



**SUPPLEMENT NO. 1  
TO THE BASE PROSPECTUS DATED 29 APRIL 2022**

**Tatra banka, a.s.**

**EUR 4,000,000,000 Debt Securities Issuance Programme**

This document constitutes a supplement (the **Supplement**) prepared pursuant to Article 23 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**), to the base prospectus dated 29 April 2022 approved by the National Bank of Slovakia by its decision No. 100-000-345-049 to file No. NBS1-000-072-013 dated 5 May 2022 which became legally valid and effective on 9 May 2022 (the **Prospectus**).

The Prospectus was prepared by the issuer, Tatra banka, a.s., with its registered seat at Hodžovo námestie 3, 811 06 Bratislava 1, Slovak Republic, Identification No.: 00 686 930, registered in the Commercial Register of the District Court Bratislava I, Section: Sa, File No. 71/B, LEI: 3157002JBF AI478MD587 (the **Issuer**), in respect of its debt securities issuance programme of up to EUR 4,000,000,000 (the **Programme**) under which it may continuously or repeatedly issue (i) unsubordinated and unsecured notes (the **Senior Notes**), (ii) covered notes (the **Covered Notes**), (iii) subordinated notes (the **Subordinated Notes**) and (iv) senior non-preferred notes (the **Senior Non-preferred Notes**) (jointly the **Notes**).

This Supplement constitutes a part of the Prospectus and shall be read together and in connection with the Prospectus. Terms with a capital letter not defined in this Supplement shall have the meaning given in the Prospectus.

The purpose of this Supplement is to update:

- (a) clause 2.1 of the Prospectus “Risk factors related to the Issuer and the Issuer’s Group” in respect of certain risk factors relating to the macro economy, MREL requirements and legislation amendments;
- (b) clause 2.2 of the Prospectus “Risk factors related to the Notes”, clause 6.2 of the Prospectus “Basic Information about the Covered Notes” and clause 7 of the Prospectus “Common Terms” with updates relating to an implementation of Directive (EU) 2019/2162 on the issue of covered bonds and covered bond public supervision and amending Directives 2009/65/EC and 2014/59/EU (the **EU Covered Bonds Directive**) into the Slovak legislation;
- (c) clause 4.14 of the Prospectus “Administrative, managing and supervising bodies” in respect of a member of the board of directors replacement; and
- (d) clause 4.16 “Financial information concerning the assets and liabilities, financial situation and profits and losses of the Issuer” and clause 12 “Documents incorporated by reference” of the Prospectus with information included in the interim consolidated financial statements of the Issuer for the six months ended 30 June 2022 prepared in accordance with IAS 34 as adopted by the EU.

This Supplement is subject to approval by the National Bank of Slovakia and subsequent disclosure under the Prospectus Regulation. This Supplement will be available in electronic form in a separate section on the Issuer’s website [https://www.tatrabanka.sk/en/about-bank/economic-results/#issued\\_bonds](https://www.tatrabanka.sk/en/about-bank/economic-results/#issued_bonds) as long as the Prospectus remains valid.

The Supplement is dated 24 August 2022.

The Prospectus shall be amended and supplemented as follows:

## 1. CHANGES IN CLAUSE 2 OF THE PROSPECTUS “RISK FACTORS”

- 1.1 The text in the risk factor titled “*The Issuer may be adversely affected by global financial and economic crises, impact of the conflict between Russia and Ukraine, sovereign debt issues, high inflation, the risk of one or more entries leaving the European Union or the Eurozone and other negative macroeconomic, political and market factors*” listed in clause 2.1 of the Prospectus “**Risk factors related to the Issuer and the Issuer’s Group**”, subsection “**Macroeconomic factors affecting the Issuer**” shall be replaced with the following text:

