

Rating Object	Rating Information
Všeobecná úverová banka a.s.	Long Term Issuer Rating / Outlook: BBB- / positive Short Term: L3
Creditreform ID: FNR0000006613	Type: Update / Unsolicited
Rating Date: 12 July 2024	Rating of Bank Capital and Unsecured Debt Instruments:
Monitoring until: withdrawal of the rating	Preferred Senior Unsecured (PSU): -
Rating Methodology: CRA "Bank Ratings v.3.3"	Non-Preferred Senior Unsecured (NPS): -
CRA "Environmental, Social and Governance Score for Banks v.1.1"	Tier 2 (T2): -
CRA "Rating Criteria and Definitions v.1.3"	Additional Tier 1 (AT1): -
Rating History: www.creditreform-rating.de	

Rating Action

Creditreform Rating affirms Všeobecná úverová banka's (Group) Long-Term Issuer Rating at BBB- (Outlook: positive)

Creditreform Rating (CRA) affirms Všeobecná úverová banka's (Group) Long-Term Issuer Rating at BBB-. The rating outlook is raised to positive.

Please find a complete list of rating actions regarding the bank at the end of this rating update.

Key Rating Drivers

- Rating equalization with Intesa Sanpaolo S.p.A. due to inclusion in Intesa Sanpaolo's consolidation perimeter (for Key Rating Drivers of the parent, see rating report Intesa Sanpaolo S.p.A. of 12 July 2024)

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Executive Summary

Rating Grid	n.a.	c	cc	ccc	b-	b	b+	bb-	bb	bb+	bbb-	bbb	bbb+	a-	a	a+	aa-	aa	aa+	aaa	
- Earnings	█																				
- Assets	█																				
- Capital	█																				
- Liquidity	█																				
Quantitative	n.a.																				
- Bank specific	█																				
- Macro	█																				
Qualitative	n.a.																				
Sovereign Adjustment											n.a., see parent										
Parental Support											yes, Intesa Sanpaolo SpA (BBB-, POS)										
Institutional Support Assessment											n.a., see parent										
Government Support Assessment											n.a., see parent										
Additional Factors											n.a., see parent										
LT Issuer Rating																					
Rating Grid	n.a.	D	C	CC	CCC	B-	B	B+	BB-	BB	BB+	BBB-	BBB	BBB+	A-	A	A+	AA-	AA	AA+	AAA
Instrument Ratings*:																					
- PSU	█																				
- NPS	█																				
- T2	█																				
- AT1	█																				

*PSU: Preferred Senior Unsecured; NPS: Non-Preferred Senior Unsecured; T2: Tier 2; AT1: Additional Tier 1

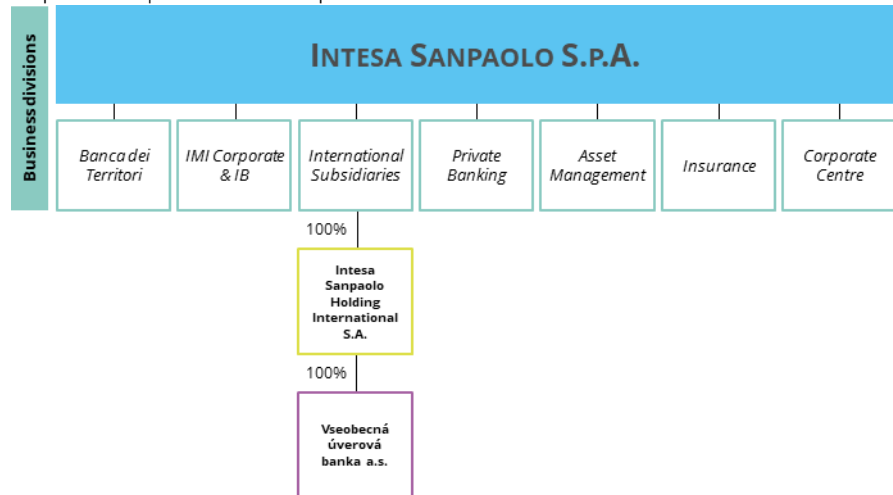
The rating of Všeobecná úverová banka a.s. is prepared on the basis of group (Intesa Sanpaolo S.p.A.) consolidated accounts.

