

PROSPECTUS SUPPLEMENT NO. 1
TO THE PROSPECTUS DATED 20 NOVEMBER 2019



Slovenská sporiteľňa, a.s.

EUR 5,000,000,000

Debt Securities Issuance Programme

This document constitutes an amendment (the **Prospectus Supplement**) prepared pursuant to Article 23 of Regulation (EU) 2017/1129 of 14 June 2017 of the European Parliament and of the Council 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**), to the base prospectus of 20 November 2019 approved by the National Bank of Slovakia's decision No. 100-000-204-599 / NBS1-000-043-977 dated 26 November 2019, which was issued and came into force on 28 November 2019 (the **Prospectus**). The Prospectus was prepared by the issuer, Slovenská sporiteľňa, a.s., with its registered office at Tomášikova 48, 832 37 Bratislava, Slovak Republic, Identification No.: 00 151 653, registered in the Commercial Register of the District Court Bratislava I, section: Sa, insert No.: 601/B (the **Issuer**), in respect of the EUR 5,000,000,000 debt securities issuance programme which may be continuously and repeatedly issued by the Issuer (the **Programme**).

This Prospectus Supplement constitutes a part of the Prospectus and shall be read jointly and in relation to the Prospectus.

Terms with a capital letter not defined in this Prospectus Supplement shall have the meaning given in the Prospectus.

The purpose of this Prospectus Supplement is to update the part of the Prospectus "Significant Change in the Issuer's Financial Position" in relation to the business results of the Issuer as of 31 December 2019, which were published on the Issuer's website (www.slsp.sk) on 28 February 2020.

This Prospectus Supplement is subject to approval by the National Bank of Slovakia and subsequent disclosure under the Prospectus Regulation. The Issuer will request the National Bank of Slovakia to notify the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) (the **FMA**) of its approval of this Prospectus Supplement.

This Prospectus Supplement will be available in electronic form in separate sections on the Issuer's website (www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds) as long as the Prospectus remains valid.

3 March 2020

The wording of the Prospectus shall be amended and supplemented as follows:

I. CHANGES IN PART 12, SLOVENSKÁ SPORITELŇA, A.S.:

1. The wording of part “**Significant Change in the Issuer’s Financial Position**” mentioned in the paragraph “**12.10 Financial Information concerning Assets and Liabilities, Financial Position and Profits and Losses of the Issuer**” shall be amended with the following text:

In addition, the Issuer published, on 28 February 2020, the following information regarding its business results as of 31 December 2019:

Financial highlights of the Issuer as of 31 December 2019 (year-over-year comparison, audited consolidated data)

- Net interest income went down by 1.6% from EUR 437.8 million to EUR 430.7 million;
- Net fee and commission income increased by 12.7% from EUR 128.8 million to EUR 145.2 million;
- Operating profit went up by 2.6% from EUR 300.4 million to EUR 308.3 million;
- Net profit after tax went down slightly to EUR 180.0 million (2018: EUR 183.7 million);
- Volume of loans and receivables to customers grew by 7.9% from EUR 12.8 billion to EUR 13.8 billion;
- Deposits from customers increased by 5.4% from EUR 13.7 billion to EUR 14.4 billion;
- Cost income ratio reached 48.4%;
- Capital adequacy reached 17.3% and continues to considerably exceed the limit stipulated by the law (according to ECB/NBS, Basel III and internal ratings approach);
- Loan-to-deposit ratio increased from 93.6% to 95.8%.

Business performance overview of the Issuer as of 31 December 2019

Net interest income went down slightly by 1.6% from EUR 437.8 million to EUR 430.7 million. This decrease is the result of the continuing demand for low interest rates on loan products and a tough competitive environment, resulting in a negative effect on net interest margin which went down from 2.71% to 2.51%.

Net fees and commissions income increased by 12.7% y/y from EUR 128.8 million to EUR 145.2 million. The insurance business was particularly successful in 2019 and compared with 2018 the y/y increase of insurance commission income was EUR 7.5 million. Another positive factor was the increase in fees for card transactions by EUR 4 million. Commission income from trading of securities and fees for repricing and early repayment of loans amounted to EUR 6 million and these were also among the main growth drivers.

The net profit in the amount of EUR 20.7 million in the area of net trading and fair value result is mainly related to the development of the valuation of derivative instruments.

General administrative expenses went up by 2.6% to EUR 288.5 million (in 2018 it was EUR 281.1 million). This increase was mainly recorded in the area of personal expenses.

Cost income ratio remained stable y/y and reached 48.4%.

Total risk costs of the Issuer increased from EUR 23.5 million to EUR 42.6 million. Higher risk costs are mainly related to the portfolio of loans and leasing agreements acquired from the company S Slovensko, spol. s r.o. and the increase in provisions for individual clients in the corporate segment.

The share of defaulted loans on total loan volume decreased from 3.3% to 2.9% while the coverage with provisions remains approximately unchanged (from 80.9% to 80.8%).

The bank levy went up by 7% to EUR 32.5 million. The annual contribution into the Single Resolution Fund reached an estimated amount of EUR 3.1 million (EUR 2.7 million in 2018). The contribution into the Deposit Protection Fund increased by 11% y/y to EUR 1.0 million (EUR 0.9 million in 2018). Total levies of the Issuer were at EUR 36.6 million.