“The Issuer’s financial situation, results, prospects, and ability to meet the obligations under the Notes may be affected by changing conditions in the global financial markets, economic conditions generally and perceptions of those conditions and future economic prospects. Due to the interconnectedness of the global financial markets, the Eurozone and the Slovak economy, the unfavourable situation in the world and the Eurozone has an adverse impact on the Issuer’s financial situation and prospects. The global economy is expected to continue its recovery in following quarters, however near to medium term outlook is clouded by various downside risks including Russian invasion of Ukraine, new virus waves and variants, high inflation, rising energy prices, persistent supply chain disruptions, monetary policy uncertainty and further geopolitical tensions. The Slovak economy continued to recover in 2021, however at lower pace than previously expected. In the final months of 2021, its performance was hampered by strong delta variant wave, rising energy prices and persistent supply chain disruptions including the global shortage of semiconductors that had significant negative impact on domestic automotive sector. Full-year GDP growth for 2021 reached 3 percent.<sup>1</sup> The recovery of the Slovak economy is then forecasted to continue over the years 2022 and 2023, however at lower pace than previously expected due to negative effect of war in Ukraine on Slovak economy<sup>2</sup>. Similar to other European countries, consumer prices in Slovakia began to increase rapidly in second half of 2021 and their rise further accelerated in first months of 2022.<sup>3</sup> On average, consumer prices rose 3.2 percent in 2021 from 2020. In June 2022, the year-on-year inflation rate in Slovakia reached 13.2%.<sup>4</sup> Inflation may increase further in first half of 2022 and is forecasted to stay at elevated levels for most of 2022 and 2023.<sup>5</sup> Labour market continued recovering in 2021, however unemployment rate did not yet fall to pre-pandemic levels.<sup>6</sup>

All macroeconomic expectations are put into significant uncertainty in light of the outbreak of military conflict between Russia and Ukraine, the biggest threat to international security since the Cold War. Although, the Issuer has no material direct exposure to Russia, Belarus or Ukraine, it is indirectly affected by the influence of the conflict on the economy of Slovakia (which is heavily export-oriented), the EU and on its parent company, RBI. Due to the close sensitivity of Slovakia on the supplies of natural gas from Russia via Ukraine, there is a risk that Slovakia might be potentially cut from the supply of the natural gas, the supply might be disrupted, or it would be forced to pay a substantially higher price for it. This, together with high energy and oil prices, could possibly adversely affect Slovak households and corporates, which may in turn jeopardize their ability to satisfy their obligations vis-à-vis the Issuer as creditor. However, Slovakia is successfully decreasing its energy dependence on Russian gas (with new contracts for gas from Norway and LNG) and filling its gas storages tanks that are already filled enough for upcoming heating season covering both households consumption and energy needs of industry, according to ministry of economy. Limited number of Slovak-based clients of the Issuer conduct a business in Ukraine and Russia and could be negatively affected by the conflict. Furthermore, Slovakia, as Ukraine’s direct neighbour, is one of the target country for migrants from Ukraine. Slovak labour market benefits from their inflow and reached record level of foreign employees in June. The EU, the United Kingdom, and the USA have imposed extensive sanctions on Russia (while Crimea, Luhansk, and Donetsk regions are already subject to sanctions), Belarus and certain individuals, banks and industries based in those countries. The sanctions and Russian countersanctions or other retaliatory measures however may also inflict direct or indirect harm on the economy of Slovakia, the EU or specific companies, some of which may be clients

<sup>1</sup> Statistical Office of the Slovak Republic. Gross domestic product in the 4th quarter of 2021. Published on 8 March 2022. Available at: <http://bitly.ws/qrFG>.

<sup>2</sup> Based on internal proprietary research of the Issuer.

<sup>3</sup> Based on internal proprietary research of the Issuer.

<sup>4</sup> Statistical Office of the Slovak Republic. Inflation – consumer price indices in March 2022. Published on 14 April 2022. Available at: <http://bitly.ws/qrFE>.

<sup>5</sup> Based on internal proprietary research of the Issuer.

<sup>6</sup> Based on internal proprietary research of the Issuer.

of the Issuer. All these risks may negatively affect the financial performance and prospects of the Issuer as well as stability of the Slovak and European banking and capital markets, access to liquidity and risk appetite of investors.