Všeobecná úverová banka a.s. is a subsidiary of Intesa Sanpaolo S.p.A. Thus, in accordance with our rating methodology, the rating is derived from the Long-Term Issuer Rating of the parent company.

Company Overview

Všeobecná úverová banka a.s. is a fully consolidated subsidiary of Italian banking group Intesa Sanpaolo S.p.A., part of the IMI Corporate & Investment Banking division. Všeobecná úverová banka is a full-service bank operating in Slovakia

Chart 1: Group Structure | Source: Annual Report 2023



Outlook

The outlook of the Long-Term Issuer Rating of Všeobecná úverová banka a.s. is raised to positive in line with that of its parent Intesa Sanpaolo S.p.A.

Best-case scenario: BBB

Worst-case scenario: BB+

Please note:

The scenarios are based on information available at the time of the rating. Within the forecast horizon, circumstances may occur that could lead to a change of the rating out of the indicated range.

Scenario Analysis

In a scenario analysis, the bank is able to reach a Long-Term Issuer Rating of BBB in the “Best-Case-Scenario” and a Long-Term Issuer Rating of BB+ in the “Worst-Case-Scenario”. The ratings of Bank Capital and Senior Unsecured Debt would respond similarly based on our rating methodology. These ratings are especially sensitive to changes in total equity and to the bank capital and debt structure in general.

Best and Worst Case Scenario are in line with that of the parent Intesa Sanpaolo S.p.A.

Appendix

Bank ratings Intesa Všeobecná úverová banka a.s.

The bank ratings are dependent on a host of quantitative and qualitative factors. An improvement in either sub-category may result in a higher rating score.

Long-Term Issuer / Outlook / Short-Term **BBB- / L3 / positive**

Bank Capital and Debt Instruments Ratings Všeobecná úverová banka a.s.

The ratings for bank capital and debt instruments are inter alia dependent on subordination and relative size of the instrument class, based on the long-term issuer rating of the bank.

Preferred Senior Unsecured (PSU): -
Non-Preferred Senior Unsecured (NPS): -
Tier 2 (T2): -
Additional Tier 1 (AT1): -

Rating History

Please consult our website www.creditreform-rating.de for additional information regarding the dates of publication.

Figure 1: Rating History

Bank Issuer Rating	Rating Date	Result
Initialrating	12.10.2022	BBB- / stable / L3
Rating Update	22.09.2023	BBB- / stable / L3
Rating Update	12.07.2024	BBB- / positive / L3

Tables Group

Figure 2: Income statement¹ | Source: eValueRate / CRA

Income Statement (EUR m)	2023	%	2022	2021	2020
Income					
Net Interest Income	16.936	+43,1	11.835	7.993	7.732
Net Fee & Commission Income	7.801	-6,8	8.373	9.364	7.978
Net Insurance Income	-3.280	< -100	5.652	1.786	1.503
Net Trading & Fair Value Income	2.354	< -100	-5.848	1.368	1.323
Equity Accounted Results	163	-29,7	232	138	-16
Dividends from Equity Instruments	660	+2,3	645	161	86
Other Income	1.419	+3,2	1.375	1.483	1.208
Operating Income	26.053	+17,0	22.264	22.293	19.814
Expense					
Depreciation and Amortisation	1.689	+9,0	1.550	1.593	1.396
Personnel Expense	6.781	+5,1	6.455	7.187	6.156
Tech & Communications Expense	1.152	+2,8	1.121	1.292	1.184
Marketing and Promotion Expense	190	+11,1	171	154	142
Other Provisions	326	-30,5	469	374	793
Other Expense	3.921	+3,1	3.803	3.932	3.709
Operating Expense	14.059	+3,6	13.569	14.532	13.380
Operating Profit & Impairment					
Operating Profit	11.994	+37,9	8.695	7.761	5.028
Cost of Risk / Impairment	1.416	-46,3	2.636	2.869	4.445
Net Income					
Non-Recurring Income	168	> +100	16	289	2.606
Non-Recurring Expense	-	-	-	-	2.387
Pre-tax Profit	10.746	+76,9	6.075	5.181	2.208
Income Tax Expense	2.994	+79,0	1.673	1.138	59
Discontinued Operations	-	-	-	-	1.136
Net Profit	7.752	+76,1	4.402	4.043	3.285
Attributable to minority interest (non-controlling interest)	28	+21,7	23	-142	8
Attributable to owners of the parent	7.724	+76,4	4.379	4.185	3.277