INFORMATORY ENGLISH LANGUAGE TRANSLATION

Consolidated profit after tax reached EUR 180.0 million, decreased by 2.0% y/y. Return on equity (ROE) achieved 11.6% in 2019 (in 2018 it was 12.6%).

The volume of loans to customers increased by 7.9% y/y and achieved EUR 13.8 billion. Retail loans were the major driving force; they increased by 6.4% y/y (by EUR 0.6 billion) compared with 2018. The Issuer again confirmed its position as market leader in retail loans; its market share reached 26.2% at the end of 2019. The main growth drivers were housing loans which grew by 7.5% (EUR 0.6 billion in absolute terms), while the results for consumer loans remained comparable with the end of 2018 and reached EUR 1.8 billion.

Loans to corporate clients (including factoring and leasing products) increased by 14.2% y/y (by EUR 0.5 billion) and reached EUR 3.8 billion.

Retail deposits increased from EUR 11.2 billion to EUR 12.1 billion. Deposits from customers rose from EUR 13.7 billion to EUR 14.4 billion compared with the year 2018.

Financial results of the Issuer as of 31 December 2019

Selected items from the consolidated, audited financial results of Slovenská sporiteľňa as of 31 December 2019 according to International Financial Reporting Standards (IFRS) (items from business results which are subject to approval by the General Assembly which will be held on 25 March 2020).

Selected items from Consolidated Income Statement, audited data (EUR ths.)	31.12.2018	31.12.2019	Change
Net interest income	437,828	430,653	(1.6%)
Net fee and commission income	128,821	145,166	12.7%
Dividend income	1,044	951	(8.9%)
Net trading result	9,669	20,721	114.3%
Gains/losses from financial Instruments measured at fair value through profit and loss	2,145	(3,732)	(274.0%)
Net results from equity method investments	1,673	1,823	9.0%
Rental income from investment properties	310	1,176	279.4%
Operating expense	(281,101)	(288,506)	2.6%
Impairment result from financial instruments	(23,522)	(42,656)	81.3%
Other operating result	(40,158)	(38,668)	(3.7%)
– levies on banking activities	(33,030)	(35,588)	7.7%
Pre-tax profit from continuing operations	236,616	226,524	(4.3%)
Taxes on income	(52,932)	(46,565)	(12.0%)
Net result for the period	183,684	179,959	(2.0%)
Operation income	581,490	596,758	2.6%
Operating expenses	(281,101)	(288,506)	2.6%
Operating result	300,389	308,252	2.6%
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Selected items from Consolidated Balance Sheet, audited data (EUR ths.)	31.12.2018	31.12.2019	Change
Cash and cash balances	416,093	501,441	20.5%
Derivatives	42,941	41,423	(3.5%)
Equity instruments	62,015	105,720	70.5%
Debt securities	3,574,253	3,539,639	(1.0%)
Loans and advances to banks	47,796	54	(99.9%)
Loans and advances to customers	12,782,071	13,792,678	7.9%
Finance lease receivables	129,516	213,191	64.6%
Hedge accounting derivatives	9,905	23,020	132.4%
Trade and other receivables	95,952	107,139	11.7%
Total assets	17,442,906	18,619,023	6.7%
Derivatives	41,062	40,024	(2.5%)
Deposits from banks	251,300	263,287	4.8%
Deposits from customers	13,653,163	14,392,424	5.4%
Debt securities in issue	1,803,287	2,070,975	14.8%
Hedge accounting derivatives	41,348	48,041	16.2%
Total equity	1,513,345	1,619,943	7.0%
Total liabilities and equity	17,442,906	18,619,023	6.7%

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Key consolidated ratios	31.12.2018	31.12.2019
Return on equity (ROE)	12.58%	11.62%
Return on assets (ROA)	1.08%	1.00%
Net interest margin (on interest-bearing assets)	2.71%	2.51%
Cost income ratio	48.34%	48.35%
Capital adequacy – according to NBS requirements	18.10%	17.28%

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Prominent statement concerning the right of withdrawal:

- (a) **a right of withdrawal is only granted to those investors who had already agreed to purchase or subscribe for the Notes before this Prospectus Supplement was published and where the Notes had not yet been delivered to the investors at the time when the significant new factor, such as the information included in this Prospectus Supplement, arose;**
- (b) **based on the above and in accordance with Article 23(2) of the Prospectus Regulation, the period in which investors can exercise their right of withdrawal in respect of all issues of the Notes before this Prospectus Supplement was published has lapsed because all offers of the Notes have been closed and all relevant Notes delivered to the investors before this Prospectus Supplement was published; consequently, no investor has any right of withdrawal in connection with this Prospectus Supplement; and**
- (c) **in connection with the right of withdrawal or any other queries, the investors may contact the Issuer at its registered office.**

Issuer's Declaration

The Issuer, represented by Ing. Richard Košecký and Ing. Róbert Herbec, being the authorised persons, represents that it is solely responsible for the information provided in this Prospectus Supplement.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus Supplement is, to the best of the knowledge of the Issuer, in accordance with the facts and contains no omission likely to affect its import.

In Bratislava on 3 March 2020.

Slovenská sporiteľňa, a.s.

Ing. Richard Košecký
Authorised person

Ing. Róbert Herbec
Authorised person