connection with the implementation of such Sections of the Internal Revenue Code; or
- (k) are deducted or withheld by reason of a change in law that becomes effective more than 30 days after the relevant payment of interest becomes due, or is duly provided for and notice thereof is published in accordance with § 10, whichever occurs later; or
- (l) are deducted or withheld pursuant to a combination of the circumstances listed in (a) to (k).

[If gross-up for withholding taxes shall not be applicable the following applies: No Additional Amounts. All amounts payable in respect of the Notes shall be made taking into consideration withholding and deduction of any taxes, duties or official charges of any nature whatsoever, if such withholding or deduction is obligatory. In such event, no additional amounts in respect of such deduction or withholding will be paid.]

§ 8 PRESCRIPTION

Claims against the Issuer for payment with respect to the Notes lapse unless they have been filed with court within ten years (in case of principal) and within three years (in case of interest) after the due date.

§ 9 FURTHER ISSUES, REPURCHASES AND CANCELLATION

(1) *Further Issues.* The Issuer may from time to time, without the consent of the Holders, issue further Notes having the same terms and conditions as the Notes in all respects (or in all respects except for the issue date, interest commencement date and/or issue price) so as to form a single series with the Notes.

The term "Notes" shall, in the event of such increase, also comprise such additionally issued Notes.

(2) *Repurchases.* Provided that the conditions laid down in § 5([6]) are met, the Issuer may at any time repurchase Notes in the open market or otherwise at any price. Notes repurchased by the Issuer may, at the

option of the Issuer, be held, resold or cancelled. If repurchases are made by tender, tenders for such Notes must be made available to all Holders of such Notes alike.

(3) *Cancellation*. All Notes redeemed in full shall be cancelled forthwith and may not be reissued or resold.

§ 10 NOTICES

[In the case of Notes which are listed on the Vienna Stock Exchange the following applies:
(1) *Publication*. If the rules of the Vienna Stock Exchange otherwise so permit all notices concerning the Notes shall be published on the website of the Issuer ("www.kommunalkredit.at"). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.]

[In case of Notes which are unlisted the following applies: (1) *Notification on the internet*. The Issuer shall publish all notices concerning the Notes on its own website ("www.kommunalkredit.at"). Any notice so given will be deemed to have been validly given on the third day following the date of such publication.]

[In the case of Notes which are listed on the Vienna Stock Exchange the following applies:
(2) *Notification to Clearing System*. If the rules of the Vienna Stock Exchange otherwise so permit, the Issuer may replace a publication as set forth in subparagraph (1) by a notice to the Clearing System for communication to the Holder; any such notice shall be deemed to have been validly given to the Holders on the seventh day after the day on which the notice was given to the Clearing System.]

([3]) *Form of Notice*. Notices to be given by any Holder shall be made by means of a declaration in written form to be sent together with a certificate of the Custodian (as defined in § 12(3)) in accordance with § 12 (3) or any other appropriate evidence of the Holder's ownership to the Issuer or the Paying Agent (for transmission to the Issuer). Such notice may be given through the Clearing System in such manner as the Clearing System may approve for such purpose.

§ 11 AMENDMENTS TO THE TERMS AND CONDITIONS

(1) *Amendment to the Terms and Conditions*. Subject to compliance with the applicable supervisory regulations for the Notes to qualify as Eligible Liabilities Instruments (including, for the avoidance of doubt, where relevant, the conditions for early redemption and repurchase set out in § 5 ([6])), the Holders may agree with the Issuer on amendments to these Terms and Conditions with regard to certain matters by resolution with the majority specified below. Majority resolutions shall be binding on all Holders. A majority resolution which does not provide for identical conditions for all Holders is void, unless Holders who are disadvantaged have expressly consented to their being treated disadvantageously.

Any amendments will not be made if and to the extent that, in the determination of the Issuer, the same could reasonably be expected to result in a change in the regulatory classification of the Notes that would be likely to result in their exclusion from own funds or reclassification as a lower quality form of own funds or prejudice the qualification of the Notes as Eligible Liabilities Instruments.

(2) *Majority Requirements*. Resolutions relating amendments to these Terms and Conditions, shall be passed by a majority of not less than 75 per cent ("**Qualified Majority**") of the votes cast. Resolutions relating to amendments to the Terms and Conditions which are not material require a simple majority of the votes cast.

(3) *Voting Rights*. Each Holder participating in any vote may cast votes in accordance with the principal amount of the outstanding Notes held by such Holder.

(4) *Chair of the Vote*. The vote will be chaired by a notary appointed by the Issuer or, if the Joint Representative has convened the vote, by the Joint Representative (the "**Chairperson**").

(5) *Resolution of Holders*. Resolutions of Holders shall be passed at the election of the Issuer by vote taken without a meeting or in a Holders' meeting.

(6) *Holder's Meeting*. A Holders' meeting may be convened by the Issuer or the Joint Representative. Holders who together hold at least 5 per cent of the outstanding Notes may request the convening of a Holder's meeting by written notice to the Issuer or Joint Representative, provided they request such convocation for the purpose of appointing or removing a Joint Representative, passing a resolution in order to render a termination invalid or for any other particular interest in such convocation. The convening notice shall be published in accordance with § 10 and shall state the place, date and the time of the Holders' meeting, the agenda and the conditions on which attendance at the Holders' meeting and the exercise of voting rights shall depend. The convening notice shall be published no later than 10 Business Days before the envisaged date of the Holders' meeting. As evidence for the entitlement to participate in the Holders' meeting a special confirmation issued by the

Clearing System or the Custodian in text form shall be presented. The Holders' meeting shall have a quorum if the persons present represent at least 50 per cent of the outstanding Notes.

(7) *Vote Without a Meeting.* In the case of voting without meeting, the provisions applicable to the convocation and procedure of Holders' meeting shall apply *mutatis mutandis*. The vote shall be conducted by the scrutineer. The scrutineer shall be a notary appointed by the Issuer, or the Joint Representative of the Holders if it has requested such vote. The request for voting shall set out the period within which votes may be cast. Such period shall be at least 72 hours. During the voting period, the Holders may cast their votes to the scrutineer in text form. The request shall set out in detail the conditions to be met in order for the votes to be valid. The scrutineer shall ascertain the entitlement to cast a vote by means of the evidence provided and shall prepare a list of Holders entitled to vote. Each Holder participating in the vote may object to the result in writing within two weeks of publication of the resolutions. The scrutineer shall decide on any such objection. If it takes remedial action as a result of the objection, it shall publish the result without undue delay.

(8) *Voting, Minutes.* The provisions of the Austrian Stock Corporation Act (*Aktiengesetz*) regarding the voting of shareholders in the general meeting shall apply *mutatis mutandis* to the casting and counting of votes. In order to be valid, any resolution passed by the Holders' meeting shall be recorded in minutes of the meeting. The minutes shall be recorded by a notary. The Issuer shall publish the resolutions passed by the Holders in accordance with § 10.

(9) *Implementation of Resolutions.* Resolutions passed by the Holders' meeting which amend or supplement the contents of these Terms and Conditions shall be implemented by the Issuer in such a way that the relevant Global Note is supplemented or amended

(10) *Joint Representative.*

[If no Joint Representative is designated in the Terms and Conditions insert: The Holders may by majority resolution appoint a joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder.]

[If the Joint Representative is appointed in the Terms and Conditions insert: The joint representative (the "**Joint Representative**") to exercise the Holders' rights on behalf of each Holder shall be **[insert name and address of the Joint Representative]**. The liability of the Joint Representative shall be limited to ten times the amount of its annual remuneration, unless the Joint Representative has acted wilfully or with gross negligence.]

The Joint Representative shall have the duties and powers provided by law or granted by majority resolution of the Holders. The Joint Representative shall comply with the instructions of the Holders. To the extent that the Joint Representative has been authorised to assert certain rights of the Holders, the Holders shall not be entitled to assert such rights themselves, unless explicitly provided for in the relevant majority resolution. The Joint Representative shall provide reports to the Holders on its activities. The Joint Representative shall be liable to the Holders as joint and several creditors for the due performance of its duties. In the performance of its duties, it shall act with the care of a prudent representative. The Joint Representative's liability may be limited by resolution of the Holders. An assertion of compensation claims against the Joint Representative shall be decided by the Holders. The Joint Representative may be removed by the Holders at any time without reason. The Joint Representative may require the Issuer to provide any information that is necessary for the performance of its duties.

§ 12

APPLICABLE LAW, PLACE OF JURISDICTION AND ENFORCEMENT

(1) *Applicable Law.* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by, and shall be construed in accordance with, Austrian law, excluding its conflict of law rules as far as such rules would lead to the application of foreign law.

