MOODY'S
RATINGS

Rating Action: Moody's Ratings upgrades OTP banka d.d.'s ratings, outlook changed to stable

03 Nov 2025

Frankfurt am Main, November 03, 2025 -- Moody's Ratings (Moody's) has today upgraded OTP banka d.d.'s (OTP SI) long-term senior unsecured debt rating to Baa1 from Baa2 and its long- and short-term deposit ratings to A2/P-1 from A3/P-2. The outlook on the long-term senior unsecured debt and deposit ratings changed to stable from positive. At the same time, we have upgraded OTP SI's Baseline Credit Assessment (BCA) and Adjusted BCA to baa2 from baa3, as well as its long- and short-term Counterparty Risk Ratings (CRR) to A2/P-1 from A3/P-2 and its long- and short-term Counterparty Risk (CR) Assessments to A2(cr)/P-1(cr) from A3(cr)/P-2(cr).

Today's rating action was prompted by the rating action on OTP SI´s parent bank, OTP Bank Nyrt (OTP, deposits Baa1 stable/senior unsecured Baa3 stable, BCA baa3). For further information on the parent rating action, please refer to our press release dated 30 October 2025 ("Moody's Ratings affirms OTP Bank's Baa3 senior unsecured debt rating, outlook changed to stable from negative"; https://ratings.moodys.com/ratings-news/453508).

RATINGS RATIONALE

UPGRADE OF THE BCA

The upgrade of OTP SI's BCA to baa2 from baa3 reflects the upgrade of its parent bank's BCA to baa3, from ba1, as well as the bank's unchanged financial profile. The stronger creditworthiness of OTP now reduces transmission risks for its subsidiary OTP SI, stemming from financial and operational linkages between the two entities. While these interlinkages are currently moderate, they are likely to strengthen over time. The current multiple point of entry approach provides a mechanism of ring-fencing for OTP SI, however, the parent's ambition to move towards a single point of entry, pending regulatory approval, financially ties the institutions closer to each other and limits the BCA of OTP SI at baa2, one notch above its parent's BCA.

We continue to assess OTP SI's financial profile to be commensurate with a baa1, supported by the bank's solid capitalization, good-quality diversified loan portfolio, stable profitability despite lower interest rates, as well as a strong funding profile, with low market funding reliance, an ample deposit base and large liquidity buffers, all key strengths to the bank's financial profile.

UPGRADE OF DEPOSIT AND SENIOR UNSECURED DEBT RATINGS

The upgrade of OTP SI's deposit ratings to A2 and senior unsecured debt rating to Baa1 reflects the upgrade of the bank's BCA and Adjusted BCA to baa2 and three notches of rating uplift for deposits and no uplift for senior unsecured debt under our Advanced Loss Given Failure (LGF) analysis. Despite our assumption of a very high likelihood of support from its parent bank, OTP SI's ratings do not benefit from any uplift due to OTP's weaker credit profile. Our unchanged assumption of a moderate likelihood of support from the Government of Slovenia (A3 positive), in case of need, continues to result in one notch of uplift to the bank's senior unsecured debt rating and no uplift for the deposit ratings, which are now above the government rating level.

OUTLOOK

The stable outlook on OTP SI's long-term deposit ratings and long-term senior unsecured debt rating reflects our expectation of a stable credit profile and liability structure of the bank over the 12 to 18-months outlook horizon. The stable outlook also incorporates our expectations of a broadly stable financial performance of OTP SI´s parent entity.

FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

An upgrade of OTP SI's deposit ratings could be driven by an upgrade of its BCA. OTP SI's senior unsecured debt rating could be upgraded if its BCA is upgraded, if combined by an upgrade of Slovenia's sovereign debt rating, or if – at the same time - the bank were to issue significant volumes of senior or subordinated debt beyond our current expectations.

OTP SI's BCA could be upgraded if the BCA of its parent OTP were to be upgraded, or if OTP opts to sustain the current multiple point of entry resolution approach.

OTP SI's senior unsecured debt and deposit ratings could be downgraded following a downgrade of its BCA, if the financial and non-financial interlinkages between OTP SI and its parent were to increase very significantly. The deposit ratings could also be downgraded if the volume of outstanding debt instruments in relation to OTP SI's balance sheet materially falls.

The principal methodology used in these ratings was Banks published in November 2024 and available at https://ratings.moodys.com/rmc-documents/432741. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

OTP SI´s baa2 BCA is set three notches below the "Financial Profile" initial score of a2 as interlinks with the fundamentally weaker parent entity constrain its standalone credit profile.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

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For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

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