



BASE PROSPECTUS DATED 29 FEBRUARY 2024

Všeobecná úverová banka, a.s.

(incorporated as a joint stock company under the laws of the Slovak Republic)

EUR 7,000,000,000 Covered Bonds (*kryté dlhopisy*) Programme

This document constitutes a base prospectus (in Slovak: *základný prospekt*) (the **Base Prospectus**) for debt securities issued pursuant to the offering programme (the **Programme**), on the basis of which Všeobecná úverová banka, a.s., with the registered seat at Mlynské nivy 1, 829 90 Bratislava, the Slovak Republic, Identification number (in Slovak: *IČO*): 31 320 155, registered in the Commercial Register of Municipal Court Bratislava III, Section: Sa, File No.: 341/B (**VÚB** or the **Issuer**) is authorised to issue covered bonds (in Slovak: *kryté dlhopisy*) (the **Bonds** or **CB**) in any currency. The total nominal value of all unpaid Bonds issued under the Programme must not exceed EUR 7,000,000,000 or the equivalent sum in any other currency. The Programme duration is until 6 May 2033. The Base Prospectus does not apply to the conditions of other bonds issued by the Issuer outside the Programme.

The Bonds shall be issued in accordance with the laws of the Slovak Republic, in particular under Act No. 530/1990 Coll. on Bonds, as amended (the **Act on Bonds**), Act No. 566/2001 Coll. on Securities and Investment Services, Amending and Supplementing Certain Acts, as amended (the **Securities Act**) and under Act No. 483/2001 Coll. on Banks, Amending and Supplementing Certain Acts, as amended (the **Act on Banks**).

The Issuer prepared the Base Prospectus as a base prospectus for the purposes of Article 8 of 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 (the **Prospectus Regulation**), pursuant to Commission Delegated Regulation (EU) 2019/979 supplementing the Prospectus Regulation with regard to regulatory technical standards on key financial information in the summary of a prospectus, the publication and classification of prospectuses, advertisements for securities, supplements to a prospectus, and the notification portal, and repealing Commission Delegated Regulation (EU) No 382/2014 and Commission Delegated Regulation (EU) 2016/301 and pursuant to Article 25 and Annexes 6, 7, 14 and 15 of Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004 (the **Delegated Regulation on Prospectus**).

The Base Prospectus was approved on 8 March 2024 by the National Bank of Slovakia (the NBS) as the competent authority of the Slovak Republic pursuant to Section 120(1) of the Securities Act for the purposes of the Prospectus Regulation. The Base Prospectus will not be registered, authorised or approved by any authority of another state, except that the Issuer may request the NBS to notify the approval of the Base Prospectus to the *Commission de Surveillance du Secteur Financier* (the **CSSF**) as the competent authority of the Grand Duchy of Luxembourg under the Prospectus Regulation or any other competent authority of another Member State of the European Economic Area (the **EEA**) for the purpose of admitting the Programme or Bonds to trading on a regulated market in that other Member State. The Base Prospectus is subject to subsequent publication pursuant to Article 21 of the Prospectus Regulation. **The NBS only approves this Base Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Approval by the NBS should not be considered as an endorsement of the Issuer or an endorsement of the quality of the Bonds that are the subject of this Base Prospectus.**

The validity of this Base Prospectus will expire on 8 March 2025 in relation to Bonds which are to be admitted to trading on a regulated market in the EEA. The obligation to supplement this Base Prospectus in the event of a significant new factor, material mistake or material inaccuracy does not apply when this Base Prospectus is no longer valid. Anytime during the validity of the Base Prospectus, a supplement to the Base Prospectus (each, a **Supplement**) may be prepared in relation to the updating of the Base Prospectus and submitted to the NBS for approval. Once approved, the Supplement shall be published in accordance with the Prospectus Regulation.

The Issuer shall prepare and publish the final terms (in Slovak: *konečné podmienky*) for each Bonds issue or relevant tranche (the **Final Terms**) under the Programme and a summary for each issue (the **Summary**), if the Summary is required under applicable law. The Final Terms will contain such parameters and conditions of Bonds issue, which are unknown at the time of preparation of the Base Prospectus and/or several variants of which are indicated in the Base Prospectus. The Final Terms and (if relevant) the Summaries shall be submitted to the NBS and published in accordance with the Prospectus Regulation, and will constitute, together with the Base Prospectus, as amended by later Supplements, the entire information about each issuance of the Bonds within the Programme.

The Issuer may apply for admission of the Bonds to trading on the regulated market of Luxembourg Stock Exchange (the **LSE**) or regulated free market (in Slovak: *Regulovaný voľný trh*) of Bratislava Stock Exchange (in Slovak: *Burza cenných papierov v Bratislave, a.s.*) (the **B SSE**), which are regulated markets for the purposes of 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 (**MiFID II**), in each case in compliance with the respective legal regulations and the rules of the relevant stock exchange. The Issuer may also apply for admission of the Programme or Bonds to trading on the regulated market in another Member State of the EEA. Information about the regulated market to which the application for admission to trading will be submitted will be specified in the relevant Final Terms.

Intesa Sanpaolo S.p.A., a bank organised as a joint stock company under the laws of the Republic of Italy, whose registered office is at Piazza S. Carlo, 156, 10121 Turin, Italy and secondary office at Via Monte di Pietà, 8, 20121 Milan, Italy (**Intesa Sanpaolo**) will act as sole arranger and initial dealer for the Programme. For retail offers of the Bonds in the Slovak Republic, the Issuer itself may act as a dealer. Additional dealers may be appointed under the Programme from time to time either on a permanent basis or in relation to a single issuance or issuances of Bonds. However, the Issuer is solely responsible for the information in the Base Prospectus and Intesa Sanpaolo, or any other dealers so appointed, have not verified and will not be responsible for any information in the Base Prospectus.

The Bonds issued under the Programme are expected to be rated by Moody's Deutschland GmbH (**Moody's**). The credit rating will be specified in the relevant Final Terms. Any credit rating of the Bonds will be issued by a credit rating agency established in the European Union and registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended (the **CRA Regulation**). Moody's is included in the list of credit rating agencies published by the European Securities and Markets Authority (the **ESMA**) on its website in accordance with the CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation.

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.

Prospective investors should make their own assessment as to the suitability of investing in the Bonds. Investing in the Bonds involves risks. For a discussion of certain risks and other factors that should be considered in connection with an investment in the Bonds, see the section 2 headed "Risk Factors".

Other than in relation to the documents which are deemed to be incorporated by reference (see the section 4 headed "Documents Incorporated by Reference"), the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the NBS.

Sole Arranger
IMI – Intesa Sanpaolo

Dealers
IMI – Intesa Sanpaolo
Všeobecná úverová banka, a.s.

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1. GENERAL DESCRIPTION OF THE PROGRAMME

The following section contains a general description of the programme for the purposes of Article 25(1)(b) of the Delegated Regulation on Prospectus and, as such, does not purport to be complete and is qualified in its entirety by the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular issue of the Bonds, the applicable Final Terms. Prospective purchasers of Bonds should carefully read the information set out elsewhere in this Base Prospectus prior to making an investment decision in respect of the Bonds.

PRINCIPAL PARTIES

Issuer	Všeobecná úverová banka, a.s., a bank established as a joint-stock company under the laws of the Slovak Republic, with its registered office at Mlynské nivy 1, 829 90 Bratislava, the Slovak Republic, identification no. (in Slovak: <i>IČO</i>): 31 320 155, registered in the Commercial Register of Municipal Court Bratislava III, section: Sa, insert No.: 341/B, LEI: 549300JB1P61FUTPEZ75.
Sole Arranger	Intesa Sanpaolo S.p.A., a bank organised as a joint stock company under the laws of the Republic of Italy, whose registered office is at Piazza S. Carlo, 156, 10121 Turin and secondary office at Via Monte di Pietà, 8, 20121 Milan, Italy, enrolled in the Turin Register of Enterprises with Fiscal Code No. 00799960158, registered with the Bank of Italy under Banks Register no 5361 (in this capacity as the Arranger), a lead representative of the banking group Intesa Sanpaolo (the Intesa Sanpaolo Group) and of the VAT Group Intesa Sanpaolo, VAT 11991500015 (IT11991500015) and a member of the Interbank Deposit Protection Fund (<i>Fondo Interbancario di Tutela dei Depositi</i>) and the National Compensation Fund (<i>Fondo Nazionale di Garanzia</i>).
Calculation and Paying Agent	Všeobecná úverová banka, a.s.
Dealers	<p>As of the date hereof, Intesa Sanpaolo (the Dealer), and any entity so appointed by the Issuer in accordance with the terms of the Dealer Agreement (such Dealer Agreement as modified and/or supplemented and/or restated from time to time, the Dealer Agreement) dated on or about the date of approval of this Base Prospectus.</p> <p>For retail offers in the Slovak Republic, the Issuer itself may act as a dealer. Such domestic retail offers will not be governed by the terms of the Dealer Agreement.</p>
Luxembourg Listing Agent	Intesa Sanpaolo Bank Luxembourg S.A., a public limited liability company (<i>société anonyme</i>), incorporated under the laws of the Grand Duchy of Luxembourg as a credit institution, having its registered office at 28 Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg, and registered with the Luxembourg Register of Commerce and Companies under number B13859 (the Luxembourg Listing Agent).
Monitor of the covered bonds programme	The Act on Banks requires that the NBS appoints an independent individual as a monitor (in Slovak: <i>správca</i>) (the CBs Programme Monitor) overseeing certain aspects of the covered bonds programme as well as his/her deputy. The NBS has appointed Mr. Rudolf Šujan as the CBs Programme Monitor and Ms. Judita Bischofová as the deputy CBs Programme Monitor of the Issuer. The CBs Programme Monitor is required <i>inter alia</i> to prepare a written certificate evidencing that the coverage of the Bonds is secured in accordance with the Act on Banks and that an entry in the Register of Covered Bonds has been made prior to any issue of the Bonds. The CBs Programme Monitor also verifies whether the Issuer discharges its obligations arising from the Bonds in compliance with the applicable legislation.
Rating Agency	Moody's Deutschland GmbH



Ownership or control relationships between the principal parties

VÚB as the Issuer, Intesa Sanpaolo as the Arranger and Dealer and Intesa Sanpaolo Luxembourg as the Luxembourg Listing Agent all pertain to the Intesa Sanpaolo Group.

THE COVERED BONDS AND THE PROGRAMME

Programme Description

EUR 7,000,000,000 Covered Bonds Programme under the laws of the Slovak Republic

Programme Amount

Up to EUR 7,000,000,000 (and for this purpose, any Bonds denominated in another currency shall be converted into Euro at the date of the agreement to issue such Bonds) in aggregate principal amount of Bonds outstanding (the **Programme Limit**).

Distribution of the Bonds

The Bonds may be distributed on a syndicated or non-syndicated basis, in each case only in accordance with the relevant selling restrictions.

The Bonds may be sold from time to time by the Issuer to Intesa Sanpaolo, and/or each Dealer designated as such under the Dealer Agreement. The arrangements under which Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, the Dealers are set out in the Dealer Agreement. The Dealer Agreement provides for, inter alia, an indemnity to the Dealer against certain liabilities in connection with the offer and sale of the Bonds. The Dealer Agreement also provides for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other dealers either generally in respect of the Programme or in relation to a particular issuance. The Dealer Agreement contains, inter alia, stabilising provisions.

Some issues of the Bonds may be offered to the public in the Slovak Republic, domestic market of the Issuer; the Issuer may act as a Dealer in connection with such offers.

Selling Restrictions

The offer, sale and delivery of the Bonds and the distribution of offering material in certain jurisdictions is subject to certain selling restrictions. Persons who are in possession of this Base Prospectus are required by the Issuer, the Dealer and the Sole Arranger to inform themselves about, and to observe, any such restriction. The Bonds have not been and will not be registered under the United States Securities Act of 1933, as amended (the **U.S. Securities Act**). Subject to certain exceptions, the Bonds may not be offered, sold or delivered within the United States or to US persons. There are further restrictions on the distribution of this Base Prospectus and the offer or sale of Bonds in the EEA (including the United Kingdom).

For a description of certain restrictions on offers and sales of Bonds and on distribution of this Base Prospectus, see section 11 of the Base Prospectus, headed "*Subscription and Sale*" below.

Currencies

The Bonds may be denominated in any currency, specified in the applicable Final Terms, as may be agreed between the Issuer and the Relevant Dealer(s), subject to compliance with all applicable legal and/or regulatory and/or central bank requirements, in which case the Issuer may enter into certain agreements in order to hedge *inter alia* its currency exchange exposure in relation to such Bonds. Payments in respect of the Bonds may, subject to such compliance, be made in or linked to, any currency other than the currency in which such Bonds are denominated.

Nominal Value

The Bonds will be issued in such nominal values as may be specified in the relevant Final Terms, subject to compliance with all applicable legal or regulatory or central bank requirements.

Minimum Denomination

The minimum denomination (i.e. the Nominal Value, in Slovak: *menovitá hodnota*) of each Bond will be EUR 100,000 (or, where the Bonds are issued in a currency other than euro, the equivalent amount in such other currency), except



	that issues of the Bonds offered to the public in the Slovak Republic may be issued with minimum denomination lower than EUR 100,000. The denomination of each Bond issue will be specified in the relevant Final Terms.
Issue Price	Bonds may be issued at an issue price which is at par or at a discount to, or premium over, par, as specified in the relevant Final Terms.
Issue Date	The date when the Bonds issue is commenced will be specified in the relevant Final Terms.
Interest Payment Dates	Interest under the Bonds will be payable on the dates specified in the relevant Final Terms. All payment dates will be subject to the Following Business Date Convention, unadjusted.
Final Terms	Specific final terms will be issued and published prior to each issue of the Bonds detailing certain relevant terms thereof. The combination of Part A (Common Terms) of section 8 in this Base Prospectus and the Final Terms will form the terms and conditions of each specific issue of the Bonds under the Programme. The Final Terms must be read in conjunction with the Base Prospectus.
Risk Factors	There are certain factors that may affect the Issuer's ability to fulfil its obligations under the Bonds issued under the Programme. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Bonds issued under the Programme and risks relating to the legal features of the Bonds issued under the Programme. All of these are set out in section 2, headed " <i>Risk Factors</i> " below.
Maturity Date	The final maturity date of the Bonds (the Maturity Date) will be specified in the relevant Final Terms, and in any event the determination of the Maturity Date will be subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant regulatory body or by any laws or regulations applicable to the Issuer. All payment dates will be subject to the Following Business Date Convention, unadjusted.
Form of Bonds	<p>The Bonds are covered bonds (in Slovak: <i>kryté dlhopisy</i>) qualifying as European Covered Bonds (Premium) (in Slovak: <i>európske kryté dlhopisy (prémiové)</i>) and issued as book-entered securities (in Slovak: <i>zaknihované cenné papiere</i>) in bearer form (in Slovak: <i>vo forme na doručiteľ'a</i>) governed by Slovak law.</p> <p>No global certificates, definitive certificates or coupons will be issued with respect to any Bonds.</p>
Types of Bonds	<p>The Bonds may be issued as the Fixed Rate Bonds, Floating Rate Bonds or Zero Coupon Bonds, depending upon the Interest Basis specified in the applicable Final Terms.</p> <p>The Bonds may be repayable in one or more instalments depending on the repayment conditions specified in the applicable Final Terms.</p> <p><i>Fixed Rate Bonds:</i> Fixed interest will be payable on such date or dates and will be calculated on the basis of such Convention as set out in the applicable Final Terms.</p> <p><i>Floating Rate Bonds:</i> Floating Rate Bonds will bear interest at a rate determined on the basis of the Reference Rate and Margin set out in the applicable Final Terms.</p> <p><i>Other provisions in relation to Floating Rate Bonds:</i> Interest on Floating Rate Bonds in respect of each Interest Period will be payable on such Interest Payment Dates, and will be calculated on the basis of such Convention, as set out in the applicable Final Terms.</p> <p>The Margin (if any) relating to such floating rate will be set out in the applicable Final Terms.</p>



Redemption of the Bonds

Zero Coupon Bonds: Zero Coupon Bonds will be offered and sold at a discount to their nominal amount and will not bear interest.

The applicable Final Terms will indicate either that the relevant Bonds cannot be redeemed prior to their stated maturity or that such Bonds will be redeemable at the option of the Issuer upon giving notice to the Bondholders, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as will be set out in the applicable Final Terms.

The applicable Final Terms may also indicate that the Bonds will be redeemable at the option of the Issuer for taxation reasons.

The Bonds will not be redeemed early at the option of the Bondholders under any circumstances.

Taxation

The payments under the Bonds are subject to withholding tax, levies or other charges, if required by the Slovak legal regulations applicable as at the date of their payment.

The applicable Final Terms may indicate that in case any such deduction or withholding is made, the Issuer will pay additional amounts to cover the amounts so deducted save in certain limited circumstances, such as in case of a deduction or withholding is required or permitted to be made pursuant to the relevant applicable double tax treaty or the laws of the relevant jurisdiction.

All payments in respect of the Bonds will be made subject to any withholding or deduction required pursuant to FATCA.

Negative Pledge

The Terms and Conditions of the Bonds will not contain any negative pledge provision.

Cross-default

The Terms and Conditions of the Bonds will not contain any cross-default provision.

Status of the Bonds

Obligations from the Bonds constitute direct, general, secured (covered, in Slovak: *kryté*), unconditional and unsubordinated liabilities of the Issuer which rank *pari passu* among themselves and always rank at least *pari passu* with any other direct, general, similarly secured (covered, in Slovak: *kryté*), unconditional and unsubordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by mandatory provisions of law.

Rating

The Bonds issued under the Programme may be assigned a rating by a rating agency. Any such rating will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation and will be specified in the relevant Final Terms.

Approval of the Base Prospectus

This Base Prospectus has been approved by the NBS as a base prospectus drawn up in compliance with the Prospectus Regulation.

The Base Prospectus will not be registered, authorised or approved by any authority of another state, except that the Issuer may request the NBS to notify the approval of the Base Prospectus to the CSSF as the competent authority of the Grand Duchy of Luxembourg under the Prospectus Regulation or any other competent authority of another Member State of the EEA for the purpose of admitting the Programme or Bonds to trading on a regulated market in that other Member State.

Listing and admission to trading

The Issuer may apply for admission of the Bonds for to the official list and to trading on the regulated market of the LSE or regulated free market (in Slovak: *Regulovaný voľný trh*) of the BSSE or other stock exchanges or markets agreed between the Issuer and relevant Dealers and in each case as will be specified in the relevant Final Terms.



The applicable Final Terms will state whether or not the relevant Bonds are to be listed and/or admitted to trading and, if so, on which stock exchanges and/or markets.

Settlement

The primary settlement of the Bonds will be in each case through Slovak Central Securities Depository (in Slovak: *Centrálny depozitár cenných papierov SR, a.s.*).

The Bonds may also be settled and held through international central depositories such as Euroclear or Clearstream through their bridge accounts or links maintained with the Slovak Central Securities Depository.

Governing Law

The Bonds, the Programme and any non-contractual obligations arising out of or in connection with the Bonds and the Programme will be governed by, and shall be construed in accordance with, Slovak law.

The Dealer Agreement will be governed by, and shall be construed in accordance with, English law.



2. RISK FACTORS

Investment in the Bonds is associated with certain risks. Prior to making any investment decision with regard to the Bonds, each potential investor should take the following risk factors and other investment factors into careful consideration and deciding on the basis of the information provided in this Base Prospectus and relevant Final Terms, Summaries and Supplements, which may be prepared in the future, as well as on the basis of information in documents referred to in section 4 headed "Documents Incorporated by Reference".

Each of the risk factors mentioned below may have a significant impact on the financial results of the Issuer and/or its ability to perform its obligations pursuant to the Bonds.

The following overview of risks cannot be regarded as a final one and the Issuer does not guarantee that there are no other risks, apart from the following risk factors, which may have an impact on the Issuer and/or the Bonds issued by the Issuer. Future investors should therefore make their own independent assessment of all risk factors and consider all the other parts of this Base Prospectus. The risk factors provided hereunder may have an impact on the ability of the Issuer to perform its obligations pursuant to the Bonds.

The risk factors are presented in a limited number of categories depending on their nature. The risk factors described below are lined up according to materiality, so that in each category the most material risk factors are mentioned first.

2.1 Risk Factors Relating to the Issuer

Prospective investors are invited to carefully read this section on the risk factors before making any investment decision, in order to understand the risks relating to the Issuer and obtain a better appreciation of the Issuer's abilities to satisfy the obligations related to the Bonds issued and described in the relevant Final Terms. The Issuer deems that the following risk factors could affect the ability of the same to satisfy its obligations arising from the Bonds.

Risk factors relating to the Issuer have been classified into the following categories:

- (i) macroeconomic risk factors affecting the Issuer;*
- (ii) market and client sector risk factors affecting the Issuer;*
- (iii) risk factors associated with the Issuer's financial situation and creditworthiness;*
- (iv) legal and regulatory risk factors associated with the Issuer; and*
- (v) risk factors associated with the Issuer's operations and internal controls.*

Macroeconomic risk factors affecting the Issuer

The Issuer may be adversely affected by the effects political and economic risks emanating from Russian war in Ukraine, and other geopolitical risks, slow growth of Slovakia's key export markets, and country's own fiscal challenges related to inflated social spending and prospectively also population ageing.

The business performance of the Issuer will be affected predominantly by the overall performance of the Slovak economy. A very high degree of openness of the Slovak economy predisposes it to have a high sensitivity to development of the external macroeconomic environment, which remains uncertain amidst unstable international situation characterised by ongoing Russian war in neighbouring Ukraine and other military conflicts that indirectly involve the West and which can affect the raw materials market, especially for energy.

There also are cyclical headwinds causing the world economy to slow, including the past tightening of monetary policy. Additionally, the global economy is grappling with the depletion of post-pandemic buffers - fiscal support and household savings, which will probably lead to slower growth in 2024 than 2023 in the advanced economies and also globally.¹ The global outlook therefore poses a challenge for the open and export-oriented Slovak economy in the near term to recover its growth to full potential.

With the hindsight of 2023, amidst the sluggish development elsewhere in Europe, the Slovak economy did reasonably well even amidst rather mediocre external backdrop. Real GDP of Slovakia in the first three quarters of 2023 increased by 1.1%.² Growth was sustained mainly thanks to industry, especially the key automotive

¹ IMF, World Economic Outlook, October 2023: Navigating Global Divergences (imf.org).

² Slovak Statistical Office, National Accounts (statistics.sk).



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sector, delivering on earlier orders. The economy also was propped by accelerated drawdown of EU funds and related investments.

A particular boost to growth came from public spending, especially on various income supports to households, including energy price subsidies, which were one of the most generous in relation to the size of the economy among all Eurozone countries. Increased social spending was partly a result of fiscal electioneering ahead of early parliamentary elections in September 2023, but will continue as the new coalition government keeps on subsidizing energy prices for households also in 2024.

The increase in public spending, while beneficial to the short-term aggregate demand and thus growth of the economy, has nonetheless resulted in worsening of fiscal balances, both in the short and medium-term perspective. As a result, investors started to demand higher premium on Slovak sovereign borrowing, which has pushed up also borrowing costs of banks.

Rating agencies also noted growing fiscal imbalances. On 8 December 2023, Fitch rating agency lowered Slovakia's rating by one level to A-. The last time Slovakia had its rating from Fitch this low was when the country joined the EU, in 2004. The remaining two main agencies, Moody's and S&P, though still evaluate Slovakia's rating by one and two degrees higher, resp., which prevented yet a steeper increase in risk premia. Nonetheless, a possible sovereign rating downgrade is a factor, which may keep investors wary of the banking sector, especially as the new government imposed a bank levy on banks, amounting to 30% of gross profit from January 2024 on. Together with the regular corporate income tax of 21%, the effective taxation rates of Slovak banking sector are thus set to increase in 2024 to 45%.³

The incipient bank levy hit will inevitably put cold water on finally improving profitability of Slovak banking sector. Because of the turnaround in interest rates and reprising of loans, banks operating in Slovakia saw their interest income through November 2023 grow by 90% over a year ago. Their interest expenses rose too, quadrupling over a year ago. Still, the net interest income of the sector in the first ten months of the year was up 29% over a year ago, while total operating revenues grew 22%, resp. Operating costs meanwhile remained contained, allowing operating profit to jump over 41% over a year ago. Also contained remained provisioning for loan losses, with NPL ratio at 2.1% in November 2023, near historic low of 1.9% recorded in the first half of 2023. Net profit of the sector rose by 46% over a year ago through November and is heading to a record high EUR 1.2bn in the full year 2023.⁴ ROE of the sector is thus heading toward the levels of 12% or higher, which would be a significant improvement over the level of 9.4% in 2022 and 8.4% in 2021, respectively.

Volume-wise, the dynamics have been comparatively softer. Higher interest rates and the rise in living costs made demand for mortgages soften. New mortgage production has steadied at around two-thirds of its 2020-22 average. Year-on-year growth of loans to households slowed to below 5% by November 2023, about half the growth rate of 2022. Deposit volumes, meanwhile, have been affected by historic low saving rate of households, and steadied at the level of end-2021. To fund growth of loans, banks thus rely on wholesale funding, including corporate deposits and also covered bonds. This liquidity clearly came at a higher price and pushed overall funding costs of banks further up.

Looking ahead, the near-term macro prospects for Slovak retail banking nonetheless appear constructive. Inflation declined dramatically, from the peak of 15.4% in early 2023 to 6.2% in November 2023 and prospectively to 2-3% in 2024.⁵ This disinflation will help to improve the household's saving behaviour and their deposits with banks. Also, so far, the labour market holds, with jobs in the economy still growing, albeit modestly, and unemployment rate steady, around 6%. Together with a decent increase in nominal income, around 8%, most households thus can cope with the impact of higher rates on their loans payments. According to the analysis of the NBS in their November Financial Stability report, as long as the labour market remains in good shape, non-performing loan ratios should not rise far above their current level.⁶

³ Slovak Ministry of Finance, Reakcia MF SR na zavádzajúce informácie v prípade bankovej dane a postupu ECB. Available at: <https://www.mfsr.sk/sk/media/tlacove-spravy/reakcia-mf-sr-zavadzajuce-informacie-pripade-bankovej-dane-postupu-ecb.html>.

⁴ Slovak Ministry of Finance, Reakcia MF SR na zavádzajúce informácie v prípade bankovej dane a postupu ECB. Available at: <https://www.mfsr.sk/sk/media/tlacove-spravy/reakcia-mf-sr-zavadzajuce-informacie-pripade-bankovej-dane-postupu-ecb.html>.

⁵ National Bank of Slovakia, Economic and Monetary Developments (nbs.sk).

⁶ National Bank of Slovakia, Financial Stability Report – November 2023, <https://nbs.sk/en/publications/financial-stability-report/financial-stability-report-november-2023/>.



All of the above negative developments in the overall economic situation, in particular sharp declines in asset prices in any sector may have an adverse effect on the Issuer, whether due to direct losses or due to a loss of value of security. These factors could also affect the existing contractual relations and the fulfilment of obligations by the Issuer's borrowers and other customers and, thus, have an adverse impact on the financial situation and profitability of the Issuer and ultimately on the Issuer's ability to meet its obligations under the Bonds.

With reference to the exit of the United Kingdom from the single market on 1 January 2021, changes in the relationship of the UK with the EU may affect the business of the Issuer. On 29 March 2017, the UK invoked Article 50 of the Treaty on the European Union and officially notified the EU of its decision to withdraw from the EU. On 31 January 2020 the UK withdrew from the EU and the transition period ended on 31 December 2020 at 11pm. Therefore, the Treaty on the European Union and the Treaty on the Functioning of the European Union have ceased to apply to the UK. The European Union (Withdrawal) Act 2018 (as amended by the European Union (Withdrawal Agreement) Act 2020) and secondary legislation made under it ensure there is a functioning statute book in the UK.

The EU-UK Trade and Cooperation Agreement (the **Trade and Cooperation Agreement**), which governs relations between the EU and UK following the end of the Brexit transition period and which had provisional application pending completion of ratification procedures, entered into force on 1 May 2021. The Trade and Cooperation Agreement does not create a detailed framework to govern the cross-border provision of regulated financial services from the UK into the EU and from the EU into the UK. The Issuer adopted preventive action and contingency plan to avoid any suspension in trading or operational activity in post-Brexit situation. The precise impact on the business of the Issuer is difficult to determine. As such, no assurance can be given that such matters would not adversely affect the ability of the Issuer to satisfy its obligations under the Bonds and/or the market value and/or the liquidity of the Bonds in the secondary market.

Post-pandemic impacts on the Issuer and new legislation concerning preventive restructuring and temporary protection of Slovak corporate entities

Despite the officially declared end of COVID-19 pandemic, the Issuer may still be affected, to some extent, by its long-term impacts which, together with new macroeconomic and geopolitical challenges, may position the Issuer to face new realities. As an example, there may still be a potential growth of NPLs and enforcement actions against defaulting obligors of the Issuer. A downward trend in traditional product distribution methods of *in persona* sales essentially redefined the Issuer's selling strategies and its approach towards management of its traditional branch network. Apart from a necessary consolidation, there has been a rapid acceleration in use of new online technologies and other direct communication channels for distributing the products to the customers. The use of such new technologies and channels has taken an upward trend and continues to do so by going hand in hand with further technological innovations- All of this has positively contributed towards a more cost-effective operational, marketing and servicing practices based on enhanced automation and digitalization. However, these changes may have already affected, to some extent, the financial position of the Issuer and they are likely to affect it in the future as well since the initial implementation of new tools, processes and technologies has already produced some additional costs and it may be expected that their continued usage and development is also likely to produce some ancillary costs for the Issuer. However any such costs and expenditures are not considered to have a material impact on the overall financial situation, revenues or prospects of the Issuer and its banking business.

The Slovak Parliament has adopted several legislative measures in connection with the COVID-19 pandemic situation, some of which have a negative impact on the financial situation, revenues and prospects of the Issuer and its banking business.

Some of the measures, such as a general prohibition of realisation or enforcement of security that were adopted by the Slovak Parliament are no longer effective. Others, such as the temporary protection of entrepreneurs, were replaced by a more robust legislation, which aims to achieve similar effect.

Since 17 July 2022, an entrepreneur in financial difficulties may, according to Act No. 111/2022 Coll. on the Resolution of Impeding Bankruptcy, which, amongst other things, amended the institute of a temporary protection, apply for a permission to undertake a public preventive restructuring (upon meeting certain conditions), within which an entrepreneur may be granted with a temporary protection.

The relevant court shall grant a temporary protection only if (a) the majority of creditors according to the amount of unrelated receivables, or (b) at least 20% of all creditors according to the amount of their unrelated receivables



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have agreed with its provision, given that in the concept of plan the partial waive of the receivable or acknowledgement of its partial unenforceability shall not exceed 20 % of the creditor's receivable and the postponement of repayment of any receivable shall not exceed one year.