(2) *Submission to Jurisdiction.* The competent court in Vienna shall have exclusive jurisdiction for any action or other legal proceedings arising out of or in connection with the Notes.

(3) *Enforcement.* Any Holder of Notes may in any proceedings against the Issuer, or to which such Holder and the Issuer are parties, protect and enforce in his own name his rights arising under such Notes on the basis of (i) a statement issued by the Custodian with whom such Holder maintains a securities account in respect of the Notes (a) stating the full name and address of the Holder, (b) specifying the aggregate principal amount of Notes credited to such securities account on the date of such statement and (c) if applicable, confirming that the Custodian has given written notice to the Clearing System containing the information pursuant to (a) and (b) and (ii) an excerpt from the electronic data record in relation to the Global Note representing the relevant Notes certified by a duly authorised officer of the central securities depository, the Clearing System or a depository of the

Clearing System. For purposes of the foregoing, "**Custodian**" means any bank or other financial institution of recognised standing authorised to engage in securities custody business with which the Holder maintains a securities account in respect of the Notes and, if applicable, includes the Clearing System. Each Holder may, without prejudice to the foregoing, protect and enforce his rights under these Notes also in any other way which is admitted in the country of the proceedings.

FORM OF FINAL TERMS

[insert date]

Final Terms

[insert title of relevant series of Notes]

Series: [●], Tranche [●]

issued pursuant to the
EUR 2,000,000,000 Debt Issuance Programme

dated 27 February 2024

of

Kommunalkredit Austria AG

Issue Price: [●] per cent.

Issue Date: [●]³

Important Notice

[These Final Terms have been prepared for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended [(the "**Prospectus Regulation**")]] and must be read in conjunction with the base prospectus dated 27 February 2024 (the "**Prospectus**") [and the supplement[s] dated [●]] pertaining to the EUR 2,000,000,000 Debt Issuance Programme of Kommunalkredit Austria AG (the "**Issuer**"). The Prospectus and any supplements thereto are available for viewing in electronic form on the Issuer's website ("www.kommunalkredit.at"). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms.]⁴

[These Final Terms have been prepared for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended and must be read in conjunction with the base prospectus dated 27 February 2024 (the "**Prospectus**") [and the supplement[s] dated [●]] pertaining to the EUR 2,000,000,000 Debt Issuance Programme of Kommunalkredit Austria AG (the "**Issuer**"), the final terms (the "**Original Final Terms**") and the terms and conditions (the "**Original Terms and Conditions**") set forth in the base prospectus dated 9 April 2021 and its supplement(s) (if any). The Terms and Conditions set out in PART I. below have been extracted in whole from the Original Final Terms. The Original Terms and Conditions will replace the Terms and Conditions of the Notes set out in the Prospectus in whole. Capitalised terms used in the Terms and Conditions set out in PART I. below but not otherwise defined herein shall have the meanings specified in the Original Terms and Conditions when used in the Terms and Conditions set out in PART I. below. The Prospectus and any supplements thereto are available for viewing in electronic form on the Issuer's website ("www.kommunalkredit.at"). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms.]⁵

[These Final Terms have been prepared for the purpose of Article 8 of the Regulation (EU) 2017/1129, as amended and must be read in conjunction with the base prospectus dated 27 February 2024 (the "**Prospectus**") [and the supplement[s] dated [●]] pertaining to the EUR 2,000,000,000 Debt Issuance Programme of Kommunalkredit Austria AG (the "**Issuer**"), the final terms (the "**Original Final Terms**") and the terms and conditions (the "**Original Terms and Conditions**") set forth in the base prospectus dated 24 February 2023 and its supplement(s) (if any). The Terms and Conditions set out in PART I. below have been extracted in whole from the Original Final Terms. The Original Terms and Conditions will replace the Terms and Conditions of the Notes set out in the Prospectus in whole. Capitalised terms used in the Terms and Conditions set out in PART I. below but not otherwise defined herein shall have the meanings specified in

³ The Issue Date is the date of payment and settlement of the Notes. In the case of free delivery, the Issue Date is the delivery date.

⁴ Use only if the relevant issue is not an increase of an issue which was issued under the base prospectus dated 9 April 2021 or under the base prospectus dated 24 February 2023, used prior to the current Prospectus.

⁵ Use only if the relevant issue increases an issue which was issued under the base prospectus dated 9 April 2021, used prior to the current Prospectus.

the Original Terms and Conditions when used in the Terms and Conditions set out in PART I. below. The Prospectus and any supplements thereto are available for viewing in electronic form on the Issuer's website ("www.kommunalkredit.at"). Full information on the Issuer and the Notes is only available on the basis of the combination of the Prospectus, any supplements thereto and these Final Terms.]⁶

MiFID II Product Governance / Eligible Counterparties and Professional Investors Only Target Market

– Solely for the purposes of [the] [each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, "**MiFID II**") [**specify further target market criteria**]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [**specify negative target market, if applicable**]. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the manufacturer['s']['s'] target market assessment; however, a Distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s']['s'] target market assessment) and determining appropriate distribution channels.

UK MIFIR Product Governance / Eligible Counterparties and Professional Investors Only Target Market

– Solely for the purposes of [the] [each] manufacturer's product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in the FCA Handbook Conduct of Business Sourcebook (COBS), and professional clients, as defined in Regulation (EU) No 600/2014 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (UK MiFIR) [**specify further target market criteria**]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [**specify negative target market, if applicable**]. Any person subsequently offering, selling or recommending the Notes (a "**Distributor**") should take into consideration the manufacturer['s']['s'] target market assessment; however, a Distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (UK MiFIR Product Governance Rules) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer['s']['s'] target market assessment) and determining appropriate distribution channels.]

PROHIBITION OF SALES TO EEA RETAIL INVESTORS – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("**EEA**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "**Insurance Distribution Directive**"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the "**PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

PROHIBITION OF SALES TO RETAIL INVESTORS IN THE UNITED KINGDOM – The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("**UK**"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("**EUWA**"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("**FSMA**") and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2 (1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently, no key information document required by the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA (the "**UK PRIIPs Regulation**") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

⁶ Use only if the relevant issue increases an issue which was issued under the base prospectus dated 24 February 2023, used prior to the current Prospectus.

PART I. – TERMS AND CONDITIONS

This Part I. of the Final Terms is to be read in conjunction with the set of Terms and Conditions that apply to [covered bonds] [senior preferred notes] [senior non-preferred notes] (the "**Terms and Conditions**") set forth in the Prospectus as [Option I] [Option II] [Option III]. Capitalised Terms shall have the meanings specified in the set of Terms and Conditions.

All references in this part of the Final Terms to numbered paragraphs and subparagraphs are to paragraphs and subparagraphs of the Terms and Conditions.

The blanks in the provisions of the Terms and Conditions, which are applicable to the Notes shall be deemed to be completed by the information contained in the Final Terms as if such information were inserted in the blanks of such provisions. All provisions in the Terms and Conditions corresponding to items in these Final Terms which are either not selected or completed or which are deleted shall be deemed to be deleted from the terms and conditions applicable to the Notes (the "**Conditions**").

CURRENCY, PRINCIPAL AMOUNT, FORM, CERTAIN DEFINITIONS (§ 1)

Issue Date []

Specified Currency []

Aggregate Principal Amount []

Aggregate Principal Amount in words []

Principal Amount []⁷

Global Note

non-digital Global Note

digital Global Note

STATUS (§ 2)

Covered Bonds

[Cover assets

[if requested, provide description of primary assets]]

Senior Preferred Notes

Senior Non-Preferred Notes

INTEREST (§ 3)

Notes with fixed interest rate(s)

Constant Rate of Interest

[annually] [semi-annually] [quarterly] [monthly] *[insert other time period]*

Rate of Interest

[] per cent *per annum*

Interest Commencement Date

[]

Increasing or Decreasing Rate of Interest

[annually] [semi-annually] [quarterly] [monthly] *[insert other time period]*

Interest Commencement Date

[]

Interest Periods

[insert date] (including) - *[insert date]* (excluding)

Rate of Interest

[insert Rate of Interest] per cent *per annum*

[insert date] (including) - *[insert date]* (excluding)

[insert Rate of Interest] per cent *per annum*

Interest Payment Dates and Interest Period

⁷ Insert principal amount of at least EUR 100,000 or the equivalent in other currencies.

