

Slovenská sporiteľňa, a.s.

(established as a joint stock company in the Slovak Republic, ID No.: 00 151 653)

EUR 5,000,000,000

Debt Securities Issuance Programme

On 26 June 2018, Slovenská sporiteľňa, a.s. (the **Issuer**) has approved a debt securities issuance programme (in Slovak: *ponukový program dlhopisov*) of up to EUR 5,000,000,000 (the **Programme**) under which it may continuously or repeatedly issue (i) unsubordinated and unsecured notes (the **Senior Notes**), (ii) covered notes (in Slovak: *kryté dlhopisy*) (the **Covered Notes**), (iii) subordinated notes (in Slovak: *podriadené dlhopisy*) issued as Tier 2 instruments (the **Subordinated Notes**), (iv) senior non-preferred notes (in Slovak: *neprioritné nepodriadené dlhopisy*) (the **Senior Non-Preferred Notes**) (jointly the **Notes**). The Senior Notes, the Covered Notes as well as the Senior Non-Preferred Notes can be issued for purposes of funding projects or assets fulfilling requirements for environment, social area or sustainability (these Notes hereinafter as the **Sustainable Notes**). All Notes shall in any case be issued in accordance with the laws of the Slovak Republic, in particular Act No. 530/1990 Coll. on Bonds, as amended (the **Bonds Act**), Act No. 566/2001 Coll. on Securities and Investment Services and on Amendment of Certain Other Acts (the **Securities Act**), as amended (the **Securities Act**) and, in case of the Covered Notes, Act No. 483/2001 Coll. on Banks and on Amendment of Certain Other Acts, as amended (the **Act on Banks**). The Covered Notes will be issued also under Act No. 483/2001 Coll. on Banks, Amending and Supplementing Certain Acts, as amended (the **Act on Banks**). The Senior Non-Preferred Notes shall be issued as debt instruments with a lower ranking in bankruptcy in accordance with Section 180a(2) of Act No. 7/2005 Coll. on Bankruptcy and Restructuring and on Amendment of Certain Other Acts, as amended (the **Bankruptcy and Restructuring Act**).

This document prepared by the Issuer constitutes a base prospectus (in Slovak: *základný prospekt*) (the **Prospectus**) for the Notes issued under the Programme and has been prepared pursuant to Article 8 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**), pursuant to Commission Delegated Regulation (EU) 2019/979 of 14 March 2019 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 Prospectus will be approved 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 Issuer will request the NBS to notify the Austrian Financial Market Authority (*Finanzmarktaufsichtsbehörde*) (the **FMA**) concerning the approval of this Prospectus. The Prospectus is subject to subsequent publication pursuant to Article 21 of the Prospectus Regulation.

The NBS as the competent authority pursuant to the Prospectus Regulation approves this Prospectus only as a document meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Issuer or an endorsement of the quality of the Notes that are subject of this Prospectus. The validity of this Prospectus will expire on 28 November 2020. If significant new factors, material mistakes or material inaccuracies occur, the obligation to supplement the Prospectus shall not apply when the Prospectus is no longer valid.

Prospective investors should take into account factors described in Section 2. of the Prospectus “Risk Factors”. The Prospectus does not describe all of the risks of investing in the Notes, but the Issuer believes that all material risks relating to investing in the Notes have been described. Potential investors should independently assess the suitability of investing in the Notes.

The aggregate principal amount of all outstanding Notes issued under the Programme may not at any time exceed EUR 5,000,000,000 (or its equivalent in a foreign currency). The minimum maturity of any Notes issued under the Programme is 12 months (inclusive), no maximum maturity has been determined. The term of the Programme is five years from the date of its approval by the Issuer’s Board of Directors.

The final terms (in Slovak: *konečné podmienky*) prepared by the Issuer with regard to a particular issue of the Notes under the Programme (the **Final Terms**) will be submitted to the NBS and published no later than on the date of commencement of the public offer or trading in the Notes on a regulated market as the case may be. This also applies to the issues of the Notes offered without the obligation to make the prospectus public pursuant to Article 1(4) of the Prospectus Regulation. The Final Terms will also include such information of the issue of the Notes which is unknown at the moment of the preparation of the Prospectus or stated in the Prospectus in several alternatives.

The Issuer may apply for admission of certain tranches of the Notes for trading on the regulated market of Burza cenných papierov v Bratislave, a.s. (**BSSE**) in compliance with the respective legal regulations of the Slovak Republic and the rules of BSSE and/or the regulated market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse AG*) (**VSE**).

Tranches of Notes may be rated or unrated. Where a tranche of Notes is rated, such credit rating will be specified in the relevant Final Terms. 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. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes 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**) will be disclosed in the relevant Final Terms. The European Securities and Markets Authority (the **ESMA**) is obliged to maintain on its website a list of credit rating agencies registered and certified in accordance with the CRA Regulation.

The date of this Prospectus is 20 November 2019.

Arranger
Erste Group Bank AG

Dealers
Erste Group Bank AG
Slovenská sporiteľňa, a.s.

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1. GENERAL DESCRIPTION OF THE PROGRAMME.

The following overview is not intended to be complete, it only aims to provide a selection of information from the following sections of the Prospectus. It is therefore qualified in its entirety by the remainder of the Prospectus and, in relation to the terms and conditions of any particular issue of the Notes, by the applicable Final Terms.

This Overview constitutes a general description of the Programme for the purposes of Article 25(1)(b) of the Delegated Regulation on Prospectus.

Issuer:	Slovenská sporiteľňa, a.s.
Issuer Legal Entity Identifier (LEI):	549300S2T3FWVVXWJI89
Risk Factors:	There are certain factors that may affect the Issuer’s ability to fulfil its obligations under the Notes issued under the Programme. In addition, there are certain factors which are material for the purposes of assessing the market risks associated with the Notes and risks relating to the legal features or other characteristics of the Notes issued under the Programme. These factors are listed in Section 2. of the Prospectus “ <i>Risk Factors</i> ”.
Description:	<p>Debt securities issuance programme of up to EUR 5,000,000,000 under which the Issuer may continuously or repeatedly issue:</p> <ul style="list-style-type: none"> (i) unsubordinated and unsecured (senior) notes; (ii) covered notes; (iii) subordinated notes; (iv) senior non-preferred notes with a lower ranking in bankruptcy; and (v) sustainable notes, which may be issued as covered notes, unsubordinated and unsecured (senior) notes or as senior non-preferred notes with a lower ranking in bankruptcy. <p>In all cases, all Notes will be issued in accordance with the laws of the Slovak Republic.</p>
Arranger:	Erste Group Bank AG
Issue Agent, Principal Paying Agent and Calculation Agent (administrator):	Slovenská sporiteľňa, a.s.
Programme Size:	The aggregate principal amount of all outstanding Notes issued under the Programme shall not at any time exceed EUR 5,000,000,000 (or its equivalent in a foreign currency).
Dealers, Joint Lead Managers:	<p>The Dealers of the Programme are the Issuer and Erste Group Bank AG.</p> <p>Under the Programme, other Dealers or Joint Lead Managers may be appointed by the Issuer in relation to individual issues of the Notes. Erste Group Bank AG or any of the appointed Dealers or Joint Lead Managers are not responsible for the information contained in the Prospectus.</p> <p>Neither Erste Group Bank AG nor any other institution will act as a Dealer for the issues of the Notes offered by the Issuer in the Slovak Republic in the form of a public offering.</p>

Distribution:	<p>The Notes will be offered:</p> <ul style="list-style-type: none">(i) in the form of a public offering in the Slovak Republic; or(ii) an offer which is not subject to the obligation to prepare and publish the Prospectus pursuant to Article 1(4) of the Prospectus Regulation (or in case of the United Kingdom pursuant to equivalent national legislation) on a syndicated or non-syndicated basis through Dealers and Joint Lead Managers.
Currencies:	<p>The Notes will be denominated in EUR, USD, GBP, CZK or any other currency specified in the relevant Final Terms.</p>
Maturities:	<p>The Notes will have the maturities specified in the relevant Final Terms. The minimum maturity of any Notes issued under the Programme is 12 months (inclusive), no maximum maturity has been determined.</p>
Issue price:	<p>The Notes may be issued on a fully-paid basis and at an issue price which is at par or at a discount to, or premium over, par.</p>
Type of Notes:	<p>The Notes will be issued as book-entry (in Slovak: <i>zaknihované</i>) notes under the laws of the Slovak Republic.</p> <p>No global certificates, definitive certificates or coupons will be issued with respect to any Notes.</p>
Yield on the Notes:	<p>The Notes may be issued as notes:</p> <ul style="list-style-type: none">(i) with zero coupon that have no interest rate and their interest is determined as the difference between the principal amount of the Notes and their issue price;(ii) bearing a fixed interest rate throughout their life;(iii) bearing interest at the floating rate set as the sum of the Reference Rate and the Margin specified in the Final Terms; and(iv) bearing combined interest rates or using the interest rate structure specified in the Final Terms.
Repurchase:	<p>The Issuer has the right (but not the obligation) to purchase any of the Notes on the secondary market at any market price any time prior to the Principal Amount Maturity Date.</p> <p>In the case of the Subordinated Notes included in Tier 2 capital of the Issuer and in the case of the Senior Non-Preferred Notes, the Issuer is entitled to buy back all or only some of the Notes only if the relevant regulatory conditions have been satisfied including (if required) the authorisation of the competent supervisory and/or resolution authority has been obtained.</p>
Early redemption at the request of Holders:	<p>The Holders shall in no case have the right to request early redemption of the Notes.</p>
Early redemption decided by the Issuer:	<p>The Issuer shall not have the right to redeem the Notes early, unless it will be so specified in relevant Final Terms. If such early redemption right will be specified in relevant Final Terms, the Issuer will be entitled to redeem all (but not some only) Notes subject to conditions specified in the Final Terms.</p> <p>In the case of the Subordinated Notes included in Tier 2 capital of the Issuer and in the case of the Senior Non-Preferred Notes (including the Sustainable Notes with such status), the Issuer will be entitled to redeem all (but not some only) Notes only if so specified in the Final Terms and if the relevant regulatory conditions have been satisfied including (if required) the authorisation of the competent supervisory and/or resolution</p>

authority has been obtained.

If so specified in the Final Terms, the Issuer will have the right to redeem early all (but not some only) Sustainable Notes issued as the Covered Notes or the Senior Notes, if in the Issuer's reasoned opinion, the Sustainable Notes cease to meet the criteria for using the proceeds or if it is not possible to fulfil, fully or in part, the additional information obligations specified in the Final Terms.

Principal amount of the Notes:

The Notes may be issued at principal amount that can be lower than, equal to or higher than EUR 100,000 (or equivalent in another currency), as specified in relevant Final Terms.

Taxation:

The payments of the Principal Amount and interest from the Notes are subject to withholding tax, levies or other charges as required by the legal regulations of any relevant jurisdiction applicable as at the date of their payment.

Relevant Final Terms may specify that if such deduction or withholding occurs, the Issuer will, with certain exceptions, have to pay additional amounts the Holders so that the payment of the principal or interest income actually received by the Holders is in such an amount as if no withholding or deduction has been made. For related taxation conditions, see paragraph 9.1(h) "Taxation".

Negative pledge:

The terms of the Notes will not contain any negative pledge provision.

Cross default:

The terms of the Notes will not contain any cross-default provision.

Status of obligations:

Obligations from the Senior Notes constitute direct, general, unsecured, 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, unsecured, unconditional and unsubordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law.

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

Obligations from the Subordinated Notes constitute direct, general, unsecured, unconditional and subordinated obligations of the Issuer which rank *pari passu* among themselves and always rank at least *pari passu* with any other direct, general, unsecured, unconditional and equally subordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law. The Subordinated Notes are subordinated notes under Section 20a of the Bonds Act, and they are subject to all limitations under Section 408a of Act No. 513/1991 Coll. Commercial Code, as amended.

Obligations from the Senior Non-Preferred Notes constitute direct, general, unsecured and unconditional obligations of the Issuer with a lower ranking in bankruptcy in accordance with Section 180a(2) of Act No. 7/2005 Coll. on Bankruptcy and Restructuring, as amended, and rank *pari passu* among themselves and always rank at least *pari passu* with any other direct, general, unsecured and unconditional obligations and any obligations of the Issuer with the same ranking in bankruptcy, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law.

Sustainable Notes can be issued either as the Covered Notes, the Senior Notes or as the Senior Non-Preferred Notes, as will be specified in the respective Final Terms.

Credit Rating:

Tranches of the Notes may be rated or unrated. Where a tranche of the Notes is rated, such credit rating will be specified in the relevant Final Terms. 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.

Admission to trading:

The Issuer may apply for admission of certain tranches of the Notes for trading on the regulated market of Burza cenných papierov v Bratislave, a.s. in compliance with the respective legal regulations of the Slovak Republic and the rules of BSSE and/or the regulated market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse AG*).

The relevant Final Terms will state on which stock exchanges and/or markets the relevant Notes will be admitted to trading.

Governing Law:

The Notes and any and all rights and obligations arising from the Notes shall be governed and construed in accordance with Slovak law.

Selling restrictions:

Some Notes will not be intended to be offered, sold or made available to non-professional clients in any EEA Member State (including, in any case, the United Kingdom after its withdrawal from the European Union).

In the United States and any EEA Member State (including, in any case, the Slovak Republic and the United Kingdom after its withdrawal from the European Union), there are restrictions on the distribution of the Prospectus, sale and purchase of the Notes and other restrictions as may be required in connection with the offering and sale of a particular tranche of the Notes, see Section 7. of the Prospectus "*Notices and Restrictions*".

Restrictions on the distribution of the Prospectus and offering of the Notes in the United States:

Regulation S, Category 2 of the United States Securities Act of 1933

2. RISK FACTORS

Prospective investors should carefully consider the risk factors set forth below as well as any other information included in the Prospectus, the relevant Final Terms and the relevant Summary of the Issue (if any) prior to making any investment decision with respect to the Notes. The described risk factors may individually or jointly affect the Issuer's ability to perform its liabilities under the Notes. Most of the risk factors below are contingencies which may but do not have to occur, and the Issuer is not able to express an opinion on whether it is probable that they will occur.

The Issuer has only described in the Prospectus the risk factors related to its business, activities and financial position or prospects that it considers to be material and of which it is currently aware. There may be additional risks that the Issuer does not currently consider to be material and or of which it is not currently aware, while any of these risks could have the effects set forth in the preceding paragraph and in this section of the Prospectus.

In the Issuer's opinion, no substantial facts have been omitted from the Prospectus and the risk factors below constitute substantial risks related to the investment in the Notes issued under the Programme. However, the inability of the Issuer to pay interest, repay the principal amount or other sums arising from or in relation to the Notes may also be caused by other reasons which the Issuer may not consider to be material based on information available to it, or which it is unable to foresee as at the date of the Prospectus.

The description of risk factors below constitutes only a general description of risks ordinarily related to the Issuer and the acquisition and holding of the Notes to be issued under the Programme.

The risk factors described below are ranked according to their importance, probability of their occurrence and the expected extent of their negative impact on the Issuer's activity. Risk factors are listed in a limited number of categories, depending on their nature. In each category, the most relevant risk factors are listed first.

2.1 Risk Factors related to the Issuer

Each of the Issuer related risks highlighted below could have a material adverse effect on the Issuer's business, operations, financial condition or prospects which, in turn, could have a material adverse effect on the amount of principal and yield, if any, which investors will receive in respect of the Notes. In addition, each of the Issuer related risks highlighted below could adversely affect the trading price of the Notes or the rights of investors under the Notes and, as a result, investors could lose some or all of their investment.

The Issuer believes that the following factors may affect its ability to fulfil its obligations under Notes to be issued under the Programme. Most of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring.

The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes to be issued under the Programme, but the inability of the Issuer to pay yield, principal or other amounts on or in connection with any Notes may occur for other reasons which may not be considered significant risks by the Issuer based on information currently available to it or which it may not currently be able to anticipate.

Macroeconomic Factors affecting the Issuer

The Issuer has and may continue to experience deterioration in credit quality, in particular as a result of financial crises or economic recessions

The Issuer is and may continue to be exposed to the risk that its borrowers may not repay their loans according to their contractual terms, that the security or income stream securing the payment of these loans may be insufficient.

Economic growth in Slovakia moderates its pace due to external factors and risks, mainly the foreign trade disputes and the United Kingdom's withdrawal from the EU (the **Brexit**), but the labour market maintains good condition. However, if the external issues will not be resolved, there will be a negative impact on the economic growth and labour market in Slovakia. In the event of a regional or global economic and financial crisis, where gross domestic product (the **GDP**) would fall visibly, private consumption and investment would be adversely affected and the unemployment rate and the value of private and commercial real estate would probably increase, which would have a negative impact on the credit quality of the Issuer's loan portfolio.

Deterioration in the credit quality provided by the Issuer and increases in non-performing loans may result in increased risk costs for the Issuer. Its risk costs are based on, *inter alia*, its analysis of current and historical

probabilities of default and loan management methods and the valuation of underlying assets and expected available income of clients, as well as other management assumptions. The Issuer's analyses and assumptions may prove to be inadequate and may result in inaccurate predictions of credit performance.

Complicated macroeconomic conditions and conditions in the financial market, including the Eurozone, may have a material adverse effect on the Issuer's business, financial position, results of activities and prospects

The performance of the Issuer will continue to depend mainly on the Slovak economy, the performance of which is currently being adversely affected by the problems of Slovak main trading partners, especially Germany, but also by problems of other EU countries related to foreign trade disputes and Brexit that result in slowing the pace of the growth of the Slovak economy. The deepening of economic problems of business partners or persisting uncertainty about Brexit may lead to an even more significant slowdown in the growth of the Slovak economy.

Several European economies continue to face structural challenges as unemployment and structural debt levels remain elevated which constantly results in unusually high political risk and polarisation for European standards. In response to the global financial crisis, unprecedented steps have been taken to help stabilise the financial system and increase the flow of credit in the global economy. There can be no assurances as to the actual impact that these measures and related actions will have in the long run on the financial markets, on consumer and corporate confidence generally and on the Issuer specifically. In order to prevent further deterioration of economic growth and to respond to concerns about the effects of the European sovereign debt crisis, the European Central Bank (ECB) (among other central banks) announced a plan to buy unlimited amounts of government bonds of distressed countries in case needed partially in exchange for their request for and acceptance of a formal programme including certain austerity reforms (OMT program). In course of the quantitative easing, the Euro system bought assets to the tune of about EUR 2,650 billion, mostly government bonds. The still ultra-low interest environment creates further pressure on the financial sectors globally. The impact of the ECB's or any other entity's actions in the future is currently unknown and these actions may or may not result in the expected benefits for the relevant economies in the long run. Monetary policy in the future will depend on inflation and due to these unprecedented policies could vary from the foreseen path in either direction fast and without prior notice. Variances in monetary policy may result also in increased volatility in debt and foreign exchange markets. Global monetary policy might have helped to build significant exaggeration in various asset classes such as equity, housing and bonds and these asset prices could also correct swiftly and markedly.

During 2016 and 2017, the Eurozone economy recovered stronger than expected, accompanied by a positive trend of leading indicators for inflation and a declining unemployment rate within the Eurozone. At the moment, however, economic growth is undergoing a cooling-off phase and is still threatened by geopolitical risks – foreign trade disputes (mainly the US and China) as well as the possible economic impacts associated with the United Kingdom's exit from the EU, the Brexit. The major pillar for growth in the Eurozone remains private consumption benefiting from low energy prices and the favourable situation in the employment market connected with the increase of disposable income. A timely resolution of the problems in the external environment would be a positive message for the growth of the Eurozone. In addition to local European risks, volatility of the financial markets is possible due to erratic policy making in the U.S. and geopolitical uncertainties over North Korea, Russia, Ukraine, Turkey and Syria as well as the high total debt levels in China that pose a downside risk. This global economic situation combined with increasing geopolitical challenges has implications on the Eurozone and may lead to corresponding risks within the Eurozone.

Should economic conditions affecting the Slovak market and other Erste Group's operating markets become subdued again, Issuer's results and operations may be materially and adversely affected.

The effect of the economy and legislative changes in the Slovak Republic on the Issuer's economic performance

Economic results of the Issuer are affected by the worldwide global economic and financial conditions and economic development in the Slovak Republic. Economic growth in Slovakia slows down due to external factors and risks (foreign trade disputes, the United Kingdom's exit from the EU, the Brexit), but the employment market remains in good shape. There can be no assurance that any other negative developments in the Slovak economy, rising unemployment rate or legislative changes in the field of financial market, including additional changes in taxation of banks beyond the increased bank levy (for example, the discussed financial transaction tax) will not have a material adverse effect on the economic results of the Issuer since most of its income is generated in the Slovak Republic.

The Issuer may be affected by the situation of the Eurozone and the European Union

If a country exits from the Eurozone, this may have unforeseeable financial, legal, political and social effects. In the event of a deterioration of the overall economic climate, this may have a significant negative effect on the Issuer. The potential economic effects associated with Brexit are a significant risk in Europe.

In general, concerns about the ability of highly indebted Eurozone countries to manage their debts in case of termination of the ECB's current monetary policy may cause significant market movements, which may have a negative effect on the Issuer.

Market and Client Sector Risk Factors affecting the Issuer

The Issuer's economic results are subject to credit conditions in the client sector and may be lower or negative

Credit conditions in the client sector are dependent to a large extent on factors which are beyond the control of the Issuer. The deterioration of credit conditions across the client base or in particular segment, such as in the consumer loans sector, could result in more debtors to be unable to repay their loans according to their contractual terms and consequently lead to an increase of the increase of non-performing loans (NPLs). Since a significant portion of the loan portfolio is funded from client deposits, any loss of confidence of clients and depositors in the economy in general or specifically in the banking market and the Issuer can have a significant negative effect on the Issuer and its economic results and prospects. Consequently, the Issuer may not be able to generate profit and its economic results may be negative.

The low interest rates environment in the Eurozone may have a negative effect on the Issuer's profitability.

The Issuer's transactions and investment activities may be affected as a result of market fluctuations

The Issuer enters into investment and business transactions on the bond, stock, money and derivative markets. When entering into these transactions it is assumed that the Issuer makes and will continue to make estimates related to these markets and their further development. Income generated by the Issuer from these transactions depends on the development of market prices as a consequence of many factors beyond the Issuer's control (e.g., consequences of global economic and financial crisis, adverse development on global financial markets, downgrade of ratings of financial institutions due to deterioration in economic results, current market conditions, etc.). If market prices are moving contrary to the Issuer's expectations, it may result in losses and subsequently have an adverse effect on the Issuer's economic results and in serious cases to its reduced ability to perform its obligations arising from the Notes.

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

Commercial and residential real estate prices have declined in the past reflecting economic uncertainty. Developers were forced to cease or delay the development of planned projects due to a lack of customers, or as a result of declining values of real estate used as security they were unable to obtain financing for the development of these projects. These circumstances resulted in a decline of residential and commercial real estate prices. Although the current real estate market in the Slovak Republic appears stable, the Issuer's commercial and residential loan portfolios may 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. The potential increasing unemployment rate could also lead to an increased number of non-performing loans and losses arising from commercial and consumer loans unrelated to real estate. 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 real estate mortgages established in favour of the Issuer as a bank creditor to secure repayment of the loans extended by it. Potential decline of residential real estate prices may specifically affect value of the cover pool and the cover ratio in case of the Covered Notes. However, pursuant to the statutory requirements, the cover ratio cannot fall below 105% of the value of the covered liabilities. For more information, see risk factor "*In exceptionally adverse insolvency situation the cover pool assets may not be sufficient to fully cover all liabilities under the Covered Notes*" in paragraph 2.2 "*Risk Factors Related to the Notes*".

Climate changes may have significant effect on Issuer and its clients

Climate change is a significant risk for the Issuer as a credit institution and for its clients. Issuer's business may be affected by climate risks including extreme weather events resulting in weather related disaster losses.

Increase in temperature might have negative consequences on certain industries (e.g. agriculture, winter-tourism) thus deteriorating the credit rating of some Issuer's clients.

Furthermore, more and more clients might reject investments into companies that do not prioritise tackling the climate changes. This could also happen with investors in the Issuer's notes if the Issuer or Erste Group (as defined below) is not actively avoiding its own greenhouse gas emissions, or due to the fact that Issuer is offering financings to clients which contribute to climate change.

The EU Commission is acting to fight climate change with the initiative "Sustainable Finance" and will come up with legal requirements to transform the European economy to carbon dioxide (CO₂) neutrality. This might negatively impact Issuer's clients through exclusion of industries dependent on fossil fuel or the introduction of a special carbon dioxide (CO₂) tax, thus deteriorating the credit quality of Issuer's clients.

The Issuer may have difficulty recruiting or retaining qualified employees

The Issuer's existing activities and competitiveness on the Slovak market depend on its ability to retain existing employees and to identify and recruit additional individuals who are not only familiar with the local market conditions, but also have the necessary qualifications and level of experience in banking. On the Slovak market, on which the Issuer operates, the pool of individuals with the required set of skills is smaller than in most Western European countries. Increasing competition for qualified employees from other financial institutions may also make it more difficult for the Issuer to attract and retain qualified employees and may lead to rising labour costs in the future.

Moreover, caps or other restrictions under applicable banking regulations are imposed (or may be tightened in the future) on salaries or bonuses paid to certain employees of the Issuer or its subsidiaries. These regulatory restrictions may limit the Issuer's ability to hire and retain high-quality personnel and could result in losses of qualified personnel. If the Issuer is unable to attract and retain new talented employees or if competition for qualified employees increases its labour costs, this could have a material adverse effect on the Issuer's financial position and results of activities.

Risks Factors associated with the Issuer's Financial Situation and Creditworthiness

The Issuer is exposed to the risk that it may not have sufficient required liquidity

The Issuer, like many other banks, relies on customer deposits to meet a substantial portion of its funding requirements. The majority of deposits with the Issuer are retail deposits, a significant proportion of which are on-demand deposits. These deposits are subject to fluctuation due to factors beyond the Issuer's control, and no assurances can be given by the Issuer that it will not experience a significant outflow of deposits within a short period of time. Since a significant portion of the Issuer's funding comes from its deposit base, any material decrease in deposits could have an adverse effect on the Issuer's liquidity unless appropriate measures are taken, which may not be possible under economically advantageous terms and conditions, if at all.

Issuer's ability to compete effectively will depend on the ability of its businesses to adapt quickly to market and industry trends. If the Issuer fails to compete effectively, or if governmental action in response to financial crises or economic downturns results in it being placed at a competitive disadvantage, the Issuer's business, financial condition and results of operations may be adversely affected.

The risk of downgrade, suspension or withdrawal of credit rating

A credit rating constitutes an opinion of Moody's Investor Service on the creditworthiness of the Issuer, i.e. an indicator of likelihood of a possible loss due to insolvency, delay in payments or incomplete payments to investors. It cannot be considered as a recommendation to buy, hold or sell the Notes or any other securities issued by the Issuer.

A rating agency may downgrade, suspend or withdraw a credit rating assigned to the Issuer. A credit rating may also be suspended or withdrawn if the Issuer were to terminate the agreement with the relevant rating agency or to determine that it would not be in its interest to continue to provide financial data to the rating agency. A downgrading of the credit rating may lead to a restriction of access to funds, and consequently to higher refinancing costs. A credit rating could also be adversely affected by the soundness or perceived soundness of other financial institutions.

Similarly, the credit rating of the Slovak Republic could also be downgraded, suspended or withdrawn or negative information or prospects regarding the Slovak Republic and/or the parent company Erste Group Bank AG could be published, which could result in the increased costs of the Issuer's funding.

Despite the fact that the Issuer was assigned a credit rating by Moody's Investor Service as of the date of the Prospectus, there can be no assurance that the assigned credit rating fully reflects all risks and that no such situation might occur that would result in losses by the Issuer and that consequently could have an adverse effect on the Issuer's economic results and its ability to meet its obligations under the Notes.

