



Kommunalkredit Austria AG

EUR 2,000,000,000 Debt Issuance Programme

This supplement (the "**Supplement**") dated 31 August 2023 constitutes a supplement pursuant to Article 23 (1) of the Regulation (EU) 2017/1129, as amended (the "**Prospectus Regulation**") and is supplemental to, and should be read in conjunction with, the base prospectus dated 24 February 2023 (the "**Original Prospectus**" or the "**Prospectus**") for the EUR 2,000,000,000 Debt Issuance Programme (the "**Programme**") of Kommunalkredit Austria AG (the "**Issuer**"). The Prospectus forms the base prospectus of the Issuer within the meaning of Article 8 (6) of the Prospectus Regulation.

The Original Prospectus has been approved on 24 February 2023 by the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*, the "**FMA**").

This Supplement has been filed with and approved by the FMA in its capacity as competent authority, filed with the Vienna Stock Exchange (*Wiener Börse*) and published in electronic form on the Issuer's website under "www.kommunalkredit.at/en/investor-relations/bondholder-information-funding/debt-issuance-programme/".

Terms defined in the Prospectus shall have the same meaning when used in this Supplement.

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference in the Prospectus by this Supplement and (b) any other statement in or incorporated by reference in the Prospectus, the statements mentioned in (a) above will prevail.

Save as disclosed in this Supplement, no other significant new factor, material mistake or material inaccuracy relating to the information included in the Prospectus has arisen or been noted, as the case may be, since the publication of the Prospectus.

In accordance with Article 23 (2) of the Prospectus Regulation, investors who have already agreed to purchase or subscribe for securities issued or to be issued by the Issuer before this Supplement was published have the right, exercisable within two working days after the publication of this Supplement, to withdraw their acceptances until, and including 4 September 2023, provided that the significant new factor, material mistake or material inaccuracy arose or was noted before the closing of the offer period and the delivery of the Notes, whichever occurs first. Investors may contact the relevant financial intermediary if they wish to exercise their right of withdrawal.

The accuracy of the information contained in this Supplement does not fall within the scope of examination by the FMA under the Prospectus Regulation. The FMA only approves this Supplement 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 that is the subject of this Supplement.

RESPONSIBILITY STATEMENT

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

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

NOTICE

This Supplement shall only be distributed in connection with the Prospectus.

The Issuer confirms that the Prospectus contains all information with regard to the Issuer and any Notes which is material in the context of the Programme and the issue and offering of Notes thereunder, that the information contained therein is accurate in all material respects and is not misleading, that the opinions and intentions expressed therein are honestly held, that there are no other facts, the omission of which would make the Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect, and that all reasonable enquiries have been made to ascertain all facts and to verify the accuracy of all statements contained therein.

No person has been authorised to give any information which is not contained in, or not consistent with, the 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, Raiffeisen Bank International AG as arranger and dealer or any of them.

Neither Raiffeisen Bank International AG as arranger and dealer nor any other person mentioned in the Prospectus, excluding the Issuer, is responsible for the information contained in the Prospectus or any other document incorporated therein by reference and, accordingly, none of these persons accepts any responsibility for the accuracy and completeness of the information contained in any of these documents.

Significant new factors, material mistakes and/or material inaccuracies (as referred to in Article 23 (1) of the Prospectus Regulation) have arisen which in the Issuer's perception are capable of affecting the assessment of the Notes, and are thus herewith included in the Original Prospectus as follows:

- 1.1 In the section entitled "DOCUMENTS INCORPORATED BY REFERENCE" commencing on page 6 of the Original Prospectus, below the table regarding the English language translation of the Annual Report of Kommunalkredit Group for the financial year ended 31 December 2021 the following table shall be added on page 7 of the Original Prospectus:**

"Document/Heading	Page reference
English language translation of the Half Year Financial Report 2023 of Kommunalkredit Group for the financial period ending on 30 June 2023 (Halbjahresfinanzbericht 2023) (the "Half Year Financial Report 2023")	
Consolidated Statement of Financial Position	44
Consolidated Income Statement	45
Consolidated Statement of Comprehensive Income	47
Consolidated Statement of Changes in Equity	48 – 49
Consolidated Statement of Cash Flows	50
Selected Explanatory Notes	52 – 60
Report on the Review	63"

- 1.2 In the section entitled "DOCUMENTS INCORPORATED BY REFERENCE" commencing on page 6 of the Original Prospectus, the first paragraph after the table regarding the English language translation of the Annual Report of Kommunalkredit Group for the financial year ended 31 December 2021 shall be replaced by the following paragraph on page 7 of the Original Prospectus:**

"For the avoidance of doubt, such parts of the Audited Annual Financial Reports 2021 and the Integrated Audited Annual Financial Report 2022 as well as the Half Year 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."