Interest Payment Date(s)	[] [annually] [semi-annually] [quarterly] [monthly] [insert other time period]
[[Short]][Long] Coupon	The [first][last] Interest Period is [short][long], it starts on [insert the date of beginning of interest period] and ends on [insert the date of end of interest period].
First Interest Payment Date	[] [[long] [short] first coupon]]
<input type="checkbox"/> Notes with floating rate	
[Interest Commencement Date	[]
Rate of Interest	
Reference rate	[insert number] -month EURIBOR
[Factor	[]]
[Margin	[plus] [minus] [●] per cent. <i>per annum</i>]
Interest Determination Date	[first] [second] [T2] [insert relevant financial centre(s)] Business Day prior to the [commencement] [end] of the relevant Interest Period " [T2] [[insert relevant financial center(s)] Business Day " means a day (other than a Saturday or Sunday) on which [the real-time gross settlement system operated by the Eurosystem or any successor system (" T2 ") is open] [commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [insert relevant financial centre(s)]] [to effect payments].
Screen Page	[EURIBOR01] [insert screen page]
Benchmark Event	[the] [Issuer] [●]
[Minimum Rate of Interest	[] per cent. <i>per annum</i>]
[Maximum Rate of Interest	[] per cent. <i>per annum</i>]
Interest Payment Dates and Interest Period	
[Specified Interest Payment Dates	each []]
[Specified Interest Periods	each date which (except as otherwise provided in these Terms and Conditions) falls [insert number] [weeks] [months] [insert other specified periods] after the preceding Interest Payment Date or in case of the first Interest Payment Date, after the Interest Commencement Date
[[Short]][Long] Coupon	The [first][last] Interest Period is [short][long], it starts on [insert the date of beginning of interest period] and ends on [insert the date of end of interest period].
First Interest Payment Date	[] [[long] [short] first coupon]]
Default Interest	the [last] Rate of Interest provided in § 3 ([1])
Day Count Fraction	
<input type="checkbox"/> Actual/Actual (ICMA)	
<input type="checkbox"/> Actual/Actual (ISDA)	
<input type="checkbox"/> Actual/365 (Fixed)	

- Actual/360
- 30/360, 360/360 or Bond Basis
- 30E/360 or Eurobond Basis

PAYMENTS (§ 4)

Business Day Convention

- Modified Following Business Day Convention
- FRN Convention **[[insert number] months] [insert other specified periods]**
- Following Business Day Convention
- Preceding Business Day Convention

Business Day

- Relevant financial centre(s) **[]**
- T2 [as well as Clearing System]

Adjustment of Interest Period

- adjusted **[is brought forward] [or] [is postponed]**
- unadjusted **[is brought forward] [or] [is postponed]**

REDEMPTION (§ 5)

Redemption at Maturity

Maturity Date **[]**

[Maturity extension

latest possible Extended Maturity Date	[insert date]]⁸
Rate of Interest	
Reference rate	[insert number]-month EURIBOR
[Factor	[]
[Margin	[plus] [minus] [●] per cent. <i>per annum</i>
Interest Determination Date	[first] [second] [T2] [insert relevant financial centre(s)] Business Day prior to the [commencement] [end] of the relevant Interest Period
	"[T2] [[insert relevant financial center(s)]] Business Day" means a day (other than a Saturday or Sunday) on which [the real-time gross settlement system operated by the Eurosystem or any successor system ("T2") is open] [commercial banks are open for business (including dealings in foreign exchange and foreign currency) in [insert relevant financial centre(s)]] [to effect payments].
Screen Page	[EURIBOR01] [insert screen page]
Benchmark Event	[the] [Issuer] [●]

⁸ Insert in case of Covered Bonds which provide for conditions for a maturity extension.

[Minimum Rate of Interest	[] per cent. <i>per annum</i>]
[Maximum Rate of Interest	[] per cent. <i>per annum</i>]
Interest Payment Dates and Interest Period	
[Specified Interest Payment Dates	each []]
[Specified Interest Periods	each date which (except as otherwise provided in these Terms and Conditions) falls [insert number] [weeks] [months] [insert other specified periods] after the preceding Interest Payment Date or in case of the first Interest Payment Date, after the Maturity Date]
Interest Period	from (and including) the Maturity Date to (but excluding) the [Extended Maturity Date] [first Interest Payment Date and from (and including) each Interest Payment Date to [(but excluding) the following Interest Payment Date respectively] [(but excluding) the Extended Maturity Date]]
[[Short]][Long] Coupon	The [first][last] Interest Period is [short][long], it starts on [insert the date of beginning of interest period] and ends on [insert the date of end of interest period].
First Interest Payment Date	[] [[long] [short] first coupon]]
Business Day Convention	[Interest Payment Dates are subject to adjustment in accordance with the provisions set out in § 4 (4).]
<input type="checkbox"/> Modified Following Business Day Convention	
<input type="checkbox"/> FRN Convention	[[insert number] months] [insert other specified periods]
<input type="checkbox"/> Following Business Day Convention	
<input type="checkbox"/> Preceding Business Day Convention]	
[Adjustment of Interest Period	
<input type="checkbox"/> adjusted	[is brought forward] [or] [is postponed]
<input type="checkbox"/> unadjusted	[is brought forward] [or] [is postponed]]
Day Count Fraction	
<input type="checkbox"/> Actual/Actual (ICMA)	
<input type="checkbox"/> Actual/Actual (ISDA)	
<input type="checkbox"/> Actual/365 (Fixed)	
<input type="checkbox"/> Actual/360	
<input type="checkbox"/> 30/360, 360/360 or Bond Basis	
<input type="checkbox"/> 30E/360 or Eurobond Basis]	
Early Redemption for Reasons of Taxation	[Yes][No]
Early Redemption at the Option of the Issuer	[Yes][No]
[Minimum Redemption Amount	[at least [insert minimum redemption amount]]]
[Higher Redemption Amount	[insert higher redemption amount]]]
[Call Redemption Date(s)	[]
Call Redemption Amount(s)	[]

Minimum Notice Period []

Maximum Notice Period []

Early Redemption at the Option of a Holder [Yes][No][Not applicable⁹]

[Put Redemption Date(s) []

Put Redemption Amount(s) []

[Last Day of Notice Period []

Minimum Notice Period []

Maximum Notice Period []

Early Redemption for Regulatory Reasons [Yes][No][Not applicable¹⁰]

[Early Redemption Amount

Final Redemption Amount

Reasonable market price

Other []

**[THE PAYING AGENT AND THE
CALCULATION AGENT (§ 6)**

Calculation Agent

Kommunalkredit Austria AG

Other

[insert name and specified office]

TAXATION (§ 7)

Gross-up obligation of the Issuer [Yes][No]

NOTICES (§ 10)

Listing on the Vienna Stock Exchange

Unlisted Notes

**[AMENDMENTS TO THE TERMS AND
CONDITIONS (§ 11)**

Joint Representative

Joint Representative not yet appointed

The Holders may by majority resolution appoint a Joint Representative in accordance with § 11 of the Terms and Conditions.]

Joint Representative appointed

The Joint Representative in accordance with § 11 of the Terms and Conditions shall be **[insert name and address of the Joint Representative].]**

⁹ Insert only in case of Covered Bonds.

¹⁰ Insert only in case of Covered Bonds.

PART II. – ADDITIONAL INFORMATION

ESSENTIAL INFORMATION

Interests of Natural and Legal Persons Involved in the Issue or the Offering

- As far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer, except that certain [Managers][*insert other term*] and their affiliates may be customers of, and borrowers from the Issuer and its affiliates. In addition, certain [Managers][*insert other term*] and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and its affiliates in the ordinary course of business.
- Other Interests, including conflicts of interest **[specify details]**

[Use of proceeds¹¹

[]

Estimated net amount of the proceeds

[]

INFORMATION CONCERNING THE NOTES TO BE OFFERED OR ADMITTED TO TRADING

Security Codes

- ISIN []
- Common Code []
- German Security Code (WKN) []
- Any Other Security Code []

Issue Yield¹²

[Not applicable] [[] per cent. *per annum* in case there is no early redemption [*in case of Covered Bonds which provide for conditions for a maturity extension, insert: or maturity extension*].]

Representation of debt security holders including an identification of the organisation representing the investors and provisions applying to such representation. Indication of where the public may have access to the contracts relating to these forms of representation

Not applicable¹³

Resolutions, authorisations and approvals by virtue of which the Notes will be created and/or issued

[specify details]

[Offeror of the Notes and/or the person asking for admission to trading¹⁴

[Insert the identity and contact details of the offeror of the Notes and/or the person asking for admission to trading, including the legal entity identifier (LEI) where the offeror has legal personality]

¹¹ See the section entitled "GENERAL INFORMATION - Use of proceeds" in the Prospectus. If the use of the net proceeds is different from the information set out therein, insert the relevant information. If further details regarding the use of the net proceeds by the Issuer need to be disclosed, insert those details. In particular, if Notes are issued as green bonds, social bonds and/or sustainability bonds, specify the relevant ESG framework and the relevant criteria (including, but not limited to, the definition of eligible projects, eligibility criteria (or equivalent terms) and whether an (external) opinion or certification has been obtained).