The consequences of granting a temporary protection to an entrepreneur include, but are not limited to, (i) active and passive bankruptcy immunity; (ii) the impossibility to seize a business, item, rights and other property values belonging to an entrepreneur's business in execution proceedings or in the course of enforcement of the judgment and (iii) restrictions on repayment of certain obligations. The temporary protection may be granted for a maximum total duration of six months.

As of the date of this Base Prospectus, the Issuer is not able to predict what impact will have the legislation on the public preventive restructuring on its debtors (and in consequence on the Issuer and its business). There is a risk that despite of the successful initiation of a public preventive restructuring, an entrepreneur may still end up insolvent and subject to bankruptcy proceedings. This could have negative impact on the Issuer, its business and its financial condition.

Market and client sector risk factors affecting the Issuer

The Issuer is exposed to credit risk of its clients, mostly borrowers but also trading counterparties

The Issuer, as well as whole banking and financial services sector, may be negatively influenced by a number of factors such as the general market conditions, performance of financial markets, level of interest rates, fluctuations of exchange rates, legislative changes as well as regulation changes made by the central banks. Deterioration of the market situation may negatively influence the demand for products and services offered by the Issuer. A negative development of those factors may also endanger the ability of clients to repay their obligations, which may have a negative impact on the Issuer and may potentially represent a risk of non-performance of obligations by the Issuer. The economic and financial activity and soundness of the Issuer depends also heavily on the degree of credit reliability of its clients. Therefore, the clients' breach of the agreements entered into and of their underlying obligations, or any lack of information or incorrect information provided by them as to their respective financial and credit position, could have negative effects on the economic and/or financial situation of the Issuer.

The Issuer's interest income and revenues from its investment portfolios are exposed to the interest risk

Issuer's interest rate risk exposure is at any time impacted by the number of scenarios including changes in the overall level of interest rates, changes in the relationships between the main market rates (baseline risk); changes in the slope and shape of the yield curve (curve risk), changes in the liquidity of the key financial markets or in the volatility of market rates in different currencies, consolidation of exposures on the basis of the different correlations between currencies and stress on behavioural models.

Despite the fact that the Issuer applies policies for hedging and mitigating interest rate risk to protect the banking book from variations in the fair value of loans and deposits due to movements in the interest rate curve, and to reduce the volatility of future cash flows related to a particular asset/liability, interest rates are highly sensitive to many factors which cannot be controlled by the Issuer and interest rate fluctuations may negatively affect the Issuer's net interest income.

Competition on the Slovak banking market

The banking and financial services sector of CEE, and in the Slovak Republic in particular, is saturated and accordingly the Issuer has been encountering intense competition, especially from local financial institutions. Although, the turnaround in interest rates globally, and in the Eurozone in particular, has brought a welcome relief to lending rates and the net interest rate margin of the banks, at the same time, however, higher interest rates very negatively affect demand for loans and thus competition for new viable mortgage business remains as intense as during the previous era of historic low interest rates.

The Issuer is exposed to the risk of decline in the value of real estate used as collateral to cover the Issuer's receivables

Slovak real estate market has until recently been one of the most dynamic in Europe, posting double digit annual growth of residential property prices in 2020-22.⁷ In 2023, driven by rising interest rates and rising costs of living, a partial correction has commenced. Besides the demand parameters driving the market, interest rates and

⁷ National Bank of Slovakia, development of residential property prices in Slovakia (nbs.sk).



income in particular, housing price development is also determined by the supply of housing. In this respect, the market appears much more flexible than in the aftermath of the global financial crisis of 2008-9. Housing starts have decreased sharply, especially in the capital Bratislava⁸, which may help to put the floor under the prices of new housing more effectively than in the previous downcycle fifteen years ago.

Understandably though, given the ECB rates at multi-decade high and inflation still far above the 2% target, the prices on average will likely have tendency during 2024 to continue declining before stabilizing and eventually turning up again.

The Issuer's commercial and residential loan portfolios may also suffer losses if property values decline in the future or, if as a result of deficiencies in the collateral management, the value of the security proves to be insufficient. If these risks were to materialise, it could have an adverse effect on the Issuer's business, financial position, results of activities and prospects.

Abovementioned risk concerns generally the value of the mortgages created in favour of the Issuer as a pledgee and creditor to secure repayment of the loans provided by it.

Potential decline of residential real estate prices may specifically affect value of the cover pool and the cover ratio of the Bonds. However, pursuant to the statutory requirements, the cover ratio cannot fall below 105% of the value of the covered liabilities (see also the risk factor *In exceptionally adverse bankruptcy situation the cover pool assets may not be sufficient to fully cover all liabilities under the Bonds*).

Risk factors associated with the Issuer's financial situation and creditworthiness

Liquidity risk

Liquidity risk is the risk of inability of the Issuer to perform its obligations duly and on time. The Issuer may be exposed to a drawdown of unused committed credit lines of its customers or increase of delinquency on the customer loans, which could lead to the deterioration of the liquidity situation of the Issuer as increased requirement of funding would not have to be secured in sufficiently and timely manner. Increase of spreads together with rating downgrade may cause negative revaluation of assets used as a collateral. Important part of deposits are corporate deposits. The Issuer may face the concentration risk on the corporate deposits, caused by immediate withdrawal of funds during crisis or increase of reputational risk leading to the bank run. Due to Slovakia's highly open economy, the liquidity of the Issuer may be threatened by slowdown of the global macroeconomic cycle. The potential increase of unemployment rate could cause the customer savings to be touched. If this risk was to materialise, the Issuer's deposit base would decrease subsequently.

Rating of the Issuer

The rating assigned by Moody's as of date of the Base Prospectus does not represent all risks and therefore such situation may happen, that may lead to losses of the Issuer and consequently impact the financial results of Issuer, or its ability to fulfil its obligations arising from the Bonds. Assigned rating valuation represents the opinion of the rating agency on the creditworthiness of the Issuer. The current rating outlook of the Issuer is negative as indicated by Moody's. The rating of the Issuer can be downgraded, interrupted or withdrawn, which may lead to limitation of access to financing resources of the Issuer and consequently to higher refinancing costs. In general, negative changes in the local and international economic environment, inflation, consumption of households and businesses, recession, unemployment, limited credit possibilities and other factors outside an investor's as well as the Issuer's control may have a negative impact on the Issuer's performance, value of investment portfolio, as well as market value of securities issued by the Issuer.

The Issuer is exposed to the risks that are affecting the whole Intesa Sanpaolo Group

The Issuer is a member of the Intesa Sanpaolo Group. As with other Slovak banks that are members of international groups, there are significant links between the Issuer and its sole shareholder and the entire Intesa Sanpaolo Group, be it intra-group financing, access to human and other resources and know-how, technology sharing and development or reporting. Therefore, the Issuer may be materially adversely affected by the risks related to the business of the Intesa Sanpaolo Group and the markets in which it operates, including mainly:

- (a) Similarly as the Issuer itself (see the risk factor *The Issuer may be adversely affected by the political and economic risks emanating from Russian war in Ukraine, slowdown in Slovakia's key export markets, steep energy prices, possible widening of spreads once the ECB reverses its asset purchases*

⁸ Statistical Office of the Slovak Republic, Housing construction in the 3rd quarter 2023 (statistics.sk).



and other negative macroeconomic and market factors, including a correction of the housing market '), the entire Intesa Sanpaolo Group has been and may continue to be adversely affected by Russian war in Ukraine, steep energy prices, correction of the housing market and other negative macroeconomic and market environments. The macro-economic framework is currently characterised by significant profiles of uncertainty, in relation to: (i) the negative impacts of COVID-19, which initially caused a major decline in economic activity and may have had persistent effects on the labour market and the business sector; (ii) the future developments of ECB monetary policies in the Euro area and of the FED in the dollar area; (iii) the tensions observed, on a more or less recurrent basis, on the financial markets; (iv) the risk that in the future holders of Italian government debt lose confidence in the credit standing of Republic of Italy, owing to political developments or changes in budgetary policies affecting the sustainability of government debt; and (v) the risk of energy supply disruptions and their effects on economic activity and prices. The Intesa Sanpaolo Group is particularly exposed to these risks in its Italian domestic market and in other European markets where its activities are geographically concentrated. In addition, the Intesa Sanpaolo Group's results are and will be exposed to sovereign debtors, in particular to Italy and certain major European Countries.

- (b) As every banking group, the Intesa Sanpaolo Group faces credit risk (risk of default) due to economic downturn or even regulatory interventions leading to counterparties not satisfying their respective obligations towards the Intesa Sanpaolo Group by reason of bankruptcy, absence of liquidity, operational disruption or any other reason. In addition to that, the Intesa Sanpaolo Group faces further risks common for activity in the banking sector, such as new and tightening regulatory requirements (not only under European Union law but also other countries) and market risks. As several countries where Intesa Sanpaolo Group conducts business are outside the Eurozone, the group also faces significant currency risk and adverse exchange rate movements or exchange rate volatility may result in a sudden deterioration in loan portfolio quality or value, assets value, losses from open foreign exchange positions or other adverse effects on the financial position and results of the Intesa Sanpaolo Group.
- (c) Some of the Intesa Sanpaolo Group's markets, especially those outside the European Union, are emerging markets with a relatively unstable legal and economic environment, poor law enforcement, unstable regulation and a relatively high risk of sudden and adverse government interventions, such as foreign exchange controls, interest rate caps, forced conversion of loans into domestic currency, moratoriums on repayment of liabilities and the like.
- (d) The Intesa Sanpaolo Group is exposed to risk arising from litigation proceedings conducted by or directed against the group and also other risks, such as loss of ratings, reputational and operational risk, and the risk of the obligation to finance government budget consolidation programs, including through the introduction of banking taxes and other fees.
- (e) The Intesa Sanpaolo Group is exposed to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.
- (f) The Intesa Sanpaolo Group is exposed to the risk that it is not able to satisfy its payment obligations at maturity, both due to the inability to raise funds on the market (funding liquidity risk) and of the difficulty to disinvest its own assets (market liquidity risk).

The Issuer cannot affect these and other risks at the level of the Intesa Sanpaolo Group, despite that, if the Intesa Sanpaolo Group was adversely impacted, although only on a reputable level, this may have an adverse effect on the financial position, results and business of the Issuer.

Legal and regulatory risk factors associated with the Issuer

Regulatory requirements

The financial sector in which the Issuer operates is considered one of the most regulated industry environments. The Issuer is a regulated credit institution and it has been enlisted among other systemically important institutions in the EU (O-SIIs). The Issuer is thus considered a systemically important financial institution for Slovak banking sector and economy. The Issuer is subject to a supervision of national and European regulatory authorities, especially its activities are under direct supervision of the National Bank of Slovakia, European Central Bank and the European System of Central Banks.



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In response to the financial crisis in Europe, the European banking sector has become subject to significant new regulations. The key document is the package consisting of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation, **CRR**) and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (**CRD IV**) by virtue of which the European Commission adopted the Basel III standards of the Bank for International Settlements. A set of measures was also adopted amending many of the existing provisions set out in CRD IV, CRR, BRRD and the SRM Regulations. Most of these new rules apply from 28 June 2021. Key changes are (i) more risk-sensitive capital requirements, in particular in the area of market risk, counterparty credit risk, and for exposures to central counterparties; (ii) a binding leverage ratio to prevent institutions from excessive leverage; (iii) a binding net stable funding ratio to address the excessive reliance on short-term wholesale funding and to reduce long-term funding risk; and (iv) the total loss absorbing capacity (the **TLAC**) requirement for global systemically important banks and other credit institutions.

As a result of the adoption and ongoing implementation of these measures, the Issuer is exposed to additional requirements for capital adequacy (e.g. in the form of capital buffers) and fulfilment of other indicators (e.g. in the area of liquidity). In addition, these requirements may impose additional costs and obligations on the Issuer, as a result of which the Issuer will have to change its business strategy or may have other negative impact on its business, products and services offered and also on the value of its assets. The Issuer may not be able to increase its capital or eligible liabilities sufficiently and in time. If the Issuer is unable to meet regulatory capital adequacy requirements or eligible liabilities, or other indicators, its credit rating could be downgraded and the cost of its financing could be increased and/or competent authorities could impose fines, sanctions or other regulatory measures. Such circumstances would have a material adverse effect on the Issuer's business, financial condition and results.

Legislation on the recovery and resolution of bank crises

The Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 Establishing a Framework for the Recovery and Resolution of Credit Institutions and Investment Firms (Bank Recovery and Resolution Directive, **BRRD**) should also contribute to the stability of the banking sector. BRRD has been implemented in the Slovak Republic by Act No. 371/2014 Coll. on resolution in the financial market and amending certain laws (the **Slovak Resolution Act**). This law contains a framework for recovery and resolution of crisis situations of credit institutions and requires the institutions to prepare "recovery plans" setting out agreements and measures that may be used in case of material deterioration of financial institution's position to recover its long-term operations. The Issuer, as a significant bank, is also affected by the Single Resolution Mechanism (the **SRM**), which has been in force since January 2016. Its role is to centralize key competencies and resources for management of credit institution default in the participating Member States of the Banking Union. The SRM is governed by: (i) 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 (Single Resolution Mechanism Regulation) (the **SRM Regulation**), which covers the main aspects of the mechanism and generally copies the BRRD rules on the recovery and resolution of credit institutions; and (ii) an intergovernmental agreement on certain specific aspects of the SRF (Single Resolution Fund). According to the SRM, the Single Resolution Board is primarily responsible for taking resolution decisions in close cooperation with the ECB, the European Commission and the national resolution authorities in the event of the Issuer's failure (or probable failure) as a significant entity under the direct supervision of the ECB, if a certain trigger event has occurred.

Such legislation concerning the Issuer as a bank is sector-specific and much stricter than the normal insolvency and crisis regime concerning other companies. The resolution authority has the power to impose a number of measures, several of which do not concern covered bonds. Nevertheless, the exercise of these powers (such as the division of the Issuer or the imposition of an obligation to issue new shares or other financial instruments) of the resolution authority is highly unpredictable and any proposal or expectation of such exercise could have material adverse effect on the Issuer, its activities, financial situation and ability to fulfil obligations from the Bonds.



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Minimum requirements for own funds and eligible liabilities (MREL)

In order to ensure the effectiveness of bail-in and other resolution tool, institutions must comply with the requirements for own funds and eligible liabilities (**MREL**), calculated as a percentage of total liabilities and own funds and set by the competent resolution authorities. The package of measures related to the European banking reform also includes Directive (EU) 2019/879 on the revision of the BRRD Directive (**BRRD2**), which has been implemented into the Slovak Resolution Act with effect from 28 December 2020. BRRD2 introduces full implementation of the TLAC standard and revises the MREL regime. Other changes to the MREL framework include changes to the MREL calculation methodology, the criteria for eligible liabilities that can be considered as MREL, the introduction of internal MREL and other reporting and disclosure requirements for institutions. A transitional period for full compliance with the MREL requirements is expected until 1 January 2024.

MREL requirement determined for the Intesa Sanpaolo Group, is currently considered to be achievable, with a transitional period of two to three years. However, it is possible that the Issuer will have to issue new financial instruments establishing eligible liabilities that meet the conditions for the purposes of the MREL in order to meet additional requirements. There is also a risk that the Issuer or the Intesa Sanpaolo Group will not be able to meet the MREL requirement, which could lead to higher refinancing costs and regulatory measures.

Stricter and/or new regulatory requirements may be adopted in the future, and the existing regulatory environment continues to evolve. Any such regulatory developments may expose the Issuer to additional costs and liabilities which may require the Issuer to change its business strategy or otherwise have a negative impact on its business, the offered products and services as well as the value of its assets. If the Issuer is unable to comply with other regulatory requirements, its credit ratings may drop and its cost of funding may increase, and/or the competent authorities may impose fines, penalties or other regulatory measures. The occurrence of all such consequences could have a material adverse effect on the Issuer's business, financial condition and results of its operations.

MiFID II

The Issuer is subject to the regulatory framework for investment services and regulated markets updated by Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on Markets in Financial Instruments, as amended (**MiFID II**) and related European and national legislation applicable as of 3 January 2018. Under the MiFID II framework the Issuer is required to comply with the increased regulatory requirements that also result in increased costs for the Issuer. The regulation mostly affected IT, operational and servicing infrastructure with a direct impact on the relationships with the customers. In connection with provision of investment services, the Issuer implemented new or additional disclosure and documentation requirements on financial products and their related risks in order to enable the client to make qualified investment decision based on an adequate knowledge of the characteristics of the products and its risks. In addition to this, the Issuer contributed considerable financial and material resources into processes promoting cost transparency as well as qualified selection of product offerings to clients based on assessment of various factors material for determination of positive and negative target markets. Despite some easing of administrative burdens effected by the legislative amendment known as "MiFID II Quick Fix", the implementation of MiFID II framework still remains a complex agenda imposing additional requirements on the Issuer's business, the fulfilment of which has not yet been fully stabilised or evaluated, and the Issuer may face additional costs or regulatory interventions related to MiFID II that may adversely affect its business, financial situation and results.

Risk of new bank levy and further changes in the tax framework

The future development of the Issuer's assets, financial position and profit, inter alia, depends on the tax framework. Every future change in legislation, case law and the administrative procedures and practice of tax authorities and other relevant public authorities may have an adverse effect on the Issuer's assets, financial position and profit. The Issuer is subject to complex tax regulations that in some cases may have only been in effect for a short period, are frequently amended or differently applied. The level of tax collection can also lead to the introduction of new taxes in order to increase tax revenues.

With effect from 1 January 2024 and pursuant to Act No. 235/2012 Coll. on special levy from business activities in regulated areas and on amendments and supplements to certain laws, banks and other institutions with a license issued by the National Bank of Slovakia were included among the regulated entities to which a special levy is applied from doing business in regulated industries. For regulated entities who carry out activities in the field of



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banking, an increased levy rate of 30% of gross profit per year is applied for 2024, which will be gradually reduced in the following years, in 2025 to 24.95%, in 2026 to 20.04%, in 2027 to 15%, and only from 1 January 2028 the rate for banks should be unified with other regulated entities at 4.35%. The basis for calculating the special levy is the financial result in the relevant year multiplied by the coefficient. The coefficient takes into account the ratio of revenues achieved from regulatory activities to the total revenues achieved in the relevant year. This may result in the weakening ability of the Slovak banks to prepare for the potential crisis and jeopardize the financial stability of the sector. The bank levy may have significant impacts on the profitability of the Issuer as well.

There is still a proposal for a financial transaction tax within the European Union (the **FTT**). Following the introduction of the FTT, financial transactions related to derivative contracts and all other financial transactions (e.g. the purchase and sale of shares, bonds and similar securities, money market instruments or units in collective investment undertakings) might be taxed. The taxable amount could be everything which constitutes a consideration paid or owed from the counterparty or a third party in connection with this transaction. The planned deadline for the FTT introduction has been postponed several times in the past, and it is currently not clear either whether the FTT will be introduced in the proposed form, or at all. However, if the FTT were introduced, due to higher costs, it would have a negative impact on the financial position and profit of the Issuer.

Changes in consumer protection laws and the application or interpretation of such laws might limit the fees and other pricing terms and conditions that the Issuer may charge for certain banking services and might also allow customers to claim back some of those fees already paid in the past

Changes in consumer protection laws or the interpretation of consumer protection laws by courts or governmental authorities could limit the interest rate or the fees that the Issuer may charge for the provision of some of its products and services and thereby result in lower interest or commission income. In the Slovak Republic, for instance, a ceiling has been introduced for the payment of consumer loans and fees for the basic banking product, the so-called standard account and also for early repayment of a mortgage loan.

The Issuer has been a party of a number of civil and administrative proceedings initiated by customers, supervisory authorities or consumer protection agencies and associations, resulting in fines or waiver of recovery of part of the interest or fees. The legal proceedings mainly relate to allegations that certain contractual provisions, particularly in respect of consumer loans, violate mandatory consumer protection laws and regulations. These allegations relate to the enforceability of certain fees as well as contractual provisions for the adjustment of interest and currency exchange rates. Moreover, any such changes in consumer protection laws or the interpretation of such laws by courts or governmental authorities could impair the Issuer's ability to offer certain products and services or to enforce certain contractual provisions and reduce the Issuer's net commission income and have a negative effect on the results of its operations.

Compliance with anti-money laundering, anti-corruption and anti-terrorism financing rules

The Issuer must comply with national and international rules and regulations relating to money laundering, anti-corruption and the financing of terrorism. These rules and regulations have become stricter over the last few years and may be further tightened and more strictly enforced in the future. There is also a notable increase in enforcement activities by foreign supervisory bodies, which often exercise their jurisdiction on a cross-border basis. Compliance with these rules and regulations places a significant financial burden on banks and other financial institutions and gives rise to significant technical issues. Any violation or suspected violation of these or similar rules by the Issuer may have severe legal, monetary and reputational consequences on the Issuer, including sanctions imposed by the NBS. This could therefore have a material adverse effect on the Issuer's business, the results of its operations, as well as its financial condition, liquidity, capital base, prospects, and reputation.

The evolving legislation may create an uncertain environment for investments and business activities and thus have a negative effect on the Issuer's business activities

The legal infrastructure and the law enforcement system in the Slovak Republic are less developed compared to those in some western European countries. The Issuer is a party to various legal proceedings in the ordinary course of business, including for enforcement of its claims against the borrowers or other counterparties. Lack of legal certainty, inability to achieve effective legal remedy in a timely manner or at all, delays in litigation and the risk of new legal evolution or changes in the application of the new legal order can lead to investment losses



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and significant adverse effects on business activities, the financial position, results of operations of the Issuer and its ability to meet its obligations under the Bonds.

Bankruptcy and other laws and regulations governing creditors' rights

Slovak bankruptcy proceedings often take several years to be resolved and the level of recovery for creditors is relatively low compared to the rest of the European Union. Therefore, the Issuer cannot ensure that its rights as a creditor in bankruptcy proceedings will be sufficient to enable it to successfully collect amounts owed by its debtors. In addition, the Issuer's litigation costs related to the bankruptcy proceedings of its borrowers or counterparties may increase substantially as a result of any newly adopted and untested procedures and possible changes in regulations. The process of collateral enforcement in the Slovak Republic is quite costly and can take several years. As a result, the Issuer may be unable to enforce in a timely manner, for reasonable costs, or at all, collateral securing loans and other credit extended by the Issuer, including mortgage loans. This might have a material adverse effect on the Issuer's business, the results of its operations, its financial condition, liquidity, capital base, prospects and reputation.

Risk factors associated with the Issuer's operations and internal controls

Operating risk

Operating risk may be defined as the risk of loss caused by unsuitable or inappropriately set internal processes, people and systems or from external events. Operational risk includes legal risk and compliance risk, model risk, ICT risk and financial reporting risk; strategic and reputational risk are not included.

The Issuer has defined a framework for the operational risks management consisting of identification of such risks, their measurement and assessment, monitoring, management and control and although the Issuer constantly supervises its own operational risks, certain unexpected events and/or events out of the Issuer's control may occur (including those mentioned above by way of example and without limitation), with possible negative effects on the business and the economic and/or financial situation of the Issuer as well as on its reputation.



2.2 Risk Factors Relating to the Bonds

Risk factors which could be material for the Bonds and the assessment of market risks related thereto are provided below. No assurances can be given that in addition to the risk factors described below no other facts exist which could have an effect on the Bonds and related risks.

Risk factors relating to the Bonds have been classified into the following categories:

- (i) *Risk factors related to the Slovak legal framework for the covered bonds;*
- (ii) *Risk factors related to the provisions and limitations in the Terms and Conditions;*
- (iii) *Risk factors related to the interest payment provisions of the Bonds;*
- (iv) *Legal and regulatory risk factors; and*
- (v) *Risk factors related to trading of the Bonds.*

Risk factors related to the Slovak legal framework for the covered bonds

In exceptionally adverse bankruptcy situation the cover pool assets may not be sufficient to fully cover all liabilities under the Bonds

The cover pool (in Slovak: *krycí súbor*) covering the liabilities of the Issuer under the Bonds will consist primarily of mortgage loans secured by way of a legally perfected first ranking mortgage in favour of the Issuer over the residential mortgaged property and certain substitute assets, such as cash and securities. All assets included in the cover pool must comply with the applicable requirements or criteria set out in the Act on Banks. For an individual mortgage loan eligible to be included in the cover pool, it must comply with the applicable requirements including, amongst other things, the loan-to-value limit under which the outstanding amount of principal under the mortgage loan may not exceed 80% of the value of mortgaged property, subject to limited exemptions. Also, the Issuer is required to perform regular testing of the value of the mortgaged properties and the total value of the cover pool assets must at all times be at least 105% of the value of all covered liabilities, whereby according to the legislation, the Issuer must calculate this cover ratio on the last day of each calendar month.

In line with the applicable Slovak law requirements (as amended on 8 July 2022 by the implementation of Directive (EU) 2019/2162 of the European Parliament and of the Council of 27 November 2019 on the issue of covered bonds and covered bond public supervision (**EU Covered Bonds Directive**), the mortgaged property securing the mortgage loans in the cover pool is located in the Slovak Republic. Even though it is permitted under the Slovak law to include in the cover pool also loans secured by a commercial property, no such loans are currently in the Issuer's cover pool. The value of the mortgaged property as well as the value of the Mortgage Loans included in the cover pool may reduce over time, in particular, in the event of a general downturn in the value of properties located in the Slovak Republic (see also the risk factor *The Issuer is exposed to the risk of decline in the value of real estate used as collateral to cover the Issuer's receivables*). In such cases, despite the relevant statutory safeguards and regulatory requirements under Section 67 et seq. of the Act on Banks, the value of the Mortgage Loans may become insufficient to provide full coverage for the outstanding Bonds. While the Issuer is solvent and operating its business, it will be obliged to include additional eligible assets in the cover pool in order to maintain the required coverage ratio. However, in case of bankruptcy, involuntary administration or similar situations when the Issuer's ability to generate additional eligible assets will be limited, the value of the cover pool assets may decrease below the required levels so that it may not be sufficient to fully cover all covered liabilities including those under the Bonds.

As stated in section 7 of the Base Prospectus, the Issuer has included all newly issued Bonds together with all outstanding Bonds (including legacy mortgage bonds) issued before 8 July 2022 into a single programme which is covered by a common cover pool provided, however that all such outstanding Bonds (including legacy mortgage bonds) issued before 8 July 2022 must comply, subject to certain exceptions, with the Slovak law requirements effective as of 8 July 2022. The claims of the Bondholders under the newly issued Bonds are ranked *pari passu* with the claims of the holders of the legacy mortgage bonds and of the previously issued Bonds. All holders have the same priority right with respect to the whole cover pool.

Finally, any substantial overall downturn in the value of real properties in the Slovak Republic could adversely affect the Issuer's results of operations, financial condition and business prospects and its ability to perform its obligations under the Bonds and the value of the cover pool.



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Risk of extension of final maturity of the Bonds and risk of change of the Issuer of the Bonds

In the event of bankruptcy or involuntary administration of the Issuer, the bankruptcy trustee or the involuntary administrator (each a **Trustee**) of the Issuer will take over the operation of the Programme and of the cover pool (the **covered bonds programme**, as defined in the Act on Banks and not to be confused with the Programme under this Base Prospectus). The covered bonds programme as defined in the Act on Banks includes generally all assets of the cover pool as well as all liabilities under the Bonds, all MBs issued by the Issuer in the past, any other covered bonds issued by the Issuer and other covered liabilities, such as hedging derivatives (if any) and related administrative contracts and functions. The Trustee will be obliged to evaluate whether the operation of the programme does not cause the overall decrease of rate of satisfaction of the bondholders. If the Trustee reaches the conclusion that the operation of the programme may result in decrease of satisfaction of the bondholders, it will have the obligation to notify the NBS of its intention to transfer the programme or its parts to another bank or several banks in the Slovak Republic and to attempt such transfer. As a result of the notification, the final maturity of the Bonds would be adjusted in accordance with Section 82 (3) and (4) of the Act on Banks (so called soft bullet extension) as follows: (i) during the first month from delivery of the transfer notification to the NBS, the maturity dates would not be adjusted, (ii) from the first day of the second month until the last day of the 12th month from delivery of the transfer proposal to the NBS, any final maturity date for principal payment under the Bonds falling into that period would be postponed by 12 months, and (iii) if the Trustee requires a prolongation of the transfer period, any final maturity date for principal payment under any Bonds falling into the period of subsequent 12 months would be prolonged by a another 12 months. The same applies to final maturity dates already extended during the first prolongation period.

The interest payments and other conditions of the Bonds would not be affected, but the bondholders will not receive any other compensation and will not have any remedies in respect of the extended maturity of the Bonds. The soft bullet extension will also apply in the resolution proceedings, where upon its commencement the CBs Programme Monitor should notify the extension of the maturity to the NBS in accordance with Section 82 (7) of the Act on Banks.

The soft bullet extension of the final maturities will be effective from the date of delivery of the programme transfer notification by the CBs Programme Monitor to the NBS and will not be subject to any further approval or consent of the NBS. In the event no transfer is affected, the postponed maturities for principal payments would occur on the last day of the prolongation period.

The soft bullet extension in any case cannot result in the change of the original order of maturity of the outstanding tranches of the Bonds. This means that the maturity of some tranches may ultimately be extended by less than the stated 12 and the following 12 months. Relevant Trustee or the CB Programme Monitor should publish the list of the Bonds affected by the soft bullet extension and their prolonged maturity dates.

The transfer of the programme itself will be subject to prior approval of the NBS. If such a transfer is affected, the identity of the Issuer of the Bonds will change to the transferee bank, i.e. another bank in the Slovak Republic will become an obligor under the Bonds. This does not have an effect on the terms of the Bonds themselves and on the composition of the cover pool, but general creditworthiness of the new obligor might be different from the creditworthiness of the Issuer.

In accordance with Section 55 (10) of the Act on Banks and Section 195a (7) of the Bankruptcy Act, the consent of the bondholders is not required in bankruptcy and involuntary administration scenarios in order for the transfer of the programme or its part to be valid and become effective.

Risk factors related to the provisions and limitations in the Terms and Conditions

No early redemption upon Issuer's default and no joint representative

Pursuant to the terms and conditions of the Bonds and in line with the prevailing market practice for bonds issuances by Slovak credit institutions in domestic Slovak market, a default on Issuer's obligations under the Bonds will not trigger early redemption of Issuer's liabilities towards the Bondholders nor will there be a right of the Bondholders to claim early redemption of the Bonds. In case of a payment default by the Issuer, the Bondholders will have a right to sue the Issuer for the payment of and they will also have the benefit of the right of separate satisfaction from the assets in the cover pool in potential enforcement proceedings. The Bondholders however do not have any right to require early redemption of the whole principal amount. Also, a default of the Issuer will trigger convening of the Meeting, but there is no common representative of the Bondholders and each Bondholder will generally have to enforce its rights against the Issuer individually.