Furthermore, many European and other countries continue to struggle under large budget deficits or elevated debt levels, raising a concern of the market that some European and other countries may in the future be unable to repay outstanding debt. These countries may have difficulty obtaining funds if the markets concerned become too volatile, unavailable, or otherwise fail to fulfil their role.

Many European economies continue to face structural challenges as unemployment and high public debt levels, which, relative to European standards, results in unusually high political risk and polarisation of society. In addition, the persistent consequences of the COVID-19 pandemic worsened by economic impacts of Russian invasion of Ukraine such as elevated levels of inflation has had and still has a very strong impact on the functioning of economies in all directions.

The European Central Bank (ECB) has implemented its programme to purchase unlimited amounts of government notes of the Eurozone member states in order to prevent a further downturn and to restore growth as soon as possible and in response to concerns about the impact of the European sovereign debt crisis. The ECB presented several ways (programs) to significantly improve access and increase liquidity in the financial market. In response to pandemic downturn, ECB introduced more extraordinary measures to support the economy including the new flexible asset purchase programme (PEPP) that runs alongside APP and kept interest rates at record lows. The ultra-low interest environment created further pressure on the financial sectors globally and also on the Slovak financial sector and the Issuer itself, as a result of the decline in interest income.

Rapidly rising inflation and relatively good state of European economies has put pressure on ECB to abandon its ultra-easy monetary policy. At the beginning of 2022, ECB clearly signalled its intention to tighten monetary policy by, in particular, discontinuing both asset purchases programmes and subsequently raising interest rates. In July 2022, the key interest rates in the euro area were raised by 50 basis points, for the first time since July 2011. The zero interest rate policy was thus ended in one-step. Given the complexity of current macroeconomic environment, previous unprecedented policies may have other than anticipated effects in either direction fast and without prior notice. Changes in monetary policy may result also in increased volatility in debt and foreign exchange markets. Monetary policy may help to build significant exaggeration in various asset classes such as equity, housing and notes and these asset prices could also correct swiftly and markedly. Possible sharp falls in asset prices in any sector may have an adverse effect on the financial situation and profitability of the Issuer, whether due to direct losses or due to a loss of value of security.

The Issuer's performance will further depend especially on the state of the Slovak economy the performance of which is affected by prospects of economic and financial situation mainly in the European Union and the Eurozone, as described above. Owing to the high level of interconnection in the financial markets in the Eurozone, the departure from the European Monetary Union by one or more countries and/or the abandonment of the Euro as a currency could have material adverse effects on the existing contractual relations and the fulfilment of obligations by the Issuer and/or Issuer's customers and, thus, have an adverse impact on the Issuer's ability to duly meet its obligations under the Notes."

- 1.2 The text in second and third paragraph under the risk factor titled "***Impact of COVID-19 measures on the Issuer's business and financial situation***" listed in clause 2.1 of the Prospectus "**Risk factors related to the Issuer and the Issuer's Group**", subsection "**Macroeconomic factors affecting the Issuer**" shall be replaced with the following text:

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

The relevant court shall grant a temporary protection only if (a) the majority of creditors according to the amount of unrelated receivables, or (b) at least 20% of all creditors according to the amount of their unrelated receivables have agreed with its provision, given that in the concept of plan the partial waive of the receivable or

acknowledgement of its partial unenforceability shall not exceed 20 % of the creditor's receivable and the postponement of repayment of any receivable shall not exceed one year.

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

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

- 1.3 The text in the first paragraph in the risk factor titled "***The Issuer is exposed to the risk of decline in the value of real estate used as collateral to cover the Issuer's receivables***" listed in clause 2.1 of the Prospectus "**Risk factors related to the Issuer and the Issuer's Group**", subsection "**Risks factors associated with the market, client sector and position in the Slovak banking market**" shall be replaced with the following text:

"As of the date of the Supplement, the real estate market in the Slovak Republic was experiencing a period of rapid price growth. However, rising interest rates of mortgage loans interest rates should limit market demand and thus slow down price increases in the coming quarters. The Issuer's commercial and residential real estate loan portfolios may suffer losses if real estate prices decline in the future or if, as a result of collateral management deficiencies, the collateral value of the real estate becomes insufficient. A possible rising unemployment rate could also lead to an increase in non-performing loans and resulting losses for non-real estate commercial and consumer loans. If these risks materialise, it could have a negative impact on the business, financial situation, operating results and prospects of the Issuer."

