

Covered Bonds Investor presentation

September, 2023



1. Prima banka at a glance
2. Slovak Republic
3. Slovak Banking Market
4. Prima banka
5. Cover Pool
6. Covered Bonds Framework
7. Appendix

Prima banka at a glance

... fastest growing retail bank in Slovakia

30.6.2023 (EUR)

Total Assets	6 201mn
Net profit	20.1mn (2022, 14.9mn 30.6.2023)
CET 1	15.4%
Total CAD	16.6%
NPL ratio	0.9%
NPL coverage	265%
Retail loans	4 905mn; YoY+8%
Mortgages	4 686mn; YoY +8%
Branches/ATMs	119/305
Employees	768
Ownership	99.6% Penta Investments

Central European private equity group Penta acquired the Bank in 2011 from Dexia. Since then the Bank is executing a new strategy with focus on retail, simplicity & efficiency and also branch & ATM coverage.

- #1 Fastest growing retail bank
- #1 Housing Loans growth
- #1 Main Bank Customers growth
- #1 Municipalities
- #3 Branch & ATM network
- #1 Only bank in each of 79 SK districts
- #1 Mobile application client penetration
- #1 Customer Satisfaction
- #2 Communication Awareness
- #5 Spontaneous Brand Awareness



Prima banka - History

... established as municipal bank, currently strongly growing in retail

Prima Banka 

DEXIA

Entry of a new majority shareholder Franco-Belgian banking group Dexia in 2000. Later in 2003 the Bank was renamed to **Dexia banka Slovensko**. Bank maintained strong presence in **municipal** segment and focused also on **corporate lending**. The bank has started to build its position in retail.

 **SBERBANK**

In 2016 the majority shareholder Penta Investments acquired **Sberbank Slovensko**, which was merged into Prima banka as of 1.8.2017. **Prima banka is legal successor**, business integration is completed, with **no connections to the Sberbank Group**.

1993

PKB

PRVÁ KOMUNÁLNA BANKA

In 1993 **Prvá Komunálna Banka** (First Municipal Bank) was established by a group of 193 Slovak municipalities as a **municipal bank**. The Bank has specialized in providing services and financing to municipalities in the Slovak Republic.

2011

2012

Prima Banka 

In 2011, Central European private equity group Penta Investments acquired majority shareholding of the Bank from Dexia. As of 1.1.2012 the Bank changed its business name to **Prima Banka Slovensko** and as a part of the new strategy, it started to focus predominantly on **retail clients with revised simplified products and services portfolio as well as on the expansion of the branch and ATM network**.

2019

Prima Banka 

Launch of inaugural **Covered Bonds** Program.

Penta Investments at a glance

... Central European investment group, focus on long-term investments

(EUR mn)

Investment Platforms

Retail	Healthcare	Manufacturing	Financial Services	Media	Real Estate
Dr.Max	Dôvera	Iglotex	Prima banka	News and Media Holding	Bratislava
Fortuna	Penta Hospitals	Slovalco	Privatbanka	MDS	Prague
Empik				United Classifieds	
				Vltava Labe Media	
Enterprise Value	Enterprise Value	Enterprise Value	Equity Value	Enterprise Value	Asset Value
3 916	501	103	511	154	1 183
EBITDA	EBITDA	EBITDA	Net Income	EBITDA	NOI
372	54	140	33	12	233

- Penta is a **Central European private equity group** founded in **1994**, specializing in **long-term investments**
- Penta provides more than **40 000 jobs**
- Portfolio Profit amounted to EUR 556mn (-25% YoY) and Net Income to EUR 483mn (-15% YoY) in 2022. **ROE achieved 15,9%**
- Free cash flow continuously reinvested to support both **organic and acquisition growth**
- Dr.Max** 3rd largest pharmacy chain in Europe
- Penta Hospitals** largest multi-national hospital chain in SK, CZ, PL
- Dôvera** largest private health insurer in SK
- Fortuna** largest CEE betting and games provider
- Leading **real estate developer** in SK, CZ, PL

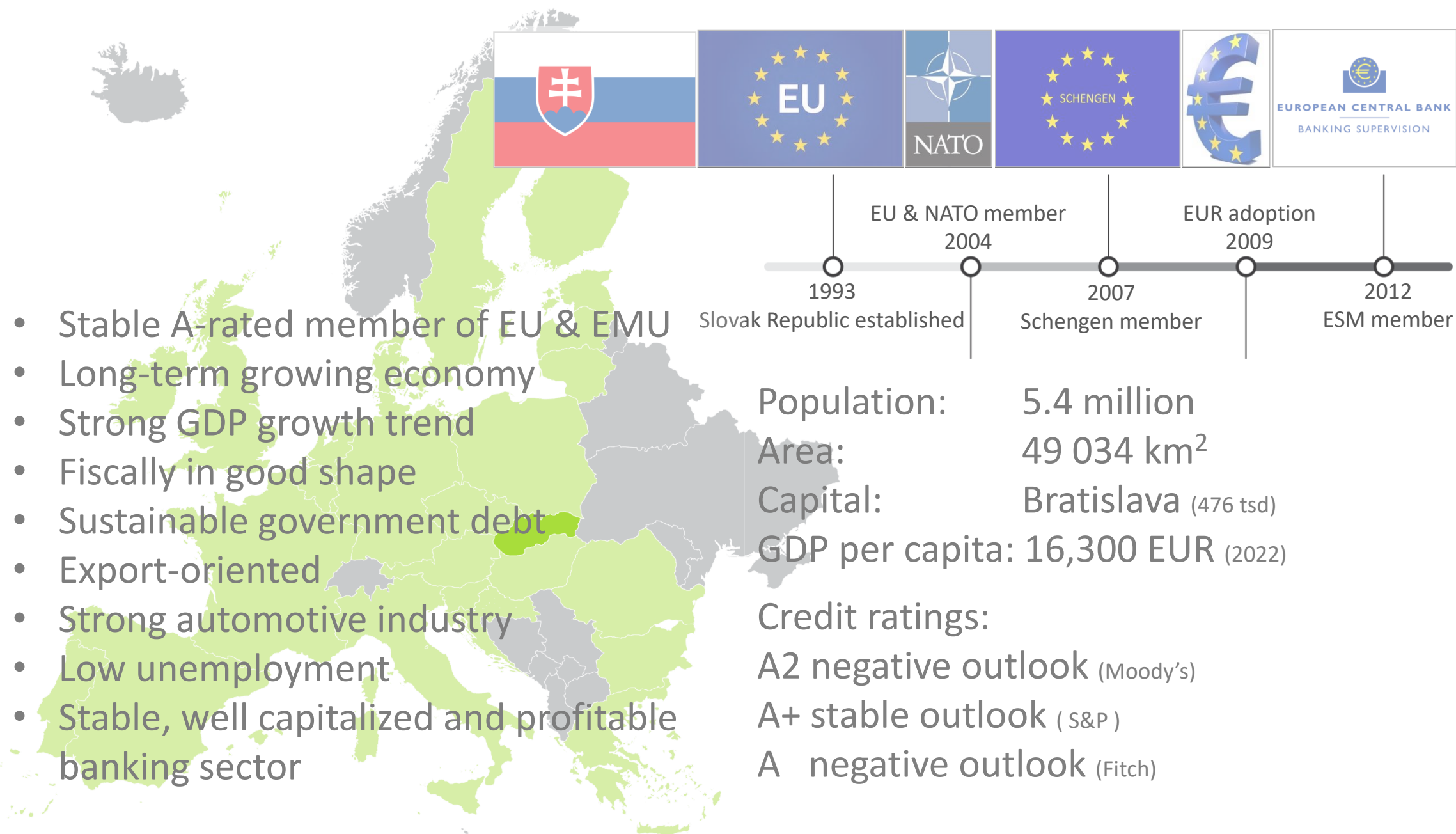
EUR mn	2022	YoY	YoY%
Revenues	8 035	+ 455	+ 6,0%
Adjusted EBITDA	608	+ 68	+ 12,6%
Operating Cash Flow	376	+ 135	+ 56,0%
Real Estate Assets Value	1 260	- 77	- 6,1%
Total Investments	803	+ 197	+ 32,5%

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Slovak Republic

... stable and fast converging export-oriented economy

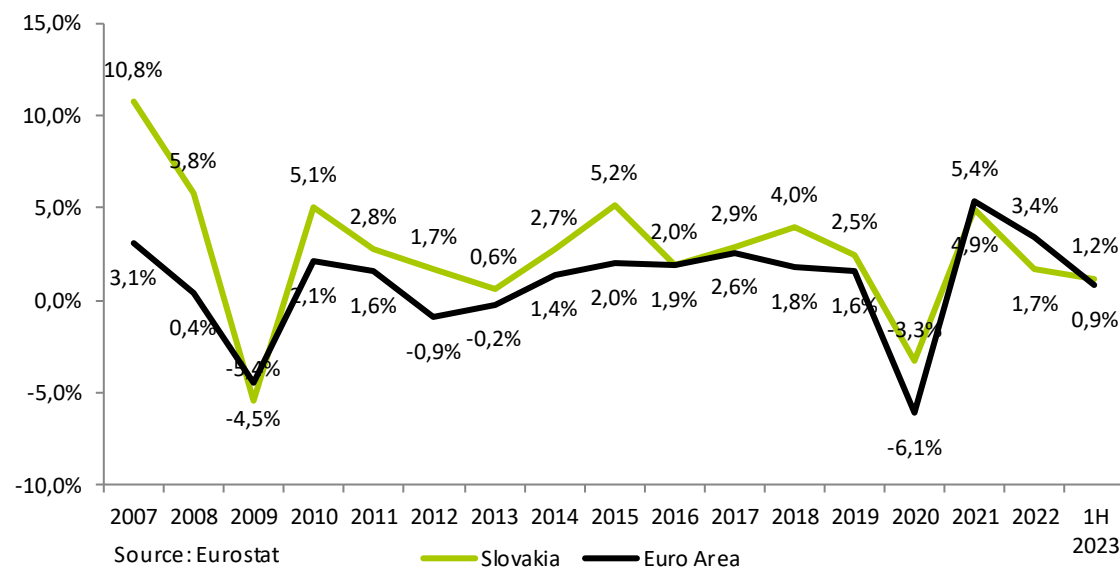
Prima Banka 



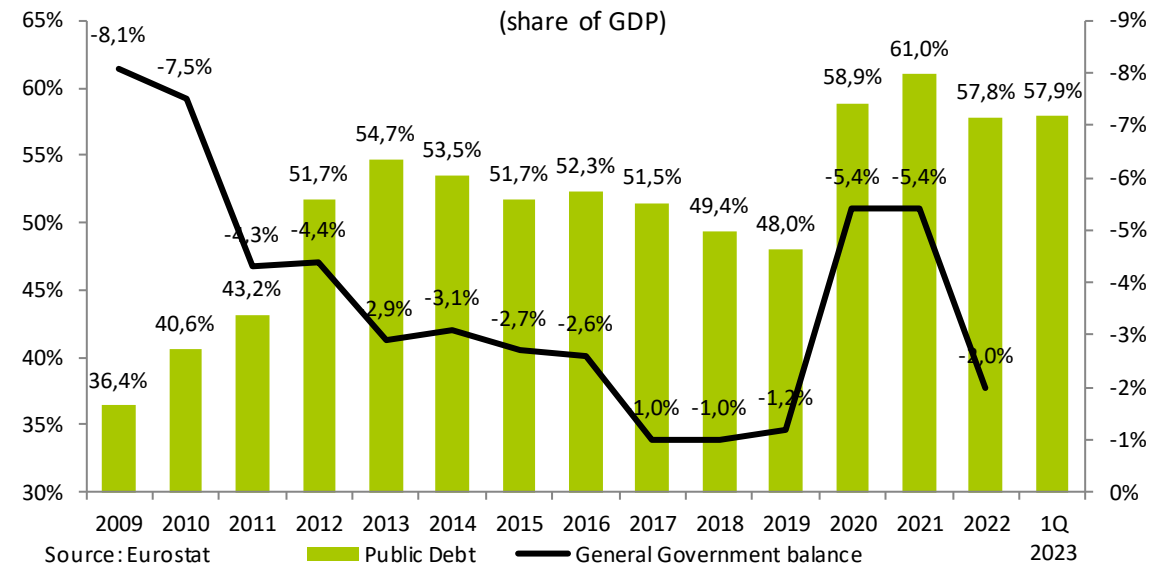
Slovak Republic

...strong GDP growth and relatively low government debt

Real GDP Growth

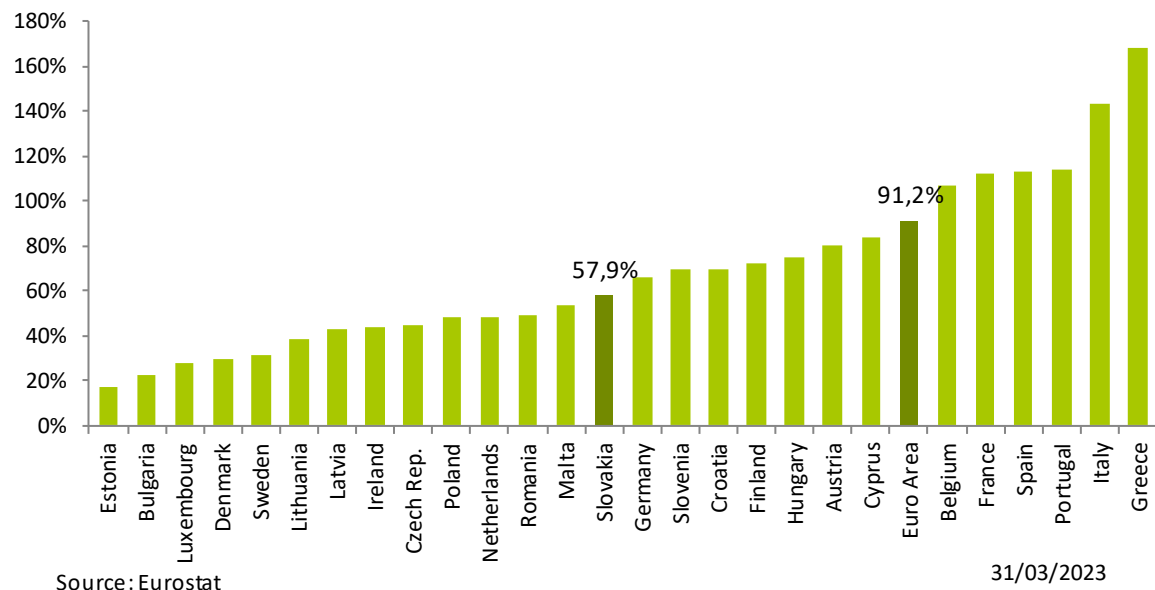


Public debt and govt. balance



- Slovak economy growth outperforms EU average in long term
- GDP growth lower due to inflation and monetary policy effects aligned with average of EU
- **Lower government indebtedness** vs. EU average despite increase in 2020
- Household consumption is main component in long term GDP growth
- Slovakia overall in a **good shape**