¹² Applicable only in the case of Notes with a constant interest rate.

¹³ The Issuer does not provide for any organised representation of the Holders. Therefore, the Issuer does not publish any contracts relating to such forms of representation.

¹⁴ Insert only if the offeror of the Notes and/or the person asking for admission to trading is different from the Issuer.

PLACING AND UNDERWRITING

Method of Distribution

- Non-Syndicated
- Syndicated

Details with regard to the Manager[s] (including the type of commitment)

- Manager[s] *[specify name(s) and address(es) of Manager(s)]*
 - Firm Commitment
 - Without Firm Commitment
- Stabilising Manager *[specify details] [Not applicable]*

LISTING, ADMISSION TO TRADING AND DEALING ARRANGEMENTS

Listing

[Yes] [No]

- Vienna - Official Market
- Vienna - Vienna MTF

[Expected] Date of Admission

[]

Estimate of the total expenses related to the admission to trading

[]

ADDITIONAL INFORMATION

Credit Rating[s]

[As at the date of these Final Terms the Notes [have not been rated. The Issuer reserves the right to apply for a credit rating in the future.] [have been rated as follows:]] [It is expected that the Notes will be rated as follows:]¹⁵

[Insert details on whether the relevant credit rating agency is established in the European Union and is registered (pursuant to the current list of registered and certified credit rating agencies published on the website of the European Securities and Markets Authority ("www.esma.europa.eu")) pursuant to Regulation (EC) No 1060/2009, as amended or has applied for registration.]

[Insert a brief explanation of the meaning of the credit ratings if this has previously been published by the credit rating provider.]

Selling Restrictions

[TEFRA C

Applicable]

Additional Selling Restrictions

[Not applicable] ***[specify detail]***

[Eurosystem Eligibility of the Notes Intended

The Global Note is intended to be held in a manner which will allow Eurosystem eligibility.

[Yes; note that the designation "Yes" simply means that the Notes are intended upon issue to be deposited with OeKB CSD GmbH and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy

¹⁵ If the Notes have been rated independently of the Programme insert such credit ratings.

and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

[No; while the designation is specified as "No" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with OeKB CSD GmbH. Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]]

[Third Party Information

[*specify relevant information*] has been extracted from [*specify relevant source of information*]. The Issuer confirms that such information has been accurately reproduced and that, as far as it is aware and is able to ascertain from information published by [*specify relevant source of information*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

[Statement on benchmarks according to Article 29(2) of the Benchmark Regulation: [The amount(s) payable under the Notes is/are calculated by reference to [*specify benchmark(s): ●*], which is/are provided by [*insert administrator(s) legal name: ●*]. As at the date of these Final Terms, [*insert administrator(s) legal name: ●*] is/are [not] included in the register of administrators and benchmarks established and maintained by the European Securities and Markets Authority ("ESMA") pursuant to Article 36 of the Regulation (EU) 2016/1011. [As at the date of these Final Terms, [*insert administrator(s) legal name: ●*] is/are not included in the register of administrators and benchmarks established and maintained by ESMA pursuant to Article 36 of the Regulation (EU) 2016/1011.]]

[As far as the Issuer is aware, [[*insert benchmark(s): ●*] does/do not fall within the scope of the Regulation (EU) 2016/1011 by virtue of Article 2 of that regulation] [and/or] [the transitional provisions in Article 51 of the Regulation (EU) 2016/1011 apply], such that [*insert names(s) of administrator(s): ●*] is/are not currently required to obtain authorisation or registration (or, if located outside the European Union, recognition, endorsement or equivalence).] [*insert alternative statement on benchmarks according to Article 29(2) of the Benchmark Regulation, if applicable: ●*]]

Signed on behalf of the Issuer

By:

Duly authorised

By:

Duly authorised

KOMMUNALKREDIT AUSTRIA AG

Independent Auditors

The independent auditors of the Issuer in relation to the financial statements of Kommunalkredit Group for the fiscal years ending on 31 December 2022 and on 31 December 2023 prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union were KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Porzellangasse 51, 1090 Vienna, Austria ("**KPMG**"). The audits of these financial statements resulted in an unqualified opinion dated 14 February 2023 for the financial statements for the fiscal year ending on 31 December 2022 and in an unqualified opinion dated 14 February 2024 for the financial statements for the fiscal year ending on 31 December 2023.

KPMG is a member of the Austrian Chamber of Certified Public Accountants (*Kammer der Steuerberater:innen und Wirtschaftsprüfer:innen*).

General Information about the Issuer

Introduction

The Issuer is a joint-stock company (*Aktiengesellschaft*) incorporated in Austria under the Austrian Stock Companies Act (*Aktiengesetz*). Its legal name is Kommunalkredit Austria AG and its commercial name is "Kommunalkredit". It holds a banking license issued by the ECB/FMA pursuant to the Council Regulation (EU) No 1024/2013, as amended (*SSM Regulation*), the Regulation (EU) No 468/2014, as amended (*SSM Framework Regulation*) and the Austrian Banking Act (*Bankwesengesetz*), as amended. The Issuer was incorporated on 26 September 2015 for an indefinite period and operates under Austrian law.

The Issuer is registered in the companies register (*Firmenbuch*) at the commercial court Vienna (*Handelsgericht Wien*) under the registration number FN 439528 s. The legal entity identifier (LEI) of the Issuer is 549300IEVCBWVV97WC81. Its articles of association are dated 15 November 2023. Its seat is Vienna and the office address Tuerkenstrasse 9, 1090 Vienna, Austria. The telephone number is +43 1 31631-0 and the website "www.kommunalkredit.at". The information available on the Issuer's website does not form part of this Prospectus unless that information is incorporated by reference into this Prospectus (please see "*Documents Incorporated by Reference*" above).

History and Development of the Issuer

The Issuer was incorporated with legal effect of 26 September 2015, when the entire business organisation and all subsidiaries as well as total assets of approximately EUR 4.5 billion of former Kommunalkredit Austria AG were transferred to the newly established Kommunalkredit, i.e. the Issuer, in the course of a demerger for incorporation. The demerger was followed by the privatisation of the Issuer on 28 September 2015, when a consortium of buyers consisting of Interritus Limited ("**Interritus**") and Trinity Investments Designated Activity Company ("**Trinity**"), formerly Trinity Investments Limited, took over a stake of then 99.78 per cent. of the Issuer. Since its privatisation, the Issuer has established itself as a specialist bank for infrastructure and energy financing with a focus on the European market while public finance remains a key part of the Issuer's business with continued deep roots in the Austrian public sector.

Recent Events

There are no recent events particular to the Issuer which are to a material extent relevant to the evaluation of the Issuer's solvency.

Credit Ratings

Credit ratings assigned to the Issuer by certain independent credit rating agencies are an indicator of the Issuer's ability to meet its obligations in a timely manner. The lower the assigned credit rating is on the respective scale the higher the respective credit rating agency assesses the risk that obligations will not be met at all or not be met in a timely manner.

The risk related to the Issuer's ability to fulfil its obligations as Issuer of debt securities is described by reference to the credit ratings assigned to the Issuer. As of the date of this Prospectus, the following credit ratings have been assigned at the request and with the cooperation of the Issuer in the rating process:

CREDIT RATINGS		S&P Global Ratings ¹⁶	Fitch Ratings ¹⁷	DBRS Morningstar ¹⁸
Covered Bank Bonds		A+ (outlook stable)	-	-
Long-term Rating	Issuer	BBB- (outlook positive)	BBB- (outlook positive)	BBB (trend positive)
Short-term Rating	Issuer	A-3	F3	R-2 (high) (trend positive)

More detailed information on the credit ratings can be retrieved on the Issuer's website ("www.kommunalkredit.at/en/investor-relations/ratings"). General information regarding the meaning of the credit rating and the qualifications which have to be observed in connection therewith can be found on the websites of S&P Global Ratings ("www.spglobal.com/ratings"), Fitch Ratings ("www.fitchratings.com") and DBRS Morningstar ("www.dbrsmorningstar.com").