- 1.4 The text in the second paragraph under sub-title "*Minimum requirements for own funds and eligible liabilities (MREL)*" within the risk factor titled "***Banking regulation and its changes could lead to an increase in capital requirements, the need to increase the volume of eligible liabilities for meeting the MREL requirement, the need to increase the volume of liabilities due to the liquidity situation and reduced profitability of the Issuer***" listed in clause 2.1 of the Prospectus "**Risk factors related to the Issuer and the Issuer's Group**", subsection "**Legal, regulatory and operational risk factors related to the Issuer**" shall be replaced with the following text:

"The Issuer has received a decision of the Single Resolution Board in May 2022 setting the MREL requirement for the Issuer's resolution group at 22.21% of its total risk exposure amount and 5.91% of its leverage ratio exposure. This target should be achieved as of 1 January 2024. There is also transitional target of 15.55% of the Issuer's total risk exposure amount and 5.91% of its leverage ratio exposure, which the Issuer achieved by the pre-set date, 1 January 2022. These requirements are subject to regular reviews and may be adjusted in the future. The Issuer currently considers the MREL requirement set for the Issuer achievable, however its fulfilment will require issuance of new MREL eligible liabilities in years 2022 and 2023. There is also a risk that the Issuer ultimately will not be able to meet the MREL requirement, which could lead to higher refinancing costs and regulatory measures."

- 1.5 The text in the third paragraph of the risk factor titled "***MREL Eligible Notes and Subordinated Notes constituting Tier 2 capital of the Issuer exclude the right to set-off***" listed in clause 2.2 of the Prospectus "**Risk factors related to the Notes**", subsection "**Risk factors related to the provisions and limitations in the Terms and Conditions of the Notes**" shall be replaced with the following text:

"The available right to set-off mutual claims usually tends to decrease the credit risk between the parties; however, the Holders will not be able to use this positive effect. No Holder of the Senior Notes, issued as the MREL Eligible Notes, the Senior Non-preferred Notes or Subordinated Notes will be entitled to set-off its claims

under the Notes against any other possible claims, which the Issuer has vis-a-vis the Holder (e.g. in case of a loan provided by the Issuer as a bank to the Holder as a borrower).”

- 1.6 The text in the risk factor titled “***In exceptionally adverse Issuer’s bankruptcy situation, the cover pool assets may not be sufficient to fully cover all liabilities under the Covered Notes***” listed in clause 2.2 of the Prospectus “**Risk factors related to the Notes**”, subsection “**Risk factors specific to the Covered Notes**” shall be replaced with the following text:

“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 residential 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% (save for certain exemptions) 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.

In line with the applicable Slovak law requirements (as amended on 8 July 2022 by the implementation of the EU Covered Bonds Directive), the mortgaged residential property securing the mortgage loans in the cover pool is located in the Slovak Republic. Currently, there are no loans in the cover pool secured by commercial property. 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. In the 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.

As stated in clause 6.2 of the Prospectus, the Issuer will include all covered notes (including legacy mortgage bonds) issued before 8 July 2022 into a single programme which is covered by a common cover pool. The claims of the Holders under the Covered Notes are ranked *pari passu* with the claims of the holders of the legacy mortgage bonds and of the previously issued covered notes. All holders have the same priority right with respect to the whole cover pool.

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 the obligations under the Covered Notes and the value of the cover pool.”

- 1.7 In the risk factor titled “***The Senior Notes, the Non-Preferred Senior Notes as well as the Subordinated Notes may be subject to a write-down or conversion to equity upon the occurrence of a certain trigger event, which may result in the Holders losing some or all of their investment in such Notes (statutory loss absorption)***” listed in clause 2.2 of the Prospectus “**Risk factors related to the Notes**”, subsection “**Legal, regulatory and tax risk factors**” the following text shall be added at the end:

“The mentioned possibility of capitalisation, write-off, or conversion also applies to any Senior Notes, the Non-Preferred Senior Notes, as well as the Subordinated Notes that will be subscribed or otherwise acquired by retail (non-professional) investors. According to Slovak law, such investors do not have any special protection in the execution of capitalisation measures and bear this risk in exactly the same way as professional or other investors to the Bonds.”