Figure 3: Key earnings figures | Source: eValueRate / CRA and Pillar III

Income Ratios (%)	2023	%	2022	2021	2020
Cost Income Ratio (CIR)	53,96	-6,98	60,95	65,19	67,53
Cost Income Ratio ex. Trading (CIRex)	59,32	+11,06	48,27	69,45	72,36
Return on Assets (ROA)	0,80	+0,35	0,45	0,38	0,33
Return on Equity (ROE)	12,09	+4,90	7,18	6,31	4,95
Return on Assets before Taxes (ROAbT)	1,12	+0,49	0,62	0,48	0,22
Return on Equity before Taxes (ROEbT)	16,76	+6,84	9,92	8,09	3,33
Return on Risk-Weighted Assets (RORWA)	2,57	+1,08	1,49	1,24	0,95
Return on Risk-Weighted Assets before Taxes (RORWAbT)	3,56	+1,50	2,06	1,58	0,64
Net Financial Margin (NFM)	2,16	+1,50	0,66	1,16	1,22
Pre-Impairment Operating Profit / Assets	1,24	+0,35	0,89	0,73	0,40

Change in %Points

¹ Data by our data provider eValueRate, which is standardized for analytical reasons. Thus, the used data and the resulting figures do not have necessary to match the presentation of the bank, which refers to this and all subsequent tables and figures.

Figure 4: Development of assets | Source: eValueRate / CRA

Assets (EUR m)	2023	%	2022	2021	2020
Cash and Balances with Central Banks	98.831	-19,1	122.093	145.844	85.359
Net Loans to Banks	13.203	-22,9	17.122	21.277	25.858
Net Loans to Customers	407.041	-4,3	425.220	440.591	437.484
Total Securities	231.564	+15,8	200.013	141.700	135.818
Total Derivative Assets	26.831	-14,2	31.278	25.244	33.433
Other Financial Assets	117.408	+1,5	115.726	31.401	26.760
Financial Assets	894.878	-1,8	911.452	806.057	744.712
Equity Accounted Investments	2.501	+24,2	2.013	1.652	1.996
Other Investments	887	+15,2	770	798	759
Insurance Assets	813	> +100	151	207.093	178.474
Non-current Assets & Discontinued Ops	264	-58,6	638	1.422	28.702
Tangible and Intangible Assets	18.462	-2,7	18.972	19.336	18.285
Tax Assets	14.533	-19,8	18.130	18.808	19.503
Total Other Assets	31.232	+39,0	22.461	13.837	10.183
Total Assets	963.570	-1,1	974.587	1.069.003	1.002.614

Figure 5: Development of asset quality | Source: eValueRate / CRA and Pillar III

Asset Ratios (%)	2023	%	2022	2021	2020
Net Loans to Customers / Assets	42,24	-1,39	43,63	41,22	43,63
Risk-weighted Assets ¹ / Assets	31,35	+1,04	30,31	30,58	0,00
NPL ² / Loans to Customers ³	2,27	-0,15	2,42	3,31	4,61
NPL ² / Risk-weighted Assets ¹	3,14	-0,44	3,58	4,60	6,00
Potential Problem Loans ⁴ / Loans to Customers ³	8,57	-1,62	10,19	12,02	14,80
Reserves ⁵ / NPL ²	87,43	+1,35	86,09	89,65	88,12
Cost of Risk / Loans to Customers ³	0,34	-0,27	0,60	0,63	0,98
Cost of Risk / Risk-weighted Assets ¹	0,47	-0,42	0,89	0,88	1,28
Cost of Risk / Total Assets	0,15	-0,12	0,27	0,27	0,44

Change in % Points

1 RWA: Pillar 3, EU CR1

2 NPL: Gross; Non-Performing Loans of the categories Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

3 Loans to Customers: Gross; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

4 Potential Problem Loans: Stage 2; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

5 Reserves: Impairment & Provisions and Collateral & Guarantees; Households, Non-Financial Corporations, Other Financial Corporations as per Pillar 3, EU CR1

Figure 6: Development of refinancing and capital adequacy | Source: eValueRate / CRA