Risks Factors associated with the Issuer's Position in the Slovak Banking Market

Competition on the Slovak banking market

The Issuer faces competition from other banking entities offering similar services as the Issuer. If the Issuer fails to succeed in this competition, the results of its activities may be adversely affected. The Issuer faces strong competition in Slovakia from other major Slovak banks owned by major international groups and several local players. As a result of this competition, in particular in the retail segment and the current low interest rate environment, net interest margins have historically been very low. If the current extremely low interest rates (especially for housing loans) are maintained on the market, this may have a significant negative effect on the Issuer's financial condition and results of operations.

The Issuer is owned by a sole shareholder and risks related to the business of Erste Group and Erste Group Bank AG might have a material adverse effect on its business

The Issuer is a member of the Erste group (the **Erste Group**) and is owned and controlled by a sole shareholder. Risks related to the business of the Erste Group and Erste Group Bank AG and the markets on which it operates may have a material adverse effect on the Issuer; they include, *inter alia*, the following:

Erste Group may in the future continue to experience deterioration in credit quality, particularly as a result of financial crises or economic downturns; Erste Group is subject to significant counterparty risk, and defaults by counterparties may lead to losses that exceed Erste Group's provisions; Erste Group's business entails several forms of operational risks; Erste Group is subject to the risk that liquidity may not be readily available; Global conditions may in different ways have a material adverse effect on Erste Group; Climate change may have significant effects on Erste Group and its clients; The legal systems and procedural safeguards in many CEE countries and, in particular, in the Eastern European countries are not yet fully developed; Erste Group may be affected by the current setup of the Eurozone and the European Union; Loss of customer confidence in Erste Group's business or in banking businesses generally could result in unexpectedly high levels of customer deposit withdrawals; Erste Group Bank's profit can be lower or even negative; Erste Group operates in highly competitive markets and competes against large international financial institutions as well as established local competitors; Changes in interest rates are caused by many factors beyond Erste Group's control, and such changes can have a material adverse effect on its net interest income; Erste Group's hedging strategies may prove to be ineffective; Erste Group is generally exposed to market volatility when it comes to loans covered by real estate collateral; Market fluctuations and volatility may adversely affect the value of Erste Group's assets, reduce profitability and make it more difficult to assess the fair value of certain of its assets; Erste Group's risk management strategies, techniques and internal control procedures may leave it exposed to unidentified or unanticipated risks; Since a large part of Erste Group's investments, operations, assets and customers are located in CEE countries that are not part of the Eurozone, Erste Group is exposed to currency risks; Committed EU funds may not be released or further aid programmes may not be adopted by the EU and/or international credit institutions; Liquidity problems experienced by certain CEE countries may adversely affect the broader CEE region; Governments in countries in which Erste Group operates may react to financial and economic crises with increased protectionism, nationalisations or similar measures; Applicable bankruptcy laws and other laws and regulations governing creditors' rights in various CEE countries may limit Erste Group's ability to obtain payments on defaulted loans and advances; Changes in consumer protection laws as well as the application or interpretation of such laws might limit the fees and other pricing terms that Erste Group may charge for certain banking transactions and might allow consumers to claim back certain of those fees and interest already paid in the past; The Issuer is subject to the risk of changes in the tax framework, in particular regarding banking taxes; Erste Group may be required to participate in or finance governmental support programs for credit institutions or finance governmental budget consolidation programmes, through the introduction of banking taxes and other levies; New governmental or regulatory requirements and changes in perceived levels of adequate capitalisation and leverage could subject Erste Group to increased capital and MREL requirements or standards and require it to obtain additional capital, liabilities eligible for MREL purposes or liquidity in the future; Erste Group Bank may be required to provide financial support to troubled banks in the Haftungsverbund, which could result in significant costs and a diversion of resources from other activities; The Issuer is obliged to contribute to the Single Resolution Fund (SRF) and to funds of the deposit guarantee schemes on an annual basis; A change of the ECB's collateral standards could have an adverse effect on the funding of Erste Group and access to liquidity; Credit rating agencies may suspend, downgrade or withdraw a credit rating of Erste Group Bank

and/or a local entity that is part of Erste Group or a country where Erste Group is active, and such action might negatively affect the refinancing conditions for Erste Group Bank, in particular its access to debt capital markets; Erste Group Bank's major shareholder may be able to control shareholder actions; Potential future acquisitions may create additional challenges.

The Issuer's growth may be limited by the growth of the banking market

The Issuer maintains its leading position on the Slovak banking market. With regard to the slowing economic growth of both Slovak and foreign economies, no assurances can be given that the market conditions will develop favourably for the Issuer, which may lead to the slower or suspended growth of the Issuer and the deterioration in its economic results.

Legal and Regulatory Risk Factors associated with 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 fees that the Issuer may charge for the provision of some of its products and services and thereby result in lower commission income. Moreover, as new laws and amendments to existing laws are adopted, these laws may be interpreted inconsistently or applied or changed or interpreted in a manner that is more restrictive. The Issuer has been a party to a number of civil and regulatory proceedings initiated by customers, administrative authorities or consumer protection agencies and associations. 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 an adverse effect on its operating results.

Risk of changes in the tax framework, in particular regarding bank tax and the introduction of a financial transaction tax

The future development of the assets, financial and profit position of the Issuer, *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 and profit position.

The Issuer is subject to a bank levy pursuant to Act No. 384/2011 Coll. on Special Levy of Selected Financial Institutions and on Amendments to Certain Laws, as amended (the **Special Levy Act**). The amount of the Issuer's liabilities reported in the balance sheet less the amount of equity constitute the base for the calculation of the levy, if this value is positive, less the value of long-term funds provided to a branch of a foreign bank, and less the amount of the subordinated debt pursuant to a special regulation. Under the Special Levy Act, the levy rate for the years 2017 to 2020 is 0.2%. Currently, there has been submitted a government proposal to the National Council of the Slovak Republic to amend the Special Levy Act, according to which the levy rate would increase to 0.4% in 2020 and also in the following years. According to the government proposal, total sum of the special levy for the whole banking sector is estimated at around EUR 270 mil. The special levy, as proposed, may have a material negative impact on the Issuer's economic results in 2020 and also in the years to come.

Pursuant to the proposal for a Council Directive implementing enhanced cooperation in the area of financial transaction tax (the **Proposal**), ten EU Member States, i.e., Austria, Belgium, France, Germany, Greece, Italy, Portugal, Slovakia, Slovenia and Spain (the **Participating Member States**) intend to collect a financial transaction tax (the **FTT**) on financial transactions as defined in such Proposal if at least one party to the transaction is established in the territory of a Participating Member State and a financial institution established in the territory of a Participating Member State is a party to the transaction, acting either for its own account or for the account of another person, or is acting in the name of a party to the transaction (residence principle). Financial transactions related to derivative contracts shall be taxed at a minimum rate of 0.01% of the principal amount referred to in the derivative contract. All other financial transactions (e.g. the purchase and sale of shares, notes and similar securities, money market instruments or units in collective investment undertakings) shall be taxed at a minimum rate of 0.1%, while the taxable amount will 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. If the FTT is introduced, there is a risk that the higher costs for investors would result in fewer transactions and negatively affect the economic results of the Issuer.

Slovak law and legislation continue to develop, which may create an uncertain environment for investment and 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. In some circumstances, it may not be possible to obtain legal remedies to enforce contractual or other rights in a timely manner or at all. The lack of legal certainty or the inability to obtain effective legal remedies in a timely manner or at all may have a material adverse effect on the Issuer's business, results of activities or financial position. Investors should also be aware that in the Slovak Republic, there may be fewer judges who specialise in complex matters involving investments in securities compared to judges in Western European countries. Therefore, the matters brought before the Slovak courts may be subject to delays and may not be conducted in a manner similar to more developed legal systems and may, as a result, lead to delays in proceedings or losses on investments.

Litigation risk

Despite the fact that the Issuer is not aware that it may be a party to any administrative, legal or arbitration proceedings that may have or recently have had a significant effect on its financial position or profitability, it is possible that in the future it could become a party to litigation or proceedings that may have an adverse effect on its economic results.

New governmental and regulatory requirements and changes of adequate capitalisation could in the future subject the Issuer to increased capital, volume of liabilities eligible to meet MREL requirements as well liabilities due to liquidity situation.

There are numerous ongoing initiatives for developing new, implementing, amending and more strictly enforcing existing regulatory requirements applicable to European credit institutions, including the Issuer, at national and international levels. Such initiatives which aim to continuously enhance the banking regulatory framework, *inter alia*, include the following:

– *SREP Requirements*

The Issuer is subject to the SREP requirements stipulated in the Act on Banks, implementing Articles 97, 98, 104(1) and (113) of 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**) and Article 16 of the Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (the **SSM Regulation**) within the meaning of the amendments set out in the annual Supervisory Review and Evaluation Process (the **SREP**) by the European Central Bank (the **ECB**). According to the business model, governance and risk management, capital adequacy and the liquidity situation of the Issuer, each year the ECB as competent authority in case of the Issuer sets an individual additional own funds requirement for the Issuer. This requirement also takes into account results from the latest stress tests and needs to be met by the sort of capital (CET 1, AT1, Tier 2 capital) set by the ECB. Depending on the Issuer's situation, SREP requirements may vary annually. Increasing Pillar 2 requirements could trigger additional pressure on the capitalisation of the Issuer.

– *Bank Recovery and Resolution Legislation (BRRD)*

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 (*Bank Recovery and Resolution Directive*) (the **BRRD**), has been implemented into the legal order of the Slovak Republic by Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended (the **Crisis Situation Resolution Act**). Measures undertaken under the BRRD may have a negative effect on debt instruments by allowing resolution authorities to order the write-down of the principal amount of such instruments or convert them into instruments of ownership. The Issuer may be subject to resolution tools and other powers as set out under 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 (*Single Resolution Mechanism Regulation*) (the **SRMR**).

– *EU Banking Reform Package*

On 7 June 2019, a legislative package regarding the set of revised rules aimed at reducing risks in the EU banking sector (the **EU Banking Package**) was published in the Official Journal of the EU. This EU Banking Package comprises 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 (the **CRD**), Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms (the **CRR**), the BRRD and SRMR. The EU Banking Package implements reforms agreed at international level following the 2007 to 2008 financial crisis to strengthen the banking sector and address outstanding challenges to financial stability.

The EU Banking Package, *inter alia*, implements “Resolution Group” levels which are relevant for determining the level of application of the rules on loss absorbing and recapitalisation capacity and defines the desired resolution strategy. The new legislative framework allows for a multiple-point-of-entry (the **MPE**) or a single-point-of-entry (the **SPE**) resolution strategy. The minimum requirement for own funds and eligible liabilities (the **MREL**) should reflect a resolution strategy which is appropriate to a banking group in accordance with the resolution plan. Under the SPE strategy, only one group entity, usually the parent undertaking, is resolved whereas other group entities, usually operating subsidiaries, are not put in resolution, but upstream their losses and recapitalisation needs to the parent company. Under the MPE strategy, more than one group entity may be resolved.

Erste Group aims the MPE approach forming separate resolution groups with Erste Group’s core subsidiaries in the Central and Eastern Europe Region (the CEE). At the current stage, most of the relevant national resolution authorities join the decision on MPE as preferred strategy, hence still discussions are ongoing and thus, no firm conclusions regarding the impact on Erste Group or the Issuer can be made.

– *Requirement for own funds and eligible liabilities (MREL)*

In order to ensure the effectiveness of bail-in and other resolution tools, institutions have to meet an individual MREL requirement, to be calculated (based on current legislation) as a percentage of total liabilities and own funds and set by the relevant resolution authorities. Under the new legislative framework of the EU Banking Package, MREL shall be expressed as a percentage of the total risk exposure amount. Currently, no firm conclusions regarding the impact on the potential future capital requirements and consequently how this will affect the Issuer’s capital requirements and its requirements of liabilities eligible for MREL purposes can be made. As of the date of the Prospectus, no official MREL target has been set for the Issuer.

Further, any future regulatory change 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 future business, the offered products and services as well as the value of its assets. The Issuer may not be able to increase its eligible capital (or its capital ratios) sufficiently or on time. If the Issuer is unable to increase its capital ratios sufficiently and/or 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.

Compliance with anti-money laundering and anti-terrorism financing regulations involves significant costs and efforts and non-compliance with them may have severe legal and reputational consequences

The Issuer is the obliged person pursuant to applicable legal regulations regarding anti-money laundering and anti-terrorism financing (the **AML**). Legal regulations regarding AML issues have been tightened in recent years in particular as a result of the implementation of the Fourth Anti-Money Laundering Directive, Directive (EU) 2015/849 of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing. Monitoring compliance with AML rules can result in a significant financial burden on banks and other financial institutions and can pose significant technical problems. Despite the implementation of any applicable legal regulations regarding the AML, the Issuer cannot guarantee that it is in compliance with all applicable AML rules at all times and that the AML policy and standards applied by Erste Group are being consistently applied by its employees in all circumstances. Any violation of the AML rules or even alleged violations of these rules may have severe legal, monetary and reputational consequences and could have a material adverse effect on the Issuer’s business, financial position and results of activities.

Legal regulation of recovery and resolution of the bank’s crisis situations

The BRRD was implemented in the Slovak Republic by the Crisis Situation Resolution Act. This act provides a framework for the recovery and resolution of the credit institutions’ crisis situations and, *inter alia*, requires the

institutions to prepare “recovery plans” setting out certain agreements and measures that can be used in the event of a substantial deterioration in the financial institution’s position to restore its viability from a long-term perspective. Moreover, the institutions must always meet the minimum requirements for own funds and eligible liabilities (MREL). Measures taken under the Crisis Situation Resolution Act may also have an adverse effect on debt instruments, including the Subordinated Notes and, in certain circumstances, Senior Notes issued by the Issuer under the Programme. In particular, on the basis of a resolution body’s decision, these Notes may be subject to write-offs if a trigger event occurs. This may cause the Holders to lose part or all of the investment in the Notes (legal absorption of losses). Any partial or total write-off or conversion of the principal amount or unpaid yields of the Notes will not under legal regulation of the capitalisation instruments (*bail-in*) or the write-off and conversion constitute an event of breach of the Notes. This means that any amounts written off or converted in this manner will be irrevocably lost and the Holders will lose any claims arising therefrom, regardless of whether or not the financial position of the Issuer will be renewed.

In addition, the resolution body has the power to impose a number of other measures, the exercise of which could substantially affect the Issuer’s ability to fulfil the obligations from the Notes or the value of the Notes, for example:

- the power to transfer the rights, assets or obligations of the Issuer (including the Notes) to another company;
- the power to reduce, including a reduction to zero, the principal amount or unpaid amount of the Issuer’s eligible obligations (including obligations from the Notes);
- the ability to convert the Issuer’s eligible obligations (including obligations from the Notes) into ordinary shares or other equity instruments of the Issuer, relevant parent institution or bridging institution into which the assets, rights and liabilities are transferred;
- the power to cancel the Notes as debt instruments issued by the Issuer;
- the power to require the Issuer or the parent company concerned to issue new shares or other equity instruments; and
- the power to change the maturity of the Notes or the date of payment and the amount of yields on the Notes.

Exercising these powers of the resolution body is highly unpredictable and any proposal or expectation of such exercise could materially affect the market price of the Notes.

Risk Factors associated with the Issuer’s Operation and Internal Control

The Issuer is exposed to the operational risk

The Issuer is also exposed to operational risks, such as the risk of the Issuer’s loss, negative impact on its business, financial position or prospects resulting from the failure or inadequacy of internal processes or systems or from external events. The Issuer is exposed, *inter alia*, to (a) the risk of mismanagement of financial services, including failure to act in the best interests of the client; (b) the risk of a faulty delivery of product or transaction to the client or failure to fulfil a contractual obligation; (c) the risk arising from information and communication technologies or their failure including the risk of unauthorised transactions, operational errors, cyber-attacks, administrative errors, hardware or software errors, and data storage errors, including cloud services. Taking into account the high number of transactions executed by the Issuer, it may happen that abuses or errors can be made or repeated before they are detected or remedied; (d) the risk of fraud by employees or third parties; (e) the compliance risk including the risk that the Issuer will be subject to restrictions on its business, a fine or additional reporting requirements in the event of non-compliance with applicable laws, rules, regulations and the like; and (f) the legal risk as a secondary risk if some of the above risks materialise because in that case, the Issuer may be the subject of requirements or claims alleging non-compliance with contractual or statutory duties.

The Issuer’s risk management strategies and internal control procedures may expose it to unidentified or unanticipated risks

The Issuer’s risk management techniques and strategies have not and may not be fully effective in mitigating the Issuer’s risk exposures in all economic market conditions and environments or against all types of risks, including risks that it fails to identify or anticipate. Furthermore, regulatory audits or other regular reviews of the risk management procedures and methods have and may reveal weaknesses or deficiencies in risk management systems of the Issuer. Some of quantitative tools and metrics for risk management of the Issuer are

based on its use of observed historical market behaviour. The Issuer applies statistical and other tools to these observations to arrive at quantifications of risk exposures. During the recent financial crisis, the financial markets experienced unprecedented levels of volatility (rapid changes in prices) and the disruption of historically observed correlations (the extent to which prices move in tandem) across asset classes due to extremely limited liquidity. In this volatile market environment, the Issuer's risk management tools and metrics failed to predict some of the losses it experienced and under similar conditions of market disruption may fail to predict future important risk exposures. In addition, the Issuer's quantitative modelling does not take all risks into account and is based on numerous assumptions regarding the overall environment, which may or may not prove to be correct. As a result, risk exposures have arisen and could continue to arise from factors not anticipated or incorrectly evaluated in the Issuer's statistical models.

This has limited and could continue to limit the Issuer's ability to manage its risks, mainly the high indebtedness of some European countries and the uncertain economic growth of the Eurozone. If such circumstances arise that the Issuer did not identify, anticipate or correctly evaluate in developing its statistical models, its losses could be higher than the maximum losses envisaged under its risk management systems. Furthermore, the quantifications do not take all risks or market conditions into account. If the measures used to assess and mitigate risks prove insufficient, the Issuer may experience material unanticipated losses, which could have a material adverse effect on its business, financial position and results of activities.

2.2 Risk Factors Related to the Notes

Risk factors which could be material for the Notes 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 Notes and related market risks. The Notes may not be a suitable investment for prospective investors, and each prospective investor in the Notes must determine the suitability of that investment in light of its own circumstances and should:

- have sufficient skills and experience to make an appropriate evaluation of the Notes, risks related to them and information contained (or incorporated by reference) in the Prospectus and in the relevant Summary of the Issue (if applicable);
- have knowledge of and access to appropriate analytical tools to evaluate investments in the Notes and be able to evaluate the effect of the investment in the Notes on its financial situation and/or its overall investment portfolio, always in the context of its particular financial situation;
- have sufficient financial resources and liquidity to bear all the risks related to the investment in the Notes, including the potential volatility of the value of the Notes;
- fully understand the relevant terms and conditions of the Notes (including the relevant Final Terms) and be familiar with the functioning of the relevant indices and financial markets; and
- be able to evaluate (either alone or in cooperation with its financial advisor) possible scenarios of development of the economy, interest rates and other factors that may affect its investment and its ability to bear relevant risks.

Risk Factors related to the Interest Payment Provisions of the Notes

Risk of the Notes with a fixed interest rate

Holders of these Notes are exposed to the risk that the price of these Notes will fall as a result of interest rate changes. While the nominal interest rate of the Notes is fixed during the life of the Notes, the actual interest rate on the capital market (for the purpose of this paragraph, the **market interest rate**) is subject to change. The change of the market interest rate also means the change of value of the Notes with a fixed interest rate, but in the opposite direction. Thus, if the market interest rate increases, the value of the Notes with a fixed interest rate usually drops to the level in which the interest on such Note is approximately equal to the market interest rate. If, on the contrary, the market interest rate decreases, the value of the Notes with the fixed interest rate usually increases to the level in which the interest on such Note is approximately equal to the market interest rate.

Holders of the Notes with a floating interest rate may be exposed to the risk of fluctuations of the interest rate, as a result of which it is not possible to determine the yield on these Notes in advance, and are exposed to the risk of uncertain interest income

The Notes with a floating interest rate are usually volatile investments. The Holder of the Notes with a floating interest rate is exposed to the risk of interest rate fluctuations and uncertain interest income. As a result of interest rate fluctuations, it is not possible to determine in advance the yield on the Notes with a floating interest

rate. If the Notes with a floating interest rate are structured so as to include so-called “caps” (i.e. the maximum interest rate), the so-called “floors” (i.e. the minimum interest rate), or any combination thereof or other similar related elements, their market price may change more than the market price of the Notes with a floating interest rate that do not include those elements. The effect of the “cap” is that the amount of interest never rises above and does not exceed a predefined threshold, so that the Holder will not be able to benefit from any current advantageous development above the specified threshold. For this reason, the yield may be significantly lower than on the similar Notes with a floating interest rate without the “cap”.

Interest on the Notes with a floating interest rate will be calculated by reference to one or several specific benchmark indices (each a **Benchmark**) such as the Euro Interbank Offered Rate (**EURIBOR**), the London Interbank Offered Rate (**LIBOR**) or another Benchmark, each of which are provided by an relevant administrator. Benchmarks have become the subject of regulatory scrutiny and recent national and international regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such Benchmarks to perform differently than in the past, or to disappear entirely, or have other consequences which cannot be predicted. Any such consequence could have a material adverse effect on any Notes linked to such a Benchmark.

International proposals for reform of Benchmarks include Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure performance of investment funds (the **Benchmark Regulation**), effective from 1 January 2018. According to the Benchmark Regulation, a Benchmark may only be used if its administrator obtains authorisation or is registered and in case of an administrator which is based in a non-EU jurisdiction, if the administrator's legal benchmark system is considered equivalent (Article 30 of the Benchmark Regulation), the administrator is recognised (Article 32 of the Benchmark Regulation) or the Benchmark is endorsed (Article 33 of the Benchmark Regulation) (subject to applicable transitional provisions).

The Benchmark Regulation could have a material impact on the Notes linked to a Benchmark, including any of the following circumstances:

- a rate or an index which is a Benchmark could not be used as such if its administrator does not obtain authorisation or is based in a non-EU jurisdiction which (subject to applicable transitional provisions) does not satisfy the 'equivalence' conditions, is not 'recognised' pending such a decision and is not 'endorsed' for such purpose. In such event, depending on the particular Benchmark and the applicable terms of the Notes, the Notes could be de-listed, adjusted, redeemed prior to maturity or otherwise impacted;
- the methodology or other terms of the Benchmark could be changed in order to comply with the terms of the Benchmark Regulation, and such changes could have the effect of reducing or increasing the rate or level or affecting the volatility of the published rate or level; and
- certain fall-back provisions will apply in case a Benchmark used as a reference for calculation of amounts payable under the Notes issued under the Programme has ceased to be calculated or administered. The application of these fall-back provisions could result in the relevant Notes effectively becoming fixed rate instruments.

In addition to the aforementioned Benchmark Regulation, there are numerous other proposals, initiatives and investigations which may impact Benchmarks.

Following the implementation of any such potential reforms, the manner of administration of Benchmarks may change, with the result that they may perform differently than in the past, or Benchmarks could be eliminated entirely, or there could be other consequences which cannot be predicted. For example, on 27 July 2017, the Chief Executive of the U.K. Financial Conduct Authority (FCA) announced that it does not intend to continue to persuade, or use its powers to compel banks to submit rates for the calculation of the LIBOR benchmark to the administrator of LIBOR after 2021 (the **FCA Announcement**). The FCA Announcement indicates that the continuation of LIBOR on the current basis cannot and will not be guaranteed after 2021. It is not possible to predict whether, and to what extent, panel banks will continue to provide LIBOR submissions to the administrator of LIBOR going forwards. This may cause LIBOR to perform differently than it did in the past and may have other consequences which cannot be predicted.

Any changes to a Benchmark as a result of the Benchmark Regulation or other initiatives, could have a material adverse effect on the costs of refinancing a Benchmark or the costs and risks of administering or otherwise participating in the setting of a Benchmark and complying with any such regulations or requirements.

Although it is uncertain whether or to what extent any of the above-mentioned changes and/or any further changes in the administration or method of determining a Benchmark could have an effect on the value of any

Notes linked to the relevant Benchmark, investors should be aware that any changes to a relevant Benchmark may have a material adverse effect on the value of any Notes linked to such Benchmark.

Risk of the Notes with zero coupon

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

Risk of the Notes with interest rate structure

The Notes with an embedded interest rate structure are associated with the risk of a change in the interest rate, including (i) the risk that the conversion of the original interest rate to the changed interest rate may result in a change in the price of the relevant Note, whereas such changed interest rate may be lower than the original interest rate, which may be less advantageous for the Holders than if such conversion did not take place, (ii) the risk that if a conversion of the original interest rate to the changed interest rate is made, the determination of such adjusted interest rate may depend on the difference between the two reference rates with different maturity dates so that the Holders must be aware that, over the life of the Notes, the yield curves may change in a different direction than could have been assumed, which may mean that the changed interest rates may be lower than originally foreseen due to changes in the reference rates; (iii) the risk that in the conversion of the original interest rate to the changed interest rate, the high volatility of the reference rates may cause the changed interest rate to be significantly lower than originally assumed, which may also have a negative effect on the price of the Notes; (iv) the risk that, if the potential automatic conversion of the original interest rate to the changed interest rate may limit the growth in the market price of the Notes, e.g. the setting of the maximum interest rate that even in case of favourably developing reference rates may cause the market price of the Notes not to increase significantly above the price at which the Notes will be payable; early maturity of the Notes decided by the Issuer may arise in situations where the cost of financing is generally lower than when they are issued. In this case, the Holder may generally not be able to reinvest the funds acquired by the redemption of the Notes at interest rates that will be higher than the original interest rates on the Notes; they may also be significantly lower; potential investors should consider the risk of reinvestment in the light of other, at that time available, investments; and (v) the risk that the Notes may contain a maximum interest rate, and the Holders will not be able to fully participate in the positive development of interest rates above the maximum interest rate; for this reason, the yield on the Notes may be significantly lower than with the Notes without a specified maximum interest rate.

Risk of the Notes with planned redemption after reaching a certain yield

Investors in the Notes with planned redemption must take into account that the Notes will be redeemed automatically upon reaching the predefined amount of interest paid. If the Notes are redeemed early, the investor bears the risk that the early redeemed principal amount cannot be re-invested under similar market circumstances with a similar yield. Moreover, the automatic redemption of the Notes after reaching a defined interest income may limit the market price of these Notes. Due to the maximum total amount of interest paid on these Notes, their market price will not increase significantly above the level of the price for which they are to be redeemed, even in a favourable market/interest environment.

Risk Factors related to the Provisions and Limitations in the Terms and Conditions of the Notes

No early maturity in the event of non-fulfilment of the Issuer's obligations, no joint representative

Pursuant to the terms of the Notes and in line with the prevailing market practice for debt issuances by Slovak credit institutions in domestic Slovak market, a default on Issuer's obligations under the Notes will not cause the early maturity (acceleration) of Issuer's obligations owed to the Holders of the Notes or the right of the Holders of the Notes to claim early redemption of the Notes. In the case of a payment default by the Issuer, the Holders of the Notes will have a right to sue the Issuer for payment and they will also have the right to separate satisfaction in respect of the assets in the cover pool in potential execution proceedings. However, the Holder will not have the right to demand early redemption of the full principal amount. A default by the Issuer may trigger convening of the meeting of the Holders of the Notes, but there is no common representative of the Holders of the Notes and each Holder will generally have to enforce its rights against the Issuer individually.