Government debt to GDP

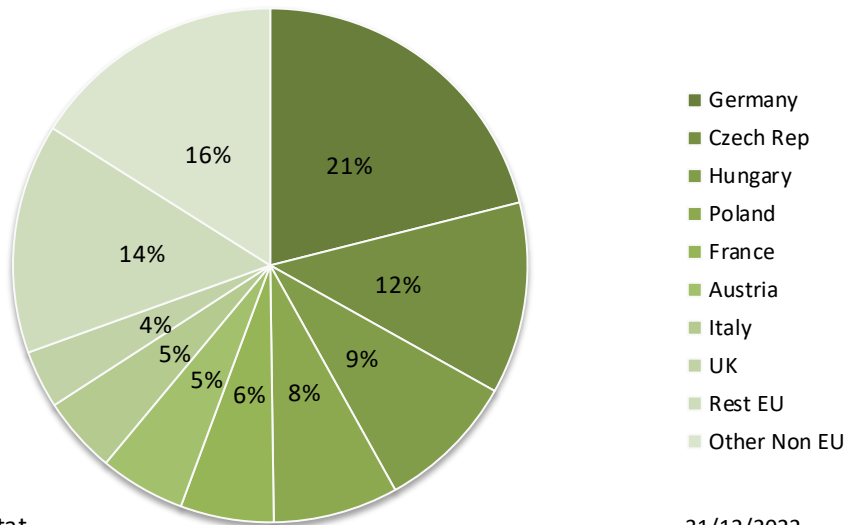


31/03/2023

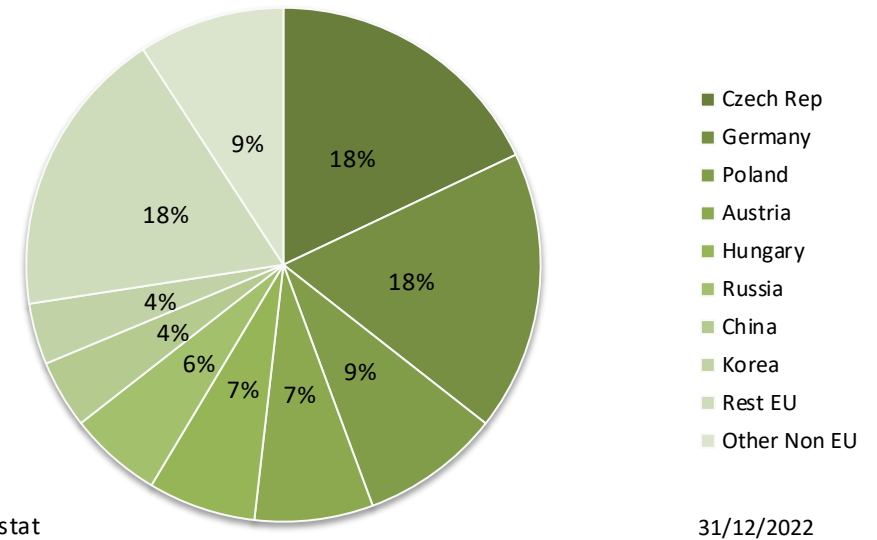
Slovak Republic

...export-oriented economy, Germany key trading partner

Slovak Export by Countries

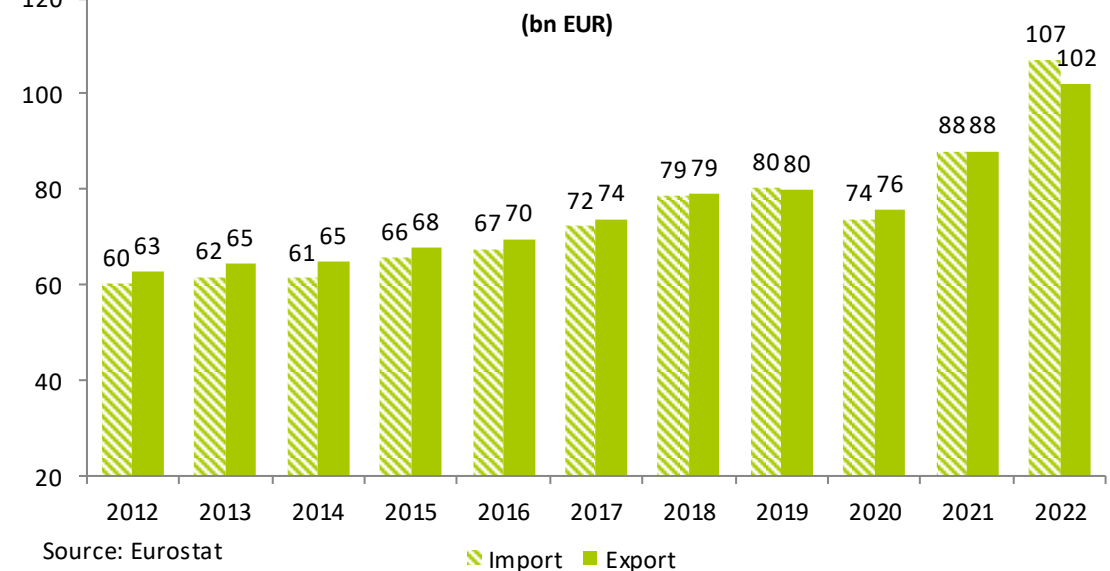


Slovak Import by Countries



- Slovakia is an open export-oriented economy
- 79% of exports go to EU, mainly Germany and V4 countries
- Structure of the Slovak economy is similar to the German one with a **strong emphasis on industry**, mainly **automotive**
- International trade slowdown in 2020 due to pandemic restrictions

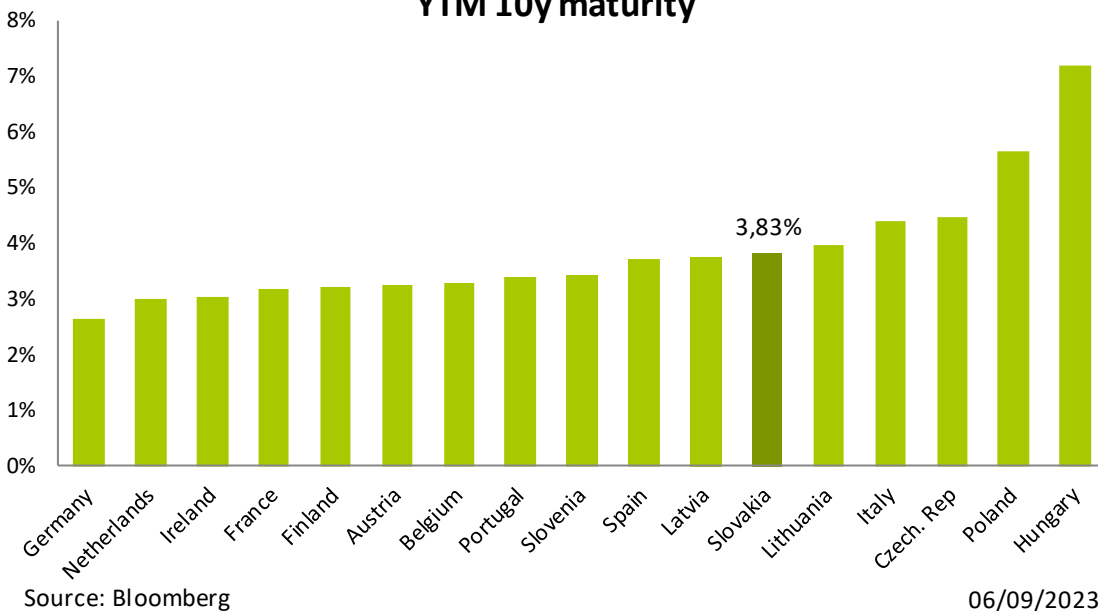
International Trade Balance



Slovak Republic

... increased inflation, government yields growing

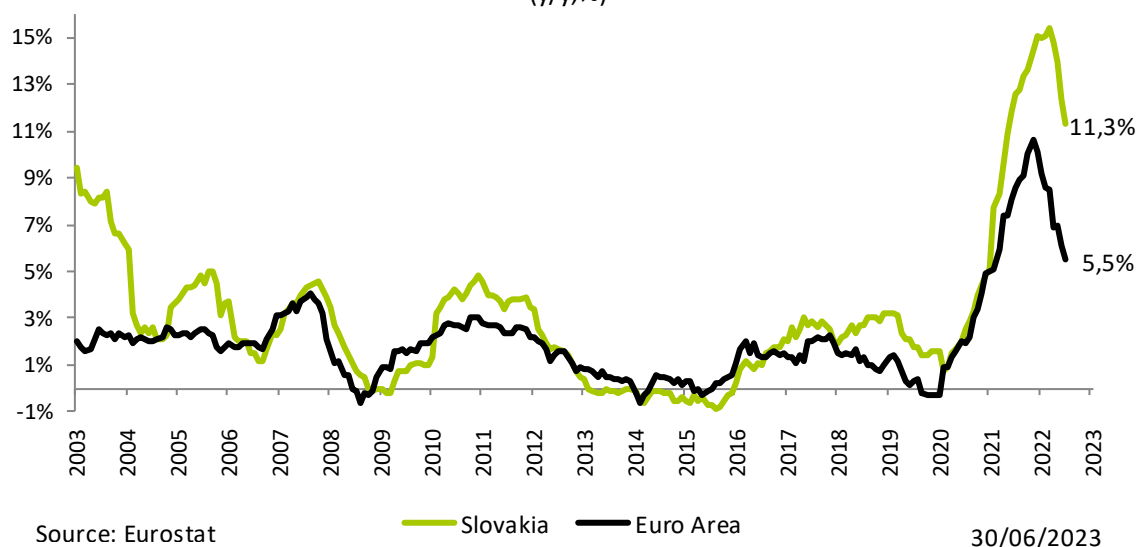
YTM 10y maturity



10Y Government bond yield



Inflation
(y/y,%)

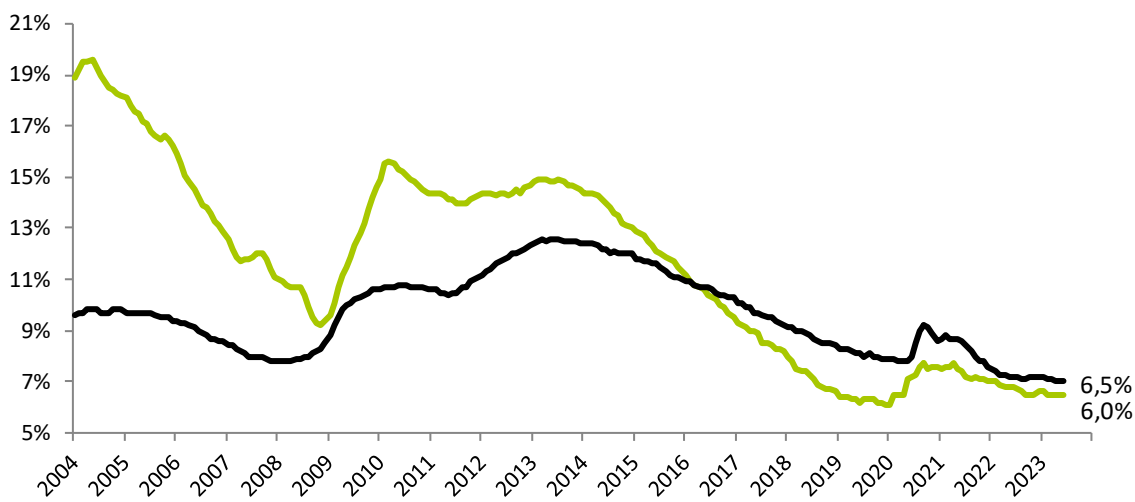


- Spreads of 10Y SVK bonds vs Bunds are widening
- 10Y government bonds **yield** reflecting monetary policy of ECB and end of asset purchase programs
- Inflation above 10% and higher than EU average
- Inflation already peaked and decreasing along EU average

Slovak Republic

...labour market improvement supports disposable income

Unemployment



Source: Eurostat

— Slovakia — Euro Area

30/06/2023

Disposable income

(y/y, nominal)

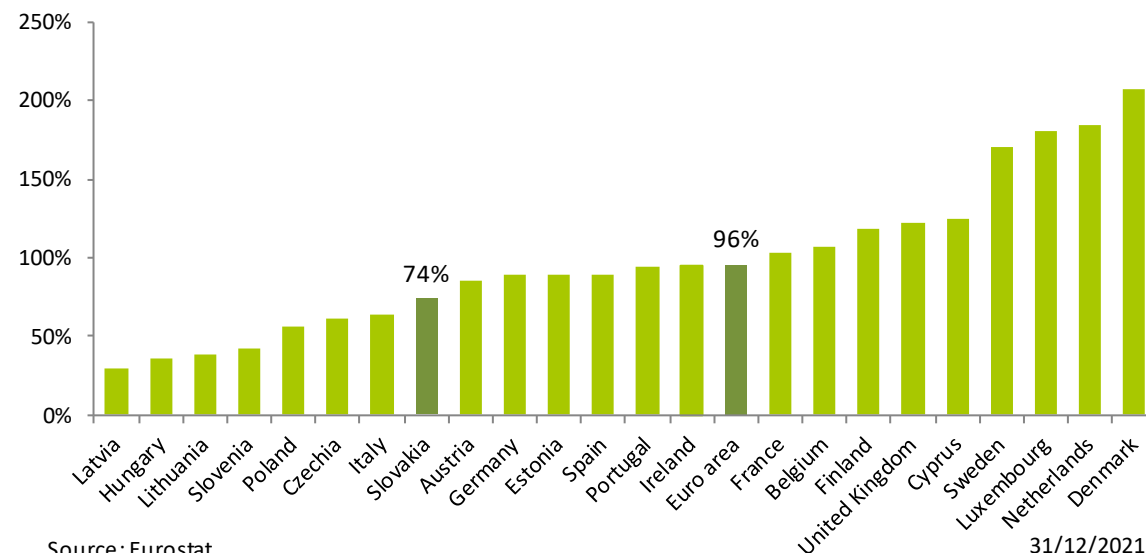


Source: NBS

— Slovakia

31/03/2023

Household Debt to Income



Source: Eurostat

31/12/2021

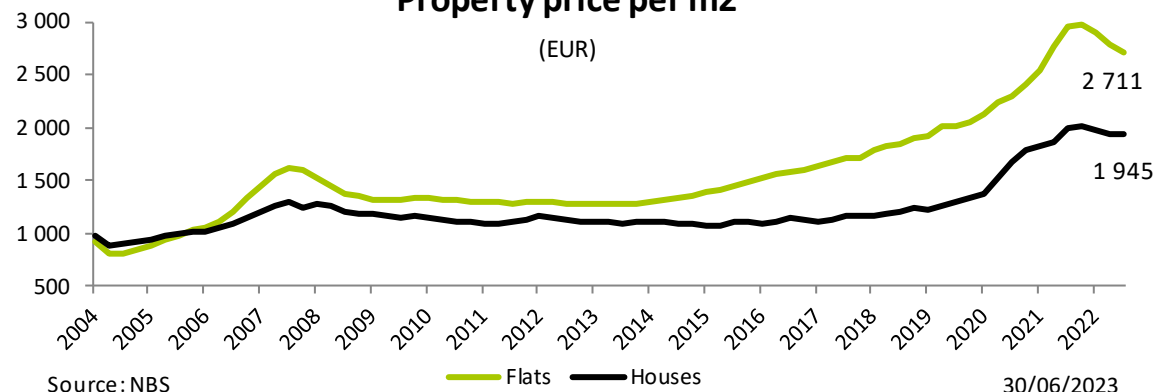
- **Unemployment rate below Euro area average**
- **Labor market strength** supports disposable income
- Unemployment recovered after pandemic and improving
- Despite fast growth of **Household Debt to Income**, Slovakia still **comfortably below Euro area average**

Slovak Republic

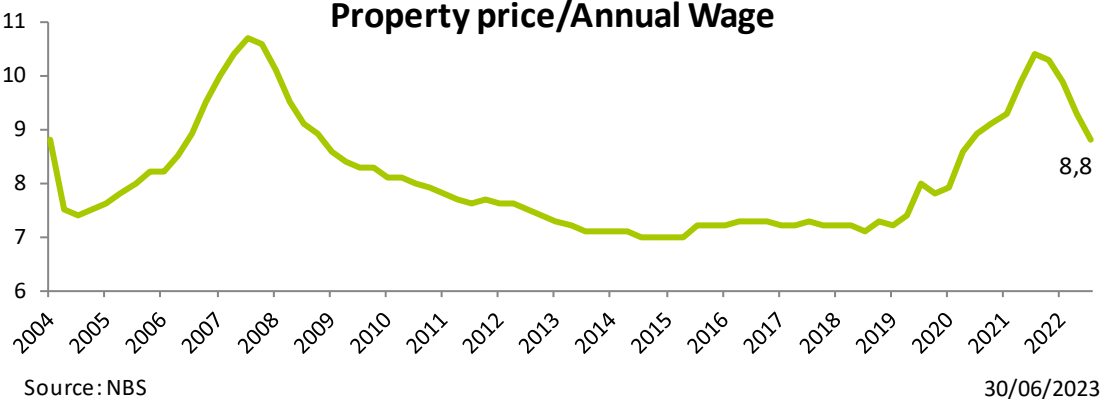
...housing price development reflects income growth and interest rates

Property price per m2

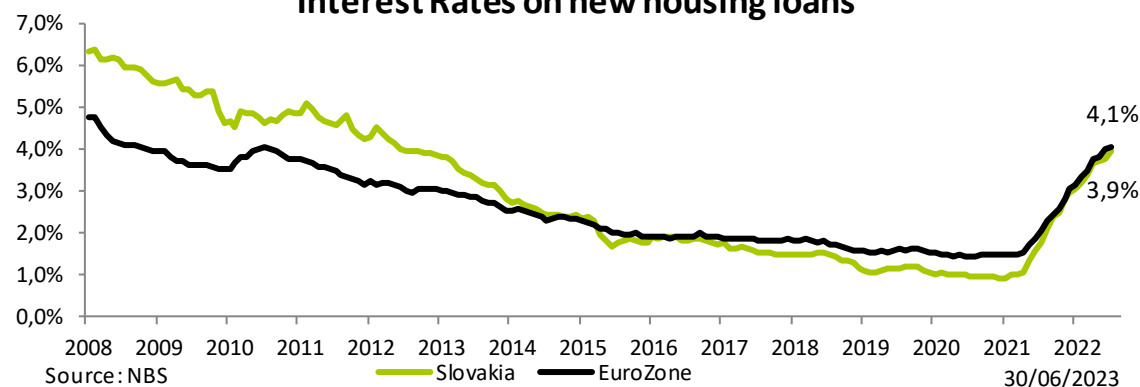
(EUR)