S&P Global Ratings, Fitch Ratings and DBRS Morningstar are registered under the CRA Regulation as registered credit rating agencies. The ESMA publishes on its website ("www.esma.europa.eu") a list of credit rating agencies registered in accordance with the CRA Regulation. That list shall be updated within five working days following the adoption of a decision under Articles 16, 17 or 20 of the CRA Regulation. The European Commission publishes that updated list in the Official Journal of the EU within 30 days following the updates.

Business Overview

Principal Activities of the Issuer

Infrastructure & Energy Financing

The Issuer is a European specialised bank for infrastructure and energy financing, with a focus on the sectors of energy & environment, transport, social infrastructure, communication & digitalisation and natural resources. It enables the implementation of infrastructure projects by matching the financing needs of project sponsors and developers with investors searching for sustainable investment opportunities. In providing financing solutions across all layers of the capital structure the Issuer avails itself of an extensive range of products, from financial advisory services to structuring, arranging and underwriting of senior and junior debt as well as asset management through the Fidelio KA Debt Fund Platform and equity financing for project development through Florestan KA GmbH. The Issuer's activities are predominantly in Europe, represented by 94.8 per cent. of its total loan portfolio as of 31 December 2023.

Public Finance

The Issuer is active in public sector financing, predominantly through financing Austrian provinces and municipalities for the purpose of supporting activities such as water management, educational and health infrastructure, social housing, broadband or public transport as well as providing financial advisory services. As part of the Issuer's historical background, it benefits from strong relationships with local authorities and will continue to finance Austrian provinces, municipalities, public sector entities and publicly owned companies.

Organisational Structure

Current Ownership Structure

Satere Beteiligungsverwaltungs GmbH ("**Satere**") owns 99.80 per cent. of the shares of the Issuer and the Austrian Association of Municipalities (Österreichischer Gemeindebund) owns 0.20 per cent. of the shares of the Issuer. Satere is a company with limited liability (*Gesellschaft mit beschränkter Haftung*) incorporated under the Austrian Act on Limited Liability Companies (*GmbH-Gesetz*). Satere was incorporated on 20 January 2015 for an indefinite period and operates under Austrian law. Satere is

¹⁶ S&P Global Ratings Europe Limited ("**S&P Global Ratings**") has its registered office at Fourth Floor, Waterways House, Grand Canal Quay, Dublin 2, Ireland.

¹⁷ Fitch Ratings – a branch of Fitch Ratings Ireland Limited ("**Fitch Ratings**") has its registered office at Neue Mainzer Strasse 46 – 50, D-60311 Frankfurt am Main, Germany.

¹⁸ DBRS Ratings GmbH ("**DBRS Morningstar**") has its registered office at Neue Mainzer Strasse 75, D-60311 Frankfurt am Main, Germany.

registered in the companies register (*Firmenbuch*) at the commercial court Vienna (*Handelsgericht Wien*) under the registration number FN 428981 f. Its seat is in Vienna and the office address Wipplingerstraße 24, 1010 Vienna, Austria. The legal entity identifier (LEI) of Satere is 529900MTWFN2HIFCZ902.

Interritus and Trinity hold their participations in the Issuer via Satere. Interritus holds 55 per cent. of the shares in Satere and Trinity holds 45 per cent. of the shares in Satere. Interritus is a private limited company incorporated in England, registered with the Companies House of the United Kingdom under the registration number 09132297, with its seat in London. The Irish based Trinity with its seat in Dublin is registered with the Companies Registration Office under the number 535698 and is managed by Attestor Limited. The LEI of Trinity is 213800XEE5FQCHX9AQ23.

The Austrian Association of Municipalities is a body representing the interests of the Austrian municipalities. Through its provincial organisations it represents 2,082 out of 2,093 Austrian municipalities.

Satere as direct controlling person is able to pass majority resolutions and control the Issuer. The Issuer does not consider it necessary to take measures to prevent the abuse of control.

The two indirect controlling shareholders of the Issuer, Interritus and Trinity, have sold their entire stake in Satere to Green Opera Finance BidCo AB ("**Green Opera**") based in Sweden on 7 February 2023. The sale is subject to regulatory approval by the ECB, which is still pending. The current owners of Satere will each indirectly hold a 9.9 per cent. interest in the acquiring company Green Opera. This transaction will result in a change in control over the Issuer.

Important Holdings

The Issuer is the parent company of Kommunalkredit Group, comprising the Issuer and its affiliates. As of the date of this Prospectus, the most important holdings are:

- (i) Kommunalkredit Public Consulting GmbH ("**KPC**"), Vienna/Austria
KPC (a 90 per cent. subsidiary) is a specialist service provider of (i) management services for public support programmes and (ii) consulting services for national and international organisations.
- (ii) Fidelio KA Debt Fund Platform
Fidelio KA Beteiligung GmbH, Frankfurt am Main/Germany (a 74.9 per cent. subsidiary) as well as Fidelio KA Investment Advisory GmbH, Frankfurt am Main/Germany and Fidelio KA Infrastructure Opportunities Fund GP S.à.r.l., Luxembourg (which are fully owned subsidiaries of Fidelio KA Beteiligung GmbH) act as structures for launching funds for third-party investments in infrastructure and energy projects.
- (iii) Florestan KA GmbH, Vienna/Austria
The project development company Florestan KA GmbH (a 100 per cent. subsidiary) as well as Florestan KA Hydrogen GmbH (which is a fully owned subsidiary of Florestan KA GmbH) provide equity funding for infrastructure and energy projects with development and growth potential.
- (iv) Kommunalkredit KBI Immobilien GmbH, Vienna/Austria
Kommunalkredit KBI Immobilien GmbH (a 100 per cent. subsidiary) owns and manages via its subsidiaries Kommunalkredit 4OG Immobilien GmbH & Co KG, Kommunalkredit KBI Immobilien GmbH & Co KG and Kommunalkredit TLI Immobilien GmbH & Co KG two properties in Vienna, Tuerkenstrasse 9 and Liechtensteinstrasse 13. The office premises of the properties are mainly leased to Kommunalkredit Group companies.

The Issuer is not dependent on any entities of the Kommunalkredit Group.

Management and Supervisory Bodies

Management Board

As of the date of this Prospectus, the management board (*Vorstand*) (the "**Management Board**") of the Issuer consists of the following persons which may perform principal activities outside of the Issuer:

Name	Name of the relevant entity	Position held
Karl-Bernd Fislage	Kommunalkredit Public Consulting GmbH	Chairman of the supervisory board

Chairman

Sebastian Firlinger

Kommunalkredit Public
Consulting GmbH

Member of the
supervisory board

Member

Supervisory Board

As of the date of this Prospectus, the supervisory board (*Aufsichtsrat*) of the Issuer (the "**Supervisory Board**") consists of the following persons which may perform principal activities outside of the Issuer:

Name	Name of the relevant entity	Position held
Patrick Bettscheider <i>Chairman</i>	Satere Beteiligungsverwaltungs GmbH	Managing director
	Interritus Limited	Managing director
	Interritus Advisory GmbH	Managing director
	Interritus Alfa Investment Ltd	Managing director
	Interritus AG	Chairman of the board of directors
Friedrich Andreae <i>Deputy-Chairman</i>	Attestor Limited	Managing director
	Satere Beteiligungsverwaltungs GmbH	Managing director
	Cumberland Investments DAC	Managing director
	Hestia Investments DAC	Managing director
	Blasket Investments DAC	Managing director
	Skomer Investments DAC	Managing director
	Mare Finance Investment Holdings DAC	Managing director
	Condor Flugdienst GmbH	Chairman of the supervisory board
	CD Ferienflug Hessen Holding GmbH	Managing director
	Thalia Investments DAC	Managing director
Tina Kleingarn <i>Member</i>	Westend Corporate Finance	Partner
	PANDION AG	Deputy chairperson of the supervisory board
Jürgen Meisch <i>Member</i>	Achalm Capital GmbH	Managing director
	Metzler Pensionsfonds AG	Member of the supervisory board
	ARC Ltd.	Member of the supervisory board
	Allspring Global Investments	Member of the product board
Martin Rey	Maroban GmbH	Managing director

<i>Member</i>	Clearwise AG	Chairman of the supervisory board
	BayWa r.e.	Board member
	IST Investmentstiftung für Personalvorsorge	Non-executive director
	Nordex SE	Member of the supervisory board
Alois Steinbichler	AST Beratungs- und Beteiligung GmbH	Managing director
<i>Member</i>		
Oliver Fincke	-	-
<i>Member</i>		
Claudia Slauer	-	-
<i>Member</i>		
Gerald Unterrainer	-	-
<i>Member</i>		

The business address of the above-mentioned members of the Management Board and the Supervisory Board is the address of the Issuer, Tuerkenstrasse 9, 1090 Vienna, Austria.