Liabilities (EUR m)	2023	%	2022	2021	2020
Total Deposits from Banks	76.571	-40,9	129.619	175.360	119.003
Total Deposits from Customers	482.356	-5,5	510.528	455.552	424.247
Total Debt	132.030	+48,4	88.970	93.687	99.683
Derivative Liabilities	33.738	-0,7	33.978	35.506	46.088
Securities Sold, not yet Purchased	-	-	-	-	-
Other Financial Liabilities	34.920	> +100	14.037	14.851	11.011
Total Financial Liabilities	759.615	-2,3	777.132	774.956	700.032
Insurance Liabilities	119.849	+1,9	117.575	205.212	175.953
Non-current Liabilities & Discontinued Ops	2	-86,7	15	30	35.676
Tax Liabilities	1.946	-3,7	2.021	2.285	3.029
Provisions	5.290	-9,0	5.812	6.815	7.164
Total Other Liabilities	12.741	+18,4	10.763	15.639	14.439
Total Liabilities	899.443	-1,5	913.318	1.004.937	936.293
Total Equity	64.127	+4,7	61.269	64.066	66.321
Total Liabilities and Equity	963.570	-1,1	974.587	1.069.003	1.002.614

Figure 7: Development of capital and liquidity ratios | Source: eValueRate / CRA and Pillar III

Capital Ratios and Liquidity (%)	2023	%	2022	2021	2020
Total Equity / Total Assets	6,66	+0,37	6,29	5,99	6,61
Leverage Ratio ¹	-	-	-	6,60	7,20
Common Equity Tier 1 Ratio (CET1) ²	13,73	-0,07	13,80	14,45	14,71
Tier 1 Ratio (CET1 + AT1) ²	16,28	+0,04	16,24	16,37	16,87
Total Capital Ratio (CET1 + AT1 + T2) ²	19,19	+0,12	19,08	19,10	19,57
CET1 Minimum Capital Requirements ¹	8,78	-0,05	8,84	8,63	8,44
Net Stable Funding Ratio (NSFR) ¹	121,06	-4,99	126,05	127,35	110,34
Liquidity Coverage Ratio (LCR) ¹	168,10	-13,80	181,90	184,50	159,10

Change in %Points

¹ Pillar 3 EU KM 1

² Regulatory Capital Ratios: Pillar 3 EU KM 1

Regulatory

Creditreform Rating AG was neither commissioned by the rating object nor by any other third party for the rating. The analysis took place on a voluntary basis by Creditreform Rating AG and is to be described in the regulatory sense as an unsolicited rating. The following table clarifies the level of participation of the rated entity (rating object):

Unsolicited Credit Rating	
With Rated Entity or Related Third Party Participation	No
With Access to Internal Documents	No
With Access to Management	No

The rating is based on publicly available information and internal evaluation methods for the rated bank. The quantitative analysis is based mainly on the latest annual accounts, interim reports, other investor relations information of the bank, and calculated key figures by eValueRate / CRA.

The information and documents processed met the requirements of the rating system of Creditreform Rating AG as published on the website www.creditreform-rating.de. The rating was carried out on the basis of the following methodologies and [Rating Criteria and Definitions \(v1.3\)](#):

- [Bank ratings \(v3.3\)](#)
- [Environmental, Social and Governance Score for Banks \(v1.1\)](#)

The complete presentation of the rating methodologies used by Creditreform Rating AG and the basic document Rating Criteria and Definitions are published on our homepage:

<https://www.creditreform-rating.de/en/about-us/regulatory-requirements.html>

On 12 July 2024, the rating was presented by the analysts to the rating committee and adopted in a resolution.

The rating result was communicated to Všeobecná úverová banka a.s., and the preliminary rating report was made available to the bank. There was no change in the rating.

The rating is valid until withdrawal and is subject to monitoring from the rating date (see cover page). The rating will be comprehensively reviewed at least once every year. Within this period, the rating can be updated.

In 2011 Creditreform Rating AG was registered within the European Union according to EU Regulation 1060/2009 (CRA-Regulation). Based on the registration Creditreform Rating AG (CRA) is allowed to issue credit ratings within the EU and is bound to comply with the provisions of the CRA-Regulation.

Rating Endorsement Status: The rating of Všeobecná úverová banka a.s. (Group) was not endorsed by Creditreform Rating AG from a third country as defined in Article 4 (3) of the CRA-Regulation.