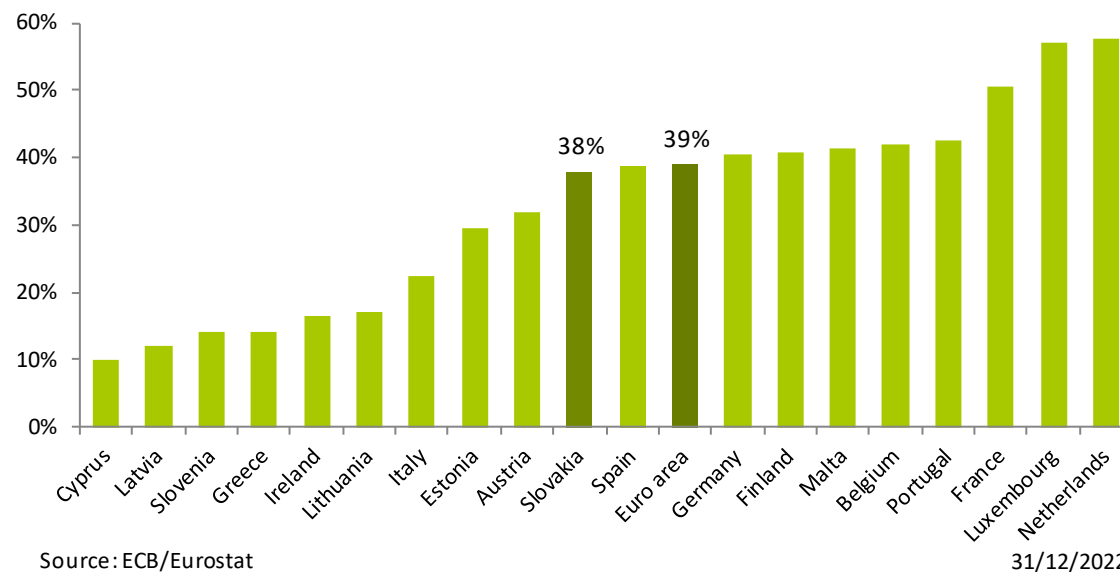
Property price/Annual Wage



Interest Rates on new housing loans



Housing Loans to GDP



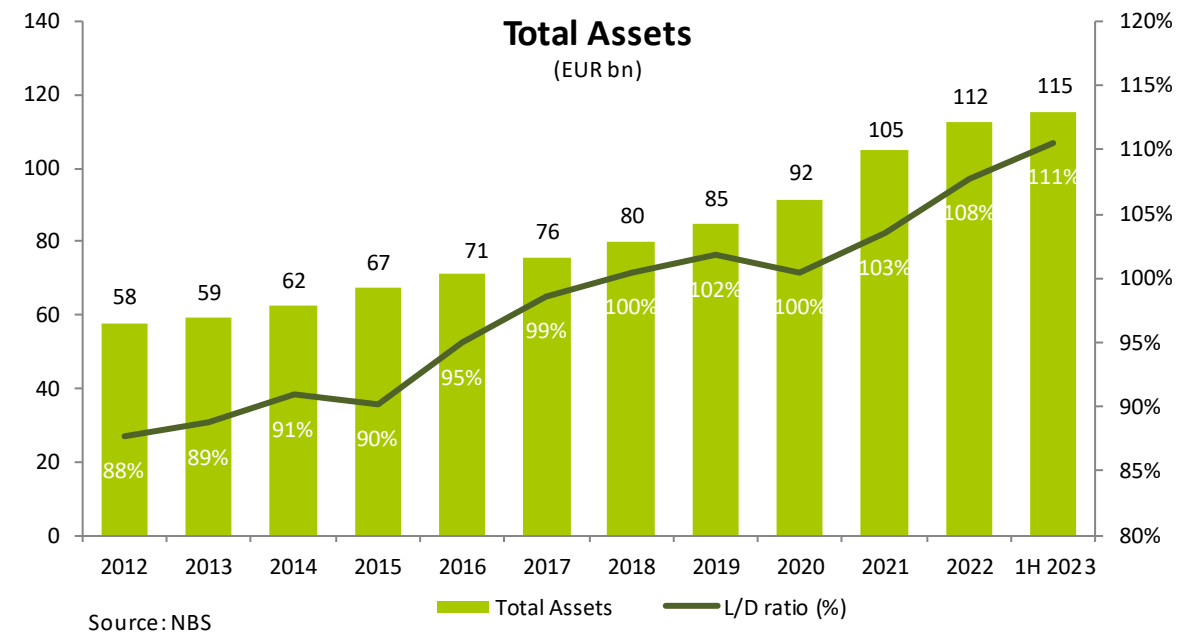
- **Employment and disposable income growth with low interest rates** have driven property prices up with minor adjustment in 2022 due to increased interest rates in last year.
- **Affordability improving** again with **decreasing property prices** and **increasing annual wages**
- Despite strong growth in past years, **housing loans to GDP remain below Euro area average**
- **High level of home ownership (90%)**

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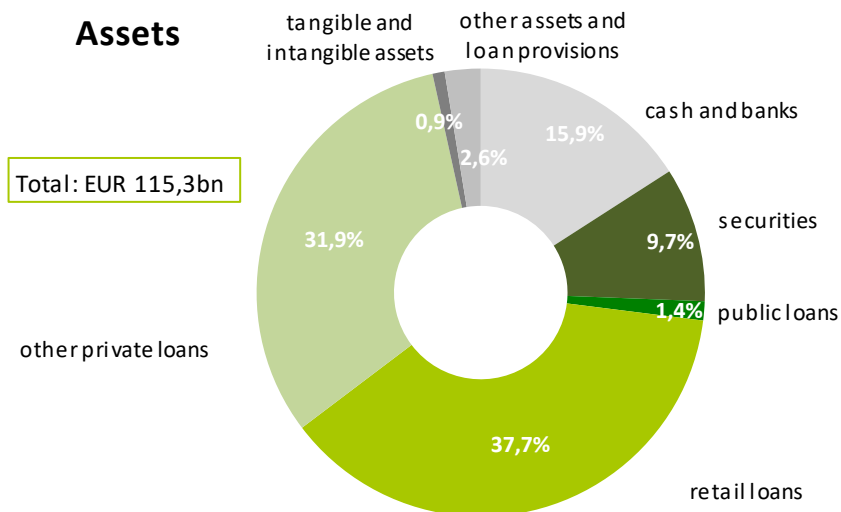
Slovak Banking Market

... stable, well capitalized and profitable banking sector

- **Funding** of Slovak banks dominated by retail and corporate deposits
- L/D ratio still at comfortable level
- Banks looking for other funding sources
- Repayment of TLTRO + potential for covered bonds as only 9% of bank funding are bonds
- **Housing loans growth slow down**, increase in consumer loans and stable corporate loans
- Almost solely **Euro denominated loans**



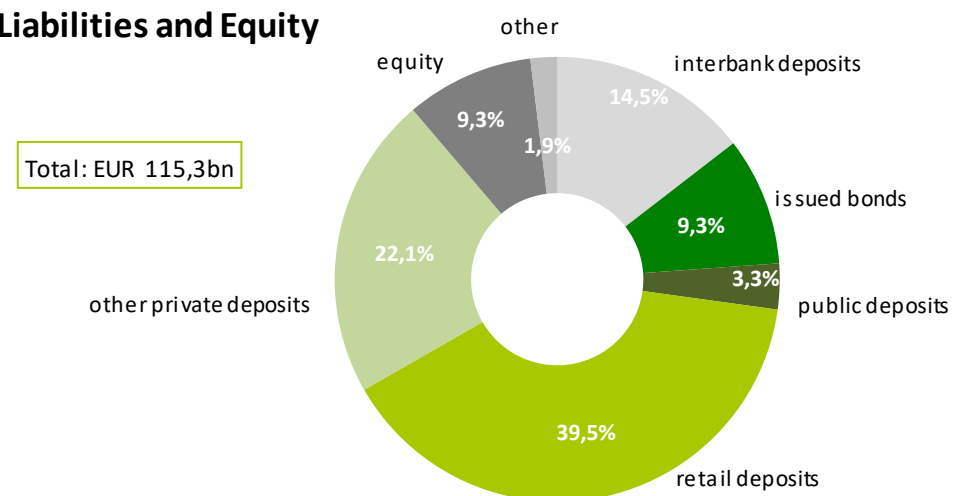
Assets



Source: NBS

30/06/2023

Liabilities and Equity



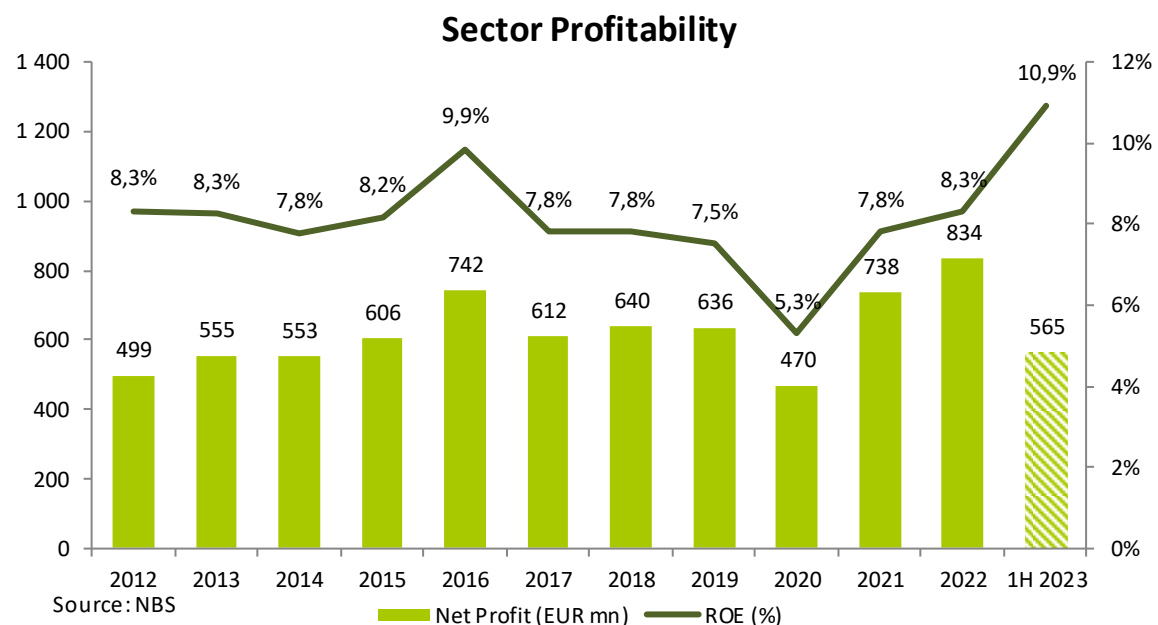
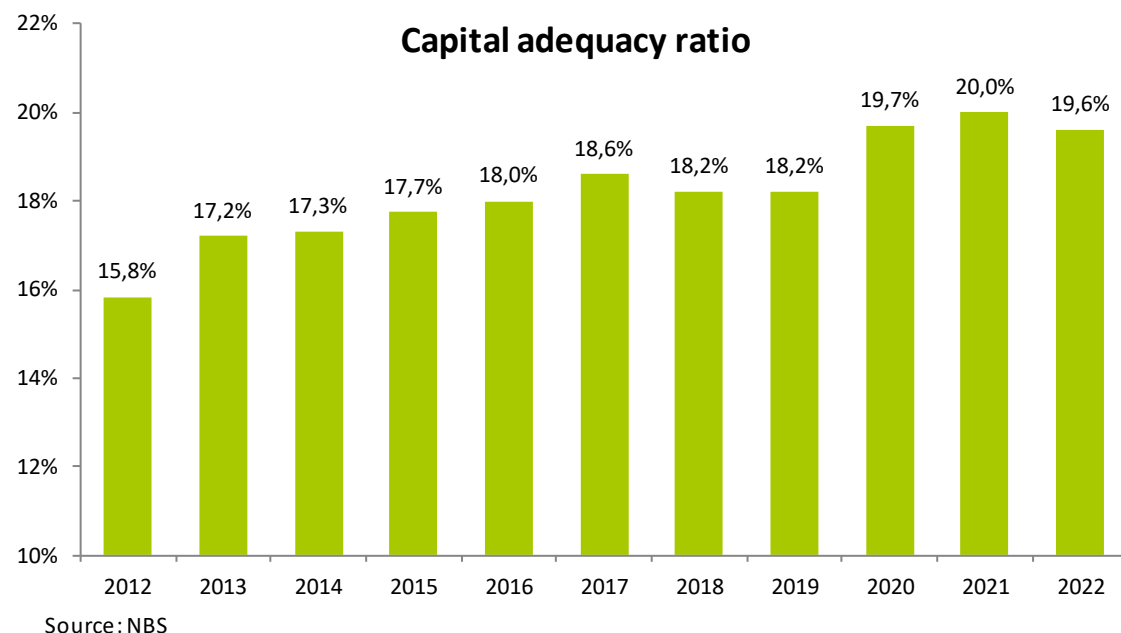
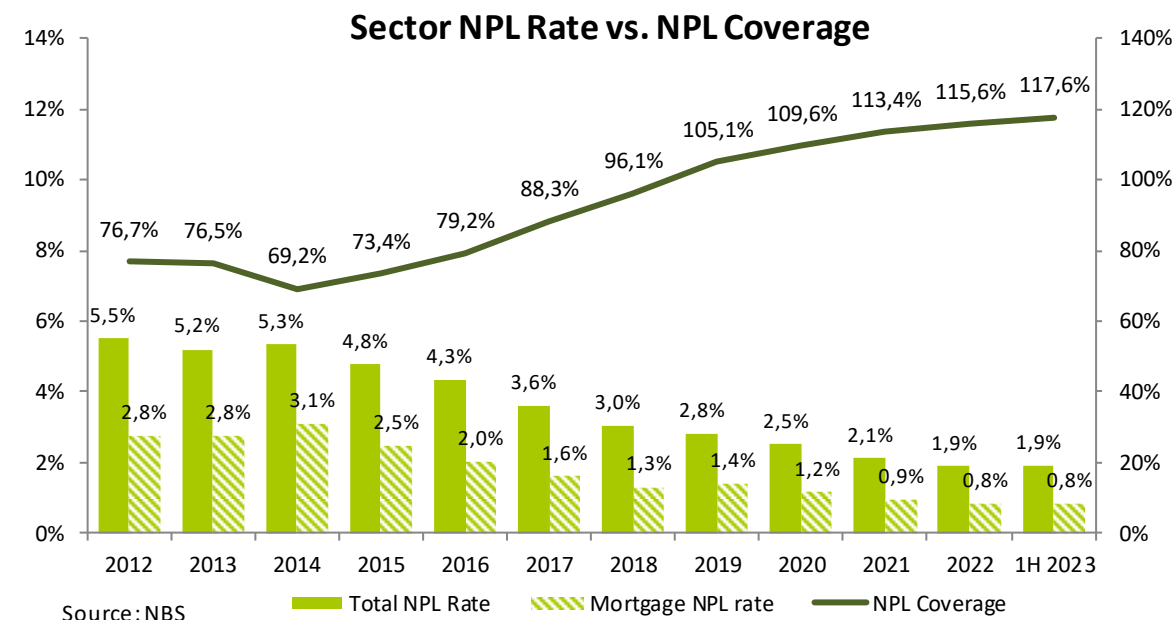
Source: NBS

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Slovak Banking Market

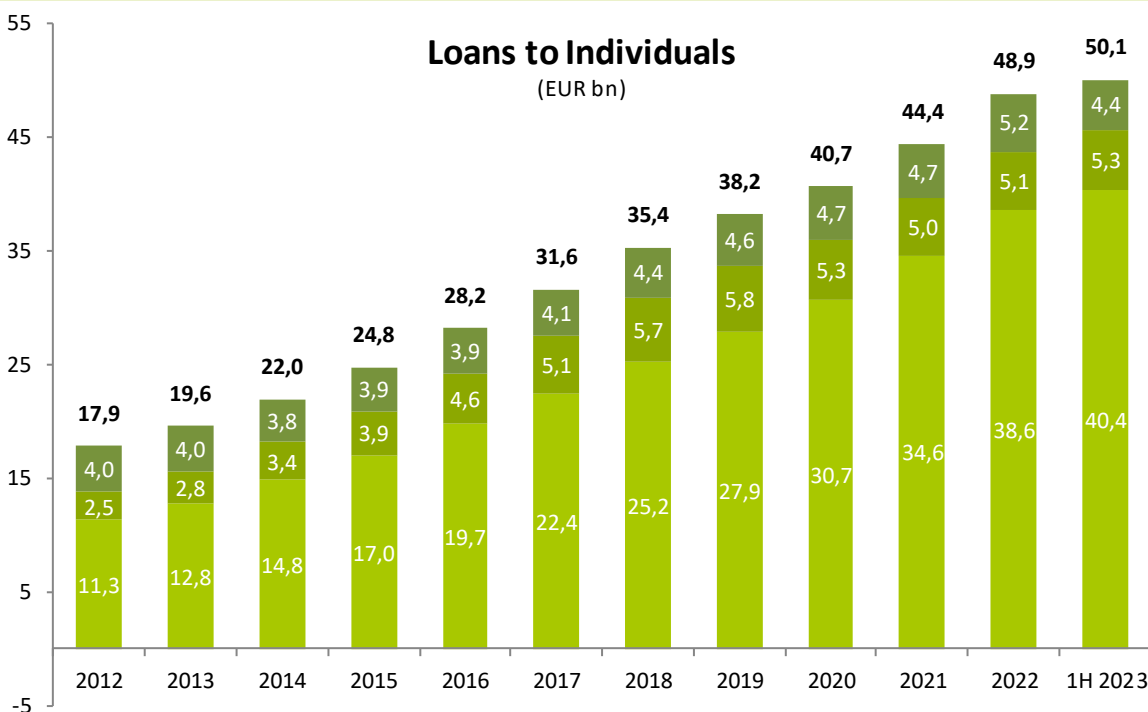
... stable, well capitalized and profitable banking sector

- Healthy economy supports **low and improving NPL levels** for both households and corporates
- **NPL ratio for housing loans well below average**
- Growing overall **NPL Coverage**
- **Capital** well above regulatory requirements
- **Solid profitability** increasing due to higher Net Interest Income
- **Bank levy** abolished as of 2021