Absence of independent calculation agent and paying agent, risk of a potential conflict of interest

With regard to the Notes, the Issuer may also act in different capacities, such as a calculation and paying agent (administrator) that enables the Issuer to make calculations in respect of the Notes (e.g. the calculation of the

amount of yield to be paid) which are binding for the Holders. Unless an Administrator is appointed, all calculations and payments to the Holders will normally be performed by the Issuer. Therefore, there will not be any independent calculation agent or payment administrator normally responsible for these tasks. Therefore, potential conflicts of interest may exist between the Issuer and Holders (in particular where the Issuer acts as a calculation agent), in particular with respect to certain determinations and judgements that the Issuer may make under the terms and conditions of the Notes that may influence amounts receivable by the Holders under the terms and conditions of the Notes. This is in line with prevailing market practice for debt issuances by Slovak credit institutions in the domestic Slovak market and the Issuer has taken steps to prevent potential conflicts of interests in accordance with the applicable law. However, investors should be aware that they cannot rely on any impartial agents – third parties – if an administrator (agent) is not appointed. This fact may affect the value of the Notes.

The Holders are exposed to the risk that the Issuer is not limited in issuing additional debt securities or creating additional liabilities

The Issuer is not limited to the amount of debt it may issue that may arise or which it can provide. Moreover, the Issuer is not obliged to inform the Holders about the issue, creation or securing of a further debt. The issue, creation, or guarantee of a further debt may have an adverse effect on the market price of the Notes and the Issuer's ability to meet all obligations arising from the issued Notes and may reduce the amount that the Holders would be able to obtain in the event of the Issuer's bankruptcy. If the Issuer's financial situation deteriorated, the Holders could suffer direct and substantially negative consequences, including interruption in interest income or a reduction in the principal amount of the Notes and, in the event of liquidation of the Issuer, loss of the whole investment. All these facts could have a negative impact on the Holders.

Risk of early redemption of the Notes

If any Notes are redeemed early or repurchased by the Issuer prior to their final maturity, the Holder may be exposed to the risk that the return on investment in the Notes may be lower than expected.

Indicated Aggregate Amount of the Issue of the Notes may not be considered as binding

The Aggregate Amount of the Issue of the Notes indicated in the relevant Final Terms represents the maximum Aggregate Amount of the Issue of such Notes. However, the actual aggregate principal amount of the Notes issued in this manner may be lower than the indicated Aggregate Amount of the Issue and may vary during the life of the Notes issued in this manner, depending, in particular, on the demand for such Notes and repurchases by the Issuer. Therefore, no conclusion may be drawn from the indicated Aggregate Amount of the Issue of such Notes with regard to their liquidity on the secondary market.

Risks of the Legal Framework related to the Notes

The Notes are not covered by any (statutory or voluntary) protection scheme

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

The Holders are exposed to the risk that in the event of the Issuer's bankruptcy, deposits will be satisfied before their receivables in respect of the Notes are paid

Pursuant to Section 180a of the Bankruptcy Act, as amended on 15 November 2016, 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 that will be primarily used to compensate the creditors of receivables from protected deposits will be satisfied in the following order:

- (a) receivables from the Deposit Protection Fund 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 (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 natural persons, 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. Therefore, particularly the Holders of the Senior Notes should

be aware that in the event of the Issuer's bankruptcy, their receivables will be subordinated to the above mentioned receivables from protected deposits and that their claims under the Senior Notes will be satisfied (though only partially) only if the receivables referred to in (a) and (b) above are fully satisfied.

Risk of subordination of related receivables

Pursuant to the Bankruptcy Act, any obligation of the Issuer whose creditor is or at any time during its existence was a person which is or was a related party to the Issuer under Section 9 of the Bankruptcy Act (the **Related Obligation**) (i) will be automatically subordinated to any and all of the Issuer's other unsubordinated obligations in a bankruptcy proceedings over the Issuer's property held in the Slovak Republic and such Related Obligation will not be satisfied before all of the Issuer's other unsubordinated obligations towards the creditors who have registered their claims in the bankruptcy over the Issuer's property; (ii) in the Issuer's restructuring, it cannot be satisfied in an identical or better manner than any of the Issuer's other unsubordinated obligations towards creditors who have registered their claims in the Issuer's restructuring. With regard to the text of the Bankruptcy Act, it may mean that the Holder may also become a creditor of the Related Obligation who on its own is unrelated to the Issuer if it acquires the Note which at any time in the past was held by a person related to the Issuer.

However, the above mentioned regime of the subordinated satisfaction of the Related Obligations in bankruptcy and restructuring will not apply to (i) a creditor who is not related to the debtor and at the moment of the acquisition of the related claim was neither aware of and upon exercising professional care it could not have known that it was acquiring a Related Obligation; and (ii) a creditor of a claim arising from the note or another financial instrument within a transaction on the regulated market, multilateral trading facility or similar foreign organised market, since such manner of the acquisition of a note or another financial instrument establishes a statutory precondition that the creditor was not aware that it constituted a Related Obligation.

Definition of related party is broad and will include *inter alia* the Issuer's shareholders holding at least 5% direct or indirect interest, subsidiaries in which the Issuer holds at least a 5% direct or indirect interest and affiliates connected with the Issuer through at least 5% direct or indirect interest.

Tax and Regulatory Risks

Return of investment in the Notes may be affected by taxes and other charges

The total return of the investment in the Notes may be affected by the fees related to their acquisition, purchase/sale, etc. Therefore, the Issuer recommends that potential investors in the Notes become familiar with the fees charged related to the holding, purchase and sale of the Notes. Potential purchasers or sellers of the Notes should be also aware that they might be forced to pay taxes and other costs or charges in accordance with the law and practice of a country in which the Notes are being transferred or of another country relevant to the relevant situation. Upon the acquisition, sale or redemption of the Note, potential investors should act according to recommendations given by their tax advisors related to individual taxation.

Withholding tax risk

As at the date of this Prospectus, the yield on the Notes is not subject to any withholding tax, except for yield paid to tax payers who are individuals or tax payers not incorporated or established for business purposes and NBS. With regard to frequent changes of tax regime, no established application practice exists. Tax regulations which are subject to changes create negative prospects for the predictability and stability of the Slovak tax environment. Further changes regarding the withholding tax regime cannot be ruled out, which could negatively affect the expected yield on the Notes.

A change in the laws may affect the value of the Notes

The conditions and rights arising from the Notes are based on Slovak law, valid and effective as at the date of this Prospectus, Common Terms, relevant Final Terms and the relevant Summary of the Issue (if applicable). No representation can be made and no assurances can be given by the Issuer regarding the effect of any changes in the Slovak legal system (including changes in the method of taxation of yield on the Notes) on the value of the Notes after the date of the Prospectus.

Regulation applying to investment activities of certain investors may limit or fully preclude these investors from investing in the Notes

Investment activities of certain investors may be regulated under special, generally binding legal regulations and may be subject to supervision or control by competent public authorities. Each potential investor in the Notes

should refer to its professional advisor to determine whether and to which extent the Notes represent an admissible investment, while taking into account the nature of the investor and the extent to which it is subject to restrictions on its own purchase or pledge of the Note. If a potential investor in the Notes is a financial institution, it should also consider the rules related to risk weighted assets and other related rules and measures.

Risks related to U.S. Foreign Account Tax Compliance Act (FATCA)

Payments of interest or the principal amount of the Notes to Holders that (i) fail to comply with tax certifications or identification requirements (including the provision of information regarding a waiver of the application of any laws prohibiting the disclosure of such information to a tax authority) or (ii) are financial institutions that fail to comply with the U.S. Foreign Account Tax Compliance Act or any analogous provisions of non-U.S. laws, including any voluntary agreements entered into with a tax authority pursuant thereto, may be subject to a withholding tax of 30%. The Issuer will not be obliged to make any additional payments in respect of any such amounts withheld by the Issuer or other paying agent.

Risk Factors Specific to the Covered Notes including the Sustainable Notes with such Status

In exceptionally adverse insolvency situation the cover pool assets may not be sufficient to fully cover all liabilities under the Covered Notes

The cover pool (in Slovak: *krycí súbor*) covering the liabilities of the Issuer under the Covered Notes will consist primarily of mortgage loans secured by way of a legally perfected first ranking mortgage in favour of the Issuer over the 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. In particular, for an individual Mortgage Loan eligible to be included in the cover pool must comply with the applicable requirements including, amongst other things, the loan-to-value limit under which the outstanding amount of principal under the 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 relevant month.

As at the date of this Prospectus, all the mortgaged property is located in the Slovak Republic. 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. 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 cover for the issued and outstanding Covered Notes. 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 cover 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 Covered Notes.

It should be also noted that due to the preregistration of the mortgage bonds issued by the Issuer before 1 January 2018 as described in paragraph 8.1 below, the single common cover pool will also cover all the liabilities of the Issuer under those legacy mortgage bonds. The claims of the Holders under the Covered Notes will rank *pari passu* with the claims of the holders of the legacy mortgage bonds and all holders will 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 Covered Notes and the value of the cover pool.

Risk of extension of final maturity of the Covered Notes and risk of change of the Issuer of the Covered Notes

In the event of bankruptcy or involuntary administration of the Issuer, the bankruptcy administrator or the involuntary administrator (each an **administrator**) of the Issuer will take over the operation of the programme of the Covered Notes (the **programme**). The programme includes generally all assets of the cover pool as well as all liabilities under the Covered Notes, mortgage bonds issued by the Issuer in the past, any other covered notes issued by the Issuer and other covered liabilities, such as hedging derivatives (if any) and related administrative contracts and functions. The administrator will be obliged to evaluate whether the operation of the Covered Notes programme does not cause the overall decrease of rate of satisfaction of the Holders of the Covered Notes. If the administrator reaches the conclusion that the operation of the Programme may result in

decrease of satisfaction of the Holders of the Covered Notes, 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 Covered Notes would be adjusted in accordance with Section 67 (10) and (11) 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 any Covered Notes falling into that period would be postponed by 12 months, and (iii) if the administrator requires a prolongation of the transfer period, any final maturity date for principal payment under any Covered Notes in the programme 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 Covered Notes would not be affected, but the Holders will not receive any other compensation and will not have any remedies in respect of the extended maturity of the Covered Notes.

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

The transfer of the programme itself will be subject to prior approval of the NBS. If such a transfer is effected, the identity of the Issuer of the Covered Notes will change to the transferee bank, i.e. another bank in the Slovak Republic will become an obligor under the Covered Notes. This does not have an effect on the terms of the Covered Notes themselves, but the creditworthiness of the new issuer 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 Holders 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 of subordination of related receivables under the Covered Notes

With regard to the Covered Notes, Section 95(5) of the Bankruptcy Act clarifies specifically that the subordination will not apply to a creditor who is neither related to the Issuer nor to a person from which it acquired the receivable under the covered notes. This means that a Holder of a Covered Note, who is not related to the Issuer and has not acquired a Covered Note from its related party, should not be considered a creditor of a Related Receivable. Because the subordination rule applies only in the case of distribution of bankruptcy estate to creditors (i.e. the cover pool in the case of the Covered Notes), the subordination risk is, in respect of the Covered Notes, unlikely to have material impact on the creditors of the Related Receivables arising under the Covered Notes, except in the case of liquidation of the cover pool following a failure by the bankruptcy trustee to transfer the whole programme of the Covered Notes of the Issuer to another Slovak bank, as envisaged under Section 195a of the Bankruptcy Act. However, if such liquidation of the cover pool takes place, the creditors of the Related Receivables who are related to the Issuer most likely will not have priority rights to the proceeds of the sale of the cover pool assets and will be satisfied (if at all) only after all other general unsecured creditors of the Issuer are satisfied in full. No provision of the Bankruptcy Act prevents a Holder of a Covered Note to transfer that note to an unrelated party at any time.

Risk Factors specific to the Subordinated Notes

Subordinated Notes are subordinated to all unsubordinated unsecured obligations of the Issuer

Subordinated Notes will be issued for the purpose of meeting Tier 2 regulatory capital requirements. Upon the Issuer's entry into liquidation, bankruptcy or restructuring, the receivable corresponding to the Issuer's obligations under the Subordinated Notes will be satisfied only after all other receivables have been satisfied (including, but not limited to, the Issuer's obligations under the Senior Notes, the Covered Notes and the Senior Non-Preferred Notes and the Sustainable Notes) other than receivables which are bound by the same or similar condition of subordination. Thus, in any such case, no sums under those obligations will be payable unless the receivables of all unsubordinated creditors of the Issuer have been fully satisfied. After satisfying these senior creditors, the Issuer may not have enough assets remaining to satisfy receivables from the Subordinated Notes and thus the Holder of Subordinated Notes could lose all or some of its investment.

Similarly, if the Issuer gets into a crisis situation under Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended, including related regulations, the obligations of the Issuer from

the Subordinated Notes may be subject to measures for resolution of the crisis situation of the Issuer or its group, mainly to the partial or full amortisation or conversion into registered capital of the Issuer. Such measure may be adopted in respect of the Subordinated Notes, rather than other receivables (including, but not limited to, the Issuer's obligations under the Senior Notes, the Covered Notes, the Senior Non-Preferred Notes and the Sustainable Notes). This circumstance, too, may result in the Holders losing a part or their whole investment in the Subordinated Notes.

Issuer's rights to early redemption or repurchase of the Subordinated Notes are subject to prior authorisation by the relevant supervisory body

Holders of the Subordinated Notes should not invest in Subordinated Notes, expecting the Issuer to exercise any right to early redemption or to repurchase the Subordinated Notes. If such a right is foreseen in the Final Terms and conditions, the Issuer may, at its sole discretion, repay the Subordinated Notes early before their maturity date, but always only under certain defined circumstances. The same applies similarly to any repurchase of the Subordinated Notes. Early redemption and repurchase of the Subordinated Notes is always subject to the prior approval of the competent authority, which is, in case of the Issuer, the European Central Bank. Early redemption or repurchase of the Subordinated Notes as Tier 2 instruments, is only possible after the conditions prescribed by CRR have been satisfied. Holders of the Subordinated Notes should therefore be aware that they are likely to be forced to bear the financial risks of investing in the Subordinated Notes until their final maturity.

Subordinated Notes exclude the right to set-off

Subordinated Notes contain the exclusion of the right to set-off by law. The available right to set-off mutual claims usually reduces the credit risk between the parties, but the Holders of the Subordinated Notes will not be able to use such a positive effect. No Holder of the Subordinated Notes shall be entitled to set off its claims against the Issuer from the Subordinated Notes against any potential claims of the Issuer against the Holder (e.g. in the case of a loan extended to the Holder as a borrower from the Issuer as a bank).

Risk Factors specific to the Senior Non-Preferred Notes including the Sustainable Notes with such Status

Senior Non-Preferred Notes are subordinated to all existing unsubordinated unsecured obligations of the Issuer

The Senior Non-Preferred Notes will be issued to meet the minimum requirements for the eligible liabilities (the MREL). As such, these Notes have lower ranking and the claims arising out them will be satisfied in the Issuer's bankruptcy only after satisfaction of the preferred claims from protected and covered deposits (Section 180a(1) of the Bankruptcy Act) as well as all unsecured claims under Section 95(1) of the Bankruptcy Act, which also includes claims under the Senior Notes or other current unsecured obligations. On the contrary, the Senior Non-Preferred Notes have a higher ranking in the bankruptcy than the Subordinated Notes. On the basis of a resolution body's decision, the Senior Non-Preferred Notes may be subject to write-offs if a trigger event occurs. This may cause the Holders to lose part or all of the investment in the Notes (legal absorption of losses). Any partial or total write-off or conversion of the principal amount or unpaid interest of the Notes will not under legal regulation of the capitalization instruments (*bail-in*) or the write-off and conversion constitute an event of breach of the Notes. This means that any amounts written off or converted in this manner will be irrevocably lost and the Holders will lose any claims arising therefrom, regardless of whether or not the financial position of the Issuer will be renewed.

Senior Non-Preferred Notes may be redeemed early for tax or regulatory reasons

The Issuer may, at its discretion, redeem the Senior Non-Preferred Notes early in full, but not in part, if there is a change in the regulatory classification of the Senior Non-Preferred Notes or in the tax conditions related to the Senior Non-Preferred Notes, in any case if it is admissible under the relevant CRR provisions applicable to at a given time and provided that the required approval of the competent regulatory or resolution authority has been obtained. If so specified in the Final Terms, the Issuer may also redeem the Senior Non-Preferred Notes in full, but not in part, as long as the remaining maturity of the Senior Non-Preferred Notes is shorter than one year and these Notes are, at the time of their redemption, exempt from the minimum requirements for eligible liabilities due to their shorter maturity.

The laws and regulations of the Slovak Republic and the European Union concerning the treatment of the Senior Non-Preferred Notes have been recently adopted and are subject to changes, which are difficult to foresee. Should such a change occur, the Issuer may be expected to redeem the Senior Non-Preferred Notes if its cost of securing funds through a loan is lower than the interest rate of the Senior Non-Preferred Notes. In such a situation, the investor would generally not be able to re-invest the funds from redemption at an efficient interest rate equal to the interest rate of the redeemed Senior Non-Preferred Notes and would only be able to do so at a significantly lower interest rate. Potential investors should consider the risk of reinvesting with respect to other

investments available at the time. Redemption options are also likely to limit the market price of the Senior Non-Preferred Notes. In general, the market price of the Senior Non-Preferred Notes shall not significantly exceed the price at which they may be redeemed at any time during the period in which the Issuer may redeem the Senior Non-Preferred Notes. This may apply before any redemption period if the market considers that the possibility of early redemption of the Senior Non-Preferred Notes will occur in the near future.

On the other hand, the Senior Non-Preferred Notes may be early redeemed only under strictly defined conditions, including obtaining the approval of the competent regulatory or resolution body. Early redemption or repurchase of the Senior Non-Preferred Notes is only possible after the conditions prescribed by the CRR/CRD IV (*Capital Requirements Directive and Regulation*) have been satisfied. Holders of the Senior Non-Preferred Notes should therefore be aware that they are likely to be forced to bear the financial risks of their investment until their final maturity.

Senior Non-Preferred Notes exclude the right to set-off

Senior Non-Preferred Notes contain the exclusion of the right to set-off due to requirements of the regulation applicable to the Senior Non-Preferred Notes and the possibility of their application for the purposes of minimum requirements for eligible liabilities. The available right to set-off mutual receivables usually reduces the credit risk between the parties, but the Holders of the Senior Non-Preferred Notes will not be able to use such a positive effect. No Holder of the Senior Non-Preferred Notes shall be entitled to set-off its claims against the Issuer from the Senior Non-Preferred Notes against any potential claims of the Issuer against the Holder (e.g. in the case of a loan extended to the Holder as a borrower from the Issuer as a bank).

Senior Non-Preferred Notes are a new type of financial instruments for which there is no trade history and their regulation may change

The Issuer is unaware that any Slovak financial institution has so far made any offer of senior non-preferred debt instruments. There is, therefore, no trade history for this type of securities. Financial market participants, including rating agencies, are only at the early stages of risk assessment related to senior non-preferred obligations. Moreover, the regulatory requirements associated with this type of Notes are not yet settled. The value of these securities may become extremely volatile as soon as they are introduced on the financial market. It is possible that after a certain period of time the value of the Senior Non-Preferred Notes will be lower than the investors assumed at the time of their issue by the Issuer. If this were the case, the Holders could suffer losses in respect of their investments in the Senior Non-Preferred Notes.

Risk Factors specific to the Sustainable Notes

Risk related to use of proceeds of the Sustainable Notes

The Final Terms relating to any specific Notes may provide that it will be the Issuer's intention to apply the proceeds from an offer of those Notes specifically for projects and assets that promote climate-friendly and other environmental purposes or social purposes (the **Sustainable Assets**). Prospective investors should have regard to the information set out in the relevant Final Terms regarding such use of proceeds and must determine for themselves the relevance of such information for the purpose of any investment in such Notes together with any other investigation such investor deems necessary.

The Issuer cannot give any assurance that any projects chosen by the Issuer or uses the subject of any Sustainable Assets will meet any or all investor expectations regarding such "green", "social" or "sustainable" or other equivalently-labelled performance objective. Likewise any assurance cannot be given that chosen projects or uses the subject of, resp. any activities related to any Sustainable Assets will not have (direct or indirect) adverse environmental, social and/or other impact.

Regarding the use of the proceeds obtained from the issues of the Sustainable Notes, there can be no assurance that such use will consistently meet standards of such use that the investors in the Sustainable Notes can expect in relation to the attribute of "green", "social" or "sustainable" notes. As of the date of the Prospectus, there is no clear definition (legal, regulatory or otherwise) or market consensus regarding the definitions of "green notes", "social notes" or "sustainable notes".

The Issuer has not yet set-up final Green, Social and Sustainable Bond Framework and has not yet appointed any external, independent expert in the field of assessment and preparing an opinion (the **Opinion**) in connection with the Framework, Sustainable Assets and Sustainable Notes. Such Opinion should provide a view on certain environmental, social and/or other considerations regarding the related environmental, social and/or other impacts on the issuing of the Sustainable Notes.

Such Opinion will not form part of the Prospectus and will only represent the view of the relevant expert or the Issuer itself and not a statement of fact. Holders of the Sustainable Notes will have no claims against the provider of the Opinion. In addition, if the Issuer does not use the proceeds obtained from issuing the Sustainable Notes or does not fulfil the Issuer's intentions in relation to information obligations and environmental or social impacts, this shall not constitute a breach of the conditions of the Sustainable Notes. A negative change or incomplete compliance with the information obligations related to the Opinion may affect the value of the Sustainable Notes and may affect certain investors who intend to invest in the Sustainable Notes.

Risk of early redemption of the Sustainable Notes

In the case of the Sustainable Notes, which are issued as the Covered Notes or the Senior Notes, relevant Final Terms may provide that such Notes can be redeemed early if, in the Issuer's own reasoned opinion, the Sustainable Notes will no longer meet the criteria for use of proceeds of relevant issue or if it is not possible to fulfil, fully or in part, the additional information obligations specified in the Final Terms. If the Sustainable Notes are redeemed early by the Issuer prior to their final maturity, the Holder may be exposed to the risk that the return on investment in the Sustainable Notes may be lower than expected.

Other Risk Factors Related to the Notes

Rating of the Notes may not adequately reflect all the risks of investing in the Notes, and may also result in its suspension, downgrade or withdrawal

Rating of the Notes may not adequately reflect all the risks of investing in these Notes. Credit rating 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 Notes. 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.

Trading in the Notes may not be liquid

Since the capital market in the Slovak Republic is not sufficiently liquid, no assurance can be given with regard to the Issuer's intention to make an application to admit the Notes to trading on the regulated market of the Stock Exchange, that the Notes will be actively traded and if the Notes are actively traded that such activity will be preserved during the entire life of the Notes. In such case, the market price and liquidity during the trading in the Notes may be significantly affected. The issues of mortgage notes and notes issued by the Issuer in the past which are traded on the parallel listed and regulated free markets of the Stock Exchange and which are not sufficiently liquid can serve as an example of low liquidity during the trading on the secondary market.

In the case of the issues of the Notes admitted to trading on a foreign regulated market such as the VSE, the liquidity of that issue's trading will be affected by the level of liquidity and business activity in the given market. However, not even in that case can any guarantee be given that a sufficiently liquid market will be created for the Notes.

Risk of fluctuations in market price of the Notes

The Holders are at risk of the change of the market price of the Notes in case of the sale of the Notes. The historical development of the prices of the Notes cannot serve as an indicator of the future development of the prices of any Notes. The development of market prices of the Notes 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 Notes. Thus, the Holders are exposed to the risk of unfavourable developments in the market prices of the Notes they hold which may materialise if the Holders decide to sell them prior to their final maturity. The Holders must be aware that Notes may be issued at a price higher than the price of comparable Notes on the secondary market which may increase the effect of the unfavourable market price development. If a Holder decides to hold the Notes up to their final maturity, the principal amount will be repaid at the amount set out in the relevant Final Terms.

Credit spread risk

Potential investors in the Notes must be aware that the Notes bear the risk of the Issuer's credit spread, which may increase during the life of the Notes, resulting in a decrease in the price of the Notes. Factors affecting the credit spread include, *inter alia*, the Issuer's creditworthiness and rating, probability of default, recovery rate and the remaining term to maturity of the Notes. The liquidity situation on the market, the general level of interest rates, overall economic developments and the currency in which the Notes are denominated may also have a positive or negative effect.

Inflation risk

Inflation risk represents the risk of future money depreciation (inflation) that will reduce the real yield on investment.

Denomination of financial activities of the Holder in a currency other than the currency in which the Notes will be issued and in which the Issuer will pay the Principal Amount and interest on the Notes, may give rise to exchange rate risks

The Issuer will pay the Principal Amount and interest on the Notes in the currency specified in the relevant Final Terms. This presents certain risk related to currency conversions if a Holder's financial activities are denominated in a currency other than the currency specified in the relevant Final Terms (the **Holder's Currency**). These risks include, in particular, risks related to the significant change of exchange rates (including changes due to the devaluation of the currency specified in the relevant Final Terms or the revaluation of the Holder's Currency) and risks related to the introduction of exchange rate measures and controls. An appreciation of the Holder's Currency relative to the currency specified in the relevant Final Terms with respect to the expression in the Holder's Currency would mean a decrease of (i) the interest income on the Notes; (ii) the Principal Amount; and (iii) the market value of the Notes.

Government authorities may introduce or exercise exchange rate measures and controls that could adversely affect an applicable exchange rate, as a result, certain Holders, whose financial activities are denominated in a currency other than the currency specified in the relevant Final Terms could receive lower interest on the Notes or a lower Principal Amount than expected or no interest on or Principal Amount from the Notes.

Investment in the Notes should be considered with regard to all related circumstances

Potential investors should assess the investment in the Notes with regard to all related circumstances at the moment of their acquisition, holding and potential sale, including the following facts: (i) investment in the Notes includes the risk of changes in interest rates the value of which can be affected by various factors, such as macroeconomic, political, speculative and market expectations; interest rate fluctuation and/or changes that may affect the value of the Notes; and (ii) prospective investors in the Notes should be aware that they are purchasing securities which are dependent solely on the Issuer's creditworthiness with which the risk of change in the Issuer's risk margin is associated and of the fact that they have no rights towards third parties.

Risk that trading in the Notes will be suspended, interrupted or terminated

There is a risk that trading in the Notes on the relevant stock exchange may, for any reason, be suspended, interrupted or terminated, such event(s) is(are) beyond the Issuer's control and may have an adverse effect on the price of the Notes.

Risk of relevant clearing/settlement system

There is a risk that the clearing system will become dysfunctional for some reason; such event is beyond the Issuer's control and may have an adverse effect on the price of the Notes and may lead to transactions with the Notes not being settled.

Risk of potential conflict of interest

With regard to the Notes, the Issuer may act in different capacities, such as a calculation agent (administrator) that enables the Issuer to make calculations in respect of the Notes (e.g. the calculation of the amount of yield to be paid) which are binding for the Holders. This fact may cause a conflict of interest and affect the value of the Notes. The Issuer may use all or part of the proceeds received from the sale of the Notes to enter into hedging transactions which may affect the value of the Notes. The Issuer believes that under ordinary circumstances such hedging transactions will not have a material effect on the value of Notes, however, such effect cannot be ruled out. It is standard practice for employees of financial institutions similar to the Issuer that in making transactions on their own behalf they are subject to market in financial instruments regulation as well as statutory and internal compliance standards concerning transactions on their own account and market abuse. Employees and connected parties may take part in the offering of securities issued or arranged by the Issuer. Furthermore, when purchasing such products, the employee receives a discount from the value of the market price. The sales employees of the Issuer may be motivated to sell the Notes based on incentive bonuses received by them (if the sale is successful), although the remuneration of employees and conflicts of interest mitigation are subject to relevant regulation. Despite the measures adopted by the Issuer to ensure compliance with applicable laws and internal procedures, this could create a conflict of interest regarding the duties towards the Holders.

