MOODY'S
RATINGS

Rating Action: Moody's Ratings affirms OTP banka d.d.'s long-term deposit ratings, outlook changed to positive

31 Jul 2026

Frankfurt am Main, July 31, 2026 -- Moody's Ratings (Moody's) has today affirmed OTP banka d.d.'s (OTP SI) A2/P-1 long- and short-term deposit ratings as well as its Baa1 senior unsecured debt rating; and changed the outlook on the long-term deposit and senior unsecured debt ratings to positive from stable. At the same time, we have affirmed OTP SI's baa2 Baseline Credit Assessment (BCA) and Adjusted BCA, as well as its A2/P-1 long- and short-term Counterparty Risk Ratings (CRR) and its A2(cr)/P-1(cr) long- and short-term Counterparty Risk (CR) Assessment.

Today's rating action was prompted by the rating action on OTP SI's parent bank, OTP Bank Nyrt (OTP, deposits Baa1 positive/senior unsecured Baa3 positive, BCA baa3). For further information on the parent rating action, please refer to our press release dated 23 July 2026 ("Moody's Ratings affirms OTP Bank's Baa1 long-term deposit ratings, changes outlook to positive"; https://ratings.moodys.com/ratings-news/469732).

RATINGS RATIONALE

-- AFFIRMATION OF THE BCA

The affirmation of OTP SI's baa2 BCA balances the bank's strong financial profile and the constraints related to the weaker intrinsic strength of its ultimate parent OTP.

While financial and operational interlinkages between OTP SI and OTP are currently moderate, we expect they will 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 maintain our assessment that OTP SI's financial profile aligns with a baa1, underpinned by the bank's strong capitalization and its sound profitability, driven by higher interest rates and anticipated loan growth. Asset risk remains solid, reflecting the good performance of its otherwise diversified loan portfolio, despite a recent increase in non-performing corporate loans, which are reflective of broader sector trends. Additionally, OTP SI benefits from a strong funding profile characterized by an extensive base of granular, stable, and low-cost customer deposits, along with substantial liquidity buffers, which collectively represent key strengths of the bank's financial profile.

-- AFFIRMATION OF DEPOSIT AND SENIOR UNSECURED DEBT RATINGS

The affirmation of OTP SI's A2 long-term deposit ratings and Baa1 senior unsecured debt rating reflects the affirmation of the bank's baa2 BCA and Adjusted BCA 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 an uplift due to OTP's weaker credit profile. Our unchanged assumption of a moderate likelihood of support from the Government of Slovenia (A2 stable), 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 already positioned at the government rating level.

-- OUTLOOK

The positive outlook on OTP SI's long-term deposit and senior unsecured debt ratings reflects our view that the bank's BCA could be upgraded following an upgrade of OTP's BCA, provided that the bank's liability structure remains broadly unchanged.

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

An upgrade of OTP SI's long-term deposit and senior unsecured debt ratings could be driven by an upgrade of its BCA, provided that its liability structure remains substantially unaltered, or if the bank were to issue significant volumes of senior unsecured or subordinated debt beyond our current expectations.

An upgrade of OTP SI's BCA would be contingent on an upgrade of its parent OTP's BCA, or on OTP maintaining its current multiple point of entry resolution approach.

Although currently unlikely given the positive outlook, OTP SI's deposit and senior unsecured debt 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 and senior unsecured debt ratings could also be downgraded if the volume of outstanding debt instruments in relation to OTP SI's balance sheet materially falls.

PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in November 2025 and available at https://ratings.moodys.com/rmc-documents/454566. 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 two notches below the "Financial Profile" initial score of a3 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 ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

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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Katja Reise
VP - Ratings

Maria Jose Mori
SVP - Ratings

Releasing Office:
Moody's Deutschland GmbH
An der Welle 5
Frankfurt am Main, 60322
Germany
JOURNALISTS: 44 20 7772 5456
Client Service: 44 20 7772 5454