The Issuer confirms that according to its best knowledge the members of the Management Board and the Supervisory Board are not subject to any conflicts of interest between their obligations towards the Issuer and their private interests or any other obligations.

State Commissioners (Staatskommissäre)

As of the date of this Prospectus, the following persons have been appointed as state commissioners (*Staatskommissäre*) by the Austrian Federal Ministry of Finance (*Bundesministerium für Finanzen*):

Name	Function
Philipp Schweizer	State commissioner
Markus Kroiher	Deputy state commissioner

External Trustee (externer Treuhänder)

As of the date of this Prospectus, BINDER GRÖSSWANG Rechtsanwälte GmbH has been appointed by the Issuer as external trustee within the meaning of the PfandBG.

Legal and Arbitration Proceedings

In the previous twelve months there have been no administrative, governmental, court or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), which are likely to have, or have had in recent past, significant effects on the Issuer's financial position or profitability and/or the financial position or profitability of Kommunalkredit Group.

Significant Changes and Material Adverse Changes

There has been no material adverse change in the prospects of the Issuer since 31 December 2023 and no significant change in the financial performance and in the financial position of the Kommunalkredit Group since 31 December 2023.

Material Contracts

There are no material contracts that were not entered into in the ordinary course of the Issuer's business, which could result in any group member being under an obligation or entitlement that is material to the Issuer's ability to meet its obligations to securities holders in respect of the securities being issued.

Selected Financial Information and further information relating to the Issuer

Prudential ratios pursuant to CRR on a consolidated level

	31 December 2023	31 December 2022
Liquidity coverage ratio (LCR)	542 per cent.	348 per cent.
Net stable funding ratio (NSFR)	135 per cent.	129 per cent.

Source: Internal information of the Issuer. All figures in the table above are rounded.

Key profitability, efficiency and risk indicators

	31 December 2023	31 December 2022
Return on equity before tax	33.8 per cent.	28.3 per cent.
Return on equity after tax	25.0 per cent.	22.3 per cent.
Cost income ratio	36.7 per cent.	42.8 per cent.
Non-Performing Loan (NPL) ratio	1.5 per cent.	0.0 per cent.

Source: Internal information of the Issuer. All figures in the table above are rounded.

Other financial information

	31 December 2023	31 December 2022
Total income	EUR 230.4 million	EUR 164.5 million
Operating result	EUR 134.3 million	EUR 85.2 million
Liquidity position	EUR 1,751.7 million	EUR 1,141.7 million

Source: Internal information of the Issuer. All figures in the table above are rounded.

Alternative Performance Measures

Alternative Performance Measure	Description / Purpose	Calculation
Return on equity before tax	Return on equity is a profitability measure which compares the consolidated profit for the period before tax to regulatory CET 1 capital at the beginning of the period.	<p>The return on equity before tax is calculated as follows: (Profit for the period before tax / common equity tier 1 capital at the beginning of the period).</p> <p>Example for the year 2023:</p> $\frac{EUR\ 135.7m\ profit\ before\ tax}{EUR\ 401.7m\ CET\ 1\ capital} \times 100 = 33.8\ per\ cent.$
Return on equity after tax	Return on equity is a profitability measure which compares consolidated profit for the period after tax to regulatory CET 1 capital at the beginning of the period.	<p>The return on equity after tax is calculated as follows: (Profit for the period after tax / common equity tier 1 capital at the beginning of the period).</p> <p>Example for the year 2023:</p> $\frac{EUR\ 100.5m\ profit\ after\ tax}{EUR\ 401.7m\ CET\ 1\ capital} \times 100 = 25.0\ per\ cent.$
Cost income ratio	Cost income ratio is an efficiency measure comparing operating cost to operating income based on the consolidated result before tax for the period excluding credit risk, valuation and operating placement result from infrastructure/energy financing. In relation to the Issuer's subsidiary Kommunalkredit Public Consulting GmbH (KPC) the costs are excluded and only the (netted) operating result for the corresponding period is taken into consideration to provide a fair view on efficiency.	<p>The cost income ratio is calculated on a consolidated basis as follows: ((General administrative expenses (excl. KPC) [GAE (excl. KPC)] + Regulatory levies (excl. KPC) [RL (excl. KPC)]) / (Net interest income (excl. KPC) [NII (excl. KPC)] + Net fee and commission income (excl. KPC) [NFI (excl. KPC)] + Placement result [PR] + Result from securities and investments [RSI] + Other operating result (incl. KPC operating result) [OOR (incl. KPC operating result)]).</p> <p>Example for the year 2023:</p> $\frac{EUR\ 74.9m\ GAE\ (excl.\ KPC) + EUR\ 2.0m\ RL\ (excl.\ KPC)}{EUR\ 192.3m\ NII(excl.\ KPC) + EUR\ 13.7m\ NFI(excl.\ KPC) + EUR\ -2.0m\ PR + EUR\ 0.0m\ RSI + EUR\ 8.1m\ OOR(incl\ KPC\ operating\ result)} \times 100 = 36.7\ per\ cent.$
Non-Performing Loan (NPL) ratio	NPL ratio is a risk ratio which assesses the quality of a portfolio by showing the percentage of non-performing loans over the total loan volume.	<p>The NPL ratio is calculated as follows: (Gross carrying amount of non performing loans and advances / Gross carrying amount of total loans)</p> <p>Example for the year 2023:</p> $\frac{EUR\ 53.4m\ non\ performing\ loans\ and\ advances}{EUR\ 3.676,8m\ total\ loans} \times 100 = 1.5\ per\ cent.$
Total Income	Total income reflects the sum of all income components.	<p>The Total Income is calculated as follows: (Net interest income [NII] + net fee and commission income [NFI] + other income (internal data); other income includes income from services [IS], other operating result [OOR], result from securities and investments [RSI] and placement result [PR])</p> <p>Example for the year 2023:</p> $EUR\ 192.4m\ NII + EUR\ 38.5m\ NFI + (EUR\ 0.0m\ IS + EUR\ 1.5m\ OOR + EUR\ 0.0m\ RSI + EUR\ -2.0m\ PR) = EUR\ 230.4m$
Operating Result	Operating result reflects the result before risk, valuation and taxes.	<p>The Operating Result is calculated as follows: (Profit before tax – valuation and disposal result (internal data) – net provisioning for impairment losses (internal data))</p>

Example for the year 2023:

EUR 135.7m profit before tax – EUR 2.0m valuation and disposal result –
EUR – 0.6m net provisioning for impairment losses = EUR 134.3m

Liquidity Position Liquidity position represents the immediately available liquidity. The Liquidity Position is calculated as follows:

(Cash and balances with Central Banks + free collateral value at ECB Tender (internal data) + market value of further unencumbered HQLAs (internal data))

Example for the year 2023:

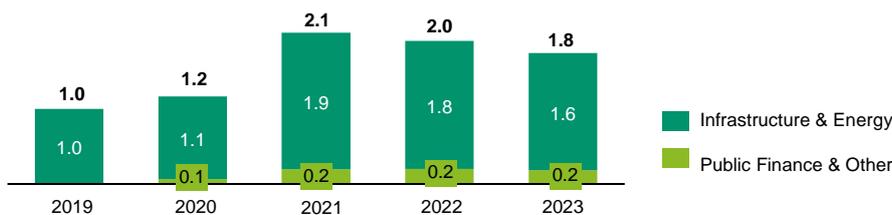
EUR 887.7m cash and balances with central banks + EUR 827.9m free collateral value +
EUR 36.1m market value of further unencumbered HQLAs = EUR 1,751.7m

Sources: Information and calculation of the Issuer on the basis of internal information of the Issuer.
All figures in the table above are rounded and shown in EUR million.

Additional Selected Information

As of 31 December 2023, the volume of the Issuer's new business in the infrastructure and energy sector amounted to EUR 1,622.0 million, of which around 54 per cent. contributed to accelerating the green transition, around 3 per cent. to new green solution and around 24 per cent. to improving people's quality of lives (e.g. by funding social infrastructure and connectivity). Including new business in the public finance sector the Issuer's new business volume amounted to EUR 1,813.1 million.