Moreover, members of the Issuer's Board of Directors or Supervisory Board may at the same time be members of the statutory or supervisory bodies of several other companies, including clients or investors of the Issuer

and/or Erste Group Bank AG, who may compete directly or indirectly with the Issuer. In the event that the Issuer maintains active business relations with these companies, the fact that such persons are members of their statutory or supervisory bodies may expose them to the risk of conflict of interest which could have a material adverse effect on the Issuer's business, financial situation or results of operations.

Risk of using credit facility or loan to finance the purchase of the Notes

If a credit or loan is used to finance the purchase of the Notes, the costs for the credit or loan could exceed the yield on the Notes, which may result in the sale of the Notes on the secondary market for a price lower than the anticipated price, which will ultimately lead to a loss incurred by the Holder. Furthermore, if the Issuer is subsequently unable to pay any or all of the principal amounts of the Notes and yields thereon or if the market price of the Notes diminishes significantly, the Holder may not only have to face a loss on its investment in such Notes, but it will also have to repay the credit or loan used for financing the Notes and the relevant interest thereon. Thus, the credit or loan to finance the purchase of the Notes may significantly increase the amount of a potential loss. Holders should not assume that they will be able to repay the credit or loan or pay the relevant interest thereon from the investment in the Notes. Instead, prior to investing, the Holders should assess their financial position in order to determine whether they are able to pay the relevant interest on the credit or loan, to repay it on demand, and whether they may suffer losses instead of generating profits.

The risk of unforeseeable event, the "force majeure"

An unforeseeable event (such as a natural disaster, terrorist attack) that can cause financial market disruption and a rapid fluctuation of exchange rates may have an effect on the value of the Notes. An adverse effect of such events may result in the decrease of the return of funds invested by the Issuer and thus threaten the Issuer's ability to repay all outstanding amounts arising from the Notes. Further, the value of the Notes and any income therefrom may be affected by a global event (political, economic, etc.) which may also occur in a country other than the one in which the Notes are issued and traded.

3. RESPONSIBILITY STATEMENT

Slovenská sporiteľňa, a.s., with its registered office at Tomášikova 48, 832 37 Bratislava, Slovak Republic, Identification No. 00 151 653 (the **Issuer**), represented by Ing. Richard Košecký, the authorised person, and Ing. Róbert Herbec, the authorised person, represents that it is solely responsible for the information provided in the Prospectus.

The Issuer hereby declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus 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 20 November 2019.

Ing. Richard Košecký
authorised person
Slovenská sporiteľňa, a.s.

Ing. Róbert Herbec
authorised person
Slovenská sporiteľňa, a.s.

4. DOCUMENTS INCORPORATED BY REFERENCE

In the Prospectus, more specifically in its paragraph 12.10 “*Financial Information concerning Assets and Liabilities, Financial Position and Profits and Losses of the Issuer*”, the following information is included by reference:

- (1) The audited consolidated financial statements of the Issuer for the year ended 31 December 2017 prepared in accordance with the IFRS, which form part of the Issuer’s Annual Report for 2017 compiled pursuant to the applicable legal regulations (the **2017 Annual Report**) replacing the annual financial report. The Prospectus must be read in conjunction with the above-mentioned part of the 2017 Annual Report which is deemed to be part of the Prospectus. Other parts of the 2017 Annual Report not incorporated in the Prospectus by reference are of no relevance for the investors.
- (2) The audited consolidated financial statements of the Issuer for the year ended 31 December 2018 prepared in accordance with the IFRS, which form part of the Issuer’s Annual Report for 2018 compiled pursuant to the applicable legal regulations (the **2018 Annual Report**) replacing the annual financial report. The Prospectus must be read in conjunction with the above-mentioned part of the 2018 Annual Report which is deemed to be part of the Prospectus. Other parts of the 2018 Annual Report not incorporated in the Prospectus by reference are of no relevance for the investors.
- (3) The unaudited consolidated interim financial statements of the Issuer prepared in accordance with IAS 34 for the accounting period ended 30 June 2019, which form part of the Issuer’s Semi-Annual Report for the first half-year of 2019 compiled pursuant to the applicable legal regulations (the **2019 Semi-Annual Report**). The Prospectus must be read in conjunction with the above-mentioned part of the 2019 Semi-Annual Report which is deemed to be included in the Prospectus and forming part of it. Other parts of the 2019 Semi-Annual Report not incorporated in the Prospectus by references are of no relevance for the investors.
- (4) The unaudited separate interim financial statements of the Issuer prepared in accordance with IAS 34 for the 9 month period ended 30 September 2019. These financial statements are deemed to be included in the Prospectus and forming part of it.

All the above documents were submitted to the NBS through the Central Regulated Information Register <https://ceri.nbs.sk>. All the above-mentioned financial statements are available in a separate sections on the Issuer’s website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds.

5. DOCUMENTS AVAILABLE

- (1) The following documents are available free of charge in electronic form in a separate sections on the Issuer's website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds, until the maturity of the relevant issue of the Notes:
- (i) the Prospectus and any updates thereof in the form of any supplement(s) to the Prospectus (the **Prospectus Supplement(s)**);
 - (ii) the relevant Final Terms prepared with regard to an individual issue of the Notes;
 - (iii) the relevant Summary of the Issue (if applicable) prepared with regard to an individual issue of the Notes that will be attached to the relevant Final Terms (the **Summary of the Issue**);
 - (iv) notices to the Holders of the relevant issue of the Notes;
 - (v) consolidated wording of the current articles of association; and
 - (vi) minutes of the Meetings.
- (2) The following documents are available free of charge in electronic form in a 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:
- (i) 2017 Annual Report;
 - (ii) 2018 Annual Report;
 - (iii) 2019 Semi-Annual Report;
 - (iv) the unaudited separate interim financial statements of the Issuer prepared in accordance with IAS 34 for the 9 month period ended 30 September 2019; and
 - (v) the Green, Social and Sustainable Bond Framework, after its forming.

6. GENERAL

- (1) **Arranger.** The Issuer has appointed Erste Group Bank AG as arranger for the whole Programme.
- (2) **Dealers of the Programme.** The Dealers of the Programme are the Issuer and Erste Group Bank AG. Under the Programme, other Dealers may be appointed by the Issuer in relation to individual Tranches of the Notes. Erste Group Bank AG or any of the appointed Dealers are not responsible for the information contained in the Prospectus. Erste Group Bank AG as well as any other institutions will not act as a Dealer for the Tranches of the Notes offered to Issuers in the Slovak Republic in the form of a public offer.
- (3) **EUR.** In the Prospectus, “EUR” or “euro” means the legal currency of the Slovak Republic. Certain values included in the Prospectus have been subject to rounding adjustments. Accordingly, the values given for the same information item presented in different tables may slightly vary and the values given as totals in certain tables may not represent the arithmetic sum of these values.
- (4) **IAS 34.** In the Prospectus, IAS 34 means International Financial Reporting Standard IAS 34 – Financial Reporting during the accounting period (the **IAS 34**).
- (5) **IFRS.** Unless provided otherwise, any and all financial information of the Issuer is based on the International Financial Reporting Standards (the **IFRS**).
- (6) **Information on the Issuer’s Website.** The information provided on the Issuer’s website does not form part of the Prospectus, unless such information is incorporated by reference in the Prospectus and such information has not been reviewed or approved by the NBS.
- (7) **Language of the Prospectus.** The Prospectus has been prepared and will be approved by the NBS in Slovak Language. If the Prospectus is translated into another language, the Slovak language version of the Prospectus shall prevail in case of any interpretation discrepancies between the Prospectus in Slovak and the Prospectus translated into another language.
- (8) **Qualified Investor.** In the Prospectus, the term “qualified investor” in any grammatical form shall have the meaning assigned to in Article 2(e) of the Prospectus Regulation for the purposes of the offering in the Slovak Republic and another Member State of the European Union.
- (9) **Negative Pledge, Cross Default.** The terms of any issue of the Notes do not contain any negative pledge or cross default clauses.
- (10) **Notices.** Any notice, publication or communication by the Issuer addressed to the Holders and any facts material for exercising the rights of the Holders will be published in electronic form in a separate sections on the Issuer’s website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds.
- (11) **Consents.** Prior to the issue of the Notes, all necessary consents, decisions and approvals pursuant to the Slovak laws and the Issuer’s internal regulations will be obtained by the Issuer.
- (12) **Statutory Auditors.** The consolidated financial statements of the Issuer for the year ended on 31 December 2017 and for the year ended on 31 December 2018 prepared in accordance with the IFRS and the information therefrom included in the Prospectus were verified by the auditor, PricewaterhouseCoopers Slovensko, s.r.o., with its registered office at Karadžičova 2, 815 32 Bratislava – mestská časť Staré Mesto, a member of the Slovak Chamber of Auditors, SKAU license No. 161.
- (13) **Audited Data.** Save for the information taken from the audited financial statements, no other information contained herein has been audited by an auditor. The auditor has not audited the Prospectus as a whole.
- (14) **Joint Lead Managers.** The Issuer may appoint the Dealers or any other financial institutions as Joint Lead Managers for the final placement of the Notes in the Slovak Republic as well as in other EEA Member States (including, in any case, the United Kingdom after its exit from the European Union), but always only in one or several manners defined in Article 1(4) of the Prospectus Regulation (or in case of the United Kingdom pursuant to equivalent national legislation), when offering the Notes.
- (15) **Enforcement of Private Claims against the Issuer.** The text of this paragraph only constitutes a summary of certain provisions of Slovak law regarding the enforcement of private claims related to the Notes against the Issuer. This summary does not describe the enforcement of claims against the

Issuer pursuant to the laws of any other jurisdiction. This summary is based on legal regulations effective as at the date of this Prospectus and may be subject to subsequent amendments (including any retroactive effects). The information contained in this paragraph is only of a general nature to describe the features of the legal situation and has been obtained from legal regulations. 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 advisors. Slovak courts have jurisdiction for the purposes of the enforcement of any private claims against the Issuer related to the purchase or holding of the Notes. Any and all rights and obligations of the Issuer against the Holders 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 judgments 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 concerned 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 (i) the subject 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 (ii) they are not valid and effective or enforceable in the state in which they have been issued; (iii) they are not decisions on the merits of the case; or (iv) 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 (v) 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 (vi) the recognition would be in conflict with the Slovak public order.

- (16) **Yield to Maturity.** The yield to maturity specified in the relevant Final Terms of the relevant issue of the Notes with a fixed interest rate shall be calculated as the internal rate of return of the relevant Notes as at the Issue Date. The internal rate of return is defined as the discount rate in which the current value of all future cash flows from the Notes is equal to the initial investments in them. As set out above, the yield to maturity is calculated as at the Issue Date on the basis of the Issue Price. Such calculation of the yield cannot be deemed as the indication of the actual future yield on the Notes.
- (17) **Publications concerning the Cover Pool and the Covered Notes.** The information regarding the Cover Pool and the Covered Notes will be published by the Issuer to the extent required under the Act on Banks and other applicable regulation in a separate sections on its website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds. None of the information published by the Issuer pursuant to the preceding sentence is incorporated in the Prospectus by reference or forms a part thereof.
- (18) **Publications concerning the Sustainable Notes.** The Issuer will publish information about the Sustainable Notes to the extent set out in the relevant Final Terms and in accordance with the applicable legal regulations in a separate sections on its website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds. None of the information published by the Issuer pursuant to the preceding sentence is incorporated in the Prospectus by reference or forms a part thereof.

7. NOTICES AND RESTRICTIONS

- (1) **Completeness of the Prospectus.** The Prospectus is to be read together with any supplement to the Prospectus and documents and information incorporated into the Prospectus by reference (see Section 4. of the Prospectus “*Documents Incorporated by Reference*”). Comprehensive information regarding the Issuer and the Notes may only be obtained from combination of the Prospectus (including its supplements and documents and information incorporated by reference) and the relevant Final Terms and Summaries of Issues (if prepared).
- (2) **Approval of the Prospectus.** The Prospectus will be approved by the NBS. The provision of representations or information relating to the Issuer or the Notes 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 delivery of the Prospectus at any time does not mean that information contained herein is accurate at any time after the date of this Prospectus. Unless provided otherwise, any and all information contained herein is provided as at the date of this Prospectus. The Prospectus may be updated pursuant to Article 23 of the Prospectus Regulation in the form of a Prospectus Supplement(s) in which the information in the Prospectus will be up-to-date as at the date stated in Prospectus Supplement(s). Pursuant to the applicable Slovak legal regulations, any Prospectus Supplement must be approved by the NBS and subsequently published.
- (3) **Restrictions in the Distribution of the Prospectus and Offering of the Notes.** The distribution of the Prospectus and the offering, sale and purchase of the Notes in certain jurisdictions is restricted by law. The Notes 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 Prospectus by the NBS, with the exception when the NBS is requested to send a notice on the approval of the Prospectus to the Austrian financial market supervision office (*Finanzmarktaufsichtsbehörde*). Therefore, the Notes 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 Prospectus and also subject to the compliance with any and all requirements pursuant to the legal regulations of such other jurisdiction. In particular, the Notes have not been and will not be registered under the United States Securities Act of 1933; as a result, they may not be offered, sold or delivered within the United States or to US residents, except pursuant to an exemption from or in a transaction not subject to such registration requirements pursuant to the above-mentioned law. Persons who obtain possession of the Prospectus are required to become acquainted with and observe any restrictions that may refer to them.

The Prospectus itself does not constitute an offer to sell, or the solicitation of an offer to buy the Notes in any jurisdiction. Each person acquiring the Notes 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 Notes which refer to him/her/it and to the relevant form of offer or sale; (ii) such person will neither offer for sale nor further sell the Notes without complying with any and all relevant restrictions which refer to such person and the relevant form of offer and sale; and (iii) prior to further offering or selling the Notes, such person will inform the buyers of the fact that further offers or sales of the Notes may be subject to statutory restrictions in different jurisdictions which must be observed.

In addition to above, all acquirers of the Notes 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 Prospectus, including any Prospectus Supplements, individual Final Terms or other offering or promotional materials or information related to the Notes, always at their own expense and regardless of whether the Prospectus or Prospectus Supplements, individual Final Terms or other offering or promotional materials or information related to the Notes are in written, electronic or any other form.

The Prospectus has been prepared on the assumption that any offer of the Notes in other Member States of the European Union will be made in compliance with the Prospectus Regulation.

- (4) **Specific Restrictions on MiFID II.** The Final Terms will provide basic data on the analysis of the target market for the Notes and the suitability of the distribution of the Notes. Any person who subsequently sells or recommends the Notes (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 Notes (either by adopting or improving the target market assessment) and identifying

their own appropriate distribution channels. The Issuer will only be responsible as the creator of the product in relation to the offering of the Notes that it itself carries out.

If stated in the Final Terms, the Notes are not intended to be offered, sold or otherwise made available and should not be offered, sold or otherwise made available to any non-professional client (investor) in any EEA Member State. A non-professional client means any person other than a professional client (investor) or an eligible counterparty under the relevant MiFID II implementation. For these Notes, no document shall be made containing the key information required by Regulation (EU) 1286/2014 (the **PRIPs Regulation**), and therefore the offer or sale of the Notes or otherwise making them available to any non-professional client (investor) anywhere in the EEA may be unlawful under the PRIPs Regulation.

- (5) **Reference Rate Administrators.** Amounts payable on the Notes 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. At the date of this Prospectus, used Reference Rates administrators are registered in the ESMA register of administrators under Article 36 of Regulation (EU) 2016/1011.
- (6) **No Investment Recommendation.** Neither the Prospectus nor any financial information provided under the Programme or the issue of the Notes is intended to provide the basis for any credit or other evaluation of the Issuer or the Notes and may not be considered as a recommendation by the Issuer that any recipient of the Prospectus or any financial information regarding the Issuer should buy the Notes. Each potential purchaser of the Notes should evaluate for itself the relevance of the information contained in the Prospectus or any financial information regarding the Issuer, and its purchase of the Notes should be based on any such review as it deems necessary.
- (7) **General Nature of some Information.** The information provided in the Sections of the Prospectus entitled: “*Summary of the Notes*”, “*General Description of Taxation in the Slovak Republic*” and “*General*” – part “*Enforcement of Private Claims against the Issuer*” is only of a general nature and not exhaustive and is based on the status as at the date of this Prospectus and describes the status of the legislation in the areas in question. Potential investors in the Notes should rely solely on their own analysis of the factors mentioned in these sections and their own legal, tax and other professional advisors. Potential foreign investors in the Notes are recommended to consult the provisions of the applicable legal regulations with their own legal and other advisors, in particular as regards foreign exchange regulations and the tax regulations of the Slovak Republic, the country in which they are residents and, if applicable, other relevant countries, and also as regards each relevant international agreement and its effect on the particular investment decision.

Holders of the Notes issued under the Programme, including foreign investors, if any, are hereby especially urged to remain continuously informed of any laws and other legal regulations in each relevant country (including Slovak legal regulations) which regulate the holding of the Notes and their sale abroad or the purchase of the Notes from abroad, as well as any other transactions with the Notes, and to comply with these laws and the applicable legal regulations.

- (8) **Rating of the Notes.** It is expected that the Covered Notes will be assigned a rating, and a rating may also be assigned to other Notes issued under the Programme. This rating, as well as the credit rating agency which has assigned it, will be disclosed in the Final Terms. Rating cannot be considered a recommendation to purchase, sell or hold the securities and may be subject to suspension, downgrade or withdrawal at any time by the assigning credit rating agency. Whether or not the rating applied for in relation to the relevant issue of the Covered Notes will be assigned by a credit rating agency established in the European Union and registered under the CRA Regulation is disclosed in the Final Terms. ESMA is obliged to publish on its website www.esma.europa.eu a list of credit rating agencies registered and certified in compliance with the CRA Regulation. The ESMA website is neither incorporated by a reference in nor does it form part of the Prospectus.
- (9) **Availability of Financial Data.** The annual, semi-annual, yearly and other reports or financial statements of the Issuer will be available in electronic form in a separate sections of the Issuer’s website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds.

8. SUMMARY OF THE NOTES

Notes will be issued as part of the Programme on a continuous or repeated basis as separate issues, with individual issues being issued also in parts (tranches). The Notes comprising a single issue (as well as those issued in parts) will be mutually substitutable pursuant to Section 7(2) of the Securities Act. The Notes will be issued as Covered Notes, Senior Notes, Senior Non-Preferred Notes or Subordinated Notes. The Covered Notes, the Senior Notes and the Senior Non-Preferred Notes can be qualified as the Sustainable Notes with the attribute “green”, “social” or “sustainable”.

The Notes issued by the Issuer under the Programme will be offered: (i) in the territory of the Slovak Republic in the form of a public offering pursuant to Article 2(d) of the Prospectus Regulation or (ii) on the territory of the Slovak Republic by one or more manners specified in Article 1(4) of the Prospectus Regulation which are exempt from the obligation to publish a prospectus and/or (iii) on the territory of other Member States of the European Union by one or more manners specified in Article 1(4) of the Prospectus Regulation.

The Issuer may file an application for admission of the Notes on the regulated market of *Burza cenných papierov v Bratislave, a.s.* and/or on the regulated market (*Amtlicher Handel*) of the Vienna Stock Exchange (*Wiener Börse AG*).

8.1 Summary of the Covered Notes

General

The details of the Covered Notes and their issuance are set out in the Act on Banks and the Bonds Act. The Covered Notes are secured notes the principal amount of which, including the yields on them, is fully covered by assets or other property values in the cover pool, which can only be issued by a bank in the Slovak Republic, and which is designated in its name as “covered note” (in Slovak: *krytý dlhopis*). The holders of the Covered Notes have by virtue of law the priority security right over all assets registered in the cover pool, including in the mortgages over the real estate property securing the included mortgage loans.

The Covered Notes can only be issued by a Slovak bank that has a bank license under the Act on Banks and which has obtained prior approval from the NBS to perform activities related to the covered notes programme. The Issuer has obtained such prior approval of the NBS on 16 July 2018.

The cover pool consists of four components: (i) base assets (i.e. mortgage loans), (ii) additional 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 notes 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 notes and their interest proceeds, the estimated obligations and costs of the Issuer related to the covered notes programme (e.g. to the covered notes programme administrator, the payment service agent, etc.) and the obligations of the Issuer arising from hedging derivatives.

The base assets are the Issuer’s receivables from mortgage loans with a maturity of no more than 30 years provided to consumers and secured by pledges over immovable assets that meet the statutory conditions. The base assets are also these pledges over immovable assets. If the value of the pledged property decreases to the amount of the current unpaid principal of the mortgage loan, such Issuer’s receivable shall be included in the base assets only up to the amount not exceeding 80% of the value of the pledged property. If the value of the pledged property falls below the unpaid principal, it is not included in the base assets at all.

Additional assets include 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 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 and the sum of the Issuer’s obligations and costs arising from the covered notes programme and must be maintained at a level of at least 105%.

Property values and assets forming part of the cover pool are registered in the register of covered notes. They cannot be pledged by the Issuer or used to secure its other obligations.

The NBS, on its own initiative or on the proposal of the bank which is the issuer of covered notes, appoints for each bank that is the issuer of covered notes, a covered notes programme administrator and its deputy supervising the compliance with the statutory conditions in relation to the covered notes programme. The covered notes programme administrator supervises the issue of covered notes in terms of their requirements and

coverage under the Act on Banks and informs NBS about any identified deficiencies. The covered notes programme administrator is required to issue a written certificate for each issue of covered notes prior to the issue, that they have the required coverage and that a record is kept in the register of covered notes.

If the Issuer becomes insolvent, the separate bankruptcy estate of the secured creditors, which are the holders of the covered notes, would be composed of the assets constituting the cover pool and registered in the register of covered notes; this separate bankruptcy estate will include in particular the base assets, i.e. receivables from mortgage loans, including pledges over properties serving to secure the receivables from mortgage loans, provided that they have been registered in the register of covered notes and included in the cover pool.

If the Issuer is insolvent, the bankruptcy administrator has several options to deal with the covered notes programme. The bankruptcy trustee may continue to operate the covered notes programme as part of the Issuer's business unless this reduces the overall satisfaction ratio for the holders of the covered notes. If the bankruptcy trustee assesses that it will be more beneficial to the holders of the covered notes, he may attempt to transfer the covered notes programme or its part so that the whole covered notes programme is transferred to another bank or multiple banks. If the bankruptcy trustee fails to secure transferring of the covered notes programme, he is entitled to sell individual receivables from mortgage loans that form part of the cover pool's assets during the business operation. If the capitalisation fails to be achieved in such a way before termination of the operation of the Issuer's business, the bankruptcy trustee may, after fulfilling the statutory conditions and complying with the statutory deadlines, terminate the operation of the covered notes programme as a part of the Issuer's business and enforce an early repayment of obligations corresponding to the receivables that constitute the base assets of the cover pool. Termination of the covered notes programme operation will result in receivables payment falls due under the Covered Notes.

Reregistration of the Legacy Mortgage Bonds

The Covered Notes will be issued pursuant to rules introduced in Slovak law by amendment to the Act on Banks No. 279/2017 Coll. with effect from 1 January 2018 (the **AoB Amendment**). Under the AoB Amendment issuance of mortgage bonds (in Slovak: *hypotekárne záložné listy*), i.e. debt securities covered in the manner similar to the Covered Notes under the previous regulation, is no longer possible from 1 January 2018. However the AoB Amendment, specifically new Section 122ya(3) of the Act on Banks, allows to include the legacy mortgage bonds together with their cover assets into the new covered notes programme by way or their preregistration into the new register of covered notes.

The Issuer has used this option under the statute and as at 23 July 2018 it has reregistered into the new register of the covered notes all 61 outstanding issues of the mortgage bonds issued by the Issuer before 1 January 2018 in the total outstanding amount of approximately EUR 1.1 billion, together with all cover assets related to them which meet the new eligibility criteria pursuant to the AoB Amendment. Due to the reregistration, the outstanding mortgage bonds are deemed as the covered notes under new rules of the Act on Banks as amended by the AoB Amendment. In addition, the Issuer has registered in the register of covered notes all mortgage loans provided under mortgage loan agreements entered into before 1 January 2018, which fulfil the eligibility criteria under the AoB Amendment. The Issuer has also reregistered as liquid assets (liquidity buffer) Slovak government bonds in total outstanding amount of EUR 110 million.

8.2 Summary of the Senior Notes

The details of the notes and their issuance are set out in the Bonds Act and the Securities Act. Senior Notes under the Programme will be issued as senior unsecured notes, which will not be subordinated pursuant to Section 20a of the Bonds Act or secured pursuant to Section 20b of the Bonds Act.

Thus, in addition to basic features of notes specified in Section 1(1) of the Bonds Act, such as the right of the Holder to request the payment of outstanding principal amount and the payment of interest as at a certain date and the obligation of the Issuer to perform these obligations, no other special rights are attached to the Senior Notes.

8.3 Summary of the Subordinated Notes

Subordinated Notes will be issued as subordinated notes under Section 20a of the Bonds Act and they are subject to all limitations under Section 408a of Act No. 513/1991 Coll. Commercial Code, as amended (the **Commercial Code**).

In the event of bankruptcy or liquidation of the Issuer, the Issuer's payment obligations under the Subordinated Notes shall, regarding the right to payment, rank after the unsubordinated debtors of the Issuer and before the claims of shareholders, holders of (other) instruments of common equity Tier 1 capital under Article 28 of the CRR, as well as before the holders of instruments of additional Tier 1 capital under Article 52 of the CRR of the Issuer and any other subordinated obligations of the Issuer expressed under their terms and conditions as ranked after the Subordinated Notes. The subordination undertaking relating to all obligations under the Subordinated Notes cannot be altered or terminated in any way. All obligations under the Subordinated Notes are unsecured and there are no provisions or guarantees increasing the seniority of obligations arising from them, whether from the side of the Issuer, its affiliates or any other person under Article 63 of CRR.

Each Holder acknowledges and explicitly agrees that if the Issuer gets into a crisis situation under Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended, including related regulations, the obligations of the Issuer from the Subordinated Notes may be subject to measures for resolution of the crisis situation of the Issuer or its group, mainly to the capitalisation measure, as a result of which the obligations from the Subordinated Notes may be modified or terminated, or converted into registered capital of the Issuer. This can result in the Holders losing a part or their whole investment in the Subordinated Notes.

The Holders do not have the right to set-off their claims under the Subordinated Notes against the Issuer and at the same time the Issuer does not have the right to set-off its claims against the claims of the Holders under the Subordinated Notes. In accordance with Section 408a (6) of the Commercial Code, no contractual or statutory set-off is permitted.

8.4 Summary of the Senior Non-Preferred Notes

The Senior Non-Preferred Notes will under the Programme be issued as non-preferred, senior and unsecured Notes with lower ranking in bankruptcy under Section 180a(2) of the Bankruptcy Act. The Senior Non-Preferred Notes will be issued primarily with the intention of meeting the minimum requirements for eligible liabilities (the MREL) pursuant to Section 31 et seq. of the Resolution Act and any related provisions of the CRR or other legal regulations at the time of their issuance. As such, these Notes have lower ranking and the claims arising out them will be satisfied in the Issuer's bankruptcy only after satisfaction of the preferred claims from protected and covered deposits (Section 180a(1) of the Bankruptcy Act) as well as all unsecured claims under Section 95(1) of the Bankruptcy Act, which also includes claims under the Senior Notes or other current unsecured obligations. On the contrary, the Senior Non-Preferred Notes have a higher ranking in the bankruptcy than the Subordinated Notes.

All obligations under the Senior Non-Preferred Notes are unsecured and there are no provisions or guarantees increasing the seniority of obligations arising from them, whether from the side of the Issuer, its affiliates or any other person.