- 1.3 In the section entitled "DOCUMENTS AVAILABLE FOR INSPECTION" on page 9 of the Original Prospectus after the last paragraph, the following paragraph shall be inserted:**

"(ix) the Half Year Financial Report 2023 incorporated by reference into this Prospectus (["https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Investor-Relations/Berichte/Finanzberichte/EN/2023/Kommunalkredit-Half-Year-Financial-Report-2023.pdf"](https://www.kommunalkredit.at/fileadmin/user_upload/Processed/Investor-Relations/Berichte/Finanzberichte/EN/2023/Kommunalkredit-Half-Year-Financial-Report-2023.pdf))."

- 1.4 In the section entitled "KOMMUNALKREDIT AUSTRIA AG" commencing on page 84 of the Original Prospectus, the information in the third line of the table in the subsection entitled "Credit Ratings" on page 85 of the Original Prospectus shall be replaced as follows:**

"Long-term Issuer Rating BBB- (outlook positive) BBB- (outlook stable) BBB (trend stable)"

- 1.5 In the section entitled "KOMMUNALKREDIT AUSTRIA AG", commencing on page 84 of the Original Prospectus, the information in the subsection entitled "Significant Changes and Material Adverse Changes" on page 89 of the Original Prospectus shall be replaced by the following information:**

"There has been no material adverse change in the prospects of the Issuer since 31 December 2022 and no significant change in the financial performance and in the financial position of the Kommunalkredit Group since 30 June 2023."

- 1.6 In the section entitled "KOMMUNALKREDIT AUSTRIA AG" commencing on page 84 of the Original Prospectus, the information in the subsection entitled "Selected Financial Information and further information relating to the Issuer" on pages 89 et seqq. shall be replaced by the following information:

"Prudential ratios pursuant to CRR on a consolidated level"

	31 December 2021	31 December 2022	30 June 2023
Liquidity coverage ratio (LCR)	735 per cent.	348 per cent.	387 per cent.
Net stable funding ratio (NSFR)	122 per cent.	129 per cent.	115 per cent.

Source: Internal information of the Issuer. All figures in the table above are rounded.

Key profitability, efficiency and risk indicators

	31 December 2021	31 December 2022	30 June 2023
Return on equity before tax	19.5 per cent.	28.3 per cent.	27.5 per cent.
Return on equity after tax	14.2 per cent.	22.3 per cent.	20.8 per cent.
Cost income ratio	53.2 per cent.	48.3 per cent.	46.7 per cent.
Cost income ratio (new)	n.a.	n.a.	42.0 per cent.
Cost income ratio (bank stand alone)	47.9 per cent.	41.9 per cent.	41.4 per cent.
Non-Performing Loan (NPL) ratio	0.0 per cent.	0.0 per cent.	0.4 per cent.