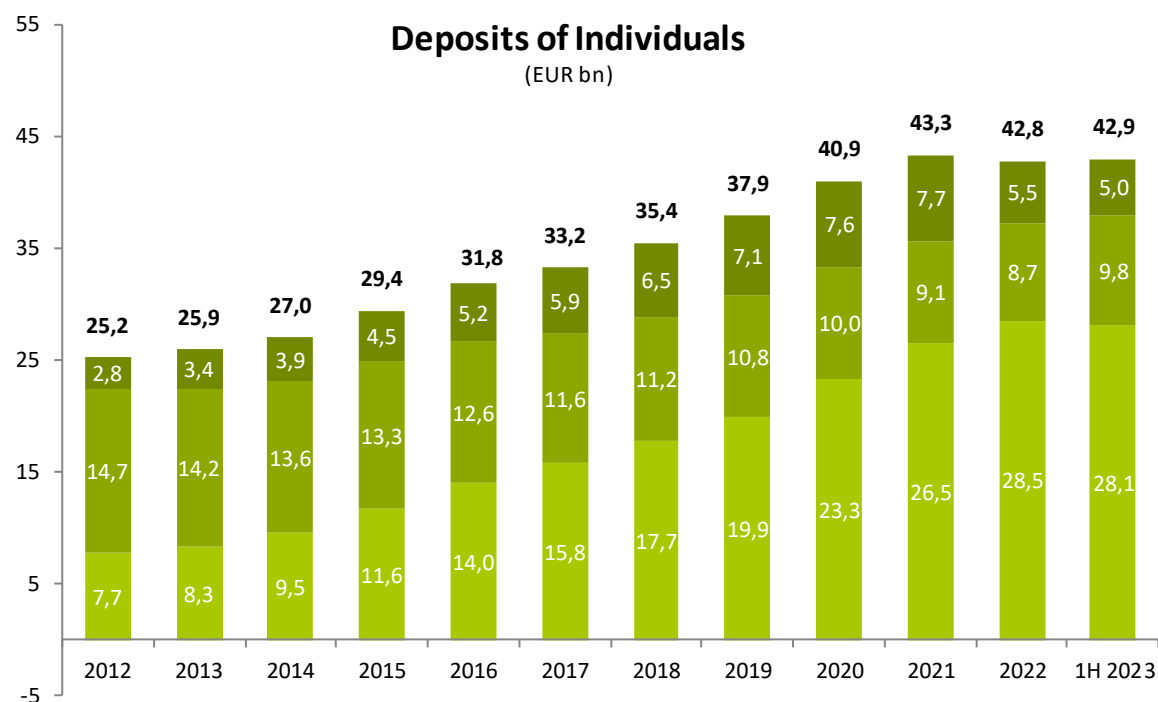
Slovak Banking Market

... lending to individuals funded by customer deposits



Source: NBS

■ Housing Loans ■ Consumer Loans ■ Other



Source: NBS

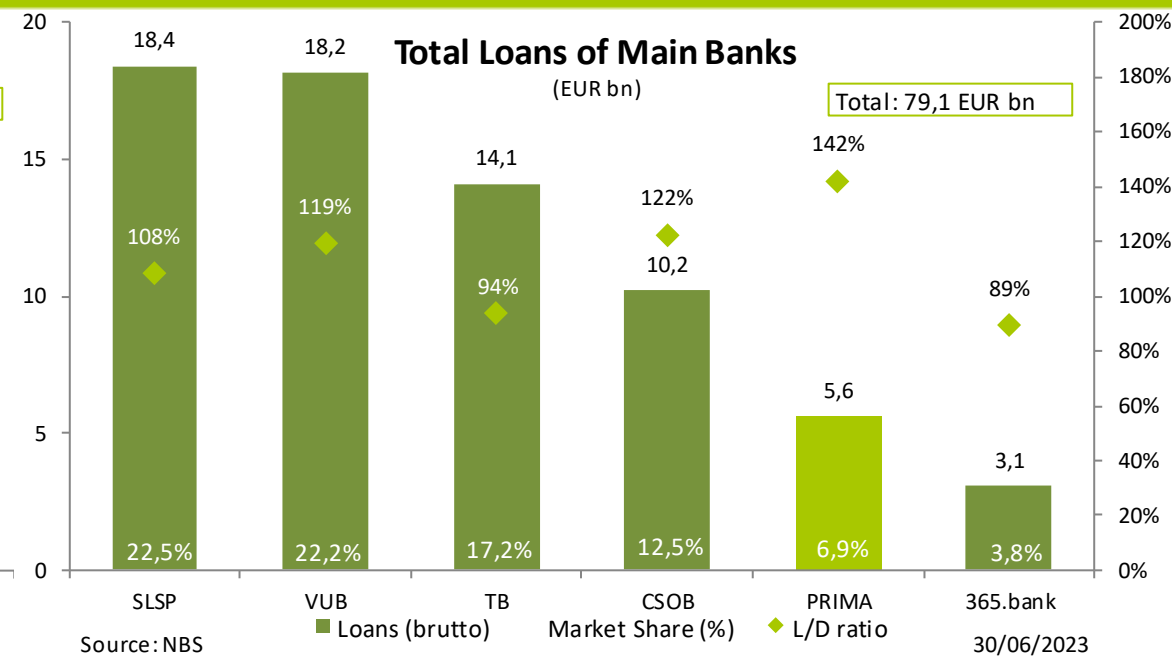
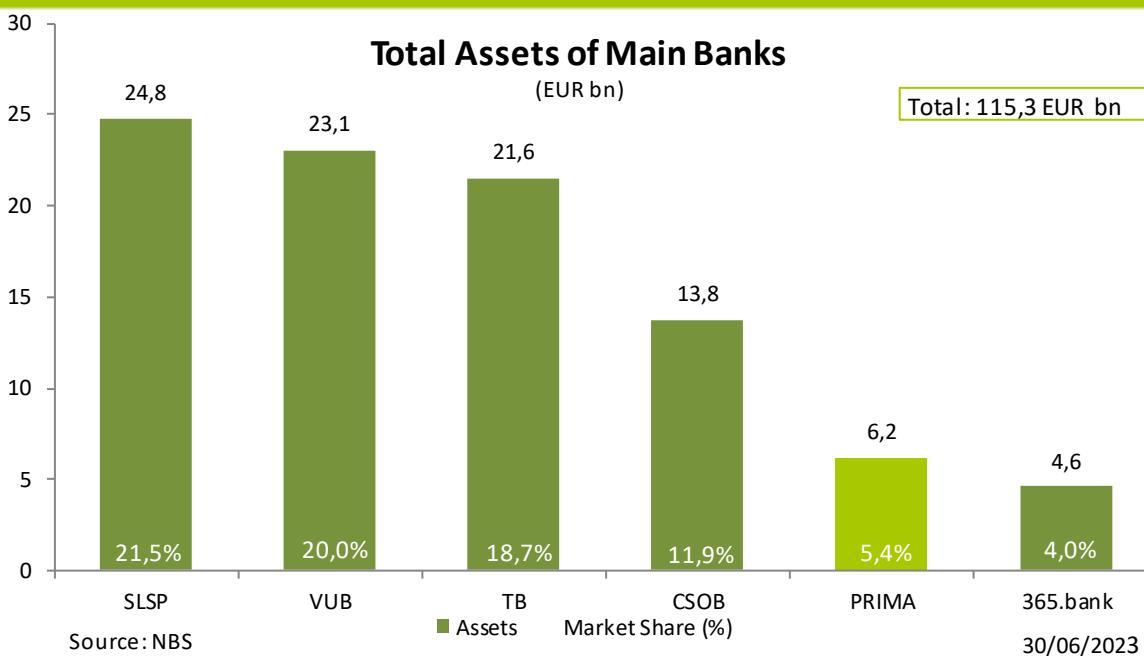
■ Current Accounts ■ Term Deposits ■ Other

- **Very strong lending growth in 2022, slow down during 2023**
- **Housing loans** annual growth **9%**, now declining
- **Consumer loans** increased by **5%** after several years of decline
- **Strict regulation still in place** (DTI, DSTI, LTV restrictions, rate cap etc.)

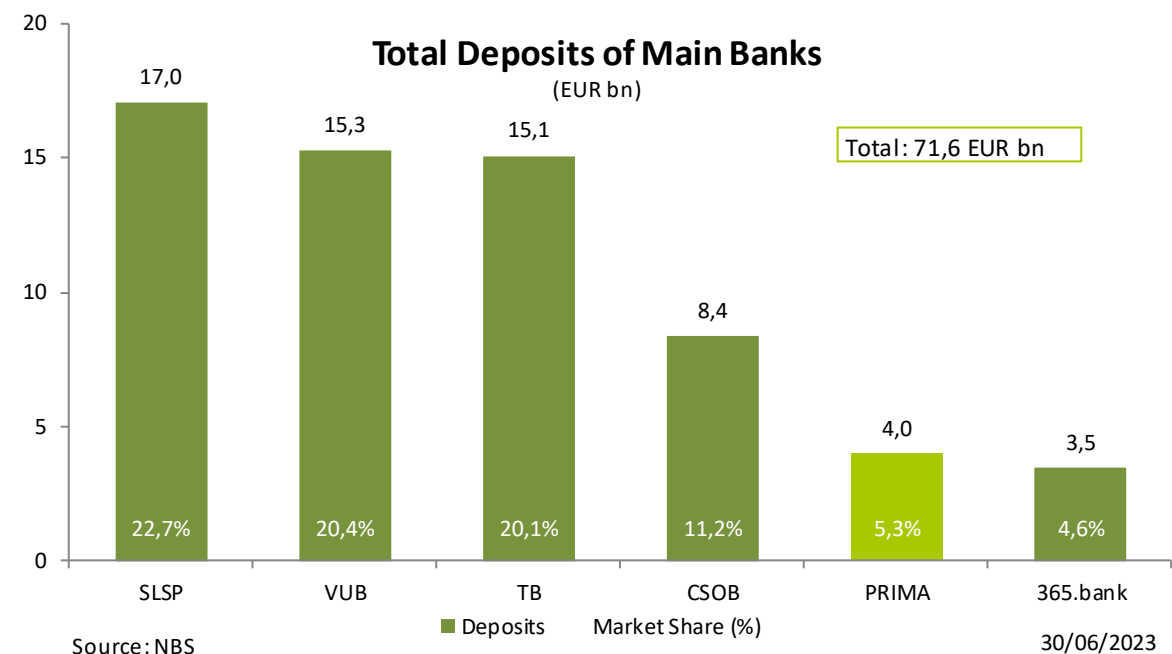
- **Slowdown of deposit growth**, YoY decline due driven mainly by inflation
- Retail **loans above** retail **deposits** since 2021
- Consistently **strong retail self-funding** ability
- With higher interest rates deposit transition from CA to Term deposits step by step

Slovak Banking Market

... key players, mainly international groups & former state-owned banks



- 25 banks in total in the banking market
- Sector dominated by subsidiaries of **international banking groups** (SLSP - Erste, VUB - Intesa SanPaolo, TB - Raiffeisen, ČSOB - KBC)
- SLSP, VUB and CSOB operated as state owned banks before 1989, privatized in 1999-2001
- TB established in 1990 as first private bank and quickly grew
- **Prima banka consistently gaining share over the last few years, mainly in retail**

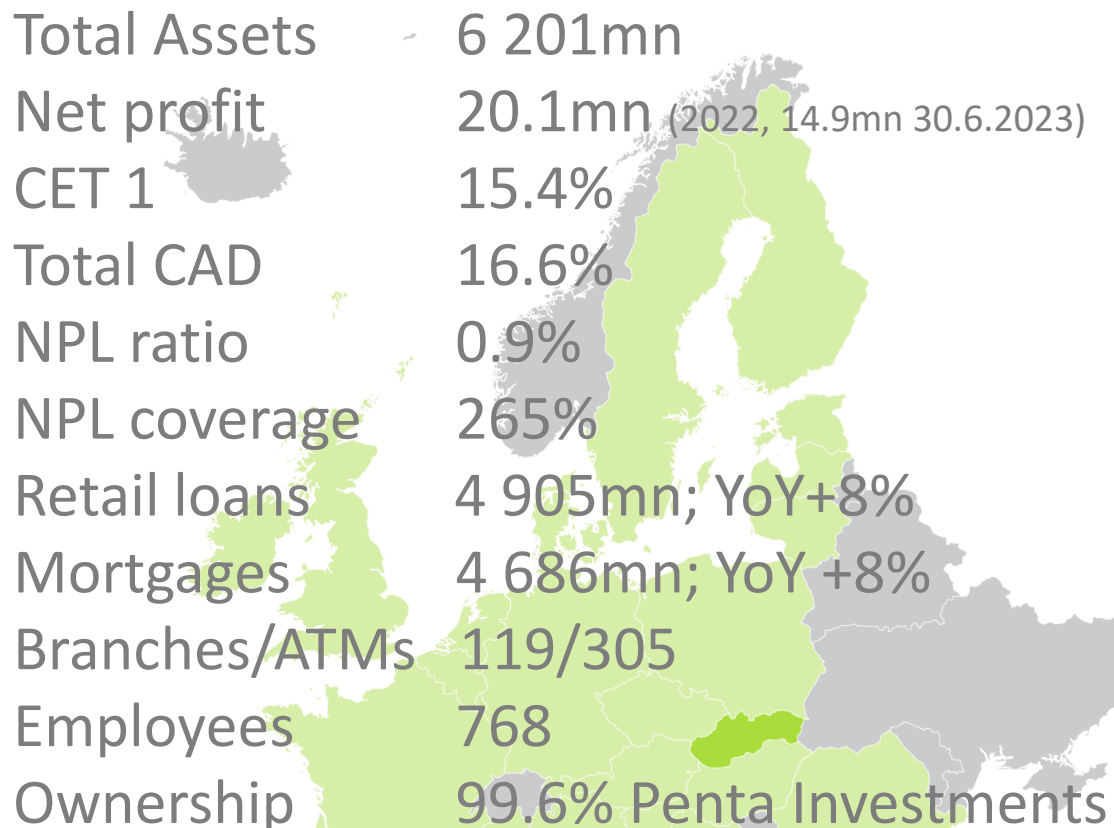


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- #1 Customer Satisfaction
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- #5 Spontaneous Brand Awareness



Long-Term Plan & Strategy

...clear direction, consistency, execution, grow value

Long-Term Plan & Strategy

...clear direction, succeed through consistency & execution



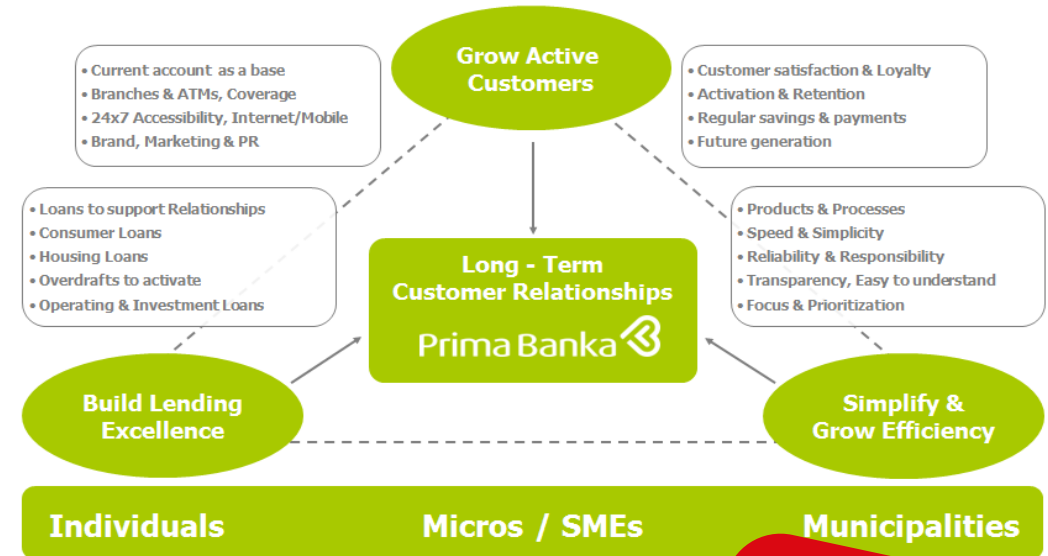
Build strong **retail-focused** bank,
with **sustainable business model**
& distinctive **competitive strength**
that transform step by step into
improved market position
and financials.