8.5 Summary of the Sustainable Notes

The Issuer envisages forming of its own Green, Social and Sustainable Bond Framework, which will provide more detailed information on the selection, assessment and monitoring of projects and assets eligible for financing by the Sustainable Notes.

The Sustainable Notes with the attribute "green" will finance or refinance green building, renewables, sustainable management relating to water economy, clean transportation and environmentally sustainable management of living natural resources and land.

The Sustainable Notes with the attribute "social" will be able to finance or refinance an access to basic services and creating jobs including prospective impacts through SME financing and micro financing.

The Sustainable Notes with the attribute "sustainable" will be able to finance or refinance a combination of two above-mentioned categories.

The Sustainable Notes under the Programme will be issued as:

- (a) covered notes pursuant to the Act on Banks and the Bonds Act;
- (b) senior and unsecured notes, which will not be subordinated pursuant to Section 20a of the Bonds Act or secured pursuant to Section 20b of the Bonds Act, i.e. with the same status as the Senior Notes; or
- (c) non-preferred, senior and unsecured notes with a lower ranking in bankruptcy under Section 180a(2) of the Bankruptcy Act, i.e. with the same status as the Senior Non-Preferred Notes.

The Sustainable Notes therefore give the Holders the same rights to performance and order of satisfaction as the Covered Notes, the Senior Notes or the Senior Non-Preferred Notes, according to their status.

In each case, the difference from the Covered Notes, the Senior Notes or the Senior Non-Preferred Notes is in the purpose of using the proceeds of the issue and some additional information obligations, which will be specified in the relevant Final Terms.

9. COMMON TERMS

This section of the 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 Prospectus, concerning the Notes, will be completed by the Issuer for individual issues of the Notes in the Final Terms (as defined below) which will be prepared and published in the form specified in Section 10. of the Prospectus designated as the “Form of the Final Terms”.

The term “Notes” for the purposes of this Section 9. (Common Terms) only refers to the notes of a particular issue and shall not be construed as referring to any notes issued continuously or repeatedly by the Issuer under the Programme.

The text in these Common Terms in italics is merely a guide to the preparation of the Final Terms and is not part of the final legally binding text of the relevant Terms and Conditions (as defined below) of the relevant issue of the Notes.

All issues of the Notes to be issued under the Programme on the basis of this Prospectus will be governed by the Common Terms set out in this Section 9. (the **Common Terms**) and the respective Final Terms. For the purposes of these Common Terms and 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 Notes and which will contain particular information the description of which is given in square brackets in these Common Terms (the **Final Terms**).

9.1 Information about Securities

This paragraph 9.1 (*Information about securities*) of the Common Terms together with Part A of the Final Terms replaces the terms and conditions of the respective issue of the Notes (the **Terms and Conditions**).

For the avoidance of doubt, the term “Notes” only refers to the notes of the particular Issue and shall not be construed as referring to any notes issued continuously or repeatedly by the Issuer under the Programme.

Any reference to point, section or paragraph in the Terms and Conditions (including in the Final Terms) means reference to point, section or paragraph of the whole Terms and Conditions of a given issuance of Notes.

(a) Basic Information, Form, Type and Manner of Issue of the Notes

- (i) [**Type of Notes** – [unsubordinated and unsecured notes (the **Senior Notes**)] or [Covered Notes] or [Subordinated Notes] or [Senior Non-Preferred Notes] [qualified as Sustainable Notes]], [ISIN], [FISN], [Common Code] will be issued by the Issuer, Slovenská sporiteľňa, a.s., with its registered office at Tomášikova 48, 832 37 Bratislava, Identification No.: 00 151 653, LEI: 549300S2T3FWVVXWJI89, registered in the Commercial Register of the District Court Bratislava I, Slovak Republic, Section: Sa, Insert No: 601/B (the **Issuer**) in accordance with Act No. 530/1990 Coll., on Bonds, as amended (the **Bonds Act**) and in accordance with Act No. 566/2001 Coll. on Securities and Investment Services, as amended (the **Securities Act**).

The Covered Notes are issued as covered notes (in Slovak: *kryté dlhopisy*) under Section 67 et seq. of Act No. 483/2001 Coll. on Banks, as amended (the **Act on Banks**) and are covered by assets or other property values in the cover pool pursuant to the relevant provisions of the Act on Banks.

- (ii) The Notes are book-entry securities (in Slovak: *zaknihované cenné papiere*) registered in: [**Depository** – information (*name and address of the entity*) about the entity that maintains the statutory records of securities] (the **Central Depository**) in bearer form (in Slovak: *vo forme na doručiteľa*) pursuant to the Securities Act.

The Notes will be issued with principal amount (in Slovak: *menovitá hodnota*) of each of the Notes of [**Principal Amount**] (the **Principal Amount**). No global certificates, definitive certificates or coupons will be issued with respect to any Notes.

The Notes will be exclusively issued in the currency [**Currency**] (the **Currency**).

The name of the Notes is [**Name**].

The Aggregate Principal Amount (in Slovak: *celková menovitá hodnota*) of the Notes will be [**Aggregate Amount of the Issue**] (the **Aggregate Amount of the Issue**) and after deduction of the costs relating to the issue of the Notes (costs of the Central Depository, admission to trading, advisors, subscription or placement of the Notes, administration, settlement and other associated costs) the estimated net proceeds from the issue of the Notes will be [**Estimated Net Proceeds from the Issue**].

The Aggregate Amount of the Offer (as defined below) shall be [**Aggregate Amount of the Offer**]. Individual issues of the Notes may be issued by the Issuer in parts (tranches) in compliance with the applicable provisions of the Bonds Act.

The Issue Price of the Notes was determined at [**Issue Price in %**] of the Principal Amount (the **Issue Price**).

[Information about the Accrued Interest]

The issue date of the Notes is set for [**Issue Date**] (the **Issue Date**).

[**Admission to Trading** – [[The Issuer will submit an application to Burza cenných papierov v Bratislave, a.s., with its registered office at Vysoká 17, 811 06 Bratislava, IČO: 00 604 054, for the admission of the Notes to trading on [**BSSE Market**].] or [The Issuer will submit an application to the Vienna Stock Exchange (*Wiener Börse AG*) for the admission of the Notes to trading on its regulated market (*Amtlicher Handel*).] [**Estimate of Aggregate Expenses Regarding the Admission to Trading**] or [The Issuer does not submit an application for the admission of the Notes to trading on a regulated market.]]

The Notes will be issued under the EUR 5,000,000,000 debt securities issuance programme pursuant to Article 8 of the Prospectus Regulation (the **Programme**), which was approved by the Issuer's Board of Directors on 26 June 2018.

- (iii) The transferability of the Notes 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 Notes.

The payment of the Principal Amount or the payment of interest on the Notes as regards the Covered Notes is secured in compliance with the applicable provisions of the Act on Banks and as regards the Senior Notes and Subordinated Notes it is unsecured.

A joint representative of the Holders or any other representative of Holders has not been appointed.

- (iv) The Notes will be issued in accordance with the Bonds Act, the Securities Act and the Act on Banks (in case of Covered Notes) and the Holders have the rights and obligations arising from these laws and the Terms and Conditions. The procedure for exercising these rights follows from the applicable laws and the Terms and Conditions.

Rights attached to the Notes are not restricted, except for general restrictions pursuant to applicable legal regulations.

- (v) The Holders of the Notes will be the persons registered as owners of the Notes (a) on the owner's account (in Slovak: *účet majiteľa*) maintained by the Central Depository or by a member of Central Depository; or (b) on the internal account of a person for which Central Depository maintains a custody account (in Slovak: *držiteľský účet*) (each such account referred to as the **Relevant Account** and each such person as the **Holder**). If some of the Notes 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 Holder and perform vis-à-vis the Issuer and to the account of the Holder all legal acts (either in the Holder's name or in its own name) associated in the Notes as if this person were their owner.
- (vi) A transfer of the Notes is made through the registration of the transfer in the Relevant Account.
- (vii) Unless the law or a decision of the court delivered to the Issuer provides otherwise, the Issuer will deem each Holder as the authorised owner in all respects and make the payments under the Notes to that Holder.

(b) Status of Obligations

[Status of Obligations – selection of option – in case of the Senior Notes including the Sustainable Notes with such status, it shall be stated: [Obligations from the Notes constitute direct, general, unsecured, unconditional and unsubordinated obligations of the Issuer which rank *pari passu* among themselves and always rank at least *pari passu* with any other direct, general, unsecured, unconditional and unsubordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law. Each Holder acknowledges and explicitly agrees that if the Issuer gets into a crisis situation under Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended, including related regulations, the obligations of the Issuer from the Notes may be subject to measures for resolution of the crisis situation of the Issuer or its group, mainly to the capitalisation measure, as a result of which the obligations from the Notes may be modified or terminated, or converted into registered capital of the Issuer. This can result in the Holders losing a part or their whole investment in the Notes.]

or in the case of the Covered Notes including the Sustainable Notes with such status, it shall be stated: [Obligations from the Notes constitute direct, general, secured, unconditional and unsubordinated obligations of the Issuer which rank *pari passu* among themselves and always rank at least *pari passu* with any other direct, general, similarly secured, unconditional and unsubordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law.]

or in the case of the Subordinated Notes, it shall be stated: [Obligations from the Notes constitute direct, general, unsecured, unconditional and subordinated obligations of the Issuer which rank *pari passu* among themselves and always rank at least *pari passu* with any other direct, general, unsecured, unconditional and equally subordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law. The Notes are subordinated notes under Section 20a of the Bonds Act, and they are subject to all limitations under Section 408a of Act No. 513/1991 Coll. Commercial Code, as amended (the **Commercial Code**). By subscribing, purchasing or otherwise acquiring any Notes, each Holder agrees with this subordination undertaking and related limitations. In the event of bankruptcy or liquidation of the Issuer, the Issuer's payment obligations under the Notes shall, regarding the right to payment, rank after the unsubordinated debtors of the Issuer and before the claims of shareholders, holders of (other) instruments of common equity Tier 1 capital under Article 28 of the CRR, as well as before the holders of instruments of additional Tier 1 capital under Article 52 of the CRR of the Issuer and any other subordinated obligations of the Issuer expressed under their terms and conditions as ranked after the Notes. The subordination undertaking relating to all obligations under the Notes cannot be altered or terminated in any way. All obligations under the Notes are unsecured and there are no provisions or guarantees increasing the seniority of the obligations arising from them, whether from the side of the Issuer, its affiliates or any other person under Article 63 of CRR. Each Holder acknowledges and explicitly agrees that if the Issuer gets into a crisis situation under Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended, including related regulations, the obligations of the Issuer from the Notes may be subject to measures for resolution of the crisis situation of the Issuer or its group, mainly to the capitalisation measure, as a result of which the obligations from the Notes may be modified or terminated, or converted into registered capital of the Issuer. This can result in the Holders losing a part or their whole investment in the Notes. The Holders do not have the right to set-off their claims under the Notes against the Issuer and at the same time the Issuer does not have the right to set-off its claims against the claims of the Holders. In accordance with Section 408a (6) of the Commercial Code, no contractual or statutory set-off is permitted.]

or in the case of the Senior Non-Preferred Notes including the Sustainable Notes with such status, it shall be stated: [Obligations from the Notes constitute direct, general, unsecured and unconditional obligations of the Issuer with a lower ranking in bankruptcy in accordance with Section 180a(2) of Act No. 7/2005 Coll. on Bankruptcy and Restructuring, as amended, and rank *pari passu* among themselves and always rank at least *pari passu* with any other direct, general, unsecured, unconditional and any obligations of the Issuer with the same ranking in bankruptcy, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law. All obligations under the Notes are unsecured and there are no provisions or guarantees increasing the seniority of obligations arising from them, whether from the side of the Issuer, its affiliates or any other person. Each Holder acknowledges and explicitly agrees that if the Issuer gets into a crisis situation under Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended, including related regulations, the obligations of the Issuer from the Notes may be subject to measures for

resolution of the crisis situation of the Issuer or its group, mainly to the capitalisation measure, as a result of which the obligations from the Notes may be modified or terminated, or converted into registered capital of the Issuer. This can result in the Holders losing a part or their whole investment in the Notes. The Holders do not have the right to set-off their claims under the Notes against the Issuer and at the same time the Issuer does not have the right to set-off its claims against the claims of the Holders.]]

(c) **Statement and Undertakings of the Issuer**

The Issuer declares that it owes to the Holders the Principal Amount and undertakes to repay the Principal Amount and any interest on the Notes (if the Notes bear interest income), in accordance with their Terms and Conditions.

The Issuer undertakes to treat all Holders in the same circumstances equally.

The Issuer undertakes in compliance with Section 69 (3) of Act on Banks to observe higher cover ratio than minimum required by Act on Banks of at least 107.5% (one hundred seven and half per cent) that represents total over-collateralization of 7.5% (seven and half per cent) for each issuance of the Covered Notes until all his obligations arising out of the Covered Notes are fulfilled. The cover ratio will be calculated and monitored in compliance with the Act on Banks and other applicable legislation.

(d) **Interest**

(i) The Notes will bear interest from the date of the Issue Date: [**Determination of Interest – (selection of options below)**]

(A) *for the Notes without payment of interest income (zero coupon), it must be stated:*

[The Notes have no interest rate and their interest is determined as the difference between the Principal Amount of the Notes and their Issue Price. The provisions of paragraphs 9.1(d)(ii) to 9.1(d)(v) and any reference to interest or its payment shall in this case not be applicable to the Notes.];

(B) *for the Notes with a fixed interest rate without changing it to the Principal Amount Maturity Date or to the Early Maturity Date, it must be stated:*

[The Notes bear a fixed interest rate throughout their life, in the amount of [**Rate**]% p. a. (the **Interest Rate**).];

(C) *for the Notes where the interest rate may increase or decrease, it must be stated:*

[The Notes bear a fixed Interest Rate the value of which over time is [[increasing]/[decreasing]], as follows [**Rate – add appropriate dates or periods and add individual Interest Rates in % p. a. in the format “from [insert date] (including) to [insert date] (excluding) with interest income [amount of adjusted interest income]% p. a.”**], with the text in this format being specified for each relevant period in which the fixed Interest Rate is to be increased/decreased.]

The term “**Interest Rate**” refers to the interest income in % p. a. applicable over the relevant period.

[[The current Interest Rate shall be notified by the Issuer to the Stock Exchange immediately.] or [The current Interest Rate shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).]]];

(D) *for the Notes with a fixed interest rate that is to be changed to a different fixed interest rate, it must be stated:*

[The Notes bear fixed interest rate of [**First Rate**]% p. a. until [**Interest Rate Change Date**] (the **Interest Rate Change Date**) (the **First Interest Rate**) during each Interest Period. The date of the change in the interest rate may only be one of the Payment Dates determined in accordance with paragraph 9.1(d)(ii). From the Interest Rate Change Date until the Principal Amount Maturity Date or the Early Maturity Date, the Notes will during each Interest Period bear interest at a fixed interest rate determined as the [[sum]/[difference]] of the Reference Rate and the Margin of [**Reference Rate and Margin**]% p. a. [and if the interest rate so

determined is still to be multiplied by the factor, include the following text: “ , and the result of this difference will still be multiplied by the factor [Factor Numerical Value]” (the Second Interest Rate).

The term “**Interest Rate**” refers to the First Interest Rate and/or the Second Interest Rate in % p. a. applicable over the relevant period. The Reference Rate will be set only once at [Reference Rate Setting Deadline] before the Interest Rate Change Date and will be applicable during the following Interest Periods (as defined below) (the **Reference Rate Setting Date**).

[[The amount of the Second Interest Rate shall be notified by the Issuer to the Stock Exchange immediately.] or [The amount of the Second Interest Rate shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).]];

- (E) *for the Notes with a fixed interest rate that will be changed to a floating interest rate, as well as for the Notes with target redemption with a fixed interest rate that will be changed to a floating interest rate, it must be stated:*

[The Notes bear fixed interest rate of [First Rate]% p. a. until [Interest Rate Change Date] (the **Interest Rate Change Date**) (the **First Interest Rate**) during each Interest Period. The date of the change in the interest rate may only be one of the Payment Dates determined in accordance with paragraph 9.1(d)(ii).

From the Interest Rate Change Date until the Principal Amount Maturity Date or the Early Maturity Date, the Notes will during each Interest Period bear interest at an interest rate determined as the [[sum]/[difference]] of the Reference Rate and the Margin of [Reference Rate and Margin]% p. a. [and if the interest rate so determined is still to be multiplied by the factor, include the following text: “ , and the result of this difference will still be multiplied by the factor [Factor Numerical Value]” (the **Second Interest Rate**).

The term “**Interest Rate**” refers to the First Interest Rate and/or the Second Interest Rate in % p. a. applicable over the relevant period. The Reference Rate will be set for the first time [Reference Rate Setting Deadline] before the Interest Rate Change Date and subsequently set [Reference Rate Setting Deadline] before the applicable Payment Date for the following Interest Period (as defined below) (the **Reference Rate Setting Date**).

[[The current Second Interest Rate for the relevant Interest Period shall be immediately notified by the Issuer to the Stock Exchange.] or [The current Second Interest Rate for the relevant Interest Period shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).]];

and further for the Notes under this paragraph (E):

- *in case of the Notes where, in case of the Second Interest Rate, the amount of the Margin may vary, it must be stated:*

[The Margin is set as follows: [Margin – add relevant dates or periods and add individual Margins in % p. a. in the format “from [insert date] (including) to [insert date] (excluding) the amount of Margin of [Amount of Margin]% p. a.”, the text in this format being specified for each relevant period in which the amount of the Margin is to be changed]. The term “**Margin**” collectively denotes the margin in % p. a. applicable during the relevant period.]

- *in case of the Notes for which the Second Interest Rate is to be set using the minimum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is less than [Floor Rate]% p. a., the Notes will bear interest of [Floor Rate]% p. a. (the **Floor Interest Rate**). If the Floor Interest Rate is applied in accordance with the previous sentence, the term **Interest Rate** is to be interpreted as the Floor Interest Rate for the purposes of the Terms and

Conditions for the given Interest Period and not as an interest rate determined in the manner above.]

- *in case of the Notes for which the Second Interest Rate is to be set using the maximum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is higher than [Cap Rate]% p. a., the Notes will bear interest of [Cap Rate]% p. a. (the **Cap Interest Rate**) for the given Interest Period. If the Cap Interest Rate is applied in accordance with the previous sentence, the term **Interest Rate** is to be interpreted as the Cap Interest Rate for the purposes of the Terms and Conditions for the given Interest Period and not as an interest rate determined in the manner above.]

- *for the Notes with target redemption, it must be stated:*

[in case of the unguaranteed Target Interest Amount, it must be stated: The Target Interest Amount for the whole period until the Principal Amount Maturity Date is neither specified nor guaranteed.] *or [in case of the guaranteed Target Interest Amount, it must be stated:* The minimum amount of interest on each Note due for the whole period from the Interest Rate Change Date to the Principal Amount Maturity Date or to the Early Maturity Date is equal to the difference of (a) [**Target Interest Amount**] and (b) the sum of all interest payments paid on one Note for all previous Interest Periods.]

and [in case of the Total Interest Ceiling it must be stated: The maximum amount of interest on each Note is equal to the difference of (a) [**Target Interest Amount**]; and (b) the sum of all interest paid for all previous Interest Periods (the **Total Interest Ceiling**). The Issuer is under no obligation to pay any further interest exceeding the Total Interest Ceiling for the last variable Interest Period.] *or [if Total Interest Ceiling is not stated, it must be stated:* The variable amount of interest for the last variable Interest Period is also payable in full if the sum of all interest paid for all previous Interest Periods exceeds the Target Interest Amount.]];

- (F) *for the Notes with a fixed interest rate that is to be changed to a reversed floating interest rate, it must be stated:*

[The Notes bear fixed interest rate of [**First Rate**]% p. a. until [**Interest Rate Change Date**] (the **Interest Rate Change Date**) (the **First Interest Rate**) during each Interest Period. The date of the change in the interest rate may only be one of the Payment Dates determined in accordance with paragraph 9.1(d)(ii).

From the Interest Rate Change Date until the Principal Amount Maturity Date or the Early Maturity Date, the Notes will during each Interest Period bear interest at an interest rate determined as the difference between (i) [**Second Rate**] in % p. a. and (ii) the Reference Rate [**Reference Rate**]% p. a. [*and if the interest rate so determined is still to be multiplied by the factor, include the following text: “ , and the result of this difference will still be multiplied by the factor [**Factor Numerical Value**]”*] (the **Second Interest Rate**).

The term **Interest Rate** refers to the First Interest Rate and/or the Second Interest Rate in % p. a. applicable over the relevant period. The Reference Rate will be set for the first time [**Reference Rate Setting Deadline**] before the Interest Rate Change Date and subsequently set [**Reference Rate Setting Deadline**] before the applicable Payment Date for the following Interest Period (as defined below) (the **Reference Rate Setting Date**).

[[The current Second Interest Rate for the relevant Interest Period shall be immediately notified by the Issuer to the Stock Exchange.] *or* [The current Second Interest Rate for the relevant Interest Period shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).]];

and further for the Notes under this paragraph (F):

- *in case of the Notes for which the Second Interest Rate is to be set using the minimum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is less than [Floor Rate]% p. a., the Notes will bear interest of [Floor Rate]% p. a. (the Floor Interest Rate). If the Floor Interest Rate is applied in accordance with the previous sentence, the term “Interest Rate” is to be interpreted as the Floor Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]

- *in case of the Notes for which the Second Interest Rate is to be set using the maximum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is higher than [Cap Rate]% p. a., the Notes will bear interest of [Cap Rate]% p. a. (the Cap Interest Rate) for the given Interest Period. If the Cap Interest Rate is applied in accordance with the previous sentence, the term “Interest Rate” is to be interpreted as the Cap Interest Rate for the purposes of the Terms and Conditions for the given Interest Period and not as an interest rate determined in the manner above.];

- (G) *for the Notes with a fixed interest rate that is to be changed to a spread floating interest rate, as well as for the Notes with target redemption with a fixed interest rate that is to be changed to a spread floating interest rate, it must be stated:*

[The Notes bear fixed interest rate of [First Rate]% p. a. until [Interest Rate Change Date] (the Interest Rate Change Date) (the First Interest Rate) during each Interest Period. The date of the change in the interest rate may only be one of the Payment Dates determined in accordance with paragraph 9.1(d)(ii).

From the Interest Rate Change Date until the Principal Amount Maturity Date or the Early Maturity Date, the Notes will during each Interest Period bear interest at an interest rate determined as the difference between (i) Floating Interest Rate 1 (as defined below) and (ii) Floating Interest Rate 2 (as defined below) [and if the interest rate so determined is still to be multiplied by the factor, include the following text: “ , and the result of this difference will still be multiplied by the factor [Factor Numerical Value]”] (the Second Interest Rate). The term “Interest Rate” refers to the First Interest Rate and/or the Second Interest Rate in % p. a. applicable over the relevant period.

The term “Floating Interest Rate 1” means: [Reference Rate 1]% p. a.

The term “Floating Interest Rate 2” means: [Reference Rate 2]% p. a.

Reference Rate 1 and Reference Rate 2 will be set for the first time [Reference Rate Setting Deadline] before the Interest Rate Change Date and subsequently set [Reference Rate Setting Deadline] before the applicable Payment Date for the following Interest Period (as defined below) (the Reference Rate Setting Date).

[[The current Second Interest Rate for the relevant Interest Period shall be immediately notified by the Issuer to the Stock Exchange.] or [The current Second Interest Rate for the relevant Interest Period shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).];

and further for the Notes under this paragraph (G):

- *for the Notes for which the Second Interest Rate is to be set using the minimum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is less than [Floor Rate]% p. a., the Notes will bear interest of [Floor Rate]% p. a. (the Floor Interest Rate). If the Floor Interest Rate is

applied in accordance with the previous sentence, the term **Interest Rate** is to be interpreted as the Floor Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]

- *for the Notes for which the Second Interest Rate is to be set using the maximum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is higher than [Cap Rate]% p. a., the Notes will bear interest of [Cap Rate]% p. a. (the **Cap Interest Rate**) for the given Interest Period. If the Cap Interest Rate is applied in accordance with the previous sentence, the term “**Interest Rate**” is to be interpreted as the Cap Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]

- *for the Notes with target redemption, it must be stated:*

[in case of the unguaranteed Target Interest Amount, it must be stated: The Target Interest Amount for the whole period until the Principal Amount Maturity Date is neither specified nor guaranteed.] or [in case of the guaranteed Target Interest Amount, it must be stated: The minimum amount of interest on each Note due for the whole period from the Interest Rate Change Date to the Principal Amount Maturity Date or to the Early Maturity Date is equal to the difference of (a) [Target Interest Amount] and (b) the sum of all interest payments paid on one Note for all previous Interest Periods.]

and [in case of the Total Interest Ceiling it must be stated: The maximum amount of interest on each Note is equal to the difference of (a) [Target Interest Amount]; and (b) the sum of all interest paid for all previous Interest Periods (the **Total Interest Ceiling**). The Issuer is under no obligation to pay any further interest exceeding the Total Interest Ceiling for the last variable Interest Period.] or [if Total Interest Ceiling is not stated, it must be stated: The variable amount of interest for the last variable Interest Period is also payable in full if the sum of all interest paid for all previous Interest Periods exceeds the Target Interest Amount.];

- (H) *for the Notes with a floating interest rate, it must be stated:*

[The Notes bear interest at the floating rate set as the sum of the Reference Rate and the Margin of [Reference Rate and Margin]% p. a. (the **Interest Rate**).

The Reference Rate will be set for the first time [Reference Rate Setting Deadline] before the Issue Date and subsequently set [Reference Rate Setting Deadline] before the applicable Payment Date for the following Interest Period (as defined below) (the **Reference Rate Setting Date**).

[[The current amount of the floating Interest Rate for the relevant Interest Period shall be immediately notified by the Issuer to the Stock Exchange.] or [The current floating Interest Rate for the relevant Interest Period shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).];

and further for the Notes under this paragraph (H):

- *for the Notes where the amount of Margin may vary, it must be stated:*

[The Margin is set as follows: [Margin – add relevant dates or periods and add individual Margins in % p. a. in the format “from [insert date] (including) to [insert date] (excluding) the amount of Margin of [Amount of Margin]% p. a.”, the text in this format being specified for each relevant period in which the amount of the Margin is to be changed]. The term “**Margin**” collectively denotes the margin in % p. a. applicable during the relevant period.]

- *for the Notes using the minimum interest rate, it must be stated:*

[If, for any Interest Period, the floating Interest Rate determined in accordance with the preceding provisions is less than [**Floor Rate**]% p. a., the Notes will bear interest of [**Floor Rate**]% p. a. (the **Floor Interest Rate**). If the Floor Interest Rate is applied in accordance with the previous sentence, the term “**Interest Rate**” is to be interpreted as the Floor Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]

– *for the Notes using the Memory interest rate, it must be stated:*

[If, for any Interest Period, the floating Interest Rate determined in accordance with the preceding provisions is less than the interest rate determined for the immediately preceding period (the **Memory Interest Rate**), the Notes will bear interest at the Memory Interest Rate for the given Interest Period. If the Memory Interest Rate is applied in accordance with the previous sentence, the term “**Interest Rate**” is to be interpreted as the Memory Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]

– *for the Notes using the maximum interest rate it must be stated:*

[If, for any Interest Period, the floating Interest Rate determined in accordance with the preceding provisions is higher than [**Cap Rate**]% p. a., the Notes will bear interest of [**Cap Rate**]% p. a. (the **Cap Interest Rate**). If the Cap Interest Rate is applied in accordance with the previous sentence, the term “**Interest Rate**” is to be interpreted as the Cap Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.].