- 1.8 The text in the risk factor titled “**Risk of extension of final maturity of the Covered Notes and risk of change of the issuer of the Covered Notes**” listed in clause 2.2 of the Prospectus “**Risk factors related to the Notes**”, subsection “**Risk factors specific to the Covered Notes**” shall be replaced with the following text:

“In the event of bankruptcy or involuntary administration of the Issuer, the bankruptcy trustee or the involuntary administrator (each a **trustee**) will take over the operation of the programme of the covered notes and of the cover pool (the programme, as defined in the Act on Banks and not to be confused with the Programme under the Prospectus). The programme of covered notes (as defined in the Act on Banks) includes, generally, all assets in the cover pool as well as all obligations 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 trustee 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 trustee 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 82 (3) and (4) of the Act on Banks (so-called “soft bullet extension”) as follows: (i) during the first month from delivery of the transfer notification to the NBS, the maturity dates would not be adjusted, (ii) from the first day of the second month until the last day of the 12th month from delivery of the transfer proposal to the NBS, any final maturity date for principal amount 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 amount payment under the Covered Notes in 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 payments of interest 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 will also apply in the resolution proceedings, where upon its commencement the covered bond administrator should notify the extension of the maturity to the NBS in accordance with Section 82 (5) of the Act on Banks.

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

The soft bullet extension in any case cannot result in the change of the original order of maturity of the outstanding tranches of the Covered Notes. This means that the maturity of some tranches may ultimately be extended by less than the stated 12 and the following 12 months. Relevant trustee or covered bonds administrator should publish the list of the Covered Notes affected by the soft bullet extension and their prolonged maturity dates.

The transfer of the programme itself will be subject to prior approval of the NBS. If such a transfer is 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 and on the composition of the cover pool. However, the creditworthiness of the new issuer might be different from the creditworthiness of the original 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.”

## 2. CHANGES IN CLAUSE 4 OF THE PROSPECTUS “INFORMATION ABOUT THE ISSUER”

- 2.1 In clause 4.14 of the Prospectus “**Administrative, managing and supervising bodies**”, the table under subtitle “*Members of the Board of Directors of Tatra banka, a.s.*” shall be amended as follows:

<b>Name and surname</b>	<b>Position held</b>
Mgr. Michal Liday	Chairman
Ing. Zuzana Košťalová	Member
Ing. Peter Matúš	Member
Mgr. Natália Major	Member
Mag. Bernhard Henhappel	Member
Dr. Johannes Schuster	Member
Ing. Martin Kubík	Member

- 2.2 In clause 4.16 of the Prospectus “**Financial information concerning the assets and liabilities, financial situation and profits and losses of the Issuer**”, a new paragraph (d) shall be included after paragraph (c) as follows:

“(d) the interim consolidated financial statements of the Issuer for the six months ended 30 June 2022 prepared in accordance with IAS 34 as adopted by the EU.”

- 2.3 In clause 4.16 of the Prospectus “**Financial information concerning the assets and liabilities, financial situation and profits and losses of the Issuer**”, the fifth paragraph is supplemented at the end with the following text:

“The interim consolidated financial statements of the Issuer for the six months ended 30 June 2022, prepared in accordance with IAS 34 as adopted by the EU, have not been audited by the auditor.”

## 3. CHANGES IN CLAUSE 6 OF THE PROSPECTUS “BASIC INFORMATION ABOUT THE NOTES”

- 3.1 Clause 6.2 of the Prospectus “**Basic information about the Covered Notes**”, shall be amended as follows:

### *General information*

“The details of the Covered Notes and their issuance are set out in the Act on Banks (as amended since 8 July 2022 to reflect an implementation of the EU Covered Bonds Directive) and the Bonds Act. The Covered Notes are secured notes with a designated name “covered note” (in Slovak: *krytý dlhopis*) the principal amount of which, including the yields on them, is fully covered by assets or other property values in the cover pool, whereby the covered notes can be issued only by a bank in the Slovak Republic that has a bank licence under the Act on Banks and obtained prior approval from the NBS to perform activities related to the covered notes programme. The Issuer obtained such prior approval of the NBS on 20 November 2018.