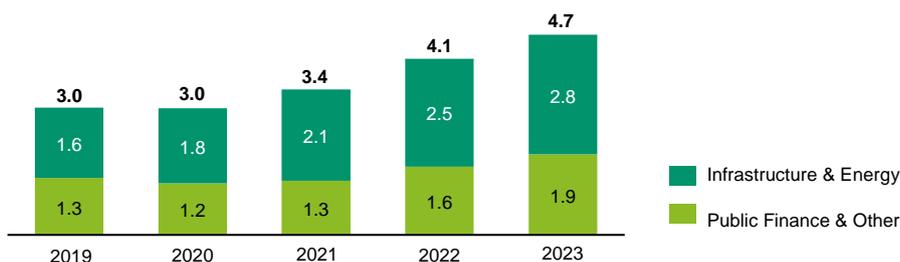
The following table sets out the development of the Issuer's new business:



Source: Internal information of the Issuer (as of 31 December 2023).
All figures in the table above are rounded and shown in EUR billion.

Loan Portfolio

The following table sets out the development of the Issuer's loan portfolio:



Source: Internal information of the Issuer (as of 31 December 2023).
All figures in the table above are rounded and shown in EUR billion; commercial rounding may lead to deviations in total.

The following table sets out the Issuer's loan portfolio broken down by borrowers as of 31 December 2023:

Municipalities (Austria)	EUR	920.0 million
Municipalities (EU)	EUR	515.6 million
Municipalities (non-EU)	EUR	76.4 million
Public sector entities	EUR	202.4 million
Utilities	EUR	611.6 million

Credit institutions	EUR	174.1 million
Infrastructure and energy financing	EUR	1,633.5 million
Corporates	EUR	556.0 million
Total	EUR	4,689.6 million

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

The following table sets out the Issuer's loan portfolio broken down by region as of 31 December 2023:

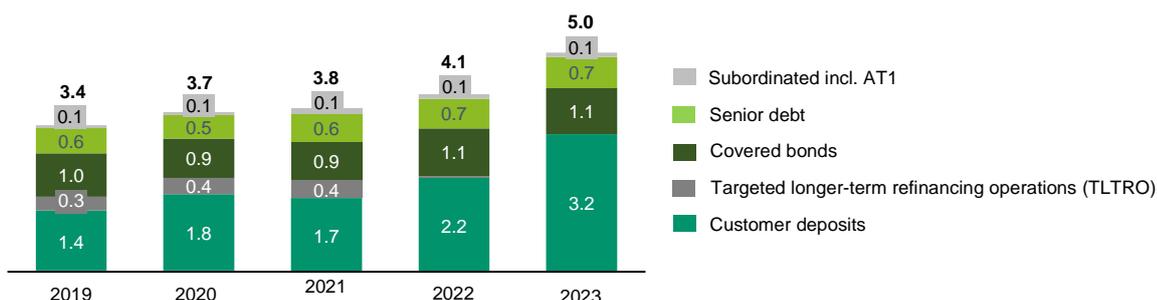
Austria	EUR	1,160.7 million
Eurozone (excl. Austria)	EUR	2,042.4 million
Other EU countries	EUR	661.6 million
Non-EU countries	EUR	581.4 million
Other	EUR	243.4 million
Total	EUR	4,689.6 million

Source: Internal information of the Issuer (as of 31 December 2023).

All figures in the table above are rounded; commercial rounding may lead to deviations in total.

Funding Structure

The following table sets out the development of the Issuer's funding structure:



Source: Internal information of the Issuer (as of 31 December 2023).

All figures in the table above are rounded and shown in EUR billion; commercial rounding may lead to deviations in total.

Total Portfolio by Region

The following table sets out the composition of the Issuer's total portfolio broken down by region as of 31 December 2023:

Austria	24 per cent.
Eurozone (excl. Austria)	47 per cent.
EU/Rest	13 per cent.
Other European countries (excl. EU)	10 per cent.
Other	6 per cent.
Total	100 per cent.

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

Infrastructure & Energy Loan Portfolio

The Issuer's infrastructure and energy loan portfolio amounts to EUR 2.8 billion. The total drawn exposure amounts to EUR 1.9 billion and the undrawn exposure to EUR 0.9 billion. There are 116 borrowers and the average remaining maturity is around six years.

The following table sets out the Issuer's infrastructure and energy loan portfolio broken down by rating (according to S&P Global's rating scale) as of 31 December 2023:

AAA to AA	less than 1 per cent.
A	1.9 per cent.
BBB	31.4 per cent.
BB and less than BB	66.5 per cent.
Total	100 per cent.

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

General information regarding the meaning of the credit rating and the qualifications which have to be observed in connection therewith can be found on the websites of S&P Global Ratings ("www.spglobal.com/ratings").

The following table sets out the Issuer's infrastructure and energy loan portfolio broken down by status of the project as of 31 December 2023:

Operating	61 per cent.
Construction	32 per cent.
Development	7 per cent.
Total	100 per cent.

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

Before the start of construction work, the project has the status "Development". From the start of construction work until first use, the project has the status "Construction". After first use of the project, it is assigned the status "Operating".

The following table sets out the Issuer's infrastructure and energy loan portfolio broken down by seniority as of 31 December 2023:

Senior	88 per cent.
Junior	12 per cent.
Total	100 per cent.

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

Public Finance Portfolio

The Issuer's public finance portfolio amounts to EUR 2.4 billion. The total drawn exposure amounts to EUR 2.0 billion and the undrawn exposure to EUR 0.4 billion. There are around 1,000 borrowers and the average remaining maturity is around 13 years.

The following table sets out the Issuer's public finance portfolio broken down by sector as of 31 December 2023:

Budget Finance	less than 1 per cent.
Communication & Digitisation	1 per cent.
Education	10 per cent.
Energy	11 per cent.
Healthcare	2 per cent.
Housing	10 per cent.
Infrastructure	5 per cent.
Other	5 per cent.
Securities	29 per cent.
Social Infrastructure	1 per cent.
Transport	5 per cent.

Waste & Water	20 per cent.
Total	100 per cent.

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

The following table sets out the Issuer's public finance portfolio broken down by region as of 31 December 2023:

D.A.CH. region	77 per cent.
Benelux and France	8 per cent.
Nordics	less than 1 per cent.
Other Eurozone incl. Southern Europe	7 per cent.
Other OECD incl. UK	4 per cent.
CEE region	3 per cent.
Other	1 per cent.
Total	100 per cent.

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

The following table sets out the Issuer's public finance portfolio broken down by rating (according to S&P Global's rating scale) as of 31 December 2023:

AAA	27 per cent.
AA	50 per cent.
A	20 per cent.
BBB	3 per cent.
Total	100 per cent.

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

General information regarding the meaning of the credit rating and the qualifications which have to be observed in connection therewith can be found on the websites of S&P Global Ratings ("www.spglobal.com/ratings").

The following table sets out the Issuer's public finance portfolio broken down by type of product as of 31 December 2023:

Loans	69 per cent.
Securities	29 per cent.
Promissory note loans	2 per cent.
Total	100 per cent.

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

The following table sets out the Issuer's public finance portfolio broken down by maturity as of 31 December 2023:

2024	15 per cent.
2025 to 2027	8 per cent.
2028 to 2031	10 per cent.
2032 to 2035	16 per cent.
2036 to 2039	15 per cent.
2040 to 2046	22 per cent.
2047 to 2065	13 per cent.
Total	100 per cent.

Source: Internal information of the Issuer (as of 31 December 2023). All figures in the table above are rounded.

SELLING RESTRICTIONS

General

The Arranger as dealer represents and agrees, and any further dealer appointed under the Programme will be required to represent and agree, that they will comply with all applicable laws and regulations in force in any jurisdiction in which they purchase, offer, sell or deliver Notes or possess or distribute this Prospectus or any offering material and will obtain any consent, approval or permission required by them for the purchase, offer, sale or delivery of Notes by them under the laws and regulations in force in any jurisdiction to which they are subject or in which they make such purchases, offers, sales or deliveries and neither the Issuer nor any dealer shall have any responsibility therefor.

Prohibition of Sales to Retail Investors in the European Economic Area

The Arranger as dealer represents and agrees, and each further dealer appointed under the Programme will be required to represent and agree, that they have not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the relevant Final Terms in relation hereto to any retail investor in the EEA. For the purposes of this provision the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or
- (ii) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II.

United Kingdom

Prohibition of Sales to UK Retail Investors

The Arranger as dealer represents and agrees, and each further dealer appointed under the Programme will be required to represent and agree, that they have not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by this Prospectus as completed by the relevant Final Terms in relation hereto to any retail investor in the UK.

For the purposes of this provision, the expression "retail investor" means a person who is one (or more) of the following:

- (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the EUWA; or
- (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA.