- (ii) Yield to Maturity as at the Issue Date amounts to: [**Yield to Maturity**]. Interest on the Notes will be always paid [**Interest Payment Frequency**] (on) [**Interest Payment Date(s)**] of the relevant calendar year (each a **Payment Date**) in compliance with paragraph 9.1(f).

The Interest on the Notes will be paid to the Holders in arrears for the relevant Interest Period (as defined below), for the first time on [**First Interest Payment Date**] until (A) the Principal Amount Maturity Date (as defined below) or until (B) the Early Maturity Date (as defined below) if the Notes are redeemed early.

For the purposes of the Terms and Conditions, the **Interest Period** shall mean 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 Principal Amount Maturity Date (exclusive) or until (B) the Early Maturity Date (exclusive) if the Notes are redeemed early.

Interest on the Notes shall be calculated according to the convention [**Convention**] (as defined below).

The amount of interest pertaining to 1 (one) Note shall be determined as the product of the Principal Amount, Interest Rate and the relevant fraction of days calculated according to the convention for the calculation of the interest stated in the preceding sentence of these Common Terms and by rounding to seven decimal places whereas the final amount to be paid to the relevant Holder of the Notes will be rounded to two decimal places according to arithmetic rules.

- (iii) The Notes will cease to bear interest as of the Principal Amount Maturity Date or the Early Maturity Date (if the Notes are redeemed early), provided that the Principal Amount has been repaid. If the Principal Amount is not fully repaid as of the Principal Amount Maturity Date or the Early Maturity Date (if the Notes are redeemed early), the Notes will continue to bear interest at the Interest Rate until all the amounts payable in respect of the Notes have been paid to the Holders.

- (iv) In these Common Terms, “Reference Rate” means the interest rate expressed as the percentage p.a. displayed on [**Screen Page**] (or any substitute screen page displaying such information) as the [**Relevant Value** – [the value of the fixing of the interest rates for sale on

the interbank market for deposits for the relevant currency for the relevant period] *or* [the value of mid-swap interest rate (the average of bid and offer swap rate) for the fixed part of swap transaction, where the fixed rate is changed into a floating rate in the relevant currency for the relevant period]]; information/data regarding the past performance, current value as well as the volatility of the Reference Rate can also be obtained there.

If the Reference Rate is not available on the above-mentioned page or it is not displayed for any reason, it will be determined by the Issuer. In the event that any interest rate calculated using the Reference Rate in accordance with the procedures set out in paragraph 9.1(d)(i) above would be less than 0 (zero), the Interest Rate with a value of 0 (zero) will be used to calculate the Interest Rate.

- (v) **Convention** means for the purposes of the Terms and Conditions one of the following conventions for the calculation of interest:
- (A) “**30E/360**”, which, for the purposes of the calculation of, means that a calendar year has 360 (three hundred and sixty) days divided into 12 (twelve) months, and each month has 30 (thirty) days;
 - (B) “**Act/360**”, which, for the purposes of the calculation, means that a calendar year has 360 (three hundred and sixty) 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;
 - (C) “**Act/Act (ISDA)**”, which, for the purposes of the calculation, means the actual number of days in the relevant Interest Period divided by 365 (three hundred and sixty-five) (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 366 (three hundred and sixty-six) 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 (three hundred and sixty-five)); and
 - (D) “**Act/Act (ICMA)**”, which, for the purposes of the calculation, means the actual number of days in the relevant Interest Period divided by the Number of days of the current (calendar) year is taken into account. The **Number of days of the current (calendar) year** for the purposes of the Terms and Conditions means the product of the actual number of days in the relevant Interest Period and the number of Payment Dates for the current (calendar) year.
- (vi) The calculation of interest on the Notes by the Issuer will be final and binding for all Holders, except for a manifest error.

(e) **Maturity of the Notes**

- (i) Unless the Notes are redeemed earlier or repurchased by the Issuer and thus cease to exist, as defined below, the Principal Amount [**Method of Redemption**] shall be repaid on [**Maturity Date**] (the **Principal Amount Maturity Date**).

[Repurchase – [The Issuer has the right to purchase any of the Notes on the secondary market at any market price any time prior to the Principal Amount Maturity Date. The Notes purchased by the Issuer cease to exist.] *or* [only in case of Subordinated Notes included in Tier 2 capital of the Issuer: The Issuer may buy back all or only some of the Notes only if the conditions under Articles 63, 77, 78 and related provisions of the CRR have been satisfied, and the authorisation of the competent supervisory authority obtained. The Notes purchased by the Issuer cease to exist.] *or* [only in case of the Covered Notes including the Sustainable Notes with such status: The Issuer has the right to purchase any of the Notes on the secondary market at any market price any time prior to the Principal Amount Maturity Date. [The Notes purchased by the Issuer shall not cease to exist and the Issuer may keep and resell them.][The Notes purchased by the Issuer shall cease to exist.]] *or* [only in the case of the Senior Non-Preferred Notes including the Sustainable Notes with such status: The Issuer may buy back all or only some of the Notes only if the conditions under the requirements of the CRR applicable and effective at that time applicable to the eligible liabilities and their buy-back are satisfied,

and the authorisation of the competent supervisory authority has been obtained. The Issuer may also buy back all or some of the Notes with the remaining maturity of less than one year provided that they are not included in the minimum requirement for eligible liabilities due to this shorter maturity. The Notes purchased by the Issuer shall cease to exist.]]

- (ii) **[Early Redemption of the Notes Decided by the Issuer** – [[The Issuer is, on the basis of its decision, entitled to early redeem all (and not only some) Notes issued and outstanding as of **[Early Redemption Date(s)]** (the **Early Maturity Date**). The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days prior to the relevant Early Maturity Date.] *[only in case of the Subordinated Notes included in Tier 2 capital of the Issuer:* If there is a change in the regulatory classification of the Notes or in the applicable tax terms in respect of the Notes, in each case referred to in Article 78(4) of the CRR, the Issuer may, by a written notice addressed to the Holders, determine that all (and not only some) Notes may become early redeemable as of **[Early Redemption Date(s)]** (the **Early Maturity Date**). The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days prior to the relevant Early Maturity Date. The Issuer may exercise this right only if conditions under Articles 63, 77, 78 and related provisions of the CRR are satisfied, and the authorisation of the competent supervisory authority has been obtained.] *[only in case of the Senior Non-Preferred Notes including the Sustainable Notes with such status:* If there is a change in the regulatory classification of the Notes or in the applicable tax terms in respect of the Notes, in each case as referred in the relevant provisions of the CRR valid and effective at that time, the Issuer may, by a written notice addressed to the Holders, determine that all (and not only some) Notes may become early redeemable as of **[Early Redemption Date(s)]** (the **Early Maturity Date**). The Issuer may also, by a written notice addressed to the Holders, determine that all (and not only some) Notes may become early redeemable as of **[Early Redemption Date(s)]** in the case of the Notes with the remaining maturity of less than one year provided that they are not included in the minimum requirement for eligible liabilities due to this shorter maturity. The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days prior to the relevant Early Maturity Date. The Issuer may exercise this right only if conditions under the relevant provisions of the CRR valid and effective at that time are satisfied, and the authorisation of the competent supervisory authority and/or resolution authority has been obtained.] *[only in case of the Sustainable Notes issued as the Covered Notes or the Senior Notes:* If, in the Issuer's reasoned opinion, the Sustainable Notes shall not meet the criteria for using the yields on the relevant issue or if it is not possible to fulfil, fully or in part, the additional information obligations specified in the Final Terms, then the Issuer may (but is not obliged to) by notifying in writing the Holders determine that all (not only some) Sustainable Notes shall become early redeemable as of **[Early Redemption Date(s)]** (the **Early Maturity Date**). The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days prior to the relevant Early Maturity Date.] *[only if there is a Gross-up:* The Issuer may by notifying in writing the Holders determine that all (not only some) Notes shall become early redeemable as of **[Early Redemption Date(s)]**, if (A) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided in paragraph 9.1(h) as a result of any change in, or amendment to, the laws or regulations of the Slovak Republic or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the relevant issue of the Notes and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days prior to the relevant Early Maturity Date.]

The Issuer's notification of the early redemption of the Notes and of the Early Maturity Date executed pursuant to paragraph 9.1(e)(ii) is irrevocable and obliges the Issuer to early redeem the entire issue of the Notes in respect of which the notification was made.

On the Early Maturity Date, the Issuer shall pay to each Holder (i) 100.00% of Principal Amount of the Notes; and (ii) the extraordinary interest of **[Extraordinary Interest Amount in %]** of the Principal Amount of the Notes.

The provisions of paragraphs 9.1(f) and 9.1(d)(v) shall apply to an early redemption of the Notes pursuant to paragraph 9.1(e)(ii).] *or* [The Issuer may not, on the basis of its decision, redeem the Notes early.]]

- (iii) **[Early Redemption of the Notes with Target Redemption upon Reaching the Target Interest Amount** – [The Notes become early redeemable as of the Payment Date when the sum of all interest payments paid on one Note for all previous Interest Periods (including the most recent one) reaches or exceeds [**Target Interest Amount**]. This Payment Date will be considered the Early Maturity Date.] *or* [The Notes do not have a target redemption upon reaching a certain amount of interest.]]
- (iv) The Holders of the Notes are under no circumstances entitled to require the Issuer to redeem the Notes early, prior to the Principal Amount Maturity Date.

(f) Payment Conditions

- (i) The Issuer undertakes to pay the interest from the Notes and repay the Principal Amount in the Currency. The interest from the Notes and the Principal Amount shall be paid to the Holder in accordance with the tax, foreign exchange and other applicable Slovak legal regulations effective on the date of the relevant payment.
- (ii) Payment of the interest from the Notes will be made as of the Payment Date and the repayment of the Principal Amount will be made as of the Principal Amount Maturity Date or the Early Maturity Date (if the Notes are redeemed early) in accordance with these Common Terms, through the Issuer or Administrator and/or Additional Administrator (as defined below) of the issue of the Notes at its registered office (the **Payment Place**).
- (iii) The interest from the Notes and the Principal Amount shall be paid to persons who will prove to be the Holders according to the current register of Notes held by the Central Depository or a Central Depository member or a person registering a Holder for the Notes registered on the holding account held for such a person by the Central Depository at the close of business hours of the Central Depository on the relevant Determination Date (as defined below) (the **Authorised Person**).

The Determination Date for the purposes of the Terms and Conditions means:

- (A) for the purposes of the payment of interest from the Notes, the thirtieth calendar day prior to the Payment Date (exclusive), or
- (B) for the purposes of the payment of the Principal Amount:
 - (I) the thirtieth calendar day prior to the of Principal Amount Maturity Date (exclusive); or
 - (II) the thirtieth calendar day prior to the Early Maturity Date.
- (iv) The Issuer shall make the payment of interest from the Notes and the Principal Amount to the Authorised Persons via wire transfer to their accounts maintained by a bank, a foreign bank or a branch of a bank, in each case located in the Slovak Republic or in other member state of the European Economic Area (EEA); priority will be given to the accounts maintained by the Issuer, which the Authorised Person shall notify to the Issuer in a manner sufficient for the Issuer no later than five (5) business days prior to the Payment Date or the Principal Amount Maturity Date or the Early Maturity Date. If the Authorised Person does not deliver such instruction to the Issuer it shall be deemed that the Authorised Person decided to receive the relevant payment in cash at the Issuer's registered office.
- (v) 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 authorised to do so on behalf of the Authorised Person. Such evidence must also be delivered to the Issuer no later than 5 (five) business days prior to the Payment Date/Principal Amount Maturity Date/Early Maturity Date (as applicable). In particular, the Issuer will be entitled to request that (A) any Authorised Person proves his/her/its identity if receiving cash; and (B) if the Authorised Person acts through a representative, that he/she delivers an officially certified power of attorney.

Despite the Issuer's rights under the preceding sentence, the Issuer will not be (X) obliged to verify the authenticity of the instruction according to this paragraph of the Common Terms; (Y) be liable for any damage incurred in relation to any delay resulting from the delivery of incorrect, out-of-date and/or incomplete instruction; and/or (Z) be liable for any damage incurred in connection with the verification of the instruction or any other information or documents pursuant to this paragraph of the Common Terms. In the cases described above, the Authorised Person shall not be entitled to any additional payment or interest for the caused delay or the delay of the relevant payment.

- (vi) If the Issuer, in reasonable time after the Payment Date, the Principal Amount Maturity Date or the Early Maturity Date (if the Notes are redeemed early), cannot, as the case may be, pay any amount due in relation to the Notes 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 the 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 his/her legal successor) at his discretion either into notarial custody or keep the due amount itself. By depositing the due amount into custody, the Issuer's obligation for payment of such amount is deemed to have been satisfied and the Authorised Person (or his/her 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.
- (vii) For the purposes of the Terms and Conditions, a business day means a day on which commercial banks in city [**Financial Centre**] are normally open for business and the TARGET 2 system (Trans-European Automated Real-Time Gross Settlement Express Transfer System) is open for settling transactions except for a Saturday, Sunday and any other day which is considered a public holiday in the Slovak Republic. If the Payment Date, the Principal Amount Maturity Date, the Early Maturity Date or the Determination Date falls on a day other than a business day, the Payment Date, the Principal Amount Maturity Date, the Early Maturity Date or the Determination Date will be deemed to fall on the next business day, provided that in this case no additional interest or other additional amounts will accrue on the Notes.

(g) Administrator

- (i) The activities of the Administrator relating to the payment of interest income, redemption of the Notes and calculations related to the determination of interest income shall be procured by the Issuer.
- (ii) The Issuer reserves the right to appoint another or an additional Administrator (the **Additional Administrator**) at any time which, however, may only be another bank or a branch of a foreign bank in the Slovak Republic (the **Qualified Person**) or to determine a different or additional Payment Place. If the Issuer appoints an Additional Administrator, it shall enter into an agreement with such Additional Administrator (the **Administrator Agreement**) which will regulate the rights and obligations of the Issuer and the Additional Administrator to ensure that all of the rights and obligations of the Issuer under the Terms and Conditions, the Bonds Act, the Act on Banks, the Securities Act and any other applicable legal regulations are performed. All provisions of the Terms and Conditions concerning making payments and other administrative functions applicable to the Issuer, shall apply to the Additional Administrator mutatis mutandis. The changes to the Administrator and the Payment Place shall be deemed to be the changes of the Payment Place. The changes must not be substantially detrimental to the Holders. The Issuer shall notify the Holders of its decision to appoint the Additional Administrator. Any such change shall become effective after the lapse of a 15-day period (fifteen) after the date of such notice if no later effective date is mentioned therein. However, any change which would otherwise become effective less than 30 days (thirty) prior to or after the Payment Date of any amount in relation to the Notes, shall become effective on the 30th (thirtieth) day after such Payment Date.
- (iii) The Additional Administrator acts as the Issuer's representative in relation to the performance of the obligations arising from the Administrator Agreement and unless the Administrator Agreement or the law provides otherwise, it has no legal relationship with the Holders. The

Additional Administrator does not guarantee the Issuer's obligations arising from the Notes nor secure them in any other manner.

- (iv) The Issuer and the Additional Administrator may, without the consent of the Holders, agree on (i) any change of any provision of the Administrator Agreement if such change is exclusively of a formal, secondary or technical nature or if it is made in order to correct a manifest error or required due to changes in legal regulations; and (ii) any other change and waiver of claims arising from any breach of any provision of the Administrator Agreement which, in the reasonable opinion of the Issuer and the Additional Administrator, will not be detrimental to the Holders.

(h) Taxation

The payments of the Principal Amount and interest from the Notes are subject to withholding tax, levies or other charges as 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 these withholdings, taxes, levies or charges.] *or* [If such withholding or deduction is required by the laws of the Slovak Republic, the Issuer will pay such additional amounts to the Holders as will be necessary in order that the net amount of the principal or interest received by the Holders after such withholding or deduction will equal the respective amounts which would otherwise have been received 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:

- (i) is payable by any person (including the Issuer) acting as custodian bank or collecting agent on behalf of a Holder, or by the Issuer if no custodian bank or collecting agent is appointed or otherwise in any manner which does not constitute a payment of tax by way of withholding or deduction by the Issuer as tax payer;
- (ii) is payable by reason of the Holder having, or having had, some personal or business connection with the Slovak Republic;
- (iii) is withheld or deducted pursuant to: (A) any European Union directive or other legal instrument of the Union law concerning the taxation of distributions income; or (B) any international treaty relating to such taxation and to which the Slovak Republic or the European Union is a party; or (C) any provision of law implementing, or complying with, such directive, legal instrument or treaty;
- (iv) is payable by reason of a change in law that becomes effective more than 30 days after the relevant payment in respect of the Notes becomes due; or
- (v) would not be payable if the Holder would provide a certificate of residence, certificate of exemption or any other similar documents required according to the respective applicable regulations.]]

(i) Limitation Period

Any rights arising from the Notes shall become time-barred after the lapse of the 10-year (ten) period from (A) the relevant Payment Date or the Early Maturity Date (if the Notes are redeemed early), in case of the right to claim an interest payment; or (B) the Principal Amount Maturity Date, in case of the right to claim the payment of the Principal Amount of the Note and extraordinary yield (if applicable); and (C) the first day on which such right could have been enforced under the law, in case of any other right as the ones mentioned above, as these may be amended pursuant to the applicable legal regulations.

(j) Unilateral modifications

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

(k) Meeting of the Holders of the Notes

(i) The request to convene a Meeting

Any Holder whose nominal value is at least 10% of the total aggregate principal amount of the issued and outstanding Notes of the given Issue has the right to request the convening of the Meeting of the Holders of the Notes in relation to such Issue (the **Meeting**). The request to convene the Meeting must be delivered to the Issuer and, if appointed, to the Additional Administrator. The Holders who have requested a Meeting are required to submit an extract from the records demonstrating that they are Holders pursuant to paragraph 9.1(a)(v) as of the date of signing of the request along with the request to convene the Meeting.

The request to convene a Meeting may be withdrawn by the relevant Holders, but only if such withdrawal is received by the Issuer and, if appointed, also by the Additional Administrator, no later than 3 (three) 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 Holders. If the Meeting does not take place solely due to the withdrawal of the request to convene the Meeting, the Holders shall jointly and severally reimburse to the Issuer the costs incurred so far for the preparation of the Meeting.

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 default with the satisfaction of the rights attached to the Notes.

(ii) Convening of the Meeting

The Issuer is obliged to promptly convene the Meeting no later than within 10 (ten) business days after receipt of the request to convene the Meeting.

The costs of organizing 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 Holders 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.

(iii) Notice of the Meeting

The Issuer is obliged to publish the convening notice of the Meeting in the manner set out in paragraph 9.1(1), at the latest 5 business days prior to the date of the Meeting.

The convening notice must include at least:

- (A) name, identification No. and registered office of the Issuer;
- (B) designation of the Notes, including at least name of the Note, Issue Date and ISIN;
- (C) 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.;
- (D) 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
- (E) The Date of Record for attending the Meeting (as defined below).

If there is no reason to convene the Meeting, the convener shall withdraw it in the same way as it was convened.

(iv) Persons entitled to attend and vote at the Meeting

(A) Persons entitled to attend the Meeting

Each Holder who has been registered as a Holder of the Notes pursuant to paragraph 9.1(a)(v), except for any person controlled by the Issuer, is entitled to participate and vote at the Meeting (the **Person Entitled to Attend the Meeting**) on the seventh day prior to the day of the relevant Meeting (the **Date of Record for Attending the Meeting**). Any transfers of the Notes 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 case of a legal person, 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 legal person); 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 Notes 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.

(v) Course of the Meeting and adopting decisions

(A) Quorum

The Meeting has a quorum if attended by the Persons Entitled to Attend the Meeting who are, as of the Date of Record for Attending the Meeting, the Holders of the Notes whose principal amount represents more than 50% of the total principal amount of issued and outstanding Notes of the given Issue, except for the Notes held by any person controlled by the Issuer. Prior to commencement of the Meeting, the Issuer will provide information on the number of Notes in respect of which the Persons Entitled to Attend the Meeting are entitled to attend and vote at the Meeting in accordance with the Common Terms.

(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.

(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 Common Terms. 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 Notes only if proposed by the Issuer.

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

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 attending 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 Holders, 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 Bonds Act, a Persons 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 Holder under the original Terms and Conditions continue to exist or request early redemption of the Notes.

(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 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 2 (two) weeks and no later than 3 (three) weeks from the date on which the original Meeting was convened. The replacement Meeting shall be announced in the manner set out in paragraph 9.1(k)(iii). 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 Common Terms. The Issuer must publish the minutes within 14 (fourteen) days from the date of its preparation. Minutes of the Meeting will be available to the Holders in electronic form in a separate sections on the Issuer's website www.slsk.sk/sk/investori/dlhopisy and/or www.slsk.sk/en/investors/bonds. The Issuer shall also, without undue delay, make available all decisions of the Meeting in accordance with paragraph 9.1(l).

(l) Notices

- (i) Any notice, publication or communication by the Issuer addressed to the Holders and any facts material for exercising the rights of the Holders will be published on the Issuer's website, in each case subject to mandatory requirements of applicable law only.
- (ii) If the legal regulations or these Common Terms 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 Holders.
- (iii) The Issuer is obliged to make notices and publications in relation to the Notes in English or Slovak language or bilingually in English and Slovak language if the Notes were offered on the territory of other Member States of the European Union. If it is permitted by the legal regulations taking into account the nature of a notice or publication, the Issuer may decide to make such notice or publication relating to the Notes in Slovak language only.
- (iv) Any notice to the Issuer in respect of the Notes must be delivered in writing to the following address:

Slovenská sporiteľňa, a.s.
 Tomášikova 48
 832 37 Bratislava
 Slovak Republic

or to such other address notified to the Holders in a manner described in this subsection.

(m) Governing Law and Dispute Resolution, Language

- (i) Any and all rights and obligations arising from the Notes shall be governed and construed in accordance with Slovak law.
- (ii) Any and all disputes between the Issuer and the Holders arising under or in relation to the Notes shall be finally resolved by the relevant Slovak court.
- (iii) The Slovak language version of the 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 case of any interpretation discrepancies between the Terms and Conditions in Slovak language and the Terms and Conditions translated into another language.

9.2 Conditions of the Offer

- (a) The Notes 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 the Prospectus]] [**Form of Offer** – [as a syndicated issue through [specify information on banks forming the syndicate and specify other information]] *or* [as a non-syndicated issue [specify 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]] from [**Offer Commencement Date**] to [**Offer Termination Date**] (the **Offer**).

[Description of the Application Procedure]

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

[**Expenses Charged to Investors** – [No expenses will be charged to investors with regard to the subscription of the Notes.] *or* [**Expenses Charged to Investors**]]

Investors in the Notes shall be satisfied [**Manner of Satisfying Orders**]. The manner of notification of the number of the subscribed Notes will be contained in the relevant agreement and/or order. Trading of the Notes cannot be commenced prior to the notification of the number of the subscribed Notes. The

results of the issue of the Notes will be published at the Issuer's registered office on the day following the end of the period for the issue of the Notes.

- (b) **[Distribution Method** – [No arrangements have been agreed on as regards the subscription of the issue of the Notes with any entities on the basis of a firm commitment, placement without firm commitment or “best efforts” arrangement and the distribution of the Notes is arranged by the Issuer.] *or* [[The Issuer] [and] [the **Dealer(s)**] [and] [the **Joint Lead Manager(s)**] will distribute the Notes 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.]]

The Issuer has not entered into any firm agreement with any entities to act as intermediaries in the secondary trading of the Notes. The issue of the Notes shall be deemed successfully subscribed after the expiration of the relevant Settlement Date even in the event that the Aggregate Amount of the Issue has not been fully subscribed by the investors.

The funds for the payment of the Principal Amount and the payment of interest/yield on the Notes will come from the performance of the Issuer's business activities and related income.

9.3 Additional Information

- (a) **Interest of Individuals and Legal Entities Involved in the Issue.** The Issuer has appointed Erste Group Bank AG as Arranger and Dealer of the Programme.

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

[Description of other Interests]

- (b) **[Third-party Information and Experts' Reports** – *in the case of Green Notes, the relevant assessment and any additional information will be provided in accordance with legislation and market standard.*]

- (c) **[Provisions Relating to the Sustainable Notes Including the Use of Proceeds]**

- (d) **Credit Rating of the Issuer and Notes.** Credit ratings assigned to the Issuer by the credit rating agency Moody's Investors Service: Long-term rating of the issuer A2 stable outlook, Long-term local and foreign currency deposit ratings A2 stable outlook, Short-term local and foreign currency deposit ratings P-1, Counterparty Risk (long-term/short-term) Assessments A1/P-1, Baseline Credit Assessment/Adjusted Baseline Credit Assessment baa2/baa1. **[Credit Rating Assigned to the Notes** – [The Notes are not rated.] *or* **[Credit Rating]**]] Moody's Investors Service is a credit rating agency established in the European Union and registered under the CRA Regulation.

- (e) **Advisors.** The Issuer has used Allen & Overy Bratislava, s.r.o., with its registered office at Eurovea Central 1, Pribinova 4, 811 09 Bratislava, as its legal advisor.

- (f) **Financial Intermediaries.** The Issuer has not given any consent to any financial intermediaries to use the Prospectus for the subsequent resale or final placement of the Notes.

- (g) **Stabilisation.** If the Stabilisation Manager has been appointed with regards to the issuance of Notes, this person or persons acting on his behalf may take stabilisation transactions (purchases or sales) related to Notes with a view to support the market prices of Notes 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 Note issuance and ends 30 calendar days from the date of issuance and settlement of the Note issuance at the latest or (i.e. when the Issuer gains the proceeds) or 60 calendar days from the date of the Note 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.

10. FORM OF FINAL TERMS

The form of the Final Terms which will be supplemented with the relevant information for each particular issue of the Notes to be issued on the basis of the Prospectus under the Programme is set out below. The Final Terms will be prepared and published for each individual issue of the Notes issued under the Programme prior to the commencement of the issue of the Notes.

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(s) relevant for the given issue will be included in the Final Terms.

Information regarding Prospectus Supplement (if any) stated below in square brackets will be provided in the relevant Final Terms only if any such Prospectus Supplement will be made.

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

FINAL TERMS (in Slovak: *konečné podmienky*)

[Date]

**Slovenská sporiteľňa, a.s.**

Aggregate Amount of the Offer: [•]

Name of the Notes: [•]

issued under the Debt Securities Issuance Programme in accordance with the base prospectus dated 20 November 2019.

Issue Price: [•]

ISIN: [•]

These Final Terms prepared for the purposes 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 construed in conjunction with the base prospectus (the **Prospectus**) to the debt securities issuance programme, which will be continuously or repeatedly issued by Slovenská sporiteľňa, a.s. (the **Issuer**) and any amendment thereto in order to obtain all relevant information. The Final Terms, including the used defined terms, must be read in conjunction with the Common Terms contained in the Prospectus. The risk factors related to the Issuer and the Notes are listed in Section 2. of the Prospectus entitled “*Risk Factors*”.

The Prospectus and any Prospectus Supplements are available in electronic form on the Issuer’s website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds. The information regarding the Issuer and the Offer of the Notes is only complete when read in conjunction with these Final Terms and the Prospectus [and the relevant Prospectus Supplement(s)]. [A Summary of the Issue is attached to these Final Terms.]

The Prospectus was approved by the National Bank of Slovakia by its decision [•] dated [•]. [The Prospectus Supplement [•] was approved by the National Bank of Slovakia by its decision [•] dated [•]].

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

In the event the Notes continue to be offered or re-offered after the expiration of the Prospectus, the relevant detailed information will be available in the subsequent prospectus, and the still valid terms and conditions will be included in the subsequent prospectus by reference. The subsequent prospectus will be published in the same way as the Prospectus.