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 (projected to one year) to regulatory CET 1 capital at the beginning of the period. Starting with the first half year 2023, the regulatory group CET 1 capital is used for the calculation.	<p>The return on equity before tax is calculated as follows:</p> <p>(Profit for the period before tax projected to one year / common equity tier 1 capital at the beginning of the period).</p> <p>Example for the first half year 2023:</p> $\frac{EUR\ 55.3m\ profit\ before\ tax \times \frac{12\ months}{6\ months}}{EUR\ 401.7m\ CET\ 1\ capital} \times 100 = 27.5\ per\ cent.$
Return on equity after tax	Return on equity is a profitability measure which compares consolidated profit for the period after tax (projected to one year) to regulatory CET 1 capital at the beginning of the period. Starting with the first half year 2023, the regulatory group CET 1 capital is used for the calculation.	<p>The return on equity after tax is calculated as follows:</p> <p>(Profit for the period after tax projected to one year / common equity tier 1 capital at the beginning of the period).</p> <p>Example for the first half year 2023:</p> $\frac{EUR\ 41.7m\ profit\ after\ tax \times \frac{12\ months}{6\ months}}{EUR\ 401.7m\ CET\ 1\ capital} \times 100 = 20.8\ per\ cent.$
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.	<p>The cost income ratio is calculated on a consolidated basis as follows:</p> <p>((General administrative expenses [GAE] + Regulatory levies [RL]) / (Net interest income [NII] + Net fee and commission income [NFI] + Placement result [PR] + Result from securities and investments [RSI] + Other operating result [OOR])).</p> <p>Example for the first half year 2023:</p> $\frac{EUR\ 41.9m\ GAE + EUR\ 3.3m\ RL}{EUR\ 81.8m\ NII + EUR\ 14.5m\ NFI + EUR\ -0.4m\ PR + EUR\ 0.1m\ RSI + EUR\ 0.8m\ OOR} \times 100 = 46.7\ per\ cent.$
Cost income ratio (new)	Cost income ratio (new) 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:</p> <p>((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 first half year 2023:</p> $\frac{EUR\ 34.1m\ GAE\ (excl.\ KPC) + EUR\ 3.3m\ RL\ (excl.\ KPC)}{EUR\ 81.8m\ NII(excl.\ KPC) + EUR\ 3.8m\ NFI(excl.\ KPC) + EUR\ -0.4m\ PR + EUR\ 0.1m\ RSI + EUR\ 3.7m\ OOR(incl\ KPC\ operating\ result)} \times 100 = 42.0\ per\ cent.$
Cost income ratio (bank stand alone)	Cost income ratio (bank stand alone) is an efficiency measure comparing operating cost to operating income based on Kommunalkredit Austria AG's stand alone result before tax for the period excluding credit risk, valuation and operating placement result from infrastructure/energy financing.	<p>The cost income ratio (bank stand alone) is calculated for Kommunalkredit Austria AG on a stand alone basis as follows:</p> <p>((General administrative expenses [GAE] + Regulatory levies [RL]) / (Net interest income [NII] + Net fee and commission income [NFI] + Placement result [PR] + Result from securities and investments [RSI] + Other operating result [OOR])).</p> <p>Example for the first half year 2023:</p> $\frac{EUR\ 33.2m\ GAE + EUR\ 3.3m\ RL}{EUR\ 81.7m\ NII + EUR\ 3.8m\ NFI + EUR\ -0.4m\ PR + EUR\ 0.0m\ RSI + EUR\ 2.8m\ OOR} \times 100 = 41.4\ per\ cent.$
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:</p> <p>(Gross carrying amount of non performing loans and advances / Gross carrying amount of total loans)</p> <p>Example for the first half year 2023:</p> $\frac{EUR\ 12.5m\ non\ performing\ loans\ and\ advances}{EUR\ 3,546.5m\ total\ loans} \times 100 = 0.4\ per\ cent.$

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 30 June 2023, the volume of the Issuer's new business in the infrastructure and energy sector amounted to EUR 797 million and including the business in the public finance sector EUR 893 million."

- 1.7 In the section entitled "GLOSSARY AND LIST OF ABBREVIATIONS" on page 93 of the Original Prospectus, after the line regarding "Global Note" the following line shall be inserted:

"Half Year Financial Report 2023

English language translation of the Half Year Financial Report 2023 of Kommunalkredit Group for the financial period ending on 30 June 2023 (*Halbjahresfinanzbericht 2023*)"

Signaturwert	BgFvBkGfT9rsQHIFNMvbAYL2m/etKrLQsh9BDg6V6Swtz/S3f1M36DQCUDmtwlrmpzpbxO+SV5sNm/uKaZ7ci jmmFh6mvut7b+nY2kP23sd0d9aMNI fVHClQuH7wzYj04Mr6GuXQo+70lGn3vy49G+HVOFuTwzNNUs1w4aQLY JfQQHX7TviGxkf5+MXF+xSMMnwYVnd19382oF2XeuMUSYZ74BFjTGVtmzLeLdElZruO7bofQHi3xudu8Cd2e 7JpfZlBTKGPDzzNUJHG08z3T6PtaUwsN/BnBuFatuNR23+L/YeACmeZRRXJ/wpYUng/jtKTQaxT1b0FongQh W6ji0Q==	
	Unterzeichner	Österreichische Finanzmarktaufsichtsbehörde
	Datum/Zeit-UTC	2023-08-31T13:47:06Z
	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.	