An issuer of the covered notes may design a covered note as a “European Covered Note” (in Slovak: *európsky krytý dlhopis*), if it is secured by base assets under section 70(1)(c) or (70(1)(d) of the Act on Banks or as a “European Covered Note (Premium)” (in Slovak: *európsky krytý dlhopis (prémiový)*), if it is secured by base assets under Section 70(1)(a) or 70(1)(b) of the Act on Banks and further requirements under Article 129 of the CRR.

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 cover pool is a set of assets and other property values securing preferentially the payment obligations attached to covered notes in the relevant covered notes programme and which are separated from other assets

held by the issuer of covered notes. An issuer of covered notes maintains a separate programme of the covered notes for each of base assets listed in Section 70(1) of the Act on Banks.

The cover pool consists of the following assets and other property values: (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 in the relevant covered notes programme, the estimated obligations and costs of the Issuer related to the relevant 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 in the relevant covered notes programme.

Section 70(1) of the Act on Bank from 8 July 2022 permits the following classes of base assets in accordance with of the EU Covered Bonds Directive:

- (a) loans to central governments, central banks and other public entities eligible under Article 129(1)(a) of the CRR;
- (b) mortgage loans eligible under Article 129(1)(d) and (f) of the CRR which are claims of the issuer of covered notes, from mortgage loans that are secured by pledge over the immovable residential or commercial property according to Section 71(1), while meeting the requirements according to Article 129(1a) to (3) of the CRR (the **prime mortgages loans**);
- (c) mortgage loans other than those referred to in (b) above meeting certain other criteria; and
- (d) certain loans to public undertakings or loans guaranteed by these public undertakings.

Possibility to use various classes of base assets is the principal new feature of the implementation of the EU Covered Bonds Directive. However, these new options are not relevant for the Covered Notes under this Prospectus. The Covered Notes will continue to be covered by the prime mortgage loans, i.e. cover assets under Section 70(1)(b) of the Act on Banks and in particular the mortgage loans secured by residential (not commercial) mortgages. No other cover assets will be used by the Issuer to cover the Covered Notes under this Prospectus.

If the value of pledged property falls below the unpaid principal of a prime mortgage loan, the claim from such mortgage loan is not included in the base assets, and the issuer of the covered notes shall immediately delete this asset from the covered notes register.

Additional assets include, in general, deposits with the NBS, the ECB or the central bank of a Member State, ECB debt certificates, cash, treasury bills issued by the Slovak Republic, or debt securities issued by a Member State, deposits with banks, foreign banks and debt securities issued by banks and foreign banks.

The Act on Banks sets out the method of calculating the cover ratio. The cover ratio is the ratio between the value of the cover pool, including claims for payment arising out of hedging derivatives and the sum of the Issuer's obligations and costs arising from the covered notes programme, including payment obligations arising out of hedging derivatives (if any). Over-collateralization is the part of the cover ratio exceeding 100%. In case of the Covered Notes under this Base Prospectus covered by the prime mortgage loans, the minimal over-collateralisation is 5% as stated in Article 129(3a) of the CRR.

All assets and property values 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 appoints for each 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.

The issuer of the covered notes may transfer the covered notes programme, or its part to another bank or multiple banks, only with a prior consent of the NBS and a consent of the holders of the covered notes with changing the terms and conditions of the relevant covered notes.



If the issuer of the covered notes becomes bankrupt, the separate bankruptcy estate of the secured creditors, who 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.

The bankruptcy trustee has several options to deal with the covered notes programme. The bankruptcy trustee may in particular 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 falling due under the covered notes.

The above general description concerning the covered notes programme administrator and the treatment of Slovak covered notes in bankruptcy applies fully with regard to all Covered Notes under this Prospectus.