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The risk of early redemption of the Bonds

The return on investment in the Bonds may be lower than expected in case the Bondholder would sell these Bonds before their final maturity. The Final Terms of each issue of the Bonds will set out whether the Bondholder has the right for early repayment of the Bonds or if the Issuer may, on the occurrence of specific events defined in the Final Terms, repay these Bonds before maturity.

The Bondholders may be also exposed to the risk that the return earned from an investment in the Bonds may not in the event of an early redemption of the Bonds be able to reinvest in such a way that they earn the same rate as the redeemed Bonds.

Indicated maximum issue volume of the Bonds may not be binding

The total amount of the issue specified in the Final Terms represents the maximum volume of relevant Bonds issue, while the actual placed volume may be lower and may vary during the life of the Bonds by the maturity Date. The total volume depends on the demand for the Bonds, on buybacks of the Bonds by the Issuer or on their early repayment. No conclusion may therefore be drawn from the indicated aggregate principal amount of the Bonds offered and issued with regard to the liquidity of the Bonds in the secondary market.

No independent calculation agent and paying agent

All calculations and payments to Bondholders under the Bonds will be performed by the Issuer. There will not be any independent calculation agent or payment administrator responsible for these tasks. Solely the Issuer will perform all administrative task related to the Programme and the Bonds. This is in line with the prevailing market practice for debt issuances by the Slovak credit institutions in domestic Slovak market and the Issuer has taken steps to manage potential conflicts of interests in accordance with applicable regulation, but the investors should note that they cannot rely on impartial third-party agents. Detailed procedures and requirements for payments under the Bonds are specified in Condition 9 of the Terms and Conditions, headed "*Payment terms and conditions*".

Risk related to further issuing of debt instruments of the Issuer

Bondholders are exposed to the risk that the Issuer is not limited in further issuing debt securities or in the amount of debt that the Issuer may issue or guarantee. Furthermore, the Issuer is not obliged to separately inform Bondholders about issuing, incurring or guaranteeing further debt (with the exception of regular financial reports publication). Issuing, incurring or guaranteeing further debt may have a negative impact on the market price of the Bonds and the Issuer's ability to meet all obligations under the issued Bonds and may also reduce the amount recoverable by Bondholders upon the Issuer's bankruptcy. If the Issuer's financial situation were to deteriorate, the bondholders could suffer direct and materially adverse consequences, including cancellation of interest payments and reduction of the principal amount of the Bonds and, in case of the Issuer's liquidation, loss of their entire investment.

Risk factors related to the interest payment provisions of the Bonds

Risk of the Bonds with a fixed interest rate

The risk involves the situation that the market price of such Bonds falls as a result of interest rate change. The nominal interest rate of fixed rate bonds is fixed during the life of such Bonds, while the current interest rate on the capital market typically changes. As the market interest rate changes, the market price of fixed rate Bonds also changes, but in the opposite direction. If the market interest rate increases, the market price of fixed rate Bonds typically falls, until the yield of such Bonds is approximately equal to the market interest rate. If the market interest rate falls, the market price of fixed rate Bonds typically increases, until the yield of such Bonds is approximately equal to the market interest rate.

Risk of the Bonds with a zero coupon

The Bondholders are exposed to the risk that the price of such Bonds will fall as a result of changes in the interest rates, while the prices of these Bonds are more volatile than prices of the Bonds with a fixed interest rate and are likely to respond to a greater degree to market interest rate changes than interest bearing Bonds with a similar maturity.


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Risk of the Bonds with a floating interest rate

It represents the risk of fluctuating interest rate levels which make it impossible to determine the yield of such Bonds in advance and investors are exposed to the risk of uncertain interest income. The interest of floating rate Bonds will be linked to benchmark indices (for the purpose of this risk factor each one as a **Benchmark** and together, the **Benchmarks**) such as the interbank interest rate in Euro (Euro Interbank Offered rate) (**EURIBOR**) or another Benchmark.

The main legislation in the respective area is Regulation (EU) No. 2016/1011 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 (the **Benchmark Regulation**).

Benchmark Regulation is effective from 1 January 2018 and it applies to administrators, and in certain respects, to contributors and regulated users of Benchmarks within the EU. The Benchmark Regulation *inter alia* requires that (i) benchmark administrators have to be authorised or registered (or, if non-EU-based, to be subject to an equivalent regime or otherwise recognised or endorsed) and have to comply with the extensive requirements related to the administration of Benchmarks, and (ii) Benchmarks of administrators that are not authorised or registered cannot be used. The scope of the Benchmark Regulation is broad and, apart from the so-called critical benchmark indices may also potentially apply to (i) many interest indices when they refer to some of the financial instruments traded on a trading venue, or (ii) systematic internalisers (or in relation to with which they have been admitted to trading on a trading venue), financial contracts and investment funds. The Benchmark Regulation may have a significant impact on the Bonds associated with the Benchmark or index considered as the Benchmark, especially if the methodology or other benchmarking conditions are changed in order to meet the requirements of the Benchmark Regulation. Such changes could, among other things, result in a reduction, increase or other effect on the volatility of the published rate or the Benchmark value.

The administrators of Benchmarks may apply error policies (the **Error Policies**), which set out how such Benchmark administrators will deal with errors which occur during the fixing process of the relevant Benchmark. These Error Policies may include materiality thresholds, which means that an erroneously fixed Benchmark will not be refixed in case the relevant materiality threshold is not breached. In addition, Error Policies may differentiate between errors which are discovered during compliance checks prior to a cut-off time set out in the relevant Error Policy for a refix of the relevant Benchmark and errors which are discovered after such cut-off time. In case the error is discovered prior to the relevant cut-off time, the Error Policy may allow the Benchmark administrator to refix the relevant Benchmark. Any such refix may result in the relevant Benchmark being lower than originally fixed.

Should the Benchmark cease to exist or otherwise become unavailable or if another Benchmark Event (as defined in the Terms and Conditions) occurs, the interest rate for the Bonds with the floating interest rate connected with such Benchmark (Reference Rate) will be for the relevant period determined in accordance with the procedure laid down in Condition 7.9 of the Terms and Conditions. Any such procedure could have significant adverse impact on the value and yield of such Bonds.

Legal and regulatory risk factors
The Bonds are not covered by any (statutory or voluntary) protection scheme

Unlike deposits, the Bonds are not covered by any statutory protection scheme, guarantee or similar protection. In addition, no voluntary deposit guarantee or similar scheme exists for the Bonds. In the event of the insolvency of the Issuer, investors in the Bonds therefore cannot rely on any (statutory or voluntary) protection scheme to compensate them for the loss of capital invested in the Bonds and might lose their entire investment.

Bondholders are exposed to the risk that in the event of the Issuer's bankruptcy, deposits will be satisfied before their residual uncovered receivables in respect of the Bonds are paid

Pursuant to Section 180a of the Bankruptcy Act, which transposed Article 108 of the BRRD into Slovak law, in the event of the Issuer's bankruptcy, the proceeds of the liquidation of the assets forming the general bankruptcy estate will be primarily used to compensate the creditors of receivables from protected deposits in the following order:

- (a) receivables of the deposit protection fund, including those within the scope of compensation paid to depositors pursuant to Section 11(1) of Act No. 118/1996 Coll. on Protection of Deposits, as amended



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(the **Deposit Protection Act**) or within the scope of the funds provided to resolve the crisis situation pursuant to Section 13(4)(g) of the Deposit Protection Act; and

- (b) receivables from protected deposits of individuals, micro-enterprises, small and medium-sized enterprises, which exceed the level of cover under Section 11(4) of the Deposit Protection Act.

Abovementioned risk concerns all creditors of unsecured receivables as well as parts of receivables that haven't been fully compensated from available collateral, i.e. assets in the cover pool. Therefore, the Bondholders should be aware that in the event of the Issuer's bankruptcy and to the extent the covered bonds programme will not be transferred and the claims of the Bondholders will be compensated from the proceeds of the sale of the cover pool only in part, their residual unsecured receivables from the Bonds will be subordinated to the abovementioned receivables from protected deposits.

Taxes and fees impact

Income on the Bonds is subject to withholding tax in the Slovak Republic realised by a tax resident (i.e. a taxpayer with unlimited tax liability in the Slovak Republic) who is (i) an individual, (ii) a taxpayer not incorporated or established for business purposes or (iii) the NBS. The base rate of the withholding tax is 19%. Currently, a withholding tax does not apply to income from the Bonds paid out to a tax non-resident (i.e. a taxpayer with limited tax liability in the Slovak Republic). In order to benefit from this exception, the tax non-resident shall prove the ultimate ownership of income from the Bonds and tax residence of a tax non-resident. Unless a tax non-resident proves these circumstances, withholding tax is applied according to the Slovak tax law. Neither the Issuer, nor any of its payment agents, nor the persons keeping securities or other administrators have the legal obligation to proactively request and verify these documents and information. Although, there exists a guideline issued by the Slovak Ministry of Finance on the application of benefits from the double tax treaties and by the Slovak Tax Directorate on the application of a concept of the ultimate ownership of the income, there may arise questions on the correct application of these guidelines as they do not provide detailed information and instruction how to proceed in specific cases or examples from usual business situations. This may create certain risk on application of the withholding tax. In addition, changing tax regulations create negative prospects for predictability and stability of the Slovak tax environment. Any further changes to withholding tax regime may have an adverse effect on the expected income on the Bonds.

The return on investment on the Bonds is influenced by the tax regime valid in the country of the Issuer's registered office or in the potential investor's country of residence. A potential investor should also make their own assessment about the amount and kind of fees charged to him/her/it in relation to the acquisition, possession or sale of the Bonds (e.g. fee for keeping and managing of securities account).

Exchange rate risks and exchange controls

The Issuer will pay principal and interest on the Bonds in the issue currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **investor's currency**) other than the issue currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the issue currency or revaluation of the investor's currency) and the risk that authorities with jurisdiction over the investor's currency may impose or modify exchange controls. An appreciation in the value of the investor's currency relative to the issue currency would decrease (1) the investor's currency-equivalent yield on the Bonds, (2) the investor's currency equivalent value of the principal payable on the Bonds and (3) the investor's currency equivalent market value of the Bonds. 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, investors may receive less interest or principal than expected, or no interest or principal.

Payments on the Bonds may be subject to U.S. withholding tax under U.S. Foreign Account Tax Compliance Act (FATCA)

Payments of interest or the principal of the Bonds to bondholders that (i) fail to comply with tax certifications or identification requirements (including the provision of information regarding waivers of application of any laws prohibiting the disclosure of such information to the tax authorities); or (ii) are financial institutions that fail to comply with the U.S. Foreign Account Tax Compliance Act or any interstate agreements (including that between the Slovak Republic and the United States of America), may be subject to a 30% withholding tax. The Issuer will not be obliged to make any additional payments in respect of any such amounts withheld or deducted by the Issuer or other paying agent.



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Risk factors related to purchasing and trading with the Bonds

Inflation risk

The Bonds do not contain an anti-inflation clause and the real value of an investment in the Bonds may decline as inflation reduces the value of the currency. Inflation also causes a decline in real yields of the Bonds. If the inflation rate exceeds the sum of nominal yields of the Bonds, the value of real yields of the Bonds will be negative. According to the Statistical Office of the Slovak Republic, the year-on-year inflation rate in January 2024 was 3.9%.⁹

Trading in the Bonds may not be liquid and may be interrupted

The Bonds may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Bonds easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. In an illiquid market, an investor might not be able to sell its Bonds at any time at fair market prices. The possibility to sell the Bonds might additionally be restricted by country specific reasons. Furthermore, the Issuer cannot guarantee the price for which Bonds will be purchased and/or sold on the secondary market. The price is influenced by current market conditions, therefore it changes during trading. Historical development of prices of the Bonds cannot be considered as indicator of future development of prices. Each Bondholder is therefore exposed to the risk of an unfavourable development of market prices of its Bonds which materialises if the Bondholder sells the Bonds prior to their final maturity. If the Bondholder decides to hold the Bonds until final maturity, the Bonds will be redeemed at the amount set out in the relevant Final Terms.

There is also a risk that trading with the Bonds on the relevant stock exchange may be suspended, interrupted or terminated for exceptional economic, regulatory or technical reasons, despite no fault or influence on the side of the Issuer.

Credit spread risk

The Bonds carry the credit spread risk of the Issuer, which during the life of the Bonds could widen, resulting in a decrease in the market price of the Bonds. Factors influencing the credit spread include, among other things, the creditworthiness and credit rating of the Issuer, probability of default, recovery rate, and remaining term to maturity of the Bonds. The overall economic situation, the liquidity of the market, the general level of interest rates, overall economic developments, and the currency in which the Bonds are denominated may also have a negative effect. Potential investors should consider all these factors.

Clearing/settlement system risk

There is a risk that the settlement system of the Central Securities Depository of the Slovak Republic or corresponding records of international central depositories such as Euroclear or Clearstream, or links between them, will become dysfunctional due to technical or regulatory reasons, also for instance in case of changes in laws or internal procedures of depositories. The Issuer has no influence on such an event, however, problems with the settlement or restriction of the possibility of holding the Bonds through international central depositories may have a negative effect on the price of the Bonds and may cause that the securities settlement of the Bond trades will not be realised.

Risk of fluctuations in market price of the Bonds

The Bondholders are at risk of the change of the market price of the Bonds in the case of the sale of the Bonds. The historical development of the prices of the Bonds cannot serve as an indicator of the future development of the prices of any Bonds. The development of market prices of the Bonds depends on various factors, such as changes in market interest rate levels, the policies of central banks, overall economic developments, inflation rates, changes in taxation methods and the lack of or excess demand for the relevant Bonds. Thus, the Bondholders are exposed to the risk of unfavourable developments in the market prices of the Bonds they hold which may materialise if the Bondholders decide to sell them prior to their final maturity. The Bondholders must be aware that Bonds may be issued at a price higher than the price of comparable Bonds on the secondary market which may increase the effect of the unfavourable market price development. If a Bondholder decides to hold

⁹ Inflation – consumer price indices in January 2024. Statistical Office of the Slovak Republic. Published on 15 February 2024. Available at: <https://slovak.statistics.sk:443/wps/portal?urilc=wcm:path:/obsah-sk-inf-akt/informativne-spravy/vsetky/61fa563e-fc39-44da-b93d-b2b112a9f988>.



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the Bonds up to their final maturity, the principal amount will be repaid at the amount set out in the relevant Final Terms.

Rating of the Bonds

Any credit rating of the Bonds may not adequately reflect all the risks of investing in the Bonds. Credit ratings may be also suspended, downgraded or withdrawn. Such suspension, downgrade or withdrawal may have an adverse effect on the market value and trading price of the Bonds. A credit rating is not a recommendation to purchase, sell or hold securities and may be revised or withdrawn by a credit rating agency at any time.



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3. RESPONSIBILITY STATEMENTS

Všeobecná úverová banka, a.s., with the registered seat at Mlynské nivy 1, 829 90 Bratislava, Slovak Republic, Identification No. (in Slovak: *IČO*): 31 320 155, registered in the Commercial Register of Municipal Court Bratislava III, Section: Sa, File No.: 341/B (the **Issuer**), represents to be solely responsible for the information provided in the Base Prospectus.

The Issuer accepts responsibility for the information contained in this Base Prospectus. To the best of the knowledge of the Issuer, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is up-to-date, complete, and true, in accordance with the facts and this Base Prospectus makes no omission likely to affect its import.

In Bratislava, on 29 February 2024



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4. DOCUMENTS INCORPORATED BY REFERENCE

The information from the following documents is incorporated by reference into this Base Prospectus and the Base Prospectus should be read and construed in conjunction with information from the following documents:

- (a) The audited consolidated annual financial statements of the Issuer for the year ended 31 December 2023 prepared in accordance with the IFRS as adopted by the EU, which form part of the Issuer's Annual Financial Report for 2023 pursuant to applicable legal regulations (the **2023 Annual Report**). The Base Prospectus must be read in conjunction with the above-mentioned part of the 2023 Annual Report which is deemed to be part of the Base Prospectus. Other parts of the 2023 Annual Report not incorporated in the Base Prospectus by reference are of no relevance for the investors.

The 2023 Annual Report is available at the following hyperlinks:

https://www.vub.sk/document/documents/VUB/kryte-dlhopisy-vub/financne-informacie/vs_2023.pdf
(Slovak language)

https://www.vub.sk/document/documents/VUB/kryte-dlhopisy-vub/financne-informacie/EN/ar_2023.pdf (English language)

- (b) The audited consolidated annual financial statements of the Issuer for the year ended 31 December 2022 prepared in accordance with the IFRS as adopted by the EU, which form part of the Issuer's Annual Financial Report for 2022 pursuant to applicable legal regulations (the **2022 Annual Report**). The Base Prospectus must be read in conjunction with the above-mentioned part of the 2022 Annual Report which is deemed to be part of the Base Prospectus. Other parts of the 2022 Annual Report not incorporated in the Base Prospectus by reference are of no relevance for the investors.

The 2022 Annual Report is available at the following hyperlinks:

https://www.vub.sk/document/documents/VUB/kryte-dlhopisy-vub/financne-informacie/vs_2022.pdf
(Slovak language)

https://www.vub.sk/document/documents/VUB/kryte-dlhopisy-vub/financne-informacie/EN/ar_2022.pdf (English language)

The audited consolidated annual financial statements referred to above, together with the independent auditors' reports thereon (the **Financial Statements**) shall be incorporated by reference into, and form part of, this Base Prospectus.

The Financial Statements are available both in the original Slovak language and in English language. The English language versions represent a translation from the Slovak language documents. The Issuer is responsible for the English translations of the Financial Statements incorporated by reference in this Base Prospectus and declare that such is an accurate and not misleading translation in all material respects of the Slovak language version of the Financial Statements.

Other than in relation to the documents which are deemed to be incorporated by reference listed in this section of the Base Prospectus, the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the NBS.



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5. DESCRIPTION OF THE ISSUER

5.1 Basic information

Business name:	Všeobecná úverová banka, a. s.; abbreviated name: VÚB, a. s.
Registered seat:	Mlynské nivy 1, 829 90 Bratislava, Slovak Republic
Identification number:	31 320 155
Date of incorporation:	1 April 1992
Legal form:	joint-stock company
Country of incorporation:	Slovak Republic
LEI:	549300JB1P61FUTPEZ75
Telephone number:	+421 2 5055 1111
Website:	www.vub.sk

The information on the website does not form part of the Base Prospectus unless that information is incorporated by reference into the Base Prospectus. The information on the website has not been scrutinised or approved by the NBS.

The Issuer holds Slovak banking licence and it is a Slovak bank (credit institution) under the Act on Banks. The Issuer operates under the laws of the Slovak Republic, mainly under the Commercial Code, the Act on Banks and the Securities Act.

The Issuer obtained the prior consent of the NBS to carry out activities related to the covered bonds programme based on the decision of the NBS dated 14 May 2018, No.: 100-000-105-179 to file No.: NBS1-000-0204-409.

5.2 History

Legal predecessor of the Issuer, state owned enterprise VÚB, š.p.ú. was included in the first wave of the voucher privatization in early 1990s and was transformed to a joint-stock company on 1 April 1992. This is the date of incorporation of VÚB in its current legal form as a joint stock company under Slovak (then Czechoslovak) law. VÚB has been incorporated for an indefinite period of time.

In 2001 Gruppo IntesaBci acquired a majority share 94.46% in VÚB and the Issuer became a member of this important financial group. Financial group Banca Intesa S.p.A. (former Gruppo IntesaBci) was, in terms of the balance sheet amount and volume of equity, the biggest bank in Italy and one of the most prominent banks in Europe.

Banca Intesa S.p.A. merged with another Italian bank Sanpaolo IMI S.p.A. in 2007, giving rise to financial group Intesa Sanpaolo with the headquarters in Turin.

The intention of Intesa Sanpaolo Group in Slovakia is to further develop VÚB as a universal financial institution, strengthen its services offered to corporate clients, extend the retail services on the franchise basis and promote sophisticated activities on capital markets. The emphasis is put on development of new products for clients, more intensive marketing communication to increase the client comfort upon the use of bank products and services.

The Issuer is not aware of any recent events particular to the Issuer and which are to a material extent relevant to an evaluation of its solvency. The Issuer meets all capital and other regulatory and prudential requirements in relation to its banking and financial operations and complies with all reporting and publication requirements in accordance with applicable law.

As to the date of this Base Prospectus, no significant changes occurred in the structure of borrowing and financing of the Issuer. The Issuer does not expect any significant changes in its funding structure.

The Issuer is a private joint-stock company wholly owned by a sole shareholder Intesa Sanpaolo Holding International S.A. The current ownership structure is a result of several associated operations and corporate actions that occurred in the year 2021. Intesa Sanpaolo Holding International S.A. became a sole shareholder of the Issuer by mid-2021 as a result of its preceding mandatory public offer for the Issuer's shares that was followed by the squeeze-out of the minority shareholders in accordance with Section 118i of the Securities Act. and subsequent delisting of the Issuer's shares from the BSSE.



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5.3 Business overview

VÚB is a modern universal bank which offers a wide range of products and services to corporate, retail and institutional clients within the domestic and foreign markets. VÚB puts the emphasis on stability, loyalty and trust in regard to clients.

The scope of business of VÚB are activities conducted pursuant to the banking licence in accordance with the Act on Banks and as stated in its Articles of Association. The scope of business is registered in the Commercial Register in accordance with relevant generally binding legislation. The main products and services of VÚB include current accounts, fixed-term deposits, mortgage loans, consumer loans, investment loans and internet banking services.

Principal activities

Retail banking. It is a key area, with the strong focus of VÚB on the products and services provided. The main products and services in this area are products and services for natural persons, including retail clients, self-employed entrepreneurs and free traders. The main products for this group are current accounts, saving accounts, fixed-term accounts, investment products, insurance, payment cards, mortgages and consumer loans.

Corporate banking. It is an important area of providing products and services to corporate clients, financial institutions, public sector as well as to clients and investors in the area of financing of construction and real estate transactions. The product range includes mainly loan financing, bank guarantees, letters of credit, cash management, investments, individual term deposits and hedging derivative instruments.

Balance sheet management and treasury. VÚB provides activities in connection with balance sheet management, management of securities investment portfolio, debt securities issuance as well as trading on the interbank market, money markets and capital markets.

Green products. VÚB adheres to UN Global Compact and Equator Principles and significantly supports the development of the green economy and the protection of biodiversity with focus on investment projects concentrating on energy and material saving, circular economy and renewable resources. VÚB offers sustainable financing products for individuals in a form of Green Loan and Green Mortgage, as well as supports environmental and social solutions for companies and municipalities mainly through loan products TERRA ENVIRO, TERRA SOCIAL, TERRA GOVERNANCE, S-Loan sustainable financing and ESG Funds.

5.4 Significant new products and activities

In order to satisfy growing client needs, VÚB launches new products and services for its corporate and retail clients including products supporting ESG targets. VÚB concentrates also on development of higher comfort of accessibility of bank products and services. Main focus is on digital services, continuous improvement of digital channels as internet banking but mobile banking firstly to meet the highest client satisfaction.

5.5 Principal markets

VÚB operates primarily on the Slovak market and, to lesser extent, on the Czech market through its branch in Prague.

VÚB is the second largest bank in the Slovak Republic according to the balance sheet amount and it is among the first three banks as to the comparison of other main indicators. As at the end of 2023, the market share of VÚB in terms of the amounts of primary deposits reached 19.5 % and its market share in the loan market was 20.4%.

VÚB provides banking services to corporate, retail and institutional clients via its wide network of 169 sales points within the Slovak Republic, which represents the second highest number of branches among the Slovak banking sector.

5.6 Rating

The credit ratings assigned to the Issuer is the following:

<i>Moody's</i>	Rating
Long-term rating	A2
Short-term rating	P-1
Outlook	negative



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Moody's Deutschland GmbH, with the registered office at An der Welle 5, 60322 Frankfurt am Main, Germany, is registered rating agency in accordance with the CRA Regulation.

5.7 Organisational structure

VÚB is a member of Intesa Sanpaolo Group.

As of 31 December 2023, Intesa Sanpaolo Holding International S.A., 28 Boulevard de Kockelscheuer, L-1821 Luxembourg, Grand Duchy of Luxembourg, was the sole shareholder of VÚB with controlling 100.00% share in the registered capital and voting rights of the Issuer. Intesa Sanpaolo Holding International S.A. is wholly owned and controlled by Intesa Sanpaolo S.p.A., Piazza San Carlo 156, 10121 Turin, Italy.

Dependence of VÚB on other entities within the Intesa Sanpaolo Group is proportional to the share of those entities in the registered capital of VÚB.

VÚB is not aware of any mechanisms whose application may later result in the change of its control. Control mechanisms for exercising the shareholder rights of the controlling shareholder of VÚB and measures to ensure the elimination of the misuse of such control are stipulated in the Commercial Code, the Act on Banks and other generally binding legal regulations.

Other legal entities controlled by Intesa Sanpaolo Holding International S.A. as of 31 December 2023

<i>Trade name</i>	<i>% share</i>	<i>Jurisdiction</i>
Intesa Sanpaolo Bank Luxembourg	100.00	Grand Duchy of Luxembourg
Banca Intesa ad Beograd	100.00	Serbia and Montenegro
Privredna Bank Zagreb d.d.	100.00	Croatia
Banca Intesa (Russia)	53.02	Russia
Intesa Sanpaolo Servitia S.A.	100.00	Grand Duchy of Luxembourg
Exelia S.r.l	100.00	Romania
Intesa Sanpaolo International Value Services Ltd	100.00	Croatia
Intesa Sanpaolo Harbourmaster III S.A	100.00	Grand Duchy of Luxembourg
Intesa Sanpaolo House Luxembourg S.A.	100.00	Grand Duchy of Luxembourg
IMI Finance Luxembourg S.A	100.00	Grand Duchy of Luxembourg

VÚB itself is a parent company and holds direct shareholding interest in several other companies.

Overview of direct shareholding interests of VÚB in business companies as of 31 December 2023

<i>Trade name</i>	<i>Jurisdiction</i>	<i>Main purpose</i>	<i>Registered capital (in EUR thousand)</i>	<i>Share of VÚB in the registered capital (in %)</i>
VÚB Generali dôchodková správcovská spoločnosť, a.s.	Slovak Republic	Management of pension funds	10,091	55.26
Slovak Banking Credit Bureau, s.r.o.	Slovak Republic	Automated data processing in the field of credits providing	10	33.33



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VÚB Operating Leasing, a.s.	Slovak Republic	Operating lease	25	100.00
Monilogi, s.r.o.	Slovak Republic	Cash processing	2 250	30.00

In addition, the Issuer holds non-material residual shares in S.W.I.F.T. Belgium and Visa Inc.

Issuer is not materially dependent on any of its subsidiaries. As of 31 December 2023, the Issuer has no indirect shareholding interests. No other companies are considered as related parties or entities closely linked with the Issuer due to Issuer's holding in such companies equal to or above 20%.

5.8 Trend information

The Issuer declares that no material adverse change in the Issuer's financial performance, business position or prospects has occurred since the last published audited financial statements for the year ended 31 December 2023.

The Issuer is affected by macroeconomic conditions, developments in market environment and the state of legislation and regulation applicable to financial institutions in the Slovak republic and Eurozone. Current global macroeconomic and geopolitical tensions in conjunction with deterioration of Slovak economy are considered amongst the most significant events that may be affecting the Issuer's operations, financial position and business prospects. Apart from above trends, the Issuer is unaware of any other events, trends, demands or uncertainties or eventually is not familiar with any entitlements, obligations or circumstances about which one can reasonably assume that they will have a significant impact on the Issuer's financial situation, business position or prospects during the current financial year.

5.9 Profit forecasts or estimate

The Issuer decided not to include the profit forecast and as of the date of the Base Prospectus, it did not publish any profit forecast.

5.10 Administrative, management and supervisory bodies

Management Board

The Management Board is the statutory and executive body governing the executive management of the Issuer and is responsible for the performance of its duties to the Supervisory Board and the General Meeting. It is authorised to act on behalf of the Issuer and to represent the Issuer in relations with third parties, in front of courts or other authorities. The Management Board has the authority to manage the activities of the Issuer and to decide on any matters of the Issuer which are not transferred to the authority of other bodies of the Issuer by legal regulations and/or the Articles of Association.

The Management Board consists of up to 11 members, including one Chairman and, if appointed by the Supervisory Board, one or several Deputy Chairpersons. The number of members of the Management Board shall be determined by the Supervisory Board whenever it is deciding on the election or removal of a Management Board member or considering the resignation of a member of the Management Board.

The members of the Management Board are elected and removed by the Supervisory Board. The Supervisory Board appoints the Chairman and, if Deputy Chairman or Deputy Chairpersons were appointed, it designates which members is Deputy Chairman or which members are Deputy Chairpersons.

Members of the Management Board of VÚB as of the date of the Base Prospectus

<i>Name and surname</i>	<i>Position</i>
KAUSICH Jozef	Chairman
PACE Gabriele	Member
VICENÍK Andrej, Ing.	Member
MAGALA Peter, Ing.	Member
KOVÁŘOVÁ Marie, RNDr., PhD¹⁰	Member

¹⁰ Mrs. Kovářová leaves her position of the member of the Management Board as of 29 February 2024. However, this change has not been reflected in the Commercial Register as of the date of the Base Prospectus.



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TECHMAN Martin, MBA	Member
KMEŤOVÁ Darina, Ing.	Member

All of the members of the Issuer's Management Board have professional qualifications for the performance of their positions and hold no significant share in the Issuer's business. None of them has been convicted of a property crime. None of the members of the Management Board conducts business or activities outside the Issuer that would be significant with regard to the Issuer's activities.

The Issuer has no knowledge of any conflict of interest among the members of the Management Board in relation to their obligations vis-à-vis the Issuer and their private interests or other obligations.

Contact address of all members of the Issuer's Management Board is Mlynské nivy 1, 829 90 Bratislava, the Slovak Republic.

Supervisory Board

The Supervisory Board is the main controlling body of the Issuer. It supervises the Management Board and the performance of the business activities of the Issuer. If the Supervisory Board becomes aware of a serious violation by a member of the Management Board of his/her duties or substantial shortcomings in the Issuer's business management, the Supervisory Board is entitled to take remedial measures, including removal of a member of the Management Board. The number of Supervisory Board members is at least three and maximum seven, out of which one is the Chairman and at least one is a Deputy Chairman.

Two thirds of members of the Supervisory Board are elected by the General Meeting and employees elect one third.

The term of office of the Supervisory Board members is three years and the expiry date for each member elected by the General Meeting must be identical.