- **Consistent execution of a long-term strategy** is driven by **simplicity, transparency** and attractiveness of the products and services as well as the swiftness and simplicity of related processes
- Accessibility through **country-wide branch and ATM network**, together with strong **online channels to support** successful growth

Strategy

...grow value, core pillars to drive everything we do



- **Core client base:** individual clients, self-employed, small and medium enterprises and municipalities (2000+ out of 2900)
- **Prima banka significantly strengthened its position since 2012** mainly in retail banking, in which it is **the fastest growing bank over the period**

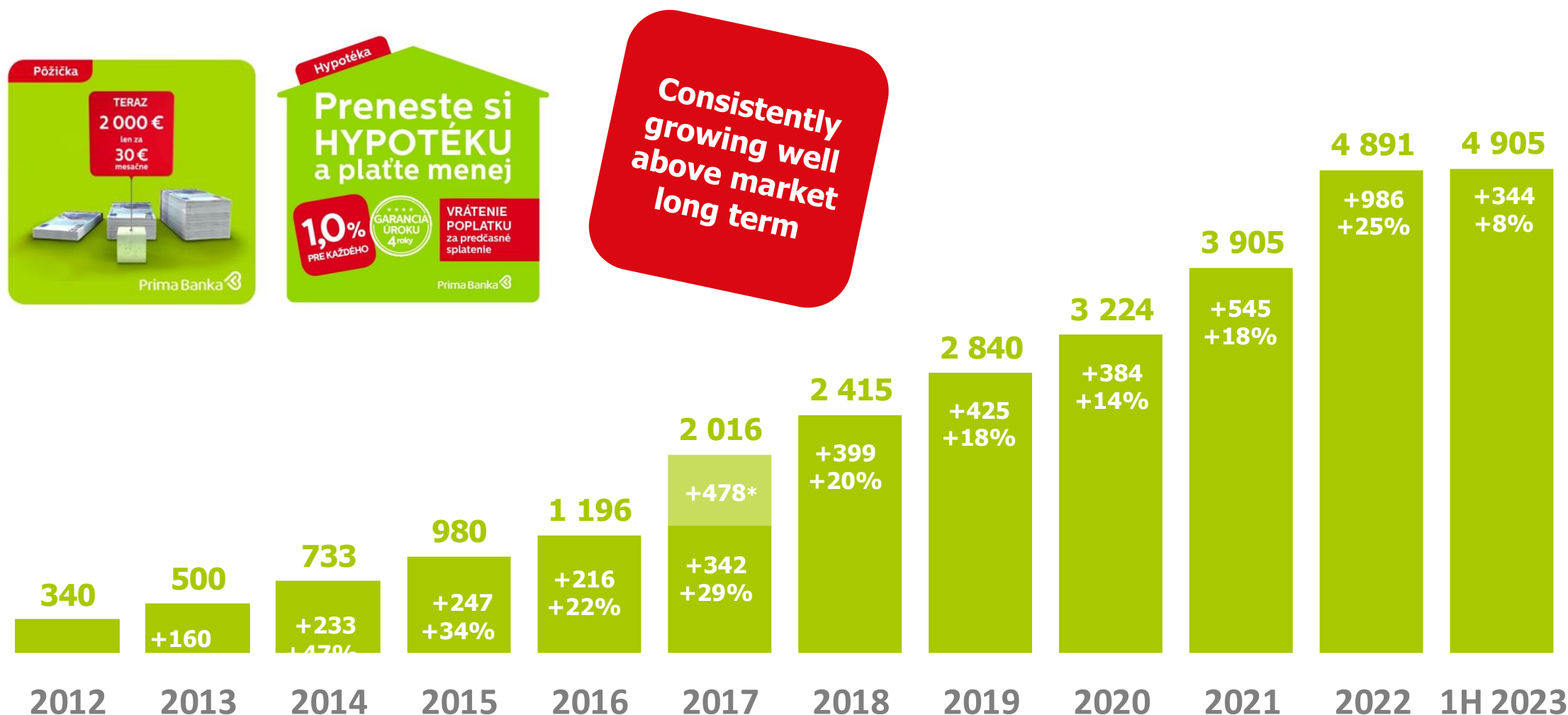
Main Values:

- **Speed and Simplicity**
- **Transparency**
- **Expertise and Credibility**

Loans to Individuals – consistent strong growth

...mortgages, consumer loans, refinancing, speed, simplicity, quality









Prima Banka 



Fastest growing retail bank

Main Bank Customers...

...shares rather stable, Prima banka strengthening long-term

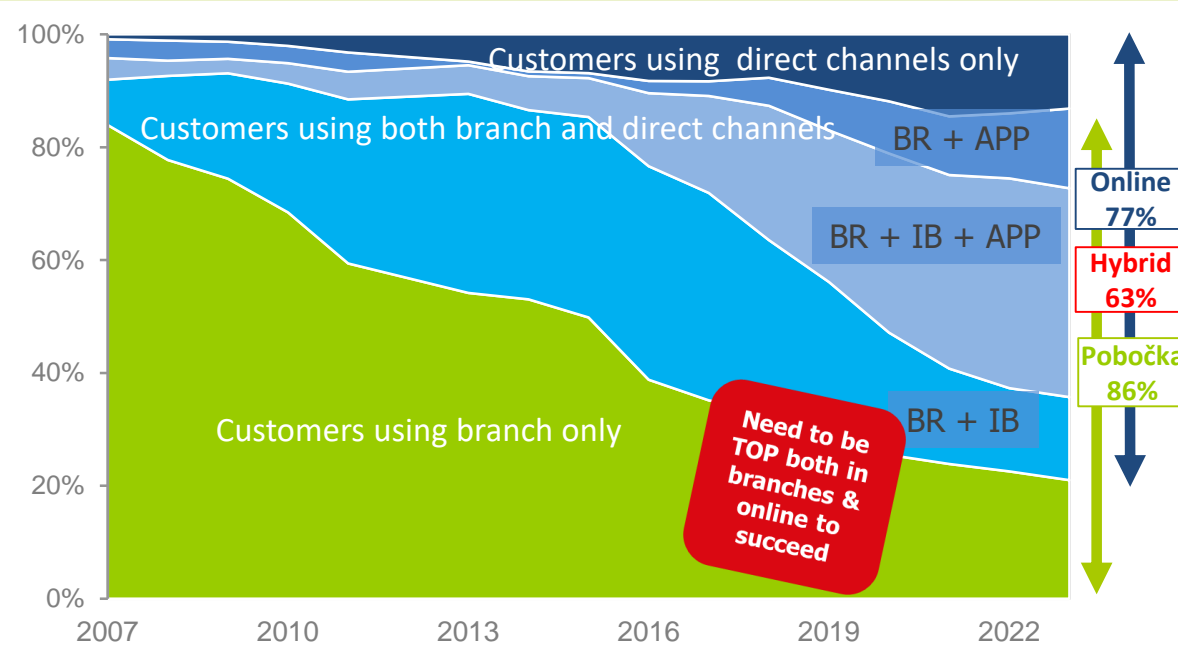
	Main Bank Share	Main Bank Clients ^(tsd)	Branches	ATMs
	28,5%	1 250	187	644
	16,7%	730	119	496
	12,6%	550	68	270
	10,9%	480	60	187
	8,2%	360	95	397
	6,7%	295	119	300
	4,7%	210	46	139
	3,0%	130	57	222
Total	91,3%	4 005	751	2 655

295 tsd. customers consider Prima banka their main bank

- Population age 15-79 **4,4 mil.** in total, **96% use banks**
- Banks **closing branches** to reduce costs, mainly the bigger ones
- **Prima banka** with an overall **more efficient branch operating model**
- **Prima banka strengthening long-term**, branch coverage definitely a factor

Branch network & Online channels...

...building a strong competitive advantage



119 branches & 300 ATMs



TOP 3 – network size & district coverage

- Branches still critical for customer acquisition, growing role of direct channels, mainly mobile
- Customers using **both branches & online channels** being the biggest customer group
- Prima banka with 3rd largest retail branch and ATM network + the only bank with branches in each of the 79 Slovak districts
- Strong branch & ATM expansion since 2012
- One of the Mobile banking application leaders



Mobile Application Penetration

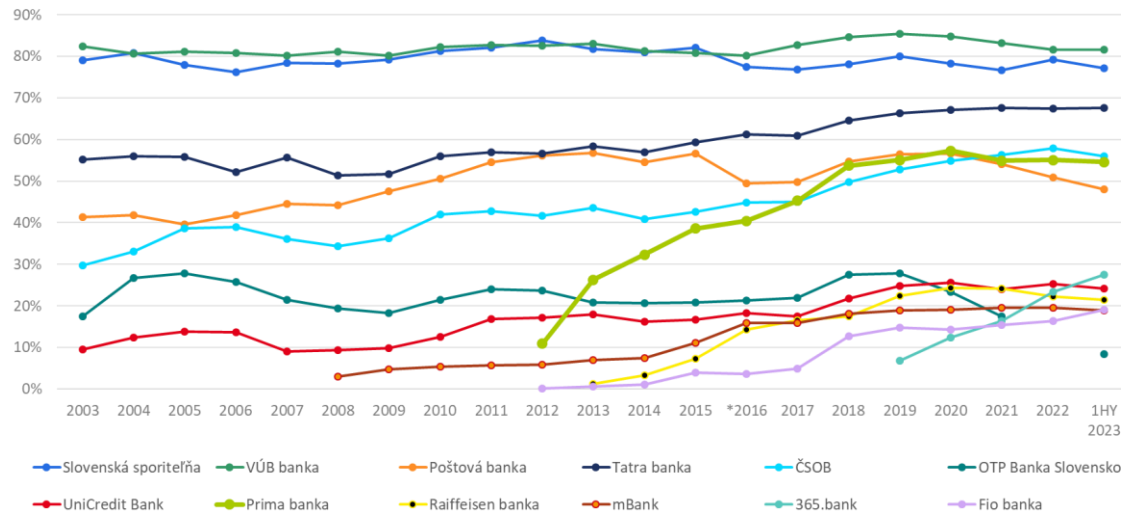
(within own customer base)*

Prima banka	74%
Tatra banka	74%
ČSOB	69%
SLSP	57%
VUB	54%
365.bank	48%

Brand awareness & Customer satisfaction

...building a strong competitive advantage

SPONTANEOUS BRAND AWARENESS - TOTAL



Customer Satisfaction*

1.	Prima banka	89%
2.	Tatra banka	86%
3.	Unicredit	85%
4.	ČSOB	84%
5.	SLSP	83%
6.	365.bank	82%
7.	VUB	80%

Long-Term
strong
Customer
satisfaction

*Overall satisfaction with products and services, share of very satisfied and rather satisfied

- **Need to be known to be considered**
- **Strongest brand awareness growth**
- Not far behind the TOP 3 banks, **ahead** of a number of longer established bank **brands**
- Consistently among **TOP 2** in **Communication awareness**

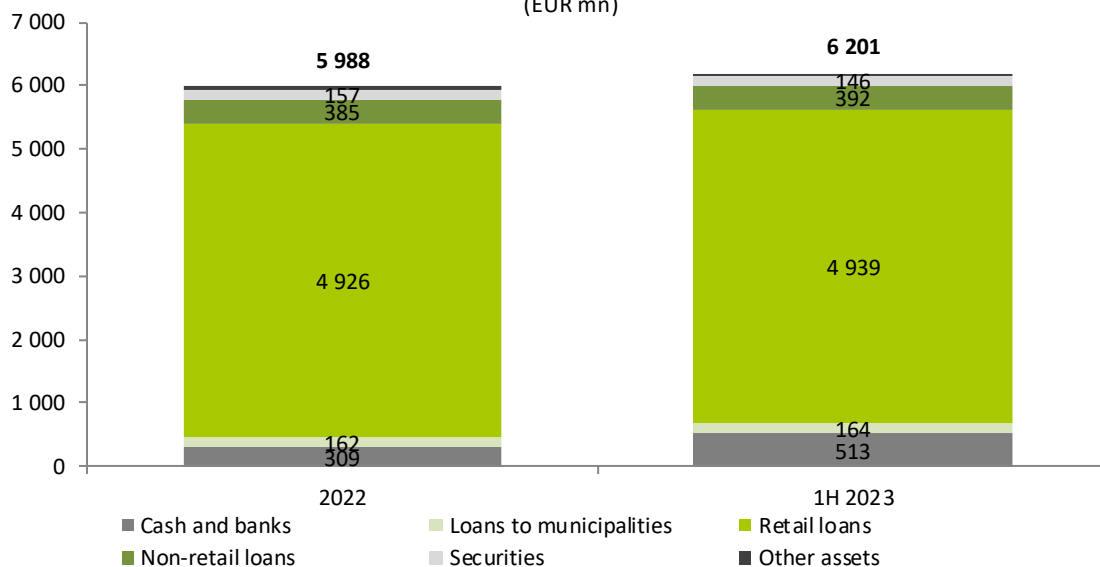
- **Positive referrals** supporting new customer acquisition
- **Consistently high** customer **satisfaction** and **loyalty**
- **Strong customer focus** of the whole organization a strategic priority to drive further growth
- **Fairness & transparency** a key part of the effort

Balance sheet structure

...Healthy and well balanced, consistently improving, growing retail share

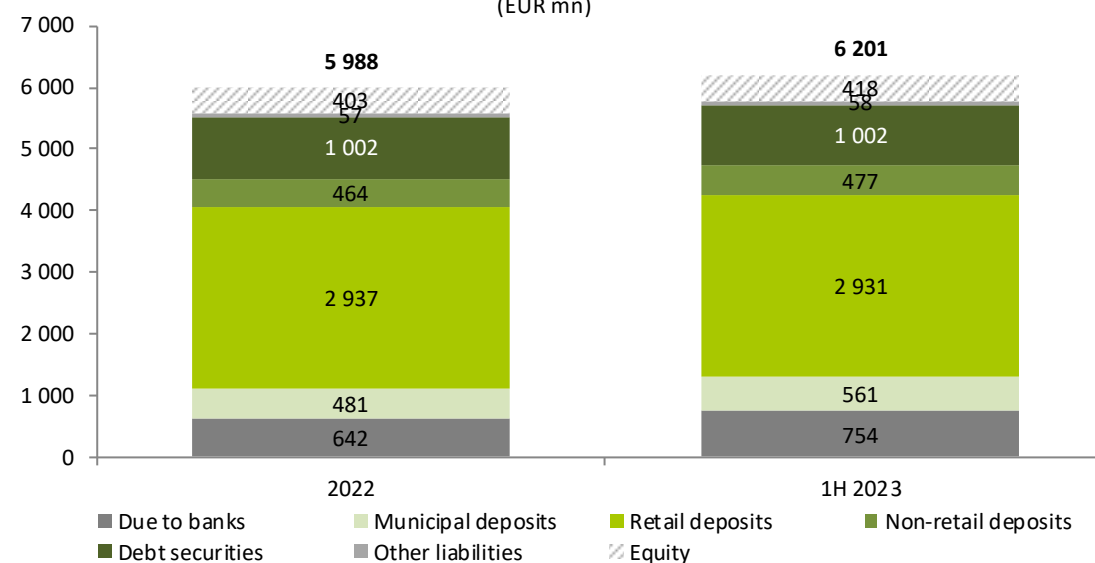
Assets structure

(EUR mn)



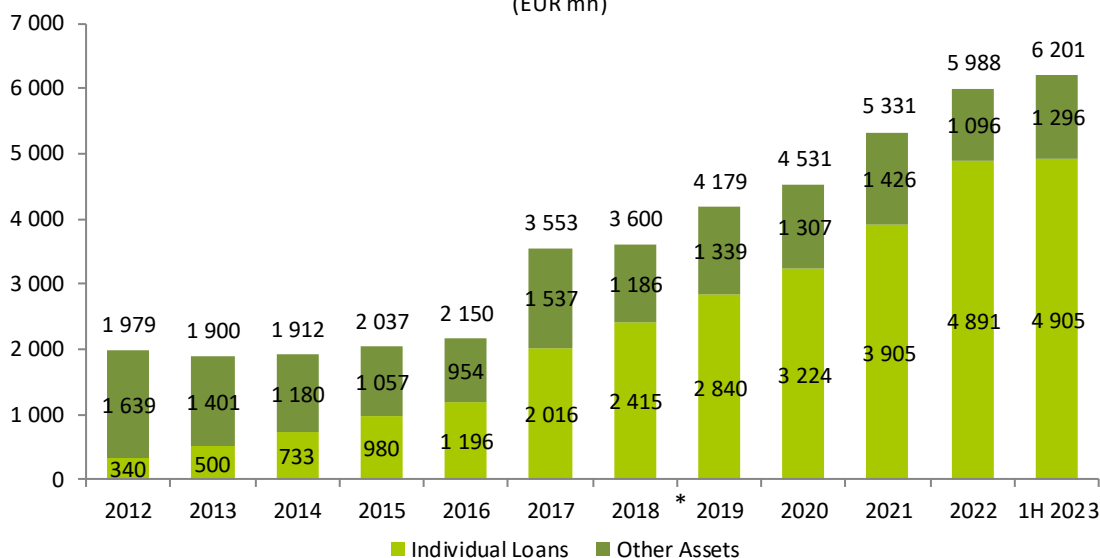
Liabilities structure

(EUR mn)



Total assets

(EUR mn)



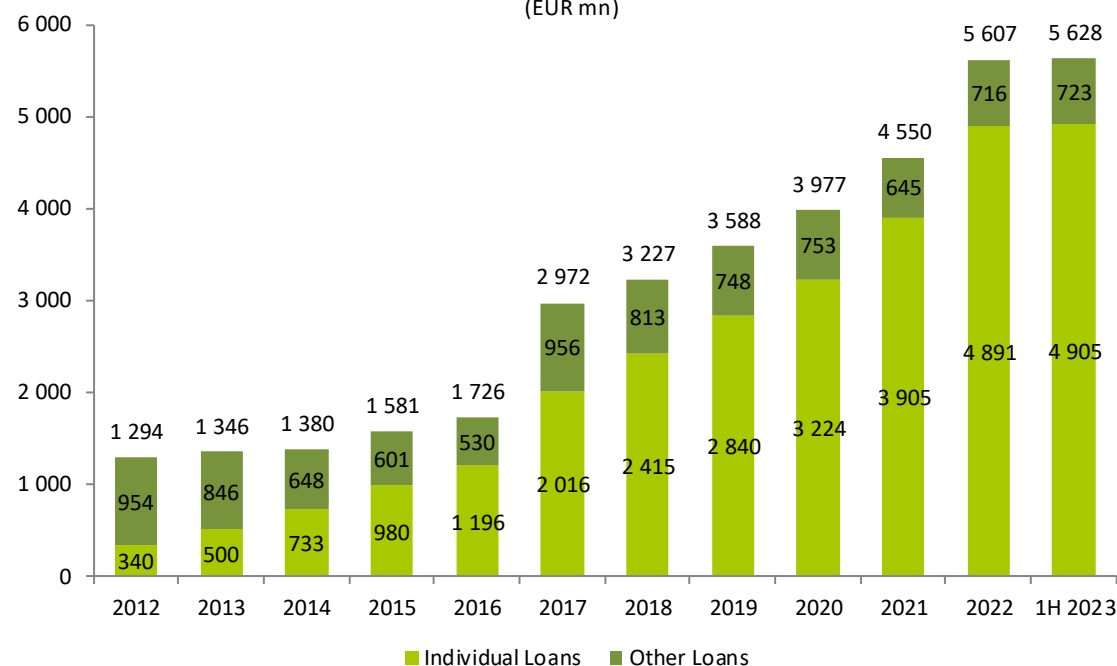
- Prima banka holds market share of **6.9% in loans** and **5.3% in deposits**, higher share in retail
- **Diversified funding profile**, predominantly customer deposits (64% of liabilities)
- Over 73% of the deposits from retail, which is granular, stable and consistently growing
- Building a healthy and **long-term sustainable business and balance sheet structure**, focus on lower-risk assets
- Covered bonds funding (16 % of liabilities)