Conflict of Interests

No conflicts of interest were identified during the rating process that might influence the analyses and judgements of the rating analysts involved or any other natural person whose services

are placed at the disposal or under the control of Creditreform Rating AG and who are directly involved in credit rating activities or approving credit ratings and rating outlooks.

Creditreform Rating AG guarantees that the provision of ancillary services does not cause a conflict of interest with its rating activities and discloses in the final rating report which ancillary services were provided for the rating object or for third parties associated with it. The following ancillary services were provided for this rating object or for related third parties:

No ancillary services in the regulatory sense were provided for this rating.

The final list of rating-related and credit services can be viewed on the Creditreform Rating AG website at <https://www.creditreform-rating.de/de/wir-ueber-uns/regulatorische-anforderungen.html#nebendienstleistungen>.

Rules on the Presentation of Credit Ratings and Rating Outlooks

The approval of credit ratings and rating outlooks follows our internal policies and procedures. In line with our policy "Rating Committee," all credit ratings and rating outlooks are approved by a rating committee based on the principle of unanimity.

To prepare this credit rating, CRA has used following substantially material sources:

1. Aggregated data base by eValueRate
2. Annual Report and interim reports
3. Investors relations information and other publications
4. Website of the rated bank
5. Public and internal market analyses
6. Internet research

There are no other attributes and limitations of the credit rating or rating outlook other than displayed on the CRA website. Furthermore CRA considers satisfactory the quality and extent of information available on the rated entity. In regard to the rated entity Creditreform Rating AG regarded available historical data as sufficient.

Between the disclosure of the credit rating to the rated entity and the public disclosure no amendments were made to the credit rating.

The "Basic data" information card indicates the principal methodology or version of methodology that was used in determining the rating, with a reference to its comprehensive description.

In case where the credit rating is based on more than one methodology or where reference only to the principal methodology might cause investors to overlook other important aspects of the credit rating, including any significant adjustments and deviations, Creditreform Rating AG explains this fact in the credit rating and indicates how the different methodologies or these other aspects are taken into account in the credit rating. This information is integrated in the credit rating report.

The meaning of each rating category, the definition of default or recovery and any appropriate risk warning, including a sensitivity analysis of the relevant key rating assumptions, such as mathematical or correlation assumptions, accompanied by worst-case scenario credit ratings

as well as best-case scenario credit ratings are explained in mentioned methodologies and / or in the credit rating report.

The date at which the credit rating was released for distribution for the first time and when it was last updated including any rating outlooks is indicated clearly and prominently in the rating report or in the "Basic data" card as a "Rating action"; first release is indicated as "initial rating", other updates are indicated as an "update", "upgrade or downgrade", "not rated", "confirmed", "selective default" or "default".

In the case of a rating outlook, the time horizon is provided during which a change in the credit rating is expected. This information is available in the rating report or the „Basic data“ information card.

In accordance to Article 11 (2) EU-Regulation (EC) No 1060/2009 registered or certified credit rating agency shall make available in a central repository established by ESMA information on its historical performance data, including the ratings transition frequency, and information about credit ratings issued in the past and on their changes. Requested data are available at the ESMA website: <https://cerep.esma.europa.eu/cerep-web/statistics/defaults.xhtml>.

An explanatory statement of the meaning of Creditreform's default rates are available in the credit rating methodologies disclosed on the website.

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Any rating performed by Creditreform Rating AG is subject to the Creditreform Rating AG Code of Conduct which has been published on the web pages of Creditreform Rating AG. In this Code of Conduct, Creditreform Rating AG commits itself – systematically and with due diligence – to establish its independent and objective opinion as to the sustainability, risks and opportunities concerning the enterprise or the issue under review.

Future events are uncertain, and forecasts are necessarily based on assessments and assumptions. This rating is therefore no statement of fact, but an opinion. For this reason, Creditreform Rating AG cannot be held liable for the consequences of decisions made on the basis of any of their ratings. Neither should these ratings be construed as recommendations for investors, buyers or sellers. They should only be used by market participants (entrepreneurs, bankers, investors etc.) as one factor among others when arriving at corporate or investment decisions. Ratings are not meant to be used as substitutes for one's own research, inquiries and assessments.

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