[MiFID II Product Governance / Eligible Counterparties and Professional Investors Only Target Market

Solely for the purposes of [the] [each] manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in 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**) [**specify further target market criteria**]; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. [**specify negative target market, if applicable**]. Any person subsequently offering, selling or recommending the Notes (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 Notes (by either adopting or refining the manufacturer[’s][s’] target market assessment) and determining appropriate distribution channels.]

[MiFID II Product Governance / Eligible Counterparties, Professional Investors and Retail Investors Target Market

Solely for the purpose of the Issuer’s (as a product manufacturer) product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties, professional clients retail clients, each as defined 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**) [*specify further target market criteria*] [and (ii) all channels for distribution of the Notes are appropriate, including [investment advice][,] [and] [portfolio management][,] [and] [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 Notes to retail clients are appropriate: [investment advice][,] [and] [portfolio management][,] [and] [non-advised sales] [and] [pure execution services]. [*specify negative target market, if applicable*] Any person subsequently offering, selling or recommending the Notes (a **Distributor**) should take into consideration manufacturer’s target market assessment, however a Distributor subject to MiFID II rules is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturer’s target market assessment) and determining appropriate distribution channels.]

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

The Notes 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**). Consequently no key information document required by Regulation (EU) No 1286/2014, as amended (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation. 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 the 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**); (ii) a customer within the meaning of Directive (EU) 2016/97, as amended, 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.]

PART A: PROVISIONS SUPPLEMENTING TERMS AND CONDITIONS OF THE NOTES

This part of the Final Terms together with paragraph 9.1(Information about Securities) of the Common Terms shall constitute the terms and conditions of the relevant issue of the Notes.

9.1(a) Basic Information, Form, Type and Manner of Issue of the Notes

Type of Notes:	[• (<i>selection of option from the Common Terms</i>) [unsubordinated and unsecured notes (the Senior Notes)] or [Covered Notes] or [Subordinated Notes] or [Senior Non-Preferred Notes] [qualified as Sustainable Notes]]
ISIN:	[•]
FISN:	[•]
Common Code:	[•]
Depository:	[•]
Principal Amount:	[•]
Currency:	[•]
Name:	[•]
Aggregate Amount of the Issue:	[•]

Estimated Net Proceeds from the Issue:	[•]
Aggregate Amount of the Offer:	[•]
Issue Price in %:	[•]
Information about the Accrued Interest:	[•]
Issue Date:	[•]
Admission to Trading:	<p>[• <i>(selection of option from the Common Terms)</i></p> <p>[[The Issuer will submit an application to Burza cenných papierov v Bratislave, a.s., with its registered office at Vysoká 17, 811 06 Bratislava, IČO: 00 604 054, for the admission of the Notes to trading on its regulated market [BSSE Market].] <i>or</i> [The Issuer will submit an application to the Vienna Stock Exchange (<i>Wiener Börse AG</i>) for the admission of the Notes to trading on its regulated market (<i>Amilicher Handel</i>).] [Estimate of Aggregate Expenses Regarding the Admission to Trading] <i>or</i> [The Issuer does not submit an application for the admission of the Notes to trading on a regulated market.]]</p>

9.1(b) Status of Obligations

Status of Obligations:	<p>[• <i>(selection of option from the Common Terms)</i></p> <p><i>in the case of the Senior Notes including the Sustainable Notes with such status, it shall be stated:</i></p> <p>[Obligations from the Notes constitute direct, general, unsecured, unconditional and unsubordinated obligations of the Issuer which rank <i>pari passu</i> among themselves and always rank at least <i>pari passu</i> with any other direct, general, unsecured, unconditional and unsubordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law. Each Holder acknowledges and explicitly agrees that if the Issuer gets into a crisis situation under Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended, including related regulations, the obligations of the Issuer from the Notes may be subject to measures for resolution of the crisis situation of the Issuer or its group, mainly to the capitalisation measure, as a result of which the obligations from the Notes may be modified or terminated, or converted into registered capital of the Issuer. This can result in the Holders losing a part or their whole investment in the Notes.]</p> <p><i>or in the case of the Covered Notes including the Sustainable Notes with such status, it shall be stated:</i></p> <p>[Obligations from the Notes constitute direct, general, secured, unconditional and unsubordinated obligations of the Issuer which rank <i>pari passu</i> among themselves and always rank at least <i>pari passu</i> with any other direct, general, similarly secured, unconditional and</p>
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unsubordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law.]

or in the case of the Subordinated Notes, it shall be stated:

[Obligations from the Notes constitute direct, general, unsecured, unconditional and subordinated obligations of the Issuer which rank *pari passu* among themselves and always rank at least *pari passu* with any other direct, general, unsecured, unconditional and equally subordinated obligations of the Issuer, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law. The Notes are subordinated notes under Section 20a of the Bonds Act, and they are subject to all limitations under Section 408a of Act No. 513/1991 Coll. Commercial Code, as amended (the **Commercial Code**). By subscribing, purchasing or otherwise acquiring any Notes, each Holder agrees with this subordination undertaking and related limitations. In the event of bankruptcy or liquidation of the Issuer, the Issuer's payment obligations under the Notes shall, regarding the right to payment, rank after the unsubordinated debtors of the Issuer and before the claims of shareholders, holders of (other) instruments of common equity Tier 1 capital under Article 28 of the CRR, as well as before the holders of instruments of additional Tier 1 capital under Article 52 of the CRR of the Issuer and any other subordinated obligations of the Issuer expressed under their terms and conditions as ranked after the Notes. The subordination undertaking relating to all obligations under the Notes cannot be altered or terminated in any way. All obligations under the Notes are unsecured and there are no provisions or guarantees increasing the seniority of obligations from them, whether from the side of the Issuer, its affiliates or any other person under Article 63 of CRR. Each Holder acknowledges and explicitly agrees that if the Issuer gets into a crisis situation under Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended, including related regulations, the obligations of the Issuer from the Notes may be subject to measures for resolution of the crisis situation of the Issuer or its group, mainly to the capitalisation measure, as a result of which the obligations from the Notes may be modified or terminated, or converted into registered capital of the Issuer. This can result in the Holders losing a part or their whole investment in the Notes. The Holders do not have the right to set-off their claims under the Notes against the Issuer and at the same time the Issuer does not have the right to set-off its claims against the claims of the Holders. In accordance with Section 408a (6) of the Commercial Code, no contractual or statutory set-off is permitted.]

or in the case of the Senior Non-Preferred Notes including the Sustainable Notes with such status, it shall be stated:

[Obligations from the Notes constitute direct, general, unsecured and unconditional obligations of the Issuer with a lower ranking in bankruptcy in accordance with Section 180a(2) of Act No. 7/2005 Coll. on Bankruptcy and Restructuring, as amended, and rank *pari passu* among

	<p>themselves and always rank at least <i>pari passu</i> with any other direct, general, unsecured, unconditional and any obligations of the Issuer with the same ranking in bankruptcy, present and future, save for those obligations of the Issuer as may be stipulated by a mandatory provision of law. All obligations under the Notes are unsecured and there are no provisions or guarantees increasing the seniority of obligations arising from them, whether from the side of the Issuer, its affiliates or any other person. Each Holder acknowledges and explicitly agrees that if the Issuer gets into a crisis situation under Act No. 371/2014 Coll. on the resolution of crisis situations on the financial market, as amended, including related regulations, the obligations of the Issuer from the Notes may be subject to measures for resolution of the crisis situation of the Issuer or its group, mainly to the capitalisation measure, as a result of which the obligations from the Notes may be modified or terminated, or converted into registered capital of the Issuer. This can result in the Holders losing a part or their whole investment in the Notes. The Holders do not have the right to set-off their claims under the Notes against the Issuer and at the same time the Issuer does not have the right to set-off its claims against the claims of the Holders.]]</p>
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9.1(d) Interest

<p>Determination of Interest:</p>	<p>[• (selection of option from the Common Terms)</p> <p>(A) <i>for the Notes without payment of interest income (zero coupon), it must be stated:</i></p> <p>[The Notes have no interest rate and their interest is determined as the difference between the Principal Amount of the Notes and their Issue Price. The provisions of paragraphs 9.1(d)(ii) to 9.1(d)(v) and any reference to interest or its payment shall in this case not be applicable to the Notes.];</p> <p>(B) <i>for the Notes with a fixed interest rate without changing it to the Principal Amount Maturity Date or to the Early Maturity Date, it must be stated:</i></p> <p>[The Notes bear a fixed interest rate throughout their life, in the amount of [Rate]% p. a. (the Interest Rate).];</p> <p>(C) <i>for the Notes where the interest rate may increase or decrease, it must be stated:</i></p> <p>[The Notes bear a fixed Interest Rate the value of which over time is [[increasing]/[decreasing]], as follows Rate – add appropriate dates or periods and add individual Interest Rates in % p. a. in the format “from [insert date] (including) to [insert date] (excluding) with interest income [amount of adjusted interest income]% p. a.”, with the text in this format being specified for each relevant period in which the fixed Interest Rate is to be increased/decreased.]</p> <p>The term “Interest Rate” refers to the interest</p>
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	<p>income in % p. a. applicable over the relevant period.</p> <p>[[The current Interest Rate shall be notified by the Issuer to the Stock Exchange immediately.] or [The current Interest Rate shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).]]];</p> <p>(D) <i>for the Notes with a fixed interest rate that is to be changed to a different fixed interest rate, it must be stated:</i></p> <p>[The Notes bear fixed interest rate of [First Rate]% p. a. until [Interest Rate Change Date] (the Interest Rate Change Date) (the First Interest Rate) during each Interest Period. The date of the change in the interest rate may only be one of the Payment Dates determined in accordance with paragraph 9.1(d)(ii). From the Interest Rate Change Date until the Principal Amount Maturity Date or the Early Maturity Date, the Notes will during each Interest Period bear interest at a fixed interest rate determined as the [[sum]/[difference]] of the Reference Rate and the Margin of [Reference Rate and Margin]% p. a. [and if the interest rate so determined is still to be multiplied by the factor, include the following text: “, and the result of this difference will still be multiplied by the factor [Factor Numerical Value]”] (the Second Interest Rate).</p> <p>The term “Interest Rate” refers to the First Interest Rate and/or the Second Interest Rate in % p. a. applicable over the relevant period. The Reference Rate will be set only once at [Reference Rate Setting Deadline] before the Interest Rate Change Date and will be applicable during the following Interest Periods (the Reference Rate Setting Date).</p> <p>[[The amount of the Second Interest Rate shall be notified by the Issuer to the Stock Exchange immediately.] or [The amount of the Second Interest Rate shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).]]];</p> <p>(E) <i>for the Notes with a fixed interest rate that will be changed to a floating interest rate, as well as for the Notes with target redemption with a fixed interest rate that will be changed to a floating interest rate, it must be stated:</i></p> <p>[The Notes bear fixed interest rate of [First Rate]% p. a. until [Interest Rate Change Date] (the Interest Rate Change Date) (the First Interest Rate) during each Interest Period. The date of the change in the interest rate may only be one of the Payment Dates determined in accordance with paragraph 9.1(d)(ii).</p> <p>From the Interest Rate Change Date until the Principal Amount Maturity Date or the Early Maturity Date, the Notes will during each Interest Period bear interest at an interest rate determined as the [[sum]/[difference]] of the Reference Rate and the Margin of [Reference Rate and Margin]% p. a. [and if the interest rate so determined is still to be</p>
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*multiplied by the factor, include the following text: “, and the result of this difference will still be multiplied by the factor [Factor Numerical Value]” (the **Second Interest Rate**).*

The term “**Interest Rate**” refers to the First Interest Rate and/or the Second Interest Rate in % p. a. applicable over the relevant period. The Reference Rate will be set for the first time [**Reference Rate Setting Deadline**] before the Interest Rate Change Date and subsequently set [**Reference Rate Setting Deadline**] before the applicable Payment Date for the following Interest Period (the **Reference Rate Setting Date**).

[[The current Second Interest Rate for the relevant Interest Period shall be immediately notified by the Issuer to the Stock Exchange.] *or* [The current Second Interest Rate for the relevant Interest Period shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(I).];

and further for the Notes under this paragraph (E):

- *in case of the Notes where, in case of the **Second Interest Rate**, the amount of the Margin may vary, it must be stated:*

[The Margin is set as follows: [**Margin** – add relevant dates or periods and add individual Margins in % p. a. in the format “from [*insert date*] (including) to [*insert date*] (excluding) the amount of Margin of [**Amount of Margin**]% p. a.”, the text in this format being specified for each relevant period in which the amount of the Margin is to be changed]. The term “**Margin**” collectively denotes the margin in % p. a. applicable during the relevant period.]

- *in case of the Notes for which the **Second Interest Rate** is to be set using the minimum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is less than [**Floor Rate**]% p. a., the Notes will bear interest of [**Floor Rate**]% p. a. (the **Floor Interest Rate**). If the Floor Interest Rate is applied in accordance with the previous sentence, the term **Interest Rate** is to be interpreted as the Floor Interest Rate for the purposes of the Terms and Conditions for the given Interest Period and not as an interest rate determined in the manner above.]

- *in case of the Notes for which the **Second Interest Rate** is to be set using the maximum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is higher than [**Cap Rate**]% p. a., the

Notes will bear interest of [**Cap Rate**]% p. a. (the **Cap Interest Rate**) for the given Interest Period. If the Cap Interest Rate is applied in accordance with the previous sentence, the term **Interest Rate** is to be interpreted as the Cap Interest Rate for the purposes of the Terms and Conditions for the given Interest Period and not as an interest rate determined in the manner above.]

- *for the Notes with target redemption, it must be stated:*

[in case of the unguaranteed Target Interest Amount, it must be stated: The Target Interest Amount for the whole period until the Principal Amount Maturity Date is neither specified nor guaranteed.] *or [in case of the guaranteed Target Interest Amount, it must be stated:* The minimum amount of interest on each Note due for the whole period from the Interest Rate Change Date to the Principal Amount Maturity Date or to the Early Maturity Date is equal to the difference of (a) [**Target Interest Amount**] and (b) the sum of all interest payments paid on one Note for all previous Interest Periods.]

and [in case of the Total Interest Ceiling it must be stated: The maximum amount of interest on each Note is equal to the difference of (a) [**Target Interest Amount**]; and (b) the sum of all interest paid for all previous Interest Periods (the **Total Interest Ceiling**). The Issuer is under no obligation to pay any further interest exceeding the Total Interest Ceiling for the last variable Interest Period.] *or [if Total Interest Ceiling is not stated, it must be stated:* The variable amount of interest for the last variable Interest Period is also payable in full if the sum of all interest paid for all previous Interest Periods exceeds the Target Interest Amount.]);

- (F) *for the Notes with a fixed interest rate that is to be changed to a reversed floating interest rate, it must be stated:*

[The Notes bear fixed interest rate of [**First Rate**]% p. a. until [**Interest Rate Change Date**] (the **Interest Rate Change Date**) (the **First Interest Rate**) during each Interest Period. The date of the change in the interest rate may only be one of the Payment Dates determined in accordance with paragraph 9.1(d)(ii).

From the Interest Rate Change Date until the Principal Amount Maturity Date or the Early Maturity Date, the Notes will during each Interest Period bear interest at an interest rate determined as the difference between (i) [**Second Rate**] in % p. a. and (ii) the Reference Rate [**Reference Rate**]% p. a. [*and if the interest rate so determined is still to be multiplied by the factor, include the following text: “, and the result of this difference will still be multiplied by the factor [**Factor Numerical Value**]”]*]

(the **Second Interest Rate**).

The term **Interest Rate** refers to the First Interest Rate and/or the Second Interest Rate in % p. a. applicable over the relevant period. The Reference Rate will be set for the first time [**Reference Rate Setting Deadline**] before the Interest Rate Change Date and subsequently set [**Reference Rate Setting Deadline**] before the applicable Payment Date for the following Interest Period (the **Reference Rate Setting Date**).

[[The current Second Interest Rate for the relevant Interest Period shall be immediately notified by the Issuer to the Stock Exchange.] *or* [The current Second Interest Rate for the relevant Interest Period shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).]];]

and further for the Notes under this paragraph (F):

- *in case of the Notes for which the Second Interest Rate is to be set using the minimum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is less than [**Floor Rate**]% p. a., the Notes will bear interest of [**Floor Rate**]% p. a. (the **Floor Interest Rate**). If the Floor Interest Rate is applied in accordance with the previous sentence, the term “**Interest Rate**” is to be interpreted as the Floor Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]

- *in case of the Notes for which the Second Interest Rate is to be set using the maximum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is higher than [**Cap Rate**]% p. a., the Notes will bear interest of [**Cap Rate**]% p. a. (the **Cap Interest Rate**) for the given Interest Period. If the Cap Interest Rate is applied in accordance with the previous sentence, the term “**Interest Rate**” is to be interpreted as the Cap Interest Rate for the purposes of the Terms and Conditions for the given Interest Period and not as an interest rate determined in the manner above.]];]

- (G) *for the Notes with a fixed interest rate that is to be changed to a spread floating interest rate, as well as for the Notes with target redemption with a fixed interest rate that is to be changed to a spread floating interest rate, it must be stated:*

[The Notes bear fixed interest rate of [**First Rate**]% p. a. until [**Interest Rate Change Date**] (the **Interest Rate Change Date**) (the **First Interest Rate**) during each Interest Period. The date of the change in the

interest rate may only be one of the Payment Dates determined in accordance with paragraph 9.1(d)(ii).

From the Interest Rate Change Date until the Principal Amount Maturity Date or the Early Maturity Date, the Notes will during each Interest Period bear interest at an interest rate determined as the difference between (i) Floating Interest Rate 1 (as defined below) and (ii) Floating Interest Rate 2 (as defined below) [*and if the interest rate so determined is still to be multiplied by the factor, include the following text: “ , and the result of this difference will still be multiplied by the factor [Factor Numerical Value]”*] (the **Second Interest Rate**). The term “**Interest Rate**” refers to the First Interest Rate and/or the Second Interest Rate in % p. a. applicable over the relevant period.

The term “**Floating Interest Rate 1**” means: **[Reference Rate 1]**% p. a.

The term “**Floating Interest Rate 2**” means: **[Reference Rate 2]**% p. a.

Reference Rate 1 and Reference Rate 2 will be set for the first time **[Reference Rate Setting Deadline]** before the Interest Rate Change Date and subsequently set **[Reference Rate Setting Deadline]** before the applicable Payment Date for the following Interest Period (the **Reference Rate Setting Date**).

[[The current Second Interest Rate for the relevant Interest Period shall be immediately notified by the Issuer to the Stock Exchange.] *or* [The current Second Interest Rate for the relevant Interest Period shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).];

and further for the Notes under this paragraph (G):

- *for the Notes for which the Second Interest Rate is to be set using the minimum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is less than **[Floor Rate]**% p. a., the Notes will bear interest of **[Floor Rate]**% p. a. (the **Floor Interest Rate**). If the Floor Interest Rate is applied in accordance with the previous sentence, the term **Interest Rate** is to be interpreted as the Floor Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]

- *for the Notes for which the Second Interest Rate is to be set using the maximum interest rate, it must be stated:*

[If, for any Interest Period following the Interest Rate Change Date, the Second Interest Rate determined in accordance with the preceding provisions is higher than **[Cap Rate]**% p. a., the Notes will bear interest of **[Cap Rate]**% p. a. (the

	<p>Cap Interest Rate) for the given Interest Period. If the Cap Interest Rate is applied in accordance with the previous sentence, the term “Interest Rate” is to be interpreted as the Cap Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]</p> <p>– <i>for the Notes with target redemption, it must be stated:</i></p> <p><i>[in case of the unguaranteed Target Interest Amount, it must be stated:</i> The Target Interest Amount for the whole period until the Principal Amount Maturity Date is neither specified nor guaranteed.] <i>or [in case of the guaranteed Target Interest Amount, it must be stated:</i> The minimum amount of interest on each Note due for the whole period from the Interest Rate Change Date to the Principal Amount Maturity Date or to the Early Maturity Date is equal to the difference of (a) [Target Interest Amount] and (b) the sum of all interest payments paid on one Note for all previous Interest Periods.]</p> <p><i>and [in case of the Total Interest Ceiling it must be stated:</i> The maximum amount of interest on each Note is equal to the difference of (a) [Target Interest Amount]; and (b) the sum of all interest paid for all previous Interest Periods (the Total Interest Ceiling). The Issuer is under no obligation to pay any further interest exceeding the Total Interest Ceiling for the last variable Interest Period.] <i>or [if Total Interest Ceiling is not stated, it must be stated:</i> The variable amount of interest for the last variable Interest Period is also payable in full if the sum of all interest paid for all previous Interest Periods exceeds the Target Interest Amount.]];</p> <p>(H) <i>for the Notes with a floating interest rate, it must be stated:</i></p> <p>[The Notes bear interest at the floating rate set as the sum of the Reference Rate and the Margin of [Reference Rate and Margin]% p. a. (the Interest Rate).</p> <p>The Reference Rate will be set for the first time [Reference Rate Setting Deadline] before the Issue Date and subsequently set [Reference Rate Setting Deadline] before the applicable Payment Date for the following Interest Period (the Reference Rate Setting Date).</p> <p>[[The current amount of the floating Interest Rate for the relevant Interest Period shall be immediately notified by the Issuer to the Stock Exchange.] <i>or</i> [The current floating Interest Rate for the relevant Interest Period shall be notified by the Issuer to the Holders immediately in accordance with paragraph 9.1(l).]];</p>
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	<p>and further for the Notes under this paragraph (H):</p> <ul style="list-style-type: none"> – <i>for the Notes where the amount of Margin may vary, it must be stated:</i> <p>[The Margin is set as follows: [Margin – add relevant dates or periods and add individual Margins in % p. a. in the format “from [<i>insert date</i>] (including) to [<i>insert date</i>] (excluding) the amount of Margin of [Amount of Margin]% p. a.”, the text in this format being specified for each relevant period in which the amount of the Margin is to be changed]. The term “Margin” collectively denotes the margin in % p. a. applicable during the relevant period.]</p> <ul style="list-style-type: none"> – <i>for the Notes using the minimum interest rate, it must be stated:</i> <p>[If, for any Interest Period, the floating Interest Rate determined in accordance with the preceding provisions is less than [Floor Rate]% p. a., the Notes will bear interest of [Floor Rate]% p. a. (the Floor Interest Rate). If the Floor Interest Rate is applied in accordance with the previous sentence, the term “Interest Rate” is to be interpreted as the Floor Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]</p> <ul style="list-style-type: none"> – <i>for the Notes using the Memory interest rate, it must be stated:</i> <p>[If, for any Interest Period, the floating Interest Rate determined in accordance with the preceding provisions is less than the interest rate determined for the immediately preceding period (the Memory Interest Rate), the Notes will bear interest at the Memory Interest Rate for the given Interest Period. If the Memory Interest Rate is applied in accordance with the previous sentence, the term “Interest Rate” is to be interpreted as the Memory Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]</p> <ul style="list-style-type: none"> – <i>for the Notes using the maximum interest rate it must be stated:</i> <p>[If, for any Interest Period, the floating Interest Rate determined in accordance with the preceding provisions is higher than [Cap Rate]% p. a., the Notes will bear interest of [Cap Rate]% p. a. (the Cap Interest Rate). If the Cap Interest Rate is applied in accordance with the previous sentence, the term “Interest Rate” is to be interpreted as the Cap Interest Rate for the purposes of the Terms and Conditions and not as an interest rate determined in the manner above.]].</p>
Yield to Maturity:	[•]

Interest Payment Frequency:	[•]
Interest Payment Date(s):	[•]
First Interest Payment Date:	[•]
Convention:	[•]
Screen Page:	[•]
Relevant Value:	<p>[• <i>(selection of option from the Common Terms)</i></p> <p>[the value of the fixing of the interest rates for sale on the interbank market for deposits for the relevant currency for the relevant period] <i>or</i> [the value of mid-swap interest rate (the average of bid and offer swap rate) for the fixed part of swap transaction, where the fixed rate is changed into a floating rate in the relevant currency for the relevant period]]</p>

9.1(e) Maturity of the Notes

Method of Redemption:	[•]
Maturity Date:	[•]
Repurchase:	<p>[• <i>(selection of option from the Common Terms)</i></p> <p>[The Issuer has the right to purchase any of the Notes on the secondary market at any market price any time prior to the Principal Amount Maturity Date. The Notes purchased by the Issuer cease to exist.] <i>or</i> [only in case of Subordinated Notes included in Tier 2 capital of the Issuer: The Issuer may buy back all or only some of the Notes only if the conditions under Articles 63, 77, 78 and related provisions of the CRR have been satisfied, and the authorisation of the competent supervisory authority obtained. The Notes purchased by the Issuer cease to exist.] <i>or</i> [only in case of the Covered Notes including the Sustainable Notes with such status: The Issuer has the right to purchase any of the Notes on the secondary market at any market price any time prior to the Principal Amount Maturity Date. [The Notes purchased by the Issuer shall not cease to exist and the Issuer may keep and resell them.]] <i>or</i> [only in the case of the Senior Non-Preferred Notes including the Sustainable Notes with such status: The Issuer may buy back all or only some of the Notes only if the conditions under the requirements of the CRR applicable and effective at that time applicable to the eligible liabilities and their buy-back are satisfied, and the authorisation of the competent supervisory authority has been obtained. The Issuer may also buy back all or some of the Notes with the remaining maturity of less than one year provided that they are not included in the minimum requirement for eligible liabilities due to this shorter maturity. The Notes purchased by the Issuer shall cease to exist.]]</p>

Early Redemption of the Notes Decided by the Issuer:

[• (selection of option from the Common Terms)]

[[The Issuer is, on the basis of its decision, entitled to early redeem all (not only some) Notes issued and outstanding as of [**Early Redemption Date(s)**] (the **Early Maturity Date**). The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days prior to the relevant Early Maturity Date.] *[only in case of the Subordinated Notes included in Tier 2 capital of the Issuer:* If there is a change in the regulatory classification of the Notes or in the applicable tax terms in respect of the Notes, in each case referred to in Article 78(4) of the CRR, the Issuer may, by a written notice addressed to the Holders, determine that all (and not only some) Notes may become early redeemable as of [**Early Redemption Date(s)**] (the **Early Maturity Date**). The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days prior to the relevant Early Maturity Date. The Issuer may exercise this right only if conditions under Articles 63, 77, 78 and related provisions of the CRR are satisfied, and the authorisation of the competent supervisory authority has been obtained.] *[only in case of the Senior Non-Preferred Notes including the Sustainable Notes with such status:* If there is a change in the regulatory classification of the Notes or in the applicable tax terms in respect of the Notes, in each case as referred in the relevant provisions of the CRR valid and effective at that time, the Issuer may, by a written notice addressed to the Holders, determine that all (and not only some) Notes may become early redeemable as of [**Early Redemption Date(s)**] (the **Early Maturity Date**). The Issuer may also, by a written notice addressed to the Holders, determine that all (and not only some) Notes may become early redeemable as of [**Early Redemption Date(s)**] in the case of the Notes with the remaining maturity of less than one year provided that they are not included in the minimum requirement for eligible liabilities due to this shorter maturity. The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days prior to the relevant Early Maturity Date. The Issuer may exercise this right only if conditions under the relevant provisions of the CRR valid and effective at that time are satisfied, and the authorisation of the competent supervisory authority has been obtained.] *[only in case of the Sustainable Notes issued as the Covered Notes or the Senior Notes:* If, in the Issuer's reasoned opinion, the Sustainable Notes shall not meet the criteria for using the yields on the relevant issue or if it is not possible to fulfil, fully or in part, the additional information obligations specified in the Final Terms, then the Issuer may (but is not obliged to) by notifying in writing the Holders determine that all (not only some) Sustainable Notes shall become early redeemable as of [**Early Redemption Date(s)**] (the **Early Maturity Date**). The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days