Members of the Supervisory Board of VÚB as of the date of the Base Prospectus

<i>Name and surname</i>	<i>Position</i>
JAQUOTOT Ignacio	Chairman
Ing. KOHÚTIKOVÁ Elena, PhD.	Deputy Chairman
FABRIS Marco	Member
SCHAACK Christian	Member
LEONCINI-BARTOLI Luca	Member
DURIC Draginja	Member
GUTTEN Peter	Member
KONDRÓTOVÁ Dana	Member
FUMAČOVÁ Andrea	Member

All of the members of the Issuer's Supervisory Board have professional qualifications for the performance of their positions and hold no significant share in the Issuer's business. None of them has been convicted of a property crime. None of the members of the Supervisory Board conducts business, or activities outside the Issuer that would be significant with regard to the Issuer's activities.

The Issuer has no knowledge of any conflict of interest among the members of the Supervisory Board in relation to their obligations vis-à-vis the Issuer and their private interests or other obligations.

Contact address of all members of the Issuer's Supervisory Board is Mlynské nivy 1, 829 90 Bratislava, the Slovak Republic.

5.11 Major shareholders

Issuer's registered capital

The registered capital of the Issuer amounts to EUR 510,819,063.81 and is divided into:



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- (a) 4,078,108 non-bearer registered shares, with the nominal value of EUR 33.20 per share, ISIN SK1110001437, series 01, 02, 03, 04, 05, 06;
- (b) 89 non-bearer registered shares, with the nominal value of EUR 3,319,391.89 per share, ISIN SK1110003573 series 01; and
- (c) 80 non-bearer registered shares with the nominal value of EUR 1,000,000 per share, ISIN SK1000026403.

Rights of shareholders to participate in the management of the Issuer and to profit and liquidation balance are associated with non-bearer shares in accordance with laws of the Slovak Republic and the Articles of Association of the Issuer. Shares are freely transferable. The entire registered capital of the Issuer is fully paid up.

Shareholder structure of VÚB as of 31 December 2023

	<i>Share in the registered capital (in %)</i>
Intesa Sanpaolo Holding International S.A.	100.00
TOTAL	100.00

The nature of control of Intesa Sanpaolo Holding International S.A. results directly from its share in the registered capital of the Issuer. The Issuer is unaware of any actions by the sole shareholder, which would lead to abuse of control.

The Issuer is unaware of any mechanisms, implementation of which would result in change in the control over the Issuer.

5.12 Financial information concerning assets and liabilities, financial situation and profits and losses of the Issuer

Historical financial information that has been audited are incorporated into this Base Prospectus by reference from the following Financial Statements:

- (a) the audited consolidated financial statements of the Issuer for the year ended 31 December 2022 prepared in compliance with the IFRS as adopted by the EU, which form part of the Issuer's 2022 Annual Report; and
- (b) the audited consolidated financial statements of the Issuer for the year ended 31 December 2023 prepared in compliance with the IFRS as adopted by the EU, which form part of the Issuer's 2023 Annual Report.

The audited consolidated financial statements for the year ended 31 December 2022 and 31 December 2023 were audited by Ernst & Young Slovakia, spol. s r.o. with its registered seat at Žižkova 9, 811 02 Bratislava, Slovak Republic, member of the Slovak Chamber of Auditors (SKAU), SKAU licence No. 257.

The independent auditors expressed unmodified opinions as stated in their audit reports incorporated by reference herein.

Except from the above mentioned consolidated financial statements, no other information in the Base Prospectus has been audited.

As of 31 December 2023, the Issuer's consolidated profit before provisions, impairment and tax increased by 50.2% to 411.9 mil. EUR and its net profit increased by 55.6% to 263.7 mil. EUR.

The capital adequacy ratio of the Issuer on consolidated basis reached 19.79% as at 31 December 2023, which is above the limit required by the ECB and NBS.

Below are stated selected financial data of the Issuer, consisting of the consolidated statement of financial position as at 31 December 2023 and 2022, and statement of profit or loss and other comprehensive income for the year ended 31 December 2023 and 2022, extracted, respectively, from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2023 and from the audited consolidated financial statements of the Issuer as at and for the year ended 31 December 2022 prepared in accordance with the IFRS as adopted by the EU.



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Consolidated statement of financial position as at 31 December 2023 and 2022*(in thousands of euro)*

	2023	2022
Assets		
Cash and cash equivalents	3,802,524	3,060,496
Financial assets at fair value through profit or loss:		
Financial assets held for trading	56,146	60,404
Non-trading financial assets at fair value through profit or loss	4,983	3,991
Derivatives – Hedge accounting	183,677	352,265
Financial assets at fair value through other comprehensive income	1,259,385	1,427,578
<i>of which pledged as collateral</i>	649,557	1,283,417
Financial assets at amortized cost:		
Due from other banks	235,397	153,294
Due from customers	18,464,494	17,497,930
<i>of which pledged as collateral</i>	49,829	77,233
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(57,405)	(126,410)
Investments in joint ventures and associates	719	1,885
Property and equipment	120,534	121,404
Intangible assets	183,516	198,671
Goodwill	29,305	29,305
Current income tax assets	-	441
Deferred income tax assets	62,056	50,446
Other assets	39,219	35,717
Non-current assets classified as held for sale	1,551	5,946
	<u>24,386,101</u>	<u>22,873,363</u>
Liabilities		
Financial liabilities at fair value through profit or loss:		
Financial liabilities held for trading	36,450	61,463
Derivatives – Hedge accounting	245,660	316,157
Financial liabilities at amortized cost:		
Due to banks	964,646	1,005,068
Due to customers	16,020,671	15,407,863
Lease liabilities	18,307	19,322
Subordinated debt	300,487	250,368
Debt securities in issue	4,436,314	3,784,008
Fair value changes of the hedged items in portfolio hedge of interest rate risk	(11,918)	(19,536)
Current income tax liabilities	46,839	24,231
Provisions	23,960	18,888
Other liabilities	160,161	135,436
	<u>22,241,577</u>	<u>21,003,268</u>
Equity		
Share capital	510,819	430,819
Share premium	13,719	13,719
Legal reserve fund	87,783	87,493
Other capital funds	8,464	8,464
Retained earnings	1,519,808	1,327,769
Equity reserves	3,931	1,831
	<u>2,144,524</u>	<u>1,870,095</u>
	<u>24,386,101</u>	<u>22,873,363</u>



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Consolidated statement of profit or loss and other comprehensive income
for the year ended 31 December 2023 and 2022
(in thousands of euro)

	2023	2022
Interest income calculated using the effective interest method	867,365	431,969
Other interest income	6,570	4,645
Interest and similar expense	(357,843)	(100,670)
Net interest income	<u>516,092</u>	<u>335,944</u>
Fee and commission income	211,251	197,071
Fee and commission expense	(35,282)	(34,020)
Net fee and commission income	<u>175,969</u>	<u>163,051</u>
Net trading result	10,994	10,671
Other operating income	6,347	40,229
Other operating expenses	(28,922)	(39,354)
Special levy of selected financial institutions	-	-
Salaries and employee benefits	(142,192)	(127,453)
Other administrative expenses	(84,788)	(76,471)
Amortisation	(27,868)	(18,793)
Depreciation	(13,698)	(13,634)
Profit before provisions, impairment and tax	<u>411,934</u>	<u>274,190</u>
Net modification losses	98	14
Provisions	(3,062)	(296)
Impairment losses	(72,597)	(76,806)
Net loss arising from the derecognition of financial assets at amortized cost	<u>7,866</u>	<u>13,729</u>
	344,239	210,831
Share of the profit or loss of investments in joint ventures and associates accounted for using the equity method	<u>(1,759)</u>	<u>2,138</u>
Profit before tax	342,480	212,969
Income tax expense	(78,735)	(43,219)
Net profit before Minority interest	<u>263,745</u>	<u>169,750</u>
Net profit attributable to Minority interest	<u>-</u>	<u>(228)</u>
NET PROFIT FOR THE YEAR	263,745	169,522
Other comprehensive income for the year, after tax:		
<i>Items that shall not be reclassified to profit or loss in the future:</i>		
Net revaluation gain from property and equipment	(81)	1,373
Reversal of deferred income tax on disposed property and equipment	356	-
Reversal of deferred income tax on FTA Reserve due to VÚB Leasing merger into VÚB Bank	-	-
Change in value of financial assets at fair value through other comprehensive income (equity instruments)	83	(1,427)
	<u>358</u>	<u>(54)</u>
<i>Items that may be reclassified to profit or loss in the future:</i>		
	(27)	-



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Change in value of financial assets at fair value through other comprehensive income (debt instruments)	4,533	(24,198)
Exchange difference on translating of foreign operations	(1,117)	75
	<u>3,389</u>	<u>(24,123)</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>267,492</u>	<u>145,345</u>

5.13 Selected financial information and ratios

Basel 3 Capital Ratios	31.12.2021	31.12.2022	31.12.2023
CET 1	17.24%	16.68%	17.25%
Tier 2	2.27%	2.53%	2.54%
CAR	19.51%	19.21%	19.79%

Source: The audited consolidated financial statements 2021, 2022 and 2023 (all figures are rounded due to which the number might differ from the number calculated by adding the single items of which they consist). CET 1, Tier 2 and CAR (capital adequacy ratio) are defined and calculated in accordance with applicable CRR/Basel 3 regulatory framework.

Total Risk-Weighted Assets (in EUR thousands)	31.12.2021	31.12.2022	31.12.2023
	9,220	9,972	10,633

Source: The audited consolidated financial statements 2021, 2022 and 2023 (total amounts of assets are rounded, so they might differ from the amount calculated by adding the single items of which they consist). Total risk weighted assets are defined and calculated in accordance with applicable CRR/Basel 3 regulatory framework.

Return on Equity	31.12.2021	31.12.2022	31.12.2023
	6.98%	10.21%	14.73%

Source: Internal information and calculation of the Issuer based on the audited consolidated financial statements 2021, 2022 and 2023. Return on equity is a profitability measure which compares net profit for the year to average between beginning and end of year equity without profit, as such it is an alternative performance measure and not a measure defined according to IFRS. It is calculated as the division of net profit for the year to average equity without profit. The average between beginning and end of year equity without profit is calculated as an average of equity without profit (year end balance) for calculated year and previous year. By way of example for the year 2023, the calculation is $263,745,863 / ((1,700,573,464 + 1,880,779,037) / 2) \times 100 = 14.73\%$.

5.14 Legal, administrative and arbitration proceedings

No legal, administrative and arbitration proceedings, which have impact or may have impact on financial situation and profitability of the Issuer or its group in the future had been conducted over the period of 12 calendar months prior to the date of the Base Prospectus.

5.15 Significant change in the Issuer's financial position and other significant changes

No significant changes in the financial performance of the Issuer and its group have occurred since the date as at which the audited consolidated financial statements for the year ended 31 December 2023 were prepared.



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5.16 Material contracts

The Issuer is not aware of any contracts or transactions entered into outside of the ordinary course of its business which could result in the Issuer or any member of its group being under an obligation or an entitlement that is material to the Issuer's ability to meet its obligations under the Bonds.



6. USE OF PROCEEDS

Net proceeds from each issue of the Bonds will be used by the Issuer for general funding purposes.



7. DESCRIPTION OF THE SLOVAK COVERED BONDS FRAMEWORK

7.1 General information on the covered bonds legal framework under the Slovak law

Nature of the CB

Covered bonds (in Slovak: *kryté dlhopisy*, in this subclause 7.1, the term **CBs** includes covered bonds issued by any Slovak issuer) are a special type of secured bonds regulated by the Act on Bonds under Section 20b, the Act on Banks in part 12, the Bankruptcy Act in part 6 and by certain regulations of the NBS. According to the Act on Banks, a CB is a bond, the nominal value and proportional interest income of which are fully covered by assets or other property values in a cover pool under Section 68(1) of the Act on Banks, and correspond to the value of assets which, for the whole period of validity of the CBs, are preferentially intended to satisfy claims arising from these CBs and these assets, in case the bank issuing these CBs is not able to pay its liabilities arising from them properly and on time, and will be preferentially used to pay the nominal value of the CBs and proportional interest income. CBs under Slovak law can be issued only by a Slovak bank and their name must include the words "covered bond" (in Slovak: *krytý dlhopis*).

An issuer of the covered bonds may designate a covered bond as a "European Covered Bond" (in Slovak: *európsky krytý dlhopis*), if it is secured by primary assets under section 70(1)(c) or (70(1)(d) of the Act on Banks or as a "European Covered Bond (Premium)" (in Slovak: *európsky krytý dlhopis (prémiový)*), if it is secured by primary assets under Section 70(1)(a) or 70(1)(b) of the Act on Banks and further requirements under Article 129 of the CRR.

CBs can be issued only by a Slovak bank that has obtained prior approval from the NBS to carry out the activities related to a CB programme. The prior approval of the NBS is required for each standalone CB programme. A CB programme as defined in the Act on Bonds includes generally all assets of the cover pool as well as all liabilities under covered bonds issued by given issuer. It also includes all liabilities under legacy mortgage bonds (in Slovak: *hypotekárne záložné listy*) issued before 1 January 2018 (the **MBs**) and other liabilities related to the programme, such as hedging derivatives (if any) and related administrative contracts and functions.

Assets covering CB obligations

The owners of the CBs have a preferential security right to assets and other property values constituting the cover pool. The cover pool is a set of assets and other property values securing preferentially the payment obligations attached to covered bonds in the relevant covered bonds programme and which are separated from other assets held by the issuer of CBs. An issuer of CBs maintains a separate programme of the covered bonds for each of primary assets listed in Section 70(1) of the Act on Banks.

The cover pool used for covering the obligations related to CBs consists of the following assets and other property values: (i) primary assets, (ii) substitution assets, (iii) hedging derivatives, and (iv) liquid assets. An asset or property value becomes part of the cover pool by its inclusion in the register of covered bonds and is included until it is removed from this register. The cover pool may, pursuant to Section 68(3) of the Act on Banks, be used only to cover the issuer's obligations to repay the principal amount of the covered bonds and their interest proceeds in the relevant covered bonds programme, the estimated obligations and costs of the issuer arising from and directly related to the administration or termination of the relevant covered bonds programme and settlements with persons who perform activities pursuant to the Act on Banks, or arising from the terms of the covered bonds (e.g., to the CBs Programme Monitor, the payment service agent, etc.) and the obligations of the issuer arising from hedging derivatives in the relevant covered bonds programme. The cover pool assets include all cash-flows from the cover pool assets and underlying security interests. Their segregation and exclusive use will be also preserved in bankruptcy or similar situations.

Primary assets

Section 70(1) of the Act on Banks, effective as of 8 July 2022, permits the following classes of the primary assets in accordance with of the EU Covered Bonds Directive:

- (i) loans to central governments, central banks and other public entities eligible under Article 129(1)(a) of the CRR;
- (ii) mortgage loans eligible under Article 129(1)(d) and (f) of the CRR which are claims of the issuer of covered bonds, from mortgage loans that are secured by pledge over the immovable residential or commercial property according to Section 71(1), while meeting the requirements according to Article 129(1a) to (3) of the CRR;



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- (iii) mortgage loans other than those referred to in limb (ii) above meeting certain other criteria; and
- (iv) certain loans to public undertakings or loans guaranteed by these public undertakings.

Primary assets in limb (i) and (ii) above must constitute for at least 90% and the primary assets in limb (iii) and (iv) must constitute at least 80% of the of the aggregate nominal value of CBs that are covered by these primary assets within the relevant cover pool. An issuer of CBs may maintain only one of the types of primary assets specified above in each covered bond programme.

Mortgage loans included in the cover pool as primary assets must meet relevant criteria under the Act on Banks and Article 129 of CRR, including loan to value (LTV) requirements. In any case, if the value of pledged property falls below the unpaid principal of a mortgage loan, the claim from such a mortgage loan must be immediately removed from the covered bonds register. The same applies with regard to any defaulted loans (in general loans where the borrower is in default for more than 90 days).

Substitution assets

Substitution assets consist of assets that meet conditions under Article 129(1)(c) of CRR, i.e. in general, deposits with the NBS, the ECB or the central bank of a Member State, ECB debt certificates, cash, treasury bills issued by the Slovak Republic, or debt securities issued by a Member State, deposits with banks, foreign banks and debt securities issued by banks and foreign banks. The substitution assets can account for not more than 10% of the of the aggregate nominal value of covered bonds that are covered by base assets in limb (i) or (ii) above and not more than 20% of the of the aggregate nominal value of covered bonds that are covered by base assets in limb (iii) or (iv) above.

Hedging derivatives

Hedging derivatives registered in the cover pool consist of derivatives, the purpose of which is to manage and mitigate currency risk or interest rate risk connected with issued CBs. All cash flows and collateral in respect of the hedging derivatives is part of the cover pool.

Liquid assets

If the issuer of CBs has not aligned the maturities of positive cash flows and negative cash flows within the CB programme in every moment during the consecutive 180 days then, to cover all expected negative cash flows from the CB programme, it is obligated to cover them from a buffer of liquid assets at least in the value of uncovered negative cash flows. The buffer of liquid assets consists of assets of Tier 1 and assets of Tier 2A under Articles 10 and 11 of Commission Delegated Regulation (EU) 2015/61 of 10 October 2014 supplementing CRR.

Register of CBs

The issuer of CBs shall register all cover assets, the issued CBs, the related liabilities and costs in the register of CBs. Assets and other property values become a part of the cover pool when registered in the register of CBs and are a part of the cover pool until they are deleted from the register of CBs. Assets and other property values constituting a part of the cover pool are used by the issuer of CBs preferentially to cover the issuer's liabilities registered in the register of CBs and the issuer must not dispose them or use them to secure other liabilities until they are deleted from the register of CBs. The issuer is responsible for the correctness, completeness and timeliness of the data registered in the register of CBs.

Asset coverage ratio (over-collateralisation)

The Act on Banks sets out the method of calculating the cover ratio. The cover ratio is the ratio between the value of the cover pool, including claims for payment arising out of hedging derivatives and the sum of issuer's obligations and costs arising from the covered bonds programme, including payment obligations arising out of hedging derivatives (if any). Over-collateralization is the part of the cover ratio exceeding 100%. In case of the bonds covered by mortgage loans under Section 70(1)(b) of the Act on Banks, the minimal over-collateralisation is 5% as stated in Article 129(3a) of the CRR. The issuer is obligated to calculate the coverage ratio as of the last day of the relevant month and it must keep it continuously at the minimum level of 105%. In individual terms and conditions of the issuance of CBs, the bank can determine a higher coverage ratio than 105%. Then the issuer has to maintain such a higher coverage ratio until the full repayment of the relevant issuance of CBs for the entire relevant CB programme. If the issuer determines several higher coverage ratios for different issuances of CBs, it has to maintain the highest coverage ratio for the entire relevant CB programme until the full repayment of the issuance of CBs with such highest coverage ratio.



The issuer shall, at least once per year, carry out stress tests as part of its CB programme in order to identify potential changes in compliance with the coverage ratio resulting from potential changes in market conditions that might have an adverse effect on the coverage ratio. The issuer shall perform a stress test for the period of the preceding calendar year on or before 31 March of the subsequent calendar year. The issuer shall set the stress test parameters in line with the stress test performed to evaluate the appropriateness of internal capital. The objective of stress tests is to prove that the issuer is able to keep the cover ratio at the required minimum level.

CBs Programme Monitor

The CBs Programme Monitor verifies whether the bank issuing CBs discharges the obligations associated with the CB programme in accordance with legislation currently in place. The NBS appoints a CBs Programme Monitor as an independent individual and also his/her deputy. Prior to any issue of CBs, the CBs Programme Monitor is required to prepare a written certificate evidencing that coverage of those CBs is secured in accordance with the Act on Banks.

The CBs Programme Monitor has to prepare and file with the NBS detailed report by 30 April of each calendar year. The contents of the report are prescribed under the Act on Banks and NBS regulations and it must include *inter alia* detailed quantitative data on the portfolio of the issued CBs, cover pool, as well as description of any major changes or risks.

The CBs Programme Monitor performs the above control functions, but the NBS retains the overall supervision over the issuer of CBs.

Information to the investors and general public

The issuer of CBs shall disclose on its website at least on a quarterly basis information regarding:

- (i) the structure of the CBs, maturity thereof, the number and volume of the issuances of CBs, the currency thereof and the interest rates thereof,
- (ii) the value, type and asset ratio in the cover pool and important changes to it; as well as applied valuation methods,
- (iii) the volume according to the currency of the monetary nominal value, weighted average residual maturity, weighted average interest rate and weighted average value of base assets' security indicator in the cover pool,
- (iv) the proportional geographical distribution of the base assets and real estate which secure them and constitute the cover pool, and
- (v) other documents and information related to the CB programme.

Transfer of CB programmes

A transfer of the CB programme is possible in special circumstances where the bank issuing CBs is subject to various reorganisation measures taken by competent public authorities in the form of initiating an involuntary administration or resolution proceedings as well as in the case a bankruptcy has been declared over the issuing bank's estate. The purpose of the transfer of the CB programme is to secure that owners of CBs, when such special circumstances occur, have preserved, to the highest possible degree, their claims arising from CBs.

At first, the NBS has to be informed in writing about an intention to transfer the CB programme. This notification duty must be fulfilled by a Trustee appointed to carry out an involuntary administration or by a Trustee in bankruptcy. Prior to its decision about notification of the intention to transfer the CB programme, relevant Trustee must assess with due professional care whether or not the further management of the CB programme would result in an overall decrease in satisfaction of the owners of CBs. When carrying out the assessment, relevant Trustee takes into account the interests and fair satisfaction of all owners of CBs, including creditors under those receivables that fall due on the latest date(s).

If the relevant Trustee assesses that the further management of the CB programme would result in an overall decrease in satisfaction of the owners of CBs, he/she is obligated to proceed in collaboration with the CBs Programme Monitor and to inform the NBS of the intention to transfer the CB programme to a third party. Only one or more banks authorized to perform activities related to the CB programme may acquire the CB programme. The prior approval of the NBS is required for the transfer of the CB programme, including the conclusion of a contract for the transfer of the CB programme between the relevant transferor and transferee. The CB programme shall be transferred for adequate consideration within one year of the date of delivery of the notice of relevant



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Trustee to the NBS of the intention to transfer the CB programme. The NBS, at the request of relevant Trustee, can issue a decision on the extension of this period by not more than one year within one month before such period expires, where it can be reasonably assumed that a later transfer of the CB programme will lead to the achievement of a higher level of satisfaction of debts owed to the owners of CBs.

The validity and effect of the transfer of the CB programme is subject neither to the consent of the owners of CBs nor to the consent of the debtors of liabilities corresponding to the receivables constituting primary assets in the cover pool of the issued CBs. The exception to this rule is where the transfer of the CB programme is carried out outside the involuntary administration or bankruptcy proceedings; in such case the consent of the owners of CBs is required. The provisions on the sale of an enterprise or a part of it as set forth in the Commercial Code shall apply to the transfer of the CB programme, however, in order to transfer the CB programme, it is not required to transfer the whole or any part of the personnel element of the business (i.e. employees of a transferor bank) and after the transfer of the CB programme the creditors of the transferor bank (i.e. any owner of CBs) may not request a judicial ruling that the transfer of an obligation from the seller to the buyer is ineffective if such obligation towards the creditor constitutes a part of the transfer of the CB programme. The transfer of the CB programme is registered in the commercial register on the basis of an application submitted by relevant Trustee immediately after the transfer of the CB programme.

Extension of maturity of CBs in case of proposed transfer (soft bullet extension)

The key feature of the mechanism introduced by the application of the institution of transfer of the CB programme is that there is no suspension in relation to the satisfaction of the claims of owners of CBs to be paid interest income from CBs within the original maturities during the whole period (maximum 2 years) for the transfer of the CB programme, regardless of whether the transfer is being carried out as part of involuntary administration or bankruptcy. Apart from that, in relation to each individual issuance of CBs where its original maturity expires during the period for the transfer of the CB programme, the owners of CBs take advantage of additional income that is generated from the payment of interest income for the whole period by which the original maturity of such issuance is extended. This mechanism seeks to partially compensate the owners of CBs for being restricted from exercising their rights related to CBs due to the suspension in payment of the principal amount of the CBs resulting from the extension of the original maturities of issuances that expire during the period for the transfer of the CB programme.

The original maturity shall be extended by a period of 12 months in relation to the issuances of CBs the residual maturity of which is shorter than 11 months during the period from the second until the 12 month following the day of delivery of a notice of relevant Trustee to the NBS of the intention to transfer the CB programme. In relation to the issuances mentioned in the preceding sentence the original maturity is extended by another twelve months if relevant Trustee delivers a notice to the NBS of the extension of the period for the transfer of the CB programme for another 12 months and the NBS approves such extension. If the residual maturity of the issuance of CBs is shorter than twelve months during the additional 12 months period for the transfer of the CB programme, the original maturity of such issuance shall be extended by a period of 12 months. The payments of interest income from CBs are continuously paid in full amount to the owners of CBs during all the extended maturity periods of individual issuances mentioned above, while, original terms of payment of yield, including the method of its calculation, shall apply equally during the relevant extended maturity period. The only exception as to the suspension of payment of the principal amount of CBs during the period for the transfer of the CB programme applies where the original maturity of a relevant issuance of CBs expires on any day within the first month of the day of delivery of the notice of relevant Trustee to the NBS of the intention to transfer the CB programme. In such case, all debts owed under CBs are paid to the owners of CBs within their original maturities, including the debts in full amount corresponding to the payment of the principal amount of CBs as well as those corresponding to the payment of interest income from CBs.

The soft bullet extension will apply also upon the resolution proposal. In any case, the extension cannot result in the change of the original order of maturity of the outstanding issues of the CBs.

No automatic acceleration of debts and liquidation of the cover pool rules

Neither acceleration and early repayment of debts owed by the bank towards the owners of CBs nor acceleration of any other liabilities of the bank related to the CB programme are triggered at the moment bankruptcy is declared over the estate of a bankrupt bank issuing CBs nor during the whole period (maximum 2 years) for the transfer of the CB programme. Instead of immediate acceleration, a delay in fulfilment of liabilities applies to the debts owed by the bank towards the owners of CBs in respect of payment of the principal amount of CBs in accordance with the rules set forth in the preceding paragraph. As regards the debts owed by the bank towards the owners of CBs in respect of payment of interest income from CBs, such debts are discharged with immediate



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effect within their original maturities in compliance with the abovementioned rules. Acceleration and early repayment of debts owed by the bank towards the owners of CBs are triggered as of the date the Trustee terminates the operation of the bankrupt bank's business after declaration of bankruptcy which generally follows immediately after the Trustee has failed to ensure realisation of the bankrupt bank's assets via the transfer of the CB programme.

If the Trustee fails to manage the realisation of assets via the transfer of the CB programme, it is entitled, in the course of operation of the bankrupt bank's business, to realise the receivables arising under mortgage loans included in the assets of the cover pool via the transfer of such receivables for remuneration. These receivables may be realised only via the transfer of such receivables for remuneration to a third-party transferee that is a bank, foreign bank, branch of a foreign bank or other creditor under the Act on Residential Loans. Similarly, these receivables become immediately due as of the date the Trustee terminates the operation of the bankrupt bank's business after the declaration of bankruptcy.

If the bankrupt entity is a bank issuing CBs, the owners of the CBs issued by that bank represent the group of secured creditors. These secured creditors shall have a preferential right to have their claims arising under the CBs satisfied via the realisation of the assets belonging to a separate part of the bankrupt bank's estate. The separate part of the bankrupt bank's estate for these secured creditors shall comprise assets and other property values serving to cover the issued CBs and, at the same time, also for securing the claims of the owners of the CBs against such bank. All these assets and other property values are part of the cover pool of issued CBs, including also receivables from mortgage loans and pledges over real estate securing the claims under mortgage loans serving to cover the issued CBs.

Mortgage loans and their regulatory framework in the Slovak Republic

The mortgage loans provided by the banks in the Slovak Republic are mortgage loans as defined under Section 5(ah) of the Act on Banks and secured by mortgages over real estate owned by the relevant borrowers and located in the Slovak Republic. In case of default, the issuer of CBs as a pledgee may enforce its rights against the pledgor through a voluntary auction pursuant to Slovak Act No. 527/2002 Coll. or by execution.

Regardless of the method of enforcement, the pledgee must always notify the pledgor in writing of the commencement of mortgage enforcement. In this notice the pledgee must specify the method which will be used to enforce the claim. The pledgee can only go ahead with the enforcement of the mortgage after 30 days have lapsed since such notice was delivered. Due delivery of the written notice has significant effects on the pledgor's dispositional rights as, from the moment it receives the written notice, the pledgor may not dispose of the real estate without the pledgee's consent. Disposition without such consent might be void; however, a breach of this prohibition does not affect the validity of a purchase agreement entered into in the ordinary course of business, unless the purchaser must have known about the commencement of enforcement.

The pledgee is not entitled to sell the real estate before the day falling thirty days after (i) delivery of the pledgee's notification of commencement of enforcement to the pledgor or (ii) registration of the commencement of enforcement of the mortgage in the Slovak Cadastral Register, depending on which of the events set out under (i) or (ii) occurs later, unless the pledgee and pledgor agree on an earlier sale after delivery of the notification.

Regardless of the choice of enforcement method, the pledgee is always entitled to reimbursement for necessarily and reasonably incurred expenses associated with the enforcement.

If the borrower under a mortgage loan is declared insolvent, the issuer of CBs will qualify as a secured creditor. The issuer's position as a secured creditor can however be challenged in bankruptcy proceedings. If the bankruptcy administrator files such a challenge, the issuer has to file an action with the bankruptcy court demanding that the receivable from the mortgage loan be recognised as a secured receivable. If the issuer is recognised as a secured creditor, it would be entitled to have its claim satisfied from the borrower's assets that are subject to the first ranking security created in favour of the issuer at any time after the decision on resolution of the borrower's bankruptcy by liquidation of the borrower's assets. Secured creditors are, after the deduction of the costs of administration and liquidation of the relevant asset and remuneration of the bankruptcy administrator, satisfied from the proceeds of the liquidation of that asset in the order in which the legal grounds of their entitlement to such satisfaction from that asset arose. The ranking of statutory pledges is determined based on the date they were registered in the Slovak Cadastral Register.



7.2 Specific information about the covered bonds (the Bonds) issued under the Base Prospectus

The Bonds issued as part of the Programme under the Base Prospectus qualify as European Covered Bonds (Premium). The Bonds are covered by mortgage loans according to Section 70(1)(b) of the Act on Banks that meet the requirements under Article 129 of the CRR.

The possibility to use different classes of primary assets is the main change introduced by the transposition of the EU Covered Bonds Directive into Slovak law in 2022. However, these new options are not relevant for the Bonds issued under the Base Prospectus.

The Issuer has a prior approval of the NBS granted on 14 May 2018 according to the wording of the Act on Banks effective before 8 July 2022. This prior approval is granted only for activities related to the covered bonds programme with primary assets pursuant to Section 70(1)(b) of the Act on Banks and excluding primary assets secured by a pledge on commercial real estate. As of the date of this Base Prospectus, the Issuer has just one covered bonds programme approved, while the Issuer's intention is to issue only covered bonds secured by mortgage loans secured by pledges on residential real estate. The Issuer currently does not intend to ask the NBS for prior approval for any additional covered bonds programme or the expansion of the existing programme by any additional primary assets. The covered bonds programme also includes covered bonds issued under legislation effective before 8 July 2022, as well as mortgage bonds issued by the Issuer before 1 January 2018.