Organic growth supported by acquisition

...improving structure, growing share of retail

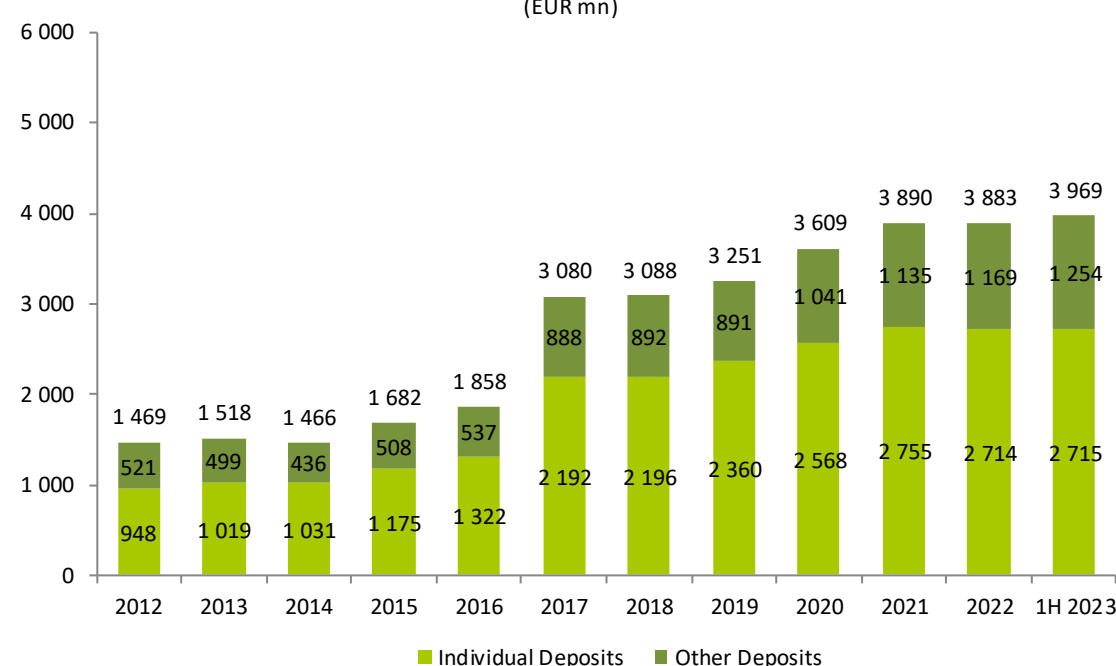
Gross customer loans

(EUR mn)



Customer deposits

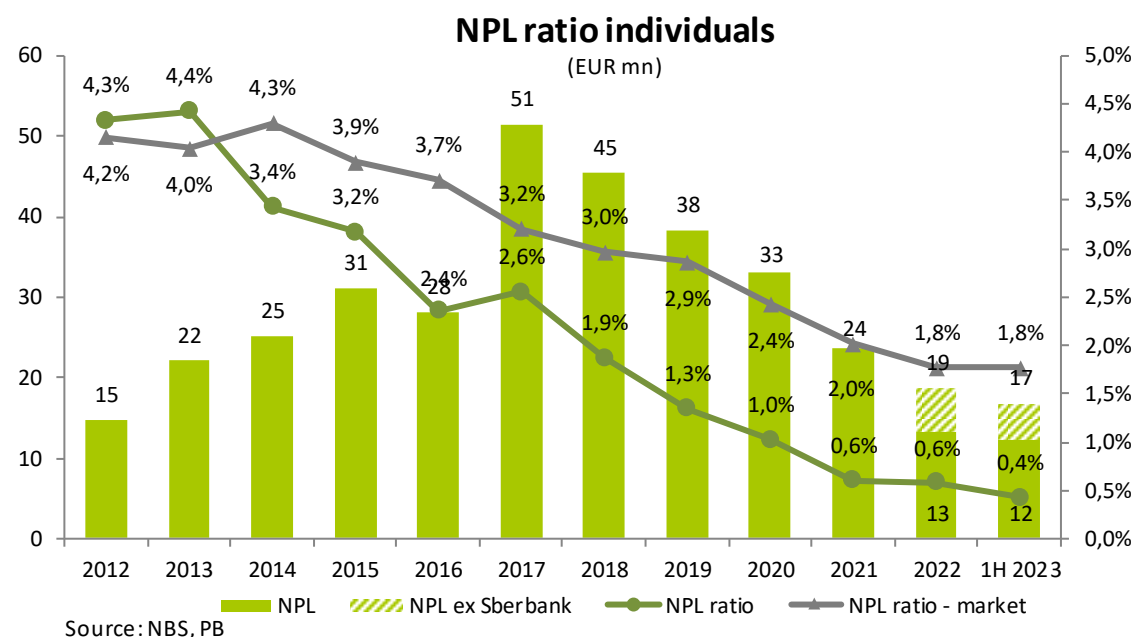
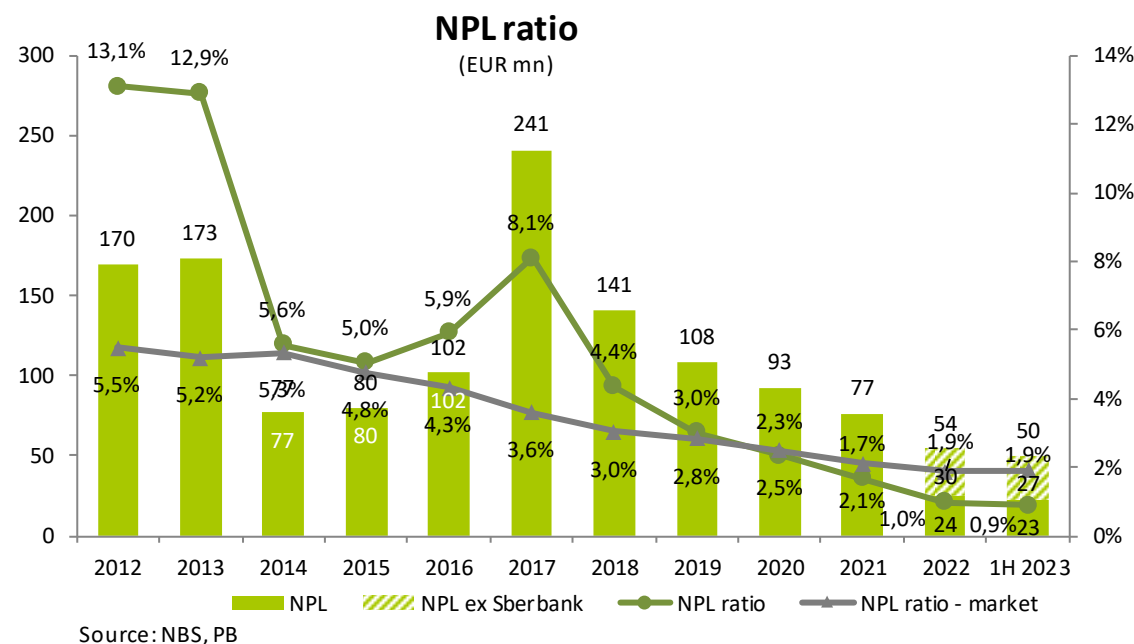
(EUR mn)



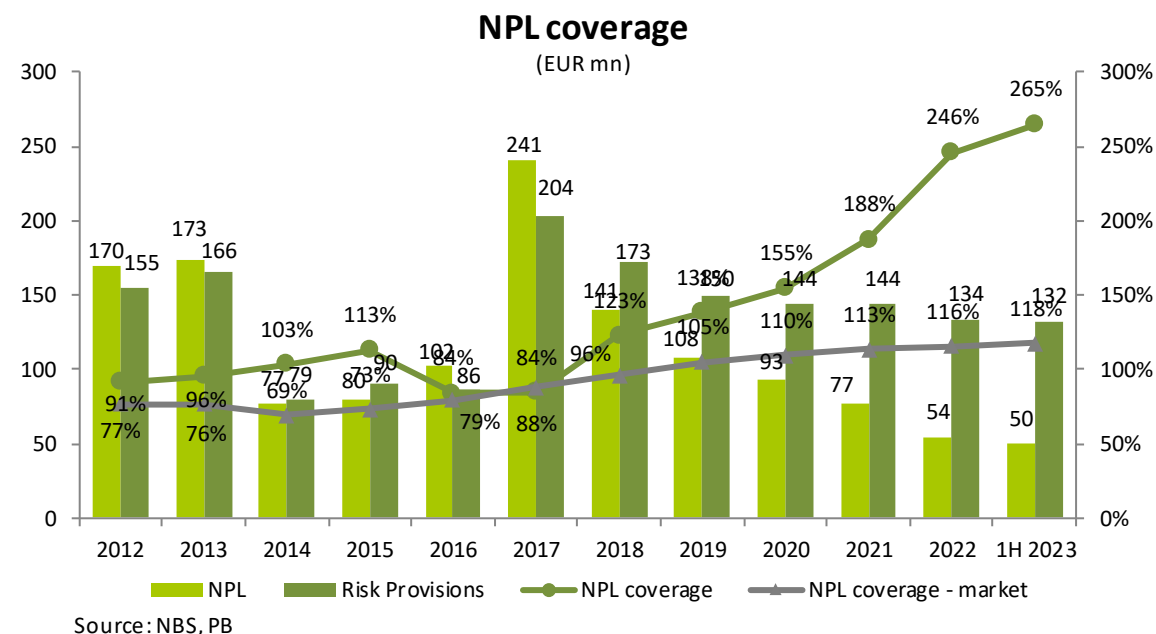
- Long-term **organic growth** with very strong year **2022** in housing loans
- **Growing share of retail lending**, focus on quality and lower risk to support long-term sustainability
- Mortgages the biggest share, contribute to **building long-term customer relationships**
- Other lower risk areas include e.g. municipalities or flat owners associations
- **Improving overall structure and mix** step by step
- **Building balances through main bank customer relationships and active banking**
- No interest in interest rate tourists inherited originally from Dexia and also Sberbank
- **Very good mix of current accounts and mid-term deposits**
- Growth supported also by Sberbank acquisition

Improving NPL ratio & strong coverage

... clean-up of inherited NPLs, business model generating low NPL levels



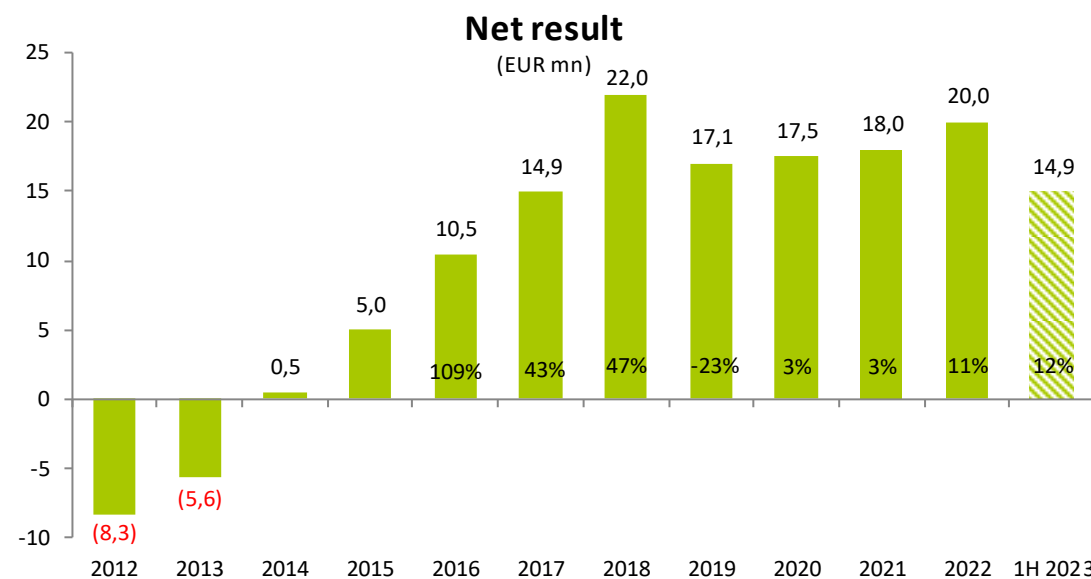
- NPL ratio below the market despite of high level of **inherited NPLs** from Sberbank and Dexia, mainly corporates
- **Retail NPL ratio** also significantly below market
- **NPL ratio** for the portfolio originated by Prima banka business model low and well below market levels
- Business model and lower risk lending generates **lower NPLs**, conservative approach to loss provisioning, focus on sustainability



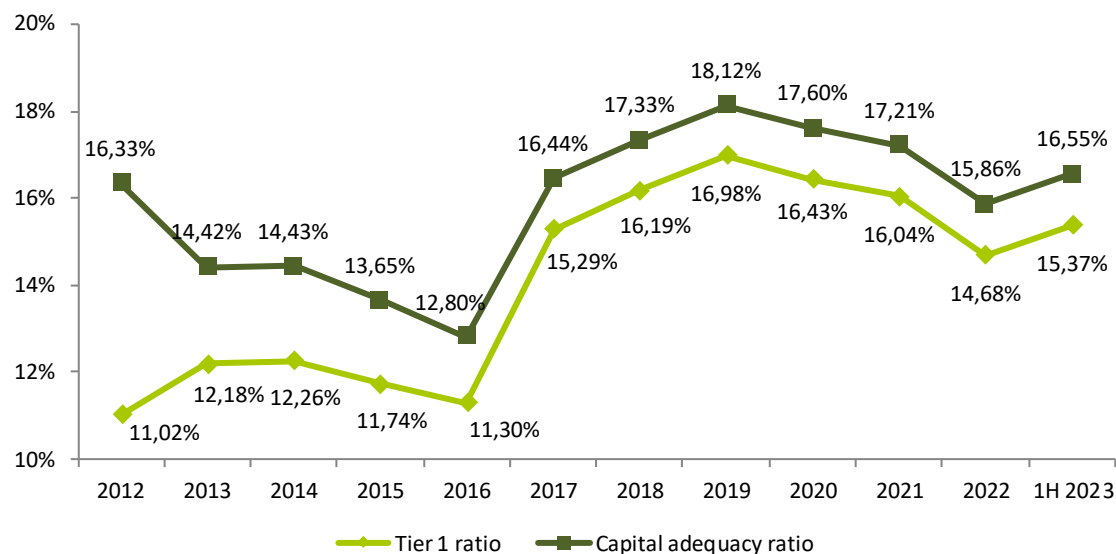
Strong capital ratios

...improving results, strong capital ratios

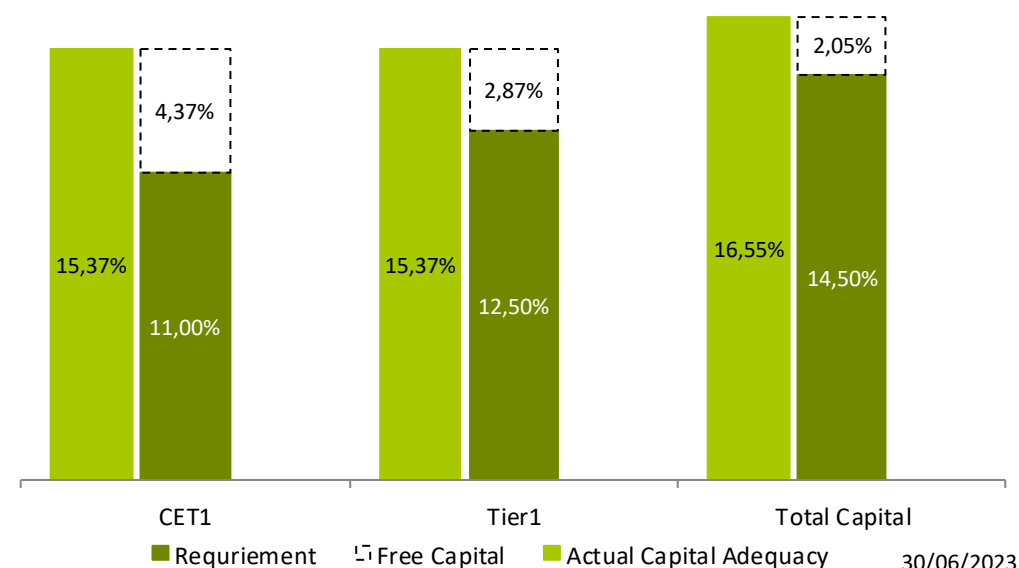
- Continuously **improving result, retained capital, no dividends** paid out over the period
- **Substantial cushion over 250bp** above CAD requirement
- **Strong loan growth concentrated in low risk weighted retail mortgages** (35% RW, Standardised Approach for CAD) which reduces the burden of assets growth on capital adequacy
- Currently no **MREL** impact