	<p>prior to the relevant Early Maturity Date.] <i>[only if there is a Gross-up:</i> The Issuer may by notifying in writing the Holders determine that all (not only some) Notes shall become early redeemable as of [Early Redemption Date(s)] if (A) on the occasion of the next payment due under the Notes, the Issuer has or will become obliged to pay additional amounts as provided in paragraph 9.1(h) as a result of any change in, or amendment to, the laws or regulations of the Slovak Republic or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of the relevant issue of the Notes and (B) such obligation cannot be avoided by the Issuer taking reasonable measures available to it. The Issuer is obliged to announce such decision to the Holders in accordance with paragraph 9.1(l) no sooner than 60 days and no later than 30 days prior to the relevant Early Maturity Date.]</p> <p>The Issuer's notification of the early redemption of the Notes and of the Early Maturity Date executed pursuant to paragraph 9.1(e)(ii) is irrevocable and obliges the Issuer to early redeem the entire issue in respect of which the notification was made.</p> <p>On the Early Maturity Date, the Issuer shall pay to each Holder (i) 100.00% of Principal Amount of the Notes; and (ii) the extraordinary interest of [Extraordinary Interest Amount in %] of the of Principal Amount of the Notes.</p> <p>The provisions of paragraphs 9.1(f) and 9.1(d)(v) shall apply to an early redemption of the Notes pursuant to paragraph 9.1(e)(ii).] <i>or</i> [The Issuer may not, on the basis of its decision, redeem the Notes early.]</p>
<p>Early Redemption of the Notes with Target Redemption upon Reaching the Target Interest Amount:</p>	<p>[• <i>(selection of option from the Common Terms)</i></p> <p>[The Notes become early redeemable as of the Payment Date when the sum of all interest payments paid on one Note for all previous Interest Periods (including the most recent one) reaches or exceeds [Target Interest Amount]. This Payment Date will be considered the Early Maturity Date.] <i>or</i> [The Notes do not have a target redemption upon reaching a certain amount of interest.]</p>

9.1(f) Payment Conditions

<p>Financial Centre:</p>	<p>[•]</p>
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9.1(h) Taxation

<p>Gross-up:</p>	<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 these withholdings, taxes, levies or charges.] <i>or</i> [If such withholding or deduction is required by the laws of the Slovak Republic, the Issuer will pay such additional amounts to the Holders as will be necessary in order that the net amount of the principal or interest received by the</p>
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	<p>Holders after such withholding or deduction will equal the respective amounts which would otherwise have been received 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> <ul style="list-style-type: none"> (i) is payable by any person (including the Issuer) acting as custodian bank or collecting agent on behalf of a Holder, or by the Issuer if no custodian bank or collecting agent is appointed or otherwise in any manner which does not constitute a payment of tax by way of withholding or deduction by the Issuer as tax payer; (ii) is payable by reason of the Holder having, or having had, some personal or business connection with the Slovak Republic; (iii) is withheld or deducted pursuant to: (A) any European Union directive or other legal instrument of the Union law concerning the taxation of distributions income; or (B) any international treaty relating to such taxation and to which the Slovak Republic or the European Union is a party; or (C) any provision of law implementing, or complying with, such directive, legal instrument or treaty; (iv) is payable by reason of a change in law that becomes effective more than 30 days after the relevant payment in respect of the Notes becomes due; or (v) would not be payable if the Holder would provide a certificate of residence, certificate of exemption or any other similar documents required according to the respective applicable regulations.]]
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PART B: PROVISIONS SUPPLEMENTING CONDITIONS OF THE OFFER AND OTHER INFORMATION

9.2 Conditions of the Offer

<p>Type of Offer:</p>	<p>[• (selection of option from the Common Terms) [in a public offering in the Slovak Republic] or [in an offer which is not subject to the obligation to publish the Prospectus]]</p>
<p>Form of Offer:</p>	<p>[• (selection of option from the Common Terms) [as a syndicated issue through [specify information on banks forming the syndicate and specify other information]] or [as a non-syndicated issue [specify other information]]]</p>
<p>Offer is Addressed to:</p>	<p>[• (selection of option from the Common Terms) [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]]</p>

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 the Common Terms)</i> [No expenses will be charged to investors with regard to the subscription of the Notes.] <i>or</i> [Expenses Charged to Investors]]
Manner of Satisfying Orders:	[•]
Distribution Method:	[• <i>(selection of option from the Common Terms)</i> [No arrangements have been agreed on as regards the subscription of the issue of the Notes with any entities on the basis of a firm commitment, placement without firm commitment or “best efforts” arrangement and the distribution of the Notes is arranged by the Issuer.] <i>or</i> [[The Issuer] [and] [the Dealer(s)] and [the Joint Lead Manager(s)] will distribute the Notes 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.]]

9.3 Additional Information

Stabilisation Manager:	[• <i>(selection of option from the Common Terms)</i> [No Stabilisation Manager has been appointed in connection with the issue of the Notes.] <i>or</i> [Stabilisation Manager]]
Description of other Interests:	[•]
Third-party Information and Experts’ Reports:	[•]
Provisions Relating to Sustainable Notes Including the Use of Proceeds:	[•]
Credit Rating Assigned to the Notes:	[• <i>(selection of option from the Common Terms)</i> [The Notes are not rated.] <i>or</i> [Credit Rating]]

In Bratislava on [•].

[Name and surname]

[•]

Slovenská sporiteľňa, a.s.

[Name and surname]

[•]

Slovenská sporiteľňa, a.s.

11. REASONS FOR THE OFFER AND THE USE OF PROCEEDS

If not stated otherwise, the net proceeds from the issue of any Notes will be used by the Issuer for its general funding purposes.

In the case of the Subordinated Notes, the net proceeds will be also used to contribute to the capital base (Tier 2) of the Issuer.

In the case of the Senior Non-Preferred Notes including the Sustainable Notes with such status, the net proceeds will also be used to meet the minimum requirement for the eligible liabilities of the Issuer.

In the case of the Sustainable Notes, the net proceeds will be used to finance projects or assets which, in the opinion and determination of the Issuer or an independent expert authorised by it, have a positive impact on the environment, social area or sustainable development and meet the relevant requirements under applicable legislation, market standards or standard practice. In case of the Sustainable Notes, a detailed description of the use of proceeds will be stated in the relevant Final Terms.

The stated purpose of using the proceeds is also the reason for the offer of the given issue of the Notes.

12. INFORMATION ABOUT THE ISSUER

12.1 Basic Information

Name: Slovenská sporiteľňa, a.s.
 Registered office: Tomášikova 48, 832 37 Bratislava
 Identification No.: 00 151 653
 LEI: 549300S2T3FWVVXWJI89
 Telephone: +421 2 486 21111
 Website: www.slsp.sk
 E-mail: info@slsp.sk

The information provided on the Issuer's website does not form part of the Prospectus, unless such information is incorporated by reference in the Prospectus. The information on this website has not been scrutinised or approved by the NBS.

12.2 History and Development of the Issuer

The Issuer, Slovenská sporiteľňa, a.s., is a bank with the longest banking tradition in Slovakia, whose activity beginnings date back to the 19th century. In modern history it was initially part of Československá štátna sporiteľňa, which was established in 1953. In 1969 it started to operate independently as Slovenská štátna sporiteľňa, š.p.ú.. The changes after 1989, which were also reflected in the liberalisation of the financial sector, caused it to face increasing competitive pressures over time. In 1990, it acquired a universal banking license and expanded its services to the segments of institutional clients and commercial entities. In 1994 it was transformed into a joint stock company, which created the Issuer in its current legal form under the business name Slovenská sporiteľňa, a.s.

Since 1 April 1994, the Issuer has been registered in the Commercial Register of the District Court of Bratislava I, Slovak Republic, Section: Sa, Insert No.: 601/B. The Issuer is a private joint-stock company established for an indefinite period of time and it carries out its business in compliance with Slovak law.

The Issuer holds Slovak banking licence and it is a Slovak bank (credit institution) under the Act on Banks.

The Issuer has been granted a prior consent for establishment of the programme of the covered notes by the National Bank of Slovakia on 16 July 2018. In connection with that, the Issuer issued a benchmark syndicated issue of covered notes on the international market on 12 June 2019 in total amount of EUR 500 million. Except for this transaction, no significant changes occurred in the structure of borrowing and financing of the Issuer in 2019. The Issuer does not expect any significant changes in its funding structure.

12.3 Credit Rating

The table below sets out the credit ratings of the Issuer assigned to it by the credit rating agency Moody's Investors Service Ltd (**Moody's**). Moody's is the sole provider of credit rating to the Issuer (on paid basis) and it registered rating agency under the CRA Regulation. The current credit rating of the Issuer was assigned to the Issuer on 17 December 2018.

The table below presents the Issuer's rating assigned by Moody's:

	Credit Rating
Long-term Issuer rating	A2, stable outlook
Long-term local and foreign currency deposit ratings	A2, stable outlook
Short-term local and foreign currency deposit ratings	P-1
Counterparty Risk (long-term/short-term)Assessments	A1/P-1
Baseline Credit Assessment/Adjusted Baseline Credit Assessment	baa2/baa1

The credit rating assesses the creditworthiness of the relevant entity, so that it informs investors of the likelihood that the entity will be able to repay the invested capital.

Moody's defines an "A" rating as follows: "A-rated liabilities are rated on a scale as high medium and subject to low credit risk". Moody's attaches numerical attributes 1, 2, or 3 from Aa to Caa to each generic rating classification. Attribute 1 indicates that the position of liabilities is at the higher end of the generic rating

category, Attribute 2 indicates that the position of liabilities is at the intermediate rating level and attribute 3 indicates that the rating is at the lower end of this generic rating category.

12.4 Business Overview

Principal Business Activities

The Issuer is a Slovak bank and licenced and conducting its business under Slovak law, mainly in accordance with the Commercial Code and the Act on Banks. The Issuer's scope of business includes banking activities performed on the basis of a banking licence granted to the Issuer in compliance with the Act on Banks. The banking activities performed by the Issuer are listed in the Issuer's Articles of Association and are registered as the scope of business in the Commercial Register, and are carried out in compliance with the applicable generally binding legal regulations.

The principal products and services offered by the Issuer to its clients include residential loans, consumer loans, mortgage loans, investment loans, current accounts, term deposits, payment services and also electronic banking services.

The Issuer has an extensive commercial network, which as of 30 September 2019, consisted of 240 branches. Employees at 17 regional and corporate centres and head office are available to clients.

Retail Segment

The key segment that the Issuer focuses on in its range of products and services are the services to the general public, sole traders and independent entrepreneurs. The main products for these clients are mortgage loans, consumer loans, current and savings accounts, term deposits, investment products, payment cards and other payment services, as well as electronic banking services. The Issuer also provides its clients with insurance products.

Corporate Segment

This segment includes a number of business activities and services related to corporate clients (broken down by turnover) and also includes public sector entities as follows:

- Small and Medium Enterprises includes small and medium-sized enterprises with an annual turnover of EUR 1 million up to 75 million. The main products for clients of this segment are investment loans, overdrafts, bridge loans, loans for utilising EU funds, leasing, factoring, current accounts, term deposits and electronic banking services.
- Local Large Corporate Clients includes businesses with annual turnover over EUR 75 million. The main products for these clients are loans, payment services, trade finance and transaction banking.
- Group Large Corporate Clients are clients whose consolidated turnover on the markets where the Erste Group operates usually exceeds EUR 500 million or which are transnational companies.
- Public Sector includes the public sector itself, consisting of ministries, state funds and agencies, higher territorial units, cities, municipalities, public organizations such as non-financial state and municipal organizations and also non-profit sector including non-profit organizations, churches, political parties, humanitarian organizations, trade unions, and the like.
- Commercial Real Estate includes real estate clients and investors who are engaged in generating revenue on the real estate market, which mainly consists of construction, sale, rental, project development, and the like. The main products offered to these clients are investment loans and development loans.

Asset and Liability Management, Local Corporate Centre and Free capital

This segment covers activities related to the management of the balance sheet, the securities investment portfolio management, activities related to the issuance of debt securities as well as the responsibility for methodological setting of internal transfer prices. This segment also reports about the transformation margin, as well as reported non-client activities, centrally controlled activities, reconciliation differences in accounting and free capital defined as the difference between average IFRS equity and average equity allocated to individual segments.

Group Markets Segment

This segment includes activities related to trading, market services and transactions with financial institutions.

Principal Markets

The Issuer provides its services and performs its banking operations mostly on the domestic market in the Slovak Republic.

Information regarding New Products/Services

The Issuer strengthened its digitisation activities. A significant proportion of its retail clients are using George, the new internet banking version. The bank has also launched the Google Pay and Apple Pay services, which allow, among other things, to pay by mobile phone using the NFC technology.

12.5 Organisational Structure

The Issuer is a part of the Erste Group (the **Erste Group**). The Erste Group is one of the largest and most important bank groups focusing on retail and corporate clients in Central and Eastern Europe. The Erste Group consists of Erste Group Bank AG (the parent company) and its individual subsidiaries included in the consolidation of the Erste Group Bank AG according to its direct or indirect share in them. The most significant members of the Erste Group are bank institutions in the countries of Central and Eastern Europe, i.e., Austria (Erste Bank der oesterreichischen Sparkassen AG), Czech Republic (Česká spořitelna, a.s.), Slovak Republic, Romania (Banca Comercială Română S.A.), Hungary (Erste Bank Hungary Zrt.), Croatia (Erste & Steiermärkische Bank d. d.), Serbia (Erste Bank a. d. Novi Sad) as well as the group of Austrian savings banks. The Issuer has been a member of the Erste Group since 2001. The parent company of the Issuer is Erste Group Bank AG, with its registered office at Am Belvedere 1, 1110 Vienna, Republic of Austria, FN 33209m (sometimes also indicated as Erste Holding) and holds a 100.00% share in the registered capital and the voting rights of the Issuer.

Shareholdings of the Issuer in other Slovak and Foreign Entities

The table below presents the selected companies with a significant direct and indirect share of the Issuer as at 30 September 2019:

Entity	Registered capital (in EUR)	Issuer's share
Procurement Services SK, s.r.o.	6,500.00	51.00 %
Prvá stavebná sporiteľňa, a. s. ⁽¹⁾	66,500,000.00	9.98 %
Slovak Banking Credit Bureau, s.r.o.	9,958.17	33.33 %
Holding Card Service, spol. s r.o.	772,584,000.00 ⁽²⁾	24.62 %
Služby SLSP, s. r. o.	5,000.00	100.00 %
Realitná spoločnosť Slovenskej sporiteľne, a.s. ⁽³⁾	29,672.00	100.00 %
LANED a.s. ⁽³⁾	11,520,390.00	100.00 %
S Slovensko, spol. s r.o.	3,319,391.88	100.00 %
S Rail Lease, s.r.o. ⁽⁴⁾	25,000.00	3.00 %

Notes:

- (1) The Issuer holds, pursuant to the shareholders' agreement with Erste Group Bank AG, a 35.00% share in voting rights of Prvá stavebná sporiteľňa, a. s.; in case of other companies, the amount of the Issuer's share in the registered capital is identical to the share in voting rights.
- (2) The figure is in CZK.
- (3) The indirect property interest of the Issuer through the company Služby SLSP, s. r. o.; Realitná spoločnosť Slovenskej sporiteľne, a.s. is in liquidation from 1 October 2019.
- (4) After taking into account the indirect share through S Slovensko, spol. s r.o., the Issuer's property interest equals 100.00%.

12.6 Trend Information

There has been no material adverse change in the prospects of the Issuer or any material adverse change in the financial situation, business situation or prospects of the Issuer since the date of its last published audited consolidated financial statements of the Issuer for the year ended 31 December 2018 prepared in accordance with IFRS nor since the date of the last published unaudited separate financial statement of the Issuer for the 9 month period ended 30 September 2019 prepared in accordance with IAS 34.

Macroeconomic conditions, market environment, as well as legislation and regulation applicable to all financial institutions in the Slovak Republic and the Eurozone have an impact on the Issuer and its business. Apart from this, there are no known trends, uncertainties, requirements, liabilities or events that could reasonably be considered to have an impact on the Issuer's prospects in the current financial year.

12.7 Profit Forecasts or Estimates

The Issuer has neither published nor included in the Prospectus any profit forecast or estimate.

12.8 Administrative, Management and Supervisory Bodies

Board of Directors

The Board of Directors is the Issuer's statutory body which manages the Issuer's activities and acts on its behalf. It consists of three to six members elected by the Supervisory Board for a five-year term. The Chairman of the Board of Directors is elected from among the members of the Board of Directors by the Supervisory Board. The Vice-Chairman of the Board of Directors is elected by the Board of Directors from among its members. The Vice-Chairman of the Board of Directors has not been elected as at the date of the Prospectus.

The table below presents the members of the Issuer's Board of Directors:

Name and surname	Position held
Ing. Peter Krutil	Chairman
Ing. Pavel Cetkovský	Member
RNDr. Milan Hain, PhD.	Member
Mgr. Ing. Norbert Hovančák	Member
Mgr. Ing. Zdeněk Románek, MBA	Member

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

Supervisory Board

The Supervisory Board is the supreme control body of the Issuer; it supervises the execution of powers of the Board of Directors and the performance of business activities. The Supervisory Board consists of three to six members. Two-thirds of its members are elected by the General Meeting and one-third by the Issuer's employees. Members of the Supervisory Board are elected for a five-year term. The Supervisory Board elects its Chairman and Vice-Chairman from among its members.

The table below presents the members of the Issuer's Supervisory Board:

Name and surname	Position held
Dipl. Ing. Stefan Dörfler	Chairman
Mag. Jan Homan	Vice-Chairman
Mgr. Alena Adamcová	Member
Paul Formanko, MBA	Member
Mag. Tatiana Knošková	Member
JUDr. Beatrice Melichárová	Member

All of the members of the Issuer's Supervisory Board have professional qualifications for the performance of their positions and hold no 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 which would be significant with regard to the Issuer's activities.

The Issuer has no knowledge of any conflict of interest among the members of its Supervisory Board and the members of its Board of Directors in relation to their obligations vis-à-vis the Issuer and their private interests or other obligations. The members of the Board of Directors represent the Issuer in corporate bodies of other companies in which the Issuer holds a share. The business address of the members of the Supervisory Board and the Board of Directors of the Issuer is Tomášikova 48, 832 37 Bratislava.

12.9 Major Shareholders

The table below presents the shareholding structure of the Issuer as at the date of this Prospectus.

Shareholder	Registered capital	Share	Voting rights
Erste Group Bank AG	EUR 212,000,000	100%	100.00%

Erste Group Bank AG is a legal entity with its registered office at Am Belvedere 1, 1100 Vienna, Republic of Austria, FN 33209m, registered in the Commercial Register of the Commercial Court of Vienna.

The Issuer 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 Issuer's owner and measures to ensure the elimination of the misuse of these rights are stipulated in the Act on Banks and other generally binding legal regulations.

12.10 Financial Information concerning Assets and Liabilities, Financial Position and Profits and Losses of the Issuer

Historical Financial Information

The audited consolidated financial statements of the Issuer for the year ended 31 December 2017 prepared in accordance with IFRS are incorporated by reference and form part of the 2017 Annual Report (see Section 4. "Documents Incorporated by Reference" of the Prospectus) and are available in a separate sections on the Issuer's website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds.

The audited consolidated financial statements of the Issuer for the year ended 31 December 2018 prepared in accordance with IFRS are incorporated by reference and form part of the 2018 Annual Report (see Section 4. "Documents Incorporated by Reference" of the Prospectus) and are available in a separate sections on the Issuer's website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds.

Audit of Historical Annual Financial Information

The consolidated financial statements of the Issuer for the year 2017 and 2018 in accordance with IFRS were audited by PricewaterhouseCoopers Slovensko, s.r.o. No qualifications have been made by the auditor in the auditor's reports on the historical annual key financial information.

Interim Financial Information

The unaudited consolidated interim financial statements of the Issuer prepared in compliance with IAS 34 for the accounting period ended 30 June 2019 as part of the 2019 Semi-Annual Report are incorporated by reference in the Prospectus (see Section 4. "Documents Incorporated by Reference" of the Prospectus) and are available in a separate sections on the Issuer's website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds.

The unaudited separate interim financial statements of the Issuer prepared in accordance with IAS 34 for the 9 month period ended 30 September 2019 are incorporated by reference in the Prospectus (see Section 4. "Documents Incorporated by Reference" of the Prospectus) and are available in a separate sections on the Issuer's website www.slsp.sk/sk/investori/dlhopisy and/or www.slsp.sk/en/investors/bonds.

Legal and Arbitration Proceedings

During the twelve months preceding the application for approval of the Prospectus by the NBS, the Issuer was not and is not aware of it being a party to any governmental, legal or arbitration proceedings (the **Proceedings**) that may have or may have had in the recent past significant effects on the financial position or profitability of the Issuer or on the companies included in the Issuer's consolidation. It cannot be excluded that in the future the Issuer will become a party to any Proceedings that may have a material adverse effect on the economic results and financial position of the Issuer.

Significant Change in the Issuer's Financial Position

Since the date of compilation of the audited consolidated financial statements of the Issuer prepared in accordance with IFRS for the year ended 31 December 2018, no significant changes or facts have occurred in the financial or business position of the Issuer or companies included in the Issuer's consolidation, with the exception of:

- (a) acquiring the leasing company S Slovensko, spol. s r.o. with an aggregate value of assets amounting to EUR 163.7 million from the Erste Group Bank AG, following which the Issuer become its 100% owner on 1 March 2019;
- (b) the approval of the after-tax business results of EUR 180.2 million and the decision to pay a dividend to the shareholder in the amount of EUR 87.6 million on the general meeting held on 27 March 2019; and

- (c) the issuance of the benchmark syndicated covered notes dated 12 June 2019 in the aggregate amount of EUR 500 million.

12.11 Additional Information

Share Capital

The Issuer's registered capital of EUR 212,000,000 consists of 212,000 registered ordinary shares with unlimited transferability.

The table below presents the particulars of the shares issued by the Issuer:

Particulars of shares	Description
Class of security:	ordinary shares
Type:	registered
Form:	book-entry security maintained by the Central Securities Depository
Manner of issue:	private offer
ISIN:	SK1110002799
Principal amount:	EUR 1,000
Quantity:	212,000 shares
Aggregate amount of the issue:	EUR 212,000,000
Purpose of issue:	shares form the registered capital
Description of rights associated with them:	the right to participate in the management of the Issuer, profits and liquidation balance and voting rights
Amount outstanding:	paid-up
Trading:	shares are not admitted for trading on any regulated market

Constitutional Document and Articles of Association

The Issuer is a legal entity established by a Foundation Deed of the National Property Fund of the Slovak Republic, dated 15 March 1994, pursuant to Act No. 92/1991 Coll. on Conditions of the Transfer of State Property to Other Entities and pursuant to the provisions of the Commercial Code.

The Issuer's objectives and intentions are set out in Article 3 Purpose of the Issuer's business of the Issuer's current articles of association of 20 June 2018.

12.12 Material Contracts

The Issuer has not entered into any material contracts other than contracts entered into in the ordinary course of the Issuer's business that may result in a situation in which any member of the group will have an obligation or authorization decisive for the Issuer's ability to perform its obligations towards the holders of the issued securities.

13. GENERAL DESCRIPTION OF TAXATION IN THE SLOVAK REPUBLIC

The tax legislation of the Member State of registration of the investor and of the Member State of registration of the Issuer may affect the income from the Notes.

The Holders are recommended to consult the provisions of the applicable legal regulations with their own advisors, 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 yield on the holding and sale of the Notes may be subject to tax, and implications of their application. The Holders are encouraged to keep themselves informed of any laws and other legal regulations which in particular regulate the holding of the Notes and economic rights to the Notes and the sale and purchase of the Notes on ongoing basis and to comply with these laws and other legal regulations.

Unless stated otherwise in the Final Terms, the Issuer will not provide the Holders with any compensation or gross-up in connection with any tax withholding.

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 Notes applicable in the Slovak Republic as at the date of this 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 Prospectus. This summary does not describe tax and payment matters under the laws of any other country than the Slovak Republic.

Act No. 595/2003 Coll. on Income Tax, as amended (the **Income Tax Act**) is the key regulation in the Slovak tax system: Pursuant to this law:

- interest on the Notes realised by a tax non-resident (the **Tax Non-Resident**) not engaged in business through a permanent establishment in Slovakia is not subject to income tax in the Slovak Republic;
- interest on the Notes realised by a tax resident (the **Tax Resident**) that is an individual, a taxpayer not incorporated or established for business purposes or the National Bank of Slovakia is subject to income withholding tax. Pursuant to the Income Tax Act, the income is subject to a withholding tax at the rate of 19%;
- interest on the Notes realised by a Tax Resident that is a legal entity, is not subject to income withholding tax, however it forms part of the tax base of such taxpayer. The tax rate of 21% shall be applied to a legal entity for the taxation of its tax base;
- interest on the Notes realised by a Tax Non-Resident engaged in business through a permanent establishment in Slovakia may be subject to a tax rate of 35%, as applicable; the tax guarantee shall be made by a taxpayer that makes, remits or credits the payments to the given taxpayer.

With regard to a Tax Resident who is an individual, the Notes are subject to withholding tax at source, while the Issuer is obliged to withhold the tax, except for cases in which the Notes are held for such person by a securities broker as a client; in such case, this securities broker is obliged to withhold the tax. In individual cases, a yield on the Notes may arise without the tax from it being subject to tax withholding and the yield is included in the tax base of an individual (e.g. the Notes purchased on the secondary market or a yield arising on the maturity of a security calculated from the difference between the nominal value of the security and an issue price on its issuance date). A taxpayer not incorporated or established for business purpose and the National Bank of Slovakia are also obliged to withhold the tax.

Pursuant to Council Directive 2011/16/EU on administrative cooperation in the field of taxation and repealing Directive 77/799/EEC of automatic exchange of information (DAC2) and pursuant to agreement concluded between the Slovak Republic and the United States of America to improve compliance with international tax legislation, which were implemented to the Act No. 359/2015 Coll. on automatic exchange of financial account information for purposes of tax administration and on amendment of certain other acts, the Issuer reports to the local tax administrator selected information about clients of EU Member States and clients of other selected countries including the USA for the previous year, annually by 30 June of the respective year.

Income from the sale of the Notes realised by a legal entity being a Slovak Tax Resident or a permanent establishment of a Tax Non-Resident is included in the general tax base subject to the relevant corporate income tax rate. In general, losses from the sale of the Notes calculated on a cumulative basis for all Notes sold in an individual tax period are not recognisable for tax purposes, except for specific cases stipulated by law (e.g., loss from the sale of the Notes is recognisable for tax purposes if it is not higher than the yield on the Notes included in the tax base until its sale or redemption).

Generally, income from the sale of the Notes realised by an individual being a Slovak Tax Resident or a permanent establishment of a Tax Non-Resident is included in the standard personal income tax base. Potential losses from the sale of the Notes cannot be treated as recognisable for tax purposes. If an individual owns Notes admitted to trading on a regulated market for more than one year, income from the sale is exempt from income tax, except for income from the sale of the Notes that were the business property of the individual.

Generally, income from the sale of the Notes realised by a Slovak Tax Non-Resident coming from a Slovak Tax Resident or a permanent establishment of the Slovak Tax Non-Resident is subject to the applicable income tax rate, unless the international double taxation treaty entered into by the Slovak Republic provides otherwise.

Interest on the Notes owned by individuals with mandatory health insurance in the Slovak Republic should be subject to health insurance contributions. In individual cases a yield on the Notes may arise which will be subject to health insurance contributions (e.g. the Notes purchased on the secondary market or a yield arising on the maturity of a security calculated from the difference between the nominal value of the security and an issue price on its issuance date). Each Holder of the Notes must assess its own potential obligations in this field under the relevant legislation, including the applicable transitional provisions.

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ISSUER

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