The Issuer has aligned its covered bonds programme with new provisions of the Act on Banks with effect from 8 July 2022, in accordance with the transitional provisions of Section 122ye of the Act on Banks. The Issuer maintains one covered bonds programme, but the scope of the primary assets remains as it used to be under the legislation effective until 8 July 2022. The amendment to the Act on Banks effective from 8 July 2022 permits two types of primary assets according to Article 129(1)(d) and (f) of the CRR, but the prior consent granted to the Issuer on 14 May 2018 was granted according to the conditions falling only under Article 129(1)(d) of the CRR for loans that are secured by residential real estate.

The Issuer's cover pool therefore includes mortgage loans secured only by a pledge on residential real estate as primary assets. The Issuer does not currently plan to expand the primary assets with mortgage loans secured by a pledge on commercial real estate. The Issuer has decided to apply the new regime under the Act on Banks applicable to covered bonds issued before 8 July 2022 (including all mortgage bonds issued before 1 January 2018) and has included all such covered bonds and mortgage bonds in the ongoing covered bonds programme, which is governed by the new wording of the Act on Banks transposing the EU Covered Bonds Directive.

In the case of the Bonds issued under the Base Prospectus, the minimum overcollateralisation is 5% in accordance with Article 129(3a) of the CRR.

The Issuer has not committed to maintain a higher contractual overcollateralisation.



8. TERMS AND CONDITIONS OF THE BONDS

This section of the Base Prospectus contains certain information in square brackets that do not contain specific information or contain only a general description (or general principles or alternatives). This unknown information, at the moment of preparation of the Base Prospectus, concerning the Bonds, will be completed by the Issuer for individual issues of the Bonds in the Final Terms (as defined below) which will be prepared and published in the form specified in section 9 of the Base Prospectus designated as the "Form of Final Terms".

The text in this section 8 stated in italics is merely a guidance to the preparation of the Final Terms and is not part of the final legally binding text of the relevant Terms and Conditions of the Bonds (as defined below) of the relevant issue of the Bonds.

All issues of the Bonds to be issued under the Programme on the basis of this Base Prospectus will be governed by the Common Terms set out in this section 8 of the Base Prospectus and Part A of the respective Final Terms. Pursuant to Article 8(4) and (5) of the Prospectus Regulation, the Final Terms mean a document designated as the "Final Terms" to be prepared and published by the Issuer with regard to individual issues of the Bonds, and which will contain particular information the description of which is given in square brackets in the Common Terms or elsewhere in this section 8, or which are referred in the Common Terms or elsewhere in this section 8 as to be indicated or specified in the Final Terms of the specific issue (the **Final Terms**).

PART A: COMMON TERMS

This Part A (Common Terms) of this section 8 together with Part A of the Final Terms replaces the terms and conditions (in Slovak: *emisné podmienky*) of the respective issue of the Bonds (the **Terms and Conditions**).

For the avoidance of doubt, the term "Bonds" in the Terms and Conditions only refers to the bonds of the particular issue and shall not be construed as referring to any bonds issued continuously or repeatedly by the Issuer under the Programme.

For the sake of clarity, the articles and paragraphs (referred to as "Conditions") in these Common Terms are numbered separately.

Any reference to a Condition or paragraph in the Terms and Conditions (including in the Final Terms) means reference to a Condition or paragraph of the whole Terms and Conditions of a given issuance of the Bonds.

1. Definitions

For the purposes of the Terms and Conditions, the following expressions shall have the following meaning:

Act on Banks means Act No. 483/2001 Coll. on banks, amending and supplementing certain acts, as amended.

Act on Bonds means Act No. 530/1990 Coll., on bonds, as amended.

Adjustment Spread means either a spread (which may be positive, negative or zero) or a formula or methodology for calculating a spread, which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines should be applied to the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), as a result of the replacement of the relevant Reference Rate with the relevant Successor Rate or the relevant Alternative Benchmark Rate (as applicable), and is the spread, formula or methodology which:

- (a) in the case of a Successor Rate, is recommended or formally provided as an option for parties to adopt, in relation to the replacement of the Reference Rate with the Successor Rate by any Relevant Nominating Body; or
- (b) in the case of a Successor Rate for which no such recommendation has been made, or option provided, or in the case of an Alternative Benchmark Rate, the spread, formula or methodology which the Issuer, following consultation with the Independent Adviser and acting in good faith, determines to be appropriate as a result of the replacement of the Reference Rate with the Successor Rate or Alternative Benchmark Rate (as applicable).

Administration Agreement has the meaning assigned to it in Condition 10.2.

Administrator has the meaning assigned to it in Condition 10.2.

Aggregate Nominal Amount means the maximum sum of all Nominal Values of all the Bonds of a specific issue as defined in the Final Terms of a specific issue.



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Authorised Person has the meaning assigned to it in Condition 9.3.

Bankruptcy Act means Act No. 7/2005 Coll., on bankruptcy and restructuring, amending and supplementing certain acts, as amended.

Base Prospectus means this base prospectus for debt securities, issued within the Programme on the basis of which the Issuer is authorised to issue covered bonds (in Slovak: *kryté dlhopisy*) in any currency, on the basis of the information provided therein as later amended.

Benchmark Event means:

- (a) the relevant Reference Rate has ceased to be published on the Relevant Screen Page as a result of such benchmark ceasing to exist or be calculated or administered; or
- (b) the making of a public statement by the administrator of the relevant Reference Rate that it has ceased, or will cease, publishing such Reference Rate permanently or indefinitely (in circumstances where no successor administrator has been appointed that will continue publication of such Reference Rate); or
- (c) the making of a public statement by the supervisor of the administrator of the relevant Reference Rate that such Reference Rate has been or will be permanently or indefinitely discontinued; or
- (d) the making of a public statement by the supervisor of the administrator of the Reference Rate (as applicable) that means that such Reference Rate will be prohibited from being used or that its use will be subject to restrictions or adverse consequences, either generally or in respect of the Bonds; or
- (e) the making of a public statement by the supervisor of the administrator of the relevant Reference Rate that, in the view of such supervisor, such Reference Rate is no longer representative of an underlying market; or
- (f) any event or circumstance whereby it has or will become unlawful for the Issuer to calculate any payments due to be made to any Bondholders using the relevant Reference Rate (as applicable) (including, without limitation, under the Benchmark Regulation, if applicable).

The change of the Reference Rate methodology does not constitute a Benchmark Event. In the event of a change in the formula and/or (mathematical or other) methodology used to measure the Reference Rate, reference shall be made to the Reference Rate based on the formula and/or methodology as changed.

Bondholder means a person registered as the owner of the Bonds as set out in Condition 4.

Bratislava Stock Exchange or **BSSE** means the Bratislava Stock Exchange (in Slovak: *Burza cenných papierov v Bratislave, a.s.*), with the registered office at Vysoká 17, 811 06 Bratislava, Slovak Republic, Identification No. (in Slovak: *IČO*): 00 604 054, registered in the Commercial Register of Municipal Court Bratislava III, section: Sa, insert No.: 117/B.

Business Day means a day which is not a holiday under Act No. 241/1993 Coll., on Public Holiday, Non-Business Days and Memorial Days, as amended and Act No. 311/2001 Coll., the Labour Code, as amended and also a day which is the T2 day (a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system operates and clears the payments denominated in Euro currency).

Central Securities Depository means the Central Depository of Securities of the Slovak Republic (in Slovak: *Centrálny depozitár cenných papierov SR, a.s.*), a joint-stock company incorporated and existing under the laws of Slovak Republic, with the registered office at ul. 29. augusta 1/A, 814 80 Bratislava, Slovak Republic, Identification number: 31 338 976, registered in the Commercial Register of Municipal Court Bratislava III, section: Sa, file no. 493/B.

Chairman of the Meeting means the Issuer or a person designated by the Issuer who chairs the Meeting, until it has been decided at the Meeting that another person is to become the Chairman of the Meeting.

Commercial Code means Act No. 513/1991 Coll., Commercial Code, as amended.

Date of Record for Attending the Meeting means the seventh day before the relevant Meeting.

Determination Date has the meaning assigned to it in Condition 9.4.

Early Maturity Date has the meaning assigned to it in Condition 8.2.

ESMA means the European Securities and Markets Authority.



EURIBOR means a reference rate in the interbank market of the European Monetary Union, which is displayed on web page of the financial informative platform of the company Thomson Reuters/Refinitiv: EURIBOR01 (or any other alternative page on which this information may be displayed). For calculation of the interest EURIBOR fixed on the second Business Day before the Interest Period is commenced will be applied. Should the EURIBOR rate be not fixed two Business Days before the start of the Interest Period, the closest preceding fixed rate for the relevant EURIBOR will be applied.

European Money Market Institute is the administrator of reference rate EURIBOR and as of the date of the Base Prospectus it is registered in registry of the ESMA in accordance with Regulation (EU) 2016/1011 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 (the **Benchmark Regulation**).

Final Terms means the final terms of the relevant issue or tranche prepared by the Issuer substantially in the form set out in section 9 (Form of Final Terms) of the Base Prospectus.

Income Tax Act means the Act No. 595/2003 Coll. on Income Tax, as amended.

Independent Adviser means an independent financial institution of international repute or other independent financial adviser of recognised standing with relevant experience in the international capital markets, in each case appointed by the Issuer at its own expense.

Interest Determination Date has the meaning given to it in the relevant Final Terms.

Interest Payment Date means a date specified in the relevant Final Terms on which the interest is payable.

Interest Period means the period commencing on the Issue Date (inclusive) and ending on the first Payment Date (exclusive) and subsequently each successive period commencing on the Payment Date (inclusive) and ending on the next successive Payment Date (exclusive) until (a) the Maturity Date (exclusive) or until (b) the Early Maturity Date (exclusive) if the Bonds are redeemed early.

Interest Rate has the meaning assigned to it in Condition 7.1.

Issue Date means the date when the Bonds issue is commenced as specified in the relevant Final Terms.

Issue Price has the meaning assigned to it in Condition 18.

Issuer or **VÚB, a.s.** means Všeobecná úverová banka, a.s., with the registered office at Mlynské nivy 1, 829 90 Bratislava, Identification No. (in Slovak: *IČO*): 31 320 155, registered in the Commercial Register of Municipal Court Bratislava III, section: Sa, insert No.: 341/B, LEI: 549300JB1P61FUTPEZ75.

LSE means Luxembourg Stock Exchange, with the registered office at 35A Boulevard Joseph II, L-1840 Luxembourg, the Grand Duchy of Luxembourg.

Margin means one of the floating rate components, the amount of which is defined in the Final Terms.

Maturity Date means a date when the nominal value of a specific issue of the Bonds will be paid out.

Meeting has the meaning assigned to it in Condition 14.1.

Nominal Value means the nominal value (denomination) of each Bond and the principal amount to be repaid by the Issuer under each Bond as defined in the Final Terms.

Payment Date means has the meaning assigned to it in Condition 7.2.

Payment Venue has the meaning assigned to it in Condition 9.2.

Person Entitled to Attend the Meeting means any Bondholder who has been registered as the Bondholder pursuant to Condition 4.1, except for the Issuer itself and any person controlled by the Issuer.

Prospectus Regulation means 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.

Reference Rate means an interest rate defined for calculation of the interest income on the Bonds bearing the floating rate. If the relevant reference rate has not been determined in the Final Terms, then in the Bonds with the floating rate and nominal value denominated in euro, the reference rate EURIBOR will apply. Should the issue be denominated in other currency, the reference rate will be indicated in the Final Terms of the issue



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together with the information on registration of the administrator of reference rate to the registry of ESMA in accordance with the Benchmark Regulation.

Relevant Account has the meaning assigned to it in Condition 4.1.

Relevant Nominating Body means, in respect of a benchmark or screen rate (as applicable): (i) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, or any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable); or (ii) any working group or committee sponsored by, chaired or co-chaired by or constituted at the request of (a) the central bank for the currency to which the benchmark or screen rate (as applicable) relates, (b) any central bank or other supervisory authority which is responsible for supervising the administrator of the benchmark or screen rate (as applicable), (c) a group of the aforementioned central banks or other supervisory authorities or (d) the Financial Stability Board or any part thereof.

Relevant Screen Page means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate.

Securities Act means Act No. 566/2001 Coll., on securities and investment services, as amended.

Successor Rate means the reference rate (and related alternative screen page or source, if available) that the Independent Adviser (with the Issuer's agreement) determines is a successor to or replacement of the relevant Reference Rate which is formally recommended by any Relevant Nominating Body.

2. Basic information, form and manner of issue of the Bonds

- 2.1 The Bonds [ISIN], [CFI], [FISN], [Common Code] [Tranche Number] will be issued by the Issuer in accordance with the Act on Bonds, Act on Banks and Securities Act.
- 2.2 The Bonds are issued as European Covered Bonds (Premium) (in Slovak: *európske kryté dlhopisy (prémiové)*) under Section 67 et seq. of Act on Banks. The Bonds are covered by assets or other property values in the cover pool pursuant to the relevant provisions of the Act on Banks. The primary assets (in Slovak: *základné aktíva*) covering the Bonds are the assets under Section 70(1)(b) of the Act and Banks.
- 2.3 The Bonds represent a specific type of secured bonds (in Slovak: *zabezpečené dlhopisy*) under Section 20b of the Act on Bonds, which Nominal Value and proportional interest income is fully covered by assets or property values in the cover pool under Section 68 (1) of Act on Banks. These assets and property values correspond to the value of assets which, for the whole period of validity of the Bond, are preferentially intended to satisfy claims arising from this Bond and these assets, in case the Issuer is not able to properly and timely pay its liabilities arising from it, will be preferentially used to pay the Nominal Value of the Bond and proportional interest income. In the event of bankruptcy over the assets of the Issuer a Bondholder has a status of secured creditor with the right for preferential satisfaction of its covered receivable for the payment of nominal value and proportional interest income related to the Bonds out of that part of assets of Issuer subject to bankruptcy, which forms a separate part within the bankruptcy in the scope of assets and assets values under Section 195a (1) of the Bankruptcy Act.
- 2.4 The Bonds are book-entered securities (in Slovak: *zaknihované cenné papiere*) in bearer form (in Slovak: *vo forme na doručiteľa*) registered in the Central Securities Depository pursuant to the Securities Act.
- 2.5 The Bonds will be issued with principal amount (in Slovak: *menovitá hodnota*) of each of the Bonds of [Nominal Value], the number of securities being no more than [Number of Securities]. No global certificates (neither in temporary nor permanent global form), definitive certificates or coupons will be issued with respect to any Bonds.
- 2.6 The Bonds will be issued in the currency [Currency].
- 2.7 [Issuance in tranches – [The Bonds may be issued by the Issuer in parts (tranches) in compliance with the applicable provisions of the Act on Bonds, without the consent of the Bondholders. For the purposes of Section 6(3) of the Act on Bonds, the term for subscribing for the issue as a whole is deemed to be the entire period up to the Maturity Date or Early Maturity Date. Any further issued parts (tranches) will be fungible and consolidated, from the moment of their issuance, with the Bonds issued in all previous tranches and will form the single issue of the Bonds governed by the same terms and conditions. Any Meeting convened will relate to



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all tranches of the Bonds of the single issue. There will be separate Final Terms prepared for each tranche.] *or* [Not applicable, the Bonds will be issued once, without being divided into tranches.]]

- 2.8 The Bonds will be issued at the issue price stated in Part B of the Final Terms, Article 18 (*Conditions of the Offer*). The issue price for individual tranches after the initial Issue Date may be different. If any issue or tranche has an issue price lower than 100%, the difference between the Principal Amount and the lower issue price shall be considered part of the yield of the Bonds.
- 2.9 The name of the Bonds is [Name].
- 2.10 **[Information on resolutions, permits and approvals in respect of the issue of the Bonds]**
- 2.11 The Aggregate Nominal Amount (in Slovak: *celková menovitá hodnota emisie*) of the Bonds will be no more than [Aggregate Nominal Amount].
- 2.12 The issue date of the Bonds is set for [Issue Date].
- 2.13 The Bonds will be issued under the EUR 7,000,000,000 debt securities issuance programme (as may be amended from time to time) pursuant to Article 8 of the Prospectus Regulation.

3. Rights attached to the Bonds

- 3.1 The Bonds will be issued in accordance with the Act on Bonds, the Securities Act and the Act on Banks. The Bondholders have the rights and obligations arising from these acts and the Terms and Conditions. The procedure for exercising these rights follows from the applicable laws and the Terms and Conditions.
- 3.2 Rights attached to the Bonds are not restricted, except for general restrictions pursuant to applicable legal regulations.
- 3.3 The transferability of the Bonds is not restricted. No rights to exchange them for any other securities and no pre-emption rights (rights for preferential subscription) to any securities and no other benefits are attached to the Bonds.
- 3.4 The payment of the Nominal Value or the payment of interest on the Bonds is secured (covered) in compliance with the applicable provisions of the Act on Banks.
- 3.5 No joint representative of the Bondholders or any other representative of Bondholders has been appointed.

4. Bondholders and transfers

- 4.1 The Bondholders will be the persons registered as owners of the Bonds (a) on the owner's account (in Slovak: *účet majiteľa*) maintained by the Central Securities Depository or by a member of Central Securities Depository; or (b) in the internal records of a person for which Central Securities Depository maintains a custody account (in Slovak: *držiteľský účet*) or similar account (each such account referred to as the **Relevant Account**). If some of the Bonds are registered in a custody account, the Issuer reserves the right to rely on the authority of each person maintaining such account to fully represent (directly or indirectly) the Bondholder and perform *vis-a-vis* the Issuer and to the account of the Bondholder all legal acts (either in the Bondholder's name or in its own name) associated with the Bonds as if this person were their owner.
- 4.2 A transfer of the Bonds is made through the registration of the transfer in the Relevant Account.
- 4.3 Unless the law or a decision of the court delivered to the Issuer provides otherwise, the Issuer will deem each Bondholder as the authorised owner in all respects and make the payments under the Bonds to that Bondholder.

5. Status of obligations under the Bonds

- 5.1 Obligations from the Bonds constitute direct, general, secured (covered, in Slovak: *kryté*), unconditional and unsubordinated liabilities of the Issuer which rank *pari passu* among themselves and always rank at least *pari passu* with any other direct, general, similarly secured (covered, in Slovak: *kryté*), unconditional and unsubordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by mandatory provisions of law.



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6. Representations and undertakings of the Issuer

- 6.1 The Issuer declares that it owes to the Bondholders the Nominal Value and undertakes to repay the Nominal Value and any interest on the Bonds (if the Bonds bear interest income), in accordance with their Terms and Conditions.
- 6.2 The Issuer undertakes to treat all Bondholders in the same circumstances equally.

7. Interest

- 7.1 The Bonds will bear interest from the date of the Issue Date. [**Determination of interest** – *for fixed rate Bonds*: [The Bonds bear a fixed interest rate throughout their life, in the amount of [Rate]% p. a.] (the **Interest Rate**).]

or for zero-coupon Bonds: [The Bonds have no interest rate and their interest is determined as the difference between the Nominal Value of the Bonds and their Issue Price. Conditions 7.2 to 7.9 and any reference to interest or its payment shall in this case not be applicable to the Bonds.]

or for the floating rate Bonds: [The Bonds bear interest at the floating rate set as the sum of the [**Reference Rate**] (the **Reference Rate**) and [**Margin**]% p. a. (together, the **Interest Rate**). The current floating Interest Rate for the relevant Interest Period shall be notified by the Issuer to the Bondholders promptly in accordance with Condition 15. [**Specification of the Interest Determination Dates**].]

- 7.2 Interest on the Bonds will be always paid [**Interest Payment Frequency**] on [**Interest Payment Date(s)**] of the relevant calendar year (each a **Payment Date**) in compliance with Condition 9. Interest on the Bonds will be paid to the Bondholders for each Interest Period retrospectively, for the first time on [**First Interest Payment Date**]. Interest on the Bonds shall be calculated according to the convention [**Convention**] (as defined below).

- 7.3 The amount of interest payable to each Bondholder shall be calculated (a) as the *multiple* of the Nominal Value and the Interest Rate (expressed as a decimal number), (b) by subsequent multiplication of this amount by the relevant fraction of days calculated in accordance with the convention specified in the preceding sentence, (c) by subsequent multiplication of this amount by the number of the Bonds held by the relevant Bondholder, and (d) by rounding the resulting value to two decimal places, with the value of 0.005 being rounded up. The same procedure shall be used also for calculation of the aliquot accrued interest.

- 7.4 The Bonds will cease to bear interest as of the Maturity Date or the Early Maturity Date (if the Bonds are redeemed early), provided that the Nominal Value has been repaid as of this date. If the Nominal Value is not fully repaid as of the Maturity Date or the Early Maturity Date (if the Bonds are redeemed early) due to the Issuer's fault, the Bonds will continue to bear interest at the Interest Rate until all due amounts in respect of the Bonds have been paid.

- 7.5 **Convention** means for the purposes of the Terms and Conditions one of the following conventions for the calculation of interest:

- (a) **30/360** as a ratio “number of days in the period for which the interest has been determined to 360 (in this case the year is deemed to have 360 days, 12 months and a month has 30 days, whereas in event that (i) the last day of the period for which the interest has been determined falls on the 31st day of a month and concurrently the first day of this period is not the 30th or 31st day in a month, that month shall have 31 days or (ii) the last day of the period for which the interest has been determined, is the last day in February, than the months shall not be extended onto 30 days”;
- (b) **30E/360** which, for the purposes of the calculation, means that a calendar year has 360 days divided into 12 months, and each month has 30 days;
- (c) **Act/360** which, for the purposes of the calculation, means that a calendar year has 360 days; however, the actual number of days lapsed in the relevant Interest Period is taken into consideration, i.e. the same convention as for the Reference Rate is used;
- (d) **Act/365** which, for the purposes of the calculation, means that a calendar year has 365 days; however, the actual number of days lapsed in the relevant Interest Period is taken into consideration, i.e. the same convention as for the Reference Rate is used;
- (e) **Act/Act (ISDA)** which, for the purposes of the calculation, means the actual number of days from the beginning of the Interest Period to the day of the relevant calculation divided by 365 (or if any part of the period for which the interest income is determined falls within a leap year, the sum of (i) the actual number of days in that part of the period for which the interest income is determined, which falls within the leap year, divided by the number



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366, and (ii) the actual number of days in that part of the period for which the interest income is determined, which falls into the non-leap year, divided by the number 365); and

- (f) **Act/Act (ICMA)** which for the purposes of the calculation, means:
- (i) where the relevant period of time in respect of which the calculation of an amount is made (the **Calculation Period**) is equal to or shorter than the Regular Period (as defined below) during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods normally ending in any year.

Regular Period for the purposes of this Act/Act (ICMA) convention means:

- (i) in the case of Bonds where interest is scheduled to be paid only by means of regular payments, each period from and including the Issue Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (ii) in the case of Bonds where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls; and
- (iii) the case of Bonds where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where "**Regular Date**" means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period.

- 7.6 No calculation agent or representative will be appointed, the Issuer itself will make all calculations with regard to the Bonds. The calculation of interest on the Bonds or any other payments in respect of the Bonds by the Issuer will be final and binding for all Bondholders, except for a manifest error.
- 7.7 The details about the performance history / current performance and volatility of the interbank rate (e.g. EURIBOR) used as the Reference Rate are displayed on the page of Thomson Reuter's/Refinitiv financial and information platform. This information may be used as a part of several information sources for determining the expected performance of the underlying rate.
- 7.8 If the current Reference Rate is not available on the date of determination of the Interest Rate for relevant Interest Period (for reasons other than a Benchmark Event set out below), the most recent value published on the financial and information platform of Thomson Reuters/Refinitiv (or any other alternative page on which this information is displayed) will apply for purposes of determination of the Interest Rate.
- 7.9 Notwithstanding the foregoing provisions of this Condition 7, if the Issuer determines that a Benchmark Event has occurred, when any Interest Rate (or the relevant component part thereof) remains to be determined by reference to a Reference Rate, then the following provisions shall apply:
- (a) the Issuer shall use reasonable endeavours to appoint an Independent Adviser for the determination (with the Issuer's agreement) of a Successor Rate or, alternatively, if the Independent Adviser and the Issuer agree that there is no Successor Rate, an alternative rate (the **Alternative Benchmark Rate**) and, in either case, an alternative screen page or source (the **Alternative Relevant Screen Page**) and an Adjustment Spread (if applicable) no later than three Business Days prior to the relevant Interest Determination Date relating to the next succeeding Interest Period (the **IA Determination Cut-off**



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Date) for purposes of determining the Interest Rate applicable to the Bonds for all future Interest Periods (as applicable) (subject to the subsequent operation of this Condition 7.9);

- (b) the Alternative Benchmark Rate shall be such rate as the Independent Adviser and the Issuer acting in good faith agree has replaced the relevant Reference Rate in customary market usage for the purposes of determining floating rates of interest or reset rates of interest in respect of the Bonds denominated in the respective currency, or, if the Independent Adviser and the Issuer agree that there is no such rate, such other rate as the Independent Adviser and the Issuer acting in good faith agree is most comparable to the relevant Reference Rate, and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate;
- (c) if the Issuer is unable to appoint an Independent Adviser, or if the Independent Adviser and the Issuer cannot agree upon, or cannot select a Successor Rate or an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the IA Determination Cut-off Date in accordance with paragraph (b) above, then the Issuer (acting in good faith and in a commercially reasonable manner) may determine which (if any) rate has replaced the relevant Reference Rate in customary market usage for purposes of determining floating rates of interest or reset rates of interest in respect of the Bonds denominated in the respective currency, or, if it determines that there is no such rate, which (if any) rate is most comparable to the relevant Reference Rate, and the Alternative Benchmark Rate shall be the rate so determined by the Issuer and the Alternative Relevant Screen Page shall be such page of an information service as displays the Alternative Benchmark Rate; **provided however that** if this paragraph (c) applies and the Issuer is unable or unwilling to determine an Alternative Benchmark Rate and Alternative Relevant Screen Page prior to the Interest Determination Date relating to the next succeeding Interest Period in accordance with this paragraph (c), **then** the Reference Rate applicable to such Interest Period shall be equal to the Reference Rate for a term equivalent to the relevant Interest Period published on the Relevant Screen Page as at the last preceding Interest Determination Date (though substituting, where a different Margin is to be applied to the relevant Interest Period from that which applied to the last preceding Interest Period, the relevant Margin relating to the relevant Interest Period, in place of the margin relating to that last preceding Interest Period). For the avoidance of doubt, this paragraph shall apply to the relevant next succeeding Interest Period, and any subsequent Interest Periods are subject to the subsequent operation of, and to adjustment as provided in, the first paragraph of this Condition 7.9;
- (d) if a Successor Rate or an Alternative Benchmark Rate and an Alternative Relevant Screen Page is determined in accordance with the preceding provisions, such Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page shall be the benchmark and the Relevant Screen Page in relation to the Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 7.9);
- (e) if the Issuer, following consultation with the Independent Adviser and acting in good faith, determines that (i) an Adjustment Spread is required to be applied to the Successor Rate or Alternative Benchmark Rate and (ii) the quantum of, or a formula or methodology for determining, such Adjustment Spread, then such Adjustment Spread shall be applied to the Successor Rate or Alternative Benchmark Rate for each subsequent determination of a relevant Interest Rate (or a component part thereof) by reference to such Successor Rate or Alternative Benchmark Rate;
- (f) if a Successor Rate or an Alternative Benchmark Rate and/or Adjustment Spread is determined in accordance with the above provisions, the Independent Adviser (with the Issuer's agreement) or the Issuer (as the case may be), may also specify changes to the Relevant Screen Page, Convention, Business Days, Interest Determination Date and/or the definition of Reference Rate applicable to the Bonds, and the method for determining the fallback rate in relation to the Bonds, in order to follow market practice in relation to the Successor Rate or Alternative Benchmark Rate and/or Adjustment Spread, which changes shall apply to the Bonds for all future Interest Periods (subject to the subsequent operation of this Condition 7.9); and
- (g) the Issuer shall promptly following the determination of any Successor Rate or Alternative Benchmark Rate and Alternative Relevant Screen Page and Adjustment Spread (if any) give notice thereof and of any changes pursuant to paragraph (f) above to the Bondholders.

7.10 The Bonds have no derivative component in the interest payment.



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8. Maturity of the Bonds

8.1 The Maturity Date will be [**Maturity Date**]. The Maturity Date can be extended in a bankruptcy, involuntary administration, or resolution of the Issuer for a maximum 12 months and thereafter under certain conditions for additional 12 months, in each case, according to the statutory requirements for the soft bullet extension under Section 82 of the Act on Banks and other applicable laws.

8.2 [**Repayment, redemption and early repayment options**. [The Issuer shall repay the Nominal Value of each Bond in full on the Maturity Date.] *or*

[The Nominal Value of each Bond shall be repaid by the Issuer in several instalments, i.e. not as bullet payment at the end of maturity. The relevant instalment of the Nominal Value plus the interest payment for the given Interest Period will be paid on the Payment Date. Repayment of the Nominal Value will be split into instalments the number of which will correspond to that of Interest Periods, unless otherwise specified. [**Specification of the repayment amounts and relevant Payment Dates**]] *or*

[The Issuer shall repay the Nominal Value of each Bond in full on the Maturity Date with option of early repayment initiated by the Issuer. The Issuer, upon its decision, will be entitled to repay the Bonds before their maturity [**Specification of the early repayment conditions**]. The Issuer, upon its decision, will be entitled to repay a portion of Bonds (while maintaining the principle of equal treatment of all Bondholders) or all Bonds at any time and repeatedly provided it has notified its decision to all Bondholders not before 60 days and no later than five days prior to early repayment (date of such early repayment as the **Early Maturity Date**). The notice of early repayment shall be published in accordance with Condition 15. Issuer's notice of early repayment shall be irrevocable. In such a case the Issuer will pay an outstanding amount of Nominal Value of the Bonds or all Bonds together with accrued interest. [**Specification of other payment conditions upon early repayment**]]

8.3 The Issuer shall not be committed to early repayment of the Bonds on request of the Bondholder and the Bondholder shall not be entitled to request the early repayment under any circumstances.

8.4 The Issuer has the right to purchase any of the Bonds on the secondary market at any market price any time prior to the Maturity Date. The Bonds purchased by the Issuer will not cease to exist and the Issuer may keep and resell them. However, the Issuer may at any time after the buy-back of the Bonds until the Maturity Date decide to cancel the Bonds, in which case the Bonds bought back by the Issuer shall cease to exist.