Tier 1 and Capital adequacy ratio

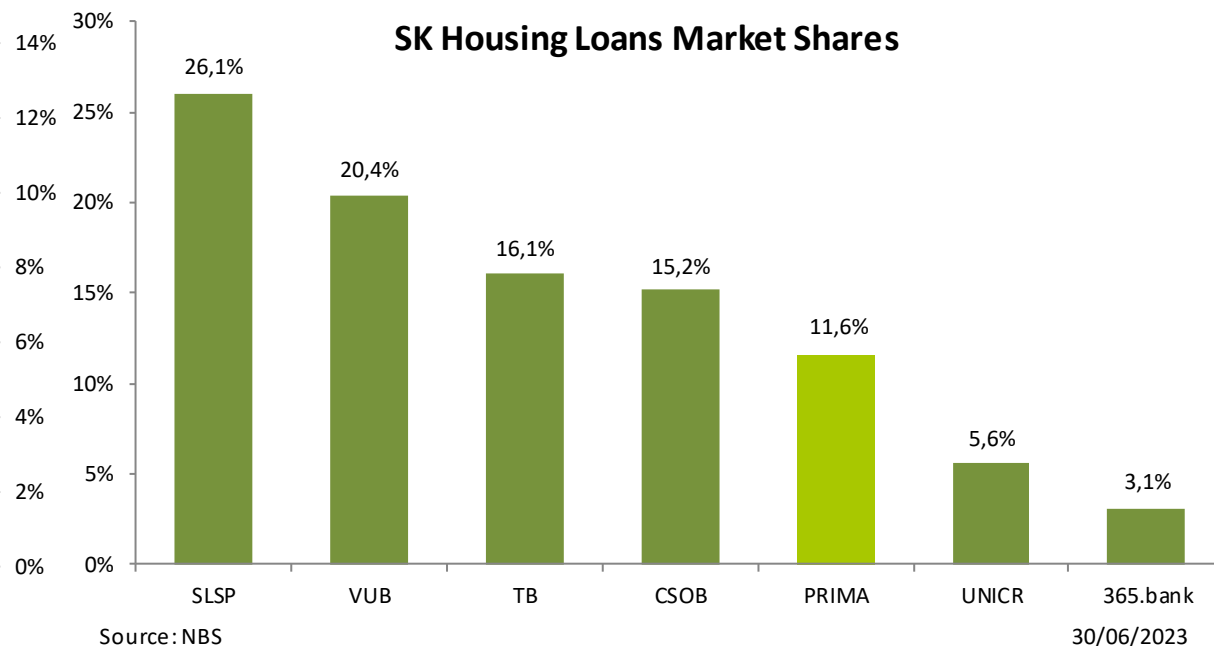
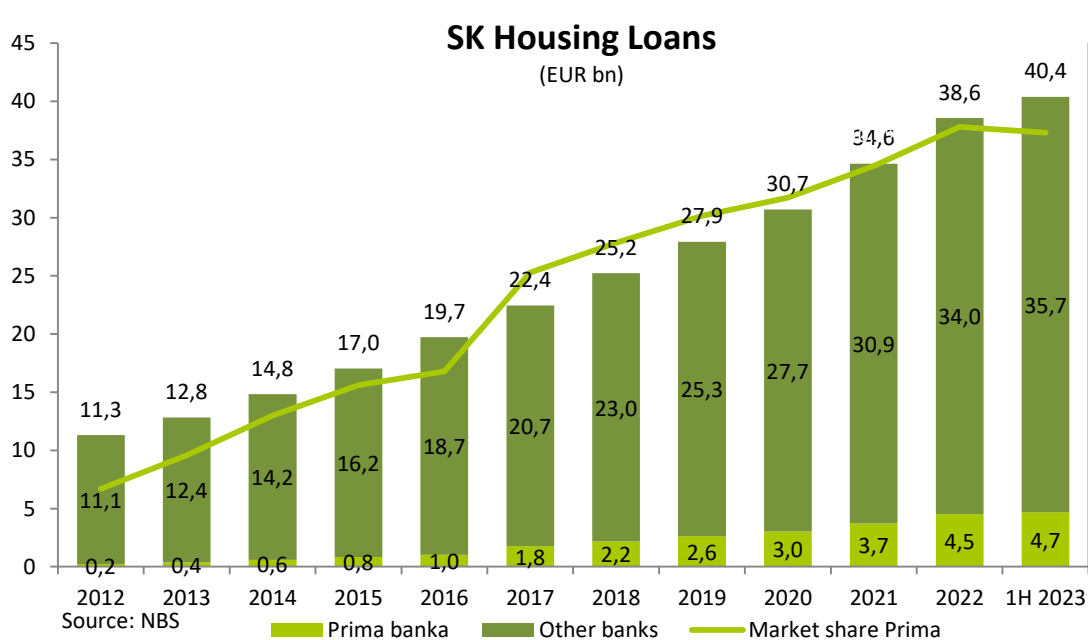


Total own funds as of 06/2023 - 433,3m EUR

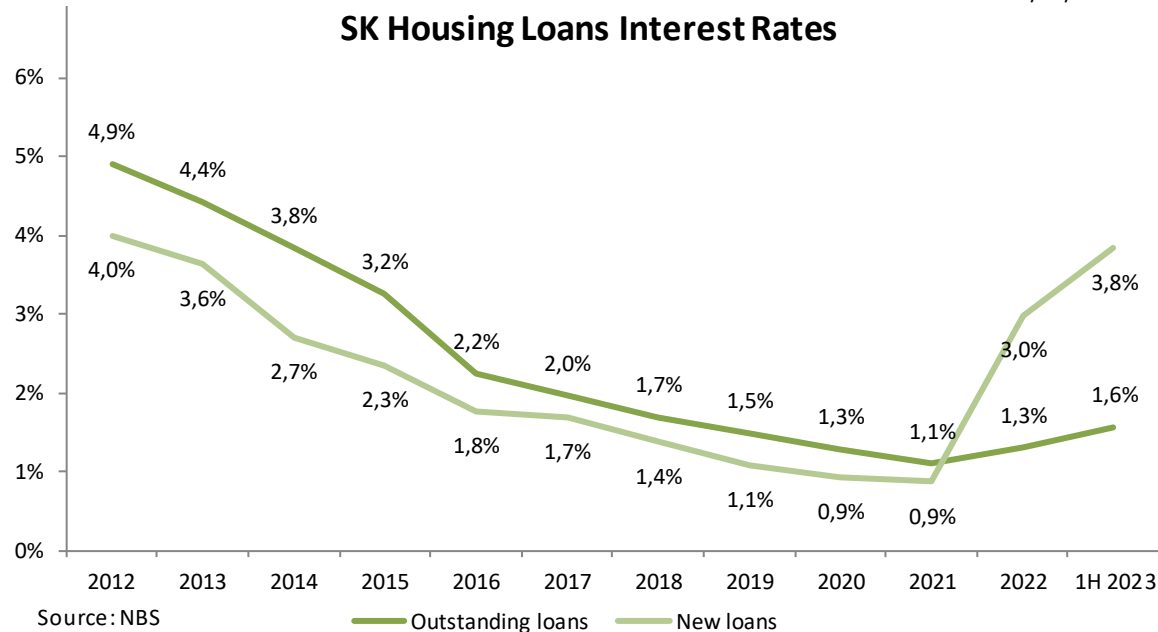


Housing Loans

...fastest growing Prima banka now a key market player



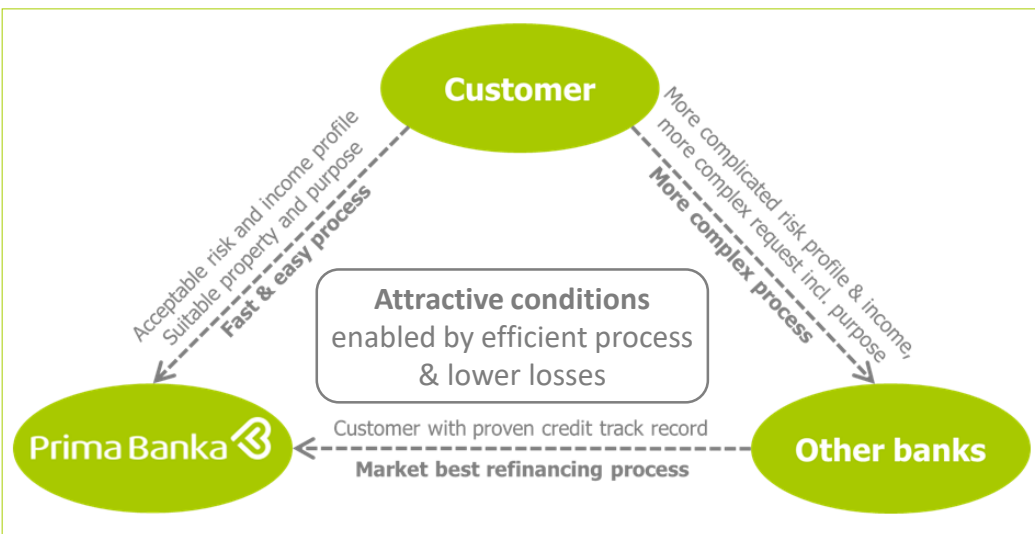
- Strong market growth driven by **competition** and **low rates**
- **Prima banka** clearly the fastest growing player **long term**, while sticking to **high underwriting standards** (stricter than market ones and also regulatory requirements) reflected then in well below market NPL levels
- **Prima banka** leader in **refinancing** which still offers additional growth opportunities



Housing loans a key growth driver

...speed, simplicity, transparency, focus on quality and sustainability

Prima Banka 



HYPOTÉKA JEDNODUCHO A VÝHODNE (MORTGAGE SIMPLE AND BENEFICIAL)

3,8% PRE KAŽDÉHO (3.8% for everyone)

- Rovnaká úroková sadzba pre každého (Same interest rate for everyone)
- Výhodnejšie prefinancovanie hypotéky z inej banky (More favorable mortgage refinancing from another bank)
- S Osobným účtom Hypotéka bez poplatku za poskytnutie (With Personal Account Mortgage without fee for provision)

Priklad Hypotéky	Mesačná splátka
30 000 €	77 €
40 000 €	102 €
50 000 €	127 €

- Market leadership in **refinancing** of mortgage loans from other banks and **also standard process very fast and simple**, being a **key competitive advantage**
- Focus on **diversification**, no hunt for big ticket mortgages which represent higher risk, **number of customers strategically more important than pure volumes**
- Going for **acceptable risk, easy to prove income and simple purpose**, limiting or **avoiding more complex or risky income structures and purposes** e.g. construction
- **Same rate for everybody**, making the sales much easier and more **transparent**
- This enables **significant process simplification and automation**, each banker can sell **a mortgage**, no need for specialists only, **mortgage easy to sell & easy to buy**
- **Underwriting standards consistently stricter vs. market**, also quality requirements for bankers and external partners tougher compared to market standards



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2. Slovak Republic
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Cover Pool Overview

...100% residential mortgages for individuals, new Covered Bond Program



Cover Pool Structure

Total cover pool volume (EUR mn)	3 799
Residential loan balance (EUR mn)	3 799
Substitution assets (EUR mn)	0,0
Number of loans	75 094
Number of borrowers	68 762
Currency	100% EUR
WA indexed LTV	53,6%
WA seasoning (years)	2,7
WA remaining term (years)	22,1
90+ days in arrears loans excluded	0%
Interest type	100% Fix
Principal payment type	100% Annuity

Covered Bonds

Total Volume of issues (EUR mn)	2 500
Total Volume in program (EUR mn)	3 000
Number of issues	5
Issue frequency	12-24 months
WAL CBs	5 years
Committed OC	--*
Over-collateralization	52,0%
Covered Bonds Rating (Moody's)	Aaa
Maturity type	Soft Bullet
Currency distribution	100% EUR
Listings	LuxSE

* 5% legal minimum applies

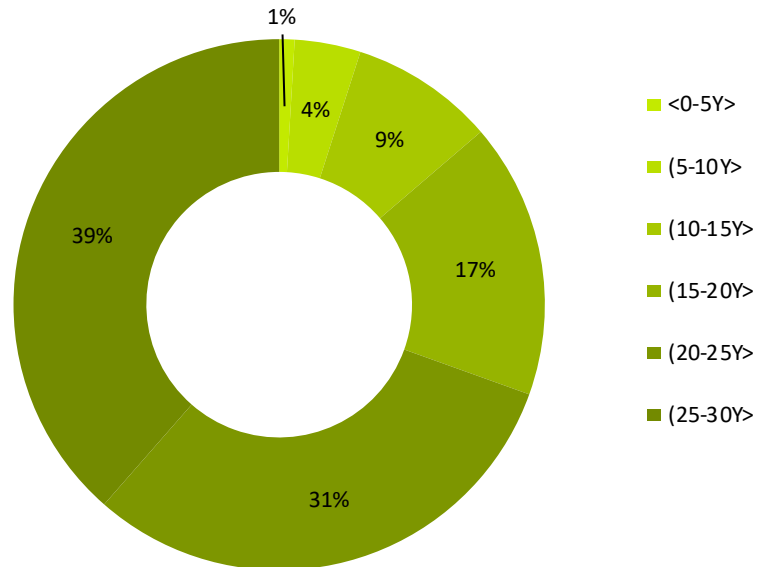
- Cover assets composed of residential housing loans only (no commercial loans)
- All assets in EUR currency
- All properties are located in Slovakia
- Well diversified portfolio with average size of 50k EUR without big tickets
- NPLs removed from cover pool assets

- Cover Pool rating Aaa by Moody's
- All issues at benchmark size
- Minimum legal OC – 5%
- LCR, CRR compliant
- All covered bonds are labeled as European covered bond premium

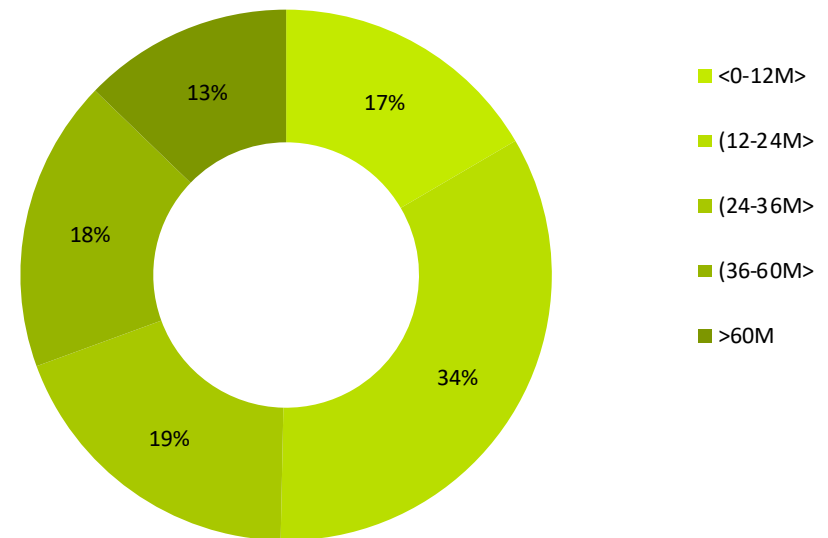
Cover Pool Overview

...Structure of Cover Pool as per 30.06.2023

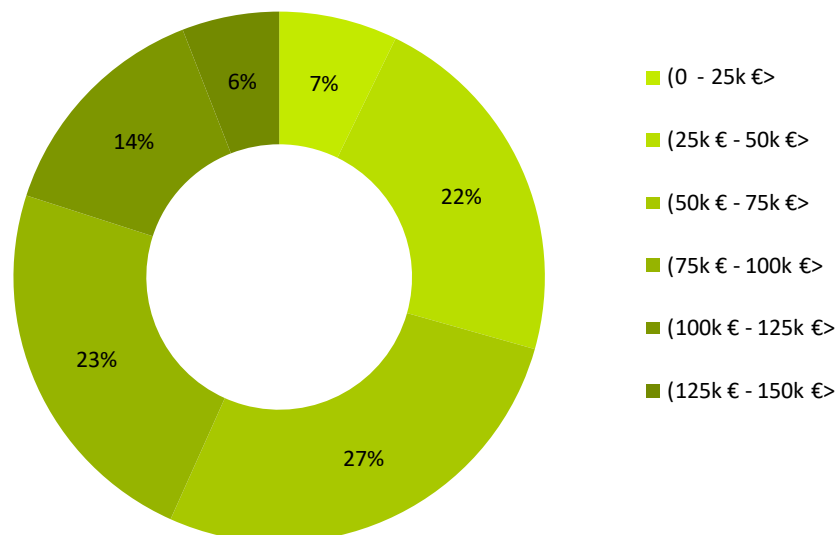
Distribution by Remaining Term (volume)