Other regulatory restrictions

The Arranger as dealer represents and agrees, and each further dealer appointed under the Programme will be required to represent and agree, that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (the "FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

GLOSSARY AND LIST OF ABBREVIATIONS

For ease of reference, the glossary below sets out certain abbreviations and meanings of certain terms used in this Prospectus. Readers of this Prospectus should always have regard to the full description of a term contained in this Prospectus.

Arranger	Raiffeisen Bank International AG
AT 1	own funds pursuant to Article 51 CRR (<i>Additional Tier 1</i>)
BaSAG	Austrian Recovery and Resolution Act (<i>Sanierungs- und Abwicklungsgesetz</i>)
Benchmarks	reference rates such as the Euro Interbank Offered Rate (EURIBOR) which are deemed to be "benchmarks" and which are the subject of recent national, international and other regulatory guidance and proposals for reform
Benchmark Regulation	Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014, as amended
BWG	Austrian Banking Act (<i>Bankwesengesetz</i>)
CET 1	own funds pursuant to Article 26 CRR (<i>Common Equity Tier 1</i>)
Corporate Sustainability Reporting Directive	Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting
Covered Bonds	covered bonds (<i>gedeckte Schuldverschreibungen</i>) as further set out in option I of the Terms and Conditions
CRA Regulation	Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended
CRR	Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012, as amended (<i>Capital Requirements Regulation</i>)
ECB	the European Central Bank (<i>Europäische Zentralbank</i>)
EEA	European Economic Area
EMMI	European Money Market Institute
ESG	Environmental, Social and Governance
ESG Projects	projects and activities that promote climate-friendly and other environmental purposes, sustainability or social purposes
ESMA	European Securities and Markets Authority
EU	European Union
EUWA	European Union (Withdrawal) Act 2018
Final Terms	final terms setting forth the applicable Terms and Conditions of the Notes issued under this Prospectus, a form of which is included in this Prospectus
FMA	Austrian Financial Market Authority (<i>Finanzmarktaufsichtsbehörde</i>)
Framework	a framework (in its current version) providing more details with regard to the issuance of the Issuer's green, social and sustainability debt instruments which is available on the website of

	the Issuer
FSMA	Financial Services and Markets Act 2000
Global Note	a modifiable non-digital global note (<i>nicht-digitale Sammelurkunde</i>) or a digital global note (<i>digitale Sammelurkunde</i>)
Green Bonds Regulation	Regulation (EU) 2023/2631 of the European Parliament and of the Council of 22 November 2023 on European Green Bonds and optional disclosures for bonds marketed as environmentally sustainable and for sustainability-linked bonds
Holder	a holder of a Note
Holder's Currency	Currency or currency unit which a Holder primarily denominates for the Holder's financial activities
Insurance Distribution Directive	Directive (EU) 2016/97 of the European Parliament and of the Council of 20 January 2016 on insurance distribution, as amended
ICMA	International Capital Market Association
ICMA Principles	voluntary principles for issuing green, social and sustainability bonds published by the ICMA
Integrated Audited Annual Financial Report 2022	German language version of the Integrated Audited Annual Financial Report of Kommunalkredit Group for the financial year ended 31 December 2022 (<i>Integrierter Jahresfinanzbericht 2022</i>)
Integrated Audited Annual Financial Report 2023	German language version of the Integrated Audited Annual Financial Report of Kommunalkredit Group for the financial year ended 31 December 2023 (<i>Integrierter Jahresfinanzbericht 2023</i>)
Interritus	Interritus Limited
Issuer	Kommunalkredit Austria AG
Kommunalkredit Group	the Issuer together with its affiliates
LRE	Leverage Ratio Exposure
Management Board	the management board (<i>Vorstand</i>) of the Issuer
Market	the Official Market (<i>Amtlicher Handel</i>) of the Vienna Stock Exchange (<i>Wiener Börse</i>)
MiFID II	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast), as amended (<i>Markets in Financial Instruments Directive II</i>)
MREL	Minimum Requirements for Own Funds and Eligible Liabilities
Notes	Covered Bonds, Senior Preferred Notes and Senior Non-Preferred Notes together
OeKB CSD	OeKB CSD GmbH
PfandBG	the Austrian Covered Bond Act, Federal Law Gazette I No. 199/2021
PRIIPs Regulation	Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs), as amended
Programme	the EUR 2,000,000,000 Debt Issuance Programme of the Issuer
Programme Agreement	agreement relating to the Programme dated 27 February 2024 and concluded between the Issuer and the Arranger, as amended and supplemented from time to time

Prospectus	this base prospectus, as supplemented from time to time
Prospectus Regulation	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended
Senior Preferred Notes	senior preferred notes as further set out in option II of the Terms and Conditions
Senior Non-Preferred Notes	senior non-preferred notes as further set out in option III of the Terms and Conditions
Series	Series of Notes as specified in the Final Terms
SPO	second party opinion issued by the the advisory and rating provider ISS Corporate Solutions on 8 March 2023, as disclosed on the Issuer's website
SREP	Supervisory Review and Evaluation Process
SRM Regulation	Regulation (EU) No 806/2014 of the European Parliament and of the Council of 15 July 2014 establishing uniform rules and a uniform procedure for the resolution of credit institutions and certain investment firms in the framework of a Single Resolution Mechanism and a Single Resolution Fund and amending Regulation (EU) No 1093/2010, as amended
Supervisory Board	the supervisory board (<i>Aufsichtsrat</i>) of the Issuer
Taxonomy Regulation	Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, as amended
TEFRA C	the rules described in § 1.163-5(c)(2)(i)(c) of the United States Treasury Regulation.
Terms and Conditions	the terms and conditions of the Notes which are set out on pages 31 <i>et seqq</i> of this Prospectus
Tier 2	own funds pursuant to Article 62 CRR (<i>Tier 2</i>)
Tranche	a tranche of a Series of Notes
TREA	Total Risk Exposure Amount
Trinity	Trinity Investments Designated Activity Company
UK	United Kingdom
UK PRIIPs Regulation	the PRIIPs Regulation as it forms part of domestic law by virtue of the EUWA
Vienna MTF	a multilateral trading facility operated by the Vienna Stock Exchange

NAMES AND ADDRESSES

Issuer

Kommunalkredit Austria AG
Tuerkenstrasse 9
A-1090 Vienna
Austria

Paying Agent

Kommunalkredit Austria AG
Tuerkenstrasse 9
A-1090 Vienna
Austria

Arranger and Dealer

Raiffeisen Bank International AG
Am Stadtpark 9
A-1030 Vienna
Austria

Legal Advisers to the Issuer

CERHA HEMPEL Rechtsanwälte GmbH
Parkring 2
A-1010 Vienna
Austria

Legal Advisers to the Arranger and Dealer

Schönherr Rechtsanwälte GmbH
Schottenring 19
A-1010 Vienna
Austria

Auditors for the Issuer regarding the fiscal years 2022 and 2023

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
Porzellangasse 51
A-1090 Vienna
Austria

Signaturwert	YZdn18MhybAhw006ErYzBBNzE0y99JaetPQHutjIeIwQECEwHFRGrMtOUeHJnZn60sfLL6M9PVyogvAvjya9 PQW6ZmE6e9ji j6zhmf8DRYUMaFYXrmNxgrlG2zINnIqIrD66vAvz7rkNejokdipukb25OHcyYdYt8GT635nO E+Z4jw5iUGbSqwURhVm9SrJ7IO+gqLefBAnDoQBX3i1pyCQjfY+kwi/yQy2wRc2gKEXLvrOiKgM/UkzPAQEg od0xfNwwxLV/mk7Y/cRCKwBIzy5OlSovy9btGgwT+GkpxUHEQJo5XhOS2U4giznmfRk0Em7mqJC5RmxJTrqo YAa44g==	
	Unterzeichner	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2024-02-27T07:47:08Z
	Aussteller-Zertifikat	CN=a-sign-corporate-07,OU=a-sign-corporate-07,O=A-Trust Ges. f. Sicherheitssysteme im elektr. Datenverkehr GmbH,C=AT
	Serien-Nr.	676111463
	Methode	urn:pdfsigfilter:bka.gv.at:binaer:v1.1.0
Prüfinformation	Informationen zur Prüfung des elektronischen Siegels bzw. der elektronischen Signatur finden Sie unter: https://www.signaturpruefung.gv.at Informationen zur Prüfung des Ausdrucks finden Sie unter: https://www.fma.gv.at/amtssignatur	
Hinweis	Dieses Dokument wurde amtssigniert. Auch ein Ausdruck dieses Dokuments hat gemäß § 20 E-Government-Gesetz die Beweiskraft einer öffentlichen Urkunde.	