9. Payments

9.1 The interest from the Bonds and the Nominal Value shall be paid to the Bondholder in accordance with the tax, foreign exchange and other applicable Slovak legal regulations effective on the date of the relevant payment.

9.2 Payment of the interest from the Bonds and the repayment of the Nominal Value will be made in accordance with the Terms and Conditions, through the Issuer and/or the Administrator (as defined below) of the issue of the Bonds at its registered seat (the **Payment Venue**).

9.3 The interest from the Bonds and the Nominal Value shall be paid to persons who will prove to be the Bondholders according to the current register of Bonds held by the Central Securities Depository or a Central Securities Depository member or a person registering a Bondholder for the Bonds registered on the holding account held for such a person by the Central Securities Depository at the close of business hours of the Central Securities Depository on the relevant Determination Date (the **Authorised Person**).

9.4 For the purposes of the Terms and Conditions, the **Determination Date** means:

- (a) for the purposes of the payment of interest from the Bonds, the 30th calendar day prior to the Payment Date (exclusive), or
- (b) for the purposes of the payment of the Nominal Value:
 - (i) the 30th calendar day prior to the of Maturity Date (exclusive); or
 - (ii) the 30th calendar day prior to the Early Maturity Date.

9.5 The Issuer shall make the payment of interest from the Bonds and the Nominal Value to the Authorised Persons via wire transfer to their accounts held at the bank, foreign bank or a branch of the foreign bank, which the Authorised Person shall notify to the Issuer in a manner satisfactorily certain and acceptable for the Issuer no later than 20 Business Days prior to the Payment Date or the Maturity Date or the Early Maturity Date.

9.6 The form and content of the instruction must satisfy the reasonable requirements of the Issuer, and the Issuer will be entitled to request sufficiently satisfactory evidence that a person who has signed the instruction is



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authorised to do so on behalf of the Authorised Person. Such evidence must also be delivered to the Issuer no later than 20 Business Days prior to the Payment Date / Maturity Date / Early Maturity Date (as applicable). In particular, the Issuer will be entitled to request any Authorised Person to deliver an officially certified power of attorney if the Authorised Person acts through a representative. The Issuer may also request information and documents necessary to determine whether the given payment under the Bonds is subject to any tax deduction or withholding.

- 9.7 The Issuer shall not be obliged to accept the documents and written instruments presented by Authorised Person if executed in other than the English, Slovak or Czech language. The Issuer will be entitled to request translation into the Slovak language with attestation clause of the translator attached thereto. The Issuer will be entitled to rely on translation of the document / instrument. The Issuer shall not be obliged to examine accuracy of the translated document / instrument against the original text. In the event of documents prepared abroad, the Issuer will be entitled to request that these documents be authenticated and super-legalized and furnished with Apostille based on Hague Convention abolishing the requirement of legalisation for foreign public documents of 5 October 1961. The Issuer shall not be obliged to make any action or payment in respect of the Bonds, unless the following documents have been presented together with the application form: (i) originals or officially certified documents confirming existence and mode of acting of the Authorised Person and/or Bondholder and/or persons acting for and on behalf of the parties; and (ii) originals or officially certified documents confirming authorization to act for and on behalf of the parties specified in item (i) above. The Issuer shall not be obliged to accept any documents or instruments unless the signatures affixed thereto have been verified by the Issuer's employees in charge or officially certified.
- 9.8 Despite the Issuer's rights under the preceding paragraphs, the Issuer will not (a) be obliged to verify the authenticity of the instruction according to this clause, or (b) be liable for any damage incurred in relation to any delay resulting from the delivery of incorrect, out-of-date and/or incomplete instruction, or (c) be liable for any damage incurred in connection with the verification of the instruction or any other information or documents pursuant to this clause. In these cases, the Authorised Person shall not be entitled to any additional payment or interest for the caused delay or the delay of the relevant payment.
- 9.9 If the Issuer, in reasonable time after the Payment Date, the Maturity Date or the Early Maturity Date (as the case may be) cannot pay any amount due in relation to the Bonds due to delays caused by the Authorised Person, failure to provide a proper instruction or for other reasons on the part of the Authorised Person (e.g. in case of his/her death), the Issuer may, without prejudice to its authorisation pursuant to Section 568 of Act No. 40/1964 Coll. the Civil Code, as amended, deposit the due amount at the expense of the Authorised Person (or its legal successor) at his discretion either into notarial custody or keep the due amount itself. By depositing the due amount into custody (notarial or its own), the Issuer's obligation for payment of such amount is deemed to have been satisfied and the Authorised Person (or its legal successor) shall in such case not be entitled to any additional payment, interest or other proceeds in connection with the safekeeping and later payment of the amount.
- 9.10 **Following Business Day Convention, unadjusted.** If any Payment Date, Maturity Date or Early Maturity Date, as the case may be, falls on a day other than a Business Day, the Authorised Person (or any other Bondholder) shall not be entitled to payment until the next succeeding Business Day and shall not be entitled to further interest or other payment in respect of such delay.

10. Administrator

- 10.1 The activities of the administrator related to the payments of interest, redemption of the Bonds and calculations related to the determination of interest and other payments shall be performed by the Issuer.
- 10.2 The Issuer reserves the right to designate at any time another or additional Payment Venue or to appoint one or more administrators (the **Administrator**) in relation to one or several issues or only in relation to this activity in some countries. The Administrator can only be a bank, a branch of a foreign bank, or another person with the required authorisation to do so. If the Issuer appoints an Administrator, it shall enter into an agreement with such Administrator (the **Administration Agreement**) which will regulate the rights and obligations of the Issuer and the Administrator to ensure that all of the rights and obligations of the Issuer under the Terms and Conditions, the Act on Bonds, the Act on Banks, the Securities Act and any other applicable legal regulations are performed. The provisions of the Terms and Conditions concerning making payments and other administrative functions applicable to the Issuer shall apply to the Administrator *mutatis mutandis*. The changes to the Administrator and the Payment Venue shall be deemed to be the changes of the Payment Venue. The changes must not be substantially detrimental to the Bondholders. The Issuer shall notify the Bondholders of its decision to appoint the Administrator. Any such change shall become effective after the end of a 15-day period after the date of the notice, unless a later effective date is specified in the notice. However, any change which would otherwise



become effective less than 30 days prior to or after the Payment Date of any amount in relation to the Bonds, shall become effective on the 30th day after such Payment Date.

- 10.3 The Administrator (if appointed) acts as the Issuer's representative in relation to the performance of the obligations arising from the Administration Agreement and unless the Administration Agreement or the law provides otherwise, it has no legal relationship with the Bondholders. The Administrator shall not guarantee the Issuer's obligations under the Bonds or secure them in any other manner.
- 10.4 The Issuer and the Administrator may, without the consent of the Bondholders, agree on (a) any change of any provision of the Administration Agreement if such change is exclusively of a formal, ancillary or technical nature or if it is made in order to correct a manifest error or required due to changes in legal regulations; and (b) any other change and waiver of claims arising from any breach of any provision of the Administration Agreement which, in the reasonable opinion of the Issuer and the Administrator, will not be detrimental to the Bondholders.

11. Taxation

The payments of the Nominal Value and interest from the Bonds are subject to withholding tax, levies or other charges, if required by the Slovak legal regulations applicable as at the date of their payment.

[**Gross-up** – [The Issuer will not be obliged to pay any additional sums to the recipient for the reimbursement of any withholdings, taxes, levies or charges.] *or* [[If a withholding or deduction is required by the laws of the Slovak Republic,] [If a withholding or deduction is required by a change of laws of the Slovak Republic after the Issue Date or by a change of interpretation or application of laws of the Slovak Republic which came into force after the Issue Date,] the Issuer will pay such additional amounts to the Bondholders as will be necessary so that the net amount of the principal or interest received by the Bondholders after such withholding or deduction will equal the respective amounts which would otherwise have been received in respect of the Bonds in the absence of such withholding or deduction (the **Additional Amounts**). However, no such Additional Amounts will be payable on account of any withheld or deducted tax which:

- (a) is required to be paid by any person (including the Issuer) acting as custodian or collecting bank or agent on behalf of a Bondholder, or which is required to be paid by the Issuer in the situation, if no custodian or collecting bank or agent is appointed, provided that such deduction or withholding is not considered as a payment of tax by the Issuer as the taxpayer according to the law;
- (b) is payable because the Authorised Person, the Bondholder or the ultimate owner of income having in relation to the Bonds has or had in the past a tax residence, a permanent establishment or any other personal or business connection with the Slovak Republic;
- (c) is deducted or withheld pursuant to or the extent permitted by (i) any directive or other legal instrument of the European Union law regulating the taxation of distributions or income; or (ii) any international treaty relating to such taxation (e.g. a treaty implementing FATCA), to which the Slovak Republic or the European Union is a party; or (iii) any provision of law implementing, or complying with, such directive, legal instrument or international treaty;
- (d) is payable by reason of a change in law or a change in its interpretation or application, which occurred more than 30 days after the relevant payment under the Bonds became due;
- (e) would not be payable if the Authorised Person, Bondholder or the ultimate owner of income in relation to the Bonds had provided a certificate of residence, a certificate of ultimate ownership, a certificate of exemption or any other similar documents required by the relevant applicable law or the relevant double tax treaty; or
- (f) is payable because the Authorised Person, Bondholder or the ultimate owner of income in relation to the Bonds is resident in a country which is considered as non-cooperating jurisdiction under the Income Tax Act.

Notwithstanding anything to the contrary in this provision, no additional amounts shall be paid where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986, as amended (the **IR Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the IR Code, any regulations or agreements thereunder, any interpretations thereof or law implementing an intergovernmental approach thereto or an agreement between the United States of America and


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the Slovak Republic to implement FATCA or any law implementing or complying with, or introduced in order to conform to, such agreement.]]

12. Limitation

Any rights arising from the Bonds shall become time-barred after the lapse of the ten-year period from (a) the relevant Payment Date in the case of the right to claim an interest payment; or (b) the Maturity Date, in the case of the right to claim the payment of the Nominal Value of the Bond; and (c) the first day on which such right could have been enforced under the law, in the case of any other right as the ones mentioned above.

13. Unilateral modifications

The Issuer may unilaterally change the Terms and Conditions only if such change is a correction of a manifest inaccuracy in the provisions of the Terms and Conditions, a change of the designation of the Issuer or the Payment Venue, unless the Act on Bonds or a special law require otherwise.

14. Meeting

14.1 The request to convene a Meeting

- (a) Any Bondholders whose principal amount is at least 10% of the total aggregate principal amount of the issued and outstanding Bonds has the right to request the convening of the Meeting of the Bondholders of the Bonds (the **Meeting**). The request to convene the Meeting must be delivered to the Issuer and, if appointed, to each Administrator. The Bondholders who have requested a Meeting are required to submit an extract from the records demonstrating that they are Bondholders pursuant to Condition 4.1 as of the date of signing of the request along with the request to convene the Meeting.
- (b) The request to convene a Meeting may be withdrawn by the relevant Bondholders, but only if such withdrawal is received by the Issuer and, if appointed, also by each Administrator, no later than five Business Days before the Meeting. Withdrawal of the request to convene a Meeting does not affect any other request to convene a Meeting by other Bondholders. If the Meeting does not take place solely due to the withdrawal of the request to convene the Meeting, the Bondholders shall jointly and severally reimburse to the Issuer the costs incurred so far for the preparation of the Meeting.
- (c) The Issuer is entitled to convene the Meeting at any time and is obliged to convene the Meeting without undue delay if it is in delay with the satisfaction of the rights attached to the Bonds.

14.2 Convening of the Meeting

- (a) The Issuer is obliged to promptly convene the Meeting within ten Business Days of the receipt of the request to convene the Meeting.
- (b) The costs of organising and convening the Meeting shall be borne by the Issuer, unless stated otherwise. However, the Issuer has the right to demand reimbursement of the costs of convening the Meeting from the Bondholders who have filed the request to convene the Meeting without serious cause, especially if the Issuer duly fulfils the obligations arising from the Terms and Conditions. The costs associated with attending the Meeting are covered by each participant himself.

14.3 Notice of the Meeting

- (a) The Issuer is obliged to publish the convening notice of the Meeting no later than five Business Days prior to the date of the Meeting.
- (b) The convening notice of the Meeting must include at least:
 - (i) name, identification number and registered seat of the Issuer;
 - (ii) designation of the Bonds, including at least name of the Bond, Issue Date and ISIN;
 - (iii) place, date and hour of the Meeting; place of the Meeting may only be a place in Bratislava, date of the Meeting must be a day which is a business day and the time of the Meeting may not be earlier than 9:00 a.m. and later than 4:00 p.m.;
 - (iv) agenda of the Meeting, whereas the choice of the Chairman of the Meeting must be the first item of the agenda of the Meeting; and
 - (v) the Date of Record for Attending the Meeting (as defined below).



- (c) If the reason to convene the Meeting has ceased to exist, the convener shall withdraw it in the same way as it was convened.
- (d) In the convening notice of the Meeting, the Issuer may determine the organisational and technical conditions under which the Bondholders may participate in the Meeting using electronic means of distance communication allowing a direct remote transmission of audio and video of the Meeting between the Meeting and the Bondholder.

14.4 Attending the Meeting

(a) **Persons entitled to attend the Meeting**

Each Bondholder who has been registered as a Bondholder of the Bonds pursuant to Condition 4.1 on the seventh day prior to the day of the relevant Meeting (the **Date of Record for Attending the Meeting**) is entitled to participate and vote at the Meeting, except for the Issuer itself and any person controlled by the Issuer (the **Person Entitled to Attend the Meeting**). Any transfers of the Bonds made after the Date of Record for Attending the Meeting are disregarded.

The Person Entitled to Attend the Meeting may be represented by an attorney who, at the beginning of the Meeting, presents and hands over to the Chairman of the Meeting (as defined below) the original of a power of attorney with an officially certified signature of the Person Entitled to Attend the Meeting or its statutory body, in the case of a legal entity, together with an original or a copy of a valid extract from the commercial register or other similar register in which the Person Entitled to Attend the Meeting is registered (possibly also the attorney, if a legal entity); this power of attorney is, except for manifest deficiencies, an irrefutable proof of the representative's right to participate and vote at the Meeting on behalf of the represented Person Entitled to Attend the Meeting. After the end of the Meeting, the Chairman of the Meeting shall hand the power of attorney over to the Issuer's custody.

(b) **Voting right**

The Person Entitled to Attend the Meeting has as many votes out of the total number of the votes that corresponds to the ratio between the principal amount of the Bonds it holds as of the Date of Record for Attending the Meeting and the total principal amount of the given Issue which is held by other Persons Entitled to Attend the Meeting attending the Meeting as of the Date of Record for Attending the Meeting.

(c) **Attendance of other persons at the Meeting and co-operation of the Issuer**

The Issuer is obliged to attend the Meeting, either through its statutory body or through a duly authorised person, and provide the information necessary for the decision or adoption of the Meeting's opinion. Other members of the Issuer's and/or Administrator's statutory, supervisory, inspection or management body (if appointed), notary and guests invited by the Issuer to participate in the Meeting or any other persons whose attendance at the Meeting has been approved by the Issuer, may also attend the Meeting.

14.5 Course of the Meeting and adopting decisions

(a) **Quorum**

The Meeting has a quorum if attended (including the attendance through electronic means of communication in accordance with paragraph (f) below) by the Persons Entitled to Attend the Meeting who are, as of the Date of Record for Attending the Meeting, the Bondholders of the Bonds whose principal amount represents more than 50% of the total principal amount of issued and outstanding Bonds of the given Issue, except for the Bonds held by any person controlled by the Issuer. Prior to commencement of the Meeting, the Issuer will provide information on the number of Bonds in respect of which the Persons Entitled to Attend the Meeting are entitled to attend and vote at the Meeting in accordance with the Terms and Conditions.

(b) **Chairman of the Meeting**

The Meeting is chaired by the Issuer or a person designated by the Issuer until it has been decided at the Meeting that another person will become the Chairman of the Meeting (the **Chairman of the Meeting**). Election of the Chairman of the Meeting shall be the first item of the agenda of the Meeting. If the election of the Chairman of the Meeting at the Meeting is not successful, the Meeting shall be chaired by the Issuer or a person designated by the Issuer until the end of the Meeting.



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(c) **Adopting decisions at the Meeting**

The Meeting is entitled to decide only on proposed resolutions that fall within the scope of the Meeting defined in the Terms and Conditions. The Meeting shall decide only on proposed resolutions referred to in the convening notice. Matters that were neither included in the proposed agenda of the Meeting nor mentioned in the convening notice can only be decided if the discussion of these points is agreed by all attending Persons Entitled to Attend the Meeting who are entitled to vote at this Meeting and if they at the same time relate to the items specified in the convening notice of the Meeting.

The Meeting has the power to decide on the change of the Terms and Conditions of the respective Issue of the Bonds only if proposed by the Issuer. The Meeting does not have the power to decide on the early redemption of the Nominal Value of the Bonds or a change of other obligations of the Issuer under the Bonds.

The Meeting has also the power, with the consent of the Issuer, to decide on an additional deadline for the fulfilment of the Issuer's obligations under the Bonds or in relation to the Bonds.

The Meeting decides on the submitted proposals by way of resolutions. For the adoption of a resolution, an absolute majority of the votes of the present Persons Entitled to Attend the Meeting is sufficient.

Any matter submitted to the Meeting shall be decided in the following manner: after the Chairman of the Meeting has announced the wording of the proposed resolution, each of the Persons Entitled to Attend the Meeting declares, upon the request of the Chairman of the Meeting, whether it (i) is for the adoption of the proposed resolution, (ii) is against the adoption of the proposed resolution, or (iii) abstains from voting; each such statement is recorded by the attending notary. After the end of the vote of all Persons Entitled to Attend the Meeting as described above and after the evaluation of the results, the Chairman of the Meeting, upon agreement with the attending notary, shall announce to the Persons Entitled to Attend the Meeting whether the proposed resolution has been adopted or rejected by the necessary number of the Persons Entitled to Attend the Meeting, such announcement together with the record of the attending notary on the result of the vote shall be irreversible and conclusive evidence of the result of the vote.

Any duly adopted resolution is binding on the Issuer and all Bondholders, regardless of whether they attended the Meeting and voted for or did not vote for the resolution at the Meeting.

In cases specified in the Act on Bonds, a Person Entitled to Attend the Meeting who, according to the minutes of the Meeting, voted against the proposed resolution at the Meeting or did not attend the Meeting, may request that the rights and obligations of the Issuer and the Bondholder under the original Terms and Conditions continue to exist or request early redemption of the Bonds.

(d) **Adjourning the Meeting**

The Chairman of the Meeting shall dissolve the Meeting if a duly convened Meeting does not have a quorum in accordance with the provisions of (a) above after the lapse of 60 minutes after the time specified for the beginning of the Meeting. In such case, the Issuer is obliged to convene a replacement Meeting so that it takes place no sooner than two weeks and no later than six weeks from the date on which the original Meeting was convened. The replacement Meeting shall be announced in the manner set out in Condition 14.3. The new Meeting shall resolve and decide under the same terms and in the same manner as the dissolved Meeting.

(e) **Minutes of the Meeting**

The course of every Meeting (including, but not limited to) (i) the agenda of the Meeting (ii) the individual resolutions adopted by the Meeting and (iii) the results of the votes at the Meeting on individual resolutions) will be recorded in a notarial deed prepared at the Meeting; one copy will be prepared by the attending notary for the Issuer and one for the Administrator, if appointed. Minutes that are duly deposited with the Issuer and the Administrator are considered evidence of the facts contained in such minutes and, unless proven otherwise, are considered proof that the Meeting recorded has been duly convened and/or held, and that all resolutions of such Meeting were adopted subject to all conditions and requirements for their adoption in accordance with the Terms and Conditions. The Issuer shall publish the adopted decisions within 14 days of the date of preparation of the minutes of the Meeting and the complete minutes shall be available to the Bondholders free of charge in electronic form on the designated section of the Issuer's website in Slovak language



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<https://www.vub.sk/ludia/informacny-servis/dlhopisy-vub/kryte-dlhopisy-vub.html> and in English language at <https://www.vub.sk/en/ludia/informacny-servis/dlhopisy-vub/kryte-dlhopisy-vub.html>.

(f) **Attendance and voting at the Meeting through electronic means of distance communication**

If, in the convening notice of the Meeting, the Issuer set out the organisational and technical terms and conditions for participation of the Bondholders in the Meeting through electronic means of distance communication, the Person Entitled to Attend the Meeting may participate in and vote at it through electronic means of distance communication under the following conditions:

- (i) The Person Entitled to Attend the Meeting shall respect the organisational and technical conditions and instructions of the Issuer (in particular the hardware and software requirements) and will maintain video and audio contact with the Meeting from the start of the Meeting; any later registrations of the Person Entitled to Attend the Meeting will not be taken into account;
- (ii) The Person Entitled to Attend the Meeting may, if attending the Meeting through electronic means of distance communication, not be represented by an attorney, except if the Person Entitled to Attend the Meeting notified the Issuer of this fact in writing at least two Business Days before the Meeting and at the same time delivered to the Issuer the original of a power of attorney with an officially certified signature of the Person Entitled to Attend the Meeting or its statutory body, in the case of a legal entity, together with an original or a copy of a valid extract from the commercial register or other similar register in which the Person Entitled to Attend the Meeting is registered (possibly also the attorney itself, if legal entity); this power of attorney is, except for manifest deficiencies, an irrefutable proof of the attorney's right to participate and vote at the Meeting on behalf of the represented Person Entitled to Attend the Meeting.
- (iii) the two-way communication between the Meeting and the Bondholder and the transmission of video and audio will not be interrupted, delayed and will be sufficient and of sufficient quality, which in particular allows the Chairman of the Meeting to verify the identity of the Person Entitled to Attend the Meeting and the Person Entitled to Attend the Meeting to participate in the discussions and vote on the items on the agenda as well as to view, receive and submit documents (in electronic form, if necessary);
- (iv) in the event of failure to comply with the condition under (iii) above, the Chairman of the Meeting shall be entitled to terminate the participation of the relevant person in the Meeting by interrupting the connection, in which case the relevant Person Entitled to Attend the Meeting shall be deemed absent from the Meeting;
- (v) in the event of any technical failure or other event giving rise to the termination of the video and/or audio connection between the Meeting and the Person Entitled to Attend the Meeting, such person shall be deemed to be absent from such moment;
- (vi) no Person Entitled to Attend the Meeting whose participation in the Meeting has been terminated under (iv) or (v) above shall have the right to resume his/her participation in that Meeting by re-connecting to the Meeting through electronic means of distance communication; the above shall not apply if the relevant connection was interrupted solely for reasons on the part of the Issuer; in such a case, the Issuer shall allow the relevant Person Entitled to Attend the Meeting to re-establish video and audio contact with the Meeting;
- (vii) while the video or audio contact with the Meeting is interrupted, the relevant Person Entitled to Attend the Meeting will be deemed to be absent; however, the Issuer is not obliged to suspend the course of the Meeting for this reason;
- (viii) the Person Entitled to Attend the Meeting shall provide the necessary assistance to the extent that the Chairman of the Meeting is able to identify and verify the identity of the Person Entitled to Attend the Meeting;
- (ix) the Chairman of the Meeting can control how the Meeting proceeds, and determine and announce the results of voting;
- (x) The Person Entitled to Attend the Meeting attending the Meeting through electronic means of distance communication under the above terms will be deemed to be present at such Meeting.



15. Notices

- 15.1 Any notice, publication or communication by the Issuer addressed to the Bondholders and any facts material for exercising the rights of the Bondholders will be published on the Issuer's website <https://www.vub.sk/ludia/informacny-servis/dlhopisy-vub/kryte-dlhopisy-vub.html> and in English language on <https://www.vub.sk/en/ludia/informacny-servis/dlhopisy-vub/kryte-dlhopisy-vub.html>.
- 15.2 If the legal regulations or the Terms and Conditions require that a notice is also published in another manner, such notice shall be deemed to be validly published when it is published in such required manner. If any notice is published by several manners, the date of its first publication shall be deemed the date of such notice. The publication date shall also be deemed the date of delivery of the notice to the Bondholders.
- 15.3 The Issuer is obliged to make notices and publications in relation to the Bonds in English or Slovak language or bilingually in English and Slovak language if the Bonds were offered on the territory of other Member States of the European Union. If it is permitted by the legal regulations considering the nature of a notice or publication, the Issuer may decide to make such notice or publication relating to the Bonds in Slovak language only.
- 15.4 Any notice to the Issuer in respect of the Bonds must be delivered in writing to the following address:
- Všeobecná úverová banka, a.s.**
Treasury & ALM Department
Mlynské nivy 1, 829 90 Bratislava
Slovak Republic
- or to such other address notified to the Bondholders in a manner describe in this Condition 15.

16. Governing law and dispute resolution, language

- 16.1 Any and all rights and obligations arising from the Bonds shall be governed and construed in accordance with Slovak law.
- 16.2 Any and all disputes between the Issuer and the Bondholders arising under or in relation to the Bonds shall be finally resolved by the relevant Slovak court.
- 16.3 The Slovak language version of these Terms and Conditions is legally binding and if the Terms and Conditions are translated into another language, the Slovak language version of the Terms and Conditions shall prevail in the case of any interpretation discrepancies between the Terms and Conditions in Slovak language and the Terms and Conditions translated into another language.

PART B: CONDITIONS OF OFFER, ADMISSION TO TRADING AND OTHER INFORMATION

17. Admission to trading

[The Issuer will submit an application to Bratislava Stock Exchange, for the admission of the Bonds to trading on its regulated free market (in Slovak: *regulovaný voľný trh*.] or [The Issuer will submit an application to the LSE for the admission of the Bonds to trading on its regulated market.] or [The Issuer will submit an application for the admission of the Bonds to trading on [**Specification of other regulated market**].] or [The Issuer will not submit an application for the admission of the Bonds to trading on a regulated market.]

[**Estimate of aggregate expenses regarding the admission to trading**]

18. Conditions of the offer

The Bonds will be offered [**Type of Offer** – [in a public offering in the Slovak Republic] or [in an offer, which is not subject to the obligation to publish a prospectus]] [**Form of Offer** – [as a syndicated issue through [**Specification of information on banks forming the syndicate and other information**]] or [as a non-syndicated issue] [**Specification of other information**]]. [**Offer is addressed to** – [individuals] and/or [legal entities] or [Qualified Investors] or [limited group of persons, i.e., less than 150 individuals or legal entities in the relevant Member State other than Qualified Investors]] (the **Offer**).

Distribution method – [No arrangements have been agreed on as regards the subscription of the issue of the Bonds with any entities on the basis of a firm commitment, placement without firm commitment or “best efforts” arrangement and the distribution of the Bonds is arranged by the Issuer.] or [[the Issuer] [and] [the **Dealer(s)**] [and] [the **Joint Lead Managers**] will distribute the Bonds [in the Slovak Republic and also] outside the Slovak Republic in one or several manners to which the obligation to publish a prospectus does not apply.] [**Information on any subscription agreements**]]



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The Issuer has not entered into any firm agreement with any entities to act as intermediaries in the secondary trading of the Bonds. The issue of the Bonds shall be deemed successfully subscribed even if the Aggregate Nominal Amount of the Bonds of a specific issue has not been fully subscribed by the investors.

The issue price of the Bonds is [**Issue Price in percentage**] of the Nominal Value (the **Issue Price**).

[Specification of the term of the offer, issue price and settlement of subsequent tranche of the Bonds within the offer for which a prospectus is not required]

For fixed rate Bonds only: Yield to maturity as at the Issue Date is [**Yield to Maturity**].

After deduction of the costs relating to the issuance of the Bonds (costs of the Central Securities Depository, admission to trading, advisers, subscription or placement of the Bonds, administration, settlement and other associated costs) the estimated net proceeds from the issue/tranche of the Bonds will be [**Estimated Net Proceeds**]

[Prohibition of Sales to EEA Retail Investors]

[Prohibition of Sales to UK Retail Investors]

The following conditions will be specified only for a public offering in the Slovak Republic which is subject to the obligation to publish the prospectus. In case of other Offers, the following conditions will be omitted in the Final Terms:

The Offer will last from [**Offer Commencement Date**] to [**Offer Termination Date**].

[Description of the Application Procedure]

After the termination of the Offer, investors will be obliged to pay the Issue Price for the subscribed Bonds no later than [**Settlement Date**] (the **Settlement Date**). The estimated period for the issue and the registration of Bonds to Relevant Accounts is one week from the Settlement Date.

[Minimum and Maximum Amount of the Order]

[Expenses Charged to Investors – [No fees will be charged to investors with regard to the subscription of the Bonds.] or [Expenses Charged to Investors]]

Investors in the Bonds shall be satisfied [**Manner of Satisfying Orders**]. The manner of notification of the number of the subscribed Bonds will be contained in the relevant agreement and/or order. Trading of the Bonds cannot be commenced prior to the notification of the number of the subscribed Bonds. The results of the issue of the Bonds will be published at the Issuer's registered office on the day following the end of the period for the issue of the Bonds.

[All regulated markets or equivalent markets on which, to the knowledge of the Issuer, bonds of the same class of the Bonds to be offered or admitted to trading are already admitted to trading]

19. Additional Information

Interest of individuals and legal entities involved in the Programme/offer. The Issuer has appointed Intesa Sanpaolo as the Arranger and Dealer of the Programme. Apart from the above, the Issuer is, as of the date of this Base Prospectus, not aware of any interest of any individual or legal entity participating in the Programme that would be material to the Programme/offer.

[Stabilisation Manager – [No Stabilisation Manager has been appointed in connection with the issue of the Bonds.] or [Stabilisation Manager]]

[Description of other interests – [Intesa Sanpaolo S.p.A. is the ultimate parent company of the Issuer. The Joint Lead Managers and/or their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. Unless stated above, and save for the fees payable to the Joint Lead Managers, as far as the Issuer is aware, no other person has an interest material to the issue / offer of the Bonds.] or [Description of other interests]]

[Information from third parties and expert opinions]

Credit Rating of the Issuer and Bonds. Information on Issuer's rating is specified in section 5.6 (Rating) of this Base Prospectus. [**Credit Rating assigned to the Bonds – [The Bonds are not rated.] or [It is expected that the Bonds will be rated [●] by Moody's.] [Other information about the Credit Rating assigned to the Bonds]]** Moody's Deutschland GmbH is a credit rating agency established in the European Union and registered under the CRA Regulation.



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Advisers. Clifford Chance Prague LLP, organizační složka and Studio Legale Associato in associazione con Clifford Chance, Milan acted as advisers to the Issuer in connection with the Base Prospectus and updating of the Programme. Allen & Overy Bratislava, s.r.o. and Allen & Overy Studio Legale Associato, Milan acted as advisers to Intesa Sanpaolo as the Arranger and the Dealer.

[Information on other advisers]

No consent to financial intermediaries. The Issuer has not granted any consent according to the Prospectus Regulation to any financial intermediaries to use the Base Prospectus for the subsequent resale or final placement of the Bonds.