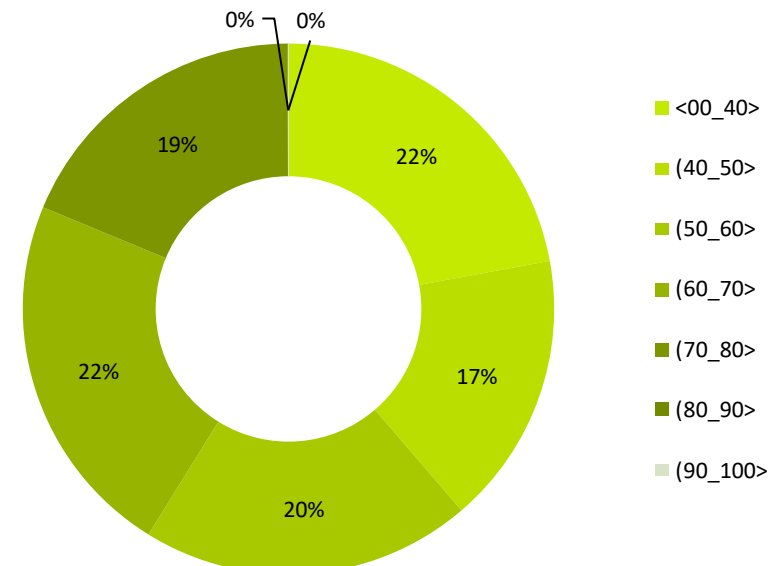
Distribution by Seasoning (volume)



Distribution by Volume (volume)



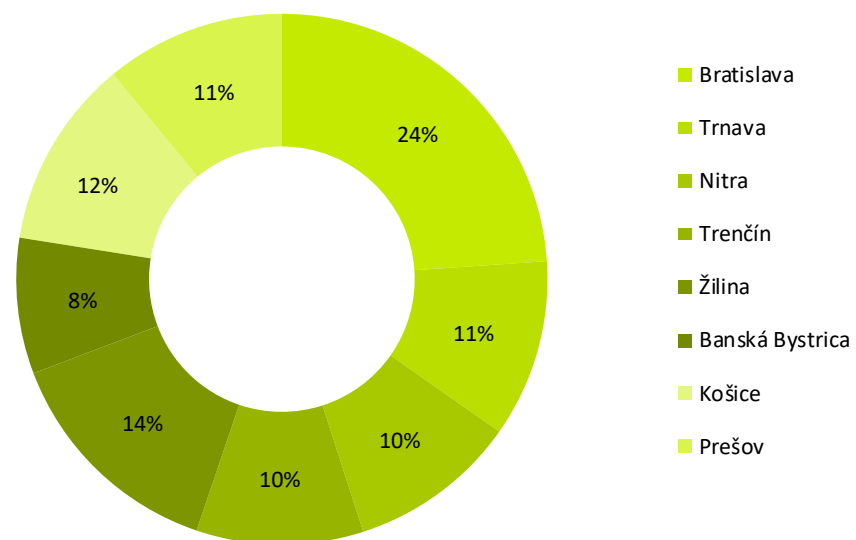
Distribution by LTV (volume)



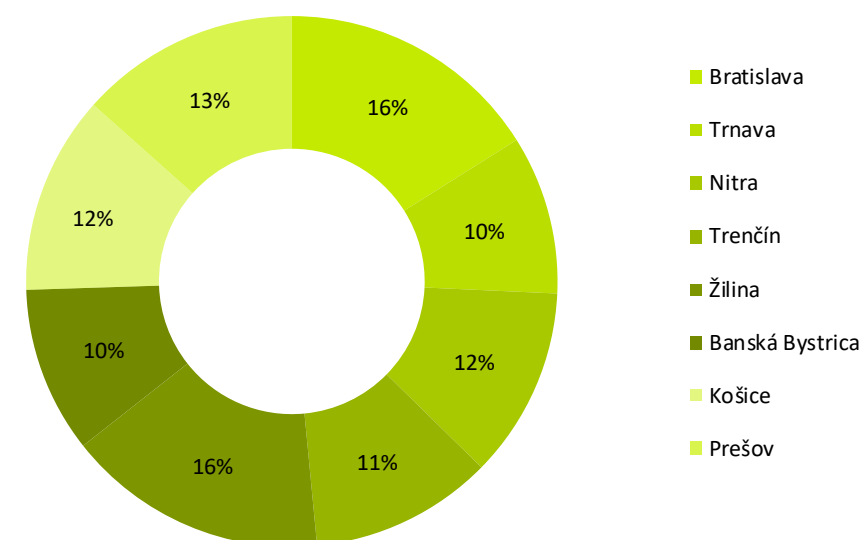
Cover Pool Overview

... Country-wide network reflected in homogenous regional distribution

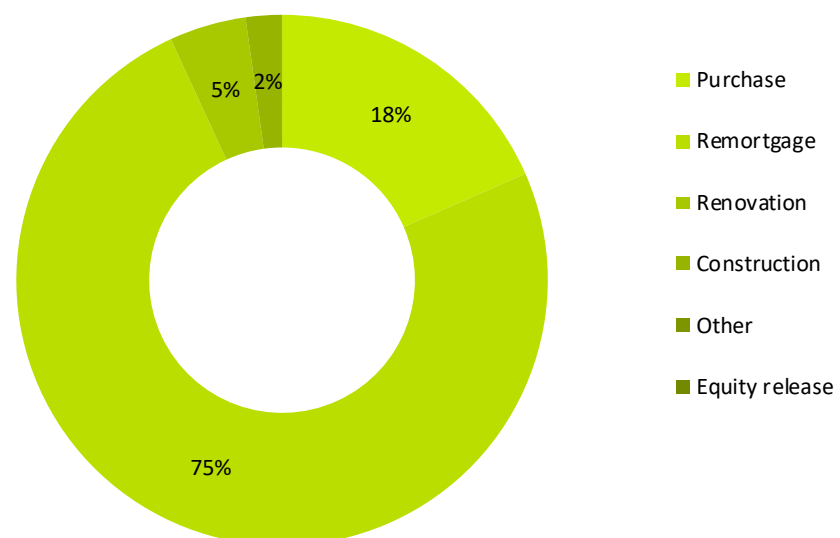
Regional Distribution (volume)



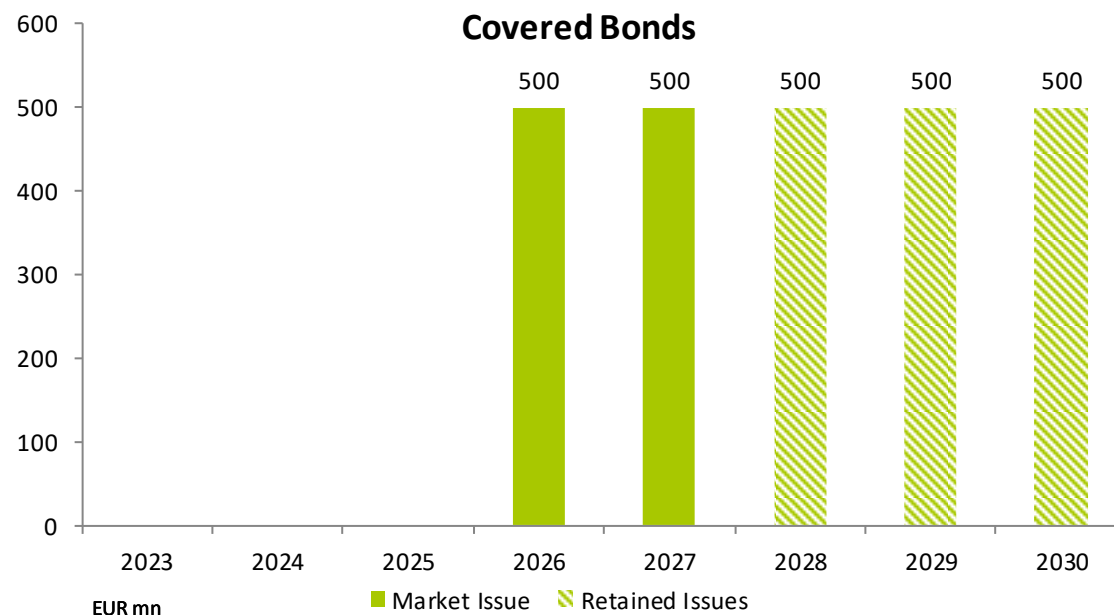
Regional Distribution (number of loans)



Distribution by Loan Purpose (volume)



Covered Bonds



Cover Pool Overview

... Cover Pool Development

	12/2018	12/2019	12/2020	12/2021	12/2022	04/2023	05/2023	06/2023
Cover Pool Comparison								
Total cover pool volume (mn EUR)	1 277	1 553	1 906	2 486	3 664	3 769	3 784	3 799
Residential loan balance (mn EUR)	1 277	1 553	1 906	2 486	3 664	3 769	3 784	3 799
Liquidity buffer (liquid assets, mn EUR)	0	0	0	0	0	0	0	0
Number of loans	34 139	39 036	46 035	55 389	72 502	74 515	74 847	75 094
Number of borrowers	31 507	35 812	42 033	50 745	66 497	68 263	68 543	68 762
Avg loan amount (EUR)	37 417	39 765	41 375	44 870	50 539	50 580	50 558	50 587
Currency	100% EUR	100% EUR	100% EUR	100% EUR	100% EUR	100% EUR	100% EUR	100% EUR
Avg LTV (%)	61,6	58,0	57,3	56,0	54,5	53,9	53,7	53,6
Avg seasoning (years)	2,3	2,3	2,6	2,5	2,4	2,6	2,7	2,7
Avg remaining term (years)	21,1	21,2	21,2	21,4	22,3	22,2	22,2	22,1
Interest type	100% Fix	100% Fix	100% Fix	100% Fix	100% Fix	100% Fix	100% Fix	100% Fix
Cover Bonds Comparison (expected)								
Total volume of issues (EUR mn)	500	500	500	1 000	2 000	2 500	2 500	2 500
Total volume in programme (EUR mn)	1 500	1 500	1 500	1 500	3 000	3 000	3 000	3 000
Number of issues	1	1	1	2	4	5	5	5
WAL of outstanding CBs (years)	7,0 - 10,0	6,8	5,8	5,2	5,1	5,1	5,1	5,0
Over-collateralisation	155,5%	210,6%	281,2%	148,6%	83,2%	50,8%	51,4%	52,0%
Committed over-collateralisation	-- ¹	-- ¹	-- ¹	-- ¹	-- ¹	-- ¹	-- ¹	-- ¹
Covered bond rating	(P)Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
Rating agency	Moody's	Moody's	Moody's	Moody's	Moody's	Moody's	Moody's	Moody's
Currency distribution	100% EUR	100% EUR	100% EUR	100% EUR	100% EUR	100% EUR	100% EUR	100% EUR
Interest type	100% Fix	100% Fix	100% Fix	100% Fix	50% Fix 50% Float	40% Fix 60% Float	40% Fix 60% Float	40% Fix 60% Float
Maturity type	Soft bullet ²	Soft bullet ²	Soft bullet ²	Soft bullet ²	Soft bullet ²	Soft bullet ²	Soft bullet ²	Soft bullet ²
Moody's Rating Ratios								
Collateral Score	7,8%	8,1%	8,1%	8,6%	8,7%	8,8%	8,8%	8,8%
Collateral Risk	5,2%	5,4%	5,4%	5,7%	5,8%	5,9%	5,9%	5,9%
Market Risk	21,2%	21,1%	20,3%	8,3%	13,3%	14,4%	14,4%	14,4%
Required over-collateralisation	29,0%	29,0%	27,5%	12,5%	17,5%	18,5%	18,5%	18,5%
TPI	Probable	Probable	Probable	Probable	Probable	Probable	Probable	Probable
TPI leeway	Unpublished	Unpublished	Unpublished	Unpublished	Unpublished	Unpublished	Unpublished	Unpublished

¹ 5% legal minimum applies

² All Slovak covered bonds issued before 2018 are hard bullets. Prima banka has not added those old bonds to its programme.

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Regulated by the Slovak Banking Act since 2018 and fully aligned with **EU Covered Bond Directive (CBD) since July 2022**

- Over-collateralization of min. 5 %
- Roles and responsibilities of the covered bonds programme administrator and his deputy
- Requirements for obtaining permission of the National Bank of Slovakia (**NBS**) to perform activities related to the covered bond program
- Stress testing (at least once a year)
- Supervision and reporting to the NBS (both by bank and by the covered bond programme administrator)
- Transferability of the whole covered bonds program
- All Prima banka outstanding covered bonds qualify as **European Covered Bonds (Premium)**

Base Assets

- At least 90 % of the cover pool
- Residential mortgage loans provided to consumers¹
- Residential mortgage loans secured by mortgaged property located in Slovakia
- LTV max. 80 %
- Max. maturity of 30 years

Substitute Assets

- Max. 10 % of the cover pool
- Cash or deposits with NBS, ECB, EU member state central bank, government bonds in line with CRR

Liquid Assets

- Required to cover the maximum liquidity gap within the CB program over next 180 days
- Tier 1 and Tier 2A assets²
- Value of liquid assets is part of coverage ratio

Hedging Derivatives

- To mitigate currency or interest risk of CB

¹ ¹ Regulated by special legislation. Prima banka does not use commercial mortgage loans/property in the cover pool; ²Articles 10 and 11 of Regulation (EU) 2015/61

Covered Bonds Framework

...Insolvency Regime

- **Rules** set in the **Insolvency Act**
 - The mortgaged property registered in the cover pool is **not part of the bankruptcy** general estate
 - No automatic acceleration
- **Dual recourse**: covered bonds holders have recourse against both
 - Covered bonds estate and
 - General estate of the Issuer
- General **insolvency trustee** operates the covered bonds programme under NBS supervision separately from the general estate of the issuer
- **Testing** with due care whether operation will not **damage Covered Bonds Holders** (compared with liquidation scenario)

Cascade of steps - without strict timeline:

- **Soft bullet structure** - maturity can be extended by max 12/24 months in case of a transfer
- **Transfer of whole CB program** – is expected to be used mostly in special circumstances where the bank issuing CBs is subject to involuntary administration, resolution or bankruptcy proceedings
- **Sale of individual assets** (loans) to satisfy covered bonds claims
- Failing all above, ceasing of operation and acceleration

Bond Act

- Basic legal regulation of bonds
- Does not contain special regulation of covered bonds

Securities Act

- Basic legal regulation of securities (all types of securities, not just bonds)
 - Security is a value-for-money record in a statutory form with which certain rights are linked, in particular, the right to claim certain property or to exercise certain rights against designated persons / subjects
- Contains regulation on securities contracts
- Contains legislation on securing obligations by securities

Regulatory overview

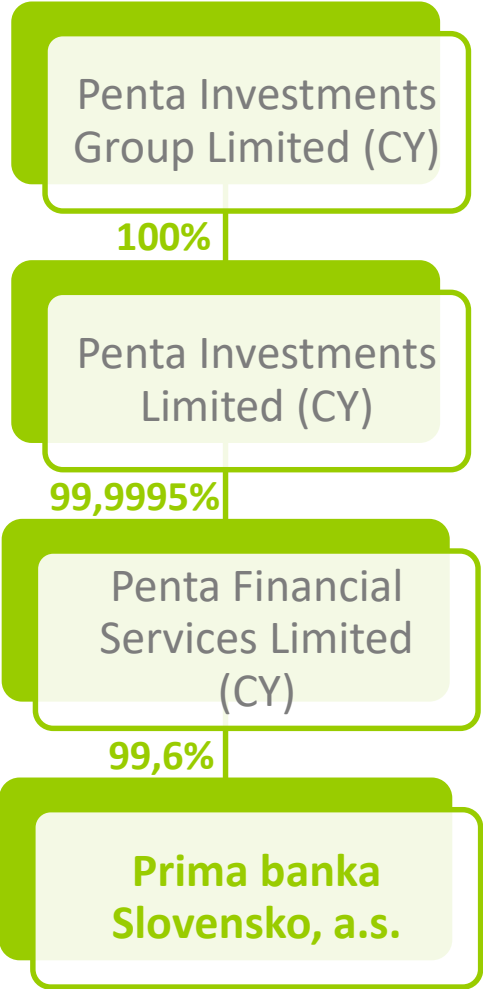
- The covered bond rating matters from regulatory perspective
- Regulatory implications of different rating levels for a typical Slovak EUR covered bond benchmark backed by mortgages
- Slovak covered bonds tick the same boxes as those in more established jurisdictions, EU CBD is fully implemented

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Shareholder structure (30.06.2023)

Ownership:

- Penta Financial Services Limited (99,6%)
- Other shareholders (less then 1%) (0,40%)



- **Prima banka financials:** Financial Statements 2012 – 2023, Annual Reports 2012 – 2023
- **Slovak market and Slovak Banks financials and market shares:** NBS
- **Prima banka number of retail branches and ATMs:** www.primabanka.sk , June 2023
- **Slovak banks number of retail branch and ATM locations:** websites of the respective banks, June 2023
- **Customer Mobile application penetration:** Go4insight s.r.o.(formerGfK), June 2023, Retail Banking Monitor
- **Customer Satisfaction:** Go4insight s.r.o.(formerGfK), June 2023, Retail Banking Monitor
- **Brand and Communication awareness:** 2muse, s.r.o., Marcom - continuous measurement of communication performance and bank brands, June 2023
- **Number of Main bank clients:** Major bank shares are based on Retail Banking Monitor (RBM) conducted by Go4insight s.r.o. (former GfK) annually on a sample of 3,000 respondents in 6 waves representative of the population of Slovakia aged 15-79 years, June 2023
- **Cover Pool Overview:** Covered bond Label, Prima banka Slovensko, a.s. [Prima banka Slovensko, a.s. :: Covered Bond Label](#)
Moody's ,Prima banka Slovensko, a.s. – Mortgage Covered Bonds, [Performance Overview report 03/2023](#)
- For further information: <https://www.primabanka.sk//o-banke/pre-investorov/pre-investorov?loc=en>
- Contact: Erik Chudy, Erik.Chudy@primabanka.sk, +421914 343 345

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