#### *Application of the new regime under the EU Covered Bonds Directive*

The Issuer decided to apply the new regime under the EU Covered Bonds Directive to the Covered Notes issued before 8 July 2022 (including all legacy mortgage bonds (in Slovak: *hypotekárne záložné listy*)) and will include such Covered Notes in the continuing covered notes programme governed by the new provisions of the Act on Banks implementing the EU Covered Bonds Directive.

The Covered Notes are treated as European Covered Bonds (Premium) secured by prime mortgage loans, i.e. base assets under Section 70(1)(b) of the Act and Banks and meeting the requirements under Article 129 of the CRR.

#### *Statutory publication concerning the Cover Pool and the Covered Notes*

The value of outstanding Covered Notes (including outstanding legacy mortgage bonds) is approx. EUR 1.9 billion, out of which three Covered Notes drawdowns in the aggregate principal amount EUR 1.5 billion, due in 2024, 2025 and 2027, are retained by the Issuer in its own books. All issued Covered Notes are admitted to trading on the regulated market of the BSSE. The information regarding the Cover Pool and the Covered Notes is, and will be, published by the Issuer as required under the Act on Banks and other applicable regulation and prevailing practice.

## **4. CHANGES IN CLAUSE 7 OF THE PROSPECTUS “COMMON TERMS”**

4.1 In clause 1.1 of the Common Terms, the second paragraph shall be amended as follows:

“The Covered Notes are issued as European Covered Bonds (Premium) (in Slovak: *európske kryté dlhopisy (prémiové)*) under Section 67 et seq. of Act No. 483/2001 Coll. on Banks, as amended (the **Act on Banks**). The Covered Bonds are covered by all assets or other property values in the cover pool under the relevant provisions of the Act on Banks. The base assets (in Slovak: *základné aktíva*) covering the Covered Notes are the assets under Section 70(1)(b) of the Act and Banks.”

4.2 Clause 7.1 of the Common Terms shall be amended as follows:

“[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**).] or [*in the case of Covered Notes*: [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**), save that the Principal Amount Maturity

Date in bankruptcy, involuntary administration or resolution of the Issuer can be extended for a maximum 12 months and thereafter under certain conditions for additional 12 months in each case in accordance with the statutory requirements for the soft bullet extension under Section 82 of the Act on Banks and other applicable laws.]”

**5. CHANGES IN CLAUSE 12 OF THE PROSPECTUS “DOCUMENTS INCORPORATED BY REFERENCE”**

A new paragraph (d) shall be included after paragraph (c) as follows:

“(d) the interim consolidated financial statements of the Issuer for the six months ended 30 June 2022 prepared in accordance with IAS 34 as adopted by the EU which is available at the following hyperlink:

<https://www.tatrabanka.sk/files/archiv/financne-ukazovatele/konsolidovane-uctovne-zavierky/Priebeznakonsolidovanauctovnazavierkak30.junu2022.pdf> (Slovak language)

<https://www.tatrabanka.sk/files/en/about-bank/economic-results/consolidated-financial-statements/consolidated-financial-statements-as-30-june-2022.pdf> (English language)”

**Prominent statement concerning the right of withdrawal:**

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

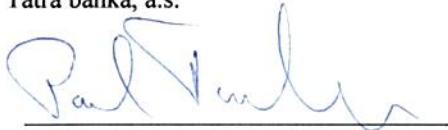
**Issuer's Declaration**

The Issuer represented by Ing. Pavol Truchan and Pavol Kiral'varga, MSc, Authorised Representatives, declares that it is solely responsible for the information provided in this Supplement.

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

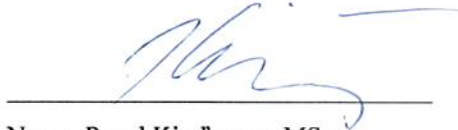
In Bratislava, on 24 August 2022.

Tatra banka, a.s.



Name: Ing. Pavol Truchan

Title: Authorised Representative



Name: Pavol Kiral'varga, MSc

Title: Authorised Representative