Stabilisation. If the Stabilisation Manager has been appointed with regards to the issuance of Bonds, this person or persons acting on his behalf may take stabilisation transactions (purchases or sales) related to Bonds with a view to support the market prices of Bonds at the level higher than would otherwise prevail without taking such actions. **However, there is no assurance that the Stabilisation Manager or any other person will take stabilisation transactions.** Stabilisation transactions may be performed from the date of appropriate disclosure of the terms concerning Bond issuance and ends 30 calendar days from the date of issuance and settlement of the Bond issuance at the latest or (i.e. when the Issuer gains the proceeds) or 60 calendar days from the date of the Bond allocation to individual investors in accordance with their orders, whichever is the earlier. Any potential stabilisation transactions shall be performed only in accordance with applicable legislation requirements.



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9. FORM OF FINAL TERMS

The form of the Final Terms, which will be prepared for each issue of the Bonds (or for the relevant tranche in case of the issue of the Bonds issued in tranches) on the basis of the Base Prospectus under the Programme, is set out below. These Final Terms will be prepared and published with all information relevant for each particular issue of the Bonds (or for the relevant tranche in case of the issue of the Bonds issued in tranches) under the Programme.

If certain information from the form of the Final Terms below is of no relevance in relation to a particular issue (or tranche), it will state “Not applicable”. This symbol “[●]” is used to designate those parts of the Final Terms which will be filled in.

If, with regard to the concerned information item, it is stated “selection of option from the Common Terms” it means that such information is included in the Common Terms in the relevant information block with several options and only the option that is relevant for the given issue (or tranche) will be included in the Final Terms.

Information regarding the supplement to the Base Prospectus (if any) stated below in square brackets will be provided in the Final Terms only if one or more supplements to the Base Prospectus are made.

[the form of the Final Terms is provided on the next page]



[Prohibition of Sales to Retail Investors in the European Economic Area]

The Bonds 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 Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, **IDD**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Regulation. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Bonds 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 Bonds 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 UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**); (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, 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 UK domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of UK domestic law by virtue of the EUWA (the **UK PRIIPs Regulation**) for offering or selling the Bonds or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Bonds or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.]

MiFID II Product Governance / UK MiFIR Product Governance

[MIFID II PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET] – Solely for the purposes of [the / each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Bonds (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 Bonds (by either adopting or refining the manufacturer['s / s'] target market assessment) and determining appropriate distribution channels.]

[UK MIFIR PRODUCT GOVERNANCE / PROFESSIONAL INVESTORS AND ECPS ONLY TARGET MARKET] – Solely for the purposes of [the / each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds 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**); and (ii) all channels for distribution of the Bonds to eligible counterparties and professional clients are appropriate. [*Consider any negative target market.*] Any person subsequently offering, selling or recommending the Bonds (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 (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s / s'] target market assessment) and determining appropriate distribution channels.]

[MIFID II PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET] – Solely for the purposes of [the / each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is eligible counterparties, professional clients and retail clients, each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and [(ii) all channels for distribution of the Bonds are appropriate], including investment advice, portfolio management, non-advised sales and execution only services] / [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate and (iii) the following channels for distribution of the Bonds to retail clients are



appropriate: [investment advice] [,][and] [portfolio management] [,] [and] [non-advised sales] [and execution only services] [, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]. [*Consider any negative target market.*]. Any person subsequently offering, selling or recommending the Bonds (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 Bonds (by either adopting or refining the manufacturer['s / s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under MiFID II, as applicable]].

[UK MIFIR PRODUCT GOVERNANCE / RETAIL INVESTORS, PROFESSIONAL INVESTORS AND ECPS TARGET MARKET – Solely for the purposes of [the / each] manufacturer's product approval process, the target market assessment in respect of the Bonds has led to the conclusion that: (i) the target market for the Bonds is retail clients, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of UK domestic law by virtue of the European Union (Withdrawal) Act 2018 (**EUWA**), and 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 EUWA (**UK MiFIR**); and [(ii) all channels for distribution of the Bonds are appropriate[, including investment advice, portfolio management, non-advised sales and pure execution services] / [(ii) all channels for distribution to eligible counterparties and professional clients are appropriate; and (iii) the following channels for distribution of the Bonds to retail clients are appropriate: [investment advice][,][and] [portfolio management][,][and] [non-advised sales] [and execution only services] [, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable]. [*Consider any negative target market.*]. Any person subsequently offering, selling or recommending the Bonds (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 (the **UK MiFIR Product Governance Rules**) is responsible for undertaking its own target market assessment in respect of the Bonds (by either adopting or refining the manufacturer['s / s'] target market assessment) and determining appropriate distribution channels[, subject to the distributor's suitability and appropriateness obligations under COBS, as applicable].]



Všeobecná úverová banka, a.s.

(incorporated as a joint stock company under the laws of the Slovak Republic)

FINAL TERMS DATED [●]

Issue: *[Name of Issue]*

LEI: 549300JB1P61FUTPEZ75

[Aggregate Nominal Amount of the issue/tranche] **Covered Bonds due** *[Maturity]* **ISIN:** [●]

[Tranche No.: [●]]

[that will be fungible and consolidated with the previous tranche[s] [●] and together with [it] [them] constitutes one issue of the Bonds in the aggregate nominal amount of [●]]

under the EUR [7,000,000,000] Covered Bonds (*kryté dlhopisy*) Programme

[In the case of an issue or tranche of Bonds issued based on a still valid prospectus: These Final Terms were prepared under Article 8(4) and (5) of 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 (the **Prospectus Regulation**), and to obtain complete information, they must be assessed and construed in conjunction with the base prospectus dated [●] 2023 (the **Base Prospectus**) to the covered bonds issuance programme issued from time to time or repeatedly by the company Všeobecná úverová banka, a.s. (the **Issuer**).]

[In the case of a tranche of Bonds governed by the terms and conditions of the preceding prospectus: These Final Terms prepared under Article 8(4) and (5) of 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 (the **Prospectus Regulation**), shall be assessed and interpreted in order to obtain all relevant information in conjunction with the base prospectus dated *[insert date of current prospectus]* (the **Base Prospectus**) to the covered bonds issuance programme issued from time to time or repeatedly by the company Všeobecná úverová banka, a.s. (the **Issuer**) and any of its supplements and also in conjunction with the base prospectus of the Issuer dated [●] 2023 as supplemented (the **Previous Base Prospectus**). The Previous Prospectus, under which the first tranche of this issue of Bonds was issued, **ceased to be valid** on [●] 2024. Notwithstanding this, the Bonds of this tranche issued under these Final Terms will still be subject to the terms and conditions set out in clause 7 (*Common Terms*) of the Previous Base Prospectus, whereby this part of the Previous Base Prospectus is incorporated by reference into the currently valid Base Prospectus in its clause [●] (*Documents Incorporated by Reference*). These Final Terms must therefore be read together with the Common Terms set out in the Previous Base Prospectus and, for the purposes of obtaining complete information on the Issuer, the Bonds, and their offer, also in conjunction with all other parts of the current Base Prospectus including any of its supplements.]

The Base Prospectus [and the Previous Base Prospectus] and [its][their] supplements (if any) are available in electronic form at the dedicated section of the Issuer's website in Slovak language <https://www.vub.sk/ludia/informacny-servis/dlhopisy-vub/kryte-dlhopisy-vub.html> and in English language at <https://www.vub.sk/en/ludia/informacny-servis/dlhopisy-vub/kryte-dlhopisy-vub.html>. The information regarding the Issuer, the Bonds and their offer is only complete in combination of these Final Terms and the Base Prospectus [, the Previous Base Prospectus] and [its][their] supplements (if any).

The Base Prospectus was approved by the National Bank of Slovakia by its decision [●] dated [●]. [The Base Prospectus Supplement No.: [●] was approved by the National Bank of Slovakia by its decision [●] dated [●]].

The Final Terms, including the used defined terms, must be read in conjunction with the Common Terms and whole section 8 of the Base Prospectus.

The risk factors related to the Issuer and the Bonds are listed in section 2 of the Base Prospectus, headed "*Risk Factors*".

If there are any discrepancies between the Final Terms in Slovak and the Final Terms translated into any other language, the Slovak language version of the Final Terms shall prevail.

PART A: PROVISIONS SUPPLEMENTING TERMS AND CONDITIONS OF THE BONDS

This part of the Final Terms together with Part A (Information about the Bonds/Common Terms) of section 8 of this Base Prospectus shall constitute the terms and conditions of the relevant issue of the Bonds. The form of Final Terms below will be completed for each issue of the Bonds issued under the Programme. Text in this section appearing in italics does not form part of the Final Terms but denotes directions for completing the Final Terms.

Condition 2: Basic information, form and manner of issue of the Bonds

ISIN (2.1):	[●]
CFI (2.1):	[●]
FISN (2.1):	[●]
Common Code (2.1):	[●] / Not applicable.
Tranche Number (2.1):	[●]
Nominal Value (2.5):	[●]
Number of Securities (2.5):	[●]
Currency (2.6):	[●]
Issuance in tranches (2.7):	[●] (<i>selection of option from the Common Terms</i>) [The Bonds may be issued by the Issuer in parts (tranches) in compliance with the applicable provisions of the Act on Bonds, without the consent of the Bondholders. For the purposes of Section 6(3) of the Act on Bonds, the term for subscribing for the issue as a whole is deemed to be the entire period up to the Maturity Date or Early Maturity Date. Any further issued parts (tranches) will be fungible and consolidated, from the moment of their issuance, with the Bonds issued in all previous tranches and will form the single issue of the Bonds governed from the moment of its issuance by the same terms and conditions. Any Meeting convened will relate to all tranches of the Bonds of the single issue. There will be separate Final Terms prepared for each tranche.] <i>or</i> [Not applicable, the Bonds will be issued once, without being divided into tranches.]]
Name (2.9):	[●]
Information on resolutions, permits and approvals in respect of the issue of the Bonds (2.10):	[●]
Aggregate Nominal Amount (2.11):	[●]
Issue Date (2.12):	[●]

Condition 7: Interest

Determination of interest (7.1):	[●] (<i>selection of option from the Common Terms</i>) <i>for fixed rate Bonds:</i> [The Bonds bear a fixed interest rate throughout their life, in the amount of [Rate]% p. a.] (the Interest Rate).] <i>or for zero-coupon Bonds:</i> [The Bonds have no interest rate and their interest is determined as the difference between the Nominal Value of the Bonds and their Issue Price. Conditions 7.3 to 7.10 and any reference to interest or its payment shall in this case not be applicable to the Bonds.] <i>or for the floating rate Bonds:</i> [The Bonds bear interest at the floating rate set as the sum of the [Reference Rate] (the Reference Rate) and [Margin]% p. a. (together, the Interest Rate). The current floating Interest Rate for the
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	relevant Interest Period shall be notified by the Issuer to the Bondholders promptly in accordance with Condition 15. [Specification of the Interest Determination Dates].]
Interest Payment Frequency (7.2):	[●] / Not applicable.
Interest Payment Date(s) (7.2):	[●] / Not applicable.
First Interest Payment Date (7.2):	[●] / Not applicable.
Convention (7.2):	[●] / Not applicable.

Condition 8: Maturity of the Bonds

Maturity Date (8.1):	[●]
Repayment, redemption and early repayment options (8.2):	<p>[●] (<i>selection of option from the Common Terms</i>)</p> <p>[The Issuer shall repay the Nominal Value of each Bond in full on the Maturity Date.] <i>or</i> [The Nominal Value of each Bond shall be repaid by the Issuer in several instalments, i.e. not as balloon payment at the end of maturity. The relevant instalment of Nominal Value plus the interest payment for the given Interest Period will be paid on the Payment Date. Repayment of the Nominal Value will be split into instalments the number of which will correspond to that of Interest Periods, unless otherwise specified. [Specification of the repayment amounts and relevant Payment Dates]] <i>or</i> [The Issuer shall repay the Nominal Value of each Bond in full on the Maturity Date with option of early repayment initiated by the Issuer. The Issuer, upon its decision, will be entitled to repay the Bonds before their maturity [Specification of the early repayment conditions]. The Issuer, upon its decision, will be entitled to repay a portion of Bonds (while maintaining the principle of equal treatment of all Bondholders) or all Bonds at any time and repeatedly provided it has notified its decision to all Bondholders not before 60 days and no later than 5 days prior to early repayment (date of such early repayment as the Early Maturity Date). The notice of early repayment shall be published in accordance with Condition 15. Issuer's notice of early repayment shall be irrevocable. In such a case the Issuer will pay an outstanding amount of Nominal Value of the Bonds or all Bonds together with accrued interest. [Specification of other payment conditions upon early repayment]]]</p>

Condition 11: Taxation

Gross-up (11):	<p>[●] (<i>selection of option from the Common Terms</i>)</p> <p>[The Issuer will not be obliged to pay any additional sums to the recipient for the reimbursement of any withholdings, taxes, levies or charges.] <i>or</i> [[If a withholding or deduction is required by the laws of the Slovak Republic,] [If a withholding or deduction is required by a change of laws of the Slovak Republic after the Issue Date or by a change of interpretation or application of laws of the Slovak Republic which came into force after the Issue Date,] the Issuer will pay such additional amounts to the Bondholders as will be necessary so that the net amount of the principal or interest received by the Bondholders after such withholding or deduction will equal the respective amounts which would otherwise have been received in respect of the Bonds in the absence of such withholding or deduction (the Additional Amounts). However, no such Additional Amounts will be payable on account of any withheld or deducted tax which:</p>
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	<p>(a) is required to be paid by any person (including the Issuer) acting as custodian or collecting bank or agent on behalf of a Bondholder, or which is required to be paid by the Issuer in the situation, if no custodian or collecting bank or agent is appointed, provided that such deduction or withholding is not considered as a payment of tax by the Issuer as the taxpayer according to the law;</p> <p>(b) is payable because the Authorised Person, the Bondholder or the ultimate owner of income having in relation to the Bonds has or had in the past a tax residence, a permanent establishment or any other personal or business connection with the Slovak Republic;</p> <p>(c) is deducted or withheld pursuant to or the extent permitted by (i) any directive or other legal instrument of the European Union law regulating the taxation of distributions or income; or (ii) any international treaty relating to such taxation (e.g. a treaty implementing FATCA), to which the Slovak Republic or the European Union is a party; or (iii) any provision of law implementing, or complying with, such directive, legal instrument or international treaty;</p> <p>(d) is payable by reason of a change in law or a change in its interpretation or application, which occurred more than 30 days after the relevant payment under the Bonds became due;</p> <p>(e) would not be payable if the Authorised Person, Bondholder or the ultimate owner of income in relation to the Bonds had provided a certificate of residence, a certificate of ultimate ownership, a certificate of exemption or any other similar documents required by the relevant applicable law or the relevant double tax treaty; or</p> <p>(f) is payable because the Authorised Person, Bondholder or the ultimate owner of income in relation to the Bonds is resident in a country which is considered as non-cooperating jurisdiction under the Income Tax Act.</p> <p>Notwithstanding anything to the contrary in this provision, no additional amounts shall be paid where such withholding or deduction is required pursuant to an agreement described in Section 1471(b) of the United States Internal Revenue Code of 1986, as amended (the IR Code) or otherwise imposed pursuant to Sections 1471 through 1474 of the IR Code, any regulations or agreements thereunder, any interpretations thereof or law implementing an intergovernmental approach thereto or an agreement between the United States of America and the Slovak Republic to implement FATCA or any law implementing or complying with, or introduced in order to conform to, such agreement.]]</p>
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PART B: PROVISIONS SUPPLEMENTING CONDITIONS OF OFFER, ADMISSION TO TRADING AND OTHER INFORMATION

Condition 17: Admission to trading

Admission to trading:	<p>[● (selection of option from Part B of section 8 of the Base Prospectus)</p> <p>[The Issuer will submit an application to Bratislava Stock Exchange, for the admission of the Bonds to trading on its regulated free market (in Slovak: <i>regulovaný voľný trh</i>.) or [The Issuer will submit an application to the LSE for the admission of the Bonds to trading on its regulated market.] or [The Issuer will submit an application for the admission of the Bonds to trading on [Specification of other regulated market].] or [The</p>
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	Issuer will not submit an application for the admission of the Bonds to trading on a regulated market.]]
Estimate of aggregate expenses regarding the admission to trading:	[●]
Condition 18: Conditions of the offer	
Type of Offer:	[●] (<i>selection of option from Part B of section 8 of the Base Prospectus</i>) [in a public offering in the Slovak Republic] or [in an offer, which is not subject to the obligation to publish a prospectus]]
Form of Offer:	[●] (<i>selection of option from Part B of section 8 of the Base Prospectus</i>) [as a syndicated issue through [Specification of information on banks forming the syndicate and other information]] or [as a non-syndicated issue] [Specification of other information]]
Offer is addressed to:	[●] (<i>selection of option from Part B of section 8 of the Base Prospectus</i>) [individuals] and/or [legal entities] or [Qualified Investors] or [limited group of persons, i.e. less than 150 individuals or legal entities in the relevant Member State other than Qualified Investors]]
Distribution method:	[●] (<i>selection of option from Part B of section 8 of the Base Prospectus</i>) [No arrangements have been agreed on as regards the subscription of the issue of the Bonds with any entities on the basis of a firm commitment, placement without firm commitment or “best efforts” arrangement and the distribution of the Bonds is arranged by the Issuer.] or [[The Issuer] [and] [the Dealer(s)] [and] [the Joint Lead Managers] will distribute the Bonds [in the Slovak Republic and also] outside the Slovak Republic in one or several manners to which the obligation to publish a prospectus does not apply. [Information on any subscription agreements]]
Issue Price in percentage:	[●]
Specification of the term of the offer, issue price and settlement of subsequent tranche of the Bonds within the offer for which a prospectus is not required:	[●] / Not applicable.
Yield to Maturity:	[●] / Not applicable.
Estimated Net Proceeds:	[●]
Prohibition of Sales to EEA Retail Investors:	[Applicable / Not applicable]
Prohibition of Sales to UK Retail Investors:	[Applicable / Not applicable]
<i>The following conditions will be specified only for a public offering in the Slovak Republic which is subject to the obligation to publish the prospectus. In case of other Offers, the following conditions will be omitted in the Final Terms:</i>	
Offer Commencement Date:	[●]
Offer Termination Date:	[●]



Description of the Application Procedure:	[●]
Settlement Date:	[●]
Minimum and Maximum Amount of the Order:	[●]
Expenses Charged to Investors:	[●] (<i>selection of option from Part B of section 8 of the Base Prospectus</i>) [No fees will be charged to investors with regard to the subscription of the Bonds.] or [Expenses Charged to Investors]]
Manner of Satisfying Orders:	[●]
All regulated markets or equivalent markets on which, to the knowledge of the Issuer, bonds of the same class of the Bonds to be offered or admitted to trading are already admitted to trading:	[●] / Not applicable.

Condition 19: Additional Information

Stabilisation Manager:	[●] (<i>selection of option from Part B of section 8 of the Base Prospectus</i>) [No Stabilisation Manager has been appointed in connection with the issue of the Bonds.] or [Stabilisation Manager]]
Description of other interests:	[●] (<i>selection of option from Part B of section 8 of the Base Prospectus</i>) [Intesa Sanpaolo S.p.A. is the ultimate parent company of the Issuer. The Joint Lead Managers and/or their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer and its affiliates in the ordinary course of business. Unless stated above, and save for the fees payable to the Joint Lead Managers, as far as the Issuer is aware, no other person has an interest material to the issue / offer of the Bonds.] or [Description of other interests]]
Information from third parties and expert opinions:	[●] / Not applicable.
Credit rating assigned to the Bonds:	[●] (<i>selection of option from Part B of section 8 of the Base Prospectus</i>) [The Bonds are not rated.] or [It is expected that the Bonds will be rated [●] by Moody's.] [Other information about the Credit Rating assigned to the Bonds]]
Information on other advisers:	[●] / Not applicable.

In Bratislava on [●].

Všeobecná úverová banka, a.s.

Name: [●]

Title: [●]

Name: [●]

Title: [●]



10. TAXATION

Tax legislation, including in the country where the investor is domiciled or tax resident and in the Issuer's country of incorporation, may have an impact on the income that an investor receives from the Bonds.

The following summary includes general information regarding current tax and payment matters of the Slovak legal regulations relating to the acquisition, ownership and disposal of the Bonds applicable in the Slovak Republic as at the date of this Base Prospectus and does not purport to be a comprehensive description of all of its aspects. The information provided is subject to any changes in the applicable legal regulations that may become effective after the date of this Base Prospectus. This summary does not describe tax and payment matters under the laws of any other country than the Slovak Republic.

The Bondholders are recommended to consult the provisions of the applicable legal regulations with their own advisers, in particular as regards tax and foreign exchange regulations and regulations regarding social and health insurance applicable in the Slovak Republic and in the countries of their residence, as well as in countries in which the income from the holding and sale of the Bonds may be subject to tax, and implications of their application. The Bondholders are required to keep themselves informed of any laws and other legal regulations which in particular regulate the holding of the Bonds and economic rights to the Bonds and the sale and purchase of the Bonds on ongoing basis and to comply with these laws and other legal regulations.

The information stated herein is a general information on taxation of bonds originated from the source in the territory of the Slovak Republic effective as of the date of this Base Prospectus and is not intended as a complete description of all tax or similar regulatory aspects that may arise or an advice on the tax implications to the individual investor. Therefore, potential investors are advised to obtain an advice from their own advisers on the application of the relevant regulations, mainly tax and foreign exchange or social security regulations valid in the Slovak Republic, or in the countries in which the potential investors are residents or in the countries which may require to tax revenues from bonds depending on the individual situation of the investor in case of investing in the Bonds.

The tax legislation changes over the time, therefore, interests from Bonds will be taxed in accordance with the legally binding law at time of the payment. Unless explicitly stated in the relevant Final Terms, the Issuer will not provide to Bondholders any compensation or gross-up of yields from Bonds in respect of any withholding of taxes made according to the valid law.

The taxation of revenues from bonds in the Slovak Republic is regulated by the Income Tax Act, as amended. The way of taxation varies depending on the type of income (interests from Bonds or capital gains) and who is the recipient of such income (Slovak tax residents, Slovak tax non-residents, individuals vs. legal entities). The Slovak tax residents with unlimited tax liability are considered (i) individuals who have a permanent residence or abode or who usually stay (at least 183 days in a calendar year) in the Slovak Republic or (ii) legal entities which have their seat or a place of management in the Slovak Republic. Generally, the persons who do not fulfil the aforementioned definition of Slovak tax resident are considered Slovak tax non-residents taxable in Slovakia from the Slovak sourced income only.

Interests derived from the Bonds

Slovak tax residents

Interests from the Bonds derived by a Slovak tax resident being an individual, the NBS or a taxpayer not founded or established to conduct business activities, are subject to a withholding tax at the tax rate of 19%.

If the recipient of the interests from the Bonds is an individual, the Issuer is responsible for the withholding of the withholding tax with the exception if the Bonds are held for such investor by a securities broker. In such a case, this securities broker which is registered for tax in the Slovak Republic is obliged to withhold the withholding tax. However, in case the recipients of yields from bonds are taxpayers not founded or established to conduct business activities or the NBS, a withholding tax shall be assessed and remitted to the Slovak tax authorities by themselves. In specific cases, the yield representing the difference between Bond's Nominal Value and its lower issue price derived by an individual need not to be subject to the withholding tax, but may be taxed by the individual within his/her tax return.

Interests from the Bonds derived by a Slovak tax resident being a legal entity are subject to corporate income tax, but are not subject to a withholding tax. Such interests are a part of the corporate income tax base of the particular legal entity taxed at the corporate income tax rate of 21%.



In case the beneficiary of interests derived from holding of the Bonds being paid by a Slovak tax resident is either an individual or a legal entity, both being a Slovak tax non-resident, such income is not considered to be the income generated from the source in the Slovak Republic. Therefore, such yields from the Bonds are not subject to tax in the Slovak Republic. The Issuer or the payer of such yields from the Bonds requires from the income recipient the presentation of a tax residency certificate issued by a competent tax authority of the beneficial owner's country of residence, proving that the recipient of such income is a tax resident in the particular country, as well as a signed declaration of the beneficial owner of such interest income stating that it is a beneficial owner. In case the tax residency or the beneficial owner of the income is not proven, the tax rate of 19% or 35% will be applied.

Capital gains (income) derived from the sale of the Bonds on secondary market

Generally, capital gains derived by a Slovak tax resident individual or a Slovak permanent establishment of the Slovak tax non-resident individual from the sale of Bonds are included in his/her tax base and taxed together with his other taxable income at the progressive income tax rate (19% or 25%). The individuals are obliged to tax such capital gains by themselves through their personal income tax return and could benefit from a tax exemption up to the amount of EUR 500, unless the Bonds were part of their business assets. In such a case, the capital gain from the sale of the Bonds is also subject to obligatory health insurance contributions at the rate of 15%, if the individual is subject to obligatory health insurance in the Slovak Republic. There is no cap for annual assessment base for health insurance contributions in 2024. No obligatory social insurance applies on the capital gain from the sale of the Bonds.

In case the Bonds are admitted to trading on a regulated market or similar foreign regulated market, the capital gains are exempt from the Slovak personal income tax provided that the period between the acquisition and the sale as well as the period of trading of the Bonds on such regulated market exceeds one year and these Bonds were not included in the business assets of the taxpayer. Such capital gain is also not subject to obligatory health insurance or social insurance contributions.

Capital gains derived by a Slovak tax resident legal entity or a Slovak permanent establishment of the Slovak tax non-resident (i.e. the Bondholder) from the sale of the Bonds are subject to corporate income tax at the rate of 21%. The deduction of losses from the sale of Bonds is limited. The taxation is performed through a regular corporate income tax return.

Income (capital gains) from the sale of the Bonds derived by a Slovak tax non-resident being an individual or a legal entity paid to such tax non-resident by a Slovak tax resident or a Slovak permanent establishment of the Slovak tax non-resident is, in general, subject to income tax at the applicable individual or corporate income tax rate in Slovakia unless the relevant double tax treaty states otherwise. The payer of such income may be required under certain circumstances to withhold a collateral tax at the rate of 19% or 35% from the gross amount of a purchase price of bonds in case the seller is not a tax resident of a country of the EU and the countries of the Agreement on the EEA. The tax rate of a collateral tax may be reduced by an applicable double tax treaty.



11. SUBSCRIPTION AND SALE

11.1 Dealer Agreement

Bonds may be sold from time to time by the Issuer to Intesa Sanpaolo, and/or each Dealer designated as such under the Dealer Agreement. The arrangements under which Bonds may from time to time be agreed to be sold by the Issuer to, and purchased by, the Dealers are set out in the Dealer Agreement. The Dealer Agreement provides for, *inter alia*, an indemnity to the Dealer against certain liabilities in connection with the offer and sale of the Bonds. The Dealer Agreement also provides for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other dealers either generally in respect of the Programme or in relation to a particular issuance. The Dealer Agreement contains, *inter alia*, stabilising provisions.

The Dealer Agreement does not cover retail offers of the Bonds in the Slovak Republic. The Issuer may act as a Dealer in relation to retail offers in the Slovak Republic only. Consequently the Issuer will not act as a Dealer under the Dealer Agreement.

In the Dealer Agreement it is stated that the Issuer may offer and sell the Bonds to or through one or more underwriters, dealers and agents, including Intesa Sanpaolo, or directly to purchasers.

11.2 Subscription Agreements

Any Subscription Agreement between the Issuer and Intesa Sanpaolo and/or any additional or other Dealers, from time to time, for the sale and purchase of Bonds (each a **Relevant Dealer**) will, *inter alia*, provide for the price at which the relevant Bonds will be subscribed for by the Relevant Dealers and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such purchase.

11.3 Restrictions in the distribution of the Base Prospectus and offering of the Bonds

The distribution of the Base Prospectus and the offering, sale and purchase of the Bonds in certain jurisdictions is restricted by law. The Bonds have not been and will not be registered, permitted or approved by any administrative or other authority of any jurisdiction other than the approval of the Base Prospectus by the NBS. The Issuer may, at any time after the Base Prospectus has been approved, request the NBS to notify the approval of the Base Prospectus to the CSSF or any other competent authority of another Member State of the EEA under Article 25 of the Prospectus Regulation for the purpose of admitting the Programme or Bonds to trading on a regulated market in that other Member State.

Therefore, the Bonds may only be offered in a jurisdiction other than the Slovak Republic if the legal regulations of this other jurisdiction do not require the approval or notification of the Base Prospectus and also subject to the compliance with any and all requirements pursuant to the legal regulations of such other jurisdiction.

Persons who obtain possession of the Base Prospectus, including any of its Supplements, any Final Terms or other offering or promotional materials or information related to the Bonds are required to become acquainted with and observe any restrictions that may be relevant to them.

The Base Prospectus itself does not constitute an offer to sell, or the solicitation of an offer to buy the Bonds in any jurisdiction. Each person acquiring the Bonds shall be deemed to declare and agree that (i) such person has understood any and all relevant restrictions related to the offer and sale of the Bonds which apply to him/her/it and to the relevant form of offer or sale, in particular such specific selling restrictions as set out below; (ii) that such person will neither offer for sale nor further sell the Bonds without complying with any and all relevant restrictions which apply to such person and the relevant form of offer and sale; and (iii) prior to further offering or selling the Bonds, such person will inform the buyers of the fact that further offers or sales of the Bonds may be subject to statutory restrictions in different jurisdictions which must be observed.

In addition to above, all acquirers of the Bonds are required by the Issuer to comply with the provisions of all applicable legal regulations (including Slovak legal regulations), where they will distribute, make available or otherwise circulate the Base Prospectus, including any of its Supplements, individual Final Terms or other offering or promotional materials or information related to the Bonds, always at their own expense and regardless of whether the Base Prospectus or any of its Supplements, individual Final Terms or other offering or promotional materials or information related to the Bonds are in written, electronic or any other form.

The Base Prospectus has been prepared on the assumption that any offer of the Bonds in other Member States of the EEA will only be made in one or several manners defined in Article 1(4) of the Prospectus Regulation, **which is exempt from the requirement to publish a prospectus.**


VUB BANKA

Intesa Sanpaolo Group

Prohibition of Sales to EEA Retail Investors

If the Final Terms in respect of any of the Bonds specifies “Prohibition of Sales to EEA Retail Investors” as applicable, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by this Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the EEA. For the purposes of this provision:

- (a) 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 IDD, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or
 - (iii) not a qualified investor as defined in the Prospectus Regulation;
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

In relation to each Member State of the EEA (each, a **Relevant State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to the public in that Relevant State except that it may make an offer of such Bonds to the public in that Relevant State:

- (a) if the Final Terms in relation to the Bonds specify that an offer of those Bonds may be made other than pursuant to Article 1(4) of the Prospectus Regulation in that Relevant State (a **Public Offer**), following the date of publication of a prospectus in relation to such Bonds which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, provided that any such prospectus has subsequently been completed by final terms contemplating such Public Offer, in accordance with the Prospectus Regulation, in the period beginning and ending on the dates specified in such prospectus or final terms, as applicable, and the Issuer has consented in writing to its use for the purpose of that Public Offer;
- (b) qualified investors: at any time to any legal entity which is a qualified investor as defined in the Prospectus Regulation;
- (c) fewer than 150 offerees: at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Regulation) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) other exempt offers: at any time in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Bonds referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Bonds to the public** in relation to any Bonds in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression **Prospectus Regulation** means Regulation (EU) 2017/1129.

United States of America

The Bonds have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the **U.S. Securities Act**) and may not be offered or sold within the United States of America or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the U.S. Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that, it will not offer, sell or deliver the Bonds, (a) as part of their distribution at any time



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or (b) otherwise until 40 days after the completion of the distribution of all the Bonds of the given tranche of which such Bonds are a part within the United States of America or to, or for the account or benefit of, U.S. persons Each Dealer has further agreed and each further Dealer appointed under the Programme will be required to agree that it will send to each Dealer to which it sells the Bonds during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Bonds within the United States of America or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the U.S. Securities Act.

Until 40 days after the commencement of the offering of any series of Covered Bonds an offer or sale of such Covered Bonds within the United States of America by any Dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the U.S. Securities Act.

The United Kingdom - Prohibition of Sales to UK Retail Investors

If the Final Terms in respect of any of the Bonds specifies "Prohibition of Sales to UK Retail Investors" as "Applicable", each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the Final Terms in relation thereto to any retail investor in the United Kingdom. For the purposes of this provision:

- (a) 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 European Union (Withdrawal) Act 2018 (**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 Directive (EU) 2016/97, 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; or
 - (iii) not a qualified investor as defined in Article 2 of the UK Prospectus Regulation; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not made and will not make an offer of Bonds which are the subject of the offering contemplated by the Base Prospectus as completed by the final terms in relation thereto to the public in the United Kingdom except that it may make an offer of such Bonds to the public in the United Kingdom:

- (A) at any time to any legal entity which is a qualified investor as defined in Article 2 of the UK Prospectus Regulation;
- (B) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in Article 2 of the UK Prospectus Regulation) in the United Kingdom subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (C) at any time in any other circumstances falling within section 86 of the FSMA,

provided that no such offer of Bonds referred to above shall require the Issuer or any Dealer to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression **an offer of Bonds to the public** in relation to any Bonds means the communication in any form and by any means of sufficient information on the terms of the offer and the Bonds to be offered so as to enable an investor to decide to purchase or subscribe for the Bonds and the expression **UK Prospectus Regulation** means Regulation (EU) 2017/1129 as it forms part of UK domestic law by virtue of the EUWA.

The United Kingdom - Other Regulatory Restrictions

Each Dealer has represented and agreed, 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 any 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 Bonds 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 Bonds in, from or otherwise involving the United Kingdom.

France

The Issuer and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it undertakes to comply with applicable French laws and regulations in force regarding the offer, the placement or the sale of the Bonds and the distribution in France of the Base Prospectus including any of its Supplements, any Final Terms or any other offering material relating to the Bonds.

Germany

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it shall only offer Bonds in the Federal Republic of Germany in compliance with the provisions of the German Securities Prospectus Act (*Wertpapierprospektgesetz*) and any other laws applicable in the Federal Republic of Germany.

Republic of Italy

The offering of the Bonds has not been registered pursuant to Italian securities legislation and, accordingly, no Bonds may be offered, sold or delivered, nor may copies of the Base Prospectus or of any other document relating to any Bonds be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the **Prospectus Regulation** and any applicable provision of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and/or Italian *Commissione Nazionale per le Società e la Borsa* (CONSOB) regulations; or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**) and the applicable Italian laws.

Any offer, sale or delivery of the Bonds or distribution of copies of the Base Prospectus or any other document relating to the Bonds in the Republic of Italy under (a) or (b) above must:

- (i) be made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 (as amended from time to time) and Legislative Decree No. 385 of 1 September 1993, as amended (the **Banking Act**); and
- (ii) comply with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy (including the reporting requirements, where applicable, pursuant to Article 129 of the Banking Act and the implementing guidelines of the Bank of Italy, as amended from time to time) and/or any other Italian authority.

Please note that, in accordance with Article 100-bis of the Financial Services Act, to the extent it is applicable, where no exemption from the rules on public offerings applies under (a) and (b) above, the subsequent distribution of the Bonds on the secondary market in Italy must be made in compliance with the public offer and the prospectus requirement rules provided under the Financial Services Act and Regulation No. 11971. Failure to comply with such rules may result in the sale of such Bonds being declared null and void and in the liability of the intermediary transferring the financial instruments for any damages suffered by the investors.

General

Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the relevant Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or any Dealer that would permit a public offering of Bonds, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final



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Terms come are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Bonds or have in their possession or distribute such offering material, in all cases at their own expenses.

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree, that it will (to the best of its knowledge) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Bonds or possesses or distributes the Base Prospectus, any offering material or any Final Terms, and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Bonds under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and none of the Issuer, and any of the other Dealers shall have any responsibility therefore.

None of the Issuer and the Dealers represents that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

11.4 MiFID II target market

The Final Terms will provide basic information on the analysis of the target market for the Bonds and the suitability of the distribution of the Bonds. Any person who subsequently sells or recommends the Bonds (the **Distributor**) should take into account this target market analysis. However, any Distributor subject to the rules of Directive 2014/65/EU on markets in financial instruments, as amended, including all its statutory instruments and implementations into relevant national law (**MiFID II**), is responsible for carrying out its own analysis of the target market in respect of the Bonds (either by adopting or improving the target market assessment) and identifying their own appropriate distribution channels. The Issuer will only be responsible as the manufacturer of the product in relation to the offering of the Bonds that it itself carries out.

11.5 MiFID II policies of the Issuer

In compliance with MiFID II legislation, and in continuity with MiFID I, the Issuer when executing orders on behalf of their clients is doing its utmost to ensure that a client order in relation to financial instruments is executed in the best possible manner. The aim of the Issuer is to carry out activities related to the reception, transmission and execution of a client order efficiently, taking into account the preferences and profile of the client with the aim to achieve the best possible result for it.

In accordance with Section 73o et seq. of the Securities Act and in accordance with Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive, the Issuer has adopted the best execution policy under MiFID II (the **Policy**). The Issuer continuously monitor and control the efficiency of the adopted Policy and the subsequent quality of the execution of orders with the aim to identify and eliminate any imperfections. At least once a year the Issuer reviews the efficiency of the Policy, including questions as to whether the execution venues listed in the Policy allow the Issuer to achieve the best possible result for the client and whether it is necessary to make changes in its measures related to the execution of orders. The currently valid Policy is available at the webpage of the Issuer https://www.vub.sk/en/dam/BEP_EN_2024.pdf. The Policy is not incorporated into this Base Prospectus by reference.



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12. GENERAL INFORMATION

- 12.1 Arranger.** Intesa Sanpaolo S.p.A., a bank organised as a joint stock company under the laws of the Republic of Italy, whose registered office is at Piazza S. Carlo, 156, 10121 Turin and secondary office at Via Monte di Pietà, 8, 20121 Milan, Italy, enrolled in the Turin Register of Enterprises with Fiscal Code No. 00799960158, lead representative of the banking group and VAT Group Intesa Sanpaolo, VAT 11991500015 (IT11991500015), registered with the Bank of Italy under Banks Register no 5361, and a member of the Interbank Deposit Protection Fund (*Fondo Interbancario di Tutela dei Depositi*) and the National Compensation Fund (*Fondo Nazionale di Garanzia*), has been appointed as the sole arranger and a Dealer under the Programme.
- 12.2 Completeness of the Base Prospectus.** The Base Prospectus is to be read together with any Supplements to the Base Prospectus as well as documents and information incorporated herein by reference. Comprehensive information regarding the Issuer and the Bonds may only be obtained from the combination of the Base Prospectus (including Supplements to the Base Prospectus and documents and information incorporated by reference) and the relevant Final Terms.
- 12.3 Approval and notifications.** The Base Prospectus will not be subject to an approval by any administrative or other authority of any jurisdiction other than the NBS in the Slovak Republic. The Issuer may submit a request to issue confirmation of approval of the Base Prospectus including all its Supplements, confirming that it was prepared in line with the applicable legislation, for the purpose of its submission to the ESMA and the CSSF, or any other competent authority of another Member State of the EEA under Article 25 of the Prospectus Regulation for the purpose of admitting the Programme or Bonds to trading on a regulated market in that other Member State. Other than with respect to the admission to listing, trading and/or quotation by such one or more listing authorities, stock exchanges and/or quotation systems as may be specified in the relevant Final Terms, no action has been or will be taken in any country or jurisdiction by the Issuer or any Dealer that would permit a public offering of the Bonds, or possession or distribution of any offering material in relation thereto, in any country or jurisdiction where action for that purpose is required. Persons into whose hands the Base Prospectus or any Final Terms comes are required by the Issuer and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver the Bonds or have in their possession or distribute such offering material, in all cases at their own expense.
- 12.4 Listing and admission to trading.** The Issuer may apply for admission of the Bonds to the official list and to trading on the regulated market of the LSE or regulated free market of the BSSE or other stock exchanges or markets agreed between the Issuer and relevant Dealers and in each case as will be specified in the relevant Final Terms.
- 12.5 Approval of information and the Base Prospectus updates.** The provision of representations or information relating to the Issuer or the Bonds other than those contained herein has not been approved by the Issuer. No other information or representation may be relied upon as having been approved by the Issuer. The submission of the Base Prospectus at any time does not mean that information contained herein is accurate at any time after the date of this Base Prospectus. Unless provided otherwise, any and all information contained herein is provided as at the date of this Base Prospectus. The Base Prospectus may be updated pursuant to Article 23 of the Prospectus Regulation in the form of a Supplement to the Base Prospectus. Any Supplement to the Base Prospectus must be approved by the NBS and subsequently published in compliance with the Prospectus Regulation.
- 12.6 Authorisations.** The establishment of the Programme was approved by the resolution of the Issuer's Supervisory Board on 24 October 2012. On 1 December 2016, the total amount of the Programme was increased by a resolution of the Issuer's Supervisory Board from EUR 1,500,000,000 to EUR 5,000,000,000. On 25 January 2023, the total amount of the Programme was increased by a resolution of the Issuer's Management Board from EUR 5,000,000,000 to EUR 7,000,000,000 and the duration of the Programme was prolonged until 6 May 2033. The Issuer has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Bonds.
- 12.7 CBs Programme Monitor.** The Act on Banks requires that the NBS appoints an independent individual as a CBs Programme Monitor (in Slovak: *správca programu krytých dlhopisov*) overseeing certain aspects of the covered bonds programme as well as his/her deputy. The NBS has appointed Mr. Rudolf Šujan as the CBs Programme Monitor and Ms. Judita Bischofová as the deputy CBs Programme Monitor of the Issuer. The CBs Programme Monitor is *inter alia* required to prepare a written certificate evidencing that the coverage of the Bonds is secured in accordance with the Act on Banks and that an entry in the Register of Covered Bonds has been made prior to any issue of the Bonds. The CBs Programme Monitor also monitors whether the Issuer


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complies with its obligations arising from the Bonds in accordance with the Act on Bonds and other applicable legislation.

- 12.8 Common codes and ISIN numbers.** The appropriate common code and the International Securities Identification Number (ISIN) in relation to the Bonds issued under the Programme will be specified in the relevant Final Terms.
- 12.9 Luxembourg Listing Agent.** The Issuer has undertaken to maintain a listing agent in Luxembourg so long as Bonds are listed on the official list of the LSE.
- 12.10 Registration.** The Bonds will not be registered, upon Issuer's request, elsewhere than in the Central Securities Depository.
- 12.11 Stabilisation.** In connection with any individual issue of the Bonds (tranche) under the Programme, the Dealer (if any) which is specified in the relevant Final Terms as the stabilising manager (the **Stabilising Manager**) or any person acting for the Stabilising Manager may over-allot any such tranche of the Bonds or effect transactions with a view to supporting the market price such tranche of the Bonds at a level higher than that which might otherwise prevail for a limited period. However, there may be no obligation on the Stabilising Manager (or any agent of the Stabilising Manager) to do this. Any stabilisation action may begin on or after the date on which adequate public disclosure of the final terms of the offer of the Bonds is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant tranche of the Bonds and 60 days after the date of the allotment of the Bonds in such tranche. Such stabilising shall be in compliance with all applicable laws, regulations and rules.
- 12.12 Dealers transacting with the Issuer.** Intesa Sanpaolo S.p.A., Arranger and Dealer under the Programme is the ultimate parent company of the Issuer. Certain of the Dealers 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. Certain of the Dealers and their affiliates may have positions, deal or make markets in the Bonds issued under the Programme, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities. Certain of the Dealers may from time to time also enter into swap and other derivative transactions with the Issuer and its respective affiliates. In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Bonds issued under the Programme. Any such short positions could adversely affect future trading prices of the Bonds issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For avoidance of doubts the term "affiliates" in this clause includes also parent companies.
- 12.13 Reference rate administrators.** Amounts payable on the Bonds with a floating interest rate will be calculated with reference to the Reference Rates, for example EURIBOR, as specified in more detail in the relevant Final Terms. As at the date of this Base Prospectus, the administrator of the EURIBOR Reference Rate administrators is the European Money Markets Institute, which is registered in the ESMA register of administrators under Article 36 of the Benchmark Regulation.
- 12.14 Compliance with law, restrictions and liability.** None of the Issuer, Arranger or any of the Dealers represents that Bonds may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

The Issuer has not approved any declaration or information about the Programme, the Issuer or the Bonds other than information provided herein, in Supplements hereto or in the Final Terms. No other declaration or information can be relied on as a declaration or information approved by the Issuer. Unless otherwise provided, all the information provided herein is provided as at the date of preparation hereof. Submission of the Base Prospectus or any other form of making the Base Prospectus available after the date of preparation thereof, does



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not mean that information and declarations made therein are correct as of any moment after the date of preparation thereof. The indicated information may be amended or supplemented in the future by Supplements. Neither the Arranger nor any of the Dealers nor any other person has separately verified all of the information contained in this Base Prospectus. Neither the Arranger nor any of the Dealers makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in this Base Prospectus. Neither this Base Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Issuer, the Dealers or the Arranger that any recipient of this Base Prospectus or any other financial statements should purchase the Bonds. Each potential investor of the Bonds should determine for itself the relevance of the information contained in this Base Prospectus and its purchase of the Bonds should be based upon such investigation as it deems necessary. The Arranger and any of the Dealers do not undertake to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Base Prospectus or to advise any investor or potential investor in the Bonds of any information coming to the attention of the Arranger or any of the Dealers.

Only the Issuer is liable for the obligations arising under the Bonds. No third person is liable for or guarantees the performance of obligations arising under the Bonds.

- 12.15 Credit rating of the Bonds.** The Bonds issued under the Programme are expected to be rated by Moody's. The credit rating will be specified in the relevant Final Terms. Any credit rating of the Bonds will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation. The credit ratings included or referred to in this Base Prospectus are expected to be issued by Moody's, which is established in the European Union and is registered under the CRA Regulation. Moody's is included in the list of credit rating agencies published by the ESMA on its website <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>, in accordance with the CRA Regulation. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation. The ESMA website is neither incorporated by a reference in nor does form part of the Base Prospectus.
- 12.16 International Central Securities Depositories.** The Bonds may also be settled and held through international central depositories such as Euroclear or Clearstream, which have direct or indirect links with the Slovak Central Depository. Indirect link is usually maintained through a manager holding the Bonds for Euroclear or Clearstream on the holding (custody) account held with the Slovak Central Depository. Persons holding any Bonds in their Euroclear and/or Clearstream accounts may only exercise their rights against the Issuer through Euroclear and/or Clearstream or through the relevant manager holding these Bonds for Euroclear and/or Clearstream. In any event, the exercise of these rights will be subject to the Euroclear or Clearstream operating rules and any applicable law.
- 12.17 Presentation of financial information and rounding.** Unless provided otherwise, all annual financial information of the Issuer is based on the International Financial Reporting Standards (IFRS) as adopted by the EU. The interim financial data are presented in accordance with IFRS applicable to interim reporting (IAS 34). Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which preceded them.
- 12.18 Forward-Looking Statements.** This Base Prospectus may contain forward-looking statements, including (without limitation) statements identified by the use of terminology such as "anticipates", "believes", "estimates", "expects", "intends", "may", "plans", "projects", "will", "would" or similar words and expressions. These statements are based on the Issuer's current expectations and projections about future events and involve substantial uncertainties. All statements, other than statements of historical facts, contained herein regarding the Issuer's strategy, goals, plans, future financial position, projected revenues and costs or prospects are forward-looking statements. Forward-looking statements are subject to inherent risks and uncertainties, some of which cannot be predicted or quantified. Future events or actual results could differ materially from those set forth in, contemplated by or underlying forward-looking statements. The Issuer does not undertake any obligation to update or revise any forward-looking statements.
- 12.19 Alternative Performance Measures.** ESMA has issued specific guidelines on the presentation criteria for alternative performance measures (the **APMs**) included by European issuers in regulated information and prospectuses. According to the definition provided in the ESMA guidelines, an APM is a financial measure of historical or future financial performance, financial position, or cash flows, other than a financial measure defined or specified in the applicable financial reporting framework, i.e. IFRS in the case of the Issuer. APMs are not defined in the financial reporting framework, yet their use is still widespread, with the role of conveying a view of the entity's performance that is closer to the management's perspective than would be possible using



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only the defined measures. The APMs are not required by IFRS and, although derived from the Issuer's consolidated financial statements, are not audited and should not be seen as a substitute for measures defined according to IFRS. Measures published in application of prudential rules, including those laid down in CRD IV/CRR, physical or non-financial measures and social and environmental measures do not come within the narrow definition of APMs. To facilitate the understanding of the income statement and balance sheet figures, the Issuer also uses various APMs to provide a clear, concise and immediate account of the operating results and the financial position and performance achieved. The Issuer's APMs are commonly used in banking and finance and are also used by the management in decision-making processes of both operational and strategic nature. It is to be noted however that, since not all companies calculate APMs in the same manner, these are not always comparable to measurements used by other companies. The APMs used by the Issuer are processed with continuity and consistency of definition and representation for all periods for which financial information included in this Base Prospectus.

12.20 Information from third parties and expert opinions. The Issuer used in section 2 headed "*Risk Factors*", publicly available information published on the websites of:

- (a) the NBS, at www.nbs.sk;
- (b) the Ministry of Finance of the Slovak Republic, at www.mfsr.sk;
- (c) the International Monetary Fund, at www.imf.org; and
- (d) the Statistical Office of the Slovak Republic, at www.statistics.sk.

The Issuer used in section 5 headed "*Description of the Issuer*", publicly available information published on website of the NBS, at www.nbs.sk.

The Issuer confirms that third party information has been accurately reproduced and to the best knowledge of the Issuer, no facts have been omitted which would render the reproduced information inaccurate or misleading. The Issuer, however, cannot guarantee accuracy and correctness of such reproduced information.

The audited consolidated financial statements of the Issuer, together with independent auditors' reports, are incorporated by reference into the Base Prospectus. No other information in the Base Prospectus has been audited and no independent auditors' report has been prepared thereon. The selected financial data of the Issuer stated in section 5.12 of the Base Prospectus were extracted from the audited consolidated financial statements of the Issuer.

The Base Prospectus does not contain any statement or report attributed to a person acting as an expert.

12.21 Language. The Base Prospectus including any later Supplements is drafted and approved by the NBS in Slovak language as the original language. Each Final Terms and Summary of a specific issue (if relevant) will be prepared in Slovak language as the original language. The Base Prospectus including later Supplements thereto, as well as Final Terms and Summary of a specific issue may be translated to English or other languages. In the event any interpretation disputes arise between different language versions, the Slovak version shall prevail.

12.22 Enforcement of private claims against the Issuer. Slovak courts shall have jurisdiction for the purposes of enforcement of any private claims against the Issuer related to the purchase or holding of the Bonds. Any and all rights and obligations of the Issuer against the Bondholders shall be governed by Slovak law. As a result, there is only a limited possibility of claiming rights against the Issuer in proceedings before foreign courts or pursuant to a foreign law. Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgements in civil and commercial matters (recast) (the **Brussels I Recast**), is directly applicable in the Slovak Republic. Pursuant to the Brussels I Recast, save for certain exceptions stated therein, judicial decisions issued by judicial bodies in the EU Member States in civil and commercial matters are enforceable in the Slovak Republic, and vice versa, the judicial decisions issued by judicial bodies in the Slovak Republic in civil and commercial matters are enforceable in the EU Member States. If, for the purposes of the recognition and enforcement of a foreign decision the application of the Brussels I Recast is excluded, but the Slovak Republic entered into an international treaty on the recognition and enforcement of court decisions with a certain country, the enforcement of a judicial decision of such country is ensured in accordance with the provisions of the given treaty. If such treaty does not exist, the decisions of foreign courts may be recognised and enforced in the Slovak Republic subject to the terms and conditions set out in Act No. 97/1963 Coll. on Private and Procedural International Law, as amended. Pursuant to this Act, decisions of judicial bodies of foreign states in matters set out in the provisions of Section 1 of the Act on Private and Procedural International Law, foreign reconciliations and foreign notarial deeds (for the purposes of this paragraph jointly the foreign decisions), cannot be recognised and enforced if (a) the subject



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matter of the decision falls within the exclusive jurisdiction of the bodies of the Slovak Republic or the body of a foreign state would not have jurisdiction to decide over the case if the provisions of Slovak law applied to the assessment of its jurisdiction; or (b) they are not valid and effective or enforceable in the state in which they have been issued; (c) they are not decisions on the merits of the case; or (d) a party to the proceeding against whom a decision is to be recognised was deprived of the option to appear before such authority, mainly if it was not served with a summons for a hearing or a statement of claim; the court does not assess whether this condition has been met if a foreign decision has been duly served to such party to the proceeding and the party has not filed an appeal against it or if such a party has declared that it does not insist on the review of such requirement; or if (e) the Slovak court has already decided the case by a valid and effective decision or there is an earlier foreign decision in the same case which has been recognised or meets the requirements for its recognition; or (f) the recognition would be in conflict with the Slovak public order.

This summary contains only general information to describe the legal situation. The relevant legislation is subject to change. The summary does not take into account the individual status of any Bondholder. Investors should not rely on this information and are recommended to assess the issues regarding the enforcement of private claims against the Issuer with their legal advisers.

12.23 Assessment of the investment. A potential investor should carefully consider (alone or together with its advisors) any investment in the Bonds issued by the Issuer, in light of its own circumstances. It is particularly necessary for the investor to:

- (a) have enough knowledge and experience in order to reasonably evaluate the Bonds, advantages and risks of investment to the Bonds and information contained in the Base Prospectus, information referred to in the Base Prospectus, and any Supplement thereto;
- (b) have enough information concerning the investment, as well as the ability to assess the information in context of their own financial situation and impact of that investment on their own existing portfolio;
- (c) have enough funds to withstand an eventual negative development of risk factors concerning the Issuer or the Bonds;
- (d) be aware that if a loan or credit is used to finance the purchase of the Bonds, it may happen that the cost of such a loan or credit may exceed the yield earned from Bonds; potential investor should not presume that they will be able to repay loan or credit and relevant interest from the earnings from investment in the Bonds;
- (e) fully understand the Terms and Conditions of the Bonds, know the relevant financial indicators and their possible development together with the development of financial markets; and
- (f) be able to assess the possible scenarios of economic development, development of interest rates and other factors which may have an impact on his/her/its investment and ability to bear the associated risks.

12.24 Documents Available. The following documents are available free of charge in electronic form on the dedicated section of the Issuer's website in Slovak language <https://www.vub.sk/ludia/informacny-servis/dlhopisy-vub/kryte-dlhopisy-vub.html> and in English language at <https://www.vub.sk/en/ludia/informacny-servis/dlhopisy-vub/kryte-dlhopisy-vub.html> until the maturity of the relevant issue of the Bonds:

- (a) this Base Prospectus and each Supplement to the Base Prospectus (if any);
- (b) the Final Terms prepared for the relevant issue or tranche of the Bonds together with issue summary (if required);
- (c) the Issuer's Articles of Association;
- (d) the 2022 Annual Report;
- (e) the 2023 Annual Report;
- (f) minutes of the Bondholders Meetings (if any);
- (g) notices to the Bondholders of the relevant issue of the Bonds (if any); and
- (h) for the term of validity of the Base Prospectus, all documents from which information is incorporated in the Base Prospectus by reference.

Other than in relation to the documents which are incorporated by reference in clause 4 of the Base Prospectus, the information on the websites to which this Base Prospectus refers does not form part of this Base Prospectus and has not been scrutinised or approved by the NBS.



13. GLOSSARY

For ease of reference, we list the main terms used in the Base Prospectus.

2022 Annual Report means the annual report of the Issuer for the year 2022 compiled pursuant to the applicable legal regulations and which contains the audited consolidated annual financial statements of the Issuer for the year ended 31 December 2022 prepared in accordance with the IFRS as adopted by the EU.

2023 Annual Report means the annual report of the Issuer for the year 2023 compiled pursuant to the applicable legal regulations and which contains the audited consolidated annual financial statements of the Issuer for the year ended 31 December 2023 prepared in accordance with the IFRS as adopted by the EU.

Act on Banks has the meaning assigned to it in Condition 1.

Act on Bonds has the meaning assigned to it in Condition 1.

Aggregate Nominal Amount has the meaning assigned to it in Condition 1.

APMs means alternative performance measures.

Authorised Person has the meaning assigned to it in Condition 9.3.

Bankruptcy Act has the meaning assigned to it in Condition 1.

Base Prospectus has the meaning assigned to it in Condition 1.

Bondholder has the meaning assigned to it in Condition 1.

Bonds or **CB** means the covered bonds (in Slovak: *kryté dlhopisy*) issued by the Issuer under the Programme.

Bratislava Stock Exchange or **BSSE** has the meaning assigned to it in Condition 1.

BRRD means Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms, as amended.

BRRD2 means Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU as regards the loss-absorbing and recapitalisation capacity of credit institutions and investment firms and Directive 98/26/EC.

Brussels I Regulation (recast) means Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12 December 2012 on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (recast), as amended.

Business Day means a day which is not a holiday under Act No. 241/1993 Coll., on Public Holiday, Non-Business Days and Memorial Days, as amended and Act No. 311/2001 Coll., the Labour Code, as amended and also a day which is the T2 day (a day on which the Trans-European Automated Real-time Gross Settlement Express Transfer System or any successor or replacement for that system operates and clears the payments denominated in Euro currency).

Central Securities Depository has the meaning assigned to it in Condition 1.

Commercial Code has the meaning assigned to it in Condition 1.

Common Terms means Part A of section 8 of this Base Prospectus.

CRA Regulation means Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, as amended.

CSSF means *Commission de Surveillance du Secteur Financier*, with the registered office at 283, route d'Arlon, L-1150 Luxembourg, the Grand Duchy of Luxembourg.

Date of Record for Attending the Meeting has the meaning assigned to it in Condition 1.

Delegated Regulation on Prospectus means Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.

Deposit Protection Act means Act No. 118/1996 Coll. on Protection of Deposits, as amended.

Determination Date has the meaning assigned to it in Condition 9.4.



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Distributor means any person who subsequently sells or recommends the Bonds.

Early Maturity Date has the meaning assigned to it in Condition 8.2.

ECB means the European Central Bank.

EEA means the European Economic Area.

ESMA has the meaning assigned to it in Condition 1.

EU means the European Union.

EUR or **euro** means the legal currency of the Slovak Republic.

EURIBOR has the meaning assigned to it in Condition 1.

European Money Market Institute has the meaning assigned to it in Condition 1.

FATCA means the U.S. Foreign Account Tax Compliance Act.

Final Terms has the meaning assigned to it in Condition 1.

FTT means the financial transaction tax.

GDP means gross domestic product.

Chairman of the Meeting has the meaning assigned to it in Condition 1.

IAS 34 means International Accounting Standards for Interim Financial Reporting.

IFRS means the International Financial Reporting Standards as adopted in the European Union.

Income Tax Act means the Act No. 595/2003 Coll. on Income Tax, as amended.

Interest Determination Date has the meaning assigned to it in Condition 1.

Interest Payment Date has the meaning assigned to it in Condition 1.

Issue Date has the meaning assigned to it in Condition 1.

Issue Price has the meaning assigned to it in Condition 18.

LSE has the meaning assigned to it in Condition 1.

Margin has the meaning assigned to it in Condition 1.

Maturity Date has the meaning assigned to it in Condition 1.

Meeting has the meaning assigned to it in Condition 14.1.

MiFID II means Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments, as amended, including all its statutory instruments and implementations into the relevant national law.

Moody's means Moody's Deutschland GmbH, with the registered office at An der Welle 5, 60322 Frankfurt am Main, Germany.

MREL means the regulatory concept of minimum requirements for eligible liabilities.

NBS means the National Bank of Slovakia as the competent authority of the Slovak Republic pursuant to Section 120(1) of the Securities Act for the purposes of the Prospectus Regulation.

Nominal Value has the meaning assigned to it in Condition 1.

Payment Date has the meaning assigned to it in Condition 7.2.

Payment Venue has the meaning assigned to it in Condition 9.2.

Person Entitled to Attend the Meeting has the meaning assigned to it in Condition 1.

PRIIPs Regulation means 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.

Proceedings means any governmental, judicial or arbitration proceedings.



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Programme means the debt securities issuance programme of up to EUR 7,000,000,000 described in this Base Prospectus, established by the Issuer for the issuance of covered bonds (in Slovak: *kryté dlhopisy*).

Prospectus Regulation has the meaning assigned to it in Condition 1.

Qualified Investor in any grammatical form shall have the meaning in the Base Prospectus assigned to it in Article 2(e) of the Prospectus Regulation for the purposes of the offering in the Slovak Republic and in another Member State of the European Union.

Reference Rate has the meaning assigned to it in Condition 1.

Relevant Account has the meaning assigned to it in Condition 4.1.

Securities Act has the meaning assigned to it in Condition 1.

Slovak Resolution Act means Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended, implementing BRRD and BRRD2 in the Slovak Republic.

Terms and Conditions include Part A (Common Terms) of section 8 of this Base Prospectus together with Part A of the Final Terms that together constitute the terms and conditions of the respective issue of the Bonds.

TLAC means the regulatory concept of total loss absorption capacity.

Trustee means, in the event of bankruptcy or involuntary administration of the Issuer, the bankruptcy trustee or the receiver.

U.S. Securities Act means the U.S. Securities Act of 1933, as amended.

VÚB or the **Issuer** has the meaning assigned to it in Condition 1.

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